Annual Report and Accounts 2009-2010 - Subsidiary Companies

ICICI Bank | khayaal aapka

Contents

ICICI Securities Primary Dealership Limited

ICICI SECURITIES PRIMARY DEALERSHIP LIMITED

17TH ANNUAL REPORT AND ACCOUNTS 2009-2010

Directors	Auditors	Registered Office
N. S. Kannan, *Chairman*	S. R. Batliboi & Co.	ICICI Centre
Uday Chitale	*Chartered Accountants*	H. T. Parekh Marg,
Vishakha Mulye		Churchgate,
A. Murugappan		Mumbai - 400 020.
Subir Saha		
Prasanna B., *Managing Director & CEO*	Angarika Baviskar	
Sundaram G. H., *Executive Director*	*Company Secretary*	

directors' report

to the members,

The Directors have pleasure in presenting the Seventeenth Annual Report of ICICI Securities Primary Dealership Limited (the Company) with the audited statement of accounts for the year ended March 31, 2010.

INDUSTRY OVERVIEW

India's economy emerged from slowdown in fiscal 2010 as higher government spending and easy monetary policy conditions led to a revival in domestic demand and an increase in industrial activity. According to advance estimates by the CSO, the economy is expected to record a growth of 7.2% in fiscal 2010 as compared to 6.7% in fiscal 2009. During fiscal 2010, the revival in capital markets and ample liquidity in domestic money markets ensured adequate flow of financial resources to the corporate sector. Given the signs of firm economic recovery, the Reserve Bank of India (RBI) began a gradual normalisation of monetary conditions during the latter half of fiscal 2010. Starting October 2009, RBI raised the SLR requirement for banks by 1% of NDTL, increased the CRR by 75 bps and raised the LAF rates by 25 bps.

During the second half of fiscal 2010, inflationary pressures emerged with headline Wholesale Price Index (WPI) inflation rising to 9.89% in February 2010 from -1.01% in June 2009. The sharp rise in inflation was driven by prices of agricultural commodities, following the impact of below normal monsoons. The pressure on WPI was further exacerbated as prices of administered fuels were raised twice during the year. Inflationary pressures, which were limited to few commodity groups initially, assumed a generalised nature by the last quarter of fiscal 2010. Core inflation, as measured by non-food manufacturing WPI inflation increased to 4.2% in February 2010 after touching a low of -2.5% in August 2009. In international markets, commodity prices moved up during fiscal 2010 in line with the increase in asset markets. The bulk of the increase in commodity prices occurred in the first half of fiscal 2010 with prices remaining range bound during the October 2009-March 2010 period.

In India, non food credit grew by a modest 16.9% in fiscal 2010. Credit off take picked up in second half of fiscal 2010 after reaching a low of 10.3% on a year-on-year basis in early November 2009. The current account deficit started widening from second quarter of fiscal 2010 onwards, reflecting the growth differential between India and rest of the world. While the balance of payments (BoP) returned to surplus in the first three quarters of fiscal 2010 compared to a BoP deficit in fiscal 2009, the surplus is estimated to have widened in the last quarter of fiscal 2010 given the strengthening of the rupee in this period. RBI maintained adequate liquidity in the banking system for a large part of the year with withdrawal of excess liquidity from the second half of fiscal 2010 to contain inflationary pressures.

During fiscal 2010, the bond markets witnessed a record government borrowing programme. However, government bond yields fell sharply at the beginning of fiscal 2010 as large redemptions led to replacement demand from investors. The yield on 10 year benchmark security fell from 7.08% at the end of fiscal 2009 to 6.10% in April 2009. Subsequently, given the borrowing programme, increase in inflationary pressures and reversal of monetary policy measures, bond yields moved up to a peak of 8% in March 2010 before closing the fiscal at 7.85%. The rise in bond yields in first half of fiscal 2010 was largely due to supply factors as demand-supply imbalance and extra borrowings weighed on the market. In the first half of fiscal 2010, the borrowing programme as well as the rise in bond yields was calibrated by RBI by way of judicious management of the borrowing calendar as well as direct intervention in the market *via* OMO purchases. While OMO purchases in first half of fiscal 2010 was in line with RBI's monetary stance, RBI refrained from such action in the second half of fiscal 2010. Even as supply pressures eased in the third and fourth quarter of fiscal 2010, the bond market had to contend with strengthening domestic recovery, rising inflation and expectations of monetary tightening.

Globally, the Federal Reserve Board (Fed) maintained the Zero Interest Rate Policy for the entire year as the US economy tentatively recovered from a deep recession amid rising unemployment and stagnant housing market. The Fed also eased monetary conditions by expanding its balance sheet size via various lending programs and asset purchases. The European Central Bank cut its policy rates by 50 bps to 1% and also provided long term liquidity facilities at low rates to financial institutions. The Bank of Japan retained its policy rate at 0.1% and continued resorting to quantitative easing measures. The People's Bank of China reversed some of the monetary easing by raising reserve requirements by 100 bps in early 2010.

FINANCIAL HIGHLIGHTS

(Rupees in million)

	Fiscal 2009	**Fiscal 2010**
Gross income	*7,289.9*	**3,212.0**
Profit before tax	*4,176.7*	**1,158.6**
Provision for tax	*1,455.4*	**308.8**
Profit after tax	*2,721.2*	**849.8**

Profit after tax for the year ended March 31, 2010 was Rs. 849.8 million (previous year: Rs. 2,721.2 million). After taking into account the balance of Rs. 452.8 million (previous year: Rs. 444.7 million) brought forward from the previous year, the profit available for appropriation is Rs. 1,302.6 million (previous year: Rs. 3,166.0 million), of which Rs. 85.0 million (previous year: Rs. 272.1 million) and Rs. 169.9 million (previous year: Rs. 544.2 million) have been transferred to General Reserve and Special Reserve respectively.

DIVIDEND

During the year, the Company declared four interim dividends aggregating to 23.5% on the equity share capital of the Company. The Directors are pleased to recommend a final dividend of 3.5% for the year, amounting to a total of 27% at Rs. 422.1 million for fiscal 2010.

OPERATIONAL REVIEW

Fixed Income

During the year, the Company strived to maintain its leadership in the fixed income market despite operating in a difficult environment. Some distinguishing features of the operating environment were the large, regular supply of government securities, uncertainty about the global recovery, sharp recovery in India and China and the uniformly steep yield curves across markets.

The Company traded cautiously in uncertain and volatile conditions in the government securities market. The PD book was successful in using the intermittent short rallies to generate trading gains. The Company successfully met its underwriting and bidding commitments in the primary market and traded actively in the secondary market to achieve an overall turnover in excess of Rs. 2,827.52 billion.

In the corporate bond market the year saw a narrowing of spreads. The 10Y AAA corporate bond spread moved down from 200 bps at the beginning of the year to 95 bps by the end of the year. There was a sharp rally in April 2009 after which the yields increased tracking the movement in the government securities yields. The 10Y AAA corporate bond yield increased to 8.95% by March 2010, largely unchanged from the beginning of the year. The short end yields moved down sharply with the 1Y AAA yields moving down from 7.5% at end of March 2009 to 6.5% by March 2010. Easy liquidity and benign policy rates resulted in the steepening of yield curve. We achieved a turnover of Rs. 154,870.0 million in bonds and Rs. 73,580.0 million in money market instruments in fiscal 2010.

In the Interest Rate Swaps market, tight credit lines and ensuing illiquidity spilled over from the fiscal 2009 till the end of the first half of fiscal 2010. Market volumes improved marginally in second half of fiscal 2010. Swaps were actively used to hedge bond positions in an environment of hardening interest rates. Efficient utilisation of capital remained a key focus area for the Company.

Your Company commenced trading activity in exchange-traded Interest Rate Futures on the National Stock Exchange of India Limited, following its launch in August 2009. Despite limited interest from market participants in the product, your Company actively contributed to the trading activity and registered a small profit in this segment.

The Company maintained its high level of performance in the area of corporate debt origination through its debt capital market division, with total deal volumes exceeding Rs. 588.00 billion. This enabled the Company to be ranked among the top two in the Prime league tables for the fifth consecutive year.

Significant deals included the innovative structuring of the Rs. 13.50 billion Nuclear Power Corporation of India Limited bond issue with a floating rate option which was the first long term floating rate bond in the last five years, maiden bond issues by ONGC Videsh Limited of Rs. 19.70 billion and Delhi Transco Limited of Rs. 2.00 billion, the largest state guaranteed bond issue for the year by West Bengal Infrastructure Development Finance Corporation Limited of Rs. 10.00 billion and bond issue of Rs. 500.0 million by Cadila Healthcare Limited which we understand to be the first instance of a bond issue secured by trademarks of the company.

Portfolio Management Services

We have been managing the funds belonging to the Coal Mines Provident Fund Organisation (CMPFO), under the Ministry of Coal on a discretionary basis since December 2006. During fiscal 2010, the fund management agreement with CMPFO was renewed.

The Company was appointed as advisors to the Air Force Group Insurance Society and ICICI Bank Limited for their provident funds. The Company was also re-appointed as Advisors to Hindustan Instruments Limited and CESC Limited for their provident fund and to the West Bengal State Electricity Distribution Company Limited for its pension and gratuity funds.

Overall, gross Assets under Management (AUM) on a discretionary basis was at Rs. 415.00 billion at March 31, 2010. The Company is proactively targeting new clients to increase its presence in this line of business.

Risk Management

As a financial services Company, risk management forms the core of its various business operations. The Corporate Risk Management Group (CRMG) is committed to framing effective and contemporary risk management policies, addressing market and credit risk. CRMG has developed comprehensive risk management policies, which seek to minimise risks in the activities of the Company. The group develops and maintains models to assess market risks, which are constantly updated to capture the dynamic nature of the markets and thus, participates in the evaluation and introduction of new products and business activities. The Group also advises the fixed income division by acting as an investment advisor on possible rating migration and thereby enables the Company to effectively protect its capital from possible defaults and rating revisions. CRMG closely monitors the financial profiles of counterparties (private and public sector companies, banks and institutions and others) through in-depth analysis, regular incisive interactions with the companies and rating agencies to provide proactive recommendations to the fixed income division.

The Company has an internal Risk Management Committee comprising the Managing Director & CEO and senior Executives from cross-functional areas. The Risk Management Committee debates on various aspects of risk management and among other things, decides risk and investment policies for its various businesses and ensures compliance with regulatory guidelines on risk management as well as with all the prudential and exposure limits sanctioned by the Board of Directors.

OUTLOOK

In the year ahead, the domestic economy will be faced with partial roll back of fiscal stimulus measures and further normalisation of monetary conditions, as policy makers take steps to bring the economy back on the path of sustainable, high growth. The government's effort at fiscal consolidation, seen in its fiscal deficit target of 5.5% of GDP for fiscal 2011, is expected to reduce the supply pressure in the government securities market marginally. The borrowing program may still turn out to be arduous, given some gap between anticipated demand and supply of stock and the likelihood that RBI will refrain from direct intervention in the bond market. Growth is expected to consolidate at high levels as recovering exports and pent-up investment demand support the buoyancy in consumption demand. WPI inflation is expected to remain elevated during the first half of fiscal 2011 as high agri-commodity prices, elevated global commodity prices and high manufacturing capacity utilisation act as drivers of price pressures. Inflation pressures are however expected to subside in the second half of fiscal 2010 given expectations of a normal monsoon and the impact of fiscal and monetary measures instituted since the beginning of the current calendar year. RBI is, on balance, expected to continue with normalisation of both rates and liquidity conditions in a calibrated fashion. The bond market is expected to remain under pressure in the first half of fiscal 2011 when both supply pressures and high inflation may affect market sentiments. Globally, emerging economy central banks are likely to play a proactive role in preventing build-up of imbalances in their economies even as central banks maintain a stance conducive to economic recovery.

PUBLIC DEPOSITS

The Company has not accepted any deposit from the public during the year under review.

ACHIEVEMENTS DURING THE YEAR

The Company was adjudged the 'Best Bond House' by FinanceAsia under Country Awards for its achievements in 2009. The Country Awards for Bond House relate particularly to outstanding achievements in Domestic Bond business in the region, including the contribution to the development of local bond markets. This award was a recognition of the Company's continued predominance in fixed income businesses, including origination, price discovery, market making, proprietary activity and market placements and its continued efforts at market development, innovation and research. The Company also won the 'Best Domestic Bond House' award from The Asset for the year 2009.

DIRECTORS

S. Mukherji, nominee of ICICI Bank Limited, ceased to be a Director and Chairman of the Board of Directors of the Company effective May 1, 2009. The Board places on record its appreciation for the valuable services rendered by him. N. S. Kannan was appointed as ICICI Bank Nominee Director and Chairman of the Board, effective May 1, 2009. Sundaram G. H. who was appointed as an Additional Director effective January 15, 2009 was appointed as an Executive Director, effective April 27, 2009 and was appointed as Director by the shareholders in the Annual General Meeting of the Company held on June 26, 2009.

In terms of the provisions of the Articles of Association of the Company, A. Murugappan, Director and Subir Saha, Director, will retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer themselves for re-appointment.

AUDITORS

The Statutory Auditors, S. R. Batliboi & Co., Chartered Accountants, Mumbai, will retire at the ensuing Annual General Meeting. The Board at its Meeting held on April 16, 2010 has proposed their re-appointment as Auditors to audit the accounts of the Company for the financial year ending on March 31, 2011. S. R. Batliboi & Co, the retiring Auditors, have indicated their willingness to be re-appointed. You are requested to consider their re-appointment.

FOREIGN EXCHANGE EARNING AND EXPENDITURE

During fiscal 2010, expenditure in foreign currencies amounted to Rs. 9.9 million (previous year: Rs. 1.7 million) and earnings in foreign currencies were nil (previous year: Rs. nil).

PERSONNEL AND OTHER MATTERS

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.

Since the Company does not own any manufacturing facility, disclosure of information relating to conservation of energy and technology absorption to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable and, hence, not given.

AUDIT COMMITTEE

The Audit Committee comprises Uday Chitale, N. S. Kannan and Vishakha Mulye as its members. Uday Chitale, an Independent Director, is the Chairman of the Audit

Committee. During the year, S. Mukherji ceased to be a member of the Committee pursuant to cessation as a Director from the Board of Directors of the Company. During the year, B. Prasanna also ceased to be a member of the Committee. The Committee meets to review the accounts, internal control systems and significant accounting policies of the Company and to discuss the audit findings and recommendations of the internal and statutory auditors.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 217(2AA) of the Companies Act, 1956, the Directors of the Company confirm:

1. that the applicable accounting standards have been followed in preparation of the annual accounts and that there are no material departures;
2. that such accounting policies have been selected and applied consistently and such judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at March 31, 2010 and of the profit of the Company for the year ended on that date;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. that the annual accounts have been prepared on a going concern basis.

CORPORATE PHILOSOPHY AND COMPLIANCE

The Company firmly believes that corporate governance and compliance practices are of paramount importance to maintain the trust and confidence of its stakeholders and good reputation of the Company. To ensure transparency, fairness and objectivity in an organisation's functioning, the Company has proactively adopted best practices as regards corporate governance and compliance. The Company's policy on compliance with external regulatory requirements is backed by stringent internal policies and principles to ensure, *inter alia*, integrity of all personnel involved in the Company, priority to clients' interests over proprietary interest, maintenance of confidentiality of client information and prevention of insider trading.

ACKNOWLEDGEMENTS

The Directors thank the clients for the confidence reposed, which has enabled the Company to successfully deliver well structured solutions through timely execution in a preferred way.

The Directors also thank the Company's bankers, lenders, Government of India, Securities and Exchange Board of India, the Reserve Bank of India and other statutory authorities for their continued support to the Company.

The Directors express their gratitude for the unstinted support and guidance received from ICICI Bank Limited, the holding company and other group companies.

The Directors also express their sincere appreciation to all the employees for commendable teamwork, professionalism and contribution during the year.

For and on behalf of the Board

N. S. KANNAN
Chairman

April 16, 2010

auditors' report

to the members of ICICI Securities Primary Dealership Limited

1. We have audited the attached Balance Sheet of ICICI Securities Primary Dealership Limited ('the Company') as at March 31, 2010 and also 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.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') issued by the Central Government of India in terms of sub-Section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. 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 Act.
   v. On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.
   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 Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
      a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
      b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
      c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For S. R. BATLIBOI & CO.
Firm registration number: 301003E
Chartered Accountants

per VIJAY MANIAR
Partner
Membership No.: 36738

Mumbai, April 16, 2010

annexure to the auditors' report

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

Re: ICICI Securities Primary Dealership Limited

(i) (a) The fixed assets of the Company comprise leased fixed assets and other fixed assets. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets, except leased assets, were physically verified by the management in the year in accordance with a planned program of verifying them which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

(c) There was no substantial disposal of fixed assets during the year.

(ii) (a) The securities held as stock in trade and in custody of the Company have been physically verified by the management at reasonable intervals. The securities held as stock in trade in dematerialised form with the custodian are verified with the confirmation statement received from the custodian on a regular basis. In our opinion, the frequency of such verification is reasonable.

(b) The procedures of verification of securities held as stock in trade followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of securities held as stock in trade and no discrepancies were noticed on comparing the statement from custodian with book records.

(iii) As informed, the Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under Section 301 of the Act and thus clause 4 (iii) of the Order are not applicable to the Company.

(iv) 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 the nature of its business, for the purchase of securities held as stock in trade and fixed assets and for rendering services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

As informed, the Company has not sold goods during the year.

(v) According to the information and explanations provided by the management, there are no contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 of the Act and thus the provisions of clause 4 (v) of the Order are not applicable to the Company.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) The provision of clause 4 (viii) of the Order for maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act is not applicable to the Company in the year under audit and hence not reported upon.

(ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax and other material statutory dues applicable to it.

The provisions of, sales tax, customs duty and excise duty are not applicable to the Company in the current year.

Further, since the Central Governent has till date not prescribed the amount of cess payable under section 441 A of the Act, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, investor education and protection fund, wealth-tax, service tax and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

The provisions of sales tax, customs duty, excise duty and cess are not applicable to the Company in the current year.

(c) According to the records of the Company, the dues outstanding of income-tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of expenses under Section 36(i)(iii) and Section 14A.	18.07	Assessment Year 2007-08	CIT (A)

According to the information and explanation given to us, there are no dues of sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) Based on our examination of documents and records, we are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of Government Securities.

According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.

(xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act.

(xix) The Company did not have any outstanding secured debentures during the year.

(xx) The Company has not raised any money through a public issue.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S. R. BATLIBOI & CO.
Firm registration number: 301003E
Chartered Accountants

per VIJAY MANIAR
Partner
Membership No.: 36738

Mumbai, April 16, 2010

balance sheet

as at March 31, 2010

	Schedule	March 31, 2010	(Rs. in 000's) March 31, 2009
SOURCES OF FUNDS			
Shareholders' Funds			
A. Share Capital	A	**1,563,400.00**	*1,563,400.00*
B. Reserves & Surplus	B	**4,057,140.00**	*3,701,230.00*
		5,620,540.00	*5,264,630.00*
Loan Funds			
A. Secured Loans	C	**2,073,650.00**	*5,338,530.00*
B. Unsecured Loans	D	**22,768,040.00**	*17,387,360.00*
		24,841,690.00	*22,725,890.00*
		30,462,230.00	*27,990,520.00*
APPLICATION OF FUNDS			
Fixed Assets (Tangible and Intangible Assets)	E		
Gross Block		**317,060.00**	*317,020.00*
Less: Accumulated depreciation/ amortisation		**293,830.00**	*285,250.00*
Net Block		**23,230.00**	*31,770.00*
Capital Work-in-progress including capital advances		**13,530.00**	*—*
		36,760.00	*31,770.00*
Deferred Tax Asset	S (B) (1)	**23,060.00**	*30,890.00*
Current Assets, Loans & Advances			
A. Current Assets -			
(a) Interest Accrued	F	**176,700.00**	*234,350.00*
(b) Securities held as Stock-in-Trade	G	**23,312,850.00**	*24,587,660.00*
(c) Sundry Debtors	H	**10,727,900.00**	*8,249,860.00*
(d) Cash & Bank Balances	I	**506,970.00**	*305,880.00*
B. Loans & Advances	J	**4,354,860.00**	*1,621,580.00*
		39,079,280.00	*34,999,330.00*
Less : **Current Liabilities & Provisions:**	K		
(a) Current Liabilities		**8,554,480.00**	*6,940,340.00*
(b) Provisions		**122,390.00**	*131,130.00*
NET CURRENT ASSETS		**30,402,410.00**	*27,927,860.00*
		30,462,230.00	*27,990,520.00*
Notes to Accounts	S		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date.

S. R. BATLIBOI & CO.
Firm Registration No: 301003E
Chartered Accountants

per VIJAY MANIAR
Partner
Membership No: 36738

Mumbai, April 16, 2010

profit and loss account

for the year ended March 31, 2010

	Schedule	March 31, 2010	(Rs. in 000's) March 31, 2009
Income from Operations			
(a) Income from Services	L	**212,620.00**	*283,250.00*
(b) Interest Income	M	**2,448,070.00**	*3,089,500.00*
(c) Profit/(Loss) on Securities (Net)	N	**242,390.00**	*3,880,260.00*
(d) Other Income	O	**308,960.00**	*36,940.00*
		3,212,040.00	*7,289,950.00*
Less: Operating Expenditure			
(a) Financial Charges and Operating Expenses	P	**1,428,240.00**	*2,393,470.00*
		1,783,800.00	*4,896,480.00*
Expenditure			
Less: Administrative Expenditure			
(a) Payments to and Provisions for Employees	Q	**484,510.00**	*534,620.00*
(b) Establishment and Other Expenses	R	**131,130.00**	*172,080.00*
(c) Depreciation	E	**9,560.00**	*13,090.00*
		625,200.00	*719,790.00*
Profit before Taxation		**1,158,600.00**	*4,176,690.00*
Less: Provision for Tax			
Current income-tax		**301,000.00**	*1,432,000.00*
Deferred tax		**7,830.00**	*21,700.00*
Fringe Benefit tax		**—**	*1,750.00*
Profit After Taxation		**849,770.00**	*2,721,240.00*
Brought forward from previous year		**452,800.00**	*444,720.00*
Amount available for appropriations		**1,302,570.00**	*3,165,960.00*
Transfer to Special Reserve		**169,950.00**	*544,250.00*
Transfer to General Reserve		**84,980.00**	*272,120.00*
Proposed Dividend		**54,720.00**	*54,720.00*
Utilised towards Buyback of Shares		**—**	*311,250.00*
Interim Dividend		**367,400.00**	*1,300,500.00*
Corporate Dividend Tax		**71,740.00**	*230,320.00*
Balance carried to Balance Sheet		**553,780.00**	*452,800.00*
Earnings per share (Basic & Diluted) (Face value Rs. 1,00,000 per share)	S (B) (12)	**54,353.97**	*170,899.96*
Notes to Accounts	S		

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

For and on behalf of the Board of Directors

N. S. KANNAN
Chairman

B. PRASANNA
Managing Director & CEO

ABHIJEET GUIN
Senior Vice President & CFO

ANGARIKA BAVISKAR
Company Secretary

	March 31, 2010	(Rs. in 000's) March 31 2009
SCHEDULE "A" — SHARE CAPITAL		
Authorised:		
50,000 (Previous year 50,000) Equity Shares of Rs. 1,00,000 each	**5,000,000.00**	*5,000,000.00*
Issued:		
15,634 (Previous year 15,634) Equity Shares of Rs. 1,00,000 each	**1,563,400.00**	*1,563,400.00*
Subscribed & Paid Up:		
15,634 (Previous year 15,634) Equity Shares of Rs. 1,00,000 each fully paid	**1,563,400.00**	*1,563,400.00*

Notes:
Of the above, 15,634 (Previous year 15,634) Equity Shares of Rs. 100,000 each fully paid are held by ICICI Bank Limited (the Holding company) and its nominees.
The Company bought back Nil (Previous year- 576) Equity Shares at Rs. Nil (Previous year Rs. 1,013,000) per share aggregating to Rs. Nil (Previous year Rs. 583,488 thousands).

SCHEDULE "B" — RESERVES AND SURPLUS

(Rs. in 000's)

	Balance as at April 1, 2009	**Additions/transfer during the year**	**Deductions/transfers during the year**	**Balance as at Mar 31, 2010**	*Balance as at Mar 31, 2009*
General Reserve	*272,120.00*	**84,980.00**	—	**357,100.00**	*272,120.00*
Special Reserve (maintained under Section 45 IC of the RBI Act, 1935)	*2,509,680.00*	**169,950.00**	—	**2,679,630.00**	*2,509,680.00*
Capital Redemption Reserve	*466,630.00*	—	—	**466,630.00**	*466,630.00*
Profit and Loss Account	*452,800.00*	**849,770.00**	**748,790.00**	**553,780.00**	*452,800.00*
TOTAL	*3,701,230.00*			**4,057,140.00**	*3,701,230.00*

General Reserve agreegating to Rs. Nil (Previous year Rs. 272,240.00 thousands) utilised towards buy-back of shares.

SCHEDULE "C" — SECURED LOANS

	March 31, 2010	(Rs. in 000's) March 31, 2009
Collateralised Borrowings	**2,073,650.00**	*5,338,530.00*
(Secured by pledge of Government securities of Face Value Rs. 2,407,400.00 thousands)		
(Previous year Rs. 5,417,400.00 thousands)		
Total	**2,073,650.00**	*5,338,530.00*

SCHEDULE "D" — UNSECURED LOANS:

	March 31, 2010	(Rs. in 000's) March 31, 2009
Subordinated Bonds issued as Tier III Capital	**2,200,000.00**	*800,000.00*
(Due within one year Rs. 100,000.00 thousands [Previous year Rs. 700,000.00 thousands])		
Subordinated Bonds issued as Tier II Capital (Due within one year Rs. Nil [Previous year Rs. Nil])	**500,000.00**	*500,000.00*
Inter-Corporate Borrowings	**2,500,000.00**	*360,000.00*
(Due within one year Rs. 2,500,000.00 thousands [Previous year Rs. 360,000.00 thousands])		

SCHEDULE "D" — UNSECURED LOANS *(Continued)*

	March 31, 2010	(Rs. in 000's) March 31, 2009
Money at Call, Short Notice and Term		
– From Banks	**5,640,000.00**	*10,250,000.00*
Commercial Paper Borrowings - Short Term		
– From Banks	**597,940.00**	*743,595.00*
– From Others	**11,330,100.00**	*1,244,765.00*
Floating Rate Debentures (Redeemable at par by April 2009)	—	*100,000.00*
6.50% Debentures 2009 (Redeemable at par by June 2009)	—	*500,000.00*
6.75% Debentures 2009 (Redeemable at par by April 2009)	—	*419,000.00*
7.05% Debentures 2009 (Redeemable at par by April 2009)	—	*419,000.00*
Floating Rate Debentures (Redeemable at par by June 2009)	—	*2,051,000.00*
Total	**22,768,040.00**	*17,387,360.00*

SCHEDULE "E" — FIXED ASSETS

(Rs. in 000's)

	Gross Block (at Cost)				Accumulated Depreciation				Net Block	
	April 1, 2009	Additions	Sale/Adj	March 31, 2010	*April 1 2009*	Additions	Sale/Adj	March 31, 2010	March 31, 2010	*March 31, 2009*
TANGIBLE										
Plant & Machinery / Electrical Installation	*5,510.00*	—	30.00	5,480.00	*1,600.00*	550.00	20.00	2,130.00	3,350.00	*3,910.00*
Office Equipment	*24,910.00*	120.00	590.00	24,440.00	*12,540.00*	2,340.00	570.00	14,310.00	10,130.00	*12,370.00*
Computers	*40,240.00*	580.00	—	40,820.00	*36,790.00*	2,500.00	—	39,290.00	1,530.00	*3,450.00*
Furniture & Fixtures	*10,270.00*	180.00	400.00	10,050.00	*4,520.00*	1,430.00	390.00	5,560.00	4,490.00	*5,750.00*
Vehicles	*2,850.00*	—	—	2,850.00	*2,840.00*	10.00	—	2,850.00	—	*10.00*
INTANGIBLE										
Software	*23,240.00*	180.00	—	23,420.00	*16,960.00*	2,730.00	—	19,690.00	3,730.00	*6,280.00*
Total	*107,020.00*	1,060.00	1,020.00	107,060.00	*75,250.00*	9,560.00	980.00	83,830.00	23,230.00	*31,770.00*
Assets Given on lease (Plant & Machinery)	*210,000.00*	—	—	210,000.00	*210,000.00*	—	—	210,000.00	—	—
Total	*317,020.00*	1,060.00	1,020.00	317,060.00	*285,250.00*	9,560.00	980.00	293,830.00	23,230.00	*31,770.00*
Previous Year	*328,170.00*	*6,860.00*	*18,010.00*	*317,020.00*	*288,770.00*	*13,090.00*	*16,610.00*	*285,250.00*	*31,770.00*	—

SCHEDULE "F" — INTEREST ACCRUED

(Rs. in 000's)

	March 31, 2010	*March 31, 2009*
On Stock-in-Trade	157,060.00	*222,540.00*
On Others	19,640.00	*11,810.00*
Total	176,700.00	*234,350.00*

SCHEDULE "G" — SECURITIES HELD AS STOCK IN TRADE

(Rs. in 000's)

(at lower of cost or market value categorywise) (Quoted unless otherwise stated)	Total Face Value Rs. in 000's	March 31, 2010	*March 31, 2009*
Government of India Securities & Deemed Government of India Securities			
10.25% Government Of India 30-05-2021	Nil (110,000)	—	*131,320.00*
7.27% Government Of India 03-09-2013	Nil (1,050,000)	—	*1,070,110.00*
12.40% Government Of India 20-08-2013	Nil (150,000)	—	*177,410.00*
12.60% Government Of India 23-11-2018	Nil (200,000)	—	*266,620.00*
6.05% Government Of India 02-02-2019	Nil (847,000)	—	*789,560.00*
6.72% Government Of India 24-02-2014	Nil (610,600)	—	*606,230.00*
7.00% Oil Government Of India Special Bonds 09-09-2012	Nil (1,035,000)	—	*1,034,600.00*
7.40% Government Of India 03-05-2012	Nil (350,000)	—	*360,750.00*
9.00% Government Of India 24-05-2013	97,000 (150,000)	102,720.00	*157,050.00*
7.46% Government Of India 28-08-2017	Nil (500,000)	—	*508,440.00*
7.76% Karnataka State Government 02-03-2019	Nil (500)	—	*480.00*
7.77% Madhya Pradesh State Government 02-03-2019	Nil (500,000)	—	*491,160.00*
7.77% Tamil Nadu State Government 19-05-2015	Nil (300)	—	*300.00*
7.80% Haryana State Government 02-03-2019	Nil (300,000)	—	*294,870.00*
7.98% Jammu And Kashmir State Government 02-03-2019	Nil (390,000)	—	*388,630.00*
8.47% Arunachal Pradesh State Government 25-03-2019	Nil (500)	—	*510.00*
8.47% Jharkhand State Government 25-03-2019	Nil (400)	—	*400.00*
8.47% Meghalaya State Government 25-03-2019	Nil (33,000)	—	*33,590.00*
8.57% Uttar Pradesh State Government 12-03-2019	Nil (433,700)	—	*445,470.00*
8.59% Uttar Pradesh State Government 18-03-2019	Nil (23,340)	—	*24,070.00*
7.02% Government Of India 17-08-2016	100,000 (Nil)	97,120.00	—
10.35% Uttar Pradesh State Government 08-05-2011	150,000 (Nil)	156,620.00	—
10.50% Madhya Pradesh State Government 20-03-2011	250,000 (Nil)	260,930.00	—
10.82% Assam State Government 30-01-2011	100,000 (Nil)	103,990.00	—
10.82% Bihar State Government 30-01-2011	500,000 (Nil)	520,340.00	—
10.82% Jharkhand State Government 30-01-2011	200,000 (Nil)	208,140.00	—
10.82% Rajasthan State Government 30-01-2011	150,000 (Nil)	155,990.00	—

SCHEDULE "G" — SECURITIES HELD AS STOCK IN TRADE *(Continued)*

(Rs. in 000's)

(at lower of cost or market value categorywise) (Quoted unless otherwise stated)	Total Face Value Rs. in 000's	March 31, 2010	*March 31, 2009*
10.82% Uttar Pradesh State Government 30-01-2011	550,000 (Nil)	571,950.00	—
8.42% Jammu And Kashmir State Government 05-04-2020	650,000 (Nil)	651,750.00	—
		2,829,550.00	*6,781,570.00*
Treasury Bills			
182 Day Treasury Bill 04-09-2009	Nil (250,000)	—	*245,000.00*
182 Day Treasury Bill 22-08-2009	Nil (642,300)	—	*630,540.00*
364 Day Treasury Bill 01-01-2010	Nil (9,250)	—	*8,920.00*
364 Day Treasury Bill 20-11-2009	Nil (140,000)	—	*135,840.00*
364 Day Treasury Bill 25-03-2010	Nil (15,625)	—	*14,910.00*
91 Day Treasury Bill 01-05-2009	Nil (3,700,000)	—	*3,685,430.00*
91 Day Treasury Bill 08-05-2009	Nil (573,725)	—	*570,950.00*
91 Day Treasury Bill 15-05-2009	Nil (631,500)	—	*627,890.00*
91 Day Treasury Bill 24-04-2009	Nil (1,518,100)	—	*1,513,460.00*
91 Day Treasury Bill 09-04-2010	7,600 (Nil)	7,540.00	—
91 Day Treasury Bill 16-04-2010	307,900 (Nil)	307,330.00	—
91 Day Treasury Bill 23-04-2010	323,775 (Nil)	322,940.00	—
182 Day Treasury Bill 06-08-2010	788,200 (Nil)	776,060.00	—
182 Day Treasury Bill 11-06-2010	150,000 (Nil)	148,720.00	—
182 Day Treasury Bill 16-04-2010	50,000 (Nil)	49,870.00	—
182 Day Treasury Bill 24-06-2010	501,600 (Nil)	496,590.00	—
182 Day Treasury Bill 28-05-2010	441,700 (Nil)	438,780.00	—
364 Day Treasury Bill 07-05-2010	15,775 (Nil)	15,710.00	—
364 Day Treasury Bill 16-07-2010	181,800 (Nil)	179,450.00	—
364 Day Treasury Bill 21-05-2010	300,000 (Nil)	298,260.00	—
364 Day Treasury Bill 22-10-2010	30,000 (Nil)	29,180.00	—
364 Day Treasury Bill 30-07-2010	250,000 (Nil)	246,350.00	—
91 Day Treasury Bill 07-05-2010	67,150 (Nil)	66,830.00	—
91 Day Treasury Bill 13-05-2010	5,625 (Nil)	5,600.00	—
91 Day Treasury Bill 18-06-2010	5,250 (Nil)	5,200.00	—
91 Day Treasury Bill 25-06-2010	250 (Nil)	250.00	—
91 Day Treasury Bill 30-04-2010	161,900 (Nil)	161,330.00	—
		3,555,990.00	*7,432,940.00*
Commercial Papers (CP) & Certificates of Deposit (CD)			
Allahabad Bank 04-01-2010	Nil (500,000)	—	*473,590.00*
Bank Of Baroda 26-02-2010	Nil (1,000,000)	—	*940,990.00*

ICICI Securities Primary Dealership Limited

(Rs. in 000's)

	Total Face Value Rs. in 000's	March 31, 2010	March 31, 2009
Canara Bank 12-02-2010	Nil (250,000)	—	235,420.00
Canara Bank 15-09-2009	Nil (500,000)	—	484,640.00
Canara Bank 23-02-2010	Nil (600,000)	—	564,290.00
IDBI Bank Limited 24-03-2010	Nil (1,000,000)	—	926,290.00
Oriental Bank Of Commerce 04-01-2010	Nil (500,000)	—	474,340.00
Punjab National Bank 12-02-2010	Nil (300,000)	—	282,050.00
Punjab National Bank 14-09-2009	Nil (1,000,000)	—	967,190.00
Punjab National Bank 17-03-2010	Nil (500,000)	—	464,690.00
State Bank Of Hyderabad 15-09-2009	Nil (500,000)	—	484,440.00
State Bank Of Mysore 26-02-2010	Nil (250,000)	—	235,690.00
ICICI Home Finance Company Limited 23-11-2009	Nil (100,000)	—	94,000.00
Indian Oil Corporation Limited 20-09-2010	1,000,000 (Nil)	972,579.00	—
Axis Bank Limited 21-10-2010	250,000 (Nil)	241,860.00	—
Bank Of India 04-03-2011	1,000,000 (Nil)	943,020.00	—
Bank Of India 11-03-2011	1,000,000 (Nil)	941,830.00	—
Canara Bank 04-03-2011	1,000,000 (Nil)	942,143.00	—
Corporation Bank 21-02-2011	500,000 (Nil)	471,279.00	—
ICICI Bank Limited 24-09-2010	500,000 (Nil)	486,259.00	—
IDBI Bank Limited 04-03-2011	500,000 (Nil)	470,119.00	—
IDBI Bank Limited 20-12-2010	1,000,000 (Nil)	953,747.00	—
IDBI Bank Limited 26-10-2010	500,000 (Nil)	484,356.00	—
Oriental Bank Of Commerce 08-03-2011	1,000,000 (Nil)	941,163.00	—
Oriental Bank Of Commerce 24-02-2011	750,000 (Nil)	706,722.00	—
State Bank Of Bikaner & Jaipur 14-03-2011	1,250,000 (Nil)	1,178,478.00	—
Syndicate Bank 05-10-2010	1,000,000 (Nil)	971,185.00	—
		10,704,740.00	6,627,620.00
Bonds & Debentures			
10.75% Power Finance Corporation Limited 15-07-2011	Nil (100,000)	—	105,100.00
10.90% REC Limited 30-09-2013	Nil (106,000)	—	112,830.00
11.10% Power Finance Corporation Limited 15-09-2013	Nil (200,000)	—	214,230.00
11.15% Power Finance Corporation Limited 15-09-2011	Nil (250,000)	—	264,620.00
11.25% Power Finance Corporation Limited 28-11-2018	Nil (86,000)	—	97,130.00
11.40% Power Finance Corporation Limited 28-11-2013	Nil (101,000)	—	109,480.00
11.75% REC Limited 03-11-2011	Nil (50,000)	—	53,710.00
8.55% Power Finance Corporation Limited 07-09-2011	Nil (250,000)	—	251,850.00
9.20% Powergrid Corporation Of India Limited 12-03-2013	Nil (50,000)	—	50,730.00
9.20% Powergrid Corporation Of India Limited 12-03-2014	Nil (50,000)	—	50,940.00
9.20% Powergrid Corporation Of India Limited 12-03-2015	Nil (50,000)	—	50,910.00
9.20% Powergrid Corporation Of India Limited 12-03-2016	Nil (50,000)	—	50,450.00
9.20% Powergrid Corporation Of India Limited 12-03-2017	Nil (50,000)	—	50,310.00
9.20% Powergrid Corporation Of India Limited 12-03-2018	Nil (50,000)	—	50,490.00
9.55% Power Finance Corporation Limited 09-06-2011	Nil (100,000)	—	102,370.00
4.982% LIC Housing Finance Limited 11-08-2012	Nil (100,000)	—	95,780.00
7.62% Power Finance Corporation Limited 29-05-2011	900,000 (900,000)	900,090.00	861,750.00
11.65% HDFC Limited 09-09-2010	Nil (100,000)	—	104,200.00
9.90% HDFC Limited 04-09-2009	Nil (250,000)	—	250,680.00
9.90% HDFC Limited 19-12-2013	Nil (300,000)	—	305,370.00
8.75% Oriental Bank Of Commerce 12-02-2024	Nil (10,000)	—	9,000.00
9.85% HDFC Bank Limited 17-03-2024	Nil (94,000)	—	96,810.00
9.95% ICICI Bank Limited 26-03-2024	Nil (250,000)	—	246,580.00
10.75% Shriram Transport Finance Company Limited 27-08-2012	22,009 (Nil)	22,010.00	—
7.00% Indian Oil Corporation Limited 24-07-2012	200,000 (Nil)	196,690.00	—
7.55% LIC Housing Finance Limited 28-06-2012	450,000 (Nil)	449,650.00	—
8.95% Damodar Valley Corporation Limited 26-02-2017.	180,000 (Nil)	180,000.00	—
9.20% Larsen & Toubro Limited 21-01-2012	150,000 (Nil)	154,160.00	—
9.25% Reliance Capital Limited 02-11-2012	4,000 (Nil)	4,000.00	—
6.00% IRFC Limited 08-03-2015	180,000 (Nil)	180,000.00	—
8.90% Power Finance Corporation Limited 15-03-2025	14,000 (Nil)	14,000.00	—
11.45% REC Limited 26-11-2010	50,000 (Nil)	53,670.00	—
7.00% REC Limited 02-06-2012	350,000 (Nil)	345,720.00	—
7.60% REC Limited 22-01-2013	250,000 (Nil)	247,440.00	—
7.90% REC Limited 06-10-2012	250,000 (Nil)	251,450.00	—
8.90% Powergrid Corporation of India Limited 25-02-2017	100,000 (Nil)	100,000.00	—
8.95% Power Finance Corporation Limited 30-03-2015	180,000 (Nil)	180,000.00	—
8.95% Power Finance Corporation Limited 30-03-2020	200,000 (Nil)	199,910.00	—
8.95% Power Finance Corporation Limited 30-03-2025	288,000 (Nil)	287,170.00	—
9.15% NABARD 17-12-2010	50,000 (Nil)	52,000.00	—
8.90% UCO Bank 25-03-2025	1,000 (Nil)	1,000.00	—
5.167% LIC Housing Finance Limited 11-08-2012	100,000 (Nil)	98,140.00	—
6.48% Power Finance Corporation Limited 20-11-2019	1,000,000 (Nil)	1,042,110.00	—
0% IDFC Limited 12-03-2012	1,250,000 (Nil)	1,081,510.00	—
0% NABARD 01-01-2018	9,740 (Nil)	5,320.00	—
0% NABARD 01-01-2019	2,000 (Nil)	1,010.00	—
0% NABARD 01-02-2019	30,000 (Nil)	15,150.00	—
		6,062,200.00	3,585,320.00
Debentures (Unquoted) (Refer Note 1)			
17.50% Grapco Granites Limited 1998	20,000 (20,000)	18,250.00	18,250.00
17.50% Grapco Granites Limited 2000	15,000 (15,000)	13,100.00	13,100.00
17.50% Grapco Mining Limited 1995	10,000 (10,000)	9,310.00	9,310.00
18.00% Parasrampuria Synthetics Limited 1999	20,000 (20,000)	17,620.00	17,620.00
19.50% Grapco Granites Limited 1998	20,000 (20,000)	18,920.00	18,920.00
20.00% Das Lagerwey Limited 1996	30,000 (30,000)	30,000.00	30,000.00
22.00% GTV Spinners Limited 1996	4,529 (Nil)	4,480.00	4,480.00
11.52% Mukand Limited 15-12-2011	100,000 (150,000)	50,000.00	74,990.00
		161,680.00	186,670.00
Preference Shares (Unquoted) (Face Value Rs. 10)			
8.00% Clearing Corporation of India 26-03-2013	50,000 (50,000)	50,000.00	50,000.00
		50,000.00	50,000.00
Equity (Face Value Rs. 10 unless specified otherwise)			
Andhra Bank Limited	Nil (500)	—	2,260.00
Bharat Forge Company Limited— Fv Rs. 2	Nil (19)	—	920.00
Sunshield Chemicals Limited	*(*)	—	—
Kallam Spinning Mills Limited	1,859 (4,634)	4,360.00	4,860.00
Lanco Industries Limited	*(*)	—	—
Maruti Udyog Limited	Nil (15)	—	2,340.00
Nucent Finance Limited	Nil (1)	—	—
Whirlpool India Limited	*(*)	—	—
Astrazeneca Pharmaceutical Limited Fv Rs. 2	*(*)	—	—
Kennametal India Limited	*(*)	—	—
ISMT Limited	1,250 (1,250)	6,670.00	2,490.00
3i Infotech Limited	300 (Nil)	2,350.00	—
Aptech Limited	300 (Nil)	5,020.00	—
Development Credit Bank Limited	700 (Nil)	2,250.00	—
East India Hotels Limited	290 (Nil)	3,510.00	—

	Total Face Value Rs. in 000's	March 31, 2010	(Rs. in 000's) March 31, 2009
Geodesic Limited— Fv Rs. 2	40 (Nil)	**2,240.00**	—
GIC Housing Finance Limited	333 (Nil)	**2,870.00**	—
Mindtree Consulting Limited	40 (Nil)	**2,360.00**	—
Mudra Lifestyle Limited	400 (Nil)	**1,510.00**	—
NHPC Limited	1,000 (Nil)	**3,050.00**	—
Strides Arcolab Limited	99 (Nil)	**3,350.00**	—
Viceroy Hotels Limited	379 (Nil)	**1,600.00**	—
Jocil Limited	1,964 (2,371)	**14,730.00**	*17,850.00*
		55,870.00	*30,720.00*
Equity Unquoted (Face Value Rs. 10 unless specified otherwise)			
Shri Renuga Textiles Limited	1,000 (1,000)	**4,500.00**	*4,500.00*
Aldrich Pharmaceuticals Limited	2,400 (2,400)	**—**	—
Biochem Synergy Limited	635 (635)	**—**	—
Unipon Industries Limited	*(*)	**—**	—
Hiralal Print Works Limited	1,935 (1,935)	**—**	—
IAEC Industries Limited	1,500 (1,500)	**—**	—
India Containers Limited	934 (934)	**—**	—
Inland Printers Limited	7,992 (7,992)	**—**	—
MIL Industries Limited	350 (350)	**—**	—
Orissa Lamp Limited	7,215 (7,215)	**—**	—
Parakaram Tehcnofab Limited	1,910 (1,910)	**—**	—
Parasrampuria Synthetics Limited	1,246 (1,246)	**—**	—
Parasrampuria Synthetics Limited	905 (905)	**—**	—
Philips Electronics India Limited	*(*)	**—**	—
Gkn Invel Transmissions Limited	*(*)	**—**	—
Cadbury India Limited	*(*)	**—**	—
Dataline & Research Techno Limited	*(*)	**—**	—
		4,500.00	*4,500.00*
Total		**23,424,530.00**	*24,699,340.00*
Less : Provision against Non-performing Assets / Bad debts written off		**111,680.00**	*111,680.00*
Grand Total		**23,312,850.00**	*24,587,660.00*

*indicates amount below Rs. one thousand

Notes:

1. Certain Debentures which have defaulted for payment on maturity date have been written off. However, the same have been continued to be disclosed as Stock-in-trade to reflect existence of the claim on the Issuer/ Seller.
2. The aggregate carrying value and market value of quoted securities as at March 31, 2010 is Rs. 23,208,350.00 thousands and Rs. 23,262,090.00 thousands respectively. (previous year Rs. 23,533,160.00 thousands and Rs. 23,265,910.00 thousands respectively)

SCHEDULE "H" — SUNDRY DEBTORS (Unsecured)

	March 31, 2010	March 31, 2009
(A) Receivables outstanding for a period exceeding six months:		
Considered good	—	*2,160.00*
Considered Doubtful	**3,400.00**	*17,890.00*
(B) Receivables outstanding for a period not exceeding six months:		
Considered good	**30,130.00**	*36,260.00*
Trades executed but not settled - Considered Good	**10,697,770.00**	*8,211,440.00*
	10,731,300.00	*8,267,750.00*
Less: Provision for Doubtful Debts	**3,400.00**	*17,890.00*
Total	**10,727,900.00**	*8,249,860.00*

Included in sundry debtors are:

(i) Dues from Companies under same management within the meaning of section 370 (1B) ICICI Bank Limited Rs. Nil (Previous year - Rs. 30,870.00 thousands) ICICI Venture Funds Management Company Limited Rs. 2,760.00 thousands (Previous year - Rs. Nil)

SCHEDULE "I" — CASH AND BANK BALANCES

	March 31, 2010	(Rs. in 000's) March 31, 2009
Cash & Cheques on hand	**90.00**	*30.00*
In Current Accounts with Scheduled Banks	**12,530.00**	*1,980.00*
In Current Accounts with Reserve Bank of India	**344,350.00**	*5,070.00*
	356,970.00	*7,080.00*
Fixed Deposits with Scheduled Banks (Under Lien)	**150,000.00**	*298,800.00*
(Under lien with ICICI Bank Rs. 100,000.00 thousands and HDFC Bank Rs. 50,000.00 thousands (previous year Rs. 100,000.00 thousands and Rs. 198,800.00 thousands respectively)		
Total	**506,970.00**	*305,880.00*

SCHEDULE "J" — LOANS AND ADVANCES

	March 31, 2010	March 31, 2009
Unsecured and considered good		
(Recoverable in cash or in kind or for value to be received)		
Advances and Deposits	**138,550.00**	*594,920.00*
Application Money for Securities Pending Allotment	**4,000,000.00**	*910,000.00*
Advance Tax (net of Provisions for Tax and Corporate Dividend Tax of Rs. 6,510,290.00 thousands and Rs. 12,620.00 thousands respectively)	**216,310.00**	*116,660.00*
Previous year - Rs. 6,209,290.00 thousands and Rs. 61,110.00 thousands respectively)		
Total	**4,354,860.00**	*1,621,580.00*

Included in loans and advances are:

Dues from Companies under same management within the meaning of section 370 (1B)

ICICI Lombard General Insurance Company Limited Rs. 1,880.00 thousands (Previous year - Rs. Nil). Max. balance Rs. 1,880.00 thousands (Previous year Rs. 1,140.00 thousands)

ICICI Prudential Life Insurance Company Limited Rs. 110.00 thousands (Previous year - Rs. 90.00 thousands). Max. balance Rs. 110.00 thousands (Previous year - Rs. 280.00 thousands)

ICICI Bank Limited Rs. 31,110.00 thousands (Previous year - Rs. 11,110.00 thousands) Max. balance Rs. 2,150,000.00 thousands (Previous year Rs. 11,110.00 thousands)

SCHEDULE "K" — CURRENT LIABILITIES AND PROVISIONS

	March 31, 2010	March 31, 2009
(A) Current Liabilities:		
Interest Accrued but not due on Loans	**111,180.00**	*89,440.00*
Trades executed but not settled	**6,454,780.00**	*3,311,280.00*
Sundry Creditors for Expenses*	**35,700.00**	*63,710.00*
Other Liabilities	**1,952,740.00**	*3,475,820.00*
Unclaimed Dividends Due to be trnasferred to Investor Protection Fund	**80.00**	*90.00*
Total (A)	**8,554,480.00**	*6,940,340.00*
(B) Provisions:		
Proposed Dividend & Corporate Dividend Tax	**64,020.00**	*64,020.00*
(Incl. Corporate Dividend Tax Rs. 9,300.00 thousands (Previous Year 9,300.00 thousands)		
Employee Benefits	**58,370.00**	*67,110.00*
Total (B)	**122,390.00**	*131,130.00*

*Includes amount payable to Micro, Small and Medium Enterprises Rs. Nil (Previous year Rs. - Nil) [Refer Schedule S (B) (18)]

(Rs. in 000's)

	March 31, 2010	March 31, 2009
SCHEDULE "L" — INCOME FROM SERVICES		
Financial Advisory Services	**25,050.00**	*22,640.00*
Syndication Fees	**120,470.00**	*251,310.00*
Underwriting Commission	**8,060.00**	*9,250.00*
Brokerage and Commission	**59,040.00**	*50.00*
Total	**212,620.00**	*283,250.00*

	March 31, 2010	March 31, 2009
SCHEDULE "M" — INTEREST INCOME		
Interest on Securities Held As Stock in Trade	**1,715,630.00**	*2,360,600.00*
Interest on Securities Held As Held to Maturity	**4,280.00**	—
Income on Discounted Instruments		
– Stock in Trade	**619,320.00**	*488,190.00*
Interest on Repo and Call Lendings	**9,680.00**	*148,910.00*
Interest on Income - Tax Refund	**8,360.00**	—
Interest on Other Loans and Advances	**90,800.00**	*91,800.00*
Total	**2,448,070.00**	*3,089,500.00*

	March 31, 2010	March 31, 2009
SCHEDULE "N" — PROFIT ON SECURITIES (NET)		
Profit/(Loss) on Sale of Held to Maturity Securities	**(1,300.00)**	—
Profit on Stock In Trade	**301,860.00**	*4,456,110.00*
Net Gain/(Loss) from interest rate derivatives	**(58,170.00)**	*(575,850.00)*
Total	**242,390.00**	*3,880,260.00*

	March 31, 2010	March 31, 2009
SCHEDULE "O" — OTHER INCOME		
Dividend Income from Mutual Funds / Companies	**256,400.00**	*2,840.00*
Miscellaneous Income	**52,550.00**	*34,100.00*
Profit on Sale of Fixed Assets	**10.00**	—
Total	**308,960.00**	*36,940.00*

		March 31, 2010	March 31, 2009
SCHEDULE "P" — FINANCIAL CHARGES AND OPERATING EXPENSES			
Interest on Fixed Loans and Debentures		**588,540.00**	*768,010.00*
Interest on Borrowings from Reserve Bank of India		**—**	*32,280.00*
Interest on Repo and Call Borrowings		**748,440.00**	*1,483,940.00*
Procurement Expenses		**500.00**	*360.00*
Rating Agency Fees		**4,380.00**	*4,420.00*
Brokerage, Stamp Duty & Securities Transaction Tax		**30,910.00**	*35,900.00*
Bank Charges		**2,210.00**	*2,030.00*
Custodial and Depository Charges		**64,810.00**	*63,580.00*
Doubtful Debts Written Off / Provided for the period	**6,340.00**	**—**	*75,680.00*
Less: Opening Provision as at April 1, 2009	**17,890.00**	**—**	*72,730.00*
		(11,550.00)	*2,950.00*
Total		**1,428,240.00**	*2,393,470.00*

	March 31, 2010	March 31, 2009
SCHEDULE "Q" — PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries, Wages and Incentive	**473,060.00**	*518,020.00*
Contribution to Provident and other Funds	**6,120.00**	*10,920.00*
Staff Welfare Expenses	**5,330.00**	*5,680.00*
Total	**484,510.00**	*534,620.00*

	March 31, 2010	March 31, 2009
SCHEDULE "R" — ESTABLISHMENT AND OTHER EXPENSES		
Rent and Amenities	**43,740.00**	*54,130.00*
Insurance	**190.00**	*280.00*
Business Promotion, Traveling and Conveyance Expenses	**4,190.00**	*10,600.00*
Repairs, Maintenance and Upkeep	**14,430.00**	*15,160.00*
Rates and Taxes	**50.00**	*80.00*
Electricity Expenses	**4,760.00**	*5,460.00*
Loss on Sale of Fixed Assets	**—**	*160.00*
Communication Expenses	**3,020.00**	*3,550.00*
Printing and Stationery	**1,750.00**	*1,870.00*
Subscription and Periodicals	**24,250.00**	*20,180.00*
Professional Fees [Refer Schedule S (B) (4)]	**8,430.00**	*9,860.00*
Advertisement Expenses	**70.00**	*60.00*
Donations	**10,000.00**	*7,250.00*
Miscellaneous Expenses	**16,250.00**	*43,440.00*
Total	**131,130.00**	*172,080.00*

SCHEDULE "S" — NOTES FORMING PART OF THE ACCOUNTS AND ACCOUNTING POLICIES:

A. Significant Accounting Policies:

(i) Basis of Preparation

The financial statements have been prepared to comply in all material respects in respects with the Notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 and circulars and guidelines issued by The Reserve Bank of India from time to time to the extent applicable. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(ii) Use of estimates

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

(iii) Revenue Recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

(a) Revenue from issue management, loan syndication, financial advisory services is recognised based on the stage of completion of assignments and terms of agreement with the client.

(b) Gains and losses on dealing with securities are recognised on trade date.

(c) Interest income is accounted on an accrual basis except for non performing / doubtful assets, interest in respect of which is recognised, considering prudential norms for income recognition issued by Reserve Bank of India (RBI) for Non-Banking Financial Companies on a cash basis.

(d) Dividend income is recognised when the shareholders' right to receive payment is established by the balance sheet date.

(e) All other incomes are recognised on accrual basis.

(iv) Stock-in-trade

(a) The securities acquired with the intention of holding for short-term and trading are classified as stock-in-trade.

(b) The securities held as stock-in-trade are valued at lower of cost arrived at on weighted average basis or market/ fair value, computed category-wise. Market/fair value is adjusted for appropriate illiquidity discount to the values prescribed by Fixed Income Money Market and Derivatives Association (FIMMDA). In case of investments transferred to stock-in-trade, carrying amount on the date of transfer is considered as cost. Commission earned in respect of securities acquired upon devolvement is reduced from the cost of acquisition. Fair value of unquoted shares is taken at break-up value of shares as per the latest audited balance sheet of the concerned company. In case of debt instruments, fair value is worked out on the basis of yield to maturity rate selected considering quotes, where available and credit profile of the issuer and market related spreads over the government securities.

(c) Discounted instruments like Commercial paper/Certificates of Deposit/ treasury bills/zero coupon instruments are valued at carrying cost or market/fair value whichever is lower. The difference between the acquisition cost and the redemption value of discounted instruments is apportioned on a straight line basis for the period of holding and recognised as Interest income.

(d) Units of mutual fund are valued at lower of cost and net asset value.

(e) The secondary market short sale transactions in Government securities as permitted by RBI Circular no, RBI/2006-2007/243 IDMD. No./11.01.01(B)/2006-07 are grouped under other liabilities.

(v) Investments

(a) The securities acquired with the intention of holding till maturity or for a longer period are classified as investments.

(b) Investments are carried at cost arrived at on weighted average basis. Commissions earned in respect of securities acquired upon devolvement are reduced from the cost of acquisition. Appropriate provision is made for other than temporary diminution in the value of investments.

(vi) Held to Maturity (HTM) Securities

Investments classified under HTM are carried at acquisition cost, unless it is more than the face value, in which case the premium is amortised over the period remaining over maturity and charged to Profit and Loss account. The book value of the security is reduced to the extent of the amount amortised during the relevant accounting period.

The profit on sale of securities from the HTM category is first taken to Profit and Loss account and thereafter appropriated, net of taxes to the “Reserve Account”. Loss on sale is recognised in the Profit and Loss account.

(vii) Repurchase and Resale Transactions (Repo)

Repo transactions are treated as purchase and sale of the securities as per RBI guidelines and accordingly disclosed in the financial statements. The difference between purchase and sale consideration is treated as interest income or expenditure, as the case may be, over the period of the contract.

The difference between the sale price of the security offered under repo and its book value are shown under current assets/liabilities in the balance sheet, as the case may be. In case, the sale price is lower than the book value the same is provided as loss on security. In case, the sale price is higher than the book value, the differential gain is not recognised. Securities under repo/reverse repo are marked to market.

(viii) Fixed Assets and Depreciation

(a) Fixed assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for intended use.

(b) Depreciation on fixed assets is provided using the straight line method as per the useful life of the assets estimated by the management or at the rates specified in Schedule XIV of the Companies Act, 1956 whichever is higher.

Asset	**Depreciation Rate (SLM)**	**Schedule XIV Rate**
Plant & Machinery / Electrical Installation	10.00%	4.75%
Office Equipment	10.00%	4.75%
Computers	33.33%	16.21%
Furniture & Fixtures	15.00%	6.33%
Vehicles	20.00%	9.50%
Software	25.00%	16.21%

(ix) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset’s net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(x) Income Taxes

Tax expense comprises of current, deferred taxes and fringe benefit taxes. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(xi) Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

(xii) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short term investments with an original maturity of three months or less.

(xiii) Provision for Doubtful Loans and Advances

The policy of provisioning against non performing loans and advances has been decided by the management considering norms prescribed by the RBI under Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007. As per the policy adopted, the provision against sub standard assets are fixed on a conservative basis, taking into account management’s perception of the higher risk associated with the business of the Company. Certain non performing loans and advances are considered as loss assets and full provision has been made against such assets.

(xiv) Foreign Currency Transactions

(a) **Initial recognition:** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) **Conversion:** Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(c) **Exchange Differences:** Exchange differences arising on settlement or restatement of monetary items are recognised as exchange gain/ loss in the profit and loss account.

(xv) Retirement Benefits

(a) Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

(b) The Company’s employees are covered under the Employees’ Gratuity Scheme & contribution is made to ICICI Prudential Life Insurance Company Limited. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each reporting period.

(c) Compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the end of each reporting period.

(d) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

(xvi) Derivatives Transactions

(a) All open positions are marked to market except hedge swaps which are accounted for on accrual basis.

(b) Gains are recognised only on settlement/expiry of the derivative instruments except for Interest Rate derivatives which are marked-to-market and the resulting gain or loss is accounted for in the profit & loss account.

(c) Receivables/payables on open position are disclosed as current assets/ current liabilities, as the case may be.

(xvii) Segment Reporting

The Company's primary business segments are reflected based on the principal business carried out, i.e. trading in securities.

The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment.

(xviii) Earnings per Share

Basic and Diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

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

(xix) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

B. Other Notes

1. Deferred Tax

The break-up of deferred tax assets into major components as on the balance sheet date is as follows:-

(Rs. in 000's)

Particulars	March 31, 2010	March 31, 2009
Deferred Tax Assets		
Timing Difference on Depreciation on Fixed Assets	2,540.00	2,000.00
Expenditure disallowed under Income Tax Act, 1961		
Provision for Doubtful Debtors	1,130.00	6,080.00
Provision for Employee Retirement Benefits	19,390.00	22,810.00
	23,060.00	30,890.00

2. Contingent liabilities

a) Income tax matters disputed by the Company Rs. 208,020.00 thousands (Previous year – Rs. 231,950.00 thousands)

b) Estimated amount of contracts to be executed on capital account as at March 31, 2010 are Rs. 4,070.00 thousands (Previous year – Rs. 5,250.00 thousands).

3. Managerial Remuneration (Rs. in 000's)

	March 31, 2010	March 31, 2009
Salary, perquisites and bonus	53,060.00	79,300.00
Contribution to Provident Fund and other Funds	1,080.00	680.00
	54,140.00	79,980.00

As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the directors are not included above.

4. Auditors' remuneration (included in Professional Fees) (Rs. in 000's)

	March 31, 2010	March 31, 2009
(a) Audit Fees (excluding service tax)	1,800.00	1,450.00
(b) Tax Audit & Certification Fees (excluding service tax)	900.00	900.00
(c) Out of pocket expenses (excluding service tax)	60.00	60.00
	2,760.00	2,410.00

5. Expenditure in foreign currency (on accrual basis)

Professional fees	9,850.00	1,720.00
Others	30.00	10.00

6. QUANTITATIVE DETAILS OF SECURITIES HELD AS STOCK IN TRADE

(a) OPENING AND CLOSING STOCK

(Rs. in 000's)

Category	Opening Stock		Closing Stock	
	Face Value	Value	Face Value	Value
Government Securities	6,684,340.00	6,781,570.00	2,747,000.00	2,829,550.00
	(7,430,730.00)	(7,643,000.00)	(6,684,340.00)	(6,781,570.00)
Treasury Bills	7,480,500.00	7,432,940.00	3,588,520.00	3,555,990.00
	(3,000.00)	(3,000.00)	(7,480,500.00)	(7,432,940.00)
Shares	88,990.00	85,220.00	89,150.00	110,370.00
	(42,260.00)	(118,540.00)	(88,990.00)	(85,220.00)
Debentures/Bonds & CPs / CDs	10,697,000.00	10,287,930.00	17,560,750.00	16,816,940.00
	(12,614,230.00)	(11,234,960.00)	(10,697,000.00)	(10,287,930.00)
Units	—	—	—	—
	(792,000.00)	(1,000,000.00)	(—)	(—)
Total	**24,950,830.00**	**24,587,660.00**	**23,985,420.00**	**23,312,850.00**
	(20,882,220.00)	(19,999,500.00)	(24,950,830.00)	(24,587,660.00)

(b) PURCHASES AND SALES

(Rs. in 000's)

Category	Purchases		Sales	
	Face Value	Value	Face Value	Value
Government Securities	1,378,935,760.00	1,353,314,230.00	1,382,873,100.00	1,357,200,820.00
	(1,170,038,680.00)	(1,210,874,950.00)	(1,170,785,070.00)	(1,214,828,150.00)
Treasury Bills	275,077,500.00	271,804,690.00	278,969,480.00	275,712,520.00
	(144,510,800.00)	(141,130,660.00)	(137,033,300.00)	(133,741,900.00)
Shares	111,000.00	1,046,720.00	110,840.00	1,089,510.00
	(96,570.00)	(736,130.00)	(49,840.00)	(709,930.00)
Debentures/Bonds & CPs / CDs	133,481,050.00	129,480,990.00	126,617,300.00	123,379,600.00
	(144,653,000.00)	(140,869,760.00)	(146,570,230.00)	(142,784,360.00)
Units	289,527,020.00	416,160,380.00	289,527,020.00	416,005,280.00
	(119,606,320.00)	(156,350,930.00)	(120,398,320.00)	(157,688,930.00)
Total	**2,077,132,330.00**	**2,171,807,010.00**	**2,078,097,740.00**	**2,173,387,730.00**
	(1,578,905,370.00)	(1,649,962,430.00)	(1,574,836,760.00)	(1,649,753,270.00)

Note: Figures in parenthesis pertain to previous year.

*Does not include purchases of HTM Securities aggregating to Face Value Rs. 1,000,000.00 thousands and Book Value Rs. 999,930.00 thousands and Sale of HTM Securities aggregating to Face Value Rs. 1,000,000.00 thousands and Book Value Rs. 998,630.00 thousands.

7. Derivatives

(Rs. in 000's)

	March 31, 2010	March 31, 2009
Notional Principal amount of IRS Contracts		
a. Hedging Contracts	—	—
b. Trading Contracts	938,256,860.00	467,446,560.00
(i) Fair Value of Trading IRS	18,080.00	390,780.00
(ii) Associated Credit Risk on Trading IRS*	1,630,510.00	390,780.00
(iii) Likely impact of one percentage change in interest rate (100*PV01)	488,870.00	293,840.00
(iv) Credit Risk Concentration@	1,174,120.00	2,512,950.00
Equity Derivatives – Trading Contracts		
a. Futures Contracts		
Open Quantity in units – Long	51,463	35,500
Short	(5,300)	(181,650)
Net Long / (Short)	46,163	(146,150)
b. Option Contracts		
Open Quantity in units – Long	12,500	36,650
Short	(20,000)	(98,300)
Net Long / (Short)	(7,500)	(61,650)
MTM loss on Trading Derivatives	110.00	6,270.00

* Associated Credit Risk is defined as the loss that the Company would incur in case all the counterparties to these swaps fail to fulfill their contractual obligations.

@ Credit risk concentration is measured as the highest net receivable under swap contracts from top three counterparties.

8. Related Party Disclosures

Names of related parties where control exists irrespective of whether transactions have occurred or not	
– Holding Company	ICICI Bank Limited
Names of other related parties with whom transactions have taken place during the year	
– Fellow Subsidiaries	ICICI Securities Limited ICICI Lombard General Insurance Company Limited ICICI Prudential Life Insurance Company Limited ICICI Home Finance Company Limited ICICI Venture Funds Management Company Limited
– Associates	ICICI Foundation for Inclusive Growth
Key Management Personnel	B. Prasanna, Managing Director & CEO G. Sundaram, Executive Director Subir Saha, Director

(Rs. in 000's)

Name of the Related Party	Type of Transactions	2009-2010	2008-2009
ICICI Bank Limited - The Holding Company	**Income from Operations**		
	Income from Services	**53,540.00**	*48,960.00*
	Interest Income	**12,480.00**	*42,990.00*
	Profit / (Loss)on Interest Rate Swaps	**50,540.00**	*(1,794,950.00)*
	Operating expenditure		
	Payment of financial charges & operating expenses	**25,520.00**	*15,450.00*
	Administrative Expenditure		
	Payment of Establishment & other expenses	**36,480.00**	*17,790.00*
	Current Assets, Loans & Advances		
	Bank Balance	**11,850.00**	*820.00*
	Fixed Deposits	**100,000.00**	*100,000.00*
	Interest Accrued	**3,410.00**	*7,630.00*
	Sundry Debtors	**—**	*30,870.00*
	Stock-in-trade	**486,260.00**	*246,580.00*
	Loans and Advances	**31,110.00**	*11,110.00*
	Current Liabilities & Provisions		
	Current Liabilities	**210,590.00**	*417,050.00*
	Shareholders' Funds		
	Share Capital	**1,563,400.00**	*1,563,400.00*
	Derivative		
	Notional Principal amount of Interest Rate Swaps outstanding	**60,250,000.00**	*51,302,140.00*
	Other transactions		
	Dividend paid	**422,120.00**	*1,300,500.00*
	Purchase of Investments	**4,897,420.00**	*5,103,470.00*
	Sale of Investments	**5,414,120.00**	*6,694,970.00*
	Sale of Fixed Assets	**—**	*1,160.00*
ICICI Securities Limited - Fellow Subsidiary	**Income from Operations**		
	Income from Services	**4,330.00**	*—*
	Receipts - Others	**1,840.00**	*—*
	Operating expenditure		
	Payment of financial charges & operating expenses	**3,340.00**	*3,130.00*
	Administrative Expenditure		
	Payment to and provisions for employees / (Recoveries) (Net)	**(480.00)**	*5,330.00*
	Payment of Establishment & other expenses	**10,240.00**	*41,910.00*
	Current Liabilities & Provisions		
	Current Liabilities	**2,880.00**	*14,690.00*
	Other transactions		
	Sale of Investments	**—**	*100,160.00*
ICICI Lombard General Insurance Company Limited - Fellow Subsidiary	**Operating expenditure**		
	Payment of financial charges & operating expenses	**—**	*3,310.00*
	Administrative Expenditure		
	Payment to and provisions for employees	**1,120.00**	*840.00*
	Payment of Establishment & other expenses	**190.00**	*280.00*
	Current Assets, Loans & Advances		
	Other Advances and Deposits	**1,880.00**	*—*
	Other transactions		
	Purchase of Investments	**—**	*918,330.00*
	Sale of Investments	**1,688,060.00**	*3,822,250.00*
ICICI Prudential Life Insurance Company Limited - Fellow Subsidiary	**Operating expenditure**		
	Payment of financial charges & operating expenses	**20,980.00**	*151,190.00*
	Administrative Expenditure		
	Payment to and provisions for employees	**330.00**	*450.00*
	Loan Funds		
	Unsecured Loans	**200,000.00**	*700,000.00*
	Current Assets, Loans & Advances		
	Other Advances and Deposits	**110.00**	*90.00*
	Current Liabilities & Provisions		
	Current Liabilities	**5,100.00**	*5,280.00*
	Other transactions		
	Purchase of Investments	**1,489,780.00**	*936,290.00*
	Sale of Investments	**5,752,940.00**	*5,464,520.00*
ICICI Home Finance Company Limited – Fellow Subsidiary	**Income from Operations**		
	Income from Services	**12,720.00**	*18,410.00*
	Interest Income	**480.00**	*540.00*
	Current Assets, Loans & Advances		
	Stock-in-trade	**—**	*94,000.00*
	Other transactions		
	Purchase of Investments	**544,550.00**	*—*
	Sale of Investments	**284,290.00**	*—*
ICICI Venture Funds Management Company Limited – Fellow Subsidiary	**Income from Operations**		
	Income from Services	**2,500.00**	*—*
	Current Assets, Loans & Advances		
	Sundry Debtors	**2,760.00**	*—*
ICICI Foundation for Inclusive Growth - Associate	**Administrative Expenditure**		
	Donation	**10,000.00**	*6,990.00*

Key Management Personnel Disclosures:

The compensation (including contribution to Provident Fund) for the year ended March 31, 2010 to B. Prasanna, Managing Director & CEO, G. Sundaram, Executive Director and Subir Saha, Director was Rs. 26,450.00 thousands, Rs. 23,930.00 thousands and Rs. 3,770.00 thousands (Previous year Rs. 16,300.00 thousands, Rs. 4,940.00 thousands and Rs. 3,790.00 thousands) respectively.

9. Leases

Operating Lease:

Office premises are obtained on operating lease. The lease is renewable on yearly basis and the rent is decided at the time of the renewal. There are no restrictions imposed by lease arrangements. There are no subleases.

(Rs. in 000's)

	2009-2010	2008-2009
Lease payments for the year	**43,470.00**	*53,890.00*

10. Composition of investments in non Government securities as at March 31, 2010

(Ref: RBI circular no. IDMD.PDRS.No.03/03.64.00/2003-04)

(Rs. in 000's)

No.	Issuer#	Amount*	Extent of private placement**	Extent of 'unlisted securities'***
(1)	(2)	(3)	(4)	(5)
1	PSUs	1,449,270.00 (303,830.00)	1,449,270.00 (303,830.00)	— (—)
2	FIs	4,856,540.00 (2,173,070.00)	4,835,070.00 (2,173,070.00)	15,150.00 (—)
3	Banks	9,733,170.00 (6,886,010.00)	9,733,160.00 (6,886,010.00)	— (—)
4	Other PDs	— (—)	— (—)	— (—)
5	Private corporates	— (—)	— (—)	— (—)
6	Subsidiaries/ Joint ventures	— (—)	— (—)	— (—)
7	Others	777,960.00 (925,020.00)	755,950.00 (925,020.00)	— (—)
8	Provision held towards depreciation	— (—)	— (—)	— (—)
	Total	**16,816,940.00** *(10,287,930.00)*	**16,773,450.00** *(10,287,930.00)*	**15,150.00** *(—)*

Note: Figures in parenthesis pertain to previous year.

All the investments in the above non government securities are rated and are above investment grade securities.

* Represents amounts net of provision for depreciation if any.

** Represents original issue.

***Does not include CPs & CDs aggregating to Rs. 10,704,740.00 thousands (Previous Year-Rs. 6,627,620.00 thousands) since the same are not covered by the above circular.

\# Does not include equity and preference shares.

11. Repo/ Reverse repo transactions:

(Ref: Guidelines for uniform accounting for Repo / Reverse repo transactions dated March 24, 2003)

(Rs. in 000's)

	Minimum outstanding	Maximum outstanding	Daily Average outstanding	Outstanding Balance As at March 31, 2010
Securities sold under repos				
– Government Securities	— *(1,020,980.00)*	42,541,090.00 *(52,032,150.00)*	17,622,680.00 *(19,230,630.00)*	21,316,230.00 *(26,013,100.00)*

(Rs. in 000's)

	Minimum outstanding	Maximum outstanding	Daily Average outstanding	Outstanding Balance As at March 31, 2010
Securities purchased under reverse repos				
– Government Securities	— (—)	3,165,080.00 *(9,324,590.00)*	335,870.00 *(1,409,400.00)*	— (—)

Note: Figures in parenthesis pertain to previous year.

12. Earnings per equity share (EPS)

Particulars	2009-2010	2008-2009
Basic and Diluted EPS (Rs.)	**54,353.97**	*170,899.96*
Nominal Value per share (Rs.)	**100,000.00**	*100,000.00*

EPS has been calculated based on the net profit after taxation of Rs. 849,770.00 thousands (previous year Rs. 2,721,240.00 thousands) and the weighted average number of equity shares outstanding during the year of 15,634 (previous year 15,923).

Basic and Diluted EPS are same because there were no diluted potential equity shares outstanding during the year.

13. Employee benefits (AS 15 Revised)

The following table summarises the components of net benefit expense recognised in the profit and loss account and the amounts recognised in the balance sheet.

(Rs. in 000's)

Particulars	2009-2010 Gratuity	2008-2009 Gratuity
Defined benefit obligation liability		
Opening obligations	**70,400.00**	*72,800.00*
Service cost	**8,500.00**	*7,600.00*
Interest cost	**5,100.00**	*6,800.00*
Actuarial (gain)/loss	**(9,600.00)**	*(8,600.00)*
Liability extinguished on settlement	**(7,100.00)**	—
Benefits paid	**—**	*(8,200.00)*
Obligations	**67,300.00**	*70,400.00*
Plan assets at fair value		
Opening plans assets, at fair value	**5,900.00**	*4,300.00*
Expected return on plan assets	**600.00**	*600.00*
Actuarial gain/(loss)	**800.00**	*(700.00)*
Contributions	**9,900.00**	*10,000.00*
Assets Acquired on Acquisition/ (Distributed on Divestiture)	**(4,900.00)**	—
Benefits paid	**—**	*(8,200.00)*
Plans assets at fair value	**12,300.00**	*6,000.00*
Present value of the defined benefit obligations at the end of the year	**67,300.00**	*70,400.00*
Less: Fair value of plan assets at the end of the year	**(12,300.00)**	*(6,000.00)*
Less: Unrecognised past Service Cost	**(1,200.00)**	*(2,000.00)*
Liability / (Asset)	**53,800.00**	*62,400.00*
Cost for the year		
Current Service cost	**8,500.00**	*5,600.00*
Interest cost	**5,100.00**	*6,800.00*
Expected return on plan assets	**(500.00)**	*(600.00)*
Actuarial (gain)/loss	**(10,400.00)**	*(7,900.00)*
Past Service Cost	**800.00**	—
Losses/(Gains) on "Acquisition / Divestiture"	**(2,200.00)**	—
Net cost	**1,300.00**	*3,900.00*
Investment details of plan assets		
Assumptions		
Interest rate	**8.30%**	*6.85%*
Salary escalation rate	**10.00%**	*10.00%*
Estimated rate of return on plan assets	**8.00%**	*8.00%*

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Investments with insurer	**100.00%**	*100.00%*

Experience Adjustments

(Rs. in 000's)

Particulars	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Defined Benefit Obligation	67,300.00	70,400.00	72,800.00	20,680.00
Plan Assets	12,400.00	5,900.00	4,300.00	16,450.00
Surplus / (Deficit)	(54,900.00)	(64,500.00)	(68,500.00)	(4,230.00)
Exp. Adj. on Plan Liabilities	6,300.00	(24,000.00)	(61,500.00)	—
Exp. Adj. on Plan Assets	800.00	(700.00)	1,800.00	—

14. Disclosure pursuant to RBI circular no. RBI/2008-09/116 DNBS (PD).CC No.125/03.05.002/2008-2009 dated August 1, 2008.

a. Capital to Risk Assets Ratio (CRAR)*

Items	March 31, 2010	March 31, 2009
i) CRAR (%)	**48.38**	*84.96*
ii) CRAR – Tier I Capital (%)	**45.92**	*78.92*
iii) CRAR – Tier II Capital (%)	**2.46**	*6.04*

*calculated as per RBI circular no.RBI/2006-2007/355 DNBS.PD/CC No.93/03.05.002/2006-07.

b. Exposure to Real Estate Sector

Category	March 31, 2010	March 31, 2009
a) Direct exposure	**—**	—
(i) Residential Mortgages		—
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	**—**	—
(ii) Commercial Real Estate		—
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	**—**	—
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -	**—**	—
b) Indirect Exposure		
Fund based – Face Value of Investments in NCDs/FRBs/CPs/Equities	**550,330.00**	*850,000.00*
Non-fund based – Notional Principal of IRS	**3,000,000.00**	*5,750,000.00*

forming part of the Accounts *Continued*

c. **Asset Liability Management**

Maturity pattern of certain items of assets and liabilities as at March 31, 2010.

(Rs. in 000's)

	1 day to 30/31 day (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Market Borrowings*	16,248,940.00 (17,631,290.00)	1,197,220.00 (1,393,590.00)	4,695,530.00 (2,551,000.00)	— (2,50,000.00)	100,000.00 (300,000.00)	2,350,000.00 (100,000.00)	250,000.00 (250,000.00)	— (250,000.00)	24,841,690.00 (22,725,880.00)
Assets									
Advances**	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Investments***	23,312,850.00 (24,587,660.00)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	23,312,850.00 (24,587,660.00)

**Borrowings in Call / Notice / Term have been treated as market borrowings.
**Advances represent advances in the nature of loans.
***Investments are in the nature of Securities held as Stock in Trade hence are classified in the "one month bucket"

15. Disclosure pursuant to RBI Circular No.IDMC.PDRS.No.2269/03.64.00/2002-03 -Publication of Financial Results dated November 28, 2002.

i) Net borrowings in call/notice: average Rs. 2,168,710.00 thousands; peak Rs. 25,350,000.00 thousands.

ii) The securities held as stock-in-trade are valued at lower of cost or market value (LOCOM)

iii) Leverage ratio: average 6.64 times; peak 11.67 times.

iv) CRAR (Quarterly)*

June 30, 2009	September 30, 2009	December 31, 2009	March 31, 2010
31.80%	33.93%	36.71%	29.10%

*Calculated as per RBI Circular on Capital Adequacy Standards and Risk Management Guidelines for Primary Dealers dated January 7, 2004.

16. Disclosure pursuant to Clause 28 of the Debt Listing Agreement

(Rs. in 000's)

Particulars	Outstanding as at March 31, 2010	Maximum amount outstanding during the year
Loans and advances in the nature of loans to ICICI Bank Limited Holding Company - Amount lent in Inter-bank Call / Notice	Nil	2,150,000.00
Loans and advances in the nature of loans to Associates		
Loans and advances in the nature of loans where there is – (i) no repayment schedule or repayment beyond seven years; or (ii) no interest or interest below section 372A of Companies Act by name and amount.	Nil	Nil
Loans and advances in the nature of loans to firms/companies in which directors are interested	Nil	Nil

17. Segment Reporting

The Company's primary operations fall under single business segment of securities trading and its allied services. Further, all the transactions and the assets of the Company are recorded/located in India. Since the Company's business activity primarily falls within a single business and geographical segment, no additional disclosure is to be provided under AS 17-Segment Reporting, other than those already provided in the financial statements.

18. The Company has initiated the process of identification of suppliers registered under the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') by obtaining confirmation from all the suppliers. Based on the information currently available with the Company no amount is payable to the Micro, Small and Medium Enterprises as per the MSMED Act, 2006 as at March 31, 2010.

19. For the purpose of comparison, figures for the previous year have been given, which have been regrouped / reclassified wherever necessary.

Signature to schedules A to S

Per our Report attached.

For S. R. BATLIBOI & CO.
Firm Registration No: 301003E
Chartered Accountants

per VIJAY MANIAR
Partner
Membership No.: 36738

Mumbai, April 16, 2010

For and on behalf of the Board

N. S. KANNAN
Chairman

B. PRASANNA
Managing Director & CEO

ABHIJEET GUIN
Senior Vice President & CFO

ANGARIKA BAVISKAR
Company Secretary

ICICI Securities Primary Dealership Limited

for the year ended March 31, 2010

			March 31, 2010	(Rs. in 000's) March 31, 2009
A	**Cash Flow From Operating Activities**			
	Profit Before Tax	1,158,600.00		4,176,690.00
	– (Profit)/Loss on Sale of Fixed Assets	(10.00)		160.00
	– Depreciation	9,560.00		13,090.00
	– Provision for Expenses written back	(50,724.11)		(9,560.00)
	– Bad and Doubtful Debts (Net)	(14,490.00)		2,950.00
	Operating Profit before Changes in Operating Assets and Liabilities		1,102,935.89	4,183,330.00
	Adjustments for net change in Operating Assets and Liabilities			
	– Current Assets excluding Cash and Cash equivalents	(1,131,090.00)		(12,000,070.00)
	– Fixed Deposits under Lien	148,800.00		(48,800.00)
	– Loans and Advances relating to Operations	(2,633,630.00)		893,940.00
	– Current Liabilites relating to Operations	1,656,126.67		4,865,720.00
			(1,959,793.33)	(6,289,210.00)
	Cash generated from Operations		(856,857.44)	(2,105,880.00)
	Payment of Taxes (Net)		(352,160.00)	(1,401,910.00)
	Net Cash from Operating Activities		(1,209,017.44)	(3,507,790.00)
B	**Cash Flow From Investment Activities**			
	– Purchase of Fixed Assets		(14,593.56)	(2,940.00)
	– Sale of Fixed Assets		50.00	1,230.00
	Net cash used in Investment Activities		(14,543.56)	(1,710.00)
C	**Cash Flow From Financing Activities**			
	– Increase/ (Decrease) in Borrowings (Net)		4,204,800.00	7,001,790.00
	– Issue/ (Redemption) of Debentures / Bonds (Net)		(2,089,000.00)	(1,545,000.00)
	– Buy Back		—	(583,490.00)
	– Dividends & Dividend Tax paid		(542,349.00)	(1,476,940.00)
	Net Cash used in Financing Activities		1,573,451.00	3,396,360.00
	Net Change in Cash & Cash Equivalents		349,890.00	(113,140.00)
	Cash and Cash Equivalents at the beginning of the year		7,080.00	120,220.00
	Cash and Cash Equivalents at the end of the year		356,970.00	7,080.00

Cash and cash equivalents at the end of the year does not include fixed deposits under Lien Rs. 150,000.00 thousands (Previous year Rs. 298,800.00 thousands).

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

As per our report of even date.

For S. R. BATLIBOI & CO.
Firm Registration No: 301003E
Chartered Accountants

per VIJAY MANIAR
Partner
Membership No.: 36738

Mumbai, April 16, 2010

For and on behalf of the Board

N. S. KANNAN
Chairman

B. PRASANNA
Managing Director & CEO

ABHIJEET GUIN
Senior Vice President & CFO

ANGARIKA BAVISKAR
Company Secretary

ICICI Securities
Primary Dealership Limited

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV OF THE COMPANIES ACT, 1956

I. Registration details

Registration No.	0131900	State Code	11
Balance Sheet Date	31 (Date)	03 (Month)	2010 (Year)

II. Capital raised during the Year (Rs. in thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of mobilisation and deployment of funds (Rs. in thousands)

Total Liabilities and Shareholder's funds	39139100	Total Assets	39139100

Sources of Funds

Paid-up Capital	1563400	Reserves and Surplus	4057140
Secured Loans	2073650	Unsecured Loans	22768040

Application of Funds

Fixed Assets	36760	Investments	NIL
Net Current Assets	30402410	Deferred Tax Asset	23060
Miscellaneous Expenditure	NIL		

IV. Performance of the Company (Rs. in thousands)

Turnover	3212040	Total Expenditure	2053440
Profit Before Tax	1158600	Profit After Tax	849770
Earnings Per Share in Rupees	54353.97	Dividend Rate %	27.00

V. Generic names of principal products/services of the Company
(as per monetary terms)
Securities Investment and Trading
Underwriting
Portfolio Management Service

For and on behalf of the Board

N. S. KANNAN
Chairman

B. PRASANNA
Managing Director & CEO

ABHIJEET GUIN
Senior Vice President & CFO

ANGARIKA BAVISKAR
Company Secretary

Mumbai, April 16, 2010

ICICI Securities Primary Dealership Limited

Schedule to the Balance Sheet as at March 31, 2010
(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

(Rs. in 000's)

Particulars	Amount outstanding	Amount overdue
Liabilities side:		
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured		
Unsecured	2,789,270.00	—
(Other than falling within the meaning of public deposits)		
(b) Deferred Credits	—	—
(c) Term Loans	—	—
(d) Inter-corporate loans and borrowing	2,500,820.00	—
(e) Commercial Paper	11,928,040.00	—
(f) Other Loans - CBLO - Secured	2,073,920.00	—
Call, Notice and Term Money - Unsecured	5,660,820.00	—

Assets side :	Amount outstanding
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	
(a) Secured	—
(b) Unsecured	4,354,860.00
(3) Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities	
(i) Lease assets including lease rentals under sundry debtors :	
(a) Financial lease	—
(b) Operating lease	—
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	—
(b) Repossessed Assets	—
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	—
(b) Loans other than (a) above	—
(4) Break-up of Investments	
Current Investments	
1. Quoted	
(i) Shares : (a) Equity	55,870.00
(b) Preference	—
(ii) Debentures and Bonds	16,766,940.00
(iii) Units of mutual funds	—
(iv) Government Securities	6,385,540.00
(v) Others	—
2. Unquoted	
(i) Shares : (a) Equity	4,500.00
(b) Preference	50,000.00
(ii) Debentures and Bonds	50,000.00
(iii) Units of mutual funds	—
(iv) Government Securities	—
(v) Others	—
Long Term Investments	
1. Quoted	
(i) Shares : (a) Equity	—
(b) Preference	—
(ii) Debentures and Bonds	—
(iii) Units of mutual funds	—
(iv) Government Securities	—
(v) Others	—
2. Unquoted	
(i) Shares : (a) Equity	—
(b) Preference	—
(ii) Debentures and Bonds	—
(iii) Units of mutual funds	—
(iv) Government Securities	—
(v) Others	—

(5) Borrower group-wise classification of assets financed as in (2) and (3) above :

	Amount net of provisions		
Category	**Secured**	**Unsecured**	**Total**
1. Related Parties			
(a) Subsidiaries	—	—	—
(b) Companies in the same group	—	33,100.00	33,100.00
(c) Other related parties	—	—	—
2. Other than related parties	—	4,321,760.00	4,321,760.00
Total	**—**	**4,354,860.00**	**4,354,860.00**

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	**Market Value**	**Book Value (Net of provisions)**
1. Related Parties		
(a) Subsidiaries	—	—
(b) Companies in the same group	486,260.00	486,260.00
(c) Other related parties	—	—
2. Other than related parties	22,836,280.00	22,826,590.00
Total	**23,322,540.00**	**23,312,850.00**

(7) Other information

Particulars	**Amount**
(i) Gross Non-Performing Assets	
(a) Related parties	—
(b) Other than related parties	3,400.00
(ii) Net Non-Performing Assets	
(a) Related parties	—
(b) Other than related parties	—
(iii) Assets acquired in satisfaction of debt	—

For and on behalf of the Board

N. S. KANNAN
Chairman

B. PRASANNA
Managing Director & CEO

ABHIJEET GUIN
Senior Vice President & CFO

ANGARIKA BAVISKAR
Company Secretary

Mumbai, April 16, 2010

ICICI SECURITIES LIMITED

15TH ANNUAL REPORT AND ANNUAL ACCOUNTS 2009-2010

Directors
Chanda D. Kochhar, *Chairperson*
Sandeep Bakhshi *(effective April 30, 2010)*
Uday Chitale
Sonjoy Chatterjee *(upto April 30, 2010)*
Narendra Murkumbi
Ketan Patel
Pravir Vohra
Madhabi Puri Buch, *Managing Director & CEO*
Anup Bagchi, *Executive Director*
A. Murugappan, *Executive Director*

Auditors
S. R. Batliboi & Co.
Chartered Accountants

Raju Nanwani
Company Secretary

Registered Office
ICICI Centre
H. T. Parekh Marg,
Churchgate,
Mumbai - 400 020

directors' report

to the members

The Directors have pleasure in presenting the Fifteenth Annual Report of ICICI Securities Limited (the Company) with the audited statement of accounts for the year ended March 31, 2010.

INDUSTRY OVERVIEW

Equities

Fiscal 2010 was a buoyant year for the Indian stock markets. The BSE Sensex rose by 77% and the BSE 200 rose by 90% during the year. Growth in the Indian economy, reduced concerns on India's fiscal deficit; the stable political environment in India and easy global liquidity were some of the key drivers of the Indian stock markets.

The year observed strong net Foreign Institutional Investors (FII) fund inflows into the Indian equity markets of US$23.40 billion as compared to a net FII outflow in fiscal 2009 of US$11.90 billion.

During the year, retail participation in the equities market increased reflecting a positive change in sentiment and an overall increase in volumes of the secondary markets. The mix of turnover between the cash segment and the derivatives segment stayed virtually unchanged in fiscal 2010 as compared to fiscal 2009. Within the derivative segment turnover, the proportion of options turnover increased significantly. The overall turnover in the market grew by about 56%.

Corporate Finance

During the year, there was increased activity in the primary markets, both from the private sector and from the public sector.

The total funds raised in fiscal 2010 by way of public issues were Rs. 484,720.0 million as against Rs. 35,340.0 million in fiscal 2009. The amount raised through rights issues in fiscal 2010 was Rs. 49,850.0 million as against Rs. 126,220.0 million in fiscal 2009. A large part of public issuances in fiscal 2010 comprised the Government's disinvestment programme involving NHPC Limited, NMDC Limited, NTPC Limited, Oil India Limited, Rural Electrification Corporation Limited and United Bank of India.

Qualified Institutional Placement (QIP) was one of the most popular avenues for issuance of equity in fiscal 2010. Indian companies used this route to raise equity for de-leveraging their balance sheets and raising growth capital. The capital raised through QIP's in fiscal 2010 was Rs. 437,880.0 million as compared to Rs. 1,890.0 million in fiscal 2009. The capital raised through international offerings was Rs. 468,990.0 million in fiscal 2010 and Rs. 14,120.0 million in fiscal 2009.

The total funds raised through the private equity route in fiscal 2010 were Rs. 245,480.0 million from 269 private equity deals and in fiscal 2009 were Rs. 324,540.0 million from 368 deals. Infrastructure and Real Estate, Telecom, Media and Technology, Healthcare and Life Sciences and Banking, Financial Services and Insurance were the dominant sectors in both the financial years by deal value and volume.

Distribution of Retail Financial Products

Financial distribution is still an evolving industry in India. The distribution channels that have evolved are: Independent Financial Advisors, distribution firms, banks and direct selling, including online distribution. The industry is poised for growth and has witnessed several changes in fiscal 2010. Some of the changes like, Securities and Exchange Board of India abolishing entry load with effect from August 1, 2009 and Insurance Regulatory and Development Authority defining limits to charges under Unit Linked Insurance Plan (ULIP) as per the new ULIP guidelines with effect from January 1, 2010 are further triggers for industry to morph and evolve.

For the year, equity Mutual Fund gross sale were Rs. 677.00 billion, a growth of 91% from last year, while the industry saw a net sale of Rs. 14.50 billion, a de-growth of 64% from last year. Life insurance grew by 18% on Annualised First Year Premium.

FINANCIAL HIGHLIGHTS

(Rs. in million)

	Fiscal 2009	**Fiscal 2010**
Gross income	*5,182.1*	**7,560.2**
Profit before tax	*67.3*	**1,779.5**
Provision for tax	*23.1*	**552.7**
Profit after tax	*44.2*	**1,226.8**

Profit after tax for the year ended March 31, 2010 increased to Rs. 1,226.8 million from Rs. 44.2 million in the previous year, primarily due to the overall increase in income by Rs. 2,378.1 million contributed by various business units.

After taking into account the balance of Rs. 355.8 million (previous year: Rs. 635.1 million) brought forward from the previous year, the profit available for appropriation is Rs. 1,582.6 million (previous year: Rs. 679.3 million), of which Rs. 122.7 million (previous year: Rs. 20.0 million) has been transferred to General Reserve.

DIVIDEND

During the year, the Company declared four interim dividends on the 5,000,000, 13.75% Non-Convertible Cumulative Redeemable Preference Shares amounting to Rs. 68.8 million (previous year: Rs. 19.4 million). The Directors are pleased to recommend the aggregate of interim dividends at Rs. 68.8 million as final dividend for the year.

During the year, the Company declared four interim dividends on the equity share capital, aggregating to 150.64% and amounting to Rs. 920.0 million. The Directors are pleased to recommend the aggregate of interim dividends at Rs. 920.0 million as the final dividend for the year.

OPERATIONAL REVIEW

The Company continued to expand its client base across business segments and to help its clients in meeting their financial goals by providing them with best-in-class research, advisory and execution services.

Equities

ICICIdirect.com, the on-line broking business of the Company, offers one of the largest and most robust platforms for online trading and provides a wide range of products that includes equities, mutual funds, IPOs, insurance (both life insurance and general insurance) and loans (home loans and personal loans) to its customers who are primarily individuals.

After establishing a presence in the on-line trading and growing the Active Trader Service offline segment, ICICIdirect.com has expanded its franchisee/sub-broker model wherein 321 outlets were added in fiscal 2010. ICICIdirect's research team increased its coverage to 25 sectors and currently tracks 175 Indian companies. Strong research support with regular updates has ensured customer satisfaction and loyalty.

Currently, the Company has the largest customer account base of 2.1 million and one of the largest pan-India distribution networks of over 250 ICICIdirect stores in 78 cities and more than 1,000 sub-brokers across 500 cities in India.

The institutional equity research department increased its active coverage of listed companies to nearly 130 by the end of fiscal 2010. In addition, the department produced a number of thematic reports on sectors such as automobiles, banking, cement, fertilizer, FMCG, insurance, IT services, media, metals, oil and gas, petrochemicals, pharmaceuticals, power, real estate and telecom. Towards the end of the year, it also launched a proprietary real estate survey, leveraging the distribution network of ICICI Group companies.

The ninth edition of the India Unlimited investor conference was held successfully in Singapore. The Company hosted the top management of 36 leading companies in India at the conference and about 550 one-on-one or group meetings for these companies with investors. The response received was excellent.

In addition, the Company also hosted a number of thematic conferences during the year on insurance and IT services. In a first-of-its-kind roadshow, the Company invited Shri Kamal Nath, Honourable Minister, Ministry of Roads, Transportation and Highways, to meet investors in Mumbai, London, New York, Singapore and Zurich. Investors had the opportunity to discuss the future of infrastructure development in India with the Honourable Minister.

Corporate Finance

The Company continued to consolidate its position as one of the leaders in the domestic equity capital markets. Some of the key capital market issues lead managed by the Company were:

- Follow-on public offering (FPO) of NTPC Limited, the first public issue to use auction route and the first fast track FPO in the history of the Indian capital markets;
- FPO of Rural Electrification Corporation Limited;
- QIP of Adhunik Metaliks Limited, Lanco Infratech Limited, Network18 Media and Investments Limited and Texmaco Limited; and
- IPO of Adani Power Limited, Godrej Properties Limited, JSW Energy Limited and Shree Ganesh Jewellery House Limited.

In the advisory space, some of the transactions advised by the Company included the following:

- Sole advisor to T. Rowe Price for their acquisition of 26% stake in UTI Asset Management Company Limited; and
- Private equity advisory to PNB Housing Finance Limited.

Distribution of Retail Financial Products

The Company's distribution strategy is to partner with its customers in meeting their life goals by increasing awareness and offerings of appropriate financial products. In the year gone by, the Company expanded its Mutual Fund business, increased its share of life insurance business and established presence in wealth products. ICICIdirect was among the first ones to roll out the competitive price structure for its customers in mutual funds post the changes in regulation. The research team enhanced its coverage to various financial products including mutual funds and fixed deposits.

Overall, the Company has significantly improved its productivity and profitability in the distribution business.

Risk Management

Risk management forms the foundation of the Company's various business operations as a financial services company. The Corporate Risk Management Group is committed to framing effective risk management policies. The group has developed comprehensive risk management policies that seek to continuously enhance its risk management and control procedures to better identify and monitor risk and proactively take action to mitigate it. The Company has constituted a Risk Management Committee that debates on various aspects of risk management and, *inter alia*, decides the risk related policies for its various businesses and ensures compliance with regulatory guidelines on risk management and the prudential limits and exposure limits sanctioned by the Board of Directors.

OUTLOOK

Equities

Going forward, the growth of the Indian economy and the attractive prospects of Indian corporates will continue to attract investments in India's equity markets. Equity flows are, therefore, expected to be strong, subject only to global liquidity conditions and developments.

While the increasingly competitive environment for institutional equities in India is a challenge, given the Company's brand and platform, its empanelment with several institutional investors and the presence of a high quality product and business team, the Company is well placed to capitalise on institutional investor activity in India.

The participation of retail investors in the direct equity markets is expected to remain in line with that of last year. Over time, the allocation of household savings will shift towards equity either directly or indirectly through collective investment vehicles. In the past, attractive primary issuances were the trigger for large scale retail participation in the market. The derivative market is expected to remain active with a large number of intra-day participants working on picking up small movements in the market. Going forward, all these will determine the Company's strategy for growth.

Corporate Finance

The Company expects fund raising activity to gain momentum in the coming year. In fiscal 2010, the Company enjoyed a leading position across capital markets and advisory practices. In the current year, the Company's focus will be on sectors that are ready to tap opportunities that the growing Indian economy presents. In fiscal 2011, the Company expects public sector divestment to continue. The key themes for fiscal 2011 that are expected to drive fund raising activity through either the capital market or private equity route are infrastructure and real estate development, healthcare, financial inclusion and the rapid growth of small and medium sized companies.

Distribution of Retail Financial Products

With more regulatory changes expected in the coming fiscal, the Company will continue to focus on customer education, increasing efficiency and productivity.

SUBSIDIARY COMPANIES

The Company has two subsidiaries in USA, viz. ICICI Securities Holdings, Inc. (ISHI) and ICICI Securities, Inc. (I-Sec, Inc.). As required under Section 212 of the Companies Act, 1956, the audited statements of accounts for the year ended March 31, 2010 together with the reports of the Directors and Auditors for the year ended March 31, 2010 of these subsidiaries are attached.

ISHI continued to serve its US based customers with consistent communication on portfolio performance while addressing their wealth management needs. In portfolio management, ISHI actively aligned its client portfolios with opportunities emerging in the marketplace, while ensuring minimal portfolio risk. The various business initiatives ensured retention of clients while delivering positive risk adjusted portfolio returns. Going forward, ISHI intends to stay focused on India linked opportunities and hence proposes to divest the USA based investment advisory business.

I-Sec, Inc. is registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority.

In fiscal 2010, I-Sec, Inc. continued to make its presence felt in the Indian financial markets by reaching out to various institutional investors. Meetings and road shows were organised with Indian corporates for meeting institutional investors in both USA and Singapore for primary and secondary market investments. I-Sec, Inc. also focused on Foreign Currency Convertible Bond (FCCB) transactions where it assisted clients with FCCB buy backs and FCCB trading. In line with its India linked strategy, the Company would seek to grow this franchise.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's CSR mission is to empower and enable marginalised children in our society through education. For the past several years, the Company has been supporting two NGOs viz. Muktangan and Door Step School in their endeavour to provide education and healthcare to underprivileged children. The Company continued with this support in fiscal 2010, working through the ICICI Foundation.

The Company received the first prize in the 'Corporate' category for the maximum number of unique donors who donated funds during the India Giving Challenge 2009 organised by GiveIndia during the Joy of Giving Week 2009. The Company also raised funds for the Maharashtra and Andhra Pradesh flood victims' relief programme.

PUBLIC DEPOSITS

The Company did not accept any deposits under Section 58A of the Companies Act, 1956 during the year.

ACHIEVEMENTS

ICICIdirect.com was adjudged 'Best E-Brokerage House 2009' at the Outlook Money NDTV Profit Awards. The Company has now won the award for five consecutive years since the institution of the award.

The Company won the coveted Franchisor of the Year award in the Financial Services category at the 7th Franchise India Awards for Excellence 2009.

During the year, ICICIdirect Money Kitchen, a new retail format, was launched in Pune and Ahmedabad. Providing a pleasant ambience and investor friendly experience, ICICIdirect Money Kitchen, is an innovative financial store where visitors can create their profiles to not only analyse their investment strategy by using various financial tools but also monitor it from time to time. ICICIdirect Money Kitchen was awarded 'Concept of the Year' in retailing at the 4th Star Retailer Awards for Excellence in Retailing.

DIRECTORS

During the year, Sonjoy Chatterjee was nominated as a Director of the Company by ICICI Bank Limited effective June 4, 2009.

Madhabi Puri Buch, Narendra Murkumbi, Pravir Vohra and Ketan Patel were appointed on the Board of the Company as Directors at the Annual General Meeting held on June 26, 2009.

In terms of the provisions of the Articles of Association of the Company, Anup Bagchi and Ketan Patel, Directors, will retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer themselves for re-appointment.

AUDITORS

The statutory auditors, S.R. Batliboi & Co., Chartered Accountants, Mumbai, will retire at the ensuing Annual General Meeting. At its meeting held on April 20, 2010, the Board has proposed their re-appointment as Auditors to audit the accounts of the Company for the year ending March 31, 2011. The retiring Auditors have indicated their willingness to be re-appointed. You are requested to consider their re-appointment.

FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

During fiscal 2010, expenditure in foreign currencies amounted to Rs. 103.2 million (previous year: Rs. 118.7 million) and earnings in foreign currencies amounted to Rs. 83.0 million (previous year: Rs. 149.3 million).

PERSONNEL AND OTHER MATTERS

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.

Since the Company does not own any manufacturing facility, disclosure of information relating to conservation of energy and technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not applicable and, hence, not given.

AUDIT COMMITTEE

The Audit Committee comprises Uday Chitale, Pravir Vohra and Anup Bagchi as its members. Uday Chitale, an independent director, is Chairman of the Audit Committee. During the year, Sonjoy Chatterjee ceased to be a member of the Committee. The Committee meets to review the accounts of the Company and to discuss the audit findings and recommendations of the internal and statutory auditors.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company confirm:

i that the applicable accounting standards have been followed in the preparation of the annual accounts and that there are no material departures;

ii. that such accounting policies have been selected and applied consistently and judgments and estimates made as are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at March 31, 2010 and of the profit of the Company for the period ended on that date;

iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and

iv. that the annual accounts have been prepared on a 'going concern' basis.

CORPORATE PHILOSOPHY AND COMPLIANCE

The Company firmly believes that corporate governance and compliance practices are of paramount importance to maintain the trust and confidence of its stakeholders and the reputation of the Company. To ensure transparency, fairness and objectivity in the organisation's functioning and unquestioned integrity of all personnel involved, the Company has proactively adopted best practices as regards corporate governance and compliance. The Company's policy on compliance with external regulatory requirements is backed by stringent internal policies and principles to ensure, *inter alia* priority to clients' interests over proprietary interest, maintenance of confidentiality of client information and prevention of insider trading.

ACKNOWLEDGEMENTS

The Directors thank Securities and Exchange Board of India, National Stock Exchange of India Limited, Bombay Stock Exchange Limited, National Securities Depository Limited, Central Depository Services (India) Limited and other statutory authorities and its bankers and lenders for their continued support to the Company.

The Directors express their gratitude for the support and guidance received from the Company's shareholders, ICICI Bank Limited and other group companies and also express their warm appreciation to all the employees of the Company for their commendable teamwork, professionalism and contribution during the year.

The Directors also extend their sincere thanks to the clients and customers of the Company for their unstinted support.

For and on behalf of the Board

CHANDA D. KOCHHAR
Chairperson

April 20, 2010

auditors' report

to the Members of ICICI Securities Limited

1. We have audited the attached Balance Sheet of ICICI Securities Limited ('the Company') as at 31 March, 2010 and also 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.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
   - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
   - v. On the basis of the written representations received from the directors, as on 31 March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
   - 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 Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
     - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2010;
     - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
     - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

S. R. Batliboi & Co.
Firm registration number: 301003E
Chartered Accountants

Per Vijay Maniar
Partner
Membership No.: 36738

Mumbai, April 20, 2010

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

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

(b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) There was no substantial disposal of fixed assets during the year.

(ii) (a) The Company does not hold any securities in physical form. The securities held as stock in trade by the custodian are verified with the confirmation statement received from them on a regular basis. In our opinion, the frequency of such verification is reasonable.

(b) The procedures of physical verification of securities held as stock in trade followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of securities held as stock in trade and no discrepancies were noticed on comparing the statement from custodian with book records.

(iii) As informed, the Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Act and hence clause 4 (iii) of the Order are not applicable to the Company.

(iv) 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 the nature of its business, for the purchase of securities and fixed assets and for rendering services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

As informed, the Company has not sold goods during the year, hence adequacy of internal controls on same has not been commented upon.

(v) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) The provision of clause (viii) of the Order is not applicable to the Company in the year under audit and hence not reported upon.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, wealth-tax, service tax and other material statutory dues applicable to it.

The provisions of Investor Education and Protection Fund, employees' state insurance, customs duty, excise duty and cess are not applicable to the Company in the current year.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Act, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, sales-tax, wealth-tax, service tax and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

The provisions of Investor Education and Protection Fund, employees' state insurance, customs duty, excise duty and cess are not applicable to the Company in the current year.

(c) According to the records of the Company, the dues outstanding of income-tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in 000's)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of client introduction fees, Client Assistance Charges, Transaction and VSAT charges etc.	785,449	AY 2003-04 to 2008-09	CIT (Appeals) and ITAT

According to the information and explanation given to us, there are no dues of sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced 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.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.

(xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) The Company did not have any term loans outstanding during the year. For this purpose loans with repayment periods beyond 36 months are considered are considered as long term loans.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purpose.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.

(xix) The Company has unsecured debentures outstanding during the year on which no security or charge is required to be created.

(xx) The Company has not raised any money through a public issue.

(xxi) According to the information and explanations given to us, the Company has reported instances of fraud by third parties and employees amounting to Rs.676 ('000). The investigations related to these are either in progress or closed. Apart from the above, we are informed that the Company has not noticed any fraud during the year.

S. R. Batliboi & Co.
Firm registration number: 301003E
Chartered Accountants

Per Vijay Maniar
Partner
Membership No.: 36738

Mumbai, April 20, 2010

balance sheet

as at March 31, 2010

(Rs. in 000's)

	Schedule	March 31, 2010	March 31, 2009
SOURCES OF FUNDS			
1. Shareholders' funds			
A. Share capital	A	**1,110,707**	*1,110,707*
B. Share application money pending allotment		**1,000,000**	—
C. Reserves and surplus	B	**691,169**	*624,126*
		2,801,876	*1,734,833*
2. Loan Funds			
Unsecured loans	C	**2,787,740**	*4,291,596*
		5,589,616	*6,026,429*
APPLICATION OF FUNDS			
1. Fixed assets			
A. Gross block	D	**850,630**	*801,250*
Less: Accumulated depreciation/ amortisation		**469,819**	*437,003*
Net block		**380,811**	*364,247*
B. Capital work in progress (including capital advances)		**17,118**	*42,090*
		397,929	*406,337*
2. Investments	E	**738,959**	*2,136,851*
3. Deferred tax asset (net)	S(B)(8)	**22,574**	—
4. Current assets, loans and advances			
A. Current assets:			
(a) Interest accrued	F	**38,809**	*49,060*
(b) Securities held as stock-in-trade	G	**426**	*917*
(c) Sundry debtors	H	**1,269,508**	*888,215*
(d) Cash and bank balances	I	**3,888,597**	*1,941,244*
(e) Other current assets	J	**152,026**	*74,099*
B. Loans and advances	K	**2,173,091**	*2,579,493*
		7,522,457	*5,533,028*
Less: **Current Liabilities & Provisions**			
(a) Current liabilities	L	**3,027,040**	*2,012,825*
(b) Provisions	L	**65,263**	*36,962*
Net current assets		**4,430,154**	*3,483,241*
		5,589,616	*6,026,429*
Notes to Accounts	S		

profit and loss account

for the year ended March 31, 2010

(Rs. in 000's)

	Schedule	March 31, 2010	March 31, 2009
INCOME FROM OPERATIONS			
(a) Brokerage income		**5,640,385**	*3,561,129*
(b) Income from services		**1,415,799**	*1,115,982*
(c) Profit/(loss) on securities (net)	M	**293,393**	*166,691*
(d) Interest income	N	**203,646**	*303,926*
(e) Dividend and other income		**6,966**	*34,322*
		7,560,189	*5,182,050*
EXPENDITURE			
(a) Payments to and provisions for employees	O	**2,164,451**	*1,448,714*
(b) Operating expenses	P	**980,539**	*844,770*
(c) Establishment and other expenses	Q	**2,035,466**	*2,027,470*
(d) Financial charges	R	**409,899**	*575,221*
(e) Depreciation	D	**151,831**	*138,158*
(f) Doubtful debts written off/provided		**38,424**	*80,417*
		5,780,610	*5,114,750*
Profit before taxation		**1,779,579**	*67,300*
Less: Provision for tax			
(i) Current tax		**575,116**	*7,653*
Less: MAT credit entitlement		**—**	*(7,653)*
		575,116	—
(ii) Deferred tax		**(22,574)**	*2,970*
(iii) Fringe benefit tax		**—**	*20,000*
(iv) Wealth Tax		**195**	*151*
Profit after taxation		**1,226,842**	*44,179*
Brought forward from previous years		**355,781**	*635,159*
Profit available for appropriations		**1,582,623**	*679,388*
Dividend on preference shares		**68,750**	*19,401*
Interim dividend on equity shares		**920,017**	*240,061*
Tax on dividends		**168,041**	*44,095*
Transfer to general reserve		**122,684**	*20,000*
Transfer to debenture redemption reserve		**50,000**	—
Balance carried forward		**253,131**	*355,781*
Basic earnings per share	S (B) (1)	**3.75**	*0.07*
Diluted earnings per share	S (B) (1)	**3.74**	*0.07*
(Face value Rs. 2 per share)			
Notes to Accounts	S		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet and Profit and Loss Account.

As per our report of even date

S.R. Batliboi & Co.
Firm registration number: 301003E
Chartered Accountants

Per Vijay Maniar
Partner
Membership No: 36738

Mumbai, April 20, 2010

For and on behalf of the Board of Directors

CHANDA D. KOCHHAR
Chairperson

MADHABI PURI BUCH
Managing Director & CEO

A. MURUGAPPAN
Executive Director

ANUP BAGCHI
Executive Director

RAJU NANWANI
Company Secretary

CHARANJIT ATTRA
CFO & Head - Operations

	March 31, 2010	(Rs. in 000's) March 31, 2009
SCHEDULE "A" – SHARE CAPITAL		
Authorised:		
750,000,000 (March 31, 2009 : 750,000,000 of Rs. 2 each) equity shares of Rs. 2 each	**1,500,000**	*1,500,000*
10,000,000 (March 31, 2009 10,000,000 of Rs.100 each) 13.75% Cumulative non-convertible redeemable preference shares of Rs. 100 each	**1,000,000**	*1,000,000*
	2,500,000	*2,500,000*
Issued:		
305,353,500 (March 31, 2009 : 305,353,500 of Rs. 2 each) equity shares of Rs. 2 each	**610,707**	*610,707*
5,000,000 (March 31, 2009 : 5,000,000 of Rs. 100/- each) 13.75% Cumulative non-convertible redeemable preference shares of Rs. 100 each. These shares are redeemable on December 18, 2013.	**500,000**	*500,000*
	1,110,707	*1,110,707*
Subscribed & paid-up:		
305,353,500 (March 31, 2009 : 305,353,500 of Rs. 2 each) equity shares of Rs. 2 each fully paid	**610,707**	*610,707*
5,000,000 (March 31, 2009: 5,000,000 of Rs. 100 each) 13.75% Cumulative non-convertible redeemable preference shares of Rs. 100 each. These shares are redeemable on December 18, 2013.	**500,000**	*500,000*
TOTAL	**1,110,707**	*1,110,707*

Note:
All the above, 305,353,500 (March 31, 2009 : 305,353,500) Equity Shares of Rs. 2 each are held by ICICI Bank Limited (Holding Company) and 5,000,000 (March 31, 2009 : 5,000,000) Cumulative non-convertible redeemable preference shares are held by ICICI Home Finance Company Limited (Fellow Subsidiary).

SCHEDULE "B" – RESERVES AND SURPLUS

	Balance as on April 1, 2009	**Additions/ transfer during the year**	**Deductions/ transfers during the year**	**As at March 31, 2010**	*As at March 31, 2009*
Securities premium account (note 1)	*244,000*	**—**	**—**	**244,000**	*244,000*
Debenture redemption reserve (Schedule S(B) (18))	—	**50,000**	**—**	**50,000**	—
Investors contingency fund	*13,555*	**15**	**297**	**13,273**	*13,555*
Profit and loss account	*355,781*	**1,226,842**	**1,329,492**	**253,131**	*355,781*
Translation reserve	—	**—**	**2,709**	**(2,709)**	—
General reserve (note 2)	*10,790*	**122,684**	**—**	**133,474**	*10,790*
TOTAL	*624,126*	**1,399,541**	**1,332,498**	**691,169**	*624,126*

Note:

1. Share issue expenses amounting to Rs. Nil (Previous year: Rs. 18,500 thousand) have been written off from Securities Premium Account.
2. Stock options settled in cash amounting to Rs. Nil (Previous year: Rs. 260,870 thousand) as per the 'Employee Stock Option Scheme' are adjusted from General reserve account.

	March 31, 2010	(Rs. in 000's) March 31, 2009
SCHEDULE "C" – UNSECURED LOANS		
Unsecured debentures	**500,000**	*2,070,000*
(Repayable within one year Rs. Nil Previous year Rs.2,070,000 thousand)		
Bank overdraft	**1,183,483**	—
Commercial paper	**1,104,257**	*2,221,596*
(Maximum amount raised at any time during the year Rs. 3,728,860 thousand (Previous year Rs.2,585,415 thousand)		
TOTAL	**2,787,740**	*4,291,596*

SCHEDULE "D" – FIXED ASSETS (Rs. in 000's)

	Gross Block (At Cost)				Accumulated Depreciation				Net Block	
	April 1, 2009	**Additions**	**Sale/Adj***	**March 31, 2010**	*April 1, 2009*	**Additions**	**Sale/Adj***	**March 31, 2010**	**March 31, 2010**	*March 31, 2009*
TANGIBLE										
Computers	*172,821*	*60,610*	*86,830*	**146,601**	*132,237*	*17,530*	*86,242*	**63,525**	**83,076**	*40,584*
Furniture & fixtures	*12,520***	*27,241*	*8,392*	**31,369**	*2,121***	*3,541*	*721*	**4,941**	**26,428**	*10,399*
Office equipment	*25,908*	*20,182*	*4,746*	**41,344**	*5,530*	*3,605*	*881*	**8,254**	**33,090**	*20,378*
Vehicles	*19,605*	*11,530*	*400*	**30,735**	*3,036*	*5,328*	*144*	**8,220**	**22,515**	*16,569*
Leasehold improvements	*199,352***	*31,830*	*57,753*	**173,429**	*72,139***	*60,457*	*31,027*	**101,569**	**71,860**	*127,213*
INTANGIBLE										
Software	*353,938*	*55,727*	*27*	**409,638**	*219,889*	*57,826*	—	**277,715**	**131,923**	*134,049*
CMA membership right	*17,106*	*1,119*	*711*	**17,514**	*2,051*	*3,544*	—	**5,595**	**11,919**	*15,055*
Total (A)	*801,250*	*208,239*	*158,859*	**850,630**	*437,003*	*151,831*	*119,015*	**469,819**	**380,811**	*364,247*
Capital work-in-progress (B)	*42,090*	—	—	**17,118**	—	—	—	**—**	**17,118**	*42,090*
Total (A + B)	*843,340*	*208,239*	*158,859*	**867,748**	*437,003*	*151,831*	*119,015*	**469,819**	**397,929**	*406,337*
Previous Period	*847,690*	*422,110*	*426,460*	*843,340*	*463,310*	*138,158*	*164,470*	*437,003*	*406,337*	

* Fixed assets sale/ adjustments includes effect of foreign currency translation amounting to Rs. 1,172 thousand.

** Reclassification of furniture and fixtures into lease hold improvements adjusted in opening balance.

(Rs. in 000's)

Name of the Company	Quantity in thousands	Face value per unit	As at March 31, 2010	*As at March 31, 2009*
SCHEDULE "E" – INVESTMENTS - LONG TERM (AT COST, QUOTED UNLESS OTHERWISE STATED)				
In Equity Shares				
Subsidiary Company:				
ICICI Securities Holding Inc. (unquoted)	16,640 (14,450)	US$ 1	**728,206**	*626,088*
Others:				
Bombay Stock Exchange Limited (unquoted)	22.828 (22.828)	Rs. 1	**2**	*2*
ICICI West Bengal Infrastructure Development Corporation (unquoted)	0.001 (0.001)	Rs.10	**1**	*1*
Tata Motors Limited	Nil (4,411.76)	Rs.10	**—**	*1,500,000*
In Mutual Funds (Investors Contingency Fund):				
JM Mutual Fund	Nil (0.41)		**—**	*3*
IDFC Mutual Fund	Nil (0.64)		**—**	*7*
Birla Sun Life Asset Management Company Limited	0.01 (0.01)		**0**	*0*
DSP Blackrock Liquid Fund - Growth	226.10 (226.10)		**3,773**	*3,773*
ICICI Prudential Liquid Plan - Growth	400.95 (400.95)		**6,977**	*6,977*
Total			**738,959**	*2,136,851*
Aggregate amount of quoted investments (Market Value Rs. Nil, Previous year Rs. 796,760 thousand)			**—**	*1,500,000*
Aggregate amount of unquoted investments (Rs.0 thousand indicates values are lower than Rs.1 thousand)			**738,959**	*636,851*

SCHEDULE "F" – INTEREST ACCRUED

(Rs. in 000's)

	March 31, 2010	*March 31, 2009*
On fixed deposits	**38,809**	*49,060*
Total	**38,809**	*49,060*

SCHEDULE "G" – SECURITIES HELD AS STOCK IN TRADE:
(At cost or market value whichever is lower)
(Quoted unless otherwise stated)

Equity shares	**425**	*899*
Mutual fund (Unquoted)	**0**	*17*
Bond	**1**	*1*
Total	**426**	*917*

1. The aggregate carrying value and market value of quoted securities as at March 31, 2010 is Rs. 426 thousand (Previous year: Rs. 917 thousand) and Rs. 478 thousand (Previous year: Rs. 917 thousand) respectively.
2. The above include securities on the Company's account due to trading errors on behalf of the customers.
3. Rs.0 thousand indicates values are lower than Rs.1 thousand

(Rs. in 000's)

	March 31, 2010	*March 31, 2009*
SCHEDULE "H" – SUNDRY DEBTORS (Unsecured)		
(A) Receivables outstanding for a period exceeding six months:		
Considered good	**12,610**	*100,356*
Considered doubtful	**75,518**	*179,334*
(B) Receivables outstanding for a period not exceeding six months:		
Considered good	**1,256,898**	*787,859*
Considered doubtful	**810**	*2,790*
Less: Provision for doubtful debt	**(76,328)**	*(182,124)*
Total	**1,269,508**	*888,215*

Included in sundry debtors (net of provisions) are:

Dues from Companies under same management

ICICI Bank Limited Rs. Nil (Previous year - Rs. 49,540 thousand) and maximum outstanding during the year Rs. 33,174 thousand (Previous year - Rs. 57,940 thousand)

ICICI Securities Primary Dealership Limited Rs. 106 thousand (Previous year - Rs. 5,955 thousand) and maximum outstanding during the year Rs. 106 thousand (Previous year - Rs. 5,955 thousand)

ICICI Prudential Life Insurance Co. Limited Rs. Nil (Previous year - Rs 1,030 thousand) and maximum outstanding during the year Rs. 35,475 thousand (Previous year - Rs. 59,310 thouands)

ICICI Lombard General Insurance Co. Limited Rs. 3,230 thousand (Previous year - Rs. 2,510 thousand) and maximum outstanding during the year Rs. 3,648 thousand (Previous year - Rs. 5,560 thousand)

ICICI Prudential Asset Management Co. Limited Rs. Nil (Previous year - Rs.1,770 thousand) and maximum outstanding during the year Rs. 1,770 thousand (Previous year - Rs. 7,790 thousand)

ICICI Home Finance Company Limited Rs. 3,769 thousand (Previous year - Rs. 1,470 thousand) and maximum outstanding during the year Rs. 1,285 thousand (Previous year - Rs. 3,550 thousand)

ICICI Securities Inc. Rs.23,168 thousand (Previous year - Rs.18,993 thousand) and maximum outstanding during the year Rs.23,168 thousand (Previous year - Rs. 18,990 thousand)

SCHEDULE "I" – CASH AND BANK BALANCES

Cash and cheques on hand	**65,983**	*15,158*
In Current accounts with banks		
i) In India with scheduled banks	**224,270**	*296,989*
ii) Outside India	**48,890**	*20,910*
Fixed deposits with scheduled banks		
in India	**867,516**	*170,000*
Cash & bank balances	**1,206,659**	*503,057*
Fixed Deposits with banks (under lien)		
i) In India with scheduled banks	**2,676,100**	*1,436,205*
ii) Outside India	**5,838**	*1,982*
Total	**3,888,597**	*1,941,244*

Fixed deposits under lien with stock exchanges amounted to Rs.2,264,800 thousand (Previous year: Rs. 1,064,800 thousand) and kept as collateral security towards bank guarantees issued amounted to Rs.410,523 thousand (Previous year: Rs. 373,387 thousand) and others Rs. 6,615 thousand (Previous year: Rs. Nil)

SCHEDULE "J" – OTHER CURRENT ASSETS

Accrued Income	**152,026**	*74,099*
TOTAL	**152,026**	*74,099*

(Rs. in 000's)

	March 31, 2010	March 31, 2009
SCHEDULE "K" – LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Advances:		
(Recoverable in cash or in kind or for value to be received)		
Deposit with stock exchanges	580,250	664,864
Security deposit for leased premises and assets	388,107	343,694
Other advances and deposits	427,089	749,763
Advance tax (net of provision Rs. 2,324,879 thousand Previous year: Rs.1,747,680 thousand)	777,645	821,172
TOTAL	2,173,091	2,579,493

Included in loans and advances are:

Dues from Companies under same management

ICICI Bank Limited Rs. 1,023 (Previous year - Rs. 975 thousand) and maximum outstanding during the year Rs. 1,023 thousand (Previous year - Rs. 975 thousand)

ICICI Lombard General Insurance Company Limited. Rs.3,827 thousand (Previous year - Rs.10,593 thousand) and maximum outstanding during the year Rs. 9,551 thousand (Previous year - Rs. 40,879 thousand)

ICICI Prudential Life Insurance Co. Limited Rs. 2,754 thousand (Previous year - Rs 2,048 thousand) and maximum outstanding during the year Rs. 2,754 thousand (Previous year - Rs. 2,048 thouands)

ICICI Home Finance Company Limited Rs. 521 thousand (Previous year - Rs. Nil) and maximum outstanding during the year Rs. 521 thousand (Previous year - Rs. Nil)

ICICI Securities Holdings Inc. Rs. 14 thousand (Previous year - Rs. 14 thousandl) and maximum outstanding during the year Rs. 14 thousand (Previous year - Rs. 14 thousand)

ICICI Securities Primary Dealership Limited Rs. 2,830 thousand (Previous year - Rs. 14,733 thousand) and maximum outstanding during the year Rs. 8,778 thousand (Previous year - Rs. 18,990 thousand)

Advance to directors Rs. Nil (Previous year Rs. 7,110 thousand) and maximum outstanding during the year is Rs. Nil (Previous year Rs. 7,110 thousand)

	March 31, 2010	March 31, 2009
SCHEDULE "L" – CURRENT LIABILITIES AND PROVISIONS:		
(A) CURRENT LIABILITIES:		
Interest accrued but not due	18,027	6,208
Sundry creditors*	2,056,963	1,711,649
Other liabilities*	952,050	294,968
TOTAL (A)	3,027,040	2,012,825
(B) PROVISIONS:		
Provision for employees benefits	65,263	36,962
TOTAL (B)	65,263	36,962

* Includes amount payable to Micro, Small and Medium enterprises Rs. Nil (Previous year Rs.Nil)

(Refer Schedule S(B)(12))

	March 31, 2010	March 31, 2009
SCHEDULE "M" – PROFIT/(LOSS) ON SECURITIES (NET)		
Profit on stock-in-trade	245,969	166,691
Profit on sale of investments	47,424	—
TOTAL	293,393	166,691
SCHEDULE "N" – INTEREST INCOME:		
Interest income on fixed deposits/ application money (TDS Rs. 27,571 thousand, Previous year Rs. 56,650 thousand)	186,944	269,974
Interest on securities held as stock in trade (TDS Rs. Nil, Previous year Rs. Nil)	1,079	13,045
Interest income on other advances & deposits	15,623	20,907
TOTAL	203,646	303,926
SCHEDULE "O" – PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries, wages and incentive	1,951,788	1,281,265
Contribution to provident and other funds	90,925	55,197
Staff welfare expenses	121,738	112,252
TOTAL	2,164,451	1,448,714

	March 31, 2010	March 31, 2009
SCHEDULE "P" – OPERATING EXPENSES:		
Procurement expenses	325,533	204,478
Turnover fees	1,267	3,152
Transaction charges and stamp duty	1,648	4,071
Custodial and depository charges	441,615	334,101
Clients assistance charges	7,963	71,325
Call centre charges	75,359	91,842
Franking charges	91,946	111,278
Rating agency fees	3,183	3,290
Other operating expenses	32,025	21,233
TOTAL	980,539	844,770
SCHEDULE "Q" – ESTABLISHMENT AND OTHER EXPENSES (net of recoveries)		
Rent & amenities	996,879	873,740
Insurance	5,587	4,677
Business promotion, traveling and conveyance expenses	143,415	167,869
Repairs, maintenance, upkeep and others	259,114	146,090
Rates and taxes	20,952	13,590
Electricity expenses	69,763	87,120
Communication expenses	152,775	249,837
Loss/(profit) on sale of fixed assets	15,948	13,713
Advertisement and publicity	111,973	123,147
Printing and stationery	61,671	50,529
Subscription and periodicals	70,064	77,530
Professional fees	93,182	146,748
Auditors' remuneration	5,709	5,518
Donation	2,736	22,171
Miscellaneous expenses	25,698	45,191
Total	2,035,466	2,027,470
SCHEDULE "R" – FINANCE CHARGES		
Interest on fixed loans	377,583	536,796
Guarantee commission	5,205	14,758
Bank charges	27,111	23,667
TOTAL	409,899	575,221

SCHEDULE "S" – SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

Overview

ICICI Securities Limited ("the Company"), incorporated in 1995, is a public company engaged in the business of broking (institutional and retail), merchant banking & advisory services.

Reserve Bank of India (RBI) had, vide its circular dated July 4, 2006, prohibited a Primary Dealer (PD) from having a subsidiary. Accordingly, ICICI Securities Primary Dealership Limited, the then holding company of the Company, was required to restructure the ownership of its subsidiaries. Accordingly, in May 2007, ICICI Securities Primary Dealership Limited and ICICI Trusteeship Services (ICICI Equity Fund) transferred their respective holdings in the Company to ICICI Bank Limited. As a result, the Company became a 100% subsidiary of ICICI Bank Limited.

During May 2007, the Company also acquired the holdings of ICICI Securities Primary Dealership Limited in ICICI Securities Holding Inc. and with this acquisition; the Company has a subsidiary - ICICI Securities Holdings Inc. and a step-down subsidiary - ICICI Securities Inc.

As a part of RBI approved restructuring plan of ICICI Securities Primary Dealership Limited, the merchant banking business of ICICI Securities Primary Dealership Limited was to be carried on by the Company. Accordingly, the Company, on July 9, 2007, obtained merchant banking license from Securities & Exchange Board of India (SEBI).

After completion of the aforesaid reorganisation, the Company is now engaged in following activities:

- Broking (institutional and retail)
- Merchant banking
- Advisory services
- Distribution of financial products

Employees associated with the merchant banking businesses as well as with other service functions were transferred from ICICI Securities Primary Dealership Limited to the Company.

Basis of preparation

The financial statements have been prepared in accordance with the notified accounting standards issued by Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956. The financial statements have been prepared on historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except where otherwise stated, are consistent with those used in the previous year.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income, expenses and results during the reporting period. The estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

A. SIGNIFICANT ACCOUNTING POLICIES

1. Revenue recognition

a. Brokerage income in relation to stock broking activity is recognised on a trade date basis.
b. Revenue from issue management, debt syndication, financial advisory services etc., is recognised based on the stage of completion of assignments and terms of agreement with the client.
c. Fee income in relation to public issues/ other securities is recognised based on mobilisation and intimation received from clients/ intermediaries.
d. Gains/ losses on dealing in securities are recognised on a trade date basis.
e. Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
f. Revenue from dividends is recognised when the shareholder's right to receive the payment is established.

2. Investments and Stock-in-trade

Investments in debt and equity securities are classified as stock-in-trade or long term investments.

Securities acquired with the intention of short-term holding and trading are classified as stock-in-trade. The securities held as stock-in-trade are grouped under current assets and are valued at cost arrived at on weighted average basis or market value, whichever is lower.

Securities acquired with the intention of holding it for more than a year are classified as long term investments. Long term investments are carried at acquisition cost, net of direct acquisition costs, if any. Any decline in the value of investments, which is other than temporary is reduced from its acquisition costs. A decline is considered as other than temporary after considering the investee company's market value, assets, results and the expected cash flows from the investment and restrictions, if any, on distribution or sale of the investee company.

3. Fixed assets and depreciation

Fixed assets are carried at cost less accumulated depreciation. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Depreciation is charged over the estimated useful life of the assets on straight line basis. The rates of depreciation for fixed assets, which are not lower than the rates prescribed in Schedule XIV of the Companies Act, 1956, are given below:

Asset	Depreciation rate
Leasehold improvements	Over the lease period
Plant and machinery like air conditioners, photo-copying machines, etc.	10.00%
Computers	16.21%
Furniture and fixtures	15.00%
Motor vehicles	20.00%
Computer software	25.00%
Intangible asset	20.00%

a. Depreciation on leased assets and leasehold improvements is recognised on a straight-line basis using rates determined with reference to the lease period.
b. Assets purchased/sold during the year are depreciated on a pro-rata basis for the actual number of days the asset has been put to use.
c. Items costing up to Rs.5,000 are depreciated fully over a period of 12 months from the date of purchase.

4. Foreign exchange transactions

Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction. Foreign currency income and expenditure items of integral foreign operations are translated at monthly average rates.

Monetary foreign currency assets and liabilities of domestic and integral foreign operations are translated at closing rate. Non monetary foreign currency assets and liabilities of domestic and integral foreign operations are reported at historical cost.

Exchange differences arising on the settlement or restatement of monetary items are recognised as exchange gain/loss in the profit and loss account.

Income and expenditure of non-integral foreign operations are translated at monthly average rates. Both monetary and non-monetary foreign currency assets and liabilities of non-integral foreign operations are translated at closing exchange rates at the balance sheet date and the resultant profits/losses from exchange differences are accumulated in the foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operations.

5. Accounting for customer acquisition cost

Customer acquisition costs like commission paid to direct sales agents is amortised for over a period of three years on a straight line basis.

6. Accounting for derivative transactions

The Company enters into derivative contracts such as equity index/ stock futures, equity index/stock options.

Derivative contracts entered into for trading purposes are marked to market and the resulting loss is accounted for in the profit and loss account. Gains are recognised only on settlement/expiry of the derivative contract.

Receivables/payables on the open positions are reported as current assets/current liabilities.

7. Staff retirement and other benefits

Gratuity

The Company pays gratuity to its employees who retire or resign after a minimum period of five years of continuous service and in the case of employees at overseas locations as per rules in force in the respective countries. The Company makes contributions to the ICICI Securities Employees Gratuity Fund which is managed by ICICI Prudential Life Insurance Company Limited for the settlement of gratuity liability.

The Company accounts for the gratuity liability as per an actuarial valuation by an actuary appointed by the Company. In accordance with the gratuity fund's rules, actuarial valuation of gratuity liability is calculated based on certain assumptions regarding rate of interest, staff mortality and staff attrition as per the projected unit credit method made at the end of each financial year.

With respect to Oman Branch, the Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. With respect to its national employees, the company makes contributions to the Omani Public Authority for Social Insurance Scheme calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when due.

Compensated absence

The Company provides for compensated absences, based on actuarial valuation as at the balance sheet date conducted by an independent actuary as per the projected unit credit method made at the end of each financial year.

Gain/loss on account of the actuarial valuation report are charged to the profit and loss account.

Provident fund

The Company is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as a part of retirement benefits to its employees. The contributions during the year are charged to the profit and loss account.

8. Income taxes

Income tax expense is the aggregate amount of current tax and deferred tax borne by the Company. The current tax expense and deferred tax expense is determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India respectively. The levy of fringe benefit tax (FBT) is not applicable as the Finance (No.2) Act, 2009 has abolished the tax with effect from financial year 2009-10. Deferred tax adjustments comprise of changes in the deferred tax assets or liabilities during the year.

Deferred tax assets and liabilities are recognised on a prudent basis for the future tax consequences of timing differences arising between the carrying values of assets and liabilities and their respective tax basis and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in the deferred tax assets and liabilities is recognised in the profit and loss account.

Deferred tax assets are recognised and reassessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation, tax losses and carry forward capital losses, only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

In accordance with the recommendations contained in Guidance note on accounting for credit available in respect of Minimum Alternative Tax ("MAT") issued by the Institute of Chartered Accountants of India, MAT credit is recognised as an asset to the extent there is convincing evidence that the company will pay normal income tax during the specified period in future. MAT credit is recognised as an asset by way of a credit to the profit and loss account and shown as MAT credit entitlement in the year in which MAT credit becomes eligible to be recognised as an asset.

9. Impairment of assets

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment is recognised by debiting the profit and loss account and is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

10. Provisions, contingent liabilities and contingent assets

A provision is recognised when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet dates and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to the effect is made in the financial statements. In case of remote possibility neither provision nor disclosure is made in the financial statements. The Company does not account for or disclose contingent assets, if any.

11. Earnings per share ("EPS")

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

12. Lease transactions

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

13. Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with the banks and short term investments with an original maturity of three months or less.

B. NOTES FORMING PART OF THE ACCOUNTS

1. Earnings per share

Basic and diluted earnings per equity share are computed in accordance with Accounting Standard 20, "Earnings per Share". Basic earnings per share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. The diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

The computation of basic and diluted earnings per share is given below:-

	Year ended March 31, 2010	*Year ended March 31, 2009*
Basic		
Weighted average no. of equity shares outstanding (in thousand) (A)	**305,354**	*305,354*
Net profit after tax, before preference dividend (Rs. in thousand)	**1,226,842**	*44,179*
Preference dividend and tax on dividend (Rs. in thousand)	**80,434**	*22,696*
Net profit after tax and preference dividend (Rs. in thousad)	**1,146,408**	*21,483*
Basic earnings per share (Rs.)	**3.75**	*0.07*
Nominal value per share (Rs.)	**2.00**	*2.00*

	Year ended March 31, 2010	*Year ended March 31, 2009*
Diluted		
Annualised no. of potential equity shares upon allotment (B)	**1,369**	—
Weighted average no. of equity shares outstanding (in thousand) (A+B)	**306,723**	*305,354*
Net profit after tax, before preference dividend (Rs. in thousand)	**1,226,842**	*44,179*
Preference dividend and tax on dividend (Rs. in thousand)	**80,434**	*22,696*
Net profit after tax and preference dividend (Rs. in thousand)	**1,146,408**	*21,483*
Diluted earnings per share (Rs.)	**3.74**	*0.07*
Nominal value per share (Rs.)	**2.00**	*2.00*

2. Related Party Disclosures

As per accounting standard on related party disclosures (AS18) as notified by the Companies Accounting Standard Rules 2006, the names of the related parties of the company are as follows:

A. Related party where control exists irrespective whether transactions have occurred or not

Holding Companies: ICICI Bank Limited
Subsidiary Companies: ICICI Securities Holding Inc.; ICICI Securities Inc.

B. Other related parties where transactions have occurred during the year

Fellow Subsidiaries:
ICICI Securities Primary Dealership Limited; ICICI Prudential Life Insurance Company Limited; ICICI Lombard General Insurance Company Limited; ICICI Prudential Asset Management Company Limited; ICICI Prudential Trust Limited; ICICI Venture Funds Management Company Limited; ICICI Home Finance Company Limited; ICICI Prudential Asset Management Company Limited.

Key Management Personnel
Madhabi Puri Buch — Managing Director & CEO
S Mukherji — Managing Director & CEO (upto January 2009)
Anup Bagchi — Executive Director
A Murugappan — Executive Director

The following transactions were carried out with the related parties in the ordinary course of business.

(Rs. in 000's)

Nature of Transaction	Holding Company		Subsidiary Company		Fellow Subsidiary Company	
	2010	*2009*	2010	*2009*	2010	*2009*
Accrued interest[1]	25,577	*11,637*	—	—	—	—
Accrued interest on Purchases	—	—	—	—		—
ICICI Securities Primary Dealership Limited	—	—			—	*155*
Accrued interest on Sales	—	—	—	—		—
ICICI Prudential Life Insurance Co. Limited	—	—			—	*314*
Bank balance(net of credit balance of Rs 19,264)[1]	194,459	*290,276*	—	—	—	—
Bank overdraft[1]	1,183,483	—	—	—	—	—
Corporate guarantee	—	—	—	—	—	—
ICICI Securities Inc	—	—	179,600	—	—	—
Deal value of purchase of investments	—	—	—	—	—	—
ICICI Securities Primary Dealership Limited	—	—	—	—	—	*100,000*
Deal value of sale of investments	—	—	—	—	—	—
ICICI Prudential Life Insurance Co. Limited	—	—	—	—	—	*52,159*
Deposit[1]	—	—	—	—	—	—
ICICI Lombard General Insurance Co. Limited.	—	—	—	—	285	*34,100*
Dividend paid	920,017	*240,064*	—	—	—	—
ICICI Home Finance Company Limited	—	—	—	—	68,750	*19,400*
Establishment and other expenses	152,530	*241,551*	—	—	—	—
ICICI Securities Primary Dealership Limited.	—	—	—	—	(8,694)	*(41,161)*
ICICI Lombard General Insurance Co. Limited.	—	—	—	—	55,766	*38,791*
ICICI Home Finance Company Limited	—	—	—	—	—	*1,668*
ICICI Prudential Life Insurance Co. Limited	—	—	—	—	5,239	*5,527*
ICICI Prudential Asset Management Co. Limited	—	—	—	—	(6)	—
Financial charges and operating expenses	535,337	*604,132*	—	—	—	—
ICICI Securities Inc	—	—	15,972	*12,060*	—	—
ICICI Home Finance Company Limited	—	—	—	—	—	*8,000*
ICICI Securities Primary Dealership Limited	—	—	—	—	4,333	—
Fixed assets purchases	2,814	*96,190*	—	—	—	—
ICICI Securities Primary Dealership Limited	—	—	—	—	—	*3,031*
Fixed assets sold	19,213	—	—	—	—	—
Fixed deposits[1]	2,420,601	*1,210,790*	—	—	—	—
Income from services (commission & fees)	56,295	*43,065*	—	—	—	—
ICICI Securities Inc	—	—	26,456	*18,000*	—	—
ICICI Home Finance Company Limited	—	—	—	—	29,983	*25,819*
ICICI Prudential Life Insurance Co. Limited	—	—	—	—	271,229	*158,422*
ICICI Securities Primary Dealership Limited	—	—	—	—	3,698	*2,860*

Nature of Transaction	Holding Company		Subsidiary Company		Fellow Subsidiary Company	
	2010	2009	2010	2009	2010	2009
ICICI Prudential Asset Management Co. Limited.	—	—	—	—	1,876	24,371
ICICI Lombard General Insurance Co. Limited	—	—	—	—	17,954	22,513
Interest income	159,741	184,348	—	—	—	—
Investment[1]	—	—	—	—	—	—
ICICI Securities Holding Limited	—	—	728,206	626,098	—	—
Preference share capital[1]	—	—	—	—	—	—
ICICI Home Finance Company Limited	—	—	—	—	500,000	500,000
Loans & advances (including prepaid expenses)[1]	1,023	975	—	—	—	—
ICICI Lombard General Insurance Co. Limited.	—	—	—	—	3,827	10,593
ICICI Prudential Life Insurance Co. Limited	—	—	—	—	2,754	2,048
ICICI Home Finance Company Limited	—	—	—	—	521	—
ICICI Securities Primary Dealership Limited	—	—	—	—	2,830	8,778
ICICI Securities Holding Inc	—	—	14	14	—	—
Non convertible debenture redeemed	—	—	—	—	—	—
ICICI Prudential Life Insurance Co. Limited	—	—	—	—	—	52,159
Payables[1]	129,056	346,720	—	—	—	—
ICICI Lombard General Insurance Co. Limited	—	—	—	—	3,456	6,765
ICICI Prudential Life Insurance Co. Limited	—	—	—	—	165	—
Receivables[1]	—	49,540		—	—	—
ICICI Securities Inc	—	—	23,168	18,993	—	—
ICICI Lombard General Insurance Co. Limited	—	—	—	—	3,230	2,510
ICICI Prudential Life Insurance Co. Limited	—	—	—	—	—	1,030
ICICI Prudential Asset Management Co. Limited	—	—	—	—	—	1,770
ICICI Home Finance Company Limited	—	—	—	—	3,769	1,470
ICICI Securities Primary Dealership Limited	—	—	—	—	106	5,955
Accrued income[1]	14,519	68	—	—	—	—
ICICI Lombard General Insurance Company Limited	—	—	—	—	1,700	1,132
ICICI Prudential Life Insurance Company Limited	—	—	—	—	12,624	3,023
ICICI Prudential Asset Management Company	—	—	—	—	—	820
ICICI Home Finance Company Limited	—	—	—	—	91	711
Share application money[1]	1,000,000	—	—	—	—	—
Share capital[1]	610,707	610,710	—	—	—	—
Staff expenses	13,083	53,306	—	—	—	—
ICICI Securities Primary Dealership Limited.	—	—	—	—	480	(5,309)

[1] indicates amount as at March 31, 2010

Key Management Personnel

The compensation for the year ending March 31, 2010 to (1) Madhabi Puri Buch, Managing Director & CEO, (2) S. Mukherji, former Managing Director & CEO, (3) Anup Bagchi, Executive Director and (4) A Murugappan, Executive Director is (1) Rs.12,241 thousand (previous year Rs. 1,729 thousand), (2) Rs. Nil (Previous year Rs. 16,490 thousand), (3) Rs.9,600 thousand (previous year Rs. 12,110 thousand) and (4) Rs.9,600 (previous year Rs. 19,505 thousand) respectively. The compensation paid includes contribution to Provident Fund.

The Company also paid cash in lieu of cancellation of vested options to S. Mukherji of Rs. Nil (previous year Rs. 40,000 thousand) and to A Murugappan Rs. Nil (previous year Rs. 48,000 thousand)

The outstanding employee stock options (Face value of Rs. 2 each) allotted to S. Mukherji – former Managing Director & CEO and A. Murugappan -Executive Director was Nil (previous year 1,200 thousand) and Nil (previous year 1,000 thousand) respectively.

The Company has given advance to Madhabi Puri Buch, Managing Director & CEO of Rs. Nil (Previous year Rs. 7,100 thousand).

3. Employee benefits (AS 15 Revised)

The following table summarizes the components of net expenses for retirement benefits recognised in the profit and loss account and the amounts recognised in the balance sheet.

(Rs. in 000's)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
	Gratuity	Gratuity
Opening obligations	85,143	105,206
Service cost	32,517	45,633
Interest cost	8,105	12,860
Actuarial (gain) / loss	(4,143)	(73,930)
Past service cost	—	—
Liabilities assumed on acquisition / (settled on divestiture)	6,895	10,990
Benefits paid	(11,230)	(15,616)
Total Obligation	117,287	85,143
Defined benefit obligation liability	117,287	85,143
Opening plans assets, at fair value	55,383	67,485
Expected return on plan assets	5,881	6,137
Actuarial gain / (loss)	10,219	(13,611)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
	Gratuity	Gratuity
Contributions by employer	—	—
Assets acquired on acquisition / (settled on divestiture)	6,895	10,990
Benefits paid	11,230	(15,616)
Plan assets	67,149	55,383
Fair value of plan assets at the end of the year	67,149	55,383
Present value of the defined benefit obligations at the end of the period	117,287	(85,143)
Unrecognised Past Service Cost	6,728	9,800
Asset / (liability)	(43,410)	(19,960)
Cost for the period		
Service Cost	32,517	45,633
Interest cost	8,105	12,860
Expected return on plan assets	(5,881)	(6,137)
Actuarial (gain) / loss	(14,362)	(60.319)
Past Service Cost	3,072	3,072
Net cost	23,451	(4,890)
Investment details of plan assets		
Insurer Managed Funds	66.00%	80.00%
Others	34.00%	20.00%
Assumptions		
Interest rate (p.a.)	7.95%	7.00%
Salary escalation rate (p.a.)	7.00%	7.00%
Estimated rate of return on plan assets (p.a.)	8.00%	8.00%

The Company expects to contribute Rs. 20,000 thousand to Gratuity in 2010-2011.

(Rs. in 000's)

Particulars	Year ended			
	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Defined benefit obligation	117,287	85,143	105,206	14,890
Plan assets	67,149	55,383	67,485	2,870
Surplus/(deficit)	(50,138)	(29,760)	(37,721)	(12,030)
Experience adjustments on plan liabilities	8,007	(33,883)	10,153	(1600)
Experience adjustments on plan assets	10,219	(13,611)	(1,826)	500

4. Managerial Remuneration

The details regarding the managerial remuneration are given in the table below.

(Rs. in 000's)

	For the year ended	
	March 31, 2010	March 31, 2009
Salary, perquisites and bonus	29,353	*47,680
Contribution to provident fund and other funds	2,088	2,148
Total	31,441	49,828

* This amount includes bonus paid for the year 2007-2008 Rs.18,105 thousand.

As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and therefore not included above.

The Company had paid cash in lieu of cancellation of vested options amounting to Rs. Nil (Previous year Rs. 88,000 thousand).

As there is no commission payable to the directors, the computation of profits under section 198 and 350 of the Companies act, 1956 has not been disclosed.

During the previous financial year 2008-09, the Company had incurred managerial remuneration which was in excess of the limits specified by the relevant provisions of the Companies Act, 1956. The company has made an application to the appropriate regulatory authorities in this regard, for payment of such excess remuneration paid to managerial personnel. The limits specified by the Companies Act, 1956 would be Rs. 4,420 thousand.

5. **Auditors remuneration**

The details regarding the remuneration (excluding service tax) paid to the auditors are given in the table below.

(Rs. in 000's)

	For the year ended March 31, 2010	*March 31, 2009*
(a) Audit fees	**3,800**	*3,550*
(b) Tax audit	**600**	*690*
(c) Certification fees	**1,000**	*2,000*
(d) Out of pocket expenses	**309**	*30*
TOTAL	**5,709**	*6,270*

6. **Earnings and Expenditure in foreign currency (on accrual basis)**

The details regarding earnings and expenditure in foreign currency (on accrual basis) is given in the table below

(Rs. in 000's)

Particulars	For the year ended March 31, 2010	*March 31, 2009*
Earnings:		
Income from services	**83,048**	*149,300*
Expenditure:		
Procurement & other expenses	**103,187**	*118,690*

7. **Employee Stock Option Scheme 2007 ("the scheme")**

During the year, the company has withdrawn the employee stock option scheme. Pursuant to the same the stock options outstanding at the beginning of the year stand cancelled.

	Number of shares
Outstanding at the beginning of the year	7,905,000
Less: Cancelled during year pursuant to withdrawal of scheme	7,905,000
Outstanding at the end of the year	Nil

8. **Deferred Tax**

The break-up of deferred tax assets and liabilities is given below:

(Rs. in 000's)

	As on March 31, 2010	*As on March 31, 2009*
Deferred tax asset		
Provision for debtors	**35,176**	*71,867*
Provision for gratuity	**14,831**	*6,784*
Provision for leave encashment	**6,848**	*5,779*
Preliminary expenses – stamp duty 35DDA	**679**	*1,390*
Provision for lease rent escalation	**2,499**	*4,665*
Unabsorbed depreciation	**—**	*22,202*
Depreciation	**5,982**	*—*
Long term incentives	**43,050**	*—*
Total Deferred tax assets	**109,065**	*112,688*
Deferred tax liability		
Depreciation	**—**	*(3,348)*
Amortisation of DSA	**(86,491)**	*(109,340)*
Total deferred tax liability	**(86,491)**	*(112,688)*
Total net deferred tax asset/(liability)	**22,574**	*—*

Deferred tax asset on unabsorbed depreciation and tax losses (whichever applicable) is recognised and carried forward only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised. Hence the deferred tax asset on carry forward losses has been recognised to the extent of deferred tax liability.

9. **Capital commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 18,755 thousand (Previous year – Rs. 60,797 thousand).

10. **Contingent liabilities**

a. Income tax matters disputed by the Company are Rs. 785,449 thousand (Previous year- Rs. 470,276 thousand).

b. ICICI Securities, Inc., the step down subsidiary of the Company, has sub-leased its premises. As per the prevailing practice in the New York City sub-lease market, the Company has provided guarantee in favour of sub lessee, amounting to USD 4,000 thousand to secure ICICI Securities Inc.'s performance of its lease obligations.

11. The service tax authorities have conducted audit of the Company's records for the financial year 2007-08 and 2008-09. Their observations regarding the audit are as follows:

i. Applicability of service tax on registration fee income.

ii. Non availability/utilisation of input credit on group/ mediclaim insurance of staff, outdoor catering service for lunch provided to staff, and tour operator service for transport facility provided to staff.

The service tax on the above mentioned observations at the applicable rates is Rs. 64,851 thousand.

12. **Micro, small and medium industries**

There are no micro, small and medium enterprises, to which the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2010. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

13. **Quantitative details**

(a) **OPENING AND CLOSING STOCK**

(Rs. in 000's)

Category	**Opening Stock**		**Closing Stock**	
	Face Value	Value	Face Value	Value
Equity shares	414	910	64	425
	(1,740)	*(17,630)*	*(414)*	*(910)*
Others	21	10	10	1
	(221,000)	*(219,280)*	*(21)*	*(10)*

(b) **PURCHASES AND SALES**

(Rs. in 000's)

Category	**Purchases**		**Sales**	
	Face Value	Value	Face Value	Value
Equity shares	31,724	688,865	32,074	695,725
	(37,871)	*(578,118)*	*(39,186)*	*(881,333)*
Others	636,582,782	1,128,595,255	636,582,793	1,128,832,772
	(236,604,733)	*(331,855,374)*	*(236,825,726)*	*(332,250,454)*

Note: Figures in bracket pertain to previous year.

14. **Derivative Instruments**

	For the year ended March 31, 2010		*For the year ended March 31, 2009*	
Type	**Quantity**	**Market Value**	*Quantity*	*Market Value*
Futures (net)	49,380	263,720	700	234
Option (net)	(152,500)	4,330	(4200)	(65)

15. **Unhedged foreign currency exposure**

Particulars	**Amount**
Receivable	US $ 886.29 thousand @ closing rate of 1 USD = Rs. 44.90 (Previous year US $ 599.29 thousand @ closing rate of 1 USD = Rs. 50.72

16. Lease

Office premises and office equipment are obtained on operating lease. There are no restrictions imposed by lease arrangements.

(Rs. in 000's)

Particulars	**Year ended March 31, 2010**	*Year ended March 31, 2009*
Lease payments recognised in the Profit and Loss Account during the year		
– Minimum lease payments	**861,264**	*677,285*
– Contingent Rent	**—**	*—*
Sub-lease payments received/receivable recognised in the Profit and Loss Account during the year	**—**	*—*
Minimum Lease Payments:		
– Not later than one year	**759,635**	*720,764*
– Later than one year but not later than five years	**1,895,708**	*2,492,395*
– Later than five years	**458,866**	*1,100,149*
– Total of future minimum sublease payments expected to be received as at balance sheet date	**—**	*—*

17. Segment reporting

The Company is presenting consolidated financial statements and hence in accordance with Accounting Standard 17 – Segment Reporting, segment information is disclosed in the consolidated financial statements.

18. Debenture Redemption Reserve

The Company has issued debentures of Rs. 500,000 thousand that are redeemable on April 5, 2011. The Company has created a Debenture Redemption Reserve of Rs. 50,000 thousand (Previous year: Rs. Nil) as per the requirements of the Companies Act 1956, which in the opinion of the management is adequate.

19. Information with regard to other matters specified in paragraphs 4A, 4C and 4D of Part II of Schedule VI of the Companies Act 1956, have been disclosed to the extent applicable to the Company for the year ended March 31, 2010.

20. Previous year figures have been regrouped/ reclassified wherever necessary to confirm the current year's classification.

Signature to Schedules A to S

As per our report attached

S.R. Batliboi & Co.
Firm registration number: 301003E
Chartered Accountants

Per Vijay Maniar
Partner
Membership No: 36738

Mumbai, April 20, 2010

For and on behalf of the Board

CHANDA D. KOCHHAR
Chairperson

MADHABI PURI BUCH
Managing Director & CEO

A. MURUGAPPAN
Executive Director

ANUP BAGCHI
Executive Director

RAJU NANWANI
Company Secretary

CHARANJIT ATTRA
CFO & Head - Operations

ICICI Securities

for the year ended March 31, 2010

I-Sec

(Rs. in 000's)

		March 31, 2010	March 31, 2009
A Cash flow from operating activities			
Profit before tax	**1,779,579**		*67,300*
Add (less adjustments):			
— (Profit)/loss on sale of fixed assets	**15,948**		*13,713*
— (Profit)/loss on sale of investments	**(47,424)**		—
— Depreciation	**151,831**		*138,158*
— Transfer to investor contingency fund	**(282)**		*3,555*
— Interest expense	**377,583**		*536,796*
— Exchange adjustments	**(2,709)**		*(1,260)*
— Bad and doubtful debts (net)	**38,424**		*107,047*
Operating profit before changes in operating assets and liabilities		**2,312,950**	*865,309*
Payment of employee stock option plan		**—**	*(260,866)*
Adjustments for net change in operating assets and liabilities			
— Current assets excluding cash and cash equivalents	**(486,902)**		*1,510,611*
— Fixed deposits under lien	**(1,243,751)**		*2,644,073*
— Fixed deposits having maturity more than 90 days	**(697,516)**		*(170,000)*
— Loans and advances relating to operations	**362,875**		*(876,283)*
— Current liabilites relating to operations	**999,529**		*(1,515,463)*
		(1,065,765)	*1,592,938*
Cash generated from operations		**1,247,185**	*2,197,381*
Payment of taxes (net)		**(531,784)**	*(526,202)*
Net cash from operating activities		**715,401**	*1,671,179*
B Cash flow from investment activities			
— (Purchase) / sale of investments (net)		**1,445,316**	*(1,662,961)*
— (Purchase) / sale of fixed assets (net)		**(159,371)**	*(173,627)*
Net cash used in investment activities		**1,285,945**	*(1,836,588)*
C Cash flow from financing activities			
— Share application money		**1,000,000**	—
— Increase/ (decrease) in borrowings (net)		**(1,503,856)**	*(190,247)*
— Interest paid		**(365,764)**	*(488,914)*
— Dividends and dividend tax paid		**(1,125,640)**	*(280,862)*
— Issue of preference share capital		**—**	*500,000*
— Expenses related to issue of share capital		**—**	*(18,500)*
Net cash used in financing activities		**(1,995,260)**	*(478,523)*
Net change in cash and cash equivalents (A+B+C)		**6,086**	*(643,932)*
Cash and cash equivalents at the beginning of the year		**333,057**	*976,989*
Cash and cash equivalents at the end of the year		**339,143**	*333,057*

Cash and cash equivalents at the end of the period excludes:
— Fixed deposits under lien Rs 2,681,938 thousand (March 31, 2009 Rs.1,438,187 thousand) and
— Fixed deposits having maturity more than 90 days Rs. 867,516 thousand (March 31, 2009 Rs. 170,000 thousand).

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

As per our report attached

S.R. Batliboi & Co.
Firm registration number: 301003E
Chartered Accountants

Per Vijay Maniar
Partner
Membership No: 36738

Mumbai, April 20, 2010

For and on behalf of the Board of Directors

CHANDA D. KOCHHAR
Chairperson

MADHABI PURI BUCH
Managing Director & CEO

A. MURUGAPPAN
Executive Director

ANUP BAGCHI
Executive Director

RAJU NANWANI
Company Secretary

CHARANJIT ATTRA
CFO & Head - Operations

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV OF THE COMPANIES ACT, 1956

I. Registration details

Registration No. 86241 State Code 11

Balance Sheet Date 31 (Date) 03 (Month) 2010 (Year)

II. Capital raised during the Period (Rs. in thousands)

Public Issue: NIL	Bonus Issue: NIL
Rights Issue: NIL	Private Placement: NIL

III. Position of mobilisation and deployment of funds (Rs. in thousands)

Total Liabilities and Shareholder's funds: 8681919	Total Assets: 8681919

Sources of Funds

Paid-up Capital: 1110710	Reserves and Surplus: 691170
Secured Loans: NIL	Unsecured Loans: 2787740

Application of Funds

Fixed Assets: 397929	Investments: 738959
Net Current Assets: 4430154	Deferred Tax Asset: 22574
Miscellaneous Expenditure: NIL	

IV. Performance of the Company (Rs. in thousands)

Turnover: 7560189	Total Expenditure: 5780610
Profit Before Tax: 1779579	Profit After Tax: 1226842
Basic earnings Per Share in Rs.: 3.75	Diluted earnings Per Share in Rs.: 3.74
Dividend Rate %: 151	

V. Generic names of three principal/services of the Company
(as per monetary terms)
Brokerage commission from primary market operations
Brokerage commission from secondary market operations
Income from Advisory Services

For and on behalf of the Board

CHANDA D. KOCHHAR
Chairperson

MADHABI PURI BUCH
Managing Director & CEO

A. MURUGAPPAN
Executive Director

ANUP BAGCHI
Executive Director

CHARANJIT ATTRA
CFO & Head - Operations

RAJU NANWANI
Company Secretary

Mumbai, April 20, 2010

Statement Pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies

(Rs. in 000's)

Sr. No.	Name of the Subsidiary Company	ICICI Securities Holdings Inc.	ICICI Securities Inc.
1.	The financial year of the Subsidiary Company ended on	March 31, 2010	March 31, 2010
2.	(a) Number of Equity Shares held by ICICI Securities Limited and/or its nominees in the Subsidiary as on March 31, 2010	16,640,000 Equity Shares of US$1 each fully paid-up	11,650,000 Equity Shares of US$1 fully paid-up held by ICICI Securities Holdings inc.
	(b) Extent of interest of ICICI Securities Limited in the capital of the subsidiary	100%	100%
3.	Net aggregate amount of profits/losses of the subsidiary so far as it concerns the members of ICICI Securities Limited and is not dealt with in the accounts of ICICI Securities Limited		
	(a) Profits of the subsidiary for the financial year ended on March 31, 2010	(75,026.00)	(114,177.00)
	(b) Profits for the previous financial years of the subsidiary since it became subsidiary of ICICI Securities Limited	(62,430.00)	(387,285.00)
4.	Net aggregate amount of profits/losses of the subsidiary so far as dealt with or provisions made for those losses in the accounts of ICICI Securities Limited		
	(a) Profits of the subsidiary for the financial year ended on March 31, 2010	Nil	Nil
	(b) Profits for the previous financial years of the subsidiary since it became subsidiary of ICICI Securities Limited	Nil	Nil

For and on behalf of the Board

CHANDA D. KOCHHAR
Chairperson

MADHABI PURI BUCH
Managing Director & CEO

A. MURUGAPPAN
Executive Director

ANUP BAGCHI
Executive Director

RAJU NANWANI
Company Secretary

CHARANJIT ATTRA
CFO & Head - Operations

ICICI Securities Holdings Inc

ICICI SECURITIES HOLDINGS, INC.

10TH ANNUAL REPORT AND ACCOUNTS 2009–2010

Directors
Anup Bagchi, *Chairman*
Charanjit Attra
A. Murugappan
Subir Saha
Gopakumar P., *President*

Auditors
S. R. Batliboi & Co.
Chartered Accountants

Registered Office
1013 Centre Road
City of Wilmington
Country of New Castle
Delaware 19805
USA

directors' report

to the members

Your Directors have pleasure in presenting the Tenth Annual Report of ICICI Securities Holdings, Inc. with the audited statement of accounts for the year ended March 31, 2010.

INDUSTRY OVERVIEW

Fiscal 2010 was a year of stabilisation for the global economy. Aggressive monetary and fiscal stimuli helped mitigate the negative growth spiral triggered by the financial crisis. This quickly reflected in the stock market rallies that happened across the global equity markets as well as commodity markets. The fee driven investment advisory industry saw a steady recovery in assets under management, delivering positive returns as well as growth in revenue.

FINANCIAL HIGHLIGHTS

(Rs. in 000's)

	Fiscal 2009	**Fiscal 2010**
Gross income	*37,462*	**60,462**
Loss before tax	*34,705*	**73,245**
Provision for tax	*2,008*	**1,781**
Loss after tax	*36,713*	**75,026**

The losses in fiscal 2010 are primarily due to one time write-offs relating to intangibles of Rs. 42.4 million.

OPERATIONAL REVIEW

During the year, the Company continued to serve its customers with consistent communication on portfolio performance while addressing their wealth management needs. In portfolio management, the Company actively aligned the client portfolios with opportunities emerging in the marketplace, while ensuring minimal portfolio risk.

Overall, the various business initiatives ensured retention of clients while delivering positive risk-adjusted portfolio returns.

OUTLOOK

ICICI Securities Limited, the holding company of ICICI Securities Holdings, Inc. offers access to the Indian capital markets to both institutional and retail investors. Strategically, ICICI Securities Holdings, Inc. desires to focus on India linked opportunities and, hence, proposes to divest the USA based investment advisory business. The Company will continue to grow its wholly owned subsidiary, viz. ICICI Securities, Inc. in its efforts to increase business from the institutional segment and US India cross-border opportunities.

SUBSIDIARY COMPANY

The subsidiary company ICICI Securities, Inc. (I-Sec. Inc.) is registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority.

In fiscal 2010, I-Sec, Inc. continued to make its presence felt in the Indian capital markets' brokerage space by continuously reaching out to various institutional investors. Meetings and road-shows were organised with corporates from India to meet institutional investors in both USA and Singapore for primary and secondary market investments. During the year, I-Sec, Inc. also focused on Foreign Currency Convertible Bond (FCCB) transactions where it assisted clients with FCCB buy-backs and FCCB trading. In line with its India-linked strategy, the company would seek to grow this franchise.

SHARE CAPITAL

During the year, the paid-up equity share capital of the Company increased by US$ 2.19 million, from US$ 14.45 million to US$ 16.64 million.

DIRECTORS

Anup Bagchi was appointed Chairman of the Board of Directors of the Company, effective July 6, 2009. Hari Panday resigned from the Board effective January 6, 2010. The Board places on record its appreciation for the valuable services rendered by him.

ANNUAL ACCOUNTS OF SUBSIDIARY

The audited statements of accounts for the year ended March 31, 2010 together with the reports of Directors and Auditors for the year ended March 31, 2010 of the subsidiary company, viz. I-Sec. Inc., are attached.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company confirm:

i. that the applicable accounting standards have been followed in the preparation of the final accounts and that there are no material departures;

ii. that such accounting policies have been selected and applied consistently and such judgments and estimates made as are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at March 31, 2010 and of the profit of the Company for the period ended on that date;

iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and

iv. that the annual accounts have been prepared on a 'going concern' basis.

ACKNOWLEDGEMENTS

The Directors thank the Company's clients for the confidence reposed in the Company, which has enabled the Company to successfully deliver well-structured solutions through timely execution in a preferred manner.

The Directors also thank the statutory authorities and the Company's bankers for their continued support.

The Directors express their gratitude for the unstinted support and guidance received from the Company's shareholders, ICICI Securities Limited and other group companies.

The Directors also express their sincere thanks and appreciation to all their employees for their commendable teamwork, professionalism and contribution during the year.

For and on behalf of the Board

ANUP BAGCHI
Chairman

April 15, 2010

ICICI Securities Holdings Inc

to the Members of ICICI Securities Holdings, Inc.

1. We have audited the attached Balance Sheet of ICICI Securities Holdings, Inc. ('the Company') as at March 31, 2010 and also 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 and have been prepared to comply with the requirements of Section 212 of the Indian Companies Act, 1956. Our responsibility is to express an opinion on these financial statements based on our audit.
2. 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.
3. 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; and
   - ii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
   - iii. 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, 2010;
     - b) in the case of the profit and loss account, of the loss for the year ended on that date; and
     - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S. R. Batliboi & Co.
Firm Registration No.: 301003E
Chartered Accountants

Per Vijay Maniar
Partner
Membership No.: 36738

Mumbai, April 15, 2010

balance sheet

as at March 31, 2010

	Schedule	March 31, 2010 (Rs. in 000's)	March 31, 2009 (Rs. in 000's)	March 31, 2010 (US$ in 000's)	March 31, 2009 (US$ in 000's)
SOURCES OF FUNDS					
Shareholders' Funds					
A. Share capital	A	**728,206**	*626,098*	**16,640**	*14,450*
		728,206	*626,098*	**16,640**	*14,450*
APPLICATION OF FUNDS					
1. Fixed Assets	C				
Gross Block		**84,577**	*140,781*	**1,884**	*2,775*
Less: Accumulated depreciation/ amortisation		**42,345**	*19,900*	**943**	*392*
Net Block		**42,232**	*120,881*	**941**	*2,383*
2. Investments	D	**505,064**	*476,468*	**11,650**	*11,050*
3. Current Assets, Loans & advances					
A. Current Assets :					
(a) Sundry debtors	E	**15,668**	*12,547*	**348**	*247*
(b) Cash and bank balances	F	**60,318**	*7,022*	**1,343**	*138*
B. Loans and advances	G	**22,481**	*17,144*	**501**	*339*
		98,467	*36,713*	**2,192**	*724*
Less : Current liabilities and provisions	H	**49,768**	*55,240*	**1,104**	*1,089*
Net current assets/ (liabilities)		**48,699**	*(18,527)*	**1,088**	*(365)*
4. Profit and loss account	B	**132,211**	*47,276*	**2,961**	*1,382*
		728,206	*626,098*	**16,640**	*14,450*
Notes to Accounts	N				

profit and loss account

for the year ended March 31, 2010

	Schedule	March 31, 2010 (Rs. in 000's)	March 31, 2009 (Rs. in 000's)	March 31, 2010 (US$ in 000's)	March 31, 2009 (US$ in 000's)
Income from Operations					
(a) Income from services	I	**60,462**	*36,253*	**1,273**	*789*
(b) Other income	J	**—**	*1,209*	**—**	*26*
		60,462	*37,462*	**1,273**	*815*
Expenditure					
(a) Payments to and provisions for employees	K	**44,709**	*36,799*	**941**	*801*
(b) Establishment and other expenses	L	**16,994**	*18,108*	**358**	*393*
(c) Financial charges and operating expenses	M	**3,455**	*94*	**74**	*2*
(d) Depreciation		**26,168**	*17,123*	**550**	*373*
(e) Impairment of Intangibles		**42,381**	*—*	**892**	*—*
(f) Doubtful debts written off/provided		**—**	*43*	**—**	*1*
		133,707	*72,167*	**2,815**	*1,570*
Profit /(Loss) before taxation		**(73,245)**	*(34,705)*	**(1,542)**	*(755)*
Less: Provision for taxation		**1,781**	*2,008*	**37**	*44*
Profit/(Loss) after taxation		**(75,026)**	*(36,713)*	**(1,579)**	*(799)*
Brought forward from previous years		**(62,430)**	*(25,717)*	**(1,382)**	*(583)*
Balance carried to balance sheet		**(137,456)**	*(62,430)*	**(2,961)**	*(1,382)*
Earnings per share (basic & diluted) (Face value US$1 per share)	N(3)	**(4.98)**	*(2.76)*	**(0.10)**	*(0.06)*
Notes to Accounts	N				

The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet and Profit and Loss Account.

As per our report of even date.

For S. R. Batliboi & Co.
Firm Registration No: 301003E
Chartered Accountants

Per Vijay Maniar
Partner
Membership No.: 36738

Mumbai, April 15, 2010

For and on behalf of the Board of Directors

ANUP BAGCHI
Director

A. MURUGAPPAN
Director

CHARANJIT ATTRA
Director

SUBIR SAHA
Director

	March 31, 2010 (Rs. in 000's)	March 31, 2009 (Rs. in 000's)	March 31, 2010 (US$ in 000's)	March 31, 2009 (US$ in 000's)
SCHEDULE "A" - SHARE CAPITAL :				
Authorised:				
17,500,000 Common stock of US$ 1 each				
(As at March 31, 2009 17,500,000 shares of US$ 1 each)				
Issued subscribed & Paid Up:				
Common stock, $1 par value; 16,640,000 shares fully paid	**728,206**	*626,098*	**16,640**	*14,450*
(As at March 31, 2009 14,450,000 shares of US$1 each fully paid)				
(All the above 16,640,000 (March 2009: 14,450,000) equity shares of US$ 1 each are held by holding company ICICI Securities Limited)				
SCHEDULE "B"-RESERVES & SURPLUS:				
Profit and loss account debit balance				
Balance as on April 1, 2009	**(62,430)**	*(25,717)*	**(1,382)**	*(583)*
(+)/(-) transfers during the year	**(75,026)**	*(36,713)*	**(1,579)**	*(799)*
Balance as on March 31, 2010	**(137,456)**	*(62,430)*	**(2,961)**	*(1,382)*
Translation reserve				
Balance as on April 1, 2009	**15,154**	*(1,118)*	**—**	*—*
(+)/(-) transfers during the year	**(9,909)**	*16,272*	**—**	*—*
Balance as on March 31, 2010	**5,245**	*15,154*	**—**	*—*
TOTAL	**(132,211)**	*(47,276)*	**(2,961)**	*(1,382)*

SCHEDULE C - FIXED ASSETS

(Rs. in 000's) (US$ in 000's)

	GROSS BLOCK (at Cost)				ACCUMULATED DEPRECIATION				NET BLOCK		NET BLOCK	
	April 1, 2009	Additions	Sale/Adj*	March 31, 2010	*April 1, 2009*	Additions	Sale/Adj*	March 31, 2010	March 31, 2010	*March 31, 2009*	March 31, 2010	*March 31, 2009*
Tangible												
Office Equipment	*992*	—	**114**	**878**	*788*	**92**	**96**	**784**	**94**	*205*	**2**	*4*
Furniture & Fixtures	*1,349*	—	**155**	**1,194**	*430*	**139**	**57**	**512**	**682**	*918*	**16**	*18*
Total	*2,341*	—	**269**	**2,072**	*1,218*	**231**	**153**	**1,296**	**776**	*1,123*	**18**	*22*
Intangible - goodwill	*138,440*	—	**55,935****	**82,505**	*18,682*	**25,937**	**3,570**	**41,049**	**41,456**	*119,758*	**923**	*2,361*
TOTAL	*140,781*	—	**56,204**	**84,577**	*19,900*	**26,168**	**3,723**	**42,345**	**42,232**	*120,881*	**941**	*2,383*
Previous year	*967*	139,646	(168)	140,781	*847*	17,123	(1,930)	19,900	120,881	*121*	2,383	*3*

*Includes effect of translation reserve Rs.12,431 thousand (net) (Previous year Rs. 1,762 thousand).

** Includes impairement loss of Rs. 42,381 thousand (Previous year: Nil).

	Quantity in thousands	March 31, 2010 (Rs. in 000's)	March 31, 2009 (Rs. in 000's)	March 31, 2010 (US$ in 000's)	March 31, 2009 (US$ in 000's)
SCHEDULE "D" - INVESTMENTS - LONG TERM (AT COST)					
In equity shares of subsidiary company					
- Unquoted and fully paid up					
ICICI Securities Inc.*	11,650 (11,050)	**505,064**	*476,468*	**11,650**	*11,050*
TOTAL		**505,064**	*476,468*	**11,650**	*11,050*
* Face value of US $ 1 per share.					
SCHEDULE "E" - SUNDRY DEBTORS (Unsecured):					
Receivables outstanding for a period not exceeding six months					
Considered good		**15,668**	*12,547*	**348**	*247*
Considered doubtful		**42**	*47*	**1**	*1*
Less: Provision for doubtful debts		**42**	*47*	**1**	*1*
TOTAL		**15,668**	*12,547*	**348**	*247*

forming part of the financial statements

Continued

	March 31, 2010	(Rs. in 000's) March 31, 2009	March 31, 2010	(US$ in 000's) March 31, 2009
SCHEDULE "F" - CASH AND BANK BALANCES:				
In Current accounts with banks	**15,418**	*7,022*	**343**	*138*
Fixed deposit with schedule bank (under lien)	**44,900**	—	**1,000**	—
TOTAL	**60,318**	*7,022*	**1,343**	*138*
SCHEDULE "G" - LOANS AND ADVANCES:				
(Unsecured and considered good)				
Advances:				
(Recoverable in cash or in kind or for value to be received)				
Other advances and deposits	**21,983**	*16,582*	**490**	*328*
Security deposit for leased premises	**498**	*562*	**11**	*11*
TOTAL	**22,481**	*17,144*	**501**	*339*

Included in other advances and deposits are:

Dues from companies under same management

ICICI Securities Inc. Rs.21,147 thousand (Previous year: Rs. 14,520 thousand), US$ 471 thousand (Previous year: US$ 286 thousand) and maximum amount outstanding during the year was Rs. 6,136 thousand (Previous year: Rs. 20,279 thousand), US$136 thousand (Previous year: US$ 400 thousand).

	March 31, 2010	(Rs. in 000's) March 31, 2009	March 31, 2010	(US$ in 000's) March 31, 2009
SCHEDULE "H" - CURRENT LIABILITIES AND PROVISIONS:				
Sundry creditors for expenses	**40,964**	*47,241*	**908**	*931*
Other liabilities	**60**	*0*	**1**	*0*
Provision for taxes	**8,744**	*7,999*	**195**	*158*
TOTAL	**49,768**	*55,240*	**1,104**	*1,089*

(Rs. 0 thousand & USD 0 thousand indicates values are lower than Rs. 1 thousand or US$ 1 thousand respectively)

	March 31, 2010	(Rs. in 000's) March 31, 2009	March 31, 2010	(US$ in 000's) March 31, 2009
SCHEDULE "I" - INCOME FROM SERVICES :				
Financial advisory services	**60,462**	*36,253*	**1,273**	*789*
TOTAL	**60,462**	*36,253*	**1,273**	*789*
SCHEDULE "J" - OTHER INCOME:				
Interest on federal tax refund	**—**	*607*	**—**	*13*
Miscellaneous income	**—**	*602*	**—**	*13*
TOTAL	**—**	*1,209*	**—**	*26*
SCHEDULE "K" - PAYMENTS TO AND PROVISIONS FOR EMPLOYEES:				
Salaries, wages and incentive	**41,736**	*36,038*	**878**	*785*
Staff welfare expenses	**2,973**	*761*	**63**	*16*
TOTAL	**44,709**	*36,799*	**941**	*801*
SCHEDULE "L" - ESTABLISHMENT AND OTHER EXPENSES:				
Rent and amenities	**3,734**	*8,104*	**79**	*177*
Insurance	**892**	*143*	**19**	*3*
Business promotion, travelling and conveyance expenses	**3,498**	*4,101*	**74**	*88*
Interest on tax	**—**	*604*	**—**	*13*
Rates and taxes	**—**	*419*	**—**	*9*
Communication expenses	**1,363**	*645*	**29**	*14*
Printing and stationery	**3,431**	*1,793*	**72**	*39*
Subscription and periodicals	**936**	*812*	**20**	*18*
Professional fees	**2,921**	*1,420*	**61**	*31*
Auditors' remuneration	**53**	*46*	**1**	*1*
Repairs, maintenance, upkeep and others	**166**	*21*	**3**	*0*
TOTAL	**16,994**	*18,108*	**358**	*393*

(Rs. 0 thousand & USD 0 thousand indicates values are lower than Rs. 1 thousand or US$ 1 thousand respectively)

	March 31, 2010	(Rs. in 000's) March 31, 2009	March 31, 2010	(US$ in 000's) March 31, 2009
SCHEDULE "M" - FINANCIAL CHARGES				
Bank charges	**134**	*94*	**4**	*2*
Interest	**3,321**	—	**70**	—
TOTAL	**3,455**	*94*	**74**	*2*

SCHEDULE "N" : SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

Overview

ICICI Securities Holdings, Inc. ("the Company"), a wholly owned subsidiary of ICICI Securities Limited, was incorporated in the United States since 2001. In order to assist corporate clients and institutional investors with investment banking services, the Company set up a wholly owned subsidiary in the United States viz., ICICI Securities, Inc. This wholly owned subsidiary, being a registered broker dealer with the National Association of Securities Dealers Inc., is engaged in a variety of securities transactions in the US market.

During the year 2008-09, the Company acquired the business of Global Investment Management, Inc, a registered investment adviser located in Princeton, NJ. This "fee-only" wealth management advisory service operating in the name of "ICICI Group Global Private Clients" (IGGPC) is registered with the Securities and Exchange Commission (SEC) and with several state regulatory agencies in the US. IGGPC is specialised in providing financial independence, retirement planning, and investment portfolio management services to high net-worth individuals, trusts, foundations and corporate pension plans.

Basis of preparation

The non-consolidated financial statements have been prepared solely for the information and use of ICICI Securities Limited, the Holding Company for consolidation in accordance with the notified accounting standards issued by Companies Accounting Standards Rules, 2006 and relevant provisions of the Companies Act, 1956. The non-consolidated financial statements have been prepared on historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and, except where otherwise stated, are consistent with those used in the previous year.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

A SIGNIFICANT ACCOUNTING POLICIES

1. Revenue recognition

Revenue from issue management, loan syndication and financial advisory services is recognised based on the stage of completion of assignments and terms of agreement with the client.

2. Investments & stock in trade

Investments in debt and equity securities are classified as stock-in-trade or long term investments.

Securities acquired with the intention of short-term holding and trading are classified as stock-in-trade. The securities held as stock-in-trade are grouped under current assets and are valued at cost or market value, whichever is lower.

Securities acquired with the intention of holding it for more than a year are classified as long term investments. Long term investments are carried at acquisition cost, net of direct acquisition costs, if any. Any decline in the value of investments, which is other than temporary is reduced from its acquisition costs. A decline is considered as other than temporary after considering the investee company's market value, assets, results and the expected cash flows from the investment and restrictions, if any, on distribution or sale by the company.

3. Fixed assets and depreciation

Fixed assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset.

Depreciation on fixed assets is provided on straight line method at the rates which are equal or higher than the rates prescribed in Schedule XIV of the Companies Act, 1956. Such rates are fixed after considering applicable laws in the United States of America and management estimation of the useful life of the asset.

Depreciation of Assets	Estimate Life
Office Equipment & Computers	3 Years
Furniture & Fixtures	7 Years
Intangibles	5 Years

4. Income tax

Current income- tax is measured at the amount expected to be paid to the tax authorities in accordance with the local tax rates of the United States of America. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

5. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

The diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

6. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

7. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short term investments with an original maturity of three months or less.

8. Impairment of assets

Fixed assets are reviewed for impairment whenever events or change in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset If such assets are considered to be impaired, the impairment is recognised by debiting the Profit and Loss Account and is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

B OTHER NOTES TO ACCOUNTS

1. Deferred Tax

Deferred tax asset resulting from accumulated losses have not been accounted in the absence of virtual certainty of availability of sufficient future taxable income.

2. Related Party Disclosures

As per Accounting Standard on Related Party Disclosures (AS18) as notified by the Companies Accounting Standard Rules 2006, the related parties with whom the company transacted during the year are as follows:

A. Related party where control exist irrespective whether transactions have occurred or not

Ultimate Holding Company	:	ICICI Bank Limited
Holding Company	:	ICICI Securities Limited
Subsidiary	:	ICICI Securities Inc.

B. Other related parties where transactions have occurred during the year NIL

Key Management Personnel

Gopa Kumar Puthenveettil - President & CEO

forming part of the financial statements *Continued*

The following transactions were carried out with the related parties in the ordinary course of business.

Nature of transaction	Holding Company		Subsidiary Company	
	(Rs. in 000's)	(US$ in 000's)	(Rs. in 000's)	(US$ in 000's)
Establishment and other expenses	—	—	840	18
	(—)	(—)	*(5,734)*	*(125)*

Balance payable to / receivable from related parties included in the balance sheet as on March 31, 2010 are given below:

	Holding Company		Subsidiary Company	
Nature of transaction	**(Rs. in 000's)**	**(US$ in 000's)**	**(Rs. in 000's)**	**(US$ in 000's)**
Investment	—	—	505,064	11,650
	(—)	(—)	*(476,468)*	*(11,050)*
Receivables	—	—	21,147	471
	(—)	(—)	*(14,520)*	*(286)*
Payables	13	0	—	—
	(15)	*(0)*	—	—
Share Capital	728,206	16,640	—	—
	(626,098)	*(14,450)*	—	—

(Amount in parenthesis represent previous year figures)
Rs. 0 thousand & US$ 0 thousand indicates values are lower than Rs. 1 thousand and US$ 1 thousand respectively.

3. Earnings per equity share (EPS)

	(Rs. in 000's)		(US$ in 000's)	
	Year ended		Year ended	
	March 31, 2010	*March 31, 2009*	**March 31, 2010**	*March 31, 2009*
Basic & Diluted				
Weighted average no. of equity shares outstanding	**15,059**	*13,303*	**15,059**	*13,303*
Net profit/(loss)	**(75,026)**	*(36,713)*	**(1,579)**	*(799)*
Basic/Diluted earnings per share (Rs.)/(US$)	**(4.98)**	*(2.76)*	**(0.10)**	*(0.06)*
Nominal value per share (US$)	**1**	*1*	**1**	*1*

4. Proposal to sell RIA Business

The Company has received an offer for sale of the business related assets and liabilities of its Registered Investment Advisory (RIA) business for Rs.42,232 thousand (USD 941 thousand). Based on above, the Company has impaired the intangible assets (goodwill) relating to RIA business as at April 1, 2009 amounting to Rs.138,440 thousand (USD2,730 thousand) to Rs.82,505 thousand (USD1,838 thousand).

5. Bank Guarantee

Company has issued a bank guarantee of USD 1,000 thousand to US Bank National Association for sub-lease transaction carried by its subsidiary company ICICI Securities Inc.

6. Conversion to Indian Rupees

All income and expense items are converted at the average rate of exchange applicable for the year. All assets (except Investments) and liabilities (except Share Capital) are translated at the closing rate as on the Balance Sheet date.

The Equity Share Capital and Investments in subsidiary is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation at the year-end are transferred to Translation Reserve account and the said account is being treated as "Reserves and Surplus". Amounts in US$ (USD) given in financial statements are stated only for the purpose of conversion.

7. Figures for the previous year have been regrouped/reclassified wherever necessary.

Signatures to Schedules A to N

As per our report of even date.

For S. R. Batliboi & Co.
Firm Registration No.: 301003E
Chartered Accountants

Per Vijay Maniar
Partner
Membership No.: 36738

Mumbai, April 15, 2010

For and on behalf of the Board

ANUP BAGCHI
Director

A. MURUGAPPAN
Director

CHARANJIT ATTRA
Director

SUBIR SAHA
Director

cash flow statement

ICICI Securities Holdings Inc

for the year ended March 31, 2010

	March 31, 2010	(Rs. in 000's) March 31, 2009	March 31, 2010	(US$ in 000's) March 31, 2009
A. Cash flow from Operating Activities				
Profit /(Loss) before tax	**(73,245)**	*(34,705)*	**(1,542)**	*(755)*
– Depreciation/Amortisation/Impairment	**68,548**	*17,123*	**1,442**	*372*
– Exchange adjustments	**192**	*18,035*	**—**	*—*
Operating profit before changes in operating assets and liabilities	**(4,505)**	*453*	**(100)**	*(383)*
Adjustments for net change in operating assets and liabilities				
– Current assets excluding cash and cash equivalents	**(3,121)**	*(12,547)*	**(101)**	*(247)*
– Loans and advances relating to operations	**(5,336)**	*(8,980)*	**(162)**	*(135)*
– Current liabilites relating to operations	**(6,218)**	*45,407*	**(22)**	*886*
	(14,675)	*23,880*	**(285)**	*504*
Cash generated from operations	**(19,180)**	*24,333*	**(385)**	*121*
Payment of taxes (net)	**(1,035)**	*1,778*	**(0)**	*9*
Net cash from operating activities	**(20,215)**	*26,111*	**(385)**	*130*
B. Cash flow from Investment Activities				
– Acquisition of equity investments in subsidiary company	**(28,596)**	*(42,870)*	**(600)**	*(1,000)*
– Fixed Deposit with bank for subsidiary	**(44,900)**	*—*	**(1,000)**	*—*
– (Purchase) / sale of fixed assets (net)	**—**	*(139,646)*	**—**	*(2,753)*
Net cash used in investment activities	**(73,496)**	*(182,516)*	**(1,600)**	*(3,753)*
C. Cash flow from Financing Activities				
– Proceeds from issue of share capital	**102,107**	*162,964*	**2,190**	*3,750*
Net cash used in financing activities	**102,107**	*162,964*	**2,190**	*3,750*
Net change in cash & cash equivalents	**8,396**	*6,559*	**205**	*127*
Cash and cash equivalents at the beginning of the year	**7,022**	*463*	**138**	*11*
Cash and cash equivalents at the end of the year	**15,418**	*7,022*	**343**	*138*

(Note : Cash & cash equivallents at the end of the year excludes fixed deposits under lien Rs. 44,400 thousand (previous year nil) USD 1,000 thousand (previous year nil))

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

As per our report of even date.

For S. R. Batliboi & Co.
Firm Registration No.: 301003E
Chartered Accountants

Per Vijay Maniar
Partner
Membership No.: 36738

Mumbai, April 15, 2010

For and on behalf of the Board of Directors

ANUP BAGCHI
Director

A. MURUGAPPAN
Director

CHARANJIT ATTRA
Director

SUBIR SAHA
Director

ICICI Securities Inc

ICICI SECURITIES, INC.

10TH ANNUAL REPORT AND ACCOUNTS 2009–2010

Directors
Anup Bagchi, *Chairman*
Charanjit Attra
A. Murugappan
Gopakumar P.
Subir Saha

Auditors
S. R. Batliboi & Co.
Chartered Accountants

Registered Office
1013 Centre Road
City of Wilmington
Country of New Castle
Delaware 19805
USA

directors' report

to the members

Your Directors have pleasure in presenting the Tenth Annual Report of ICICI Securities, Inc. with the audited statement of accounts for the year ended March 31, 2010.

INDUSTRY OVERVIEW

During fiscal 2010, there was resurgence in capital flows into India and the stock markets in India gained significantly. Above expectation GDP growth and industrial activity, robust corporate earnings and optimism about domestic and global economic prospects lifted investor sentiment in India, providing significant momentum to the capital markets and boosting FII inflows into India.

FINANCIAL HIGHLIGHTS

(Rs. in 000's)

	Fiscal 2009	**Fiscal 2010**
Gross income	*41,130*	**66,237**
Loss before tax	*135,609*	**113,847**
Provision for tax	*10,936*	**330**
Loss after tax	*146,545*	**114,177**

The losses in fiscal 2010 are primarily due to upfront write-offs of Rs. 77 million on account of the sub lease of the premises occupied by ICICI Securities, Inc.

OPERATIONAL REVIEW

The Company is registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority.

In fiscal 2010, the Company continued to make its presence felt in the Indian financial markets by reaching out to various institutional investors. Meetings and road shows were organised with Indian corporates to meet institutional investors in both USA and Singapore for primary and secondary market investments. The Company also focused on Foreign Currency Convertible Bond (FCCB) transactions where it assisted clients with FCCB buy-backs and FCCB trading. In line with its India-linked strategy, the Company would seek to grow this franchise.

The Company had operations in London, catering to institutional investors in the European region. However, these were discontinued during the year on account of reduced business from Europe; the customers are being serviced directly by the holding Company, ICICI Securities Limited from India itself.

OUTLOOK

In the year ahead, the Company expects institutional investors to maintain their interest in the Indian capital markets. As policies fuel infrastructure development and urban and rural consumption and the global economy gradually improves, the Company expects India to sustain the momentum in its manufacturing and services output. The Company expects India to continue on its path to achieve higher GDP growth rates. In the light of this, the Company is positive about its business prospects in both US and Singapore markets.

SHARE CAPITAL

During the year, the paid-up equity share capital of the Company increased from US$ 11.05 million to US$ 11.65 million.

DIRECTORS

Anup Bagchi was appointed Chairman of the Board of Directors of the Company, effective July 6, 2009. Gopakumar P. and Hari Panday resigned from the Board during the year. The Board places on record its appreciation for the valuable services rendered by them. Gopakumar P. was appointed as the Director on the Board of Directors of the Company effective April 15, 2010.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company confirm:

i. that the applicable accounting standards have been followed in the preparation of the final accounts and that there are no material departures;

ii. that such accounting policies have been selected and applied consistently and such judgements and estimates made as are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at March 31, 2010 and of the profit of the Company for the period ended on that date;

iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and

iv. that the annual accounts have been prepared on a 'going concern' basis.

ACKNOWLEDGEMENTS

The Directors thank the Company's clients for the confidence reposed in the Company, which has enabled the Company to successfully deliver well-structured solutions through timely execution in a preferred manner.

The Directors also thank the statutory authorities and the Company's bankers for their continued support.

The Directors express their gratitude for the unstinted support and guidance received from the Company's shareholders, ICICI Securities Holdings, Inc. and other group companies.

The Directors also express their sincere thanks and appreciation to all their employees for their commendable teamwork, professionalism and contribution during the year.

For and on behalf of the Board

ANUP BAGCHI
Chairman

April 15, 2010

ICICI Securities Inc

to the members of ICICI Securities, Inc.

1. We have audited the attached Balance Sheet of ICICI Securities Inc. ('the Company') as at March 31, 2010, and also the Profit and Loss account and the Cash Flow Statement for the year ended on the date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management to comply with the requirements of Section 212 of the Indian Companies Act, 1956. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those statements 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.
3. 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. The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to above are in agreement with the books of account; and
   iii. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts 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, 2010:
      b) in the case of the profit and loss account, of the loss for the year ended on that date: and
      c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For S. R. Batliboi & Co.
Firm Registration No.: 301003E
Chartered Accountants

Per Vijay Maniar
Partner
Membership No.: 36738

Mumbai, April 15, 2010

balance sheet

as at March 31, 2010

	Schedule	(Rs. in 000's) March 31, 2010	March 31, 2009	(US$ in 000's) March 31, 2010	March 31, 2009
SOURCES OF FUNDS					
Shareholders' Funds					
A. Share capital	A	**505,064**	*476,468*	**11,650**	*11,050*
		505,064	*476,468*	**11,650**	*11,050*
APPLICATION OF FUNDS					
1. Fixed assets	C				
Gross block		**14,850**	*72,643*	**330**	*1,432*
Less: Accumulated depreciation		**9,091**	*18,769*	**202**	*370*
Net block		**5,759**	*53,874*	**128**	*1,062*
2 Current assets, loans and advances					
A. Current assets :					
(a) Sundry debtors	D	**28,578**	*23,516*	**636**	*464*
(b) Securities held as stock-in-trade	E	**1,547**	*1,743*	**34**	*34*
(c) Cash and bank balances	F	**41,449**	*59,357*	**923**	*1,170*
B. Loans and advances	G	**41,172**	*35,308*	**919**	*696*
		112,746	*119,924*	**2,512**	*2,364*
Less : Current liabilities and provisions	H	**105,239**	*70,494*	**2,344**	*1,389*
Net current assets/ (liabilities)		**7,507**	*49,430*	**168**	*975*
3 Profit and loss account	B	**491,798**	*373,164*	**11,354**	*9,013*
		505,064	*476,468*	**11,650**	*11,050*
Notes to account	O				

profit and loss account

for the year ended March 31, 2010

	Schedule	(Rs. in 000's) March 31, 2010	March 31, 2009	(US$ in 000's) March 31, 2010	March 31, 2009
INCOME FROM OPERATIONS					
(a) Brokerage and commission		**14,759**	*12,538*	**311**	*273*
(b) Income from services		**51,402**	*20,390*	**1,081**	*444*
(c) Interest income	I	**74**	*100*	**2**	*2*
(d) Other income	J	**2**	*8,102*	**—**	*176*
		66,237	*41,130*	**1,394**	*895*
EXPENDITURE					
(a) Operating expenses	K	**26,728**	*18,264*	**563**	*397*
(b) Payments to and provisions for employees	L	**24,695**	*75,177*	**520**	*1,636*
(c) Establishment and other expenses	M	**83,742**	*74,813*	**1,763**	*1,628*
(d) Financial charges	N	**483**	*273*	**10**	*6*
(e) Depreciation		**8,165**	*8,212*	**171**	*179*
(f) Loss on write off of fixed asset		**36,271**	*—*	**763**	*—*
		180,084	*176,739*	**3,790**	*3,846*
Profit /(loss)before taxation		**(113,847)**	*(135,609)*	**(2,396)**	*(2,951)*
Less: Provision for taxation		**330**	*10,936*	**7**	*239*
Profit/ (loss) after taxation		**(114,177)**	*(146,545)*	**(2,403)**	*(3,190)*
Brought forward from previous year		**(387,285)**	*(240,740)*	**(8,996)**	*(5,806)*
Balance carried forward to balance sheet		**(501,462)**	*(387,285)*	**(11,399)**	*(8,996)*
Earnings per share (Basic & Diluted)					
(Face value US$1 per share) O(5)		**(10.10)**	*(13.65)*	**(0.21)**	*(0.30)*
Notes to account	O				

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet and Profit and Loss Account.

As per our report of even date.

For S. R. Batliboi & Co.
Firm Registration No: 301003E
Chartered Accountants

Per Vijay Maniar
Partner
Membership No.: 36738

Mumbai, April 15, 2010

For and on behalf of the Board of Directors

ANUP BAGCHI
Director

A. MURUGAPPAN
Director

CHARANJIT ATTRA
Director

SUBIR SAHA
Director

ICICI Securities Inc

forming part of the Accounts

	(Rs. in 000's) March 31, 2010	March 31, 2009	(US$ in 000's) March 31, 2010	March 31, 2009
SCHEDULE "A" – SHARE CAPITAL				
Authorised:				
15,000,000 Common stock of US$ 1 each				
(As at March 31, 2009 15,000,000 shares of US$ 1 each)				
Issued subscribed & paid up:				
Common stock, US $1 par value; 11,650,000 shares fully paid	**505,064**	*476,468*	**11,650**	*11,050*
(As at March 31,2009 11,050,000 shares of US$ 1 each)				
(All the above 11,650,000 (March 2009, 11,050,000) equity shares are held by holding company ICICI Securities Holding Inc.)				
SCHEDULE "B"– RESERVES & SURPLUS				
Profit and loss account debit balance:				
Balance as on April 1, 2009	**(387,285)**	*(240,739)*	**(8,996)**	*(5,806)*
(+)/(–) transfers during the year	**(114,177)**	*(146,546)*	**(2,403)**	*(3,190)*
Balance as on March 31, 2010	**(501,462)**	*(387,285)*	**(11,399)**	*(8,996)*
Translation reserve:				
Balance as on April 1, 2009	**14,121**	*(20,657)*	**(17)**	—
(+)/(–) transfers during the year	**(4,457)**	*34,778*	**62**	*(17)*
Balance as on March 31, 2010	**9,664**	*14,121*	**45**	*(17)*
TOTAL	**(491,798)**	*(373,164)*	**(11,354)**	*(9,013)*

SCHEDULE "C" — FIXED ASSETS

	GROSS BLOCK (at Cost)				ACCUMULATED DEPRECIATION				NET BLOCK (Rupees in 000's)		NET BLOCK (US$ in 000's)	
	April 1, 2009	Additions	Sale/Adj*	March 31, 2010	*April 1, 2009*	Additions	Sale/Adj*	March 31, 2010	March 31, 2010	*March 31, 2009*	March 31, 2010	*March 31, 2009*
Computers	*5,139*	—	**550**	**4,589**	*3,580*	**1,249**	**479**	**4,350**	**239**	*1,559*	**5**	*31*
Software	*756*	—	**87**	**669**	*507*	**194**	**70**	**631**	**38**	*249*	**1**	*5*
Furniture & fixtures	*9,304*	**59**	**1,068**	**8,295**	*2,459*	**1,246**	**351**	**3,354**	**4,941**	*6,845*	**110**	*135*
Telecom equipment	*1,465*	—	**168**	**1,297**	*561*	**274**	**79**	**756**	**541**	*905*	**12**	*17*
Lease hold improvements	*55,979*	—	**55,979**	—	*11,662*	**5,202**	**16,864**	—	—	*44,316*	—	*874*
TOTAL	*72,643*	**59**	**57,852**	**14,850**	*18,769*	**8,165**	**17,843**	**9,091**	**5,759**	*53,874*	**128**	*1,062*
Previous year	*59,527*	*—*	*(13,116)*	*72,643*	*7,769*	*8,212*	*(2,788)*	*18,769*	*53,874*	*51,578*	*1,062*	*1,241*

* Includes translation reserve of Rs. 3,402 thousand (previous year Rs. 10,327).

	(Rs. in 000's) March 31, 2010	March 31, 2009	(US$ in 000's) March 31, 2010	March 31, 2009
SCHEDULE "D" — SUNDRY DEBTORS (Unsecured)				
(A) Receivables outstanding for a period exceeding six months:				
Considered doubtful	—	*5,829*	—	*115*
(B) Receivables outstanding for a period not exceeding six months:				
Considered good	**28,578**	*23,516*	**636**	*464*
	28,578	*29,345*	**636**	*579*
Less: Provision for doubtful debts	—	*5,829*	—	*115*
TOTAL	**28,578**	*23,516*	**636**	*464*
(Rs.0 thousand & USD 0 thousand indicates values are lower than Rs. 1 thousand and US$ 1 thousand respectively)				
SCHEDULE "E" — SECURITIES HELD AS STOCK IN TRADE				
(at lower of cost or market value)				
(Quoted unless otherwise stated)				
Pershing money market fund	**1,547**	*1,743*	**34**	*34*
TOTAL	**1,547**	*1,743*	**34**	*34*
SCHEDULE "F" — CASH AND BANK BALANCES				
In current accounts with banks	**41,449**	*59,357*	**923**	*1,170*
TOTAL	**41,449**	*59,357*	**923**	*1,170*

forming part of the Accounts

Continued

		(Rs. in 000's)		(US$ in 000's)
	March 31, 2010	*March 31, 2009*	**March 31, 2010**	*March 31, 2009*
SCHEDULE "G" — LOANS AND ADVANCES				
(Unsecured and considered good unless otherwise stated)				
Advances :				
(Recoverable in cash or in kind or for value to be received)				
Other advances and deposits	**17,752**	*8,967*	**397**	*177*
Security deposit for leased premises	**23,420**	*26,341*	**522**	*519*
TOTAL	**41,172**	*35,308*	**919**	*696*
SCHEDULE "H" — CURRENT LIABILITIES				
Sundry creditors for expenses	**54,203**	*47,818*	**1,207**	*943*
Other liabilities	**50,201**	*21,974*	**1,118**	*433*
Provision for tax	**835**	*702*	**19**	*13*
TOTAL	**105,239**	*70,494*	**2,344**	*1,389*
SCHEDULE "I" — INTEREST INCOME				
Interest on other loans and advances	**74**	*100*	**2**	*2*
TOTAL	**74**	*100*	**2**	*2*
SCHEDULE "J" — OTHER INCOME:				
Miscellaneous income	**—**	*1,174*	**—**	*26*
Income from rent	**—**	*6,478*	**—**	*140*
Dividend income	**2**	*450*	**0**	*10*
TOTAL	**2**	*8,102*	**—**	*176*
(Rs.0 thousand & USD 0 thousand indicates values are lower than Rs. 1 thousand and US$ 1 thousand respectively)				
SCHEDULE "K" — Operating Expenses				
Other operating expenses	**70**	*180*	**1**	*4*
Commission expenses & transaction charges	**26,658**	*18,084*	**562**	*393*
TOTAL	**26,728**	*18,264*	**563**	*397*
SCHEDULE "L" — PAYMENTS TO AND PROVISIONS FOR EMPLOYEES				
Salaries, wages and incentive	**23,376**	*73,542*	**492**	*1,600*
Staff welfare expenses	**1,319**	*1,635*	**28**	*36*
TOTAL	**24,695**	*75,177*	**520**	*1,636*
SCHEDULE "M" — ESTABLISHMENT AND OTHER EXPENSES				
Rent and amenities	**20,750**	*28,218*	**437**	*614*
Rates and taxes	**2,592**	*2,506*	**55**	*55*
Insurance	**642**	*795*	**14**	*17*
Business promotion, travelling and conveyance expenses	**2,098**	*7,154*	**44**	*156*
Subscription and periodicals	**488**	*3,882*	**10**	*84*
Printing and stationery	**118**	*479*	**2**	*10*
Communication expenses	**1,864**	*4,766*	**39**	*104*
Professional fees	**9,647**	*16,598*	**203**	*361*
Auditors' remuneration (statutory audit fee)	**2,956**	*3,661*	**62**	*80*
Miscellaneous expenses	**532**	*6,089*	**11**	*132*
Repairs, maintenance, upkeep and others	**1,371**	*665*	**30**	*15*
Lease abandonment expenses	**40,684**	*—*	**856**	*—*
TOTAL	**83,742**	*74,813*	**1,763**	*1,628*
(Rs.0 thousand & USD 0 thousand indicates values are lower than Rs. 1 thousand and US$ 1 thousand respectively)				
SCHEDULE "N" — FINANCIAL CHARGES				
Bank charges	**429**	*240*	**9**	*5*
Interest on fixed loans and debentures	**54**	*33*	**1**	*1*
TOTAL	**483**	*273*	**10**	*6*

SCHEDULE "O" — SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

Overview

ICICI Securities, Inc. ("the Company"), a wholly owned subsidiary of ICICI Securities Holdings, Inc., is incorporated in the United States since 2001. The Company is a registered broker dealer with the National Association of Securities Dealers Inc., and is engaged in providing brokerage and wealth management services to US Institutional investors.

Basis of preparation

The financial statements have been prepared solely for the information and use of ICICI Securities Limited, the Ultimate Holding Company for consolidation in accordance with the notified accounting standards issued by Companies Accounting Standards Rules, 2006 and relevant provisions of the Companies Act, 1956. The financial statements have been prepared on historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and, except where otherwise stated, are consistent with those used in the previous year.

Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

A. SIGNIFICANT ACCOUNTING POLICIES

1. Revenue recognition

Revenue from issue management, loan syndication and financial advisory services is recognised based on the stage of completion of assignments and terms of agreement with the client.

2. Investments & stock in trade

Investments in debt and equity securities are classified as stock-in-trade or long term investments.

Securities acquired with the intention of short-term holding and trading are classified as stock-in-trade. The securities held as stock-in-trade are grouped under current assets and are valued at cost or market value, whichever is lower.

Securities acquired with the intention of holding it for more than a year are classified as long term investments. Long term investments are carried at acquisition cost, net of direct acquisition costs, if any. Any decline in the value of investments, which is other than temporary is reduced from its acquisition costs. A decline is considered as other than temporary after considering the investee company's market value, assets, results and the expected cash flows from the investment and restrictions, if any, on distribution or sale by the Company.

3. Fixed assets and depreciation

Fixed assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset.

Depreciation on fixed assets is provided on straight line method at the rates which are equal or higher than the rates prescribed in Schedule XIV of the Companies Act, 1956. Such rates are fixed after considering applicable laws in the United States of America and management estimation of the useful life of the asset.

Depreciation of assets	Estimated life
Office equipment , Computers & Software	3 Years
Furniture & Fixtures	7 years
Telecom Equipment	5 years
Leasehold Improvements	10 years

4. Income tax

Current income- tax is measured at the amount expected to be paid to the tax authorities in accordance with the local tax rates of the United States of America. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised. As there is no virtual certainty of future taxable profits, deferred tax assets is not recognised.

5. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

The diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

6. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

7. Lease transactions

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

8. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short term investments with an original maturity of three months or less.

B OTHER NOTES TO ACCOUNTS

1. Deferred tax

Deferred tax asset resulting from accumulated losses have not been accounted in the absence of virtual certainty of availability of sufficient future taxable income.

2. The rent expenses recognised in the financial statements have been straight-lined over the life of the lease. The lease expires on February 28, 2017.

3. Related party disclosures

As per Accounting Standard on Related Party Disclosures (AS18) as notified by the Companies Accounting Standard Rules 2006, the related parties of the company are as follows:

A. Related party where control exists irrespective whether transactions have occurred or not

Ultimate Holding Companies : ICICI Bank Limited
ICICI Securities Limited

Holding Company : ICICI Securities Holding Inc.

B. Other related parties where transactions have occurred during the year NIL

Key Management Personnel
Rahul Ajmera — President (Since July 1, 2009)
Gopa Kumar Puthenveettil — President & CEO (Till June 30, 2009)

The following transactions were carried out with the related parties in the ordinary course of business:

Nature of transaction	Ultimate Holding Company		Holding Company	
	(Rs.in 000's)	(US$ in 000's)	(Rs. in 000's)	(US$ in 000's)
Income from Services				
ICICI Securities Limited	14,759	311	—	—
	(12,538)	(273)	(—)	(—)
Interest Income				
ICICI Bank Limited	(9)	(0)	(—)	(—)
Rent Income				
ICICI Bank Limited	(744)	(16)	(—)	(—)
ICICI Securities Holdings Inc.	—	—	—	—
	(—)	(—)	(5,734)	(125)
Commission expenses	27,410	577	—	—
ICICI Securities Limited	(16,312)	(355)	(—)	(—)
Finance charges and operating expenses				
ICICI Bank Limited	139	3	—	—
	—	—	(—)	(—)

The balances payable to/receivable from related parties included in the balance sheet as on March 31, 2010 are given below:

Nature of transaction	Ultimate Holding Company (Rs.in 000's)	Ultimate Holding Company (US$ in 000's)	Holding Company (Rs. in 000's)	Holding Company (US$ in 000's)
Cash and Bank Balances				
ICICI Bank Limited	43	1	—	—
	(1,154)	(23)	(—)	(—)
Payables				
ICICI Securities Ltd.	23,168	516	—	—
	(20,345)	(402)	(—)	(—)
ICICI Securities Holdings Inc.	—	—	21,147	471
	(—)	(—)	(14,520)	(286)
Share Capital				
ICICI Securities Holdings Inc.	—	—	505,064	11,650
	(—)	(—)	(476,468)	(11,050)

Corporate Guarantees/Bank letter of credits

Guarantees given by	Ultimate Holding Company (Rs.in 000's)	Ultimate Holding Company (US$ in 000's)	Holding Company (Rs. in 000's)	Holding Company (US$ in 000's)
ICICI Securities Limited	179,600	4000	—	—
(Corporate Guarantee)	(—)	(—)	(—)	(—)
ICICI Securities Holding Inc.	44,900	1000	—	—
(Bank letter of credit)	(—)	(—)	(—)	(—)

Note: All above guarantees issued to US Bank National Association for Sub-lease transaction. Amount in parenthesis represent previous year figures

Rs.0 thousand & USD 0 thousand indicates values are lower than Rs. 1 thousand and US$ 1 thousand respectively

Key Management Personnel

The compensation for the year ending March 31, 2010 to Rahul Ajmera, President & CEO was Rs. 2,475 thousand US$ 52 thousand (Previous year Rs. Nil and US$ Nil) & to Mr. Gopakumar P. Rs. 2,053 thousand US$ 43 thousand (Previous year Rs.12,157 thousand US$ 265 thousand).

4. **Managerial remuneration**

The details regarding the managerial remuneration paid by the Company is given in the table below.

	(Rs. in 000's) Year ended March 31, 2010	(Rs. in 000's) Year ended *March 31, 2009*	(US$ in 000's) Year ended March 31, 2010	(US$ in 000's) Year ended *March 31, 2009*
Gross Salary	**4,528**	*12,157*	**95**	*265*

5. **Earnings per equity share (EPS)**

	(Rs. in 000's) Year ended March 31, 2010	(Rs. in 000's) Year ended *March 31, 2009*	(US$ in 000's) Year ended March 31, 2010	(US$ in 000's) Year ended *March 31, 2009*
Basic & Diluted				
Weighted average no. of equity shares outstanding	**11,305**	*10,736*	**11,305**	*10,736*
Net profit/(loss)	**(114,179)**	*(146,545)*	**(2,403)**	*(3,190)*
Basic earnings per share (Rs.)/(US$)	**(10.10)**	*(13.65)*	**(0.21)**	*(0.30)*
Nominal value per share (US$)	**1**	*1*	**1**	*1*

6. **Lease**

The Company has obligations for its office space in New York city under the term of an operating lease expiring on February 28, 2017.

	(Rs. in 000's) Year ended March 31, 2010	(Rs. in 000's) Year ended *March 31, 2009*	(US$ in 000's) Year ended March 31, 2010	(US$ in 000's) Year ended *March 31, 2009*
Lease payments for the year	**23,366**	*22,651*	**492**	*493*
Minimum Lease Payments:				
Not later than one year	**22,137**	*25,006*	**493**	*493*
Later than one year but not later than five years	**94,003**	*130,079*	**2,094**	*2,565*
Later than five years	**45,417**	*52,419*	**1,012**	*1,033*

7. **Sublease**

The Company is having existing lease agreement for its office space in New York City. During the year the Company sub-leased its office space in New York City, by entering into sublease agreement with US Bank National Association which resulted into Lease Abandonment Loss of Rs. 40,684 thousand (USD 856 thousand) which is expensed out during the year.

Bank Guarantee for Sub-lease: During the year ICICI Securities Holding Inc. has issued bank guarantee of USD 1,000 thousand to US Bank National Association as per the terms of sub-lease agreement. This guarantee is towards Company's obligation to pay differential lease amount to lessor.

8. **Conversion to Indian Rupees**

All income and expense items are converted at the average rate of exchange applicable for the year. All assets (except Investments) and liabilities (except Share Capital) are translated at the closing rate as on the Balance Sheet date.

The Equity Share Capital and Investments in subsidiary is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation at the year-end are transferred to Translation Reserve account and the said account is being treated as "Reserves and Surplus". Amounts in US$ (USD) given in the financial statements are stated only for the purpose of conversion.

9. Figures for the previous year have been regrouped or reclassified wherever necessary.

Signature to Schedules A to O

As per our report of even date.

For S. R. Batliboi & Co.
Firm Registration No: 301003E
Chartered Accountants

Per Vijay Maniar
Partner
Membership No: 36738

Mumbai, April 15, 2010

For and on behalf of the Board

ANUP BAGCHI
Director

A. MURUGAPPAN
Director

CHARANJIT ATTRA
Director

SUBIR SAHA
Director

cash flow statement

ICICI Securities Inc

for the year ended March 31, 2010

	(Rs. in 000's) March 31, 2010	(Rs. in 000's) March 31, 2009	(US$ in 000's) March 31, 2010	(US$ in 000's) March 31, 2009
A Cash flow from operating activities				
Profit/ (Loss) before tax	**(113,847)**	*(135,609)*	**(2,396)**	*(2,952)*
— (Profit)/Loss on sale of fixed assets	**—**	—	**—**	—
— Depreciation	**8,165**	*8,212*	**171**	*179*
— Fixed assets written off	**36,350**		**765**	
— Lease abandonment expenses	**40,684**		**856**	
— Exchange adjustments	**(799)**	*24,450*	**62**	*1*
Operating profit before changes in operating assets and liabilities	**(29,447)**	*(102,947)*	**(542)**	*(2,772)*
Adjustments for net change in operating assets and liabilities				
— Current assets excluding cash and cash equivalents	**(4,866)**	*13,263*	**(173)**	*463*
— Loans and advances relating to operations	**(5,730)**	*(12,873)*	**(217)**	*(137)*
— Current liabilites relating to operations	**(5,938)**	*10,720*	**99**	*(87)*
	(16,534)	*11,110*	**(291)**	*239*
Cash generated from operations	**(45,981)**	*(91,837)*	**(833)**	*(2,533)*
Payment of taxes (net)	**(465)**	*5,695*	**(13)**	*145*
Net cash from operating activities	**(46,446)**	*(86,142)*	**(846)**	*(2,388)*
B Cash flow from investment activities				
— (Purchase) / Sale of fixed assets (net)	**(59)**		**(1)**	
Net cash used in investment activities	**(59)**	—	**(1)**	—
C Cash flow from financing activities				
— Proceeds from issue of share capital	**28,596**	*42,870*	**600**	*1,000*
Net cash used in financing activities	**28,596**	*42,870*	**600**	*1,000*
Net change in cash & cash equivalents	**(17,909)**	*(43,272)*	**(247)**	*(1,388)*
Cash and cash equivalents at the beginning of the year	**59,357**	*102,629*	**1,170**	*2,558*
Cash and cash equivalents at the end of the year	**41,449**	*59,357*	**923**	*1,170*

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

As per our report of even date.

For S. R. Batliboi & Co.
Firm Registration No.: 301003E
Chartered Accountants

Per Vijay Maniar
Partner
Membership No: 36738

Mumbai, April 15, 2010

For and on behalf of the Board of Directors

ANUP BAGCHI
Director

A. MURUGAPPAN
Director

CHARANJIT ATTRA
Director

SUBIR SAHA
Director

ICICI VENTURE FUNDS MANAGEMENT COMPANY LIMITED

22ND ANNUAL REPORT AND ANNUAL ACCOUNTS 2009-2010

Directors
Lalita D. Gupte, *Chairperson*
K. N. Memani
S. Mukherji
K. Ramkumar
H. N. Sinor
Vishakha Mulye, *Managing Director & CEO*

Auditors
Deloitte Haskins & Sells,
Chartered Accountants

Anselm Pinto
Company Secretary

Registered Office
ICICI Venture House
Ground Floor
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400025

Regional Office
Prestige Obelisk, 10th Floor
No. 3, Kasturba Road
Bangalore 560001

directors' report

to the members

Your Directors have pleasure in presenting the Twenty Second Annual Report of ICICI Venture Funds Management Company Limited with the Statement of Accounts for the year ended March 31, 2010.

1. FINANCIAL HIGHLIGHTS

(Rupees in million)

	Fiscal 2009	**Fiscal 2010**
Profit before taxation	*2,020.8*	**744.1**
Profit after taxation	*1,480.5*	**514.9**
Appropriations		
General Reserve	*148.1*	**51.5**
Interim Dividend	*950.0*	**260.0**
Corporate tax on Dividend	*161.5*	**44.2**
Balance carried forward to next year	*301.2*	**460.4**

The Company earned profit after tax of Rs. 514.9 million for the year. After taking into account profit of Rs. 301.2 million brought forward, the Company's disposable profit stands at Rs. 816.1 million. During fiscal 2010, your Company transferred Rs. 51.5 million to General Reserve and paid two interim dividends aggregating to Rs. 260.0 per share.

Analysis of Financial Performance:

During the year, your Company earned a fee income of Rs. 1,574.6 million as compared to Rs. 1,830.3 million in the previous year. Income from investments in venture capital fund was Rs. 130.0 million during the year, as compared to the previous year's income of Rs. 112.4 million. Operating expenses were at Rs. 1,100.4 million as compared to Rs. 1,422.4 million in the previous year.

Your Company's profit before tax for the year under review was Rs. 744.1 million as compared to previous year's profit before tax of Rs. 2,020.8 million. The decrease was primarily due to one time non-recurring profit of Rs. 1,370.7 million arising from the Company's divestment of its holdings in TSI Ventures (India) Pvt. Limited during previous year. After providing for tax, including deferred tax, for the current year profit after tax was Rs. 514.9 million as compared to previous year's profit after tax of Rs.1,480.5 million. The Earnings per Share of your Company was Rs. 514.9 per share during fiscal 2010 as compared to Rs. 1480.5 per share during the previous year.

2. OPERATIONAL REVIEW

Year in Retrospect:

In 2009, an estimated USD 3.5 billion was invested by Private Equity (PE) players in the country in about 225 reported transactions. This represented a significant decline from the level of USD 10 billion witnessed in 2008. In the first quarter of 2010 there has been some recovery in activity with aggregate PE inflows being estimated at just over USD 2 billion. This is logical considering the resurgence in business and consumer confidence in the Indian markets over the second half of fiscal 2010 on the back of better than expected data on GDP growth which was reported at 7.9% for the second quarter of fiscal 2010 and is expected to clock 7.2% for the entire year. This has translated into strong capital inflows into the Indian markets in the fourth quarter of fiscal 2010, last reported at over USD 30 billion as of March 2010. Therefore, not surprisingly, capital markets have demonstrated a strong recovery during the fiscal year with the benchmark BSE Sensex rising by 107% from its March 2009 low of 8160. The outlook for the Indian economy is considered to be positive and the country expected to return to a growth path of over 8%. This bodes well for your Company both in terms of exit opportunities for the existing portfolio and investment opportunities for the new funds.

Portfolio and Fund Strategy:

As of March 31, 2010, your Company had outstanding assets under management of about USD 2 billion, a majority of it being in five third party capital funds – three in Private Equity practice, one in Real Estate and one in Mezzanine Finance.

(A) Private Equity

India Advantage Fund Series 1 (IAF Series 1)

In fiscal 2010, the overall objective of your Company was to build further on the success of this Rs. 10.9 billion fund by accelerating the exit process in the residual part of the portfolio which originally consisted of 21 companies of which 10 had been fully exited prior to this period. During the year, your Company concluded a partial exit from a company in the animal healthcare business realising a Multiple of Capital (MoC) of 8.5 times and an IRR of 69% for the Fund. Your Company was also instrumental in initiating the IPO process for another portfolio company in the water treatment business wherein its Draft Red Herring Prospectus has been filed with SEBI. Your Company initiated the exit process for the Fund's investments in two portfolio companies in the Diagnostic Services and Pharmaceutical Intermediates businesses. Till date, the Fund has concluded full exits from 10 portfolio companies and partial exits from six companies resulting in aggregate realisations of Rs. 22.2 billion to the Fund at a realised IRR of 62.7% on a MoC of 3.1 times on the divested corpus. The Fund has made distributions of Rs. 19.8 billion to its investors till date.

India Advantage Fund Series 2 (IAF Series 2)

As of March 31, 2010, this USD 810 million Fund had made aggregate commitments to the tune of Rs. 26.8 billion to 21 companies including subsidiary situations in two cases. In April 2009 there was a Trigger Event in this Fund as defined under the Private Placement Memorandum (PPM). The Trigger Event was successfully resolved with the consent of the Fund's investors in October 2009 consequent to which the commitment period of the fund ended in October 2009. Your Company is permitted to continue follow on investments in existing portfolio companies as per existing commitment/agreements, but not permitted to make any commitments to new companies from this Fund. This would result in a capping of the aggregate commitment level of the Fund at Rs. 26.8 billion including the commitment amount invested in a portfolio company which was exited in the previous year. The ending of the commitment period also led to changes in the management fee structure as per existing Fund terms.

During fiscal 2010, your Company was focused on continuing or initiating exits in mature investments in this Fund portfolio. Accordingly, the process of sale of shares in a banking company continued and a partial sale of shares of a portfolio company in the power transmission sector was undertaken. This resulted in Fund realisations of Rs. 2.6 billion during fiscal 2010. In other portfolio companies, your Company adopted a blend of strategies to maximise value for investors, including deal re-structuring, cost rationalisation and disposal of non core assets. In general, your Company exercised significant control on deployment of further capital from this Fund. Follow on investments were made in four portfolio companies amounting to Rs. 0.8 billion which represents less than 2% of original Fund corpus. Given improvements in the overall business scenario, your Company will continue to nurture potential winners in this portfolio and continue exploring exit options for the mature investments.

India Advantage Fund Series 3

India Advantage Fund Series 3, the 3rd third party private equity fund of your Company, successfully commenced operations in this financial year. This is structured as a USD 500 million fund (aggregating both domestic and international monies) with a legal cap of USD 800 million. It is a sector agnostic fund. The Fund achieved its first close in October 2009 with aggregate commitments to the tune of Rs. 10.5 billion. Subsequently, a second close was held in February 2010 at Rs. 15.6 billion. The Fund has also concluded its maiden investment, a commitment of Rs 1.2 billion, in a leading private sector, standalone health insurance company. Given the strong recovery of the Indian economy, the Fund is witnessing strong deal flow.

(B) Real Estate

India Advantage Fund III and IV (Real Estate Funds):

The Real Estate funds raised by your Company have been fully committed in 13 investments. During the last year, your Company placed greater focus on active asset management/monitoring of these investments. In order to cope with economic slowdown, asset management strategies were aimed at risk mitigation and protection of capital. Such strategies included changes in product mix in line with market trends; project financial closure / re-structuring; reduction in operating costs in various projects; strengthening of execution team and deferral of construction investment where required.

(C) Mezzanine

India Advantage Fund VII:

As of March 31, 2010, India Advantage Fund VII (Mezzanine Fund – I) had made aggregate investments of Rs. 920 million in three companies. One of these investments was exited in the fiscal 2009 and another investment was partially exited during fiscal 2010. During the year, your Company evaluated over 60 investment opportunities for this Fund in a wide range of sectors. Your Company is in advanced stages of evaluation of one such opportunity and is expecting to conclude this investment in the near future. The Fund's commitment period has been extended by six months from its original expiry date of May 7, 2010 (three years from date of first closing), to November 7, 2010 as per Fund terms.

Fund Raising:

The global fund raising environment remained challenging during the year. As per estimates available from global consulting major, Bain and Company, PE funds were able to raise only USD 248 billion globally in 2009, which was less than 40% of what the global industry was able to raise in 2008. Fund raising declined across all types of funds and asset classes. Hardest hit were funds focused on leveraged buyouts and real estate funds. Fund raising was weak in every region. New funds took longer to close, stretching to an average of 18.4 months in 2009 in comparison with 12 months in 2007. An estimated 92 funds targeting USD 48 billion in capital were withdrawn from the market by the end of 2009.

Despite this challenging backdrop, your Company was able to conclude one of the largest reported domestic fund raisings in case of India Advantage Fund Series 3. Gross commitments of over Rs. 17 billion were raised from Indian financial institutions and high net worth individuals.

Outlook:

Efforts are on for raising additional commitments for India Advantage Fund Series 3 from Indian financial institutions, domestic high net worth individuals, NRIs and international financial institutions. The target is to achieve a fund size of Rs. 20 billion from both domestic and international investors in aggregate in the next financial year.

Your Company has commenced initial preparation and ground-work, both in terms of thesis and building of teams, for raising its maiden Infrastructure fund as also a pure domestic real estate fund. Both these funds are expected to be launched in the next financial year. With the fund raising environment showing definite signs of improvement, the outlook for raising both the funds is optimistic.

3. PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposit under Section 58-A of the Companies Act, 1956.

4. DIRECTORS

On May 8, 2009, the Board of Directors of your Company appointed S. Mukherji as an additional director to hold office until the date of 21st Annual General Meeting (AGM) as per Section 260 of the Companies Act, 1956. The members at the said AGM appointed S. Mukherji as a Director, liable to retire by rotation.

As per Section 262 of the Companies Act, 1956, the Board of Directors of your Company also decided to fill the casual vacancy arising due to the resignation of Madhabi Puri Buch by appointing K. Ramkumar, in her place as a Director, who will hold office upto the date which Madhabi Puri Buch would have held office if she had not resigned, i.e., till the date of the 22nd AGM. A notice, as required under Section 257 of the Companies Act, 1956 has been received for appointment of K. Ramkumar as Director of the Company. A proposal to appoint K. Ramkumar as Director, liable to retire by rotation, is being placed before the shareholders at the ensuing AGM.

Rajeev Bakshi, who was the Joint Managing Director on the Board of the Company, tendered his resignation effective November 30, 2009. The Board accepted the resignation of Rajeev Bakshi and placed on record its gratitude for the valuable services rendered by him.

As per Section 255 of the Companies Act, 1956, Lalita D. Gupte retires by rotation at the ensuing Annual General Meeting and being eligible to continue to serve as Director of the Company, offers herself for reappointment.

5. AUDITORS

M/s. Deloitte, Haskins & Sells, Chartered Accountants were appointed as statutory auditors of the Company for the financial year 2010-2011 to hold office till the conclusion of the ensuing Annual General Meeting of the Company. The Board of Directors recommend your approval for re-appointment of M/s. Deloitte, Haskins & Sells, Chartered Accountants, as statutory auditors of the Company for the financial year 2010-2011.

6. FOREIGN EXCHANGE EARNING AND EXPENDITURE

The foreign exchange earnings during the year amounted to Rs. 81.3 million. Expenditure in foreign currency amounted to Rs. 291.0 million.

7. PERSONNEL AND OTHER MATTERS

Information required to be disclosed in accordance with Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, forming part of the Directors' Report for the year ended March 31, 2010 is enclosed as an Annexure to this Report.

Since your Company does not own any manufacturing facility, the disclosure of information on other matters required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable and hence have not been given.

8. AUDIT COMMITTEE

Your Company has constituted an Audit Committee, though not mandatory, under the provisions of the Companies Act, 1956. The Audit Committee comprises K. N. Memani as Chairman, S. Mukherji and H. N. Sinor as members of the Committee.

9. DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. that they have selected such accounting policies and applied them consistently and made judgements 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 or loss of the Company for that period;
3. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. that they have prepared the annual accounts on a going concern basis.

10. ACKNOWLEDGEMENTS

The Board of Directors of your Company wishes to acknowledge and place on record its sense of appreciation for the commitment, dedication, and professionalism of the employees of the Company. The Board also wishes to thank the shareholders, regulatory authorities and the Government for their co-operation and support. The Board is also grateful to the investors of the Funds managed and advised by the Company for their continued trust and support.

For and on behalf of the Board of Directors

April 14, 2010

Lalita D. Gupte
Chairperson

auditors' report

to the Members of ICICI Venture Funds Management Company Limited

1. We have audited the attached Balance Sheet of ICICI VENTURE FUNDS MANAGEMENT COMPANY LIMITED as at 31 March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance 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 stimates made by the Management as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to above, we report that:
   (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) in our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of the books;
   (c) 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;
   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
   (e) 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:
      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2010;
      (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
      (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
5. On the basis of the written representations received from the directors, as on 31 March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010, from being appointed as a director under Section 274 (1)(g) of the Companies Act, 1956;

For DELOITTE HASKINS AND SELLS
Chartered Accountants
Registration No. 008072S

V. BALAJI
Partner
Membership No. 203685

Bangalore, April 14, 2010

annexure to the auditors' report

(Referred to in our report of even date)

1. Having regard to the nature of the Company's business clauses ii, iii (b) to (d), (f) and (g), iv (in so far as it relates to purchase of inventory and sale of goods), vi, viii, ix (b), x, xii, xiii, xv, xviii, xix and xx of paragraphs 4 and 5 of the Companies (Auditors' Report) Order, 2003 are not applicable for the current year.
2. In respect of its fixed assets:
   (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
   (b) The fixed assets of the Company have been physically verified by the Management in accordance with a programme of verification, the frequency whereof is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
   (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
3. The Company neither granted nor taken any loans, secured or unsecured from/ to Companies, firms or other parties 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 the nature of its business with regard to purchase of fixed assets and the sale of services. During the course of our audit, we have not observed any major weaknesses in such internal control system.
5. To the best of our knowledge and belief and according to the information and explanation given to us, there were no contracts or arrangements that were needed to be entered in the register maintained in pursuance of Section 301 of the Companies Act 1956.
6. In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size and the nature of its business.
7. According to the information and explanations given to us in respect of Statutory dues:
   (a) Service Tax and interest thereon amounting to Rs. 106,790 thousands relating to the year 2006-2007 till 2008-2009, were paid by the Company during the year based on the audit notes received from Service Tax authorities.
   (b) the Company has been generally regular in depositing other undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and any other material statutory dues with the appropriate authorities during the year.
   (c) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Customs Duty, Excise Duty, cess and any other material statutory dues in arrears as at 31 March, 2010 for a period of more than six months from the date they became payable.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions.
9. Based on our examination of records and evaluation of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of its dealing in shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.
10. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.
11. In our opinion and according to information and explanations given to us, and on an overall examination of the balance sheet we report that funds raised on short-term basis have not been used during the year for long-term investment.
12. To the best of our knowledge and belief, and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has noticed or reported during the year.

For DELOITTE HASKINS AND SELLS
Chartered Accountants
Registration No: 008072S

V. BALAJI
Partner
Membership No: 203685

Bangalore, April 14, 2010

ICICI Venture

balance sheet as at March 31, 2010

(Rs. in 000's)

	Schedule		March 31, 2010	*March 31, 2009*
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	I	10,000.00		*10,000.00*
Reserves and Surplus	II	948,150,00		*737,470.00*
			958,150.00	*747,470.00*
Loan Funds				
Secured Loan	III		899,280.00	*1,316,760.00*
TOTAL			1,857,430.00	*2,064,230.00*
APPLICATION OF FUNDS				
Fixed Assets	IV			
Gross Block		1,697,120.00		*1,626,480.00*
Less: Depreciation		383,940.00		*278,810.00*
Net Block		1,313,180.00		*1,347,670.00*
Add: Capital Work in Progress		290.00		*67,700.00*
			1,313,470.00	*1,415,370.00*
Investments	V		1,008,210.00	*851,780.00*
Deferred Tax Asset (Net)			1,370.00	*17,620.00*
Current Assets, Loans and Advances	VI			
– Sundry Debtors		460.00		*174,090.00*
– Cash & Bank Balances		40,220.00		*40,050.00*
– Loans & Advances		1,362,410.00		*1,169,260.00*
		1,403,090.00		*1,383,400.00*
Less: Current Liabilities and Provisions	VII			
– Current Liabilities		627,450.00		*528,820.00*
– Provisions		1,241,260.00		*1,075,120.00*
		1,868,710.00		*1,603,940.00*
Net Current Assets			(465,620.00)	*(220,540.00)*
TOTAL			1,857,430.00	*2,064,230.00*
Operations & Significant Accounting Policies	XIV A			
Notes Forming Part of Accounts	XIV B			

profit and loss account for the year ended March 31, 2010

(Rs. in 000's)

	Schedule	March 31, 2010	*March 31, 2009*
INCOME			
Income From Operations	VIII	1,747,510.00	*1,942,760.00*
Profit on Sale of Investments		40,390.00	*1,450,950.00*
Other Income	IX	176,880.00	*62,760.00*
		1,964,780.00	*3,456,470.00*
EXPENDITURE			
Staff Expenses (See Note 5 of Schedule XIV B)	X	488,220.00	*612,430.00*
Establishment Expenses	XI	90,870.00	*96,710.00*
Finance Charges	XII	149,090.00	*208,850.00*
Other Expenses	XIII	372,180.00	*504,480.00*
Depreciation		120,300.00	*115,290.00*
Excess provision for Depreciation reversed on account of change in the Accounting Policy (See Note-9 in Schedule XIV B)		—	*(102,070.00)*
		1,220,660.00	*1,435,690.00*
Profit Before Tax		744,120.00	*2,020,780.00*
Less: Provision For Current Tax (See Note 11 of Schedule XIV B)		213,000.00	*520,000.00*
Add: Reversal of excess provision in previous years		—	*2,240.00*
Less: Provision for Deferred Tax (See Note 11 of Schedule XIV B)		16,250.00	*12,400.00*
Less : Provision for Fringe Benefit Tax		—	*10,120.00*
Profit After Tax		514,870.00	*1,480,500.00*
Add: Balance Brought Forward From Previous Year		301,210.00	*80,260.00*
DISPOSABLE PROFIT		816,080.00	*1,560,760.00*
APPROPRIATIONS			
General Reserve		51,500.00	*148,100.00*
Interim Dividend		260,000.00	*950,000.00*
Corporate Tax on Dividend		44,190.00	*161,450.00*
Balance Carried to Balance Sheet		460,390.00	*301,210.00*
		816,080.00	*1,560,760.00*
Operations & Significant Accounting Policies	XIV A		
Notes Forming Part of Accounts	XIV B		
Earnings per share			
Basic and Diluted (Rs.) [See Note 15 of Schedule XIV B]		514.87	*1,480.50*

The above Schedules form an integral part of the accounts.

As per our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

V. BALAJI
Partner
Membership No. 203685
Bangalore, April 14, 2010

For and on behalf of the Board

LALITA D. GUPTE
Chairperson

VISHAKHA MULYE
Managing Director & CEO

BEENA M. CHOTAI
Sr. Director & Chief Financial Officer

ANSELM PINTO
Company Secretary

Mumbai, April 14, 2010

forming part of the Accounts

SCHEDULE I

SHARE CAPITAL

	March 31, 2010	March 31, 2009
		(Rs. in 000's)
Authorised		
20,000,000 Equity Shares of Rs. 10 each	**200,000.00**	*200,000.00*
Issued, Subscribed and Paid-up	**10,000.00**	*10,000.00*
1,000,000 Equity Shares of Rs.10 each		
{Out of 1,000,000 equity shares issued by the company, 999,994 Shares are held by ICICI Bank, Limited, the holding company. (Year ended March 31, 2009 - 999,994 Equity Shares of Rs. 10 each)}		
	10,000.00	*10,000.00*

SCHEDULE II

RESERVES AND SURPLUS

	March 31, 2010	March 31, 2009
i) Capital Redemption Reserve	**7,810.00**	*7,810.00*
	7,810.00	*7,810.00*
ii) General Reserve		
Opening Balance	**428,450.00**	*280,350.00*
Add: Transfer from Profit & Loss Appropriation account	**51,500.00**	*148,100.00*
	479,950.00	*428,450.00*
iii) Surplus in Profit and Loss Account Opening Balance	**301,210.00**	*80,260.00*
Add/(Less) : Additions/(Deletions) during the year	**159,180.00**	*220,950.00*
	460,390.00	*301,210.00*
	948,150.00	*737,470.00*

SCHEDULE III

SECURED LOAN

	March 31, 2010	March 31, 2009
		(Rs. in 000's)
Vehicle Loans from ICICI Bank Limited (Secured by Hypothecation of Vehicles) (Amount Repayable within one year - Rs. 7,980 Thousands) (Year ended March 31, 2009 - Rs. 10,930 Thousands)	**26,600.00**	*45,510.00*
Vehicle Loans from Axis Bank Limited (Secured by Hypothecation of Vehicles) (Amount Repayable within one year - Rs. 3,050 Thousands) (Year ended March 31, 2009 - Rs. NIL)	**12,030.00**	—
Term Loan from ICICI Bank Limited (Secured by First Mortage/Charge on 1st & 3rd Floor, ICICI Venture House, Appasaheb Marathe Marg, Mumbai, and a paripassu charge along with HDFC Bank Ltd., on moveable & current assets) (Amount Repayable within one year - Rs. Nil) (Year ended March 31, 2009 - Rs.160,000 Thousands)	**—**	*571,250.00*
Working Capital Term Loan from HDFC Bank Limited (Secured by Second Mortage/Charge on immoveable assets of Company at Stanrose House 1st & 3rd Floor and parri passu charge on moveable & current assets) (Amount Repayable within one year - Rs. 125,000 Thousands) (Year ended March 31, 2009 - Rs.125,000 Thousands)	**199,400.00**	*325,000.00*
Term Loan from Housing Development Finance Corporation Limited (Secured by First Mortage/Charge on immoveable assets of Company at ICICI Venture House, Appasaheb Marathe Marg, Mumbai, Ground & Second Floor (Amount Repayable within one year - Rs.125,000 Thousands) (Year ended March 31, 2009 - Rs. 125,000 Thousands)	**250,000.00**	*375,000.00*
Term Loan from HDFC Bank Limited (Secured by First Mortage/Charge on 1st & 3rd Floor, ICICI Venture House, Appasaheb Marathe Marg, Mumbai, and a Paripasu charge on all the moveable and current assets. (Amount Repayable within one year - Rs.160,000 Thousands) (Year ended March 31, 2009 - Rs. Nil)	**411,250.00**	—
	899,280.00	*1,316,760.00*

SCHEDULE IV

FIXED ASSETS

(Rs. in 000's)

	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at April 1, 2009	Additions	Deductions	**As at March 31, 2010**	*Upto April 1, 2009*	*Adjustment (Refer Note)*	For the Year	On Deletions	**Up to March 31, 2010**	**As at March 31, 2010**	*As at 31 March, 2009*
NATURE OF ASSETS											
Land - Freehold	*108,270.00*	—	—	**108,270.00**	—	—	—	—	**—**	**108,270.00**	*108,270.00*
Building	*1,284,990.00*	*76,210.00*	*3,970.00*	**1,357,230.00**	*192,410.00*	—	*86,850.00*	800.00	**278,460.00**	**1,078,770.00**	*1,092,580.00*
Equipment	*85,890.00*	*11,750.00*	*4,230.00*	**93,410.00**	*25,610.00*	—	*8,790.00*	1,340.00	**33,060.00**	**60,350.00**	*60,280.00*
Computers	*34,570.00*	*790.00*	*2,240.00*	**33,120.00**	*25,350.00*	—	*6,290.00*	1,630.00	**30,010.00**	**3,110.00**	*9,220.00*
Furniture & Fixtures	*47,850.00*	*4,680.00*	*5,730.00*	**46,800.00**	*17,030.00*	—	*6,570.00*	1,370.00	**22,230.00**	**24,570.00**	*30,820.00*
Vehicles	*64,910.00*	*14,060.00*	*20,680.00*	**58,290.00**	*18,410.00*	—	*11,800.00*	10,030.00	**20,180.00**	**38,110.00**	*46,500.00*
Total	*1,626,480.00*	*107,490.00*	*36,850.00*	**1,697,120.00**	*278,810.00*	—	*120,300.00*	15,170.00	**383,940.00**	**1,313,180.00**	*1,347,670.00*
As at Mar 31, 2009	*1,524,030.00*	*114,010.00*	*11,560.00*	**1,626,480.00**	*273,080.00*	*102,070.00*	*115,270.00*	7,470.00	**278,810.00**	**1,347,670.00**	*1,344,100.00*

Note: Refer Note - 9 of Schedule XIV B

SCHEDULE V
INVESTMENTS

(Rs. in 000's)

Particulars	As at March 31, 2010 Quantity	Face value Rs. (per unit)	At Cost	*As at March 31, 2009 Quantity*	*Face value Rs. (per unit)*	*At Cost*
I. **Long-term (Unquoted)** **Trade Investment**						
1. ICICI Venture Value Fund Trust Units of Rs. 100/- fully paid (Units Purchased/acquired during the Year 584) (Year ended March 31, 2009 - 114,265) (Units redeemed during the Year - 120,758) (Year ended March 31, 2009 - 2,522)	**100**	**100**	**120.00**	*120,274*	*100*	*12,030.00*
2. India Advantage Fund I Class 'C' Units of Rs. 100/- fully paid {(Units Purchased/acquired during the Year - Nil) (Year ended March 31, 2009 - Nil) (Units redeemed during the Year - Nil) (Year ended March 31, 2009 - Nil)	**5,000**	**100**	**500.00**	*5,000*	*100*	*500.00*
3. India Advantage Fund I Class A1 Units of Rs. 100/- fully paid (Units Purchased/acquired during the Year - 3,838) (Year ended March 31, 2009 - Nil) (Units redeemed during the Year - Nil) (Year ended March 31, 2009 - Nil)	**3,838**	**100**	**900.00**	—	—	—
4. India Advantage Fund I Class A Units of Rs. 100/- fully paid (Units Purchased/acquired during the Year 44,247)) (Year ended March 31, 2009 - Nil) (Units redeemed during the Year - Nil) Year ended March 31, 2009 - Nil)	**44,247**	**100**	**6,450.00**	—	—	—
5. India Advantage Fund I Class B1 Units of Rs. 100/- fully paid (Units Purchased/acquired during the Year - 5,475) (Year ended March 31, 2009 - Nil) (Units redeemed during the Year - Nil) (Year ended March 31, 2009 - Nil)	**5,475**	**100**	**1,330.00**	—	—	—
6. India Advantage Fund I Class B Units of Rs. 100/- fully paid (Units Purchased/acquired during the Year - 12,651) (Year ended March 31, 2009 - Nil) (Units redeemed during the Year - Nil) (Year ended March 31, 2009 - Nil)	**12,651**	**100**	**1,840.00**	—	—	—
7. India Advantage Fund II Class 'C' Units of Rs. 100/- fully paid (Units Purchased/acquired during the Year - Nil) (Year ended March 31, 2009 - Nil)} (Units redeemed during the Year - Nil) (Year ended March 31, 2009 - Nil)	**5,000**	**100**	**500.00**	*5,000*	*100*	*500.00*
8. India Advantage Fund II Class A1 Units of Rs. 100/- fully paid (Units Purchased/acquired during the Year - 7,475) (Year ended March 31, 2009 - Nil) (Units redeemed during the Year - 5,362) (Year ended March 31, 2009 - Nil)	**2,113**	**100**	**90.00**	—	—	—
9. India Advantage Fund II Class A Units of Rs. 100/- fully paid (Units Purchased/acquired during the Year - 6,335) (Year ended March 31, 2009 - Nil) (Units redeemed during the Year - Nil) (Year ended March 31, 2009 - Nil)	**6,335**	**100**	**390.00**	—	—	—
10. India Advantage Fund II Class B1 Units of Rs. 100/- fully paid (Units Purchased/acquired during the Year - 8,268) (Year ended March 31, 2009 - Nil) (Units redeemed during the Year - 6,924) (Year ended March 31, 2009 - Nil)	**1,344**	**100**	**40.00**	—	—	—
11. India Advantage Fund II Class B Units of Rs. 100/- fully paid (Units Purchased/acquired during the Year - 1,807) (Year ended March 31, 2009 - Nil) (Units redeemed during the Year - Nil) (Year ended March 31, 2009 - Nil)	**1,807**	**100**	**110.00**	—	—	—
12. India Advantage Fund III Class A Units of Rs. 100/- fully paid (Units Purchased/acquired during the Year - 50,000) (Year ended March 31, 2009 - Nil) (Units redeemed during the Year - Nil) (Year ended March 31, 2009 - Nil)	**50,000**	**100**	**3,910.00**	—	—	—

forming part of the Accounts *Continued*

SCHEDULE V
INVESTMENTS

(Rs. in 000's)

	Particulars	As at March 31, 2010 Quantity	Face value Rs. (per unit)	At Cost	As at March 31, 2009 Quantity	Face value Rs. (per unit)	At Cost
13.	India Advantage Fund V Class B Units of Rs. 100/- fully paid (Units Purchased/acquired during the Year - 23,541) (Year ended March 31, 2009 - Nil) (Units redeemed during the Year - 3,834) (Year ended March 31, 2009 - Nil)	19,707	100	1,720.00	—	—	—
14.	India Advantage Fund VI Class B Units of Rs. 100/- fully paid (Units Purchased/acquired during the Year - 10,350) (Year ended March 31, 2009 - Nil) (Units redeemed during the Year - Nil) (Year ended March 31, 2009 - Nil)	10,350	100	760.00	—	—	—
15.	Rainbow Trust Fund Class B Units of Rs. 100/- fully paid {(Units Purchased/acquired during the Year - 65,335) (Year ended March 31, 2009 - Nil) (Units redeemed during the Year - 17,897) (Year ended March 31, 2009 - Nil)	47,438	100	3,090.00	—	—	—
16.	India Advantage Fund VII (Mezzanine Fund 1) Units of Rs. 100/- fully paid (Units Purchased/acquired during the Year - Nil) (Year ended March 31, 2009 - 281,524) (Units redeemed during the Year - 27,587) (Year ended March 31, 2009 - Nil)	782,192	100	78,210.00	809,779	100.00	80,970.00
	Total (A)			**99,960.00**			94,000.00
	Non Trade Investment						
1.	Industrial Development Bank of India 11.5 % IDBI Bonds 2010 (Fifty Fifth Series)	—	—	9.00			9.00
2.	Microland Limited Fully paid Equity Shares of Rs. 10 each (Purchased/acquired during the Year - 4,528,457) (Shares sold during the Year - Nil) (Year ended March 31, 2009 - Nil)	4,528,457	100	5,431.00	—	—	—
3.	Shri Renuga Textiles Limited Fully paid Equity Shares of Rs. 10 each (Purchased/acquired during the Year - 48,674) (Year ended March 31, 2009 - Nil) (Shares sold during the Year - Nil)	48,674	100	10.00	—	—	—
	Total (B)			**5,450.00**			9.00
	Total - (A+B)=(I)			**105,410.00**			94,009.00
II.	**Current Investments**						
1.	Units of Birla Cash Plus	26,806,479	10	291,080.00	5,978,436	10	61,912.00
2.	Units of DWS Insta Cash Plus-Growth	—	10	—	5,607,980	10	75,000.00
3.	Units of HDFC Cash Management-Savings Plan-Growth	—	10	—	7,001,080	10	127,886.00
4.	Units of HDFC Cash Management-Treasury Advantage	—	10	—	9,728,756	10	185,122.00
5.	Units of HSBC Floating Rate	888,370	10	12,550.00	5,853,858	10	80,000.00
6.	Units of ICICI PrudentilaL Floating Rate Fund - Plan D - Growth	951,218	10	127,300.00	—	—	—
7.	Units of ICICI Prudential Liquid Plan-Growth	—	10	—	1,625,676	10	20,943.00
8.	Units of IDFC-Money Manager-Plan C- Growth	16,486,622	10	176,050.00	-	-	-
9.	Units of Kotak Floating Rate - Longterm Growth	12,019,205	10	170,680.00	5,729,310	10	79,100.00
10.	Units of Reliance Medium Term Fund - Growth	5,244,159	10	98,770.00	—	—	—
11.	Units of TATA Mutual Fund Institutional Plan-Growth	15,540	1,000	26,370.00	80,593	1,000	127,808.00
	Total - (II)			**902,800.00**			757,771.00
	Total - {(I)+(II)}			**1,008,210.00**			851,780.00

Summary	Current Year (Rs. in '000)	Previous Year (Rs. in '000)
Aggregate Value of Investments:		
Quoted (Net)	—	—
Unquoted	**1,008,210.00**	851,780.00

1) Investments have been classified as Long-term and Current Investments in accordance with Accounting Standard 13, issued under the relevant provision of Companies Act, 1956.
2) Purchases of units of Mutual Funds held as Investments - 150,006,156 units amounting to Rs. 2,492,290 Thousands (Year ended March 31, 2009 - 379,288,186 units, amounting Rs. 5,409,720 Thousands.)
3) Sales of units of Mutual Funds held as Investments - 129,200,253 units amounting to Rs. 2,385,130 Thousands. (Year ended March 31, 2009 - 353,717,364 units, amounting Rs. 4,822,030 Thousands.)
4) NAV of units of Mutual Fund held as at March 31, 2010 - Rs. 917,860 Thousands. (As at March 31, 2009 - Rs 768,070 Thousands.)

	March 31, 2010	(Rs. in 000's) March 31, 2009
SCHEDULE – VI		
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets		
Sundry Debtors (Unsecured, Considered good)		
- Debts - outstanding for a period exceeding six months	—	82,110.00
- Other Debts	460.00	91,980.00
Total - A	460.00	174,090.00
Cash on hand	60.00	50.00
Balance with Scheduled Banks – In Current Accounts	40,160.00	40,000.00
Total - B	40,220.00	40,050.00
Loans and Advances		
Loans to Staff	60,000.00	30,000.00
Advance tax and tax deducted at source	1,182,070.00	944,410.00
Advances Recoverable in cash or in kind or for value to received	77,190.00	68,440.00
Deposits	17,630.00	49,840.00
Prepaid Marketing & Distribution Expenses	25,520.00	76,570.00
Total - C	1,362,410.00	1,169,260.00
Of the above Advances –		
(a) Secured by way of lien on the securities offered as collateral	60,000.00	—
(b) Unsecured, Considered Good	1,302,410.00	1,169,260.00
	1,362,410.00	1,169,260.00
Current Assets & Loans and Advances (A+B+C)	1,403,090.00	1,383,400.00
SCHEDULE VII		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors:		
Dues to Micro/Small Enterprises (See Note 17 of Schedule XIV B)	—	—
Dues to Others	504,130.00	517,590.00
Income received in advance	111,800.00	—
Other Liabilities	11,520.00	11,230.00
Total (A)	627,450.00	528,820.00
Provisions		
For Taxation	1,146,120.00	933,510.00
For Leave Encashment (See Note 6 of Schedule XIV B)	38,260.00	81,780.00
For Gratuity (See Note 13 of Schedule XIV B)	56,880.00	59,830.00
Total (B)	1,241,260.00	1,075,120.00
Current Liabilities & Provisions (A+B)	1,868,710.00	1,603,940.00
SCHEDULE VIII		
INCOME FROM OPERATIONS		
Fee Income [Tax Deducted at Source - Rs. 136,380 Thousand]	1,574,590.00	1,830,360.00
(Year ended March 31, 2009 - Rs. 217,920 Thousands)		
Income From Investment in Venture Capital Fund	129,950.00	112,400.00
Dividend Income (See Note 6 of Schedule XIV B)	42,970.00	—
	1,747,510.00	1,942,760.00
SCHEDULE IX		
OTHER INCOME		
Rent Income	22,980.00	22,540.00
Provisions Written Back	125,900.00	15,570.00
Gain on Foreign Exchange Fluctuation	4,390.00	610.00
Profit on Sale of Assets	—	270.00
Miscellaneous Income	23,610.00	23,770.00
	176,880.00	62,760.00

	March 31, 2010	(Rs. in 000's) March 31, 2009
SCHEDULE X		
STAFF EXPENSES		
Salaries, Wages and Bonus (See Note 8 of Schedule XIV B)	455,360.00	547,860.00
Contribution to Provident and Other Funds	17,370.00	48,430.00
Staff Welfare Expenses	15,490.00	16,140.00
	488,220.00	612,430.00
SCHEDULE XI		
ESTABLISHMENT EXPENSES		
Insurance	1,280.00	780.00
Electricity Charges	5,840.00	6,420.00
Rates and Taxes	30,090.00	26,500.00
Repairs and Maintenance – Building	16,120.00	15,750.00
Repairs and Maintenance – Others	7,160.00	6,310.00
Communication Expenses	7,570.00	10,520.00
Rent - Office (See Note 10 of Schedule XIV B)	22,810.00	30,430.00
	90,870.00	96,710.00
SCHEDULE XII		
FINANCE CHARGES		
Interest on Term Loan	143,810.00	203,310.00
Interest on Vehicle Loan	5,140.00	5,070.00
Bank Charges	140.00	470.00
	149,090.00	208,850.00
SCHEDULE XIII		
OTHER EXPENSES		
Advertisement & Business Promotion	4,600.00	6,740.00
Seminar Expenses	740.00	15,720.00
Travel, Conveyance and Motor Car Expenses	16,170.00	53,470.00
Marketing & Distribution Expenses	190,840.00	163,070.00
Legal and Professional Charges (See Note 1 of Schedule XIV B)	124,650.00	188,310.00
Recruitment & Training Expenses	7,560.00	31,900.00
Printing and Stationery	1,250.00	2,720.00
Memberships and Subscriptions	6,700.00	7,660.00
Loss on sale of Assets	6,130.00	—
Miscellaneous expenses (See Note 7 of Schedule XIV B)	13,540.00	34,890.00
	372,180.00	504,480.00

SCHEDULE XIV A

OPERATIONS & SIGNIFICANT ACCOUNTING POLICIES

The following paragraphs describe the nature of operations, the basis of presentation and the main accounting policies adopted by the company.

1. **Nature of Operations**

   The Company is an Asset Management Company and provides venture capital assistance to a wide spectrum of industrial sectors. The assistance is extended through the Venture Funds and the Private Equity Funds managed/advised by the Company. The accounts of these Funds are maintained separately and do not form part of the Company's financial statements.

2. **Basis of Presentation**

   ICICI Venture Funds Management Company Limited maintains the Books of Account in accordance with Section 209 of the Companies Act, 1956. The accounting and reporting policies of the company are in conformity with the provisions of the Companies Act, 1956 and the Accounting Standards issued under Section 211 (3C) of the Companies Act 1956. The Company's assets and liabilities are principally recorded on the historical cost basis and the accrual method of accounting is followed, except where otherwise noted. The principal accounting policies followed are consistent with those followed in the previous year.

3. **Income Recognition**

   i. As Fund Manager, the Company is entitled to an annual management fee and a performance fee, which is contingent on the payouts to the Fund investors. In respect of the Private Equity Funds advised by the Company, the Company is entitled to an advisory fee. The annual management fee, performance fee and the advisory fee are recognised as revenue when they contractually accrue except where the management believes that the collectability is in doubt.

ii. Dividend income from investment in units of Mutual Fund is recognised on cash basis. Dividend from shares of corporate bodies is accounted on accrual basis. Dividend from shares of corporate bodies is accrued when such dividend has been declared by the corporate body in its Annual General Meeting and the Company's right to receive the dividend payment is established.

iii. Rental Income is recognised as per contractual terms.

4. Foreign Exchange Transactions

Transactions in foreign currency, to the extent not covered by forward contracts, are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign currency transactions are recognised as income or expense in the period in which they arise.

Monetary items (other than those relating to fixed assets) are restated at the rates prevailing at the year end. The difference between the year end rate and the exchange rate at the date of the transaction is recognised as income or expense in the profit and loss account.

5. Investments

Long-term Investments are carried at cost. Provision for diminution, if any, in the value of long-term investments is made, to recognise a decline, which is not temporary. The said diminution is determined for each investment individually. Current Investments are stated at lower of cost or fair value.

6. Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated depreciation. Additions, major renewals and improvements are capitalised, while maintenance and repairs are expensed. Upon disposition, the net book value of assets is removed and resultant gains and losses are reflected in the Profit and Loss Statement.

Effective April 1, 2008, the Company has changed its method of charging depreciation from written down value method to straight line basis. The basis of depreciation is as follows:

a) In respect of assets taken on lease & any improvements thereat, depreciation is provided over the lease period on straight line basis.

b) In respect of other assets, depreciation is provided over the estimated useful life on straight line basis. The rates of depreciation and the estimated useful life are as under:

Nature of Asset	Depreciation Rate	Estimated Useful Life
Building	6.33% 12.50%	9 years to 14 Years
Equipment:		
Cell Phones	100%	
Others	10%	10 Years
Computers	33%	3 Years
Furniture & Fixtures	15% to 19%	6 Years
Vehicles	20%	5 Years

Assets individually cost less than Rs. 5,000 are written off in full in the year of purchase.

7. Impairment of Assets:

The carrying values of assets of the cash-generating units at each balance sheet date are reviewed for impairment. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

8. Employee Benefits

Post Employment Benefit Plans:

Payments to defined contribution plans, such as provident fund and superannuation, are charged as expense as they fall due. In cases where the actuarial risk vest with the Company, the shortfall in the fund balance against the present value of defined benefit obligation is expensed in the year the short fall arises.

For defined benefit schemes, the cost of providing benefits is determined using Projected Unit Credit Method, with actuarial valuations being carried out at each Balance sheet date. Actuarial gains and losses are recognised in full in the Profit and Loss Account for the period in which they occur. Past Service Cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Short-term employee benefits:

The undiscounted portion of short-term employee benefits expected to be paid in exchange for the services rendered by the employees is recognised during the period when the employee renders service.

9. Income Tax

Income tax comprises the current tax provision and the net change in the deferred tax asset or liability during the year.

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of the assets and liabilities and their respective tax bases. Deferred tax assets are recognised subject to the management's judgment that realisation is reasonably certain.

Deferred tax assets and liabilities are measured using enacted tax rates applicable on the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the income statement in the period of enactment of the change.

10. Provisions & Contingencies:

The Company creates a provision where there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the outflow.

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

11. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

SCHEDULE XIV B

NOTES FORMING PART OF THE ACCOUNTS

1. Legal & Professional Charges include amounts paid/payable to the Auditors for:

(Rs. in 000's)

	2009-10	*2008-09*
Audit Fees	**300.00**	*300.00*
Tax Audit	**80.00**	*80.00*
Other Matters	**300.00**	*300.00*
Out-of pocket Expenses	**40.00**	*30.00*
Service Tax	**70.00**	*70.00*
Total	**790.00**	*780.00*

2. Earnings in Foreign Exchange

Fee Income	**81,270.00**	*87,480.00*
Sale of Investments	—	*1,465,440.00*
Total	**81,270.00**	*1,552,920.00*

3. Expenditure in Foreign Currency

Traveling Expenses	**3,090.00**	*4,260.00*
Advertisement	—	*2,790.00*
Legal & Professional Charges	**150,210.00**	*197,620.00*
Seminar Expenses	**560.00**	*2,530.00*
Membership & Subscription	**4,560.00**	*4,130.00*
Marketing & Distribution	**132,430.00**	*82,670.00*
Others	**150.00**	*1,010.00*
Total	**291,000.00**	*295,010.00*

4. Estimated amount of Contracts remaining to be executed on capital account not provided for (net of advances, if any) – Rs. 9,800 Thousand. (Previous Year: Rs. 26,440 Thousand).

The Company has incurred expenditure on construction and other civil works for its premises. Based on the provisional work completion certificate issued by the architect, the Company has capitalised the assets. Revisions, if any, to the construction cost would be recorded on receipt of final bill.

5. Staff Expenses includes reversal of provision towards unutilised leave salary of Rs. (25,040) Thousand. (Previous year a charge of – Rs. 28,880 Thousand).

6. Dividend Income comprises of dividend from long term investments – Rs. 42,970 Thousand. (Previous year: Rs. Nil).

7. Miscellaneous expenses include Rs. 3,500 Thousand (Previous year: Rs. 2,000 Thousand), being the Company's share of various common overhead expenses incurred by ICICI Bank Limited, the holding company.

8. Staff Expenses include Managerial Remuneration to Managing Director amounting to Rs. 10,600 Thousand (Previous year: Rs. 17,890 Thousand) & Joint Managing Director amounting to Rs. 52,470 Thousand. (Previous Year: Rs. 12,410 Thousand), aggregating to Rs. 63,070 Thousand. (Previous year: Rs. 30,300 Thousand). Details are given below:

(Rs. in 000's)

	2009-10	2008-09
Salary & Allowances	**57,240.00**	*25,640.00*
Company's contribution to Provident Fund	**1,060.00**	*1,170.00*
Company's contribution to Gratuity	**740.00**	*810.00*
Company's contribution to Superannuation Fund	**40.00**	*750.00*
Perquisites	**3,990.00**	*1,930.00*
Total	**63,070.00**	*30,300.00*

Note:

The above mentioned Managerial Remuneration does not include a sum of Rs. 45,000 Thousand, being Ex-gratia paid to Ex-Managing Director & CEO of the Company on resignation from the Company. The Company has been legally advised that this amount being a voluntary payment on resignation from office is outside the purview of "Managerial Remuneration".

Director's sitting fees paid for the year ended March 31, 2010 is Rs. 1,200 Thousand. (Previous year: Rs. 940 Thousand.)

Computation of Managerial Remuneration:

(Rs. in 000's)

Particulars	**2009-10**
Computation of Net Profits in accordance with Section 349 of the Companies Act, 1956:	
Profit before Tax as per Profit & Loss Account (A)	**744,130.0**
Add:	
Managerial Remuneration	61,230.0
Contribution to Provident Funds & Other Funds	1,840.0
Director's Sitting Fees	1,200.0
Loss on Sale of Fixed Assets	6,130.0
Total (B)	**70,400.0**
Net Profit U/s 349 of the Companies Act, 1956 (A+B)	**814,530.0**
Maximum Managerial Remuneration available to the Managing Directors & other Wholetime Directors (including commission)	81,450.0
Managerial Remuneration paid during the year	63,070.0
Director's Sitting Fees	1,200.0

9. During the year ending March 31, 2009, the Company changed the method of charging depreciation on fixed assets from written down value method to straight line method to be in line with its Holding Company's Accounting Policy. This had resulted in write back of depreciation of Rs. 102,070 Thousand charged in earlier years, which was shown under "Excess provision for depreciation written back" in the previous year.

10. The Company has entered into operating leases in respect of office premises. The lease rentals charged to the Profit & Loss account in respect of these leases amount to Rs. 22,810 Thousand. (Previous year: Rs. 30,430 Thousand.)

Future minimum lease payments in respect of non cancellable leases are as follows:

(Rs.000's)

Particulars	**2009-10**	*2008-09*
Not later than one year	**12,740.00**	*31,270.00*
Later than one year but not later than 5 years	**37,400.00**	*123,130.00*
Later than 5 years	**—**	—

11. Provision for income tax of Rs. 229,250 Thousand for the year (Previous year: Rs. 530,160 Thousand) includes provision for deferred tax amounting to – Rs. 16,250 Thousand. (Previous year: Rs. 12,400 Thousand.)

The net deferred tax Asset/ (liability) comprises the tax impact arising from timing differences on account of:

(Rs. in 000's)

	2009-10	2008-09
Accrued expenses	**95,580.00**	*141,740.00*
Net Depreciation difference	**(91,550.00)**	*(89,900.00)*
Total	**4,030.00**	*51,840.00*
Net Deferred tax Asset/ (Liability) on above	**1,370.00**	*17,620.00*

12. Transactions with related parties are disclosed as per Accounting Standard 18 "Related Party Disclosures", issued under Section 211 (3C) of Companies Act 1956.

(Rs. in 000's)

Sl. No.	Name of the related party	Nature of relationship	Nature of transaction	2009-10	2008-09
1.	ICICI Bank Limited	Holding Company	Payment of Rent	**320.00**	*3,090.00*
			Common Corporate Expenses	**3,500.00**	*2,000.00*
			Marketing & Distribution Exps	**81,980.00**	*159,750.00*
			Finance charges	**49,550.00**	*91,320.00*
			Salary for deputed staff	**770.00**	—
			Dividend Paid	**260,000.0**	*950,000.0*
			Balance in Current Accounts	**39,100.00**	*39,440.00*
			Share Capital	**10,000.00**	*10,000.00*
			Loan Funds	**26,600.00**	*616,760.00*
			Current Liabilities & provisions	**1,420.00**	*44,140.00*
			Advances Recoverable	**25,520.00**	*76,570.00*
2.	ICICI International Limited	Fellow Subsidiary	Fee Income	**—**	*4,130.00*
			Fee Income receivables	**—**	*3,390.00*
3.	ICICI Prudential Life Insurance Company Limited	Fellow Subsidiary	Insurance of Staff	**2,150.00**	*1,730.00*
			Advances Recoverable	**1,540.00**	*1,870.00*
			Rent Income	**22,980.00**	*22,540.00*
			Rent Deposit received	**5,050.00**	*5,050.00*
4.	ICICI Prudential Asset Management Company Limited	Fellow Subsidiary	Marketing & Distribution Exps	**—**	*420.00*
5.	ICICI Lombard General Insurance Company Limited	Fellow Subsidiary	Insurance of Assets	**1,150.00**	*730.00*
			Insurance of Staff	**6,250.00**	*6,440.00*
			Advances Recoverable	**3,580.00**	*5,470.00*
			Purchase of Fixed Assets	**1,440.00**	—
6.	ICICI Securities Primary Dealership Limited	Fellow Subsidiary	Marketing Expenses	**2,500.00**	—
			Sundary Creditors	**2,500.00**	—
7.	ICICI Equity Fund	Other Related Party	Fee Income	**114,250.00**	*119,080.00*
			Advances Recoverable	**—**	*40.00*
8.	ICICI Eco-net Internet & Technology Fund	Other Related Party	Fee Income	**22,800.00**	*25,000.00*

(Related party disclosure continued)

(Rs. in 000's)

Sl. No.	Name of the related party	Nature of relationship	Nature of transaction	2009-10	2008-09
9.	ICICI Emerging Sector Fund	Other Related Party	Fee Income	**103,220.00**	*182,500.00*
			Advances Recoverable	**—**	*180.00*
10.	ICICI Strategic Investments Fund	Other Related Party	Fee Income	**70,500.00**	*70,500.00*
11.	ICICI Venture Value Fund	Other related Party	Investment outstanding at Balance Sheet date	**120.00**	*12,030.00*
			Purchase of Units	**—**	*11,430.00*
			Dividend Income	**42,070.00**	—
			Profit from sale of investments	**2,070.00**	*290.00*
			Sales Consideration	**13,690.00**	*500.00*
			Investments Acquired	**5,430.00**	
12.	Vishakha Mulye	Key Managerial Personnel	Remuneration to Managing Director & CEO (From April 21, 2009)	**9,590.00**	—
13.	Rajeev Bakshi	Key Managerial Personnel	Remuneration to Joint Managing Director (Upto November 30, 2009)	**52,470.00**	*12,410.00*
14.	Renuka Ramnath	Key Managerial Personnel	Remuneration to Managing Director & CEO (Upto April 20, 2009)	**1,010.00**	*17,890.00*
			Purchase of Investments	**26,960.00**	—
			Ex-gratia	**45,000.00**	—

13. **Employee Benefits**
   a) Defined benefit cost and obligation under defined benefit plans as per actuarial valuations as on March 31, 2010

(Rs. in 000's)

		Mar 31, 2010	Mar 31, 2009
I	**Components of employer expense**		
1.	Current Service cost	**20,992.74**	*15,810.00*
2.	Interest cost	**7,626.59**	*5,730.00*
3.	Expected return on plan assets	**(1,889.70)**	*(1,600.00)*
4.	Curtailment cost/(credit)	**—**	—
5.	Settlement cost/(credit)	**—**	—
6.	Past Service Cost	**—**	—
7.	Actuarial Losses/(Gains)	**(25,678.30)**	*9,490.00*
8.	Total expense recognised in the Statement of Profit & Loss	**1,051.33**	*29,430.00*
II	**Actual Contribution and Benefits Payments**		
1.	Actual benefit payments	**(11,403.16)**	*(6,700.00)*
2.	Actual Contributions	**4,857.31**	*8,000.00*
III	**Net asset/(liability) recognised in Balance Sheet**		
1.	Present value of Defined Benefit Obligation (DBO)	**80,353.57**	*80,380.00*
2.	Fair value of plan assets	**23,469.26**	*20,550.00*
3.	Funded status [Surplus/(Deficit)]	**(56,884.31)**	*(59,830.00)*
4.	Unrecognised Past Service Costs		
5.	Net asset/(liability) recognised in Balance Sheet	**(56,884.31)**	*(59,830.00)*
IV	**Change in Defined Benefit Obligations**		
1.	Present Value of DBO at beginning of period	**80,382.63**	*54,740.00*
2.	Current Service cost	**20,992.74**	*15,810.00*
3.	Interest cost	**7,626.59**	*5,730.00*
4.	Curtailment cost/(credit)	**—**	—
5.	Settlement cost/(credit)	**—**	—
6.	Plan amendments	**—**	—
7.	Acquisitions	**8,713.23**	—
8.	Actuarial (gains)/ losses	**(25,958.45)**	*10,800.00*
9.	Benefits paid	**(11,403.16)**	*(6,700.00)*
10.	Present Value of DBO at the end of period	**80,353.58**	*80,380.00*
V	**Change in Fair Value of Assets**		
1.	Plan assets at beginning of period	**20,556.96**	*16,350.00*
2.	Acquisition Adjustment	**—**	—
3.	Expected return on plan assets	**1,889.70**	*1,590.00*
4.	Benefits paid	**(11,403.16)**	*(6,700.00)*
5.	Contribution by employer	**4,857.31**	*8,000.00*
6.	Assets Acquired on Acquisition/(Distributed on Divestiture)	**7,848.61**	—
7.	Actuarial Gain /(Losses)	**(280.15)**	*1,310.00*
8.	Plan assets at the end of period	**23,469.27**	*20,550.00*
VI	**Actuarial Assumptions for Gratuity**		
1.	Discount Rate	**8.35%**	*7.55%*
2.	Expected Return on plan assets	**7.50%**	*7.50%*
3.	Salary escalation : 20% p.a for First 4 Years, 15% p.a. for next 5 years, 10% p.a. for next five years and 7.5% p.a thereafter.		
4.	Mortality : Indian Assured Lives Mortality (1994-96) (Modified) Ultimate		
5.	Withdrawal Rates: Upto age 44 : 2% and above age 44:1%		

14. The Company is organised into two business segments. These are categorised as Asset Management Services and Other Activities. Financial information on business segment is provided in table below. The Company operates only in one geographic segment.

(Rs. in 000's)

Particulars	March 31, 2010	March 31, 2009
Segment Revenue		
Asset Management Services	**1,903,930.00**	*3,313,780.00*
Others	**60,850.00**	*142,690.00*
Total Revenue	**1,964,780.00**	*3,456,470.00*
Segment Result		
Asset Management Services	**733,310.00**	*1,944,150.00*
Others	**10,810.00**	*76,630.00*
Total	**744,120.00**	*2,020,780.00*
Operating Profit	**744,120.00**	*2,020,780.00*
PBT	**744,120.00**	*2,020,780.00*
Income Taxes	**229,250.00**	*540,280.00*
Net Profit	**514,870.00**	*1,480,500.00*
Segment Assets		
Asset Management Services	**1,314,800.00**	*1,596,990.00*
Others	**1,227,900.00**	*1,109,150.00*
Deferred Tax Assets	**1,370.00**	*17,620.00*
Advance Tax & TDS	**1,182,070.00**	*944,410.00*
Total Assets	**3,726,140.00**	*3,668,170.00*
Segment Liabilities		
Asset Management Services	**1,429,610.00**	*1,711,930.00*
Others	**192,260.00**	*275,260.00*
Provision for Tax	**1,146,120.00**	*933,510.00*
Total Liabilities	**2,767,990.00**	*2,920,700.00*

As the Company operates in a single geographical location, secondary segment disclosures are not applicable.

15. Basic earning per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The computation of earnings per share is given below:

	March 31, 2010	March 31, 2009
Basic		
Weighted average no. of equity shares outstanding	**1,000,000**	*1,000,000*
Net Profit (in Rs. Thousand)	**514,870.0**	*1,480,500.0*
Basic earnings per share (Rs.)	**514.87**	*1,480.50*
Diluted earning per share (Rs.)	**514.87**	*1,480.50*
Nominal Value Per Share (Rs.)	**10.00**	*10.00*

16. **Derivative Instruments**

i. During the year the Company has not entered into any derivative contract and therefore no disclosure pertaining to the same is applicable for the current year.

ii. Foreign Currency exposures, that have not been hedged by a derivative instrument or otherwise:

Particulars	**March 31, 2010**		*March 31, 2009*	
	Amount (Foreign Currency)	**Amount (Rs. in 000's)**	*Amount (Foreign Currency)*	*Amount (Rs. in 000's)*
Assets:				
Balance in EEFC A/c	**USD 371,028**	**16,660.00**	*USD 371,028*	*18,820.00*
Current Assets	—	—	*USD 1,770,505*	*89,800.00*
Liabilities				
Current Liabilities	**USD 4,785,523**	**214,870.00**	*USD 3,258,256*	*165,260.00*
Current Liabilities	**GBP 1,125,024**	**76,560.00**	*GBP 1,550,354*	*131,70.00*

17. The information disclosure with regard to Micro, Small and Medium Industries is based on information collected by the management based on enquiries made with the creditors which have been relied upon by the auditors.

18. During the current year, the books of accounts of the Company for the period 2006-09 were subjected to Service Tax Audit by Comptroller and Auditor General of India. This included Rs. 8,300 Thousand. of Service Tax which related to payments towards Legal Fees and reimbursement of expenses which are not within the purview of Service Tax and Rs. 37,430 Thousand. of Service Tax related to the provision for expenses accounted in the books of accounts for which no accrual of Service Tax is considered necessary since the Service Tax liability will be discharged as and when the remittances against these provisions are made.

19. The AMC has received a notice from the Assistant Provident Fund Commissioner, claiming recovery of the unpaid dues of Rs. 10,264,179, of the employee's provident fund of Subhiksha Trading Services Ltd (the Company), an investee company of the Fund, alleging control by the AMC over the affairs of the Company. The amount allocable to the Fund, based on the proportion of the Fund's shareholding in the Company and the shareholding of other funds managed by the AMC, is Rs. 3,371,822. The AMC has filed a writ petition in the High Court of Madras against the above demand. The High Court has granted an interim stay on the claim. Based on the legal opinion received by the AMC, the probability of such claim devolving on the AMC is considered to be remote. Accordingly, pending decision of the High Court, no provision is considered necessary to be made in the financial statements.

20. The figures for the previous year have been re-grouped wherever necessary so as to make them comparable with those of the current year.

Signatures to Schedules "I" to "XIV", which form an integral part of the Accounts.

For and on behalf of the Board

LALITA D. GUPTE
Chairperson

VISHAKHA MULYE
Managing Director & CEO

BEENA M. CHOTAI
Sr. Director &
Chief Financial Officer

ANSELM PINTO
Company Secretary

Mumbai, April 14, 2010

cash flow statement

for the year ended March 31, 2010

		March 31, 2010	March 31, 2009
			(Rs. in 000's)
Cash flows from operating activities			
Net profit before taxation	**744,120.00**		*2,020,780.00*
Adjustments for:			
Depreciation	**120,300.00**		*115,290.00*
Profit on sale of Investments	**(40,390.00)**		*(1,450,950.00)*
Dividend from Long term investments	**(42,970.00)**		—
Provisions written back	**(125,900.00)**		*(15,570.00)*
Interest on Income Tax Refund	—		*(5,810.00)*
Rent Income	**(22,980.00)**		*(22,540.00)*
Finance charges	**148,950.00**		*208,380.00*
Gain on reversal of Depreciation provision	—		*(102,070.00)*
(Profit)/Loss on sale of Assets	**6,130.00**		*(270.00)*
Operating profit before working capital changes	**787,260.00**		*747,240.00*
Decrease/(Increase) in debtors	**173,630.00**		*383,100.00*
Decrease/(Increase) in other current assets	**44,510.00**		*2,350.00*
Increase/(Decrease) in Creditors	**178,060.00**		*124,250.00*
Cash from operations	**1,183,460.00**		*1,256,940.00*
Less: Income taxes paid	**(238,050.00)**		*(419,050.00)*
Net cash from operating activities		**945,410.00**	*837,890.00*
Cash flows from investing activities			
Purchase of Fixed Assets	**(40,080.00)**		*(140,670.00)*
Dividend from Long-term Investments	**42,970.00**		—
Rent Income	**22,980.00**		*22,540.00*
Sale of Fixed Assets	**15,550.00**		*4,360.00*
Purchase of Investments	**(2,526,640.00)**		*(5,449,290.00)*
Sale of Investments	**2,410,600.00**		*6,368,130.00*
Net cash from investing activities		**(74,620.00)**	*805,070.00*
Cash flows from financing activities			
Proceeds from long term borrowings	**529,140.00**		*21,010.00*
Payment of long-term borrowings	**(946,620.00)**		*(413,930.00)*
Payment of finance charges	**(148,950.00)**		*(208,380.00)*
Payment of dividend & tax thereon	**(304,190.00)**		*(1,111,450.00)*
Net Cash from financing activities		**(870,620.00)**	*(1,712,750.00)*
Net increase/(decrease) in cash & cash equivalents		**170.00**	*(69,790.00)*
Cash & cash equivalents at the beginning of the year		**40,050.00**	*109,840.00*
Cash & cash equivalents at the end of the year		**40,220.00**	*40,050.00*

The above schedules form an integral part of the accounts.

As per our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

V. BALAJI
Partner
Membership No. 203685

Bangalore, April 14, 2010

For and on behalf of the Board

LALITA D. GUPTE
Chairperson

VISHAKHA MULYE
Managing Director & CEO

BEENA M. CHOTAI
Sr. Director & Chief Financial Officer

ANSELM PINTO
Company Secretary

Mumbai, April 14, 2010

ICICI Venture

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration details

Registration No. 80/10099 State Code 08

Balance Sheet Date 31 (Date) 03 (Month) 2010 (Year)

2. Capital raised during the Year (Rs. in thousands)

Public Issue: NIL	Bonus Issue: NIL
Rights Issue: NIL	Private Placement: NIL

3. Position of mobilisation and deployment of funds (Rs. in thousands)

Total Liabilities: 1857430.00	Total Assets: 1857430.00

Sources of Funds

Paid-up Capital: 10000.00	Reserves and Surplus: 948150.00
Secured Loans: 899280.00	Unsecured Loans: NIL
Deferred Tax Liability: NIL	

Application of Funds

Net Fixed Assets: 1313470.00	Investments: 1008210.00
Net Current Assets: —465620.00	Miscellaneous Expenditure: NIL
Accumulated Losses: NIL	

4. Performance of the Company (Rs. in thousands)

Turnover income: 1964780.00	Total Expenditure: 1220660.00
Profit /Loss Before Tax: + √ − ; 744120.00	Profit/Loss After Tax: + √ − ; 514870.00
Earnings Per Share in Rupees: 514.87	Dividend Rate %: 26000%

5. Generic names of principal products/services of the Company (as per monetary terms)

Item Code: NOT APPLICABLE

Product Description: FINANCIAL SERVICES

For and on behalf of the Board of Directors

LALITA D. GUPTE
Chairperson

VISHAKHA MULYE
Managing Director & CEO

BEENA M. CHOTAI
Sr. Director & Chief Financial Officer

ANSELM PINTO
Company Secretary

Mumbai, April 14, 2010

ICICI INTERNATIONAL LIMITED

15TH ANNUAL REPORT AND ACCOUNTS 2009-2010

Directors
Couldip Basanta Lala
Dev Joory
Suresh Kumar
Ranjit Fernando
Pramod Rao
Vikas Tandon *(upto April 17, 2009)*

Auditors
Horwath (Mauritius)
Public Accountants, 3rd Floor, Amod Building
19, Poudrière Street, Port-Louis, Mauritius

Administrator and Secretary
International Financial Services Limited
IFS Court, TwentyEight
Cybercity, Ebene, Mauritius

Registered Office
IFS Court, TwentyEight
Cybercity, Ebene
Mauritius

commentary of the directors

year ended March 31, 2010

RESULTS

The results for the year are shown in the statement of comprehensive income and related notes.

DIRECTORS

The present membership of the Board is set out as above.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the Directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and the cash flow of the Company. The Directors are also responsible for keeping accounting records which:

- correctly record and explain the transactions of the Company;
- disclose with reasonable accuracy at any time the financial position of the Company; and
- would enable them to ensure that the financial statements comply with the Companies Act 2001.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

AUDITORS

The auditors, **Horwath (Mauritius)**, have indicated their willingness to continue in office.

CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (d) OF THE COMPANIES ACT 2001

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required for ICICI International Limited under the Companies Act 2001 during the financial year ended March 31, 2010.

for International Financial Services Limited
Secretary

Registered office:
IFS Court
TwentyEight
Cybercity
Ebene
Mauritius

April 14, 2010

auditors' report

to the members of ICICI International Limited

We have carried out an audit on the financial statements of ICICI INTERNATIONAL LIMITED which have been prepared on the basis of the accounting policies set out separately in the report.

This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in our auditors' report and for no other purpose. To the fully extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Directors and auditors

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is our responsibility to form an independent opinion, based on our audit on the financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing.

An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We have no relationship with, or any interests in the Company, other than in our capacity as auditors in the ordinary course of business.

Disclaimer

We do not express any opinion on the INR figures as they are shown as additional information for the sole purpose of the holding company which prepares consolidated financial statements.

Opinion

We have obtained all the information and explanations we considered necessary for the purposes of our audit.

In our opinion,

a. proper accounting records have been kept by the Company as far as it appears from our examination;

b. the financial statements give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of its profit, changes in equity and cash flows for the year then ended and have been properly prepared in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Horwath (Mauritius)
Public Accountants
April 14, 2010

K. S. Sewraz, FCCA
Signing Partner

income statement

for the year ended March 31, 2010

	Notes	2010 USD	2010 Rs.*	*2009 USD*	*2009 Rs.**
Income					
Management fee		**752,372**	**35,747,774**	*1,241,533*	*57,040,744*
Consultancy income		**198,769**	**9,444,200**	—	—
Sub account income		**57,800**	**2,746,256**	*52,546*	*2,414,163*
Bank interest income		**409**	**19,442**	*10,980*	*504,463*
Other income		**8,498**	**403,752**	—	—
Difference on exchange		**218**	**10,346**	—	—
		1,018,066	**48,371,770**	*1,305,059*	*59,959,370*
Expenses					
Licence fee		**8,750**	**415,742**	*4,955*	*227,651*
Directors' fee		**10,000**	**475,134**	*7,000*	*321,607*
Secretarial fee		**1,500**	**71,270**	*1,313*	*60,324*
MLRO fee		**3,498**	**166,202**	*971*	*44,611*
Administration and disbursements		**77,539**	**3,684,142**	*66,180*	*4,433,393*
Bank charges		**3,242**	**154,053**	*2,761*	*126,851*
Audit fee		**8,706**	**413,675**	*7,843*	*360,337*
Legal fees and professional fees		**17,800**	**845,739**	*32,625*	*106,084*
Salaries		**100,368**	**4,768,802**	*219,119*	*10,067,160*
Depreciation		**1,422**	**67,536**	*3,582*	*164,571*
General expenses		**60,600**	**2,879,310**	*127,750*	*5,869,320*
Amortisation of deferred expenses		**215,100**	**10,220,132**	*215,100*	*9,882,511*
Advisory fees		**200,036**	**9,504,370**	*353,393*	*16,236,217*
Trailer fees		**88,104**	**4,186,125**	*79,562*	*3,655,381*
Interest on loan		**37,987**	**1,804,890**	*91,031*	*4,182,310*
Difference on exchange		**—**	**—**	*22,920*	*1,053,032*
		834,652	**39,657,122**	*1,236,105*	*56,791,360*
Profit before taxation		**183,414**	**8,714,648**	*68,954*	*3,168,010*
Taxation	**5**	**—**	**—**	*(3,001)*	*(137,877)*
Profit for the year		**183,414**	**8,714,648**	*65,953*	*3,030,133*
Other comprehensive income					
Available for sale investments - (loss)	**7**	**(8,599)**	**(408,569)**	*(8,656)*	*(397,684)*
Total comprehensive income for the year		**174,815**	**8,306,079**	*57,297*	*2,632,449*

*The corresponding amounts in Indian rupees ("INR") are shown as additional information for the sole purpose of the holding company.

balance sheet

as at March 31, 2010

	Notes	2010 USD	2010 Rs.*	*2009 USD*	*2009 Rs.**
ASSETS					
Non-current assets					
Investments	7	**239,805**	**10,767,289**	*248,404*	*12,599,051*
Equipment	8	**—**	**—**	*1,422*	*72,124*
Deferred expense	2	**515,061**	**23,126,233**	*730,161*	*37,033,766*
		754,866	**33,893,522**	*979,987*	*49,704,941*
Current assets					
Receivables and prepayments	9	**116,235**	**5,218,912**	*2,236,013*	*113,410,579*
Cash and cash equivalents	10	**826,529**	**37,111,140**	*1,465,915*	*74,351,209*
		942,764	**42,330,052**	*3,701,928*	*187,761,788*
Total Assets		**1,697,630**	**76,223,574**	*4,681,915*	*237,466,729*
Equity And Liabilities					
Capital and reserves					
Stated capital	11	**900,000**	**36,795,500**	*900,000*	*36,795,500*
Retained earnings		**672,131**	**29,239,811**	*488,717*	*20,525,163*
Translation reserves		**—**	**4,379,179**	—	*12,617,555*
Other component of equity		**(60,289)**	**(2,532,777)**	*(51,690)*	*(2,124,208)*
		1,511,842	**67,881,713**	*1,337,027*	*67,814,010*
Current liabilities					
Payables	12	**185,788**	**8,341,861**	*344,888*	*17,492,719*
Borrowings	13	**—**	**—**	*3,000,000*	*152,160,000*
		185,788	**8,341,861**	*3,344,888*	*169,652,719*
Total Equity And Liabilities		**1,697,630**	**76,223,574**	*4,681,915*	*237,466,729*

*The corresponding amounts in Indian rupees ("INR") are shown as additional information for the sole purpose of the holding company.

Approved by the Board on April 14, 2010 and signed on its behalf by:

COULDIP BASANTA LALA
Director

DEV JOORY
Director

statement of changes in equity

for the year ended March 31, 2010

	Stated capital USD	Stated capital Rs.*	Retained earnings USD	Retained earnings Rs.*	Revaluation reserve USD	Revaluation reserve Rs.*	Translation reserves Rs.*	Total USD	Total Rs.*
At April 1, 2008	**900,000**	**36,795,500**	**422,764**	**17,495,030**	**(43,034)**	**(1,726,524)**	**(1,198,407)**	**1,279,730**	**51,365,599**
Profit for the year	—	—	65,953	3,030,133	—	—	—	65,953	3,030,133
Other comprehensive income									
Available for sale investments - loss	—	—	—	—	(8,656)	(397,684)	—	(8,656)	(397,684)
Currency translation difference	—	—	—	—			13,815,962	—	13,815,962
At March 31, 2009	**900,000**	**36,795,500**	**488,717**	**20,525,163**	**(51,690)**	**(2,124,208)**	**12,617,555**	**1,337,027**	**67,814,010**
Profit for the year	—	—	183,414	8,714,648	—	—	—	183,414	8,714,648
Other comprehensive income									
Available for sale investments - loss	—	—	—	—	(8,599)	(408,569)	—	(8,599)	(408,569)
Currency translation difference	—	—	—	—			(8,238,376)	—	(8,238,376)
At March 31, 2010	**900,000**	**36,795,500**	**672,131**	**29,239,811**	**(60,289)**	**(2,532,777)**	**4,379,179**	**1,511,842**	**67,881,713**

* The corresponding amounts in Indian rupees ("INR") are shown as additional information for the sole purpose of the holding company.

cash flow statement

for the year ended March 31, 2010

	2010 USD	2010 Rs.*	*2009 USD*	*2009 Rs.**
Cash flows from operating activities				
Profit before taxation	**183,414**	**8,714,648**	*68,954*	*3,168,010*
Adjustment for:				
Bank interest income	**(409)**	**(19,442)**	*(10,980)*	*(504,463)*
Interest expense	**37,987**	**1,804,890**	*91,031*	*4,182,310*
Depreciation	**1,422**	**67,536**	*3,582*	*164,571*
Amortisation of deferred expenses	**215,100**	**10,220,132**	*215,100*	*9,882,511*
Operating gain before working capital changes	**437,514**	**20,787,764**	*367,687*	*16,892,939*
Decrease/(increase) in receivables and prepayments	**2,119,778**	**108,191,667**	*(1,355,819)*	*(62,291,477)*
Decrease in payables	**(159,100)**	**(9,150,858)**	*(167,004)*	*(7,672,798)*
Cash generated from/(absorbed by) operations	**2,398,192**	**119,828,573**	*(1,155,136)*	*(53,071,336)*
Tax paid	**—**	**—**	*(10,438)*	*(479,561)*
Net cash from/(used in) operating activities	**2,398,192**	**119,828,573**	*(1,165,574)*	*(53,550,897)*
Cash flows from investing activities				
Acquisition of investment	**—**	**—**	*(10)*	*(459)*
Interest received	**409**	**19,442**	*10,980*	*504,463*
Net cash from investing activities	**409**	**19,442**	*10,970*	*504,004*
Cash flows from financing activities				
Interest paid	**(37,987)**	**(1,804,890)**	*(82,252)*	*(3,778,969)*
(Repayment of)/Proceeds from bank borrowings	**(3,000,000)**	**(144,530,000)**	*2,000,000*	*91,887,600*
Net cash (used in)/from financing activities	**(3,037,987)**	**(144,334,890)**	*1,917,748*	*88,108,631*
Net (decrease)/increase in cash and cash equivalents	**(639,386)**	**(24,486,875)**	*763,144*	*35,061,738*
Cash and cash equivalents at beginning of year	**1,465,915**	**74,351,209**	*702,771*	*28,195,173*
Effect of exchange rate changes	**—**	**(12,753,194)**	*—*	*11,094,298*
Cash and cash equivalents at end of the year	**826,529**	**37,111,140**	*1,465,915*	*74,351,209*

*The corresponding amounts in Indian rupees ("INR") are shown as additional information for the sole purpose of the holding company.

notes to the financial statements

for the year ended March 31, 2010

1. GENERAL

The Company was incorporated in Mauritius under the Companies Act 1984 on January 18,1996 as a private company with liability limited by shares. It holds a Category 1 Global Business Licence issued by the Financial Services Commission. The Company is licensed to act as CIS Manager pursuant to the Securities Act 2005. The Company has also been granted by the Securities and Exchange Board of India on May 9, 2005 a Certificate of Registration as a Foreign Institutional Investor (FII). The Company's registered office is at IFS Court, TwentyEight, Cybercity, Ebene, Mauritius.

The Company holds investment in and provides advisory services to TCW/ICICI Investment Partners L.L.C. Additionally, the Company has subscribed to non-redeemable management shares of India Optima Fund (IOF), India Opportunities Fund Limited (IOFL) and Emerging India Fund Company Limited. The Company also provides investment management services to IOF and TP Hold Co (Mauritius) Ltd and has acted as promoter of Emerging India Fund Company Limited and settlor to The Emerging India Fund Trust. All the companies other than IOFL, which is Jersey registered, are incorporated in Mauritius. The Company has also acted as promoter and provided management services to India PE Fund of Funds, a company incorporated in Mauritius and which is in the process of liquidation.

The Company also offers sub-account services as a Foreign Institutional Investor to IOF and consultancy services to ICICI Bank Limited, Singapore. The Board of the Company has also approved the setting up of a Branch office in Bahrain. The Company also acts as promoter to Emerging India Growth Fund Limited, a company to be incorporated in Jersey and as settlor to Emerging India Growth Fund Trust in Jersey which has not yet been settled.

The financial statements of the Company are expressed in United States dollars ("USD").The Company's functional currency is the USD, the currency of the primary economic environment in which the Company operates. The corresponding amounts in Indian rupees ("INR") are shown as additional information for the sole purpose of the holding company.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS"). The preparation of financial statements in accordance with IFRS requires the Directors to make estimates and assumptions that could affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared under the historical cost convention as modified for the measurement at fair values of financial instruments carried on the balance sheet.

Payables

Payables are stated at their nominal value.

Investments

The investment in the joint venture entity, TCW/ICICI Investment Partners, L.L.C. ("TCW/ICICI") is accounted for in accordance with IAS 39 – 'Financial Instruments – Measurement and Recognition' and recognised on the basis of its Net Asset Value.

Other investments classified as available-for-sale investments are valued at fair value and the resulting temporary unrealised gains / (losses) (including unrealised foreign exchange gains/(losses) on retranslation at the closing rate, if any) are accounted for in other component of equity.

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment of the Company (the "functional currency"). The financial statements of the Company are presented in United States Dollars ("USD"), which is the Company's functional currency and presentation currency.

(ii) Transactions and balances

Transactions denominated in foreign currencies are translated in USD at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities are translated at the rate of exchange ruling at balance sheet date. Exchange differences arising on translation and realised gains and losses on disposals or settlement of monetary assets and liabilities are recognised in the income statement.

Deferred tax

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

The principal temporary differences arise from tax losses carried forward. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Income tax

Income taxes currently payable are provided for in accordance with the existing legislation of the various countries in which the Company operates.

Receivables

Receivables are stated at original invoice amount less allowance made for doubtful receivables based on a review of all outstanding amounts at the year end. An allowance for doubtful receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables. Bad debts are written off when identified.

Stated capital

Ordinary shares are classified as equity.

Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Borrowings

Borrowings are initially measured at fair value, net of transaction costs.

Revenue recognition

Revenue is recognised on the following basis:

Interest income, management fee, performance fee, Sub Account income, investment facilitation fee and consultancy fee as they accrue unless collectibility is in doubt.

Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Financial instruments

Financial instruments carried on the balance sheet include investments, receivables, cash and cash equivalents and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures about financial instruments to which the Company is a party are provided in note 14.

Equipment and depreciation

Equipment are stated at cost less depreciation. Depreciation is calculated on the written down value method at annual rates estimated to write off the cost of the assets less their estimated residual values over their expected useful lives. The annual rates used are:

Computers – 33.33%

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Deferred expenses

Deferred expenses represent commission fee paid to ICICI Bank, Singapore for referring its clients' services to acquire shares in India Optima Fund to which the Company is acting as investment manager. The expenses are being charged to the income statement over a period of 5 years starting from the year ended March 31, 2008.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on April 1, 2009.

3.1 Standards and Interpretations affecting amounts reported in the current period (and/or prior periods)

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the presentation and disclosures reported in these financial statements. Details of other Standards and Interpretations adopted in these financial statements but that have had no impact on the amounts reported are set out in Section 2.2.

Standards affecting presentation and disclosure

IAS 1 (as revised in 2007) Presentation of Financial Statements	IAS 1(2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.
Improving Disclosures about Financial Instruments (Amendments to IFRS 7 Financial Instruments: Disclosures)	The amendments to IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk.

Standards and Interpretations affecting the reported results or financial position

The adoption of the standards and Interpretations has not affected the reported results or financial position of the Company.

3.2 Standards and Interpretations adopted with no effect on financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions or arrangements.

IAS 1	Presentation of Financial Statements – Amendments relating to disclosure of puttable instruments and obligations arising on liquidation
IAS 16	Property, Plant and Equipment – Amendments resulting from May 2008 Annual Improvements to IFRSs
IAS 19	Employee Benefits – Amendments resulting from May 2008 Annual improvements to IFRSs
IAS 20	Government Grants and Disclosure of Government Assistance – Amendments resulting from May 2008 Annual Improvements to IFRSs
IAS 23	Borrowing Costs – Comprehensive revision to prohibit immediate expensing
IAS 23	Borrowing Costs – Amendments resulting from May 2008 Annual Improvements to IFRSs
IAS 27	Consolidated and Separate Financial Statements – Amendment relating to cost of an investment on first time adoption
IAS 27	Consolidated and Separate Financial Statements – Amendments resulting from May 2008 Annual Improvements to IFRSs
IAS 28	Investments in Associates – Amendments resulting from May 2008 Annual improvements to IFRSs
IAS 29	Financial Reporting in Hyperinflationary Economies – Amendments resulting from May 2008 Annual Improvements to IFRSs
IAS 31	Interests in Joint Ventures – Amendments resulting from May 2008 Annual Improvements to IFRSs
IAS 32	Financial Instruments: Presentation – Amendments relating to puttable instruments and obligations arising on liquidation
IAS 36	Impairment of Assets – Amendments resulting from May 2008 Annual Improvements to IFRSs
IAS 38	Intangible Assets – Amendments resulting from May 2008 Annual Improvements to IFRSs
IAS 39	Financial Instruments: Recognition and Measurement – Amendments resulting from May 2008 Annual Improvements to IFRSs

IAS 39	Financial Instruments: Recognition and Measurement – Amendments for embedded derivatives when reclassifying financial instruments
IAS 40	Investment Property – Amendments resulting from May 2008 Annual Improvements to IFRSs
IAS 41	Agriculture – Amendments resulting from May 2008 Annual Improvements to IFRSs
IFRS 1	First-time Adoption of International Financial Reporting Standards – Amendment relating to cost of an investment on first-time adoption
IFRS 2	Share-based Payment – Amendment relating to vesting conditions and cancellations
IFRS 8	Operating segments
IFRIC 13	Customer Loyalty Programmes
IFRIC 15	Agreements for the Construction of Real Estate
IFRIC 16	Hedges of a Net Investment in a Foreign Operation

3.3 Standards and Interpretations in issue not yet adopted

At the date of the authorisation of these financial statements, the following Standards and Interpretation were in issue but effective for annual periods beginning on or after the respective date as indicated:

IAS 27	Consolidated and Separate Financial Statements – Consequential amendments arising from amendments to IFRS 3 (effective July 1, 2009)
IAS 28	Investments in Associates – Consequential amendments arising from amendments to IFRS 3 (effective July 1, 2009)
IAS 31	Interests in Joint Ventures – Consequential amendments arising from amendments to IFRS 3 (effective July 1, 2009)
IFRS 3	Business Combinations – Comprehensive revision on applying the acquisition method (effective July 1, 2009)
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations – Amendments resulting from May 2008 Annual Improvements to IFRSs (effective July 1, 2009)
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations – Amendments resulting from April 2009 Annual Improvements to IFRSs (effective July 1, 2009)
IFRS 9	Financial Instruments: Classification and Measurement (effective January 1, 2013)
IFRIC 9	Reassessment of Embedded Derivatives – Amendments resulting from April 2009 Annual Improvements to IFRSs (effective July 1, 2009)
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – November 2009 amendment with respect to voluntary prepaid contributions (effective January 1, 2011)
IFRIC 17	Distributions of Non-cash Assets to Owners (effective July 1, 2009)
IFRIC 18	Transfers of Assets from Customers (effective July 1, 2009)
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments (effective July 1, 2010)

The Directors anticipate that the adoption of the above Standards and Interpretations in future years will have no material impact on the financial statements of the company in the year of initial application.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 2, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in note 2, the Directors have considered those factors therein and have determined that the functional currency of the Company is the United States Dollar.

5. TAXATION

Income tax

The Company is liable to pay income tax on its net income at a rate of 15%. The Company is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of Mauritius tax payable in respect of its foreign source income tax thus reducing its maximum effective tax rate to 3%. At March 31, 2010, no provision for tax has been made in the financial statements in view of accumulated tax losses of USD 23,531.

The Company has received a certificate from the Mauritian authorities that it is a resident of Mauritius. In the absence of a permanent establishment in India, the Company should not be subject to capital gains tax in India on the sale or redemption of securities.

No Mauritian capital gain tax is payable on profits arising from sale of securities, and any dividends and redemption proceeds paid by the Company to its shareholder will be exempt in Mauritius from any withholding tax.

A reconciliation of the income tax expense based on accounting profit and the actual income tax expense is as follows:

	2010 USD	**2010 Rs.***	*2009 USD*	*2009 Rs.**
Profit for the year before tax	**183,414**	**8,714,648**	*68,954*	*3,168,010*
Income tax at 15%	**27,512**	**1,307,192**	*10,343*	*475,202*
Tax effect of:				
Non allowable expenses	**32,478**	**1,543,145**	*32,802*	*1,507,048*
Exempt income/ allowable expenses	**(94)**	**(4,466)**	*(1,967)*	*(90,371)*
Tax losses not yet utilised	**(59,896)**	**(2,845,871)**	*(38,177)*	*(1,754,002)*
Income tax expense	**—**	**—**	*3,001*	*137,877*
At April 1	**—**	**—**	*7,437*	*297,771*
Income tax expense	**—**	**—**	*3,001*	*137,877*
Paid during the year	**—**	**—**	*(10,438)*	*(435,648)*
At March 31	**—**	**—**	*—*	*—*

6. AGREEMENTS

Administration Agreement

The Company has entered into an agreement with International Financial Services Limited (the "Administrator"), a company incorporated under the laws of Mauritius. In consideration of the services being performed by the Administrator, the Company pays the Administrator a fee based on hours worked in the performance of its duties.

Investment Management Agreements

(i) The Company had entered into an Investment Management Agreement dated 17 October 2008 with India PE Fund of Funds (IPEFOF), a company incorporated in Mauritius. No management fee has been accrued for the year under review as IPEFOF had not yet started operations.

On March 29, 2010, the Investment Management Agreement was terminated by mutual consent since IPEFOF is now under liquidation.

(ii) The Company has entered into an Investment Management Agreement dated June 29, 2007 with TP Hold Co (Mauritius) Limited, a Mauritian company. Pending the launch of TP Hold Co (Mauritius) Limited, no management fee has been accrued in the financial statements.

(iii) Pursuant to an Investment Management Agreement dated March 17, 2006 entered with India Optima Fund (IOF), the Company was entitled to management fees in respect of the different active share classes as follows:

Name of Fund	**Management fees (% per annum)**
IOF – Rising India Fund (IOF-RIF)	2% of aggregate capital commitment
IOF – FMP Fund Series 1	0.25% of the net asset value
IOF – Infrastructure Fund	0.85% of net asset value

The Company entered into an Amendment Agreement dated January 28, 2010 to the Investment Management Agreement dated March 17, 2006 pursuant to which the Company now receives management fees as follows in respect of the different share classes of IOF:

Name of Fund	**Management fees (% per annum)**
IOF – Rising India Fund (IOF-RIF)	– 2% of aggregate commitment from the closing date to February 24, 2009; – 2% of aggregate capital commitment from February 25, 2009 to August 24, 2009; and – 2% of aggregate capital contribution less cost of investments that have been redeemed from August 25, 2009 onwards

Name of Fund	Management fees (% per annum)
IOF – Infrastructure Fund	0.85% of net asset value
IOF – FMP Fund Series 1	If yield from investment <5.7% – 0.22% of the net asset value if investments received from investors <USD30M – 0.17% of the net asset value if investments received from investors >USD30M If yield from investment >5.7% – 0.22% of the net asset value + 50% x (actual yield-5.7%) if investments received from investors <USD30M – 0.17% of the net asset value + 50% x (actual yield-5.75%) if investments received from investors >USD30M
IOF – India Young Star Fund	1.5% of the net asset value Additionally the Company is entitled to carried interest of 20% of profit in excess of the hurdle rate.

During the year under review, no management fee has been accrued in respect of IOF – India Young Star Fund since the latter has not yet been activated.

Advisory Agreements

(i) The Company entered an Investment Advisory Agreement dated August 20, 1997 with TCW/ICICI Investment Partners L.L.C., a company incorporated in Mauritius, to provide advisory services to the latter company. TCW/ICICI Investment Partners L.L.C. in turn acts as investment manager to TCW/ICICI India Private Equity Fund, LLC and TCW/ICICI India Private AMP Equity Fund, LLC, both incorporated in Mauritius and which are in the process of liquidation. Consequently, no investment advisory fee from TCW/ICICI Investment Partners L.L.C. has been accrued in the financial statements.

(ii) Pursuant to an Advisory Agreement dated 10 November 2006 entered with ICICI Prudential Asset Management Company Limited, the Company is required to pay the latter company an advisory fee equal to 0.5% of the aggregate capital commitment of IOF – Rising India Fund during the commitment period and after the commitment period, 0.5% of the aggregate capital contribution less the cost of investments that have been redeemed.

(iii) The Company entered into an Investment Advisory Agreement dated January 28, 2010 with Reliance Capital Asset Management Limited (RCAM) to provide non-binding investment advisory services to the Company in relation to IOF – India Young Star Fund. In consideration for its services, the Company would pay RCAM the following fees:

– a fixed advisory fee of 0.5% of the net asset value of IOF – India Young Star Fund; and

– a profit sharing fee equal to 67% of the carried interest.

During the year under review, no investment advisory fee has been accrued in respect of IOF – India Young Star Fund since the latter has not yet been activated.

Investment Facilitation Agreement

The Company has entered into an Investment Facilitation Agreement dated March 17, 2006 with IOF for providing its sub account services as Foreign Institutional Investor. The Company receives sub account income of USD25,000 per annum and transaction fees equal to 0.01% of the investment value of IOF.

Global Distribution Agreements

(i) Pursuant to a Global Distribution Agreement entered into between the Company, IOF and ICICI Bank Limited, Singapore Branch ("Distributor"), as amended from time to time and in respect of IOF – Rising India Fund Share Class (IOF – RIF), the Company paid an upfront fee of USD1,075,500 to the Distributor in respect of aggregate capital commitment amount raised by the Distributor from all investors of IOF. The upfront fee (deferred expenses) shall be charged in the income statement during the next 5 years, starting from the launch of IOF – RIF on August 24, 2007.

The Company would also pay the Distributor quarterly trailer fees equal to 0.25% of the commitment amount of IOF-RIF p.a. starting from the second year of the date of closing of IOF – RIF. Pursuant to the reduction in total commitment of IOF-RIF with effect from February 25, 2009, the trailer fees payable to the Distributor have been adjusted during the year under review.

(ii) The Company entered into a Global Distribution Agreement dated June 27, 2007 with India Opportunities Fund Limited, a company incorporated in Jersey, and ICICI Bank Limited, Singapore Branch ("Distributor") in respect of India Opportunities Fund – Rising India Opportunities Class pursuant to which it would pay the Distributor quarterly trailer fees equal to 0.25% of the commitment amount of the above share class starting from the second year of the date of closing. Pursuant to the reduction of total commitment of IOF-RIF, India Opportunities Fund – Rising India Opportunities Class (feeder fund to IOF-RIF) also reduced its commitment amount with effect from February 25, 2009. Consequently, the trailer fees payable to the Distributor has been adjusted during the year under review.

(iii) The Company entered into a Distribution Agreement dated May 12, 2009 with IOF and HDFC Bank Limited as amended on August 21, 2009 in respect of various share classes of IOF pursuant to which the Company would pay an annual trail fee based on a fixed percentage of the net asset value of the relevant share class. No trail fee has been accrued as the various share classes have not yet been launched by IOF.

Consultancy Services Agreement

Pursuant to a Consultancy Services Agreement dated September 3, 2009 entered into between the Company and ICICI Bank Limited, Singapore Branch, as amended on September 7, 2009, the Company is entitled to consultancy income equivalent to 10% of the expenses incurred and/or payable (or likely to be incurred) by the Company in relation to IOF and India PE Fund of Funds.

7. INVESTMENTS

Investments consist of:

(a) 50% of the issued share capital of TCW/ICICI Investment Partners LLC, a company incorporated in Mauritius. The investments were acquired for USD 300, 000.

(b) 49% of management shares in India Optima Fund, a company incorporated in Mauritius for a consideration of USD 71.

(c) 49% of management shares in India Opportunities Fund Limited, a company incorporated in Jersey for a consideration of USD 13.

(d) 10% of management shares of Emerging India Fund Company Limited (EIFCL), a company incorporated in Mauritius for a consideration of USD 1.

(e) Contribution of USD 9 to The Emerging India Fund Trust for the acquisition of 90% of management shares of EIFCL for the benefit of the Beneficiaries of the Trust.

At Directors' valuation	**2010 USD**	**2010 Rs.***	*2009 USD*	*2009 Rs.**
Available for sale investments:				
TCW/ICICI Investment Partners LLC	**239,711**	**10,763,044**	*248,310*	*12,594,283*
India Optima Fund	**71**	**3,192**	*71*	*3,601*
India Opportunities Fund Limited	**13**	**604**	*13*	*659*
Emerging India Fund Company Limited	**1**	**45**	*1*	*51*
	239,796	**10,766,885**	*248,395*	*12,598,594*
Other investments:				
The Emerging India Fund Trust	**9**	**404**	*9*	*457*
Total investments	**239,805**	**10,767,289**	*248,404*	*12,599,051*

	March 31, 2010 USD	**Rs.***
Investments at cost		
Opening balance	300,094	12,040,548
Movement during the year	—	—
Exchange difference	—	—
Closing balance	300,094	12,040,548
Investments at fair value	239,805	9,507,771
Revaluation reserve		
Opening balance	(51,690)	(2,124,208)
Movement during the year	(8,599)	(408,569)
Exchange difference	—	
Closing balance	(60,289)	(2,532,777)

8. EQUIPMENT

Computer equipment Cost	**USD**	**Rs.***
Opening balance	10,746	545,088
Exchange difference	—	(62,593)
At March 31, 2010	**10,746**	**482,495**
Accumulated depreciation:		
Opening balance	9,324	472,964
Charge for the year	1,422	67,536
Exchange difference	—	(58,005)
At March 31, 2010	**10,746**	**482,495**
Net book values		
At March 31, 2009	1,422	72,124
At March 31, 2010	—	—

9. RECEIVABLES AND PREPAYMENTS

	2010 USD	**2010 Rs.***	*2009 USD*	*2009 Rs.**
Sundry debtors	**62,162**	**2,791,016**	*1,422,687*	*72,158,684*
Management fees receivable	**4,646**	**208,603**	*809,047*	*41,034,864*
Advisory fee prepaid	**45,177**	**2,028,468**	—	—
Other prepayments	**4,250**	**190,825**	*4,279*	*217,031*
	116,235	**5,218,912**	*2,236,013*	*113,410,579*

The Directors believe receivables and prepayments to approximate to their fair values.

10. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, the cash and cash equivalents comprise the following:

	2010 USD	**2010 Rs.***	*2009 USD*	*2009 Rs.**
Cash at bank and in hand	**233,351**	**10,477,434**	*973,146*	*49,357,965*
Short term bank deposits	**593,178**	**26,633,706**	*492,769*	*24,993,244*
	826,529	**37,111,140**	*1,465,915*	*74,351,209*

11. STATED CAPITAL

	2010 USD	**2010 INR***	*2009 USD*	*2009 INR**
Issued and fully paid				
90,000 Ordinary shares	**900,000**	**36,795,500**	*900,000*	*36,795,500*

12. PAYABLES

	2010 USD	**2010 Rs.***	*2009 USD*	*2009 Rs.**
Management fee in advance	**64,166**	**2,881,063**	—	—
Sundry creditors	**31,019**	**1,392,733**	*34,806*	*1,765,360*
Accruals	**22,446**	**1,007,838**	*11,635*	*590,127*
Trailer fees	**22,285**	**1,000,594**	*79,562*	*4,035,385*
Advisory fees	**45,872**	**2,059,633**	*218,885*	*11,101,847*
	185,788	**8,341,861**	*344,888*	*17,492,719*

The Directors believe payables to approximate to their fair values.

13. BORROWINGS

The Company has entered into a facility agreement for Working Capital Demand Loan ("Loan") of USD 4.5 million with ICICI Bank Limited, Bahrain. Only part of the Loan has been drawn down. The Loan carries interest at LIBOR plus 200 basis points. The interest is payable every quarter and secured on the receivables of the Company.

The purpose of the Loan is primarily to finance the expenses incurred in the set up of funds promoted by the Company. During the year under review, the Company repaid the loan in full.

14. Financial instruments

Fair values

The carrying amounts of investments, receivables, cash and cash equivalents and payables approximate their fair values.

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	Financial assets 2010 USD	**Financial liabilities 2010 USD**	*Financial assets 2009 USD*	*Financial liabilities 2009 USD*
Arab Emirates Dirham	—	—	—	*26,027*
Indian Rupee	**515**	—	*456*	—
Mauritian Rupee	**8,797**	—	*6,511*	—
United States dollar	**1,638,891**	**185,788**	*4,670,669*	*3,318,861*
	1,648,203	**185,788**	*4,677,636*	*3,344,888*

Prepayments amounting USD 49,427 (March 31, 2009: USD 4,279) have not been included in financial assets.

Risk management

The Board is ultimately responsible for risk management, which includes the Company's risk governance structure and maintaining an appropriate internal control framework. Management's responsibility is to manage risk on behalf of the Board.

The Company's activities expose it to a variety of risks management policies, including:

(i) Credit risk

(ii) Liquidity risk

(iii) Foreign exchange risk

(iv) Interest rate risk

(v) Foreign currency sensitivity analysis

(i) Credit risk

The company's credit risk is primarily attributable to its management fees receivable and other receivables. The amounts presented in the Balance Sheet are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and the current economic environment.

(ii) Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Company has sufficient bank balance at March 31, 2010 to finance its liabilities. Therefore, the risk of default is considered minimal.

(iii) Foreign exchange risk

The Company's assets and liabilities are mostly denominated in United States Dollar and consequently, the Company is not exposed to the risk that the exchange rate of the USD changes relative to any other currency.

(iv) Interest rate risk

The Company has during the year repaid the interest bearing loan facility in USD with interest rate based on LIBOR. Interest income from cash deposits may fluctuate in amount, in particular due to changes in the interest rates.

(v) Interest rate sensitivity analysis

The impact of a 5% fluctuation in the interest rates would be as follows:

	5% increase 2010	**5% decrease 2010**	*5% increase 2009*	*5% decrease 2009*
USD denominated	**USD**	**USD**	*USD*	*USD*
Bank interest income	**20**	**(20)**	*549*	*(549)*
Interest expense	**(1,899)**	**1,899**	*(4,552)*	*4,552*
Overall effect on profit before tax	**(1,879)**	**1,879**	*(4,003)*	*4,003*

14. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of ICICI Bank Limited. Transactions with the related parties were carried out on commercial terms and conditions and at market prices. During the year, the Company traded with related parties. The nature, volume of transactions and balance with the related parties are as follows:

Name of transacting related parties	Relationship	Nature of transaction	Volume of transactions USD	Balances USD	Payable(P) or receivable(R)
ICICI Prudential Asset Management Company Limited, India	Fellow subsidiary	Advisory fees	200,036	45,872	P
				45,177	R
ICICI Bank Limited, Bahrain	Parent Company	Interest payment for working capital loan		37,987	Nil
ICICI Bank Limited, Singapore	Parent Company	Trailer fees		88,104	22,285

The services below from International Financial Services Limited, the Administrator, are provided on commercial terms and conditions.

	Year ended 2010 USD
Directors fees	10,000
Secretarial fees	1,500
MLRO fee	3,498
Administration and disbursements	77,539
Professional fees	6,100

15. HOLDING AND ULTIMATE HOLDING COMPANY

The Directors consider ICICI Bank Limited, incorporated in India as the holding and ultimate holding company.

16. EVENTS AFTER THE REPORTING PERIOD

There have been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended March 31, 2010.

ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

10TH ANNUAL REPORT AND ACCOUNTS 2009-2010

Directors
Chanda D. Kochhar, *Chairperson*
N. S. Kannan
K. Ramkumar
Barry Stowe
Adrian O'Connor
Marti G. Subrahmanyam
Keki Dadiseth
Rama Bijapurkar
Vinod Kumar Dhall
V. Vaidyanathan, *Managing Director & CEO*

Auditors
Walker, Chandiok & Co
Chartered Accountants

B S R & Co.
Chartered Accountants

M. Sanaulla Khan
Company Secretary

Registered Office
ICICI PruLife Towers
1089, Appasaheb Marathe Marg
Prabhadevi
Mumbai - 400 025

directors' report

to the members

Your Directors have pleasure in presenting the Tenth Annual Report of ICICI Prudential Life Insurance Company Limited (the Company) with the audited statement of accounts for the year ended March 31, 2010.

OPERATIONS REVIEW & OUTLOOK

The performance for financial year 2010 is summarised below:

(Rs. in billion)

Particulars	*Fiscal 2009*	**Fiscal 2010**
Number of new policies (in 000's)	*2,637*	**1,762**
Financials parameters		
Premium income:	*153.56*	**165.32**
New business premium	*68.12*	**63.34**
Renewal premium	*85.44*	**101.98**
Profit/(Loss) before taxation	*(8.81)*	**2.81**
Provision for taxation (deferred tax)	*1.01*	**(0.23)**
Profit/Loss after taxation	*(7.80)*	**2.58**
Sum assured in force:		
Basic policy	*1,654.35*	**1,554.61**
Total (Basic + Riders)	*1,879.02*	**1,837.57**
Annualised premium equivalent (APE)	*53.02*	**53.45**
Assets held	*327.88*	**573.19**
Expense ratio*	*11.8%*	**9.10%**
Sales and distribution strength		
Geographical spread:		
– Number of offices	*2,104*	**1,918**
– Number of locations	*1,804*	**1,726**
Number of advisors (in 000's)	*277*	**211**

* Expense ratio = All expenses (excluding commission and front line sales cost)/(Total premium income - 90% of single premium)

During the year ended March 31, 2010, the Company registered total premium income of Rs. 165.32 bn, showing an increase of 7.7% over the earlier year. The Company's new business premium income stood at Rs. 63.34 bn down by 2.3% over the earlier year. The renewal premiums continue to grow and stood at Rs. 101.98 bn for the year, showing a growth of 14.9% over the earlier year. During the year, the Company crossed the milestone of issuing 10 mn policies since inception, with about 1.76 mn policy issuances during the year.

OUR REACH

The Company reaches its customers through 1,918 offices in 1,726 locations at March 31, 2010. At March 31, 2010, the Company had over 20,000 employees and over 211,000 advisors and is thus well equipped to cater to the needs of customers.

PRODUCTS

In response to new regulation governing the maximum reduction in yield at maturity for unit linked products, the Company completely redesigned its unit linked product offering. The new products are focused on offering increased value to long term policyholders while meeting the Company's profit criteria.

DIVIDEND

The financial operations have resulted in a profit (after tax) of Rs. 2.58 bn as compared to a loss (after tax) of Rs. 7.80 billion for the earlier year. However in view of the accumulated losses of the Company to the tune of Rs. 35.18 bn, the Directors are unable to recommend a dividend for the current financial year.

CLAIMS

The Company believes that every claim is a fulfillment of promise that we have made to our policyholders and we aim to process the claims in the quickest and most transparent manner. The processes are designed to ensure efficient service and the performance metrics are monitored regularly.

During the year, the Company has settled over 14,700 mortality claims. The average time taken from the date of submission of final requirement by the claimant to the dispatch of claim payment was around 7 days.

GOVERNANCE

As a good corporate citizen reflecting the parentage of the shareholders, the Company has institutionalised its governance framework, brief details of which are as follows:

A. BOARD OF DIRECTORS

The Board comprises 10 Directors – three nominated by ICICI Bank Limited, two nominated by Prudential Plc, four Independent Directors, a Managing Director & CEO. Except the Managing Director & CEO, all other Directors including the Chairperson of the Board are Non-Executive Directors. There is a clear segregation of responsibility and authority between the Chairperson and the Managing Director & CEO. The Board is responsible for overall corporate strategy and other Board related matters. The Managing Director & CEO oversees implementation of strategy, achievement of the business plan and day-to-day activities and operations related issues. There is an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the professionalism and independence of the Board. The Independent Directors are eminent personalities with significant expertise in the fields of finance, law, strategy, marketing and insurance. None of the Directors is related to any other Director or employee of the Company.

B. BOARD COMMITTEES

The Board has 6 Committees, details of which are as follows:

1. Board Audit Committee:

   Members:

   Keki Dadiseth (Chairman)

   K. Ramkumar

   Adrian O'Connor

Terms of reference:

i. Accounts & Audit

- Oversee the financial statements, financial reporting, statement of cash flow and disclosure processes.
- Recommend the appointment, re-appointment the replacement or removal; remuneration, performance and oversight of the work of the auditors (internal/statutory/concurrent).
- Discuss with the statutory auditors before the audit commences, about the nature and scope of audit.
- Recommendation of payment to statutory auditors, internal auditors and concurrent auditors.

ii. Internal Audit

- Review the adequacy of internal audit function, coverage and frequency of internal audit, oversee the efficient functioning of the internal audit department and review its reports.
- Set-up procedures and processes to address all concerns relating to adequacy of checks and control mechanisms.
- Oversee the reasons for substantial defaults in the payment, if any, to the depositors, debentureholders, shareholders (in case of non payment of declared dividends) and creditors.
- Review the functioning of the Whistle Blower mechanism.

iii. Compliance & Ethics

- Monitor the compliance function and the Company's risk profile in respect of compliance with external laws and regulations and internal policies, including the Company's code of ethics or conduct.
- Approve compliance programmes, reviewing their effectiveness on a regular basis and signing off on any material compliance issues or matters.
- To review key transactions involving conflict of interest.

2. Board Risk Management Committee:

Members:

Marti G. Subrahmanyam (Chairman)

Rama Bijapurkar

N. S. Kannan

Adrian O'Connor

Terms of reference:

i. Risk Management:

- Assist the Board in effective operation of the risk management system by performing specialised analyses and quality reviews.
- Maintain a group wide and aggregated view on the risk profile of the Company in addition to the solo and individual risk profile.
- Report to the Board details on the risk exposures and the actions taken to manage the exposures.
- Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy and acquisitions and related matters

ii. Asset Liability Management (ALM):

- Formulate and implement optimal ALM strategies, both at product level and enterprise level and meeting risk/reward objectives.
- Lay down the risk tolerance limits.
- Monitor risk exposures at periodic intervals and revise ALM strategies where required.
- Place the ALM information before the Board at periodic intervals.

3. Board Investment Committee

Members:

Marti G. Subrahmanyam (Chairman)

N. S. Kannan

Adrian O'Connor

V. Vaidyanathan

Puneet Nanda, Executive Vice President

Avijit Chatterjee, Member – Appointed Actuary

Manish Kumar, Member – Head – Investments

Terms of reference:

- Responsible for laying down and periodic review of an overall investment policy and operational framework for the investment operations of the Company.
- Put in place an effective reporting system to ensure compliance with the policy set out by it and Internal/Concurrent Audit mechanisms.
- Set the Company's risk/reward objectives and assess policyholder expectations.
- Quantify the level of risk exposure and assess the expected rewards and costs associated with the risk exposure.
- Report to the Board on the performance of Investments atleast on a quarterly basis and provide analysis of its Investment portfolio and on the future outlook.

4. Board Policyholders' Protection Committee

Members:

Vinod Kumar Dhall (Chairman)

K. Ramkumar

Adrian O'Connor

Terms of reference:

- Putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders.
- Ensure compliance with the statutory requirements as laid down in the regulatory framework pertaining to policyholders' protection.
- Review of the mechanism at periodic intervals
- Ensure adequacy of disclosure of "material information" to the policyholders.

5. Board Compensation & Nominations Committee

Members:

Rama Bijapurkar (Chairperson)

Marti G. Subrahmanyam

Vinod Kumar Dhall

K. Ramkumar

Adrian O'Connor

Terms of reference:

- Nominating Directors on the Board
- Fix remuneration of the Directors
- Approve executive compensation program

6. Share Transfer Committee

Members:

Vinod Kumar Dhall (Chairman)

Keki Dadiseth

V. Vaidyanathan

Terms of reference:

- Approval and rejection of transfer and transmission of shares in physical form
- Approval and rejection of requests for split and consolidation of share certificates
- Approval and rejection of issue of duplicate share certificates
- Any other activities which are incidental or ancillary thereto

C. INTERNAL AUDIT AND COMPLIANCE FRAMEWORK

Internal Audit: The Company has in place an internal audit framework with a risk based audit approach. The basic philosophy of risk based internal audit is to provide reasonable assurance to the Board Audit Committee and top management about the adequacy and effectiveness of the risk management and control framework in the Company.

Review of controls is done by internal audit through execution of internal audits as per risk based audit plan. The internal audit covers auditing of processes, transactions and systems. Key audit observations and recommendations made are reported to the Board Audit Committee every quarter. Implementation of the recommendations is actively monitored.

The internal audit function is capable of reviewing and assessing the adequacy and effectiveness of, and the Company's adherence to its internal controls as well as reporting on its policies and procedures.

Compliance: The Board Audit Committee oversees the compliance framework of the Company. The Compliance function disseminates appropriate laws & regulations to various functions. It also serves as a reference point for the staff of various functions for seeking clarifications on applicable laws & regulations issued by the relevant regulatory authority. The Compliance team also monitors the adequacy of compliance framework across the Company, any key issues observed as a part of this monitoring are reported to the Board Audit committee, and implementation of recommendations is actively monitored. A compliance certificate signed by the Managing Director & CEO, based on the certifications from respective functional heads is placed at the Board Audit Committee on a quarterly basis.

D. **RISK MANAGEMENT FRAMEWORK**

Investment Risk: The Company measures Investment Risk through resilience testing of the assets and liabilities on the Balance Sheet. This metric is a key driver in determining the investment strategies. The assets under management for the linked portfolio, in respect of which there is minimal investment risk on the regulatory Balance Sheet, amount to over 90% of the policyholders' funds. However, the linked funds for future appropriation (FFA), which arise from lapsed policies after adjusting for revivals, expose the Company to market risks to a limited extent. For the non-participating portfolio, the Company manages the interest rate risk through monthly rebalancing of portfolio, so as to manage the duration gap between assets & liabilities. In addition for certain products, a cashflow matching strategy is also used. On the participating portfolio, the Company's asset allocation strategy, which includes investments in equities, is designed to achieve the twin objectives of managing risks arising from guarantees and optimising returns, subject to regulatory constraints. The credit risk is managed by restricting investments only in government bonds and highly rated corporate securities and constant monitoring of the credit portfolio. In addition, there are exposure limits to companies, groups and industries.

Insurance Risks: The Company conducts regular experience analysis to compare actual experience with assumptions used for pricing and Embedded Value calculations to ensure that corrective action can be initiated at the earliest and assumptions can be changed to be in line with experience. Company uses reinsurance, and underwriting, as key mitigants for mortality and morbidity risk. The Company also reserves the right to review risk charges, in case of adverse experience, with IRDA approval.

Operational Risks: The Operational risk committee supervises the risk of loss resulting from inadequate or failed processes, people, systems or external events. The Operational Risk committee is constituted with the Board approval after adopting the Operational risk policy note. The Company has identified seven risk classes (similar to the Basel II classification) to categorise Operational risk to support the identification process. The Company has initiated the process for all business functions to perform a Risk and Control Self Assessment (RCSA) periodically. RCSA requires each business unit within the Company to proactively identify and assess risks in terms of likelihood and impact. The process will completed for all the major functions like Customer Service & Operations, Finance, Investment Operations and Treasury, Actuarial and Human Resources.

WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy which is designed to provide its employees a channel for communicating any issues in the areas of breach of code of conduct, legal violation and irregularities in accounting policies and procedures.

RURAL AND SOCIAL BUSINESS

More than 423,600 policies were issued in rural areas, constituting over 24% of total policy issuances. The Company also covered more than 175,560 lives falling within the norm of 'social sector' business.

DIRECTORS

K. Ramkumar and Adrian O'Connor will retire by rotation at the above Annual General Meeting and are eligible for re-appointment.

DETAILS AS PER SECTION 217(2A)

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 relevant particulars of the employees are set out in Annexure to the Directors' Report.

INCREASE IN SHARE CAPITAL

The paid-up capital of the Company was increased by Rs. 0.06 bn (face value) contributed by members of the Employee Stock Option Scheme taking the paid-up capital to Rs. 14.28 bn (face value) at March 31, 2010.

PUBLIC DEPOSITS

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

AUDITORS

M/s. Walker, Chandiok & Co., and M/s. B S R & Co., Chartered Accountants were re-appointed as joint statutory auditors of the Company at the last Annual General Meeting. They are retiring at the ensuing Annual General Meeting and are eligible for re-appointment.

ADDITIONAL INFORMATION

In view of the nature of business activity of the Company, the information relating to the conservation of energy and technology absorption, as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is not required to be given. Details of foreign exchange earnings and outgo required under above Rules are as under:

(Rs. in billion)

Particulars	*Fiscal 2010*	**Fiscal 2009**
Foreign exchange earnings and outgo		
– Earnings	*9.35*	—
– Outgo	*281.64*	425.08

SUBSIDIARY

ICICI Prudential Pension Funds Management Company Limited (PFM) was incorporated on April 22, 2009 as wholly subsidiary of ICICI Prudential Life Insurance Company Limited. The PFM was appointed by the Pension Fund Regulatory and Development Authority (PFRDA) as a pension fund manager and acts as a fund manager under the New Pension Scheme (NPS) for Indian citizens other than government employees. It is the only pension fund manager under NPS which is promoted by a life insurance company with experience in managing long term investments of life and pension funds.

The PFM began its operations in May 2009. During the year ended March 31, 2010, the subscribers' funds managed by PFM have reached Rs. 13.1 mn and for the period ended March 31, 2010 the PFM incurred a loss of Rs. 0.1 mn.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. the Directors have 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 loss of the Company for that period;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. the Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

The Directors are grateful to the Insurance Regulatory & Development Authority, Reserve Bank of India and Government of India for their continued co-operation, support and advice.

The Directors would also like to take this opportunity to express sincere thanks to its valued customers for their continued patronage.

The Directors express their gratitude for the valuable advice, guidance and support received from time to time, from the auditors and the statutory authorities. The Directors express their deep sense of appreciation to all employees and distributors, who continue to display outstanding professionalism and commitment, enabling the organisation to retain market leadership in its business operations. Finally, the Directors wish to express their gratitude to ICICI Bank Limited and Prudential Corporation Holdings Limited for their continued trust and support.

For and on behalf of the Board

Chanda D. Kochhar
Chairperson

April 22, 2010

ICICI PRUDENTIAL LIFE INSURANCE

Management Report for the year ended March 31, 2010

In accordance with the provisions of the Insurance Regulatory and Development Authority ('IRDA') (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002, the following Management Report is submitted for the financial year ended March 31, 2010:

1. Certificate of Registration

The Certificate of Registration under Section 3 of the Insurance Act, 1938 was granted by IRDA on November 24, 2000. The Company has obtained renewal of registration certificate from IRDA for the financial year ended March 31, 2011 as required under Section 3A of the Insurance Act, 1938.

2. Statutory liabilities

We hereby certify that all dues payable to the statutory authorities have been duly paid except those under dispute or disclosed under contingent liabilities in the notes to accounts forming part of the financial statements.

3. Shareholding pattern

We hereby confirm that the shareholding pattern of the Company during the year under review was in accordance with the statutory requirements.

There was no capital infusion by the promoters during the year under review.

The Company has an approved Employees Stock Option Scheme under which 885,590 shares have been allotted during the year under review.

The shareholding pattern of the Company at March 31, 2010 was as follows:

1. ICICI Bank Limited – 73.89%
2. Prudential Corporation Holdings Limited – 25.96%
3. Others – 0.15%

4. Investments outside India

We hereby declare that no investments, directly or indirectly have been made outside India of the funds of the holders of policies issued in India.

5. Solvency margin

We hereby confirm that the Company has adequate assets to cover both its liabilities and required solvency margin under Section 64VA of the Insurance Act, 1938, the IRDA (Assets, Liabilities and Solvency Margin of Insurers) Regulations, 2000.

6. Valuation of Assets in the Balance Sheet

We certify that the values of all the assets have been reviewed on the date of Balance Sheet and that to the best of our belief the assets set forth in the Balance Sheet are shown in aggregate at amounts not exceeding their realisable or market value.

Fixed income investments and venture funds are valued at amortised cost and cost respectively. As at March 31, 2010 the market value of these investments is lower by Rs. 469,475 thousand. The lower market value is attributable to the sharp rise in yields during the year. Purchase of long-term government securities in the non-linked funds is primarily with an objective of Asset Liability Management and hence we continue to manage our portfolio with long-term focus.

Equity and mutual fund investments are fair valued at the balance sheet date. The unrealised gain as at March 31, 2010 on these investments amounts to Rs. 2,483,842 thousand.

Investment in real estate is valued at historical cost, subject to revaluation (done at least once in every three years). The value of real estate has been subjected to revaluation during the year ended March 31, 2010 and the change in the carrying amount thereby amounting to Rs. 668,879 thousand has been taken to the revaluation reserve in the Balance Sheet.

7. Application and Investments of Life Insurance Funds

We certify that no part of the life insurance fund has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938.

8. Overall risk exposure and strategy adopted to mitigate the same

The mitigation strategy in respect of various risks is as under:

a) **Market risk –** The Company measures market risk by resilience testing of the assets and liabilities on the Balance Sheet. This metric is a key driver in determining the investment strategies. The mitigant strategy for different portfolios are as follows:

i) *Non-participating portfolio:* The Company manages the risk due to guaranteed returns by investing only in fixed income instruments. The Company manages the interest rate risk through monthly rebalancing of portfolio, so as to manage the duration gap between assets and liabilities. In addition for certain products, a cash flow matching strategy is also used.

ii) *Participating portfolio:* The Company's asset allocation strategy, which includes investments in equities, is designed to achieve the twin objectives of managing risks arising from guarantees and optimising returns, subject to regulatory constraints. The bonus declaration mechanism also helps in the smoothing of the volatility of the investment returns. Surrender penalties mitigate the risk due to policy surrenders.

iii) *Linked portfolio:* The assets under management for the linked portfolio, in respect of which there is minimal investment risk on the regulatory Balance Sheet, amount to over 90% of the policyholders' funds. However, the linked funds for future appropriation (FFA), which arise from lapsed policies after adjusting for revivals, are sensitive to market movements and expose the Company to market risks to a limited extent.

iv) *Unit-linked products with guarantees:* The Company offers limited guarantees in some of its unit linked products. The reserves arising from products with guarantees are a small part of the total reserves. The Company uses a mix of stochastic and deterministic approaches to calculate the cost for providing the guarantee and holds a reserve on this account.

b) **Credit risk –** The Company manages the credit risk of its investments through the following measures:

i) Exposure limits for investments companies, groups and industries in accordance with IRDA norms and limits as per the Investment policy;

ii) Restricting approved investments only in securities rated AA and above; and

iii) Constant monitoring of the credit portfolio.

c) **Liquidity risk –** The Company faces limited liquidity risk due to the nature of its liabilities. The Company has put in the following mitigants in place:

i) The investment specifications for the various funds provide guidelines to manage liquidity risk either by specifying the minimum investment in overnight/cash instruments to meet near term liquidity requirements or specifying cash flow matching and

ii) All our linked product terms and conditions allow us to delay the claim payouts under certain stress scenarios.

d) **Morbidity and Mortality risk –** Mortality experience continues to be favourable. The Company uses the following approaches to manage its mortality and morbidity risk:

i) *Reinsurance:* Reinsurance is a key mitigant to manage morbidity and mortality risk. The Company has re-insurance agreements with Swiss Re, RGA Re, Gen Re and Munich Re. The insurance retention limits have, at a product level, been derived from the Company's assessment of optimal level of profitability and risk sharing. The Company also has a catastrophe treaty to manage risks arising out of catastrophic events.

ii) *Re-pricing:* The Company reserves the right to review risk charges, in case of adverse experience, with IRDA approval.

iii) *Underwriting and Claims controls:* Underwriting and claims policies and procedures are in place to assess the mortality/morbidity risks and manage any anti-selection or fraud risk. Company has set individual underwriting and claims limits for all employees. The Company also does periodic reviews of both underwriting and claims procedures.

iv) *Policy contracts:* The product coverage, exclusions and terms and conditions are designed in consultation with reinsurers and in line with market practice to manage insurance risk. The Company uses standard policy wordings where possible but also has an in-house legal resource. In addition, where appropriate the Company uses independent legal opinion.

v) *Experience analysis:* Regular experience analysis to compare actual experience with assumptions used for pricing and Embedded Value calculations assure that corrective action can be initiated and any the assumptions can be changed, if required.

e) **Persistency –** The Company actively monitors its persistency experience, which is then fed back into new product pricing, calculation of reserves as well as management reporting. The Company also runs various service initiatives to manage persistency better.

f) **Expense risk –** The Company actively monitors its expense levels, which is then fed back into new product pricing, calculation of reserves as well as management reporting.

g) **Operational risks –** The Company manages its Operational Risk through an active monitoring and analysis of Key Risk Indicators and loss events. The Company has initiated the process for all business functions to perform a Risk and Control Self Assessment (RCSA) periodically. RCSA requires each business unit within the Company to proactively identify and assess risks in terms of likelihood and impact. The risks identified would be classified into seven risk classes (similar to the Basel II classification). The risk events are then mapped to the existing control framework to determine the residual risk, if any.

9. Operations abroad

The Company has set up representative offices in the Kingdom of Bahrain and the United Arab Emirates.

10. Claims

In respect of mortality claims, the average time taken by the Company from the date of submission of the final requirement by the claimant to despatch of claim payment was as follows:

Period	Average claim settlement time (in days)
2009-10	7
2008-09	7
2007-08	6
2006-07	7
2005-06	7
2004-05	8
2003-04	9
2002-03	11

The ageing of claims registered and not settled as of March 31, 2010 has been detailed herein below:

Linked business:

(Rs. in 000's)

Period	Number of Claims	Amount
Upto 30 days	268	38,973
Greater than 30 days and upto 6 months	273	48,091
Greater than 6 months and upto 1 year	80	14,273
Greater than 1 year and upto 5 years	141	26,125
Greater than 5 years	1	200

Non-Linked business:

(Rs. in 000's)

Period	Number of Claims	Amount
Upto 30 days	102	24,995
Greater than 30 days and upto 6 months	92	34,639
Greater than 6 months and upto 1 year	67	20,235
Greater than 1 year and upto 5 years	63	7,546
Greater than 5 years	3	921

Claims remain unpaid for greater than 6 months for want of proof of title or the cause of death or pending other necessary documentation, to determine the claim liability.

11. Valuation of investments

We hereby certify that the investments in debt securities and redeemable preference shares except for linked business are stated at historical cost subject to amortisation of premium or accretion of discount in the revenue account or the profit and loss account over the period of maturity/holding on a straight line basis. Equity and mutual fund investments are fair valued on the balance sheet date. Investments in venture funds and secured loans from policyholders' funds are valued at cost. Investment in real estate is valued at historical cost, subject to revaluation (done at least once in every three years) and provision for impairment, if any.

The investments in linked business are valued as per the terms of the respective schemes on mark-to-market basis, as follows:

- Equity shares: All traded equity shares are valued at closing price on the National Stock Exchange (NSE) on the valuation day (in case the security is not listed on NSE, the last quoted closing price on the Bombay Stock Exchange ('BSE') is used);
- Government securities: Bonds issued by Government of India and state governments bonds are valued as per the valuations for central and state government securities released by Credit Rating Information Services of India Limited ('CRISIL');
- Corporate debt securities: Corporate bonds and debentures are valued on a yield to maturity basis, by using spread over the benchmark rate (matrix released by CRISIL on daily basis) to arrive at the yield for pricing the instrument;
- Mutual fund units: Mutual fund units as at the balance sheet date are valued at preceding day's net asset values of the respective fund;
- Money market instruments are valued at historical cost, subject to amortisation of premium or accretion of discount over the period of maturity/holding on a straight-line basis;
- Venture fund investments: Investment in venture fund units is valued at the latest available net asset values of the respective fund;
- Others: As per market practice and the approved valuation policy of the company.

12. Review of Asset Quality

All investments are made in accordance with the Insurance Regulatory and Development Authority (Investments) (4th Amendment) Regulations, 2008. The portfolio mix of funds under management of the Company as on March 31, 2010 is as under:

Portfolio	% of Total Investments*
Government of India securities	4.39%
Debentures and Bonds	14.03%
Money market instruments	11.26%
Fixed deposits	1.81%
Equity	66.18%
Mutual funds and Venture funds	0.96%
Net current assets and other securities	1.37%
Total	**100.00%**

* Non linked funds under management are valued at mark-to-market price for equity and mutual fund and at amortised cost for other securities. Linked funds under management are valued at mark-to-market price.

Returns generated by major portfolios during the year are given below:

Fund	Assets Held (Rs. 000's)	1 year (Annualised)		3 year (Annualised)		5 year (Annualised)	
		Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Maximiser	106,970,056	76.25%	88.17%	13.28%	12.17%	21.32%	21.70%
Flexi Growth	70,735,652	70.53%	87.95%	11.77%	11.09%	NA	NA
Pension Flexi Growth	59,441,456	73.49%	87.95%	10.55%	11.09%	NA	NA
Pension Maximiser	36,570,756	78.57%	88.17%	12.99%	12.17%	21.59%	21.70%
Pension RICH	35,573,479	71.47%	92.87%	NA	NA	NA	NA
Balancer	22,957,998	32.43%	30.35%	12.04%	10.25%	13.19%	12.13%
RICH	22,204,905	69.81%	92.87%	NA	NA	NA	NA
Multiplier	22,045,790	68.01%	73.76%	NA	NA	NA	NA
Protector	13,991,930	8.22%	5.41%	9.00%	6.98%	7.14%	5.59%
Pension Protector	13,832,959	7.56%	5.41%	8.85%	6.98%	7.07%	5.59%

NA – indicates that the fund was non existent during relevant year.

The Company maintains a balance of sovereign and corporate bonds in its debt portfolio. Most of the corporate bonds held in the portfolio are in the highest rating category. Within corporate bonds, the Company has a well-diversified portfolio across issuers and industries. Similarly, the Company has an equity portfolio which is well-diversified and investments are primarily made in blue-chip stocks, spread across issuers and industries. In view of the foregoing, the Company has high quality of assets at all points in time.

13. Payments made to parties in which Directors are interested

The details of such payments for the year ended March 31, 2010 are given below:

(Rs. in 000's)

Sr. No.	Name of Director	Entity in which Director is interested	Interested as	Amount paid
1.	Chanda D. Kochhar	ICICI Bank Limited	Managing Director and CEO	3,230,516
		ICICI Lombard General Insurance Company Limited	Chairperson	174,654
		ICICI Prudential Asset Management Company Limited	Chairperson	434
		ICICI Securities Limited	Chairperson	278,672
		ICICI Foundation for Inclusive Growth	Member – Governing Council	65,210
2.	Rama Bijapurkar	CRISIL Limited	Director	2,228
		Infosys Technologies Limited	Director	14,521
3.	Keki B. Dadiseth	Siemens Limited	Director	75
		The Indian Hotels Company Limited	Director	842
		Oliver Wyman Limited UK	Member – Senior Advisory Board	63,625
4.	N. S. Kannan	ICICI Bank Limited	Executive Director and CFO	3,230,516
		ICICI Lombard General Insurance Company Limited	Director	174,654
		ICICI Prudential Asset Management Company Limited	Director	434
5.	K. Ramkumar	ICICI Bank Limited	Executive Director	3,230,516
		ICICI Venture Funds Management Company Limited	Director	25,474
6.	Barry Stowe	ICICI Prudential Asset Management Company Limited	Director	434
7.	Marti G. Subrahmanyam	ICICI Bank Limited	Director	3,230,516
		Infosys Technologies Limited	Director	14,521

14. Management Responsibility Statement

The Management confirms that:

i) In the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanations relating to material departures, if any;

ii) The management has adopted accounting policies and applied them consistently and made judgements 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 operating loss and of the loss of the Company for the year;

iii) The management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 and the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) The management has prepared the financial statements on a going concern basis;

v) The management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

For & on behalf of the Board of Directors

AVIJIT CHATTERJEE
Appointed Actuary

PUNEET NANDA
Executive Vice President

CHANDA D. KOCHHAR
Chairperson

KEKI DADISETH
Director

K. RAMKUMAR
Director

V. VAIDYANATHAN
Managing Director and CEO

Place: Mumbai
Date: April 22, 2010

auditors' report

to the members of ICICI Prudential Life Insurance Company Limited

1. We have audited the attached Balance Sheet of ICICI Prudential Life Insurance Company Limited ('the Company') as at March 31, 2010, the related Revenue Account, the Profit and Loss Account and the Receipts and Payments Account for the year ended on that date annexed thereto, which we have signed under reference to this report. 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.
2. 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.
3. We report that:
   (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit and have found them to be satisfactory;
   (b) In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been maintained by the Company, so far as appears from our examination of those books;
   (c) As the Company's financial accounting system is centralised, no returns for the purposes of our audit are prepared at the branches of the Company;
   (d) The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account referred to in this report are in agreement with the books of account;
   (e) The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's Appointed Actuary ('the Appointed Actuary'). The actuarial valuation of these liabilities as at March 31, 2010 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory Development Authority ('IRDA') ('Authority') and the Actuarial Society of India in concurrence with the Authority. We have relied upon Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company;
   (f) On the basis of written representations received from the Directors of the Company, as on March 31, 2010 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
4. In our opinion and to the best of our information and according to the explanations given to us, we further report that:
   (a) The Investments have been valued in accordance with the provisions of the Insurance Act, 1938, the Regulations and/or orders/directions issued by IRDA in this regard;
   (b) The accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 and the Rules framed there under and with the accounting principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002, ('the Regulations') and orders/directions issued by IRDA in this regard;
   (c) The Balance sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Accounts dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 and the Rules framed there under to the extent they are not inconsistent with the accounting principles prescribed in the Regulations and orders/directions issued by IRDA in this regard;
   (d) The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account together with the notes thereon and attached thereto are prepared in accordance with the requirements of the Regulations, the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 and the Companies Act, 1956, to the extent applicable and in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
      ii. in the case of Revenue Account, of the net surplus for the year ended on that date;
      iii. in the case of Profit and Loss account, of the profit for the year ended on that date; and
      iv. in the case of the Receipts and Payments Account, of the receipts and payments for the year ended on that date.
5. Further, on the basis of our examination of books and records of the Company and according to the information and explanations given to us, we certify to the best of our knowledge and belief that:
   (a) We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2010, and have found no apparent mistake or material inconsistencies with the financial statements; and
   (b) Based on management representations and compliance certificates noted by the Board Audit Committee, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of registration stipulated by IRDA.

For Walker, Chandiok & Co
Chartered Accountants

per Khushroo B. Panthaky
Partner
Membership No. F-42423
Firm's Registration No: 001076N

Mumbai, April 22, 2010

For B S R & Co.
Chartered Accountants

Akeel Master
Partner
Membership No. 046768
Firm's Registration No: 101248W

Mumbai, April 22, 2010

auditors' certificate

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by ICICI Prudential Life Insurance Company Limited ('the Company') for the year ended March 31, 2010, we certify that:

1. We have verified the cash balances, to the extent considered necessary, and securities relating to the Company's loans and investments as at March 31, 2010, by actual inspection or on the basis of certificates/confirmations received from the Custodian appointed by the Company, as the case may be. As at March 31, 2010, the Company does not have reversions and life interests;
2. The Company is not a trustee of any trust; and
3. No part of the assets of the Policyholders' Funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938, relating to the application and investments of the Policyholders' Funds.

This certificate is issued to comply with Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002, ('the Regulations') read with Regulation 3 of the Regulations and may not be suitable for any other purpose.

For Walker, Chandiok & Co
Chartered Accountants

per Khushroo B. Panthaky
Partner
Membership No. F-42423
Firm's Registration No: 001076N

Mumbai, April 22, 2010

For B S R & Co.
Chartered Accountants

Akeel Master
Partner
Membership No. 046768
Firm's Registration No: 101248W

Mumbai, April 22, 2010

ICICI PRUDENTIAL LIFE INSURANCE

for the year ended March 31, 2010

Form A-RA
Name of the Insurer: ICICI Prudential Life Insurance Company Limited
Registration No. and Date of Registration with the IRDA : Regn. No. 105 dated 24.11.2000

(Rs. in 000's)

Policyholders' Account (Technical Account)

Particulars	Schedule	Par Life	Par Pension	Par Group Life	Par Group Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Premiums earned – net													
(a) Premium	1	3,645,867	443,053	22,500	51,567	1,622,182	839,225	490,565	72,945,645	74,274,454	1,391,184	9,592,520	**165,318,762**
(b) Reinsurance ceded		(2,468)	(62)	—	—	(210,022)	—	(115,281)	(51,367)	(229)	(149,408)	(374)	**(529,211)**
Income from Investments													
(a) Interest, Dividend & Rent - Gross		1,225,161	323,711	1,278	3,210	313,428	520,611	10,597	5,881,258	3,466,433	33,728	1,837,037	**13,616,452**
(b) Profit on sale/redemption of investments		97,056	29,336	433	1,591	80,353	202,657	2,699	26,229,335	11,202,578	110,204	1,362,045	**39,318,287**
(c) Loss on sale/redemption of investments		(4,322)	(414)	(26)	(26)	(376)	(357)	—	(4,286,547)	(1,767,923)	(6,270)	(280,741)	**(6,347,002)**
(d) Unrealised gain/(loss)		—	—	—	—	—	—	—	82,944,216	44,847,685	61,989	1,628,240	**129,482,130**
(e) Appropriation/Expropriation Adjustment Account		—	—	—	—	—	—	—	(328,354)	35,212	1,546	21,362	**(270,234)**
Other income:													
Contribution from the Shareholders' account		—	—	346	—	—	—	111,106	—	4,194,973	790,226	158,319	**5,254,970**
Fees and charges		5,013	—	—	—	268	—	—	19,129	1,508	4	—	**25,922**
Misc. income		340	11	—	—	427	3	204	7,536	6,860	727	203	**16,311**
Total (A)		**4,966,647**	**795,635**	**24,531**	**56,342**	**1,806,260**	**1,562,139**	**499,890**	**183,360,851**	**136,261,551**	**2,233,930**	**14,318,611**	**345,886,387**
Commission	2	209,180	8,249	—	—	114,457	356	78,232	2,876,168	2,576,225	166,735	76	**6,029,678**
Operating expenses related to Insurance business	3	486,211	15,005	136	212	612,990	5,938	293,409	11,010,235	11,850,695	1,114,160	302,542	**25,691,533**
Provision for taxation (Fringe benefit tax)		(799)	(10)	—	—	(251)	(3)	(199)	(23,338)	(5,549)	(336)	—	**(30,485)**
Total (B)		**694,592**	**23,244**	**136**	**212**	**727,196**	**6,291**	**371,442**	**13,863,065**	**14,421,371**	**1,280,559**	**302,618**	**31,690,726**
Benefits paid (Net)	4	597,605	177,131	—	—	638,599	495,864	143,981	55,262,417	12,701,367	50,678	2,032,261	**72,099,903**
Interim Bonus Paid		425	42	—	—	—	—	—	—	—	—	—	**467**
Change in valuation of liability in respect of life policies		3,904,886	429,128	24,395	56,101	66,179	958,392	(15,533)	104,644,851	106,163,465	902,693	11,983,732	229,118,289
Total (C)		**4,502,916**	**606,301**	**24,395**	**56,101**	**704,778**	**1,454,256**	**128,448**	**159,907,268**	**118,864,832**	**953,371**	**14,015,993**	**301,218,659**
Surplus/(Deficit) (D) = (A)-(B)-(C)		**(230,861)**	**166,090**	**—**	**29**	**374,286**	**101,592**	**—**	**9,590,518**	**2,975,348**	**—**	**—**	**12,977,002**
Appropriations													
Transfer to Shareholders' account		95,306	30,049	—	29	374,286	101,592	—	7,224,912	—	—	—	**7,826,174**
Balance being funds for future appropriations		(326,167)	136,041	—	—	—	—	—	2,365,606	2,975,348	—	—	**5,150,828**
Total (D)		**(230,861)**	**166,090**	**—**	**29**	**374,286**	**101,592**	**—**	**9,590,518**	**2,975,348**	**—**	**—**	**12,977,002**
Funds for Future Appropriation													
Opening Balance as at April 1, 2009		1,259,163	323,563	—	—	—	—	—	4,085,702	1,504,909	—	—	**7,173,337**
Add: Current year appropriations		(326,167)	136,041	—	—	—	—	—	2,365,606	2,975,348	—	—	**5,150,828**
Balance Carried forward to Balance Sheet		**932,996**	**459,604**	**—**	**—**	**—**	**—**	**—**	**6,451,308**	**4,480,257**	**—**	**—**	**12,324,165**
Significant Accounting Policies & Notes to Accounts	16												

Details of Total Surplus	Par Life	Par Pension	Par Group Life	Par Group Pension
(a) Interim bonuses paid	425	42	—	—
(b) Allocation of bonus to policyholders'	857,326	270,401	1,896	4,534
(c) Surplus shown in the Revenue Account	(230,861)	166,090	—	29
Total Surplus	**626,890**	**436,533**	**1,896**	**4,563**

As required by Section 40-B(4) of the Insurance Act, 1938 we certify that all expenses of Management in respect of life insurance business in India incurred by the Company have been fully debited to the Policyholder's Revenue Account as expenses.

Schedules referred to herein form an integral part of the Policyholders' Revenue Account.

As per our report of even date attached

For and on behalf of the Board of Directors

For WALKER, CHANDIOK & CO
Chartered Accountants
Firm Registration No. 001076N

For B S R & CO.
Chartered Accountants
Firm Registration No. 101248W

AVIJIT CHATTERJEE
Appointed Actuary

PUNEET NANDA
Executive Vice President

CHANDA D. KOCHHAR
Chairperson

KEKI DADISETH
Director

K. RAMKUMAR
Director

KHUSHROO B. PANTHAKY
Partner
Membership No. F-42423

AKEEL MASTER
Partner
Membership No. 046768

SANAULLA KHAN
Company Secretary

V. VAIDYANATHAN
Managing Director & CEO

Mumbai, April 22, 2010

for the year ended March 31, 2009 — *Continued*

Form A-RA
Name of the Insurer: ICICI Prudential Life Insurance Company Limited
Registration No. and Date of Registration with the IRDA : Regn. No. 105 dated 24.11.2000

(Rs. in 000's)

Policyholders' Account (Technical Account)

Particulars	Schedule	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Premiums earned – net											
(a) Premium	1	3,631,213	473,182	1,995,922	1,521,027	907,778	78,667,938	53,674,372	445,146	12,245,630	153,562,208
(b) Reinsurance ceded		(1,690)	(43)	(197,902)	—	(113,106)	(42,637)	(674)	(10,915)	(13,305)	(380,272)
Income from Investments											
(a) Interest, Dividend & Rent - Gross		955,049	269,048	350,259	424,502	26,285	5,600,370	2,225,358	1,960	1,588,519	11,441,350
(b) Profit on sale/redemption of investments		124,825	34,493	60,179	335,086	6,317	11,771,146	2,768,356	1,158	688,727	15,790,287
(c) Loss on sale/redemption of investments		(151,533)	(30,358)	(621)	(63,611)	(1,592)	(22,842,184)	(9,006,056)	(347)	(840,438)	(32,936,740)
(d) Unrealised gain/(loss)		—	—	—	—	—	(40,924,861)	(14,483,619)	5,740	(379,384)	(55,782,124)
(e) Appropriation/Expropriation Adjustment Account		—	—	—	—	—	(14,420)	38,601	176	(8,350)	16,007
Other income:											
Contribution from the Shareholders' account		—	—	40,072	64,410	544,089	5,647,655	2,927,194	189,159	73,109	9,485,688
Fees and charges		2,610	—	89	—	—	15,610	1,105	—	—	19,414
Misc. income		183	—	235	6	212	12,514	4,596	160	782	18,688
Total (A)		4,560,657	746,322	2,248,233	2,281,420	1,369,983	37,891,131	38,149,233	632,237	13,355,290	101,234,506
Commission	2	209,951	7,595	212,727	581	184,508	4,132,329	2,189,943	62,104	157	6,999,895
Operating expenses related to Insurance business	3	546,512	30,984	1,066,768	5,068	1,118,202	16,998,787	7,224,697	232,865	182,061	27,405,944
Provision for taxation (Fringe benefit tax)		5,540	587	2,051	13	1,785	143,540	57,380	484	—	211,380
Total (B)		762,003	39,166	1,281,546	5,662	1,304,495	21,274,656	9,472,020	295,453	182,218	34,617,219
Benefits paid (Net)	4	454,948	192,753	410,644	408,970	116,990	12,988,759	2,049,332	438	5,442,748	22,065,582
Interim Bonus Paid		425	94	—	—	—	—	—	—	—	519
Change in valuation of liability in respect of life policies		3,065,741	452,808	364,277	1,765,584	(51,502)	2,846,931	25,911,407	336,346	7,730,324	42,421,916
Total (C)		3,521,114	645,655	774,921	2,174,554	65,488	15,835,690	27,960,739	336,784	13,173,072	64,488,017
Surplus/ (Deficit) (D) =(A)–(B)–(C)		277,540	61,501	191,766	101,204	—	780,785	716,474	—	—	2,129,270
Appropriations											
Transfer to Shareholders' account		31,656	9,814	191,766	101,204	—			—	—	334,440
Balance being funds for future appropriations		245,884	51,687	—	—	—	780,785	716,474	—	—	1,794,830
Total (D)		277,540	61,501	191,766	101,204	—	780,785	716,474	—	—	2,129,270
Funds for Future Appropriation											
Opening Balance as at April 1, 2008		1,013,279	271,876	—	—	—	3,304,917	788,435	—	—	5,378,507
Add: Current year appropriations		245,884	51,687	—	—	—	780,785	716,474	—	—	1,794,830
Balance Carried forward to Balance Sheet		1,259,163	323,563	—	—	—	4,085,702	1,504,909	—	—	7,173,337
Significant Accounting Policies & Notes to Accounts	16										

Details of Total Surplus	ParLife	Par Pension
(a) Interim bonuses paid	425	94
(b) Allocation of bonus to policyholders'	284,475	88,236
(c) Surplus shown in the Revenue Account	277,540	61,501
Total Surplus	562,440	149,831

As required by Section 40-B(4) of the Insurance Act, 1938 we certify that all expenses of Management in respect of life insurance business in India incurred by the Company have been fully debited to the Policyholder's Revenue

Schedules referred to herein form an integral part of the Policyholders' Revenue Account.

As per our report of even date attached

For WALKER, CHANDIOK & CO
Chartered Accountants
Firm Registration No. 001076N

KHUSHROO B. PANTHAKY
Partner
Membership No. F-42423

For B S R & CO.
Chartered Accountants
Firm Registration No. 101248W

AKEEL MASTER
Partner
Membership No. 046768

AVIJIT CHATTERJEE
Appointed Actuary

SANAULLA KHAN
Company Secretary

PUNEET NANDA
Executive Vice President

For and on behalf of the Board of Directors

CHANDA D. KOCHHAR
Chairperson

KEKI DADISETH
Director

K. RAMKUMAR
Director

V. VAIDYANATHAN
Managing Director & CEO

Mumbai, April 22, 2010

ICICI PRUDENTIAL LIFE INSURANCE

for the year ended March 31, 2010 as at March 31, 2010

Form A-PL
Name of the Insurer: ICICI Prudential Life Insurance Company Limited
Registration No. and Date of Registration with the IRDA : Regn. No. 105 dated 24.11.2000

(Rs. in 000's)

Particulars	Schedule	March 31, 2010	March 31, 2009
Shareholders' Account (Non-Technical Account)			
Amounts transferred from Policyholders' account (Technical account)		2,571,204	334,440
Income from investments			
(a) Interest, Dividend & Rent–Gross		223,290	256,924
(b) Profit on sale/redemption of investments		94,047	120,860
(c) Loss on sale/redemption of investments		(4,937)	(25,060)
Other income		—	—
Total (A)		2,883,604	687,164
Expenses other than those directly related to the insurance business	3A	78,309	8,472
Bad debts written-off		—	—
Amounts transferred to Policyholders' account (Technical account)		—	9,485,688
Provisions (other than taxation)			
(a) For diminition in value of investments (net)		—	—
(b) Provision for doubtful debts		—	—
Total (B)		78,309	9,494,160
Profit/(Loss) before Tax		2,805,295	(8,806,996)
Provision for Taxation			
– Deferred tax (Refer note 3.14 of Schedule 16)		(225,610)	1,010,000
Profit/(Loss) after Tax		2,579,685	(7,796,996)
APPROPRIATIONS			
(a) Balance at the beginning of the year		(37,764,603)	(29,967,607)
(b) Interim dividends paid during the year		—	—
(c) Proposed final dividend		—	—
(d) Dividend distribution tax		—	—
(e) Transfer to reserves/other accounts		—	—
Profit/(loss) carried to Balance Sheet		(35,184,918)	(37,764,603)
Significant Accounting Policies & Notes to Accounts	16		
Earnings per equity share (Refer note 3.24 of Schedule 16)			
Basic earnings per equity share (Rs.)		1.81	(5.50)
Diluted earnings per equity share (Rs.)		1.80	(5.50)
Nominal value per equity share (Rs.)		10.00	10.00

Schedules referred to herein form an integral part of the Shareholders' Account.

(Rs. in 000's)

Particulars	Schedule	March 31, 2010	March 31, 2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS :			
Share capital	5	14,281,429	14,272,573
Share application money		1,067	2,282
Employees stock option outstanding		897	8,495
Reserve and surplus	6	33,588,365	33,529,185
Fair Value Change Account – Net		(9,604)	(1,461)
Sub-Total		47,862,154	47,811,074
Borrowings	7	—	—
Policyholders' Funds :			
Fair Value Change Account – Net		2,493,446	213,161
Revaluation reserve – Investment Property		668,879	316,319
Policy liabilities		35,893,280	29,987,086
Provision for linked liabilities		503,761,001	280,548,906
Sub-Total		542,816,606	311,065,472
Funds for Future Appropriations			
– Linked (Refer note 3.25 of Schedule 16)		10,931,565	5,590,611
– Non linked		1,392,600	1,582,726
Total		603,002,925	366,049,883
APPLICATION OF FUNDS			
Investments			
– Shareholders'	8	12,850,338	6,620,077
– Policyholders'	8A	44,565,701	34,164,141
Asset held to cover linked liabilities	8B	514,692,566	286,139,517
Loans	9	116,048	196,046
Fixed assets	10	2,634,004	3,312,117
Deferred tax asset (Refer note 3.14 of Schedule 16)		2,955,164	3,180,774
Current assets			
– Cash and Bank balances	11	3,054,023	3,558,761
– Advances and Other assets	12	2,966,016	3,615,504
Sub-Total (A)		6,020,039	7,174,265
Current liabilities	13	15,717,018	11,303,713
Provisions	14	298,835	1,197,944
Sub-Total (B)		16,015,853	12,501,657
Net Current Assets (C) = (A–B)		(9,995,814)	(5,327,392)
Miscellaneous expenditure (to the extent not written-off or adjusted)	15	—	—
Debit Balance in Profit & Loss Account (Shareholders' account)		35,184,918	37,764,603
Total		603,002,925	366,049,883
Significant Accounting Policies & Notes to Accounts	16		

Schedules referred to herein form an integral part of the Balance Sheet

As per our report of even date attached

For and on behalf of the Board of Directors

For WALKER, CHANDIOK & CO
Chartered Accountants
Firm Registration No. 001076N

For B S R & CO.
Chartered Accountants
Firm Registration No. 101248W

AVIJIT CHATTERJEE
Appointed Actuary

PUNEET NANDA
Executive Vice President

CHANDA D. KOCHHAR
Chairperson

KEKI DADISETH
Director

K. RAMKUMAR
Director

KHUSHROO B. PANTHAKY
Partner
Membership No. F-42423

AKEEL MASTER
Partner
Membership No. 046768

SANAULLA KHAN
Company Secretary

V. VAIDYANATHAN
Managing Director & CEO

Mumbai, April 22, 2010

forming part of the financial statements

(Rs. in 000's)

SCHEDULE – 1
PREMIUM

For the year ended March 31, 2010

Particulars	Par Life	Par Pension	Par Group Life	Par Group Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
First year premiums	419,004	2,116	22,500	51,567	324,389	—	160,732	15,011,190	33,850,714	1,150,342	9,592,520	60,585,074
Renewal premiums	3,226,863	440,937	—	—	513,609	—	329,833	57,213,261	40,013,407	240,842	—	101,978,752
Single premiums	—	—	—	—	784,184	839,225	—	721,194	410,333	—	—	2,754,936
Total Premium	**3,645,867**	**443,053**	**22,500**	**51,567**	**1,622,182**	**839,225**	**490,565**	**72,945,645**	**74,274,454**	**1,391,184**	**9,592,520**	**165,318,762**
Premium Income from business written : In India	**3,645,867**	**443,053**	**22,500**	**51,567**	**1,622,182**	**839,225**	**490,565**	**72,945,645**	**74,274,454**	**1,391,184**	**9,592,520**	**165,318,76**
Total Premium	**3,645,867**	**443,053**	**22,500**	**51,567**	**1,622,182**	**839,225**	**490,565**	**72,945,645**	**74,274,454**	**1,391,184**	**9,592,520**	**165,318,762**

For the year ended March 31, 2009

Particulars	*Par Life*	*Par Pension*	*Par Group Life*	*Par Group Pension*	*Non Par*	*Annuity Non Par*	*Health*	*Linked Life*	*Linked Pension*	*Linked Health*	*Linked Group*	*Total*
First year premiums	*463,185*	*2,202*	—	—	*747,883*	—	*612,924*	*20,608,416*	*28,327,840*	*445,146*	*12,245,630*	*63,453,226*
Renewal premiums	*3,168,028*	*470,980*	—	—	*432,150*	—	*294,854*	*56,487,484*	*24,590,368*	—	—	*85,443,864*
Single premiums	—	—	—	—	*815,889*	*1,521,027*	—	*1,572,038*	*756,164*	—	—	*4,665,118*
Total Premium	*3,631,213*	*473,182*	—	—	*1,995,922*	*1,521,027*	*907,778*	*78,667,938*	*53,674,372*	*445,146*	*12,245,630*	*153,562,208*
Premium Income from business written : In India	*3,631,213*	*473,182*	—	—	*1,995,922*	*1,521,027*	*907,778*	*78,667,938*	*53,674,372*	*445,146*	*12,245,630*	*153,562,208*
Total Premium	*3,631,213*	*473,182*	—	—	*1,995,922*	*1,521,027*	*907,778*	*78,667,938*	*53,674,372*	*445,146*	*12,245,630*	*153,562,208*

SCHEDULE – 2
COMMISSION EXPENSES

For the year ended March 31, 2010

Particulars	Par Life	Par Pension	Par Group Life	Par Group Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Commission *												
Direct – First year premiums	114,088	133	—	—	95,282	—	63,876	1,863,138	2,135,776	158,154	76	4,430,523
– Renewal premiums	95,092	8,116	—	—	18,921	—	14,356	1,006,705	433,854	8,581	—	1,585,625
– Single premiums	—	—	—	—	254	356	—	6,325	6,595	—	—	13,530
Total	**209,180**	**8,249**	**—**	**—**	**114,457**	**356**	**78,232**	**2,876,168**	**2,576,225**	**166,735**	**76**	**6,029,678**
Add: Commission on re-insurance accepted	—	—	—	—	—	—	—	—	—	—	—	—
Less: Commission on re-insurance ceded	—	—	—	—	—	—	—	—	—	—	—	—
Net Commission	**209,180**	**8,249**	**—**	**—**	**114,457**	**356**	**78,232**	**2,876,168**	**2,576,225**	**166,735**	**76**	**6,029,678**
Break-up of the expenses (Gross) incurred to procure business												
Tied Agency	154,724	6,304	—	—	79,906	66	37,441	1,427,503	1,303,055	128,238	76	3,137,313
Corporate Agency	38,397	1,632	—	—	17,738	170	10,093	1,047,321	954,422	17,582	—	2,087,355
Brokers	11,517	15	—	—	1,829	63	1,756	263,203	204,651	5,266	—	488,300
Referral	4,542	298	—	—	14,984	57	28,942	138,141	114,097	15,649	—	316,710
Total Commission	**209,180**	**8,249**	**—**	**—**	**114,457**	**356**	**78,232**	**2,876,168**	**2,576,225**	**166,735**	**76**	**6,029,678**

* Commission includes referral payments

For the year ended March 31, 2009 (Rs. in 000's)

Particulars	*Par Life*	*Par Pension*	*Par Group Life*	*Par Group Pension*	*Non Par*	*Annuity Non Par*	*Health*	*Linked Life*	*Linked Pension*	*Linked Health*	*Linked Group*	*Total*
Commission *												
Direct – First year premiums	*113,944*	*159*	—	—	*197,371*	—	*171,561*	*2,667,757*	*1,886,016*	*62,104*	*157*	*5,099,069*
– Renewal premiums	*96,007*	*7,436*	—	—	*13,577*	—	*12,947*	*1,439,639*	*289,848*	—	—	*1,859,454*
– Single premiums	—	—	—	—	*1,779*	*581*	—	*24,933*	*14,079*	—	—	*41,372*
Total	*209,951*	*7,595*	—	—	*212,727*	*581*	*184,508*	*4,132,329*	*2,189,943*	*62,104*	*157*	*6,999,895*
Add; Commission on re-insurance accepted	—	—	—	—	—	—	—	—	—	—	—	—
Less: Commission on re-insurance ceded	—	—	—	—	—	—	—	—	—	—	—	—
Net Commission	*209,951*	*7,595*	—	—	*212,727*	*581*	*184,508*	*4,132,329*	*2,189,943*	*62,104*	*157*	*6,999,895*
Break-up of the expenses (Gross) incurred to procure business												
Tied Agency	*162,799*	*5,886*	—	—	*129,934*	*353*	*100,481*	*2,484,676*	*1,186,409*	*51,926*	*157*	*4,122,621*
Corporate Agency	*28,174*	*1,290*	—	—	*39,772*	*89*	*44,379*	*1,306,345*	*780,599*	*5,857*	—	*2,206,505*
Brokers	*2,981*	*12*	—	—	*1,411*	*6*	*1,820*	*98,719*	*58,097*	*1,729*	—	*164,775*
Referral	*15,997*	*407*	—	—	*41,610*	*133*	*37,828*	*242,589*	*164,838*	*2,592*	—	*505,994*
Total Commission	*209,951*	*7,595*	—	—	*212,727*	*581*	*184,508*	*4,132,329*	*2,189,943*	*62,104*	*157*	*6,999,895*

* Commission includes referral payments

(Rs. in 000's)

SCHEDULE – 3
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

For the year ended March 31, 2010

Particulars	Par Life	Par Pension	Par Group Life	Par Group Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Employees' remuneration and welfare benefits	194,203	5,304	133	212	235,619	1,381	137,206	3,444,726	4,620,701	566,227	71,638	**9,277,350**
Travel, conveyance and vehicle running expenses	9,173	264	—	—	12,507	49	6,597	176,772	267,016	26,992	12,817	**512,187**
Rents, rates and taxes	42,757	28	1	—	55,039	108	24,917	1,227,526	598,675	93,224	8,303	**2,050,578**
Repairs	16,260	341	—	—	18,324	45	8,472	348,939	231,559	28,518	2,554	**655,012**
Printing and stationery	12,083	713	—	—	21,477	49	6,782	125,642	61,447	8,793	90,806	**327,792**
Communication expenses	46,251	3,370	2	—	44,073	91	24,151	601,059	347,186	36,662	2,345	**1,105,190**
Legal and professional charges	23,384	1,464	—	—	16,631	505	9,236	325,389	388,549	19,819	5,500	**790,477**
Medical fees	3,308	35	—	—	14,712	—	4,053	46,038	5,125	20,186	—	**93,457**
Auditors' fees:												
(a) as auditor	423	16	—	—	476	2	228	4,378	2,279	333	—	**8,135**
(b) as advisor or in any other capacity, in respect of Taxation matters	13	1	—	—	7	—	4	119	74	4	—	**222**
(c) others	15	2	—	—	9	—	5	137	85	4	—	**257**
Advertisement and publicity	5,919	29	—	—	9,404	38	3,521	302,835	495,432	20,890	574	**838,642**
Interest and bank charges	6,799	900	—	—	3,355	3,163	892	132,107	124,470	2,909	18,626	**293,221**
Agents training, recruitment and incentives	22,534	53	—	—	15,754	45	6,850	599,142	1,244,874	48,593	3,855	**1,941,700**
Depreciation	12,938	97	—	—	14,947	29	6,639	290,625	241,547	25,697	4,364	**596,883**
Service tax on premium absorbed	—	—	—	—	—	—	—	—	—	—	—	**—**
Information technology cost	14,831	888	—	—	15,310	56	7,824	152,726	72,076	9,299	—	**273,010**
Administration support expenses	36,004	109	—	—	69,465	120	13,630	1,147,489	1,783,381	84,452	58,693	**3,193,343**
Office running expenses	13,259	275	—	—	15,340	38	6,957	303,143	163,272	22,746	1,301	**526,331**
Data entry related expenses	14,732	798	—	—	16,000	68	7,725	166,618	106,228	10,904	1,588	**324,661**
Unit fund expenses	—	—	—	—	—	—	—	1,332,828	854,206	67,976	(6,108)	**2,248,902**
Others	11,325	318	—	—	34,541	151	17,720	281,997	242,513	19,932	25,686	**634,183**
Total	**486,211**	**15,005**	**136**	**212**	**612,990**	**5,938**	**293,409**	**11,010,235**	**11,850,695**	**1,114,160**	**302,542**	**25,691,533**

For the year ended March 31, 2009

Particulars	*Par Life*	*Par Pension*	*Par Group Life*	*Par Group Pension*	*Non Par*	*Annuity Non Par*	*Health*	*Linked Life*	*Linked Pension*	*Linked Health*	*Linked Group*	*Total*
Employees' remuneration and welfare benefits	*202,297*	*9,345*	—	—	*338,698*	*2,097*	*645,885*	*6,573,552*	*3,027,809*	*89,977*	*20,875*	*10,910,535*
Travel, conveyance and vehicle running expenses	*17,511*	*1,271*	—	—	*18,470*	*178*	*37,698*	*529,250*	*244,801*	*7,239*	*14,503*	*870,921*
Rents, rates and taxes	*58,827*	*3,154*	—	—	*98,346*	*510*	*55,594*	*1,770,713*	*788,802*	*25,644*	—	*2,801,590*
Repairs	*25,488*	*3,959*	—	—	*26,992*	*121*	*16,235*	*486,476*	*207,808*	*6,106*	—	*773,185*
Printing and stationery	*20,025*	*1,505*	—	—	*32,864*	*73*	*22,352*	*239,493*	*80,544*	*4,562*	*110,967*	*512,385*
Communication expenses	*50,745*	*3,885*	—	—	*96,789*	*301*	*53,616*	*740,552*	*287,778*	*13,224*	*1,101*	*1,247,991*
Legal and professional charges	*11,866*	*1,177*	—	—	*7,646*	*110*	*34,766*	*332,477*	*142,156*	*4,405*	*3,441*	*538,044*
Medical fees	*1,873*	*12*	—	—	*23,507*	*6*	*17,678*	*35,733*	*3,431*	*11,466*	—	*93,706*
Auditors' fees:												—
(a) as auditor	*217*	*26*	—	—	*60*	—	*47*	*5,442*	*1,972*	*27*	—	*7,791*
(b) as advisor or in any other capacity, in respect of Taxation matters	*4*	*1*	—	—	*1*	—	*1*	*108*	*39*	*1*	—	*155*
(c) others	—	—	—	—	—	—	—	—	—	—	—	—
Advertisement and publicity	*13,707*	*960*	—	—	*41,546*	*115*	*17,216*	*817,847*	*218,751*	*5,709*	*1,193*	*1,117,044*
Interest and bank charges	*14,532*	*271*	—	—	*40,505*	*318*	*25,282*	*185,816*	*44,977*	*5,454*	*1,715*	*318,870*
Agents training, recruitment and incentives	*20,152*	*14*	—	—	*24,750*	*317*	*31,551*	*1,046,565*	*495,496*	*17,495*	*2*	*1,636,342*
Depreciation	*22,805*	*2,515*	—	—	*20,759*	*101*	*12,753*	*346,844*	*143,576*	*4,672*	*65*	*554,090*
Service tax on premium absorbed	*353*	*19*	—	—	*589*	*3*	*333*	—	—	—	—	*1,297*
Information technology cost	*14,563*	*1,133*	—	—	*41,682*	*107*	*15,949*	*138,749*	*49,636*	*2,657*	—	*264,476*
Administration support expenses	*23,866*	*50*	—	—	*189,375*	*223*	*29,796*	*1,358,973*	*593,051*	*6,403*	—	*2,201,737*
Office running expenses	*19,739*	*1,159*	—	—	*454*	*129*	*20,190*	*479,974*	*202,414*	*6,168*	*1*	*730,228*
Data entry related expenses	*17,731*	*144*	—	—	*50,615*	*119*	*36,039*	*263,048*	*73,066*	*5,808*	*1,505*	*448,075*
Unit fund expenses	—	—	—	—	—			*1,127,351*	*415,658*	*12,545*	*(35,800)*	*1,519,754*
Others	*10,211*	*384*	—	—	*13,120*	*240*	*45,221*	*519,824*	*202,932*	*3,303*	*62,493*	*857,728*
Total	**546,512**	**30,984**	**—**	**—**	**1,066,768**	**5,068**	**1,118,202**	**16,998,787**	**7,224,697**	**232,865**	**182,061**	**27,405,944**

SCHEDULE – 3A
EXPENSES OTHER THAN THOSE DIRECTLY RELATED TO THE INSURANCE BUSINESS

Particulars	**March 31, 2010**	*March 31, 2009*
Employees' remuneration and welfare benefits	**77,714**	*361*
Travel, conveyance and vehicle running expenses	**9**	*39*
Legal and professional charges	**109**	*31*
Sales promotion	**—**	—
Loss on sale/write off of Fixed Assets (Net)	**—**	—
Printing and stationery	**—**	—
Communication expenses	**7**	*7*
Interest and bank charges	**333**	*215*
Depreciation	**1**	*12*
Information technology cost	**—**	—
Others	**136**	*7,807*
Total	**78,309**	*8,472*

(Rs. in 000's)

SCHEDULE – 4
BENEFITS PAID [NET]

For the year ended March 31, 2010

Particulars	Par Life	Par Pension	Par Group Life	Par Group Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
1. Insurance claims												
(a) Claims by death	63,770	9,729	—	—	467,399	10,563	—	1,304,287	631,342	239	47,113	**2,534,442**
(b) Claims by maturity	—	68,059	—	—	81,993	—	—	—	—	—	—	**150,052**
(c) Annuities/Pension payment	—	—	—	—	—	485,301	—	—	—	—	—	**485,301**
(d) Other benefits			—	—								
— Surrender	137,823	98,680	—	—	170,396	—	—	53,884,408	12,062,222	—	1,984,548	**68,338,077**
— Survival	381,917	—	—	—	—	—	—	—	—	—	—	**381,917**
— Rider	14,095	663	—	—	30,910	—	—	78,863	7,803	645	—	**132,979**
— Health	—	—	—	—	33,447	—	262,459	—	—	75,407	—	**371,313**
Sub Total (A)	**597,605**	**177,131**	**—**	**—**	**784,145**	**495,864**	**262,459**	**55,267,558**	**12,701,367**	**76,291**	**2,031,661**	**72,394,081**
2. Amount ceded in reinsurance												
(a) Claims by death	—	—	—	—	(145,546)	—	—	(5,141)	—	—	600	(150,087)
(b) Claims by maturity	—	—	—	—	—	—	—	—	—	—	—	—
(c) Annuities/Pension payment	—	—	—	—	—	—	—	—	—	—	—	—
(d) Other benefits			—	—								
— Surrender	—	—	—	—	—	—	—	—	—	—	—	—
— Survival	—	—	—	—	—	—	—	—	—	—	—	—
— Rider	—	—	—	—	—	—	—	—	—	—	—	—
— Health	—	—	—	—	—	—	(118,478)	—	—	(25,613)	—	(144,091)
Sub Total (B)	**—**	**—**	**—**	**—**	**(145,546)**	**—**	**(118,478)**	**(5,141)**	**—**	**(25,613)**	**600**	**(294,178)**
Total (A) + (B)	**597,605**	**177,131**	**—**	**—**	**638,599**	**495,864**	**143,981**	**55,262,417**	**12,701,367**	**50,678**	**2,032,261**	**72,099,903**
Benefits paid to claimants: In India	**597,605**	**177,131**	**—**	**—**	**784,145**	**495,864**	**262,459**	**55,267,558**	**12,701,367**	**76,291**	**2,031,661**	**72,394,081**
Total	**597,605**	**177,131**	**—**	**—**	**784,145**	**495,864**	**262,459**	**55,267,558**	**12,701,367**	**76,291**	**2,031,661**	**72,394,081**

For the year ended March 31, 2009

Particulars	*Par Life*	*Par Pension*	*Par Group Life*	*Par Group Pension*	*Non Par*	*Annuity Non Par*	*Health*	*Linked Life*	*Linked Pension*	*Linked Health*	*Linked Group*	*Total*
1. Insurance claims												
(a) Claims by death	*64,516*	*10,438*	—	—	*318,204*	*9,008*	—	*753,110*	*157,990*	*308*	*54,982*	*1,368,556*
(b) Claims by maturity	—	*102,761*	—	—	*66,530*	—	—	—	—	—	—	*169,291*
(c) Annuities/Pension payment	—	—	—	—	—	*399,962*	—	—	—	—	—	*399,962*
(d) Other benefits			—	—								
— Surrender	*102,281*	*79,100*	—	—	*88,991*	—	—	*12,192,580*	*1,888,020*	—	*5,393,129*	*19,744,101*
— Survival	*274,008*	—	—	—	*2,146*	—	—	—	—	—	—	*276,154*
— Rider	*14,143*	*454*	—	—	*15,522*	—	—	*64,275*	*3,322*	—	—	*97,716*
— Health	—	—	—	—	*19,565*	—	*187,443*	—	—	*130*	—	*207,138*
Sub Total (A)	*454,948*	*192,753*	—	—	*510,958*	*408,97—*	*187,443*	*13,009,965*	*2,049,332*	*438*	*5,448,111*	*22,262,918*
2. Amount ceded in reinsurance												
(a) Claims by death	—	—	—	—	*(100,314)*	—	—	*(21,206)*	—	—	*(5,363)*	*(126,883)*
(b) Claims by maturity	—	—	—	—	—	—	—	—	—	—	—	—
(c) Annuities/Pension payment	—	—	—	—	—	—	—	—	—	—	—	—
(d) Other benefits			—	—								
— Surrender	—	—	—	—	—	—	—	—	—	—	—	—
— Survival	—	—	—	—	—	—	—	—	—	—	—	—
— Rider	—	—	—	—	—	—	—	—	—	—	—	—
— Health	—	—	—	—	—	—	*(70,453)*	—	—	—	—	*(70,453)*
Sub Total (B)	—	—	—	—	*(100,314)*	—	*(70,453)*	*(21,206)*	—	—	*(5,363)*	*(197,336)*
Total (A) + (B)	*454,948*	*192,753*	—	—	*410,644*	*408,970*	*116,990*	*12,988,759*	*2,049,332*	*438*	*5,442,748*	*22,065,582*
Benefits paid to claimants: In India	*454,948*	*192,753*	—	—	*510,958*	*408,970*	*187,443*	*13,009,965*	*2,049,332*	*438*	*5,448,111*	*22,262,918*
Total	*454,948*	*192,753*	—	—	*510,958*	*408,970*	*187,443*	*13,009,965*	*2,049,332*	*438*	*5,448,111*	*22,262,918*

(Rs. in 000's)

SCHEDULE – 5
SHARE CAPITAL

Particulars	March 31, 2010	*March 31, 2009*
Authorised capital		
Equity shares of Rs. 10/- each	**15,000,000**	*15,000,000*
Issued, subscribed & called up capital		
Equity shares of Rs. 10/- each fully paid up	**14,281,429**	*14,272,573*
Total	**14,281,429**	*14,272,573*

Of the total share capital, 1,055,310,900 shares (Previous Year: 1,055,162,900) of Rs. 10 each are held by the holding company, ICICI Bank Limited.

SCHEDULE – 5A
PATTERN OF SHAREHOLDING
[As certified by the Management]

Shareholder	March 31, 2010		*March 31, 2009*	
	Number of Shares	% of Holding	*Number of Shares*	*% of Holding*
Promoters				
Indian (ICICI Bank Limited)	**1,055,310,900**	**73.89**	*1,055,162,900*	*73.93*
Foreign (Prudential Corporation Holdings Limited)	**370,732,884**	**25.96**	*370,732,884*	*25.97*
Others	**2,099,099**	**0.15**	*1,361,509*	*0.10*
Total	**1,428,142,883**	**100.00**	*1,427,257,293*	*100.00*

SCHEDULE – 6
RESERVES AND SURPLUS

Particulars	March 31, 2010	*March 31, 2009*
Capital reserves	—	—
Capital redemption reserve	—	—
Share premium	**33,588,365**	*33,529,185*
Revaluation reserve	—	—
General reserves	—	—
Less: Debit balance in Profit and Loss Account, if any	—	—
Less: Amount utilised for buy-back	—	—
Catastrophe reserve	—	—
Other reserves	—	—
Balance of profit in Profit and Loss Account	—	—
Total	**33,588,365**	*33,529,185*

SCHEDULE – 7
BORROWINGS

Particulars	March 31, 2010	*March 31, 2009*
Debentures/Bonds	—	—
Banks	—	—
Financial Institutions	—	—
Others	—	—
Total	—	—

SCHEDULE – 8
INVESTMENTS - SHAREHOLDERS

Particulars	March 31, 2010	*March 31, 2009*
LONG TERM INVESTMENT		
Government Securities*	**1,001,347**	*632,868*
(Market value of current year: Rs. 1,004,652 thousands) (Market value of previous year: Rs. 652,206 thousands)		
Other Approved Securities	**413,054**	*150,616*
(Market value of current year: Rs. 416,810 thousands) (Market value of previous year: Rs. 152,165 thousands)		
Other Approved Investments		
Equity	**90,396**	*1,896*
(Historic value of current year: Rs. 100,000 thousands) (Historical value of previous year: Rs. 3,357 thousands)		
Debentures/Bonds	**100,522**	*20,000*
(Market value of current year: Rs. 101,231 thousands) (Market value of previous year: Rs. 21,761 thousands)		
Investments in subsidiary	**110,000**	—
(Market value of current year: Rs. 110,000 thousands) (Market value of previous year: Rs. Nil)		
CCIL Deposit	**59,296**	*59,296*
(Market value of current year: Rs. 59,296 thousands) (Market value of previous year: Rs. 59,296 thousands)		
Investments in infrastructure/housing/social sector		
Debentures/ Bonds	**725,341**	*23,824*
(Market value of current year: Rs. 731,234 thousands) (Market value of previous year: Rs. 23,455 thousands)		
SHORT TERM INVESTMENT		
Government Securities	**6,798,057**	*4,040,751*
(Market value of current year: Rs. 6,798,283 thousands) (Market value of previous year: Rs. 4,042,892 thousands)		
Other Approved Securities	**205,249**	—
(Market value of current year: Rs. 206,972 thousands) (Market value of previous year: Rs. Nil)		
Other Approved Investments		
Fixed Deposits	**53,357**	*130,000*
(Market value of current year: Rs. 53,357 thousands) (Market value of previous year: Rs. 130,000 thousands)		
Certificate of Deposits	**2,468,645**	—
(Market value of current year: Rs. 2,468,645 thousands) (Market value of previous year: Rs. Nil)		
Commercial Papers	**499,347**	—
(Market value of current year: Rs. 499,347 thousands) (Market value of previous year: Rs. Nil)		
Reverse Repo	—	*1,108,057*
(Market value of current year: Rs. Nil) (Market value of previous year: Rs.1,108,057 thousands)		
CBLO	**299,845**	—
(Market value of current year: Rs. 299,845 thousands) (Market value of previous year: Rs. Nil)		
Mutual Fund	**829**	*246,293*
(Historical value of current year: Rs. 829 thousands) (Historical value of previous year: Rs. 246,293 thousands)		
Investments in Infrastructure/Housing/Social Sector		
Debentures/Bonds	**25,053**	*99,713*
(Market value of current year: Rs. 24,987 thousands) (Market value of previous year: Rs. 99,806 thousands)		
Certificate of Deposits	—	*47,002*
(Market value of current year: Rs. Nil) (Market value of previous year: Rs. 47,002 thousands)		
Other Investments		
Mutual Fund	—	*59,761*
(Historical value of current year: Rs. Nil) (Historical value of previous year: Rs. 59,761 thousands)		
Total	**12,850,338**	*6,620,077*
In India	**12,850,338**	*6,620,077*
Total	**12,850,338**	*6,620,077*

* Includes Rs. 100,050 thousand of securities under Section 7 of Insurance Act, 1938 (Previous year: Rs. 100,050 thousand — Refer 3.9 of Schedule 16)

(Rs. in 000's)

SCHEDULE - 8A
INVESTMENTS - POLICYHOLDERS

Particulars	March 31, 2010											
	Par Life	Par Pension	Par Group Life	Par Group Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
LONG TERM INVESTMENT												
Government Securities (Market value : Rs. 15,930,688 thousands)	7,681,187	1,953,747	—	—	501,975	4,531,961	—	1,551,411	437,037	—	7,591	**16,664,909**
Other Approved Securities (Market value : Rs. 6,007,873 thousands)	3,122,815	666,041	—	—	908,723	51,438	19,803	822,569	312,106	13,884	114,889	**6,032,268**
Other Approved Investments												
Equity (Historical value : Rs. 1,875,769 thousands)	3,077,020	1,050,087	—	—	—	—	—	—	—	—	—	**4,127,107**
Debentures/ Bonds (Market value : Rs. 3,836,438 thousands)	1,710,408	335,480	—	—	477,336	439,790	19,000	485,814	188,562	61,261	42,893	**3,760,544**
Property (Historical value : Rs. 185,521 thousands)	427,200	427,200	—	—	—	—	—	—	—	—	—	**854,400**
CCIL Deposit (Market value : Rs. 140,804 thousands)	—	—	—	—	—	—	—	101,607	35,211		3,986	**140,804**
Fixed Deposits (Market value : Rs. 50,000 thousands)	—	—	—	—	50,000	—	—	—	—	—	—	**50,000**
Investments in Infrastructure/Housing/ Social Sector												
Equity (Historical value : Rs. 33,264 thousands)	77,712	37,524	—	—	—	—	—	—	—	—	—	**115,236**
Debentures/ Bonds (Market value : Rs. 8,167,613 thousands)	2,975,809	838,324	4,253	13,706	1,353,323	1,576,647	50,152	860,420	231,556	9,452	62,948	**7,976,590**
Other Investments												
Equity (Historical value : Rs. 221,403 thousands)	381,540	—	—	—	—	—	—	—	—	—	—	**381,540**
Debentures/ Bonds (Market value : Rs. 176,025 thousands)	126,025	—	—	—	50,000	—	—	—	—	—	—	**176,025**
Venture Fund (Market value : Rs. 723,741 thousands)	725,800	—	—	—	—	—	—	—	—	—	—	**725,800**
SHORT TERM INVESTMENT												
Other Approved Securities (Market value : Rs. 57,140 thousands)	—	—	—	—	—	—	—	4,818	51,689	—	—	**56,507**
Other Approved Investments												
Debentures/ Bonds (Market value : Rs. 233,522 thousands)	—	—	—	—	—	—	—	144,257	73,094	—	13,006	**230,357**
Fixed Deposits (Market value : Rs. 447,600 thousands)	—	—	—	—	229,800	—	29,700	148,500	19,800	9,900	9,900	**447,600**
Certificate of Deposits (Market value : Rs. 1,583,098 thousands)	921,334	147,754	21,091	52,611	291,231	129,333	19,744	—	—	—	—	**1,583,098**
CBLO (Market value : Rs.18,996 thousands)	—	7,207	47	373	—	11,369	—	—	—	—	—	**18,996**
Mutual Fund (Historical value : Rs. 654,434 thousands)	204,278	—	—	—	83,499	—	7,495	216,392	50,012	1,284	91,473	**654,433**
Investments in Infrastructure/Housing/ Social Sector												
Debentures/ Bonds (Market value : Rs. 377,941 thousands)	—	—	—	—	78,267	—	3,006	181,048	98,189	—	12,497	**373,007**
Commercial Paper (Market value : Rs. 196,480 thousands)	—	—	—	—	—	—	—	—	—	—	196,480	**196,480**
Total	**21,431,128**	**5,463,364**	**25,391**	**66,690**	**4,024,154**	**6,740,538**	**148,900**	**4,516,836**	**1,497,256**	**95,781**	**555,663**	**44,565,701**
In India	21,431,128	5,463,364	25,391	66,690	4,024,154	6,740,538	148,900	4,516,836	1,497,256	95,781	555,663	**44,565,701**
Total	**21,431,128**	**5,463,364**	**25,391**	**66,690**	**4,024,154**	**6,740,538**	**148,900**	**4,516,836**	**1,497,256**	**95,781**	**555,663**	**44,565,701**

(Rs. in 000's)

SCHEDULE - 8A
INVESTMENTS - POLICYHOLDERS

Particulars	March 31, 2009											
	Par Life	Par Pension	Par Group Life	Par Group Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
LONG TERM INVESTMENT												
Government Securities (Market Value: Rs. 9,834,585 thousands)	5,168,867	1,289,918	—	—	278,387	2,201,431	—	606,521	246,895	—	—	9,792,019
Other Approved Securities (Market Value: Rs. 7,254,811 thousands)	3,397,336	815,488	—	—	962,101	1,399,330	19,701	286,352	94,496	—	1,388	6,976,192
Other Approved Investments												
Equity (Historical Value: Rs. 1,860,286 thousands)	1,523,602	540,165	—	—	—	—	—	—	—	—	—	2,063,767
Preference Shares (Market Value: Rs. 993 thousands)	—	2,995	—	—	—	—	—	—	—	—	—	2,995
Debentures/Bonds (Market Value: Rs. 2,800,978 thousands)	1,212,187	254,330	—	—	528,173	334,192	4,000	316,883	80,449	—	14,915	2,745,129
Property (Historical value : Rs. 185,521 thousands)	251,260	250,580	—	—	—	—	—	—	—	—	—	501,840
CCIL Deposit (Market Value:Rs. 1,40,805 thousands)	—	—	—	—	—	—	—	101,607	35,211	—	3,986	140,804
Fixed Deposits (Market Value: Rs. 250,100 thousands)	—	—	—	—	250,100	—	—	—	—	—	—	250,100
Investments in Infrastructure/Housing/ Social Sector												
Equities (Historical Value: Rs. 33,264 thousands)	40,389	17,383	—	—	—	—	—	—	—	—	—	57,772
Debentures/Bonds (Market Value: Rs. 6,940,516 thousands)	2,530,553	879,471	—	—	1,175,318	1,539,539	72,185	467,894	183,710	—	13,992	6,862,662
Other Investments												
Equity (Historical Value: Rs. 225,915 thousands)	211,088	—	—	—	—	—	—	—	—	—	—	211,088
Debentures/Bonds (Market Value: Rs. 176,630 thousands)	126,630	—	—	—	50,000	—	—	—	—	—	—	176,630
Venture Fund (Market Value: Rs. 724,550 thousands)	725,800	—	—	—	—	—	—	—	—	—	—	725,800
SHORT TERM INVESTMENT												
Government Securities (Market Value: Rs. 903,304 thousands)	250,023	—	—	—	250,130	—	—	209,601	186,593	—	—	896,347
Other Approved Investments												
Debentures/Bonds (Market Value: Rs. 181,523 thousands)	—	—	—	—	66,166	—	—	100,942	15,008	—	—	182,116
Fixed Deposits (Market Value: Rs. 595,000 thousands)	—	—	—	—	170,000	—	—	215,000	205,000	—	5,000	595,000
Reverse Repo (Market Value: Rs. 240,282 thousands)	—	95,717	—	—	—	144,565	—	—	—	—	—	240,282
Mutual Fund (Historical Value: Rs. 1,011,328 thousands)	64,635	—	—	—	674,612	—	9,084	92,852	27,327	50,676	92,141	1,011,327
Investments in Infrastructure/Housing/ Social Sector												
Debentures/Bonds (Market Value: Rs. 440,741 thousands)	108,531	—	—	—	120,354	—	5,984	178,722	23,592	—	2,713	439,896
Certificate of Deposits (Market Value: Rs. 47,002 thousands)	—	—	—	—	47,002	—	—	—	—	—	—	47,002
Other Investments												
Mutual Fund (Historical Value: Rs. 245,372 thousands)	15,682	—	—	—	163,680	—	2,204	22,527	6,628	12,296	22,356	245,373
Total	15,626,583	4,146,047	—	—	4,736,023	5,619,057	113,158	2,598,901	1,104,909	62,972	156,491	34,164,141
In India	15,626,583	4,146,047	—	—	4,736,023	5,619,057	113,158	2,598,901	1,104,909	62,972	156,491	34,164,141
Total	15,626,583	4,146,047	—	—	4,736,023	5,619,057	113,158	2,598,901	1,104,909	62,972	156,491	34,164,141

(Rs. in 000's)

SCHEDULE— 8B
ASSETS HELD TO COVER LINKED LIABILITIES

Particulars	March 31, 2010				
	Linked Life Funds	Linked Pension Funds	Linked Health Funds	Linked Group Funds	Total
LONG TERM INVESTMENTS					
Government Securities (Historic value: Rs. 428,929 thousands)	407,685	8,378	—	13,858	**429,921**
Other Approved Securities (Historic value: Rs. 326,904 thousands)	119,953	205,228	—	2,491	**327,672**
Other Approved Investments					
Equity (Historic value: Rs. 223,319,342 thousands)	185,690,858	117,677,585	510,751	3,857,132	**307,736,326**
Debentures/ Bonds (Historic value: Rs. 28,005,813 thousands)	12,137,900	9,954,626	117,304	6,422,561	**28,632,391**
Fixed Deposit (Historic value: Rs. 1,300,009 thousands)	324,001	578,341	38,286	359,381	**1,300,009**
Investments in Infrastructure/Housing/Social Sector					
Equity (Historic value: Rs. 19,447,974 thousands)	12,346,778	10,150,711	73,028	352,468	**22,922,985**
Debenture/ Bonds (Historic value: Rs. 32,894,504 thousands)	14,603,436	11,193,202	95,065	7,532,899	**33,424,602**
Other Investments					
Equity (Historic value: Rs. 40,095,143 thousands)	25,932,401	17,470,460	110,021	463,483	**43,976,365**
Debentures/ Bonds (Historic value: Rs. 273,013 thousands)	104,468	79,106	151	92,893	**276,618**
Venture Fund (Historic value: Rs. 22,200 thousands)	21,837	—	—	—	**21,837**
SHORT TERM INVESTMENTS					
Government Securities (Historic value: Rs. 2,949,784 thousands)	2,087,502	876,896	—	—	**2,964,398**
Other Approved Securities (Historic value: Rs. 8,248 thousands)	8,164	—	—	67	**8,231**
Other Approved Investments					
Debentures/ Bonds (Historic value: Rs. 1,596,494 thousands)	1,027,039	315,095	250	276,384	**1,618,768**
Certificate of Deposit (Historic value: Rs. 40,546,556 thousands)	13,491,498	16,429,302	140,979	10,675,712	**40,737,491**
Commercial Papers (Historic value: Rs. 3,662,536 thousands)	1,089,160	2,040,748	108	542,653	**3,672,669**
Fixed Deposits (Historic value: Rs. 8,550,900 thousands)	3,790,931	2,164,632	15,168	2,580,169	**8,550,900**
CBLO (Historic value: Rs. 2,573,325 thousands)	1,782,506	786,405	4,747	—	**2,573,658**
Mutual Fund (Historic value: Rs. 2,750,218 thousands)	951,450	1,528,936	10,689	259,143	**2,750,218**
Investments in Infrastructure/Housing/Social Sector					
Debentures/ Bonds (Historic value: Rs. 2,924,714 thousands)	1,557,563	871,788	16,457	634,274	**3,080,082**
Commercial Papers (Historic value: Rs. 2,729,872 thousands)	668,920	787,157	1,350	1,287,613	**2,745,040**
Other Investments					
Term Loans (Historic value: Rs. 71,600 thousands)	52,180	19,420	—	—	**71,600**
Mutual Fund (Historic value: Rs. 1,344,519 thousands)	377,519	927,448	5,598	33,954	**1,344,519**
Net Current Asset	2,380,121	1,132,148	51,092	1,962,905	**5,526,266**
Total	**280,953,870**	**195,197,612**	**1,191,044**	**37,350,040**	**514,692,566**
In India	280,953,870	195,197,612	1,191,044	37,350,040	**514,692,566**
Total	**280,953,870**	**195,197,612**	**1,191,044**	**37,350,040**	**514,692,566**

(Rs. in 000's)

SCHEDULE— 8B
ASSETS HELD TO COVER LINKED LIABILITIES

Particulars	March 31, 2009				
	Linked Life Funds	Linked Pension Funds	Linked Health Funds	Linked Group Funds	Total
LONG TERM INVESTMENTS					
Government securities (Historic value: Rs. 9,722,147 thousands)	5,413,413	2,358,705	1,798	1,625,566	9,399,482
Other Approved Securities (Historic value: Rs. 151,298 thousands)	—	—	—	150,683	150,683
Other Approved Investments					
Equity (Historic value: Rs. 156,904,986 thousands)	88,455,456	42,078,631	51,419	1,825,057	132,410,563
Preference Shares (Historic value: Rs. 298,514 thousands)	80,190	3,022	—	743	83,955
Debentures/Bonds (Historic value: Rs. 19,656,310 thousands)	8,743,113	6,258,832	84,039	5,102,175	20,188,159
Fixed Deposit (Historic value: Rs. 1.300,000 thousands)	498,961	622,235	21,316	157,488	1,300,000
Investments in Infrastructure/Housing/Social Sector					
Equity (Historic value: Rs. 6,418,787 thousands)	2,677,734	1,785,810	4,724	139,821	4,608,089
Debenture/Bonds (Historic value: Rs. 18,117,531 thousands)	8,531,494	5,517,746	67,512	4,453,875	18,570,627
Other Investments					
Equity (Historic value: Rs. 31,314,319 thousands)	13,574,207	6,841,913	8,933	280,042	20,705,095
Debentures/ Bonds (Historic value: Rs. 649,175 thousands)	263,634	65,092	—	306,565	635,291
Venture Fund (Historic value: Rs. 22,200 thousands)	21,979	—	—	—	21,979
SHORT TERM INVESTMENTS					
Government Securities (Historic value: Rs. 15,246,967 thousands)	12,344,505	2,980,923	—	—	15,325,428
Other Approved Securities (Historic value: Rs. 960 thousands)	945	—	—	—	945
Other Approved Investments					
Debentures/ Bonds (Historic value: Rs. 3,385,608 thousands)	1,589,380	978,648	—	835,888	3,403,916
Certificate of Deposit (Historic value: Rs. 14,312,324 thousands)	8,288,982	3,048,435	7,327	3,063,031	14,407,775
Commercial Papers (Historic value: Rs. Nil)	—	—	—	—	—
Fixed Deposits (Historic value: Rs. 7.275,000 thousands)	3,322,026	1,977,850	11,154	1,963,970	7,275,000
Reverse Repo (Historic value: Rs. 10,134,659 thousands)	5,408,164	4,633,207	3,435	89,853	10,134,659
CBLO (Historic value: Rs. 2,219,396 thousands)	1,419,807	799,891	—	—	2,219,698
Mutual Fund (Historic value: Rs. 6,932,956 thousands)	3,947,813	2,438,684	8,305	538,155	6,932,957
Investments in Infrastructure/Housing/Social Sector					
Debentures/ Bonds (Historic value: Rs. 4,388,674 thousands)	1,955,171	916,589	1,033	1,567,050	4,439,843
Term Loans (Historic value: Rs. 358,192 thousands)	260,921	97,108	—	—	358,029
Commercial Papers (Historic value: Rs. 1,678,729 thousands)	922,091	381,994	221	444,654	1,748,960
Certificate of Deposit (Historic value: Rs. 542,138 thousands)	170,356	14,101	608	380,616	565,681
Other Investments					
Debentures/ Bonds (Historic value: Rs. 2,016,276 thousands)	1,162,272	192,128	—	706,789	2,061,189
Mutual Fund (Historic value: Rs. 3,154,290 thousands)	1,816,403	1,156,434	6,547	174,905	3,154,289
Net Current Asset	2,706,932	1,629,952	44,758	1,655,583	6,037,225
Total	173,575,949	86,777,930	323,129	25,462,509	286,139,517
In India	173,575,949	86,777,930	323,129	25,462,509	286,139,517
Total	173,575,949	86,777,930	323,129	25,462,509	286,139,517

(Rs. in 000's)

SCHEDULE– 9
LOANS

Particulars	March 31, 2010	*March 31, 2009*
1. SECURITY-WISE CLASSIFICATION		
Secured		
(a) On mortgage of property		
(aa) In India	28,400	*143,763*
(bb) Outside India	—	—
(b) On Shares, Bonds, Govt. Securities, etc.	—	—
(c) Loans against policy	87,648	*52,283*
(d) Others	—	—
Unsecured	—	—
Total	**116,048**	*196,046*
2. BORROWER WISE CLASSIFICATION		
(a) Central and State Governments	—	—
(b) Banks and Financial Institutions	—	—
(c) Subsidiaries	—	—
(d) Companies	28,400	*143,763*
(e) Loans against policies	87,648	*52,283*
(f) Loans to employees	—	—
Total	**116,048**	*196,046*

Particulars	March 31, 2010	*March 31, 2009*
3. PERFORMANCE-WISE CLASSIFICATION		
(a) Loans classified as standard		
(aa) In India	116,048	*196,046*
(bb) Outside India	—	—
(b) Non-standard loans less provisions		
(aa) In India	—	—
(bb) Outside India	—	—
Total	**116,048**	*196,046*
4. MATURITY-WISE CLASSIFICATION		
(a) Short-Term	28,400	*1,752*
(b) Long-Term	87,648	*52,283*
Total	**116,048**	*196,046*

SCHEDULE– 10
FIXED ASSETS

Particulars	Gross Block (at cost)				Depreciation				Net Block	
	As at March 31, 2009	Additions	Deductions	**As at March 31, 2010**	Upto March 31, 2009	For the year	Deductions	**Upto March 31, 2010**	**As at March 31, 2010**	As at March 31, 2009
Freehold Land	903,280	—	—	**903,280**	—	—	—	**—**	**903,280**	*903,280*
Office Buildings on Freehold Land	89,000	—	—	**89,000**	2,910	1,451	—	**4,361**	**84,639**	*86,090*
Improvements to Leasehold Property	2,900,969	36,096	479,418	**2,457,647**	903,442	481,957	269,782	**1,115,617**	**1,342,030**	*1,997,527*
Furniture and Fixtures	167,990	1,947	18,240	**151,697**	118,128	11,630	14,676	**115,082**	**36,615**	*49,862*
Office Equipments	231,414	19,083	21,887	**228,610**	203,055	16,602	20,715	**198,942**	**29,668**	*28,359*
Information Technology Equipment	127,368	1,584	26,455	**102,497**	123,575	2,910	26,388	**100,097**	**2,400**	*3,793*
Communication Networks	60,304	1,955	8	**62,251**	42,565	6,445	1	**49,009**	**13,242**	*17,739*
Motor Vehicles	7,840	—	5,360	**2,480**	3,991	579	2,599	**1,971**	**509**	*3,849*
Software	270,542	167,650	—	**438,192**	152,907	75,314	—	**228,221**	**209,971**	*117,635*
Total	4,758,707	228,315	551,368	**4,435,654**	1,550,573	596,888	334,161	**1,813,300**	**2,622,354**	*3,208,134*
Capital work–in progress including capital advances.									**11,650**	*103,983*
Total									**2,634,004**	*3,312,117*
Previous year	*3,903,820*	*1,049,267*	*194,380*	*4,758,707*	*1,042,658*	*554,102*	*46,187*	*1,550,573*		

SCHEDULE– 11
CASH AND BANK BALANCES

Particulars	March 31, 2010	*March 31, 2009*
Cash (including cheques, drafts and stamps)	2,188,979	*1,701,524*
Bank Balance		
(a) Deposit Account:		
(aa) Short-term (due within 12 months of the date of balance sheet)	—	—
(bb) Others	—	—
(b) Current accounts	865,044	*1,857,237*
Money at call and short notice	—	—
Others	—	—
Total	**3,054,023**	*3,558,761*
CASH & BANK BALANCES		
In India	3,024,169	*3,523,712*
Outside India	29,854	*35,049*
Total	**3,054,023**	*3,558,761*

SCHEDULE– 12
ADVANCES AND OTHER ASSETS

Particulars	March 31, 2010	*March 31, 2009*
ADVANCES		
Prepayments	267,287	*171,546*
Advance tax paid and taxes deducted at source	36,362	*12,868*
Deposits	1,009,796	*1,084,623*
Other advances	175,116	*270,438*
Other receivables	24,316	*67,781*
Total (A)	**1,512,877**	*1,607,256*
OTHER ASSETS		
Income accrued on investments & deposits	905,762	*861,068*
Outstanding premiums	253,179	*266,465*
Agents' balances	8,750	*23,848*
Sundry Debtors (Investments)	47,248	—
Service Tax un-utilised credit	238,200	*856,867*
Total (B)	**1,453,139**	*2,008,248*
Total (A+B)	**2,966,016**	*3,615,504*

(Rs. in 000's)

SCHEDULE – 13
CURRENT LIABILITIES

Particulars	March 31, 2010	March 31, 2009
Agents' balances	417,273	380,537
Sundry creditors	267,067	173,949
Deposits	5,981	5,981
Expenses payable	4,870,920	3,560,092
Reinsurance premium payable	168,547	57,389
Due to holding company	611,697	280,007
TDS payable	284,922	277,054
Claims outstanding	403,621	192,459
Unallocated premium	2,321,968	921,495
Premium received in advance	568,107	773,272
Payable towards investments purchased	32,637	286,956
Other liabilities	5,764,278	4,394,522
Total	**15,717,018**	11,303,713

SCHEDULE – 14
PROVISIONS

Particulars	March 31, 2010	March 31, 2009
For taxation - Fringe benefit tax	—	65,000
For proposed dividends	—	—
For dividend distribution tax	—	—
Provision for Service Tax un-utilised credit	238,200	856,867
Provision for Leave Encashment and Gratuity	60,635	276,077
Total	**298,835**	1,197,944

SCHEDULE – 15
MISCELLANEOUS EXPENDITURE
(To the extent not written off or adjusted)

Particulars	March 31, 2010	March 31, 2009
Discount allowed in issue of shares/ debentures	—	—
Others	—	—
Total	—	—

Schedule – 16

Significant accounting policies and notes forming part of the accounts for the year ended March 31, 2010

1. Background

ICICI Prudential Life Insurance Company Limited (`the Company') a joint venture between ICICI Bank Limited and Prudential Corporation Plc was incorporated on July 20, 2000 as a company under the Companies Act, 1956 (`the Act'). The Company is licensed by the Insurance Regulatory and Development Authority (`IRDA') for carrying life insurance business in India.

The Company carries on business in the areas of life, pensions and health insurance. This business spans across individual and group products and covers participating, non-participating and unit linked lines of businesses. Riders covering additional benefits are offered under these products. These products are distributed through individual agents, corporate agents, banks, brokers and the company's proprietary sales force.

2. Summary of 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, in compliance with the Accounting Standards (`AS') prescribed in the Companies Act, 1956 and Rules thereunder, to the extent applicable, and in accordance with the provisions of the Insurance Act, 1938, Insurance Regulatory and Development Authority Act, 1999, and the regulations framed thereunder, the Act to the extent applicable, various circulars issued by IRDA and the practices prevailing within the insurance industry in India. Accounting policies applied have been consistent with previous year except where different treatment is required as per new pronouncements made by the regulatory authorities.

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

2.2 Use of estimates

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

2.3 Revenue recognition

2.3.1. Premium income

Premium is recognised as income when due. For linked business, premium is recognised as income when the associated units are created.

Premium on lapsed policies is recognised as income when such policies are reinstated.

Top up premiums are considered as single premium.

2.3.2. Income from linked fund

Income from linked funds which includes fund management charges, policy administration charges, mortality charges, etc are recovered from the linked fund in accordance with terms and conditions of policies issued and are recognised when due.

2.3.3. Income earned on investments

Interest income on investments is recognised on accrual basis. Accretion of discount and amortisation of premium relating to debt securities is recognised over the holding/maturity period on a straight-line basis.

Dividend income, in respect of other than linked business, is recognised when the right to receive dividend is established. Dividend income, in respect of linked business, is recognised on the `ex-dividend date'.

Realised gain/loss on debt securities for other than linked business is the difference between the sale consideration net of expenses and the amortised cost computed on a weighted average basis as on the date of sale.

Realised gain/loss on debt securities for linked business is the difference between the sale consideration net of expenses and the book cost computed on weighted average basis as on the date of sale.

Profit or loss on sale of equity shares/mutual fund units is the difference between the sale consideration net of expenses and the book cost computed on weighted average basis. In respect of other than linked business the profit or loss includes the accumulated changes in the fair value previously recognised under "Fair Value Change Account".

2.3.4. Income earned on loans

Interest income on loans is recognised on an accrual basis.

2.3.5. Income from 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 income, on a straight line basis, over the lease term.

2.4 Reinsurance premium

Cost of reinsurance ceded is accounted for at the time of recognition of premium income in accordance with the treaty or in-principle arrangement with the reinsurer. Profit commission on reinsurance ceded is netted off against premium ceded on reinsurance.

2.5 Benefits paid

Benefits paid comprise of policy benefits and claim settlement costs, if any.

Death, rider and surrender claims are accounted for on receipt of intimation.

Survival benefit claims and maturity claims are accounted when due. Withdrawals and surrenders under linked policies are accounted in the respective schemes when the associated units are cancelled/redeemed. Reinsurance recoveries on claims are accounted for, in the same period as the related claims.

2.6 Acquisition Costs

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts and are expensed in the period in which they are incurred.

2.7 Actuarial liability valuation

Actuarial liability for life policies in force and for policies in respect of which premium has been discontinued but a liability exists, is determined by the Appointed Actuary using the gross premium method, in accordance with accepted actuarial practice, requirements of Insurance Act 1938, IRDA regulations and the stipulations of Actuarial Society of India.

2.8 Investments

Investments are made in accordance with the Insurance Act, 1938, the IRDA (Investment) Regulations, 2000, and various other circulars/notifications/ amendments issued by the IRDA in this context from time to time.

Investments are recorded at cost on the date of purchase, which includes brokerage and taxes, if any, and excludes pre-acquisition interest accrued as on the date of acquisition.

Bonus entitlements are recognised as investments on the 'ex- bonus date'.

Rights entitlements are recognised as investments on the 'ex-rights date'.

Any front end discount on privately placed investments is reduced from the cost of such investments.

Broken period interest paid/received is debited/credited to interest receivable account and is not included in the cost of purchase/sale value.

2.8.1. Classification

Investments maturing within twelve months from the balance sheet date and investments made with the specific intention to dispose them off within twelve months from the balance sheet date are classified as short-term investments.

Investments other than short-term investments are classified as long-term investments.

2.8.2. Valuation - shareholders' investments and non-linked policyholders' investments

All debt securities and redeemable preference shares are considered as `held to maturity' and accordingly stated at historical cost, subject to amortisation of premium or accretion of discount in the revenue account or the profit and loss account over the period of maturity/holding on a straight line basis.

Listed equity shares as at the balance sheet date are stated at fair value being the last quoted closing price on the National Stock Exchange ('NSE') (In case of securities not listed on NSE, the last quoted closing price on the Bombay Stock Exchange ('BSE') is used). Equity shares awaiting listing are stated at historical cost subject to provision for diminution, if any, in the value of such investment determined separately for each individual investment.

Mutual fund units as at the balance sheet date are valued at the preceding day's net asset value of the respective fund.

Unrealised gains/losses arising due to changes in the fair value of listed equity shares and mutual fund units are taken to "Fair Value Change Account" in the balance sheet.

Investment in real estate is valued at historical cost, subject to revaluation (done at least once in every three years) and provision for impairment, if any. The change in carrying amount of investments in real estate is taken to revaluation reserve under Policyholders' funds in the balance sheet.

Investments in venture fund units are valued at historical cost.

2.8.3. Valuation - linked business

Debt securities other than Government securities with a residual maturity over 182 days are valued on a yield to maturity basis, by using spreads over the benchmark rate (based on the matrix released by the Credit Rating Information Services of India Limited ('CRISIL') on daily basis) to arrive at the yield for pricing the security.

Debt securities with a residual maturity upto 182 days are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.

Central and State Government securities are valued as per the prices released by CRISIL.

Money market instruments are valued at historical cost, subject to amortisation of premium or accretion of discount over the period of maturity/holding on a straight-line basis.

Listed equity shares are valued at market value, being the last quoted closing price on the NSE (In case of securities not listed on NSE, the last quoted closing price on the BSE is used). Equity shares awaiting listing are stated at historical cost subject to provision for diminution, if any, in the value of such investment determined separately for each individual investment.

Mutual fund units are valued at the preceding day's net asset value of the respective fund.

Venture fund units are valued at the latest available net asset value of the respective fund.

Securities with call option are valued at the lower of the value as obtained by valuing the security to final maturity date or the call option date. In case there are multiple call options, the security is valued at the lowest value obtained by valuing to security at various call dates or to the final maturity date.

Securities with put option are valued at the higher of the value as obtained by valuing the security to final maturity date or to the put option date. In case there are multiple put options, the security is valued at the highest value obtained by valuing the security to various put dates or to the final maturity date.

The securities with both put and call option on the same day would be deemed to mature on the put/call day and would be valued on a yield to maturity basis, by using spreads over the benchmark rate based on the matrix released by CRISIL.

Instruments bought on `repo' basis are valued at cost plus interest accrued on reverse repo rate.

Unrealised gains and losses are recognised in the respective fund's revenue account.

2.8.4. Transfer of investments

Transfer of investments from Shareholders' Fund to the Policyholders' Fund is at cost or market price, whichever is lower. However, in case of debt securities all transfers are carried out at the net amortised cost. Transfer of investments between unit linked funds is done at market price.

2.9 Loans

Loans are stated at historical cost, subject to provision for impairment, if any.

2.10 Fixed assets, Intangibles and Impairment

2.10.1. Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes the purchase price and any cost directly attributable to bring the asset to its working condition for its intended use. Subsequent expenditure incurred on fixed assets is expensed out except where such expenditure increases the future benefits from the existing assets. Assets costing upto Rs. 5,000 (Rupees five thousand) are fully depreciated in the year of acquisition. The rate of depreciation is higher of the managements estimate based on useful life or the rates prescribed under the Act. Depreciation is provided using Straight-Line Method ('SLM') prorated from the date of acquisition/upto the date of sale, based on estimated useful life for each class of asset, as stated below:

Asset	Depreciation rates
Office Buildings on free hold land	1.63%
Improvement to leasehold properties	Over the lease period, subject to a maximum of 9 years
Furniture & Fixtures	15%
Office Equipment	25%
Information technology equipment	33.33%
Communication networks and servers	25%
Motor Vehicles	20%

2.10.2. Intangibles

Intangible assets comprising software are stated at cost less amortisation. Significant improvements to software are capitalised and amortised over the remaining useful life of original software. Software expenses are amortised using Straight Line Method over a period of 4 years from the date of being put to use.

2.10.3. Impairment of assets

Management periodically assesses, using external and internal sources, whether there is any indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. 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.

2.11 Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term are classified as operating leases. Operating lease rentals including escalations are recognised as an expense, on a straight line basis, over the lease term.

2.12 Staff benefits

All short-term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

The Company has incorporated a Provident Fund Trust to which it pays a fixed contribution at the rate specified in the trust deed. The trust deed also provides for the Company to indemnify to the trust, interest at the rates prescribed by the Central Government, in case the fund does not hold sufficient assets. The Guidance issued by the Institute of Chartered Accountants of India (ICAI) on implementing AS 15, Employee Benefits (revised 2005) states that the provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. Pending the issuance of the Guidance Note in this respect by the Actuarial Society of India, the Company's consulting actuary has expressed his inability to reliably measure the provident fund liability. Accordingly, the Company is unable to exhibit the related disclosures.

The Company's liability towards gratuity and leave encashment being defined benefit plans is accounted for on the basis of an independent actuarial valuation done at the year end and actuarial gains/losses are charged to the revenue account and the profit and loss account as applicable.

Superannuation is a defined contribution plan. The Company has accrued for superannuation liability based on a percentage of basic salary payable to eligible employees for the period of service.

2.13 Foreign exchange transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities in foreign currency, if any, are translated at the year end closing rates. The resulting exchange gain or loss arising either on settlement or on translation, if any, are reflected in the revenue account and the profit and loss account as applicable.

2.14 Segment reporting policies

Based on the primary segments identified under IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002 ('the Regulations') read with AS 17 on "Segmental Reporting" prescribed in the Companies Act, 1956 and rules thereunder, the Company has classified and disclosed segmental information into Shareholder and Policyholder – Participating (Life and Pension for Group and Retail segments separately), Non Participating, Pension, Linked (Life, Pension, Health and Group), Health and Annuity businesses.

There are no reportable geographical segments, since all business is written in India.

Allocation of expenses

Operating expenses relating to insurance business are allocated to specific business segments in the following manner, which is applied on a consistent basis.

Expenses that are directly identifiable to the segment are allocated on actual basis. Other expenses (including depreciation and amortisation), that are not directly identifiable to a business segment, are allocated on either of the following basis:

- Number of policies
- Weighted annualised first year premium income
- Sum assured
- Total premium income
- Medical cases
- Funds under management

The method of allocation has been decided based on the nature of the expense and its logical co-relation with various business segments.

2.15 Taxation

Income tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Provision for current income tax is made based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961.

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 by 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 law, 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.

2.16 Service tax unutilised credit

Service Tax liability on life insurance service is set-off against the service tax credits available from tax paid on input services. Unutilised credits, if any, are carried forward for future set-off. A provision is created based on estimated realisation of such unutilised credit.

2.17 Employee Stock Option Scheme

The Company has formulated an Employee Stock Option Scheme ('the Scheme'). The Scheme provides that eligible employees are granted options to acquire equity shares of the Company that vest in graded manner. The vested options may be exercised within a specified period. The exercise price of the option is diluted when there is a subsequent issue of shares at a price lower than the grant price. The options are accounted on intrinsic value basis and accordingly the intrinsic value of options, if any, is amortised over the vesting period. Incremental intrinsic value of options, arising from modification of exercise price, if any, is amortised over the remainder of the vesting period.

2.18 Provisions and contingencies

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

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc are recorded when it is possible that a liability has been incurred and the amount can be reasonably estimated.

2.19 Earnings per share

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

2.20 Appropriation/Expropriation

In accordance with the Unit Linked guidelines issued by IRDA effective July 1, 2006, the Company follows the Appropriation/Expropriation method for calculating the Net Asset Value (`NAV'). This method provides for adjusting the NAV on account of the `Dealing Costs'. The accounting for dealing costs is disclosed in the Revenue account as an adjustment with corresponding changes to the Change in Valuation of Policy Liability Account. Corresponding adjustments are also made in the Assets Held to cover Policy Liabilities and the Provisions for Linked Liabilities in the Balance Sheet.

2.21 Funds for Future Appropriations – Linked

Amounts estimated by Appointed Actuary as Funds for Future Appropriations (`FFA') – Linked are required to be set aside in the balance sheet and are not available for distribution to shareholders until the expiry of the revival period. The Company appropriates FFA from the Revenue Account.

3. Notes to accounts

3.1 Contingent liabilities

(Rs. in 000's)

Particulars	**As at March 31, 2010**	*As at March 31, 2009*
Partly-paid up investments	**—**	*—*
Underwriting commitments outstanding	**—**	*—*
Claims, other than those under policies, not acknowledged as debts	**19,191**	*3,619*
Guarantees given by or on behalf of the company	**—**	*—*
Statutory demands/liabilities in dispute, not provided for	**—**	*—*
Reinsurance obligations to the extent not provided for in accounts	**—**	*—*
Others – Policy related claims under litigation	**107,391**	*55,110*

3.2 Actuarial method and assumptions

The actuarial liability on both participating and non-participating policies is calculated using the gross premium method, using assumptions for interest, mortality, expense and inflation, and in the case of participating policies, future bonuses together with allowance for taxation and allocation of profits to shareholders. These assumptions are determined as prudent estimates at the date of valuation with allowances for adverse deviations. No allowance is made for expected lapses.

The interest rates used for valuing the liabilities are in the range of 5.10% to 6.78% per annum (Previous year: 5.10% to 6.81% per annum).

Mortality rates used are based on the published L.I.C. (1994-96) Ultimate Mortality Table for assurances and LIC 96-98 table for annuities, adjusted to reflect expected experience. Morbidity rates used are based on CIBT 93 table, adjusted for expected experience, or on risk rates supplied by reinsurers.

Expenses are provided for at current levels, in respect of renewal expenses, with no allowance for future improvements. Per policy renewal expenses for regular premium policies are assumed to inflate at 4.30% (Previous year: 4.14%).

The greater of a liability calculated using discounted cash flows and unearned premium reserves are held for the unexpired portion of the risk for the general fund liabilities of linked business and attached riders. An unearned premium reserve is held for one year renewable group term insurance.

The unit liability in respect of linked business has been taken as the value of the units standing to the credit of policyholders, using the Net Asset Value (`NAV') prevailing at the valuation date. The adequacy of charges under unit linked policies to meet future expenses has been tested and provision made as appropriate. Provision has also been made for the cost of guarantee under unit linked products that carry a guarantee. The units held in respect of lapsed policies are divided into a revival reserve, which contributes to liabilities, and a fund for future appropriation, which contributes to regulatory capital.

3.3 Encumbrances of assets

The assets of the Company are free from all encumbrances as at March 31, 2010 (Previous year: Rs. Nil).

3.4 Assets to be deposited under local laws

There are no assets required to be deposited by the Company under any local laws or otherwise encumbered in or outside India as of March 31, 2010 except investments to be held under Section 7 of the Insurance Act, 1938 as disclosed under 3.9 below.

3.5 Restructured Assets

There are no assets including loans subject to re-structuring (Previous year: Rs. Nil).

3.6 Commitments

Commitments made and outstanding for loans and investment is Rs. Nil (Previous year: Rs. Nil).

Estimated amount of contracts remaining to be executed on fixed assets to the extent not provided for (net of advance) is Rs. 59,632 thousand (Previous year: Rs. 27,768 thousand).

3.7 Claims

Claims settled and remaining unpaid for a period of more than six months as at March 31, 2010 amount to Rs. 16,503 thousand (Previous year: Rs. 31,347 thousand).

3.8 Managerial remuneration

The details of the Managing Director and Executive Directors' remuneration included in employee remuneration and welfare benefits are as follows:

(Rs. in 000's)

Particulars	March 31, 2010	*March 31, 2009*
Salary, perquisites and bonus	**104,070**	*45,451*
Contribution to Provident Fund	**1,060**	*2,196*

Expenses towards gratuity and leave encashment provision are determined actuarially for the Company as a whole on an annual basis and accordingly have not been considered in the above information.

The managerial remuneration is in accordance with the requirements of Section 34A of the Insurance Act, 1938 and as approved by IRDA.

3.9 Investments

- The investments are effected from the respective funds of the policyholders or shareholders and income thereon has been accounted accordingly.
- All investments are performing investments.
- Investments under Section 7 of the Insurance Act, 1938 are as follows:

(Rs. in 000's)

Particulars	March 31, 2010	*March 31, 2009*
7.40% Government of India Securities*	**90,050**	*90,050*
12.32% Government of India Securities*	**10,000**	*10,000*
Total	**100,050**	*100,050*

* This investment is held by the custodian in Constituent Subsidiary General Ledger Account under intimation to IRDA.

3.10 Value of investment contracts where settlement or delivery is pending is as follows:

(Rs. in 000's)

Particulars	March 31, 2010		*March 31, 2009*	
	Linked business	Non–linked business	*Linked business*	*Non–linked business*
Purchases where deliveries are pending	**3,753,057**	**—**	*5,481,984*	*254,316*
Sales where receipts are pending	**1,917,537**	**46,279**	*42,31,933*	—

3.11 Real Estate – Investment Property

In accordance with the IRDA Regulations, 2002 (Preparation of Financial Statements & Auditors Report of Insurance Companies), the value of Investments in real estate property are subject to revaluation at least once in three years. As a result, the Company's real estate investments have been revalued by an independent valuer as of March 2010. The value of real estate investment based on the valuation report is disclosed at revalued amount and the change in carrying amount is classified under Revaluation Reserve. The value of the investment property in accordance with the independent valuation of March 2010 is Rs. 854,400 thousand (Historical cost: Rs. 185,521 thousand).

3.12 Sector-wise percentage of business

Sector-wise break-up of policies issued during the year is as follows:

Sector		March 31, 2010	*March 31, 2009*
Rural	– Number of policies	**423,670**	*774,725*
	– Percentage of total policies	**24%**	*29%*
Social	– Number of policies	**48**	*24*
	– Percentage of total policies	**0.0027%**	*0.0009%*
	– Number of lives	**175,564**	*132,625*
	– Percentage of group lives	**9%**	*10%*
	– Gross premium (Rs. 000's)	**8,179**	*6,453*
	– Percentage of total premium	**0.01%**	*0.01%*
Total	– Number of policies	**1,761,870**	*2,638,238*
	– Number of group lives	**2,064,644**	*1,348,063*
	– Gross new business premium (Rs. 000's)	**63,340,329**	*64,839,230*

3.13 Risks retained and reinsured

Extent of risk retained and reinsured based on sum at risk, is as follows:

Particulars	March 31, 2010	*March 31, 2009*
Individual business		
Risk retained	**79%**	*78%*
Risk reinsured	**21%**	*22%*
Group business		
Risk retained	**45%**	*34%*
Risk reinsured	**55%**	*66%*

3.14 Deferred taxes

Deferred tax asset is recognised on carry forward of eligible tax losses, which can be set off against future taxable income and on timing differences arising from funds for future appropriation under linked line of business. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is virtually certain to be realised.

Deferred tax asset is created on the Company's eligible tax losses to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax can be realised. As at March 31, 2010, Rs. 2,041,498 thousand represents deferred tax asset on carry forward unabsorbed losses (Previous year: Rs 3,180,774 thousand).

Deferred tax asset has been created on the basis of certainty of the profit of the business, subject to lapsation determined by the Appointed Actuary.

(Rs. in 000's)

Particulars	**Deferred tax asset as at April 1, 2009**	**(Charge)/ Credit for the period**	**Deferred tax assets as at March 31, 2010**
Deferred tax assets on:			
Carry forward of unabsorbed tax losses	3,180,774	(1,139,276)	**2,041,498**
Linked funds for future appropriation	—	913,666	**913,666**
Total	3,180,774	(225,610)	**2,955,164**

3.15 Operating lease commitments

The Company takes premises (both commercial and residential), motor vehicles, office equipments, computers, servers and modular furniture on lease. Certain lease arrangements provide for cancellation by either party and also contain a clause for renewal of the lease agreement. Lease payments on cancelable and non-cancelable operating lease arrangements are charged to the revenue account and the profit and loss account over the lease term on a straight line basis. The operating lease rentals charged during the year and future minimum lease payments in respect of non-cancelable operating leases as at the balance sheet date are summarised below:

(Rs. in 000's)

Particulars	**March 31, 2010**	*March 31, 2009*
Not later than one year	**541,992**	*808,647*
Later than one year but not later than five years	**1,203,288**	*1,365,132*
Later than five years	**—**	*—*

The total operating lease rentals charged to Revenue account in the current year is Rs. 2,639,908 thousand (Previous year: Rs. 990,879 thousand).

3.16 Details of related parties and transactions with related parties

Related parties and nature of relationship

Nature of relationship	**Name of the related party**
Holding company	ICICI Bank Limited
Substantial interest	Prudential Corporation Plc
Subsidiary	ICICI Prudential Pension Funds Management Company Limited (w.e.f. April 22, 2009)
Fellow subsidiaries	ICICI Securities Limited
	ICICI Venture Funds Management Company Limited
	ICICI Home Finance Company Limited
	ICICI Lombard General Insurance Company Limited
	ICICI Trusteeship Services Limited
	ICICI Securities Primary Dealership Limited
	ICICI Securities Inc.
	ICICI Securities Holding Inc.
	ICICI Investment Management Company Limited
	ICICI International Limited
	ICICI Bank UK PLC.
	ICICI Bank Canada
	ICICI Bank Eurasia Limited Liability Company
	ICICI Prudential Asset Management Company Limited
	ICICI Prudential Trust Limited
	ICICI Eco-net Internet and Technology Fund
	ICICI Equity Fund
	ICICI Emerging Sectors Fund
	ICICI Strategic Investments Fund
	TCW/ICICI Investment Partners Limited Liability Company
	ICICI Kinfra Limited
	ICICI West Bengal Infrastructure Development Corporation Limited
	Loyalty Solutions & Research Limited
	ICICI Venture Value Fund (IVVF)
	I-Ven Biotech Limited
Key management personnel	V. Vaidyanathan, Managing Director and CEO (w.e.f. May 1, 2009)
	Shikha Sharma, Managing Director (upto April 30, 2009)
	N. S. Kannan, Executive Director (upto April 30, 2009)
	Bhargav Dasgupta, Executive Director (upto April 30, 2009)
Significant influence	ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme
	ICICI Prudential Life Insurance Company Limited Employees' Provident Fund
	ICICI Prudential Life Insurance Company Limited Superannuation Scheme

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

Transactions for the year ended March 31, 2010: **(Rs. in 000's)**

Particulars	Holding company	Subsidiary and Fellow subsidiaries	Companies having Substantial Interest	Key Management Personnel	Entities having Significant Influence
Income					
Premium income	98,711	18,919[1]	—	500	247,860[7]
Interest income	420,219	181,816[2]	—	—	—
Expenses					
Establishment & other expenditure	3,177,044	517,313[3]	—	105,130	—
Provident fund, Superannuation and Gratuity contribution	—	—	—	—	507,261[8]
Claims	52,100	6,734	—	—	—
Others					
Share capital issued during the year	—	—	—	—	—
Share premium	—	—	—	—	—
Purchase of securities	9,868,483	7,412,812[4]	—	—	—
Investment in subsidiary		110,000			
Sale of securities	2,704,668	2,422,330[5]	—	—	—
Repo transactions	196,375,249	3,066,938[6]	—	—	—
Purchase of Fixed Assets	1,372	—	—	—	—
Sale of Fixed Assets	50	164	—	—	—

1. Includes transactions with ICICI Prudential Asset Management Company Limited of Rs. 4,452 thousand, with ICICI Securities Limited of Rs. 4,839 thousand and ICICI Lombard General Insurance Company Limited of Rs. 6,919 thousand;
2. Includes transactions with ICICI Home Finance Company Limited of Rs. 160,840 thousand and ICICI Securities Primary Dealership Limited of Rs. 20,976 thousand;
3. Establishment and other expenditure include expenses for sharing of common services and facilities, insurance commission, insurance premium, brokerage, business support and managerial remuneration. Expense also includes Rs. 29,758 thousand for brokerage paid to ICICI Securities Limited which is included in the cost of Investments;
4. Includes transactions with ICICI Securities Primary Dealership Limited of Rs. 5,753,043 thousand, ICICI Lombard General Insurance Company Limited of Rs. 909,769 thousand and ICICI Home Finance Company Limited of Rs. 750,000 thousand;
5. Includes transactions with ICICI Securities Primary Dealership Limited of Rs. 1,990,353 thousand and ICICI Lombard General Insurance Company Limited of Rs. 431,977 thousand;
6. Represents transactions with ICICI Securities Primary Dealership Limited of Rs. 3,066,938 thousand;
7. Includes transactions with ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme of Rs. 236,973 thousand;
8. Includes transactions with ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme of Rs. 236,793 thousand and with ICICI Prudential Life Insurance Company Limited Employees' Provident Fund of Rs. 259,401 thousand.

Balances of Related parties as at March 31, 2010:

(Rs. in 000's)

Particulars	Holding company	Subsidiary and Fellow subsidiaries	Companies having substantial interest	Key management personnel	Entities having significant influence
Assets					
Long term fixed deposits & corporate bonds/deposits	7,217,909	1,974,842[1]	—	—	—
Equity	—	110,000[2]	—	—	—
Cash & bank balances	716,958	—	—	—	—
Income accrued on investments	130,001	64,670[3]	—	—	—
Other assets	28,556	69,460[4]	—	—	—
Liabilities					
Share capital	10,553,109	—	3,707,329	—	—
Share premium	24,684,412	—	8,672,901	—	—
Other liabilities	611,721	10,958	—	—	—

1. Includes investment in debentures of Rs. 1,769,951 thousand of ICICI Home Finance Company Limited and Rs. 204,891 thousand of ICICI Securities Primary Dealership Limited;
2. Represents investment in equity of Rs. 110,000 thousand of ICICI Prudential Pension Funds Management Company Limited;
3. Includes interest accrued on Debentures of Rs. 59,571 thousand of ICICI Home Finance Company Limited;
4. Includes advance premium of Rs. 63,954 thousand paid to ICICI Lombard General Insurance Company Limited.

Transactions for the year ended March 31, 2009: **(Rs. in 000's)**

Particulars	*Holding company*	*Fellow subsidiaries*	*Companies having Substantial Interest*	*Key Management Personnel*	*Entities having Significant Influence*
Income					
Premium income	*85,549*	*20,482*	—	*5,637*	*18,533*
Interest income	*426,688*	*265,315*[1]	—	—	—
Expenses					
Establishment & other expenditure	*2,794,338*	*385,212*[2]	—	*47,647*	—
Provident fund, Superannuation and Gratuity contribution	—	—	—	—	*328,433*
Claims	*42,000*	*8,651*	—	—	
Others					
Share capital issued during the year	*185,000*	—	*65,000*	—	—
Share premium	*7,215,000*	—	*2,535,000*	—	—
Purchase of securities	*16,614,759*	*29,714,679*[3]	—	—	—
Sale of securities	*13,472,913*	*22,856,700*[4]	—	—	—
Repo transactions	*245,987,994*	*289,122,081*[5]	—	—	—

1. Includes transactions with ICICI Home Finance Company Limited of Rs, 114,122 thousand and ICICI Securities Primary Dealership Limited of Rs. 151,193 thousand;
2. Establishment & other expenditure include expenses for sharing of common services and facilities, consultancy fees, insurance commission, insurance premium, brokerage, business support and managerial remuneration. Expense also includes Rs. 31,827 thousand for brokerage paid to ICICI Securities Limited which is included in the cost of Investments;
3. Includes transactions with ICICI Securities Primary Dealership Limited of Rs. 27,864,600 thousand;
4. Includes transactions with ICICI Securities Primary Dealership Limited of Rs. 22,856,700 thousand;
5. Includes transactions with ICICI Securities Primary Dealership Limited of Rs. 289,122,081 thousand.

Balances of Related parties as at March 31, 2009: **(Rs. in 000's)**

Particulars	*Holding company*	*Fellow subsidiaries*	*Companies having substantial interest*	*Key management personnel*	*Entities having significant influence*
Assets					
Long term fixed deposits & corporate bonds/deposits	*9,780,969*	*2,195,602*[1]	—	—	—
Cash & bank balances	*1,378,578*	—	—	—	—
Income accrued on investments	*98,565*	*9,319*	—	—	—
Other assets	*14,878*	*80,834*[2]	—	—	—
Liabilities					
Share capital	*10,551,629*	—	*3,707,329*	—	—
Share premium	*24,684,412*	—	*8,672,901*	—	—
Other liabilities	*283,708*	*29,395*	—	—	—

1. Includes investment in debentures of Rs. 1,012,950 thousand and commercial paper of Rs. 478,125 thousand of ICICI Home Finance Company Limited;
2. Includes advance premium of Rs. 75,328 thousand paid to ICICI Lombard General Insurance Company Limited.

3.17 Segmental Reporting

Income and expenses directly attributable or allocable to the segments are recorded and disclosed under the respective segments in the revenue account and profit and loss account, as applicable.

Investments and policy liabilities are disclosed in the balance sheet under the respective segments. Net fixed assets of Rs. 2,634,004 thousand (Previous year Rs. 3,312,117 thousand) are disclosed in shareholders segment. Depreciation expense has been allocated as disclosed in Note 2.14.

Segment wise information of current assets, loans, deferred tax asset and current liabilities and provisions to the extent identifiable are given below:

(Rs. in 000's)

Business Segments	**Current Assets, Loans & Deferred Tax Asset**		**Current Liabilities & Provisions**	
	March 31, 2010	*March 31, 2009*	**March 31, 2010**	*March 31, 2009*
Shareholders	**6,253,421**	*4,123,038*	**9,060,527**	*4,008,761**
Par Life	**551,390**	*1,054,245*	**26,585**	*234,765*
Par Pension	**139,092**	*185,128*	**33,471**	*29,053*
Par Group Life	**168**	—	**1,164**	—
Par Group Pension	**531**	—	**11,120**	—
Non-Par	**306,639**	*319,216*	**570,537**	*1,363,161*
Annuity Non-Par	**143,087**	*191,609*	**116,123**	*1,560*
Health	**72,422**	*217,227*	**160,115**	*263,645*
Linked Life	**766,970**	*3,367,470*	**4,064,210**	*4,509,318*
Linked Pension	**755,578**	*836,456*	**1,384,304**	*1,791,968*
Linked Health	**70,650**	*100,011*	**118,436**	*149,768*
Linked Group	**31,303**	*14,674*	**469,261**	*149,658*
Total	**9,091,251**	*10,409,074*	**16,015,853**	*12,501,657*

* Includes amounts subsequently transferred to the respective schemes nder linked business.

Segment-wise information of non-cash items being amortisation of premium included in interest income on debt instruments is tabled below:

(Rs. in 000's)

Business Segments	**March 31, 2010**	*March 31, 2009*
Shareholders	**(55,513)**	*(94,848)*
Par Life	**4,096**	*12,924*
Par Pension	**(2,007)**	*3,312*
Par Group Life	**(652)**	—
Par Group Pension	**(1,523)**	—
Non-Par	**(11,207)**	*(16,255)*
Annuity Non-Par	**(2,172)**	*(12,233)*
Health	**(638)**	*(3,587)*
Linked Life	**18,077**	*(2,367)*
Linked Pension	**13,341**	*(3,220)*
Linked Health	**657**	—
Linked Group	**1,444**	*(587)*
Total	**(36,097)**	*(116,861)*

3.18 FUND BALANCE SHEET AS AT MARCH 31, 2010

Form A-BS(UL)

(Rs. in 000's)

Particulars	Schedule	Linked Life Funds														
		Balancer Fund	Protector Fund	Maximiser Fund	Cash Plus Fund	Secure Plus Fund	Preserver Fund	Investshield Gold - ISLP Fund	New Invest Shield Balanced Fund	Flexi Growth Fund	Flexi Balanced Fund	RICH Fund	Multiplier Fund	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III
Sources of funds																
Policyholders' funds																
Policyholder contribution	F-1	11,233,895	10,608,014	62,567,802	4,741,849	278,462	2,751,486	1,381,976	1,942,318	59,882,503	2,228,075	18,702,068	18,268,494	621,167	658,430	658,984
Revenue account		11,724,102	3,383,915	44,402,254	218,520	49,947	601,271	228,204	250,771	10,853,149	370,253	3,502,837	3,777,296	27,171	24,410	19,243
Total		**22,957,997**	**13,991,929**	**106,970,056**	**4,960,369**	**328,409**	**3,352,757**	**1,610,180**	**2,193,089**	**70,735,652**	**2,598,328**	**22,204,905**	**22,045,790**	**648,338**	**682,840**	**678,227**
Application of funds																
Investments	F-2	22,568,693	13,671,451	106,724,171	4,834,871	319,207	3,275,203	1,569,591	2,163,657	70,291,188	2,562,691	21,903,728	22,091,870	616,842	654,026	650,709
Current assets	F-3	464,822	321,066	692,073	125,702	9,214	77,628	40,654	35,279	654,796	35,785	302,425	171,414	31,557	28,879	27,583
Less: Current liabilities and provisions	F-4	75,518	588	446,188	204	12	74	65	5,847	210,332	148	1,248	217,494	61	65	65
Net current assets		**389,304**	**320,478**	**245,885**	**125,498**	**9,202**	**77,554**	**40,589**	**29,432**	**444,464**	**35,637**	**301,177**	**(46,080)**	**31,496**	**28,814**	**27,518**
Total		**22,957,997**	**13,991,929**	**106,970,056**	**4,960,369**	**328,409**	**3,352,757**	**1,610,180**	**2,193,089**	**70,735,652**	**2,598,328**	**22,204,905**	**22,045,790**	**648,338**	**682,840**	**678,227**
(a) Net asset as per balance sheet (Total assets less current liabilities and provisions) (Rs. in 000's)		22,957,997	13,991,929	106,970,056	4,960,369	328,409	3,352,757	1,610,180	2,193,089	70,735,652	2,598,328	22,204,905	22,045,790	648,338	682,840	678,227
(b) Number of units outstanding (in 000's)		800,918	838,471	2,179,019	331,807	21,615	220,819	89,972	145,642	5,095,154	191,033	1,724,419	2,257,546	55,310	60,016	60,551
(c) NAV per unit (a)/(b) (Rs.)		28.66	16.69	49.09	14.95	15.19	15.18	17.90	15.06	13.88	13.60	12.88	9.77	11.72	11.38	11.20

(Rs. in 000's)

Particulars	Schedule	Linked Life Funds														
		Return Guarantee Fund IV	Return Guarantee Fund V	Return Guarantee Fund VI	Secure Save Builder Fund	Secure Save Guarantee Fund	Anmol Nivesh Fund	Bluechip Fund	Income Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Money Market Fund	Opportunities Fund	Pinnacle Fund	Return Guarantee Fund VII	Dynamic P/E Fund	Total
Sources of funds																	
Policyholders' funds																	
Policyholder contribution	F-1	289,530	125,799	119,823	10,823	45,822	186	90,337	183,312	40,980	650,280	28,595	151,217	3,067,159	48,192	211,482	**201,589,060**
Revenue account		1,655	(2,649)	(890)	(183)	(2,054)	(15)	(712)	(4,899)	(554)	(5,821)	(475)	(144)	(51,849)	(896)	953	**79,364,810**
Total		**291,185**	**123,150**	**118,933**	**10,640**	**43,768**	**171**	**89,625**	**178,413**	**40,426**	**644,459**	**28,120**	**151,073**	**3,015,310**	**47,296**	**212,435**	**280,953,870**
Application of funds																	
Investments	F-2	278,645	118,059	114,490	10,514	44,163	148	91,345	170,956	40,365	642,752	23,242	148,284	2,755,211	45,826	191,851	**278,573,749**
Current assets	F-3	12,568	5,103	4,454	126	877	23	5,299	17,622	2,849	47,555	4,879	14,765	276,901	1,472	25,092	**3,438,462**
Less: Current liabilities and provisions	F-4	28	12	11	—	1,272	—	7,019	10,165	2,788	45,848	1	11,976	16,802	2	4,508	**1,058,341**
Net current assets		**12,540**	**5,091**	**4,443**	**126**	**(395)**	**23**	**(1,720)**	**7,457**	**61**	**1,707**	**4,878**	**2,789**	**260,099**	**1,470**	**20,584**	**2,380,121**
Total		**291,185**	**123,150**	**118,933**	**10,640**	**43,768**	**171**	**89,625**	**178,413**	**40,426**	**644,459**	**28,120**	**151,073**	**3,015,310**	**47,296**	**212,435**	**280,953,870**
(a) Net asset as per balance sheet (Total assets less current liabilities and provisions) (Rs. in 000's)		291,185	123,150	118,933	10,640	43,768	171	89,625	178,413	40,426	644,459	28,120	151,073	3,015,310	47,296	212,435	**280,953,870**
(b) Number of units outstanding (in 000's)		26,526	11,540	11,219	956	4,044	16	8,801	17,502	4,000	63,882	2,777	14,700	284,136	4,626	20,617	**14,547,635**
(c) NAV per unit (a)/(b) (Rs.)		10.98	10.67	10.60	11.13	10.82	10.44	10.18	10.19	10.11	10.09	10.12	10.28	10.61	10.22	10.30	

3.18 FUND BALANCE SHEET AS AT MARCH 31, 2010

Form A-BS(UL)

(Rs. in 000's)

Particulars	Schedule	Linked Pension Funds											
		Pension Balancer Fund	Pension Protector Fund	Pension Maximiser Fund	Secure Plus Pension Fund	Pension Preserver Fund	Investshield Pension - ISPP Fund	Pension Flexi Growth Fund	Pension Flexi Balanced Fund	Pension RICH Fund	Pension Multiplier Fund	Pension Return Guarantee Fund	Pension Return Guarantee Fund II
Sources of funds													
Policyholders' funds													
Policyholder contribution	F-1	8,993,156	12,096,073	23,591,970	113,296	2,406,413	252,041	49,801,004	2,107,059	29,363,906	9,200,897	1,967,078	1,759,079
Revenue account		4,384,430	1,736,886	12,978,786	29,877	121,644	68,956	9,640,452	309,385	6,209,573	1,596,897	173,497	173,396
Total		**13,377,586**	**13,832,959**	**36,570,756**	**143,173**	**2,528,057**	**320,997**	**59,441,456**	**2,416,444**	**35,573,479**	**10,797,794**	**2,140,575**	**1,932,475**
Application of funds													
Investments	F-2	13,164,001	13,467,287	36,431,876	139,212	2,477,914	312,011	59,115,604	2,385,822	36,147,404	10,766,533	2,045,595	1,872,325
Current assets	F-3	220,269	366,227	241,590	3,966	50,199	8,999	543,456	30,725	338,791	103,915	95,184	60,335
Less: Current liabilities and provisions	F-4	6,684	555	102,710	5	56	13	217,604	103	912,716	72,654	204	185
Net current assets		**213,585**	**365,672**	**138,880**	**3,961**	**50,143**	**8,986**	**325,852**	**30,622**	**(573,925)**	**31,261**	**94,980**	**60,150**
Total		**13,377,586**	**13,832,959**	**36,570,756**	**143,173**	**2,528,057**	**320,997**	**59,441,456**	**2,416,444**	**35,573,479**	**10,797,794**	**2,140,575**	**1,932,475**
(a) Net asset as per balance sheet (Total assets less current liabilities and provisions) (Rs. in 000's)		13,377,586	13,832,959	36,570,756	143,173	2,528,057	320,997	59,441,456	2,416,444	35,573,479	10,797,794	2,140,575	1,932,475
(b) Number of units outstanding (in 000's)		547,781	847,942	920,349	9,591	166,411	17,702	4,237,231	171,607	2,773,539	1,028,641	182,181	169,831
(c) NAV per unit (a)/(b) (Rs.)		24.42	16.31	39.74	14.93	15.19	18.13	14.03	14.08	12.83	10.50	11.75	11.38

(Rs. in 000's)

Particulars	Schedule	Linked Pension Funds												Total
		Pension Return Guarantee Fund III	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Income Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Money Market Fund	Pension Opportunities Fund	
Sources of funds														
Policyholders' funds														
Policyholder contribution	F-1	1,746,421	649,040	347,288	445,581	790,159	527,415	3,180,314	1,595,184	564,330	3,969,395	388,360	1,745,390	**157,600,847**
Revenue account		145,573	31,833	9,134	9,994	(3,562)	4,015	13,224	(29,615)	(4,646)	(7,327)	(7,322)	11,685	**37,596,765**
Total		**1,891,994**	**680,873**	**356,422**	**455,575**	**786,597**	**531,430**	**3,193,538**	**1,565,569**	**559,684**	**3,962,068**	**381,038**	**1,757,075**	**195,197,612**
Application of funds														
Investments	F-2	1,819,974	647,531	342,984	437,407	763,636	529,872	2,849,579	1,485,431	564,585	4,261,020	311,788	1,726,075	**194,065,464**
Current assets	F-3	72,201	33,407	13,472	18,212	22,997	51,665	427,956	161,461	35,700	432,974	69,257	211,186	**3,614,144**
Less: Current liabilities and provisions	F-4	181	65	34	44	36	50,107	83,997	81,323	40,601	731,926	7	180,186	**2,481,996**
Net current assets		**72,020**	**33,342**	**13,438**	**18,168**	**22,961**	**1,558**	**343,959**	**80,138**	**(4,901)**	**(298,952)**	**69,250**	**31,000**	**1,132,148**
Total		**1,891,994**	**680,873**	**356,422**	**455,575**	**786,597**	**531,430**	**3,193,538**	**1,565,569**	**559,684**	**3,962,068**	**381,038**	**1,757,075**	**195,197,612**
(a) Net asset as per balance sheet (Total assets less current liabilities and provisions) (Rs. in 000's)		1,891,994	680,873	356,422	455,575	786,597	531,430	3,193,538	1,565,569	559,684	3,962,068	381,038	1,757,075	**195,197,612**
(b) Number of units outstanding (in 000's)		168,924	62,136	33,426	43,033	77,047	52,992	310,768	154,624	56,251	399,952	37,826	174,700	**12,644,484**
(c) NAV per unit (a)/(b) (Rs.)		11.20	10.96	10.66	10.59	10.21	10.03	10.28	10.12	9.95	9.91	10.07	10.06	

3.18 FUND BALANCE SHEET AS AT MARCH 31, 2010

Form A-BS(UL)

(Rs. in 000's)

Particulars	Schedule	Linked Health Funds													
		Health Saver Balancer Fund	Health Saver Protector Fund	Health Saver Flexi Balanced Fund	Health Saver Flexi Growth Fund	Health Saver Preserver Fund	Health Saver Multiplier Fund	Health Saver Return Guarantee Fund	Health Saver Return Guarantee Fund II	Health Saver Return Guarantee Fund III	Health Saver Return Guarantee Fund IV	Health Saver Return Guarantee Fund V	Health Saver Return Guarantee Fund VI	Health Saver Return Guarantee Fund VII	Total
Sources of funds															
Policyholders' funds															
Policyholder contribution	F-1	46,695	245,421	41,074	751,977	8,854	103,112	69,639	77,603	78,708	36,277	18,356	10,660	5,758	**1,494,133**
Revenue account		(8,309)	(56,406)	(6,649)	(79,296)	(1,854)	(8,260)	(34,703)	(39,430)	(37,986)	(16,559)	(8,294)	(4,242)	(1,101)	**(303,089)**
Total		**38,386**	**189,015**	**34,425**	**672,681**	**7,000**	**94,852**	**34,936**	**38,173**	**40,722**	**19,718**	**10,062**	**6,418**	**4,657**	**1,191,044**
Application of funds															
Investments	F-2	35,590	186,542	32,414	642,287	6,572	90,158	32,434	36,312	38,814	18,686	9,554	6,111	4,479	**1,139,952**
Current assets	F-3	2,797	12,635	2,012	31,059	428	4,698	2,506	1,865	1,912	1,034	509	307	178	**61,940**
Less: Current liabilities and provisions	F-4	1	10,162	1	665	—	4	4	4	4	2	1	—	—	**10,848**
Net current assets		**2,796**	**2,473**	**2,011**	**30,394**	**428**	**4,694**	**2,502**	**1,861**	**1,908**	**1,032**	**508**	**307**	**178**	**51,092**
Total		**38,386**	**189,015**	**34,425**	**672,681**	**7,000**	**94,852**	**34,936**	**38,173**	**40,722**	**19,718**	**10,062**	**6,418**	**4,657**	**1,191,044**
(a) Net asset as per balance sheet (Total assets less current liabilities and provisions) (Rs. in 000's)		38,386	189,015	34,425	672,681	7,000	94,852	34,936	38,173	40,722	19,718	10,062	6,418	4,657	**1,191,044**
(b) Number of units outstanding (in 000's)		2,864	16,744	2,294	34,409	642	4,814	3,084	3,361	3,627	1,784	944	605	456	**75,630**
(c) NAV per unit (a)/(b) (Rs.)		13.40	11.29	15.01	19.55	10.90	19.70	11.33	11.36	11.23	11.05	10.66	10.61	10.20	

(Rs. in 000's)

Particulars	Schedule	Linked Group Funds															
		Group Balanced Fund	Group Debt Fund	Group Short Term Debt Fund	Group Capital Guarantee Short Term Debt Fund	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Debt Fund	Group Growth Fund	Group Capital Guarantee Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II	Group Return Guarantee Fund III	Total	Grand total
Sources of funds																	
Policyholders' funds																	
Policyholder contribution	F-1	7,836,205	4,897,201	5,551,126	1,768,585	1,652,847	39,738	3,747,279	32,846	398,417	43,920	17,322	2,278,279	110,417	2,036,586	**30,410,771**	**391,094,811**
Revenue account		2,507,504	663,060	1,081,635	427,960	217,662	326,105	1,190,273	16,277	72,523	1,524	3,913	285,540	8,804	136,489	**6,939,269**	**123,597,755**
Total		**10,343,709**	**5,560,261**	**6,632,761**	**2,196,545**	**1,870,509**	**365,843**	**4,937,552**	**49,123**	**470,940**	**45,444**	**21,235**	**2,563,819**	**119,221**	**2,173,075**	**37,350,040**	**514,692,566**
Application of funds																	
Investments	F-2	10,047,633	4,706,073	6,146,680	2,164,327	1,828,417	379,652	4,920,233	47,713	460,264	48,033	91	2,444,140	111,327	2,082,549	**35,387,135**	**509,166,300**
Current assets	F-3	296,478	981,348	486,631	32,422	42,189	6,524	17,515	1,413	10,970	1,222	21,144	119,942	7,906	90,640	**2,116,344**	**9,230,890**
Less: Current liabilities and provisions	F-4	402	127,160	550	204	97	20,333	196	3	294	3,811	—	263	12	114	**153,439**	**3,704,624**
Net current assets		**296,076**	**854,188**	**486,081**	**32,218**	**42,092**	**(13,809)**	**17,319**	**1,410**	**10,676**	**(2,589)**	**21,144**	**119,679**	**7,894**	**90,526**	**1,962,905**	**5,526,266**
Total		**10,343,709**	**5,560,261**	**6,632,761**	**2,196,545**	**1,870,509**	**365,843**	**4,937,552**	**49,123**	**470,940**	**45,444**	**21,235**	**2,563,819**	**119,221**	**2,173,075**	**37,350,040**	**514,692,566**
(a) Net asset as per balance sheet (Total assets less current liabilities and provisions) (Rs. in 000's)		10,343,709	5,560,261	6,632,761	2,196,545	1,870,509	365,843	4,937,552	49,123	470,940	45,444	21,235	2,563,819	119,221	2,173,075	**37,350,040**	**514,692,566**
(b) Number of units outstanding (in 000's)		480,040	337,636	426,848	170,158	138,090	25,700	164,893	3,663	38,033	4,429	2,117	226,107	11,014	203,549	**2,232,276**	**29,500,026**
(c) NAV per unit (a)/ (b) (Rs.)		21.55	16.47	15.54	12.91	13.55	14.23	29.94	13.41	12.38	10.26	10.03	11.34	10.82	10.68		

Schedule F – 1

POLICYHOLDER'S CONTRIBUTION

(Rs. in 000's)

Particulars	Linked Life Funds														
	Balancer Fund	Protector Fund	Maximiser Fund	Cash Plus Fund	Secure Plus Fund	Preserver Fund	Investshield Gold - ISLP Fund	New Invest Shield Balanced Fund	Flexi Growth Fund	Flexi Balanced Fund	RICH Fund	Multiplier Fund	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III
Opening balance	16,549,516	12,334,943	87,459,330	3,370,357	244,274	2,473,995	1,143,680	1,560,710	44,916,085	1,545,201	9,124,165	11,696,969	671,366	729,134	754,090
Add: Additions during the year*	3,347,026	3,343,613	13,728,230	1,520,581	50,462	1,785,726	287,623	520,136	19,417,959	889,072	9,629,421	6,877,280	6,508	6,271	12,769
Less: Deductions during the year**	(8,662,647)	(5,070,542)	(38,619,758)	(149,089)	(16,274)	(1,508,235)	(49,327)	(138,528)	(4,451,541)	(206,198)	(51,518)	(305,755)	(56,707)	(76,975)	(107,875)
Closing balance	**11,233,895**	**10,608,014**	**62,567,802**	**4,741,849**	**278,462**	**2,751,486**	**1,381,976**	**1,942,318**	**59,882,503**	**2,228,075**	**18,702,068**	**18,268,494**	**621,167**	**658,430**	**658,984**

* Represents unit creation.
** Represents unit cancellations.

(Rs. in 000's)

Particulars	Linked Life Funds														
	Return Guarantee Fund IV	Return Guarantee Fund V	Return Guarantee Fund VI	Secure Save Builder Fund	Secure Save Guarantee Fund	Anmol Nivesh Fund	Bluechip Fund	Income Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Money Market Fund	Opportunities Fund	Pinnacle Fund	Return Guarantee Fund VII	Dynamic P/E Fund	Total
Opening balance	211,145	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**194,784,960**
Add: Additions during the year*	98,174	126,284	120,627	10,823	46,054	186	90,675	183,325	41,280	650,323	28,660	151,226	3,067,897	48,476	211,502	**66,298,189**
Less: Deductions during the year**	(19,789)	(485)	(804)	—	(232)	—	(338)	(13)	(300)	(43)	(65)	(9)	(738)	(284)	(20)	**(59,494,089)**
Closing balance	**289,530**	**125,799**	**119,823**	**10,823**	**45,822**	**186**	**90,337**	**183,312**	**40,980**	**650,280**	**28,595**	**151,217**	**3,067,159**	**48,192**	**211,482**	**201,589,060**

* Represents unit creation.
** Represents unit cancellations.

(Rs. in 000's)

Particulars	Linked Pension funds											
	Pension Balancer Fund	Pension Protector Fund	Pension Maximiser Fund	Secure Plus Pension Fund	Pension Preserver Fund	Investshield Pension - ISPP Fund	Pension Flexi Growth Fund	Pension Flexi Balanced Fund	Pension RICH Fund	Pension Multiplier Fund	Pension Return Guarantee Fund	Pension Return Guarantee Fund II
Opening balance	7,413,645	7,581,275	25,913,587	102,587	957,023	211,702	32,018,424	1,049,155	14,471,044	5,126,740	2,121,490	1,977,682
Add: Additions during the year*	3,879,237	5,744,321	6,307,985	17,356	1,734,224	51,690	20,019,584	1,113,989	15,056,967	4,147,223	2,389	(14,496)
Less: Deductions during the year**	(2,299,726)	(1,229,523)	(8,629,602)	(6,647)	(284,834)	(11,351)	(2,237,004)	(56,085)	(164,105)	(73,066)	(156,801)	(204,107)
Closing balance	**8,993,156**	**12,096,073**	**23,591,970**	**113,296**	**2,406,413**	**252,041**	**49,801,004**	**2,107,059**	**29,363,906**	**9,200,897**	**1,967,078**	**1,759,079**

* Represents unit creation
** Represents unit cancellations

(Rs. in 000's)

Particulars	Linked Pension funds												
	Pension Return Guarantee Fund III	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Income Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Money Market Fund	Pension Opportunities Fund	Total
Opening balance	2,082,981	624,958	—	—	—	—	—	—	—	—	—	—	**101,652,293**
Add: Additions during the year*	(70,605)	107,931	355,102	446,245	794,465	529,829	3,182,002	1,595,711	567,927	3,970,487	388,421	1,771,317	**71,699,299**
Less: Deductions during the year**	(265,955)	(83,849)	(7,814)	(664)	(4,306)	(2,414)	(1,688)	(527)	(3,597)	(1,092)	(61)	(25,927)	**(15,750,745)**
Closing balance	**1,746,421**	**649,040**	**347,288**	**445,581**	**790,159**	**527,415**	**3,180,314**	**1,595,184**	**564,330**	**3,969,395**	**388,360**	**1,745,390**	**157,600,847**

* Represents unit creation.
** Represents unit cancellations.

(Rs. in 000's)

Particulars	Linked Health Funds													
	Health Saver Balancer Fund	Health Saver Protector Fund	Health Saver Flexi Balanced Fund	Health Saver Flexi Growth Fund	Health Saver Preserver Fund	Health Saver Multiplier Fund	Health Saver Return Guarantee Fund	Health Saver Return Guarantee Fund II	Health Saver Return Guarantee Fund III	Health Saver Return Guarantee Fund IV	Health Saver Return Guarantee Fund V	Health Saver Return Guarantee Fund VI	Health Saver Return Guarantee Fund VII	Total
Opening balance	4,125	22,801	3,610	76,102	1,388	12,159	68,682	74,381	70,447	22,547	—	—	—	**356,242**
Add: Additions during the year*	42,876	222,962	37,546	690,391	7,891	91,075	1,610	4,054	9,477	14,043	18,525	10,680	5,769	**1,156,898**
Less: Deductions during the year**	(306)	(342)	(82)	(14,516)	(425)	(122)	(653)	(832)	(1,216)	(313)	(169)	(20)	(11)	**(19,007)**
Closing balance	**46,695**	**245,421**	**41,074**	**751,977**	**8,854**	**103,112**	**69,639**	**77,603**	**78,708**	**36,277**	**18,356**	**10,660**	**5,758**	**1,494,133**

* Represents unit creation.
** Represents unit cancellations.

(Rs. in 000's)

Particulars	Linked Group Funds															
	Group Balanced Fund	Group Debt Fund	Group Short Term Debt Fund	Group Capital Guarantee Short Term Debt Fund	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Debt Fund	Group Growth Fund	Group Capital Guarantee Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II	Group Return Guarantee Fund III	Total	Grand total
Opening balance	4,607,215	3,079,990	4,656,176	2,871,192	592,665	1,744,613	2,395,359	63,454	292,546	61	45,367	2,269,454	6,275	—	**22,624,367**	**319,417,862**
Add: Additions during the year*	4,138,615	3,860,296	5,773,264	337,610	1,254,047	403,072	1,797,163	14,070	117,966	60,729	21,235	10,573	104,645	2,036,586	**19,929,874**	**159,084,260**
Less: Deductions during the year**	(909,625)	(2,043,085)	(4,878,314)	(1,440,217)	(193,865)	(2,107,947)	(445,243)	(44,678)	(12,095)	(16,870)	(49,280)	(1,748)	(503)	—	**(12,143,470)**	**(87,407,311)**
Closing balance	**7,836,205**	**4,897,201**	**5,551,126**	**1,768,585**	**1,652,847**	**39,738**	**3,747,279**	**32,846**	**398,417**	**43,920**	**17,322**	**2,278,279**	**110,417**	**2,036,586**	**30,410,771**	**391,094,811**

* Represents unit creation.
** Represents unit cancellations.

Schedule: F – 2
INVESTMENTS

(Rs. in 000's)

Particulars	Linked Life Funds														
	Balancer Fund	Protector Fund	Maximiser Fund	Cash Plus Fund	Secure Plus Fund	Preserver Fund	Investshield Gold - ISLP Fund	New Invest Shield Balanced Fund	Flexi Growth Fund	Flexi Balanced Fund	RICH Fund	Multiplier Fund	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III
Approved investments															
Government Bonds	99,093	18,359	—	103,408	14	8,164	44	50	—	35	—	—	—	—	—
Corporate Bonds	6,547,937	6,409,166	159	2,102,971	135,470	84,591	467,765	513,559	—	383,246	—	—	414,336	476,093	488,496
Infrastructure Bonds	4,527,457	3,800,386	5,409	1,227,837	70,699	95,425	247,996	253,643	—	206,353	—	—	79,697	68,175	99,693
Equity	7,355,668	—	93,317,074	—	738	—	387,643	729,513	56,781,019	1,081,236	17,532,867	17,657,235	—	—	—
Money Market	2,425,563	2,695,783	2,243,690	978,017	78,749	2,607,959	318,043	456,062	3,033,069	442,431	1,689,342	1,990,423	—	—	—
Mutual Funds	54,358	140,047	154,723	47,331	1,070	10,710	15,965	10,346	9,103	25,807	218,986	219,892	3,707	6,816	6,369
Deposit with Banks	500,419	572,274	83,228	371,127	32,467	468,354	80,351	93,423	1,500,002	74,800	—	—	119,102	98,682	56,151
Total	**21,510,495**	**13,636,015**	**95,804,283**	**4,830,691**	**319,207**	**3,275,203**	**1,517,807**	**2,056,596**	**61,323,193**	**2,213,908**	**19,441,195**	**19,867,550**	**616,842**	**649,766**	**650,709**
Other investments															
Corporate Bonds	116,754	18,220	—	4,180	—	—	5,457	4,906	—	4,615	—	—	—	—	—
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity	941,444	—	10,919,888	—	—	—	46,327	80,318	8,967,995	325,085	2,298,773	2,061,665	—	—	—
Money Market	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mutual Funds	—	17,216	—	—	—	—	—	—	—	19,083	163,760	162,655	—	4,260	—
Venture Fund	—	—	—	—	—	—	—	21,837	—	—	—	—	—	—	—
Total	**1,058,198**	**35,436**	**10,919,888**	**4,180**	**—**	**—**	**51,784**	**107,061**	**8,967,995**	**348,783**	**2,462,533**	**2,224,320**	**—**	**4,260**	**—**
GRAND TOTAL	**22,568,693**	**13,671,451**	**106,724,171**	**4,834,871**	**319,207**	**3,275,203**	**1,569,591**	**2,163,657**	**70,291,188**	**2,562,691**	**21,903,728**	**22,091,870**	**616,842**	**654,026**	**650,709**
% of approved investments to Total	95.31%	99.74%	89.77%	99.91%	100.00%	100.00%	96.70%	95.05%	87.24%	86.39%	88.76%	89.93%	100.00%	99.35%	100.00%
% of other investments to Total	4.69%	0.26%	10.23%	0.09%	0.00%	0.00%	3.30%	4.95%	12.76%	13.61%	11.24%	10.07%	0.00%	0.65%	0.00%

(Rs. in 000's)

Particulars	Linked Life Funds														
	Return Guarantee Fund IV	Return Guarantee Fund V	Return Guarantee Fund VI	Secure Save Builder Fund	Secure Save Guarantee Fund	Anmol Nivesh Fund	Bluechip Fund	Income Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Money Market Fund	Opportunities Fund	Pinnacle Fund	Return Guarantee Fund VII	Dynamic P/E Fund	Total
Approved investments																
Government Bonds	—	—	—	—	—	—	—	—	—	—	—	—	306,634	—	—	**535,801**
Corporate Bonds	180,224	73,311	75,621	1,076	10,617	35	—	45,530	3,175	—	—	—	—	30,898	—	**18,444,277**
Infrastructure Bonds	65,058	28,905	35,129	1,051	11,494	27	—	42,200	1,288	—	—	—	—	13,736	—	**10,881,658**
Equity	—	—	—	6,043	12,877	—	76,131	—	19,708	541,436	—	128,562	2,238,801	—	171,087	**198,037,637**
Money Market	—	—	—	789	4,549	35	5,763	68,423	10,876	36,279	20,814	10,598	—	—	2,329	**19,119,586**
Mutual Funds	2,377	526	1,186	106	262	—	847	1,624	347	5,969	233	1,365	9,021	472	1,882	**951,447**
Deposit with Banks	30,986	15,317	2,188	205	1,939	51	—	9,261	2,868	—	1,650	—	—	91	—	**4,114,936**
Total	**278,645**	**118,059**	**114,124**	**9,270**	**41,738**	**148**	**82,741**	**167,038**	**38,262**	**583,684**	**22,697**	**140,525**	**2,554,456**	**45,197**	**175,298**	**252,085,342**
Other investments																**—**
Corporate Bonds	—	—	—	—	—	—	—	1,623	272	—	—	—	—	621	—	**156,648**
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Equity	—	—	—	1,175	2,425	—	7,983	—	1,831	54,640	—	6,755	200,755	—	15,342	**25,932,401**
Money Market	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Mutual Funds	—	—	366	69	—	—	621	2,295	—	4,428	545	1,004	—	8	1,211	**377,521**
Venture Fund	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**21,837**
Total	**—**	**—**	**366**	**1,244**	**2,425**	**—**	**8,604**	**3,918**	**2,103**	**59,068**	**545**	**7,759**	**200,755**	**629**	**16,553**	**26,488,407**
GRAND TOTAL	**278,645**	**118,059**	**114,490**	**10,514**	**44,163**	**148**	**91,345**	**170,956**	**40,365**	**642,752**	**23,242**	**148,284**	**2,755,211**	**45,826**	**191,851**	**278,573,749**
% of approved investments to Total	100.00%	100.00%	99.68%	88.17%	94.51%	100.00%	90.58%	97.71%	94.79%	90.81%	97.66%	94.77%	92.71%	98.63%	91.37%	**90.49%**
% of other investments to Total	0.00%	0.00%	0.32%	11.83%	5.49%	0.00%	9.42%	2.29%	5.21%	9.19%	2.34%	5.23%	7.29%	1.37%	8.63%	**9.51%**

Schedule: F – 2

INVESTMENTS (Continued) **(Rs. in 000's)**

Particulars	Linked Pension Funds											
	Pension Balancer Fund	Pension Protector Fund	Pension Maximiser Fund	Secure Plus Pension Fund	Pension Preserver Fund	Investshield Pension - ISPP Fund	Pension Flexi Growth Fund	Pension Flexi Balanced Fund	Pension RICH Fund	Pension Multiplier Fund	Pension Return Guarantee Fund	Pension Return Guarantee Fund II
Approved investments												
Government Bonds	7,989	205,578	—	6	—	9	—	23	—	—	—	—
Corporate Bonds	3,061,922	4,785,984	—	55,977	150,891	90,093	—	299,446	—	—	1,556,668	1,415,360
Infrastructure Bonds	2,227,878	3,484,891	—	32,822	40,222	42,748	—	150,369	—	—	292,223	370,487
Equity	4,118,220	—	31,017,398	—	—	71,724	46,073,819	1,007,498	29,307,907	8,379,701	—	—
Money Market	1,896,166	3,744,330	1,158,357	30,831	1,913,841	85,560	4,916,886	508,521	3,370,249	1,121,597	—	—
Mutual Funds	133,248	137,175	366,333	588	13,341	916	233,118	23,980	352,408	107,457	2,773	12,941
Deposit with Banks	597,381	1,036,698	—	18,988	359,619	12,119	—	69,952	—	—	193,931	73,537
Total	**12,042,804**	**13,394,656**	**32,542,088**	**139,212**	**2,477,914**	**303,169**	**51,223,823**	**2,059,789**	**33,030,564**	**9,608,755**	**2,045,595**	**1,872,325**
Other investments												
Corporate Bonds	8,460	46,757	—	—	—	220	—	2,082	—	—	—	—
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—
Equity	774,653	—	3,776,707	—	—	8,622	7,891,781	306,201	2,919,299	1,077,560	—	—
Money Market	—	—	—	—	—	—	—	—	—	—	—	—
Mutual Funds	338,084	25,874	113,081	—	—	—	—	17,750	197,541	80,218	—	—
Venture Fund	—	—	—	—	—	—	—	—	—	—	—	—
Total	**1,121,197**	**72,631**	**3,889,788**	**—**	**—**	**8,842**	**7,891,781**	**326,033**	**3,116,840**	**1,157,778**	**—**	**—**
GRAND TOTAL	**13,164,001**	**13,467,287**	**36,431,876**	**139,212**	**2,477,914**	**312,011**	**59,115,604**	**2,385,822**	**36,147,404**	**10,766,533**	**2,045,595**	**1,872,325**
% of approved investments to Total	91.48%	99.46%	89.32%	100.00%	100.00%	97.17%	86.65%	86.33%	91.38%	89.25%	100.00%	100.00%
% of other investments to Total	8.52%	0.54%	10.68%	0.00%	0.00%	2.83%	13.35%	13.67%	8.62%	10.75%	0.00%	0.00%

(Rs. in 000's)

Particulars	Linked Pension Funds												
	Pension Return Guarantee Fund III	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Income Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Money Market Fund	Pension Opportunities Fund	Total
Approved investments													
Government Bonds	—	—	—	—	—	—	—	—	—	—	—	—	**213,605**
Corporate Bonds	1,309,639	411,417	248,067	274,889	546,741	—	—	312,860	44,990	—	—	—	**14,564,942**
Infrastructure Bonds	332,298	123,961	71,585	138,032	179,348	—	—	260,769	22,134	—	—	—	**7,769,767**
Equity	—	—	—	—	—	431,361	2,522,099	—	272,524	3,159,838	—	1,466,205	**127,828,293**
Money Market	—	—	—	—	—	45,004	53,520	781,139	141,686	702,132	295,492	155,202	**20,920,512**
Mutual Funds	18,888	4,335	3,122	4,548	7,842	4,820	27,775	14,143	5,255	35,319	3,120	15,491	**1,528,936**
Deposit with Banks	155,594	107,818	20,211	18,440	1,300	—	—	58,376	9,910	—	9,100	—	**2,742,974**
Total	**1,816,419**	**647,531**	**342,984**	**435,909**	**735,231**	**481,185**	**2,603,394**	**1,427,287**	**496,499**	**3,897,289**	**307,712**	**1,636,898**	**175,569,029**
Other investments													**—**
Corporate Bonds	—	—	—	—	27,907	—	—	9,139	3,961	—	—	—	**98,526**
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Equity	—	—	—	—	—	45,116	227,678	—	26,766	338,448	—	77,629	**17,470,461**
Money Market	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Mutual Funds	3,555	—	—	1,498	498	3,571	18,507	49,005	37,359	25,283	4,076	11,548	**927,448**
Venture Fund	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Total	**3,555**	**—**	**—**	**1,498**	**28,405**	**48,687**	**246,185**	**58,144**	**68,086**	**363,731**	**4,076**	**89,177**	**18,496,435**
GRAND TOTAL	**1,819,974**	**647,531**	**342,984**	**437,407**	**763,636**	**529,872**	**2,849,579**	**1,485,431**	**564,585**	**4,261,020**	**311,788**	**1,726,075**	**194,065,464**
% of approved investments to Total	99.80%	100.00%	100.00%	99.66%	96.28%	90.81%	91.36%	96.09%	87.94%	91.46%	98.69%	94.83%	**90.47%**
% of other investments to Total	0.20%	0.00%	0.00%	0.34%	3.72%	9.19%	8.64%	3.91%	12.06%	8.54%	1.31%	5.17%	**9.53%**

Schedule: F – 2

INVESTMENTS (Continued) **(Rs. in 000's)**

Particulars	Linked Health Funds													
	Health Saver Balancer Fund	Health Saver Protector Fund	Health Saver Flexi Balanced Fund	Health Saver Flexi Growth Fund	Health Saver Preserver Fund	Health Saver Multiplier Fund	Health Saver Return Guarantee Fund	Health Saver Return Guarantee Fund II	Health Saver Return Guarantee Fund III	Health Saver Return Guarantee Fund IV	Health Saver Return Guarantee Fund V	Health Saver Return Guarantee Fund VI	Health Saver Return Guarantee Fund VII	Total
Approved investments														
Government Bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Corporate Bonds	5,691	59,976	3,340	—	250	—	17,291	26,223	25,716	8,599	5,987	4,232	2,771	**160,075**
Infrastructure Bonds	2,723	42,509	1,603	—	—	—	2,178	2,348	7,064	6,093	1,398	1,650	1,436	**69,002**
Equity	10,683	—	13,149	486,067	—	73,880	—	—	—	—	—	—	—	**583,779**
Money Market	11,914	65,189	9,471	50,856	5,007	4,747	—	—	—	—	—	—	—	**147,184**
Mutual Funds	361	1,795	326	6,430	11	911	109	93	406	120	68	59	—	**10,689**
Deposit with Banks	2,544	16,007	1,300	—	1,304	—	12,856	7,648	5,528	3,874	2,101	170	121	**53,453**
Total	**33,916**	**185,476**	**29,189**	**543,353**	**6,572**	**79,538**	**32,434**	**36,312**	**38,714**	**18,686**	**9,554**	**6,111**	**4,328**	**1,024,182**
Other investments														**—**
Corporate Bonds	—	—	—	—	—	—	—	—	—	—	—	—	151	**151**
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Equity	1,367	—	3,107	95,594	—	9,953	—	—	—	—	—	—	—	**110,021**
Money Market	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Mutual Funds	307	1,066	118	3,340	—	667	—	—	100	—	—	—	—	**5,598**
Venture Fund	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Total	**1,674**	**1,066**	**3,225**	**98,934**	**—**	**10,620**	**—**	**—**	**100**	**—**	**—**	**—**	**151**	**115,770**
GRAND TOTAL	**35,590**	**186,542**	**32,414**	**642,287**	**6,572**	**90,158**	**32,434**	**36,312**	**38,814**	**18,686**	**9,554**	**6,111**	**4,479**	**1,139,952**
% of approved investments to Total	95.30%	99.43%	90.05%	84.60%	100.00%	88.22%	100.00%	100.00%	99.74%	100.00%	100.00%	100.00%	96.63%	**89.84%**
% of other investments to Total	4.70%	0.57%	9.95%	15.40%	0.00%	11.78%	0.00%	0.00%	0.26%	0.00%	0.00%	0.00%	3.37%	**10.16%**

(Rs. in 000's)

Particulars	Linked Group Funds														
	Group Balanced Fund	Group Debt Fund	Group Short Term Debt Fund	Group Capital Guarantee Short Term Debt Fund	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Debt Fund	Group Growth Fund	Group Capital Guarantee Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II	Group Return Guarantee Fund III	Total	Grand total
Approved investments																
Government Bonds	13,730	84	—	—	21	2,421	77	2	14	—	66	—	—	—	**16,415**	**765,821**
Corporate Bonds	2,745,285	2,030,108	74,542	94,442	458,616	123,741	715,242	11,381	132,093	17,087	—	1,585,665	71,335	1,579,020	**9,638,558**	**42,807,852**
Infrastructure Bonds	1,681,848	1,412,634	167,452	95,958	353,061	102,832	401,681	6,662	70,283	10,086	—	516,164	6,566	402,335	**5,227,562**	**23,947,989**
Equity	1,478,637	—	—	—	274,327	—	2,375,378	14,160	67,097	—	—	—	—	—	**4,209,599**	**330,659,308**
Money Market	3,094,646	1,045,762	5,049,548	1,524,874	548,122	130,039	945,682	10,825	143,582	12,896	—	—	—	—	**12,505,976**	**52,693,258**
Mutual Funds	34,310	43,756	61,671	17,316	7,314	299	49,975	458	4,676	453	—	16,228	1,178	21,509	**259,143**	**2,750,215**
Deposit with Banks	830,585	173,729	784,306	431,737	157,429	20,320	147,183	2,080	26,755	7,189	25	326,083	32,130	—	**2,939,551**	**9,850,914**
Total	**9,879,041**	**4,706,073**	**6,137,519**	**2,164,327**	**1,798,890**	**379,652**	**4,635,218**	**45,568**	**444,500**	**47,711**	**91**	**2,444,140**	**111,208**	**2,002,864**	**34,796,804**	**463,475,357**
Other investments																**—**
Corporate Bonds	11,104	—	—	—	—	—	3,893	—	—	—	—	—	—	77,896	**92,893**	**348,218**
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**	**—**
Equity	157,488	—	—	—	29,527	—	267,290	2,145	7,033	—	—	—	—	—	**463,483**	**43,976,366**
Money Market	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**	**—**
Mutual Funds	—	—	9,161	—	—	—	13,832	—	8,731	322	—	—	119	1,789	**33,954**	**1,344,521**
Venture Fund	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**	**21,837**
Total	**168,592**	**—**	**9,161**	**—**	**29,527**	**—**	**285,015**	**2,145**	**15,764**	**322**	**—**	**—**	**119**	**79,685**	**590,331**	**45,690,943**
GRAND TOTAL	**10,047,633**	**4,706,073**	**6,146,680**	**2,164,327**	**1,828,417**	**379,652**	**4,920,233**	**47,713**	**460,264**	**48,033**	**91**	**2,444,140**	**111,327**	**2,082,549**	**35,387,135**	**509,166,300**
% of approved investments to Total	98.32%	100.00%	99.85%	100.00%	98.39%	100.00%	94.21%	95.50%	96.58%	99.33%	100.00%	100.00%	99.89%	96.17%	**98.33%**	
% of other investments to Total	1.68%	0.00%	0.15%	0.00%	1.61%	0.00%	5.79%	4.50%	3.42%	0.67%	0.00%	0.00%	0.11%	3.83%	**1.67%**	

Schedule: F – 3

CURRENT ASSETS

(Rs. in 000's)

Particulars	Linked Life Funds														
	Balancer Fund	Protector Fund	Maximiser Fund	Cash Plus Fund	Secure Plus Fund	Preserver Fund	Investshield Gold - ISLP Fund	New Invest Shield Balanced Fund	Flexi Growth Fund	Flexi Balanced Fund	RICH Fund	Multiplier Fund	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III
Accrued Interest	345,214	319,364	638	101,171	7,192	16,403	23,892	25,327	3,713	19,190	—	—	31,547	28,901	27,639
Cash & Bank Balance	13,651	9,376	8,752	2,159	10	10	586	626	10	482	10	10	10	10	9
Dividend Receivable	1,487	—	29,319	—	—	—	116	185	8,344	388	1,197	4,097	—	—	—
Receivable for Sale of Investments	95,264	21,985	765,694	6,979	478	—	12,167	1,810	399,548	1,320	—	—	—	—	—
Unit Collection A/c	9,206	(30,324)	(112,330)	15,154	1,341	61,050	2,514	4,863	87,393	10,092	240,983	107,141	—	(32)	(65)
Other Current Assets (for Investments)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Appropriation adjustment account	—	665	—	239	193	165	1,379	2,468	155,788	4,313	60,235	60,166			
Total	**464,822**	**321,066**	**692,073**	**125,702**	**9,214**	**77,628**	**40,654**	**35,279**	**654,796**	**35,785**	**302,425**	**171,414**	**31,557**	**28,879**	**27,583**

(Rs. in 000's)

Particulars	Linked Life Funds															
	Return Guarantee Fund IV	Return Guarantee Fund V	Return Guarantee Fund VI	Secure Save Builder Fund	Secure Save Guarantee Fund	Anmol Nivesh Fund	Bluechip Fund	Income Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Money Market Fund	Opportunities Fund	Pinnacle Fund	Return Guarantee Fund VII	Dynamic P/E Fund	Total
Accrued Interest	13,235	5,109	3,218	70	602	9	—	1,778	147	—	47	—	3,590	1,460	—	**979,456**
Cash & Bank Balance	11	11	11	10	10	3	10	10	10	10	10	10	10	10	10	**35,857**
Dividend Receivable	—	—	—	1	2	—	7	—	4	—	—	—	280	—	14	**45,441**
Receivable for Sale of Investments	—	—	1,226	—	127	—	—	—	—	—	—	—	—	—	—	**1,306,598**
Unit Collection A/c	(678)	(17)	(1)	22	87	11	5,050	15,826	2,625	46,226	4,821	14,380	265,480	—	24,553	**775,371**
Other Current Assets (for Investments)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Appropriation adjustment account	—	—	—	23	49	—	232	8	63	1,319	1	375	7,541	2	515	**295,739**
Total	**12,568**	**5,103**	**4,454**	**126**	**877**	**23**	**5,299**	**17,622**	**2,849**	**47,555**	**4,879**	**14,765**	**276,901**	**1,472**	**25,092**	**3,438,462**

(Rs. in 000's)

Particulars	Linked Pension Funds											
	Pension Balancer Fund	Pension Protector Fund	Pension Maximiser Fund	Secure Plus Pension Fund	Pension Preserver Fund	Investshield Pension - ISPP Fund	Pension Flexi Growth Fund	Pension Flexi Balanced Fund	Pension RICH Fund	Pension Multiplier Fund	Pension Return Guarantee Fund	Pension Return Guarantee Fund II
Accrued Interest	160,831	245,100	—	3,022	14,856	4,547	—	14,437	—	—	95,277	60,393
Cash & Bank Balance	4,359	5,222	10	10	10	123	11	319	10	10	10	11
Dividend Receivable	886	—	9,503	—	—	26	11,197	555	2,138	2,468	—	—
Receivable for Sale of Investments	11,134	15,159	250,998	210	—	3,758	251,924	1,001	—	—	—	—
Unit Collection A/c	28,008	100,080	(18,921)	640	35,208	270	149,578	10,403	239,742	72,022	(103)	(69)
Other Current Assets (for Investments)	—	—	—	—	—	—	—	—	—	—	—	—
Appropriation adjustment account	15,051	666	—	84	125	275	130,746	4,010	96,901	29,415	—	—
Total	**220,269**	**366,227**	**241,590**	**3,966**	**50,199**	**8,999**	**543,456**	**30,725**	**338,791**	**103,915**	**95,184**	**60,335**

(Rs. in 000's)

Particulars	Linked Pension Funds												
	Pension Return Guarantee Fund III	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Income Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Money Market Fund	Pension Opportunities Fund	Total
Accrued Interest	73,131	33,687	13,605	13,038	22,598	—	—	11,299	1,730	—	256	—	**767,807**
Cash & Bank Balance	10	10	10	9	10	10	10	10	35	10	10	11	**10,250**
Dividend Receivable	—	—	—	—	—	52	228	—	61	—	—	—	**27,114**
Receivable for Sale of Investments	—	—	—	5,605	—	—	—	—	—	—	—	—	**539,789**
Unit Collection A/c	(940)	(290)	(143)	(440)	350	50,283	420,112	150,081	32,996	425,165	68,975	206,924	**1,969,931**
Other Current Assets (for Investments)	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Appropriation adjustment account	—	—	—	—	39	1,320	7,606	71	878	7,799	16	4,251	**299,253**
Total	**72,201**	**33,407**	**13,472**	**18,212**	**22,997**	**51,665**	**427,956**	**161,461**	**35,700**	**432,974**	**69,257**	**211,186**	**3,614,144**

Schedule: F – 3

CURRENT ASSETS (Continued)

(Rs. in 000's)

Particulars	Linked Health Funds													
	Health Saver Balancer Fund	Health Saver Protector Fund	Health Saver Flexi Balanced Fund	Health Saver Flexi Growth Fund	Health Saver Preserver Fund	Health Saver Multiplier Fund	Health Saver Return Guarantee Fund	Health Saver Return Guarantee Fund II	Health Saver Return Guarantee Fund III	Health Saver Return Guarantee Fund IV	Health Saver Return Guarantee Fund V	Health Saver Return Guarantee Fund VI	Health Saver Return Guarantee Fund VII	Total
Accrued Interest	410	3,054	148	—	77	—	2,490	1,838	1,846	1,033	495	201	121	**11,713**
Cash & Bank Balance	10	10	10	9	9	10	10	10	10	10	9	10	57	**174**
Dividend Receivable	1	—	2	65	—	17	—	—	—	—	—	—	—	**85**
Receivable for Sale of Investments	145	263	24	2,653	—	796	—	—	—	—	—	100	—	**3,981**
Unit Collection A/c	2,190	9,299	1,774	26,908	342	3,674	6	17	56	(9)	5	(4)	—	**44,258**
Other Current Assets (for Investments)	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Appropriation adjustment account	41	9	54	1,424	—	201	—	—	—	—	—	—	—	**1,729**
Total	**2,797**	**12,635**	**2,012**	**31,059**	**428**	**4,698**	**2,506**	**1,865**	**1,912**	**1,034**	**509**	**307**	**178**	**61,940**

(Rs. in 000's)

Particulars	Linked Group Funds														
	Group Balanced Fund	Group Debt Fund	Group Short Term Debt Fund	Group Capital Guarantee Short Term Debt Fund	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Debt Fund	Group Growth Fund	Group Capital Guarantee Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II	Group Return Guarantee Fund III	Total	Grand total
Accrued Interest	146,031	100,292	21,645	11,716	25,713	5,956	35,090	537	6,409	1,104	1	109,357	6,744	73,228	**543,823**	**2,302,799**
Cash & Bank Balance	11	9	10	10	10	10	9	10	10	10	7	11	10	9	**136**	**46,417**
Dividend Receivable	590	—	—	—	111	—	471	3	19	—	—	—	—	—	**1,194**	**73,834**
Receivable for Sale of Investments	23,791	6,785	—	—	4,506	150	30,284	214	1,438	—	—	—	—	—	**67,168**	**1,917,536**
Unit Collection A/c	120,027	874,028	464,976	20,696	10,752	390	(56,665)	594	3,094	106	21,136	10,574	1,152	17,295	**1,488,155**	**4,277,715**
Other Current Assets (for Investments)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**	**—**
Appropriation adjustment account	6,028	234	—	—	1,097	18	8,326	55	—	2	—	—	—	108	**15,868**	**612,589**
Total	**296,478**	**981,348**	**486,631**	**32,422**	**42,189**	**6,524**	**17,515**	**1,413**	**10,970**	**1,222**	**21,144**	**119,942**	**7,906**	**90,640**	**2,116,344**	**9,230,890**

Schedule: F – 4

CURRENT LIABILITIES

(Rs. in 000's)

Particulars	Linked Life Funds														
	Balancer Fund	Protector Fund	Maximiser Fund	Cash Plus Fund	Secure Plus Fund	Preserver Fund	Investshield Gold - ISLP Fund	New Invest Shield Balanced Fund	Flexi Growth Fund	Flexi Balanced Fund	RICH Fund	Multiplier Fund	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III
Payable for Purchase of Investments	(48,016)	—	(144,049)	—	—	—	—	(5,760)	(206,109)	—	—	(216,074)	—	—	—
Other Current Liabilities	(1,487)	(588)	(6,850)	(204)	(12)	(74)	(65)	(87)	(4,223)	(148)	(1,248)	(1,420)	(29)	(31)	(31)
Expropriation adjustment account	(26,015)	—	(295,289)	—	—	—	—	—	—	—	—	—	(32)	(34)	(34)
Total	**(75,518)**	**(588)**	**(446,188)**	**(204)**	**(12)**	**(74)**	**(65)**	**(5,847)**	**(210,332)**	**(148)**	**(1,248)**	**(217,494)**	**(61)**	**(65)**	**(65)**

(Rs. in 000's)

Particulars	Linked Life Funds															
	Return Guarantee Fund IV	Return Guarantee Fund V	Return Guarantee Fund VI	Secure Save Builder Fund	Secure Save Guarantee Fund	Anmol Nivesh Fund	Bluechip Fund	Income Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Money Market Fund	Opportunities Fund	Pinnacle Fund	Return Guarantee Fund VII	Dynamic P/E Fund	Total
Payable for Purchase of Investments	—	—	—	—	(1,270)	—	(7,016)	(10,158)	(2,786)	(45,824)	—	(11,970)	(16,682)	—	(4,500)	**(720,214)**
Other Current Liabilities	(13)	(6)	(5)	—	(2)	—	(3)	(7)	(2)	(24)	(1)	(6)	(120)	(2)	(8)	**(16,696)**
Expropriation adjustment account	(15)	(6)	(6)	—	—	—	—	—	—	—	—	—	—	—	—	**(321,431)**
Total	**(28)**	**(12)**	**(11)**	**—**	**(1,272)**	**—**	**(7,019)**	**(10,165)**	**(2,788)**	**(45,848)**	**(1)**	**(11,976)**	**(16,802)**	**(2)**	**(4,508)**	**(1,058,341)**

(Rs. in 000's)

Particulars	Linked Pension Funds											
	Pension Balancer Fund	Pension Protector Fund	Pension Maximiser Fund	Secure Plus Pension Fund	Pension Preserver Fund	Investshield Pension - ISPP Fund	Pension Flexi Growth Fund	Pension Flexi Balanced Fund	Pension RICH Fund	Pension Multiplier Fund	Pension Return Guarantee Fund	Pension Return Guarantee Fund II
Payable for Purchase of Investments	(6,061)	—	—	—	—	—	(214,443)	—	(910,701)	(72,025)	—	—
Other Current Liabilities	(623)	(555)	(1,811)	(5)	(56)	(13)	(3,161)	(103)	(2,015)	(629)	(97)	(88)
Expropriation adjustment account	—	—	(100,899)	—	—	—	—	—	—	—	(107)	(97)
Total	**(6,684)**	**(555)**	**(102,710)**	**(5)**	**(56)**	**(13)**	**(217,604)**	**(103)**	**(912,716)**	**(72,654)**	**(204)**	**(185)**

(Rs. in 000's)

Particulars	Linked Pension Funds												
	Pension Return Guarantee Fund III	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Income Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Money Market Fund	Pension Opportunities Fund	Total
Payable for Purchase of Investments	—	—	—	—	—	(50,087)	(83,884)	(81,265)	(40,580)	(731,782)	—	(180,123)	**(2,370,951)**
Other Current Liabilities	(86)	(31)	(16)	(21)	(36)	(20)	(113)	(58)	(21)	(144)	(7)	(63)	**(9,772)**
Expropriation adjustment account	(95)	(34)	(18)	(23)	—	—	—	—	—	—	—	—	**(101,273)**
Total	**(181)**	**(65)**	**(34)**	**(44)**	**(36)**	**(50,107)**	**(83,997)**	**(81,323)**	**(40,601)**	**(731,926)**	**(7)**	**(180,186)**	**(2,481,996)**

(Rs. in 000's)

Particulars	Linked Health Funds													
	Health Saver Balancer Fund	Health Saver Protector Fund	Health Saver Flexi Balanced Fund	Health Saver Flexi Growth Fund	Health Saver Preserver Fund	Health Saver Multiplier Fund	Health Saver Return Guarantee Fund	Health Saver Return Guarantee Fund II	Health Saver Return Guarantee Fund III	Health Saver Return Guarantee Fund IV	Health Saver Return Guarantee Fund V	Health Saver Return Guarantee Fund VI	Health Saver Return Guarantee Fund VII	Total
Payable for Purchase of Investments	—	(10,158)	—	(636)	—	—	—	—	—	—	—	—	—	**(10,794)**
Other Current Liabilities	(1)	(4)	(1)	(29)	—	(4)	(2)	(2)	(2)	(1)	—	—	—	**(46)**
Expropriation adjustment account	—	—	—	—	—	—	(2)	(2)	(2)	(1)	(1)	—	—	**(8)**
Total	**(1)**	**(10,162)**	**(1)**	**(665)**	**—**	**(4)**	**(4)**	**(4)**	**(4)**	**(2)**	**(1)**	**—**	**—**	**(10,848)**

(Rs. in 000's)

Particulars	Linked Group Funds															
	Group Balanced Fund	Group Debt Fund	Group Short Term Debt Fund	Group Capital Guarantee Short Term Debt Fund	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Debt Fund	Group Growth Fund	Group Capital Guarantee Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II	Group Return Guarantee Fund III	Total	Grand total
Payable for Purchase of Investments	—	(126,976)	—	—	—	(20,316)	—	—	—	(3,809)	—	—	—	—	**(151,101)**	**(3,253,060)**
Other Current Liabilities	(402)	(184)	(242)	(95)	(97)	(17)	(196)	(3)	(18)	(2)	—	(135)	(6)	(114)	**(1,511)**	**(28,025)**
Expropriation adjustment account	—	—	(308)	(109)	—	—	—	—	(276)	—	—	(128)	(6)	—	**(827)**	**(423,539)**
Total	**(402)**	**(127,160)**	**(550)**	**(204)**	**(97)**	**(20,333)**	**(196)**	**(3)**	**(294)**	**(3,811)**	**—**	**(263)**	**(12)**	**(114)**	**(153,439)**	**(3,704,624)**

3.19 FUND REVENUE ACCOUNT FOR THE FINANCIAL YEAR 2009-10

Form A-RA(UL)

(Rs. in 000's)

Particulars	Schedule	Linked Life Funds														
		Balancer Fund	Protector Fund	Maximiser Fund	Cash Plus Fund	Secure Plus Fund	Preserver Fund	Investshield Gold - ISLP Fund	New Invest Shield Balanced Fund	Flexi Growth Fund	Flexi Balanced Fund	RICH Fund	Multiplier Fund	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III
Income from investments																
Interest income		1,039,376	1,003,217	176,751	289,940	20,173	201,246	69,843	76,131	76,381	57,170	23,099	18,712	55,148	56,006	57,104
Dividend income		115,783	—	1,214,201	—	9	—	4,698	7,988	619,631	13,859	161,355	174,423	—	—	—
Profit/loss on sale of investment		2,074,495	183,996	12,480,456	67,462	6,351	45,512	85,364	138,656	3,147,127	147,935	942,833	1,113,329	7,759	11,487	5,983
Profit/loss on inter fund transfer/ sale of investment		151,617	30,685	691,080	3,511	170	6	23,336	19,222	368,550	39,648	78,099	12,114	4,861	5,303	5,631
Unrealised Gain/loss*		3,954,809	130,408	45,163,486	31,714	1,508	(6,784)	112,063	213,640	21,787,713	383,555	5,274,462	5,744,100	10,719	11,139	14,197
Appropriation – Expropriation (Incom/Exp)		(1,531)	(70)	(503,169)	67	31	22	406	847	85,975	2,096	41,275	35,795	(65)	(70)	(66)
Total income (A)		**7,334,549**	**1,348,236**	**59,222,805**	**392,694**	**28,242**	**240,002**	**295,710**	**456,484**	**26,085,377**	**644,263**	**6,521,123**	**7,098,473**	**78,422**	**83,865**	**82,849**
Fund management charges#		264,313	69,893	1,336,688	55,369	3,927	24,314	18,256	24,631	1,181,261	40,863	310,039	362,925	10,633	11,252	11,572
Fund administration expenses#		258,616	120,363	1,172,321	—	—	—	—	—	—	—	—	—	—	—	—
Other charges	F-5	223,532	222,595	918,585	198,307	5,190	33,398	40,437	64,648	1,201,189	44,069	677,027	256,787	31,144	39,997	41,450
Total expenditure (B)		**746,461**	**412,851**	**3,427,594**	**253,676**	**9,117**	**57,712**	**58,693**	**89,279**	**2,382,450**	**84,932**	**987,066**	**619,712**	**41,777**	**51,249**	**53,022**
Net income for the year (A-B)		**6,588,088**	**935,385**	**55,795,211**	**139,018**	**19,125**	**182,290**	**237,017**	**367,205**	**23,702,927**	**559,331**	**5,534,057**	**6,478,761**	**36,645**	**32,616**	**29,827**
Add: Fund revenue account at the beginning of the year		5,136,014	2,448,530	(11,392,957)	79,502	30,822	418,981	(8,813)	(116,434)	(12,849,778)	(189,078)	(2,031,220)	(2,701,465)	(9,474)	(8,206)	(10,584)
Fund revenue account at the end of the year		**11,724,102**	**3,383,915**	**44,402,254**	**218,520**	**49,947**	**601,271**	**228,204**	**250,771**	**10,853,149**	**370,253**	**3,502,837**	**3,777,296**	**27,171**	**24,410**	**19,243**

* Net change in mark to market value of investments.

\# Gross of service tax.

(Rs. in 000's)

Particulars	Schedule	Linked Life Funds															Total
		Return Guarantee Fund IV	Return Guarantee Fund V	Return Guarantee Fund VI	Secure Save Builder Fund	Secure Save Guarantee Fund	Anmol Nivesh Fund	Bluechip Fund	Income Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Money Market Fund	Opportunities Fund	Pinnacle Fund	Return Guarantee Fund VII	Dynamic P/E Fund	
Income from investments																	
Interest income		23,963	9,347	7,270	127	1,165	3	6	1,147	98	16	88	5	5,013	1,271	63	**3,269,879**
Dividend income		—	—	—	66	137	—	28	—	19	255	—	96	2,020	—	49	**2,314,617**
Profit/loss on sale of investment		2,345	173	164	33	392	—	14	170	17	139	7	30	(4,492)	14	(142)	**20,457,609**
Profit/loss on inter fund transfer/ sale of investment		130	125	3	(1)	—	—	—	—	2	—	—	1	(2,380)	(41)	108	**1,431,780**
Unrealised Gain/loss*		4,183	786	531	907	2,048	—	2,013	512	583	16,910	—	4,407	78,734	(16)	5,890	**82,944,217**
Appropriation – Expropriation (Incom/Exp)		(15)	(6)	(6)	23	49	—	232	8	63	1,319	1	375	7,541	2	515	**(328,356)**
Total income (A)		**30,606**	**10,425**	**7,962**	**1,155**	**3,791**	**3**	**2,293**	**1,837**	**782**	**18,639**	**96**	**4,914**	**86,436**	**1,230**	**6,483**	**110,089,746**
Fund management charges#		4,732	1,809	1,454	97	575	—	102	296	58	1,045	15	202	7,613	263	224	**3,744,421**
Fund administration expenses#		—	—	—	—	—	—	—	—	—	—	—	—	512	—	—	**1,551,812**
Other charges	F-5	19,368	11,265	7,398	1,241	5,270	18	2,903	6,440	1,278	23,415	556	4,856	130,160	1,863	5,306	**4,219,692**
Total expenditure (B)		**24,100**	**13,074**	**8,852**	**1,338**	**5,845**	**18**	**3,005**	**6,736**	**1,336**	**24,460**	**571**	**5,058**	**138,285**	**2,126**	**5,530**	**9,515,925**
Net income for the year (A-B)		**6,506**	**(2,649)**	**(890)**	**(183)**	**(2,054)**	**(15)**	**(712)**	**(4,899)**	**(554)**	**(5,821)**	**(475)**	**(144)**	**(51,849)**	**(896)**	**953**	**100,573,821**
Add: Fund revenue account at the beginning of the year		(4,851)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**(21,209,011)**
Fund revenue account at the end of the year		**1,655**	**(2,649)**	**(890)**	**(183)**	**(2,054)**	**(15)**	**(712)**	**(4,899)**	**(554)**	**(5,821)**	**(475)**	**(144)**	**(51,849)**	**(896)**	**953**	**79,364,810**

* Net change in mark to market value of investments

\# Gross of service tax

3.19 FUND REVENUE ACCOUNT FOR THE FINANCIAL YEAR 2009-10

Form A-RA(UL)

(Rs. in 000's)

Particulars	Schedule	Linked Pension											
		Pension Balancer Fund	Pension Protector Fund	Pension Maximiser Fund	Secure Plus Pension Fund	Pension Preserver Fund	Investshield Pension - ISPP Fund	Pension Flexi Growth Fund	Pension Flexi Balanced Fund	Pension RICH Fund	Pension Multiplier Fund	Pension Return Guarantee Fund	Pension Return Guarantee Fund II
Income from investments													
Interest income		469,914	715,406	52,555	9,049	106,799	13,140	52,984	41,901	27,440	12,765	182,056	158,947
Dividend income		52,216	—	373,396	—	—	892	467,312	10,849	234,334	78,076	—	—
Profit/loss on sale of investment		908,791	123,837	3,243,830	2,325	14,219	20,882	2,519,623	96,200	1,636,701	427,358	25,778	22,707
Profit/loss on inter fund transfer/ sale of investment		96,722	22,655	12,549	70	241	4,794	112,160	38,905	9,860	6,535	11,405	13,182
Unrealised Gain/loss*		1,298,275	76,526	14,599,807	660	(3,175)	22,069	16,975,383	279,327	8,573,320	2,647,805	42,281	38,708
Appropriation – Expropriation (Incom/Exp)		4,658	236	(159,824)	12	76	81	80,504	2,459	66,669	19,045	(214)	(196)
Total income (A)		**2,830,576**	**938,660**	**18,122,313**	**12,116**	**118,160**	**61,858**	**20,207,966**	**469,641**	**10,548,324**	**3,191,584**	**261,306**	**233,348**
Fund management charges#		123,100	51,094	521,038	1,704	13,282	3,635	794,164	23,872	490,236	158,100	35,272	31,828
Fund administration expenses#		55,763	89,412	76,470	—	—	—	—	—	—	—	—	—
Other charges	F-5	102,568	177,837	201,696	970	32,404	3,628	758,932	28,356	642,055	173,772	70,783	44,362
Total expenditure (B)		**281,431**	**318,343**	**799,204**	**2,674**	**45,686**	**7,263**	**1,553,096**	**52,228**	**1,132,291**	**331,872**	**106,055**	**76,190**
Net income for the year (A-B)		**2,549,145**	**620,317**	**17,323,109**	**9,442**	**72,474**	**54,595**	**18,654,870**	**417,413**	**9,416,033**	**2,859,712**	**155,251**	**157,158**
Add: Fund revenue account at the beginning of the year		1,835,285	1,116,569	(4,344,323)	20,435	49,170	14,361	(9,014,418)	(108,028)	(3,206,460)	(1,262,815)	18,246	16,238
Fund revenue account at the end of the year		**4,384,430**	**1,736,886**	**12,978,786**	**29,877**	**121,644**	**68,956**	**9,640,452**	**309,385**	**6,209,573**	**1,596,897**	**173,497**	**173,396**

* Net change in mark to market value of investments.

\# Gross of service tax.

(Rs. in 000's)

Particulars	Schedule	Linked Pension												Total
		Pension Return Guarantee Fund III	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Income Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Money Market Fund	Pension Opportunities Fund	
Income from investments														
Interest income		155,655	57,516	26,192	27,586	20,175	23	1,057	7,301	1,243	896	1,327	60	**2,141,987**
Dividend income		—	—	—	—	—	195	822	—	250	807	—	1,045	**1,220,194**
Profit/loss on sale of investment		19,564	5,272	249	340	(55)	97	(825)	1,092	259	967	126	332	**9,069,669**
Profit/loss on inter fund transfer/ sale of investment		16,645	1,164	98	(68)	(345)	—	265	(1)	—	—	—	(18)	**346,818**
Unrealised Gain/loss*		37,167	10,240	2,572	1,790	(663)	15,818	80,590	3,495	7,374	88,369	—	49,949	**44,847,687**
Appropriation – Expropriation (Incom/Exp)		(198)	(34)	(18)	(23)	39	1,320	7,606	71	878	7,799	16	4,251	**35,213**
Total income (A)		**228,833**	**74,158**	**29,093**	**29,625**	**19,151**	**17,453**	**89,515**	**11,958**	**10,004**	**98,838**	**1,469**	**55,619**	**57,661,568**
Fund management charges#		32,037	11,273	5,127	5,463	4,168	685	3,431	2,080	781	4,847	253	2,080	**2,319,550**
Fund administration expenses#		—	—	—	—	—	—	—	—	—	—	—	—	**221,645**
Other charges	F-5	49,631	24,021	14,832	14,168	18,545	12,753	72,860	39,493	13,869	101,318	8,538	41,854	**2,649,245**
Total expenditure (B)		**81,668**	**35,294**	**19,959**	**19,631**	**22,713**	**13,438**	**76,291**	**41,573**	**14,650**	**106,165**	**8,791**	**43,934**	**5,190,440**
Net income for the year (A-B)		147,165	38,864	9,134	9,994	(3,562)	4,015	13,224	(29,615)	(4,646)	(7,327)	(7,322)	11,685	**52,471,128**
Add: Fund revenue account at the beginning of the year		(1,592)	(7,031)	—	—	—	—	—	—	—	—	—	—	**(14,874,363)**
Fund revenue account at the end of the year		**145,573**	**31,833**	**9,134**	**9,994**	**(3,562)**	**4,015**	**13,224**	**(29,615)**	**(4,646)**	**(7,327)**	**(7,322)**	**11,685**	**37,596,765**

* Net change in mark to market value of investments.

\# Gross of service tax.

3.19 FUND REVENUE ACCOUNT FOR THE FINANCIAL YEAR 2009-10

Form A-RA(UL)

(Rs. in 000's)

Particulars	Schedule	Linked Health Funds													
		Health Saver Balancer Fund	Health Saver Protector Fund	Health Saver Flexi Balanced Fund	Health Saver Flexi Growth Fund	Health Saver Preserver Fund	Health Saver Multiplier Fund	Health Saver Return Guarantee Fund	Health Saver Return Guarantee Fund II	Health Saver Return Guarantee Fund III	Health Saver Return Guarantee Fund IV	Health Saver Return Guarantee Fund V	Health Saver Return Guarantee Fund VI	Health Saver Return Guarantee Fund VII	Total
Income from investments															
Interest income		635	4,941	379	718	182	26	3,914	4,332	4,520	2,075	940	484	126	**23,272**
Dividend income		53	—	79	2,995	—	419	—	—	—	—	—	—	—	**3,546**
Profit/loss on sale of investment		1,266	1,695	1,499	46,979	19	7,533	1,063	869	729	322	21	15	(1)	**62,009**
Profit/loss on inter fund transfer/ sale of investment		813	2	1,026	30,621	13	5,534	738	739	771	131	14	5	(4)	**40,403**
Unrealised Gain/loss*		1,255	653	1,590	50,065	(3)	6,840	(7)	535	684	328	39	23	(11)	**61,991**
Appropriation – Expropriation(Incom/Exp)		37	8	50	1,288	—	179	(5)	(5)	(5)	(1)	(1)	—	—	**1,545**
Total income (A)		**4,059**	**7,299**	**4,623**	**132,666**	**211**	**20,531**	**5,703**	**6,470**	**6,699**	**2,855**	**1,013**	**527**	**110**	**192,766**
Fund management charges #		181	640	157	4,692	24	691	753	861	914	419	182	97	26	**9,637**
Fund administration expenses #		—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Other charges	F-5	11,799	60,712	10,814	202,372	1,920	27,270	29,994	37,041	38,756	17,445	9,125	4,672	1,185	**453,105**
Total expenditure (B)		**11,980**	**61,352**	**10,971**	**207,064**	**1,944**	**27,961**	**30,747**	**37,902**	**39,670**	**17,864**	**9,307**	**4,769**	**1,211**	**462,742**
Net income for the year (A-B)		**(7,921)**	**(54,053)**	**(6,348)**	**(74,398)**	**(1,733)**	**(7,430)**	**(25,044)**	**(31,432)**	**(32,971)**	**(15,009)**	**(8,294)**	**(4,242)**	**(1,101)**	**(269,976)**
Add: Fund revenue account at the beginning of the year		(388)	(2,353)	(301)	(4,898)	(121)	(830)	(9,659)	(7,998)	(5,015)	(1,550)	—	—	—	**(33,113)**
Fund revenue account at the end of the year		**(8,309)**	**(56,406)**	**(6,649)**	**(79,296)**	**(1,854)**	**(8,260)**	**(34,703)**	**(39,430)**	**(37,986)**	**(16,559)**	**(8,294)**	**(4,242)**	**(1,101)**	**(303,089)**

* Net change in mark to market value of investments

\# Gross of service tax

(Rs. in 000's)

Particulars	Schedule	Linked Group Funds														Total	Grand total
		Group Balanced Fund	Group Debt Fund	Group Short Term Debt Fund	Group Capital Guarantee Short Term Debt Fund	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Debt Fund	Group Growth Fund	Group Capital Guarantee Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II	Group Return Guarantee Fund III		
Income from investments																	
Interest income		379,117	300,843	356,199	172,860	69,059	47,299	92,075	1,939	21,881	1,391	1,501	186,960	9,044	139,230	**1,779,398**	**7,214,536**
Dividend income		15,799	—	—	—	2,277	—	24,384	279	799	—	—	—	—	—	**43,538**	**3,581,895**
Profit/loss on sale of investment		283,171	79,456	92,058	48,050	35,993	31,255	237,028	8,399	16,106	(98)	305	29,954	683	3,946	**866,306**	**30,455,593**
Profit/loss on inter fund transfer/ sale of investment		18,173	3,002	2,245	291	7,257	155,987	1,473	1,213	169	(45)	56	17,993	(215)	1,794	**209,393**	**2,028,394**
Unrealised Gain/loss*		638,007	26,395	(16,774)	(12,517)	71,342	(153,221)	962,430	7,488	29,408	(13)	(53)	51,495	1,403	22,849	**1,628,239**	**129,482,134**
Appropriation – Expropriation (Incom/Exp)		9,457	65	(73)	(255)	717	(82)	12,139	(14)	(453)	2	(1)	(243)	(6)	108	**21,361**	**(270,237)**
Total income (A)		**1,343,724**	**409,761**	**433,655**	**208,429**	**186,645**	**81,238**	**1,329,529**	**19,304**	**67,910**	**1,237**	**1,808**	**286,159**	**10,909**	**167,927**	**4,548,235**	**172,492,315**
Fund management charges #		101,105	58,669	74,499	39,253	24,564	10,118	51,941	1,212	5,031	275	261	46,637	2,105	31,438	**447,108**	**6,520,716**
Fund administration expenses #		—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**	**1,773,457**
Other charges	F-5	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**	**7,322,042**
Total expenditure (B)		**101,105**	**58,669**	**74,499**	**39,253**	**24,564**	**10,118**	**51,941**	**1,212**	**5,031**	**275**	**261**	**46,637**	**2,105**	**31,438**	**447,108**	**15,616,215**
Net income for the year (A-B)		**1,242,619**	**351,092**	**359,156**	**169,176**	**162,081**	**71,120**	**1,277,588**	**18,092**	**62,879**	**962**	**1,547**	**239,522**	**8,804**	**136,489**	**4,101,127**	**156,876,100**
Add: Fund revenue account at the beginning of the year		1,264,885	311,968	722,479	258,784	55,581	254,985	(87,315)	(1,815)	9,644	562	2,366	46,018	—	—	**2,838,142**	**(33,278,345)**
Fund revenue account at the end of the year		**2,507,504**	**663,060**	**1,081,635**	**427,960**	**217,662**	**326,105**	**1,190,273**	**16,277**	**72,523**	**1,524**	**3,913**	**285,540**	**8,804**	**136,489**	**6,939,269**	**123,597,755**

* Net change in mark to market value of investments

\# Gross of service tax

SCHEDULE: F – 5

OTHER EXPENSES*

(Rs. in 000's)

Particulars	Linked Life Funds														
	Balancer Fund	Protector Fund	Maximiser Fund	Cash Plus Fund	Secure Plus Fund	Preserver Fund	Investshield Gold - ISLP Fund	New Invest Shield Balanced Fund	Flexi Growth Fund	Flexi Balanced Fund	RICH Fund	Multiplier Fund	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III
Policy administration charge	27,273	46,863	144,889	81,804	2,041	3,402	18,227	39,026	369,615	9,388	220,000	42,769	8,346	12,298	13,871
Surrender charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Switching charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mortality charge	125,134	111,015	497,216	73,376	2,390	19,718	15,529	16,036	442,868	18,735	202,478	120,808	14,461	16,084	14,928
Rider premium charge	31,174	21,715	134,376	228	—	3,501	2,104	—	142,312	6,432	103,231	29,708	3,087	6,106	6,897
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service tax	39,951	43,002	142,104	42,899	759	6,777	4,577	9,586	246,394	9,514	151,318	63,502	5,250	5,509	5,754
Total	**223,532**	**222,595**	**918,585**	**198,307**	**5,190**	**33,398**	**40,437**	**64,648**	**1,201,189**	**44,069**	**677,027**	**256,787**	**31,144**	**39,997**	**41,450**

* Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution.

(Rs. in 000's)

Particulars	Linked Life Funds															
	Return Guarantee Fund IV	Return Guarantee Fund V	Return Guarantee Fund VI	Secure Save Builder Fund	Secure Save Guarantee Fund	Anmol Nivesh Fund	Bluechip Fund	Income Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Money Market Fund	Opportunities Fund	Pinnacle Fund	Return Guarantee Fund VII	Dynamic P/E Fund	Total
Policy administration charge	5,719	3,047	1,570	964	4,049	9	1,202	3,102	461	10,966	275	2,043	59,935	362	1,785	**1,135,301**
Surrender charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Switching charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Mortality charge	6,301	2,993	2,038	—	—	5	496	648	123	2,281	67	463	12,550	328	493	**1,719,562**
Rider premium charge	2,897	1,503	926	—	—	—	111	307	89	1,206	18	295	—	207	387	**498,817**
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Service tax	4,451	3,722	2,864	277	1,221	4	1,094	2,383	605	8,962	196	2,055	57,675	966	2,641	**866,012**
Total	**19,368**	**11,265**	**7,398**	**1,241**	**5,270**	**18**	**2,903**	**6,440**	**1,278**	**23,415**	**556**	**4,856**	**130,160**	**1,863**	**5,306**	**4,219,692**

* Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution.

(Rs. in 000's)

Particulars	Linked Pension Funds											
	Pension Balancer Fund	Pension Protector Fund	Pension Maximiser Fund	Secure Plus Pension Fund	Pension Preserver Fund	Investshield Pension - ISPP Fund	Pension Flexi Growth Fund	Pension Flexi Balanced Fund	Pension RICH Fund	Pension Multiplier Fund	Pension Return Guarantee Fund	Pension Return Guarantee Fund II
Policy administration charge	68,704	145,969	147,322	509	23,433	2,357	602,494	20,012	490,283	139,297	59,725	37,475
Surrender charge	—	—	—	—	—	—	—	—	—	—	—	—
Switching charge	—	—	—	—	—	—	—	—	—	—	—	—
Mortality charge	6,507	4,438	21,082	283	357	714	29,268	995	18,634	3,911	2,296	1,302
Rider premium charge	1,457	1,111	4,564	—	82	120	4,752	162	3,045	619	357	212
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—
Service tax	25,900	26,319	28,728	178	8,532	437	122,418	7,187	130,093	29,945	8,405	5,373
Total	**102,568**	**177,837**	**201,696**	**970**	**32,404**	**3,628**	**758,932**	**28,356**	**642,055**	**173,772**	**70,783**	**44,362**

* Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution.

(Rs. in 000's)

Particulars	Linked Pension Funds												
	Pension Return Guarantee Fund III	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Income Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Money Market Fund	Pension Opportunities Fund	Total
Policy administration charge	42,277	19,808	11,749	12,137	11,186	7,319	38,926	24,189	7,436	55,264	4,818	23,155	**1,995,844**
Surrender charge	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Switching charge	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Mortality charge	1,391	561	264	79	18	42	195	331	25	825	17	120	**93,655**
Rider premium charge	238	99	47	15	3	—	—	—	—	—	—	—	**16,883**
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Service tax	5,725	3,553	2,772	1,937	7,338	5,392	33,739	14,973	6,408	45,229	3,703	18,579	**542,863**
Total	**49,631**	**24,021**	**14,832**	**14,168**	**18,545**	**12,753**	**72,860**	**39,493**	**13,869**	**101,318**	**8,538**	**41,854**	**2,649,245**

* Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution.

(Rs. in 000's)

Particulars	Linked Health Funds													Total
	Health Saver Balancer Fund	Health Saver Protector Fund	Health Saver Flexi Balanced Fund	Health Saver Flexi Growth Fund	Health Saver Preserver Fund	Health Saver Multiplier Fund	Health Saver Return Guarantee Fund	Health Saver Return Guarantee Fund II	Health Saver Return Guarantee Fund III	Health Saver Return Guarantee Fund IV	Health Saver Return Guarantee Fund V	Health Saver Return Guarantee Fund VI	Health Saver Return Guarantee Fund VII	
Policy administration charge	1,211	6,150	1,102	21,933	201	2,891	3,836	4,223	4,242	1,850	971	511	114	**49,235**
Surrender charge	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Switching charge	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Mortality charge	8,661	44,855	7,939	147,752	1,412	20,113	23,146	29,070	30,472	13,523	6,864	3,471	826	**338,104**
Rider premium charge	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Service tax	1,927	9,707	1,773	32,687	307	4,266	3,012	3,748	4,042	2,072	1,290	690	245	**65,766**
Total	**11,799**	**60,712**	**10,814**	**202,372**	**1,920**	**27,270**	**29,994**	**37,041**	**38,756**	**17,445**	**9,125**	**4,672**	**1,185**	**453,105**

* Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution.

(Rs. in 000's)

Particulars	Linked Group Funds														Total	Grand total
	Group Balanced Fund	Group Debt Fund	Group Short Term Debt Fund	Group Capital Guarantee Short Term Debt Fund	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Debt Fund	Group Growth Fund	Group Capital Guarantee Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II	Group Return Guarantee Fund III		
Policy administration charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**3,180,380**
Surrender charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Switching charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Mortality charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**2,151,321**
Rider premium charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**515,700**
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Service tax	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**1,474,641**
Total	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**7,322,042**

* Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution.

3.18 FUND BALANCE SHEET AS AT MARCH 31, 2009

Form A-BS(UL)

(Rs. in 000's)

Particulars	Schedule	Linked Life Funds																Total
		Balancer Fund	Protector Fund	Maximiser Fund	Investshield Cash - ISCH Fund	Secure Plus Fund	Preserver Fund	Investshield Gold - ISLP Fund	New Invest Shield Balanced Fund	Flexi Growth Fund	Flexi Balanced Fund	RICH Fund	Multiplier Fund	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III	Return Guarantee Fund IV	
SOURCES OF FUNDS																		
Policyholders' Funds:																		
Policyholder contribution	F-1	16,549,516	12,334,943	87,459,330	3,370,357	244,274	2,473,995	1,143,680	1,560,710	44,916,085	1,545,201	9,124,165	11,696,969	671,366	729,134	754,090	211,145	194,784,960
Revenue Account		5,136,014	2,448,530	(11,392,957)	79,502	30,822	418,981	(8,813)	(116,434)	(12,849,778)	(189,078)	(2,031,220)	(2,701,465)	(9,474)	(8,206)	(10,584)	(4,851)	(21,209,011)
Total		21,685,530	14,783,473	76,066,373	3,449,859	275,096	2,892,976	1,134,867	1,444,276	32,066,307	1,356,123	7,092,945	8,995,504	661,892	720,928	743,506	206,294	173,575,949
APPLICATION OF FUNDS																		
Investments	F-2	21,120,478	14,177,057	75,717,546	3,304,013	263,633	2,824,131	1,095,434	1,417,122	31,571,174	1,287,891	7,138,229	8,982,855	642,124	696,846	630,484	—	170,869,017
Current Assets	F-3	715,150	606,950	1,711,151	145,968	11,472	68,904	39,472	58,257	1,431,629	68,300	256,800	253,845	19,797	24,113	125,469	206,294	5,743,571
Less: Current Liabilities and Provisions	F-4	(150,098)	(534)	(1,362,324)	(122)	(9)	(59)	(39)	(31,103)	(936,496)	(68)	(302,084)	(241,196)	(29)	(31)	(12,447)	—	(3,036,639)
Net current assets		565,052	606,416	348,827	145,846	11,463	68,845	39,433	27,154	495,133	68,232	(45,284)	12,649	19,768	24,082	113,022	206,294	2,706,932
Total		21,685,530	14,783,473	76,066,373	3,449,859	275,096	2,892,976	1,134,867	1,444,276	32,066,307	1,356,123	7,092,945	8,995,504	661,892	720,928	743,506	206,294	173,575,949
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Rs. In 000's)		21,685,530	14,783,473	76,066,373	3,449,859	275,096	2,892,976	1,134,867	1,444,276	32,066,307	1,356,123	7,092,945	8,995,504	661,892	720,928	743,506	206,294	173,575,949
(b) Number of Units outstanding (In 000's)		1,000,280	937,125	2,701,808	250,138	19,647	204,014	78,131	122,636	3,941,221	139,491	939,166	1,551,155	62,592	70,150	73,297	20,629	12,111,480
(c) NAV per Unit (a)/(b) (Rs.)		21.68	15.78	28.15	13.79	14.00	14.18	14.53	11.78	8.14	9.72	7.55	5.80	10.57	10.28	10.14	10.00	

(Rs. in 000's)

Particulars	Schedule	Linked Pension Funds														Total
		Pension Balancer Fund	Pension Protector Fund	Pension Maximiser Fund	Secure Plus Pension Fund	Pension Preserver Fund	Investshield Pension - ISPP Fund	Pension Flexi Growth Fund	Pension Flexi Balanced Fund	Pension RICH Fund	Pension Multiplier Fund	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	Pension Return Guarantee Fund III	Pension Return Guarantee Fund IV	
SOURCES OF FUNDS																
Policyholders' Funds:																
Policyholder contribution	F-1	7,413,645	7,581,275	25,913,587	102,587	957,023	211,702	32,018,424	1,049,155	14,471,044	5,126,740	2,121,490	1,977,682	2,082,981	624,958	101,652,293
Revenue Account		1,835,285	1,116,569	(4,344,323)	20,435	49,170	14,361	(9,014,418)	(108,028)	(3,206,460)	(1,262,815)	18,246	16,238	(1,592)	(7,031)	(14,874,363)
Total		9,248,930	8,697,844	21,569,264	123,022	1,006,193	226,063	23,004,006	941,127	11,264,584	3,863,925	2,139,736	1,993,920	2,081,389	617,927	86,777,930
APPLICATION OF FUNDS																
Investments	F-2	9,075,538	8,336,530	21,604,056	117,558	971,837	218,724	22,711,600	902,301	11,284,487	3,850,821	2,078,401	1,948,942	2,047,183	—	85,147,978
Current Assets	F-3	323,845	361,605	430,988	5,468	34,376	7,347	729,285	38,859	478,544	163,729	61,430	53,688	66,346	617,927	3,373,437
Less: Current Liabilities and Provisions	F-4	(150,453)	(291)	(465,780)	(4)	(20)	(8)	(436,879)	(33)	(498,447)	(150,625)	(95)	(8,710)	(32,140)	—	(1,743,485)
Net current assets		173,392	361,314	(34,792)	5,464	34,356	7,339	292,406	38,826	(19,903)	13,104	61,335	44,978	34,206	617,927	1,629,952
Total		9,248,930	8,697,844	21,569,264	123,022	1,006,193	226,063	23,004,006	941,127	11,264,584	3,863,925	2,139,736	1,993,920	2,081,389	617,927	86,777,930
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Rs. In 000's)		9,248,930	8,697,844	21,569,264	123,022	1,006,193	226,063	23,004,006	941,127	11,264,584	3,863,925	2,139,736	1,993,920	2,081,389	617,927	86,777,930
(b) Number of Units outstanding (In 000's)		489,588	587,156	981,819	8,930	70,748	15,549	2,857,316	92,364	1,511,007	612,885	202,198	193,925	205,243	61,793	7,890,519
(c) NAV per Unit (a)/(b) (Rs.)		18.89	14.81	21.97	13.78	14.22	14.54	8.05	10.19	7.46	6.30	10.58	10.28	10.14	10.00	

3.18 FUND BALANCE SHEET AS AT MARCH 31, 2009 (Continued)

Form A-BS(UL)

(Rs. in 000's)

Particulars	Schedule	Linked Health Funds										
		Health Saver Balancer Fund	Health Saver Protector Fund	Health Saver Flexi Balanced Fund	Health Saver Flexi Growth Fund	Health Saver Preserver Fund	Health Saver Multiplier Fund	Health Saver Return Guarantee Fund	Health Saver Return Guarantee Fund II	Health Saver Return Guarantee Fund III	Health Saver Return Guarantee Fund IV	Total
Sources of Funds												
Policyholders' Funds:												
Policyholder contribution	F-1	4,125	22,801	3,610	76,102	1,388	12,159	68,682	74,381	70,447	22,547	356,242
Revenue Account		(388)	(2,353)	(301)	(4,898)	(121)	(830)	(9,659)	(7,998)	(5,015)	(1,550)	(33,113)
Total		3,737	20,448	3,309	71,204	1,267	11,329	59,023	66,383	65,432	20,997	323,129
Application of Funds												
Investments	F-2	3,061	16,611	2,783	64,965	957	11,027	56,671	62,530	59,766	—	278,371
Current Assets	F-3	747	3,837	613	13,215	310	1,656	2,355	3,856	6,808	20,997	54,394
Less: Current Liabilities and Provisions	F-4	(71)	—	(87)	(6,976)	—	(1,354)	(3)	(3)	(1,142)	—	(9,636)
Net current assets		676	3,837	526	6,239	310	302	2,352	3,853	5,666	20,997	44,758
Total		3,737	20,448	3,309	71,204	1,267	11,329	59,023	66,383	65,432	20,997	323,129
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Rs. In 000's)		3,737	20,448	3,309	71,204	1,267	11,329	59,023	66,383	65,432	20,997	323,129
(b) Number of Units outstanding (In 000's)		365	1,990	320	6,656	124	1,075	5,771	6,473	6,451	2,100	31,326
(c) NAV per Unit (a)/(b) (Rs.)		10.23	10.28	10.34	10.70	10.19	10.54	10.23	10.26	10.14	10.00	

(Rs. in 000's)

Particulars	Schedule	Linked Group Funds														
		Group Balanced Fund	Group Debt Fund	Group Short Term Debt fund	Group Capital Guarantee Short Term Debt Fund II	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Debt Fund	Group Growth Fund	Group Capital Guarantee Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II	Total	Grand Total
Sources of Funds																
Policyholders' Funds:																
Policyholder contribution	F-1	4,607,215	3,079,990	4,656,176	2,871,192	592,665	1,744,613	2,395,359	63,454	292,546	61	45,367	2,269,454	6,275	22,624,367	319,417,862
Revenue Account		1,264,885	311,968	722,479	258,784	55,581	254,985	(87,315)	(1,815)	9,644	562	2,366	46,018	—	2,838,142	(33,278,345)
Total		5,872,100	3,391,958	5,378,655	3,129,976	648,246	1,999,598	2,308,044	61,639	302,190	623	47,733	2,315,472	6,275	25,462,509	286,139,517
Application of Funds																
Investments	F-2	5,630,424	3,276,821	4,639,167	2,858,740	623,493	1,914,959	2,227,109	60,156	289,610	528	26,825	2,259,094	—	23,806,926	280,102,292
Current Assets	F-3	245,331	115,258	739,902	271,361	24,788	84,730	84,836	1,487	12,591	95	20,909	56,500	6,275	1,664,063	10,835,465
Less: Current Liabilities and Provisions	F-4	(3,655)	(121)	(414)	(125)	(35)	(91)	(3,901)	(4)	(11)	—	(1)	(122)	—	(8,480)	(4,798,240)
Net current assets		241,676	115,137	739,488	271,236	24,753	84,639	80,935	1,483	12,580	95	20,908	56,378	6,275	1,655,583	6,037,225
Total		5,872,100	3,391,958	5,378,655	3,129,976	648,246	1,999,598	2,308,044	61,639	302,190	623	47,733	2,315,472	6,275	25,462,509	286,139,517
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Rs. In 000's)		5,872,100	3,391,958	5,378,655	3,129,976	648,246	1,999,598	2,308,044	61,639	302,190	623	47,733	2,315,472	6,275	25,462,509	286,139,517
(b) Number of Units outstanding (In 000's)		328,067	225,106	369,684	258,408	54,984	153,729	116,118	6,295	29,261	56	4,363	225,334	628	1,772,031	21,805,356
(c) NAV per Unit (a)/(b) (Rs.)		17.90	15.07	14.55	12.11	11.79	13.01	19.88	9.79	10.33	11.19	10.94	10.28	10.00		

Schedule: F-1
POLICYHOLDERS' CONTRIBUTION

(Rs. in 000's)

Particulars	Linked Life Funds																
	Balancer Fund	Protector Fund	Maximiser Fund	Investshield Cash - ISCH Fund	Secure Plus Fund	Preserver Fund	Investshield Gold - ISLP Fund	New Invest Shield Balanced Fund	Flexi Growth Fund	Flexi Balanced Fund	RICH Fund	Multiplier Fund	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III	Return Guarantee Fund IV	Total
Opening balance	16,395,721	7,808,124	72,538,052	1,936,635	195,618	1,092,233	869,645	920,356	27,987,684	902,581	1,492,801	5,994,628	—	—	—	—	138,134,078
Add: Additions during the year*	4,741,253	7,547,901	23,955,703	1,462,499	55,289	1,929,448	320,582	641,645	18,906,276	682,657	7,641,226	5,831,203	672,399	729,195	754,138	211,145	76,082,559
Less: Deductions during the year**	4,587,458	3,021,082	9,034,425	28,777	6,633	547,686	46,547	1,291	1,977,875	40,037	9,862	128,862	1,033	61	48	—	19,431,677
Closing balance	16,549,516	12,334,943	87,459,330	3,370,357	244,274	2,473,995	1,143,680	1,560,710	44,916,085	1,545,201	9,124,165	11,696,969	671,366	729,134	754,090	211,145	194,784,960

* Represents unit creation.

** Represents unit cancellations.

(Rs. in 000's)

Particulars	Linked Pension funds														
	Pension Balancer Fund	Pension Protector Fund	Pension Maximiser Fund	Secure Plus Pension Fund	Pension Preserver Fund	Investshield Pension - ISPP Fund	Pension Flexi Growth Fund	Pension Flexi Balanced Fund	Pension RICH Fund	Pension Multiplier Fund	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	Pension Return Guarantee Fund III	Pension Return Guarantee Fund IV	Total
Opening balance	5,871,885	3,317,721	19,266,618	86,257	138,990	166,444	18,383,855	505,707	3,173,823	2,644,803	-	-	-	-	53,556,103
Add: Additions during the year*	2,468,742	4,739,852	8,109,575	18,861	848,887	54,966	14,732,552	564,811	11,434,086	2,666,895	2,121,958	1,978,520	2,083,224	624,958	52,447,887
Less: Deductions during the year**	926,982	476,298	1,462,606	2,531	30,854	9,708	1,097,983	21,363	136,865	184,958	468	838	243	-	4,351,697
Closing balance	7,413,645	7,581,275	25,913,587	102,587	957,023	211,702	32,018,424	1,049,155	14,471,044	5,126,740	2,121,490	1,977,682	2,082,981	624,958	101,652,293

* Represents unit creation.

** Represents unit cancellations.

(Rs. in 000's)

Particulars	Linked Health Funds										
	Health Saver Balancer Fund	Health Saver Protector Fund	Health Saver Flexi Balanced Fund	Health Saver Flexi Growth Fund	Health Saver Preserver Fund	Health Saver Multiplier Fund	Health Saver Return Guarantee Fund	Health Saver Return Guarantee Fund II	Health Saver Return Guarantee Fund III	Health Saver Return Guarantee Fund IV	Total
Opening balance	—	—	—	—	—	—	—	—	—	—	—
Add: Additions during the year*	4,134	22,841	3,610	76,103	1,388	12,159	68,752	74,394	70,465	22,547	356,393
Less: Deductions during the year**	9	40	—	1	—	—	70	13	18	—	151
Closing balance	4,125	22,801	3,610	76,102	1,388	12,159	68,682	74,381	70,447	22,547	356,242

* Represents unit creation.

** Represents unit cancellations.

(Rs. in 000's)

Particulars	Linked Group Funds														
	Group Balanced Fund	Group Debt Fund	Group Short Term Debt fund	Group Capital Guarantee Short Term Debt Fund II	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Debt Fund	Group Growth Fund	Group Capital Guarantee Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II	Total	Grand Total
Opening balance	4,651,569	1,464,988	5,498,722	1,006,176	213,037	3,701	2,512,566	11,577	249,982	20,001	25,182	—	—	15,657,501	207,347,682
Add: Additions during the year*	1,067,287	2,798,384	4,753,483	2,721,714	510,457	1,741,484	987,252	57,410	42,564	60	20,185	2,269,529	6,275	16,976,084	145,862,923
Less: Deductions during the year**	1,111,641	1,183,382	5,596,029	856,698	130,829	572	1,104,459	5,533	—	20,000	—	75	—	10,009,218	33,792,743
Closing balance	4,607,215	3,079,990	4,656,176	2,871,192	592,665	1,744,613	2,395,359	63,454	292,546	61	45,367	2,269,454	6,275	22,624,367	319,417,862

* Represents unit creation.

** Represents unit cancellations.

Schedule: F-2

INVESTMENTS

(Rs. in 000's)

Particulars	Linked Life Funds																
	Balancer Fund	Protector Fund	Maximiser Fund	Investshield Cash - ISCH Fund	Secure Plus Fund	Preserver Fund	Investshield Gold - ISLP Fund	New Invest Shield Balanced Fund	Flexi Growth Fund	Flexi Balanced Fund	RICH Fund	Multiplier Fund	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III	Return Guarantee Fund IV	Total
Approved Investments																	
Government Bonds	2,446,346	2,061,127	2,000,390	473,496	37,590	—	129,843	149,943	—	116,131	—	—	—	—	—	—	7,414,866
Corporate Bonds	4,841,309	4,540,489	128,778	1,084,087	84,391	93,594	273,506	295,030	—	234,624	200,000	—	435,275	516,407	361,773	—	13,089,263
Infrastructure Bonds	3,173,870	2,203,467	561,825	472,468	37,252	301,776	144,020	127,752	—	105,584	—	458,273	89,861	144,326	170,340	—	7,990,814
Equity*	5,378,399	—	51,168,870	—	409	—	186,824	339,196	22,301,431	453,265	5,162,474	6,222,512	—	—	—	—	91,213,380
Money Market	2,985,756	2,266,713	12,585,311	635,615	54,686	1,531,253	132,224	189,652	4,799,144	128,141	674,700	568,648	—	—	1,554	—	26,553,397
Mutual Funds	858,010	586,171	664,892	136,839	10,917	114,322	44,982	57,001	748,282	52,633	271,643	349,344	25,597	27,069	112	—	3,947,814
Deposit with Banks	254,273	1,295,065	666,933	426,538	15,675	479,456	88,858	95,243	158,816	29,089	113,900	—	91,391	9,045	96,705	—	3,820,987
Total	19,937,963	12,953,033	67,776,999	3,229,043	240,920	2,520,401	1,000,257	1,253,817	28,007,673	1,119,467	6,422,717	7,598,777	642,124	696,846	630,484	—	154,030,521
Other Investments																	—
Corporate Bonds	345,399	310,625	538,088	20,638	5,586	172,099	15,742	9,586	—	8,144	—	—	—	—	—	—	1,425,907
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity	765,690	—	7,402,459	—	—	—	31,280	49,732	3,563,501	72,875	574,460	1,114,210	—	—	—	—	13,574,207
Money Market	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mutual Funds	71,426	913,399	—	54,332	17,127	131,631	48,155	82,008	—	87,405	141,052	269,868	—	—	—	—	1,816,403
Venture Fund	—	—	—	—	—	—	—	21,979	—	—	—	—	—	—	—	—	21,979
Total	1,182,515	1,224,024	7,940,547	74,970	22,713	303,730	95,177	163,305	3,563,501	168,424	715,512	1,384,078	—	—	—	—	16,838,496
GRAND TOTAL	21,120,478	14,177,057	75,717,546	3,304,013	263,633	2,824,131	1,095,434	1,417,122	31,571,174	1,287,891	7,138,229	8,982,855	642,124	696,846	630,484	—	170,869,017
% of Approved Investments to Total	94%	91%	90%	98%	91%	89%	91%	88%	89%	87%	90%	85%	100%	100%	100%	0%	90%
% of Other Investments to Total	6%	9%	10%	2%	9%	11%	9%	12%	11%	13%	10%	15%	0%	0%	0%	0%	10%

* - Includes investments in preference shares amounting to Rs 83,955 (thousand)

(Rs. in 000's)

Particulars	Linked Pension Funds														
	Pension Balancer Fund	Pension Protector Fund	Pension Maximiser Fund	Secure Plus Pension Fund	Pension Preserver Fund	Investshield Pension - ISPP Fund	Pension Flexi Growth Fund	Pension Flexi Balanced Fund	Pension RICH Fund	Pension Multiplier Fund	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	Pension Return Guarantee Fund III	Pension Return Guarantee Fund IV	Total
Approved Investments															
Government Bonds	1,017,749	1,214,325	—	16,375	—	25,812	—	84,445	—	—	—	—	—	—	2,358,706
Corporate Bonds	2,164,393	2,442,959	—	32,449	37,443	49,079	—	129,456	300,000	—	1,667,180	1,423,007	1,244,744	—	9,490,710
Infrastructure Bonds	1,212,339	1,259,975	245,901	19,775	92,284	22,531	—	60,956	—	—	338,780	458,584	567,088	—	4,278,213
Equity*	2,159,054	—	14,558,289	—	—	38,330	16,093,553	314,788	8,161,975	2,541,474	—	—	—	—	43,867,463
Money Market	1,393,247	1,198,137	3,919,023	20,021	526,693	52,053	3,360,668	175,181	616,754	596,774	—	—	—	—	11,858,551
Mutual Funds	365,340	343,697	596,573	4,885	39,182	8,967	412,100	36,821	432,700	106,077	47,656	44,048	636	—	2,438,682
Deposit with Banks	85,535	1,522,304	241,714	19,070	173,697	9,747	—	15,733	199,782	49,700	24,785	23,303	234,715	—	2,600,085
Total	8,397,657	7,981,397	19,561,500	112,575	869,298	206,519	19,866,321	817,381	9,711,211	3,294,025	2,078,401	1,948,942	2,047,183	—	76,892,410
Other Investments															
Corporate Bonds	112,938	88,310	—	2,922	42,665	3,077	3,971	3,338	—	—	—	—	—	—	257,221
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity	297,618	—	2,042,556	—	—	6,464	2,841,308	60,659	1,036,512	556,796	—	—	—	—	6,841,913
Money Market	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mutual Funds	267,325	266,823	—	2,061	59,874	2,664	—	20,923	536,764	—	—	—	—	—	1,156,434
Venture Fund	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	677,881	355,133	2,042,556	4,983	102,539	12,205	2,845,279	84,920	1,573,276	556,796	—	—	—	—	8,255,568
GRAND TOTAL	9,075,538	8,336,530	21,604,056	117,558	971,837	218,724	22,711,600	902,301	11,284,487	3,850,821	2,078,401	1,948,942	2,047,183	—	85,147,978
% of Approved Investments to Total	93%	96%	91%	96%	89%	94%	87%	91%	86%	86%	100%	100%	100%	0%	90%
% of Other Investments to Total	7%	4%	9%	4%	11%	6%	13%	9%	14%	14%	0%	0%	0%	0%	10%

* - Includes investments in preference shares amounting to Rs 83,955 (thousand)

Schedule: F-2

INVESTMENTS (Continued)

(Rs. in 000's)

Particulars	*Linked Health Funds*										
	Health Saver Balancer Fund	*Health Saver Protector Fund*	*Health Saver Flexi Balanced Fund*	*Health Saver Flexi Growth Fund*	*Health Saver Preserver Fund*	*Health Saver Multiplier Fund*	*Health Saver Return Guarantee Fund*	*Health Saver Return Guarantee Fund II*	*Health Saver Return Guarantee Fund III*	*Health Saver Return Guarantee Fund IV*	*Total*
Approved Investments											
Government Bonds	182	1,449	167	—	—	—	—	—	—	—	1,798
Corporate Bonds	124	1,232	85	—	—	—	34,719	42,845	34,519	—	113,524
Infrastructure Bonds	101	2,603	130	122	26	36	6,875	12,508	16,658	—	39,059
Equity*	585	—	866	47,079	—	7,614	—	—	—	—	56,144
Money Market	1,232	6,101	606	1,325	533	1,792	—	—	—	—	11,589
Mutual Funds	22	681	102	2,433	40	23	2,135	2,553	317	—	8,306
Deposit with Banks	725	3,653	671	4,000	308	—	12,941	1,900	8,272	—	32,470
Total	2,970	15,720	2,627	54,959	907	9,465	56,671	59,806	59,766	—	262,891
Other Investments											
Corporate Bonds	—	—	—	—	—	—	—	—	—	—	—
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—
Equity	91	—	156	7,124	—	1,562	—	—	—	—	8,933
Money Market	—	—	—	—	—	—	—	—	—	—	—
Mutual Funds	—	891	—	2,882	50	—	—	2,724	—	—	6,547
Venture Fund	—	—	—	—	—	—	—	—	—	—	—
Total	91	891	156	10,006	50	1,562	—	2,724	—	—	15,480
GRAND TOTAL	3,061	16,611	2,783	64,965	957	11,027	56,671	62,530	59,766	—	278,371
% of Approved Investments to Total	97%	95%	94%	85%	95%	86%	100%	96%	100%	0%	94%
% of Other Investments to Total	3%	5%	6%	15%	5%	14%	0%	4%	0%	0%	6%

* - Includes investments in preference shares amounting to Rs 83,955 (thousand)

(Rs. in 000's)

Particulars	*Linked Group Funds*														
	Group Balanced Fund	*Group Debt Fund*	*Group Short Term Debt fund*	*Group Capital Guarantee Short Term Debt Fund II*	*Group Capital Guarantee Balanced Fund*	*Group Capital Guarantee Debt Fund*	*Group Growth Fund*	*Group Capital Guarantee Growth Fund*	*Group Leave Encashment Balance Fund*	*Group Leave Encashment Income Fund*	*Group Leave Encashment Short Term Fund*	*Group Return Guarantee Fund*	*Group Return Guarantee Fund II*	*Total*	*Grand Total*
Approved Investments															
Government Bonds	911,331	552,981	—	—	76,933	—	191,953	6,196	36,789	65	—	—	—	1,776,248	11,551,618
Corporate Bonds	2,069,866	1,303,399	804,966	488,604	122,363	1,345,311	382,090	7,896	56,210	173	1,428	1,423,549	—	8,005,855	30,699,352
Infrastructure Bonds	910,776	604,546	493,362	536,925	47,972	366,588	240,378	5,330	35,792	58	4,433	706,972	—	3,953,132	16,261,218
Equity*	741,654	—	—	—	72,817	—	1,096,600	17,331	37,219	—	—	—	—	1,965,621	137,102,608
Money Market	753,858	382,383	1,619,650	892,458	158,395	—	102,284	17,637	42,203	56	9,230	—	—	3,978,154	42,401,691
Mutual Funds	61,958	134,580	188,509	37,395	—	44,818	43,824	879	11,931	22	1,101	13,138	—	538,155	6,932,957
Deposit with Banks	28,387	128,049	1,011,857	651,677	126,561	—	—	1,502	49,040	137	8,814	115,436	—	2,121,460	8,575,002
Total	5,477,830	3,105,938	4,118,345	2,607,058	605,041	1,756,717	2,057,128	56,771	269,184	512	25,006	2,259,094	—	22,338,624	253,524,446
Other Investments															
Corporate Bonds	51,358	16,592	516,803	251,682	6,204	158,242	12,286	187	—	—	—	—	—	1,013,354	2,696,482
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity	101,236	—	—	—	12,248	—	157,695	3,198	5,666	—	—	—	—	280,043	20,705,096
Money Market	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mutual Funds	—	154,291	4,019	—	—	—	—	—	14,760	16	1,819	—	—	174,905	3,154,289
Venture Fund	—	—	—	—	—	—	—	—	—	—	—	—	—	—	21,979
Total	152,594	170,883	520,822	251,682	18,452	158,242	169,981	3,385	20,426	16	1,819	—	—	1,468,302	26,577,846
GRAND TOTAL	5,630,424	3,276,821	4,639,167	2,858,740	623,493	1,914,959	2,227,109	60,156	289,610	528	26,825	2,259,094	—	23,806,926	280,102,292
% of Approved Investments to Total	97%	95%	89%	91%	97%	92%	92%	94%	93%	97%	93%	100%	0%	94%	
% of Other Investments to Total	3%	5%	11%	9%	3%	8%	8%	6%	7%	3%	7%	0%	0%	6%	

* - Includes investments in preference shares amounting to Rs 83,955 (thousand)

Schedule: F-3

CURRENT ASSETS

(Rs. in 000's)

Particulars	Linked Life Funds																
	Balancer Fund	Protector Fund	Maximiser Fund	Investshield Cash - ISCH Fund	Secure Plus Fund	Preserver Fund	Investshield Gold - ISLP Fund	New Invest Shield Balanced Fund	Flexi Growth Fund	Flexi Balanced Fund	RICH Fund	Multiplier Fund	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III	Return Guarantee Fund IV	Total
Accrued Interest	329,923	350,567	102,277	86,531	6,498	34,956	21,760	24,523	801	14,100	1,922	9,032	18,623	19,701	17,884	—	1,039,098
Cash & Bank Balance	9	6	7,909	10	10	10	9	10	10	10	9	9	9	10	9	—	8,039
Dividend Receivable	2,311	—	17,368	—	—	—	—	80	9,349	160	1,250	3,487	—	—	—	—	34,005
Receivable for Sale of Investments	338,302	166,873	1,105,206	41,345	3,388	—	13,912	23,527	943,093	25,776	55,066	107,260	—	—	—	—	2,823,748
Unit Collection A/c	44,603	88,769	270,504	17,910	1,415	33,795	2,818	8,496	408,563	26,036	179,592	109,687	1,132	4,366	107,544	206,294	1,511,524
Other Current Assets (for Investments)	2	—	7	—	—	—	—	—	—	—	—	—	—	—	—	—	9
Appropriation adjustment account	—	735	207,880	172	161	143	973	1,621	69,813	2,218	18,961	24,370	33	36	32	—	327,148
Total	715,150	606,950	1,711,151	145,968	11,472	68,904	39,472	58,257	1,431,629	68,300	256,800	253,845	19,797	24,113	125,469	206,294	5,743,571

(Rs. in 000's)

Particulars	Linked Pension Funds														
	Pension Balancer Fund	Pension Protector Fund	Pension Maximiser Fund	Secure Plus Pension Fund	Pension Preserver Fund	Investshield Pension - ISPP Fund	Pension Flexi Growth Fund	Pension Flexi Balanced Fund	Pension RICH Fund	Pension Multiplier Fund	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	Pension Return Guarantee Fund III	Pension Return Guarantee Fund IV	Total
Accrued Interest	126,526	187,269	4,002	3,333	8,102	3,965	675	7,904	1,258	387	61,910	54,209	50,618	—	510,158
Cash & Bank Balance	9	10	11	10	10	9	10	10	10	10	10	13	10	—	132
Dividend Receivable	—	—	5,199	—	—	4	8,233	127	2,241	1,345	—	—	—	—	17,149
Receivable for Sale of Investments	145,334	91,361	278,681	1,483	—	2,792	449,083	18,784	203,481	68,698	—	—	—	—	1,259,697
Unit Collection A/c	41,582	82,534	84,169	570	26,215	383	221,042	10,482	241,322	82,919	(597)	(634)	15,615	617,927	1,423,529
Other Current Assets (for Investments)	1	—	1	—	—	—	—	—	—	—	—	—	—	—	2
Appropriation adjustment account	10,393	431	58,925	72	49	194	50,242	1,552	30,232	10,370	107	100	103	—	162,770
Total	323,845	361,605	430,988	5,468	34,376	7,347	729,285	38,859	478,544	163,729	61,430	53,688	66,346	617,927	3,373,437

(Rs. in 000's)

Particulars	Linked Health Funds										
	Health Saver Balancer Fund	Health Saver Protector Fund	Health Saver Flexi Balanced Fund	Health Saver Flexi Growth Fund	Health Saver Preserver Fund	Health Saver Multiplier Fund	Health Saver Return Guarantee Fund	Health Saver Return Guarantee Fund II	Health Saver Return Guarantee Fund III	Health Saver Return Guarantee Fund IV	Total
Accrued Interest	62	328	37	15	21	—	1,565	1,644	1,810	—	5,482
Cash & Bank Balance	10	11	10	10	10	10	10	10	10	—	91
Dividend Receivable	—	—	—	—	—	—	—	—	—	—	—
Receivable for Sale of Investments	19	102	16	3,630	—	258	—	—	—	—	4,025
Unit Collection A/c	653	3,395	545	9,424	279	1,366	777	2,199	4,985	20,997	44,620
Other Current Assets (for Investments)	—	—	—	—	—	—	—	—	—	—	—
Appropriation adjustment account	3	1	5	136	—	22	3	3	3	—	176
Total	747	3,837	613	13,215	310	1,656	2,355	3,856	6,808	20,997	54,394

(Rs. in 000's)

Particulars	Linked Group Funds														
	Group Balanced Fund	Group Debt Fund	Group Short Term Debt fund	Group Capital Guarantee Short Term Debt Fund II	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Debt Fund	Group Growth Fund	Group Capital Guarantee Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II	Total	Grand Total
Accrued Interest	120,720	62,207	78,056	56,493	10,804	80,676	23,310	598	5,863	22	712	55,730	—	495,191	2,049,929
Cash & Bank Balance	9	10	10	10	14	9	11	11	9	9	11	11	—	124	8,386
Dividend Receivable	420	—	—	—	38	—	528	9	20	—	—	—	—	1,015	52,169
Receivable for Sale of Investments	60,298	38,369	—	—	9,061	—	32,097	483	4,154	4	—	—	—	144,466	4,231,936
Unit Collection A/c	63,884	14,503	661,836	214,712	4,491	3,945	28,890	317	2,368	60	20,185	643	6,275	1,022,109	4,001,782
Other Current Assets (for Investments)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	11
Appropriation adjustment account	—	169	—	146	380	100	—	69	177	—	1	116	—	1,158	491,252
Total	245,331	115,258	739,902	271,361	24,788	84,730	84,836	1,487	12,591	95	20,909	56,500	6,275	1,664,063	10,835,465

Schedule: F - 4

CURRENT LIABILITIES

(Rs. in 000's)

Particulars	Linked Life Funds																
	Balancer Fund	Protector Fund	Maximiser Fund	Investshield Cash - ISCH Fund	Secure Plus Fund	Preserver Fund	Investshield Gold - ISLP Fund	New Invest Shield Balanced Fund	Flexi Growth Fund	Flexi Balanced Fund	RICH Fund	Multiplier Fund	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III	Return Guarantee Fund IV	Total
Payable for Purchase of Investments	124,344	—	1,357,502	—	—	—	—	31,054	934,629	—	301,710	240,656	—	—	12,417	—	3,002,312
Other Current Liabilities	1,271	534	4,822	122	9	59	39	49	1,867	68	374	540	29	31	30	—	9,844
Unit Payable a/c #	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Expropriation adjustment account	24,483	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	24,483
Total	150,098	534	1,362,324	122	9	59	39	31,103	936,496	68	302,084	241,196	29	31	12,447	—	3,036,639

Represents inter fund receivables or payables, if any

(Rs. in 000's)

Particulars	Linked Pension Funds													
	Pension Balancer Fund	Pension Protector Fund	Pension Maximiser Fund	Secure Plus Pension Fund	Pension Preserver Fund	Investshield Pension - ISPP Fund	Pension Flexi Growth Fund	Pension Flexi Balanced Fund	Pension RICH Fund	Pension Multiplier Fund	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	Pension Return Guarantee Fund III	Pension Return Guarantee Fund IV	Total
Payable for Purchase of Investments	150,080	—	464,750	—	—	—	435,711	—	497,880	150,409	—	8,621	32,045	—	1,739,496
Other Current Liabilities	373	291	1,030	4	20	8	1,168	33	567	216	95	89	95	—	3,989
Unit Payable a/c #	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Expropriation adjustment account	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	150,453	291	465,780	4	20	8	436,879	33	498,447	150,625	95	8,710	32,140	—	1,743,485

Represents inter fund receivables or payables, if any

(Rs. in 000's)

Particulars	Linked Health Funds									
	Health Saver Balancer Fund	Health Saver Protector Fund	Health Saver Flexi Balanced Fund	Health Saver Flexi Growth Fund	Health Saver Preserver Fund	Health Saver Multiplier Fund	Health Saver Return Guarantee Fund	Health Saver Return Guarantee Fund II	Health Saver Return Guarantee Fund III	Health Saver Return Guarantee Fund IV	Total
Payable for Purchase of Investments	71	—	87	6,973	—	1,354	—	—	1,139	—	9,624
Other Current Liabilities	—	—	—	3	—	—	3	3	3	—	12
Unit Payable a/c #	—	—	—	—	—	—	—	—	—	—	—
Expropriation adjustment account	—	—	—	—	—	—	—	—	—	—	—
Total	71	—	87	6,976	—	1,354	3	3	1,142	—	9,636

Represents inter fund receivables or payables, if any

(Rs. in 000's)

Particulars	Linked Group Funds														
	Group Balanced Fund	Group Debt Fund	Group Short Term Debt fund	Group Capital Guarantee Short Term Debt Fund II	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Debt Fund	Group Growth Fund	Group Capital Guarantee Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II	Total	Grand Total
Payable for Purchase of Investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	4,751,432
Other Current Liabilities	226	121	178	125	35	91	88	4	11	—	1	122	—	1,002	14,847
Unit Payable a/c #	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Expropriation adjustment account	3,429	—	236	—	—	—	3,813	—	—	—	—	—	—	7,478	31,961
Total	3,655	121	414	125	35	91	3,901	4	11	—	1	122	—	8,480	4,798,240

Represents inter fund receivables or payables, if any

3.19 FUND INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Form A-RA(UL)

(Rs. in 000's)

Particulars	Schedule	Linked Life Funds																
		Balancer Fund	Protector Fund	Maximiser Fund	Investshield Cash - ISCH Fund	Secure Plus Fund	Preserver Fund	Investshield Gold - ISLP Fund	New Invest Shield Balanced Fund	Flexi Growth Fund	Flexi Balanced Fund	RICH Fund	Multiplier Fund	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III	Return Guarantee Fund IV	Total
Income from investments																		
Interest income		1,294,739	978,986	484,924	228,507	20,932	167,246	68,691	66,235	199,007	48,405	28,675	28,310	12,681	7,562	2,255	—	3,637,155
Dividend income		91,600	—	1,011,906	—	9	—	3,180	4,861	385,734	7,540	55,865	69,972	—	—	—	—	1,630,667
Profit/loss on sale of investment		360,317	181,766	(7,342,777)	44,900	3,750	10,735	120	(33,762)	(2,911,785)	(83,621)	(376,325)	(624,404)	27	203	122	—	(10,770,734)
Profit/loss on inter fund transfer/ sale of investment		24,754	23,013	(47,460)	1,220	(62)	2,225	(18,690)	(13,530)	(233,744)	(31,481)	(3,125)	(26,396)	103	66	—	—	(323,107)
Unrealised Gain/loss*		(3,289,392)	110,367	(27,176,220)	29,271	2,314	11,744	(72,283)	(88,809)	(8,133,158)	(101,351)	(1,247,977)	(988,948)	6,252	8,569	4,764	—	(40,924,857)
Appropriation – Expropriation(Incom/Exp)		2,143	271	(56,340)	76	40	211	176	573	10,589	730	16,350	10,660	33	36	32	—	(14,420)
Total Income (A)		(1,515,839)	1,294,403	(33,125,967)	303,974	26,983	192,161	(18,806)	(64,432)	(10,683,357)	(159,778)	(1,526,537)	(1,530,806)	19,096	16,436	7,173	—	(46,765,296)
Fund management charges#		237,852	54,310	998,516	34,009	3,093	14,385	13,158	14,689	578,958	21,217	91,077	127,598	2,226	1,353	420	—	2,192,861
Fund administration expenses#		230,996	96,799	878,853	—	—	—	—	—	—	—	—	—	—	—	—	—	1,206,648
Other charges:	F-5	233,091	184,341	1,112,387	184,974	5,645	19,144	41,139	57,520	1,171,914	35,164	447,502	282,302	26,344	23,289	17,337	4,851	3,846,944
Total Expenditure (B)		701,939	335,450	2,989,756	218,983	8,738	33,529	54,297	72,209	1,750,872	56,381	538,579	409,900	28,570	24,642	17,757	4,851	7,246,453
Excess of Income over Expenditure/(Expenditure over Income) (A-B)		(2,217,778)	958,953	(36,115,723)	84,991	18,245	158,632	(73,103)	(136,641)	(12,434,229)	(216,159)	(2,065,116)	(1,940,706)	(9,474)	(8,206)	(10,584)	(4,851)	(54,011,749)
Balance at the beginning of the year		7,353,792	1,489,577	24,722,766	(5,489)	12,577	260,349	64,290	20,207	(415,549)	27,081	33,896	(760,759)	—	—	—	—	32,802,738
Balance at the end of the year		5,136,014	2,448,530	(11,392,957)	79,502	30,822	418,981	(8,813)	(116,434)	(12,849,778)	(189,078)	(2,031,220)	(2,701,465)	(9,474)	(8,206)	(10,584)	(4,851)	(21,209,011)

* Net change in mark to market value.

\# Gross of service tax.

(Rs. in 000's)

Particulars	Schedule	Linked Pension Funds													
		Pension Balancer Fund	Pension Protector Fund	Pension Maximiser Fund	Secure Plus Pension Fund	Pension Preserver Fund	Investshield Pension - ISPP Fund	Pension Flexi Growth Fund	Pension Flexi Balanced Fund	Pension RICH Fund	Pension Multiplier Fund	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	Pension Return Guarantee Fund III	Pension Return Guarantee Fund IV	Total
Income from investments																
Interest income		484,477	496,283	101,003	9,334	31,304	13,889	103,537	31,198	36,109	11,936	45,121	23,430	8,176	—	1,395,797
Dividend income		35,036	—	257,582	—	—	630	264,465	4,369	101,694	33,292	—	—	—	—	697,068
Profit/loss on sale of investment		(5,199)	110,307	(2,218,609)	1,816	3,730	1,404	(2,703,795)	(50,637)	(654,178)	(382,001)	(650)	658	510	—	(5,896,644)
Profit/loss on inter fund transfer/ sale of investment		(9,475)	9,272	(99)	(42)	438	(2,763)	(309,686)	(11,561)	(10,903)	(22,445)	316	626	(8)	—	(356,330)
Unrealised Gain/loss*		(845,432)	56,287	(6,536,677)	1,069	3,365	(17,758)	(4,324,740)	(75,652)	(2,214,473)	(597,151)	24,371	27,270	15,901	—	(14,483,620)
Appropriation – Expropriation(Incom/Exp)		1,193	623	(6,136)	16	57	30	13,257	711	24,548	3,992	107	100	103	—	38,601
Total Income (A)		(339,400)	672,772	(8,402,936)	12,193	38,894	(4,568)	(6,956,962)	(101,572)	(2,717,203)	(952,377)	69,265	52,084	24,682	—	(18,605,128)
Fund management charges#		85,677	26,817	301,740	1,381	2,771	2,647	312,208	8,659	150,869	55,464	7,896	4,182	1,534	—	961,845
Fund administration expenses#		38,934	46,758	53,967	—	—	—	—	—	—	—	—	—	—	—	139,659
Other charges:	F-5	57,862	87,482	216,729	1,032	5,278	3,574	571,121	13,589	405,042	130,243	43,123	31,664	24,740	7,031	1,598,510
Total Expenditure (B)		182,473	161,057	572,436	2,413	8,049	6,221	883,329	22,248	555,911	185,707	51,019	35,846	26,274	7,031	2,700,014
Excess of Income over Expenditure/(Expenditure over Income) (A-B)		(521,873)	511,715	(8,975,372)	9,780	30,845	(10,789)	(7,840,291)	(123,820)	(3,273,114)	(1,138,084)	18,246	16,238	(1,592)	(7,031)	(21,305,142)
Balance at the beginning of the year		2,357,158	604,854	4,631,049	10,655	18,325	25,150	(1,174,127)	15,792	66,654	(124,731)	—	—	—	—	6,430,779
Balance at the end of the year		1,835,285	1,116,569	(4,344,323)	20,435	49,170	14,361	(9,014,418)	(108,028)	(3,206,460)	(1,262,815)	18,246	16,238	(1,592)	(7,031)	(14,874,363)

* Net change in mark to market value.

\# Gross of service tax.

3.19 FUND INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009 (Continued)

Form A-RA(UL)

(Rs. in 000's)

Particulars	Schedule	Linked Health Funds										
		Health Saver Balancer Fund	Health Saver Protector Fund	Health Saver Flexi Balanced Fund	Health Saver Flexi Growth Fund	Health Saver Preserver Fund	Health Saver Multiplier Fund	Health Saver Return Guarantee Fund	Health Saver Return Guarantee Fund II	Health Saver Return Guarantee Fund III	Health Saver Return Guarantee Fund IV	Total
Income from investments												
Interest income		16	127	12	19	7	3	881	640	217	—	1,922
Dividend income		—	—	1	32	—	5	—	—	—	—	38
Profit/loss on sale of investment		7	86	5	419	1	62	48	34	12	—	674
Profit/loss on inter fund transfer/ sale of investment		1	(1)	—	39	—	—	1	—	—	—	40
Unrealised Gain/loss*		49	41	70	3,570	—	519	316	721	452	—	5,738
Appropriation – Expropriation (Incom/Exp)		3	1	5	136	—	22	3	3	3	—	176
Total Income (A)		76	254	93	4,215	8	611	1,249	1,398	684	—	8,588
Fund management charges #		3	13	3	94	1	16	156	114	41	—	441
Fund administration expenses #		—	—	—	—	—	—	—	—	—	—	—
Other charges:	F-5	461	2,594	391	9,019	128	1,425	10,752	9,282	5,658	1,550	41,260
Total Expenditure (B)		464	2,607	394	9,113	129	1,441	10,908	9,396	5,699	1,550	41,701
Excess of Income over Expenditure/(Expenditure over Income) (A-B)		(388)	(2,353)	(301)	(4,898)	(121)	(830)	(9,659)	(7,998)	(5,015)	(1,550)	(33,113)
Balance at the beginning of the year		—	—	—	—	—	—	—	—	—	—	—
Balance at the end of the year		(388)	(2,353)	(301)	(4,898)	(121)	(830)	(9,659)	(7,998)	(5,015)	(1,550)	(33,113)

* Net change in mark to market value.

Gross of service tax.

(Rs. in 000's)

Particulars	Schedule	Linked Group Funds														
		Group Balanced Fund	Group Debt Fund	Group Short Term Debt fund	Group Capital Guarantee Short Term Debt Fund II	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Debt Fund	Group Growth Fund	Group Capital Guarantee Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II	Total	Grand Total
Income from investments																
Interest income		438,714	190,840	423,243	206,875	32,219	94,144	114,636	2,589	21,423	746	2,499	19,205	—	1,547,133	6,582,007
Dividend income		11,595	—	—	—	702	—	19,583	181	522	—	—	—	—	32,583	2,360,356
Profit/loss on sale of investment		(35,422)	13,138	25,821	16,060	5,289	20,994	(193,493)	(2,183)	(1,587)	120	176	453	—	(150,634)	(16,817,338)
Profit/loss on inter fund transfer/ sale of investment		22,750	5,767	(28,743)	(149)	(123)	1,261	(4,805)	116	166	(195)	(4)	418	—	(3,541)	(682,938)
Unrealised Gain/loss*		(245,736)	38,559	23,221	20,807	(18,524)	154,637	(371,007)	(4,115)	(7,283)	6	53	30,002	—	(379,380)	(55,782,119)
Appropriation – Expropriation (Incom/Exp)		(187)	92	(493)	101	231	100	(8,573)	85	177	—	1	116	—	(8,350)	16,007
Total Income (A)		191,714	248,396	443,049	243,694	19,794	271,136	(443,659)	(3,327)	13,418	677	2,725	50,194	—	1,037,811	(64,324,025)
Fund management charges#		80,495	29,916	64,346	34,537	8,495	16,570	36,225	1,006	3,774	115	359	4,176	—	280,014	3,435,161
Fund administration expenses#		—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,346,307
Other charges:	F-5	—	—	—	—	—	—	—	—	—	—	—	—	—	—	5,486,714
Total Expenditure (B)		80,495	29,916	64,346	34,537	8,495	16,570	36,225	1,006	3,774	115	359	4,176	—	280,014	10,268,182
Excess of Income over Expenditure/(Expenditure over Income) (A-B)		111,219	218,480	378,703	209,157	11,299	254,566	(479,884)	(4,333)	9,644	562	2,366	46,018	—	757,797	(74,592,207)
Balance at the beginning of the year		1,153,666	93,488	343,776	49,627	44,282	419	392,569	2,518	—	—	—	—	—	2,080,345	41,313,862
Balance at the end of the year		1,264,885	311,968	722,479	258,784	55,581	254,985	(87,315)	(1,815)	9,644	562	2,366	46,018	—	2,838,142	(33,278,345)

* Net change in mark to market value.

Gross of service tax.

Schedule: F - 5

OTHER EXPENSES*

(Rs. in 000's)

Particulars	Linked Life Funds																
	Balancer Fund	Protector Fund	Maximiser Fund	Investshield Cash - ISCH Fund	Secure Plus Fund	Preserver Fund	Investshield Gold - ISLP Fund	New Invest Shield Balanced Fund	Flexi Growth Fund	Flexi Balanced Fund	RICH Fund	Multiplier Fund	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III	Return Guarantee Fund IV	Total
Policy Administration charge	20,293	31,070	142,310	67,658	2,369	1,264	18,296	33,244	315,004	6,086	125,718	32,567	2,879	2,794	1,597	377	803,526
Surrender charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Switching charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mortality charge	143,475	95,418	640,811	70,189	2,564	12,501	16,523	15,184	491,393	17,242	145,899	145,496	4,404	3,095	1,488	291	1,805,973
Rider Premium charge	29,239	16,467	147,955	250	—	1,379	2,256	—	136,908	4,570	62,894	26,405	1,023	1,359	773	175	431,653
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service tax	40,084	41,386	181,311	46,877	712	4,000	4,064	9,092	228,609	7,266	112,991	77,834	18,038	16,041	13,479	4,008	805,792
Total	233,091	184,341	1,112,387	184,974	5,645	19,144	41,139	57,520	1,171,914	35,164	447,502	282,302	26,344	23,289	17,337	4,851	3,846,944

*Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

(Rs. in 000's)

Particulars	Linked Pension Funds														
	Pension Balancer Fund	Pension Protector Fund	Pension Maximiser Fund	Secure Plus Pension Fund	Pension Preserver Fund	Investshield Pension - ISPP Fund	Pension Flexi Growth Fund	Pension Flexi Balanced Fund	Pension RICH Fund	Pension Multiplier Fund	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	Pension Return Guarantee Fund III	Pension Return Guarantee Fund IV	Total
Policy Administration charge	36,054	58,127	150,582	560	2,821	2,334	434,443	8,712	312,157	108,504	21,161	8,179	4,749	1,423	1,149,806
Surrender charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Switching charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mortality charge	7,780	4,564	27,114	282	163	747	33,067	860	13,272	3,978	886	296	153	37	93,199
Rider Premium charge	1,612	1,089	5,170	—	39	129	4,922	122	2,155	582	155	56	30	8	16,069
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service tax	12,416	23,702	33,863	190	2,255	364	98,689	3,895	77,458	17,179	20,921	23,133	19,808	5,563	339,436
Total	57,862	87,482	216,729	1,032	5,278	3,574	571,121	13,589	405,042	130,243	43,123	31,664	24,740	7,031	1,598,510

*Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

(Rs. in 000's)

Particulars	Linked Health Funds										
	Health Saver Balancer Fund	Health Saver Protector Fund	Health Saver Flexi Balanced Fund	Health Saver Flexi Growth Fund	Health Saver Preserver Fund	Health Saver Multiplier Fund	Health Saver Return Guarantee Fund	Health Saver Return Guarantee Fund II	Health Saver Return Guarantee Fund III	Health Saver Return Guarantee Fund IV	Total
Policy Administration charge	45	269	39	999	12	145	1,276	948	482	125	4,340
Surrender charge	—	—	—	—	—	—	—	—	—	—	—
Switching charge	—	—	—	—	—	—	—	—	—	—	—
Mortality charge	271	1,524	226	5,307	71	848	6,629	5,569	3,065	765	24,275
Rider Premium charge	—	—	—	—	—	—	—	—	—	—	—
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—
Service tax	145	801	126	2,713	45	432	2,847	2,765	2,111	660	12,645
Total	461	2,594	391	9,019	128	1,425	10,752	9,282	5,658	1,550	41,260

*Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

(Rs. in 000's)

Particulars	Linked Group Funds														
	Group Balanced Fund	Group Debt Fund	Group Short Term Debt fund	Group Capital Guarantee Short Term Debt Fund II	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Debt Fund	Group Growth Fund	Group Capital Guarantee Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund II	Total	Grand Total
Policy Administration charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,957,672
Surrender charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Switching charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mortality charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,923,447
Rider Premium charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	447,722
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service tax	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,157,873
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	5,486,714

*Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

forming part of the financial statements *Continued*

ANNEXURE TO THE REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Policyholders' Account (Technical Account) **(Rs. in 000's)**

Particulars	Sch	Linked Life			Linked Pension			Linked Health			Linked Group			Total Unit Linked
		Non-Unit	Unit	Total	Non-Unit	Unit	Total	Non-Unit	Unit	Total	Non-Unit	Unit	Total	
		(1)	(2)	(3)=(1) + (2)	(4)	(5)	(6)=(4) + (5)	(7)	(8)	(9)= (7) + (8)	(10)	(11)	(12)= (10) + (11)	(13)=(3)+ (6)+(9)+(12)
Premiums earned – net														
(a) Premium		9,103,186	63,842,459	**72,945,645**	4,375,115	69,899,339	**74,274,454**	251,744	1,139,440	**1,391,184**	61,129	9,531,391	**9,592,520**	**158,203,803**
(b) Reinsurance ceded		(51,367)	—	**(51,367)**	(229)	—	**(229)**	(149,408)	—	**(149,408)**	(374)	—	**(374)**	**(201,378)**
Income from Investments														
(a) Interest, Dividend & Rent - Gross		296,761	5,584,497	**5,881,258**	104,255	3,362,178	**3,466,433**	6,908	26,820	**33,728**	14,100	1,822,937	**1,837,037**	**11,218,456**
(b) Profit on sale/redemption of investments		53,604	26,175,731	**26,229,335**	18,362	11,184,216	**11,202,578**	1,520	108,684	**110,204**	5,682	1,356,363	**1,362,045**	**38,904,162**
(c) Loss on sale/redemption of investments		(201)	(4,286,346)	**(4,286,547)**	(190)	(1,767,733)	**(1,767,923)**	—	(6,270)	**(6,270)**	(77)	(280,664)	**(280,741)**	**(6,341,481)**
(d) Unrealised gain/(loss)		—	82,944,216	**82,944,216**	—	44,847,685	**44,847,685**	—	61,989	**61,989**	—	1,628,240	**1,628,240**	**129,482,130**
(e) Appropriation/Expropriation Adjustment Account			(328,354)	**(328,354)**		35,212	**35,212**	—	1,546	**1,546**	—	21,362	**21,362**	**(270,234)**
Other income:														
(a) Linked income	UL1	10,685,421	(10,685,421)	**—**	5,609,551	(5,609,551)	**—**	396,091	(396,091)	**—**	190,073	(190,073)	**—**	**—**
(b) Fees & charges		19,129	—	**19,129**	1,508	—	**1,508**	4	—	**4**	—	—	**—**	**20,641**
(b) Misc. income		7,536	—	**7,536**	6,860	—	**6,860**	727	—	**727**	203	—	**203**	**15,326**
(c) Contribution from the Shareholders' a/c		—	—	**—**	4,194,973	—	**4,194,973**	790,226	—	**790,226**	158,319	—	**158,319**	**5,143,518**
Total (A)		**20,114,069**	**163,246,782**	**183,360,851**	**14,310,205**	**121,951,346**	**136,261,551**	**1,297,812**	**936,118**	**2,233,930**	**429,055**	**13,889,556**	**14,318,611**	**336,174,943**
Commission		2,876,168	—	**2,876,168**	2,576,225	—	**2,576,225**	166,735		**166,735**	76	—	**76**	**5,619,204**
Operating expenses related to insurance business*		9,677,407	1,332,828	**11,010,235**	10,996,489	854,206	**11,850,695**	1,046,184	67,976	**1,114,160**	308,650	(6,108)	**302,542**	**24,277,632**
Provision for taxation (Fringe benefit tax)		(23,338)	—	**(23,338)**	(5,549)	—	**(5,549)**	(336)		**(336)**	—	—	**—**	**(29,223)**
Total (B)		**12,530,237**	**1,332,828**	**13,863,065**	**13,567,165**	**854,206**	**14,421,371**	**1,212,583**	**67,976**	**1,280,559**	**308,726**	**(6,108)**	**302,618**	**29,867,613**
Benefits paid (Net)	UL2	696,384	54,566,033	**55,262,417**	53,908	12,647,459	**12,701,367**	50,449	229	**50,678**	24,131	2,008,130	**2,032,261**	**70,046,723**
Interim bonus paid				**—**			**—**			**—**			**—**	**—**
Change in valuation of liability in respect of life policies		(337,464)	104,982,315	**104,644,851**	689,132	105,474,333	**106,163,465**	34,780	867,913	**902,693**	96,198	11,887,534	**11,983,732**	**223,694,741**
Total (C)		**358,920**	**159,548,348**	**159,907,268**	**743,040**	**118,121,792**	**118,864,832**	**85,229**	**868,142**	**953,371**	**120,329**	**13,895,664**	**14,015,993**	**293,741,464**
SURPLUS/ (DEFICIT) (D) =(A)-(B)-(C)		**7,224,912**	**2,365,606**	**9,590,518**	**—**	**2,975,348**	**2,975,348**	**—**	**—**	**—**	**—**	**—**	**—**	**12,565,866**
APPROPRIATIONS														
Transfer to Shareholders' a/c		7,224,912	—	**7,224,912**	—	—	**—**	—	—	**—**	—	—	**—**	**7,224,912**
Balance being funds for future appropriations		—	2,365,606	**2,365,606**	—	2,975,348	**2,975,348**	—	—	**—**	—	—	**—**	**5,340,954**
Total (D)		**7,224,912**	**2,365,606**	**9,590,518**	**—**	**2,975,348**	**2,975,348**	**—**	**—**	**—**	**—**	**—**	**—**	**12,565,866**

* For unit component, includes service tax, cost of any additional units granted to Policyholders for service lapses and freelook payouts (over and above the initial contribution).

ANNEXURE TO THE REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Policyholders' Account (Technical Account) **(Rs. in 000's)**

Particulars	Sch	Linked Life			Linked Pension			Linked Health			Linked Group			Total Unit Linked
		Non-Unit	Unit	Total	Non-Unit	Unit	Total	Non-Unit	Unit	Total	Non-Unit	Unit	Total	
		(1)	(2)	(3)=(1) + (2)	(4)	(5)	(6)=(4) + (5)	(7)	(8)	(9)= (7) + (8)	(10)	(11)	(12)= (10) + (11)	(13)=(3)+ (6)+(9)+(12)
Premiums earned – net														
(a) Premium		9,567,048	69,100,890	78,667,938	3,559,447	50,114,925	53,674,372	89,030	356,116	445,146	57,218	12,188,412	12,245,630	145,033,086
(b) Reinsurance ceded		(42,637)	—	(42,637)	(674)	—	(674)	(10,915)	—	(10,915)	(13,305)	—	(13,305)	(67,531)
Income from Investments														
(a) Interest, Dividend & Rent – Gross		332,549	5,267,821	5,600,370	132,494	2,092,864	2,225,358	—	1,960	1,960	8,803	1,579,716	1,588,519	9,416,207
(b) Profit on sale/redemption of investments		31,813	11,739,333	11,771,146	18,009	2,750,347	2,768,356	99	1,059	1,158	2,783	685,944	688,727	15,229,387
(c) Loss on sale/redemption of investments		(9,012)	(22,833,172)	(22,842,184)	(2,735)	(9,003,321)	(9,006,056)	—	(347)	(347)	(318)	(840,120)	(840,438)	(32,689,025)
(d) Unrealised gain/(loss)		—	(40,924,861)	(40,924,861)	—	(14,483,619)	(14,483,619)	—	5,740	5,740	—	(379,384)	(379,384)	(55,782,124)
(e) Appropriation/Expropriation Adjustment Account		—	(14,420)	(14,420)	—	38,601	38,601	—	176	176	—	(8,350)	(8,350)	16,007
Other income:														
(a) Linked income	UL1	6,182,632	(6,182,632)	—	2,296,976	(2,296,976)	—	29,013	(29,013)	—	113,709	(113,709)	—	—
(b) Fees & charges		15,610	—	15,610	1,105	—	1,105	—	—	—	—	—	—	16,715
(c) Contribution from the Shareholders' a/c		5,647,655	—	5,647,655	2,927,194	—	2,927,194	189,159	—	189,159	73,109	—	73,109	8,837,117
Total (A)		21,725,658	16,152,959	37,878,617	8,931,816	29,212,821	38,144,637	296,386	335,691	632,077	241,999	13,112,509	13,354,508	90,009,839
Commission		4,132,329	—	4,132,329	2,189,943	—	2,189,943	62,104	—	62,104	157	—	157	6,384,533
Operating expenses related to insurance business *		15,858,922	1,127,351	16,986,273	6,804,443	415,658	7,220,101	220,160	12,545	232,705	217,079	(35,800)	181,279	24,620,358
Provision for taxation (Fringe benefit tax)		143,540	—	143,540	57,380	—	57,380	484		484	—	—	—	201,404
Total (B)		20,134,791	1,127,351	21,262,142	9,051,766	415,658	9,467,424	282,748	12,545	295,293	217,236	(35,800)	181,436	31,206,295
Benefits paid (Net)	UL2	602,293	12,386,466	12,988,759	43,214	2,006,118	2,049,332	423	15	438	19,096	5,423,652	5,442,748	20,481,277
Change in valuation of liability in respect of life policies		988,574	1,858,357	2,846,931	(163,164)	26,074,571	25,911,407	13,215	323,131	336,346	5,667	7,724,657	7,730,324	36,825,008
Total (C)		1,590,867	14,244,823	15,835,690	(119,950)	28,080,689	27,960,739	13,638	323,146	336,784	24,763	13,148,309	13,173,072	57,306,285
Surplus/ (Deficit) (D) =(A)—(B)—(C)		—	780,785	780,785	—	716,474	716,474	—	—	—	—	—	—	1,497,259
APPROPRIATIONS														
Transfer to Shareholders' a/c		—	—	—	—	—	—	—	—	—	—	—	—	—
Balance being funds for future appropriations		—	780,785	780,785	—	716,474	716,474	—	—	—	—	—	—	1,497,259
TOTAL (D)		—	780,785	780,785	—	716,474	716,474	—	—	—	—	—	—	1,497,259

* For unit component, includes service tax, cost of any additional units granted to Policyholders for service lapses and freelook payouts (over and above the initial contribution).

SCHEDULE – UL1

LINKED INCOME (RECOVERED FROM LINKED FUNDS)* FOR THE YEAR ENDED MARCH 31, 2010

(Rs. in 000's)

Particulars	Life Linked Unit (1)	Pension Linked Unit (2)	Linked Health Unit (3)	Linked Group Unit (4)	Total (5)= (1)+(2)+(3)+(4)
Fund administration charges	1,406,837	200,897	—	—	**1,607,734**
Fund management charge	3,394,761	2,102,947	8,735	187,094	**5,693,537**
Policy administration charge	1,135,302	1,995,843	49,235	—	**3,180,380**
Surrender charge	389,577	278,859	—	2,979	**671,415**
Switching charge	9,949	4,670	18	—	**14,637**
Mortality charge	1,719,560	93,657	338,103	—	**2,151,320**
Rider premium charge	498,817	16,884	—	—	**515,701**
Partial withdrawal charge	—	—	—	—	**—**
Policy foreclose	2,130,618	915,794	—	—	**3,046,412**
Miscellaneous charge	—	—	—	—	**—**
Total (UL-1)	**10,685,421**	**5,609,551**	**396,091**	**190,073**	**16,881,136**

* net of service tax, if any

LINKED INCOME (RECOVERED FROM LINKED FUNDS)* FOR THE YEAR ENDED MARCH 31, 2009

(Rs. in 000's)

Particulars	*Life Linked Unit (1)*	*Pension Linked Unit (2)*	*Linked Health Unit (3)*	*Linked Group Unit (4)*	*Total (5) = (1)+(2)+(3)+(4)*
Fund administration charges	*1,092,380*	*126,314*	—	—	*1,218,694*
Fund management charge	*1,983,814*	*869,014*	*396*	*109,482*	*2,962,706*
Policy administration charge	*803,524*	*1,149,806*	*4,341*	—	*1,957,671*
Surrender charge	*18,722*	*14,187*	—	*3,855*	*36,764*
Switching charge	*5,606*	*2,003*	—	—	*7,609*
Mortality charge	*1,805,973*	*93,199*	*24,276*	*372*	*1,923,820*
Rider premium charge	*431,653*	*16,069*	—	—	*447,722*
Partial withdrawal charge	—	—	—	—	—
Policy foreclose	*40,960*	*26,384*	—	—	*67,344*
Miscellaneous charge	—	—	—	—	—
TOTAL (UL-1)	*6,182,632*	*2,296,976*	*29,013*	*113,709*	*8,622,330*

* net of service tax, if any

SCHEDULE – UL2

BENEFITS PAID (NET) FOR THE YEAR ENDED MARCH 31, 2010

(Rs. in 000's)

Sl. No.	Particulars	Linked Life			Linked Pension			Linked Health			Linked Group			Total Unit Linked
		Non Unit	Unit	Linked Life	Non-Unit	Unit	Linked Pension	Non-Unit	Unit	Linked Health	Non-Unit	Unit	Linked Group	
		(1)	(2)	(3)=(1)+(2)	(4)	(5)	(6)=(4)+(5)	(7)	(8)	(9)=(7)+(8)	(10)	(11)	(12)=(10)+(11)	(13)=(3)+(6)+(9)+(12)
1.	**Insurance claims**													
(a)	Claims by death	622,559	681,728	**1,304,287**	46,097	585,245	**631,342**	10	229	**239**	23,448	23,665	**47,113**	**1,982,981**
(b)	Claims by maturity	—	—	**—**	—	—	**—**	—	—	**—**	—		**—**	**—**
(c)	Annuities/Pension payment	—	—	**—**	—	—	**—**	—	—	**—**	—		**—**	**—**
(d)	Other benefits							—	—					
	– Surrender	103	53,884,305	**53,884,408**	8	12,062,214	**12,062,222**	—	—	**—**	83	1,984,465	**1,984,548**	**67,931,178**
	– Survival	—	—	**—**	—	—	**—**	—	—	**—**	—		**—**	**—**
	– Rider	78,863		**78,863**	7,803	—	**7,803**	645	—	**645**	—		**—**	**87,311**
	– Health	—	—	**—**	—	—	**—**	75,407	—	**75,407**	—		**—**	**75,407**
	Sub Total (A)	**701,525**	**54,566,033**	**55,267,558**	**53,908**	**12,647,459**	**12,701,367**	**76,062**	**229**	**76,291**	**23,531**	**2,008,130**	**2,031,661**	**70,076,877**
2.	**Amount ceded in reinsurance**													
(a)	Claims by death	(5,141)	—	**(5,141)**	—	—	**—**	—	—	**—**	600	—	**600**	**(4,541)**
(b)	Claims by maturity	—	—	**—**	—	—	**—**	—	—	**—**	—	—	**—**	**—**
(c)	Annuities/Pension payment	—	—	**—**	—	—	**—**	—	—	**—**	—	—	**—**	**—**
(d)	Other benefits													**—**
	– Surrender	—	—	**—**	—	—	**—**	—	—	**—**	—	—	**—**	**—**
	– Survival	—	—	**—**	—	—	**—**	—	—	**—**	—	—	**—**	**—**
	– Rider	—	—	**—**	—	—	**—**	—	—	**—**	—	—	**—**	**—**
	– Health	—	—	**—**	—	—	**—**	(25,613)	—	**(25,613)**	—	—	**—**	**(25,613)**
	Sub Total (B)	**(5,141)**	**—**	**(5,141)**	**—**	**—**	**—**	**(25,613)**	**—**	**(25,613)**	**600**	**—**	**600**	**(30,154)**
	TOTAL (A) + (B)	**696,384**	**54,566,033**	**55,262,417**	**53,908**	**12,647,459**	**12,701,367**	**50,449**	**229**	**50,678**	**24,131**	**2,008,130**	**2,032,261**	**70,046,723**
	Benefits paid to claimants: In India	701,525	54,566,033	**55,267,558**	53,908	12,647,459	**12,701,367**	76,062	229	**76,291**	23,531	2,008,130	**2,031,661**	**70,076,877**
	Total (UL2)	**701,525**	**54,566,033**	**55,267,558**	**53,908**	**12,647,459**	**12,701,367**	**76,062**	**229**	**76,291**	**23,531**	**2,008,130**	**2,031,661**	**70,076,877**

BENEFITS PAID (NET) FOR THE YEAR ENDED MARCH 31, 2009

(Rs. in 000's)

Sl. No.	Particulars	*Linked Life*			*Linked Pension*			*Linked Health*			*Linked Group*			*Total Unit Linked*
		Non Unit	*Unit*	*Linked Life*	*Non-Unit*	*Unit*	*Linked Pension*	*Non—Unit*	*Unit*	*Linked Health*	*Non-Unit*	*Unit*	*Linked Group*	
		(1)	*(2)*	*(3)=(1)+(2)*	*(4)*	*(5)*	*(6)=(4)+(5)*	*(7)*	*(8)*	*(9)=(7)+(8)*	*(10)*	*(11)*	*(12)=(10)+(11)*	*(13)=(3)+(6)+(9)+(12)*
1	Insurance claims													
(a)	Claims by death	*559,150*	*193,960*	*753,110*	*39,892*	*118,098*	*157,990*	*293*	*15*	*308*	*24,459*	*30,523*	*54,982*	*966,390*
(b)	Claims by maturity	—	—	—	—	—	—	—	—	—	—	—	—	
(c)	Annuities/Pension payment	—	—	—	—	—	—	—	—	—	—	—	—	—
(d)	Other benefits													
	– Surrender	*74*	*12,192,506*	*12,192,580*	—	*1,888,020*	*1,888,020*	—	—	—	—	*5,393,129*	*5,393,129*	*19,473,729*
	– Survival	—	—	—	—	—	—	—	—	—	—	—	—	—
	– Rider	*64,275*	—	*64,275*	*3,322*	—	*3,322*	—	—	—	—	—	—	*67,597*
	– Health	—	—	—	—	—	—	*130*	—	*130*	—	—	—	*130*
	Sub Total (A)	*623,499*	*12,386,466*	*13,009,965*	*43,214*	*2,006,118*	*2,049,332*	*423*	*15*	*438*	*24,459*	*5,423,652*	*5,448,111*	*20,507,846*
2	Amount ceded in reinsurance													
(a)	Claims by death	*(21,206)*	—	*(21,206)*	—	—	—	—	—	—	*(5,363)*	—	*(5,363)*	*(26,569)*
(b)	Claims by maturity	—	—	—	—	—	—	—	—	—	—	—	—	—
(c)	Annuities/Pension payment	—	—	—	—	—	—	—	—	—	—	—	—	—
(d)	Other benefits													
	– Surrender	—	—	—	—	—	—	—	—	—	—	—	—	—
	– Survival	—	—	—	—	—	—	—	—	—	—	—	—	—
	– Rider	—	—	—	—	—	—	—	—	—	—	—	—	—
	– Health	—	—	—	—	—	—	—	—	—	—	—	—	—
	Sub Total (B)	*(21,206)*	—	*(21,206)*	—	—	—	—	—	—	*(5,363)*	—	*(5,363)*	*(26,569)*
	Total (A) + (B)	*602,293*	*12,386,466*	*12,988,759*	*43,214*	*2,006,118*	*2,049,332*	*423*	*15*	*438*	*19,096*	*5,423,652*	*5,442,748*	*20,481,277*
	Benefits paid to claimants: In India	*623,499*	*12,386,466*	*13,009,965*	*43,214*	*2,006,118*	*2,049,332*	*423*	*15*	*438*	*24,459*	*5,423,652*	*5,448,111*	*20,507,846*
	Total (UL2)	*623,499*	*12,386,466*	*13,009,965*	*43,214*	*2,006,118*	*2,049,332*	*423*	*15*	*438*	*24,459*	*5,423,652*	*5,448,111*	*20,507,846*

3.20 Assets held to cover Policyholders' Liability

The Policyholders' liabilities including linked fund aggregating Rs. 539,654,281 thousand as at March 31, 2010 are adequately backed by assets as at March 31, 2010 as shown below:

(Rs. in 000's)

Description	Par Life	Par Pension	Par Group Life	Par Group Pension	Non-Par	Annuities Non-Par	Health	Linked Life Non Unit	Linked Life Unit	Linked Pension Non-Unit	Linked Pension Unit	Linked Health Non-Unit	Linked Health Unit	Linked Group Non-Unit	Linked Group Unit	Total
Policyholders' Liabilities as per Balance Sheet (A)	18,815,753	4,154,240	24,395	56,101	3,760,256	6,767,502	61,207	1,219,596	274,502,562	868,530	190,717,355	47,995	1,191,044	117,705	37,350,040	**539,654,281**
Assets held to cover policyholders' liabilities																
Investments (As per Schedule-8A & 8B)	24,431,128	5,463,364	25,391	66,690	4,024,154	6,740,538	148,900	4,516,836	278,573,749	1,497,256	194,065,464	95,781	1,139,952	555,663	35,387,135	**553,732,001**
Fair Value Change Account	(1,872,746)	(620,700)	—	—	—	—	—	—	—	—	—	—	—	—	—	**(2,493,446)**
Revaluation Reserve	(334,438)	(334,441)	—	—	—	—	—	—	—	—	—	—	—	—	—	**(668,879)**
Net Investments	19,223,944	4,508,223	25,391	66,690	4,024,154	6,740,538	148,900	4,516,836	278,573,749	1,497,256	194,065,464	97,781	1,139,952	555,663	35,387,135	**550,569,676**
Current Assets and Loans (As per Note 3.17 & 3.18)	551,390	139,092	168	531	306,639	143,087	72,422	766,970	3,117,031	755,578	3,512,871	70,650	61,932	31,303	2,115,517	**11,645,181**
Less: Current Liabilities (As per Note 3.17 & 3.18)	(26,585)	(33,471)	(1,164)	(11,120)	(570,537)	(116,123)	(160,115)	(4,064,210)	(736,910)	(1,384,304)	(2,380,723)	(118,436)	(10,840)	(469,261)	(152,612)	**(10,236,411)**
Total Assets (B)	**19,748,749**	**4,613,844**	**24,395**	**56,101**	**3,760,256**	**6,767,502**	**61,207**	**1,219,596**	**280,953,870**	**868,530**	**195,197,612**	**47,995**	**1,191,044**	**(117,705)**	**37,350,040**	**551,978,446**

The Policyholders' liabilities including linked fund aggregating Rs. 310,535,992 thousand as at March 31, 2009 are adequately backed by assets as at March 31, 2009 as shown below:

(Rs. in 000's)

Description	*Par Life*	*Par Pension*	*Non-Par*	*Annuities Non-Par*	*Health*	*Linked Life Non Unit*	*Linked Life Unit*	*Linked Pension Non-Unit*	*Linked Pension Unit*	*Linked Health Non-Unit*	*Linked Health Unit*	*Linked Group Non-Unit*	*Linked Group Unit*	*Total*
Policyholders' Liabilities as per Balance Sheet (A)	*14,910,867*	*3,725,112*	*3,694,078*	*5,809,106*	*76,741*	*1,557,061*	*169,490,247*	*179,399*	*85,273,021*	*13,215*	*323,129*	*21,507*	*25,462,509*	*310,535,992*
Assets held to cover policyholders' liabilities														
Investments (As per Schedule-8A & 8B)	*15,626,583*	*4,146,047*	*4,738,023*	*5,619,057*	*123,159*	*2,698,909*	*170,869,017*	*1,134,911*	*85,147,978*	*62,972*	*278,371*	*156,491*	*23,806,926*	*314,408,444*
Fair Value Change Account	*(117,536)*	*(95,625)*	—	—	—	—	—	—	—	—	—	—	—	*(213,161)*
Revaluation Reserve	*(158,497)*	*(157,822)*	—	—	—	—	—	—	—	—	—	—	—	*(316,319)*
Net Investments	*15,350,550*	*3,892,600*	*4,738,023*	*5,619,057*	*123,159*	*2,698,909*	*170,869,017*	*1,134,911*	*85,147,978*	*62,972*	*278,371*	*156,491*	*23,806,926*	*313,878,964*
Current Assets and Loans (As per Note 3.17 & 3.18)	*1,054,245*	*185,128*	*319,216*	*191,609*	*217,227*	*3,367,470*	*5,719,088*	*836,456*	*3,373,437*	*100,011*	*54,394*	*14,674*	*1,656,585*	*17,089,540*
Less: Current Liabilities (As per Note 3.17 & 3.18)	*(234,765)*	*(29,053)*	*(1,363,161)*	*(1,560)*	*(263,645)*	*(4,509,318)*	*(3,012,156)*	*(1,791,968)*	*(1,743,485)*	*(149,768)*	*(9,636)*	*(149,658)*	*(1,002)*	*(13,259,175)*
Total Assets (B)	*16,170,030*	*4,048,675*	*3,694,078*	*5,809,106*	*76,741*	*1,557,061*	*173,575,949*	*179,399*	*86,777,930*	*13,215*	*323,129*	*21,507*	*25,462,509*	*317,709,329*

3.21 Employee benefits

Provision for staff benefits as per revised AS 15:

(a) Defined Contribution Plans: The amount recognised as an expense during the year is Rs. 275,390 thousand (Previous year: Rs. 330,625 thousand)

(b) Defined Benefit Plans:

(Rs. in 000's)

Particulars	Year ended	
	March 31, 2010	*March 31, 2009*
Change in Defined Benefit Obligation:		
Opening obligations as at April 1	**151,491**	*110,505*
Service cost	**34,643**	*45,911*
Interest cost	**9,641**	*11,070*
Actuarial (gain)/loss	**6,257**	*(5,727)*
Past service costs	**98,554**	—
Liability assumed on acquisition	**2,856**	—
Benefits paid	**(41,961)**	*(10,268)*
Present value of the defined benefit obligations at March 31 (A)	**261,481**	*151,491*
Change in Plan Asset:		
Opening plan assets, at fair value as at April 1	**35,934**	*47,860*
Expected return on plan assets	**2,444**	*3,491*
Actuarial gain/(loss)	**4,158**	*(10,115)*
Contributions	**230,360**	*4,966*
Assets acquired on acquisition	**2,856**	—
Benefits paid	**(41,961)**	*(10,268)*
Fair value of plan assets at March 31 (B)	**233,791**	*35,934*
Cost for the year:		
Service cost	**34,643**	*45,911*
Interest cost	**9,641**	*11,070*
Expected return on plan assets	**(2,444)**	*(3,491)*
Actuarial (gain)/loss	**2,099**	*4,388*
Past service cost	**68,343**	—
Total net cost recognised as employee remuneration	**112,282**	*57,878*
Reconciliation of Benefit Obligations and Planned Assets for the period:		
Present value of the defined benefit obligations at March 31 (A)	**261,481**	*151,491*
Fair value of plan assets at March 31 (B)	**233,791**	*35,934*
Unrecognised past service cost	**30,210**	—
Net asset/(liability) as at March 31 recognised in Balance Sheet	**2,520**	*(115,557)*
Investment details of plan assets:		
The plan assets are invested in insurer managed funds.		
Assumptions:		
Discount rate	**6.10%**	*5.50%*
Salary escalation rate:		
Grade III and above		
– Year 1	**10.00%**	*10.00%*
– Year 2 to 3	**8.00%**	*8.00%*
– Year 4 to 6	**7.00%**	*7.00%*
– Year 7 onwards	**5.00%**	*5.00%*
Grade I and II	**5.00%**	*As above*
Estimated rate of return on plan assets	**7.50%**	*7.50%*

3.22 Employee Stock Option Scheme ("ESOS")

There are presently six ESOS schemes in force by name Founder I, Founder II, 2004-05, 2005-06, 2006-07 and 2007-08, salient features of which are as stated below:

	Founder I	**2004-05**	**2005-06**	**2006-07 Founder II**	**2007-08**
Date of allotment	March 28, 2005	April 25, 2005	April 26, 2006	April 24, 2007	April 25, 2008
No. of options granted	2,665,500	3,742,400	4,633,250	6,534,675 (2006-07) 470,000 (Founder II)	6,074,000
Graded Vesting Period					
1st Year	50% of options granted	25% of options granted	25% of options granted	25% of options granted	25% of options granted
2nd Year	25% of options granted	25% of options granted	25% of options granted	25% of options granted	25% of options granted
3rd Year	25% of options granted	25% of options granted	25% of options granted	25% of options granted	25% of options granted
4th Year	—	25% of options granted	25% of options granted	25% of options granted	25% of options granted
Maximum term of options granted	Later of the tenth anniversary of the date of grant of options or the fifth anniversary of the date of vesting of options				
Mode of settlement	Equity				

Exercise price of options is subject to dilution formula and it depends on the capital base of the Company as at the date of exercise of the options. Exercise price of all the options outstanding as at March 31, 2010 for Founder I (2003-04) scheme, 2004-2005 scheme, 2005-06 scheme, 2006-07 scheme, Founder II and 2007-08 scheme is Rs. 30, Rs. 42, Rs. 70, Rs. 130, Rs. 130 and Rs. 400 respectively.

A summary of status of Company's Employee Stock Option Scheme in terms of options granted, forfeited and exercised is given below:

Particulars	March 31, 2010	March 31, 2009
Outstanding at the beginning of the year	16,609,012	12,684,277
Add: Granted during the year	—	6,074,000
Less: Forfeited/lapsed during the year	896,336	1,005,695
Exercised during the year	885,590	1,143,570
Outstanding at the end of the year	14,827,086	16,609,012
Exercisable at the end of the year	5,614,986	2,920,138

During the year, the Company has recognised a compensation cost of Rs. Nil (Previous year: Rs. Nil) as the intrinsic value of the options.

Had the Company followed the fair value method for valuing its options for the year, the charge to the Revenue and Profit & Loss Account would have been higher by Rs. 175,126 thousand (Previous year: Rs. 359,034 thousand) and profit after tax would have been Rs. 2,404,599 thousand (Previous year: Rs. 8,156,030 thousand). Consequently Company's basic earnings per share would have been Rs. 1.69 (Previous year: (Rs. 5.76)) and diluted earnings per share would have been 1.68 (Previous year: (Rs. 5.76)).

The weighted average price of options exercised during the year is Rs. 67.95 (Previous year: Rs. 58.72). The weighted average remaining contractual life of options outstanding at the end of the period is 7 years (Previous year: 7 years).

The Key assumptions used to estimate fair value of options are:

Risk-free interest rate	6.87% - 8%
Expected life	3 - 5 years
Expected volatility	28.65%
Expected dividend yield	1.50%

3.23 Foreign exchange gain/(loss):

The amount of foreign exchange gain (net) credited to Revenue and Profit and Loss Account is Rs. 2,456 thousand (Previous year: Rs. 4,090 thousand foreign exchange loss)

3.24 Earnings per equity share:

(Rs. in 000's)

	Particulars	March 31, 2010	March 31, 2009
I	Net profit/(loss) after tax as per profit and loss account available for equity shareholders for both basic and diluted earnings per equity share of Rs. 10 each	2,579,685	(7,796,996)
II	Weighted average number of equity shares for earnings per equity share		
	(a) For basic earnings per equity share	1,427,278,700	1,417,180,106
	(b) For diluted earnings per equity share Number of equity shares for basic earnings per equity share as per (ii) (a)	1,427,278,700	1,417,180,106
	Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	4,397,643	—
	Weighted number of equity shares for diluted earnings per equity share	1,431,676,343	1,417,180,106
III	Earnings per equity share		
	Basic (in Rupees)	1.81	(5.50)
	Diluted (in Rupees)	1.80	(5.50)

3.25 Funds for Future Appropriations ('FFA') – Linked

Pursuant to IRDA's notification dated March 29, 2006, the Appointed Actuary has determined an amount of Rs. 5,340,953 thousand (Previous year: Rs. 1,497,261 thousand) as release of actuarial reserves on policies which have lapsed earlier.

The cumulative balance of FFA as at March 31, 2010 of Rs. 10,931,565 thousand (Previous year: Rs. 5,590,611 thousand) is not available for distribution to shareholders. Such amount is classified under Funds for Future appropriations – Linked, in the Balance Sheet.

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

There are no dues payable to vendors covered by the Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2010.

3.27 Additional disclosures on expenses

The additional disclosures on expenses pursuant to IRDA notification dated March 28, 2008 have been detailed herein below:

(Rs. in 000's)

Particulars	March 31, 2010	March 31, 2009
Outsourcing expenses	1,794,953	2,238,035
Business development expenses	1,520,211	813,879
Market support expenses	3,071,880	816,875

3.28 Disclosures on fines and penalties

The additional disclosures with respect to fines and penalties for penal actions pursuant to IRDA circular dated May 7, 2009 have been detailed herein below:

(Rs. in 000's)

Sl No.	Authority	Non-compliance/violation	Penalty levied	
			March 31, 2010	*March 31, 2009*
1.	Insurance Regulatory and Development Authority	NIL	—	—
2.	Service Tax Authorities	NIL	—	—
3.	Income Tax Authorities	NIL	—	—
4.	Any other Tax Authorities	NIL	—	—
5.	Enforcement Directorate/Adjudicating Authority/Tribunal or any Authority under FEMA	NIL	—	—
6.	Registrar of Companies/National Company Law Tribunal/Company Law Board/Department of Corporate Affairs or any Authority under Companies Act, 1956	NIL	—	—
7.	Penalty awarded by any Court/Tribunal for any matter including claim settlement but excluding compensation	NIL	—	—
8.	Competition Commission of India	NIL	—	—
9.	Any other State/Central/Local Government/Statutory Authority	Shop and Establishment Act	**121**	*51*
		Equal Remuneration Act	**8**	*16*
		Electricity Act	**19**	*18*
		Contract Labour (Regulation and Abolishment) Act	**4**	*4*
		Profession Tax Act	**9**	—
		Industrial Dispute Act	**2**	—
	Total		**163**	*89*

3.29 Previous year comparatives

Previous year amounts have been regrouped and reclassified wherever necessary to conform to current year's presentation. The details are as follows:

Sr. No.	Regrouped to	Regrouped from	Amount (in 000's)	Reason
1.	First year premium in Schedule 1	Renewal premium in Schedule 1	3,279,114	Until previous year, any subsequent premiums received under linked group policies were disclosed as first year premium or renewal premium in schedule 1, based on policy year in which the premium was received. The nature of these policies is such that once the customer contributes towards the fund in the first year, from the subsequent years, the customer is not under any obligation to make fixed amount of contribution every year. Such premium is thus reclassified as first year premium from the current year onwards.
2.	Miscellaneous income in Revenue Account (Policyholders' Account)	Operating expenses in Schedule 3	18,688	Cheques issued to vendors but not presented within their validity period and which have expired the limitation period under The Limitation Act, 1963 are being reclassified and shown as a part of miscellaneous income for better representation.
3.	Office running expenses in Schedule 3	Others in Schedule 3	730,228	Considering the materiality of these individual expense items these are being disclosed as separate line items for better presentation.
4.	Data entry related expenses in Schedule 3		448,075	
5.	Unit fund expenses in Schedule 3		1,519,754	
6.	Agents' balance in other assets (Schedule 12)	Other advances in Advances (Schedule 12)	23,848	Agents having debit balance was earlier clubbed under `Other advances' in Schedule 12. Considering the materiality of this item it is now reclassified and shown as a separate line item in Schedule 12, for better presentation.

For and on behalf of the Board of Directors

AVIJIT CHATTERJEE
Appointed Actuary

PUNEET NANDA
Executive Vice President

CHANDA D. KOCHHAR
Chairman

KEKI DADISETH
Director

SANAULLA KHAN
Company Secretary

V. VAIDYANATHAN
Managing Director & CEO

K. RAMKUMAR
Director

Place : Mumbai
Date : April 22, 2010

receipts & payments account

for the year ended March 31, 2010

(Rs. in 000's)

Particulars	March 31, 2010		March 31, 2009	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers:				
Premium and other receipts		**184,357,276**		*174,912,805*
Cash paid towards operating activities :				
Expenses and withdrawals	**(117,724,065)**		*(78,648,580)*	
Reinsurance premium ceded	**(418,054)**		*(433,156)*	
Advances and deposits	**59,913**		*(415,371)*	
Loan against policies	**(35,365)**		*(20,663)*	
Taxes paid	**(34,516)**	**(118,152,087)**	*(202,896)*	*(79,720,666)*
Net cash from operating activities (A)		**66,205,189**		*95,192,139*
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of fixed assets	**5,103**		*1,024*	
Purchase of fixed assets	**(113,256)**	**(108,153)**	*(726,847)*	*(725,823)*
Purchase of investments		**(4,702,862,081)**		*(4,541,796,266)*
Return of loan		**117,116**		*2,892*
Sale of investments		**4,634,715,939**		*4,447,684,843*
Interest and dividend received		**11,993,233**		*9,221,551*
Net cash from investing activities (B)		**(56,143,946)**		*(85,612,803)*
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of share capital		**7,641**		*262,614*
Share premium on capital issued		**51,582**		*9,805,443*
Net cash used in financing activities (C)		**59,223**		*10,068,057*
Net increase In cash and cash equivalents (A+B+C)		**10,120,466**		*19,647,394*
Cash and cash equivalents at beginning of the year		**25,816,280**		*6,168,887*
Cash and cash equivalents at end of the year		**35,936,746**		*25,816,281*
Note:				
Cash and cash equivalents at the end of the year includes:				
– Cash (Including cheques in hand and stamps in hand)		**2,195,978**		*1,701,524*
– Bank Balances and Money at call and short notice [Including bank balance for linked business of Rs. 46,414 thousands (Previous year: Rs. 8,390 thousands)]		**870,739**		*1,865,627*
– Other short term liquid investment [Forming part of investments in financials]		**32,870,029**		*22,249,129*
		35,936,746		*25,816,280*

As per our report of even date attached

For WALKER, CHANDIOK & CO
Chartered Accountants
Firm Registration No. 001076N

For B S R & CO.
Chartered Accountants
Firm Registration No. 101248W

KHUSHROO B. PANTHAKY
Partner
Membership No. F-42423

AKEEL MASTER
Partner
Membership No. 046768

For and on behalf of the Board of Directors

AVIJIT CHATTERJEE
Appointed Actuary

PUNEET NANDA
Executive Vice President

CHANDA D. KOCHHAR
Chairperson

KEKI DADISETH
Director

SANAULLA KHAN
Company Secretary

V. VAIDYANATHAN
Managing Director & CEO

K. RAMKUMAR
Director

Place : Mumbai
Date : April 22, 2010

ICICI PRUDENTIAL LIFE INSURANCE

ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED

1ST ANNUAL REPORT AND ACCOUNTS 2009-2010

Directors
V. Vaidyanathan, *Chairman*
Puneet Nanda
Tarun Chugh

Auditors
S. R. Batliboi & Co.
Chartered Accountants

Registered Office
ICICI PruLife Towers
1089, Appasaheb Marathe Marg
Prabhadevi
Mumbai - 400 025

Ketki Belhe
Company Secretary

directors' report

to the members,

Your Directors have pleasure in presenting the First Annual Report of ICICI Prudential Pension Funds Management Company Limited (the Company) with the audited statement of accounts for the year ended March 31, 2010.

OPERATIONS REVIEW & OUTLOOK

The performance for fiscal 2010 is summarised below:

(Rs. million)

Particulars	Fiscal 2010
Investment management fees	**0.0**
Income from investments	**5.4**
TOTAL	**5.4**
Personnel Expenses	**1.1**
Operating and other expenses	**4.5**
Amortisation	**0.0**
Profit/(Loss) before tax	**(0.2)**
Provision for taxation	
– Current tax	**0.3**
– Deferred tax (Credit)	**(0.4)**
Profit/(Loss) after Tax	**(0.1)**

During the year ended March 31, 2010, the Company incurred a loss of Rs. 0.1 million on account of initial expenses incurred by the Company being the first year of incorporation.

DIVIDEND

The financial operations have resulted in a loss (after tax) of Rs. 0.1 million. In view of the loss incurred, the Directors are unable to recommend any dividend.

DIRECTORS

Puneet Nanda and Tarun Chugh were appointed as first Directors of the Company. Being first Directors, their term would expire on the date of the first Annual General Meeting (AGM) of the Company. Accordingly, Puneet Nanda and Tarun Chugh will retire at the above AGM and are eligible for re-appointment.

During the year under review, N. S. Kannan stepped down from the Board effective May 1, 2010. The Board places on record its appreciation for his valuable contribution during this tenure.

The Board appointed V. Vaidyanathan as an additional Director effective May 1, 2010 who holds office upto the date of the forthcoming AGM and is proposed to be appointed as Director retiring by rotation at the ensuing AGM. Notice has been received from a Member proposing him as a Director as required under Section 257 of the Companies Act, 1956.

Meghana Baji was appointed as Manager & Chief Executive Officer of the Company effective April 22, 2009.

DETAILS AS PER SECTION 217(2A)

Details 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, are not applicable as the aggregate remuneration do not exceed the specified limits.

INCREASE IN SHARE CAPITAL

The paid up capital of the Company is Rs. 110 million. During the year, the paid-up capital of the company was increased by Rs. 10.0 million (face value) contributed by the parent, ICICI Prudential Life Insurance Company Limited taking the paid-up capital to Rs. 110.0 million (face value) at March 31, 2010.

PUBLIC DEPOSITS

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

AUDITORS

M/s. S. R. Batliboi & Co., Chartered Accountants were appointed as first statutory auditors of the Company at the first Board meeting. They are retiring at the ensuing Annual General Meeting and are eligible for re-appointment.

ADDITIONAL INFORMATION

In view of the nature of business activity of the Company, the information relating to the conservation of energy and technology absorption, as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is not required to be given.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

In the preparation of the annual accounts, the applicable accounting standards have been followed;

The Directors have 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 loss of the Company for that period;

The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

The Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

The Directors are grateful to the Pension Fund Regulatory & Development Authority and Government of India for their continued co-operation, support and advice.

The Directors would also like to take this opportunity to express sincere thanks to its valued customers for their continued patronage.

The Directors express their gratitude for the valuable advice, guidance and support received from time to time, from the auditors and the statutory authorities. The Directors express their deep sense of appreciation to all employees and distributors, who display outstanding professionalism and commitment, enabling the organisation to attain leadership in its business operations. Finally, the Directors wish to express their gratitude to ICICI Bank Ltd, ICICI Prudential Life Insurance Company Limited for their continued trust and support.

For and on behalf of the Board

V. Vaidyanathan
Chairman

Mumbai, April 14, 2010

auditors' report

members of ICICI Prudential Pension Funds Management Company Limited

1. We have audited the attached Balance Sheet of ICICI Prudential Pension Funds Management Company Limited ('the Company') as at March 31, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the period April 22, 2009 to March 31, 2010. 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.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account
   iv. In our opinion, the Balance sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
   v. On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
   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 Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
      a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
      b) in the case of the Profit and Loss Account, of the loss for the period April 22, 2009 to March 31, 2010; and
      c) in the case of Cash Flow Statement, of the cash flows for the period April 22, 2009 to March 31, 2010.

For S.R. BATLIBOI & CO.
Firm registration number: 301003E
Chartered Accountants

per Shrawan Jalan
Partner
Membership No.:102102

Mumbai, April 14, 2010

annexure to the auditors' report

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

Re: ICICI Prudential Pension Funds Management Company Limited ('the Company')

(i) The Company does not have any fixed assets. Hence the provisions of the clause 4 (i) of the Order are not applicable to the Company.

(ii) The Company does not have any inventories. Hence the provisions of the clause 4 (ii) are not applicable to the Company.

(iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.

(b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.

(iv) 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 the nature of its business, for the purchase fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.

(v) According to the information and explanations provided by the management, we are of the opinion that there are no particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act for the products of the Company.

(ix) The Company is regular in depositing with appropriate authorities undisputed statutory dues including investor education and protection fund, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. The provisions relating to provident fund and employees' state insurance are not applicable to the Company.

(x) Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Act, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

(a) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

(x) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company did not have any dues to a financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced 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.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.

(xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) The Company did not have any term loans outstanding during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issues.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. BATLIBOI & CO.
Firm registration number: 301003E
Chartered Accountants

per Shrawan Jalan
Partner
Membership No.:102102

Mumbai, April 14, 2010

balance sheet

as at March 31, 2010

	Schedule		(In Rupees) As at March 31, 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS :			
Share capital	A		110,000,000
TOTAL			110,000,000
APPLICATION OF FUNDS			
Intangible assets		111,435	
Less: Accumulated amortisation		19,845	91,590
Investments	B		17,499,574
Deferred tax asset (Refer to note 3.1 of schedule J)			380,835
Current assets, Loans and Advances			
– Cash and bank balances	C		89,509,516
– Other current assets	D		5,103,010
– Loans and advances	E		29,313
Total Current Assets (A)			94,641,839
Current liabilities and Provisions			
– Current liabilites	F		2,719,655
– Provisions	G		31,638
Total Current Liabilites (B)			2,751,293
Net Current Assets (C) = (A-B)			91,890,546
Debit balance in Profit & Loss Account (Shareholders' account)			137,455
TOTAL			110,000,000
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	J		

profit and loss account

For the period April 22, 2009 to March 31, 2010

	Schedule	(In Rupees) March 31, 2010
Investment management fees		37
Income from investments	H	5,419,160
TOTAL (A)		5,419,197
Personnel expenses (Refer note 3.4 of Schedule J)		1,121,751
Operating and other expenses	I	4,471,458
Amortisation		19,845
Provisions (other than taxation)		
(a) For diminition in value of investments (net)		—
(b) Provision for doubtful debts		—
(c) Others		—
TOTAL (B)		5,613,054
Profit/(Loss) before tax		(193,857)
Provision for taxation		
– Current tax		324,433
– Deferred tax (credit)		(380,835)
Profit / (Loss) after Tax		(137,455)
APPROPRIATIONS		—
Profit/(Loss) carried to Balance Sheet		(137,455)
Earnings per equity share		
Basic earnings per equity share (Rs.)		(0.01)
Diluted earnings per equity share (Rs.)		(0.01)
Nominal value per equity share (Rs.)		10.00
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	J	

For S.R. BATLIBOI & Co.
Firm Registration No.: 301003E
Chartered Accountants

per Shrawan Jalan
Partner
Membership No. 102102

Mumbai, April 14, 2010

For and on behalf of the Board of Directors

Meghana Baji
Chief Executive Officer

V. Vaidyanathan
Director

Puneet Nanda
Director

Ketki Belhe
Company Secretary

Mumbai, April 14, 2010

	(In Rupees) As at March 31, 2010
Schedule A: Share capital	
Authorised:	
20,000,000 Equity shares of Rs. 10 each	**200,000,000**
Issued, subscribed and paid up	
11,000,000 Equity shares of Rs. 10/- each, fully paid	**110,000,000**
(Of the above 11,000,000 Equity shares of Rs. 10/- each, fully paid up are held by the	
holding company, ICICI Prudential Life Insurance Company Limited and it's nominees)	
TOTAL	**110,000,000**
Schedule B : Investments	
Current investments (at lower of cost or market value)	
Mutual Funds (unquoted) :	
– IDFC Liquidity Manager - Growth	**96,725**
[7,679 units (and 14 fractions) of Rs. 10 each]	
– ICICI Prudential Liquid Plan - Super Institutional Growth Option	**17,402,849**
[132,313 units (79 fractions and Rs. 10 each]	
TOTAL	**17,499,574**
Aggregate amount of mutual fund investments at market value	**18,102,650**

The following investments were purchased and sold during the period April 22, 2009 to March 31, 2010

	Purchase		Sold	
	Quantity (in units)	Rupees	Quantity (in units)	Rupees
ICICI Prudential Liquid Plan – Super Institutional Growth Option	133,052	17,500,000	739	97,151
IDFC Super Advantage Fund – Plan A – Growth	1,388	1,746,000	1,388	1,746,000
IDFC Liquidity Manager – Growth	7,679	96,725	—	—

Schedule C : Cash and Bank balances	
Balances with scheduled banks	
– In Current Accounts	**109,516**
– In Fixed Deposit Accounts	**89,400,000**
TOTAL	**89,509,516**
Schedule D : Other Current Assets	
Interest accrued on fixed deposit	**5,102,996**
Management fees receivable	**14**
TOTAL	**5,103,010**
Schedule E : Loans and Advances	
Prepaid Expenses	**29,313**
TOTAL	**29,313**
Schedule F : Current liabilities	
Sundry Creditors (Payable to Holding Company) (Refer Note 3.4 of Schedule J)	**2,383,473**
Sundry Creditors (Payable to others)	**127,968**
Statutory Dues	**208,214**
TOTAL	**2,719,655**
Schedule G : Provisions	
Provisions	
– Provisions for Tax (net of Advance Tax)	**31,638**
TOTAL	**31,638**

	(In Rupees) For the period April 22, 2009 to March 31, 2010
Schedule H : Income from Investments	
Interest accrued on Fixed Deposit	**5,395,791**
(Tax Deducted at source Rs. 292,795)	
Profit on Sale of Investment	**23,369**
TOTAL	**5,419,160**
Schedule I : Administration and other expenses	
– Incorporation expenses (Refer Note No. 3.5 Schedule J)	**1,550,350**
– Pension Fund Regulatory Development Authority licence fees	**1,000,000**
– Legal and Professional fees	**127,507**
– Rent and Utilities charges (Refer Note 3.4 of Schedule J)	**897,401**
– Information technology expenses (Refer Note 3.4 of Schedule J)	**603,570**
– Auditor's remuneration (Statutory audit fees)	**110,300**
– Rates and taxes	**110,077**
– Travelling expenses	**50,406**
– Miscellenous Charges	**21,847**
TOTAL	**4,471,458**

Schedule J:

Significant accounting policies and notes forming part of the accounts for the period April 22, 2009 to March 31, 2010

1. Background

ICICI Prudential Pension Funds Management Company Limited ('the Company') is a wholly owned subsidiary of ICICI Prudential Life insurance Company Limited, incorporated on April 22, 2009 as a company under the Companies Act, 1956 ('the Act') and received certificate to commence business on April 28, 2009. The Company is licensed by the Pension Funds Regulatory and Development Authority ('PFRDA') for acting as a Pension Fund Manager for the management of the Pension Funds under the New Pension System introduced by the Central Government with effect from May 1, 2009.

2. Summary of significant accounting policies

2.1 Basis of preparation

The accompanying financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The management evaluates all recently issued or revised accounting pronouncements on an ongoing basis.

2.2 Use of estimates

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

2.3 Revenue recognition

2.3.1 Investment management fees

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

2.3.2 Income earned on investments

Interest income on investments is recognised on a time proportionate basis taking into account the amount outstanding and the rate applicable. Dividend income is recognised when the right to receive dividend is established.

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

2.4 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. Provisions for diminution in value of investments are made to recognise a decline other than temporary in nature.

2.5 Intangibles

Intangible assets comprising software are stated at cost less amortisation. Significant improvements to software are capitalised and amortised over the remaining useful life of original software. Software expenses are amortised using Straight Line Method over a period of 4 years from the date of being put to use.

2.6 Impairment of assets

Management periodically assesses, using external and internal sources, whether there is any indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost.

2.7 Income taxes

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

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 by 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 law, 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/ virtual certain (as the case may be) to be realised.

2.8 Provisions and Contingencies

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

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc are recorded when it is possible that a liability has been incurred and the amount can be reasonably estimated.

2.9 Earnings per share

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

2.10 Cash and Cash equivalents

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

3. Notes to accounts

3.1 Deferred taxes

Deferred tax asset is recognised on timing differences arising between taxable and accounting income using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonably certainty that the asset will be realised in future, a net deferred tax asset of Rs 380,835 is created as given below:

(In Rupees)

Particulars	Deferred tax asset as at April 22, 2009	(Charge)/ Credit for the period	Deferred tax assets as at March 31, 2010
Deferred tax assets on:			
– Incorporation expenses	Nil	383,311	383,311
Less :- Deferred tax liability on Amortisation of software	Nil	(2,476)	(2,476)
Total	**Nil**	**380,835**	**380,835**

3.2 Details of related parties and transactions with related parties

Related parties and nature of relationship

Nature of relationship	Name of the related party
Ultimate parent company	ICICI Bank Limited
Holding company	ICICI Prudential Life Insurance Company Limited
Fellow subsidiaries	ICICI Securities Limited
	ICICI Venture Funds Management Company Limited
	ICICI Home Finance Company Limited
	ICICI Lombard General Insurance Company Limited
	ICICI Trusteeship Services Limited
	ICICI Securities Primary Dealership Limited
	ICICI Securities Inc
	ICICI Securities Holding Inc
	ICICI Investment Management Company Limited
	ICICI International Limited
	ICICI Bank UK PLC.
	ICICI Bank Canada
	ICICI Bank Eurasia Limited Liability Company
	ICICI Prudential Asset Management Company Limited
	ICICI Prudential Trust Limited
	ICICI West Bengal Infrastructure Development Corporation Limited
	Loyalty Solutions & Research Limited
	ICICI Venture Value Fund (IVVF)
	I-Ven Biotech Limited [w.e.f June 30, 2009]
	ICICI Eco-net Internet and Technology Fund
	ICICI Equity Fund
	ICICI Emerging Sectors Fund
	ICICI Strategic Investments Fund
	TCW / ICICI Investment Partners Limited Liability Company
	ICICI Kinfra Limited
Key management personnel	Meghana Baji, Chief Executive Officer

The following represents significant transactions between the Company and its related parties:

(In Rupees)

Particulars	Holding company	Ultimate parent company	Fellow subsidiary (ICICI Prudential Asset Management Company Limited)
Transactions for the period ended March 31, 2010			
Expenses			
Incorporation expenditure	1,550,350	—	—
Personnel expenses	1,121,751	—	—
Rent and Utilities	897,401	—	—
Travel cost	50,406	—	—
Reuters terminal	416,745	—	—
Hardware support charges (Depreciation)	28,041	—	—
Software sharing cost (Depreciation)	63,225	—	—
Others			
Share capital issued during the period	110,000,000	—	—
Investment in fixed deposits	—	30,000,000	—
Income on investments	—	1,812,289	—
Purchase of mutual fund units	—	—	17,500,000
Redemption of mutual fund units	—	—	100,000
Profit on redemption of mutual fund units	—	—	2,849
Balances as at March 31, 2010			
Expenses payable	2,383,473	—	—
Investments in fixed deposits	—	30,000,000	—
Income accrued on investments	—	1,812,289	—
Investment in mutual fund units	—	—	17,402,849

3.3 **Earnings per equity share:**

	Particulars	March 31, 2010
I	Net profit/(loss) after tax as per profit and loss account available for equity shareholders for both basic and diluted earnings per equity share of Rs. 10 each (in Rupees)	(137,455)
II	Weighted average number of equity shares for earnings per equity share	
	(a) For basic earnings per equity share	10,749,271
	(b) For diluted earnings per equity share	10,749,271
III	Earnings per equity share	
	Basic (in Rupees)	(0.01)
	Diluted (in Rupees)	(0.01)

3.4 **Personnel expenses and cost sharing arrangement**

Personnel Expenses

The employees and the Company Secretary are on the deputation from ICICI Prudential Life Insurance Company Limited and their remuneration is paid as per the terms of employment with ICICI Prudential Life Insurance Company Limited. The amounts debited to the Profit and Loss Account are based on the debit notes raised by ICICI Prudential Life Insurance Company Limited upon the Company.

Cost sharing arrangement

The Company has entered into a cost sharing arrangement with ICICI Prudential Life Insurance Company Limited for sharing of common expenses like rent, utilities, depreciation on computers / hardware and other technology and software related expenses in a manner that the appropriate cost directly attributable to the operations are borne by Company. The following expenses have been cross charged to the Company under such agreement.

Nature of the expenses	Amount (Rs.)
Personnel expenses	1,121,751
Rent and Utilities	897,401
Travel cost	50,406
Reuters terminal	416,745
Hardware support charges (Depreciation)	28,041
Software sharing cost (Depreciation)	63,225
Total	**2,577,569**

3.5 **Incorporation Expenses**

Incorporation expenses represent costs which were incurred by ICICI Prudential Life Insurance Company Limited on behalf of the Company and were subsequently reimbursed by the Company. The details are given below:

Particulars	Amount (Rs.)
Memorandum and Articles - registration charges	1,108,430
Stamp Duty	400,000
Advisory Fees	38,606
Filing Fees	3,313
Total	**1,550,350**

3.6 **OTHER INFORMATION**

Particulars	Amount (Rs.)
Contingent Liabilities not provided for	NIL
Income / Expenditure in Foreign Currency	NIL
Estimated amount of contracts remaining to be executed on capital account and not provided for.	NIL

3.7 There are no dues payable to vendors covered by the Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2010.

3.8 This being the first year of operation of the company previous year's figures have not been furnished.

cash flow statement

for the period April 22, 2009 to March 31, 2010

Particulars	(In Rupees) For the period April 22, 2009 to March 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES	
Investment management fees	23
Expenses and withdrawals	(2,902,867)
Net cash from operating activities (A)	**(2,902,845)**
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of investments	1,866,521
Purchase of investments	(19,342,725)
Investment in fixed deposit	(89,400,000)
Purchase of software license	(111,435)
Net cash from investing activities (B)	**(106,987,639)**
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of share capital	110,000,000
Net cash used In Financing Activities (C)	**110,000,000**
Net increase in cash and cash equivalents (A+B+C)	109,516
Cash and cash equivalents at beginning of the period	—
Cash and Cash Equivalents as at March 31, 2010	**109,516**

Note :

Cash and cash equivalent at the end of the period includes :

– Cash in current account with banks	109,516
TOTAL	**109,516**

For S.R. BATLIBOI & Co.
Chartered Accountants
Firm Registration No.: 301003E

For and on behalf of the Board of Directors

per Shrawan Jalan
Partner
Membership No. 102102

Meghana Baji
Chief Executive Officer

V. Vaidyanathan
Director

Puneet Nanda
Director

Ketki Belhe
Company Secretary

Mumbai, April 14, 2010

Mumbai, April 14, 2010

ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED

10TH ANNUAL REPORT AND ACCOUNTS 2009-2010

Directors
Chanda D. Kochhar, *Chairperson*
R. Athappan
Sandeep Bakhshi
B.V. Bhargava
Dileep Choksi
N. S. Kannan
S. Mukherji
Chandran Ratnaswami
M. K. Sharma
H. N. Sinor
Bhargav Dasgupta, *Managing Director & CEO*

Auditors
N. M. Raiji & Co.
Chartered Accountants

PKF Sridhar & Santhanam
Chartered Accountants

Pratap Salian
Company Secretary

Registered Office
ICICI Bank Towers
Bandra-Kurla Complex
Mumbai – 400 051

directors' report

to the members

Your Directors have pleasure in presenting the Tenth Annual Report of ICICI Lombard General Insurance Company Limited (ICICI Lombard) with the audited statement of accounts for the year ended March 31, 2010.

INDUSTRY OVERVIEW

The gross premium of the industry for the period April 2009–March 2010 grew from Rs. 306.42 billion to Rs. 347.55 billion on a year-on-year basis, a growth of about 13.4%. The market share of private sector insurance companies during this period has been stable as compared to the corresponding period of the previous year. ICICI Lombard led the private players with a market share of 23.2% in the private sector and an overall industry market share of 9.5%.

FINANCIAL HIGHLIGHTS

	Fiscal 2009	**Fiscal 2010**
Number of policies	*3,957,048*	**4,461,401**
		(Rs. in million)
Gross written premium	*34,567.6*	**34,315.1**
Earned premium	*19,736.5*	**21,928.2**
Income from Investments	*3,222.2*	**4,454.3**
Profit before tax	*2.7*	**1,583.1**
Profit after tax	*236.2*	**1,439.3**

APPROPRIATIONS

The profit after tax for the year ended March 31, 2010 is Rs.1,439.3 million. The profit available for appropriation is Rs. 2,607.9 million after taking into account the balance of profit of Rs.1,168.6 million brought forward from the previous year. The Board has declared four interim dividends aggregating to 16% on equity shares of Rs. 10 each reflecting sound financial performance during fiscal 2010 and has appropriated the disposable profits as follows:

		(Rs. in million)
	Fiscal 2009	**Fiscal 2010**
Dividend for the year (interim) On equity shares	—	**645.3**
Dividend distribution tax	—	**109.7**
Transfer to General Reserve	—	**107.9**
Leaving balance to be carried forward to the next year	*1,168.6*	**1,745.0**

The Directors are pleased to recommend the aggregate of interim dividends at Rs. 645.3 million as final dividend for the year.

CORPORATE GOVERNANCE

Pursuant to the Corporate Governance Guidelines for insurance companies issued by the Insurance Regulatory and Development Authority (IRDA) and subsequent amendments thereto, a separate report titled 'Corporate Governance' has been included in this Annual Report.

WHISTLE BLOWER POLICY

ICICI Lombard has a Whistle Blower Policy which is designed to provide its employees a channel for communicating instances of breach in the Code of Conduct, legal violations, actual or suspected frauds and other irregularities. The framework of the policy is designed to promote responsible and secure whistle blowing.

REGISTRATION

The certificate of registration of ICICI Lombard has been renewed by the Insurance Regulatory and Development Authority for the year 2010-2011.

CAPITAL

During fiscal 2010, ICICI Lombard has not raised fresh capital. The total capital invested by shareholders till March 31, 2010, including share premium, was Rs. 14.75 billion. The net worth of the Company stood at Rs. 16.73 billion at March 31, 2010 as compared to Rs. 16.03 billion at March 31, 2009.

RURAL AND SOCIAL RESPONSIBILITY

ICICI Lombard issued more than 300,000 policies in rural areas, amounting to over 7% of total policies issued by it during the year under review. It also covered more than 90,000 lives falling within the norms of social business.

PUBLIC DEPOSITS

During the year under review, ICICI Lombard has not accepted any deposit from the public.

DIRECTORS

During the year under review, James Dowd, nominated by Fairfax Financial Holdings Limited (Fairfax) resigned from the Board of ICICI Lombard effective July 1, 2009. The Board placed on record its deep appreciation for the invaluable contribution of James Dowd. Consequent to the appointment of R. Athappan as Chairman of

Fairfax Asia Limited by Fairfax, he ceased to be an independent Director and is being considered as the Nominee Director of Fairfax on the Board of ICICI Lombard effective July 21, 2009.

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of ICICI Lombard, B. V. Bhargava, Chandran Ratnaswami and M.K. Sharma would retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

AUDITORS

The Joint Statutory Auditors, N.M.Raiji & Co., Chartered Accountants and PKF Sridhar & Santhanam, Chartered Accountants, will retire at the ensuing Annual General Meeting. As recommended by the Audit Committee, the Board, at its Meeting held on April 19, 2010, has proposed the re-appointment of N.M.Raiji & Co., Chartered Accountants (Firm's Registration number 108296W) and PKF Sridhar & Santhanam, Chartered Accountants (Firm's Registration number 003990S), as Joint Statutory Auditors to audit the accounts of the Company for the year ending March 31, 2011. You are requested to consider their appointment.

FOREIGN EXCHANGE EARNING AND EXPENDITURE

During fiscal 2010, expenditure in foreign currencies amounted to Rs. 2,927.6 million and earnings in foreign currencies amounted to Rs.1,480.2 million.

ADDITIONAL INFORMATION

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.

Since ICICI Lombard does not own any manufacturing facility, the disclosure of information on other matters required to be disclosed in terms of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable and hence not given.

AUDIT COMMITTEE

The Audit Committee consists of four Directors – Dileep Choksi, S. Mukherji, H.N. Sinor and R. Athappan. Pursuant to the Corporate Governance Guidelines, Dileep Choksi, an Independent Director, has been appointed as Chairman of the Committee in place of S. Mukherji. During the year, James Dowd ceased to be a member of the Committee on resignation as a Director and R. Athappan has been appointed as a member in his place. In terms of the Corporate Governance Guidelines, Bhargav Dasgupta has resigned as member of the Committee effective March 30, 2010. There were four meetings of the Committee during the year. The functions of the Committee include reviewing the quarterly and annual financial statements, internal control systems and significant accounting policies of ICICI Lombard and discussing the audit findings and recommendations of the internal and statutory auditors of ICICI Lombard.

EMPLOYEE STOCK OPTION SCHEME

In fiscal 2006, ICICI Lombard instituted an Employee Stock Option Scheme (ESOS) to enable the employees and Directors of ICICI Lombard to participate in its future growth and financial success. As per the ESOS, the maximum number of options granted to any employee/Director in a year shall not, except with the approval of the Board, exceed 0.10% of ICICI Lombard's issued equity shares at the time of grant and the aggregate of all such options is limited to 5% of ICICI Lombard's issued equity shares on the date of the grant.

Options granted for the years 2005, 2006, 2007 and 2008, vest in a graded manner over a four-year period, with 20%, 20%, 30% and 30% of the grants vesting each year, commencing not earlier than 12 months from the date of grant. Options granted for the year 2009 vest in a graded manner over a five year period with no vesting in the first year and 20%, 20%, 30% and 30% of the grant vesting each year in the subsequent four years. Options can be exercised within 10 years from the date of grant or five years from the date of vesting, whichever is later.

Particulars of options granted by ICICI Lombard up to March 31, 2010 are given below:

Options granted	20,537,560
Options vested	10,709,410
Options exercised	2,238,322
Number of shares allotted pursuant to exercise of options	2,132,746
Options forfeited / lapsed	4,953,326
Extinguishment or modification of options	—
Amount realised by exercise of options (Rs.)	81,235,190
Total number of options in force	13,345,912

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

1. that in the preparation of the annual accounts, the applicable AS have been followed along with proper explanation relating to material departures;
2. that they have 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 ICICI Lombard at the end of the financial year and of the profit or loss of ICICI Lombard for that period;
3. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of ICICI Lombard and for preventing and detecting fraud and other irregularities; and
4. that they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

ICICI Lombard is grateful to the Insurance Regulatory and Development Authority, Tariff Advisory Committee, Reserve Bank of India, General Insurance Council and other regulatory authorities for their support and advice. The Directors also place on record their sincere thanks for the support and co-operation extended by the Policyholders, Reinsurers, Bancassurance partners, Insurance Agents and Brokers.

ICICI Lombard would like to express its gratitude for the continued support and guidance received from ICICI Bank and its group companies and Fairfax.

The Directors would also like to place on record their appreciation for the commitment and team effort shown by the employees of ICICI Lombard.

For and on behalf of the Board

CHANDA D. KOCHHAR
Chairperson

Mumbai, April 19, 2010

ICICI Lombard General Insurance Company Limited ('the Company") is fully committed to following sound corporate governance practices and upholding the highest business standards in conducting business. The Company continues to focus on building trust with shareholders, policyholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance including integrity, equity, transparency, fairness, sound disclosure practices, accountability and commitment to values.

As a good corporate citizen reflecting its parentage, the Company continues to institutionalise its governance framework. The Company's governance framework encompasses not only regulatory and legal requirements but is also aimed at maximising shareholder value legally, ethically and on a sustainable basis.

Management Structure

The Company has a multi-tier management structure, comprising the Board of Directors at the apex and followed by employees at senior management, middle management and junior management positions. Through this, it is ensured that;

- Strategic supervision is provided by the Board;
- Control and implementation of Company's strategy is achieved effectively;
- Operational management remains focused on implementation;
- Information regarding the Company's operations and financial performance is made available;
- Delegation of decision making with accountability is achieved;
- Financial and operating control and integrity are maintained at an optimal level; and
- Risk is suitably evaluated and dealt with.

Board Structure

At March 31, 2010, the Company's Board of Directors consisted of eleven members. Out of the eleven members of the Board, four are nominated by ICICI Bank Limited, two are nominated by Fairfax Financial Holdings Limited (Fairfax), four are Independent Directors and one is the Managing Director. Except the Managing Director, all other Directors, including the Chairperson of the Board, are non-executive Directors. There is a clear segregation of responsibility and authority between the Chairperson and the Managing Director. The Board of Directors are responsible for the overall corporate strategy and other Board related matters. The Managing Director oversees implementation of strategy, achievement of business plans, day-to day activities and other operational issues. There is an appropriate mix of executive, non-executive and independent Directors to maintain the professionalism and independence of the Board. The independent Directors are eminent personalities with significant expertise in the fields of accountancy, banking, finance, law, strategy, insurance and economics. None of the Directors are related to any other Director or employee of the Company.

Composition of the Board of Directors

Name of the Director	Category	Qualification	Field of Specialisation
Chanda D. Kochhar	Chairperson, Non-Executive, Nominee of ICICI Bank	B.A, MBA, ICWA, MMS (finance)	Corporate Banking, Retail Banking and Finance.
R. Athappan	Non-Executive, Nominee of Fairfax	B.E.(Electrical), A.I.I.I.	Insurance.
Sandeep Bakhshi	Non-Executive, Nominee of ICICI Bank	B.E., MBA.	Insurance, Finance and Banking.
B.V. Bhargava	Non-Executive, Independent	M.com, LL.B	Banking, Finance and insurance.
Dileep Choksi	Non-Executive, Independent	F.C.A, LL.B, ICWA.	Accounting, Taxation, Corporate restructuring, Strategies and merger & acquisitions.
N.S. Kannan	Non-Executive, Nominee of ICICI Bank	B.E.(Hon) , PGDM, IIM, Bangalore, CFA.	Finance, Accounts, Investment and Banking.
S. Mukherji	Non-Executive, Nominee of ICICI Bank	B.A. (Eco.), M.Sc . Economics	Accounting, Investment Banking and Finance.
Chandran Ratnaswami	Non-Executive, Nominee of Fairfax	B.E.(Civil), MBA.	Investment and Insurance.
M.K. Sharma	Non-Executive, Independent	B.A., LL.B, Diploma in Personnel Management.	Taxation and Law.
H.N. Sinor	Non-Executive, Independent	B.com, LL.B	Banking and Finance.
Bhargav Dasgupta	Executive	PGDM, IIM Bangalore, B.E. (Mechanical)	International Banking and Insurance.

Remuneration paid to Bhargav Dasgupta, Managing Director & CEO during the year ended March 31, 2010:

Particulars	Amount (Rs. in 000's)
Gross Salary	7,375
Performance bonus	–
Perquisites	347
Retirals	1,062
Stock options granted (numbers)	–

The Board met five times in the year under review on April 23, 2009, April 25, 2009, July 21, 2009, October 27, 2009 and January 14, 2010. The Attendance records and sitting fees paid to the Directors are set out in the following table:

Name of the Director	Number of Board Meetings		Sitting fees paid for Board & Committee Meeting
	Held	Attended	
K.V. Kamath[1]	5	1	Nil
Chanda D. Kochhar[2]	5	5	Nil
Sandeep Bakhshi[3]	5	4	Nil
S. Mukherji	5	5	Nil
V. Vaidyanathan[4]	5	1	Nil
B. V. Bhargava	5	5	100,000
H. N. Sinor	5	5	280,000
Dileep Choksi	5	3	100,000
James Dowd[5]	5	1	Nil
M. K. Sharma	5	4	160,000
Chandran Ratnaswami	5	5	Nil
R. Athappan	5	2	Nil
N. S. Kannan[6]	5	3	Nil
Bhargav Dasgupta[7]	5	3	Nil

1. Ceased to be Director and Chairman w.e.f. April 23, 2009
2. Appointed as Chairperson w.e.f. April 23. 2009
3. Ceased to be Managing Director & CEO w.e.f. April 30, 2009 and appointed as Director w.e.f. May 1, 2009
4. Ceased to be Director w.e.f. May 1, 2009
5. Ceased to be Director w.e.f. July 1, 2009
6. Appointed as Director w.e.f. May 1, 2009
7. Appointed as Managing Director w.e.f. May 1, 2009

Board Committees ('the Committees')

The Board has 7 Committees as follows:

I. Board Governance Committee
II. Investment Committee
III. Audit Committee
IV. Risk Management Committee
V. Policyholder Protection Committee
VI. Bank Operation Committee
VII. Share Transfer & Investor Grievance Redressal Committee

The terms of reference of the Committees of the Board are determined by the Board from time to time. Minutes of the Committee meetings are placed before the Board for its information. The role and composition of these Committees, including the number of meetings held during fiscal 2010 and the attendance of the members are provided below:

I. Board Governance Committee (BGC)

The Board Governance Committee comprised five non-executive Directors, two of whom are independent Directors and was chaired by Chanda D. Kochhar, a non-executive Director.

The composition of BGC is given below along with the attendance of the members. The Committee met four times in the year under review on April 23, 2009, April 25, 2009, July 21, 2009 and January 14, 2010.

Attendance record of the Members:

Name	Number of meetings attended
Chanda D. Kochhar[1]	4
M. K. Sharma[2]	3
Sandeep Bakhshi[3]	1
H. N. Sinor	4
Chandran Ratnaswami	4

1. Ceased to be Chairperson of the Committee w.e.f. April 19, 2010
2. Appointed as Chairman w.e.f. April 19, 2010
3. Appointed as Member w.e.f. July 21, 2009

Terms of reference

The functions of this Committee included recommendations of appointments to the Board, evaluation of the performance of the Managing Director & CEO on pre-determined parameters, recommendation to the Board of the remuneration (including performance bonus and perquisites) to Managing Director & CEO, approval of the policy for and quantum of bonus payable to the members of the staff, framing of guidelines for the Employees Stock Options Scheme and recommendation of the grant of ICICI Lombard stock options to the employees and whole time Directors of ICICI Lombard.

II. Investment Committee

The Investment Committee comprised three non-executive Directors, one Executive Director, Appointed Actuary, Head of Investments and Chief Financial Officer and chaired by Chandran Ratnaswami, a non-executive Director.

The composition of Investment Committee is given below along with the attendance of the members. The Committee met four times in the year under review on April 23, 2009, July 21, 2009, October 27, 2009 and January 14, 2010.

Attendance record of the Members:

Name	Numbers of meeting attended
Chandran Ratnaswami	4
Chanda D. Kochhar[1]	Nil
Sandeep Bakhshi	2
N. S. Kannan[2]	1
Bhargav Dasgupta[2]	3
Liyaquat Khan	2
S. Gopalakrishnan	4
Rakesh Jain	4

1. Ceased to be Member w.e.f. April 23, 2009
2. Appointed as Member w.e.f. July 21, 2009

Terms of Reference

The functions of the Committee included overseeing the implementation of the Investment Policy approved by the Board from time to time, reviewing the Investment Policy, periodical updation to the Board with regard to investment activities of the Company, reviewing the Company's capital and solvency position periodically, reviewing the investment strategies adopted from time to time and give suitable directions as needed in the best interest of the Company, reviewing the Broker policy and make suitable amendments from time to time and reviewing counter party / intermediary exposure norms.

III. Audit Committee

Composition

The Audit Committee comprised four non-executive Directors. The Chief Financial Officer, the Head of Internal Audit, representative of Statutory Auditors, Compliance Officer and Chief Risk Officer are invitees to the Audit Committee. All members of the Committee are financially literate and Chairman has accounting and financial management expertise.

The composition of Audit Committee is given below along with the attendance of the members. The Committee met four times in the year under review on April 23, 2009, July 21, 2009, October 27, 2009 and January 14, 2010.

Attendance record of the Members:

Name	Number of meetings attended
Dileep Choksi[1]	2
S. Mukherji[2]	4
H. N. Sinor	4
James Dowd[3]	1
R. Athappan[4]	1
Bhargav Dasgupta[5]	2

1. Appointed Chairman of the Committee w.e.f. October 27, 2009
2. Ceased to be Chairman of the Committee w.e.f. October 27, 2009
3. Ceased to be Member w.e.f. July 1, 2009
4. Appointed as Member w.e.f. July 21, 2009
5. Ceased to be Member w.e.f. March 30, 2010

Terms of reference

The functions of the Committee included overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible, recommending the appointment / removal of external auditor(s), fixation of audit fee and payment for any other services, reviewing with the management the annual financial statements before submission to the Board, reviewing with the management, external auditors and internal auditors, the adequacy of internal control systems, reviewing the adequacy of internal audit function, reporting structure coverage and frequency of internal audit, discussing with internal auditors, any significant findings and follow up there on, reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board, discussing with external auditors, before the audit commences, the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern, review the Company's financial and risk management policies and looking into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

IV. Risk Management Committee

In accordance with the Corporate Governance Guidelines issued by the Insurance Regulatory and Development Authority (IRDA), the Company has constituted the Risk Management Committee effective October 27, 2009. Earlier Audit Committee was managing the functions of Risk Management Committee.

Composition

The Risk Management Committee comprised three non-executive Directors and one executive Director and is chaired by S. Mukherji, a non-executive Director. The Chief Risk Officer appointed by the Board reports to the Risk Committee and is a permanent invitee at the Committee meetings.

The composition of Risk Management Committee is given below along with the attendance of the members. The Committee met only once in the year under review on January 14, 2010.

Attendance record of the Members:

Name	Number of meetings attended
S. Mukherji	1
R. Athappan	1
H. N. Sinor	1
Bhargav Dasgupta	1

Terms of reference

The functions of the Committee included assisting the Board in effective operation of the risk management system by performing specialised analysis and quality reviews, maintaining a group-wide and aggregated view on the risk profile of the insurer in addition to the solo and individual risk profile, reporting to the Board details on the risk exposures and the actions taken to manage the exposures and advisinge the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate mergers and acquisitions and related matters.

V. Policyholder Protection Committee

In accordance with the Corporate Governance Guidelines issued by IRDA, the Company has constituted the Policyholder Protection Committee effective October 27, 2009.

Composition

The Policyholder Protection Committee comprised three non-executive Directors and one executive Director and chaired by M.K. Sharma, an independent Director.

The composition of Policyholder Protection Committee is given below along with the attendance of the members. The Committee met once in the year under review on January 14, 2010.

Attendance record of the Members:

Name	Number of meetings attended
M. K. Sharma	1
Chandran Ratnaswami	1
S. Mukherji	1
Bhargav Dasgupta	1

Terms of reference

The functions of the Committee included putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries, ensuring compliance with the statutory requirements as laid down in the regulatory framework, reviewing the mechanism at periodic intervals, ensuring adequacy of "material information" to the policyholders to comply with the requirements laid down by the Authority both at the point of sale and at periodic intervals, reviewing the status of complaints at periodic intervals to the policyholders, providing the details of grievances at periodic intervals in such formats as may be prescribed by the Authority and providing details of Insurance Ombudsman to the policyholders.

Internal Audit Framework

The Company has established an internal audit framework with a risk based audit approach. The internal audit covers auditing of processes as well as transactions.

The Company has designed its internal control framework to provide reasonable (not absolute) assurance to ensure compliance with internal policies and procedures, regulatory matters and to safeguard reliability of the financial reporting and its disclosures. The Board considers that the internal control framework is appropriate to the business.

Internal Audit Department's Key audit findings, recommendations and compliance status of the previous key audit findings are reported to the Audit Committee. The Audit Committee actively monitors the implementation of its recommendations. The Chairman of the Audit Committee briefs the Board on deliberations taken place at the Audit Committee meeting.

Risk Management Framework

The Company is subject to the impact of changes in the business environment from time to time which necessitates continuous evaluation and management of significant risks faced by it. The Company has established appropriate risk assessment and minimisation procedures. The process for formulating a defined risk assessment framework encompassed, interalia, a methodology for assessing and identifying risks on an ongoing basis, risk prioritising, risk mitigation, monitoring plan and comprehensive reporting on management of enterprise wide risks.

The Risk Management Committee reviews the risk management activities at the Company on a regular basis.

General Body Meetings

Details of the last three Annual General Meetings are given below:

Financial year ended	Date	Venue
March 2007	July 16, 2007	ICICI Bank Towers, Bandra Kurla complex, Mumbai
March 2008	July 23, 2008	ICICI Bank Towers, Bandra Kurla complex, Mumbai
March 2009	July 21, 2009	ICICI Bank Towers, Bandra Kurla complex, Mumbai

For and on behalf of the Board

CHANDA D. KOCHHAR
Chairperson

Mumbai, April 19, 2010

management report

to the members

In accordance with the provisions of the Insurance Regulatory & Development Authority (IRDA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the Regulation) the following Management Report is submitted:

1. The Certificate of Registration under Section 3 of the Insurance Act, 1938 was granted by IRDA on August 03, 2001. The Company has obtained renewal of registration certificate from IRDA for the financial year 2010-11 as required under Section 3A of the Insurance Act, 1938;

2. We certify that all the dues payable to the statutory authorities have been duly paid;

3. We confirm that the shareholding pattern and transfer of shares are in accordance with statutory and regulatory requirements.

4. The management has not invested any funds of holders of policies in India, directly or indirectly as required by IRDA, outside India;

5. We confirm that the required solvency margin has been maintained;

6. We certify that the values of all the assets have been reviewed on the date of the Balance Sheet and that in our belief the assets set forth in the Balance Sheet are shown in aggregate at amounts not exceeding their realisable or market value under several headings- Investments, agents balances, outstanding premiums, amount due from others entities carrying on insurance business, interest and dividend accrued, cash and several items specified under other accounts except unlisted equity, venture fund, securitised receipt's, debt securities which are stated at cost / amortised cost;

7. The entire gross risk exposure of the portfolio is consisting of fire, engineering, hull, aviation, motor, casualty, health, travel, energy, personal accident, rural and credit insurance and other lines of business.;

   The over all exposure is spread over various sectors including but not limited to power, textiles, heavy and light engineering, paper, services, fast moving consumer goods, auto components etc across urban and rural segments as well as across demography.

   The business underwritten pertains to the various products filed by us with IRDA, as per the file and use procedure: this includes tariff as well as non tariff products.

   While in property lines (Fire) the net retention has not exceeded Rs. 300.0 million on a PML basis (Previous year: Rs. 250.0 million) in any single risk, this also gets graded down to between Rs. 5.0 million to Rs. 300.0 million (Previous year: between Rs. 5.0 million to Rs.250.0 million) on a case-to-case basis, depending on exposure levels and prudent underwriting standards. The excess of loss treaties protect the accumulation of the net retentions.

   Further, before underwriting any major property risk, a risk inspection is carried out, and on being satisfied about the acceptability of risk, the same is accepted. In addition various loss prevention / risk-mitigating measures are also suggested to the clients to help improve the risks.

8. We confirm that there are no operations of the Company outside India;

9. a) For ageing analysis of claims outstanding during the preceding five years, please refer Annexure 1.

   b) For average claims settlement time during the preceding five years, please refer Annexure 2.

10. We certify that the Investments made in debt securities have been valued at historical cost subject to amortisation of premium / discount. The same is in accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002.

    For the purpose of comparison, the fair value of debt securities have been arrived on a Yield to maturity (YTM) basis by using the appropriate discount rates derived from the yield curve data provided by the Fixed Income and Money Market Dealers Association (FIMMDA) in respect of Government Securities and Crisil Bond Valuer in respect of other debt instruments.

    Listed equity shares and convertible preference shares at the balance sheet date are stated at fair value, being the lower of last quoted closing price on the National Stock Exchange or Bombay Stock Exchange Limited.

    Mutual fund investments are stated at fair value, being the closing net asset value at balance sheet date.

    Investments other than mentioned above are valued at cost.

    In accordance with the Regulations, unrealised gain / loss arising due to changes in fair value of listed equity shares and mutual fund investments are not taken to revenue(s)/profit and loss account but are taken to the Fair value change account. This balance in the fair value change account is not available for distribution, pending realisation.

    The Company assesses at each balance sheet date whether there is any indication that any investment in equity or units of mutual fund may be impaired. If any such indication exists, the carrying value of such investment is reduced to its recoverable amount and the impairment loss is recognised in the revenue(s)/ profit and loss account. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the investment is restated to that extent.

11. Investments at March 31, 2010 amount to Rs. 35,231.5 million (Previous year: Rs. 30,307.4 million). Income from Investments amounted to Rs. 4,454.3 million (Previous year: Rs. 3,222.2 million).

    Investments other than deposits with the banks, loans, units of mutual fund, units of venture fund and security receipts are only in regularly traded instruments in the secondary markets. The company debt investment comprises of government securities, central government guaranteed bonds, AAA and AA/P1+ rated security.

    All are performing investments with no arrears of any payments due. Investments are managed in consonance with the investment policy framed from time to time by the board and are within the investment regulation and guidelines of IRDA.

12. We also confirm:

    a) in the preparation of financial statements, the applicable AS, principles and policies have been followed along with proper explanations relating to material departures, if any;

    b) the management has adopted 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 for the year ended and of the operating profit and of the profit of the company for the year;

    c) the management has taken proper and sufficient care for the maintenance of adequate accounts records in accordance with the applicable provisions of the Insurance Act, 1938 (4 of 1938) / Companies Act, 1956 (1 of 1956), for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

    d) the management has prepared the financial statements on a going concern basis;

    e) the management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

13. For payments made to individuals, firms, companies and organisations in which Directors are interested, please refer to Annexure 3.

For and on behalf of the Board

CHANDA D. KOCHHAR *Chairperson*	S. MUKHERJI *Director*
SANDEEP BAKHSHI *Director*	N.S. KANNAN *Director*
BHARGAV DASGUPTA *Managing Director & CEO*	RAKESH JAIN *Director Corporate Centre & CFO*
PRATAP SALIAN *Company Secretary*	

Mumbai, April 19, 2010

ICICI Lombard GENERAL INSURANCE

Annexure 1

Details of Claims Outstanding during the preceding five years

At March 31, 2006 (Rs. in million)

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Others		Grand Total	
Period	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	Count	Total
30 days	69	54.9	344	82.3	5	11.9	4,325	141.3	131	179.7	—	1.4	—	—	85	45.1	3	44.4	435	153.2	5,396	175.9	444	44.4	11,237	934.5
30 days to 6 months	192	1,273.4	454	61.5	16	829.0	1,722	125.3	388	116.4	7	0.2	—	—	251	183.7	1	3.4	677	43.7	1,823	33.5	1,015	124.3	6,546	2,794.4
6 months to 1 year	98	422.9	116	15.4	19	145.1	153	15.1	225	67.4	—	—	1	0.5	101	96.9	—	—	113	9.3	167	26.9	299	46.5	1,292	846.0
1 year to 5 years	35	135.6	23	35.6	27	51.4	36	5.4	79	30.1	—	—	—	—	54	35.4	—	—	10	2.0	131	1.8	66	13.9	461	311.2
5 years and above	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Grand Total	394	1,886.8	937	194.8	67	1,037.4	6,236	287.2	823	393.4	7	1.6	1	0.5	491	361.1	4	47.8	1,235	208.2	7,517	238.1	1,824	229.1	19,536	4,886.0

At March 31, 2007 (Rs. in million)

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Others		Grand Total	
Period	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	Count	Total
30 days	71	477.7	729	49.8	3	0.5	13,623	514.6	528	473.2	2	0.1	—	—	84	213.1	—	2.2	890	284.7	9,832	470.3	449	183.2	26,211	2,669.4
30 days to 6 months	201	623.9	1,084	165.6	28	33.2	6,024	371.1	3,327	632.6	19	1.0	3	8.2	359	201.3	—	—	1,291	134.7	5,444	321.0	1,262	581.7	19,042	3,074.2
6 months to 1 year	161	359.9	303	73.6	17	161.8	369	10.5	929	189.2	—	—	1	0.3	165	181.2	2	3.4	17	2.4	593	15.1	420	93.3	2,977	1,090.7
1 year to 5 years	76	946.8	73	27.8	36	551.0	120	4.7	551	108.6	—	—	1	0.5	98	103.9	2	43.1	1	0.1	140	3.1	135	16.3	1,233	1,805.9
5 years and above	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Grand Total	509	2,408.3	2,189	316.8	84	746.5	20,136	900.9	5,335	1,403.6	21	1.1	5	9.0	706	699.5	4	48.7	2,199	421.9	16,009	809.5	2,266	874.5	49,463	8,640.2

At March 31, 2008 (Rs. in million)

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Others		Grand Total	
Period	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	No. of Claims	Amt.	Count	Total
30 days	118	327.9	588	71.2	9	476.2	12,912	706.8	1,941	2,556.7	21	8.6	—	0.6	171	82.0	1	6.7	824	189.0	15,223	685.7	439	58.2	32,247	5,169.6
30 days to 6 months	295	680.2	1,035	112.7	36	123.7	6,616	475.4	7,329	983.4	39	4.3	1	0.1	361	267.3	—	—	1,057	156.4	14,784	267.4	1,585	161.2	33,138	3,232.1
6 months to 1 year	194	250.5	529	57.6	34	411.0	512	48.1	4,785	919.1	5	0.6	—	—	243	243.7	2	10.5	267	31.3	1,759	35.4	1,099	171.4	9,429	2,179.2
1 year to 5 years	146	699.3	250	121.8	54	248.7	17	1.8	3,084	591.7	1	0.1	4	9.0	172	245.3	3	44.0	91	16.0	763	12.0	506	116.1	5,091	2,105.8
5 years and above	4	5.8	—	—	—	—	—	—	1	0.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	5	5.9
Grand Total	757	1,963.7	2,402	363.3	133	1,259.6	20,057	1,232.1	17,140	5,051.0	66	13.6	5	9.7	947	838.3	6	61.2	2,239	392.7	32,529	1,000.5	3,629	506.9	79,910	12,692.6

At March 31, 2009 (Rs. in million)

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Others		Grand Total	
Period	No of Claims	Amt.	No of Claims	Amt.	No of Claims	Amt.	No of Claims	Amt.	No of Claims	Amt.	No of Claims	Amt.	No of Claims	Amt.	No of Claims	Amt.	No of Claims	Amt.	No of Claims	Amt.	No of Claims	Amt.	No of Claims	Amt.	Count	Total
30 days	177	1,686.2	1,350	193.7	71	580.8	14,501	815.4	2,638	5,634.4	35	18.4	190	10.1	157	124.2	8	23.4	745	334.9	62,155	1,034.5	695	136.0	82,722	10,592.0
30 days to 6 months	207	879.3	672	182.7	32	297.5	8,715	630.0	10,433	1,721.5	70	5.5	122	8.0	338	435.7	2	123.4	1,276	130.5	44,082	605.4	1,506	186.6	67,455	5,206.1
6 months to 1 year	183	831.7	355	89.2	52	132.1	670	67.2	9,895	1,500.5	5	0.4	12	2.4	232	363.3	3	6.2	165	31.1	3,713	110.0	864	169.8	16,149	3,303.8
1 year to 5 years	143	469.7	146	115.5	82	1,299.8	181	24.4	12,154	2,085.6	—	—	4	4.8	118	246.4	6	54.2	267	39.8	1,267	49.3	561	252.1	14,929	4,641.8
5 years and above	5	4.9	—	—	—	—	—	—	1	0.1	—	—	—	—	2	0.9	—	—	—	—	—	—	1	0.0	9	5.9
Grand Total	715	3,871.8	2,523	581.1	237	2,310.2	24,067	1,537.0	35,121	10,942.1	110	24.3	328	25.3	847	1,170.5	19	207.2	2,453	536.3	111,217	1,799.2	3,627	744.5	181,264	23,749.6

At March 31, 2010 (Rs. in million)

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Others		Grand Total	
Period	No of Claims	Amt.	No of Claims	Amt.	No of Claims	Amt.	No of Claims	Amt.	No of Claims	Amt.	No of Claims	Amt.	No of Claims	Amt.	No of Claims	Amt.	No of Claims	Amt.	No of Claims	Amt.	No of Claims	Amt.	No of Claims	Amt.	Count	Total
30 days	619	731.4	713	112.0	12	9.0	15,100	1,167.2	2,854	8,472.0	44	19.8	52	3.6	126	141.5	1	385.5	484	205.7	208,163	1367.5	970	158.4	229,138	12,773.4
30 days to 6 months	286	1,539.9	885	204.0	18	8.1	8,767	543.4	10,835	2,077.7	224	19.0	2	0.1	262	432.5	3	53.6	1,161	110.4	135,130	446.9	2,382	231.9	159,955	5,667.4
6 months to 1 year	150	353.6	193	146.0	18	78.0	1,124	168.1	10,474	1,934.4	46	4.2	3	0.1	198	253.9	8	220.0	350	42.7	6,605	108.9	1,196	500.6	20,365	3,810.6
1 year to 5 years	176	2,319.9	241	206.1	139	1,110.5	227	46.7	24,434	4,272.9	2	0.5	15	5.0	306	548.5	16	39.0	307	38.6	2,217	182.7	1,160	698.1	29,240	9,468.6
5 years and above	9	2.7	19	6.1	13	9.0	—	—	12	2.8	—	—	—	—	7	7.5	—	—	—	—	—	—	1	0.0	61	28.1
Grand Total	1,240	4,947.5	2,051	674.2	200	1,214.6	25,218	1,925.5	48,609	16,759.7	316	43.5	72	8.8	899	1,384.0	28	698.1	2,302	397.4	352,115	2,105.9	5,709	1,589.0	438,759	31,748.1

Continued

Annexure 2

Details of Average Claim Settlement time for the preceding five years

Particulars	**For the year ended March 31, 2010**		*For the year ended March 31, 2009*		*For the year ended March 31, 2008*		*For the year ended March 31, 2007*		*For the year ended March 31, 2006*	
	No. of claims settled	**Average Settlement Time (Days)**	*No. of claims settled*	*Average Settlement Time (Days)*	*No. of claims settled*	*Average Settlement Time (Days)*	*No. of claims settled*	*Average Settlement Time (Days)*	*No. of claims settled*	*Average Settlement Time (Days)*
Fire	**1,552**	**176**	*2,089*	*145*	*1,636*	*129*	*1,605*	*111*	*2,138*	*92*
Marine Cargo	**13,501**	**67**	*12,139*	*84*	*12,992*	*75*	*13,858*	*53*	*9,500*	*51*
Marine Hull	**105**	**431**	*82*	*350*	*108*	*147*	*91*	*173*	*74*	*160*
Motor	**405,163**	**20**	*298,161*	*20*	*278,240*	*19*	*211,010*	*20*	*81,066*	*15*
Workmen Compensation	**376**	**107**	*685*	*48*	*389*	*26*	*262*	*13*	*338*	*12*
Public/Product Liability	**6,261**	**50**	*3,142*	*16*	*1*	*1*	*9*	*78*	*15*	*117*
Engineering	**1,551**	**167**	*2,667*	*167*	*1,755*	*144*	*1,572*	*119*	*1,897*	*112*
Aviation	**16**	**139**	*10*	*26*	*10*	*73*	*7*	*176*	*6*	*11*
Personal Accident	**12,561**	**49**	*39,302*	*51*	*15,744*	*35*	*23,949*	*58*	*19,359*	*32*
Health	**5,795,126**	**22**	*2,947,748*	*26*	*493,867*	*26*	*353,752*	*18*	*121,470*	*24*
Others	**14,371**	**68**	*7,805*	*58*	*7,354*	*68*	*7,273*	*64*	*7,702*	*65*
Total	**6,250,583**	**23**	*3,313,830*	*26*	*812,096*	*26*	*613,388*	*22*	*243,565*	*25*

The above ageing does not include Motor third party claims which have to be settled through MACT and other judicial bodies.

Annexure 3

List of payments to parties in which Directors are interested (Rs. in million)

Sl. No.	Entity in which Director is interested	Name of Director	Interested as	**For the year ended March 31, 2010**	*For the year ended March 31, 2009*
1	3i Infotech Limited	H.N. Sinor	Director	101.3	118.6
		Vishakha Mulye ^	Director		
2	Bata India Limited	M.K. Sharma	Director	8.3	17.4
3	Bhushan Steel and Strips Limited	Sandeep Bakhshi	Director	17.2	100.8
4	CMC Limited	Kalpana Morparia *	Director	—	112.5
5	CRISIL Limited	B.V.Bhargava	Director	7.6	15.5
		H.N. Sinor	Director		
6	Dr. Reddy Laboratories Company Limited	Kalpana Morparia *	Director	—	0.7
7	Excel Crop Care Limited	B.V.Bhargava	Director	—	0.4
8	First Capital Insurance Limited	Chandran Ratnaswami	Director	4.3	—
		R.Athappan	Director		
9	Grasim Industries Limited	B.V.Bhargava	Director	10.3	20.5
10	ICICI Bank Limited	K.V. Kamath@	Director	1,273.5	2,405.0
		M.K. Sharma	Director		
		Chanda D. Kochhar	Director		
		V. Vaidyanathan $	Director		
		N. S. Kannan #	Director		
		Sandeep Bakhshi $$	Director		
11	ICICI Home Finance Company Limited	V. Vaidyanathan $	Director	63.1	301.0
		Dileep Choksi €	Director		
12	ICICI Prudential Asset Management Company Limited	K.V. Kamath@	Director	3.5	5.4
		Chanda D. Kochhar	Director		
		N. S. Kannan #	Director		
13	ICICI Prudential Life Insurance Company Limited	K.V. Kamath@	Director	71.7	134.7
		Chanda D. Kochhar	Director		
		N. S. Kannan #	Director		
14	ICICI Securities Limited	K.V. Kamath@	Director	70.3	99.6
		Chanda D. Kochhar	Director		
		S.Mukherji	Director		
		V. Vaidyanathan $	Director		
15	ICICI Securities Primary Dealership Limited	S.Mukherji	Director	0.6	0.8
		Vishakha Mulye ^	Director		
		N. S. Kannan #	Director		
16	ICICI Venture Funds Management Co. Limited	H.N. Sinor	Director	3.4	4.3
17	L & T Infrastructure Finance Company Limited	B.V.Bhargava	Director	16.3	0.7
18	Manipal University	K.V. Kamath @	Director	19.4	59.7
19	National Collateral Management Services Limited	H.N. Sinor	Director	12.8	9.4
20	National Commodity & Derivative Exchange Limited	B.V.Bhargava"	Director	0.9	3.1
		H.N. Sinor	Director		
21	NSE IT Limited	Dileep Choksi	Director	5.9	9.1
22	Raymond Limited	B.V.Bhargava ~	Director	0.1	0.2
23	Sanmar Group Of Companies	M.K. Sharma	Director - Advisory board	0.1	1.4
24	Singapore Reinsurance Corp Limited	R.Athappan	Director	29.9	—
25	TechProcess Solutions Limited	Bhargav Dasgupta #	Director	51.4	—
26	Tata Motors Finance Limited	H.N. Sinor	Director	0.1	0.1
27	Odyssey Re	James F Dowd .	Director	1.0	9.8
28	Others***				
	Grasim Bhiwani Textile Limited	B.V.Bhargava	Director		
	J.K. Lakshmi Cement Limited	B.V.Bhargava	Director		
	National Sports Club Of India	Sandeep Bakhshi	Director		
	Supreme Industries Limited	B.V.Bhargava	Director		
	Tata Capital Limited	H.N. Sinor	Director		
	Thomas Cook (India) Limited	M.K. Sharma	Director		
	Total others			0.1	—
29	Others****	H.N. Sinor	Director		
	Gujarat Alkalies And Chemicals Limited	B.V.Bhargava	Director	—	—
	Supreme Industries Limited				
	Total others				

* ceased to be Director in ICICI Lombard w.e.f. 29.08.2008

^ ceased to be Director in ICICI Lombard w.e.f. 20.04.2009

@ ceased to be Director in ICICI Lombard w.e.f. 23.04.2009

$ ceased to be Director in ICICI Lombard w.e.f. 01.05.2009

appointed as Director in ICICI Lombard w.e.f. 01.05.2009

~ ceased to be Director in Raymond Limited w.e.f.11.06.2009

. ceased to be Director in Odyssey Re w.e.f.01.07.2009

€ appointed as Director in ICICI Home Finance w.e.f. 25.09.2009

$$ appointed as Director in ICICI Bank w.e.f. 01.05.2009

" ceased to be Director in National Commodity & Derivative Exchange Limited w.e.f. 23.03.2010

*** Individual payments to parties less than 0.1 million are aggregated

**** Pertaining to previous year where Individual payments and aggregate payments during the year are less than Rs.0.1 million

to the Members of ICICI Lombard General Insurance Company Limited

We have audited the attached balance sheet of ICICI Lombard General Insurance Company Limited ('the Company') as at March 31, 2010, the revenue accounts of fire, marine and miscellaneous insurance (collectively known as the 'Revenue account'), the profit and loss account and the receipts and payments account, 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 standards of auditing generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance as to 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The balance sheet, the revenue account, the profit and loss account and receipts and payments account, have been drawn up in accordance with the Insurance Act, 1938, Insurance Regulatory and Development Authority ('IRDA') (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 ('the Regulations') read with Section 211 of the Companies Act, 1956 ('the Act').

We report thereon as follows:

- We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of the audit and have found them to be satisfactory;
- As the Company's accounts are centralised and maintained at the Corporate office, no returns for the purposes of our audit are prepared at the branches and other offices of the Company;
- The balance sheet, the revenue account, the profit and loss account and receipts and payments account referred to in this report are in agreement with the books of account;
- The actuarial valuation of liabilities in respect of claims Incurred But Not Reported (IBNR) and those Incurred But Not Enough Reported (IBNER) as at March 31, 2010, other than for reinsurance accepted from Indian Motor Third Party Insurance Pool, has been duly certified by the Appointed Actuary of the Company and relied upon by us. The Appointed Actuary has also certified that the assumptions considered by him for such valuation are in accordance with the guidelines and norms prescribed by the IRDA and the Actuarial Society of India in concurrence with the IRDA; and
- On the basis of the written representations received from the directors of the Company, as on March 31, 2010 and taken on record by the Board of Directors, no director of the Company is disqualified as on March 31, 2010 from being appointed as director of the Company under clause (g) of sub-section (1) of Section 274 of the Act.

In our opinion and according to the information and explanations given to us, we further report that:

- Investments have been valued in accordance with the provisions of the Insurance Act, 1938, the Regulations and orders/directions issued by IRDA in this regard;
- The accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards referred to under sub section 3C of Section 211 of the Act and with the accounting principles prescribed by the Regulations and orders/directions prescribed by IRDA in this regard;
- The balance sheet, the revenue account, the profit and loss account and receipts and payments account referred to in this report comply with the applicable accounting standards referred to under sub section 3C of Section 211 of the Act;
- Proper books of accounts as required by law have been maintained by the Company so far as appears from our examination of those books; and
- The balance sheet, the revenue account, the profit and loss account and receipts and payments account read together with the notes thereon are prepared in accordance with the requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Act, 1999 and the Companies Act, 1956 to the extent applicable, and in a manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to insurance companies:
  - in the case of balance sheet, of the state affairs of the Company as at March 31, 2010;
  - in the case of revenue account, of the surplus for the year ended on that date;
  - in the case of profit and loss account, of the profit for the year ended on that date; and
  - in the case of receipts and payments account, of the receipts and payments for the year ended on that date.

Further, on the basis of examination of books and records of the Company and according to the information and explanations given to us and to the best of our knowledge and belief, we certify that:

- We have reviewed the management report attached to the financial statements for the year ended March 31, 2010 and there are no apparent mistakes or material inconsistency with the financial statements; and
- Based on the information and explanations received during the normal course of our audit and management representation by officers of the Company charged with compliance, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of the registration as stipulated by the IRDA.

For N M RAIJI & CO. *Chartered Accountants*	For PKF SRIDHAR & SANTHANAM *Chartered Accountants*
JAYESH M. GANDHI *Partner* Membership No. 37924 Firm's Registration No. 108296W	R. SURIYANARAYANAN *Partner* Membership No. 201402 Firm's Registration No. 003990S

Mumbai, April 19, 2010

Auditors' Certificate

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books and records maintained by ICICI Lombard General Insurance Company Limited ('the Company') for the year ended March 31, 2010, we certify that:

- We have verified the cash balances maintained by the Company. As regards the securities relating to the Company's investments, the same have been verified with the dematerialised statement/confirmations received from the custodian;
- The Company is not a trustee of any trust; and
- No part of the assets of the policyholders' fund has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938 relating to the application and investment of the policyholders' funds.

This certificate has been issued to comply with Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002, ('the Accounting Regulations'), read with Regulation 3 of the Accounting Regulations and may not be suitable for any other purpose.

For N M RAIJI & CO. *Chartered Accountants*	For PKF SRIDHAR & SANTHANAM *Chartered Accountants*
JAYESH M. GANDHI *Partner* Membership No. 37924 Firm's Registration No. 108296W	R. SURIYANARAYANAN *Partner* Membership No. 201402 Firm's Registration No. 003990S

Mumbai, April 19, 2010

balance sheet

at March 31, 2010

(Rs. in 000's)

	Schedule	March 31, 2010	*March 31, 2009*
SOURCES OF FUNDS			
Share capital	5	**4,036,327**	*4,031,369*
Reserves and Surplus	6	**12,694,906**	*11,995,095*
Share application money-pending allotment (Refer note 5.1.16)		**1,870**	*176*
Fair value change account		**1,191,293**	*(743,219)*
Borrowings	7	**—**	*—*
Total		**17,924,396**	*15,283,421*
APPLICATION OF FUNDS			
Investments	8	**35,231,463**	*30,307,422*
Loans	9	**—**	*—*
Fixed assets	10	**1,433,378**	*1,567,691*
Deferred tax asset (Refer note 5.2.12)		**452,876**	*596,650*
Current assets			
Cash and bank balances	11	**2,862,598**	*730,475*
Advances and other assets	12	**26,882,323**	*21,639,788*
Sub-Total (A)		**29,744,921**	*22,370,263*
Current liabilities	13	**36,278,850**	*27,984,456*
Provisions	14	**12,659,392**	*11,574,149*
Sub-Total (B)		**48,938,242**	*39,558,605*
Net current assets (C) = (A - B)		**(19,193,321)**	*(17,188,342)*
Miscellaneous expenditure (to the extent not written off or adjusted)	15	**—**	*—*
Debit balance in profit and loss account		**—**	*—*
Total		**17,924,396**	*15,283,421*
Significant accounting policies and notes to accounts	16		

The schedules referred to above form an integral part of the balance sheet

profit and loss account

for the year ended March 31, 2010

(Rs. in 000's)

	Schedule		March 31, 2010	*March 31, 2009*
1. Operating profit/(loss)				
(a) Fire Insurance			**(14,235)**	*(230,096)*
(b) Marine Insurance			**54,286**	*(573,997)*
(c) Miscellaneous Insurance			**83,474**	*(73,542)*
2. Income from investments				
(a) Interest /Dividend – Gross			**811,691**	*814,092*
(b) Profit on sale/redemption of investments			**858,855**	*645,211*
Less : loss on sale/redemption of investments			**(95,566)**	*(127,195)*
3. Other income				
(a) Profit on sale/discard of fixed assets			**2,422**	*98*
Total (A)			**1,700,927**	*454,571*
4. Provisions (Other than taxation)				
(a) For diminution in the value of investments			**—**	*435,226*
(b) For doubtful debts			**30,670**	*—*
(c) Others			**—**	*—*
5. Other expenses				
(a) Expenses other than those related to Insurance Business				
(i) Employees' remuneration and welfare benefits			**6,345**	*5,748*
(ii) Directors' fees			**640**	*480*
(b) Bad debts written off			**—**	*—*
(c) Loss on sale/discard of fixed assets			**80,219**	*10,372*
Total (B)			**117,874**	*451,826*
Profit/(Loss) before tax			**1,583,053**	*2,745*
Provision for taxation:				
(a) Current tax/MAT payable		**227,180**		*—*
Tax for earlier year- MAT		**28,794**		*—*
Less : MAT credit entitlement (refer note 4.13)		**(255,974)**		*—*
(b) Deferred tax		**143,774**		*(298,500)*
(c) Fringe benefit tax		**—**		*65,000*
			143,774	*(233,500)*
Profit/(Loss) after tax			**1,439,279**	*236,245*
Appropriations				
(a) Interim dividends paid during the year		**645,248**		*—*
(b) Proposed final dividend		**—**		*—*
(c) Dividend distribution tax		**109,660**		*—*
(d) Transfer to General Reserves		**107,946**		*—*
			862,854	*—*
Balance of profit brought forward from last year			**1,168,615**	*932,370*
Balance carried forward to balance sheet			**1,745,040**	*1,168,615*
Basic earnings per share of Rs. 10 face value (refer note 5.2.11)			**Rs. 3.57**	*Rs. 0.60*
Diluted earnings per share of Rs. 10 face value (refer note 5.2.11)			**Rs. 3.51**	*Rs. 0.59*
Significant accounting policies & notes to accounts	16			

The schedules referred to above form an integral part of the profit & loss account

As per attached report of even date

For N. M. RAIJI & CO.
Chartered Accountants

JAYESH M. GANDHI
Partner
Membership Number: 37924

For PKF SRIDHAR & SANTHANAM
Chartered Accountants

R. SURIYANARAYANAN
Partner
Membership Number: 201402

Mumbai, April 19, 2010

For and on behalf of the Board

CHANDA D. KOCHHAR
Chairperson

S. MUKHERJI
Director

SANDEEP BAKHSHI
Director

N.S. KANNAN
Director

BHARGAV DASGUPTA
Managing Director & CEO

RAKESH JAIN
Director Corporate Centre & CFO

PRATAP SALIAN
Company Secretary

ICICI Lombard GENERAL INSURANCE

for the year ended March 31, 2010

Registration No. 115 dated August 3, 2001 **(Rs. in 000's)**

Particulars	Schedule	Fire		Marine		Miscellaneous		Total	
		2009-10	*2008-09*	**2009-10**	*2008-09*	**2009-10**	*2008-09*	**2009-10**	*2008-09*
1. Premium earned (net)	1	**899,321**	*1,010,370*	**322,834**	*272,818*	**20,706,091**	*18,453,334*	**21,928,246**	*19,736,522*
2. Profit on sale/redemption of investments		**56,149**	*46,875*	**36,421**	*31,607*	**1,477,776**	*1,047,797*	**1,570,345**	*1,126,279*
Less : Loss on sale/redemption of investments		**(6,248)**	*(9,241)*	**(4,053)**	*(6,231)*	**(164,434)**	*(206,560)*	**(174,734)**	*(222,032)*
3. Others - Foreign exchange gain/(loss)		**(1,290)**	*127*	**808**	*60*	**6,189**	*3,655*	**5,707**	*3,842*
4. Interest and dividend on investments – Gross		**53,051**	*59,144*	**34,411**	*39,880*	**1,396,228**	*1,322,054*	**1,483,690**	*1,421,078*
Total (A)		**1,000,983**	*1,107,275*	**390,421**	*338,134*	**23,421,850**	*20,620,280*	**24,813,254**	*22,065,689*
1. Claims Incurred (net)	2	**658,121**	*969,792*	**266,805**	*550,246*	**18,101,387**	*15,325,324*	**19,026,313**	*16,845,362*
2. Commission (net)	3	**(111,751)**	*(273,375)*	**(78,990)**	*(132,892)*	**401,298**	*(349,570)*	**210,557**	*(755,837)*
3. Operating expenses related to insurance business	4	**468,848**	*640,954*	**246,820**	*426,777*	**4,835,691**	*5,718,068*	**5,551,359**	*6,785,799*
4. Premium deficiency		**—**	*—*	**(98,500)**	*68,000*	**—**	*—*	**(98,500)**	*68,000*
Total (B)		**1,015,218**	*1,337,371*	**336,135**	*912,131*	**23,338,376**	*20,693,822*	**24,689,729**	*22,943,324*
Operating Profit/(Loss) C = (A - B)		**(14,235)**	*(230,096)*	**54,286**	*(573,997)*	**83,474**	*(73,542)*	**123,525**	*(877,635)*
APPROPRIATIONS									
Transfer to Shareholders' Account		**(14,235)**	*(230,096)*	**54,286**	*(573,997)*	**83,474**	*(73,542)*	**123,525**	*(877,635)*
Transfer to Catastrophe Reserve		**—**	*—*	**—**	*—*	**—**	*—*	**—**	*—*
Transfer to Other Reserves		**—**	*—*	**—**	*—*	**—**	*—*	**—**	*—*
Total (C)		**(14,235)**	*(230,096)*	**54,286**	*(573,997)*	**83,474**	*(73,542)*	**123,525**	*(877,635)*
Significant accounting policies and notes to accounts	16								

As required by Section 40C(2) of the Insurance Act, 1938, we certify that, to the best of our knowledge and according to the information and explanations given to us, and so far as appears from our examination of the Company's books of account, all expenses of management, wherever incurred, whether directly or indirectly, have been fully recognised in the Revenue Accounts as expense.

The schedules referred to above form an integral part of the revenue accounts

As per attached report of even date

For N. M. RAIJI & CO.
Chartered Accountants

JAYESH M. GANDHI
Partner
Membership Number: 37924

For PKF SRIDHAR & SANTHANAM
Chartered Accountants

R. SURIYANARAYANAN
Partner
Membership Number: 201402

Mumbai, April 19, 2010

For and on behalf of the Board

CHANDA D. KOCHHAR
Chairperson

SANDEEP BAKHSHI
Director

BHARGAV DASGUPTA
Managing Director & CEO

PRATAP SALIAN
Company Secretary

S. MUKHERJI
Director

N.S. KANNAN
Director

RAKESH JAIN
Director Corporate Centre & CFO

SCHEDULE – 1
PREMIUM

(Rs. in 000's)

Particulars	Fire	Marine			Miscellaneous											Total
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total	Worksmens' Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total Miscellaneous	
	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10
Premium from direct business written-net of service tax	2,700,618	815,873	649,785	1,465,658	9,572,205	4,219,362	13,791,567	113,976	241,358	1,528,274	573,213	796,908	8,567,613	3,171,431	28,784,340	32,950,616
Add: Premium on reinsurance accepted	697,034	69,674	339,988	409,662	6,184	2,633,087	2,639,271	(281)	116	134,609	72,617	—	36,067	8,110	2,890,509	3,997,205
Less: Premium on reinsurance ceded	2,538,923	586,859	949,831	1,536,690	997,029	2,535,496	3,532,525	17,844	66,499	1,342,312	536,928	500,465	1,705,225	2,029,527	9,731,325	13,806,938
Net premium	858,729	298,688	39,942	338,630	8,581,360	4,316,953	12,898,313	95,851	174,975	320,571	108,902	296,443	6,898,455	1,150,014	21,943,524	23,140,883
Adjustment for change in reserve for unexpired risks	(40,592)	27,776	(11,980)	15,796	1,552,507	221,480	1,773,987	10,568	60,126	(45,281)	5,728	29,276	(618,175)	21,204	1,237,433	1,212,637
Total premium earned (Net)	899,321	270,912	51,922	322,834	7,028,853	4,095,473	11,124,326	85,283	114,849	365,852	103,174	267,167	7,516,630	1,128,810	20,706,091	21,928,246

(Rs. in 000's)

Particulars	Fire	Marine			Miscellaneous											Total
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor- Total	Worksmens' Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total Miscellaneous	
	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09
Premium from direct business written-net of service tax	*2,830,234*	*865,040*	*1,299,663*	*2,164,703*	*8,746,918*	*4,466,025*	*13,212,943*	*98,184*	*141,056*	*1,810,101*	*518,782*	*1,125,187*	*9,738,035*	*2,381,127*	*29,025,415*	*34,020,352*
Add: Premium on reinsurance accepted	*237,102*	*16,727*	*61,173*	*77,900*	—	*2,924,480*	*2,924,480*	—	*96*	*125,270*	*27,624*	*5,024*	*72,308*	*1,954*	*3,156,756*	*3,471,758*
Less: Premium on reinsurance ceded	*2,110,133*	*639,123*	*1,319,990*	*1,959,113*	*2,714,706*	*3,388,174*	*6,102,880*	*19,916*	*53,789*	*1,536,723*	*449,442*	*786,934*	*1,960,853*	*1,347,570*	*12,258,107*	*16,327,353*
Net premium	***957,203***	***242,644***	***40,846***	***283,490***	***6,032,212***	***4,002,331***	***10,034,543***	***78,268***	***87,363***	***398,648***	***96,964***	***343,277***	***7,849,490***	***1,035,511***	***19,924,064***	***21,164,757***
Adjustment for change in reserve for unexpired risks	*(53,167)*	*8,118*	*2,554*	*10,672*	*(108,151)*	*396,518*	*288,367*	*46*	*17,232*	*1,201*	*8,395*	*127,289*	*1,002,006*	*26,194*	*1,470,730*	*1,428,235*
Total premium earned (Net)	***1,010,370***	***234,526***	***38,292***	***272,818***	***6,140,363***	***3,605,813***	***9,746,176***	***78,222***	***70,131***	***397,447***	***88,569***	***215,988***	***6,847,484***	***1,009,317***	***18,453,334***	***19,736,522***

SCHEDULE – 2
CLAIMS INCURRED (NET)

(Rs. in 000's)

Particulars	Fire	Marine			Miscellaneous											Total
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total	Worksmens' Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total Miscellaneous	
	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10
Claims paid – Direct	1,654,912	550,176	948,362	1,498,538	6,429,371	2,684,984	9,114,355	33,851	130,439	528,648	243,748	1,129,041	7,652,249	1,014,902	19,847,233	23,000,683
Add: Re-insurance accepted	191,314	10,352	—	10,352	4,127	917,181	921,308	—	—	28,011	—	13,122	53,671	—	1,016,112	1,217,778
Less: Re-insurance ceded	1,121,518	397,016	584,045	981,061	1,507,023	1,812,817	3,319,840	6,409	19,539	411,007	234,105	831,879	1,257,298	553,565	6,633,642	8,736,221
Net Claims paid	724,708	163,512	364,317	527,829	4,926,475	1,789,348	6,715,823	27,442	110,900	145,652	9,643	310,284	6,448,622	461,337	14,229,703	15,482,240
Add: Claims Outstanding at the end of the year	640,324	168,946	135,086	304,032	1,698,332	10,488,597	12,186,929	38,706	5,002	253,223	9,330	204,597	1,722,019	392,791	14,812,597	15,756,953
Less: Claims Outstanding at the beginning of the year	706,911	150,156	414,900	565,056	1,136,073	7,485,080	8,621,153	21,952	14,819	221,012	6,470	352,654	1,401,295	301,558	10,940,913	12,212,880
Total claims incurred	658,121	182,302	84,503	266,805	5,488,734	4,792,865	10,281,599	44,196	101,083	177,863	12,503	162,227	6,769,346	552,570	18,101,387	19,026,313

(Rs. in 000's)

Particulars	Fire	Marine			Miscellaneous											Total
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total	Worksmens' Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total Miscellaneous	
	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09
Claims paid – Direct	*2,406,393*	*540,490*	*334,868*	*875,358*	*5,193,411*	*1,764,028*	*6,957,439*	*25,106*	*70,163*	*631,513*	*61,393*	*1,594,901*	*6,523,406*	*773,944*	*16,637,865*	*19,919,616*
Add: Re-insurance accepted	*43,003*	*1,197*	—	*1,197*	*3,054*	*182,193*	*185,247*	—	—	*1,635*	—	—	—	—	*186,882*	*231,082*
Less: Re-insurance ceded	*1,808,321*	*396,739*	*260,601*	*657,340*	*1,770,316*	*789,303*	*2,559,619*	*4,844*	*14,115*	*500,510*	*54,999*	*1,308,677*	*1,234,917*	*357,684*	*6,035,365*	*8,501,026*
Net Claims paid	***641,075***	***144,948***	***74,267***	***219,215***	***3,426,149***	***1,156,918***	***4,583,067***	***20,262***	***56,048***	***132,638***	***6,394***	***286,224***	***5,288,489***	***416,260***	***10,789,382***	***11,649,672***
Add: Claims Outstanding at the end of the year	*706,911*	*150,156*	*414,900*	*565,056*	*1,136,073*	*7,485,080*	*8,621,153*	*21,952*	*14,819*	*221,012*	*6,470*	*352,654*	*1,401,295*	*301,558*	*10,940,913*	*12,212,880*
Less: Claims Outstanding at the beginning of the year	*378,194*	*92,148*	*141,877*	*234,025*	*909,575*	*4,100,013*	*5,009,588*	*11,819*	*1,768*	*153,506*	*7,300*	*158,376*	*795,897*	*266,717*	*6,404,971*	*7,017,190*
Total claims incurred	***969,792***	***202,956***	***347,290***	***550,246***	***3,652,647***	***4,541,985***	***8,194,632***	***30,395***	***69,099***	***200,144***	***5,564***	***480,502***	***5,893,887***	***451,101***	***15,325,324***	***16,845,362***

SCHEDULE – 3
COMMISSION

(Rs. in 000's)

Particulars	Fire	Marine			Miscellaneous											Total
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total	Worksmens' Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total Miscellaneous	
	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10
Commission paid – Direct	59,181	50,567	9,223	59,790	924,458	—	924,458	8,977	9,238	61,745	7,554	59,566	457,220	243,768	1,772,526	1,891,497
Add: Commission on Re-insurance accepted	130,866	3,727	3,361	7,088	162	263,253	263,415	(14)	3	7,679	11,376	—	—	809	283,268	421,222
Less: Commission on Re-insurance ceded	301,798	113,178	32,690	145,868	187,348	245,345	432,693	3,475	3,587	285,282	8,521	75,232	503,000	342,706	1,654,496	2,102,162
Net Commission	(111,751)	(58,884)	(20,106)	(78,990)	737,272	17,908	755,180	5,488	5,654	(215,858)	10,409	(15,666)	(45,780)	(98,129)	401,298	210,557

(Rs. in 000's)

Particulars	Fire	Marine			Miscellaneous											Total
		Marine-Cargo	Marine-Others	Marine-Total	Motor-OD	Motor-TP	Motor-Total	Worksmens' Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total Miscellaneous	
	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09
Commission paid – Direct	*114,075*	*56,615*	*21,808*	*78,423*	*779,788*	—	*779,788*	*8,303*	*9,801*	*98,730*	*14,190*	*104,618*	*795,871*	*232,240*	*2,043,541*	*2,236,039*
Add: Commission on Re-insurance accepted	*8,403*	*669*	*387*	*1,056*	—	*292,448*	*292,448*	—	—	*10,545*	*3,844*	—	—	*125*	*306,962*	*316,421*
Less: Commission on Re-insurance ceded	*395,853*	*128,747*	*83,624*	*212,371*	*845,960*	*433,542*	*1,279,502*	*3,959*	*3,292*	*399,364*	*2,945*	*104,914*	*738,803*	*167,294*	*2,700,073*	*3,308,297*
Net Commission	***(273,375)***	***(71,463)***	***(61,429)***	***(132,892)***	***(66,172)***	***(141,094)***	***(207,266)***	***4,344***	***6,509***	***(290,089)***	***15,089***	***(296)***	***57,068***	***65,071***	***(349,570)***	***(755,837)***

SCHEDULE – 3 A
COMMISSION PAID – DIRECT

(Rs. in 000's)

Particulars	2009-10	2008-09
Agents	371,062	*451,675*
Brokers	380,666	*465,762*
Corporate Agency	748,860	*730,832*
Referral	390,909	*587,770*
Total (B)	**1,891,497**	*2,236,039*

ICICI Lombard GENERAL INSURANCE

forming part of the financial statements *Continued*

SCHEDULE – 4
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(Rs. in 000's)

Particulars	Fire	Marine			Miscellaneous											Total
		Marine-Cargo	Marine-Others	Marine-Total	Motor- OD	Motor-TP	Motor-Total	Worksmens' Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total Miscellaneous	
	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10	2009-10
Employees' remuneration & welfare benefits	227,089	68,605	54,639	123,244	804,907	354,798	1,159,705	9,584	20,295	128,509	48,200	67,010	720,433	266,679	2,420,415	2,770,748
Travel, conveyance and vehicle running expenses	18,542	5,602	4,461	10,063	65,720	28,969	94,689	783	1,657	10,493	3,936	5,471	58,823	21,774	197,626	226,231
Training expenses	1,348	407	324	731	4,779	2,107	6,886	57	121	763	286	398	4,278	1,584	14,373	16,452
Rents, rates & taxes	39,431	11,912	9,487	21,399	139,762	61,606	201,368	1,664	3,524	22,314	8,369	11,636	125,094	46,306	420,275	481,105
Repairs & Maintenance	20,575	6,216	4,950	11,166	72,927	32,145	105,072	868	1,839	11,643	4,367	6,071	65,273	24,162	219,295	251,036
Printing & stationery	5,765	1,742	1,387	3,129	20,433	9,007	29,440	243	515	3,262	1,224	1,701	18,289	6,770	61,444	70,338
Communication	32,049	9,682	7,711	17,393	113,595	50,072	163,667	1,353	2,864	18,136	6,802	9,457	101,673	37,636	341,588	391,030
Legal & professional charges	39,377	7,649	6,092	13,741	89,738	39,556	129,294	1,069	2,263	14,327	5,374	7,471	80,320	29,732	269,850	322,968
Auditors' fees, expenses etc.																
(a) as auditor	316	96	76	172	1,122	494	1,616	13	28	179	67	93	1,004	372	3,372	3,860
(b) as adviser or in any other capacity, in respect of																
(i) Taxation matters	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(ii) Insurance matters	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(iii) Management services; and	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(c) in any other capacity	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Advertisement and publicity	15,286	4,618	3,678	8,296	54,181	23,883	78,064	645	1,366	8,650	3,245	4,511	48,495	17,951	162,927	186,509
Interest & Bank Charges	6,108	1,845	1,470	3,315	21,651	9,543	31,194	258	546	3,457	1,296	1,802	19,378	7,173	65,104	74,527
Others																
(a) Miscellaneous expenses	28,012	8,463	6,740	15,203	99,288	43,765	143,053	1,182	2,503	15,852	5,946	8,266	88,868	21,238	286,908	330,123
(b) Business & Sales Promotion	12,236	3,697	2,944	6,641	43,371	19,117	62,488	516	1,094	6,924	2,597	3,611	38,819	14,369	130,418	149,295
Depreciation	22,714	6,862	5,465	12,327	80,508	35,488	115,996	959	2,030	12,854	4,821	6,703	72,059	26,674	242,096	277,137
Service tax on premium account	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	**468,848**	**137,396**	**109,424**	**246,820**	**1,611,982**	**710,550**	**2,322,532**	**19,194**	**40,645**	**257,363**	**96,530**	**134,201**	**1,442,806**	**522,420**	**4,835,691**	**5,551,359**

(Rs. in 000's)

Particulars	Fire	Marine			Miscellaneous											Total
		Marine-Cargo	Marine-Others	Marine-Total	Motor- OD	Motor-TP	Motor-Total	Worksmens' Compensation	Public/Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total Miscellaneous	
	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09	2008-09
Employees' remuneration & welfare benefits	*302,031*	*92,313*	*138,695*	*231,008*	*933,434*	*476,596*	*1,410,030*	*10,478*	*15,053*	*193,166*	*55,362*	*120,075*	*1,039,203*	*254,104*	*3,097,471*	*3,630,510*
Travel, conveyance and vehicle running expenses	*31,567*	*9,648*	*14,496*	*24,144*	*97,560*	*49,812*	*147,372*	*1,095*	*1,573*	*20,189*	*5,786*	*12,550*	*108,614*	*26,558*	*323,737*	*379,448*
Training expenses	*3,736*	*1,142*	*1,715*	*2,857*	*11,545*	*5,895*	*17,440*	*130*	*186*	*2,389*	*685*	*1,485*	*12,853*	*3,143*	*38,311*	*44,904*
Rents, rates & taxes	*38,249*	*11,691*	*17,564*	*29,255*	*118,210*	*60,356*	*178,566*	*1,327*	*1,906*	*24,463*	*7,011*	*15,206*	*131,605*	*32,180*	*392,264*	*459,768*
Repairs & Maintenance	*27,653*	*8,452*	*12,698*	*21,150*	*85,462*	*43,636*	*129,098*	*959*	*1,378*	*17,686*	*5,069*	*10,994*	*95,146*	*23,264*	*283,594*	*332,397*
Printing & stationery	*11,446*	*3,498*	*5,256*	*8,754*	*35,374*	*18,062*	*53,436*	*397*	*570*	*7,320*	*2,098*	*4,551*	*39,383*	*9,632*	*117,387*	*137,587*
Communication	*41,351*	*12,639*	*18,989*	*31,628*	*127,798*	*65,251*	*193,049*	*1,435*	*2,061*	*26,447*	*7,580*	*16,440*	*142,279*	*34,790*	*424,081*	*497,060*
Legal & professional charges	*114,036*	*9,497*	*14,268*	*23,765*	*96,025*	*49,029*	*145,054*	*1,078*	*1,549*	*19,872*	*5,695*	*12,352*	*106,906*	*26,141*	*318,647*	*456,448*
Auditors' fees, expenses etc.																
(a) as auditor	*266*	*81*	*122*	*203*	*823*	*420*	*1,243*	*10*	*13*	*170*	*49*	*106*	*916*	*224*	*2,731*	*3,200*
(b) as adviser or in any other capacity, in respect of																
(i) Taxation matters	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(ii) Insurance matters	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(iii) Management services; and	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(c) in any other capacity	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Advertisement and publicity	*12,754*	*3,898*	*5,857*	*9,755*	*39,417*	*20,125*	*59,542*	*442*	*636*	*8,157*	*2,338*	*5,070*	*43,883*	*10,732*	*130,800*	*153,309*
Interest & Bank Charges	*6,614*	*2,022*	*3,037*	*5,059*	*20,442*	*10,438*	*30,880*	*229*	*330*	*4,230*	*1,212*	*2,630*	*22,759*	*5,565*	*67,835*	*79,508*
Others																
(a) Miscellaneous expenses	*14,183*	*4,335*	*6,513*	*10,848*	*43,832*	*22,380*	*66,212*	*492*	*707*	*9,071*	*2,600*	*5,639*	*48,799*	*7,539*	*141,059*	*166,090*
(b) Business & Sales Promotion	*15,074*	*4,607*	*6,922*	*11,529*	*46,588*	*23,787*	*70,375*	*523*	*751*	*9,641*	*2,763*	*5,993*	*51,867*	*12,683*	*154,596*	*181,199*
Depreciation	*21,994*	*6,722*	*10,100*	*16,822*	*67,972*	*34,705*	*102,677*	*763*	*1,096*	*14,066*	*4,031*	*8,744*	*75,674*	*18,504*	*225,555*	*264,371*
Service tax on premium account	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	***640,954***	***170,545***	***256,232***	***426,777***	***1,724,482***	***880,492***	***2,604,974***	***19,358***	***27,809***	***356,867***	***102,279***	***221,835***	***1,919,887***	***465,059***	***5,718,068***	***6,785,799***

SCHEDULE – 5
SHARE CAPITAL

(Rs. in 000's)

Particulars	At March 31, 2010	At March 31, 2009
Authorised Capital		
450,000,000 (previous year : 450,000,000) Equity Shares of Rs. 10 each	4,500,000	4,500,000
Issued Capital		
403,632,746 (previous year : 403,136,940) Equity Shares of Rs. 10 each	4,036,327	4,031,369
Subscribed Capital		
403,632,746 (previous year : 403,136,940) Equity Shares of Rs. 10 each	4,036,327	4,031,369
Called up Capital		
403,632,746 (previous year : 403,136,940) Equity Shares of Rs. 10 each	4,036,327	4,031,369
Less : Calls unpaid	—	—
Add : Equity Shares forfeited (Amount originally paid up)	—	—
Less : Par value of Equity Shares bought back	—	—
Less : (i) Preliminary Expenses to the extent not written off	—	—
(ii) Expenses including commission or brokerage on underwriting or subscription of shares	—	—
Total	4,036,327	4,031,369

Note:
Of the above, 297,552,950 shares are held by the holding company, ICICI Bank Limited (previous year : 297,552,950 shares)

SCHEDULE – 5A
SHARE CAPITAL

Pattern of shareholding
[As certified by the management]

Shareholder	At March 31, 2010 Number of Shares	At March 31, 2010 % of Holding	At March 31, 2009 Number of Shares	At March 31, 2009 % of Holding
Promoters				
- Indian	297,552,950	73.72%	297,552,950	73.80%
- Foreign	104,544,940	25.90%	104,392,936	25.90%
Others - Employees	1,534,856	0.38%	1,191,054	0.30%
Total	403,632,746	100.00%	403,136,940	100.00%

SCHEDULE – 6
RESERVES AND SURPLUS

(Rs. in 000's)

Particulars	At March 31, 2010	At March 31, 2009
1. Capital Reserve	—	—
2. Capital Redemption Reserve	—	—
3. Share Premium (refer note 4.14)		
Opening balance	10,705,974	5,933,135
Additions during the year	15,440	4,772,839
Deductions during the period- share issue expenses	—	—
Closing balance	10,721,414	10,705,974
4. General Reserves		
Opening balance	120,506	120,506
Additions during the year	107,946	—
Deductions during the year	—	—
Closing balance	228,452	120,506
Less: Debit balance in Profit and Loss Account	—	—
Less: Amount utilised for Buy-back	—	—
5. Catastrophe Reserve	—	—
6. Other Reserves	—	—
7. Balance of Profit in Profit and Loss Account	1,745,040	1,168,615
Total	12,694,906	11,995,095

SCHEDULE – 7
BORROWINGS

(Rs. in 000's)

Particulars	At March 31, 2010	At March 31, 20009
Debentures/Bonds	—	—
Banks	—	—
Financial Institutions	—	—
Others	—	—
Total	—	—

SCHEDULE – 8
INVESTMENTS

(Rs. in 000's)

Particulars	At March 31, 2010	At March 31, 2009
Long term investments		
Government securities and Government guaranteed bonds including Treasury Bills (note 3)	9,706,763	9,392,066
Other Approved Securities	—	—
Other Investments		
(a) Shares		
(aa) Equity	3,368,408	4,327,311
(bb) Preference	—	—
(b) Mutual Funds	—	—
(c) Derivative Instruments	—	—
(d) Debentures/Bonds (note 5)	9,296,002	3,980,613
(e) Other Securities (note 5)	8,253	11,894
(f) Subsidiaries	—	—
(g) Investment Properties-Real Estate	—	—
Investments in Infrastructure and Social Sector	7,009,419	6,795,345
Other than Approved Investments	1,147,905	758,389
Short term investments		
Government securities and Government guaranteed bonds including Treasury Bills	1,592,580	2,089,868
Other Approved Securities	—	—
Other Investments		
(a) Shares		
(aa) Equity	—	—
(bb) Preference	—	—
(b) Mutual Fund units	—	—
(c) Derivative Instruments	—	—
(d) Debentures/Bonds	250,000	811,234
(e) Other Securities	—	—
(f) Subsidiaries	—	—
(g) Investment Properties-Real Estate	—	—
Investments in Infrastructure and Social Sector	650,188	198,721
Other than Approved Investments (note 4)	2,201,945	1,941,981
Total investments	35,231,463	30,307,422

Notes:
1. Aggregate book value of investments (other than listed equities) is Rs. 31,291,659 thousand (previous year: Rs. 25,734,871 thousand).
2. Aggregate market value of investments (other than listed equities) is Rs. 31,258,561 thousand (previous year: Rs. 25,755,271 thousand).
3. Includes investment of FRB GOI 2014 of Rs. 100,000 thousand under Section 7 of Insurance Act, 1938 (previous year: FRB GOI 2014 of Rs. 100,000 thousand).
4. Includes investment in mutual fund.
5. Indian RMBS 2003 Trust (Series I) of Rs. 8,253 thousand (previous year: Rs. 11,894 thousand) reclassified from Debentures/Bonds to Other Securities.

SCHEDULE – 9
LOANS

(Rs. in 000's)

Particulars	At March 31, 2010	At March 31, 2009
Security wise classification		
Secured		
(a) On mortgage of property		
(aa) In India	—	—
(bb) Outside India	—	—
(b) On Shares, Bonds, Govt. Securities	—	—
(c) Others	—	—
Unsecured	—	—
Total	—	—
Borrower wise classification		
(a) Central and State Governments	—	—
(b) Banks and Financial Institutions	—	—
(c) Subsidiaries	—	—
(d) Industrial Undertakings	—	—
(e) Others	—	—
Total	—	—
Performance wise classification		
(a) Loans classified as standard		
(aa) In India	—	—
(bb) Outside India	—	—
(b) Non-performing loans less provisions		
(aa) In India	—	—
(bb) Outside India	—	—
Total	—	—
Maturity wise classification		
(a) Short Term	—	—
(b) Long Term	—	—
Total	—	—

Note:- There are no loans subject to restructuring (previous year : Rs. Nil).

SCHEDULE – 10
FIXED ASSETS

(Rs. in 000's)

Particulars	Cost/Gross Block				Depreciation				Net Block	
	April 1, 2009	Additions	Deductions	March 31, 2010	*April 1, 2009*	For the year ended	On Sales/ Adjustments	March 31, 2010	March 31, 2010	*March 31, 2009*
Goodwill	—	—	—	—	—	—	—	—	—	—
Intangibles – Computer Software	*651,726*	175,615	21,807	805,534	*257,040*	129,919	21,334	365,625	439,909	*394,686*
Land – Freehold	—	—	—	—	—	—	—	—	—	—
Leasehold Property	—	—	—	—	—	—	—	—	—	—
Buildings	*4,271*	—	—	4,271	*448*	69	—	517	3,754	*3,823*
Furniture & Fittings	*805,366*	4,372	99,535	710,203	*149,500*	45,851	24,523	170,828	539,375	*655,866*
Information Technology Equipment	*511,534*	4,676	57,320	458,890	*341,724*	83,757	53,110	372,371	86,519	*169,810*
Vehicles	*7,401*	164	3,090	4,475	*1,533*	607	1,278	862	3,613	*5,868*
Office Equipment	*352,222*	4,829	19,046	338,005	*50,156*	16,934	3,534	63,556	274,449	*302,066*
Others	—	—	—	—	—	—	—	—	—	—
Total	*2,332,520*	189,656	200,798	2,321,378	*800,401*	277,137	103,779	973,759	1,347,619	*1,532,119*
Work-in-Progress									85,759	*35,572*
Grand total	*2,332,520*	189,656	200,798	2,321,378	*800,401*	277,137	103,779	973,759	1,433,378	*1,567,691*
Previous year	*1,662,521*	*692,279*	*22,280*	*2,332,520*	*545,111*	*264,371*	*9,081*	*800,401*	*1,567,691*	

SCHEDULE – 11
CASH AND BANK BALANCES

(Rs. in 000's)

Particulars	At March 31, 2010	*At March 31, 2009*
Cash (including cheques, drafts and stamps)	438,494	*37,820*
Balances with scheduled banks :		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)	2,359,151	*601,150*
(bb) Others	—	—
(b) Current Accounts	64,953	*91,505*
(c) Others	—	—
Money at Call and Short Notice		
(a) With Banks	—	—
(b) With other institutions	—	—
Others	—	—
Total	2,862,598	*730,475*

SCHEDULE – 12
ADVANCES AND OTHER ASSETS

(Rs. in 000's)

Particulars		At March 31, 2010		*At March 31, 2009*
Advances				
Reserve deposits with ceding companies		—		—
Application money for investments		—		—
Prepayments		168,432		*111,734*
Advances to Directors/Officers		—		—
Advance tax paid and taxes deducted at source (net of provision for tax)		491,446		*394,085*
MAT credit entitlement		255,974		—
Others				
– Sundry Deposits	146,820		*180,099*	
– Surplus in Gratuity fund	4,693		—	
		151,513		*180,099*
Total (A)		1,067,365		*685,918*
Other assets				
Income accrued on investments/deposits		759,550		*606,156*
Outstanding Premiums		85,514		*9,778*
Agents' Balances		—		—
Foreign Agencies' Balances		—		—
Due from other Entities carrying on Insurance business (net) (including reinsurers)	24,930,959			
Less: Provisions for doubtful dues	30,670	24,900,289		*19,822,296*
Due from subsidiaries/holding		—		—
Deposit with Reserve Bank of India [Pursuant to Section 7 of Insurance Act, 1938]		—		—
Others				
– Service Tax unutilised credit	64,128		*386,893*	
– Service Tax paid in advance	534		—	
– Other receivables	4,943		*128,747*	
		69,605		*515,640*
Total (B)		25,814,958		*20,953,870*
Total (A+B)		26,882,323		*21,639,788*

SCHEDULE – 13
CURRENT LIABILITIES

(Rs. in 000's)

Particulars		At March 31, 2010		*At March 31, 2009*
Agents' Balances		35,680		*48,116*
Balances due to other insurance companies (net)		259,224		*533,396*
Deposits held on re-insurance ceded		—		*33,128*
Premiums received in advance		195,362		*263,952*
Unallocated Premium		472,497		*359,717*
Sundry Creditors		1,911,610		*1,367,441*
Due to holding company		47,712		*70,196*
Claims Outstanding (gross)		31,748,129		*23,749,581*
Due to Officers/Directors		—		—
Others				
– Statutory Dues	118,749		*81,083*	
– Salary Payable	1,400		*558*	
– Collections – Environment Relief fund	—		*166*	
– Book Overdraft	1,172,321		*1,403,902*	
– Employee rewards	316,166		*73,220*	
– Service Tax Liability	—		—	
		1,608,636		*1,558,929*
Total		36,278,850		*27,984,456*

SCHEDULE – 14
PROVISIONS

(Rs. in 000's)

Particulars		At March 31, 2010		*At March 31, 2009*
Reserve for unexpired risk		12,498,510		*11,285,873*
Reserve for premium deficiency		—		*98,500*
For taxation (less advance tax paid and taxes deducted at source)		—		—
For proposed dividends		—		—
For dividend distribution tax		27,439		—
Others				
– Gratuity	—		*70,938*	
– Accrued leave	133,443		*118,838*	
		133,443		*189,776*
Total		12,659,392		*11,574,149*

SCHEDULE – 15
MISCELLANEOUS EXPENDITURE

(Rs. in 000's)

Particulars	At March 31, 2010	*At March 31, 2009*
Discount Allowed in issue of shares/debentures	—	—
Others	—	—
Total	—	—

SCHEDULE – 16

Significant accounting policies and notes forming part of the financial statements for the year ended March 31, 2010

1. Background

ICICI Lombard General Insurance Company Limited ('the Company') was incorporated on October 30, 2000 and is a 74:26 joint venture between ICICI Bank Limited and Fairfax Financial Holdings Limited. The Company obtained regulatory approval to undertake General Insurance business on August 3, 2001 from the Insurance Regulatory and Development Authority ('IRDA') and has also obtained its certificate of renewal of registration.

2. Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting, and comply with the applicable AS issued by the Institute of Chartered Accountants of India ('ICAI'), and in accordance with the provisions of the Insurance Act, 1938, Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('the Regulations') and orders / directions prescribed by the IRDA in this behalf , the Companies Act, 1956 to the extent applicable in the manner so required and current practices prevailing within the insurance industry in India.

3. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the balance sheet date, reported amounts of revenues and expenses for the year ended and disclosure of contingent liabilities as of the balance sheet date. The estimates and assumptions used in these financial statements are based upon management's evaluation of the relevant facts and circumstances at the date of the financial statements. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively.

4. Significant accounting policies

4.1 Revenue recognition

Premium income

Premium is recorded for the policy period at the commencement of risk and for installment cases, it is recorded on installment due dates. Premium earned is recognised as income over the period of risk or the contract period based on 1/365 method, whichever is appropriate on a gross basis net of service tax. Any subsequent revision to premium is recognised over the remaining period of risk or contract period.

Adjustments to premium income arising on cancellation of policies are recognised in the period in which it is cancelled.

Income from reinsurance ceded

Commission on reinsurance ceded is recognised as income in the period of ceding the risk.

Profit commission under reinsurance treaties, wherever applicable, is recognised as income in the year of final determination of profits and combined with commission on reinsurance ceded.

Income earned on investments

Interest income on investments is recognised on an accrual basis. Accretion of discount and amortisation of premium relating to debt securities and non convertible preference shares is recognised over the holding/maturity period on a straight-line basis.

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

Realised gain/loss on securities, which is the difference between the sale consideration and the carrying value in the books of the Company is recognised on the trade date. In determining the realised gain/loss, cost of securities is arrived at on 'Weighted average cost' basis. Further, in case of listed equity shares and mutual fund units the profit or loss on sale also includes the accumulated changes in the fair value previously recognised in the fair value change account under the equity.

Sale consideration for the purpose of realised gain/loss is net of brokerage and taxes, if any, and excludes interest received on sale.

4,2 Premium received in advance

This represents premium received during the period, where the risk commences subsequent to the balance sheet date.

4.3 Reinsurance premium

Insurance premium on ceding of the risk is recognised in the period in which the risk commences. Any subsequent revision to premium ceded is recognised in the period of such revision. Adjustment to reinsurance premium arising on cancellation of policies is recognised in the period in which it is cancelled.

4.4 Reserve for unexpired risk (refer note 5.2.2 and 5.2.3)

Reserve for unexpired risk is recognised net of reinsurance ceded and represents premium written that is attributable and to be allocated to succeeding accounting periods for risks to be borne by the Company under contractual obligations on a contract period basis or risk period basis, whichever is appropriate. It is calculated on a daily pro-rata basis subject to a minimum of 50% of the aggregate premium, written on policies during the twelve months preceding the balance sheet date for fire, marine cargo and miscellaneous business and 100% for marine hull business, on all unexpired policies at balance sheet date, in accordance with section 64 V(1)(ii)(b) of the Insurance Act, 1938.

4.5 Claims

Claims incurred comprise claims paid, estimated liability for outstanding claims made following a loss occurrence reported and estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER'). Further, claims incurred also include specific claim settlement costs such as survey / legal fees and other directly attributable costs.

Claims (net of amounts receivable from reinsurers/coinsurers) are recognised on the date of intimation based on estimates from surveyors/insured in the respective revenue accounts.

Estimated liability for outstanding claims at Balance Sheet date is recorded net of claims recoverable from/payable to co-insurers/reinsurers and salvage to the extent there is certainty of realisation.

Estimated liability for outstanding claims is determined by management on the basis of ultimate amounts likely to be paid on each claim based on the past experience. These estimates are progressively revalidated on availability of further information.

IBNR represents that amount of claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, if any, required for claims IBNER. Estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER') is based on actuarial estimate duly certified by the appointed actuary of the Company (refer note 5.2.1). IBNR/IBNER has been created on re-insurance accepted from Indian Motor Third Party Insurance Pool (IMTPIP) based on actuarial estimates received from the IMTPIP.

4.6 Acquisition costs

Acquisition costs are those costs that vary with, and are primarily related to the acquisition of new and renewal of insurance contracts viz. commission, policy issue expenses, etc. These costs are expensed in the period in which they are incurred.

4.7 Premium deficiency

Premium deficiency is recognised when the sum of expected claim costs and related expenses exceed the reserve for unexpired risks and is computed at a business segment level.

4.8 Investments

Investments are recorded at cost on trade date and include brokerage, transfer charges, stamps etc, if any, and excludes interest accrued up to the date of purchase.

Classification

Investments maturing within twelve months from balance sheet date and investments made with the specific intention to dispose off within twelve months are classified as 'short term investments'.

Investments other than 'short term investments' are classified as 'long term investments'.

Valuation

Investments are valued as follows:

Debt securities and Non – convertible preference shares

All debt securities including government securities and non convertible preference shares are considered as 'held to maturity' and accordingly stated at amortised cost determined after amortisation of premium or accretion of discount on a straight line basis over the holding/maturity period.

Equity shares and Convertible preference shares

Listed equities and convertible preference shares at the balance sheet date are stated at fair value, being the lowest of last quoted closing price on the National Stock Exchange or Bombay Stock Exchange Limited.

Mutual fund units (Other than venture capital fund)

Mutual fund investments are stated at fair value, being the closing net asset value at balance sheet date.

In accordance with the Regulations, unrealised gain / loss arising due to changes in fair value of listed equity shares and mutual fund investments are taken to the fair value change account. This balance in the fair value change account is not available for distribution, pending realisation.

Investments other than mentioned above are valued at cost.

Impairment of Investments

The Company assesses at each balance sheet date whether there is any indication that any investment in equity or units of mutual fund may be impaired. If any such indication exists, the carrying value of such investment is reduced to its recoverable amount and the impairment loss is recognised in the revenue(s)/profit and loss account. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the investment is restated to that extent.

4.9 *Employee Stock Option Scheme ("ESOS")*

The Company follows the intrinsic method for computing the compensation cost, for options granted under the scheme(s). The difference if any, between the intrinsic value and the grant price, being the compensation cost is amortised over the vesting period of the options.

4.10 *Fixed assets, Intangibles and Impairments*

Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes the purchase price and any cost directly attributable to bringing the asset to its working condition for its intended use.

Depreciation on assets purchased/disposed off during the year is provided on pro rata basis with reference to the month of additions / deductions.

Depreciation is provided on a straight-line basis, pro-rata for the period of use at the rates prescribed in Schedule XIV to the Companies Act, 1956 except in the case of IT equipment where depreciation is provided at a rate of 25% which is higher than that prescribed under Schedule XIV to the Companies Act, 1956.

Leases

Lease payments for assets / premises taken on operating lease are recognised as an expense in the revenue(s) and profit and loss account over the lease term on straight-line basis.

Intangibles

Intangible assets comprising computer software are stated at cost less amortisation. Computer software including improvements are amortised over a period of 5 years, being the management's estimate of the useful life of such intangibles.

All assets including intangibles individually costing up to Rs. 5,000 are fully depreciated/amortised in the year in which acquired.

Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the impairment loss is recognised in the profit and loss account. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that extent.

4.11 *Employee benefits*

Provident fund

This is a defined contribution scheme and contributions payable to the Regional Provident Fund Authority is provided on the basis of specified percentage of salary and is charged to profit and loss account and revenue account(s).

Gratuity

Gratuity, which is a defined benefit scheme is provided on the basis of actuarial valuation including actuarial gains/losses at balance sheet date and is recognised in the profit and loss account and revenue account(s).

Accrued leave

Compensated absences are provided based on actuarial valuation including actuarial gains/losses at balance sheet date and is recognised in the profit and loss account and revenue account(s).

4.12 *Foreign currency transactions*

Transactions denominated in foreign currencies are recorded at the rates prevailing on the date of the transaction. Foreign exchange denominated monetary assets and liabilities, are re-stated at the rates prevalent at the date of the balance sheet. The gains/ losses on account of restatement and settlement are recognised in the profit and loss account and revenue account(s).

4.13 *Taxation*

Current tax

The Company provides for income tax on the basis of taxable income for the current accounting period in accordance with the provisions of the Income Tax Act, 1961.

In accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, Minimum Alternate Tax (MAT) credit is recognised as an asset to the extent there is convincing evidence that the company will pay normal income tax in future by way of a credit to the profit and loss account and shown as MAT credit entitlement.

Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the accounting income as per the Company's financial statements and the taxable income for the year.

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 by 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 virtual certainty of realisation of such assets.

Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realised.

4.14 *Share issue expenses*

Share issue expenses are adjusted against share premium account.

4.15 *Provisions and Contingencies*

A provision is recognised when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent losses arising from claims other than insurance claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

A disclosure for a contingent liability other than those under policies 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.

5 Notes to accounts

5.1 *Statutory disclosures as required by IRDA*

5.1.1 *Contingent liabilities*

(Rs. in 000's)

Particulars	**At March 31, 2010**	*At March 31, 2009*
Partly-paid up investments	—	—
Claims, other than those under policies, not acknowledged as debt	—	—
Underwriting commitments outstanding	**NA**	*NA*
Guarantees given by or on behalf of the Company	—	—
Statutory demands/liabilities in dispute, not provided for (see note below)	**612,149**	*295,870*
Reinsurance obligations to the extent not provided for in accounts	—	—
Others	—	—

Note: The Company has disputed the demand raised by Income Tax Department for assessments completed of past years and the appeals are pending before the appropriate authorities.

5.1.2 The assets of the Company are free from all encumbrances.

5.1.3 Estimated amount of commitment pertaining to contracts remaining to be executed in respect of fixed assets (net of advances) is Rs. 29,519 thousand (previous year : Rs. 39,296 thousand).

5.1.4 Commitment in respect of loans and investments is Rs. 105,900 thousand (previous year : Rs. 76,080 thousand).

5.1.5 *Claims*

Claims, less reinsurance paid to claimants in / outside India are as under:

(Rs. in 000's)

Particulars	**For the year ended March 31, 2010**	*For the year ended March 31, 2009*
In India	**15,481,724**	*11,413,31*
Outside India	**516**	*236,541*

The Company does not have any liability relating to claims where the claim payment period exceeds four years.

Ageing of claims is set out in the table below:

(Rs. in 000's)

Particulars	**At March 31, 2010**	*At March 31, 2009*
More than six months	**13,307,258**	*7,951,484*
Others	**18,440,871**	*15,798,097*

Claims settled and remaining unpaid for more than six months is Rs. NIL (previous year: Rs. NIL).

5.1.6 ***Premium***

Premium, less reinsurance, written from business in/outside India is given below:

(Rs. in 000's)

Particulars	**For the year ended March 31, 2010**	*For the year ended March 31, 2009*
In India	**23,121,591**	*21,151,607*
Outside India	**19,292**	*13,150*

5.1.7 The Company has recognised 1.5 percent *(previous year: 0.5 percent)* of the total premium earned from Miscellaneous - Engineering class of business based on varying risk pattern. The risk pattern is determined based on underwriting estimates, which are in turn based on project related information received from the customers, and these are relied upon by the Company.

5.1.8 Sector wise details of the policies issued/outstanding are given below:

Sector	**For the year ended March 31, 2010**				*For the year ended March 31, 2009*			
	GWP (Rs. in 000's)	**No. of policies**	**No. of lives**	**% of GWP**	*GWP (Rs. in 000's)*	*No. of policies*	*No. of lives*	*% of GWP*
Rural	**3,469,972**	**323,707**	**—**	**9.39**	*3,900,173*	*401,174*	*—*	*10.40*
Social	**14,896**	**2**	**93,729**	**0.04**	*178,455*	*3*	*1,616,838*	*0.48*
Urban	**33,462,953**	**4,137,692**	**—**	**90.57**	*33,413,482*	*3,555,871*	*—*	*89.12*
Total	**36,947,821**	**4,461,401**		**100.00**	*37,492,110*	*3,957,048*		*100.00*

5.1.9 Extent of risks retained and reinsured is set out below (excluding excess of loss and catastrophe reinsurance)

Particulars	**Basis**	**At March 31, 2010**		*At March 31, 2009*	
		Reten-tion	**Ceded**	**Reten-tion**	**Ceded**
Fire	Total sum insured	**28%**	**72%**	*33%*	*67%*
Marine – Cargo	Value at risk	**36%**	**64%**	*30%*	*70%*
Marine – Hull	Value at risk	**4%**	**96%**	*3%*	*97%*
Miscellaneous					
– Engineering	Total sum insured	**23%**	**77%**	*23%*	*77%*
– Motor (refer note 5.2.3)	Total sum insured	**75%**	**25%**	*54%*	*46%*
– Workmen Compensation	Value at risk	**84%**	**16%**	*80%*	*20%*
– Public Liability	Value at risk	**80%**	**20%**	*72%*	*28%*
– Personal Accident	Value at risk	**44%**	**56%**	*35%*	*65%*
– Health	Value at risk	**80%**	**20%**	*80%*	*20%*
– Others	Value at risk	**36%**	**64%**	*45%*	*55%*

5.1.10 In accordance with regulatory guidelines, there is no premium deficiency on an overall basis in miscellaneous segment, however there is premium deficiency in respect of sub – segments within miscellaneous segment as under:

(Rs. in 000's)

Particulars	**At March 31, 2010**	*At March 31, 2009*
Motor TP (other than IMTPIP)	**263,399**	*393,840*
Personal Accident	**—**	*144,177*
Public Liability	**—**	*20*

Further, there is no premium deficiency in respect of any reportable segment which contributes 10% or more to the premium underwritten other than those which are provided for in accordance with the regulation.

5.1.11 ***Investments***

Value of contracts in relation to investments for:

- Purchases where deliveries are pending Rs. NIL (previous year: Rs. 367 thousand); and
- Sales where payments are overdue Rs. NIL (previous year: Rs. NIL).

Historical cost of investments that are valued on fair value basis is Rs. 4,948,510 thousand (previous year: Rs. 7,688,507 thousand).

All investments are made in accordance with the Insurance Act, 1938 and Insurance Regulatory and Development Authority (Investment) Regulations, 2000 and are performing investments.

Allocation of investment

- Investments that are earmarked, are allocated separately to policy holders or share holders, as applicable;
- Other investments have not been allocated into policy holders and share holders as the same are not earmarked separately.

The Company does not have any investment in property at March 31, 2010 (previous year: Rs. NIL).

5.1.12 ***Employee Benefit Plans***

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity benefits of the Company is given below:

(Rs. in 000's)

Reconciliation of Benefit Obligations and Plan Assets	**For the year ended March 31, 2010**	*For the year ended March 31, 2009*
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	**141,813**	*67,800*
Current Service Cost	**43,498**	*27,024*
Interest Cost	**13,004**	*7,115*
Actuarial Losses / (Gain)	**(44,682)**	*43,758*
Liabilities assumed on Acquisition	**7,650**	*5,250*
Benefits Paid	**(16,155)**	*(9,134)*
Closing Defined Benefit Obligation	**145,128**	*141,813*
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	**70,875**	*44,124*
Expected Return on Plan Assets	**6,653**	*3,556*
Actuarial Gains / (Losses)	**9,860**	*(6,597)*
Contributions by Employer	**70,938**	*33,676*
Assets acquired on acquisition	**7,650**	*5,250*
Benefits paid	**(16,155)**	*(9,134)*
Closing Fair Value of Plan Assets	**149,821**	*70,875*
Expected Employer's contribution Next Year	**25,000**	*40,000*

(Rs. in 000's)

Reconciliation of Present Value of the obligation and the Fair Value of the Plan Assets	**At March 31, 2010**	*At March 31, 2009*
Fair Value of Plan Assets at the end of the year	**(149,821)**	*(70,875)*
Present Value of the defined obligations at the end of the year	**145,128**	*141,813*
Liability recognised in the balance sheet	**—**	*70,938*
Asset recognised in the balance sheet	**4,693**	*—*
Investment details of Plan Assets		
100% Insurer Managed Funds	**149,821**	*70,875*
Assumptions		
Discount Rate	**8.16% p.a.**	*7.10% p.a.*
Expected Rate of Return on Plan Assets	**7.50% p.a.**	*7.50% p.a.*
Salary Escalation Rate	**8.00% p.a.**	*8.00% p.a.*

Experience adjustments of last four years is given below

(Rs. in 000's)

	Year Ended				
	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Defined Benefit Obligation	145,128	141,813	67,800	35,479	21,188
Plan assets	149,821	70,875	44,124	23,448	16,313
Surplus / (Deficit)	4,693	(70,938)	(23,676)	(12,031)	(4,875)
Exp.Adj on Plan Liabilites	(18,518)	26,355	672	8,021	—
Exp. Adj on Plan Assets	9,860	(6,597)	13,887	(107)	—

5.1.13 Employee's remuneration & welfare benefits in Schedule 4 includes Rs. NIL (previous year Rs.135,712 thousand) pertaining to bonus for earlier year, crystallised during the year.

5.1.14 ***Allocation of income and expenses***

Allocation of investment income

Investment income has been allocated between revenue account(s) and profit and loss account on the basis of the ratio of average policyholders funds to average shareholders funds respectively; average being the balance at the beginning of the period and at the end of the period.

Further, investment income across segments within the revenue account(s) has also been allocated on the basis of segment-wise policyholders funds.

Allocation of expenses

Operating expenses relating to insurance business are allocated to specific classes of business on the following basis:

— Expenses that are directly identifiable to a business class are allocated on actuals;

— Other expenses, that are not directly identifiable, are broadly allocated on the basis of gross direct premium in each business class; and

— Depreciation expenditure has been allocated on the assessment that the use of assets is proportionate to gross direct premium of the respective segments.

5.1.15 ***Managerial remuneration***

The details of remuneration of Wholetime Directors' as per the terms of appointment are as under:

(Rs. in 000's)

Particulars (see note below)	For the year ended March 31, 2010	*For the year ended March 31, 2009*
Salaries and allowances	**7,395**	*28,401*
Contribution to provident and other funds	**1,062**	*2,501*
Perquisites	**347**	*1,569*

Note: Expenses towards gratuity and leave accrued are determined actuarially on an overall basis and accordingly have not been considered for the above disclosure.

5.1.16 ***Share Application***

At March 31, 2010 the Company had received share application money of Rs. 1,870 thousand (previous year: Rs. 176 thousand) against which shares are yet to be allotted.

5.1.17 ***Outsourcing, business development and marketing support expenses***

Expenses relating to outsourcing, business development and marketing support are :

(Rs. in 000's)

Particulars	For the year ended March 31, 2010	*For the year ended March 31, 2009*
Outsourcing expenses	**925,968**	*1,407,027*
Business development	**149,296**	*181,197*
Marketing support	**186,509**	*153,309*

5.1.18 ***Details of penal actions taken by various Govt. authorities with IRDA during year ended March 31, 2010 :***

(Rs. in 000's)

Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
Insurance Regulatory and Development Authority	— (—)	— (500)	— (500)	— (—)
Service Tax Authorities	— (—)	— (—)	— (—)	— (—)
Income Tax Authorities	— (—)	— (—)	— (—)	— (—)
Any other Tax Authorities	— (—)	— (—)	— (—)	— (—)
Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	— (—)	— (—)	— (—)	— (—)
Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	— (—)	— (—)	— (—)	— (—)
Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	— (—)	— (—)	— (—)	— (—)
Securities and Exchange Board of India	NA (NA)	NA (NA)	NA (NA)	NA (NA)
Competition Commission of India	— (—)	— (—)	— (—)	— (—)
Any other Central/State/Local Govt / Statutory Authority	— (—)	— (—)	— (—)	— (—)

Figures in brackets represent previous year figures

5.1.19 ***Summary of Financial Statements for the last five years:***

(Rs. in 000's)

Particulars	2009-10	*2008-09*	*2007-08*	*2006-07*	*2005-06*
Operating Result					
Gross premium written	**36,947,821**	*37,492,110*	*36,010,198*	*30,034,479*	*15,919,959*
Net premium income #	**23,140,883**	*21,164,757*	*17,797,672*	*14,507,715*	*7,338,721*
Income from Investments (net)@	**2,879,301**	*2,325,325*	*1,364,414*	*783,667*	*520,809*
Other income	**5,707**	*3,842*	*(3,332)*	*(4)*	*726*
Total income	**26,025,891**	*23,493,924*	*19,158,754*	*15,291,378*	*7,860,256*
Commissions (net of reinsurance commission)	**210,557**	*(755,837)*	*(1,365,640)*	*(1,904,751)*	*(1,257,264)*
Brokerage	**—**	—	—	—	—
Operating expenses	**5,551,359**	*6,785,799*	*5,611,590*	*4,987,328*	*2,982,737*
Claims, increase in Unexpired Risk Reserve & other outgoes	**20,140,450**	*18,341,597*	*14,439,528*	*11,979,649*	*5,954,428*
Operating Profit / (loss)	**123,525**	*(877,635)*	*473,276*	*229,152*	*180,355*
Non-Operating Result					
Total income under shareholder's account(net of expenses)	**1,459,528**	*880,380*	*828,958*	*572,059*	*364,913*
Profit / (loss) before tax	**1,583,053**	*2,745*	*1,302,234*	*801,211*	*545,268*
Provision for tax	**143,774**	*(233,500)*	*273,500*	*117,600*	*42,200*
Profit / (loss) after tax	**1,439,279**	*236,245*	*1,028,734*	*683,611*	*503,068*
Miscellaneous					
Policy holder's account:					
Total funds	**28,255,463**	*23,498,753*	*16,874,828*	*10,933,687*	*5,135,354*
Total investments	**Not applicable as investments are not earmarked**				
Yield on Investments					
Shareholder's account:					
Total funds $	**17,924,396**	*12,369,209*	8,514,813	*8,068,030*	*2,839,993*
Total investments	**Not applicable as investments are not earmarked**				
Yield on Investments					
Paid up equity capital	**4,036,327**	*4,031,369*	*3,773,578*	*3,357,075*	*2,450,000*
Net worth *	**17,924,396**	*16,026,640*	*10,759,589*	*9,427,035*	*3,729,201*
Total assets	**66,862,638**	*54,842,026*	*37,941,850*	*29,540,353*	*16,390,867*
Yield on total Investments (annualised)	**14%**	*14%*	*11%*	*10%*	*13%*
Earnings per share (Rs.)	**3.57**	*0.60*	*2.76*	*2.35*	*2.28*
Book value per share (Rs.)	**44.41**	*39.75*	*28.51*	*28.08*	*15.22*
Total dividend (excluding dividend tax)	**645,248**	—	*591,157*	*438,365*	*232,500*
Dividend per share (Rs.)	**1.60**	—	*1.60*	*1.50*	*1.00*

Net of Reinsurance
@ Net of Losses
$ Shareholders fund excluding fair value & investment income
* Net worth is excluding fair value change account for FY 2005-06 to FY 2008-09

5.1.20 *Ratio Analysis:*

For ratios at March 31, 2010: Refer annexure 1 and 2

Performance Ratio	Ratios at March 31, 2009 Total	Fire	Marine	Misc.	Basis
Gross Premium Growth Rate	4%	(30%)	0%	10%	(GWP current year –GWP previous year)/ GWP previous year
Gross Premium to average Shareholders Fund ratio	280%				GWP/Average shareholder fund
Growth rate of Shareholders Funds	49%				(Shareholders fund current year –Shareholders fund previous year)/Shareholders fund previous year
Net Retention Ratio (net of XOL)	56%	31%	13%	62%	Net premium/ GWP
Net Commission Ratio	4%	29%	47%	2%	Net commission /Net premium
Expense of management to Gross direct premium	20%				Operating expenses / Premium from direct business
Combined ratio	71%				(Claims paid-Direct+ Operating expenses) / GWP
Technical reserves to net premium ratio	166%				Gross claims outstanding +Reserve for unexpired risks + Reserve for premium deficiency)/ Net premium
Underwriting balance ratio	(15%)	(34%)	(202%)	(11%)	Underwriting profit/(loss)/Net premium
Operating profit ratio	0%				(Underwriting profit/(loss) + investment income)/Net premium
Liquid asset to liability ratio	3%				Liquid Assets / Policy holders liabilities
Net earning ratio	1%				Profit after tax /Net premium
Return on Net worth (weighted average)	1%				Profit after tax/ Net worth
Reinsurance Ratio	44%				Premium on Reinsurance Ceded/ (Premium from direct business+ premium on reinsurance accepted)
Claims incurred ratio	79%				(Claims incurred (net) + Premium deficiency)/Premium earned (Net)

GWP : Premium from direct business + Premium from reinsurance accepted
Share holders fund : Share capital + Reserves and Surplus + Share application money-pending allotment
Liquid Asset : Cash and bank balances
Net worth : Share capital + Reserves and Surplus +Share application money-pending allotment – Miscellaneous expenditure

(Rs. in 000's)

Solvency Margin	At March 31, 2010	At March 31, 2009
Required solvency margin under IRDA regulations (A)	**7,336,094**	*6,621,788*
Available solvency margin (B)	**15,156,060**	*13,448,606*
Solvency ratio actual (times) (B/A)	**2.07**	*2.03*
Solvency ratio prescribed by regulation	**1.50**	*1.50*

5.1.21 *Employee Stock Option Scheme (ESOS)*

The Company has granted Stock options to employees in compliance with the Securities and Exchange board of India (Employee stock option scheme and employee stock purchase scheme) guidelines, 1999 based on an independent valuer's report. The salient features of the Scheme which are stated below:

Founder ESOPs:

Scheme	Others
Date of grant	April 26, 2005
No. of Options granted (in 000's)	917
Grant Price	Rs. 35
Graded Vesting Period	
1st Year	50% of option
2nd Year	50% of option
Maximum term of option granted	Later of the tenth anniversary of the date of grant of options or fifth anniversary of the date of vesting
Mode of settlement	Equity

Performance ESOPs (2005, 2006, 2007 & 2008):

Scheme	Others
Date of grant 2005	April 26, 2005
2006	April 24, 2006
2007	April 21, 2007
2008	April 24, 2008
No. of Options granted (in 000's)	18,372
Grant Price	Rs. 35–Rs. 200
Graded Vesting Period	
1st Year	20% of option
2nd Year	20% of option
3rd Year	30% of option
4th Year	30% of option
Maximum term of option granted	Later of the tenth anniversary of the date of grant of options or fifth anniversary of the date of vesting
Mode of settlement	Equity

Performance ESOPs (2009):

Scheme	Others
Date of grant 2009	July 21, 2009
No. of Options granted (in 000's)	1,249
Grant Price	Rs. 91
Graded Vesting Period	
1st Year	0% of option
2nd Year	20% of option
3rd Year	20% of option
4th Year	30% of option
5th Year	30% of option
Maximum term of option granted	Later of the tenth anniversary of the date of grant of options or fifth anniversary of the date of vesting
Mode of settlement	Equity

The estimated fair value computed on the basis of Black Scholes pricing model, of each stock option granted for Founder ESOPs and Performance ESOPs is within the range of Rs.7.72 to Rs.73.62 per option. Accordingly, compensation cost for the year ended March 31, 2010 would have been higher by Rs. 37,564 thousand and proforma profit after tax would have been Rs. 1,414,483 thousand. On proforma basis the Company's basic and diluted earnings per share would have been Rs. 3.51 and Rs. 3.45 respectively. The key assumptions used to estimate the fair value of options are:

Risk-free interest rate	**5.79%**	**–**	**8.17% p.a.**
Expected life	**3**	**–**	**7 years**
Expected volatility*	**17.00%**	**–**	**60.73% p.a.**
Expected dividend yield	**0.80%**	**–**	**2.85% p.a.**

*Expected volatility is based on estimates of management in the absence of data on historical volatility at the year end.

A summary of status of Company's Employee Stock Option Scheme in terms of option granted, forfeited and exercised by the employees and Wholetime Directors is given below:

(Rs. in 000's)

Particulars	Other than Wholetime Director At March 31, 2010	Other than Wholetime Director At March 31, 2009	Wholetime Director At March 31, 2010	Wholetime Director At March 31, 2009
Outstanding at the beginning of the year	**14,399**	*11,438*	**—**	*942*
Add: Granted during the year	**1,249**	*4,475*	**—**	*575*
Less: Forfeited / lapsed during the year	**1,705**	*2,247*	**—**	—
Less: Exercised during the year	**597**	*784*	**—**	—
Outstanding at the end of the year	**13,346**	*12,882*	**—**	*1,517*
Exercisable at the end of the year	**6,737**	*909*	**—**	*341*

Note: Sandeep Bakhshi ceased to be wholetime Director with effect from May 1, 2009.

5.2 *Other disclosures*

5.2.1 *Basis used by the Actuary for determining provision required for IBNR/IBNER*

Liability for IBNR including IBNER (excluding on IMTPIP) for the year ending March 31, 2010 has been estimated by the Appointed Actuary in compliance with the guidelines issued by IRDA vide circular no. 11/IRDA/ACTL/IBNR/2005-06 and applicable provisions of the Guidance Note 21 issued by the Actuarial Society of India.

The Appointed Actuary has adopted the Chain Ladder Method to those lines of business where claims development in the past years are thought to be representative for the future claims development and adopted Bornheutter-Ferguson method to those lines of business where claims development in the past years are not thought to be representative for the future claims development.

5.2.2 *Contribution to terrorism pool*

The Company in accordance with the requirements of IRDA has participated in contributing to the Terrorism Pool. This pool is managed by the General Insurance Corporation of India ('GIC'). Amounts collected as terrorism premium in accordance with the requirements of the Tariff Advisory Committee ('TAC') are ceded at 100% of the terrorism premium collected to the Terrorism Pool, subject to conditions and an overall limit of Rs. 7.5 billion.

In accordance with the terms of the agreement, GIC retrocedes, to the Company, terrorism premium to the extent of the Company's share in the risk, which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on monthly intimation/confirmation received from GIC. Accordingly, reinsurance accepted on account of the Terrorism Pool has been recorded only up to September 30, 2009 (previous year: December 31, 2008) as per the last confirmation received and which has been carried forward to the subsequent accounting period as Unexpired Risk Reserve appropriately.

5.2.3 *Contribution to Motor third party pool*

In accordance with the directions of IRDA, effective April 1, 2007 the Company, together with other insurance companies has participated in the Indian Motor Third Party Insurance Pool (IMTPIP), a multilateral reinsurance arrangement, administered by the General Insurance Corporation of India ('GIC'). The IMTPIP covers reinsurance of third party risks of commercial vehicles.

The Company has ceded 100% of the third party premium collected to the pool and has recorded its share of results in the pool based of unaudited result received from pool for the period from March, 2009 up to February, 2010.

5.2.4 *Re-insurance inward*

The results of reinsurance inward are accounted as per last available statement of accounts/confirmation from reinsurers.

5.2.5 *Contribution to solatium fund*

In accordance with the requirements of the IRDA circular dated March 18, 2003 and based on recommendations made at the General Insurance Council meeting held on February 4, 2005, the Company has provided 0.1% of gross written premium on all motor policies (excluding reinsurance premium accepted on motor third party for commercial vehicles) towards contribution to the solatium fund.

5.2.6 *Environment Relief Fund*

There is Rs. NIL outstanding (Previous year Rs.166 thousand) towards Environment Relief fund (ERF) under Public Liability policies.

5.2.7 *Leases*

In respect of premises taken on operating lease, the lease agreements are generally mutually renewable / cancelable by the lessor/lessee.

Non Cancelable operating lease

The detail of future rentals payable are given below:

(Rs. in 000's)

	At March 31, 2010	*At March 31, 2009*
a. not later than one year	**1,281**	*4,610*
b. later than one year and not later than five year	**777**	*2,058*
c. later than five years	—	—

An amount of Rs. 4,610 thousand (previous year: Rs. 4,498 thousand) towards lease payments has been recognised in the statement of revenue account.

5.2.8 *Micro and Small scale business entities*

There is no Micro, Small & Medium enterprise to which the company owes dues, which are outstanding for more than 45 days during the year ended March 31, 2010. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

5.2.9 *Segmental reporting*

Primary reportable segments

The Company's primary reportable segments are business segments, which have been identified in accordance with AS 17 – Segment Reporting read with the Regulations. The income and expenses attributable to the business segments are allocated as mentioned in paragraph 5.1.14 above.

Segmental Assets & Liabilities

(Rs. in 000's)

Segment	Year	Current Liabilities: Claims Outstanding	Current Liabilities: Unallocated Premium	Current Liabilities: Advance Premium	Current Assets: Outstanding Premium
Fire	**2009-10**	**4,947,450**	**—**	**—**	**4,985**
	2008-09	*3,871,758*	—	—	*2,105*
Engineering	**2009-10**	**1,383,962**	**—**	**—**	**676**
	2008-09	*1,170,541*	—	—	*2,353*
Marine Cargo	**2009-10**	**674,242**	**—**	**—**	**3,026**
	2008-09	*580,992*	—	—	*2,821*
Marine Hull	**2009-10**	**1,214,609**	**—**	**—**	**8**
	2008-09	*2,310,229*	—	—	*2,331*
Motor OD	**2009-10**	**1,925,499**	**—**	**—**	**—**
	2008-09	*1,536,984*	—	—	—
Motor TP	**2009-10**	**16,759,663**	**—**	**—**	**—**
	2008-09	*10,942,081*	—	—	—
Workmen	**2009-10**	**43,492**	**—**	**—**	**—**
Compensation	*2008-09*	*24,399*	—	—	—
Public/Product	**2009-10**	**8,759**	**—**	**—**	**—**
Liability	*2008-09*	*25,325*	—	—	—
Personal	**2009-10**	**397,414**	**—**	**—**	**—**
Accident	*2008-09*	*536,266*	—	—	—
Aviation	**2009-10**	**698,080**	**—**	**—**	**—**
	2008-09	*207,200*	—	—	—
Health	**2009-10**	**2,105,943**	**—**	**—**	**34**
	2008-09	*1,799,223*	—	—	*125*
Others	**2009-10**	**1,589,016**	**—**	**—**	**76,785**
	2008-09	*744,583*	—	—	*43*
Total Amount	**2009-10**	**31,748,129**	**—**	**—**	**85,514**
	2008-09	*23,749,581*	—	—	*9,778*

Fixed assets, investments and other current assets and liabilities to the extent identifiable have been allocated to business segments. Unallocated premium and advance premium is not identifiable to any business segment.

Secondary reportable segments

There are no reportable geographical segments since the Company provides services to customers in the Indian market only and does not distinguish any reportable regions within India.

5.2.10 *Related party*

Party where control exists

ICICI Bank Limited (Holding Company)

Other related parties with whom transactions have taken place during the year:

Fellow Subsidiaries / Associates / Other related entities:

Name of the related party
ICICI Bank UK PLC
ICICI Home Finance Company Limited
ICICI Prudential Asset Management Company Limited
ICICI Prudential Life Insurance Company Limited
ICICI Securities Limited
ICICI Securities Primary Dealership Limited
ICICI Venture Funds Management Company Limited
FAL Corporation (Affiliate of Fairfax Financial holdings Limited)
ICICI Foundation for Inclusive Growth
Loyalty Solutions & Research Limited
Transafe Services Limited (up to June 30, 2009)

Key Management Personnel (KMP):

Sandeep Bakhshi, Managing Director & CEO (up to April 30,2009)

Bhargav Dasgupta, Managing Director & CEO (w.e.f. May 1,2009)

Vishakha Mulye, Executive Director (up to April 20,2009)

Relatives of KMP with whom transactions have taken place:

Mona Bakhshi : Spouse of Sandeep Bakhshi (transactions up to April 30,2009)

Gauresh Palekar : Brother of Vishakha Mulye (transactions up to April 20,2009)

Details of transactions with related parties for the year ended March 31, 2010 are given below:

(Rs. in 000's)

Particulars	ICICI Bank Limited	With ICICI Home Finance Co Limited	With ICICI Securities Primary Dealership Limited	With ICICI Prudential Life Insurance Co Limited	With ICICI Venture Funds Management Co Limited	With Others	Associate	With KMP & their relatives
	Holding company	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary			
Premium income	**1,057,272** *(1,039,878)*	**119,812** *(136,689)*	**3,873** *(545)*	**145,668** *(139,526)*	**5,918** *(10,846)*	**103,883** *(88,021)*	**487** *(—)*	**29** *(27)*
Income from interest & dividend	**54,005** *(94,330)*	**28,625** *(18,195)*	— *(3,310)*	— *(—)*	— *(—)*	— *(—)*	— *(—)*	— *(—)*
Issue of Share Capital including premium	— *(3,704,430)*	— *(—)*	— *(—)*	— *(—)*	— *(—)*	— *(—)*	— (1,300,000)	— *(—)*
Claim payments	**822,994** *(924,091)*	**70,636** *(90,608)*	**558** *(964)*	**64,459** *(117,779)*	**2,250** *(3,714)*	**62,082** *(78,159)*	— *(—)*	— *(—)*
Sale of fixed assets	— *(—)*	— *(—)*	— *(—)*	— *(—)*	**1,279** *(—)*	— *(—)*	— *(—)*	— *(—)*
Purchase of Fixed Asset	— *(1,338)*	— *(—)*	— *(—)*	**1,748** *(—)*	— *(—)*	— *(—)*	— *(—)*	— *(—)*
Commission/ Brokerage payouts	**344,673** *(552,829)*	**63,617** *(94,912)*	— *(—)*	— *(—)*	— *(—)*	**16,383** *(20,211)*	— *(—)*	— *(—)*
Investment - Purchases	**4,874,193** *(6,090,552)*	— *(250,000)*	**1,688,060** *(4,022,251)*	**432,001** *(—)*	— *(—)*	— *(143,600)*	— *(—)*	— *(—)*
- Sales	**4,772,755** *(6,108,174)*	— *(—)*	— *(1,118,409)*	**909,718** *(862,206)*	— *(—)*	— *(143,600)*	— *(—)*	— *(—)*
Premium Paid	— *(—)*	— *(—)*	— *(—)*	**8,435** *(8,322)*	— *(—)*	— *(—)*	— *(—)*	— *(—)*
Establishment & other expenditure	**231,280** *(272,565)*	— *(1,562)*	— *(—)*	**100** *(—)*	— *(—)*	**1,279** *(-2,913)*	— *(—)*	**8,804** *(28,401)*
Dividend paid	**476,085** *(—)*	— *(—)*	— *(—)*	— *(—)*	— *(—)*	— *(—)*	**167,272** *(—)*	— *(—)*
Donation	— *(—)*	— *(—)*	— *(—)*	— *(—)*	— *(—)*	— *(—)*	**2,362** *(17,213)*	— *(—)*

Figures in brackets represent previous year figures

Balances with related parties at March 31, 2010, are as under:

(Rs. in 000's)

Particulars	ICICI Bank Limited	With ICICI Home Finance Co Limited	With ICICI Securities Primary Dealership Limited	With ICICI Prudential Life Insurance Co Limited	With ICICI Venture Funds Management Co Limited	With others	Associate	With KMP & their relatives
	Holding company	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary			
Assets								
Cash, Bank Balances & Deposits	**–447,082** *(–740,994)*	— *(—)*	— *(—)*	— *(—)*	— *(—)*	— *(—)*	— *(—)*	— *(—)*
Investments	— *(—)*	**250,000** *(250,000)*	— *(—)*	— *(—)*	— *(—)*	— *(—)*	— *(—)*	— *(—)*
Income accrued on investments	**1,053** *(995)*	**18,038** *(18,038)*	— *(—)*	— *(—)*	— *(—)*	— *(—)*	— *(—)*	— *(—)*
Liabilities								
Capital	**2,975,530** *(2,975,530)*	— *(—)*	— *(—)*	— *(—)*		— *(—)*	**1,045,449** *(1,043,929)*	— *(713)*
Premium received in advance	**58,632** *(17,236)*	**14,595** *(16,870)*	**201** *(211)*	**3,945** *(2,551)*	**224** *(236)*	**1,359** *(39,034)*	**72** *(—)*	— *(—)*
Others liabilities/ Payables	**154,401** *(295,765)*	**38,720** *(46,092)*	**57** *(50)*	**8,772** *(17,910)*	**403** *(296)*	**5,987** *(12,180)*	— *(—)*	— *(—)*

Figures in brackets represent previous year figures

5.2.11 *Details of earning per share for the year ended March 31, 2010:*

(Rs. in 000's)

Particulars	**At March 31, 2010**	*At March 31, 2009*
Profit available to equity shareholders	**1,439,279**	*236,245*
Weighted average number of equity shares		
Number of shares at the beginning of the year	**403,137**	*377,358*
Share issued during the period	**496**	*25,779*
Total number of equity share outstanding at the end of the period	**403,633**	*403,137*
Weighted average number of equity shares outstanding during the period	**403,220**	*395,351*
Add : Effect of dilutive issues of employee options and share application pending allotment	**7,036**	*7,617*
Diluted weighted average number of equity shares outstanding during the period	**410,256**	*402,968*
Nominal value of equity shares – Rs.	**10**	*10*
Basic earning per share – Rs.	**3.57**	*0.60*
Diluted earning per share – Rs.	**3.51**	*0.59*

5.2.12 *Deferred taxes*

The Company has reassessed the carrying value of deferred tax asset in view of taxable losses. Based on reduction in operating expenses achieved and revision in reinsurance arrangement concluded by the Company, it is decided to restrict the creation/ carrying value of deferred tax asset on various components of temporary differences to the extent as under:

(Rs. in 000's)

Particulars	**Deferred tax asset at March 31, 2010**	*Deferred tax asset at March 31, 2009*
Timing differences on account of:		
Reserve for Unexpired Risks	**373,093**	*206,142*
Provision for escalation in lease rentals	**25,264**	—
Leaves accrued	**44,329**	*37,389*
Provision for doubtful debts	**10,190**	—
Carry forward losses*	**—**	*353,119*
Total	**452,876**	*596,650*
Net deferred tax asset/(liability)	**452,876**	*596,650*
Deferred tax expense/(income) recognised in the Profit and Loss A/c.	**143,774**	*(298,500)*

5.2.13 Prior year figures have been regrouped, reclassified in the respective schedule wherever necessary, to conform to current period classifications.

For and on behalf of the Board

CHANDA D. KOCHHAR *Chairperson*	S. MUKHERJI *Director*	BHARGAV DASGUPTA *Managing Director & CEO*
SANDEEP BAKHSHI *Director*	N.S. KANNAN *Director*	RAKESH JAIN *Director Corporate Centre & CFO*
PRATAP SALIAN *Company Secretary*		

Mumbai, April 19, 2010

Annexure-1 — Analytical Ratios at March 31, 2010

Particular	Total	Fire	Marine			Miscellaneous											Basis of calculations
			Marine Cargo	Marine Others	Marine total	Motor OD	Motor TP	Motor Total	Workmen compensation	Public/Product Liability	Engineering	Aviation	PA	Health	Others	Total Miscellaneous	
Gross Premium Growth Rate	–3%	–5%	–6%	–50%	–32%	9%	–6%	4%	16%	71%	–16%	10%	–29%	–12%	33%	–1%	(GDPI current year- GDPI previous year)/ GDPI previous year
Gross Premium to shareholders' fund ratio	184%																GDPI/ Shareholders' funds
Growth rate of shareholders'fund	17%																(Shareholders' funds current year- Shareholders' funds previous year / Shareholders' funds previous year
Net Retention Ratio	70%	32%	37%	6%	23%	90%	102%	94%	84%	72%	21%	19%	37%	81%	36%	76%	Net premium/ GDPI
Net Commission Ratio	6%	2%	6%	1%	4%	10%	0%	7%	8%	4%	4%	1%	7%	5%	8%	6%	Gross commission paid/ GDPI
Expense of Management to Gross Direct Premium Ratio	23%																Expenses of management/ GDPI
Combined Ratio	92%																(Claims paid + Expenses of management + Commission paid-direct)/ Gross driect premium
Technical Reserves to net premium ratio	191%																(Reserve for Unexpired Risk + Reserve for premium deficiency + Reserve for outstanding claims including IBNR and IBNER)/ Net premium
Underwriting balance ratio	–12%	–13%			–4%											–12%	(Underwriting profit/loss) / Net premium
Operating Profit Ratio	7%																(Underwriting profit/loss + Investment income) / Net premium
Liquid Assets to liabilities ratio	17%																Liquid assets/ Policyholders liabilities
Net earning ratio	6%																Profit after tax/ Net premium
Return on net worth ratio	8%																Profit after tax/ Net worth
Available Solvency margin Ratio to Required Solvency Margin Ratio (times)	2.07																
NPA Ratio																	
Gross NPA Ratio	—																
Net NPA Ratio	—																

Notes :

1. GDPI = Premium from direct business written
2. Shareholders' funds/ Net worth = Share capital + Reserve & Surplus + Share application money-pending allotment + Fair value change account
3. Expenses of management = Commission paid-direct + Operation expenses related to insurance business
4. Liquid asset= Short term investments + Cash and bank balances
5. Policyholders liabilities = Claim outstanding (gross) + Reserve for unexpired risk + Reserve for premium deficiency
6. Underwriting profit/ (loss) = Net premium earned - Net claims incurred - Net commission + Premium deficiency

Annexure-2 — Equity Holding Pattern at March 31, 2010

1. No. of shares	403,632,746
2. Percentage of shareholding (Indian / Foreign)	74.1%/ 25.9%
3. %of Government holding (in case of public sector insurance companies)	—
4. Basic and diluted EPS before extraordinary items (net of tax expense) for the period	Rs. 3.57 and Rs. 3.51
5. Basic and diluted EPS after extraordinary items (net of tax expense) for the period	Rs. 3.57 and Rs. 3.51
6. Book value per share (Rs.)	44.41

receipts & payment account

ICICI Lombard GENERAL INSURANCE

for the year ended March 31, 2010

(Rs. in 000's)

		March 31, 2010		March 31, 2009
CASH FLOW FROM OPERATING ACTIVITIES				
– Premium received from policyholders, including advance receipt	**41,542,210**		*39,872,197*	
– Premium received from co-insurer	**507,587**		*2,130,673*	
– Other receipts (including-environment relief fund)	**11,492**		*4,559*	
– Payment to re-insurer net of commissions & claims	**(4,343,727)**		*(8,698,935)*	
– Payment to co-insurer net of claims recovery	**(2,751,743)**		*(3,390,738)*	
– Payments of claims (net of salvage)	**(23,940,903)**		*(19,238,956)*	
– Payments of commission and brokerage	**(2,421,585)**		*(2,812,150)*	
– Payments of other operating expenses	**(6,065,999)**		*(6,300,888)*	
– Preliminary and pre-operative expenses	**—**		—	
– Deposits, advances & staff loans	**883,497**		*486,251*	
– Income tax paid (net)	**(352,583)**		*(287,995)*	
– Service taxes paid	**(1,418,791)**		*(2,610,032)*	
– Other payments	**—**		*(50,566)*	
– Cash flows before extrordinary items		**1,649,455**		*(896,580)*
– Cash flows from extrordinary operations		**—**		—
Net cash from operating activities		**1,649,455**		*(896,580)*
CASH FLOW FROM INVESTING ACTIVITIES				
– Purchase of fixed assets (including capital advances)	**(239,843)**		*(592,172)*	
– Proceeds from sale of fixed assets	**19,221**	**(220,622)**	*2,926*	*(589,246)*
– Purchase of investments	**(24,286,759)**		*(39,577,324)*	
– Loans disbursed	**—**		—	
– Sale of investments	**23,118,243**		*37,387,458*	
– Repayments received	**—**		—	
– Rent/interest/dividends received	**2,087,423**		*1,243,947*	
– Investments in money market instruments and liquid mutual fund (net)	**496,105**		*(3,226,155)*	
– Expenses related to investments	**(6,345)**	**1,408,667**	*(5,748)*	*(4,177,822)*
Net cash from investing activities		**1,188,045**		*(4,767,068)*
CASH FLOW FROM FINANCING ACTIVITIES				
– Proceeds from issuance of share capital (including share premium & net of share issue expenses)	**22,092**		*5,030,806*	
– Proceeds from borrowing	**—**		—	
– Repayments of borrowing	**—**		—	
– Dividends paid (including dividend tax)	**(727,469)**		—	
Net cash flow from financing activities		**(705,377)**		*5,030,806*
Effect of foreign exchange rates on cash and cash equivalents, net		**—**		—
Net increase/(decrease) in cash and cash equivalents		**2,132,123**		*(632,842)*
Cash and cash equivalents at the beginning of the period		**730,475**		*1,363,317*
Cash and cash equivalents at end of the period		**2,862,598**		*730,475*

*Cash and cash equivalent at the end of the period includes short term deposits of Rs. 2,359,151 thousand (2008-09: Rs. 601,150 thousand), balances with banks in current accounts Rs. 64,953 thousand (2008-09: Rs. 91,505 thousand) and cash including cheques and Stamps in hand amounting to Rs. 438,494 thousand (2008-09: Rs. 37,820 thousand)

As per attached report of even date

For N. M. RAIJI & CO.
Chartered Accountants

JAYESH M. GANDHI
Partner
Membership Number: 37924

For PKF SRIDHAR & SANTHANAM
Chartered Accountants

R. SURIYANARAYANAN
Partner
Membership Number: 201402

Mumbai, April 19, 2010

For and on behalf of the Board

CHANDA D. KOCHHAR
Chairperson

S. MUKHERJI
Director

SANDEEP BAKHSHI
Director

N.S. KANNAN
Director

BHARGAV DASGUPTA
Managing Director & CEO

RAKESH JAIN
Director Corporate Centre & CFO

PRATAP SALIAN
Company Secretary

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration details

Registration Number: 1 1 - 1 2 9 4 0 8

State Code: 1 1

Balance Sheet Date: 3 1 (Date) 0 3 (Month) 2 0 1 0 (Year)

II. Capital raised during the year (Amount in Rs. Thousand)

Public Issue: N I L	Rights Issue: N I L
Bonus Issue: N I L	Private Placement: N I L

III. Position of mobilisation and deployment of funds
(Amount in Rs. Thousand)

Total Liabilities:	Total Assets:

Sources of funds

Paid-up Capital: 4 0 3 6 3 2 7	Reserves and Surplus:
Secured Loans:	Unsecured Loans:

Application of funds

Net Fixed Assets & WIP:	Investments:
Net Current Assets:	Miscellaneous Expenditure:
Accumulated Losses:	

IV. Performance of Company (Amount in Rs. Thousand)

Turnover:	Total Expenditure:
Profit/Loss Before Tax:	Profit/Loss After Tax:
Earning Per Share in Rs.:	Dividend Rate %:

V. Generic names of principal products/services of the Company
(as per monetary terms)

Product Description: G E N E R A L I N S U R A N C E

Item Code No.: N. A.

Note:
The Company being a general insurance company, the accounts of the Company are not required to be made in accordance with Schedule VI. Further, the Insurance Act, 1938, requires the accounts of the Company to be split between policyholders' & shareholders' funds. In view of the above, it is not possible to give the information required in Para III and Para IV of the above statement.

ICICI Home Finance

ICICI HOME FINANCE COMPANY LIMITED

11TH ANNUAL REPORT AND ACCOUNTS 2009–2010

Directors
Rajiv Sabharwal, *Chairman*
Maninder Juneja, *Vice-Chairman*
Jayesh Gandhi
S. Santhanakrishnan
Dileep C. Choksi
Harshil Mehta, *Managing Director & CEO*

Auditors
S.R. Batliboi & Co.
Chartered Accountants

Sreekanth V. N.
Company Secretary

Registered & Corporate Office
ICICI Bank Towers
Bandra-Kurla Complex
Mumbai - 400 051

directors' report

to the members

Your Directors have pleasure in presenting the Eleventh Annual Report of ICICI Home Finance Company Limited (the Company) with the audited Statement of Accounts for the year ended March 31, 2010.

INDUSTRY OVERVIEW

Over the last decade, we have witnessed a trend towards rising urbanisation and an increase in the number of nuclear families. The 11th Five Year Plan (2007–2012) estimates the demand -supply gap in the housing sector to be 26.53 million units in urban India and 47.43 million units in rural India. Cities with a population of more than 1 million are estimated to grow from 30 to 52 by 2012.

The past 12 months have witnessed a mini business cycle from a period of increasing interest rates, reduced demand, falling property prices followed by a buoyant equity and investor market. This has expedited the revival of the real estate industry. However, with the focus shifting once again to the premium segment housing, affordability in metro locations, it may pose a challenge of growth in the short term.

From the financial institutions point of view, incremental margin is expected to remain under pressure owing to pricing led sourcing strategy.

APPROPRIATIONS

The Profit and Loss Account shows profit before taxation of Rs. 2,142.0 million (previous year Rs. 1,843.9 million) after provisions and write off against non performing asset of Rs. 304.2 million (previous year Rs. 98.0 million) and after taking into account all operating expenses, which includes depreciation of Rs. 9.6 million (previous year Rs. 3.0 million) on fixed assets.

The profit after tax for the year ended March 31, 2010 was Rs. 1,606.8 million (previous year Rs. 1,428.7 million). After taking into Profit & Loss account credit balance of Rs. 298.5 million (previous year Rs. 106.3 million) brought forward from the previous year, the profits available for distribution is Rs. 1,905.3 million (previous year Rs. 1,534.9 million).

Your Directors have paid the interim dividend of 1.20% in the months of June 2009, 1.80% in September 2009, 2.80% in December 2009 and 2.70% in March 2010 and have appropriated the disposable profits as folllows:

(Rs. in million)

	Fiscal 2009	**Fiscal 2010**
Special Reserve created and maintained in terms of Section 36(1)(viii) of the Income-Tax Act, 1961	*370.00*	**330.00**
Dividend		
Preference Shares (including tax thereon)	*0.02*	**—**
Equity Shares (Interim-including tax thereon, which excludes the proposed final dividend)	*866.42*	**1,092.66**
Proposed final Dividend on Equity Shares @ 1.20%	—	**154.26**
Balance to be carried forward to Balance Sheet	*298.50*	**328.35**

PUBLIC DEPOSITS

As required by National Housing Bank, the details of public deposits unclaimed as on March 31, 2010, are given below :

(i) Number of accounts of unclaimed public deposit : 5,032
(ii) Amount of unclaimed deposit : Rs. 632.6 million

The Company has sent reminders to the investors informing that the deposits have matured and requested them to claim the same.

OPERATIONAL REVIEW

The Company continued to serve as the focal point for marketing, distribution and servicing of mortgage products.

The Company keenly looks at every step in the value chain of real estate, as a business opportunity for the Company. This starts as a property transaction for developers & individuals and culminates when an end user moves into a property.

In addition, the Company has focused on sourcing Fixed Deposits. With the help of a dedicated team, deposits worth Rs. 22,234.2 million were mobilised during the fiscal 2010. The Company's Fixed Deposits have received the highest credit ratings of "MAAA" by ICRA and "CARE AAA (FD) " by CARE.

DIRECTORS

During the year under review, Sandeep Bakhshi, Chairman and Vijay Chandok, Vice Chairman, who were nominated in the Board since May 1, 2009 and April 13, 2009 respectively ceased to be the Directors due to withdrawal of their nominations by the ICICI Bank Limited (the Bank), holding company, effective from April 8, 2010. In their place, the Bank has nominated Rajiv Sabharwal and Maninder Juneja as Directors and they were elected as Chairman and Vice Chairman effective April 8, 2010 respectively. Pursuant to powers under the Article 129 of Articles of Association of the Company, Sanjeev Sehrawat was nominated as additional Director and Managing Director & CEO effective from December 7, 2009 by the Bank in place of Rahul Mallick. Further the nomination of Sanjeev Sehrawat was also withdrawn by the Bank effective April 8, 2010 and Harshil Mehta was nominated as additional Director and Managing Director & CEO effective from April 8, 2010, Rajiv Sabharwal, Maninder Juneja and Harshil Mehta will be holding their office as Directors, till the ensuing Annual General Meeting (AGM) and they are eligible for reappointment.

Dileep C. Choksi was appointed as additional Director effective September 25, 2009 and will be holding his office as Director, till the ensuing AGM. He is eligible for re-appointment.

The Company has received notices along with required deposit, under Section 257 of the Companies Act, 1956 from a member, signifying his intention to propose the candidatures of Dileep C. Choksi, Rajiv Sabharwal, Maninder Juneja and Harshil Mehta for their appointment as Directors on the Board, at the ensuing AGM. S. Santhanakrishnan, who is the longest in office as Director, will be retiring by rotation at the ensuring AGM and being eligible, has offered himself for re-appointment.

AUDITORS

S. R. Batliboi & Co., Chartered Accountants, Mumbai, will retire at the ensuing AGM. As recommended by the Audit Committee, the Board, at its meeting held on April 20, 2010, has proposed their appointment as Auditors to audit the accounts of the Company for FY2011. You are requested to consider their appointment at the ensuing AGM.

AUDIT COMMITTEE

Dileep C. Choksi was appointed as a member of Audit Committee effective October 28, 2009. Vijay Chandok ceased to be a member of the Audit Committee consequent to withdrawal of his nomination by the Bank from the Board effective April 8, 2010. Maninder Juneja was appointed as a member of Audit Committee effective April 20, 2010 by the Board.

The existing members of Audit Committee are Jayesh Gandhi, Chairman of the Committee, S. Santhanakrishnan, Dileep C. Choksi and Maninder Juneja.

FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

During the year under review, foreign exchange earnings were Rs. Nil (previous year Rs. 30.2 million). There was no foreign exchange outgo (previous year Rs. Nil) during the year under review.

PERSONNEL AND OTHER MATTERS

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 Annual Report.

Since the Company does not own or carry out any manufacturing facility, the disclosure of information on other matters required to be disclosed in terms of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable and hence not given. As per listing agreement, the disclosures of amount due at the end of financial year under report and the maximum amount of loans, advances and investments outstanding during the year to/ from the holding company, ICICI Bank Limited have been reported in the notes forming part of the audited accounts.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:

i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii) they have 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;

iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv) they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

The Company is grateful to the National Housing Bank and other regulatory authorities for their support and advice.

The Company would like to express its gratitude for the unstinting support and guidance received from ICICI Bank Limited and its group companies.

Your Directors would also like to express their sincere thanks and appreciation to all the employees for their commendable teamwork, exemplary professionalism and enthusiastic contribution during the year.

For and on behalf of the Board

RAJIV SABHARWAL
Chairman

April 20, 2010

auditors' report

to the Members of ICICI Home Finance Company Limited

1. We have audited the attached Balance Sheet of ICICI Home Finance Company Limited (the 'Company') as at March 31, 2010 and also 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.

2. 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.

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

4. 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.

   v. On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

   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 Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

      a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;

      b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

      c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For S. R. Batliboi & Co.
Firm Registration No.: 301003E
Chartered Accountants

per Shrawan Jalan
Partner
Membership No.: 1022102

Mumbai, April 20, 2010

ICICI Home Finance

annexure referred to in paragraph [3] of our report of even date

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

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

(c) There was no substantial disposal of fixed assets during the year.

(ii) The Company being a Housing Finance Company, the provisions related to inventories as mentioned in clause (ii) of the said order are not applicable.

(iii) (a) The Company has granted loan to one director covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 11,421,388 and the year- end balance of loans granted to such party was Rs. 10,292,532.

(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loan is not prima facie prejudicial to the interest of the Company.

(c) In respect of loan granted, repayment of the principal amount is as stipulated and payment of interest have been regular.

(d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

(e) The Company accepted eight fixed deposits from director/relatives of director covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 32,135,000 and the year-end balance of loans taken from such parties was Rs. 32,135,000.

(f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such fixed deposits are not prima facie prejudicial to the interest of the Company.

(g) The fixed deposits taken are re-payable on fixed maturity date or on demand. As informed, the depositors have not demanded repayment of any such fixed deposit during the year, thus, there has been no default on the part of the Company. The payment of interest has been regular.

(iv) 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 the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. The Company has not purchased any inventory nor sold any goods. Hence, internal control procedures over these areas have not been commented upon.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.

(vi) The Company being a "Housing Finance company" ('HFC'), sections 58A, 58AA of the Act is not applicable.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act for the products of the Company.

(ix) (a) Undisputed statutory dues including provident fund, income-tax, employees' state insurance, wealth-tax, cess have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases pertaining to professional tax, service tax, lease tax and tax deducted at source. As informed, provisions of investor education and protection fund, custom duty and excise duty are currently not applicable to the Company.

(b) According to the information and explanations given to us, undisputed dues in respect of sales-tax and labour welfare fund which were outstanding, at the year end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment
State Sales Tax	Lease tax	174,200	Financial year 2006-07	As per laws of various States	Not yet paid
State Labour Welfare Fund	Labour welfare fund	5,708	Financial year 2006-07	As per laws of various States	Not yet paid
State Labour Welfare Fund	Labour welfare fund	1,452	Financial year 2009-10	As per laws of various States	Not yet paid
State Sales Tax	Lease tax	5,986	Financial year 2006-07	As per laws of various States	Not yet paid

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, service tax, income tax, wealth tax, employees' state insurance, and cess were outstanding, at the year end, for a period of more than six months from the date they became payable.

As informed, provisions of investor education and protection fund, custom duty and excise duty are currently not applicable to the Company.

(c) According to the information and explanation given to us, the dues outstanding of income-tax on account of dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax demand	4,517,751	Assessment Year-2007-08	CIT (Appeal)

According to the information and explanations given to us, no disputed amounts payable in respect of provident fund, employees' state insurance, service tax, wealth tax, sales tax and cess were outstanding, at the year end.

As informed, provisions of investor education and protection fund, custom duty and excise duty are currently not applicable to the Company.

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, we are of the opinion that the Company has generally maintained adequate records in cases where the Company has granted loans and advances on the basis of security of it own fixed deposits.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.

(xiv) In respect of dealing/trading in shares, securities and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities and other investments have been held by the Company, in its own name.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilisation have been gainfully invested in liquid investments payable on demand. The maximum amount of idle/surplus fund invested in liquid investments during the year was Rs. 26,790,194,709 of which Rs. 9,919,565,460 was outstanding at the end of the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.

(xix) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 4,000 bonds of Rs. 1,000,000 each. The Company has created security or charge in respect of bonds issued.

(xx) The Company has not raised any money by public issues during the year.

(xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company was noticed or reported during the year, although there have been few instances of loans becoming doubtful of recovery consequent upon fraudulent misrepresentation by borrowers, the amounts whereof is Rs. 67,656,629 and have been provided in the books of account.

For S. R. Batliboi & Co.
Firm Registration No.: 301003E
Chartered Accountants

per Shrawan Jalan
Partner
Membership No.: 102102

Mumbai, April 20, 2010

balance sheet

as at March 31, 2010

	Schedule		March 31, 2010	(Rs. in 000's) March 31, 2009
I SOURCES OF FUNDS				
(1) Shareholders' Funds:				
A. Share Capital	I	10,987,500		10,987,500
B. Reserves and Surplus	II	1,826,290		1,466,438
			12,813,790	12,453,938
(2) Loan Funds:				
Secured Loans	III		14,862,200	10,700,000
Unsecured Loans	IV		100,473,058	106,912,457
			128,149,048	130,066,395
II APPLICATION OF FUNDS				
(1) Fixed Assets:	V			
A. Gross Block		674,727		62,170
B. *Less:* Accumulated Depreciation & Amortisation		11,698		2,069
C. Net Block			663,029	60,101
Capital Work in Progress			4,840	—
(2) Investments	VI		13,279,733	15,697,960
(3) Deferred Tax Asset (Net) [refer note 2(b)]			414,909	392,621
(4) Loans and Other Credit Facilities	VII		111,468,830	111,144,834
(5) Current Assets, Loans and Advances:	VIII			
A. Sundry Debtors		47,679		94,252
B. Cash and Bank Balances		3,085,188		4,687,326
C. Current Assets		1,069,613		1,172,305
D. Loans and Advances		4,004,900		430,882
		8,207,380		6,384,765
Less:				
Current Liabilities and Provisions:	IX			
A. Current Liabilities		5,026,663		2,872,945
B. Provisions		863,010		740,941
		5,889,673		3,613,886
Net Current Assets and Advances			2,317,707	2,770,879
			128,149,048	130,066,395
Notes to Accounts	XV			

profit and loss account

for the year ended March 31, 2010

	Schedule	March 31, 2010	(Rs. in 000's) March 31, 2009
Income			
Income from Operations	X	14,668,182	14,053,528
Other Income	XI	1,231,904	667,714
		15,900,086	14,721,242
Expenditure			
Interest, Other Financial Charges & Expenses on Borrowings	XII	11,825,708	10,087,090
Employee Cost	XIII	828,941	978,775
Establishment and Other Expenses	XIV	1,087,577	1,604,856
Depreciation		9,629	2,984
Provision/(write back) of Contingencies		8,880	21,290
Provision and Write off Against Non-Performing Assets		304,164	97,999
Provision Against Standard Assets		(20,225)	144,787
		14,044,674	12,937,781
Less : Expenses Recovered		286,624	60,443
		13,758,050	12,877,338
Profit before Taxation		2,142,036	1,843,904
Less: Income-tax Expense			
Current Tax		550,000	510,000
Provision for Tax of Earlier Years (net)		7,122	7,596
Deferred Tax		(22,288)	(110,358)
Wealth Tax		432	—
Fringe Benefit Tax		—	8,000
Profit after Taxation		1,606,770	1,428,666
Add : Balance Brought Forward from Previous Year		298,501	106,273
Profit available in appropriation account		1,905,271	1,534,939
Appropriations			
Special Reserve		330,000	370,000
Dividend			
– on Equity Shares - Interim (including Rs. 158,722,697 corporate dividend tax, March 2009 - Rs. 125,858,597)		1,092,660	866,421
– on Preference Shares (including Rs. Nil corporate dividend tax, March 2009 - Rs. 2,424)		—	17
Proposed Dividend			
– on Equity Shares (including Rs. 22,407,908 corporate dividend tax, March 2009 - Rs. Nil)		154,258	—
Balance Carried to Balance Sheet		328,353	298,501
		1,905,271	1,534,939
Earnings per share - Annualised			
(Equity shares, par value Rs. 10 each)			
Basic (Rs.)		1.46	1.42
Diluted (Rs.)		1.46	1.42
Notes to Accounts	XV		

The Schedules referred to above and the Notes to Accounts form an integral part of Balance Sheet & Profit and Loss Account

As per our report of even date
For S. R. BATLIBOI & CO.
Chartered Accountants

per SHRAWAN JALAN
Partner
Membership No.: 102102

Mumbai, April 20, 2010

For and on behalf of the Board

RAJIV SABHARWAL
Chairman

HARSHIL MEHTA
Managing Director & CEO

MANINDER JUNEJA
Vice Chairman

PANKAJ JAIN
Chief Financial Officer

SREEKANTH V. N.
Company Secretary

PRASHANT JAIN
Deputy CFO

ICICI Home Finance

forming part of the Accounts

		March 31, 2010	(Rs. in 000's) March 31, 2009
SCHEDULE – I			
SHARE CAPITAL			
Authorised			
2,385,000,000 Equity Shares of Rs. 10 each (March 2009 - 2,385,000,000)		**23,850,000**	*23,850,000*
15,000,000 Preference Shares of Rs. 10 each (March 2009 -15,000,000)		**150,000**	*150,000*
		24,000,000	*24,000,000*
Issued, Subscribed and Paid up			
1,098,750,000 Equity Shares of Rs. 10 each fully paid up (March 2009 - 1,098,750,000)		**10,987,500**	*10,987,500*
(Refer Note 2 (a) of Schedule XV)			
		10,987,500	*10,987,500*
Notes: 1. All shares are held by ICICI Bank Limited, the holding company and its nominees			
SCHEDULE – II			
RESERVES AND SURPLUS			
General Reserve			
As per last Balance Sheet		**106,393**	*106,393*
Special Reserve created and maintained in terms of			
Section 36(1)(viii) of the Income Tax Act, 1961 and NHB Act			
As per last Balance Sheet	**1,061,544**		*691,544*
Add : Transferred from Profit & Loss Account	**330,000**		*370,000*
		1,391,544	*1,061,544*
Surplus in Profit and Loss Account		**328,353**	*298,501*
		1,826,290	*1,466,438*
SCHEDULE – III			
SECURED LOANS			
Bond			
(2,000 (March 2009 - 2,000) 10.70% Secured Redeemable Non-Convertible Bond face value of Rs. 1,000,000 each redeemable at par at the end of 55 months from the date of allotment viz.July 18, 2008 or at the option of the Company earlier at par)	**2,000,000**		*2,000,000*
(Secured by charge on the immovable property and negative lien on book debts of Rs. 2,000,000,000)			
(1,800 (March 2009 - 1,800) 11.35% Secured Redeemable Non-Convertible Bond of Rs. 1,000,000 each redeemable at par at the end of 117 months from the date of allotment viz.September 23, 2008 or at the option of the Company earlier at par)	**1,800,000**		*1,800,000*
(Secured by charge on the immovable property and negative lien on book debts of Rs. 1,800,000,000)			
(3,000 (March 2009 - 3,000) 10.75% Secured Redeemable Senior Bond of Rs. 1,000,000 each redeemable at par at the end of 120 months from the date of allotment viz.March 18, 2009 or at the option of the Company earlier at par)	**3,000,000**		*3,000,000*
(Secured by charge on the immovable property and negative lien on the assets of the Company)			
(4,000 (March 2009 - Nil) 9.29% Secured Redeemable Senior Bond of Rs. 1,000,000 each redeemable at par at the end of 120 months from the date of allotment viz.November 25, 2009 or at the option of the Company earlier at par)			
(Secured by charge on the immovable property and negative lien on the assets of the Company)	**4,000,000**		*—*
		10,800,000	*6,800,000*
(Maximum outstanding during the period Rs. 10,800,000,000, March 2009 - Rs. 6,800,000,000)			
(Secured by the individual housing loans)			
National Housing Bank		**4,062,200**	*3,900,000*
(Due within a year - Rs. 790,200,000, March 2009 – Rs. 585,000,000)			
(Secured by the individual housing loans)			
		14,862,200	*10,700,000*
SCHEDULE – IV			
UNSECURED LOANS			
Loans from Holding Company - Subordinated Debts		**4,199,445**	*4,199,445*
(Due within a year - Nil March 2009 - Nil)			
Loans from Holding Company - Other Loans		**8,600,000**	*9,000,000*
(Due within a year - Nil, March 2009 - Rs. 9,000,000,000)			
Short Term Loans from Banks		**1,474,481**	*860,614*
Other Loans from Banks		**27,409,883**	*40,340,501*
(Due within a year Rs. 11,866,787,909, March 2009 - Rs. 28,359,314,322)			
Commercial Paper	**4,050,000**		*12,300,000*
(Maximum outstanding during the period Rs. 12,300,000,000 March 2009 - Rs. 29,350,000,000)			
Less : Unamortised interest	**106,016**		*607,661*
		3,943,984	*11,692,339*
Bond - Private Placement	**16,043,000**		*12,853,000*
Bond - Subordinated Debt Private Placement	**3,343,000**		*1,273,000*
(Maximum outstanding during the period Rs. 19,886,000,000 March 2009 - Rs. 14,126,000,000)		**19,386,000**	*14,126,000*
Fixed Deposits		**35,459,265**	*26,693,558*
{includes deposits from banks Rs. 576,000,000 (March 2009 - Rs. 33,500,000) and from corporates Rs. 4,421,806,888 March 2009 – Rs. 2,393,265,000)}			
{Principal amount due within a year – Rs. 18,371,113,385 March 2009 - Rs. 11,218,394,146}			
(Floating charge has been created on Government Securities and Fixed Deposit with Banks (SLR Securities) of Rs. 5,049,478,187, March 2009 - Rs. 2,590,082,503 as per NHB Directions)			
Fixed Deposit accepted from Directors and their relatives Rs. 31,857,000, March 2009 - Rs. 372,000)		**100,473,058**	*106,912,457*

(Rs. in 000's)

SCHEDULE – V FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	At April 01, 2009	Additions	Deductions	At March 31, 2010	*At April 01, 2009*	For the period	Adjustments/ deductions	At March 31, 2010	At March 31, 2010	*At March 31, 2009*
Tangible Asset:										
Office Building*	*23,849*	**598,993**	**—**	**622,842**	*192*	**2,826**	**—**	**3,018**	**619,824**	*23,657*
Improvements to Leasehold Property	*8,597*	**511**	**—**	**9,108**	*956*	**2,707**	**—**	**3,663**	**5,445**	*7,641*
Computers	*3,578*	**1,716**	**—**	**5,294**	*345*	**845**	**—**	**1,190**	**4,104**	*3,233*
Office Equipments	*22,780*	**1,189**	**—**	**23,969**	*472*	**1,267**	**—**	**1,739**	**22,230**	*22,308*
Furniture	*2,259*	**653**	**—**	**2,912**	*103*	**232**	**—**	**335**	**2,577**	*2,156*
Intangible Asset:										
Software	*1,107*	**9,495**	**—**	**10,602**	*1*	**1,752**	**—**	**1,753**	**8,849**	*1,106*
Total	*62,170*	**612,557**	**—**	**674,727**	*2,069*	**9,629**	**—**	**11,698**	**663,029**	*60,101*
Previous year (March 31, 2009)	27,422	62,170	27,422	62,170	22,364	2,984	23,279	2,069	60,101	

*1. A negative charge on the Gross Block of Office Building amounting to Rs. 23,849,140 has been created on Secured Bonds.
2. Registration of RPG Tower, Andheri property worth Rs. 598,530,000 is pending at Registrar of Stamps, though application is filed.

	March 31, 2010 (Audited)	(Rs. in 000's) *March 31, 2009*
SCHEDULE – VI		
INVESTMENTS - (Fully Paid up)		
Long Term Investments - (Non Trade-Qouted)		
Government Securities (Face value - Rs. 2,263,990,000, March 2009 - Rs. 833,990,000)	**2,249,656**	*876,590*
Long Term Investments - (Non Trade-Unqouted)		
7,340,000 Equity Shares of Asset Reconstruction Company (India) Limited of Face value – Rs. 10 each (March 2009 - 7,340,000)	**513,800**	*513,800*
Investment in companies under the same management		
5,000,000 13.75% Cumulative Preference Shares of ICICI Securities Limited of Face value – Rs. 100 each (March 2009 - 5,000,000)	**500,000**	*500,000*
Current Investments (Quoted)		
Government Securities (Non Trade)		
(Face value - Rs. 100,000,000, March 2009 - Rs. 475,252,250)	**96,711**	*475,252*
Mutual Fund		
Liquid Plan (Refer Note 2(q)(i) of Schedule XV)	**9,919,566**	*13,332,318*
(Investment in companies under the same management - Nil, March 2009 - Rs. Nil)		
	13,279,733	*15,697,960*
Aggregate amount of quoted investments	**2,346,367**	*1,351,842*
Aggregate amount of unquoted investments	**1,013,800**	*1,013,800*
Market value of quoted investments	**2,285,029**	*1,319,097*
Repurchase price (NAV) of mutual fund units	**9,922,854**	*13,341,357*
SCHEDULE – VII		
LOAN AND OTHER CREDIT FACILITIES		
Housing Loans	**66,619,016**	*54,316,755*
Loan against Property, Corporate Realty Finance and Others	**45,315,164**	*57,022,260*
	111,934,180	*111,339,015*
Considered Good	**110,030,442**	*110,637,965*
Considered Doubtful	**1,903,738**	*701,050*
Less: Provisions	**465,350**	*194,181*
(Refer Note No. 2(l) of Schedule XV)	**111,468,830**	*111,144,834*
SCHEDULE – VIII		
CURRENT ASSETS, LOANS AND ADVANCES		
A. Sundry Debtors		
Debts outstanding for a period exceeding six months		
– Unsecured, considered good	**—**	*—*
– Unsecured, considered doubtful	**3,058**	*267,021*
Other Debts		
– Unsecured, considered good	**47,679**	*94,252*
– Unsecured, considered doubtful	**116,910**	*3,072*
	167,647	*364,345*
Less : Provision for doubtful debts	**119,968**	*270,093*
(Dues from the companies under the same management (ICICI Bank Limited) - Rs. 1,629,652, March 2009 - Rs. 52,947,954)		
	47,679	*94,252*

	March 31, 2010 (Audited)	(Rs. in 000's) *March 31, 2009*
B. Cash and Bank balances:		
Balances with scheduled banks		
– in current accounts	**344,460**	*3,449,086*
– in deposit accounts	**2,740,728**	*1,238,240*
	3,085,188	*4,687,326*
C. Current Assets:		
Interest accrued on loans	**976,347**	*1,109,950*
Income accrued on investments	**46,150**	*32,841*
Interest accrued on bank deposits	**47,116**	*29,514*
	1,069,613	*1,172,305*
D. Loans and Advances:		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	**597,231**	*43,378*
(Net of provision of Rs. 1,750,602, March 2009 - Rs. Nil)		
(Dues from the companies under the same management (ICICI Bank Limited)- Rs. 593,411,850, March 2009 - Rs. 34,128,182, Maximum outstanding (ICICI Bank Limited)- Rs. 1,434,243,365, March 2009 - Rs. 1,186,907,586))		
Other assets	**3,000,000**	*2,212*
(Net of provision of Rs. 2,294,152, March 2009 - Rs. Nil)		
(Dues from the companies under the same management - Nil (March 2009 - Rs. Nil), Maximum outstanding - Rs. Nil (March 2009 - Rs. Nil))		
Deposits	**142,111**	*170,807*
(Net of provision of Rs. 30,926,590, March 2009 - Rs. 3,560,940)		
(Dues from the companies under the same management - Nil (March 2009 - Rs. Nil), Maximum outstanding - Rs. Nil (March 2009 - Rs. Nil))		
Advance income tax (net) $	**265,558**	*214,485*
($ Includes Advance Fringe Benefit Tax net of provisions Rs. 530,000 , March 2009 - Rs. 530,000)		
	4,004,900	*430,882*
SCHEDULE – IX		
CURRENT LIABILITIES AND PROVISIONS		
A. Current liabilities:		
Sundry creditors (other than MSMED parties) #		
(a) Total outstanding dues of Micro and Small Enterprises	**4,461**	*3,535*
(b) Total outstanding dues to creditors other than Micro and Small Enterprises	**189,654**	*344,298*
Interest accrued but not due	**3,170,707**	*1,691,137*
Undisputed statutory dues	**163,710**	*172,011*
Other liabilities	**1,496,044**	*462,910*
Book overdraft	**2,087**	*199,054*
# (Refer Note No. 2(r) of Schedule XV)	**5,026,663**	*2,872,945*

	March 31, 2010 (Audited)	(Rs. in 000's) March 31, 2009
B. Provisions:		
Provision for gratuity	**7,974**	*9,985*
Provision for other staff benefits	**121,506**	*84,765*
Provision for contingencies	**234,212**	*225,332*
Other provisions*	**345,060**	*367,624*
Proposed dividend**	**154,258**	*53,235*
	863,010	*740,941*

** Includes provision for standard assets Rs. 341,098,321 (March 2009 - Rs. 361,323,594)*

*** Includes corporate dividend tax payable on (i) Interim dividend -.Nil (March 2009 - Rs. 53,221,204 and (ii) proposed final dividend - Rs. 22,407,908)*

SCHEDULE – X
INCOME FROM OPERATIONS

Interest income	**13,656,306**	*12,833,877*
(Gross, Tax deducted at source – Rs. 232,480,936, March 2009 – Rs. 284,246,345)		
Fee income	**1,011,876**	*1,219,651*
(Gross, Tax deducted at source – Rs. 81,619,761, March 2009 – Rs. 124,478,827)		
	14,668,182	*14,053,528*

SCHEDULE – XI
OTHER INCOME

Interest received	**299,246**	*99,315*
(Gross, Tax deducted at source – Rs. 14,979,348, March 2009 – Rs. 10,605,862)		
Profit on sale of mutual fund units	**390,152**	*5,296*
Profit on sale of GOI securities	**8,564**	*6,044*
Dividend income	**511,218**	*534,982*
Rent income	**12,672**	—
Miscellaneous income	**10,052**	*22,077*
(Gross, Tax deducted at source – Rs. 53,387 (March 2008 – Nil)		
	1,231,904	*667,714*

SCHEDULE – XII
INTEREST, OTHER FINANCIAL CHARGES & EXPENSES ON BORROWINGS

Interest Expense on:		
Loans from banks	**4,765,973**	*4,989,822*
Commercial paper	**762,388**	*1,943,045*
Fixed deposits	**3,373,877**	*1,480,144*
Bonds	**2,645,252**	*1,390,810*
Other Charges		
Brokerage on fixed deposits	**177,731**	*188,707*
Bank charges	**7,452**	*14,171*
Other financial charges	**93,035**	*80,391*
	11,825,708	*10,087,090*

SCHEDULE – XIII
EMPLOYEE COST

Salaries, wages and bonus	**753,360**	*909,501*
Contribution to gratuity fund	**9,063**	*6,358*
Contribution to provident and other funds	**52,655**	*57,693*
Staff welfare expenses	**13,863**	*5,223*
	828,941	*978,775*

SCHEDULE – XIV
ESTABLISHMENT AND OTHER EXPENSES

Advertisement and sales promotion	**94,591**	*140,852*
Customer acquisition cost	**280,724**	*653,598*
Professional and legal charges	**386,785**	*335,482*
Rent	**96,347**	*74,567*
Communication	**38,886**	*45,234*
Travelling and conveyance	**27,419**	*52,294*
Loss on sale of fixed assets / written off	—	*3,810*
Printing and stationery	**12,037**	*19,762*
Audit fees (Refer note 2(o) of Schedule XV)	**3,000**	*3,225*
Insurance	**16,840**	*6,865*
Electricity	**24,452**	*30,255*
Rates & Taxes	**11,873**	*7,154*
Repairs and maintenance - others	**61,048**	*34,373*
Office expenses	**10,761**	*25,072*
Directors sitting fees	**420**	*440*
Donation	**6,210**	*2,012*
Computer consumable	**2,079**	*5,110*
Miscellaneous expenses	**14,105**	*164,751*
	1,087,577	*1,604,856*

SCHEDULE – XV
NOTES TO ACCOUNTS

1. Significant Accounting Policies

a) Basis of Preparation

The financial statements have been prepared to comply in all material respects in respects with the Notified accounting standard by Companies (Accounting Standards) Rules, 2006 as amended and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the Company are consistent with those used in the previous year.

b) Use of Estimates

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

c) Revenue Recognition

Interest income/fees on housing loan is accounted for on accrual basis, except interest on non-performing assets and charges for delayed payments and cheque bouncing, if any, which is accounted for on cash basis.

Dividend is accounted on an accrual basis when the right to receive the dividend is established.

Property Service Fee, Mortgage Valuation Fee, Event Fee and Referral Fee income are recognised to the extent of invoice raised on the customer.

Expense recovery from the Parent company is recognised as per the sharing arrangement.

d) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and net realisable value, category-wise.

Long-term investments are carried at their acquisition cost or at amortised cost, if acquired at a premium over the face value. Any premium over the face value of the securities acquired is amortised over the remaining period to maturity on a constant yield basis. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

Cost such as brokerage, commission etc., pertaining to investment, paid at the time of acquisition, are included in investment cost.

e) Provisions/write-offs on Loans and Other Credit Facilities

i) Loans and other credit facilities are classified as per the National Housing Bank (NHB) guidelines, into performing and non-performing assets. Further non-performing assets are classified into sub-standard, doubtful and loss assets based on criteria stipulated by NHB. Additional provisions are made against specific non- performing assets over and above stated in NHB guidelines, if in the opinion of the management, increased provisions are necessary.

ii) The Company maintains general provisions to cover potential credit losses, which are inherent in any loan portfolio but not identified. For standard assets, additional general provisions are determined having regard to overall portfolio quality, asset growth, economic conditions and other risk factors.

f) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

g) Depreciation

Depreciation on assets is charged on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956, except in case of computer software where depreciation is provided @20% per annum which is higher than the depreciation rate for computers prescribed in Schedule XIV of the Companies Act, 1956. The intangible assets (software) are amortised over a period of five years. The improvements to leasehold property are amortised over its minimum contractual lease period.

h) Retirement and other employee Benefits

i) Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

ii) Gratuity liability is defined benefit obligations and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each quarter.

iii) Long term compensated absences are provided based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

iv) Actuarial gains/losses are immediately taken to Profit and Loss account and are not deferred.

i) Income Tax

Tax expense comprises of current, deferred, wealth and fringe benefit tax. Current income tax and fringe benefit tax is measured at the expected amount to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realised.

j) Transfer and Servicing of Financial Assets

The Company transfers loans to bankruptcy remote Special Purpose Vehicles through securitisation transactions. The transferred loans are derecognised from the books of the Company and gains / losses are recorded, only if the Company surrenders the rights to benefits specified in the loan contract. Credit provisions and servicing obligations are debited separately to the Profit and Loss account. Retained beneficial interest in the loan is measured by allocating the carrying values of the loans between the assets sold and retained interest, based on the relative fair value measured at the date of securitisation. The carrying value of the retained beneficial interest is estimated at each reporting period end based on the forecasted cash flows from the assets securitised after adjusting for projected delinquencies, prepayments, etc. The resultant gains/ losses if any are recorded in to the Profit and Loss account.

k) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

l) Accounting for Swaps

The Company enters into derivative contracts such as interest rate swaps to hedge Balance Sheet assets and liabilities. The swap contracts entered to hedge balance sheet assets and liabilities are structured such that they bear an opposite and offsetting impact with the underlying on-Balance Sheet items. The impact of such derivative instruments are correlated with the movements of the underlying assets and liabilities and accounted pursuant to the principles of hedge accounting whereby interest differential received/paid is adjusted from/to interest expenses. The related amount receivable from and payable to the swap counter parties is included in the Other Assets or Other Liabilities in the Balance Sheet. As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement.

m) Impairment

i) The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

ii) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

n) Provision

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

o) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases.

p) Cash and Cash equivalents

Cash and cash equivalents in the Balance Sheet comprise of cash at bank and in hand and short term investments with an original maturity of three months or less.

2. Notes to accounts

a) The preference shares for Rs. 150,000,000 were allotted on March 14, 2002 and were convertible into equity shares at the option of the preference shareholder after completion of one year but before completion of seven years from the date of allotment in the ratio of 1:1. These preference shares were converted into one fully paid-up equity share of Rs. 10 each for every preference share of Rs. 10 held on March 14, 2009.

b) **Deferred Tax:**

The composition of deferred tax assets and liabilities into major items is given below:

(Rs. in 000's)

Particulars	As at March 31, 2010	*As at March 31, 2009*
Deferred tax assets:		
Provision for doubtful debts & future servicing & other liability of securitisation	**408,435**	*361,267*
Retirement benefits	**16,910**	*32,205*
Less: **Deferred tax liability:**		
Depreciation	**(10,436)**	*(851)*
Net Deferred tax asset	**414,909**	*392,621*

c) Loans given by the Company are secured by the underlying property except loans to the tune of Rs. 9,438,351 (March 2009 - Rs. 2,774,599,929) which are unsecured in nature.

Loans and other credit facilities includes:

i) loan outstanding of Rs. 390,262,059 (March 2009 - Rs. Nil) which is secured by way of capital market exposure;

ii) loan outstanding of Rs. 10,292,532 (March 2009 - Rs. 11,421,388) given to Managing Director of the Company prior to his appointment;

d) Loans and other credit facilities include subordinated interest of Rs. 272,414,491 (March 2009 - Rs. 300,704,395) in the underlying trust property of housing loans of Mortgage Backed Securitisation.

e) During the year, the Company has paid stamp duty amounting to Rs. Nil (March 2009-Rs. 3,310,563) along with penalty for Rs. Nil (March 2009 - Rs. 2,251,183) as per final assessment order of the Superintendent of Stamps, Mumbai on merger of the ICICI Distribution Finance Private Limited with ICICI Home Finance Company Limited. The Company has paid an amount of Rs. 106,477 (March 2009 - Rs. Nil) as penalty towards late payment of professional tax for Financial Year 2007-08, 2008-09 and 2009-10.

f) **Earnings Per Share:**

The computation of earnings per share is given below:

(Rs. in 000's)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
BASIC		
Weighted average number of Equity Shares outstanding during the year (Nos.)	**1,098,750**	*1,004,627*
Net Profit (Net of preference dividend & the dividend tax)	**1,606,770**	*1,428,666*
Basic Earnings Per Share (Rs.) – annualised	**1.46**	*1.42*
DILUTED		
Diluted number of Equity Shares (Nos.)	**1,098,750**	*1,004,627*
Net Profit	**1,606,770**	*1,428,666*
Diluted Earnings Per Share (Rs.) – annualised	**1.46**	*1.42*
Face value of Equity Shares (Rs.)	**10**	*10*

g) **Segment Information:**

The Company is engaged in the business of providing loans for purchase, construction, repairs and renovation etc., of houses / flats to individuals, corporate bodies, builders and co-operative housing societies and has its operations within India. There being only one 'business segment' and 'geographical segment', hence the segment information is not provided.

h) Interest expense includes Rs. (68,254,349) (March 2009 - Rs. 87,186,120-expense) being interest expenses/(income) booked on the Interest Rate Swaps (IRS). During the year, the Company has also earned an income of Rs. Nil (March 2009 - Rs. 84,900,000) on termination of SWAP deal. The notional principal of hedge IRS as at March 31, 2010 is Rs. 5,500,000,000 (March 2009 - Rs. 1,250,000,000). During the year, the Company has entered Interest Rate Swap (IRS) transactions amounting to Rs. 4,250,000,000 (March 2009 - Rs. 1,750,000,000).

i) The Company has been providing for gratuity and leave encashment based on actuarial valuation as per the Accounting Standard on Accounting for Retirement Benefits (AS-15 revised). Accordingly the Company has provided for gratuity and leave encashment based on actuarial valuation done as per Projected Unit Credit Method and Projected Accrued Benefit Method respectively.

The Company has a defined benefit gratuity plan. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company has also provided leave encashment benefits to the employees. These benefits are unfunded.

The following tables summarise the components of net benefit expense recognised in the Profit and Loss account and the funded status and amounts recognised in the Balance Sheet for the respective plans (based on February 28, 2010 employees detail).

Profit and Loss account:

Net employee benefit expense (Recognised in Employee Cost):

Gratuity		(Rs. in 000's)
Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Current service cost	16,172	12,409
Interest on defined benefit obligation	4,978	3,009
Expected return on plan assets	(4,322)	(1,674)
Net actuarial (gains) / losses recognised in the year	(7,765)	(7,386)
Past service cost	—	—
Net employee benefit expenses	9,063	6,358
Actual return on plan assets	6,084	2,081

Balance Sheet:

Details of Provision for gratuity & leave encashment:

				(Rs. in 000's)
	Gratuity		Leave Encashment	
Particulars	As at March 31, 2010	As at March 31, 2009	As at March 31, 2010	As at March 31, 2009
Present value of funded obligations	72,808	59,991	*41,817	39,488
Fair value of plan assets	(64,834)	(50,006)	—	—
Net Liability	7,974	9,985	41,817	39,488
Less: Unrecognised past service cost	—	—	—	—
Plan asset/(liability)	(7,974)	(9,985)	(41,817)	(39,488)

*Includes short term leave encashment provision of Rs. 3,936,813

Changes in the present value of the defined benefit obligation are as follows:

Gratuity		(Rs. in 000's)
Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Opening defined benefit obligation	59,991	22,738
Interest cost	4,978	3,009
Current service cost	16,172	12,409
Benefits paid	(2,330)	—
Actuarial (gains) / losses on obligation	(6,003)	(6,979)
Closing defined benefit obligation	72,808	59,991

Changes in the fair value of plan assets are as follows:

Gratuity		(Rs. in 000's)
Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Opening fair value of plan assets	50,006	18,455
Expected return on plan assets	4,322	1,674
Contributions by employer	11,074	656
Benefits paid	(2,330)	—
Actuarial gains / (losses)	1,762	407
Closing fair value of plan assets	64,834	50,006
Expected employer's contribution next year	10,000	15,000

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Gratuity		(Rs. in 000's)
Particulars	As at March 31, 2010	As at March 31, 2009
	%	%
Investments with insurer managed funds	100%	100%

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	Gratuity		Leave Encashment	
Particulars	As at March 31, 2010 %	As at March 31, 2009 %	As at March 31, 2010 %	As at March 31, 2009 %
Discount rate	7.75%	6.85%	7.75%	6.85%
Expected rate of return on assets	8.00%	8.00%	—	—
Increase in compensation cost	7.00%	7.00%	7.00%	7.00%

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.

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.

Salary Escalation Rate:

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

Retirement Age:

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

Leaving Service:

Rates of leaving service at specimen ages are as shown below:

Age (Years)	Rates
21 – 24	23.00%
25 – 29	26.00%
30 – 34	22.00%
35 – 44	16.00%
45 & Above	3.00%

Disability:

Leaving service due to disability is included in the provision made for all causes of leaving service.

Experience Adjustments

Gratuity		(Rs. in 000's)
Particulars	As at March 31, 2010	As at March 31, 2009
Defined benefit obligation	72,808	59,991
Plan assets	64,834	50,006
Surplus / (deficit)	(7,974)	(9,985)
Experience adjustments on plan liabilities	1,295	2,552
Experience adjustments on plan assets	1,762	407

Leave Encashment		(Rs. in 000's)
Particulars	As at March 31, 2010	As at March 31, 2009
Defined benefit obligation	41,817	39,488
Experience adjustments on plan liabilities	Not determined	Not determined

j) **Related Party Disclosure:**

Consequent to the mandatory Accounting Standard – 18 issued by ICAI on "Related Party Disclosure" following persons will be considered as related persons for the year ended March 31, 2010.

Sr. No.	Name of the Related Party	Nature of Relationship
01	ICICI Bank Limited	Holding Company
02	ICICI Securities Limited	Fellow Subsidiary/ Fellow Entity
03	ICICI Securities Primary Dealership Limited	- do -
04	ICICI Prudential Life Insurance Company Limited	- do -
05	ICICI Lombard General Insurance Company Limited	- do -
06	ICICI Securities Inc.	- do -
07	ICICI Securities Holdings Inc.	- do -
08	ICICI Venture Funds Management Company Limited	- do -
09	ICICI Trusteeship Services Limited	- do -
10	ICICI Investment Management Company Limited	- do -
11	ICICI International Limited	- do -
12	ICICI Bank UK PLC	- do -
13	ICICI Bank Canada	- do -
14	ICICI Bank Eurasia LLC.	- do -
15	ICICI Eco-net Internet and Technology Fund	- do -
16	ICICI Equity Fund	- do -
17	ICICI Emerging Sectors Fund	- do -
18	ICICI Strategic Investments Fund	- do -
19	ICICI Prudential Asset Management Company Limited	-do -
20	ICICI Prudential Trust Limited	- do -
21	TCW/ICICI Investment Partners LLC	- do -
22	ICICI Kinfra Limited	- do -
23	ICICI West Bengal Infrastructure Development Corporation Limited	- do -
24	Loyalty Solutions & Research Limited	- do -
25	ICICI Prudential Pension Funds Management Company Limited	- do -
26	ICICI Venture Value Fund (IVVF)	- do -
27	I-Ven Biotech Limited	- do -

forming part of the Accounts

Continued

Sr. No.	Name of the Related Party	Nature of Relationship
28	I-Solutions Providers (India) Private Limited	Associate
29	ICICI Foundation for Inclusive Growth	- do -
30	Rahul Mallick, Managing Director and CEO (September 1, 2008 to December 6, 2009)	Key Management Personnel
31	Sanjeev Sehrawat, Managing Director and CEO (w.e.f. December 7, 2009)	Key Management Personnel

The following are the details of transactions with related parties:

(Rs. in 000's)

Particulars	Holding Company	Fellow Subsidiary/ Associate Company	Key Management Personnel	Total
ASSETS				
Asset Purchased	570,000	—	—	**570,000**
	(58,315)	(—)	(—)	**(58,315)**
Loans & other credit facilities	—	—	10,293	**10,293**
	(—)	(—)	(11,421)	**(11,421)**
Investment in Shares	—	500,000	—	**500,000**
	(—)	(500,000)	(—)	**(500,000)**
Purchase of G-sec	—	279,137	—	**279,137**
	(—)	(—)	(—)	**(—)**
Transaction fees	50	—	—	**50**
	(—)	(—)	(—)	**(—)**
Bank Balance (Including interest outstanding on Fixed Deposit)	711,285	—	—	**711,285**
	(3,772,707)	(—)	(—)	**(3,772,707)**
Amount recoverable on account of expenses (Including interest	151,151	—	—	**151,151**
	(—)	(—)	(—)	**(—)**
Fee Receivable	1,581	11,196	—	**12,777**
	(4,952)	(30,708)	(—)	**(35,660)**
Other Receivable	499,551	—	—	**499,551**
	(143,115)	(18,933)	(—)	**(162,048)**
LIABILITIES				
Equity Share Capital	10,987,500	—	—	**10,987,500**
	(10,987,500)	(—)	(—)	**(10,987,500)**
Preference Share Capital	—	—	—	**—**
	(—)	(—)	(—)	**(—)**
Loan From Holding Company	8,600,000	—	—	**8,600,000**
	(9,000,000)	(—)	(—)	**(9,000,000)**
Sub - Debt Loan	4,199,445	—	—	**4,199,445**
	(4,199,445)	(—)	(—)	**(4,199,445)**
Commercial Paper	—	—	—	**—**
	(—)	(570,381)	(—)	**(570,381)**
Bonds	—	1,996,000	—	**1,996,000**
	(—)	(1,247,000)	(—)	**(1,247,000)**
Bank Overdraft	324,481	—	—	**324,481**
	(860,614)	(—)	(—)	**(860,614)**
Book Overdraft	22,614	—	—	**22,614**
	(196,958)	(—)	(—)	**(196,958)**
Accrued Interest on Bond	—	77,608	—	**77,608**
	(—)	(22,080)	(—)	**(22,080)**
Amount payable on account of expenses (Including interest accrued but not due on unsecured loans)	11,856	1,804	—	**13,660**
	(135,938)	(2,700)	(—)	**(138,638)**
Proposed Equity Dividend	131,850	—	—	**131,850**
	(—)	(—)	(—)	**(—)**
Proposed Preference Dividend	—	—	—	**—**
	(14)	(—)	(—)	**(14)**
INCOME				
Dividend Income	—	88,151	—	**88,151**
	(—)	(—)	(—)	**(—)**
Management Fee	299,877	—	—	**299,877**
	(428,031)	(—)	(—)	**(428,031)**
Valuation Fee	10,021	—	—	**10,021**
	(29,583)	(—)	(—)	**(29,583)**
Sourcing Fee	12,882	—	—	**12,882**
	(38,890)	(—)	(—)	**(38,890)**
PSG Fee	—	827	—	**827**
	(—)	(8,223)	(—)	**(8,223)**
Other Fee	—	107,719	—	**107,719**
	(—)	(184,317)	(—)	**(184,317)**
Interest on Fixed Deposit & G-Sec	48,558	2,569	—	**51,127**
	(16,433)	(—)	(—)	**(16,433)**
Income from Swap	—	—	—	**—**
	(84,900)	(—)	(—)	**(84,900)**
Profit on Sale of G-Sec	—	3,140	—	**3,140**
	(—)	(—)	(—)	**(—)**
Servicing fee	1,873	—	—	**1,873**
	(—)	(—)	(—)	**(—)**
Rent Received	13,977	—	—	**13,977**
	(3,661)	(—)	(—)	**(3,661)**
Expense Recovery	319,308	—	—	**319,308**
	(64,090)	(—)	(—)	**(64,090)**
Interest Income	—	—	1,078	**1,078**
	(—)	(—)	(693)	**(693)**
EXPENDITURE				
Interest & Other Finance Expenses	951,419	196,396	—	**1,147,815**
	(748,985)	(109,952)	(—)	**(858,937)**
DMA Commission	—	25,062	—	**25,062**
	(—)	(14,960)	(—)	**(14,960)**
Equity Dividend	1,065,787	—	—	**1,065,787**
	(740,562)	(—)	(—)	**(740,562)**
Preference Dividend	—	—	—	**—**
	(14)	(—)	(—)	**(14)**
Bank Guarantee Commission	6,394	—	—	**6,394**
	(8,693)	(—)	(—)	**(8,693)**
Staff Cost			6,177	**6,177**
	(244,052)	(—)	(—)	**(244,052)**
Insurance Premium	—	26,935	—	**26,935**
	(—)	(5,682)	(—)	**(5,682)**
DST Expenses	—	135	—	**135**
	(—)	(9,940)	(—)	**(9,940)**
Rent Paid	58,180	—	—	**58,180**
	(25,534)	(—)	(—)	**(25,534)**
Fee Expenses	—	14,030	—	**14,030**
	(—)	(20,529)	(—)	**(20,529)**
Servicing fee	52,892	—	—	**52,892**
	(—)	(—)	(—)	**(—)**
Miscellaneous	404,881	3,209	—	**408,090**
	(361,669)	(2,117)	(—)	**(363,786)**
Donation		5,622		**5,622**
	(—)	(1,992)	(—)	**(1,992)**
OTHERS				
SWAP (Notional Principal)	5,500,000	—	—	**5,500,000**
	(1,250,000)	(—)	(—)	**(1,250,000)**
Letter of Comfort	70,803,435	—	—	**70,803,435**
	(91,054,953)	(—)	(—)	**(91,054,953)**
Insurance Claim Settlement	—	—	—	**—**
	(—)	(89,872)	(—)	**(89,872)**
Sale of G-sec / Bonds	—	228,842	—	**228,842**
	(—)	(—)	(—)	**(—)**
Security deposit recovered	3,917	—	—	**3,917**
	(—)	(—)	(—)	**(—)**
Bank loan taken & repaid during the year	6,500,000	—	—	**6,500,000**
	(—)	(—)	(—)	**(—)**

Related party transactions which are in excess of 10% of the total related party transactions of similar nature are as follows:

(Rs. in 000's)

Particulars	Name of the Related Party	Year ended March 31, 2010	*Year ended March 31, 2009*
ASSETS			
Assets purchased	ICICI Bank Limited	**570,000**	*58,315*
Investment in Shares	ICICI Securities Limited	**500,000**	*500,000*
Purchase of G-sec	ICICI Securities Primary Dealership	**279,137**	*—*
Transaction fees	ICICI Bank Limited	**50**	*—*
Bank Balance (Including interest outstanding on Fixed Deposit)	ICICI Bank Limited	**711,285**	*3,772,707*

(Rs. in 000's)

Particulars	Name of the Related Party	Year ended March 31, 2010	Year ended March 31, 2009
Loans & Other credit Facility	Sanjeev Sehrawat	**10,293**	*11,421*
Amount recoverable on account of expenses	ICICI Bank Limited	**151,151**	*—*
Fee Receivable	ICICI Bank Limited	**1,581**	*4,952*
	ICICI Lombard General Insurance Company Limited	**7,005**	*—*
	ICICI Prudential Life Insurance Company Limited	**4,191**	*27,770*
Other Receivable	ICICI Bank Limited	**499,551**	*143,115*
LIABILITIES			
Equity Share Capital	ICICI Bank Limited	**10,987,500**	*10,987,500*
Proposed equity dividend	ICICI Bank Limited	**131,850**	*—*
Sub - Debt Loan	ICICI Bank Limited	**4,199,445**	*4,199,445*
Loan from Holding Company	ICICI Bank Limited	**8,600,000**	*9,000,000*
Bonds	ICICI Prudential Life Insurance Company Limited	**1,746,000**	*997,000*
	ICICI Lombard General Insurance Company Limited	**250,000**	*250,000*
Bank Overdraft	ICICI Bank Limited	**324,481**	*860,614*
Book Overdraft	ICICI Bank Limited	**22,614**	*196,958*
Accrued Interest on Bond	ICICI Prudential Life Insurance Company Limited	**59,571**	*4,042*
	ICICI Lombard General Insurance Company Limited	**18,038**	*18,038*
Amount payable on account of expenses (Including interest accrued but not due on unsecured loans & purchase of assets)	ICICI Bank Limited	**11,856**	*135,938*
INCOME			
Dividend Income	ICICI Securities Limited	**88,151**	*—*
Management Fee	ICICI Bank Limited	**299,877**	*428,031*
Interest Income	Sanjeev Sehrawat	**1,078**	*1,078*
Valuation Fee	ICICI Bank Limited	**10,021**	*29,583*
Sourcing fee	ICICI Bank Limited	**12,882**	*38,890*
Other fee	ICICI Prudential Life Insurance Company Limited	**44,102**	*79,292*
	ICICI Lombard General Insurance Company Limited	**63,617**	*96,036*
Interest on Fixed Deposit	ICICI Bank Limited	**48,558**	*16,433*
Profit on Sale of G-Sec	ICICI Securities Primary Dealership	**3,140**	*—*
Rent Received	ICICI Bank Limited	**13,977**	*3,661*
Expense Recovery	ICICI Bank Limited	**319,308**	*64,090*
Servicing Fee	ICICI Bank Limited	**1,873**	*—*
EXPENDITURE			
Interest & other Finance Expenses	ICICI Bank Limited	**951,419**	*(748,985)*
	ICICI Prudential Life Insurance Company Limited	**157,549**	*—*
DMA Commission	ICICI Securities Limited	**25,062**	*14,960*
Equity Dividend	ICICI Bank Limited	**1,065,787**	*740,562*
Bank Guarantee Commission	ICICI Bank Limited	**6,394**	*8,693*
Insurance Premium	ICICI Lombard General Insurance Company Limited	**23,950**	*5,682*
DST Expenses	I-Solutions Providers	**135**	*9,940*
Rent Paid	ICICI Bank Limited	**58,180**	*25,534*
Fee Expenses	ICICI Securities Primary Dealership	**14,030**	*20,529*
Servicing Fee	ICICI Bank Limited	**52,892**	*—*
Donation	ICICI Foundation for Inclusive Growth	**5,622**	*1,992*
Miscellaneous	ICICI Bank Limited	**404,881**	*361,699*
Staff Cost	Rahul Mallick	**4,318**	*—*
	Sanjeev Sehrawat	**1,859**	*—*
	ICICI Bank Limited	**—**	*244,052*

(Rs. in 000's)

Particulars	Name of the Related Party	Year ended March 31, 2010	Year ended March 31, 2009
OTHERS			
SWAP (Notional Principal)	ICICI Bank Limited	**5,500,000**	*1,250,000*
Letter of Comfort	ICICI Bank Limited	**70,803,435**	*91,054,953*
Sale of G-sec	ICICI Securities Primary Dealership	**228,842**	*—*
Security deposit recovered	ICICI Bank Limited	**3,917**	*—*
Bank loan taken & repaid during the year	ICICI Bank Limited	**6,500,000**	*—*

k) **(i) Classification of Loans & Other Credit Facilities (gross of provision):**

(Rs. in 000's)

Particulars	Standard	Sub Standard	Doubtful	Loss	Total
Housing Loans	65,731,706	410,036	259,493	133,074	66,534,309
	(53,948,804)	(206,028)	(78,171)	(83,752)	(54,316,755)
Other Loans	44,216,368	742,126	326,688	32,321	45,317,503
	(56,612,897)	(284,856)	(24,189)	(24,053)	(56,945,995)
Total	**109,948,074**	**1,152,162**	**586,181**	**165,395**	**111,851,812**
	(110,561,701)	**(490,884)**	**(102,360)**	**(107,805)**	**(111,262,750)**

*Figures in bracket pertain to previous year

Above break up is excluding Loan against Fixed Deposit of Rs. 82,367,756 (March 2009–Rs. 76,265,250)

(ii) Classification of Non Performing Assets:

(Rs. in 000's)

Particulars	Sub Standard	Doubtful	Loss	Total
Loans Outstanding				
Housing Loans	410,036	259,493	133,074	802,602,613
	(206,028)	(78,171)	(83,752)	(367,951)
Other Loans	742,126	326,688	32,321	1,101,135,398
	(284,856)	(24,189)	(24,053)	(333,098)
Total	**1,152,162**	**586,181**	**165,395**	**1,903,738,011**
	(490,884)	**(102,360)**	**(107,805)**	**(701,049)**
Provisions				
Housing Loans	41,004	84,332	133,074	258,410
	(20,603)	(29,938)	(83,753)	(134,294)
Other Loans	74,212	100,407	32,321	206,940
	(28,485)	(7,349)	(24,053)	(59,887)
Total	**115,216**	**184,739**	**165,395**	**465,350**
	(49,088)	**(37,287)**	**(107,806)**	**(194,181)**

*Figures in bracket pertain to previous year

(iii) A general provision of 0.40% of total outstanding amount of Non-Housing Loans, which are Standard Assets, has been made as per NHB's Direction No. NHB.HFC.DIR.18/CMD/2007 dated March 26, 2007. Moreover, the Company is also making a provision of Rs. 164,571,678 equivalent to 0.25% (March 2009-Rs. 134,872,009) of standard housing loans.

l) **Disclosure of provision for contingencies:**

(Rs. in 000's)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Servicing expenses provision on loans securitised		
Opening Balance	**4,266**	*5,738*
Utilisations/(write back)	**(1,106)**	*(1,472)*
Closing Balance	**3,160**	*4,266*
Provision for delinquencies, prepayment and conversion risk on loans securitised		
Opening Balance	**221,066**	*198,305*
Additions	**9,987**	*22,761*
Utilisations/(write back)	**—**	*—*
Closing Balance	**231,053**	*221,066*

Provision for servicing expenses of loans securitised is done upfront by the Company. At each Balance Sheet date, the Company assesses the servicing liability of securitised pool and differential amounts are written back or provided for in the books of account. The provision of the delinquencies and conversion risk as well as provision for prepayment risk on the loan portfolio sold by the Company is also made upfront and reduced from the gross capital gains on the securitisation transaction. At each Balance Sheet date, the Company assesses the delinquencies, prepayment and conversion risk of securitised pool and differential amounts are written back/ provided in the books of account.

m) **Managerial Remuneration:**

i) Rahul Mallick (Period April 01, 2009 to December 06, 2009)

(Rs. in 000's)

Particulars	**From April 01, 2009 to December 06, 2009**	*Year ended March 31,2009*
Salary	**3,667**	—
Contribution to PF and other Funds	**205**	—
Other Perquisites	**446**	—
Total	**4,318**	—

ii) Sanjeev Sehrawat (From December 07, 2009)

(Rs. in 000's)

Particulars	**Year ended March 31, 2010**	*Year ended March 31,2009*
Salary	**1,511**	—
Contribution to PF and other Funds	**101**	—
Other Perquisites	**247**	—
Total	**1,859**	—

n) **Auditors' remuneration (excluding service tax):**

(Rs. in 000's)

Particulars	**Year ended March 31, 2010**	*Year ended March 31, 2009*
Statutory Audit fees	**1,700**	*1,700*
Tax audit fees	**300**	*300*
Certification & other charges	**1,000**	*1,225*
Total	**3,0000**	*3,225*

o) The Company has recovered the following common expenses (as per the sharing arrangement) from ICICI Bank Limited:

(Rs. in 000's)

Expense Head	**Year ended March 31, 2010**	*Year ended March 31, 2009*
Employee cost	**124,524**	*896*
Customer acquisition	**30,732**	*21,481*
Professional & legal charges	**52,442**	*2,930*
Rent	**25,563**	*15,748*
Communication	**12,034**	*1,194*
Printing & stationery	**390**	*5,954*
Electricity	**9,599**	*2,784*
Rates & Taxes	**1,072**	*925*
Repairs & maintenance – others	**16,341**	*2,333*
Miscellaneous expenses	**13,928**	*6,198*
Service Tax	**29,522**	*7,308*
Total	**316,147**	*67,751*

p) **Investments:**

i) Position of investment in mutual fund units:

(No. of Units)

Scheme Name	**NAV (Rs.)**	**Opening Balance**	**Purchase**	**Dividend**	**Redemption**	**Closing Balance**
Kotak Flexi Debt Scheme - Daily Dividend	7	—	—	—	—	—
		(172,081,896)	(320,559,953)	(4,850,778)	(497,492,627)	(—)
Kotak Liquid (Institutional Premium) — Daily Dividend	12	—	800,042,525	195,153	800,237,678	—
		(—)	(1,568,546,545)	(559,569)	(1,569,106,113)	(—)
Kotak Flexi Debt Scheme Institutional - Daily Dividend	10	—	988,483,178	1,626,676	990,109,854	—
		(—)	(762,143,813)	(2,616,159)	(764,759,972)	(—)
Kotak Floater Long Term - Daily Dividend	10	—	—	—	—	—
		(—)	(263,927,854)	(1,544,516)	(265,472,370)	(—)
Kotak Flexi Debt Scheme Institutiona l- Growth	11	104,340,918	577,716,736	—	558,270,426	123,787,228
		(—)	(104,340,918)	(—)	(—)	(104,340,918)
Kotak Liquid (Institutional Premium) - Growth	18	—	305,494,745	—	305,494,745	—
		(—)	(42,099,202)	(—)	(42,099,202)	(—)
Reliance Liquidity Fund - Daily Dividend Reinvestment Option	10	—	2,124,812,243	194,484	2,125,006,727	—
		(—)	(2,898,601,434)	(1,641,481)	(2,900,242,915)	(—)
Reliance Liquid Plus Fund - Institutional Option Daily Dividend	1,000	—	—	—	—	—
		(2,287,227)	(19,685,847)	(103,210)	(22,076,284)	(—)
Reliance Liquid Fund - Treasury Plan- Institutional Option - Growth Plan	22	—	657,041,154	—	657,041,154	—
		(—)	(58,310,025)	(—)	(58,310,025)	(—)
Reliance Money Manager Fund Institutional Option Daily Dividend Plan	1,001	—	23,376,880	50,456	23,427,336	(0)
		(—)	(2,527,585)	(8,405)	(2,535,990)	(—)
Reliance Money Manager Fund- Institutional Option - Growth Plan	1,254	1,240,087	13,665,579	—	12,369,751	2,535,915
		(—)	(1,240,087)	(—)	(—)	(1,240,087)
Fidelity Liquid Plus Super Institutional Daily Dividend	10	—	—	—	—	—
		(15,171,544)	(118,495,630)	(946,841)	(134,614,014)	(—)
Fidelity Cash Fund Super Institutional - Daily Dividend	10	—	52,648,487	4,014	52,652,501	0
		(—)	(208,435,897)	(139,294)	(208,575,191)	(—)
Fidelity Cash Fund Super Institutional - Growth	13	—	67,570,126	—	67,570,126	0
		(—)	(20,747,232)	(—)	(20,747,232)	(—)
Fidelity Ultra Short Term Debt Fund Super Institutional - Growth	12	22,038,391	110,772,979		95,013,989	37,797,382
		(—)	(22,038,391)	(—)	(—)	(22,038,391)
Fidelity Ultra Short Term Debt Fund Super Institutional Daily Dividend	10	35,121,517	59,922,913	480,689	95,525,118	—
		(—)	(34,996,334)	(125,183)	(—)	(35,121,517)
Birla Sun Life Liquid Plus - Daily Dividend - Reinvestment	10	—	—	—	—	—
		(40,477,951)	(1,226,460,316)	(4,882,860)	(1,271,821,128)	(—)
Birla Cash Plus - Institutional Premium - Daily Dividend - Reinvestment	10	—	1,979,140,676	234,828	1,979,375,504	—
		(—)	(1,689,705,075)	(577,315)	(1,690,282,390)	(—)
Birla Sun Life Saving Fund Institutional — Daily Dividend - Reinvestment	10	—	1,760,881,454	3,792,689	1,764,674,144	—
		(—)	(—)	(—)	(—)	(—)
Birla Sun Life Cash Plus - Instl. Prem. - Growth	15	—	838,747,339	—	838,747,339	—
		(—)	(355,887,084)	(—)	(355,887,084)	(—)
Birla Sun Life Savings Fund Instl. - Growth	17	300,970,799	587,397,813	—	852,319,380	36,049,233
		(—)	(300,970,799)	(—)	(—)	(300,970,799)
ICICI Prudential Liquid Plan Super Institutional Daily Div-Reinvest Dividend	100	—	1,667,247,637	244,707	1,667,492,344	—
		(15,893,339)	(1,432,928,354)	(759,788)	(1,449,581,481)	(—)
ICICI Prudential Flexible Income Plan Dividend Daily Reinvest Dividend	106	—	1,316,276,188	2,652,166	1,318,928,354	0
		(201,489,263)	(895,069,794)	(8,153,979)	(1,104,713,036)	(—)
ICICI Prudential Institutional Liquid Plan - Super Institutional Growth	13	—	1,596,691,622	—	1,596,691,622	(0)
		(6,314,936)	(77,076,043)	(—)	(83,390,979)	(—)
ICICI Prudential Flexible Income Plan Premium - Growth	17	61,433,879	1,110,546,523	—	1,171,980,402	—
		(—)	(61,433,879)	(—)	(—)	(61,433,879)
Tata Liquid Super High Investment Fund - Daily Dividend	1,115	—	977,999	224	978,224	—
		(—)	(4,495,209)	(3,141)	(4,498,350)	(—)
Tata Treasury Manager Ship Daily Dividend	1,010	—	1,230,356	3,936	1,234,292	—
		(3,728,595)	(1,631,134)	(38,141)	(5,397,871)	(—)
Tata Floater Fund - Daily Dividend	10	34,928,146	226,921,190	1,199,648	263,048,984	—
		(—)	(241,693,765)	(340,571)	(207,106,190)	(34,928,146)
Tata Floating Rate Short Term Inst. Plan - Daily Dividend	10	—	159,257,928	95,100	159,353,028	—
		(—)	(22,965,093)	(24,317)	(22,989,410)	(—)
Tata Floating Rate Short Term Inst. Plan - Growth	14	33,909,748	84,928,182	—	118,837,930	—
		(—)	(33,909,748)	(—)	(—)	(33,909,748)
Tata Liquid Super High Inv.Fund - Appreciation	1,626	—	588,967	—	588,967	—
		(—)	(153,829)	(—)	(153,829)	(—)
TATA Floater Fund - Growth	14	—	69,726,241	—	18,729,352	50,996,890
		(—)	(—)	(—)	(—)	(—)
TATA Treasury Manager SHIP Growth	1,047	—	820,823	—	342,664	478,159
		(—)	(—)	(—)	(—)	(—)
ABN Amro Money Plus Institutional Plan Daily Dividend	10	—	—	—	—	—
		(—)	(86,076,364)	(402,072)	(86,478,436)	(—)

(No. of Units)

Scheme Name	NAV (Rs.)	Opening Balance	Purchase	Dividend	Redemption	Closing Balance
ABN Amro Overnight Fund -Institutional Daily Dividend	10	—	—	—	—	—
		(—)	(85,988,004)	(89,221)	(86,077,224)	(—)
Fortis Money Plus Institutional Plan Daily Dividend	10	—	165,882,447	1,325,468	167,207,915	—
		(—)	(34,996,485)	(103,180)	(35,099,666)	(—)
Fortis Overnight - Institutional Plus - Daily Dividend	10	—	152,954,114	18,363	152,972,477	—
		(—)	(34,989,503)	(7,332)	(34,996,835)	(—)
Fortis Money Plus Institutional Plan Growth	14	26,646,337	105,882,310	—	125,309,491	7,219,157
		(—)	(26,646,337)	(—)	(—)	(26,646,337)
Fortis Overnight Institutional Plus Growth	11	—	118,735,519	—	118,735,519	—
		(—)	(—)	(—)	(—)	(—)
AIG India Liquid Fund Institutional Daily Dividend	1,001	—	—	—	—	—
		(—)	(99,919)	(276)	(100,196)	(—)
AIG India Treasury Plus Fund Super Institutional Daily Dividend	10	—	—	—	—	—
		(—)	(10,016,637)	(28,860)	(10,045,497)	(—)
DWS Insta Cash Plus Fund - Institutional Plan Daily Dividend	10	—	—	—	—	—
		(—)	(6,986,377)	(1,158)	(6,987,535)	(—)
DWS Insta Cash Plus Fund - Super Institutional Plan Daily Dividend	10	—	226,729,892	24,706	226,754,598	—
		(—)	(713,416,926)	(351,058)	(713,767,984)	(—)
DWS Liquid Plus Fund - Institutional Daily Dividend	10	—	—	—	—	—
		(—)	(216,742,032)	(537,544)	(217,279,576)	(—)
DWS Money Plus Fund - Institutional Daily Dividend Plan	10	—	28,811,806	34,159	28,845,965	—
		(—)	(225,362,980)	(1,794,510)	(227,157,491)	(—)
DWS Ultra Short Term Fund - Institutional Daily Dividend	10	—	282,564,961	789,556	283,354,518	—
		(—)	(—)	(—)	(—)	(—)
DWS Short Maturity Fund - Institutional Weekly Dividend Plan	10	—	14,317,759	37,458	14,355,217	—
		(—)	(142,806,962)	(422,843)	(143,229,804)	(—)
DWS Insta Cash Plus Fund - Super Institutional Plan Growth	12	—	192,151,214	—	192,151,214	—
		(—)	(87,660,099)	(—)	(87,660,099)	(—)
DWS Ultra Short Term Fund - Institutional Growth	11	97,084,993	92,862,039	—	162,193,870	27,753,161
		(—)	(97,084,993)	(—)	(—)	(97,084,993)
DWS Money Plus Fund - Institutional Plan Growth	10	—	143,224,453	—	143,224,453	—
		(—)	(—)	(—)	(—)	(—)
HDFC Cash Management Fund - Savings Plus Plan - Wholesale - Daily Dividend	10	—	1,237,117,427	3,791,965	1,240,909,392	—
		(—)	(413,766,905)	(1,952,660)	(415,719,565)	(—)
HDFC Liquid Fund Premium Plan - Dividend - Daily Reinvest	12	—	858,904,713	82,734	858,987,447	—
		(—)	(338,504,706)	(57,318)	(338,562,024)	(—)
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Growth	20	36,476,721	257,385,322	—	231,749,007	62,113,036
		(—)	(36,476,721)	(—)	(—)	(36,476,721)
HDFC Liquid Fund - Premium Plan - Growth	18	—	326,180,492	—	326,180,492	—
		(—)	(39,755,560)	(—)	(39,755,560)	(—)
IDFC Cash Fund - Super Inst Plan C - Daily Dividend	10	—	134,166,458	13,189	134,179,647	—
		(—)	(59,985,004)	(22,703)	(60,007,707)	(—)
IDFC Liquid Plus Fund - TP - Super Inst Plan C - Daily Div	10	—	—	—	—	—
		(—)	(60,013,706)	(156,852)	(60,170,559)	(—)
IDFC Money Manager Fund - TP - Super Inst Plan C - Daily Div.	10	—	134,193,063	750,524	134,943,586	—
		(—)	(—)	(—)	(—)	(—)
IDFC Money Manager Fund - TP - Super Inst Plan C - Growth	11	—	9,186,298	—	—	9,186,298
		(—)	(—)	(—)	(—)	(—)

(No. of Units)

Scheme Name	NAV (Rs.)	Opening Balance	Purchase	Dividend	Redemption	Closing Balance
ING Liquid Fund Institutional - Daily Dividend Option	10	—	—	—	—	—
		(—)	(37,954,076)	(22,778)	(37,976,854)	(—)
ING Liquid Fund Super Institutional - Daily Dividend Option	10	—	—	—	—	—
		(—)	(110,446,985)	(167,230)	(110,614,215)	(—)
ING Liquid Plus Fund - Institutional Daily Dividend	10	—	—	—	—	—
		(—)	(20,006,409)	(141,890)	(20,148,299)	(—)
ING Treasury Advantage Fund Institutional Daily Dividend	10	—	—	—	—	—
		(—)	(35,493,256)	(92,724)	(35,585,981)	(—)
JM High Liquidity Fund - Super Institutional Plan - Daily Dividend	10	—	—	—	—	—
		(—)	(9,983,527)	(38,389)	(10,021,916)	(—)
Lotus India Liquid Fund - Super Institutional Daily Dividend	10	—	—	—	—	—
		(—)	(52,982,516)	(11,213)	(52,993,729)	(—)
Lotus India Liquid Plus Fund - Institutional Daily Dividend	10	—	—	—	—	—
		(—)	(82,881,094)	(339,427)	(83,220,521)	(—)
Religare Liquid Fund Super Institutional Daily Dividend	10	—	195,874,640	19,691	195,894,331	—
		(—)	(4,998,351)	(782)	(4,999,132)	(—)
Religare Liquid Fund - Super Institutional Growth	13	—	19,786,621	—	19,786,621	—
		(—)	(—)	(—)	(—)	(—)
Religare Ultra Short Term Fund - Institutional Daily Dividend	10	—	195,712,435	1,175,910	196,888,346	—
		(—)	(4,992,943)	(5,089)	(4,998,032)	(—)
Religare Ultra Short Term Fund - Institutional Growth	13	—	35,600,274	—	—	35,600,274
		(—)	(—)	(—)	(—)	(—)
Mirae Asset Liquid Fund-Super Inst - Dividend Plan (Daily) (Re-Investment)	1,001	—	—	—	—	—
		(—)	(159,886)	(32)	(159,918)	(—)
Mirae Asset Liquid Plus Fund-Super Inst - Dividend Plan (Daily) (Re-Investment)	1,001	—	—	—	—	—
		(—)	(159,777)	(556)	(160,333)	(—)
Principal Cash Management Fund Liquid Option Instl. Prem. Plan - Dividend Reinvestment Daily	10	—	299,979,001	28,225	300,007,226	—
		(—)	(333,976,622)	(319,022)	(334,295,643)	(—)
Principal Floating Rate Fund FMP-Instl. Option - Dividend Reinvestment Daily	10	—	341,008,710	1,119,938	342,128,649	—
		(—)	(199,785,253)	(393,078)	(200,178,331)	(—)
Principal Cash Management Fund- Liquid Option Instl. Prem. Plan - Growth	14	—	85,592,002	—	85,592,002	—
		(—)	(18,199,290)	(—)	(18,199,290)	(—)
Principal Floating Rate Fund FMP-Instl. Option - Growth Plan	15	17,997,430	96,532,519	—	83,616,749	30,913,201
		(—)	(17,997,430)	(—)	(—)	(17,997,430)
Principal Ultra Short Term Fund-Growth Plan (formerly: principal Liquid Plus Fund.	12	—	8,679,150	—	8,679,150	—
		(—)	(—)	(—)	(—)	(—)
Templeton India Treasury Management Account Super Institutional Plan - Daily Dividend Reinvestment	1,001	—	1,628,903	168	1,629,071	(0)
		(—)	(6,585,568)	(6,913)	(6,592,481)	(—)
Templeton India Ultra Short Bond Fund Super Institutional Plan - Daily Dividend Reinvestment	10	—	205,880,019	715,952	206,595,970	—
		(—)	(432,447,709)	(1,633,726)	(434,081,435)	(—)
Templeton India Treasury Management Account Super Institutional Plan - Growth	1,325	—	1,457,497	—	1,457,497	—
		(—)	(214,337)	(—)	(214,337)	(—)
Templeton India Ultra Short Bond Fund Super Institutional Plan - Growth	12	89,315,495	177,423,769	—	258,277,230	8,462,034
		(—)	(89,315,495)	(—)	(—)	(89,315,495)

(No. of Units)

Scheme Name	NAV (Rs.)	Opening Balance	Purchase	Dividend	Redemption	Closing Balance
UTI - Liquid Plus Fund Institutional Plan (Daily Dividend Option) - Re-Investment	1,000	—	—	—	—	—
		(—)	(650,067)	(2,423)	(652,490)	(—)
UTI Liquid Cash Plan Institutional - Daily Income Option - Re-Investment	1,019	—	10,276,173	1,782	10,277,955	—
		(—)	(1,540,053)	(2,077)	(1,542,130)	(—)
UTI Money Market Fund - Daily Dividend Option - Reinvestment	18	—	—	—	—	—
		(—)	(5,506,517)	(3,781)	(5,510,298)	(—)
UTI Treasury Advantage Fund - Institutional Plan (Daily Dividend Option) - Reinvestment	1,000	—	9,974,776	41,944	10,016,720	0
		(—)	(449,970)	(303)	(450,272)	(—)
Bharti Axa Liquid Fund - Institutional Plan - Daily Dividend	1,000	—	200,000	15	200,015	—
		(—)	(—)	(—)	(—)	(—)
Bharti Axa Treasury Advantage Fund- Institutional Plan - Daily Dividend	1,000	—	200,015	1,088	201,102	—
		(—)	(—)	(—)	(—)	(—)
Bharti AXA Treasury Advantage Fund- Institutional Plan - Growth	1,113	—	44,949	—	—	44,949
		(—)	(—)	(—)	(—)	(—)
Sundaram BNP Paribas Money Fund-Daily Dividend	10	—	9,905,600	893	9,906,493	—
		(—)	(—)	(—)	(—)	(—)
Sundaram BNP Paribas Ultra Short Term Fund-Daily Dividend	10	—	9,964,034	128,063	10,092,097	—
		(—)	(—)	(—)	(—)	(—)
Sundaram BNP Paribas Ultra Short Term Fund-Super Inst. Growth	12	—	4,031,603	—	—	4,031,603
		(—)	(—)	(—)	(—)	(—)
Baroda Pioneer Liquid Fund - Institutional Daily Dividend Plan	10	—	9,993,704	822	9,994,526	—
		(—)	(—)	(—)	(—)	(—)
Baroda Pioneer Treasury Advantage Fund - Institutional Daily Dividend Plan	10	—	9,991,730	56,378	10,048,108	—
		(—)	(—)	(—)	(—)	(—)
Canara Robeco Liquid Super Instt Daily Dividend Reinvest Fund	10	—	9,959,167	850	9,960,018	—
		(—)	(—)	(—)	(—)	(—)
Canara Robeco Treasury Advantage Super Intt Daily Dividend Reinvest Fund	12	—	8,060,589	44,663	8,105,252	—
		(—)	(—)	(—)	(—)	(—)
Taurus Liquid Fund - Super Institutional Daily Dividend Reinvestment	1,000	—	10,099,949	672	10,100,621	—
		(—)	(—)	(—)	(—)	(—)
Taurus Ultra Short Term Bond Fund - Super Insti Daily Dividend Plan	1,001	—	10,139,411	45,301	10,184,713	—
		(—)	(—)	(—)	(—)	(—)
Taurus Ultra Short Term Bond Fund - Super Insti Growth Plan	1,078	—	92,832	—	—	92,832
		(—)	(—)	(—)	(—)	(—)
Axis Liquid Fund - Daily Dividend	1,000	—	200,000	15	200,015	—
		(—)	(—)	(—)	(—)	(—)
Axis Treasury Advantage Fund - Daily	1,000	—	200,015	1,172	201,188	—
		(—)	(—)	(—)	(—)	(—)
Axis Treasury Advantage Fund - Institutional	1,021	—	98,134	—	—	98,134
		(—)	(—)	(—)	(—)	(—)
		861,504,461	**23,432,766,994**	**21,026,435**	**23,674,443,434**	**640,854,456**
		(457,444,751)	**(16,975,180,220)**	**(36,424,568)**	**(16,607,545,078)**	**(861,504,461)**

*Figures in bracket pertain to previous year.

ii) Securities are stated at acquisition costs unless such costs are higher than the face value, in which case the premium is amortised over the remaining period of maturity on constant yield basis. Such amortisation is shown under "Other Income – Schedule XI under "Interest Received". In case, the acquisition cost is less than the maturity value, the difference being the unrealised gain, is ignored.

q) At the beginning of the year there was no amount payable to any Micro, Small and/or Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. However, during the year, the Company has entered transactions of Rs. 28,174,104 (March 2009-Rs. 36,901,818) with such Micro, Small and Medium Enterprises. The outstanding balance as at March 31, 2010 is Rs. 4,460,750 (March 2009-Rs. 3,534,666).

The Company also has not received any claims against interest outstanding amount due to any vendors registered under Micro, Small and Medium Enterprise Development Act, 2006.

r) Impairment of Assets (AS 28): The management feels that the Accounting Standard (AS 28) would not apply to investment, inventories and financial assets such as loans and advances. However as regard to financial assets such as loans and advances the same has been covered by provision in accordance with guidelines on prudential norms issued by NHB. Further the management assesses that there is no indication of impairment of Company's fixed assets

s) Estimated amount of contracts remaining to be executed on capital account Rs. 13,802,490 (March 2009-Rs. 21,192,948) (Net of advance of Rs. 4,840,000 March 2009-Rs. Nil).

t) The Company has taken leased properties under cancelable operating leases for periods ranging from 72 months to 120 months. The total minimum lease payments for the current year, in respect thereof, included under Rent, expenses amounting to Rs. 46,877,763 (March 2009-Rs. 74,567,136).

u) Contingent Liabilities not provided for:

i) Income Tax matters in appeal - Rs. Nil (March 2009-Rs. 12,868,521).

ii) The contingent liability on account of claims filed against the Company not acknowledged as debt is Rs. 58,763,182 (March 2009-Rs. 11,123,016). As per management, the Company has good chances of winning the case accordingly no provision for any liability has been made in the financial statement.

v) Commitment towards part disbursement and non disbursed sanctions is amounting to Rs. 5,606,600,321 (March 2009-Rs. 8,924,405,730) and Rs. 2,639,353,845 (March 2009-Rs.1,969,914,116) respectively.

w) Figure of the previous year has been regrouped to conform to the current year's presentation.

As per our report of even date

For S. R. BATLIBOI & CO.
Chartered Accountants

per SHRAWAN JALAN
Partner
Membership No.: 102102

Mumbai, April 20, 2010

For and on behalf of the Board

RAJIV SABHARWAL
Chairman

MANINDER JUNEJA
Vice Chairman

SREEKANTH V N
Company Secretary

HARSHIL MEHTA
Managing Director & CEO

PANKAJ JAIN
Chief Financial Officer

PRASHANT JAIN
Deputy CFO

ICICI Home Finance

for the year ended March 31, 2010

		March 31, 2010	(Rs. in 000's) March 31, 2009
A.	**Cash Flow from Operating Activities :**		
	Profit before taxation and exceptional items	**2,142,036**	*1,843,904*
	Adjustments for:		
	Depreciation / Amortisation (net of write back)	**9,629**	*2,984*
	Provision for contingencies	**8,880**	*21,290*
	Provision for Gratuity and Other staff benefits	**34,730**	*27,109*
	Provision / (write back) against standard assets	**(20,225)**	*144,787*
	Loss on sale of fixed assets/Written Off	**—**	*3,810*
	Provision and write off against Non-performing Assets	**304,164**	*97,999*
	Profit on sale of long term investments	**(8,564)**	*(6,044)*
	Interest received	**(299,246)**	*(99,315)*
	Finance and other charges	**278,218**	*250,875*
	Interest paid	**11,547,490**	*9,891,921*
	Income from SWAP deals	**—**	*(84,900)*
	Dividend Income	**(511,218)**	*(534,982)*
	Short term capital gain	**(390,152)**	*(5,296)*
	Operating Profit before Working Capital Changes	**13,095,742**	*11,554,142*
	Adjustments for:		
	Trade and Other Receivables		
	Trade Payables and Other Liabilities	**(3,223,554)**	*2,009,481*
	Loans given (net)	**1,700,713**	*(1,222,009)*
		(628,160)	*(43,762,992)*
	Cash generated from Operations	**10,944,741**	*(31,421,378)*
	Income Taxes paid	**(608,626)**	*(673,071)*
	Net cash from Operating Activities - A	**10,336,115**	*(32,094,449)*
B.	**Cash Flow from Investing Activities :**		
	Purchase of fixed assets and Capital work in progress	**(18,868)**	*(62,169)*
	Sale of fixed assets	**(0)**	*331*
	Purchase of Investments	**(994,525)**	*(1,662,897)*
	Profit on sale of Investments	**8,564**	*6,044*
	Short term capital gain	**390,152**	*5,296*
	Dividend Income	**511,218**	*534,982*
	Interest received	**299,246**	*99,315*
	Fixed deposits placed with the banks	**(1,502,488)**	*(1,078,240)*
	Net cash from Investing Activities - B	**(1,306,701)**	*(2,157,338)*
C.	**Cash Flow from Financing Activities :**		
	Issuance of the Equity Shares	**—**	*3,000,000*
	Dividend and dividend tax	**(1,246,918)**	*(866,438)*
	Finance and Other Charges	**(278,218)**	*(250,875)*
	Interest Paid	**(11,547,490)**	*(9,891,921)*
	Income from SWAP Deals	**—**	*84,900*
	Proceeds from borrowings (net)	**(2,277,199)**	*45,492,736*
		—	*—*
	Net Cash used in Financing Activities - C	**(15,349,825)**	*37,568,402*
	Net Increase in Cash and Cash Equivalents (A+B+C)	**(6,320,411)**	*3,316,615*
	Cash and Cash Equivalents as at beginning	**16,582,350**	*13,265,735*
	Cash and Cash Equivalents as at end	**10,261,939**	*16,582,350*
	Notes :		
	1. Cash and Cash Equivalents consists of :		
	A. Bank balances		
	I) Current Accounts	**342,373**	*3,250,032*
	B. Investments in mutual fund units	**9,919,566**	*13,332,318*
		10,261,939	*16,582,350*

2. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard- 3 on "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.

The Schedule referred to above and the notes to accounts form an integral part of Cash Flow Statement

As per our report of even date

For S. R. BATLIBOI & CO.
Chartered Accountants

per SHRAWAN JALAN
Partner
Membership No.: 102102

Mumbai, April 20, 2010

For and on behalf of the Board

RAJIV SABHARWAL
Chairman

HARSHIL MEHTA
Managing Director & CEO

MANINDER JUNEJA
Vice Chairman

PANKAJ JAIN
Chief Financial Officer

SREEKANTH V N
Company Secretary

PRASHANT JAIN
Deputy CFO

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV, SCHEDULE VI OF THE COMPANIES ACT, 1956

(Rs. in 000's)

1. Registration details

Registration No.	0 1 2 0 1 0 6
State Code	1 1
Balance Sheet Date	Date: 3 1 / Month: 0 3 / Year: 2 0 1 0

2. Capital raised during the Year

Public Issue	NIL
Bonus Issue	NIL
Rights Issue	NIL
Private Placement	NIL

3. Position of mobilisation and deployment of funds

Total Liabilities	128149048
Total Assets	128149048

Sources of funds

Paid-up Capital	10987500
Reserves and Surplus	1826290
Secured Loans	14862200
Unsecured Loans	100473058

Application of funds

Net Fixed Assets	663029
Loans & Investments	124748563
Net Current Assets	2317707
Miscellaneous Expenditure & Deferred Tax Assets	414909
Accumulated Losses	NIL

4. Performance of the Company

Turnover	15900086
Expenditure	13758050
Profit/(Loss) Before Tax	2142036
Profit/(Loss) After Tax	1606770
Earnings Per Share in Rupees – Basic	1.46
Dividend Rate %	9.70

5. Generic names of three principal products/services of the Company (As per monetary terms)

Product Description	Item Code
Home Loans	NIL

For and on behalf of the Board

For S. R. BATLIBOI & CO.
Chartered Accountants

per SHRAWAN JALAN
Partner
Membership No.: 102102

Mumbai, April 20, 2010

RAJIV SABHARWAL
Chairman

MANINDER JUNEJA
Vice Chairman

SREEKANTH V. N.
Company Secretary

HARSHIL MEHTA
Managing Director & CEO

PANKAJ JAIN
Chief Financial Officer

PRASHANT JAIN
Deputy CFO

ICICI Investment Management

ICICI INVESTMENT MANAGEMENT COMPANY LIMITED

10TH ANNUAL REPORT AND ACCOUNTS 2009-2010

Directors

Sandeep Bakhshi, *Chairman*
N.L. Bhatia
Chandrashekhar Lal
Narendra Murkumbi

Auditors

B S R and Company
Chartered Accountants

Priya Nair
Company Secretary

Registered Office

ICICI Bank Towers
Bandra-Kurla Complex
Mumbai - 400 051

directors' report

to the members

Your Directors have pleasure in presenting the Tenth Annual Report of the Company with the audited statement of accounts for the year ended March 31, 2010.

FINANCIAL HIGHLIGHTS

The summary of the financial results for the year under review is as follows:

(Rupees in Thousands)

	Fiscal 2009	**Fiscal 2010**
Gross Income	*10,513*	**8,569**
Profit/(loss) Before Tax	*2,989*	**(20,006)**
Provision for tax	*665*	**1,835**
Profit/(loss) After Tax	*2,324*	**(21,841)**
Transfer to Reserves	*2,324*	**(21,841)**

ANALYSIS OF THE FINANCIAL PERFORMANCE

In fiscal 2010, your Company made loss of Rs. 21.84 million as compared to profit of Rs. 2.32 million in fiscal 2009. The Company's loss for the year under review was based on the initial expenses incurred for setup of Emerging India Fund. The Company had to provide for personnel as well as other expenses linked to setup of the Emerging India Fund.

Your Directors do not recommend payment of dividend for the year ended March 31, 2010.

OPERATIONAL REVIEW

The main object of the Company is to carry on the business of management of mutual funds, unit trusts, offshore funds, pension funds, provident funds, venture capital funds and insurance funds, and to act as managers, consultants, advisors, administrators, attorneys, agents, or representatives of or for mutual funds, unit trusts, offshore funds, pension funds, provident funds, venture capital funds or insurance funds formed or established in India or elsewhere by the Company or any other person and to act as financial advisors and investment advisors, and to render such financial management, financial consultancy and advisory services to individuals, companies, corporations, trusts and other entities as supplemental activities of the Company and as do not conflict with the fund management activities. The Company also acts as the Asset Management Company of ICICI Securities Fund, a Mutual Fund registered with Securities and Exchange Board of India (SEBI).

The Board of Directors, in its meeting held on December 26, 2007, had approved the setting up and management of the Emerging India Fund ('the Fund'), an irrevocable determinate trust in India to be registered as a Venture Capital Fund (VCF) with SEBI.

The Fund shall seek to make primarily equity and equity-linked investments, thereby offering investors an opportunity to participate in the growth of the Indian economy with a special focus on the emerging corporate segment.

An application to seek VCF registration for the Fund was submitted to SEBI by the Trustee i.e. IDBI Trusteeship Services Limited, on May 21, 2009. As a part of the process, the Company had also applied to the Mutual Fund Department at SEBI for issuance of a No Objection Certificate (NOC) for undertaking activities as an investment manager to a VCF (i.e. the Fund) whilst being registered as an asset management company. Subsequently, the Mutual Fund Department had granted the NOC vide letter dated September 23, 2009.

Pursuant to the recommendation of the Mutual Fund Department, it was decided to change the Settlor of the Fund to ICICI Trusteeship Services Limited (ICICI Trustee), a subsidiary of ICICI Bank Limited and accordingly the revised application was submitted to SEBI on September 24, 2009. SEBI vide letter dated October 28, 2009 granted in-principle approval for grant of registration as Venture Capital fund.

The process of raising capital for the Fund is progressing well and the Fund has already acquired firm / in-principle / indicative commitments of around Rs. 200 crores. Large institutions including public and private insurance companies such as Life Insurance Corporation of India (LIC), General Insurance Corporation (GIC) and Bajaj Allianz Life Insurance Company have already given their in-principle commitment to the Fund.

Currently, it is intended to raise capital from the domestic market only.

The Company is also in active dialogue with several other insurance companies, banks, financial institutions, defence pension funds and high networth individuals for further commitments to the Fund.

It has been observed that some of the Limited Partners (LPs) would be more comfortable making a commitment in the new financial year and noting the potential investment opportunities in the current financial year, multiple closures for the Fund was approved by the Board of Directors, vide Circular Resolution dated April 9, 2010.

PUBLIC DEPOSITS

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

DIRECTORS

In terms of the provisions of the Articles of Association of the Company, Chandrashekhar Lal will retire at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

MANAGER

Sanjay Shirole, Manager of the Company, submitted his resignation with effect from December 1, 2009.

In terms of Section 269 and other applicable provisions of the Companies Act, 1956, the Board of Directors, appointed Sharad Malpani as the Manager of the Company, effective December 1, 2009 for a period of three years up to November 30, 2012, subject to the approval of the Members in the Tenth Annual General Meeting.

Sharad Malpani holds a degree in Master of Management Studies as well as Bachelor of Engineering from Mumbai University. Sharad Malpani has over ten years of experience across research, business strategy, product development & managing start-ups. He joined ICICI Bank Limited ('the Bank") in September 2001 and has managed institutional investment portfolio at the Bank on a global basis. He was responsible for fund structuring and fund raising for the Bank and other third party clients and management of the overall client relationships. He has also worked for several new businesses at the Bank like direct banking and was a member of the strategy team that rolled out the Bank's operations in several countries like UK and Canada.

AUDITORS

B S R and Company, Chartered Accountants, Mumbai, will retire as the statutory auditors of the Company at the ensuing Annual General Meeting.

The Company has received confirmation from B S R and Company, Chartered Accountants, Mumbai that their appointment if made, would be within the limits specified under Section 224(1B) of the Companies Act, 1956 and they are not disqualified to be appointed as auditors in terms of the provisions of Section 226(3) of the Act.

As recommended by the Audit Committee, the Board has proposed the appointment of B S R and Company, Chartered Accountants, Mumbai as statutory auditors for FY2011. You are requested to consider their appointment.

FOREIGN EXCHANGE EARNING AND EXPENDITURE

Total foreign exchange earnings during the year ended March 31, 2010 were Nil (March 31, 2009: Nil) and foreign exchange outgo was Rs. 10,338,985 (March 31, 2009: Rs. 1,592,802).

to the Members of ICICI Investment Management Company Limited *Continued*

PERSONNEL AND OTHER MATTERS

All employees of the Company are on deputation basis from the Holding Company. Payment made to the Holding Company by the Company towards salaries, provident fund/gratuity/pension/leave encashment of these employees for services rendered to the Company are included under employee cost.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. that they have 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 or loss of the Company for that period;
3. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

Your Company is grateful to the Securities and Exchange Board of India for its support and advice during the period under review.

The Company would also like to express its gratitude for the support and guidance received from ICICI Bank Limited, the holding company and also from other group companies.

For and on behalf of the Board

SANDEEP BAKHSHI
Chairman

April 15, 2010

auditors' report

to the Members of ICICI Investment Management Company Limited

1. We have audited the attached Balance Sheet of ICICI Investment Management Company Limited, (the 'Company') as at 31 March 2010, and the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto (collectively referred as the 'financial statements'). 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.
2. We conducted our audit in accordance with the 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.
3. As required by the Companies (Auditor's Report) Order, 2003 (the 'Order') (as amended), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. 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 financial statements dealt with by this report are in agreement with the books of account;
   iv. in our opinion, the financial statement dealt with by this report comply with the accounting standards referred to in sub-section (3c) of Section 211 of the Act;
   v. on the basis of written representations received from the directors, as on 31 March 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31 March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act; and
   vi. in our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of:
      a) the Balance Sheet, of the state of affairs of the Company as at 31 March 2010;
      b) the Profit and Loss Account, of the loss for the year ended on that date; and
      c) the Cash Flow Statement, of the cash flows for the year ended on that date.

For B S R and Company
Chartered Accountants
Firm's Registration No: 128900W

AKEEL MASTER
Partner
Membership No. 046768

Mumbai, 15 April, 2010

ICICI Investment Management

(Referred to in paragraph 3 of our report of even date)

We report the following:

(i) The Company does not have any fixed assets. Accordingly, paragraph 4(i) of the Order are not applicable.

(ii) The Company is a service company, primarily rendering asset management services. Accordingly it does not hold any physical inventories. Thus, paragraph 4 (ii) of the Order is not applicable.

(iii) According to the information and explanation given to us, the Company has neither granted nor taken any loan, secured or unsecured to or from any companies, firms or other parties covered in the register maintained under section 301 of the Act.

(iv) The activities of the Company do not involve the purchase of inventories and sale of goods. The Company has also not provided any services during the year nor purchase any fixed assets. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.

(v) 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.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company being a part of a group of companies has a central internal audit system commensurate with its size and the nature of its business.

(viii) The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any services rendered by the Company.

(ix) (a) There are no employees on the payroll of the Company and, therefore, provisions relating to Employees' Provident Fund and Employees' State Insurance Scheme are not applicable to the Company.

(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	Section 143(3) of IT Act, 1961 disallowing establishment expense.	1,494,675	AY 2007-2008	Commissioner of Income tax

(x) The Company does not have any accumulated losses at the end of the financial year, However, it has incurred cash losses in the financial year. No cash losses were incurred in the immediately preceding financial year.

(xi) The Company did not have any outstanding dues to any financial institution, banks or debenture holders during the year.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) The Company did not have any term loans outstanding during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.

(xviii) 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.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issues.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For B S R and Company
Chartered Accountants
Firm's Registration No: 128900 W

AKEEL MASTER
Partner
Membership No: 046768

Mumbai, 15 April, 2010

balance sheet

at March 31, 2010

	Schedule	March 31, 2010	(Amount in Rs.) March 31, 2009
SOURCES OF FUNDS:			
Shareholders' Funds			
Share capital	1	**100,007,000**	*100,007,000*
Reserves and surplus	2	**14,438,413**	*36,279,139*
TOTAL		**114,445,413**	*136,286,139*
APPLICATION OF FUNDS:			
Investments	3	**7,958,524**	*7,714,668*
Current assets, loans and advances	4	**117,045,405**	*129,001,248*
Less: **Current liabilities and provisions**	5	**10,558,516**	*429,777*
Net Current assets		**106,486,889**	*128,571,471*
TOTAL		**114,445,413**	*136,286,139*
Significant accounting policies and notes to accounts	6		

profit and loss account

for the year ended March 31, 2010

	Schedule	March 31, 2010	(Amount in Rs.) March 31, 2009
INCOME			
Interest income on fixed deposits with bank (Tax deducted at source:Rs. 864,159; March 31, 2009: Rs. 1,872,783)		**8,324,816**	*9,469,071*
Dividend income		**243,956**	*1,043,555*
TOTAL INCOME		**8,568,772**	*10,512,626*
EXPENDITURE			
Establishment expenses (Refer to note 3(a))		**3,812,358**	*1,801,266*
Employee cost (Refer to note 3(b))		**13,124,055**	—
SEBI registration fees		**250,000**	*250,000*
Auditor's remuneration (Refer to note 3(c))		**197,420**	*49,330*
Legal and professional fees (Refer to note 3(d))		**11,039,390**	*5,379,817*
Other expenses		**151,275**	*43,495*
TOTAL EXPENDITURE		**28,574,498**	*7,523,908*
PROFIT/(LOSS) BEFORE TAX		**(20,005,726)**	*2,988,718*
TAXES			
Current tax		**1,835,000**	*665,000*
PROFIT/(LOSS) AFTER TAX		**(21,840,726)**	*2,323,718*
EARNINGS PER SHARE			
Basic and Diluted (Rs.)		**(2.18)**	*0.23*
(Refer note 3(i))			
Significant accounting policies and notes to accounts	6		

The schedules referred to above form an integral part of this Balance Sheet and Profit and Loss Account.

As per our report of even date attached

For B S R AND COMPANY
Chartered Accountants

AKEEL MASTER
Partner
Membership No: 046768

Mumbai, April 15, 2010

PRIYA NAIR
Company Secretary

For and on behalf of the Board of Directors

SANDEEP BAKHSHI
Chairman

CHANDRASHEKHAR LAL
Director

Mumbai, April 15, 2010

	March 31, 2010	(Amount in Rs.) March 31, 2009
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
25,000,000 Equity Shares of Rs.10 each	**250,000,000**	*250,000,000*
Issued, Subscribed and Paid up[1]		
10,000,700 Equity Shares of Rs.10 each fully paid up	**100,007,000**	*100,007,000*
	100,007,000	*100,007,000*

1 All the above Equity Shares are held by ICICI Bank Limited (the holding company) and its nominees.

	March 31, 2010	March 31, 2009
SCHEDULE 2		
RESERVES AND SURPLUS		
Profit and Loss Account		
Balance at the beginning of the year	**36,279,139**	*33,955,421*
Add: Transfer from Profit and Loss account	**(21,840,726)**	*2,323,718*
Balance at the end of the year	**14,438,413**	*36,279,139*

	March 31, 2010	March 31, 2009
SCHEDULE 3		
INVESTMENTS		
Long Term Investments (At Cost)		
(i) Investment in equity shares		
Quoted, Fully paid		
Firstsource Solutions Limited - 200 shares (March 31, 2009 - 200) of Rs. 10 each (Market value at March 31, 2010 - Rs. 5,730; at March 31, 2009 - Rs. 3,082)	**2,000**	*2,000*
Unquoted, Fully paid		
ICICI West Bengal Infrastructure Development Corporation Limited - 100 shares (March 31, 2009 - 100) of Rs. 10 each	**1,000**	*1,000*
ICICI Venture Funds Management Company Limited - 1 share (March 31, 2009 - 1) of Rs. 10 each	**10**	*10*
(ii) Investments in Mutual Funds (Unquoted) 67,134.000 units of ICICI Prudential Institutional Liquid Plan-Daily Dividend Option (March 31, 2009 - 650,761.795 units)	**7,955,514**	*7,711,658*
	7,958,524	*7,714,668*
Aggregate cost of quoted investment	**2,000**	*2,000*
Aggregate market of quoted investment	**5,730**	*3,082*

	March 31, 2010	March 31, 2009
SCHEDULE 4		
CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets		
Balances with Scheduled Bank		
(a) in Current Account	**484,954**	*477,254*
(b) in Fixed Deposits	**105,676,821**	*122,584,207*
Loans and Advances		
(a) Interest accrued but not due	**5,950,972**	*252,078*
(b) Tax paid in advance / tax deducted at source (net)	**4,622,087**	*5,475,138*
(c) Advances recoverable in cash or in kind or for value to be received	**310,571**	*212,571*
	117,045,405	*129,001,248*

	March 31, 2010	(Amount in Rs.) March 31, 2009
SCHEDULE 5		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors		
(a) Payable to the Holding Company	**9,894,660**	*34*
(b) Tax deducted at source payable	**495,510**	—
(c) Other liabilities	**168,346**	*429,743*
	10,558,516	*429,777*

SCHEDULE 6

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. Background

ICICI Investment Management Company Limited (the Company) was incorporated in Mumbai, India. The Company's main objectives on the basis of which it has been incorporated is to carry on the business activities in respect of the management of various funds and to act as managers, consultants, advisors, administrators, attorneys, agents or representatives of or for such funds.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

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 rupee.

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 Revenue recognition

Interest income is accounted on an accrual basis. Dividend income is recognised when the right to receive the dividend is established.

2.4 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 date. Profit or loss on sale of investments is determined on First In First Out ('FIFO') basis.

2.5 Foreign currency transactions

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.

2.6 Income tax

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

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 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.

2.7 Provisions, contingent liabilities and contingent assets

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognised when the Company recognises 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 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 or 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 not 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.

2.8 Earnings per share

The basic earnings per share is computed by dividing the net profit/(loss) 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.

3. Other Notes to accounts

a) Establishment expenses include allocation of expenses relating to certain corporate support services, such as legal, secretarial and taxation services provided by the Holding Company to the Company.

b) All employees of the Company are on deputation basis from the Holding Company. Payment made to the Holding Company by the Company towards salaries, provident fund/gratuity/pension/leave encashment of these employees for services rendered to the Company are included under employee cost.

c) Auditor's remuneration

(Amount in Rupees)

	Year ended March 31, 2010	*Year ended March 31, 2009*
Statutory audit fees	**120,000**	*20,000*
Tax audit fees	**55,000**	*15,000*
Service tax	**20,770**	*4,330*
Certification fees	**—**	*10,000*
Reimbursement of out of pocket expenses	**1,650**	*—*
	197,420	*49,330*

d) Legal and professional fees include expenditure incurred regarding legal and professional legal services for setting up of an offshore fund.

e) The Company is mainly organised into one business segment as asset management services. Hence primary segment disclosures are not applicable to the Company.

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

f) Contingent Liability: During the year ended March 31, 2010, the Company has received an order under Section 143(3) of the Income tax Act, 1961 for Assessment Year 2007-2008 wherein the establishment expenses have been disallowed. The Company is preferring an appeal before the Commissioner of the Income Tax (Appeals) against the said order under Section 143(3) for Assessment Year 2007-08. The Company believes that such expenditure is allowable in nature. Hence, the Company has considered this as a contingent liability of Rs. 1,494,675.

g) Names of related parties and description of relationship for the transactions are given below:

i) Key Managerial Personnel

(a) Sanjay Shirole (Appointed as Manager of the Company from November 13, 2008 to December 1, 2009)

No remuneration or reimbursement has been paid to him during the current year.

(b) Sharad Malpani [(1)] (Appointed as Manager of the Company from December 1, 2009)

Remuneration to Sharad Malpani of Rs. 1,089,105 (March 31, 2009: Nil) is included in the employee cost paid to the Holding Company as disclosed below.

1. Transactions reported with effect from December 1, 2009.

ii) Holding Company (parent) : ICICI Bank Limited

(Amount in Rupees)

Nature of transactions	**Year ended March 31, 2010**	*Year ended March 31, 2009*
Establishment expenses	**3,812,358**	*1,801,266*
Employee cost	**13,124,055**	*—*
Interest income on deposit	**8,324,816**	*9,469,071*
Current account	**484,954**	*477,254*
Fixed deposit account	**105,676,821**	*122,584,207*
Interest accrued on fixed deposit	**5,950,972**	*252,078*
Payables	**9,894,660**	*34*

iii) Fellow subsidiaries and fellow entities, consolidated as per AS-21, of the Holding Company.

(a) ICICI Venture Funds Management Company Limited

(Amount in Rupees)

Nature of transaction	**Year ended March 31, 2010**	*Year ended March 31, 2009*
Equity investment	**10**	*10*

(b) ICICI West Bengal Infrastructure Development Corporation Limited

(Amount in Rupees)

Nature of transaction	**Year ended March 31, 2010**	*Year ended March 31, 2009*
Equity investment	1,000	1,000

h) Current year tax provision of Rs. 1,835,000 represents additional tax liability for Assessment Year 2009-2010.

i) Earnings per share

(Amount in Rupees)

	Year ended March 31, 2010	*Year ended March 31, 2009*
Weighted average number of equity shares of Rs. 10 each		
Net profit/(loss) after tax	**(21,840,726)**	*2,323,718*
Weighted average number of equity shares outstanding during the year (in units)	**10,000,700**	*10,000,700*
Basic and diluted earnings per share	**(2.18)**	*0.23*
Face value per share	**10.00**	*10.00*

j) Total foreign exchange earnings during the year ended March 31, 2010 were Nil (March 31, 2009: Nil) and foreign exchange expenditure was Rs. 10,338,985 (March 31, 2009: Rs. 1,592,802).

k) There are no suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and hence the disclosure relating thereto under the said Act is not applicable.

l) Previous year's financials are audited by other auditor.

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

As per our Report of even date attached

For B S R AND COMPANY
Chartered Accountants

AKEEL MASTER
Partner
Membership No: 046768

Mumbai, April 15, 2010

For and on behalf of the Board of Directors

SANDEEP BAKHSHI
Chairman

PRIYA NAIR
Company Secretary

CHANDRASHEKHAR LAL
Director

Mumbai, April 15, 2010

ICICI Investment Management

for the year ended March 31, 2010

		March 31, 2010	(Amount in Rs.) March 31, 2009
A.	**Cash Flow from Operating Activities :**		
	Profit/(loss) before tax	**(20,005,726)**	*2,988,718*
	Less: Adjustments for:		
	Dividend income	**(243,956)**	*(1,043,555)*
	Interest received	**(8,324,816)**	*(9,469,071)*
	Operating Profit before working capital changes	**(28,574,498)**	*(7,523,908)*
	Adjustments for:		
	Movement in current assets, loans and advances	**(5,787,043)**	*13,602,458*
	Movement in current liabilites and provisions	**10,128,739**	*(112,275)*
	Cash generated from Operations	**(24,232,802)**	*5,966,275*
	Income taxes paid (includes tax deducted at source)	**(981,949)**	*(2,348,184)*
	Net cash from operating activities - A	**(25,214,751)**	*3,618,091*
B.	**Cash Flow from Investing Activities :**		
	Dividend received	**243,956**	*1,043,555*
	Proceeds from sale of investments	**—**	*10,456,595*
	Purchase of investments	**(243,856)**	*—*
	Interest received	**8,324,816**	*9,469,071*
	Net cash from investing activities - B	**8,324,916**	*20,969,221*
C.	**Cash Flow from Financing Activities :**	**—**	*—*
	Net Cash from in Financing Activities - C	**—**	*—*
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(16,889,835)**	*24,587,312*
	Cash and cash equivalents at beginning of the year	**123,061,461**	*98,474,149*
	Cash and cash equivalents at end of the year (see note 1)	**106,161,775**	*123,061,461*

Note 1: Cash and cash equivalents:

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts.

		At March 31, 2010	(Amount in Rs.) At March 31, 2009
	Balances with Banks		
a)	In current account	**484,954**	*477,254*
b)	In fixed deposit	**105,676,821**	*122,584,207*
	Total	**106,161,775**	*123,061,461*

As per our Report of even date attached

For B S R AND COMPANY
Chartered Accountants

AKEEL MASTER
Partner
Membership No. 046768

Mumbai, April 15, 2010

PRIYA NAIR
Company Secretary

For and on behalf of the Board of Directors

SANDEEP BAKHSHI
Chairman

CHANDRASHEKHAR LAL
Director

Mumbai, April 15, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV, SCHEDULE VI OF THE COMPANIES ACT, 1956

1. Registration details

Registration No.	0 1 2 4 7 7 3	State Code	1 1
Balance Sheet Date	3 1 (Date)	0 3 (Month)	2 0 1 0 (Year)

2. Capital raised during the Year (Amount in Rupees)

Public Issue	NIL	Bonus Issue	NIL
Rights Issue	NIL	Private Placement	NIL

3. Position of mobilisation and deployment of funds (Amount in Rupees)

Total Liabilities	1 2 5 0 0 3 9 2 9	Total Assets	1 2 5 0 0 3 9 2 9

Sources of Funds (Amount in Rupees)

Paid-up Capital	1 0 0 0 0 7 0 0 0	Reserves and Surplus	1 4 4 3 8 4 1 3
Secured Loans	NIL	Unsecured Loans	NIL

Application of Funds (Amount in Rupees)

Net Fixed Assets	NIL	Investments	7 9 5 8 5 2 4
Net Current Assets	1 0 6 4 8 6 8 8 9	Miscellaneous Expenditure	NIL
Accumulated Losses	NIL		

4. Performance of the Company (Amount in Rupees)

Turnover (Gross Income inclg. other income)	8 5 6 8 7 7 2	Total Expenditure	2 8 5 7 4 4 9 8
Profit / (loss) before Tax	– 2 0 0 0 5 7 2 6	Profit / (loss) after Tax	– 2 1 8 4 0 7 2 6
Earnings Per Share in Rupees	– 2 . 1 8	Dividend Rate %	NIL

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

	Item Code
Investment Management Company	NA

For and on behalf of the Board of Directors

SANDEEP BAKHSHI
Chairman

PRIYA NAIR
Company Secretary

CHANDRASHEKHAR LAL
Director

Mumbai, April 15, 2010

ICICI Trusteeship Services

ICICI TRUSTEESHIP SERVICES LIMITED

11TH ANNUAL REPORT AND ACCOUNTS 2009-2010

Directors
Pramod Rao, *Chairman*
S. D. Israni
Girish Mehta
N. D. Shah

Auditors
Khandelwal Jain & Co.
Chartered Accountants

Priya Nair
Compliance Officer

Registered Office
ICICI Bank Towers
Bandra-Kurla Complex
Mumbai - 400 051

directors' report

to the members

Your Directors have pleasure in presenting the Eleventh Annual Report of the Company with the audited statement of accounts for the year ended March 31, 2010.

FINANCIAL HIGHLIGHTS

The summary of the financial results for the year under review is as follows:

		(Rupees in Thousands)
	Fiscal 2009	**Fiscal 2010**
Gross Income	*593*	**744**
Profit Before Tax	*546*	**611**
Provision for tax	*170*	**190**
Profit After Tax	*376*	**421**
Transfer to Reserves	*376*	**421**

Your Directors do not recommend payment of dividend for the year ended March 31, 2010.

OPERATIONAL REVIEW

The main object of the Company is to act as trustee for mutual funds, offshore funds, pension funds, provident funds, venture capital funds, insurance funds, collective or private investment schemes, employee welfare or compensation schemes etc., and to devise various schemes for dealing with or in connection with aforesaid purposes including raising funds in any manner in India or abroad and to deploy funds so raised and earn reasonable returns on their investments and to act as trustees generally for any purpose and to acquire, hold, manage, dispose of all or any securities or money market instruments or property or assets and receivables or financial assets or any other assets or property.

The Company continues to act as the trustee of ICICI Securities Fund, ICICI Venture Capital Fund, ICICI Eco-net Fund, ICICI Emerging Sectors Trust, ICICI Centre for Elementary Education, ICICI Centre for Health and Nutrition, Reconciliation Shares Trust, ICICI Foundation for Inclusive Growth, Disha Trust and certain beneficiaries of specified endowment policy "ICICI Pru Save 'n' Protect" issued by ICICI Prudential Life Insurance Company Limited. In terms of the Scheme of Amalgamation of ICICI Limited, ICICI Capital Services Limited and ICICI Personal Financial Services Limited (Transferor Companies) with ICICI Bank Limited (Transferee Company), the Company is holding the shares pledged in favour of one or more Transferor Companies in trust for the benefit of persons for whose benefit the pledge had been created.

PUBLIC DEPOSITS

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

DIRECTORS

In terms of the provisions of the Articles of Association of the Company, N.D.Shah will retire at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

AUDITORS

Khandelwal Jain & Co., Chartered Accountants, Mumbai, will retire as the statutory auditors of the Company at the ensuing Annual General Meeting. The Board at its Meeting held on April 15, 2010 has proposed their appointment as the auditors to audit the accounts of the Company for the FY2011. You are requested to consider their appointment.

FOREIGN EXCHANGE EARNING AND EXPENDITURE

There was no income or expenditure in foreign currency during the period under review.

PERSONNEL AND OTHER MATTERS

Since your Company does not have any employees, provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable.

Since your Company does not own any manufacturing facility, the disclosure of information on other matters required to be disclosed in terms of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable and hence not given.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. that they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

Your Company is grateful to Securities and Exchange Board of India for its support and advice during the period under review.

The Company would also like to express its gratitude for the support and guidance received from ICICI Bank, the holding Company and also from other group companies.

For and on behalf of the Board

PRAMOD RAO
Chairman

April 15, 2010

auditors' report

to the Members of ICICI Trusteeship Services Limited

1. We have audited the attached Balance Sheet of ICICI TRUSTEESHIP SERVICES LIMITED as at 31st March, 2010, the Profit and Loss Account and also 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.
2. 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 from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks as considered appropriate and according to the information and explanations given to us during the course of audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) in our opinion, and to the best of our information and according to the explanations given to us, proper books of account as required by law have been maintained by the Company so far as appears from our examination of those books;
   (c) the Balance Sheet, the Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
   (d) in our opinion, and to the best of our information and according to the explanations given to us, the financial statements dealt with by this report comply with the Accounting Standards referred to under sub-section (3C) of Section 211 of the Companies Act, 1956;
   (e) on the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
   (f) in our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read with the Significant Accounting Policies and the Notes given in Schedule 7 thereto give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
      (i) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2010;
      (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
      (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

FOR KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No.104180
Firm's Registration No.105049W

Mumbai, April 15, 2010

annexure to the auditors' report

(Referred to in paragraph 3 of our report of even date)

1. The Company does not have any fixed assets and hence the provisions of clause 4 (i) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
2. The activities of the Company and the nature of its business do not involve the use of inventory. Accordingly, the provisions of clause 4 (ii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
3. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system for the sale of services commensurate with the size of the Company and the nature of its business. The activities of the Company do not involve purchase of inventory and fixed assets and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. We are informed that there are no transactions that need to be entered into a Register in pursuance of Section 301 of the Companies Act, 1956 and hence in our opinion, the provisions of clause 4 (v) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
6. The Company has not accepted any deposits from the public and hence the provisions of clause 4 (iv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
7. The Company has neither paid up capital and reserves exceeding 50 lakhs as at the commencement of the financial year nor did the average annual turnover for a period of three consecutive financial years immediately preceding the financial year concerned exceed five crores rupees, and hence the applicability of the internal audit system does not arise.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of the Companies Act, 1956.
9. In respect of statutory dues:
   (a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues wherever applicable, with the appropriate authorities during the year and there are no statutory dues outstanding for a period of more than six months from the date they became payable.

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

10. The Company has no accumulated losses as at 31st March, 2010 and has not incurred cash losses during the year ended on that date and in the immediately preceding year.

11. The Company has not borrowed any amounts from banks, financial institutions or by issue of debentures.

12. According to information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and any other securities, hence the question of maintenance of adequate records for this purpose does not arise.

13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund or a society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore the provisions of clause 4 (xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

15. To the best of our knowledge and belief, and according to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions.

16. To the best of our knowledge and belief, and according to the information and explanations given to us, the Company has neither availed nor utilised any term loans during the year.

17. According to the information and explanations given to us, and on an overall examination of the Balance sheet of the Company, funds raised on short-term basis have, *prima facie*, not been used for long-term investment.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

19. The Company has not issued any debentures during the year and hence the question of creation of security or charge in respect of debentures issued does not arise.

20. The Company has not raised funds by way of public issue during the year. Therefore the provisions of clause 4 (xx) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

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

FOR KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No.104180
Firm's Registration No.105049W

Mumbai, April 15, 2010

balance sheet

at March 31, 2010

	Schedule	March 31, 2010	*March 31, 2009*
			(Amount in Rs.)
SOURCES OF FUNDS:			
Shareholders' funds:			
Share capital	1	**500,000**	*500,000*
Reserves and surplus	2	**2,429,216**	*2,008,393*
		2,929,216	*2,508,393*
Corpus fund (Refer note no. 2(a) of Schedule 7)		**11,000**	*11,000*
TOTAL		**2,940,216**	*2,519,393*
APPLICATION OF FUNDS:			
Investments	3	**5,010**	*5,010*
Current assets, loans and advances:			
A Current assets			
Cash and bank balances	4	**2,821,486**	*2,551,112*
B Loans and advances	5	**149,485**	*129,997*
		2,970,971	*2,681,109*
Less : **Current liabilities and provisions**			
Current liabilities	6	**35,765**	*166,726*
		35,765	*166,726*
Net current assets		**2,935,206**	*2,514,383*
TOTAL		**2,940,216**	*2,519,393*
Significant accounting policies and notes to accounts	7		

profit and loss account

for the year ended March 31, 2010

	Schedule	March 31, 2010	*March 31, 2009*
			(Amount in Rs.)
INCOME			
Trusteeship fees (gross)		**528,018**	*422,710*
Interest on deposits with banks (gross)		**216,033**	*168,375*
(Tax deducted at source: Rs. 21,701, March 31, 2009: Rs. 34,686)			
Dividend		**200**	*300*
Other Income		**—**	*1,854*
		744,251	*593,239*
EXPENDITURE			
Auditor's remuneration - Statutory Audit fees		**15,000**	*15,000*
Directors' fees		**22,000**	*22,000*
Profession tax		**2,500**	*2,500*
Filing fees		**3,500**	*2,500*
Professional fees		**90,428**	*5,002*
		133,428	*47,002*
Profit before tax		**610,823**	*546,237*
Provision for taxation		**190,000**	*170,000*
Profit after tax		**420,823**	*376,237*
Balance brought forward from previous year		**2,008,393**	*1,632,156*
Balance carried to Balance Sheet		**2,429,216**	*2,008,393*
Earnings per share - Basic and Diluted		**8.42**	*7.52*
(Refer note 2(e) of Schedule 7)			
Significant accounting policies and notes to accounts	7		

As per our Report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. 104180

PRIYA NAIR
Compliance Officer

Mumbai, April 15, 2010

For and on behalf of the Board of Directors

PRAMOD RAO
Chairman

S. D. ISRANI
Director

N. D. SHAH
Director

GIRISH MEHTA
Director

Mumbai, April 15, 2010

	March 31, 2010	March 31, 2009
		(Amount in Rs.)
SCHEDULE 1		
SHARE CAPITAL		
Authorised:		
1,000,000 equity shares of Rs. 10 each	**10,000,000**	*10,000,000*
	10,000,000	*10,000,000*
Issued, subscribed and paid up		
50,000 equity shares of Rs. 10 each, fully paid up	**500,000**	*500,000*
(All the above equity shares are held by ICICI Bank Limited (the holding company) and its nominees)		
	500,000	*500,000*
SCHEDULE 2		
RESERVES AND SURPLUS		
Surplus in Profit and Loss account	**2,429,216**	*2,008,393*
	2,429,216	*2,008,393*
SCHEDULE 3		
INVESTMENTS (AT COST)		
Long term investments		
Trade Investments (At cost)		
Quoted Equity shares, Fully paid		
Firstsource Solutions Limited - 100 (March 31, 2009 - 100) shares of Rs. 10 each	**1,000**	*1,000*
(Market value at March 31, 2010 - Rs. 2,865; at March 31, 2009 - Rs. 1,541)		
	1,000	*1,000*
Unquoted, Fully paid		
ICICI West Bengal Infrastructure Development Corporation Limited - 200 (March 31, 2009 - 200) shares of Rs. 10 each	**2,000**	*2,000*
ICICI Venture Funds Management Company Limited - 1 (March 31, 2009 - 1) share of Rs. 10 each	**10**	*10*
ICICI Kinfra Limited - 200 (March 31, 2009 - 200) shares of Rs. 10 each	**2,000**	*2,000*
	4,010	*4,010*
	5,010	*5,010*
SCHEDULE 4		
CASH AND BANK BALANCES		
Bank balances with scheduled banks (Refer Note No. 2(a))		
— in current accounts	**55,635**	*392,167*
— in savings account	**13,309**	*12,855*
— in fixed deposit account	**2,752,542**	*2,146,090*
	2,821,486	*2,551,112*
SCHEDULE 5		
LOANS AND ADVANCES		
(Unsecured and considered good)		
Interest accrued on fixed deposits	**113,870**	*103,350*
Advance payment of income tax etc. (net of provision for tax)	**35,615**	*26,647*
	149,485	*129,997*
SCHEDULE 6		
CURRENT LIABILITIES		
Sundry creditors	**35,765**	*166,726*
	35,765	*166,726*

SCHEDULE 7:

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. Accounting Policies

a) Overview

ICICI Trusteeship Services Limited (the Company) was incorporated in Mumbai, India. The Company's principal activity is to act as trustee for funds.

b) Basis of preparation of financial statements:

The accompanying financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles and the provisions of the Companies Act, 1956 and the applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

c) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

d) Revenue recognition:

Trusteeship Fees is accounted on accrual basis. Interest income and other dues are accounted on accrual basis. Dividend is accounted on an accrual basis when the right to receive the dividend is established.

e) Income Taxes:

Income tax expense represents the aggregate of the current tax and deferred tax charge. Current period taxes are determined in accordance with the Income Tax Act, 1961. Deferred tax is computed in accordance with the requirements of the Accounting Standard 22 on 'Accounting for Taxes on Income' issued by the ICAI.

f) Earnings Per Share:

In accordance with the Accounting Standard 20 on 'Earnings Per Share' issued by the ICAI, basic earnings per share is computed using the weighted average number of shares outstanding during the period/year.

g) Investments:

Investments classified as long-term investments are stated at cost. Provision is made to recognise a decline if any, other than temporary in the value of investments.

h) Contingent liabilities:

The Company estimates the probability of any loss that might be incurred on outcome of contingencies on the basis of information available up to the date on which the financial statements are prepared. A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements. In case of remote possibility, neither provision nor disclosure is made in the financial statements.

2. Notes to accounts

a) The Company in the earlier years, in terms of the Indenture of Trust, received corpus fund for setting up ICICI Securities Fund of which details are as under:

i) Rs. 1,000 received from ICICI Prudential Life Insurance Company Limited which is forming part of "Schedule 4: Cash and Bank Balances – Current account".

ii) Rs. 10,000 received from erstwhile ICICI Limited (ICICI) along with interest thereon which is reflected in "Schedule 4: Cash and Bank Balances – Saving account ".

b) Related party transactions

i) Names of related parties and nature of relationship are as follows:

Sr. no.	Nature of relationship	Name of party
1	Holding company	ICICI Bank Limited
2	Fellow subsidiaries and fellow entities consolidated as per Accounting Standard 21 of the holding company.	• ICICI Venture Funds Management Company Limited • ICICI Prudential Life Insurance Company Limited • ICICI West Bengal Infrastructure Development Corporation Limited • ICICI Kinfra Limited

ii) Transactions with related parties for the year ended March 31, 2010

(Amount in Rupees)

Nature of transactions	Holding company	Fellow subsidiaries/ entities	Total
Trusteeship fees	169,205	150,100	319,305
Interest on deposits with banks	216,033	—	216,033
Dividend	—	200	200
Bank balances	68,944	—	68,944
Fixed deposits	2,752,542	—	2,752,542
Accrued interest on Fixed deposits	113,870	—	113,870
Amount payable	—	—	—
Investments	—	4,010	4,010
Corpus Fund	10,000	1,000	11,000

Transactions with related parties for the year ended March 31, 2009

(Amount in Rupees)

Nature of transactions	Holding company	Fellow subsidiaries/ entities	Total
Trusteeship fees	252,610	150,100	402,710
Interest on deposits with banks	168,375	—	168,375
Dividend	—	300	300
Bank balances	405,022	—	405,022
Fixed deposits	2,146,090	—	2,146,090
Accrued interest on Fixed deposits	103,350	—	103,350
Amount payable	106,509	—	106,509
Investments	—	4,010	4,010
Corpus Fund	10,000	1,000	11,000

c) The Company is engaged in the business of acting as a trustee for funds and trusts, which constitute the only segment of the Company.

d) Tax expense for the year is on the basis of current tax since there are no timing differences resulting into tax expense/tax saving on the deferred tax basis.

e) Earnings per share is calculated as follows:

		Year ended March 31, 2010	*Year ended March 31, 2009*
i)	Net profit after tax (Rs.)	**420,823**	*376,237*
ii)	Weighted average number of Equity Shares (No.)	**50,000**	*50,000*
iii)	Earnings per share – basic and diluted (Rs.)	**8.42**	*7.52*

f) There are no suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and hence the disclosures relating thereto under the said Act are not applicable.

g) Additional information pursuant to provisions of paragraph 3 of Part II of Schedule VI of Companies Act, 1956 are not applicable.

h) The amounts in the balance sheet and profit and loss account are rounded off to the nearest Rupee.

i) Figures in respect of the previous year have been regrouped, rearranged and reclassified, wherever necessary.

As per our Report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. 104180

PRIYA NAIR
Compliance Officer

Mumbai, April 15, 2010

For and on behalf of the Board of Directors

PRAMOD RAO
Chairman

S. D. ISRANI
Director

N. D. SHAH
Director

GIRISH MEHTA
Director

Mumbai, April 15, 2010

ICICI Bank

for the year ended March 31, 2010

(Amount in Rs.)

		Year ended March 31, 2010	Year ended March 31, 2009
A	**Cash Flow from Operating Activities:**		
	Net Profit before taxation	**610,823**	*546,237*
	Adjustments for:		
	Dividend Income	**(200)**	*(300)*
	Interest on deposits with banks etc. (gross)	**(216,033)**	*(168,375)*
	Operating Profit before Working Capital Changes	**394,590**	*377,562*
	Adjustments for:		
	Trade Payables and Other Liabilities	**(130,962)**	*(75,820)*
	Trade and Other Receivables	**—**	*112*
	Cash generated from Operations	**263,629**	*301,854*
	Taxes paid	**(198,968)**	*(178,835)*
	Net cash flow from Operating Activities - A	**64,661**	*123,019*
B	**Cash Flow from Investing Activities:**		
	Interest on deposits with banks etc. (gross)	**216,033**	*168,375*
	Dividend received	**200**	*300*
	Purchase of Investments	**—**	*—*
	Net cash from Investing Activities - B	**216,233**	*168,675*
C	**Cash Flow from Financing Activities:**	**—**	*—*
	Net Cash used in Financing Activities - C	**—**	*—*
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**280,894**	*291,694*
	Cash and Cash Equivalents as at beginning of the year	**2,654,462**	*2,362,768*
	Cash and Cash Equivalents as at end of the year	**2,935,356**	*2,654,462*

Notes to Cash Flow Statement

1. Components of cash and cash equivalent include bank balances in Current, Savings and deposit accounts including interest accrued on deposits.
2. The Cash Flow Statement has been prepared in accordance with the requirement of Accounting Standard (AS-3) "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.
3. Figures of the previous year have been regrouped, wherever necessary, to correspond with current year's figures.

As per our Report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. 104180

PRIYA NAIR
Compliance Officer

Mumbai, April 15, 2010

For and on behalf of the Board of Directors

PRAMOD RAO
Chairman

S. D. ISRANI
Director

N. D. SHAH
Director

GIRISH MEHTA
Director

Mumbai, April 15, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
AS PER PART IV, SCHEDULE VI OF THE COMPANIES ACT, 1956

1. Registration details

Registration No.	0 1 1 9 6 8 3
State Code	1 1
Balance Sheet Date	3 1 (Date) / 0 3 (Month) / 2 0 1 0 (Year)

2. Capital raised during the Year (Amount in Rupees)

Public Issue	NIL
Bonus Issue	NIL
Rights Issue	NIL
Private Placement	NIL

3. Position of mobilisation and deployment of funds (Amount in Rupees)

Total Liabilities	2975981
Total Assets	2975981

Sources of Funds (Amount in Rupees)

Paid-up Capital	500000
Reserves and Surplus	2429216
Secured Loans	NIL
Unsecured Loans	NIL

Application of Funds (Amount in Rupees)

Net Fixed Assets	NIL
Investments	5010
Net Current Assets	2935206
Miscellaneous Expenditure	NIL
Accumulated Losses	NIL

4. Performance of the Company (Amount in Rupees)

Turnover (Gross Income inclg. other income)	744251
Total Expenditure	133428
Profit Before Tax	610823
Profit After Tax	420823
Earnings Per Share in Rupees	8.42
Dividend Rate %	NIL

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

	Item Code
Trustees for Funds	NA

As per our Report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. 104180

PRIYA NAIR
Compliance Officer

Mumbai, April 15, 2010

For and on behalf of the Board of Directors

PRAMOD RAO
Chairman

S. D. ISRANI
Director

N. D. SHAH
Director

GIRISH MEHTA
Director

Mumbai, April 15, 2010

ICICI BANK UK PLC

7TH ANNUAL REPORT AND ACCOUNTS 2009-2010

Directors
Chanda D. Kochhar, *Chairperson*
Richard Banks
William Michael Thomas Fowle
Richard Michael James Orgill
Mohan Lal Kaul
N. S. Kannan
Vijay Chandok , *Managing Director & Chief Executive Officer*

Auditors
KPMG Audit Plc.
8 Salisbury Square
London, EC4Y 8BB
United Kingdom

Aarti Sharma
Chief Financial Officer
& Company Secretary

Registered Office
ICICI Bank UK PLC
21 Knightsbridge
London SW1X 7LY

directors' report

to the members

The Directors have pleasure in presenting the Seventh annual report of ICICI Bank UK PLC, together with the audited financial statements for the year ended March 31, 2010.

Principal Activities

ICICI Bank UK PLC ('the Bank') is a full service bank offering retail, corporate and investment banking services. The Bank is authorised and regulated by the Financial Services Authority (FSA). The Bank is a wholly owned subsidiary of ICICI Bank Limited, which is India's largest private sector Bank. The key business areas include retail banking, corporate and investment banking and private banking.

The Bank's corporate and investment banking business includes funding and advisory services for Indian corporations seeking to develop their business in the UK and Europe. The Bank's retail activities focus on two specific segments: branch banking and online banking. The Bank offers regular high street retail banking services with a varied product suite including current accounts, savings accounts, internet banking, debit and white label credit cards. The Bank delivers its products and services through eleven branches located in the UK and two branches in mainland Europe, located in Antwerp (Belgium) and Frankfurt (Germany) as well as through direct banking. With regard to the latter, the Bank offers an interest based savings account to British and German consumers which is supported over internet and phone enabled channels.

Business Review

The Bank was incorporated in England and Wales as a private company with limited liability on February 11, 2003 and was converted to a public limited company, assuming the name ICICI Bank UK PLC, on October 30, 2006. As a public limited company, the Bank is able to access the capital markets. As at March 31, 2010, the Bank had total assets of INR 333,107.0 million compared to INR 328,699.8 million as at March 31, 2009.

The Bank has a long term deposit rating of Baa2 from Moody's Investors Service Limited (Moody's).

The Bank has been managed as a single business. For the purposes of the Enhanced Business Review, however, management has provided its estimated analysis of the business by individual activity.

During financial year 2010, the Bank continued to remain focused on maintaining adequate liquidity, risk containment through selective credits and capital conservation.

Financial Results

The financial statements for the reporting year ended March 31, 2010 are shown on pages 203 to 218.

The profit after taxation for the year was Rs. 1,661.0 million (2009: Rs. 306.9 million).

Financial Highlights

The financial performance for the financial year 2010 is summarised in the following table:

Rs. in 000's, except percentages

	Financial 2009	**Financial 2010**	**% Change**
Net interest income	*3,105,643*	**2,115,554**	–32%
Non interest income	*2,058,710*	**2,200,459**	7%
Gain/(Loss) on buy back of bonds	*3,922,329*	**288,034**	—
Mark to market on debt securities	*(550,115)*	**479,263**	—
Total operating income	*8,536,567*	**5,083,310**	–40%
Operating expenses	*(2,695,033)*	**(2,213,751)**	–18%
Profit before provisions, charges and taxes	*5,841,534*	**2,869,559**	–51%
Provisions/Charges/Impairment	*(4,828,771)*	**(922,650)**	—
Profit/(loss) on sale of debt securities	*(560,172)*	**401,047**	—
Profit before tax	*452,591*	**2,347,956**	419%
Profit after tax	*306,935*	**1,660,986**	441%

The profit before tax was Rs. 2,348.0 million in the financial year 2010 compared with Rs. 452.6 million in the financial year 2009. Total operating income (excluding income from buy back of bonds) has increased by 4% driven by improvement in corporate fees and retail remittance income partially offset by lower net interest income versus financial year 2009. Net interest income was impacted by a drop in LIBOR on loans and investments over the full year 2010 and reduced by 32% compared with financial year 2009. Operating expenses at Rs. 2,213.8 million reduced by 18% compared with financial year 2009.

Non interest income increased by 7% for the financial year 2010 to Rs. 2,200.5 million from Rs. 2,058.7 million in the financial year 2009. The Bank booked corporate fees of Rs. 1,818.5 million, Rs. 287.4 million on buy back of bonds and Rs. 134.7 million of retail remittance income. A mark to market gain of Rs. 479.3 million booked during the financial year 2010 was primarily driven by tightening of spreads on credit linked notes.

Operating expenses reduced by 18% to Rs. 2,213.8 million in the financial year 2010 from Rs. 2,695.0 million in the financial year 2009, primarily due to process efficiencies and business rationalisation initiatives. Head count reduction has contributed to 12.5% reduction in salaries cost in financial year 2010 versus financial year 2009.

Specific and collective provisions of Rs. 922.7 million were booked on loans and advances during the year.

Total assets increased marginally by 1.4% at Rs. 333,107.0 million in the financial year 2010 compared to Rs. 328,699.8 million in the financial year 2009.

The Bank booked a mark to market write back of Rs. 8,044.4 million (net of tax) on its available for sale portfolio during the year due to the impact of tightening credit spreads on the Bond portfolio.

No dividend payments were made during the financial year.

Corporate and Investment Banking

The Corporate Banking Group continued its focus on the strategy of measured growth in the balance sheet during the year, prioritising return on investment over balance sheet growth. Given the backdrop of the financial crisis, the group maintained a dedicated focus on key client relationships. While the client base broadened during the year, the client acquisition process was selective. The group penetrated the German market through new relationships with focus on subsidiaries of selected Indian companies and large multinational companies. The group also focused on portfolio management through proactive and frequent reviews, and continuous monitoring of large exposures and specific portfolio actions. Special focus was maintained on expanding and supporting India linked and global relationships of ICICI Group. In terms of product areas, emphasis was placed on initiating and building transaction banking and trade finance volumes.

Retail Banking

The Retail banking unit is a key element of the Bank's strategy in the UK. The retail banking operations of the Bank are the largest of all Indian Banks in the UK and are centred on two specific segments.

The first segment caters primarily to meet the banking requirements of the Indian community in the UK, focused on delivering services such as remittances and deposits. The Bank also offers private banking services to clients in the UK, focusing mainly on high net-worth individuals of Indian origin. These services are provided through eleven retail branches. The Bank continues to have a market share of over 30% of the remittance market to India, and a substantial franchise of customer relationships.

The second area is Direct Banking, where the Bank offers savings and fixed rate accounts aimed at British and German consumers under the HiSAVE brand in the United Kingdom and HiZins brand in Germany, through the phone and internet. The Bank's retail customer account balances stood at Rs. 204.4 billion as at March 31, 2010 (March 31, 2009: Rs. 207.6 billion). The total fixed rate book as on March 31, 2010 increased to Rs. 139.2 billion with Fixed Rate Accounts with tenors greater than a year, accounting for over Rs. 67.4 billion. The Bank also won important awards in the market for its HiSAVE and HiZins product and service offerings during the year.

Treasury

Treasury activity during the year continued to focus principally on efficient management of liquidity. Given the conditions in the financial markets in the past financial year, the Bank has consciously adopted a strategy to maintain adequate liquidity at all times, both in terms of amount and quality, to ensure that the Bank continues to meet its liabilities as they fall due. The Bank regularly reviews its asset/liability maturity mismatches and interest rate positions, and maintains liquidity gaps and interest rate positions within prescribed limits.

The Bank's investment portfolio was positively impacted by tightening of credit spreads. The Bank's strategy has been to raise long term retail deposits to fund asset growth. The Bank has liquidated part of the investment portfolio in line with the reduction in on demand deposit balances.

The Bank maintained a high capital adequacy ratio during the financial year.

Governance and Risk Management

The Bank has a centralised Risk Management Group with a mandate to identify, assess and monitor all its principal risks in accordance with defined policies and procedures. The Risk Management Group is independent of the business units and reports directly to the Managing Director and Chief Executive Officer, as well as to the Risk Management Group of the parent bank.

The Bank is primarily exposed to credit risk, market risk (including interest and liquidity risks), operational, compliance and reputation risk. In its lending operations, the Bank is principally exposed to credit risk, being the risk of loss that may occur from the failure of any counterparty to make the required repayments on loans due to the Bank as and when they fall due. The main market risks facing the Bank are interest rate risk arising due to adverse movements in the interest rates, exchange rate risk on foreign currency positions and liquidity risk arising due to the potential difficulty of resorting to the financial markets in order to meet payment obligations.

Details of the Bank's governance arrangements, financial risk management objectives and policies, including those in respect of financial instruments, and details of the Bank's indicative exposure to risks are given in Note 33.

Company Secretary

The name of the Company Secretary at the date of the report and who served during the year is as follows:

Aarti Sharma

Share Capital

During the year ended March 31, 2010, the Bank did not raise equity capital. As at the reporting date, the issued and fully paid share capital (including preference shares), amounted to INR 26,719.8 million.

Employees

As at March 31, 2010 the Bank had 240 employees. The Bank encourages the involvement of all employees in the Bank's overall performance and profitability. The Bank has a pension scheme wherein employees are entitled to a minimum of five percent contribution of their basic salary. All employees have life insurance cover to the extent of four times their base salary. The Bank also has a private medical insurance plan, which covers employees and their dependents.

The Bank is committed to employment practices and policies which recognise the diversity of its workforce and ensure equality for employees regardless of sex, race, disability, age, sexual orientation or religious belief. Employees are kept closely involved in major changes affecting them through such measures as team meetings, briefings, internal communications and opinion surveys.

The Bank recognises its social and statutory duty to employ disabled persons and has followed a policy of providing, wherever possible, the same employment opportunities for disabled people as for others. If employees become disabled, every effort is made to ensure their employment continues, with appropriate training where necessary.

Political and charitable contributions

The Bank made charitable contributions of Rs. 431,040 during the financial year 2010 (financial year 2009: Rs. 680,998). The Bank made no political contributions during the financial year 2010 (financial year 2009: Nil).

Payment to Creditors

The Bank has a regular cycle of obtaining services and releasing payment to creditors and suppliers. Bank honours payment to its creditors and suppliers as per agreed terms and conditions and within agreed time frame as stipulated in the contract.

Directors

The names of the Directors as at the date of this report and those who served during the year are as follows:

Chanda D. Kochhar
(Appointed as Chairperson of the Board effective April 6, 2009)

Sonjoy Chatterjee
(Substituted by N. S. Kannan as director effective April 13, 2010*)

Suvek Nambiar
(Managing Director and Chief Executive Officer**)

William Michael Thomas Fowle
(Non Executive Director)

Richard Michael James Orgill
(Non Executive Director)

Mohan Lal Kaul
(Non Executive Director)

Richard Banks
(Appointed as Non Executive Director effective December 1, 2009)

Effective April 6, 2009, K. V. Kamath ceased to be a Director and Chairman of ICICI Bank UK PLC.

* In the Board meeting of ICICI Bank UK PLC held on April 13, 2010, Sonjoy Chatterjee was substituted by N.S. Kannan as the Director of ICICI Bank UK PLC subject to the FSA approval.

** In the Board meeting of ICICI Bank UK PLC held on April 13, 2010, Suvek Nambiar was substituted by Vijay Chandok who was appointed as the Managing Director & Chief Executive Officer of ICICI Bank UK PLC subject to the FSA approval and receipt of his work permit.

Disclosure of information to Auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Bank's Auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Bank's Auditor is aware of that information.

Auditor

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG Audit Plc as auditor of the Bank is to be proposed at the forthcoming Annual General Meeting.

By order of the board

SUVEK NAMBIAR
Managing Director & CEO

AARTI SHARMA
Chief Financial Officer
& Company Secretary

April 21, 2010

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under the company law, the directors must not approve the financial statements unless they are satisfied that the statements give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps and are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Report of the independent auditor to the members of ICICI Bank UK PLC

We have audited the financial statements of ICICI Bank UK PLC ("the Bank") for the year ended 31 March 2010 set out on pages 9 to 45 . The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Bank's members, as a body, in accordance with Chapter 3 of the Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Bank's members we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Bank's affairs as at March 31, 2010 and of its profit for the year then ended-;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Helen Ruth Horgan
(Senior Statutory Auditor)

KPMG Audit Plc
Chartered Accountants
Registered Auditor

April 21, 2010

profit and loss account

for the year ended March 31, 2010

	Note	March 31, 2010	(Rs. in 000's) March 31, 2009
Interest income and similar income arising on debt securities		**2,505,061**	*7,732,678*
Other interest receivable and similar income		**10,370,194**	*12,340,361*
Interest payable		**(10,759,701)**	*(16,967,396)*
Net interest income		**2,115,554**	*3,105,643*
Fees and commissions receivable		**1,820,291**	*1,393,965*
Foreign exchange revaluation gains		**334,774**	*76,869*
Income/(Expense) on financial instruments at fair value through profit and loss	5	**424,754**	*(29,948)*
Other operating income	6	**99,903**	*67,709*
Gains on buy back of bonds	7	**288,034**	*3,922,329*
Operating income		**5,083,310**	*8,536,567*
Administrative expenses	8	**(2,101,950)**	*(2,622,744)*
Depreciation	21	**(111,801)**	*(72,289)*
Specific impairment on investment securities	18	**—**	*(4,105,387)*
Impairment provision on financial assets	18	**(922,650)**	*(723,384)*
Profit/(loss) on sale of debt securities		**401,047**	*(560,172)*
Profit on ordinary activities before tax		**2,347,956**	*452,591*
Tax on profit on ordinary activities	11	**(686,970)**	*(145,656)*
Profit on ordinary activities after tax		**1,660,986**	*306,935*

The result for the year is derived entirely from continuing activities.
The notes on pages 205 to 218 form part of these financial statements.

balance sheet

as at March 31, 2010

	Note	March 31, 2010	(Rs. in 000's) March 31, 2009
Assets			
Cash		**47,594**	*139,549*
Loans and advances to banks	15	**64,172,158**	*44,208,585*
Loans and advances to customers	16	**163,223,578**	*141,294,239*
Investment securities	19	**89,817,825**	*131,422,300*
Tangible fixed assets	21	**523,803**	*587,112*
Other assets	22	**12,838,257**	*7,318,027*
Prepayments and accrued income		**2,483,823**	*3,729,977*
Total assets		**333,107,038**	*328,699,789*
Liabilities			
Deposits by banks	23	**35,147,989**	*36,518,337*
Customer accounts	24	**204,389,604**	*207,562,238*
Debt securities and subordinated liabilities	25	**49,947,119**	*52,448,588*
Other liabilities	26	**11,021,064**	*12,905,607*
Accruals and deferred income		**4,466,787**	*863,562*
Total Liabilities		**304,972,563**	*310,298,332*
Shareholders' funds:			
Equity share capital	27	**24,474,766**	*24,474,766*
Non equity share capital	27	**2,245,000**	*2,245,000*
Capital Contribution		**65,868**	*38,210*
Retained earning		**5,189,632**	*3,528,646*
Available for sale reserve		**(3,840,791)**	*(11,885,165)*
Total Equity		**28,134,475**	*18,401,457*
Total Equity & Liabilities		**333,107,038**	*328,699,789*

The notes on pages 205 to 218 form part of these financial statements.

These financial statements were approved by the board of directors on April 21, 2010 and were signed on its behalf by:

SUVEK NAMBIAR
Managing Director &
Chief Executive Officer

AARTI SHARMA
Chief Financial Officer
& Company Secretary

statement of total recognised gains & losses

for the year ended March 31, 2010

	March 31, 2010	March 31, 2009
		(Rs. in 000's)
Profit on ordinary activities after tax	**1,660,986**	*306,895*
Movement in available for sale reserve		
Movement in fair value during the year	**10,435,299**	*(13,942,079)*
– Amount transferred to the profit and loss account in respect of impairment	**—**	*4,105,387*
– Other fair value gains/losses transferred to profit and loss account	**—**	*484,426*
Movement in available for sale reserve	**10,435,299**	*(9,352,266)*
Taxation relating to available for sale reserve	**(2,390,925)**	*1,994,189*
Net movement in available for sale reserve	**8,044,374**	*(7,358,077)*
Total gains and losses recognised	**9,705,360**	*(7,051,182)*

The notes on pages 205 to 218 form part of these financial statements.

reconciliation of movements in shareholders' funds

for the year ended March 31, 2010

(Rs. in 000's)

	Issued Share Capital	Profit and Loss Account	Available for Sale Reserve	Other	Total
As at April 1, 2008	22,229,766	3,221,710	(4,527,087)	—	20,924,389
Ordinary shares issued during the year	4,490,000	—	—	—	4,490,000
Capital Contribution (Share based payments)	—	—	—	38,210	38,210
Unrealised loss on available for sale securities	—	—	(9,352,267)	—	(9,352,267)
Tax impact	—	—	1,994,189	—	1,994,189
Profit on ordinary activities after tax	—	306,936	—	—	306,936
As at April 1, 2009	**26,719,766**	**3,528,646**	**(11,885,165)**	**38,210**	**18,401,457**
Capital Contribution (Share based payments)	—	—	—	27,658	27,658
Unrealised gain on available for sale securities	—	—	10,435,299	—	10,435,299
Tax impact	—	—	(2,390,925)	—	(2,390,925)
Profit on ordinary activities after tax	—	1,660,986	—	—	1,660,986
Closing shareholders' funds as at March 31, 2010	**26,719,766**	**5,189,632**	**(3,840,791)**	**65,868**	**28,134,475**

The notes on pages 205 to 218 form part of these financial statements.

1. Reporting entity

ICICI Bank UK PLC ("ICICI Bank" or "the Bank"), incorporated in the United Kingdom, provides a wide range of banking and financial services including retail banking, commercial lending, trade finance and treasury services.

2. Basis of preparation

(a) Statement of Compliance

The financial statements of the Bank have been prepared in accordance with the UK GAAP as issued by the Accounting Standards Board.

(b) Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with the special provisions of Part XV of the Companies Act 2006 relating to banking companies and applicable accounting standards.

(c) Functional and presentation currency

The financial statements are prepared and presented in US Dollars, which is the functional currency of the Bank as it represents the currency of the primary economic environment in which the Bank operates. A significant proportion of the banking assets and revenues are transacted in US Dollars.

(d) Going concern

The financial statements are prepared on a going concern basis as the Bank is satisfied that it has the resources to continue in business for the foreseeable future. The Bank is a wholly owned subsidiary of ICICI Bank Limited. The parent company has issued a letter of comfort to the Bank's regulator, the Financial Services Authority (FSA), stating that the parent company intends to financially support the Bank in ensuring that it meets all of its financial obligations as they fall due. In addition the Directors' have also considered future projections of profitability, cash flows and capital resources in making their assessment.

3. Significant accounting policies

In these financial statements the following amendments to standards and interpretations have been implemented for the first time:

- An amendment to FRS26 'Financial Instruments: Recognition and Measurement' ('FRS26') and to FRS 29 'Financial Instruments: Disclosures' ('FRS 29').

No prior period restatements were required in respect of implementing these amendments.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

(a) Interest income and expense

Interest income and expense are booked in profit and loss using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Bank estimates the future cash flows considering all contractual terms of the financial instruments but not the credit losses. The effective interest rate is established on initial recognition (or upon reclassification) of the financial asset and liability and is not revised subsequently.

(b) Fees and commissions income and expense

Fees and commission are taken to profit and loss account when the service has been rendered, except when those fees are an adjustment to the yield on the related asset, in which case they are amortised over the expected maturity of the asset using the effective interest rate method. Fees and commissions payable on borrowings raised are expensed to the profit and loss account over the life of the borrowing raised using the effective interest rate method and are included in interest expense.

(c) Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at the exchange rates ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account. Income and expenses denominated in foreign currencies are converted into US Dollars at the rate of exchange ruling at the date of the transaction.

(d) Financial assets and financial liabilities

The Bank initially recognises loans and advances, deposits, debt securities issued and subordinated liabilities on the date of origination.

The Bank classifies its financial assets in the following categories: financial instruments at fair value through profit and loss; loans and receivables; available for sale financial assets and held to maturity investments. The management determines the classification of financial assets at initial recognition. The financial assets are de-recognised when the rights to receive cash flows have expired or the Bank has transferred substantially all the risks and rewards of ownership. Financial assets are recognised at trade date, being the date on which the Bank commits to purchase or sell the assets.

Financial liabilities (other than derivatives) are measured at amortised cost and are recognised at trade date. They are de-recognised when liabilities are extinguished.

(e) Loans and receivables

Loans and receivables, which include loans and advances and other receivables, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as available for sale. Loans and receivables are initially recognised at fair value including direct and incremental transaction costs. They are subsequently valued at amortised cost using effective interest rate method. Loans and receivables are stated at amortised cost after deduction of amounts which are required as impairment provisions. Where loans have been acquired at a premium or discount, these premiums and discounts are amortised through the profit and loss account from the date of acquisition to the expected date of maturity using the effective interest rate method.

(f) Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction, on the measurement date. This is determined by reference to the quoted bid price or asking price (as appropriate) in an active market wherever possible.

When independent prices are not available or if the market for a financial instrument is not active, fair values are determined by using valuation techniques which refer to observable market data. These include comparison with similar instruments where market observable prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. Fair values of financial instruments may be determined in whole or in part using valuation techniques based on assumptions that are not supported by prices from current market transactions or observable market data. Valuation techniques are also used for valuation of unlisted investments.

(g) Financial instruments at fair value through profit and loss

Financial instruments are classified in this category if they are held for trading. Instruments are classified as held for trading if they are:

i) Acquired principally for the purposes of selling or repurchasing in the near term; or

ii) Part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Financial instruments cannot be transferred into or out of this category after inception except certain assets on reclassification. Financial instruments included in this category are recognised initially at fair value and transaction costs are taken directly to the profit and loss account. Financial instruments at fair value through profit and loss include debt securities which are held for trading only and valued at fair value.

Derivatives are carried at fair value in the balance sheet within 'Other assets' and 'Other liabilities'. Valuation adjustments to cover credit and market liquidity risks are made with gains and losses taken directly to the profit and loss account and reported within income/(expense) on financial instruments at fair value through profit and loss. Positive and negative fair values of derivatives are offset where the contracts have been entered into under netting agreements or other arrangements that represent a legally enforceable right of set-off, which will survive the liquidation of either party, and there is the intention to settle net.

(h) Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale and are not categorised into any of the other categories described above. They are initially recognised at fair value including direct and incremental transaction costs. They are subsequently held at fair value. Gains and losses arising from changes in fair value are included in the available-for-sale securities reserve until sale, when the cumulative gain or loss is transferred to the profit and loss account.

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised directly in equity to profit and loss. The cumulative loss that is removed from equity and recognised in profit and loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised directly in equity.

(i) Held to maturity financial assets

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity, and which are not designated at fair value through profit or loss or as available-for-sale.

Held-to-maturity investments are carried at amortised cost using the effective interest method.

(j) Reclassification of financial assets

The amendment to FRS 26 issued on October 10, 2008 permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the Bank upon initial recognition) out of the fair value through profit and loss category in rare circumstances. The amendment also permits an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables and if the entity has the intention and ability to hold that financial asset for the foreseeable future.

When a financial asset is reclassified, it is reclassified at its fair value on the date of reclassification. Any gain or loss already recognised in the profit and loss account or shareholder equity, as appropriate, is not reversed. The fair value of the financial asset on the date of reclassification becomes its new cost or amortised cost, as applicable.

(k) Derivatives held for risk management purposes and hedge accounting instruments and hedging activities

Transactions are undertaken in derivative financial instruments (derivatives), which include interest rate swaps, futures, forward rate agreements, currency swaps, options and similar instruments, for trading and non-trading purposes. The Bank may designate a derivative as either a hedge of the fair value of a recognised fixed rate asset or liability or an unrecognised firm commitment (fair value hedge), a hedge of a forecasted transaction or the variability of future cash flows of a floating rate asset or liability (cash flow hedge) or a foreign-currency fair value or cash flow hedge (foreign currency hedge). All derivatives are recorded as assets or liabilities on the balance sheet at their respective fair values with unrealised gains and losses recorded either in reserves or in the profit and loss account, depending on the purpose for which the derivative is held. Derivatives that do not meet the criteria for designation as a hedge under FRS 26 at inception, or fail to meet the criteria thereafter, are accounted for in other assets with changes in fair value recorded in the profit and loss account.

Changes in the fair value of a derivative that is designated and qualifies as a fair value hedge, along with the gain or loss on the hedged asset or liability that is attributable to the hedged risk are recorded in the profit and loss account as other non-interest income. To the extent of the effectiveness of a hedge, changes in the fair value of a derivative that is designated and qualifies as a cash flow hedge, are recorded in reserves. For all hedging relationships, ineffectiveness resulting from differences between the changes in fair value or cash flows of the hedged item and changes in the fair value of the derivative are recognised in the profit and loss account as other non-interest income.

At the inception of a hedge transaction, the Bank formally documents the hedging relationship and the risk management objective and strategy for undertaking the hedge. This process includes identification of the hedging instrument, hedged item, risk being hedged and the methodology for measuring effectiveness. In addition, the Bank assesses both at the inception of the hedge and on an ongoing quarterly basis, whether the derivative used in the hedging transaction has been highly effective in offsetting changes in fair value or cash flows of the hedged item, and whether the derivative is expected to continue to be highly effective.

The Bank discontinues hedge accounting prospectively when either it is determined that the derivative is no longer highly effective in offsetting changes in the fair value or cash flows of a hedged item; the derivative expires or is sold, terminated or exercised; the derivative is de-designated because it is unlikely that a forecasted transaction will occur; or management determines that designation of the derivative as a hedging instrument is no longer appropriate.

When a fair value hedge is discontinued, the hedged asset or liability is no longer adjusted for changes in fair value and the existing basis adjustment is amortised or accreted over the remaining life of the asset or liability. When a cash flow hedge is discontinued but the hedged cash flow or forecasted transaction is still expected to occur, gains and losses that were accumulated in reserves are amortised or accreted into the profit and loss account. Gains and losses are recognised in the profit and loss account immediately if the cash flow hedge was discontinued because a forecasted transaction did not occur.

The Bank may occasionally enter into a contract (host contract) that contains a derivative that is embedded in the financial instrument. If applicable, an embedded derivative is separated from the host contract and can be designated as a hedge; otherwise, the derivative is recorded as a freestanding derivative.

(l) Identification and measurement of impairment

Impairment provisions/charges are made where there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event (or events) has an impact on the estimated future cash flows from the asset that can be reliably estimated. Losses expected as a result of future events are not recognised. Evidence of impairment is considered on both individual and portfolio basis. Evidence of impairment includes the following:

1. Significant financial difficulty of the issuer or obligor.
2. A breach of contract, such as a default or delinquency in interest or principal payments.
3. The Bank, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower a concession it would not otherwise consider.
4. Indications that the borrower will enter bankruptcy or other financial reorganisation.

(m) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets on a straight-line basis over their estimated useful economic lives as follows:

Leasehold improvements	Over the lease period
Office equipment	6 – 7 years
Furniture, fixtures and fittings	6 – 7 years
Computer hardware and software	3 – 4 years

Depreciation methods, useful life and residual values are reviewed at each balance sheet date.

(n) Provisions

A provision is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(o) Deposits, debt securities issued and subordinated liabilities

Deposits, debt securities issued and subordinated liabilities are the sources of debt funding.

Deposits, debt securities issued and subordinated liabilities are initially measured at fair value plus directly attributable transaction costs, and subsequently measured at their amortised cost using the effective interest method.

(p) Income tax expense

Income tax expense comprises current and deferred tax. Income tax and deferred tax expense is recognised in the profit and loss statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date and includes any adjustment to tax payable in respect of previous years.

Deferred tax is recognised, in respect of all timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. As required by FRS 19 "Deferred Tax", deferred tax is measured at the tax rates expected to be applied to the temporary difference when they reverse, based on the tax laws that have been enacted or substantially enacted by the reporting date. Deferred tax assets are recognised to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be sufficient future taxable profits from which the future reversal of the underlying timing differences can be deducted.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(q) Employee benefits

The Bank operates a stakeholder defined contribution pension scheme. Contributions to the scheme are charged to the profit and loss account as incurred.

(r) Related party transactions

The Bank has taken advantage, under FRS 8, "Related Party Disclosures", of the exemption not to disclose related party transactions with group companies, as it is a wholly owned subsidiary of ICICI Bank Limited (see note 40).

(s) Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

(t) Cash flow statement

As a wholly owned subsidiary whose parent produces publicly available accounts (see note 40), the Bank has taken advantage of the exemption available within

FRS 1 (revised), "Cash Flow Statements", and does not produce a cash flow statement.

(u) Share based payments

The parent bank (ICICI Bank Limited) has issued share options to the employees of ICICI Bank UK PLC. These transactions are recognised as equity-settled share based payments. The expense is recognised over the vesting period based on the market value of shares as on the date of grant of shares, adjusted for the number of the employees leaving the Bank. A capital contribution from the parent bank is recognised in the books over the vesting period in the shareholders' funds.

4. Significant judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The accounting policies deemed critical to the Bank's results and financial position, based upon significant judgements and estimates, are discussed below.

(a) Allowances for credit losses

The Bank regularly reviews its loan portfolios to assess for impairment. Impairment provisions are established to recognise incurred impairment losses in loan portfolios carried at amortised cost. In determining whether an impairment has occurred at the balance sheet date, the Bank considers whether there is any observable data indicating that there has been a measurable decrease in the estimated future cash flows or their timings; such observable data includes whether there has been an adverse change in the payment status of borrowers or changes in economic conditions that correlate with defaults on loan repayment obligations.

Collectively assessed impairment allowances cover credit losses inherent to portfolios of similar economic characteristics, when there is an objective evidence to suggest that they contain impaired claims, but, the individual impaired items cannot yet be identified. In assessing the need for collective loss allowances, the management considers factors such as historical trend, credit quality of the portfolio, portfolio size, concentrations, and economic factors.

(b) Impairment of available for sale financial assets

The Bank regularly reviews its available for sale securities portfolios to assess for impairment. Once impairment has been identified, the amount of impairment is measured based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in profit or loss. In determining whether an impairment event has occurred at the balance sheet date, the Bank considers whether there is any observable data which comprises evidence of the occurrence of a loss event, and evidence that the loss event results in a decrease in estimated future cash flows or their timings; such observable data includes whether there has been an adverse change in the payment status of borrowers or changes in economic conditions that correlate with defaults on loan repayment obligations. A significant or prolonged decline in the fair value of an available for sale equity investment below its cost is also evidence of impairment.

(c) Valuation of financial instruments

The Bank values its available for sale and held for trading investment securities at fair market value. The best evidence of fair value is a quoted price in an actively traded market. If the market for a financial instrument is not active, or the financial instruments are traded infrequently and have little price transparency or the fair value is less objective, and requires varying degrees of judgment, the Bank uses valuation techniques to arrive at the fair value.

The valuation techniques employ observable market data to calculate fair values, including comparisons with similar financial instruments for which market observable prices exist. When valuing instruments by reference to comparable instruments, management takes into account the maturity, structure and rating of the instrument with which the position held is being compared.

5. Income/(expense) on financial instruments at fair value through profit and loss

Income/(expense) on financial instruments at fair value through profit and loss consist of unrealised and realised gains or losses on transactions in securities and derivatives, save in so far as the profit or loss is included in interest receivable or interest payable.

(Rs. in 000's)

	Year ended March 31, 2010	*Year ended March 31, 2009*
Debt securities	**479,263**	*(550,115)*
Realised/unrealised gains on derivative instruments	**(54,509)**	*520,167*
Total	**424,754**	*(29,948)*

Debt securities include bonds, certificates of deposit and credit linked notes. Derivative instruments include currency spot, forwards and option contracts and interest rate swaps and futures. Gains and losses on derivatives are presented on a net basis as it is not practical to split the same, although derivative assets and liabilities are grossed up within other assets and other liabilities on the balance sheet.

6. Other operating income

Other operating income primarily consists of revenues from remittances, fees from relationship management services, private banking services, branch and other retail fees.

7. Gains on buyback of bonds

During the year the Bank bought back its own bonds with a notional value of Rs. 2,707.5 million, resulting in a gain of Rs. 287.4 million (2009: notional value of Rs. 10,910.7 million and gain of Rs. 3,924.3 million)

8. Administrative expenses

(Rs. in 000's)

	Year ended March 31, 2010	*Year ended March 31, 2009*
Staff costs (including directors emoluments) :		
Wages and salaries	**965,709**	*973,342*
Social security costs	**69,640**	*92,584*
Other administrative expenses	**1,066,600**	*1,556,818*
Total	**2,101,949**	*2,622,744*

The number of persons employed by the Bank (including directors) during the year was as follows:

	Year ended March 31, 2010 No. of Employees	*Year ended March 31, 2009 No. of Employees*
Management	**54**	*59*
Non Management	**186**	*226*
Total	**240**	*285*

9. Profit on ordinary activities before tax is stated after charging

(Rs. in 000's)

	Year ended March 31, 2010	*Year ended March 31, 2009*
Auditors' remuneration		
Amounts receivable by the auditors and their associates in respect of:		
Audit of financial statements pursuant to legislation	**40,679**	*47,010*
Other services pursuant to such legislation	**12,303**	*2,604*
Other services relating to taxation	**1,751**	*1,572*
Other services relating to taxation for previous year	**—**	*1,796*
Total	**54,733**	*52,982*
Depreciation on tangible fixed assets	**111,801**	*72,289*
Operating lease rental in respect of leasehold premises	**136,002**	*128,145*

10. Segmental reporting

The Bank has one class of business and all other services provided are ancillary to this. All business is conducted from offices in the UK, Germany and Belgium and all activities are centrally managed as a single business from the United Kingdom.

11. Taxation

(a) Analysis of charge in the year

(Rs. in 000's)

	Year ended March 31, 2010	*Year ended March 31, 2009*
Current tax		
UK Corporation tax at 28% on the taxable profit for the year	**624,694**	*100,801*
Overseas corporation charge	**42,880**	*48,717*
	667,574	*149,518*
Adjustments for prior years	**10,731**	*(25,279)*
	678,305	*124,239*
Deferred tax		
Origination and reversal of timing differences	**8,666**	*21,417*
Tax on profit on ordinary activities	**686,971**	*145,655*

(b) **Factors affecting the tax charge for the current year**

	Year ended March 31, 2010	Year ended March 31, 2009
		(Rs. in 000's)
Current tax reconciliation		
Profit on ordinary activities before tax	**2,347,956**	*452,592*
Current tax at 28%	**657,426**	*126,708*
Add effects of:		
Expenses not deductible for tax purposes	**9,654**	*6,017*
Other timing differences (FRS 26 Impact)	**(15,042)**	*(15,042)*
Timing difference on movement of collective impairment allowance for bad and doubtful debts	**(2,694)**	*(2,694)*
Depreciation less than/(in excess of) capital allowances for the year	**10,686**	*(584)*
Overseas taxes (net of overseas tax expense relief)	**7,543**	*35,112*
Adjustments for prior years	**10,731**	*(25,279)*
Total current tax charge (see 10 (a) above)	**678,304**	*124,238*

(c) **The movements on deferred tax asset during the year were**

	Year ended March 31, 2010	Year ended March 31, 2009
		(Rs. in 000's)
Balance as at March 31, 2009	**2,506,229**	*533,457*
Debit to profit and loss account:		
Reversal of Deferred tax asset	**(19,397)**	*(21,417)*
Debit to available for sale reserves: Reversal of Deferred tax asset on Available for sale losses	**(2,391,239)**	—
Mark to Market loss on available for sale securities	**—**	*1,994,189*
Balance as at March 31, 2010	**95,593**	*2,506,229*

(d) **Deferred tax is composed of the tax impact of the following items**

	Year ended March 31, 2010	Year ended March 31, 2009
		(Rs. in 000's)
Collective impairment allowance	**16,074**	*18,768*
Effect of FRS 26		
– Fees Income amortisation	**65,105**	*75,926*
– Recognition of fair value of derivatives	**25,189**	*29,410*
Excess of book value over tax written down value of tangible fixed assets	**(45)**	*(9,115)*
Adjustment for tax disallowed expenses	**(10,731)**	—
MTM loss on available for sale securities	**—**	*2,391,239*
Total	**95,592**	*2,506,228*

(e) **Taxation relating to available for sale reserve**

	Year ended March 31, 2010	Year ended March 31, 2009
		(Rs. in 000's)
Deferred tax adjustment for the period	**610,775**	*1,994,189*
Provision for tax for current year	**(3,001,700)**	—
Total	**(2,390,925)**	*1,994,189*

12. **Emoluments of directors**

	Year ended March 31, 2010	Year ended March 31, 2009
		(Rs. in 000's)
Directors' fees and emoluments	**24,560**	*23,617*

The emoluments of the highest paid director were Rs. 14,040,724 (2009: Rs. 14,432,656). Contributions on behalf of a director under a money purchase pension scheme amounted to Rs. 622,404 (2009: 721,633). The number of directors to whom retirement benefits accrue under a defined contribution pension scheme is 1 (2009:1).

13. **Share-based payments**

During the year, Rs. 27.84 million was charged to the income statement in respect of equity-settled share-based payment transactions (2009: Rs. 38.17 million). This expense, which was computed from the fair values of the share-based payment transactions when granted, arose under employee share awards made in accordance with the ICICI Bank Group's reward structures.

Calculation of fair values

Fair values of share options/awards, measured at the date of grant of the option/award are calculated using a binomial lattice model methodology that is based on the underlying assumptions of the Black-Scholes model. The expected life of options depends on the behaviour of option holders, which is incorporated into the option model on the basis of historic observable data. The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the model used. Expected dividends are incorporated into the valuation model for share options/awards, where applicable.

The significant weighted average assumptions used to estimate the fair value of the options granted were as follows:

	2010 Range	2009 Range
Risk-free interest rate[1] (%)	4.91 – 6.49	7.38 – 9.25
Expected life[2] (years)	6.85	2 – 5
Expected volatility[3] (%)	48.65	38.90 – 53.75
Expected dividend yield (%)	2.53	1.20 – 3.57
Share price at grant date (Rs.)	Rs 418.92	Rs 287.4

1. The risk-free rate was determined from the FIMMDA, PDAI and Bloomberg Yield curves of Government Securities with zero coupon.
2. Expected life is not a single input parameter but a function of various behavioural assumptions. Expected life is determined based on simplified method of vesting for grants.
3. Expected volatility during the estimated expected term of the option is based on historical volatility determined based on observed market prices of the publicly traded shares.

Share Option Scheme

The parent bank has an Employee Stock Option Scheme (ESOS) to enable the employees and Directors of the Bank and its subsidiaries to participate in the future growth and financial success of the bank. As per the ESOS as amended from time to time, the maximum number of options granted to any employee/director in a year is limited to 0.05% of parent bank's issued equity shares at the time of the grant, and the aggregate of all such options is limited to 5% of parent bank's issued equity shares on the date of the grant. Options granted in April 2009 vest in a graded manner over a five-year period, with 20%, 20%, 30% and 30% of the grants vesting in each year, commencing from the end of 24 months from the date of grant. The options can be exercised within 10 years from the date of grant or five years from the date of vesting, whichever is later.

Particulars of options granted to employees of ICICI Bank UK Plc upto March 31, 2010 are given below:

	2010	2009
	Number (000's)	
Outstanding at the beginning of the year	**559**	—
Additions during the year	**10**	*559*
Released in the year	**—**	—
Forfeited in the year	**—**	—
Outstanding at the end of the year	**569**	*559*

14. **Financial Services Compensation Scheme**

The Financial Services Compensation Scheme ('FSCS') has provided compensation to consumers following the collapse during 2008 of a number of deposit takers such as Bradford & Bingley plc, Heritable Bank plc, Kaupthing Singer & Friedlander Limited, Landsbanki 'Icesave' and London Scottish Bank plc. The compensation paid out to consumers is currently funded through loans from the Bank of England and HM Treasury. The Bank could be liable to pay a proportion of the outstanding borrowings that the FSCS has borrowed from HM Treasury which at February 1, 2010 stood at Rs. 1,364.96 billion. The Bank is also obligated to pay its share of forecast management expenses based on the Bank's market share of deposits protected under the FSCS.

The Bank accrued an amount of Rs. 98.8 million during the financial year 2010 in respect of the share of forecast management expense, including interest costs, for 2010-11 levy year (2009: accrued Rs. 188.6 million for 2008-09 and 2009-10 levy years). This accrual is based on the Bank's estimated share of total market protected deposits at December 31, 2010. However, the ultimate FSCS levy to the industry as a result of the 2008 collapses cannot currently be estimated reliably as it is dependent on various uncertain factors including the potential recoveries of assets by the FSCS and changes in the interest rate, the level of protected deposits and the population of FSCS members at the time.

15. Loans and advances to banks

(a) Residual Maturity

	Year ended March 31, 2010	*Year ended March 31, 2009* (Rs. in 000's)
Banks		
Repayable on demand		
Other loans and advances	**1,839,688**	*988,878*
Remaining Maturity:		
Over 5 years	**936,120**	—
5 year or less but over 1 year	**—**	*1,442,772*
1 year or less but over 3 months	**4,216,963**	*2,469,500*
3 months or less	**53,746,512**	*35,983,893*
	60,739,283	*40,885,043*
Parent and Group Companies		
Repayable on demand		
Other loans and advances	**335,448**	*130,614*
Remaining Maturity:		
5 year or less but over 1 year	**3,367,500**	—
1 year or less but over 3 months	**—**	*2,970,853*
3 months or less	**204,610**	*353,497*
	3,907,558	*3,454,964*
Sub Total	**64,646,840**	*44,340,007*
Collective impairment allowance	**(53,566)**	*(131,422)*
Specific impairment allowance	**(421,117)**	—
Total	**64,172,158**	*44,208,585*

(b) Concentration of exposure

The Bank has the following concentrations of loans and advances to banks:

	Year ended March 31, 2010	*Year ended March 31, 2009* (Rs. in 000's)
Total gross advances to banks located in:		
Europe and North America	**34,540,358**	*32,485,554*
India	**30,088,702**	*8,636,919*
Rest of the World	**17,780**	*3,217,534*
Total	**64,646,840**	*44,340,007*

16. Loans and advances to customers

(a) Residual Maturity

	March 31, 2009	*March 31, 2008* (Rs. in 000's)
Repayable on demand or at short notice	**3,071,654**	*5,854,780*
Other loans and advances		
Remaining Maturity:		
Over 5 years	**14,771,831**	*34,522,263*
5 years or less but over 1 year	**90,079,054**	*70,395,612*
1 year or less but over 3 months	**35,754,992**	*16,369,552*
3 months or less	**21,717,545**	*15,224,199*
Sub total	**165,395,076**	*142,366,406*
Collective Impairment allowance	**(877,166)**	*(847,667)*
Specific impairment allowance	**(1,294,332)**	*(224,500)*
Total	**163,223,578**	*141,294,239*

(b) Concentration of exposure

The Bank has the following concentrations of loans and advances to customers

	March 31, 2010	*March 31, 2009* (Rs. in 000's)
Total gross advances to customers located in:		
Europe and North America	**55,088,573**	*55,285,011*
India	**109,131,785**	*79,957,157*
Rest of the world	**1,174,720**	*7,124,239*
Total	**165,395,078**	*142,366,407*

17. Potential credit risk loans

	Year ended March 31, 2010	*Year ended March 31, 2009* (Rs. in 000's)
Loans contractually overdue as to principal or interest		
– Less than 60 days	**175,155**	*1,474,157*
– 61 to 90 days	**—**	—
– more than 90 days	**2,289,676**	—
Total	**2,464,831**	*1,474,157*
Concentration of overdue exposure		
United Kingdom	**225,623**	—
Rest of the world	**2,239,208**	*1,474,157*
Total	**2,464,831**	*1,474,157*

18. Impairment allowance

(Rs. in 000's)

	March 31, 2010			*March 31, 2009*		
	Specific impairment allowance	**Collective impairment allowance**	**Total**	*Specific impairment allowance*	*Collective impairment allowance*	*Total*
Loans and advances						
Opening Balance	**224,500**	**979,089**	**1,203,589**	—	*476,658*	*476,658*
New charges:						
Corporate Loans	**970,783**	**(61,603)**	**909,180**	*224,500*	*498,884*	*723,384*
Write off	**(198,997)**	**—**	**(198,997)**	—	—	—
Retail Loans	**—**	**13,470**	**13,470**	—	*3,547*	*3,547*
Closing Balance	**996,286**	**930,956**	**1,927,242**	*224,500*	*979,089*	*1,203,589*
Investments						
Impairment of AFS Securities					—	
Opening Balance	**4,105,387**	**—**	**4,105,387**	—	—	—
New charges	**—**	**—**	**—**	*4,105,387*	—	*4,105,387*
Adjustments on disposal	**(3,386,223)**	**—**	**(3,386,223)**	—	—	—
	719,164	**—**	**719,164**	*4,105,387*	—	*4,105,387*

19. Investment securities

	March 31, 2010 Market Value	*March 31, 2009 Market Value* (Rs. in 000's)
Analysed by designation:		
Available for sale	**81,290,732**	*124,502,626*
Held to Maturity	**1,127,708**	—
Financial instruments at fair value through profit and loss	**7,399,385**	*6,919,674*
Total	**89,817,825**	*131,422,300*

	March 31, 2010 Market Value	(Rs. in 000's) March 31, 2009 Market Value
Analysed by issuer:		
Available for sale		
Issued by public bodies	**12,781,638**	*18,769,098*
Issued by other issuers	**68,509,094**	*93,177,423*
Bank certificates of deposit	**—**	*12,556,105*
Held to Maturity		
Issued by public bodies	**—**	—
Issued by other issuers	**1,127,708**	—
Bank certificates of deposit	**—**	—
Financial instruments at fair value through profit and loss		
Issued by other issuers	**7,399,385**	*6,919,674*
Total	**89,817,825**	*131,422,300*
Analysed by listing status:		
Available for sale		
Unlisted	**—**	*14,895,530*
Listed	**81,290,732**	*109,607,096*
Held to Maturity		
Unlisted	**1,127,708**	—
Financial instruments at fair value through profit and loss		
Unlisted	**7,399,385**	*6,919,674*
Total	**89,817,825**	*131,422,300*
Analysed by maturity		
Due within 1 year	**12,823,754**	*17,954,612*
Due 1 year and above	**76,994,071**	*113,467,688*
Total	**89,817,825**	*131,422,300*
Analysed by class		
Debt securities		
- Credit Link Notes	**7,399,385**	*6,919,674*
- Banks/Corporate Bonds	**74,024,161**	*110,704,542*
- Asset Backed Securities	**6,804,101**	*12,173,243*
Equity	**1,590,178**	*1,624,841*
Total	**89,817,825**	*131,422,300*

* Included above are investments in fellow subsidiaries/parent with a market value of Rs. 2,020.5 million at March 31, 2010 (2009: Rs. 2,276.4 million)

Investments held at fair value at March 31, 2010, by valuation method:

(Rs. in 000's)

	Quoted prices in active markets (1)	Valuation techniques based on observable market data (2)	Total
Available for sale	76,619,964	4,670,767	81,290,731
Financial instruments at fair value through profit and loss	—	7,399,385	7,399,385
Total	**76,619,964**	**12,070,152**	**88,690,116**

Notes:

(1) Investments valued using unadjusted quoted prices in active markets for identical assets.

(2) Investments valued using valuation techniques based on observable market data for instruments where markets are considered less than active. Instruments in this category are valued using:

(a) Quoted prices for similar assets, or identical assets in markets which are considered to be less than active; or

(b) Valuation techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.

(3) The Bank does not hold any Investments valued using unobservable market data.

20. Reclassification of Financial Assets

In October 2008, the Accounting Standard Board's issued amendments to FRS 26 'Financial Instruments: Recognition and Measurement' and FRS 29 'Financial Instruments: Disclosures' which permits an entity to reclassify certain financial assets out of the held-for-trading category. The amendment also permits an entity to transfer from the available for sale category to the loans and receivable category in certain circumstances.

The reclassifications were made as a result of significant reductions in market liquidity for these assets, and a change in the intention to hold the assets for the foreseeable future or to maturity. These circumstances formed part of the wider context of market turmoil and are considered a rare event and, as such, the reclassification was permitted under the amendments to FRS 26. On the date of reclassification, the fair value of the asset was deemed to be the asset's new amortised cost, and the assets have been tested for impairment since reclassification.

(Rs. in 000's)

	At March 31, 2010		At March 31, 2009	
	Carrying amount	Fair value	Carrying amount	Fair value
From held for trading to available for sale				
– Corporate Bonds	**16,126,823**	**16,126,823**	*15,657,573*	*15,657,573*
– Asset Backed Securities	**230,202**	**230,202**	*3,762,800*	*3,762,800*
From held for trading to loans & receivables				
– Asset Backed Securities	**44,855**	**70,493**	*69,101*	*60,346*
From available for sale to loans and receivables				
– Corporate Bonds	**11,807,937**	**11,770,760**	*11,652,852*	*9,730,908*
– Asset Backed Securities	**6,098,812**	**5,102,122**	*6,271,093*	*5,102,167*
Total	**34,308,629**	**33,300,400**	*37,413,419*	*34,313,794*

The amount reclassified was based on the fair value of the financial assets at the date of reclassification. If these reclassifications had not been made, ICICI Bank UK's pre-tax profit for FY-2010 would have increased by Rs. 2,159.7 million and ICICI Bank UK's pre-tax gain in AFS reserve would have decreased by Rs. 1,180.9 million. The following table sets forth, for the periods indicated, the fair value gains and losses, income and expense recognised in the income statement both before and after the date of reclassification.

(Rs. in 000's)

	Impact on profit & loss account			
	Post reclassification 2010	Assuming No reclassification 2010	Pre and post reclassification 2009	Assuming No reclassification 2009
From held for trading to available for sale				
– Corporate Bonds	**1,050,076**	**3,163,295**	*(452,772)*	*(2,877,551)*
– Asset Backed Securities	**23,393**	**59,762**	*169,273*	*(13,964)*
From held for trading to loans and receivables				
– Asset Backed Securities	**6,735**	**15,670**	*(3,727)*	*(14,907)*
From available for sale to loans and receivables				
– Corporate Bonds	**1,296,488**	**1,296,488**	*923,773*	*923,773*
– Asset Backed Securities	**146,823**	**146,823**	*(199,536)*	*(199,536)*
Total	**2,523,515**	**4,682,038**	*437,011*	*(2,182,185)*

The following table sets forth, for the periods indicated, the fair value gains and losses recognised in AFS reserve in the books of ICICI Bank UK both before and after the date of reclassification.

(Rs. in 000's)

	Impact of gains/(losses) on available for sale reserve			
	Post reclassification	Assuming No reclassification	*Pre and post reclassification*	*Assuming No reclassification*
	FY 2010	FY 2010	*FY 2009*	*FY 2009*
From held for trading to available for sale				
– Corporate Bonds	2,113,219	—	*(2,424,780)*	—
– Asset Backed Securities	36,369	—	*(183,192)*	—
From held for trading to loans and receivables				
– Asset Backed Securities	8,890	—	*(10,686)*	—
From available for sale to loans and receivables				
– Corporate Bonds	67,619	1,972,233	*(54,958)*	*(1,976,947)*
– Asset Backed Securities	452,996	45	*(1,050,929)*	*(2,219,856)*
Total	2,679,093	1,972,278	*(3,724,545)*	*(4,196,803)*

21. Tangible fixed assets

(Rs. in 000's)

	Leasehold Improvements	Other fixed assets	Total
Cost:			
At April 1, 2009	490,847	332,395	823,242
Additions	48,537	—	48,537
Disposal	(45)	—	(45)
At March 31, 2010	**539,339**	**332,395**	**871,734**
Depreciation:			
At April 1, 2009	49,570	186,560	236,130
Charge for year	72,109	39,692	111,801
Disposal	—	—	—
At March 31, 2010	**121,679**	**226,252**	**347,931**
Net book value:			
At March 31, 2010	417,660	106,143	523,803
At April 1, 2009	*441,277*	*145,835*	*587,112*

22. Other assets

(Rs. in 000's)

	March 31, 2010	*March 31, 2009*
Cheques in clearing	**9,654**	—
Deposits receivable	**76,061**	*88,812*
Other debtors	**3,873,029**	*45,349*
Deferred tax asset	**95,592**	*2,506,228*
Derivative financial instruments	**7,496,324**	*4,498,576*
Unsettled securities	**1,287,597**	*179,062*
Total	**12,838,257**	*7,318,027*

23. Deposits by banks

(Rs. in 000's)

	March 31, 2010	*March 31, 2009*
Banks		
5 years or less but over 1 year	**13,593,655**	*21,054,463*
1 year or less but over 3 months	**19,406,184**	*8,751,055*
3 months or less but not repayable on demand	**2,148,150**	*6,712,819*
	35,147,989	*36,518,337*

24. Customer accounts

With agreed maturity dates or periods of notice, by remaining maturity:

(Rs. in 000's)

	March 31, 2010	*March 31, 2009*
5 years or less but over 1 year	**67,169,727**	*8,744,993*
1 year or less but over 3 months	**47,625,071**	*99,431,364*
3 months or less but not repayable on demand	**23,382,932**	*17,349,899*
	138,177,730	*125,526,256*
Repayable on demand	**66,211,874**	*82,035,982*
Total	**204,389,604**	*207,562,238*

25. Debt securities and subordinated liabilities

(Rs. in 000's)

	March 31, 2010	*March 31, 2009*
Bonds issued*		
Residual Maturity		
Over 5 years	**14,264,326**	*14,899,257*
5 year or less but over 1 year	**17,092,532**	*37,980,102*
1 year or less but over 3 months	**1,444,253**	—
3 months or less	**17,528,421**	—
	50,329,532	*52,879,359*
Less: Bond issue expenses	**(180,543)**	*(197,291)*
Less: Adjustments to carrying amount for change in the value of hedge which is ineffective	**(201,870)**	*(233,480)*
	49,947,119	*52,448,588*

* Listed with Singapore stock exchange.

Details of various bonds and notes under the medium term notes programmes issued by the Bank at March 31, 2010 are as follows:

Date of Issue	Nature of Issue	Interest Rate	Interest frequency	Maturity	(Rs. in 000's)
Subordinated debt					
11-Jul-06	Unsecured junior subordinated bond due 2016#	Libor + 200 bps	Semi-annually	First call in July 2011, Maturity in March 2016	**673,500**
28-Jul-06	Unsecured junior subordinated bond due 2016#	Libor + 200 bps	Semi-annually	First call in July 2011, Maturity in March 2016	**1,122,500**
30-Nov-06	Step-up floating rate junior subordinated notes due 2016	Libor + 100 bps	Semi-annually	Bullet payment in 2016 and Callable 2011	**2,245,000**
12-Dec-06	Perpetual junior subordinated notes*	6.27%	Semi-annually	Callable by issuer at par in 2016; no maturity	**3,816,500**
27-Dec-07	Unsecured junior subordinated bonds due 2017 (Issued in GBP Currency)	GBP Libor + 275 bps	Semi annually	First call in Dec 2012, Maturity in December 2017	**682,076**
31-Mar-08	Unsecured junior subordinated bonds due 2018	Libor + 460 bps	Quarterly	First call in June 2013, Maturity in March 2018	**2,245,000**
21-Jul-08	Unsecured junior subordinated bonds due 2018	8.00%	Semi annually	First call in July 2013, Maturity in July 2018	**3,479,750**
Other debt securities in Issue					
27-Feb-07	Unsecured floating rate notes due 2012*	Libor + 62 bps	Quarterly	Bullet payment in 2012	**17,092,532**
14-Jun-07	Unsecured senior floating rate notes due 2010*	Libor + 50 bps	Quarterly	Bullet payment in June 2010	**17,528,421**

Date of Issue	Nature of Issue	Interest Rate	Interest frequency	Maturity	(Rs. in 000's)
29-Nov-07	Unsecured senior fixed rate notes (issued in SGD currency)	4.04%	Semi –annually	Bullet payment in November 2010	1,444,253
Less: Bond issue expenses					(180,543)
Less: Adjustments to carrying amount for change in the value of hedge which is ineffective					(201,870)
Total					49,947,119

* ICICI Bank UK repurchased and extinguished senior and subordinated bonds aggregating to Rs. 60.26 million during the year ended March 31, 2010

Initially held by the Parent, but later sold to market counterparties.

For all the subordinated notes, the notes and coupons are direct, unsecured and subordinated obligations of the Bank, and rank pari passu without any preference among themselves.

26. Other liabilities

	March 31, 2010	March 31, 2009
		(Rs. in 000's)
Amounts in clearing	686,072	15,086
Corporation tax payable	725,943	165,187
Other creditors	467,320	4,104,085
Derivative financial instruments	9,095,213	8,355,261
Unsettled securities	46,516	265,988
Total	11,021,064	12,905,607

27. Called up share capital

The concept of authorised share capital was abolished under the UK Companies Act 2006 with effect from October 1, 2009 and amendments to the Bank's Articles of Association will be proposed at the forthcoming Annual General meeting.

At March 31, 2009 the authorised share capital of ICICI Bank UK PLC was:

	Number
Ordinary shares of £1 each (equity)	100,000,000
Ordinary shares of US$ 1 each (equity)	950,000,000
Ordinary shares of EUR 1 each (equity)	500,000,000
Non cumulative perpetual callable preference shares of US$ 1 each (non equity)	50,000,000

	Rs. In 000s March 31, 2010	Rs. in 000s March 31, 2009
Issued share capital is as follows:		
545 million ordinary shares of US$ 1 each (equity)	24,470,500	24,470,500
50 million non cumulative perpetual callable preference shares of US$ 1 each (non equity)	2,245,000	2,245,000
50,002 Ordinary shares of £1 each (equity)	4,266	4,266
Total Share Capital	26,719,766	26,719,766

28. Employee benefits

During the year, the Bank made a contribution of Rs. 10,481,187 (2009: Rs. 11,577,869) to the pension scheme. Out of this amount, Rs. 724,282 was accrued at the year end (2009: Rs. 905,364).

29. Contingent liabilities and commitments

(a) Guarantees and other commitments:

	March 31, 2010	March 31, 2009
		(Rs. in 000's)
Guarantees	1,487,986	1,637,099
Other commitments:		
Undrawn formal standby facilities, credit lines and other commitments to lend maturing in:		
Less than one year	700,126	1,419,514
More than one year	53,880	—

(b) Significant concentrations of contingent liabilities and commitments

Approximately 60% (2009: 60%) of the total contingent liabilities and commitments relate to counterparties in India and the majority of the remaining balance relates to Europe.

(c) Foreign exchange contracts

In addition to the commitments disclosed above, there are outstanding foreign exchange contracts of Rs. 76,465 million (2009: Rs. 48,043 million)

30. Operating lease commitments

As at March 31, 2010, the Bank has the following non cancellable annual operating lease commitments:

	March 31, 2010 Land and Buildings	March 31, 2009 Land and Buildings
		(Rs. in 000's)
Operating leases which expire :		
Within 1 year	4,400	3,053
Between 1 and 5 years	19,442	16,209
More than 5 years	101,205	40,365
	125,047	59,627

31. Categories and classes of Financial Instruments

(Rs. in 000's)

As at March 31, 2010	Fair value though Profit and Loss	Loans and Receivables	Available for Sale	Non trading liability	Held to Maturity	Others	Total
Assets							
Cash	—	—	—	—	—	47,594	47,594
Loans and advances to banks	—	64,172,158	—	—	—	—	64,172,158
Loans and advances to customers	—	163,223,578	—	—	—	—	163,223,578
Investment securities	7,399,385	—	81,290,732	—	1,127,708	—	89,817,825
Tangible fixed assets	—	—	—	—	—	523,803	523,803
Other assets	7,496,324	—	1,287,597	—	—	4,054,336	12,838,257
Prepayments and accrued income	368,045	1,845,749	219,875	—	—	50,154	2,483,823
Total assets	15,263,754	229,241,485	82,798,204	—	1,127,708	4,675,887	333,107,038
Liabilities							
Deposits by banks	—	—	—	35,147,989	—	—	35,147,989
Customer accounts	—	—	—	204,389,604	—	—	204,389,604
Debt securities in issue	—	—	—	49,947,119	—	—	49,947,119

As at March 31, 2010	Fair value though Profit and Loss	Loans and Receivables	Available for Sale	Non trading liability	Held to Maturity	Others	Total
Other liabilities	**9,095,214**	—	**46,516**	**1,879,334**	—		**11,021,064**
Accruals and deferred income	—	—	—	**4,466,787**	—	—	**4,466,787**
Shareholders' funds:	—	—	—	—	—	—	**0**
Equity share capital	—	—	—	—	—	**24,474,766**	**24,474,766**
Non equity share capital	—			—	—	**2,245,000**	**2,245,000**
Capital contribution	—	—	—	—	—	**65,868**	**65,868**
Profit and loss account	—	—	—	—	—	**5,189,632**	**5,189,632**
Available for sale securities reserve	—	—	**(3,840,791)**	—	—		**(3,840,791)**
Total liabilities	**9,095,214**	—	**(3,794,275)**	**295,830,833**	—	**31,975,266**	**333,107,038**

As at March 31, 2009	*Fair value though Profit and Loss*	*Loans and Receivables*	*Available for Sale*	*Non trading liability*	*Held to Maturity*	*Others*	*Total*
Assets							
Cash	—	—	—	—	—	*139,549*	*139,549*
Loans and advances to banks	—	*44,208,585*	—	—	—	—	*44,208,585*
Loans and advances to customers	—	*141,294,239*	—	—	—	—	*141,294,239*
Investment securities	*6,919,674*	—	*124,502,626*	—	*1,127,708*	—	*131,422,300*
Tangible fixed assets	—	—	—	—	—	*587,112*	*587,112*
Other assets	*4,498,576*	*267,873*	—	—	—	*2,551,577*	*7,318,026*
Prepayments and accrued income	—	*3,474,497*	—	—	—	*255,481*	*3,729,978*
Total assets	*11,418,250*	*189,245,194*	*124,502,626*	—	*1,127,708*	*3,533,719*	*328,699,789*
Liabilities							
Deposits by banks	—	—	—	*36,518,337*	—	—	*36,518,337*
Customer accounts	—	—	—	*207,562,238*	—	—	*207,562,238*
Debt securities in issue	—	—	—	*52,448,588*	—	—	*52,448,588*
Other liabilities	*8,355,261*	—	—	*4,550,346*	—		*12,905,607*
Accruals and deferred income	—	—	—	*863,562*	—	—	*863,562*
Shareholders' funds:	—	—	—	—	—	—	*0*
Equity share capital	—	—	—	—	—	*24,474,766*	*24,474,766*
Non equity share capital	—			—	—	*2,245,000*	*2,245,000*
Capital contribution	—	—	—	—	—	*38,210*	*38,210*
Profit and loss account	—	—	—	—	—	*3,528,646*	*3,528,646*
Available for sale securities reserve			*(11,885,165)*		—		*(11,885,165)*
Total liabilities	*8,355,261*	—	*(11,885,165)*	*301,943,071*	—	*30,286,622*	*328,699,789*

32. Capital Management

The Bank's regulatory capital requirements are set and monitored by the FSA. The Bank implemented the Basel II framework for calculating minimum capital requirements, with effect from January 1, 2008.

The Bank's regulatory capital is categorised into two tiers:

Tier 1 capital, which includes ordinary share capital, preference share capital, and retained earnings.

Tier 2 capitals, which includes qualifying subordinated liabilities, collective impairment and other allowances and the elements of fair value reserves relating to unrealised gains/losses on equity instruments.

Various limits are applied to the elements of the capital base. Qualifying tier 2 capital cannot exceed tier 1 capital; and qualifying term subordinated loan capital may not exceed 50% of Tier 1 capital. There are also restrictions on the amount of collective impairment allowances that may be included in Tier 1 capital.

Under Basel II, the Bank calculates requirements for market risk in its trading portfolios based on Standardised model.

Banking operations are categorised as either trading or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and exposures not recognised in the balance sheet.

The Bank uses regulatory capital ratios in order to monitor its capital base and these capital ratios remain the international standards for measuring capital adequacy. The FSA's approach to such measurement based upon Basel II is now primarily based on monitoring the Capital Resource Requirement to available capital resources. The FSA also sets individual capital guidance (ICG) for the Bank that sets capital requirements in excess of the minimum Capital Resource Requirement. A key input to the ICG setting process is the Bank's Internal Capital Adequacy Assessment Process (ICAAP). The Bank submitted its ICAAP document to the FSA in August 2009.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Bank has complied with all externally imposed capital requirements throughout the year.

The Bank's regulatory capital position under Basel II is as follows:

	March 31, 2010	(Rs. in million) March 31, 2009
Total Capital	**45,668**	*45,205*
- Tier I	**30,878**	*29,665*
- Tier II	**14,790**	*15,540*

33. Risk Management Framework

ICICI Bank UK PLC has adopted governance practices in line with the requirements of the UK's Combined Code on Corporate Governance. The Board is assisted by its sub-committees, the Audit Committee, the Governance Committee, the Board Risk Committee (BRC), and the Board Credit Committee (BCC), and follows the ICICI Group's overall risk management framework. The Board has delegated responsibility for the day-to-day management of the Bank to the Managing Director and Chief Executive Officer. In this role, the Managing Director and Chief Executive Officer is supported by the Management Committee, which he chairs. The Management Committee is supported by various other committees, which include the Executive Credit Committee (ECC), the Asset Liability Management Committee (ALCO) and the Product and Process Approval Committee (PAC).

As a financial intermediary, the Bank is exposed to various types of risks. The objective of the risk management framework of the Bank is to ensure that the key risks facing the Bank are identified, understood, measured and monitored; and that the policies and procedures established to address these risks are strictly adhered to.

The key principles underlying the risk management framework of the Bank are:

1. The Board of Directors has oversight over the risks assumed by the Bank. Specific Board Committees have been constituted to facilitate focused oversight of these risks.
2. Policies approved from time to time by the Board of Directors/Committees of the Board form the governing framework for each type of risk. The business activities are undertaken within this policy framework.
3. Independent groups and sub-groups have been constituted across the Bank to facilitate independent evaluation, monitoring and reporting of risks. These groups function independently of the business.

The key risks that the Bank is primarily exposed to include credit, market (including interest and liquidity risks) and operational risk. The approach adopted by management to handle the key risks facing the Bank is outlined below.

Credit Risk

Credit risk is the risk that unexpected losses may arise as a result of the Bank's borrowers or market counterparties failing to meet their obligations to pay. The Bank's Credit Risk Management Policy (CRMP), which is approved by its Board of Directors, describes the principles which underlie and drive the Bank's approach to credit risk management together with the systems and processes through which it is implemented and administered. The CRMP aims to maximise the Bank's risk-adjusted rate of return whilst maintaining the Bank's credit risk exposure within limits and parameters as approved by the Board of Directors of the Bank.

The Bank takes a two tier approach to assessment of credit risk — a commercial officer proposing the transaction review followed by a credit officer's independent assessment of the same. The CRMP lays down a structured credit approval process, which includes a procedure of independent credit risk assessment and the assignment of an internal risk rating ('IRR') to the borrower. The risk rating is a critical input for the credit approval process and is used as an input in arriving at the risk premium for the proposal.

The Bank assesses a variety of risks relating to the borrower and the relevant industry while assigning an internal rating. Borrower risk is evaluated by considering, inter alia:

- The financial position of the borrower, by analysing the quality of its financial statements, its past financial performance, its financial flexibility in terms of ability to raise capital and its cashflow adequacy;
- The borrower's relative market position and operating efficiency; and
- The quality of management by analysing its track record, payment record and financial conservatism.

Industry risk is evaluated by considering, inter alia:

- Certain industry characteristics, such as the importance of the industry to the economy, its growth outlook, cyclicality and government policies relating to the industry;
- The competitiveness of the industry; and
- Certain industry financials, including return on capital employed, operating margins, and earnings stability.

After conducting an analysis of a specific borrower's risk, the Bank assigns an internal risk rating to the borrower. The Bank has a rating scale ranging from 'AAA' to 'D' (AAA signifying the highest level of credit worthiness and D signifying default). AAA through to BBB are considered as 'Investment Grade' while BB and below are considered 'Non-Investment Grade'.

Credit proposals are approved by the Board Credit Committee (BCC) or the Executive Credit Committee (ECC) based on, inter alia, the amount and internal risk rating of the facility. All credit proposals are passed through the ECC before, if required as per the CRMP, being put up to the BCC.

The Credit Risk team is also responsible for the following with respect to managing the Bank's credit risk:

Formulating credit policies in consultation with the Corporate Banking Group which cover the collateral management policy, credit rating framework, provisioning policy, etc.

Establishing the delegation of sanctioning powers available to individuals, singly or jointly, and the credit committees which are documented in the Credit Approval Authorisation Manual.

Limiting concentrations of exposure to counterparties, geographies, industrial sectors, internal rating categories, etc. and reviewing the same on a regular basis.

Performing regular credit stress tests on the Bank's portfolio and communicating the results to the BCC.

The credit middle office function is responsible for credit administration which includes monitoring compliance with the terms and conditions for credit facilities prior to disbursement. It also reviews the completeness of documentation and creation of security for assets financed.

Credit quality is monitored on an ongoing basis but can also be triggered by any material credit event coming to the Bank's notice through either primary or secondary sources. It is the Bank's policy to review borrower accounts at least on an annual basis or in a shorter interval if recommended by the credit officer or the relevant sanctioning committee.

Credit risk is also managed at the portfolio level by monitoring and reporting to the BCC the key parameters of risk concentration of product specific exposures, large exposures, industry/sectoral exposures, country/geographical exposures and rating category based exposures.

The maximum amount of on balance sheet credit risk, without taking account of any collateral or netting arrangements, as at March 31, 2010 is approximately Rs. 332.3 billion (2009: Rs. 327.8 billion). The maximum amount of off balance sheet credit risk on guarantees and letters of credit is approximately Rs. 2,240.5 million (2009: Rs. 3,053.2 million).

An analysis of the Bank's debt securities portfolio based on ratings provided by external rating agencies is as follows:

	March 31, 2010	(Rs. in million) March 31, 2009
AAA	**6,017**	*11,674*
AA+	**—**	*135*
AA	**8,082**	*5,613*
AA-	**15,176**	*17,466*
A+	**7,409**	*19,172*
A	**24,336**	*25,503*
A-	**7,139**	*13,156*
BBB+	**3,098**	*6,331*
BBB	**4,984**	*2,335*
BBB-	**8,307**	*8,217*
B+ and below	**1,302**	*—*
Non rated	**26,850**	*20,205*
Total	**112,700**	*129,807*

An analysis of the Bank's loans and advances to banks and customers based on internal ratings is as follows:

	March 31, 2010	(Rs. in million) March 31, 2009
Investment grade	**199,670**	*162,987*
Non investment grade	**27,703**	*22,495*
	227,373	*185,482*

The Bank has adopted the Standardised approach to Credit Risk Management under the Basel II framework.

Market Risk

Market risk is defined as the risk of change in the actual or effective market value or earnings of the Bank's portfolio as a result of volatility in market factors (i.e. interest rates, exchange rates, market liquidity, asset prices etc).

The policies approved by the Board for addressing market risk are the Treasury Policy Manual (TPM) and Trading Book Policy statement (TBPS).

The Asset Liability Management Committee (ALCO) considers various investment and treasury operations matters, implementation of risk mitigation measures, and recommends major policy changes governing treasury activities to the Business Risk Committee (BRC). Furthermore, an independent Treasury Middle Office group (TMOG) is set up to monitor and report the various risk limits set through the TPM and TBPS.

The key market risks to which the Bank's trading book is exposed relate to:

- **Interest rate risk –** Interest rate risk is defined as the exposure of a bank's financial condition to adverse movements in interest rates. Earnings from interest sensitive investments and the overall value of the investment portfolio will be impacted by changes in interest rates.

  The Treasury Policy Manual currently sets out the measurement process of interest rate risk by use of re-pricing gap reports and estimation of the sensitivity of the Bank's net interest income (defined as Earnings at Risk). The sensitivity is calculated for various interest rate scenarios across different currencies that the Bank's balance sheet is exposed to including a standard scenario of 200 basis points adverse change in the level of interest rates. The various limits set for interest rate risk are monitored and the utilisations reported to the ALCO and BRC on a periodic basis.

  The Bank uses Duration of Equity (DoE) as an all-encompassing measure, which takes into consideration duration and value of both assets and liabilities. DoE is a measure of interest rate sensitivity, which indicates how much the market value of equity would change if interest rates change by 1%. Currently a limit band of -5.0 to +5.0 has been prescribed for the DoE of the Bank.
- **Forex risk –** The risk arises due to positions in non-dollar denominated currencies, which in turn arises from assets and liabilities in those currencies. The risk originates as a result of the impact on revenue due to the potential revaluation of non-dollar assets and liabilities. Foreign exchange risk is managed within the Treasury function in accordance with the position limits.
- **Equity Risk –** The risk arises due to change in price or value of the equity investments of the Bank. The equity investment of the Bank as at March 31, 2010 is Rs. 1,589.5 million (2009: Rs. 1,625.4 million).

The Head of Treasury is responsible for managing the market risk of treasury positions of the Bank. Senior management also regularly monitors the positions taken by the Treasury. The ALCO and the BRC undertake a periodic review of the market risk position of the Bank.

VAR based approach (for treasury positions)

The Bank uses a value at risk ('VAR') measure along with position and stop loss limits as the primary mechanisms for controlling market risk. It represents the potential loss in value of the Bank's treasury positions, which might arise due to adverse movements in markets (changes in interest rates and foreign exchange rates) over a defined time horizon with a specified confidence level. The VAR is calculated using a parametric approach at a 99% confidence level over a one day holding period.

The total VAR for the Bank's trading book portfolio as at March 31, 2010 was Rs. 1.35 million. The maximum, average and minimum VAR during the year for the trading book portfolio was Rs. 93.39 million, Rs. 34.12 million and Nil respectively. The maximum, average and minimum VAR for the trading book portfolio of the Bank as at March 31, 2009 was Rs. 152.21 million, Rs. 102.82 million and Rs. 51.19 million respectively. The total VAR for the non trading book for the Bank's treasury portfolio (includingg the portfolio transferred to loans and receivables book) as at March 31, 2010 was Rs. 1070.87 million. The modeling of the risk characteristics of the Bank's trading positions involves a number of assumptions and approximations. While management believes that these assumptions and approximations are reasonable, there is no uniform industry method for estimating VAR and different assumptions and/or approximations could produce materially different VAR estimates. The VAR figures disclosed above, for example, have the following main limitations:

- The Bank uses data for the last year to estimate its VAR. VAR is most effective in estimating risk exposures in markets in which there are no sudden fundamental changes or shifts in market conditions. An inherent limitation of VAR is that past changes in market risk factors may not produce accurate predictions of future market risk.
- The VAR estimates the risk for a one-day time horizon. It does not capture the market risk of positions over a longer holding period.
- Focusing on the maximum loss that is expected to be incurred 99% of the time says little about the size of the losses in excess of the VAR that are expected to be incurred 1% of the time.
- The VAR calculation is based on certain assumptions (log-normal distribution) on the distribution of market price movements that may not hold in practice. The assumption of correlation or independence between risk types may be incorrect and therefore result in VAR not fully capturing market risk.
- VAR is calculated at the close of business with intra-day exposures not being subject to intra-day VAR calculations.

Statistically, the losses on Bank's portfolio would exceed the VAR only one percent of time over one year period. However, considering the limitations of the VAR, the Bank augments the VAR measure with regular stress testing to evaluate the potential impact of extreme movements in market variables. Stress testing is performed across the Bank's market risk portfolio for various risk factors. The results of the stress testing are reported to the ALCO and BCC on periodic basis.

In addition to the VAR and stress testing framework, the Bank also has stop loss limits that are used to monitor and control the overall risk on treasury positions. The stop loss limits seek to address the combined impact of forex risk, interest rate risk and credit spread risk.

Interest rate risk sensitivity

The impact of an increase in interest rates on investment securities as at March 31, 2010, assuming a parallel shift in yield curve, has been set out in the following table:

(Rs. in 000's)

Particulars	**Portfolio size**	**Increase in interest rates (in bps)**	
		100	**200**
Reserves	**80,828,262**	**5,808**	**11,615**
Decrease in value of debt securities (excluding credit linked notes)	**—**	**5,808**	**11,615**

The impact of an increase in interest rates on investment securities as at March 31, 2009, assuming a parallel shift in yield curve, has been set out in the following table:

(Rs. in 000's)

Particulars	*Portfolio size*	*Increase in interest rates (in bps)*	
		100	*200*
Reserves	*122,877,785*	*7,869*	*15,738*
Decrease in value of debt securities (excluding credit linked notes)	*—*	*7,869*	*15,738*

Volatility in interest rates has an impact on an entity's interest earnings.

The impact of an increase in interest rates on the Bank's net interest income as at March 31, 2010, assuming a parallel shift in the yield curve, has been set out in the following table:

Equivalent Rs. in million

Currency	**Impact on Net Interest Income over a one year horizon**	
	Increase in interest rates by 100 bps	**Increase in interest rates by 200 bps**
EUR	(5.84)	(11.23)
INR	163.89	327.32
GBP	472.35	944.25
Other currencies	—	—
Total	**630.40**	**1,260.34**

The impact of an increase in interest rates on the Bank's net interest income as at March 31, 2009, assuming a parallel shift in the yield curve, has been set out in the following table:

Equivalent Rs. in million

Currency	**Impact on Net Interest Income over a one year horizon**	
	Increase in interest rates by 100 bps	**Increase in interest rates by 200 bps**
EUR	*(56.13)*	*(111.8)*
INR	*225.4*	*450.35*
GBP	*422.96*	*845.92*
Other currencies	*(83.07)*	*(165.68)*
Total	**509.16**	**1,018.79**

The positive impact is as a result of an increase in interest rates is due to positive near term Balance Sheet re-pricing gaps.

The combined impact of the price risk associated with an increase of 100 bps in interest rates on the trading book assets, coupled with the impact on the net interest income viewed over a four quarter horizon is measured against a limit of 10% of the Tier I and II capital base of the Bank as at the end of the immediately preceding financial year.

Liquidity risk

Liquidity risk relates to the potential difficulty of resorting to the financial markets in order to meet payment obligations. Liquidity risk includes the risk of unexpected increases in the cost of funding the assets, the risk of being unable to liquidate investments in a timely manner or at a reasonable price and the risk that the Bank may not be able to raise additional funding, if required. This risk arises from mismatches in the timing of cash flows.

The Liquidity Policy Statement (LPS) approved by the BCC outlines the overall approach for managing the Bank's exposure to liquidity risks. The Head of Treasury is responsible for managing the day to day liquidity of the Bank. The Head of Risk and CFO also review the liquidity situation at periodic intervals. Further the ALCO and the BRC periodically undertake detailed reviews of the liquidity of the Bank.

The Bank applies five basic measures in evaluating its liquidity risk exposure:

- Structural Liquidity Gap Statement;
- Dynamic Liquidity Gap Statement (i.e. cash flow projections); and
- Liquidity Ratios
- Liquidity Key Risk Indicators
- Liquidity Stress Testing

Structural Liquidity Gap Statement

The structural liquidity gap statement sets out the maturity profile of assets and liabilities. The statement lists the run-off/maturity profile of assets and liabilities without taking into account any business written subsequent to the date of the report i.e. it is snapshot of the Bank's structural liquidity as at a specific date.

The Structural Liquidity Gap Statement is produced using the following time bands:

- sight - 8 days,
- over 8 days - 1 month,
- 1 month - 3 months,
- over 3 months - 6 months,
- over 6 months -12 months,
- over 1 year - 3 years;
- over 3 years - 5 years; and
- over 5 years.

and measures compliance with the liquidity risk appetite in various time bands.

Dynamic Liquidity Gap Statement

The Dynamic Liquidity Gap Statement (Cash Flow Projections Statement) demonstrates the potential/available sources of funding (i.e. corporate or retail term deposits, incremental growth in current and savings bank deposits, inter-bank borrowings etc) required to fund additional/projected asset creation in the near term period. This statement assists the Bank in managing liquidity.

Liquidity ratios

Amongst the various ratios monitored, the Bank lays more emphasis on the liquid assets to short term liabilities ratio and the loan to deposits ratio. The liquid asset to short term liabilities ratio describes the value of liquid assets as compared to the short term liabilities maturing within a month. This ratio was 1.5 as at March 31, 2010 (1.8 as at March 31, 2009). The loan to deposits ratio describes loans and advances as a percentage of the total customer deposits. The ratio as at March 31, 2010 was 0.83 (0.73 as at March 31, 2009).

The Bank also has a Liquidity Contingency plan (LCP) which details the overall approach and actions the Bank would undertake in order to manage the Bank's liquidity position during stressed conditions, as identified. The LCP addresses both the funding and operational requirements of the Bank and sets-out a funding, operational and communication plan to enable the Bank to deal with a liquidity crisis.

Liquidity Key Risk Indicators and Liquidity Stress test

In addition to above mentioned measures and controls, the Bank also monitors certain important Key Risk indicators relating to liquidity risk. These indicators amongst them include internal and external indicators. These are reviewed by the ALCO on monthly basis.

The Bank monitors and measures its exposure to potential liquidity risk crisis events through the use of cash flow projections, stress testing and key risk indicators, taking into consideration both firm-specific and market-wide events. The scenarios and stress tests considered by the Bank are forward looking and consider the general performance and financial stability of the economy. These scenarios and stress tests are performed on a regular basis and are presented to the ALCO and BCC.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. The Bank has developed and implemented an Operational Risk Management Policy (ORMP) which covers the aspects pertaining to minimising losses due to process failures, flaws in product designs that can expose the Bank to losses due to fraud, impact of failures in technology/systems and continuity in the Bank's operations.

An Operational Risk Management Committee (ORMC) comprising of senior executives is responsible for the development, testing, implementation and maintenance of the ORMP. The ORMC meets on a monthly basis to track and monitor the progress of the implementation of the ORMP.

The Bank has implemented its Risk and Control Self Assessment (RCSA) approach to identify and ensure effective control of its operational risks. The Bank also captures certain Key Risk Indicators (KRIs) of the various business groups.

The Bank had implemented loss data collection and reporting process for all Operational loss data (including internal and external fraud) and near miss events. The data is collected from all business and support units in UK as well as those outsourced to India. The data is reported to the ORMC on a monthly basis and to the Board Risk Committee on a quarterly basis.

To identify Operational risks in new products/processes, all such proposals are required to be approved by the Product and Process Approval Committee (PAC), comprising of senior executives after obtaining inputs from all the relevant groups and control functions in the Bank.

The Bank has developed and implemented a Business Continuity Plan (BCP). This plan is designed to facilitate continuity in critical business operations in the event of a disaster or an emergency situation. The BCP has been formulated on the basis of a business impact analysis carried out for the individual groups involving identification of critical activities and determination of their recovery time objectives.

The Bank has developed and implemented an Outsourcing Policy to mitigate outsourcing risks and ensure the application of a standardised approach for all outsourcing arrangements entered into by the Bank. Proposed outsourcing arrangements are assessed for their criticality prior to outsourcing. For arrangements deemed to be critical, a detailed assessment is conducted and the proposal is approved by the BCC. The performance of vendors is periodically reviewed and assessment reports are presented to the Audit Committee.

The Bank has adopted the Basic Indicator Approach for the purposes of calculating its operational risk capital charge as per Basel II.

Cash flow payable under contractual maturity

34. Cashflow payable under contractual maturity

At March 31, 2009, the contractual maturity comprises:

(Rs. in 000's)

	Less than 3 months	More than 3 months but not more than 6 months	More than 6 months but not more than 1 year	More than 1 year but not more than 5 years	More than 5 years	Non Interest bearing	Total
Deposits by banks	119,793	7,743,409	11,513,303	14,005,208	—	—	33,381,713
Customer accounts	89,594,807	15,262,588	32,362,438	67,169,727	—	—	204,389,560
Other liabilities	1,925,851	—	—	—	—	—	1,925,851
Derivative financial liabilities	1,205,790	21,687	237,835	7,280,176	349,726	—	9,095,214
Accruals and deferred income	2,854,562	200,119	552,270	880,803	—	—	4,487,754
Debt securities in issue	17,797,103	241,023	1,904,164	27,378,224	6,848,597	—	54,169,111
Shareholders' funds	—	—	—	—	—	28,134,475	28,134,475
Total Liabilities	113,497,906	23,468,826	46,570,010	116,714,138	7,198,323	28,134,475	335,583,678

At March 31, 2009, the contractual maturity comprises:

(Rs. in 000's)

	Less than 3 months	*More than 3 months but not more than 6 months*	*More than 6 months but not more than 1 year*	*More than 1 year but not more than 5 years*	*More than 5 years*	*No contractual maturity*	*Total*
Deposits by banks	*4,561,391*	*2,221,652*	*1,731,973*	*29,910,045*	—	—	*38,425,061*
Customer accounts	*99,385,881*	*27,011,122*	*72,420,243*	*8,744,993*	—	—	*207,562,239*
Other liabilities	*12,905,607*	—	—	—	—	—	*12,905,607*
Derivative financial liabilities	*4,737,893*	*1,324,864*	*916,589*	*3,026,305*	*490,263*	—	*10,495,914*
Accruals and deferred income	*863,562*	—	—	—	—	—	*863,562*
Debt securities in issue	*462,919*	*462,919*	*920,719*	*42,495,246*	*17,929,917*	—	*62,271,720*
Shareholders' funds	—	—	—	—	—	*1,8401,457*	*18,401,457*
Total Liabilities	*122,917,253*	*31,020,557*	*75,989,524*	*84,176,589*	*18,420,180*	*18,401,457*	*350,925,560*

The balances as noted above incorporate all cash flows on an undiscounted basis which relates to the principal and future coupon payments (except for trading liabilities and trading derivatives).

35. Fair values of financial assets and financial liabilities

Set out below is a comparison by category of book values and fair values of the banks trading and non trading financial assets and financial liabilities as at the year end.

(Rs. in 000's)

	March 31, 2010 Fair value	**March 31, 2010 Book value**	*March 31, 2009 Fair value*	*March 31, 2009 Book value*
Non trading book financial assets and liabilities				
Assets:				
Cash	**47,594**	**47,594**	*139,549*	*139,549*
Loans and advances to banks	**63,177,623**	**64,172,158**	*44,196,821*	*44,208,585*
Loans and advances to customers	**162,169,551**	**163,223,578**	*135,993,524*	*141,294,239*
Investment securities	**82,423,648**	**82,418,440**	*124,502,626*	*124,502,626*
Liabilities:				
Deposits by banks and customer accounts	**236,992,572**	**239,537,594**	*241,487,286*	*244,080,576*
Debt securities in issue	**50,682,985**	**49,947,119**	*42,792,843*	*52,448,588*
Financial assets and liabilities through profit and loss:				
Derivative financial instruments	**7,496,324**	**7,496,324**	*4,498,576*	*4,498,576*
Credit linked notes	**7,399,385**	**7,399,385**	*6,919,674*	*6,919,674*
Liabilities:				
Derivative financial instruments	**9,095,213**	**9,095,213**	*8,355,261*	*8,355,261*

Notes:

1. Fair value of loans and advances to banks and customers is based on estimated spreads that a market participant would use in valuing these loans with similar maturity and rating.
2. The fair value of deposits by banks and customers has been estimated using current rates offered for deposits of similar maturities.
3. For estimating the fair value of debt securities in issue, quoted market price at the balance sheet date are considered.

36. Derivative financial instruments

The Bank enters into various financial instruments as principal to manage balance sheet interest rate and foreign exchange rate risk.

Interest related contracts include swaps, futures and forward rate agreements. Interest rate swap transactions generally involve the exchange of fixed and floating interest payment obligations without the exchange of the underlying principal amounts. Forward rate agreements are contracts under which two counterparties agree on the interest to be paid on a notional deposit of a specified maturity at a specific future settlement date; there is no exchange of principal.

Exchange rate related contracts include spot, currency swaps, options and forward transactions. The Bank's currency swap transactions generally involve an exchange of currencies and an agreement to re-exchange the currency at a future date where the swaps relate to assets and liabilities denominated in different currencies.

The Bank uses derivatives to mitigate interest rate risk. Hedge accounting is applied to derivatives and hedged items when the criteria under FRS 26 have been met. The swaps exchange fixed rate for floating rate on assets/liabilities to match the floating rates paid/received on funding or exchanges fixed rates on funding to match the floating rates received/paid on assets/liabilities. For qualifying hedges, the fair value changes of the derivative are substantially matched by corresponding fair value changes of the hedged item, both of which are recognised in profit and loss. As at March 31, 2010, the notional amounts of swaps designated as fair value hedges was Rs. 31,430 million and these contracts had a negative fair value of Rs. 484.9 million.

The notional principal amounts of these instruments are not indicative of the amounts at risk which are smaller amounts payable under the terms of these instruments and upon the basis of the contract or notional principal amount. Derivatives contracts in the non-trading book are used for hedging purposes only and are accounted for on this basis and are executed with bank counterparties for whom volume and settlement limits have been approved. Group limits are approved for connected exposures.

At March 31, 2010, the principal amounts of the instruments were:

(Rs. in 000's)

Instrument	**Non-trading Notional Principal**	**Trading Notional Principal**	**Gross Positive Fair Value**	**Gross Negative Fair Value**
Exchange rate	**—**	**86,591,940**	**2,915,537**	**4,050,519**
Interest rate	**31,432,874**	**155,297,740**	**4,580,788**	**5,044,695**

At March 31, 2009 the principal amounts of the instruments were:

(Rs. in 000's)

Instrument	*Non-trading Notional Principal*	*Trading Notional Principal*	*Gross Positive Fair Value*	*Gross Negative Fair Value*
Exchange rate Contracts	—	*128,384,276*	*1,160,755*	*(5,322,985)*
Interest rate Contracts	*681,447*	*159,930,073*	*3,337,821*	*(3,032,277)*

37. Assets and liabilities denominated in foreign currency

(Rs. in 000's)

	March 31, 2010	*March 31, 2009*
Denominated in US Dollars	**165,435,666**	*155,740,365*
Denominated in Sterling	**102,288,396**	*85,257,826*
Denominated in other currencies	**65,382,976**	*87,701,598*
Total assets	**333,107,038**	*328,699,789*
Denominated in US Dollars	**98,729,039**	*103,658,026*
Denominated in Sterling	**196,122,840**	*196,661,731*
Denominated in other currencies	**38,255,159**	*28,380,032*
Total liabilities	**333,107,038**	*328,699,789*

The above should not be considered to demonstrate the Bank's exposure to foreign exchange risk due to the existence of compensating exchange rate contracts as discussed in Note 36 which are held for hedging purposes.

38. Litigation

There are no material outstanding legal proceedings against the Bank.

39. Post balance sheet events

There have been no material events after the balance sheet date which would require disclosure or adjustments to the March 31, 2010 financial statements.

40. Ultimate parent company and parent undertaking of larger group of which the Bank is a member

The Bank is a wholly owned subsidiary of ICICI Bank Limited. The parent company is incorporated in India. Copies of the group accounts for ICICI Bank Limited can be obtained from the Secretarial Department, ICICI Bank Limited, ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400051, India.

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK CANADA

6TH ANNUAL REPORT AND ACCOUNTS 2009

Directors
Chanda D. Kochhar, *Chairperson*
Robert G. Long
John R. Thompson
David P. Smith
Glenn R. Rourke
Sonjoy Chatterjee
Sriram H. Iyer, *President & CEO*

Auditors
KPMG LLP

Anthony Coulthard
Corporate Secretary

Registered Office
150 Ferrand Drive
Suite 1200
Toronto, Ontario
Canada M3C 3E5

management's report

to the members

The Management of ICICI Bank Canada (the "Subsidiary") is pleased to present their Sixth Annual Report and Accounts 2009, together with the financial statements and auditors' report for the year ended December 31, 2009. All information provided in this Management Report is as at December 31, 2009.

Principal Activities

The Subsidiary, a wholly-owned subsidiary of ICICI Bank Limited (the "Parent"), is a full service direct bank with an asset base of about CAD 5.80 billion, as at December 31, 2009, offering a comprehensive suite of personal, commercial and cross-border banking products and services. The Subsidiary is supported by a state-of-the-art electronic banking platform (icicibank.ca), a 24-hour toll-free customer contact centre and proprietary ABMs. It has established its branch network in the Greater Toronto Area (Brampton, Downtown Toronto, Gerrard Street East, Mississauga, Scarborough, Gore Road and Don Valley), the Greater Vancouver Regional District (Surrey) and in Calgary, Alberta.

The Subsidiary is regulated by the Ministry of Finance (Canada), and operates under the supervision of the Office of the Superintendent of Financial Institutions. It is also a member of the Canada Deposit Insurance Corporation.

Directors and Corporate Secretary

The names of the Directors and the Corporate Secretary of the Subsidiary are as follows:

Chanda D. Kochhar, *Chairperson*
Robert G. Long
John R. Thompson
David P. Smith
Glenn R. Rourke
Sonjoy Chatterjee
Sriram H. Iyer, *President & CEO*
Anthony Coulthard, *Corporate Secretary*

Directors' Interests

None of the Directors of the Subsidiary has any interest in its share capital.

Share Capital

The Subsidiary is authorised to issue an unlimited number of common shares without par value and an unlimited number of non-voting preferred shares without par value.

As at December 31, 2009, the Subsidiary had issued 839.5 million common shares, 10 million Series A preferred shares, 509,280 Series B preferred shares, 600,000 Series C preferred shares, 1,000,000 Series D preferred shares and 1,200,000 Series E preferred shares to its Parent. The Series A preferred shares are not redeemable by the Subsidiary until ten years from their issuance date and bear a fixed non-cumulative cash dividend of 1% per annum. The Series B preferred shares and Series C preferred shares are not redeemable by the Subsidiary until five years from their issuance date and bear a fixed non-cumulative cash dividend of 7% per annum. The Series D preferred shares and Series E preferred shares are not redeemable by the Subsidiary until five years from their issuance date and bear a fixed non-cumulative cash dividend of 7.25% per annum. The Subsidiary has declared and paid an aggregate cash dividend of CAD 6.03 million (net of withholding taxes of CAD 1.06 million) to the Parent, during the year ended December 31, 2009.

ANTHONY COULTHARD
Corporate Secretary

auditors' report

to the shareholder

We have audited the consolidated balance sheet of ICICI Bank Canada as at December 31, 2009 and the consolidated statements of operations and comprehensive income, changes in Shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance 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.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

For KPMG LLP
Chartered Accountants
Licensed Public Accountants

Toronto, Canada, March 11, 2010

consolidated balance sheet

as at December 31, 2009

	2009	(Rs. in 000's) 2008
ASSETS		
Cash and cash equivalents [note 1]:		
Notes and coins	73,270	77,382
Deposits with regulated financial institutions:		
Interest bearing	1,011,859	8,799,157
Non-interest bearing	529,082	258,832
	1,614,211	9,135,371
Securities [note 2]:		
Trading account	10,250,246	10,845,792
Available-for-sale	33,315,015	50,481,371
Held-to-maturity	4,796,248	2,586,013
	48,361,509	63,913,176
Loans, net of allowance for credit losses [note 3]:		
Commercial and corporate loans and commercial mortgages	152,208,630	158,394,549
Residential mortgages	44,569,737	50,202,765
Personal	54,207	187,926
	196,832,574	208,785,240
Other:		
Fixed assets [note 4]	141,328	151,141
Other assets [note 5]	11,382,120	6,829,884
	11,523,448	6,981,025
	258,331,742	288,814,812
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Deposits [note 6]:		
Personal	202,222,531	231,617,502
Commercial	6,926,943	8,662,182
Interbank	25,144	4,768
	209,174,618	240,284,452
Others:		
Accounts payable and other liabilities [note 7]	3,429,731	14,429,020
Subordinated notes [note 8]	3,325,875	3,325,875
	6,755,606	17,754,895
Shareholders' equity:		
Share capital [note 9]:		
Common shares	37,227,628	26,473,965
Paid-in capital	51,303	37,052
Preferred shares	4,112,201	4,112,201
Surplus	1,001,381	126,783
Accumulated other comprehensive income	9,005	25,464
	42,401,518	30,775,465
	258,331,742	288,814,812

See accompanying notes to consolidated financial statements

For KPMG, LLP
Chartered Accountants

For and on behalf of the Board

Toronto, Canada, March 11, 2010

Director *Director*

statement of changes in Shareholders' equity

	2009	(Rs. in 000's) 2008
Common shares [note 9]:		
Balance, beginning of year	26,473,965	11,840,115
Issued during the year	10,753,663	14,633,850
Balance, end of year	37,227,628	26,473,965
Paid-in capital [note 9]	51,303	37,052
Preferred shares [note 9]:		
Balance, beginning of year	4,112,201	1,673,226
Issued during the year	—	2,438,975
Balance, end of year	4,112,201	4,112,201
Surplus/(deficit):		
Balance, beginning of year	126,783	(454,771)
Net income	1,224,892	581,554
Dividend on preferred shares	(314,517)	—
Future tax assets of subsidiary wound-up	(35,777)	—
Balance, end of year	1,001,381	126,783
Accumulated other comprehensive income, net of income taxes:		
Balance, beginning of year	25,464	266
Other comprehensive income/(loss) during the year, net of future tax recovery of Rs. 8,293 (2008 - provision of Rs. 12,771)	(16,459)	25,198
Balance, end of year	9,005	25,464
Total Shareholders' equity	42,401,518	30,775,465

See accompanying notes to consolidated financial statements

consolidated statement of operations and comprehensive income

for the year ended December 31, 2009

	2009	(Rs. in 000's) 2008
Interest income:		
Loans	9,374,052	7,580,532
Securities	812,377	1,624,143
Deposits with regulated financial institutions	158,558	206,592
	10,344,987	9,411,267
Interest expense:		
Deposits	8,698,985	7,685,923
Subordinated notes [note 8]	199,022	191,617
Short-term borrowings [note 10]	—	2,225
	8,898,007	7,879,765
Net interest income	1,446,980	1,531,502
Provision for credit losses [note 3]	201,654	615,363
Net interest income after provision for credit losses	1,245,326	916,139
Non-interest income [note 11]	2,062,318	1,693,010
Net interest and non-interest income	3,307,644	2,609,149
Non-interest expenses:		
Salaries and benefits	588,810	605,491
Capital and other taxes	275,827	178,795
Call center and outsourcing	113,943	136,902
General and administrative	104,806	193,037
Occupancy costs	99,911	87,406
CDIC premium	82,871	57,325
Professional fees	74,066	68,519
Marketing and business development	67,527	192,624
Depreciation	49,918	57,634
Communication	25,482	31,450
Travel, moving and entertainment	21,871	33,140
Data processing fees	13,355	39,793
	1,518,387	1,682,116
Income before income taxes	1,789,257	927,033
Provision for income taxes [note 12]	564,365	345,479
Net income	1,224,892	581,554
Other comprehensive income/(loss), net of income taxes:		
Change in unrealised gain/(loss) on available-for-sale securities, net of future tax recovery of Rs.8,293 (2008 - provision of Rs.12,771)	(16,459)	25,198
Comprehensive income for the year	1,208,433	606,752

See accompanying notes to consolidated financial statements

For KPMG, LLP
Chartered Accountants

For and on behalf of the Board

Toronto, Canada, March 11, 2010

Director *Director*

consolidated statement of cash flows

	2009	(Rs. in 000's) 2008
Cash provided by/(used in):		
Operating activities:		
Net income	1,224,892	581,554
Items not involving cash:		
Provision for credit losses	201,654	615,363
Depreciation	49,918	57,634
Future income taxes	(104,033)	(30,633)
Amortisation of deposit broker commissions	437,832	342,376
Interest accrued on subordinated notes	6,829	13,423
Net change in derivative financial instruments	(16,190,021)	10,578,521
Change in non-cash operating items:		
Other items, net	259,885	1,285,762
	(14,113,044)	13,444,000
Financing Activities:		
Deposits, net	(31,109,835)	128,672,389
Proceeds from subordinated notes	—	2,217,250
Proceeds from issue of preferred shares	—	2,438,975
Dividend on preferred shares	(314,517)	—
Proceeds from issue of common shares	10,753,663	14,633,850
	(20,670,689)	147,962,464
Investing activities:		
Purchase of securities	(178,981,300)	(393,422,578)
Proceeds from sale of securities	194,532,967	364,756,618
Treasury placements, net	5,157,253	(5,468,458)
Loans, net	11,751,012	(125,590,376)
Purchase of fixed assets	(40,106)	(100,435)
	32,419,826	(159,825,229)
Increase/(Decrease) in cash and cash equivalents	(2,363,907)	1,581,235
Cash and cash equivalents, beginning of year	3,666,913	2,085,678
Cash and cash equivalents, end of year	1,303,006	3,666,913
Represented by:		
Cash [note 1]	73,270	77,382
Interest bearing deposits with regulated financial institutions	700,654	3,330,699
Non-interest bearing deposits with regulated financial institutions	529,082	258,832
	1,303,006	3,666,913
Supplemental cash flow information:		
Interest paid	7,714,740	5,779,666
Income taxes paid	729,032	—

See accompanying notes to consolidated financial statements

ICICI Bank Canada (the "Bank") is a wholly owned subsidiary of ICICI Bank Limited (the "Parent"). The Office of the Superintendent of Financial Institutions Canada ("OSFI") granted the Bank its Letters Patent of Incorporation on September 12, 2003, and an Order to Commence and Carry on Business on November 25, 2003. The Bank launched its operations on December 19, 2003.

These consolidated financial statements have been prepared in accordance with Section 308(4) of the Bank Act (Canada), which states that, except as otherwise specified by OSFI, the financial statements are to be prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the year. Certain estimates, including the allowance for credit losses, fair value of financial instruments and income taxes require management to make subjective or complex judgements. Actual results could differ from those estimates.

Interest income and expense are recognised in the statement of operations and comprehensive income using the effective interest method. The effective interest rate method is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset or liability and is not revised subsequently.

The consolidated financial statements include the assets, liabilities, results of operations and comprehensive income, changes in Shareholders' equity and cash flows of the Bank and its wholly owned subsidiary, ICICI Wealth Management Inc.("IWMI"), after the elimination of intercompany transactions and balances until the winding-up of IWMI on December 31, 2009. IWMI was incorporated on July 28, 2006. A subsidiary is defined as a corporation controlled by the Bank, which is normally a corporation in which the Bank owns more than 50% of the voting shares. On November 30, 2009, all assets and liabilities of IWMI were conveyed to the Bank.

Changes in accounting policies:

i. Credit risk and the fair value of financial assets and financial liabilities

On January 1, 2009, the Bank adopted the Emerging Issues Committee ("EIC") issued Abstract No. 173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities ("EIC-173"). EIC-173 requires an entity to take into account its own credit risk and that of the relevant counterparty(s) when determining the fair value of financial assets and financial liabilities, including derivative instruments. This EIC Abstract had an adverse impact of Rs.22,712 on the Bank's financial position and the same is recognised in the statement of operations and comprehensive income.

ii. Fair value disclosure – Amendments to: Financial Instruments – Disclosures, Section 3862.

In June 2009, The Canadian Institute of Chartered Accountants' ("CICA") amended Section 3862 to improve fair value and liquidity risk disclosures. Section 3862 now requires that all financial instruments measured at fair value be categorised into one of three hierarchy levels, described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 – inputs are unadjusted quoted prices of identical instruments in active markets. The instruments that have been valued based upon such quoted prices include traded equity shares, Canadian federal & provincial bonds and treasury bills, corporate bonds, bankers' acceptances, bearer deposit notes, futures and spots.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, and prices derived from valuation models which use significant inputs that are observable in active markets. Inputs like interest rates, yield curves, volatilities, credit spread, which are available from public sources like Reuters and Bloomberg. The products include corporate bonds, vanilla options, simple interest rate derivatives, cross currency interest rate swaps, and swap options.

Level 3 – one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments. Valuation is based on valuation techniques or models which use significant market unobservable inputs or assumptions. Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable or when determination of the fair value requires significant management judgment or estimation. The master asset vehicles, asset backed commercial paper, credit derivative products and some classes of bonds fall in this category. The Bank has valued the India linked credit derivatives at a combination of market quotes and cash flow discounting using spreads published by Fixed Income Money Markets & Derivatives Association of India corresponding to the domestic ratings of the issuer which is then adjusted with the additional credit spread mark ups depending on the liquidity of such financial instruments.

The amendments only impact disclosures. Refer to Note 14.

Significant accounting policies:

The significant accounting policies used in the preparation of these financial statements, including the accounting requirements of OSFI, are summarised below with notes relating to their financial statement captions. These accounting policies conform, in all material respects, to Canadian GAAP.

1. Cash and cash equivalents:

The Bank considers cash and cash equivalents to represent cash balances on hand, interest bearing and non-interest bearing deposits with regulated financial institutions with an original maturity of 90 days or less. Included in deposits with regulated financial institutions, is Rs. 311,205 (2008 - Rs. 5,468,458) of deposits with a maturity greater than 90 days.

2. Securities:

Securities are classified, based on management's intentions, as either trading account securities, available for sale ("AFS") securities or held to maturity ("HTM") securities.

Trading account securities

Trading account securities are recorded on the balance sheet at fair value. The fair value of securities are based on quoted market prices where available; otherwise, the fair values are estimated using quoted market values for similar securities or other third party evidence, as available. In those cases where third party evidence is not available, other valuation techniques are utilised such as internally developed models.

Trading account securities, comprised of securities purchased for resale in the near term, are recognised initially at fair value, and transaction costs are recognised in the consolidated statement of operations and comprehensive income when incurred. Gains and losses arising from changes in fair value are recognised in the consolidated statement of operations and comprehensive income.

The composition and maturity profile of trading account securities are as follows:

	2009			
	Under 1 year Rs.	**1 to 5 years Rs.**	**Over 5 years Rs.**	**Total trading securities Rs.**
Credit linked notes	**1,850,404**	**3,225,846**	**—**	**5,076,260**
Collateralised debt obligations	**—**	**921,484**	**—**	**921,484**
Corporate bonds	**441,538**	**771,082**	**—**	**1,212,620**
Equity shares	**—**	**—**	**811,216**	**811,216**
Master asset vehicle notes	**—**	**—**	**1,626,693**	**1,626,693**
Commercial paper	**—**	**—**	**601,983**	**601,983**
	2,291,942	**4,918,412**	**3,039,892**	**10,250,246**

	2008			
	Under 1 year Rs.	*1 to 5 years Rs.*	*Over 5 years Rs.*	*Total trading securities Rs.*
Credit linked notes	*—*	*5,624,029*	*—*	*5,624,029*
Collateralised debt obligations	*—*	*953,983*	*—*	*953,983*
Corporate bonds	*—*	*1,177,205*	*195,118*	*1,372,323*
Equity shares	*—*	*-*	*355,129*	*355,129*
Commercial paper	*—*	*—*	*2,540,328*	*2,540,328*
	—	*7,755,217*	*3,090,575*	*10,845,792*

As at December 31, 2009, trading securities held included those denominated in U.S. dollars. These securities comprised credit linked notes, collateralised debt obligations, corporate bonds and master asset vehicles ("MAV") of Rs. 5,076,260, Rs. 921,484, Rs. 723,777 and Rs. 709,506 respectively, denominated in thousands of U.S. dollars (US$ 108,917, US$ 19,772, US$ 15,530 and US$ 15,223, respectively).

As at December 31, 2008, trading securities held included those denominated in U.S. dollars. These securities comprised of credit linked notes, collateralised debt obligations, corporate bonds and commercial paper of Rs. 5,624,029, Rs. 953,983, Rs. 528,658 and Rs. 1,098,481 respectively, denominated in thousands of U.S. dollars (US$ 104,125, US$ 17,662, US$ 9,788 and US$ 20,337, respectively).

For the year ended December 31, 2009, losses realised from the sale of fixed income securities were Rs. 78,262, gains realised from the sale of government guaranteed securities were Rs. 96,182 and an unrealised gain of Rs. 302,377 was recognised directly in non-interest income with respect to changes in fair value of other trading account securities.

For the year ended December 31, 2008, losses realised from the sale of fixed income securities were Rs. 4,444, losses realised from the sale of government guaranteed securities were Rs. 4,241, losses realised from sale of collateralised debt obligations and credit default swaps were Rs. 56,035 and an unrealised loss of Rs. 2,118,438 was recognised directly in non-interest income with respect to changes in fair value of other trading account securities.

The Bank held certain Asset Backed Commercial Paper ("ABCP") that was subject to a court sanctioned restructuring plan, which was completed on January 21, 2009. Under the terms of the plan (the "Plan" or "Montreal Accord"), the Bank received restructured MAV 2 and MAV 3 notes in lieu of the ABCP held. The carrying value of the ABCP not subject to the Plan is Rs. 601,983 (2008 - Rs. 601,983) which represents management's best estimate of the fair value of these ABCP.

Non-bank ABCP was replaced with longer-term floating rate notes with maturities more closely matching the maturities of the underlying assets, which were allocated into one of the three MAV. MAV1 and MAV2 contain those series of non-bank ABCP supported in whole or in part by synthetic assets (largely collateralised debt obligations). The majority of these series were pooled and supported by margin funding facilities (self-funded in the case of MAV1 noteholders) provided by certain financial institutions and noteholders as well as a senior funding facility provided by the Government of Canada and certain Provinces.

The margin funding facilities and senior funding facility will fund margin calls in the event that insufficient collateral exists within the pooled series to support the leveraged collateralised debt obligations. Those assets that have exposure to US sub-prime mortgages or that did not have their collateral triggers adjusted were considered ineligible for pooling ("ineligible assets") and will not benefit from the funding facilities. MAV3 contains those series of non-bank ABCP backed solely by traditional securitisation assets or ineligible assets.

The interest collections are recorded on cash basis in the period of receipt. The MAV have been marked-to-model. The recorded carrying value of the MAV represents management's best estimate of the fair value of the MAV as at December 31, 2009.

AFS securities

AFS securities are recognised initially at fair value and transaction costs are added to the initial carrying value of the securities. AFS securities are subsequently carried at fair value. Unrealised gains and losses arising from changes in fair value are included in other comprehensive income until sale when the cumulative gain or loss is transferred to the consolidated statement of operations and comprehensive income. As at December 31, 2009, the fair value of AFS securities exceeded their amortised cost by Rs.6,940 (2008 - Rs.31,714). Interest income determined in accordance with the effective interest method and other-than-temporary impairment losses are recognised in the consolidated statement of operations and comprehensive income.

The composition and maturity profile of AFS securities are as follows:

	2009			
	Under 1 year Rs.	**1 to 5 years Rs.**	**Over 5 years Rs.**	**Total AFS securities Rs.**
Banker's acceptances	**970,405**	**—**	**—**	**970,405**
Bearer deposit notes	**1,528,649**	**—**	**—**	**1,528,649**
Corporate bonds	**317,260**	**448,818**	**—**	**766,078**
Canadian federal & provincial bonds and treasury bills	**30,049,883**	**—**	**—**	**30,049,883**
	32,866,197	**448,818**	**—**	**33,315,015**

	2008			
	Under 1 year Rs.	*1 to 5 years Rs.*	*Over 5 years Rs.*	*Total AFS securities Rs.*
Banker's acceptances	*20,433,311*	*—*	*—*	*20,433,311*
Bearer deposit notes	*5,827,507*	*—*	*—*	*5,827,507*
Corporate bonds	*669,743*	*449,194*	*—*	*1,118,937*
Commercial paper	*459,032*	*—*	*—*	*459,032*
Canadian federal & provincial bonds and treasury bills	*22,642,584*	*—*	*—*	*22,642,584*
	50,032,177	*449,194*	*—*	*50,481,371*

The fair market value of the AFS securities are shown in the following tables:

	2009			
	Amortised cost Rs.	**Gross unrealised gains Rs.**	**Gross unrealised losses Rs.**	**Fair value of AFS securities Rs.**
Banker's acceptances	**970,373**	**32**	**—**	**970,405**
Bearer deposit notes	**1,528,757**	**—**	**(108)**	**1,528,649**
Corporate bonds	**768,408**	**4,346**	**(6,676)**	**766,078**
Canadian federal & provincial bonds and treasury bills	**30,040,537**	**9,346**	**—**	**30,049,883**
	33,308,075	**13,724**	**(6,784)**	**33,315,015**

	2008			
	Amortised cost Rs.	*Gross unrealised gains Rs.*	*Gross unrealised losses Rs.*	*Fair value of AFS securities Rs.*
Banker's acceptances	*20,430,140*	*3,880*	*(709)*	*20,433,311*
Bearer deposit notes	*5,826,359*	*1,728*	*(580)*	*5,827,507*
Corporate bonds	*1,115,079*	*4,723*	*(865)*	*1,118,937*
Commercial paper	*458,764*	*268*	*—*	*459,032*
Canadian federal & provincial bonds and treasury bills	*22,619,315*	*23,361*	*(92)*	*22,642,584*
	50,449,657	*33,960*	*(2,246)*	*50,481,371*

As at December 31, 2009, there were no AFS securities denominated in U.S. dollars.

As at December 31, 2008, AFS securities held included those denominated in U.S. dollars. These securities comprised of treasury bills, commercial paper and bearer deposit notes of Rs. 1,323,152, Rs. 459,032 and Rs. 2,024,454 respectively, denominated in thousands of U.S. dollars (US$ 24,497, US$ 8,499 and US$ 37,481 respectively).

For the year ended December 31, 2009, a loss of Rs. 16,459 (2008 - gain of Rs. 25,198), net of future taxes, was recognised directly in other comprehensive income with respect to the changes in fair value of AFS securities.

HTM securities

HTM securities comprise securities with fixed or determinable payments that management has the intention and ability to hold to maturity. They are initially recognised at fair value plus incremental costs directly attributable to the acquisition of the security. Debt securities are subsequently carried at amortised cost using the effective interest method. When a security's book value exceeds fair value, a write down in book value will occur if it has been determined that there has been an other-than-temporary impairment.

The composition and maturity profile of HTM securities are as follows:

	2009			
	Under 1 year Rs.	**1 to 5 years Rs.**	**Over 5 years Rs.**	**Total HTM securities Rs.**
Asset-backed securities	**—**	**458,678**	**688,529**	**1,147,207**
Commercial Paper	**657,888**	**—**	**—**	**657,888**
Master asset vehicle notes	**—**	**745,411**	**—**	**745,411**
Corporate bonds	**429,163**	**1,816,579**	**—**	**2,245,742**
	1,087,051	**3,020,668**	**688,529**	**4,796,248**

	2008			
	Under 1 year Rs.	*1 to 5 years Rs.*	*Over 5 years Rs.*	*Total HTM securities Rs.*
Asset-backed securities	*—*	*468,215*	*728,747*	*1,196,962*
Corporate bonds	*—*	*1,389,051*	*—*	*1,389,051*
	—	*1,857,266*	*728,747*	*2,586,013*

As at December 31, 2009, HTM securities held included corporate bonds of Rs. 429,159 denominated in thousands of U.S. dollars (US$ 9,208).

As at December 31, 2008, HTM securities held included corporate bonds of Rs. 495,702 denominated in thousands of U.S. dollars (US$ 9,178).

3. **Loans:**

Loans are initially recognised at fair value with incremental transaction costs included in the initial carrying value of the loan. Loans are subsequently carried at amortised cost using the effective interest method, net of allowance for credit losses. Loan fees received from commercial clients for term loans, demand loans, mortgages and operating lines of credit are deferred and recognised over the term of a loan. Non-refundable loan fees received from commercial clients are booked directly to other income if the credit facility is not approved.

Loans are classified as impaired when there is no longer reasonable assurance of the timely collection of the full amount of principal or interest. For impaired loans, interest accrual is discontinued. An allowance for credit losses is maintained at a level that management considers adequate to absorb identified credit-related losses as well as losses that have occurred but have not yet been identified. This allowance relates primarily to loans, but also to other credit instruments such as letters of credit, and is either specific or general.

To ensure that any impairment is identified on a timely basis, the Bank's loans are reviewed regularly for their credit quality, taking into consideration all readily available information. When substantive information suggests any significant deterioration in the credit quality of a loan or a portfolio of loans, the credit or credits are reviewed immediately, even if a regularly scheduled review is not due.

Loans where interest and principal is contractually past due 90 days are automatically recognised as impaired, unless management determines the loan as fully secured, in the process of collection, and the collection efforts are reasonably expected to result in either payment of the loan or restoring it to a current status within 180 days from the date payment has become contractually in arrears. Subsequent payments (interest and principal) received on an impaired loan are recorded as a reduction of the recorded investment in the loan. Loans are generally returned to accrual status when the timely collection of both principal and interest is reasonably assumed and all delinquent principal and interest payments are brought to current status.

During the year ended December 31, 2009, loan balances of Rs. 217,867 (2008 - Rs. 4,789) were written off. The following table reconciles the provision for credit losses recognised in the consolidated statement of operations and comprehensive income with the changes in the allowance for credit losses for the year ended December 31, 2009:

	2009 Rs.	2008 Rs.
Change in allowance for credit losses, net	2,030	585,730
Provisions/(recovery) for undrawn commitments and other contingent liabilities	(18,243)	24,843
Loans balances written off	217,867	4,789
	201,654	615,362

As of December 31, 2009, gross loans amounting to Rs. 3,988,524 (2008 - Rs. 814,618) were considered impaired. Based on an assessment of these impaired loans, specific provisions have been created against the following impaired loans:

	2009		2008	
	Gross loans Rs.	Specific allowance Rs.	Gross loans Rs.	Specific allowance Rs.
Personal loans	113	113	47	47
Commercial loans and commercial mortgages	905,325	202,490	303,797	53,768
Commercial lines of credit	11,778	11,629	222,424	222,286
	917,216	214,232	526,268	276,101

For loans not covered by a specific provision, a general provision is established against the loan portfolio where prudent assessment by the Bank of past experience and existing economic and portfolio conditions indicate that it is probable that losses have occurred, but where such losses cannot be determined on an individual basis. The composition of the loan portfolio is as follows:

	2009				
	Gross amount Rs.	General allowance Rs.	Specific allowance Rs.	Deferred loan fees Rs.	Net amount Rs.
Commercial loans and commercial mortgages	8,067,481	(48,041)	(214,119)	(51,600)	7,753,721
Corporate loans	145,481,328	(742,171)	—	(284,248)	144,454,909
Conventional residential mortgages	538,947	(2,683)	—	—	536,264
Insured residential mortgages	44,033,473	—	—	—	44,033,473
Personal	54,409	(89)	(113)	—	54,207
	198,175,638	(792,984)	(214,232)	(335,848)	196,832,574
Undrawn commitments and other contingent liabilities:					
Commercial	7,828,910	(19,861)	—	—	7,809,049
Personal	41,653	(213)	—	—	41,440
	7,870,563	(20,074)	—	—	7,850,489

	2008				
	Gross amount Rs.	General allowance Rs.	Specific allowance Rs.	Deferred loan fees Rs.	Net amount Rs.
Commercial loans and commercial mortgages	13,008,179	(60,635)	(276,054)	(77,974)	12,593,516
Corporate loans	146,838,260	(665,215)	—	(372,012)	145,801,033
Conventional residential mortgages	423,963	(3,181)	—	—	420,782
Insured residential mortgages	49,781,983	—	—	—	49,781,983
Personal	188,027	(54)	(47)	—	187,926
	210,240,412	(729,085)	(276,101)	(449,986)	208,785,240
Undrawn commitments and other contingent liabilities:					
Commercial	11,081,181	(38,074)	—	—	11,043,107
Personal	39,311	(199)	—	—	39,112
	11,120,492	(38,273)	—	—	11,082,219

Undrawn commitments and other contingent liabilities include an unused portion of commercial and personal lines of credit, letters of credit facility to commercial clients, import bills for collection and standby letters of credit and bank guarantee.

The following is a summary of the changes in the allowance for credit losses for the year ended December 31, 2009:

	2009			2008
	General Rs.	Specific Rs.	Total Rs.	Total Rs.
Balance, beginning of year	729,105	276,081	1,005,186	419,456
Provision/(recovery) for credit losses, net	63,879	(61,849)	2,030	585,730
Balance, end of year	792,984	214,232	1,007,216	1,005,186

The provision for credit losses within the consolidated statement of operations and comprehensive income includes provisions for funded loans reflected in this table and also includes recovery of provisions for undrawn commitments and other contingent liabilities of Rs. 18,243 (2008 - provision of Rs. 24,843) for the year ended December 31, 2009.

As at December 31, 2009, the Bank held loans, net of allowances, denominated in thousands of U.S. dollars, British pounds, Euros and Japanese yens of Rs. 87,335,853 (US$ 1,873,895), Rs. 3,667,009 (£48,683), Rs. 5,419,546 (€81,226) and Rs. 1,663,173 (¥3,319,053), respectively.

As at December 31, 2008, the Bank held loans, net of allowances, denominated in thousands of U.S. dollars, British pounds, Euros and Japanese yens of Rs. 108,989,412 (US$ 2,017,866), Rs. 4,012,424 (£50,964), Rs. 6,642,127 (€88,149) and Rs. 1,966,257 (¥3,304,006), respectively.

An analysis of the Bank's loan portfolio, net of allowances for credit losses and deferred loan fees, by category and by location of ultimate risk, is as follows:

	2009 Rs.	2008 Rs.
Canada:		
Commercial loans and commercial mortgages	7,180,849	12,681,283
Corporate loans	22,880,733	18,402,649
Conventional residential mortgages	538,947	423,963
Insured residential mortgages	44,033,473	49,781,983
Personal	54,409	188,027
	74,688,411	81,477,905
Allowance for credit losses	(386,296)	(400,124)
	74,302,115	81,077,781
India:		
Commercial loans and commercial mortgages	769,319	175,953
Corporate loans	93,016,765	88,150,464
	93,786,084	88,326,417
Allowance for credit losses	(466,612)	(423,602)
	93,319,472	87,902,815
Other:		
Commercial loans and commercial mortgages	65,713	72,969
Corporate loans	29,299,582	39,913,135
	29,365,295	39,986,104
Allowance for credit losses	(154,308)	(181,460)
	29,210,987	39,804,644
	196,832,574	208,785,240

As at December 31, 2009, loan balances include Rs. 928,708 (2008 - nil) of restructured loans.

4. Fixed assets:

Fixed assets are carried at cost less accumulated depreciation, which is provided by using the straight-line method over the estimated useful lives of the assets.

	2009				2008
	Useful life	Cost Rs.	Accumulated depreciation Rs.	Net book value Rs.	Net book value Rs.
Computer hardware and software	3 years	113,436	(98,940)	14,496	13,930
Furniture, fixtures and equipment	5 years	106,292	(54,576)	51,716	53,357
Leasehold improvements	Lease term	156,872	(81,756)	75,116	83,854
		376,600	(235,272)	141,328	151,141

5. Other assets:

	2009 Rs.	2008 Rs.
Future income tax asset [note 12]	45,055	—
Prepaid expenses, deposits and accounts receivable	528,016	404,426
Fair value of derivative financial instruments [note 15]	10,189,226	4,192,960
Other	619,823	2,232,498
	11,382,120	6,829,884

(In thousands of Indian Rupees)

6. **Deposits:**

Deposits are initially recorded at fair value with incremental transaction costs added to the initial carrying value. Deposits are subsequently measured at amortised cost using the effective interest method. Deposit balances for current, savings and term deposits are shown below:

2009

	Payable on demand				
	Interest bearing Rs.	Non-interest bearing Rs.	Payable after notice Rs.	Payable on fixed date Rs.	Total Rs.
Personal	1,316,141	—	28,655,495	15,427,442	45,399,078
Commercial	1,908,141	—	3,309,230	1,419,090	6,636,461
Broker:					
Personal	—	—	—	156,823,453	156,823,453
Commercial	—	—	—	290,482	290,482
Interbank - Parent (note 10)	—	25,144	—	—	25,144
	3,224,282	25,144	31,964,725	173,960,467	209,174,618

2008

	Payable on demand				
	Interest bearing Rs.	*Non-interest bearing Rs.*	*Payable after notice Rs.*	*Payable on fixed date Rs.*	*Total Rs.*
Personal	*1,090,877*	*—*	*18,508,561*	*19,547,325*	*39,146,763*
Commercial	*4,006,044*	*—*	*3,703,603*	*898,224*	*8,607,871*
Broker:					
Personal	*—*	*—*	*—*	*192,470,739*	*192,470,739*
Commercial	*—*	*—*	*—*	*54,311*	*54,311*
Interbank - Parent (note 10)	*—*	*4,768*	*—*	*—*	*4,768*
	5,096,921	*4,768*	*22,212,164*	*212,970,599*	*240,284,452*

The maturity profile of deposits payable on fixed date is as follows:

	2009			*2008*
	Under 1 year Rs.	**1 to 5 years Rs.**	**Total Rs.**	*Total Rs.*
Payable on fixed date	**69,104,451**	**104,856,016**	**173,960,467**	*212,970,599*

The Bank sources certain deposit balances through the use of brokers. Upon the placement of a deposit with the Bank, the broker earns a commission, which the Bank amortises over the life of the related deposit. As at December 31, 2009, the Bank had unamortised broker commissions on deposits of Rs. 734,499 (2008 - Rs. 1,015,965) included in the above balances. There is no single depositor in excess of 0.3% (2008 - 0.5%) of the total liabilities.

7. **Accounts Payable and Other Liabilities:**

	2009 Rs.	*2008 Rs.*
Accounts payable	**264,961**	*276,624*
Fair value of derivative financial instruments [note 15]	**2,847,474**	*13,041,228*
Deferred income	**1,064**	*1,285*
Other	**316,232**	*1,109,883*
	3,429,731	*14,429,020*

8. **Subordinated Notes:**

The Bank issued a subordinated note to its affiliate, ICICI Bank UK Plc., in the amount of Rs. 1,108,625 on January 31, 2007. The note bears interest at the rate of LIBOR plus 2.5% per annum, payable quarterly in arrears, until April 2012, and at the rate of LIBOR plus 3.0% per annum thereafter, until maturity on April 30, 2017.

The Bank issued a subordinated note to ICICI Bank Limited (Bahrain branch) in the amount of Rs. 1,108,625 on March 31, 2008. This note bears interest at the rate of LIBOR plus 4.6% per annum, payable quarterly in arrears, until April 2013, and at the rate of LIBOR plus 5% per annum thereafter, until maturity on March 31, 2018.

The Bank issued a subordinated note to ICICI Bank Limited (Bahrain branch) in the amount of Rs. 1,108,625 on September 23, 2008. This note bears interest at the rate of LIBOR plus 4.6% per annum, payable quarterly in arrears, until September 23, 2013, and at the rate of LIBOR plus 5% per annum thereafter, until maturity on September 23, 2018.

The terms and conditions of all these subordinated notes require the Bank to gross up the interest payment for any withholding taxes so that the net payment is equal to the total amount of the interest due.

The weighted average cost of borrowing as at December 31, 2009 is 5.85%. The Bank incurred interest expense of Rs. 199,022 (2008 - Rs. 191,617) related to the notes during the year ended December 31, 2009 including the withholding taxes borne by the Bank.

9. **Share Capital:**

The Bank is authorised to issue an unlimited number of common shares without par value and an unlimited number of non-voting preferred shares without par value.

	2009		*2008*	
	Number of shares	**Amount Rs.**	*Number of shares*	*Amount Rs.*
Common shares	**839,500,000**	**37,227,628**	*597,000,000*	*26,473,965*
Preferred shares:				
Series A	**10,000,000**	**443,450**	*10,000,000*	*443,450*
Series B	**509,280**	**564,601**	*509,280*	*564,601*
Series C	**600,000**	**665,175**	*600,000*	*665,175*
Series D	**1,000,000**	**1,108,625**	*1,000,000*	*1,108,625*
Series E	**1,200,000**	**1,330,350**	*1,200,000*	*1,330,350*
		4,112,201		*4,112,201*

The Bank has issued the common and preferred shares shown above for cash consideration to the Parent. During the year, the Bank issued 242.5 million common shares to the Parent for cash consideration of Rs. 10,753,663.

OSFI must approve any plan to redeem any of the Bank's preferred shares for cash. The Series A preferred shares are not redeemable at the option of the Bank prior to 10 years following their issuance and bear a fixed, non-cumulative cash dividend of 1% per annum. The Series B and Series C preferred shares are not redeemable at the option of the Bank prior to 5 years following their issuance and bear a fixed, non-cumulative cash dividend of 7% per annum. The Series D and Series E preferred shares are not redeemable at the option of the Bank prior to 5 years following their issuance and bear a fixed, non-cumulative cash dividend of 7.25% per annum. The terms and conditions of the preferred shares require the Bank to gross up the dividend payment for any withholding taxes so that the net payment is equal to the total amount of the dividend declared.

The redemption of these preferred shares would require the payment in cash of the value of the preferred shares together with declared and unpaid dividends up to the redemption date. The holders of these preferred shares are entitled to annual, non-cumulative preferential cash dividends. The Bank is prohibited from declaring dividends on its preferred or common shares when it would be, as a result of paying a dividend, in contravention of the capital adequacy, liquidity or any other regulatory directives issued under the Bank Act (Canada). The Bank has declared and paid a cash dividend on each series of preferred shares aggregating to Rs. 267,345 (2008 - nil) and has borne withholding taxes of Rs. 47,172 (2008 - nil).

During the year, an amount of Rs. 14,251 (2008 - Rs. 37,052) has been expensed as employee benefits and recorded as additional paid-in-capital. The amount represents the cost of the stock options granted to the employees of the Bank under the Employee Stock Option Scheme of the Parent.

10. **Related party transactions:**

The Parent held a non-interest bearing deposit of Rs. 25,144 (2008 - Rs. 4,768) with the Bank as at December 31, 2009 (note 6). The Bank incurred no interest expense related to short-term borrowings from the Parent (2008 - Rs. 877) or ICICI Bank UK Plc. (2008 - Rs. 281) during the year ended December 31, 2009. During the year, the Bank incurred an interest expense on the subordinated notes from ICICI Bank UK Plc. of Rs. 44,825 (2008 - Rs. 75,527) and Rs. 154,197 (2008 - Rs. 116,090) from ICICI Bank Limited (Bahrain branch).

In addition to the deposit and borrowing activities, the Bank also transacts with the Parent in normal course of business on commercial terms for various treasury products and for various services, pursuant to service level agreements, including legal, call center, information technology system development and maintenance, treasury middle office and branch operations, internet banking development and maintenance and internal audit services. For the year ended December 31, 2009, the Bank had incurred costs of Rs. 133,333 (2008 - Rs. 225,365) related to these services, of which Rs. 18,752 (2008 - Rs. 37,383) remains payable at December 31, 2009. These transactions are in the normal course of operations and are pursuant to the agreements between the parties.

11. **Non-Interest Income:**

	2009 Rs.	*2008 Rs.*
Commercial loan fees	**370,239**	*185,219*
Foreign exchange gain, net	**43,812**	*715,300*
Gain on derivative transactions	**405,735**	*1,324,605*
Gain on sale of mortgages	**254,562**	*298,383*
Investment banking fees	**603,822**	*1,304,443*
Gain/(loss) on sale of securities	**17,920**	*(64,720)*
Mark-to-market gain/(loss) on securities held for trading	**302,377**	*(2,118,438)*
Other	**63,851**	*48,218*
	2,062,318	*1,693,010*

(In thousands of Indian Rupees)

During the year, the Bank provided investment banking and advisory services. Investment banking fees are recognised in the statement of operations and comprehensive income upon completion of the contractual terms of service and when collection is assured.

The Bank enters into derivative contracts on behalf of clients and simultaneously enters into offsetting contracts with another counterparty to eliminate the risk of the contracts to the Bank. Gains from entering into these simultaneous offsetting contracts are recognised at the time of entering into the contracts.

12. Income Taxes:

The Bank uses the asset and liability method of accounting for income taxes whereby income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for book purposes compared with their carrying amounts for income tax purposes. Accordingly, a future income tax asset or liability is determined for each temporary difference based on the tax rates that are expected to be in effect when the underlying items of income or expense are expected to be realised. Net future income taxes accumulated as a result of these temporary differences are included in other assets or other liabilities.

A future income tax asset of Rs. 45,055 (2008 - liability of Rs. 21,591) is determined for each temporary difference based on management's assumptions regarding the expected timing of the reversal of the temporary difference and the future tax rates that are enacted.

The Bank's income taxes for the year ended December 31, 2009 are summarised as follows:

	2009 Rs.	2008 Rs.
Current tax	668,398	376,112
Future income tax recovery	(104,033)	(30,633)
	564,365	345,479

Significant components of the Bank's future income tax asset/(liability) are as follows:

	2009 Rs.	2008 Rs.
Fixed assets	22,170	27,776
Deferred broker commission	(206,605)	(319,087)
Non-capital losses carried forward	43,968	35,690
Allowance for credit losses	221,511	232,309
Deferred gain on securities	(119,313)	(119,278)
Other deferred income	83,324	120,999
Net future income tax asset/(liability)	45,055	(21,591)

The following table reconciles income taxes/(recovery) at the combined Canadian federal and provincial statutory rate of 33% with the recovery of income taxes in the consolidated financial statements:

	2009 Rs.	2008 Rs.
Income taxes at statutory tax rate	593,474	323,252
Permanent differences	8,285	7,779
Other	(37,394)	14,448
Income taxes	564,365	345,479

As at December 31, 2009, the Bank had non-capital loss carryforwards of Rs. 141,759 (2008 - Rs. 108,235) for income tax purposes. If not utilised, these losses will expire as follows:

	2009 Rs.	2008 Rs.
2027	35,479	35,479
2028	72,756	72,756
2029	33,524	—
	141,759	108,235

The benefits associated with these loss carry forwards have been recognised within the consolidated financial statements.

13. Foreign currency translation:

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars using the Bank of Canada exchange rates at the balance sheet date. Revenue and expense amounts denominated in foreign currencies are translated using average monthly exchange rates. Realised and unrealised gains and losses resulting from translation are included in the consolidated statement of operations and comprehensive income.

14. Fair values of financial instruments:

The fair values of securities in the HTM are based on quoted market prices where available; otherwise, fair values are estimated using quoted market values for similar securities or other third party evidence, as available. For credit derivatives, the Bank values the securities based on models using credit spreads from international counterparties.

The fair market value of HTM securities is shown below:

2009	Amortised cost Rs.	Fair value Rs.	Gross unrealised gain Rs.	Gross unrealised loss Rs.
Asset-backed securities	1,147,207	1,134,449	—	12,758
Commercial Paper	657,888	661,989	4,101	—
Master asset vehicle notes	745,411	712,714	41,907	32,697
Corporate bonds	2,245,742	2,287,649	—	—
	4,796,248	4,796,801	46,008	45,455

2008	Amortised cost Rs.	Fair value Rs.	Gross unrealised gain Rs.	Gross unrealised loss Rs.
Asset-backed securities	1,196,962	1,210,141	13,179	—
Corporate bonds	1,389,051	1,317,913	—	71,138
	2,586,013	2,528,054	13,179	71,138

In normal economic and credit environments, the estimated fair values of all variable rate loans, deposits and borrowings would approximate their book values. The book values and fair values for fixed rate loans and deposits at December 31, 2009 are as follows:

2009	Book value Rs.	Fair value Rs.	Fair value over/(under) book value Rs.
Fixed rate loans and mortgages	72,726,923	74,259,485	1,532,562
Fixed rate deposits	173,960,467	182,340,376	8,379,909

2008	Book value Rs.	Fair value Rs.	Fair value over/(under) book value Rs.
Fixed rate loans and mortgages	63,606,068	66,475,300	2,869,232
Fixed rate deposits	212,970,590	215,136,518	2,165,928

The following table presents the financial instruments measured at fair value classified by the fair value hierarchy set out in Section 3862 as described in "Significant accounting changes":

Description	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Investments [1]	34,565,724	723,777	8,246,060	43,535,561
Derivatives [2]	7,501,258	(159,506)	—	7,341,752

1. excludes accrued interest on investments
2. net marked to market gains/(losses), refer note 15, for gross fair values

15. Derivative financial instruments:

In the ordinary course of business, the Bank uses derivative financial instruments, primarily over-the-counter forward contracts and forward currency swaps, to manage its exposure to currency fluctuations, as part of the Bank's asset liability management program. The Bank hedges exposures on foreign currency denominated assets by entering into offsetting foreign currency forward or swaps contracts. The Bank also enters into offsetting interest rate swaps and option contracts as a service to clients to assist them in risk management. The Bank has no net market risk exposure as a result of entering into these simultaneous contracts.

The derivatives which are not designated as accounting hedges are carried at fair value with changes in fair value being recorded in non-interest income in the consolidated statement of operations and comprehensive income. At the balance sheet date, other assets and liabilities of Rs. 10,156,684 (2008 - Rs. 4,192,970) and Rs. 2,655,420 (2008 - Rs. 12,188,264), respectively, representing market valuations of derivative contracts and excluding any credit valuation adjustments were recognised. The Bank has entered into cross currency interest rate swaps to hedge the exposure to fair value risk associated with forecasted interest payments on certain floating rate foreign currency loans and has designated these swaps as accounting hedges. The effective portion of the hedging relationship is recorded in other assets or other liabilities on the balance sheet, while no ineffectiveness has been assumed on the swaps. The notional amounts and fair values of the these derivatives are disclosed separately in the tables below.

Notional amounts of derivative contracts serve as reference for calculating payments and are a common measure of business volume. The following is a summary of the notional amounts, by remaining term to maturity, of the Bank's outstanding derivative portfolio, as at the balance sheet date:

(In thousands of Indian Rupees)

	2009				2008
	Under 1 year Rs.	1 to 5 years Rs.	Over 5 years Rs.	Total Rs.	*Total Rs.*
Trading					
Forward foreign exchange contracts	—	—	—	—	*39,144,504*
Foreign currency swaps	109,935,423	24,567,514	—	134,502,937	*128,199,829*
Interest rate swaps	12,350,748	42,860,995	2,330,330	57,542,073	*62,222,028*
Interest rate options - purchased	—	2,330,330	—	2,330,330	*4,050,913*
Interest rate options - written	—	2,330,330	—	2,330,330	*4,050,913*
Hedging					
Foreign currency swaps	—	17,307,646	—	17,307,646	*21,694,330*
	122,286,171	89,396,815	2,330,330	214,013,316	*259,362,517*

The following is a summary of the fair value of the Bank's outstanding derivative portfolio, as at the consolidated balance sheet date:

	2009			2008		
	Positive fair value Rs.	Negative fair value Rs.	Net fair value Rs.	*Positive fair value Rs.*	*Negative fair value Rs.*	*Net fair value Rs.*
Trading						
Forward foreign exchange contracts	—	—	—	*325,899*	*1,153,542*	*(827,643)*
Foreign currency swaps	8,925,578	1,424,314	7,501,264	*1,621,014*	*8,961,004*	*(7,339,990)*
Interest rate swaps	1,229,953	1,229,953	—	*2,245,596*	*2,073,283*	*172,313*
Interest rate options - purchased	1,153	—	1,153	*461*	*—*	*461*
Interest rate options - written	—	1,153	(1,153)	*—*	*461*	*(461)*
Hedging						
Foreign currency swaps	32,542	192,054	(159,512)	*—*	*852,938*	*(852,938)*
	10,189,226	2,847,474	7,341,752	*4,192,970*	*13,041,228*	*(8,848,258)*

All of the Bank's counterparties to derivative contracts are large financial institutions, including the Parent. The following is the summary of outstanding derivative contracts with the Parent and its subsidaries as at December 31, 2009:

	2009			2008		
	Notional amounts Rs.	Positive fair value Rs.	Negative fair value Rs.	*Notional amounts Rs.*	*Positive fair value Rs.*	*Negative fair value Rs.*
Forward foreign exchange contracts	—	—	—	*60,770,749*	*1,151,821*	*315,626*
Foreign currency swaps	77,723,236	193,374	5,818,144	*107,125,914*	*8,197,876*	*—*
Interest rate swaps	31,831,508	1,229,947	—	*32,623,355*	*4,427,831*	*—*
Interest rate options - purchased	2,330,330	—	1,174	*4,050,913*	*—*	*461*
	111,885,074	1,423,321	5,819,318	*204,570,931*	*13,777,528*	*316,087*

Current replacement cost is the positive fair value of outstanding derivative financial instruments, which represents the Bank's derivative credit exposure. Credit equivalent amount is the current replacement cost for favourable contracts plus an amount for future credit exposure associated with the potential for future changes in currency rates for the contracts. Future credit exposure is calculated using a formula prescribed by OSFI.

The following is a summary of the risk-weighted amounts, which represent the credit equivalent amount weighted according to the credit worthiness of the counterparty, using factors prescribed by OSFI:

	2009			2008		
	Current replacement cost Rs.	Credit equivalent amount Rs.	Risk-weighted amount Rs.	*Current replacement cost Rs.*	*Credit equivalent amount Rs.*	*Risk-weighted amount Rs.*
Trading						
Forward foreign exchange contracts	—	—	—	*325,899*	*1,534,650*	*1,531,762*
Foreign currency swaps	8,925,578	10,139,768	7,139,784	*1,621,014*	*3,669,155*	*3,332,731*
Interest rate swaps	1,229,953	1,479,216	1,479,216	*2,245,596*	*3,076,438*	*3,076,438*
Interest rate options - purchased	1,153	12,816	12,816	*461*	*34,219*	*34,219*
Hedging						
Foreign currency swaps	32,542	119,093	119,093	*—*	*307,499*	*307,499*
	10,189,226	11,750,893	8,750,909	*4,192,970*	*8,621,961*	*8,282,649*

16. **Contractual Repricing and Maturity Schedule:**

The table below shows the Bank's exposure to interest rate risk. Effective interest rates have been disclosed where applicable. The effective rates shown represent historical rates for fixed rate instruments and current market rates for floating-rate instruments.

Carrying amount (earlier of contractual repricing or maturity date):

	2009							
	Floating rate Rs.	Under 3 months Rs.	3 to 6 months Rs.	Over 6 to 12 months Rs.	Over 1 to 5 years Rs.	Over 5 years Rs.	Non-interest sensitive Rs.	Total Rs.
Assets								
Cash and deposits	—	1,540,941	—	—	—	—	73,270	1,614,211
Securities	—	12,194,861	21,981,787	2,196,590	8,259,867	2,917,214	811,190	48,361,509
Interest rate	—	0.58%	0.49%	1.60%	3.49%	2.01%	—	
Loans, net	124,105,651	824,956	1,151,858	4,828,483	52,515,439	13,406,187	—	196,832,574
Interest rate	3.92%	5.71%	5.02%	5.34%	5.09%	8.24%	—	
Fixed assets, net	—	—	—	—	—	—	141,328	141,328
Other assets	—	—	—	—	—	—	11,382,120	11,382,120
	124,105,651	14,560,758	23,133,645	7,025,073	60,775,306	16,323,401	12,407,908	258,331,742
Liabilities and Shareholders' Equity								
Deposits	35,214,151	18,912,505	22,104,230	28,087,716	104,856,016	—	—	209,174,618
Interest rate	1.09%	3.47%	2.94%	3.34%	4.39%	—	—	
Accounts payable and	—	—	—	—	—	—	—	—
other liabilities	—	—	—	—	—	—	3,429,731	3,429,731
Subordinated notes	3,325,875	—	—	—	—	—	—	3,325,875
Interest rate	5.85%	—	—	—	—	—	—	
Shareholders' equity	—	—	—	—	—	—	42,401,518	42,401,518
	38,540,026	18,912,505	22,104,230	28,087,716	104,856,016	—	45,831,249	258,331,742
Total Gap	85,565,625	(4,351,747)	1,029,415	(21,062,643)	(44,080,710)	16,323,401	(33,423,341)	—

(In thousands of Indian Rupees)

	2008							
	Floating rate Rs.	Under 3 months Rs.	3 to 6 months Rs.	Over 6 to 12 months Rs.	Over 1 to 5 years Rs.	Over 5 years Rs.	Non-interest sensitive Rs.	Total Rs.
Assets								
Cash and deposits	—	9,057,989	—	—	—	—	77,382	9,135,371
Securities	—	41,103,461	8,928,720	—	10,061,686	3,464,194	355,115	63,913,176
Interest rate	—	1.69%	1.36%	—	4.57%	4.48%	—	
Loans, net	145,179,171	3,715,293	381,564	19,178,728	35,782,570	4,547,914	—	208,785,240
Interest rate	5.98%	3.69%	5.88%	5.45%	5.56%	5.43%	—	
Fixed assets, net	—	—	—	—	—	—	151,141	151,141
Other assets	—	—	—	—	—	—	6,829,884	6,829,884
	145,179,171	53,876,743	9,310,284	19,178,728	45,844,256	8,012,108	7,413,522	288,814,812
Liabilities and Shareholders' Equity								
Deposits	27,313,862	11,456,215	9,398,009	33,428,818	158,687,548	—	—	240,284,452
Interest rate	1.83%	3.87%	3.82%	3.97%	4.46%			
Accounts payable and other liabilities	—	—	—	—	—	—	14,429,020	14,429,020
Subordinated notes	3,325,875	—	—	—	—	—	—	3,325,875
Interest rate	8.49%							
Shareholders' equity	—	—	—	—	—	—	30,775,465	30,775,465
	30,639,737	11,456,215	9,398,009	33,428,818	158,687,548	—	45,204,485	288,814,812
Total Gap	114,539,434	42,420,528	(87,725)	(14,250,090)	(112,843,292)	8,012,108	(37,790,963)	—

17. Lease Commitments:

Future minimum annual rental commitments for premises and equipment under long-term non-cancellable operating leases for the next five years ended December 31 and thereafter, are shown below:

	Rs.
2010	**85,054**
2011	**73,107**
2012	**73,136**
2013	**70,921**
2014	**63,573**
Thereafter	**177,329**
	543,120

18. Capital Adequacy:

OSFI requires all banks to maintain sufficient capital to meet or exceed its capital adequacy requirements. The Bank is in compliance with the requirements for assets to capital multiple and risk-based Tier 1 and total capital ratios.

The Bank has a Capital Management Policy, which is reviewed and approved annually by the Board of Directors, governing the quantity and quality of capital to be maintained by the Bank. The objective of this policy is to maintain capital at levels that meet or exceed regulatory capital requirements, and that is also appropriate for business requirements, from time to time.

Effective January 1, 2008, the Bank adopted the new capital adequacy framework (Basel II), as required by OSFI. This framework requires capital to be held for credit, operational and market risks. The Bank is in compliance with OSFI's capital adequacy requirements.

The regulatory capital and the regulatory capital ratios, as at December 31, 2009, are presented below:

Capital:	**Rs.**
Net Tier 1	**41,304,618**
Net Tier 2	**2,237,959**
Total	**43,542,577**
Regulatory capital ratios:	
Tier 1 (%)	**22.3%**
Total (%)	**23.5%**
Assets to capital multiple	**5.9**

19. Employee Future Benefits:

Effective December 29, 2005, the Bank implemented a defined contribution group retirement savings plan for its employees. Under the plan, Bank employees are allowed to contribute a portion of their annual salary to the plan and the Bank matches such contributions up to 5% of the employee's annual salary. The amount of the benefit expense for the year ended December 31, 2009, was Rs. 8,722 (2008 - Rs.5,435) and is included in salaries and benefits in the consolidated statement of operations and comprehensive income.

20. Risk management:

Risk management framework

As a financial intermediary, the Bank is exposed to various types of risks. The objective of the risk management framework at the Bank is to ensure that the key risks facing the Bank are identified, understood, measured and monitored and that the Bank follows the policies and procedures established to address these risks.

The key principles underlying the risk management framework at the Bank are:

1) The Board of Directors has oversight over the risks assumed by the Bank. Specific Board Committees have been constituted to facilitate focused oversight over these risks.
2) Policies approved from time to time by the Board of Directors/Committees of the Board form the governing framework for each type of risk. The business activities are undertaken within this policy framework.
3) Independent groups and sub-groups have been constituted across the Bank and its Parent to facilitate independent evaluation, monitoring and reporting of risks. These groups function independently of the business groups.

The key risks that the Bank is primarily exposed to include credit, market (including interest rate risk and liquidity risk) and operational risk. The approach of management to handle the key risks facing the Bank is outlined below.

(a) Credit risk

Credit risk is the risk that unexpected losses may arise as a result of the Bank's borrowers or market counterparties failing to meet their obligations to pay. The Bank's Credit & Recovery Policy ("CRP"), which is approved by its Board of Directors, describes the principles which underlie and drive the Bank's approach to credit risk management together with the systems and processes through which it is implemented and administered. The CRP aims to maximise the Bank's risk-adjusted rate of return while maintaining the Bank's credit risk exposure within limits and parameters as approved by the Board of Directors of the Bank.

The Bank takes a two-tier approach to assessment of credit risk: initially, by a commercial lending officer proposing the transaction, followed by a credit officer independently assessing the same. The CRP lays down a structured and standardised credit approval process, which includes a well-established procedure of independent and comprehensive credit risk assessment and the assignment of an internal risk rating to the borrower. The risk rating is a critical input for the credit approval process and is used as an input in arriving at the credit risk spread and level of general provision for the proposal.

Credit proposals are approved by either the Risk Committee ("RC") or the Management Credit Committee ("MCC") based on, inter alia, the amount and internal risk rating of the facility. All credit proposals are approved by the MCC before being recommended to the RC by the Chief Risk Officer.

The credit middle office function is responsible for credit administration which includes monitoring compliance with the terms and conditions for credit facilities prior to disbursement. It also reviews the completeness of documentation and creation of security for assets financed.

Monitoring credits, while ongoing, can also be triggered by any material credit event coming to the Bank's notice through either primary or secondary sources. All borrower accounts, including their ratings and underlying collaterals, are reviewed at least on an annual basis or in a shorter interval if recommended by the credit officer or the relevant sanctioning committee.

Credit risk is also managed at the portfolio level by monitoring and reporting to the MCC & RC, the key parameters of risk concentration namely product specific exposures, large exposures, industry/sectoral exposures, country/geographical exposures and rating category-based exposures.

(b) Market risk

Market risk is the uncertainty of earnings faced by the Bank as a result of volatility in market factors (i.e interest rates, exchange rates, market liquidity and asset prices). Market risk events may impact the valuation of investments in the trading book resulting in an impact on the profit and loss account. The policies approved by the Board for addressing market risk are Liquidity & Investment Policy ("LIP") and Liquidity Contingency Plan ("LCP").

The Asset Liability Management Committee ("ALCO") considers various investment and treasury operations' matters, implementation of risk mitigation measures, and recommends major policy changes governing treasury activities to the RC. Furthermore, an independent Treasury Middle Office Group ("TMOG") is set up to monitor and report the various risk limits set through the LIP.

The key risks to which the Bank is exposed from a market risk perspective relate to:

(i) Interest rate risk

Interest rate risk is defined as the exposure of a bank's financial condition to adverse movements in interest rates. Earnings from interest sensitive investments and the overall value of the investment portfolio will be impacted by changes in interest rates. The LIP currently sets out the measurement process to include the use of re-pricing gap reports and estimation of the sensitivity of the Bank's net interest income to a 100 basis points adverse change in the level of interest rates, defined as Earnings at Risk ("EaR"). The sum of EaR for the Bank over a 4 quarter horizon and the adverse Mark-to-Market ("MTM") impact on the trading book for an adverse 100 basis point parallel shift in interest rates shall not exceed 5% or Rs. 886,900 (whichever is lower) of the Bank's current Tier I plus Tier II capital. At December 31, 2009, the actual limit utilisation was 0.33% (Rs. 133,035).

Further, the Bank uses various measures including Duration of Equity ("DoE"), which takes into consideration duration and value of both assets and liabilities. DoE is a measure of interest rate sensitivity, which indicates how much the market value of equity would change if interest rates change by 1%. The Bank has set a maximum limit of (+/-) 5% of Tier 1 capital given a 100 bps change in interest rates and as at December 31, 2009, the actual DoE was (+) 0.908 years, based on which the actual limit utilisation was (+) 0.908%.

(ii) Foreign exchange risk

The risk arises due to positions in non-Canadian denominated currencies, which in turn arises from assets and liabilities in those currencies. The risk originates as a result of the impact on revenue due to the potential revaluation of non-CAD assets and liabilities. The aggregate net overnight open exchange position ("NOOP") across all foreign currencies as per the LIP shall not exceed Rs. 1,163,250. Value-at-Risk ("VaR") is a tool for measuring market risk on trading positions. It seeks to ascertain the maximum loss on a portfolio at a given confidence level over a specific holding period. As per the LIP, the VaR limit (99%-1day) on the aggregate overnight open position is Rs. 17,449 and the actual VaR as at December 31, 2009, was Rs. 2,503. The Bank uses one-year data to compute VaR and there have been no breaches of the VaR limit during the year ended December 31, 2009.

(c) Liquidity risk

Liquidity risk relates to the potential difficulty in accessing financial markets in order to meet payment obligations. It includes both the risk of unexpected increases in the cost of funding the assets and the risk of being unable to liquidate investments in a timely manner at a reasonable price. Treasury ensures that adequate liquidity is maintained at all times through systematic funds planning and maintenance of liquid investments as well as by focusing on more stable funding sources such as retail deposits in the long term. In addition, liquidity stress testing analysis as per the LCP and 90-day stress scenarios are regularly performed to assess the Bank's ability to withstand an extreme crisis situation.

The Head of Treasury is responsible for managing the market risk of treasury positions and the day-to-day liquidity of the Bank. It is subject to periodic review by Internal Audit, and is approved by the Board. Senior management also regularly monitors the positions taken on a daily basis. The ALCO and the RC undertake a periodic review of the market risk and liquidity position of the Bank.

(d) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems or from external events.

The Bank has developed and implemented an Operational Risk Management Policy ("ORMP") which covers the aspects pertaining to minimising losses due to process failures, flaws in product designs that can expose the Bank to losses due to fraud, impact of failures in technology/systems and continuity in the Bank's operations.

The Management Committee, comprising senior executives, is responsible for the development, testing, implementation and maintenance of the ORMP. The Bank has implemented its risk and control self assessment approach to identify and ensure effective control of its operational risks.

To identify operational risks in new products/processes, all such proposals are approved by the Product and Process Approval Committee ("PAC"), comprising senior executives after obtaining inputs from the relevant groups and control functions in the Bank. All PAC proposals are internally rated by Operational Risk group.

The Bank has developed and implemented a Business Continuity Plan ("BCP"). This plan is designed to facilitate continuity in critical business operations in the event of a disaster or an emergency situation. The BCP has been formulated on the basis of a business impact analysis carried out for the individual groups involving identification of critical activities and determination of their recovery time objectives.

The Bank has outsourced certain activities in the interest of cost and process efficiencies including mid office operations for treasury & corporate banking, information technology, corporate operations and trade finance operations to the parent bank terms of which are governed through a master service level agreement (SLA) and specific SLAs. All these activities are closely monitored under the framework of outsourcing risk with regular monitoring of SLA key result indicators and any material shortfalls are taken up with the service provider and the same is reported to management and board level committees.

The Bank has developed and implemented an Outsourcing Policy to mitigate outsourcing risks and ensure the application of a standardised approach for all outsourcing arrangements entered into by the Bank. All proposed outsourcing arrangements are assessed for their criticality prior to outsourcing. For all such arrangements deemed to be critical, a detailed assessment is conducted and the proposal is approved by the Outsourcing Committee ("OC"). The performance of vendors are periodically reviewed and assessment reports are presented to the Risk Committee.

Group risk management framework

The Bank is subject to the Parent's risk management framework, which has been developed in order to identify, evaluate and manage key risks on world-wide basis. The framework is applicable to all overseas banking entities of the Parent. The policies applicable to the Bank are formulated in consultation with the Risk Management Group of the Parent prior to the policies being placed before the Bank's Board of Directors for their approval.

21. Comparative Figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

NON-CONSOLIDATED FINANCIAL STATEMENTS OF ICICI BANK CANADA

6TH ANNUAL REPORT AND ACCOUNTS 2009

management's report

to the members

The Management of ICICI Bank Canada (the "Subsidiary") is pleased to present their Sixth Annual Report and Accounts 2009, together with the financial statements and auditors' report for the year ended December 31, 2009. All information provided in this Management Report is as at December 31, 2009.

Principal Activities

The Subsidiary, a wholly-owned subsidiary of ICICI Bank Limited (the "Parent"), is a full service direct bank with an asset base of about CAD 5.80 billion, as at December 31, 2009, offering a comprehensive suite of personal, commercial and cross-border banking products and services. The Subsidiary is supported by a state-of-the-art electronic banking platform (icicibank.ca), a 24-hour toll-free customer contact centre and proprietary ABMs. It has established its branch network in the Greater Toronto Area (Brampton, Downtown Toronto, Gerrard Street East, Mississauga, Scarborough, Gore Road and Don Valley), the Greater Vancouver Regional District (Surrey) and in Calgary, Alberta.

The Subsidiary is regulated by the Ministry of Finance (Canada), and operates under the supervision of the Office of the Superintendent of Financial Institutions. It is also a member of the Canada Deposit Insurance Corporation.

Directors and Corporate Secretary

The names of the Directors and the Corporate Secretary of the Subsidiary are as follows:

Chanda D. Kochhar, *Chairperson*
Robert G. Long
John R. Thompson
David P. Smith
Glenn R. Rourke
Sonjoy Chatterjee
Sriram H. Iyer, *President & CEO*
Anthony Coulthard, *Corporate Secretary*

Directors' Interests

None of the Directors of the Subsidiary has any interest in its share capital.

Share Capital

The Subsidiary is authorised to issue an unlimited number of common shares without par value and an unlimited number of non-voting preferred shares without par value.

As at December 31, 2009, the Subsidiary had issued 839.5 million common shares, 10 million Series A preferred shares, 509,280 Series B preferred shares, 600,000 Series C preferred shares, 1,000,000 Series D preferred shares and 1,200,000 Series E preferred shares to its Parent. The Series A preferred shares are not redeemable by the Subsidiary until ten years from their issuance date and bear a fixed non-cumulative cash dividend of 1% per annum. The Series B preferred shares and Series C preferred shares are not redeemable by the Subsidiary until five years from their issuance date and bear a fixed non-cumulative cash dividend of 7% per annum. The Series D preferred shares and Series E preferred shares are not redeemable by the Subsidiary until five years from their issuance date and bear a fixed non-cumulative cash dividend of 7.25% per annum. The Subsidiary has declared and paid an aggregate cash dividend of CAD 6.03 million (net of withholding taxes of CAD 1.06 million) to the Parent, during the year ended December 31, 2009.

ANTHONY COULTHARD
Corporate Secretary

auditors' report

to the shareholder

We have audited the non-consolidated balance sheet of ICICI Bank Canada (the "Bank") as at December 31, 2009 and the non-consolidated statements of operations and comprehensive income, changes in Shareholders' equity and cash flows for the year then ended. These financial statements have been prepared for the purpose of complying with the regulations of the Indian Companies Act, Section 212, sub-section (1). These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance 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.

In our opinion, these non-consolidated financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with the accounting policies as set out in the notes to the financial statements.

These non-consolidated financial statements have been prepared solely for the information and use of ICICI Bank Limited, the. Parent Bank, to comply with the regulations of the Indian Companies Act, Section 212, sub-section (1) which requires the preparation of non-consolidated financial statements. Accordingly, since these are non-consolidated financial statements, they are not in accordance with Canadian generally accepted accounting policies. These non-consolidated financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

For KPMG LLP
Chartered Accountants
Licensed Public Accountants

Toronto, Canada
March 11, 2010

non-consolidated balance sheet

ICICI Bank

as at December 31, 2009

	2009	2008
		(Rs. in 000's)
ASSETS		
Cash and cash equivalents [note 1]:		
Notes and coins	**73,270**	*77,382*
Deposits with regulated financial institutions:		
Interest bearing	**1,011,859**	*8,799,157*
Non-interest bearing	**529,082**	*258,801*
	1,614,211	*9,135,340*
Securities [note 2]:		
Trading account	**10,250,246**	*10,845,792*
Available-for-sale	**33,315,015**	*50,481,371*
Held-to-maturity	**4,796,248**	*2,586,013*
	48,361,509	*63,913,176*
Loans, net of allowance for credit losses [note 3]:		
Commercial and corporate loans and commercial mortgages	**152,208,630**	*158,394,549*
Residential mortgages	**44,569,737**	*50,202,765*
Personal	**54,207**	*187,926*
	196,832,574	*208,785,240*
Other:		
Fixed assets [note 4]	**141,328**	*150,507*
Other assets [note 5]	**11,382,120**	*6,941,811*
	11,523,448	*7,092,318*
	258,331,742	*288,926,074*
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Deposits [note 6]:		
Personal	**202,222,531**	*231,617,494*
Commercial	**6,926,943**	*8,667,769*
Interbank	**25,144**	*4,768*
	209,174,618	*240,290,031*
Others:		
Accounts payable and other liabilities [note 7]	**3,429,731**	*14,461,215*
Subordinated notes [note 8]	**3,325,875**	*3,325,875*
	6,755,606	*17,787,090*
Shareholders' equity:		
Share capital [note 9]:		
Common shares	**37,227,628**	*26,473,965*
Paid-in capital	**51,303**	*37,052*
Preferred shares	**4,112,201**	*4,112,201*
Surplus	**1,001,381**	*200,271*
Accumulated other comprehensive income	**9,005**	*25,464*
	42,401,518	*30,848,953*
	258,331,742	*288,926,074*

See accompanying notes to non-consolidated financial statements.

non-consolidated statement of operations and comprehensive income

for the year ended December 31, 2009

	2009	2008
		(Rs. in 000's)
Interest income:		
Loans	**9,374,049**	*7,580,563*
Securities	**812,377**	*1,624,143*
Deposits with regulated financial institutions	**158,559**	*206,592*
	10,344,985	*9,411,298*
Interest expense:		
Deposits	**8,699,281**	*7,686,854*
Subordinated notes [note 8]	**199,022**	*191,617*
Short-term borrowings [note 10]	**—**	*2,225*
	8,898,303	*7,880,696*
Net interest income	**1,446,682**	*1,530,602*
Provision for credit losses [note 3]	**201,654**	*615,362*
Net interest income after provision for credit losses	**1,245,028**	*915,240*
Non-interest income [note 11]	**2,062,185**	*1,694,302*
Net interest and non-interest income	**3,307,213**	*2,609,542*
Non-interest expenses:		
Salaries and benefits	**561,581**	*559,720*
Capital and other taxes	**275,827**	*178,795*
Call center and outsourcing	**113,943**	*136,902*
General and administrative	**103,947**	*186,664*
Occupancy costs	**99,668**	*86,046*
CDIC premium	**82,871**	*57,325*
Professional fees	**70,573**	*59,463*
Marketing and business development	**67,314**	*188,272*
Depreciation	**49,296**	*56,427*
Communication	**24,779**	*29,345*
Travel, moving and entertainment	**20,885**	*30,225*
Data processing fees	**13,355**	*39,792*
	1,484,039	*1,608,976*
Income before income taxes	**1,823,174**	*1,000,566*
Provision for income taxes [note 12]	**564,379**	*368,640*
Net income	**1,258,795**	*631,926*
Other comprehensive income/(loss), net of income taxes:		
Change in unrealised gain/(loss) on available-for-sale securities, net of future tax recovery of Rs. 8,293 (2008 - provision of Rs.12,771)	**(16,459)**	*25,198*
Comprehensive income for the year	**1,242,336**	*657,124*

See accompanying notes to non-consolidated financial statements.

non-consolidated statement of changes in Shareholders' equity

as at December 31, 2009

	2009	2008
		(Rs. in 000's)
Common shares [note 9]:		
Balance, beginning of year	26,473,965	11,840,115
Issued during the year	10,753,663	14,633,850
Balance, end of year	37,227,628	26,473,965
Paid-in capital [note 9]	51,303	37,052
Preferred shares [note 9]:		
Balance, beginning of year	4,112,201	1,673,226
Issued during the year	—	2,438,975
Balance, end of year	4,112,201	4,112,201
Surplus/(deficit):		
Balance, beginning of year	200,271	(431,655)
Net income	1,258,795	631,926
Dividend on preferred shares	(314,517)	—
Loss on investment in subsidiary	(143,168)	—
Balance, end of year	1,001,381	200,271
Accumulated other comprehensive income, net of income taxes:		
Balance, beginning of year	25,464	266
Other comprehensive income/(loss) the year, net of future tax recovery of Rs. 8,293 (2008 - provision of Rs. 12,771)	(16,459)	25,198
Balance, end of year	9,005	25,464
Total Shareholders' equity	42,401,518	30,848,953

See accompanying notes to non-consolidated financial statements.

non-consolidated statement of cash flows

for the year ended December 31, 2009

	2009	2008
		(Rs. in 000's)
Cash provided by/(used in):		
Operating activities:		
Net income	1,258,795	631,926
Items not involving cash:		
Provision for credit losses	201,654	615,362
Depreciation	49,296	56,427
Future income taxes	(104,033)	(7,488)
Amortisation of deposit broker commissions	437,832	342,376
Interest accrued on subordinated notes	6,829	13,423
Net change in derivative financial instruments	(16,190,011)	10,578,521
Change in non-cash operating items:		
Other items, net	375,382	1,234,477
	(13,964,256)	13,465,024
Financing Activities:		
Deposits, net	(31,115,414)	128,677,966
Proceeds from subordinated notes	—	2,217,250
Proceeds from issue of preferred shares	—	2,438,975
Dividend on preferred shares	(314,517)	—
Proceeds from issue of common shares	10,753,663	14,633,850
	(20,676,268)	147,968,041
Investing activities:		
Purchase of securities	(178,981,300)	(393,422,579)
Proceeds from sale of securities	194,532,992	364,756,618
Loss on investment in subsidiary	(143,164)	—
Treasury placements, net	5,157,253	(5,468,458)
Loans, net	11,751,013	(125,590,379)
Purchase of fixed assets	(40,117)	(99,022)
	32,276,677	(159,823,820)
Increase/(Decrease) in cash and cash equivalents	(2,363,847)	1,609,245
Cash and cash equivalents, beginning of year	3,666,853	2,057,608
Cash and cash equivalents, end of year	1,303,006	3,666,853
Represented by:		
Cash [note 1]	73,270	77,382
Interest bearing deposits with regulated financial institutions	700,654	3,330,699
Non-interest bearing deposits with regulated financial institutions	529,082	258,772
	1,303,006	3,666,853
Supplemental cash flow information:		
Interest paid	7,714,829	5,780,002
Income taxes paid	729,032	—

See accompanying notes to non-consolidated financial statements

ICICI Bank Canada (the "Bank") is a wholly owned subsidiary of ICICI Bank Limited (the "Parent"). The Office of the Superintendent of Financial Institutions Canada ("OSFI") granted the Bank its Letters Patent of Incorporation on September 12, 2003, and an Order to Commence and Carry on Business on November 25, 2003. The Bank launched its operations on December 19, 2003.

These non-consolidated financial statements have been prepared to comply with the regulations of the Indian Companies Act, Section 212, sub-section (1).

The bases of accounting used in these non-consolidated financial statements differ from Canadian generally accepted accounting principles ("GAAP") to the extent that the Bank has accounted for its investment in subsidiary, ICICI Wealth Management Inc., ("IWMI") using the equity method. Under Canadian GAAP, this investment would be consolidated. During the current year, IWMI has been wound-up and all assets and liabilities of IWMI were conveyed to the Bank.

Changes in accounting policies:

i. **Credit risk and the fair value of financial assets and financial liabilities**

On January 1, 2009, the Bank adopted the Emerging Issues Committee ("EIC") issued Abstract No. 173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities ("EIC-173"). EIC-173 requires an entity to take into account its own credit risk and that of the relevant counterparty(s) when determining the fair value of financial assets and financial liabilities, including derivative instruments. EIC-173 had an adverse impact of Rs. 22,712 on the Bank's financial position and the same is recognised in the non-consolidated statement of operations and comprehensive income.

ii. **Fair value disclosure – Amendments to: Financial Instruments – Disclosures, Section 3862.**

In June 2009, The Canadian Institute of Chartered Accountants' ("CICA") amended Section 3862 to improve fair value and liquidity risk disclosures. Section 3862 now requires that all financial instruments measured at fair value be categorised into one of three hierarchy levels, described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 – inputs are unadjusted quoted prices of identical instruments in active markets. The instruments that have been valued based upon such quoted prices include traded equity shares, Canadian federal & provincial bonds and treasury bills, corporate bonds, bankers' acceptances, bearer deposit notes, futures and spots.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, and prices derived from valuation models which use significant inputs that are observable in active markets. Inputs like interest rates, yield curves, volatilities, credit spread, which are available from public sources like Reuters and Bloomberg. The products include corporate bonds, vanilla options, simple interest rate derivatives, cross currency interest rate swaps, and swap options.

Level 3 – one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments. Valuation is based on valuation techniques or models which use significant market unobservable inputs or assumptions. Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable or when determination of the fair value requires significant management judgment or estimation. The master asset vehicles, asset backed commercial paper, credit derivative products and some classes of bonds fall in this category. The Bank has valued the India linked credit derivatives at a combination of market quotes and cash flow discounting using spreads published by Fixed Income Money Markets & Derivatives Association of India corresponding to the domestic ratings of the issuer which is then adjusted with the additional credit spread mark ups depending on the liquidity of such financial instruments.

The amendments only impact disclosures. Refer to Note 14.

Significant accounting policies:

The significant accounting policies used in the preparation of these financial statements are summarised below with notes relating to their financial statement captions.

1. **Cash and Cash Equivalents:**

The Bank considers cash and cash equivalents to represent cash balances on hand, interest bearing and non-interest bearing deposits with regulated financial institutions with an original maturity of 90 days or less. Included in deposits with regulated financial institutions, is Rs. 311,205 (2008 - Rs. 5,468,458) of deposits with a maturity greater than 90 days.

2. **Securities:**

Securities are classified, based on management's intentions, as either trading account securities, available for sale ("AFS") securities or held to maturity ("HTM") securities.

Trading account securities

Trading account securities are recorded at fair value on the non-consolidated balance sheet. The fair value of securities are based on quoted market prices where available; otherwise, the fair values are estimated using quoted market values for similar securities or other third party evidence, as available. In those cases where third party evidence is not available, other valuation techniques are utilised such as internally developed models.

Trading account securities, comprised of securities purchased for resale in the near term, are recognised initially at fair value, and transaction costs are recognised in the non-consolidated statement of operations and comprehensive income when incurred. Gains and losses arising from changes in fair value are recognised in the non-consolidated statement of operations and comprehensive income.

The composition and maturity profile of trading account securities are as follows:

	2009			
	Under 1 year Rs.	**1 to 5 years Rs.**	**Over 5 years Rs.**	**Total trading securities Rs.**
Credit linked notes	**1,850,404**	**3,225,846**	**—**	**5,076,260**
Collateralised debt obligations	**—**	**921,484**	**—**	**921,484**
Corporate bonds	**441,538**	**771,082**	**—**	**1,212,620**
Equity shares	**—**	**—**	**811,216**	**811,216**
Master asset vehicle notes	**—**	**—**	**1,626,693**	**1,626,693**
Commercial paper	**—**	**—**	**601,983**	**601,983**
	2,291,942	**4,918,412**	**3,039,892**	**10,250,246**

	2008			
	Under 1 year Rs.	*1 to 5 years Rs.*	*Over 5 years Rs.*	*Total trading securities Rs.*
Credit linked notes	*—*	*5,624,029*	*—*	*5,624,029*
Collateralised debt obligations	*—*	*953,983*	*—*	*953,983*
Corporate bonds	*—*	*1,177,205*	*195,118*	*1,372,323*
Equity shares	*—*	*—*	*355,129*	*355,129*
Commercial paper	*—*	*—*	*2,540,328*	*2,540,328*
	—	*7,755,217*	*3,090,575*	*10,845,792*

As at December 31, 2009, trading securities held included those denominated in U.S. dollars. These securities comprised credit-linked notes, collateralised debt obligations, corporate bonds and master asset vehicles ("MAV") of Rs. 5,076,260, Rs. 921,484, Rs. 723,777 and Rs. 709,506 respectively, denominated in thousands of U.S. dollars (US$ 108,917, US$ 19,772, US$ 15,530 and US$ 15,223, respectively).

As at December 31, 2008, trading securities held included those denominated in U.S. dollars. These securities comprised of credit-linked notes, collateralised debt obligations, corporate bonds and commercial paper of Rs. 5,624,029, Rs. 953,983, Rs. 528,658 and Rs. 1,098,481 respectively, denominated in thousands of U.S. dollars (US$ 104,125, US$ 17,662, US$ 9,788 and US$ 20,337, respectively).

For the year ended December 31, 2009, losses realised from the sale of fixed income securities were Rs. 78,262, gains realised from the sale of government guaranteed securities were Rs.96,182 and an unrealised gain of Rs. 302,377 was recognised directly in non-interest income with respect to changes in fair value of other trading account securities.

For the year ended December 31, 2008, losses realised from the sale of fixed income securities were Rs. 4,444, losses realised from the sale of government guaranteed securities were Rs. 4,241, losses realised from sale of collateralised debt obligations and credit default swaps were Rs.56,035 and an unrealised loss of Rs. 2,118,438 was recognised directly in non-interest income with respect to changes in fair value of other trading account securities.

The Bank held certain Asset Backed Commercial Paper ("ABCP") that was subject to a court sanctioned restructuring plan, which was completed on January 21, 2009. Under the terms of the plan (the "Plan" or "Montreal Accord"), the Bank received restructured MAV 2 and MAV 3 notes in lieu of the ABCP held. The carrying value of the ABCP not subject to the Plan is Rs. 601,983 (2008 - Rs. 601,983) which represents management's best estimate of the fair value of these ABCP.

Non-bank ABCP was replaced with longer-term floating rate notes with maturities more closely matching the maturities of the underlying assets, which were allocated into one of three MAV ("MAV1", "MAV2" or "MAV3"). MAV1 and MAV2 contain those series of non-bank ABCP supported in whole or in part by synthetic assets (largely collateralised debt obligations). The majority of these series were pooled and supported by margin funding facilities (self-funded in the case of MAV1 noteholders) provided by certain financial institutions and noteholders as well as a senior funding facility provided by the Government of Canada and certain Provinces.

The margin funding facilities and senior funding facility will fund margin calls in the event insufficient collateral exists within the pooled series to support the leveraged collateralised debt obligations. Those assets that have exposure to US sub-prime mortgages or that did not have their collateral triggers adjusted were considered ineligible for pooling ("ineligible assets") and will not benefit from the funding facilities. MAV3 contains those series of non-bank ABCP backed solely by traditional securitisation assets or ineligible assets.

The interest collections are recorded on cash basis in the period of receipt. The MAV have been marked-to-model. The recorded carrying value of the MAV represents management's best estimate of the fair value of the MAV as at December 31, 2009.

AFS securities

AFS securities are recognised initially at fair value and transaction costs are added to the initial carrying value of the securities. AFS securities are subsequently carried at fair value. Unrealised gains and losses arising from changes in fair value are included in other comprehensive income until sale when the cumulative gain or loss is transferred to the non-consolidated statement of operations and comprehensive income. As at December 31, 2009, the fair value of AFS securities exceeded their amortised cost by Rs. 6,940 (2008 - Rs. 31,714). Interest income determined in accordance with the effective interest method and other-than-temporary impairment losses are recognised in the non-consolidated statement of operations and comprehensive income.

The composition and maturity profile of AFS securities are as follows:

	2009			
	Under 1 year Rs.	**1 to 5 years Rs.**	**Over 5 years Rs.**	**Total AFS securities Rs.**
Banker's acceptances	**970,405**	**—**	**—**	**970,405**
Bearer deposit notes	**1,528,649**	**—**	**—**	**1,528,649**
Corporate bonds	**317,260**	**448,818**	**—**	**766,078**
Canadian federal & provincial bonds and treasury bills	**30,049,883**	**—**	**—**	**30,049,883**
	32,866,197	**448,818**	**—**	**33,315,015**

	2008			
	Under 1 year Rs.	*1 to 5 years Rs.*	*Over 5 years Rs.*	*Total AFS securities Rs.*
Banker's acceptances	*20,433,311*	*—*	*—*	*20,433,311*
Bearer deposit notes	*5,827,507*	*—*	*—*	*5,827,507*
Corporate bonds	*669,743*	*449,194*	*—*	*1,118,937*
Commercial paper	*459,032*	*—*	*—*	*459,032*
Canadian federal & provincial bonds and treasury bills	*22,642,584*	*—*	*—*	*22,642,584*
	50,032,177	*449,194*	*—*	*50,481,371*

The fair market value of the AFS securities are shown in the following tables:

	2009			
	Amortised cost Rs.	**Gross unrealised gains Rs.**	**Gross unrealised losses Rs.**	**Fair value of AFS securities Rs.**
Banker's acceptances	**970,373**	**32**	**—**	**970,405**
Bearer deposit notes	**1,528,757**	**—**	**(108)**	**1,528,649**
Corporate bonds	**768,408**	**4,346**	**(6,676)**	**766,078**
Canadian federal & provincial bonds and treasury bills	**30,040,537**	**9,346**	**—**	**30,049,883**
	33,308,075	**13,724**	**(6,784)**	**33,315,015**

	2008			
	Amortised cost Rs.	*Gross unrealised gains Rs.*	*Gross unrealised losses Rs.*	*Fair value of AFS securities Rs.*
Banker's acceptances	*20,430,140*	*3,880*	*(709)*	*20,433,311*
Bearer deposit notes	*5,826,359*	*1,728*	*(580)*	*5,827,507*
Corporate bonds	*1,115,079*	*4,723*	*(865)*	*1,118,937*
Commercial paper	*458,764*	*268*	*—*	*459,032*
Canadian federal & provincial bonds and treasury bills	*22,619,315*	*23,361*	*(92)*	*22,642,584*
	50,449,657	*33,960*	*(2,246)*	*50,481,371*

As at December 31, 2009, there were no AFS securities denominated in U.S. dollars.

As at December 31, 2008, AFS securities held included those denominated in U.S. dollars. These securities comprised of treasury bills, commercial paper and bearer deposit notes of Rs. 1,323,152, Rs. 459,032 and Rs. 2,024,454 respectively, denominated in thousands of U.S. dollars (US$ 24,497, US$ 8,499 and US$ 37,481 respectively).

For the year ended December 31, 2009, a loss of Rs. 16,459 (2008 - gain of Rs. 25,198), net of future taxes, was recognised directly in other comprehensive income with respect to the changes in fair value of AFS securities.

HTM securities

HTM securities comprise securities with fixed or determinable payments that management has the intention and ability to hold to maturity. They are initially recognised at fair value plus incremental costs directly attributable to the acquisition of the security. Debt securities are subsequently carried at amortised cost using the effective interest method. When a security's book value exceeds fair value, a write down in book value will occur if it has been determined that there has been an other-than-temporary impairment.

The composition and maturity profile of HTM securities are as follows:

	2009			
	Under 1 year Rs.	**1 to 5 years Rs.**	**Over 5 years Rs.**	**Total HTM securities Rs.**
Asset-backed securities	**—**	**458,678**	**688,529**	**1,147,207**
Commercial Paper	**657,888**	**—**	**—**	**657,888**
Master asset vehicle notes	**—**	**745,411**	**—**	**745,411**
Corporate bonds	**429,163**	**1,816,579**	**—**	**2,245,742**
	1,087,051	**3,020,668**	**688,529**	**4,796,248**

	2008			
	Under 1 year Rs.	*1 to 5 years Rs.*	*Over 5 years Rs.*	*Total HTM securities Rs.*
Asset-backed securities	*—*	*468,215*	*728,747*	*1,196,962*
Corporate bonds	*—*	*1,389,051*	*—*	*1,389,051*
	—	*1,857,266*	*728,747*	*2,586,013*

As at December 31, 2009, HTM securities held included corporate bonds of Rs. 429,159 denominated in thousands of U.S. dollars (US$ 9,208).

As at December 31, 2008, HTM securities held included corporate bonds of Rs. 495,702 denominated in thousands of U.S. dollars (US$ 9,178).

3. Loans:

Loans are initially recognised at fair value with incremental transaction costs included in the initial carrying value of the loan. Loans are subsequently carried at amortised cost using the effective interest method, net of allowance for credit losses. Loan fees received from commercial clients for term loans, demand loans, mortgages and operating lines of credit are deferred and recognised over the term of a loan. Non-refundable loan fees received from commercial clients are booked directly to other income if the credit facility is not approved.

Loans are classified as impaired when there is no longer reasonable assurance of the timely collection of the full amount of principal or interest. For impaired loans, interest accrual is discontinued. An allowance for credit losses is maintained at a level that management considers adequate to absorb identified credit-related losses as well as losses that have occurred but have not yet been identified. This allowance relates primarily to loans, but also to other credit instruments such as letters of credit, and is either specific or general.

To ensure that any impairment is identified on a timely basis, the Bank's loans are reviewed regularly for their credit quality, taking into consideration all readily available information. When substantive information suggests any significant deterioration in the credit quality of a loan or a portfolio of loans, the credit or credits are reviewed immediately, even if a regularly scheduled review is not due.

Loans where interest and principal is contractually past due 90 days are automatically recognised as impaired, unless management determines the loan as fully secured, in the process of collection, and the collection efforts are reasonably expected to result in either payment of the loan or restoring it to a current status within 180 days from the date payment has become contractually in arrears. Subsequent payments (interest and principal) received on an impaired loan are recorded as a reduction of the recorded investment in the loan. Loans are generally returned to accrual status when the timely collection of both principal and interest is reasonably assumed and all delinquent principal and interest payments are brought to current status.

During the year ended December 31, 2009, loan balances of Rs. 217,867 (2008 - Rs. 4,789) were written off. The following table reconciles the provision for credit losses recognised in the non-consolidated statement of operations and comprehensive income with the changes in the allowance for credit losses for the year ended December 31, 2009:

	2009 Rs.	*2008 Rs.*
Change in allowance for credit losses, net	**2,030**	*585,730*
Provisions/(recovery) for undrawn commitments and other contingent liabilities	**(18,243)**	*24,843*
Loans balances written off	**217,867**	*4,789*
Provision for credit losses recognised	**201,654**	*615,362*

As of December 31, 2009, gross loans amounting to Rs.3,988,524 (2008 - Rs.814,618) were considered impaired. Based on an assessment of these impaired loans, specific provisions have been created against the following impaired loans:

ICICI Bank

forming part of financial statements

	2009 Gross loans Rs.	2009 Specific allowance Rs.	2008 Gross loans Rs.	2008 Specific allowance Rs.
Personal loans	113	113	47	47
Commercial loans and commercial mortgages	905,325	202,490	303,797	53,768
Commercial lines of credit	11,778	11,629	222,424	222,286
	917,216	214,232	526,268	276,101

For loans not covered by a specific provision, a general provision is established against the loan portfolio where prudent assessment by the Bank of past experience and existing economic and portfolio conditions indicate that it is probable that losses have occurred, but where such losses cannot be determined on an individual basis. The composition of the loan portfolio is as follows:

2009

	Gross amount Rs.	General allowance Rs.	Specific allowance Rs.	Deferred loan fees Rs.	Net amount Rs.
Commercial loans and commercial mortgages	8,067,481	(48,041)	(214,119)	(51,600)	7,753,721
Corporate loans	145,481,328	(742,171)	—	(284,248)	144,454,909
Conventional residential mortgages	538,947	(2,683)	—	—	536,264
Insured residential mortgages	44,033,473	—	—	—	44,033,473
Personal	54,409	(89)	(113)	—	54,207
	198,175,638	(792,984)	(214,232)	(335,848)	196,832,574
Undrawn commitments and other contingent liabilities:					
Commercial	7,828,910	(19,861)	—	—	7,809,049
Personal	41,653	(213)	—	—	41,440
	7,870,563	(20,074)	—	—	7,850,489

2008

	Gross amount Rs.	General allowance Rs.	Specific allowance Rs.	Deferred loan fees Rs.	Net amount Rs.
Commercial loans and commercial mortgages	13,008,179	(60,635)	(276,054)	(77,974)	12,593,516
Corporate loans	146,838,260	(665,215)	—	(372,012)	145,801,033
Conventional residential mortgages	423,963	(3,181)	—	—	420,782
Insured residential mortgages	49,781,983	—	—	—	49,781,983
Personal	188,027	(54)	(47)	—	187,926
	210,240,412	(729,085)	(276,101)	(449,986)	208,785,240
Undrawn commitments and other contingent liabilities:					
Commercial	11,081,181	(38,074)	—	—	11,043,107
Personal	39,311	(199)	—	—	39,112
	11,120,492	(38,273)	—	—	11,082,219

Undrawn commitments and other contingent liabilities include an unused portion of commercial and personal lines of credit, letters of credit facility to commercial clients, import bills for collection and standby letters of credit and bank guarantee.

The following is a summary of the changes in the allowance for credit losses for the year ended December 31, 2009:

	2009 General Rs.	2009 Specific Rs.	2009 Total Rs.	2008 Total Rs.
Balance, beginning of year	729,105	276,081	1,005,186	419,456
Provision/(recovery) for credit losses, net	63,879	(61,849)	2,030	585,730
Balance, end of year	792,984	214,232	1,007,216	1,005,186

The provision for credit losses within the non-consolidated statement of operations and comprehensive income includes provisions for funded loans reflected in this table and also includes recovery of provisions for undrawn commitments and other contingent liabilities of Rs. 18,243 (2008 - provision of Rs. 24,843) for the year ended December 31, 2009.

As at December 31, 2009, the Bank held loans, net of allowances, denominated in thousands of U.S. dollars, British pounds, Euros and Japanese yens of Rs. 87,335,853 (US$ 1,873,895), Rs. 3,667,009 (£48,683), Rs. 5,419,546 (€81,226) and Rs.1,663,173 (¥3,319,053), respectively.

As at December 31, 2008, the Bank held loans, net of allowances, denominated in thousands of U.S. dollars, British pounds, Euros and Japanese yens of Rs. 108,989,412 (US$ 2,017,866), Rs. 4,012,424 (£50,964), Rs. 6,642,127 (€88,149) and Rs. 1,966,257 (¥3,304,006), respectively.

An analysis of the Bank's loan portfolio, net of allowances for credit losses and deferred loan fees, by category and by location of ultimate risk, is as follows:

	2009 Rs.	2008 Rs.
Canada:		
Commercial loans and commercial mortgages	7,180,849	12,681,283
Corporate loans	22,880,733	18,402,649
Conventional residential mortgages	538,947	423,963
Insured residential mortgages	44,033,473	49,781,983
Personal	54,409	188,027
	74,688,411	81,477,905
Allowance for credit losses	(386,296)	(400,124)
	74,302,115	81,077,781
India:		
Commercial loans and commercial mortgages	769,319	175,953
Corporate loans	93,016,765	88,150,464
	93,786,084	88,326,417
Allowance for credit losses	(466,612)	(423,602)
	93,319,472	87,902,815
Other:		
Commercial loans and commercial mortgages	65,713	72,969
Corporate loans	29,299,582	39,913,135
	29,365,295	39,986,104
Allowance for credit losses	(154,308)	(181,460)
	29,210,987	39,804,644
	196,832,574	208,785,240

As at December 31, 2009, loan balances include Rs. 928,708 (2008 - nil) of restructured loans.

4. **Fixed assets:**

Fixed assets are carried at cost less accumulated depreciation, which is provided by using the straight-line method over the estimated useful lives of the assets.

	2009 Useful life	2009 Cost Rs.	2009 Accumulated depreciation Rs.	2009 Net book value Rs.	2008 Net book value Rs.
Computer hardware and software	3 years	113,436	(98,940)	14,496	13,698
Furniture, fixtures and equipment	5 years	106,292	(54,576)	51,716	53,233
Leasehold improvements	Lease term	156,872	(81,756)	75,116	83,576
		376,600	(235,272)	141,328	150,507

(In thousands of Indian Rupees)

5. **Other assets:**

	2009 Rs.	2008 Rs.
Future income tax asset (note 12)	**45,055**	—
Prepaid expenses, deposits and accounts receivable	**528,016**	405,491
Fair value of derivative financial instruments [note 15]	**10,189,226**	4,192,970
Other	**619,823**	2,343,350
	11,382,120	6,941,811

6. **Deposits:**

Deposits are initially recorded at fair value with incremental transaction costs added to the initial carrying value. Deposits are subsequently measured at amortised cost using the effective interest method. Deposit balances for current, savings and term deposits are shown below:

2009

	Payable on demand				
	Interest bearing Rs.	Non-interest bearing Rs.	Payable after notice Rs.	Payable on fixed date Rs.	Total Rs.
Personal	1,316,141	—	28,655,495	15,427,442	45,399,078
Commercial	1,908,141	—	3,309,230	1,419,090	6,636,461
Broker:					
Personal	—	—	—	156,823,453	156,823,453
Commercial	—	—	—	290,482	290,482
Interbank - Parent (note 10)	—	25,144	—	—	25,144
	3,224,282	25,144	31,964,725	173,960,467	209,174,618

2008

	Payable on demand				
	Interest bearing Rs.	Non-interest bearing Rs.	Payable after notice Rs.	Payable on fixed date Rs.	Total Rs.
Personal	1,090,877	—	18,508,561	19,547,317	39,146,755
Commercial	4,008,671	—	3,706,563	898,224	8,613,458
Broker:					
Personal	—	—	—	192,470,739	192,470,739
Commercial	—	—	—	54,311	54,311
Interbank - Parent (note 10)	—	4,768	—	—	4,768
	5,099,548	4,768	22,215,124	212,970,591	240,290,031

The maturity profile of deposits payable on fixed date is as follows:

	2009			2008
	Under 1 year Rs.	1 to 5 years Rs.	Total Rs.	Total Rs.
Payable on fixed date	**69,104,451**	**104,856,016**	**173,960,467**	212,970,591

The Bank sources certain deposit balances through the use of brokers. Upon the placement of a deposit with the Bank, the broker earns a commission, which the Bank amortizes over the life of the related deposit. As at December 31, 2009, the Bank had unamortised broker commissions on deposits of Rs. 734,499 (2008 - Rs. 1,015,965) included in the above balances. There is no single depositor in excess of 0.3% (2008 - 0.5%) of the total liabilities.

7. **Accounts payable and other liabilities:**

	2009 Rs.	2008 Rs.
Accounts payable	**264,961**	273,077
Fair value of derivative financial instruments [note 15]	**2,847,474**	13,041,228
Deferred income	**1,064**	1,286
Other	**316,232**	1,145,624
	3,429,731	14,461,215

8. **Subordinated notes:**

The Bank issued a subordinated note to its affiliate, ICICI Bank UK Plc., in the amount of Rs. 1,108,625 on January 31, 2007. The note bears interest at the rate of LIBOR plus 2.5% per annum, payable quarterly in arrears, until April 2012, and at the rate of LIBOR plus 3.0% per annum thereafter, until maturity on April 30, 2017.

The Bank issued a subordinated note to ICICI Bank Limited (Bahrain branch) in the amount of Rs. 1,108,625 on March 31, 2008. This note bears interest at the rate of LIBOR plus 4.6% per annum, payable quarterly in arrears, until April 2013, and at the rate of LIBOR plus 5% per annum thereafter, until maturity on March 31, 2018.

The Bank issued a subordinated note to ICICI Bank Limited (Bahrain branch) in the amount of Rs. 1,108,625 on September 23, 2008. This note bears interest at the rate of LIBOR plus 4.6% per annum, payable quarterly in arrears, until September 23, 2013, and at the rate of LIBOR plus 5% per annum thereafter, until maturity on September 23, 2018.

The terms and conditions of all these subordinated notes require the Bank to gross up the interest payment for any withholding taxes so that the net payment is equal to the total amount of the interest due.

The weighted average cost of borrowing as at December 31, 2009 is 5.85%. The Bank incurred interest expense of Rs. 199,022 (2008 - Rs. 191,617) related to the notes during the year ended December 31, 2009 including the withholding taxes borne by the Bank.

9. **Share capital:**

The Bank is authorised to issue an unlimited number of common shares without par value and an unlimited number of non-voting preferred shares without par value.

	2009		2008	
	Number of shares	Amount Rs.	Number of shares	Amount Rs.
Common shares	**839,500,000**	**37,227,628**	597,000,000	26,473,965
Preferred shares:				
Series A	**10,000,000**	**443,450**	10,000,000	443,450
Series B	**509,280**	**564,601**	509,280	564,601
Series C	**600,000**	**665,175**	600,000	665,175
Series D	**1,000,000**	**1,108,625**	1,000,000	1,108,625
Series E	**1,200,000**	**1,330,350**	1,200,000	1,330,350
		4,112,201		4,112,201

The Bank has issued the common and preferred shares shown above for cash consideration to the Parent. During the year, the Bank issued 242.5 million common shares to the Parent for cash consideration of Rs. 10,753,663.

OSFI must approve any plan to redeem any of the Bank's preferred shares for cash. The Series A preferred shares are not redeemable at the option of the Bank prior to 10 years following their issuance and bear a fixed, non-cumulative cash dividend of 1% per annum. The Series B and Series C preferred shares are not redeemable at the option of the Bank prior to 5 years following their issuance and bear a fixed, non-cumulative cash dividend of 7% per annum. The Series D and Series E preferred shares are not redeemable at the option of the Bank prior to 5 years following their issuance and bear a fixed, non-cumulative cash dividend of 7.25% per annum. The terms and conditions of the preferred shares require the Bank to gross up the dividend payment for any withholding taxes so that the net payment is equal to the total amount of the dividend declared.

The redemption of these preferred shares would require the payment in cash of the value of the preferred shares together with declared and unpaid dividends up to the redemption date. The holders of these preferred shares are entitled to annual, non-cumulative preferential cash dividends. The Bank is prohibited from declaring dividends on its preferred or common shares when it would be, as a result of paying a dividend, in contravention of the capital adequacy, liquidity or any other regulatory directives issued under the Bank Act (Canada). The Bank has declared and paid a cash dividend on each series of preferred shares aggregating to Rs.267,345 (2008 - nil) and has borne withholding taxes of Rs. 47,172 (2008 - nil).

During the year, an amount of Rs. 14,251 (2008 - Rs.37,052) has been expensed as employee benefits and recorded as additional paid-in-capital. The amount represents the cost of the stock options granted to the employees of the Bank under the Employee Stock Option Scheme of the Parent.

10. **Related party transactions:**

The Parent held a non-interest bearing deposit of Rs. 25,144 (2008 - Rs. 4,768) with the Bank as at December 31, 2009 (note 6). The Bank incurred no interest expense related to short-term borrowings from the Parent (2008 - Rs. 877) or ICICI Bank UK Plc (2008 - Rs. 281) during the year ended December 31, 2009. During the year, the Bank incurred an interest expense on the subordinated notes from ICICI Bank UK Plc. of Rs. 44,825 (2008 - Rs. 75,527) and Rs. 154,197 (2008 - Rs. 116,090) from ICICI Bank Limited (Bahrain branch).

In addition to the deposit and borrowing activities, the Bank also transacts with the Parent in normal course of business on commercial terms for various treasury products and for various services, pursuant to service level agreements, including legal, call center, information technology system development and maintenance, treasury middle office and branch operations, internet banking development and maintenance and internal audit services. For the year ended December 31, 2009, the Bank had incurred costs of Rs. 133,333 (2008 - Rs. 225,365) related to these services, of which Rs. 18,752 (2008 - Rs. 37,383) remains payable at December 31, 2009. These transactions are in the normal course of operations and are pursuant to the agreements between the parties.

(In thousands of Indian Rupees)

11. Non-interest income:

	2009 Rs.	2008 Rs.
Commercial loan fees	**370,239**	*185,219*
Foreign exchange gain, net	**43,811**	*715,300*
Gain on derivative transactions	**405,735**	*1,324,605*
Gain on sale of mortgages	**254,562**	*298,383*
Investment banking fees	**603,822**	*1,304,443*
Gain/(loss) on sale of securities	**17,920**	*(64,720)*
Mark-to-market gain/(loss) on securities held for trading	**302,377**	*(2,118,438)*
Other	**63,719**	*49,510*
	2,062,185	*1,694,302*

During the year, the Bank provided investment banking and advisory services. Investment banking fees are recognised in the non-consolidated statement of operations and comprehensive income upon completion of the contractual terms of service and when collection is assured.

The Bank enters into derivative contracts on behalf of clients and simultaneously enters into offsetting contracts with another counterparty to eliminate the risk of the contracts to the Bank. Gains from entering into these simultaneous offsetting contracts are recognised at the time of entering into the contracts.

12. Income taxes:

The Bank uses the asset and liability method of accounting for income taxes whereby income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for book purposes compared with their carrying amounts for income tax purposes. Accordingly, a future income tax asset or liability is determined for each temporary difference based on the tax rates that are expected to be in effect when the underlying items of income or expense are expected to be realised. Net future income taxes accumulated as a result of these temporary differences are included in other assets or other liabilities.

A future income tax asset of Rs. 45,055 (2008 - liability of Rs. 57,356) is determined for each temporary difference based on management's assumptions regarding the expected timing of the reversal of the temporary difference and the future tax rates that are enacted.

The Bank's income taxes for the year ended December 31, 2009 are summarised as follows:

	2009 Rs.	2008 Rs.
Current income taxes	**668,412**	*376,128*
Future income tax recovery	**(104,033)**	*(7,488)*
	564,379	*368,640*

Significant components of the Bank's future income tax asset/(liability) are as follows:

	2009 Rs.	2008 Rs.
Fixed assets	**22,170**	*27,688*
Deferred broker commission	**(206,605)**	*(319,073)*
Non-capital losses carried forward	**43,968**	—
Allowance for credit losses	**221,511**	*232,308*
Deferred gain on securities	**(119,313)**	*(119,278)*
Other deferred income	**83,324**	*120,999*
Net future income tax asset/(liability)	**45,055**	*(57,356)*

The following table reconciles income taxes/(recovery) at the combined Canadian federal and provincial statutory rate of 33% with the recovery of income taxes in the non-consolidated financial statements:

	2009 Rs.	2008 Rs.
Income taxes at statutory tax rate	**593,488**	*347,898*
Permanent differences	**8,285**	*7,581*
Other	**(37,394)**	*13,161*
Income taxes	**564,379**	*368,640*

As at December 31, 2009, the Bank had no non-capital carry forward losses for income tax purposes (2008 - nil).

13. Foreign currency translation:

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars using the Bank of Canada exchange rates at the non-consolidated balance sheet date. Revenue and expense amounts denominated in foreign currencies are translated using average monthly exchange rates. Realised and unrealised gains and losses resulting from translation are included in the non-consolidated statement of operations and comprehensive income.

14. Fair values of financial instruments:

The fair values of HTM securities are based on quoted market prices where available; otherwise, fair values are estimated using quoted market values for similar securities or other third party evidence, as available. For credit derivatives, the Bank values the securities based on models using credit spreads from international counterparties.

The fair market value of HTM securities is shown below:

2009	Amortised cost Rs.	Fair value Rs.	Gross unrealised gain Rs.	Gross unrealised loss Rs.
Asset-backed securities	**1,147,207**	**1,134,449**	**—**	**12,758**
Commercial Paper	**657,888**	**661,989**	**4,101**	**—**
Master asset vehicle notes	**745,411**	**712,714**	**—**	**32,697**
Corporate bonds	**2,245,742**	**2,287,649**	**41,907**	**—**
	4,796,248	**4,796,801**	**46,008**	**45,455**

2008	*Amortised cost Rs.*	*Fair value Rs.*	*Gross unrealised gain Rs.*	*Gross unrealised loss Rs.*
Asset-backed securities	*1,196,962*	*1,210,141*	*13,179*	—
Corporate bonds	*1,389,051*	*1,317,913*	—	*71,138*
	2,586,013	*2,528,054*	*13,179*	*71,138*

In normal economic and credit environments, the estimated fair values of all variable rate loans, deposits and borrowings would approximate their book values. The book values and fair values for fixed rate loans and deposits at December 31, 2009 are as follows:

2009	Book value Rs.	Fair value Rs.	Fair value over/(under) Book Value Rs.
Fixed rate loans and mortgages	**72,726,923**	**74,259,485**	**1,532,562**
Fixed rate deposits	**173,960,467**	**182,340,376**	**8,379,909**

2008	*Book value Rs.*	*Fair value Rs.*	*Fair value over/(under) Book Value Rs.*
Fixed rate loans and mortgages	*63,606,069*	*66,475,300*	*2,869,231*
Fixed rate deposits	*212,970,590*	*215,136,518*	*2,165,928*

The following table presents the financial instruments measured at fair value classified by the fair value hierarchy set out in Section 3862 as described in "Significant accounting changes":

Description	**Level 1 Rs.**	**Level 2 Rs.**	**Level 3 Rs.**	**Total Rs.**
Investments [1]	**34,565,724**	**723,777**	**8,246,060**	**43,535,561**
Derivatives [2]	**7,501,258**	**(159,506)**	**—**	**7,341,752**

1. excludes accrued interest on investments
2. net marked to market gains/(losses), refer note 15, for gross fair values

15. Derivative financial instruments:

In the ordinary course of business, the Bank uses derivative financial instruments, primarily over-the-counter forward contracts and forward currency swaps, to manage its exposure to currency fluctuations, as part of the Bank's asset liability management program. The Bank hedges exposures on foreign currency denominated assets by entering into offsetting foreign currency forward or swaps contracts. The Bank also enters into offsetting interest rate swaps and option contracts as a service to clients to assist them in risk management. The Bank has no net market risk exposure as a result of entering into these simultaneous contracts.

The derivatives which are not designated as accounting hedges are carried at fair value with changes in fair value being recorded in non-interest income in the non-consolidated statement of operations and comprehensive income. At the non-consolidated balance sheet date, other assets and liabilities of Rs. 10,156,684 (2008 - Rs. 4,192,970) and Rs. 2,655,420 (2008 - Rs. 12,188,264), respectively, representing market valuations of derivative contracts and excluding any credit valuation adjustments were recognised. The Bank has entered into cross currency interest rate swaps to hedge the exposure to fair value risk associated with forecasted interest payments on certain floating rate foreign currency loans and has designated these swaps as accounting hedges. The effective portion of the hedging relationship is recorded in other assets or other liabilities on the non-consolidated balance sheet, while no ineffectiveness has been assumed on the swaps. The notional amounts and fair values of the these derivatives are disclosed separately in the tables below.

(In thousands of Indian Rupees)

Notional amounts of derivative contracts serve as reference for calculating payments and are a common measure of business volume. The following is a summary of the notional amounts, by remaining term to maturity, of the Bank's outstanding derivative portfolio, as at the non-consolidated balance sheet date:

	2009				2008
	Under 1 year Rs.	1 to 5 years Rs.	Over 5 years Rs.	Total Rs.	Total Rs.
Trading					
Forward foreign exchange contracts	—	—	—	—	39,144,504
Foreign currency swaps	109,935,423	24,567,514	—	134,502,937	128,199,829
Interest rate swaps	12,350,748	42,860,995	2,330,330	57,542,073	62,222,028
Interest rate options - purchased	—	2,330,330	—	2,330,330	4,050,913
Interest rate options - written	—	2,330,330	—	2,330,330	4,050,913
Hedging					
Foreign currency swaps	—	17,307,646	—	17,307,646	21,694,330
	122,286,171	89,396,815	2,330,330	214,013,316	259,362,517

The following is a summary of the fair value of the Bank's outstanding derivative portfolio, as at the non-consolidated balance sheet date:

	2009			2008		
	Positive fair value Rs.	Negative fair value Rs.	Net fair value Rs.	Positive fair value Rs.	Negative fair value Rs.	Net fair value Rs.
Trading						
Forward foreign exchange contracts	—	—	—	325,899	1,153,542	(827,643)
Foreign currency swaps	8,925,578	1,424,314	7,501,264	1,621,014	8,961,004	(7,339,990)
Interest rate swaps	1,229,953	1,229,953	—	2,245,596	2,073,283	172,313
Interest rate options - purchased	1,153	—	1,153	461	—	461
Interest rate options - written	—	1,153	(1,153)	—	461	(461)
Heading						
Foreign currency swaps	32,542	192,054	(159,512)	—	852,938	(852,938)
	10,189,226	2,847,474	7,341,752	4,192,970	13,041,228	(8,848,258)

All of the Bank's counterparties to derivative contracts are large financial institutions, including the Parent. The following is the summary of outstanding derivative contracts with the Parent and its subsidaries as at December 31, 2009:

	2009			2008		
	Notional amounts Rs.	Positive fair value Rs.	Negative fair value Rs.	Notional amounts Rs.	Positive fair value Rs.	Negative fair value Rs.
Forward foreign exchange contracts	—	—	—	60,770,749	1,151,821	315,626
Foreign currency swaps	77,723,236	193,374	5,818,144	107,125,914	8,197,876	—
Interest rate swaps	31,831,508	1,229,947	—	32,623,355	4,427,831	—
Interest rate options - purchased	2,330,330	—	1,174	4,050,913	—	461
Interest rate options - written	—	—	—	—	—	—
	111,885,074	1,423,321	5,819,318	204,570,931	13,777,528	316,087

Current replacement cost is the positive fair value of outstanding derivative financial instruments, which represents the Bank's derivative credit exposure. Credit equivalent amount is the current replacement cost for favourable contracts plus an amount for future credit exposure associated with the potential for future changes in currency rates for the contracts. Future credit exposure is calculated using a formula prescribed by OSFI.

The following is a summary of the risk-weighted amounts, which represent the credit equivalent amount weighted according to the credit worthiness of the counterparty, using factors prescribed by OSFI:

	2009			2008		
	Current replacement cost Rs.	Credit equivalent amount Rs.	Risk-weighted amount Rs.	Current replacement cost Rs.	Credit equivalent amount Rs.	Risk-weighted amount Rs.
Trading						
Forward foreign exchange contracts	—	—	—	325,899	1,534,650	1,531,762
Foreign currency swaps	8,925,578	10,139,768	7,139,784	1,621,014	3,669,155	3,332,731
Interest rate swaps	1,229,953	1,479,216	1,479,216	2,245,596	3,076,438	3,076,438
Interest rate options - purchased	1,153	12,816	12,816	461	34,219	34,219
Interest rate options - written	—	—	—	—	—	—
Hedging						
Foreign currency swaps	32,542	119,093	119,093	—	307,499	307,499
	10,189,226	11,750,893	8,750,909	4,192,970	8,621,961	8,282,649

16. Contractual repricing and maturity schedule:

The table below shows the Bank's exposure to interest rate risk. Effective interest rates have been disclosed where applicable. The effective rates shown represent historical rates for fixed rate instruments and current market rates for floating-rate instruments.

Carrying amount (earlier of contractual repricing or maturity date):

	2009							
	Floating rate Rs.	Under 3 months Rs.	3 to 6 months Rs.	Over 6 to 12 months Rs.	Over 1 to 5 years Rs.	Over 5 years Rs.	Non-interest sensitive Rs.	Total Rs.
Assets								
Cash and deposits	—	1,540,941	—	—	—	—	73,270	1,614,211
Securities	—	12,194,861	21,981,787	2,196,590	8,259,867	2,917,214	811,190	48,361,509
Interest rate	—	0.58%	0.49%	1.60%	3.49%	2.01%	—	
Loans, net	124,105,651	824,956	1,151,858	4,828,483	52,515,439	13,406,187	—	196,832,574
Interest rate	3.92%	5.71%	5.02%	5.34%	5.09%	8.24%	—	
Fixed assets, net	—	—	—	—	—	—	141,328	141,328
Other assets	—	—	—	—	—	—	11,382,120	11,382,120
	124,105,651	14,560,758	23,133,645	7,025,073	60,775,306	16,323,401	12,407,908	258,331,742
Liabilities and Shareholders' Equity								
Deposits	35,214,151	18,912,505	22,104,230	28,087,716	104,856,016	—	—	209,174,618
Interest rate	1.09%	3.47%	2.94%	3.34%	4.39%	—	—	
Accounts payable and other liabilities	—	—	—	—	—	—	3,429,731	3,429,731
Subordinated notes	3,325,875	—	—	—	—	—	—	3,325,875
Interest rate	5.85%	—	—	—	—	—	—	
Shareholders' equity	—	—	—	—	—	—	42,401,518	42,401,518
	38,540,026	18,912,505	22,104,230	28,087,716	104,856,016	—	45,831,249	258,331,742
Total Gap	85,565,625	(4,351,747)	1,029,415	(21,062,643)	(44,080,710)	16,323,401	(33,423,341)	—

(In thousands of Indian Rupees)

	2008							
	Floating rate Rs.	Under 3 months Rs.	3 to 6 months Rs.	Over 6 to 12 months Rs.	Over 1 to 5 years Rs.	Over 5 years Rs.	Non-interest sensitive Rs.	Total Rs.
Assets								
Cash and deposits	—	9,057,958	—	—	—	—	77,382	9,135,340
Securities	—	41,103,462	8,928,720	—	10,061,686	3,464,194	355,114	63,913,176
Interest rate	—	1.69%	1.36%	—	4.57%	4.48%	—	
Loans, net	145,179,171	3,715,293	381,564	19,178,728	35,782,570	4,547,914	—	208,785,240
Interest rate	5.98%	3.69%	5.88%	5.45%	5.56%	5.43%	—	
Fixed assets, net	—	—	—	—	—	—	150,507	150,507
Other assets	—	—	—	—	—	—	6,941,811	6,941,811
	145,179,171	53,876,713	9,310,284	19,178,728	45,844,256	8,012,108	7,524,814	288,926,074
Liabilities and Shareholders' Equity								
Deposits	27,319,441	11,456,215	9,398,009	33,428,818	158,687,548	—	—	240,290,031
Interest rate	1.83%	3.87%	3.82%	3.97%	4.46%	—	—	
Accounts payable and other liabilities	—	—	—	—	—	—	14,461,215	14,461,215
Subordinated notes	3,325,875	—	—	—	—	—	—	3,325,875
Interest rate	8.49%	—	—	—	—	—	—	
Shareholders' equity	—	—	—	—	—	—	30,848,953	30,848,953
	30,645,316	11,456,215	9,398,009	33,428,818	158,687,548	—	45,310,168	288,926,074
Total Gap	114,533,855	42,420,498	(87,725)	(14,250,090)	(112,843,292)	8,012,108	(37,785,354)	—

17. Lease commitments:

Future minimum annual rental commitments for premises and equipment under long-term non-cancellable operating leases for the next five years ending December 31 and thereafter, are shown below:

	Rs.
2010	**85,054**
2011	**73,107**
2012	**73,136**
2013	**70,921**
2014	**63,573**
Thereafter	**177,329**
	543,120

18. Capital adequacy:

OSFI requires all banks to maintain sufficient capital to meet or exceed its capital adequacy requirements. The Bank is in compliance with the requirements for assets to capital multiple and risk-based Tier 1 and total capital ratios.

The Bank has a Capital Management Policy, which is reviewed and approved annually by the Board of Directors, governing the quantity and quality of capital to be maintained by the Bank. The objective of this policy is to maintain capital at levels that meet or exceed regulatory capital requirements, and that is also appropriate for business requirements, from time to time.

Effective January 1, 2008, the Bank adopted the new capital adequacy framework (Basel II), as required by OSFI. This framework requires capital to be held for credit, operational and market risks. The Bank is in compliance with OSFI's capital adequacy requirements.

The regulatory capital and the regulatory capital ratios, as at December 31, 2009, are presented below:

	Rs.
Capital:	
Net Tier 1	**41,304,618**
Net Tier 2	**2,237,959**
Total	**43,542,577**
Regulatory capital ratios:	
Tier 1 (%)	**22.3%**
Total (%)	**23.5%**
Assets to capital multiple	**5.9**

19. Employee future benefits:

Effective December 29, 2005, the Bank implemented a defined contribution group retirement savings plan for its employees. Under the plan, Bank employees are allowed to contribute a portion of their annual salary to the plan and the Bank matches such contributions up to 5% of the employee's annual salary. The amount of the benefit expense for the year ended December 31, 2009, was Rs. 8,722 (2008 - Rs. 5,435) and is included in salaries and benefits in the non-consolidated statement of operations and comprehensive income.

20. Risk management:

Risk management framework

As a financial intermediary, the Bank is exposed to various types of risks. The objective of the risk management framework at the Bank is to ensure that the key risks facing the Bank are identified, understood, measured and monitored and that the Bank follows the policies and procedures established to address these risks.

The key principles underlying the risk management framework at the Bank are:

1) The Board of Directors has oversight over the risks assumed by the Bank. Specific Board Committees have been constituted to facilitate focused oversight over these risks.
2) Policies approved from time to time by the Board of Directors/Committees of the Board form the governing framework for each type of risk. The business activities are undertaken within this policy framework.
3) Independent groups and sub-groups have been constituted across the Bank and its Parent to facilitate independent evaluation, monitoring and reporting of risks. These groups function independently of the business groups.

The key risks that the Bank is primarily exposed to include credit, market (including interest rate risk and liquidity risk) and operational risk. The approach of management to handle the key risks facing the Bank is outlined below.

(a) Credit risk

Credit risk is the risk that unexpected losses may arise as a result of the Bank's borrowers or market counterparties failing to meet their obligations to pay. The Bank's Credit & Recovery Policy ("CRP"), which is approved by its Board of Directors, describes the principles which underlie and drive the Bank's approach to credit risk management together with the systems and processes through which it is implemented and administered. The CRP aims to maximise the Bank's risk-adjusted rate of return while maintaining the Bank's credit risk exposure within limits and parameters as approved by the Board of Directors of the Bank.

The Bank takes a two-tier approach to assessment of credit risk: initially, by a commercial lending officer proposing the transaction, followed by a credit officer independently assessing the same. The CRP lays down a structured and standardised credit approval process, which includes a well-established procedure of independent and comprehensive credit risk assessment and the assignment of an internal risk rating to the borrower. The risk rating is a critical input for the credit approval process and is used as an input in arriving at the credit risk spread and level of general provision for the proposal.

Credit proposals are approved by either the Risk Committee ("RC") or the Management Credit Committee ("MCC") based on, inter alia, the amount and internal risk rating of the facility. All credit proposals are approved by the MCC before being recommended to the RC by the Chief Risk Officer.

The credit middle office function is responsible for credit administration which includes monitoring compliance with the terms and conditions for credit facilities prior to disbursement. It also reviews the completeness of documentation and creation of security for assets financed.

Monitoring credits, while ongoing, can also be triggered by any material credit event coming to the Bank's notice through either primary or secondary sources. All borrower accounts, including their ratings and underlying collaterals, are reviewed at least on an annual basis or in a shorter interval if recommended by the credit officer or the relevant sanctioning committee.

Credit risk is also managed at the portfolio level by monitoring and reporting to the MCC & RC, the key parameters of risk concentration namely product specific exposures, large exposures, industry/sectoral exposures, country/geographical exposures and rating category-based exposures.

(b) Market risk

Market risk is the uncertainty of earnings faced by the Bank as a result of volatility in market factors like interest rates, exchange rates, market liquidity and asset prices. Market risk events may impact the valuation of investments in the trading book resulting in an impact on the profit and loss account. The policies approved by the Board for addressing market risk are Liquidity & Investment Policy ("LIP") and Liquidity Contingency Plan ("LCP").

The Asset Liability Management Committee ("ALCO") considers various investment and treasury operations' matters, implementation of risk mitigation measures, and recommends major policy changes governing treasury activities to the RC. Furthermore, an independent Treasury Middle Office Group ("TMOG") is set up to monitor and report the various risk limits set through the LIP.

The key risks to which the Bank is exposed from a market risk perspective relate to:

(i) Interest rate risk

Interest rate risk is defined as the exposure of a bank's financial condition to adverse movements in interest rates. Earnings from interest sensitive investments and the overall value of the investment portfolio will be impacted by changes in interest rates. The LIP currently sets out the measurement process to include the use of re-pricing gap reports and estimation of the sensitivity of the Bank's net interest income to a 100 basis points adverse change in the level of interest rates, defined as Earnings at Risk ("EaR"). The sum of EaR for the Bank over a 4 quarter horizon and the adverse Mark-to-Market ("MTM") impact on the trading book for an adverse 100 basis point parallel shift in interest rates shall not exceed 5% or Rs. 886,900 (whichever is lower) of the Bank's current Tier I plus Tier II capital. At December 31, 2009, the actual limit utilisation was 0.33% (Rs. 133,035).

Further, the Bank uses various measures including Duration of Equity ("DoE"), which takes into consideration duration and value of both assets and liabilities. DoE is a measure of interest rate sensitivity, which indicates how much the market value of equity would change if interest rates change by 1%. The Bank has set a maximum limit of (+/-) 5% of Tier 1 capital given a 100 bps change in interest rates and as at December 31, 2009, the actual DoE was (+) 0.908 years, based on which the actual limit utilisation was (+) 0.908%.

(ii) Foreign exchange risk

The risk arises due to positions in non-Canadian denominated currencies, which in turn arises from assets and liabilities in those currencies. The risk originates as a result of the impact on revenue due to the potential revaluation of non-CAD assets and liabilities. The aggregate net overnight open exchange position ("NOOP") across all foreign currencies as per the LIP shall not exceed Rs. 1,163,250. Value-at-Risk ("VaR") is a tool for measuring market risk on trading positions. It seeks to ascertain the maximum loss on a portfolio at a given confidence level over a specific holding period. As per the LIP, the VaR limit (99%-1day) on the aggregate overnight open position is Rs. 17,449 and the actual VaR as at December 31, 2009, was Rs. 2,503. The Bank uses one-year data to compute VaR and there have been no breaches of the VaR limit during the year ended December 31, 2009.

(c) Liquidity risk

Liquidity risk relates to the potential difficulty in accessing financial markets in order to meet payment obligations. It includes both the risk of unexpected increases in the cost of funding the assets and the risk of being unable to liquidate investments in a timely manner at a reasonable price. Treasury ensures that adequate liquidity is maintained at all times through systematic funds planning and maintenance of liquid investments as well as by focusing on more stable funding sources such as retail deposits in the long term. In addition, liquidity stress testing analysis as per the LCP and 90-day stress scenarios are regularly performed to assess the Bank's ability to withstand an extreme crisis situation.

The Head of Treasury is responsible for managing the market risk of treasury positions and the day-to-day liquidity of the Bank. It is subject to periodic review by Internal Audit, and is approved by the Board. Senior management also regularly monitors the positions taken on a daily basis. The ALCO and the RC undertake a periodic review of the market risk and liquidity position of the Bank.

(d) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems or from external events.

The Bank has developed and implemented an Operational Risk Management Policy ("ORMP") which covers the aspects pertaining to minimising losses due to process failures, flaws in product designs that can expose the Bank to losses due to fraud, impact of failures in technology/systems and continuity in the Bank's operations.

The Management Committee, comprising senior executives, is responsible for the development, testing, implementation and maintenance of the ORMP. The Bank has implemented its risk and control self assessment approach to identify and ensure effective control of its operational risks.

To identify operational risks in new products/processes, all such proposals are approved by the Product and Process Approval Committee ("PAC"), comprising senior executives after obtaining inputs from the relevant groups and control functions in the Bank. All PAC proposals are internally rated by Operational Risk group.

The Bank has developed and implemented a Business Continuity Plan ("BCP"). This plan is designed to facilitate continuity in critical business operations in the event of a disaster or an emergency situation. The BCP has been formulated on the basis of a business impact analysis carried out for the individual groups involving identification of critical activities and determination of their recovery time objectives.

The Bank has outsourced certain activities in the interest of cost & process efficiencies including mid office operations for treasury & corporate banking, Information technology, Corporate operations & Trade finance operations to the parent bank terms of which are governed through a master service level agreement (SLA) and specific SLAs. All these activities are closely monitored under the framework of outsourcing risk with regular monitoring of SLA key result indicators and any material shortfalls are taken up with the service provider and the same is reported to management & board level committees.

The Bank has developed and implemented an Outsourcing Policy to mitigate outsourcing risks and ensure the application of a standardised approach for all outsourcing arrangements entered into by the Bank. All proposed outsourcing arrangements are assessed for their criticality prior to outsourcing. For all such arrangements deemed to be critical, a detailed assessment is conducted and the proposal is approved by the Outsourcing Committee ("OC"). The performance of vendors are periodically reviewed and assessment reports are presented to the Risk Committee.

Group risk management framework

The Bank is subject to the Parent's risk management framework, which has been developed in order to identify, evaluate and manage key risks on world-wide basis. The framework is applicable to all overseas banking entities of the Parent. The policies applicable to the Bank are formulated in consultation with the Risk Management Group of the Parent prior to the policies being placed before the Bank's Board of Directors for their approval.

21. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

ICICI Wealth Management

ICICI WEALTH MANAGEMENT INC.

3RD ANNUAL REPORT AND ACCOUNTS 2009

Directors
Sriram H. Iyer *President & CEO*

Auditors
KPMG LLP

Anthony Coulthard
Corporate Secretary

Registered Office
Don Valley Business Park
150 Ferrand Drive
Suite 1200
Toronto, Ontario
Canada M3C 3E5

---

management's report

to the members

The Management of ICICI Wealth Management Inc. (the "Subsidiary") hereby presents their Third Annual Report, together with the financial statements for the year ended December 31, 2009. All information provided in this Management Report is as at December 31, 2009.

Principal Activities

The Subsidiary was incorporated under the Business Corporations Act (Canada) on July 28, 2006. The Subsidiary was granted registration by the Ontario Securities Commission as a Limited Market Dealer under the provisions of the Securities Act (Ontario) on March 3, 2007, giving it the ability to undertake the sale of certain securities to a restricted set of individuals in Ontario. As a wholly-owned subsidiary of ICICI Bank Canada and an indirect subsidiary of ICICI Bank Limited (the "Parent"), it primarily operates in the Greater Toronto Area.

The Subsidiary's business plan was to focus on providing prospectus exempt India-linked and international investment opportunities, such as the sale of private equity funds and corporate debt, to Canadian accredited investors such as pension funds, corporations and eligible individual investors. Due to prevailing market conditions, management determined during 2009 to cease operations of the Subsidiary and the Subsidiary was dissolved effective December 31, 2009.

Directors and Corporate Secretary

The name of the Director and the Corporate Secretary of the Subsidiary are as follows:
Sriram H. Iyer, President & CEO
Anthony Coulthard, *Corporate Secretary*

Directors' Interests

The Director of the Subsidiary does not have any interest in its share capital.

Share Capital

The Subsidiary is authorised to issue an unlimited number of common shares without par value. Prior to its dissolution, the Subsidiary had issued 3,000,001 common shares.

ANTHONY COULTHARD
Corporate Secretary

auditors' report

to the shareholder

We have audited the balance sheet of ICICI Wealth Management Inc. as at December 31, 2009 and the statements of operations, changes in Shareholders' equity and cash flows for the year then ended. 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 Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance 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.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

For KPMG LLP
Chartered Accountants
Licensed Public Accountants

Toronto, Canada, May 10, 2010

balance sheet

as at December 31, 2009

	2009	2008
	(Rs. in 000's)	
ASSETS		
Cash and cash equivalents:		
Deposits with regulated financial institutions	—	*5,600*
Other:		
Fixed assets, net (note 2)	—	*639*
Other assets (note 3)	—	*36,300*
	—	*36,939*
	—	*42,539*
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Accounts payable and other liabilities	—	*5,125*
Shareholders' equity		
Share capital (note 4):		
Common shares	—	*110,863*
Deficit	—	*(73,449)*
	—	*37,414*
	—	*42,539*

See accompanying notes to financial statements.

Director

statement of operations and deficit

for the year ended December 31, 2009

	2009	2008
	(Rs. in 000's)	
Interest income		
Deposits with regulated financial institutions	**90**	*336*
Non-interest income:		
Up-front fees	**207**	*595*
Placement fees, trailer fees and other income	**132**	*183*
Refunds:		
Up-front fees	—	*(976)*
Placement fees	—	*(499)*
	339	*(697)*
Total income	**429**	*(361)*
Non-interest expenses		
Salaries and benefits	**27,229**	*45,771*
Professional fees	**3,493**	*9,056*
Travel, moving and entertainment	**986**	*2,915*
General and administrative	**883**	*6,372*
Communication	**703**	*2,106*
Occupancy	**242**	*1,361*
Marketing and business development	**212**	*4,374*
Other	**622**	*1,207*
	34,370	*73,162*
Loss before income taxes	**(33,941)**	*(73,523)*
Future income tax recovery (note 6)	—	*(23,139)*
Loss for the year	**(33,941)**	*(50,384)*

See accompanying notes to financial statements.

(In thousands of Indian Rupees)

	2009	2008
	(Rs. in 000's)	
Common shares [note 4]:		
Balance, beginning of year	**110,863**	*44,345*
Issued during the year	**22,172**	*66,518*
Elimination on wind-up	**(133,035)**	—
Balance, end of year	**—**	*110,863*
Contributed surplus:		
Balance, beginning of year	**—**	—
Intercompany debt forgiven by parent	**10,133**	—
Elimination on wind-up	**(10,133)**	—
Balance, end of year	**—**	—
Deficit:		
Balance, beginning of year	**(73,449)**	*(23,065)*
Net loss for the year	**(33,941)**	*(50,384)*
Distribution of deferred tax asset	**(35,778)**	—
Elimination on wind-up	**143,168**	—
Balance, end of year	**—**	*(73,449)*

See accompanying notes to financial statements.

	2009	2008
	(Rs. in 000's)	
Cash provided by/(used in):		
Operating activities:		
Loss for the year	**(33,941)**	*(50,384)*
Items not involving cash:		
Depreciation/write-off of fixed assets	**296**	*133*
Future income taxes	**—**	*(23,139)*
Other items, net	**5,693**	*(15,276)*
	(27,952)	*(88,666)*
Financing activities:		
Proceeds from issue of common shares	**22,172**	*66,518*
Investing activities:		
Disposal/(acquisition) of fixed assets, net	**180**	*(336)*
Decrease in cash and cash equivalents	**(5,600)**	*(22,484)*
Cash and cash equivalents, beginning of year	**5,600**	*28,084*
Cash and cash equivalents, end of year	**—**	*5,600*
Represented by:		
Interest bearing deposits with regulated financial institutions	**—**	*2,441*
Non-interest bearing deposits with regulated financial institutions	**—**	*3,159*
	—	*5,600*

See accompanying notes to financial statements.

(In thousands of Indian Rupees)

year ended December 31, 2009

ICICI Wealth Management Inc. (the "Company") was incorporated under the Canada Business Corporations Act on July 28, 2006 as a wholly owned subsidiary of ICICI Bank Canada (the "Parent"). The Company was granted registration by the Ontario Securities Commission as a Limited Market Dealer under the provisions of the Securities Act (Ontario) on March 3, 2007, giving it the ability to undertake the sale of certain securities to a restricted set of individuals in Ontario. As a wholly owned subsidiary of the Parent and an indirect subsidiary of ICICI Bank Limited, it primarily operated in the Greater Toronto Area.

On November 30, 2009, all assets and liabilities of the Company were conveyed to its Parent and the Company was wound up effective December 31, 2009. To effect the wind-up, an amount of Rs.10,133, owed by the Company to its Parent was forgiven by the Parent and the amount was accounted as contributed surplus. The resulting Shareholder Equity balance of Rs.143,168 as at December 31, 2009 was eliminated.

The significant accounting policies used in the preparation of these financial statements are summarised below with notes relating to their financial statement captions. These accounting policies conform, in all material respects, to Canadian generally accepted accounting principles ("GAAP").

No statement of Other Comprehensive Income is presented as the Company has no items of other comprehensive income.

1. Significant accounting policies:

(a) Cash and cash equivalents:

The Company considered cash and cash equivalents to represent cash balances on hand, interest bearing and non-interest bearing deposits with regulated financial institutions with an original maturity of 90 days or less. On November, 30, 2009, all bank balances were conveyed to the parent.

(b) Revenue recognition:

The Company had signed a distribution agreement with a Fund and an Investment Manager, both incorporated in Mauritius, to offer services to the Investment Manager to source, identify and introduce prospective Canadian investors to the Fund. Investors could invest either directly in the Fund or through the Company.

The Company earned fees from the placing of investments in the Fund which included up-front fees, placement fees and trailer fees. The Company recognised fees revenue as earned.

(c) Fixed assets:

Fixed assets were carried at cost less accumulated depreciation, using the straight-line method over the estimated useful lives of the assets. On November, 30, 2009, all fixed assets were conveyed to the parent.

2. Fixed assets:

	2009			*2008*
	Cost Rs.	**Accumulated depreciation Rs.**	**Net book value Rs.**	*Net book value Rs.*
Furniture, fixtures and equipment	—	—	—	*353*
Leasehold improvements	—	—	—	*286*
	—	—	—	*639*

3. Other assets:

	2009 Rs.	*2008 Rs.*
Future income tax asset [note 6]	—	*35,778*
Prepaid expenses, deposits and accounts receivable	—	*522*
	—	*36,300*

4. Share capital:

The Company is authorised to issue an unlimited number of common shares without par value.

	2009		*2008*	
	Number of shares	**Amount Rs.**	*Number of shares*	*Amount Rs.*
Common shares	—	—	*2,500,001*	*110,863*
		—		*110,863*

The Company issued common shares for cash consideration to its Parent. During 2009, the Company issued 500,000 (2008 - 1,500,000) common shares for cash consideration of Rs. 22,172 (2008 - Rs. 66,518) to its Parent. On wind-up, the Parent forgave an amount of Rs. 10,133, receivable from the Company. The share capital of Rs. 133,035 along with the contributed suplus of Rs. 10,133 has been distibuted to the Parent.

5. Related party transactions:

The Parent allocated a portion of its expenses to the Company in respect of infrastructure and manpower shared by the Company. The Company had incurred costs of Rs.1,655 (2008 - Rs. 12,334) related to these services. On wind-up, the Parent forgave an amount of Rs. 10,133, receivable from the Company.

6. Income taxes:

Since the Company has been wound-up, there is no future tax asset/(liability) as at December 31, 2009 (2008 - asset of Rs. 35,779). The significant components of the Company's future income tax asset as at December 31, 2008, were:

	2008 Rs.
Fixed assets	*88*
Non-capital losses carried forward	*35,690*
Net future income tax asset	*35,778*

The company has not recognised any income tax expense for the year 2009. There was a future tax recovery of Rs. 23,139 as at December 31, 2008. The following table reconciles income tax recovery at the combined Canadian federal and provincial statutory rate with the recovery of income taxes in the financial statements for the year ended December 31, 2008:

	2008 Rs.
Income taxes at statutory tax rate	*(24,630)*
Permanent differences	*198*
Other	*1,293*
Future income tax recovery	*(23,139)*

As at December 31, 2008, the Company had non-capital loss carryforwards of Rs. 108,235 for income tax purposes.

ICICI BANK EURASIA LLC

5TH ANNUAL REPORT AND ACCOUNTS 2009

Directors
Chanda D. Kochhar, *Chairperson*
N. S. Kannan
Vijay Chandok
K. M. Jayarao
Vladislav Voitsehovich
James Bernard Cook

Auditors
ZAO KPMG

Registered Office
4, 4th Lesnoy Lane
City of Moscow
125047

directors' report

to the members

Your Directors have pleasure in presenting the Fifth Annual Report of ICICI Bank Eurasia LLC with the audited statement of accounts for the financial year ended December 31, 2009.

FINANCIAL HIGHLIGHTS

The financial performance for years ended December 31 is summarised below:

	Rs. million, except percentages		
	2008	**2009**	**% change**
Net interest income and other income	*778*	**840**	8%
Operating expense	*(585)*	**(399)**	–32%
Provisions & contingencies	*(26)*	**(112)**	337%
Profit before tax	*167*	**329**	97%
Tax expenses	*(63)*	**(68)**	8%
Consolidated profit after tax	*104*	**261**	151%

The balance sheet as at December 31 is summarised below:

	Rs. million, except percentages		
	2008	**2009**	**% change**
CAPITAL AND LIABILITIES			
HO Control Account	*2,884*	**2,884**	—
Reserves and Surplus	*(488)*	**87**	–118%
Deposits	*2,606*	**2,213**	–15%
Borrowings	*17,852*	**16,302**	–9%
Other liabilities and provisions	*157*	**42**	–73%
TOTAL	**23,012**	**21,529**	**–6%**
ASSETS			
Cash and balance with Reserve Bank of India	—	**—**	—
Balances with banks and money at call and short notice	*4,470*	**9,505**	113%
Investments	*2,623*	**1,550**	–41%
Advances	*15,374*	**10,286**	–33%
Fixed Assets	*108*	**80**	–26%
Other Assets	*436*	**108**	–75%
TOTAL	**23,012**	**21,529**	**–6%**

SUBSIDIARY COMPANIES

At December 31, 2009, ICICI Bank Eurasia LLC had no subsidiaries.

DIRECTORS

As of March 30, 2010 there were six Members of the Supervisory Board (Directors):

- Chanda D. Kochhar (Chairperson)
- Sonjoy Chatterjee
- Suvek Nambiar
- K. M. Jayarao
- Vladislav Voitsehovich
- James Bernard Cook

Chanda D. Kochhar was elected as member of the Supervisory Board on November 4, 2006 by the Resolution of the Sole Participant of ICICI Bank Eurasia LLC and was appointed as the Chairperson of the Supervisory Board of ICICI Bank Eurasia LLC on December 4, 2006 by the Resolution of the Sole Participant of ICICI Bank Eurasia LLC.

Sonjoy Chatterjee was elected as member of the Supervisory Board on November 4, 2006 vide the Resolution of the Sole Participant of ICICI Bank Eurasia LLC.

K. M. Jayarao was elected as member of the Supervisory Board on August 9, 2007 vide the Resolution of the Sole Participant of ICICI Bank Eurasia LLC.

James Bernard Cook was elected as member of the Supervisory Board on October 19, 2007 vide the Resolution of the Sole Participant of ICICI Bank Eurasia LLC.

Suvek Nambiar was elected as member of the Supervisory Board on March 28, 2008 vide the Resolution of the Sole Participant of ICICI Bank Eurasia LLC.

Vladislav Voitsekhovich was elected as member of the Supervisory Board on May 26, 2008 vide the Resolution of the Sole Participant of ICICI Bank Eurasia LLC.

On May 4, 2010 vide the Resolution of the Sole Participant of ICICI Bank Eurasia LLC Sonjoy Chatterjee and Suvek Nambiar were superseded by N. S. Kannan and Vijay Chandok.

Currently there are six Members of the Supervisory Board (Directors):

- Chanda D. Kochhar (Chairperson)
- N. S. Kannan
- Vijay Chandok
- K. M. Jayarao
- Vladislav Voitsekhovich
- James Bernard Cook

AUDITORS

ZAO KPMG has been appointed as auditor of ICICI Bank Eurasia LLC on for the financial year 2009 by a resolution of the Sole Participant pursuant recommendation of the Audit Committee of the Bank.

PERSONNEL

As of December 31, 2009 number of the Bank's employees was 105.

CORPORATE GOVERNANCE

ICICI Bank Eurasia LLC is building a tradition of best practices in corporate governance. The corporate governance framework in ICICI Bank Eurasia LLC is based on an effective

Supervisory Board, Executive Board and the constitution of the Committees of the Bank, to oversee critical areas.

SUPERVISORY BOARD

ICICI Bank Eurasia LLC has a Supervisory Board, constituted in compliance with the Law on Limited Liability Companies, Law on Banks and Banking activities and Regulations and Recommendations of the Bank of Russia. It is also based on the Compliance Framework of the Sole Participant.

The Supervisory Board's main function is to oversee management activities of the Bank. The Supervisory Board functions either as a full Board or through various committees constituted to oversee specific areas. The Board is supported by three committees, namely, Audit Committee, Governance Committee, Risk and Credit Committee.

At December 31, 2009, the Supervisory Board consisted of 6 members. There were four meetings of the Supervisory Board during the period from April 1, 2009 till March 31, 2010 – April 20, 2009, August 08, 2009, October 26, 2009 and February 16, 2010. The names of the members of the Supervisory Board, their attendance at Board Meetings during the year and the number of other committee memberships held by them in the mentioned period are set out in the following table:

Name of Member	Board Meetings attended during the year	Number of other Supervisory Board's committee memberships
Suvek Nambiar	4	1
Sonjoy Chatterjee	4	3
K. M. Jayarao	3	2
Chanda D. Kochhar (Chairperson)	3	1
James Bernard Cook	2	2
Vladislav Voitsekhovich	4	3

It has been a standard practice for Directors to participate in the meetings of the Supervisory Board and Committees by teleconference.

EXECUTIVE BOARD

Executive Board of ICICI Bank Eurasia LLC: main function is day-to-day management of the Bank implementing policies adopted by the General meeting of Participants (Sole Participant) and the Supervisory Board. As of March 31, 2010 it was supported in its activities by five committees constituted to oversee specific areas: Executive Credit Committee, Asset and Liability Management Committee, Budget Committee.

Currently the Executive Board consists of 4 members:

- Vladislav Voitsehovich - *President and CEO*
- Galina Kazanikova - *Deputy CEO*
- Olga Parshina - *Chief Accountant - Chief Financial Officer*
- Elizaveta Stepina – *Head of Compliance*

Vladislav Voitsehovich was approved to the position of the President and CEO of ICICI Bank Eurasia LLC on April 16, 2008 subject to approval of the Chief Division of the Central Bank of Russian Federation for Kaluga Region. Olga Parshina was approved to the position of the Members of the Executive Board of ICICI Bank Eurasia LLC on November 24, 2008 subject to approval of the Chief Division of the Central Bank of Russian Federation for Kaluga Region. Elizaveta Stepina was approved to the position of the Members of the Executive Board of ICICI Bank Eurasia LLC on November 24, 2008 subject to approval of the Chief Division of the Central Bank of Russian Federation for Kaluga Region.

There were 40 meetings of the Executive Board during the period from April 1, 2009 till March 31, 2010.

Audit Committee (AC)

Terms of Reference

The Audit Committee provides direction to the audit and risk management function and monitors the quality of internal and statutory audit. The responsibilities of the Audit Committee include:

- Review internal and management reports
- Oversee financial reporting process to ensure fairness, sufficiency and credibility of financial statements
- Review financial statements before submission to the Supervisory Board
- Recommend the appointment and removal of auditors and fix their remuneration
- Review the adequacy of internal control systems and internal audit function
- Review CBR inspection and audit reports and reports of auditors
- Review quarterly reports of the Compliance Officer
- Review the scope of audit with external auditors and examine reasons for any substantial default to any stakeholder
- Review the monthly returns filed before CBR or any other regulatory authority

Composition

As of March 31, 2010 the Audit Committee comprises three Directors and is chaired by K. M. Jayarao. There were five meetings of the Committee during the period from April 1, 2009 till March 31, 2010. The details of the composition of the Committee and attendance at its Meetings are set out in the following tables:

For the period from April 1, 2009 till October 26, 2009

Name of Member	Number of meetings attended
K. M. Jayarao	1
Chanda D. Kochhar *(Chairperson)*	2
Sonjoy Chatterjee	2
James Bernard Cook	0

For the period from October 26, 2009 till March 31, 2010

Name of Member	Number of meetings attended
K. M. Jayarao *(Chairperson)*	2
Sonjoy Chatterjee	2
James Bernard Cook	2

GOVERNANCE COMMITTEE (GC)

Terms of Reference

The functions of the Committee include:

- Review Senior Management appointments and nominations
- Review remuneration and compensation, including the Bank's performance bonus plan
- Approve corporate philosophy and mission
- Ensure ethical behavior and compliance with laws and regulations

Composition

The Governance Committee comprises two members and is chaired by Chanda D. Kochhar. There were no meetings of the Committee during the period from April 1, 2009 till March 31, 2010.

RISK AND CREDIT COMMITTEE (RCC)

Terms of reference

The functions of the Committee include:

- Approve all new credit proposals in excess of US$ 4 million to a single borrower or borrower group
- Review and approve Bank's Credit policy
- Approve all credit proposals not compliant with the bank's standard lending criteria as defined in the bank's internal credit policy
- Approve all new product proposals and their related limits
- Approve the formats for program lending and delegate authority under these programs
- Approve facility reviews where the aggregate group exposure exceeds US$ 4 million
- Approve all credit proposals generally above the prescribed authority of the Executive Credit Committee
- Review the quarterly portfolio analyses prepared by the Head of Risk
- Approve any borrowings other than temporary loans taken in the ordinary course of business in accordance with Treasury policy dealing limits (acceptance of deposits of money shall not be deemed to be borrowings)
- Review and approve Bank's investment policy and associated limits
- Monitor Bank's market risk exposures through a suitable reporting package encompassing interest rate risk, exchange rate risk, liquidity risk and equity risk
- Review of operations of the Executive Credit Committee

Composition

The Risk and Credit Committee comprises four Members Directors. It is chaired by Sonjoy Chatterjee. There were 19 meetings of the Committee during the mentioned period. The details of the composition of the Committee and attendance at its Meetings are as follows:

Name of Member	Number of meetings attended
Sonjoy Chatterjee (Chairperson)	19
K. M. Jayarao	19
James Bernard Cook	19
Suvek Nambiar	19

EXECUTIVE CREDIT COMMITTEE (ECC)

Terms of reference

The Committee reviews and sanctions credit proposals within the framework of the policy for the amount up to US$ 4 million.

Composition

The Executive Credit Committee comprises three members, since March 24, 2009 namely:

— President and CEO (Chairman) - Vladislav Voitsekhovich was approved to the position of the President and CEO of ICICI Bank Eurasia LLC on April 16, 2008 subject to the approval of the Chief Division of the Central Bank of Russian Federation for Kaluga Region;

— Chief Accountant – Chief Financial Officer – Olga Parshina;

— Head of Risks Management Group – Karen Edonts.

There have been 43 meetings of the Executive Credit Committee during the reporting period from April 1, 2009 till March 31, 2010.

ASSET AND LIABILITY MANAGEMENT COMMITTEE (ALMC)

Terms of reference

- Implementation of risk mitigation measures
- New products (for investment purposes)
- Delegation of authority to functional authorities
- Empanelment of brokers
- Adherence to extant CBR guidelines on accounting, classification and valuation of investment portfolio
- Adherence to Internal Control guidelines and limits
- Investment transactions activity
- Business transacted through the brokers
- Maintenance of liquidity requirements
- Any other matter incidental to investment and treasury operations

In addition to the above, to determine and delegate to the Asset Liability Management Committee regulation of the asset liability management policy of the Bank and market risk management and for this purpose to authorise the Asset Liability Management Committee to:

- Put in place an effective liquidity management policy in conjunction with the Liquidity Policy statement approved by the CBR, including, inter-alia, the funding strategies, liquidity planning under alternative stress scenarios, prudential limits and review the same periodically
- Decide the deposit rates and the lending rates
- Monitor market risk limits including limits on liquidity and interest rate on the balance sheet
- Approve the system for liquidity management
- Consider and approve any other matters related to liquidity and interest risk management

Composition

The ALM Committee comprises the following members: President and CEO (Chairman) - Vladislav Voitsekhovich was approved to the position of the President and CEO of ICICI Bank Eurasia LLC on April 16, 2008 subject to the approval of the Chief Division of the Central Bank of Russian Federation for Kaluga Region), Head of Wholesale Corporate Group – Sunil Rola, Head of Risks Management Group – Karen Edonts, Chief Accountant – Chief Financial Officer - Olga Parshina.

There have been 2 meetings of the ALM Committee during the period from April 1, 2009 till March 31, 2010.

PRODUCT AND PROCESS APPROVAL COMMITTEE (PPAC)

Terms of reference

To assess the proposed product offering / process improvement from the business and operational perspective, examine feasibility of the system requirements for supporting the product/ process and ensure that adequate risk mitigation and legal & compliance measures are considered.

Composition

The Product and Process Approval Committee comprises the following members: Head Compliance department – Elizaveta Stepina (Chairperson), Head of Risks Management Group – Karen Edonts, Chief Accountant – Chief Financial Officer - Olga Parshina, Head of Wholesale Banking Group – Sunil Rola, Head of Legal Service – Ruslan Grintsevich, Head of Branch Operations and Settlements Division – Tatyana Braiko, Head of Treasury – Yulia Nikolayshvili, Head of Internal Control Service – Vladimir Grigorjev, Head of Security Department – Dmitry Vinogradov.

There have been 4 meetings of the Product and Process Approval Committee during the reporting period from April 1, 2009 till March 31, 2010.

BUDGET COMMITTEE (BC)

Terms of Reference

The functions of Budget Committee include:

- Adjustment of Bank's annual operating and capital expenses budget
- Supervision of operating and capital expenses on constant basis under the approved power delegated authorities
- Allocation of responsibility for implementation of approved budget. Controlling of variances in actual results and approved budget. Cost reduction
- Approval/rejection of administrative activity extra budget costs
- Norm-fixing and limitation of operating and capital expenses, appointment of all vendors on tender basis.

Composition

The Budget Committee comprises of the following members: Chief Accountant – Chief Financial Officer – Olga Parshina (Chairperson), Deputy CEO - Galina Kazanikova, Assistant Vice-president – Head of Compliance – Elizaveta Stepina, Head of Moscow Branch – Irina Orekhova.

There were 12 meetings of the Budget Committee during the reporting period from April 1, 2009 till March 31, 2010.

The Sole Participant

The Sole Participant of the Bank has taken a number of decisions on the composition of the Supervisory Board, increase of equity capital and investment into the property of the Bank, change of location of the Branch, approval of the yearly financial results and appointment of Auditors and of an Inspector of the Bank.

The Sole Participant of ICICI Bank Eurasia LLC holding 100% of its equity capital is ICICI Bank Limited.

Disclosures

There are no materially significant transactions with related parties i.e., directors, management, subsidiaries, or relatives conflicting with the Bank's interests.

Means of Communication

It is ICICI Bank Eurasia LLC belief that all stakeholders should have access to complete information regarding its position to enable them to accurately assess its future potential. ICICI Bank Eurasia LLC disseminates information on its operations and initiatives on a regular basis. The ICICI Bank Eurasia LLC website (www.icicibankrussia.com) serves as a key awareness facility for all its stakeholders, allowing them to access information at their convenience. It provides comprehensive information on ICICI Bank Eurasia LLC' strategy, business segments, financial performance, operational performance and the latest press releases.

ICICI Bank Eurasia LLC annual financial results are published in Russian financial media.

GENERAL SHAREHOLDER INFORMATION

Listing of equity shares/ADSs on Stock Exchanges (with stock code)

ICICI Bank Eurasia LLC has no stock exchange listings.

Share Transfer System

Being a limited liability company shares in the equity capital of ICICI Bank Eurasia LLC is transferred upon resolution/decision of the General meeting of Participants and is effected by introducing of respective changed into the Charter.

Information on Shareholding

Shareholding pattern of ICICI Bank Eurasia LLC at March 31, 2010

Shareholder Category	Shares	%
ICICI Bank Limited	1,594,077,500	100

Plant Locations – Not applicable

Address for Correspondence
ICICI Bank Eurasia LLC
Russia 125047 Moscow
4th Lesnoi Lane 4
Capital Plaza Business Center
Tel No: +7 (495) 981 - 4988/89
Fax No: +7 (499) 500 - 8082

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
2. that they have 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 Bank at the end of the financial year and of the profit or loss of the Bank for that period;
3. that they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Laws of the Russian Federation for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities; and
4. that they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

ICICI Bank Eurasia LLC is grateful to the Bank of Russia for their continued co-operation, support and advice. ICICI Bank Eurasia LLC wishes to thank its investors, the domestic and international banking community for their support.

ICICI Bank Eurasia LLC would like to take this opportunity to express sincere thanks to its valued clients and customers for their continued patronage. The Directors express their deep sense of appreciation of all the employees, whose outstanding professionalism, commitment and initiative has made the organisation growth and success possible and continues to drive its progress. Finally, the Directors wish to express their gratitude to the Members for their trust and support.

Compliance with the Code of Business Conduct and Ethics

I confirm that all Directors and senior management have affirmed compliance with ICICI Bank Code of Business Conduct and Ethics.

Vladislav Voitsekhovich
Chief Executive Officer

May 4, 2010

to the Board of Directors of ICICI Bank Eurasia Limited Liability Company

To the Supervisory Board of ICICI Bank Eurasia Limited Liability Company

Report on the Financial Statements

We have audited the accompanying financial statements of ICICI Bank Eurasia Limited Liability Company (the Bank), which comprise the statement of financial position as at December 31, 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2009, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

ZAO KPMG
April 27, 2010

balance sheet

as at December 31, 2009

	Notes	2009	(Rs. in 000's) 2008 Restated
ASSETS			
Cash and cash equivalents	4	**463,330**	*582,250*
Mandatory reserve deposit with the Central Bank of the Russian Federation	5	**131,545**	*25,673*
Placements with banks and other financial institutions	6	**8,910,262**	*3,862,448*
Financial instruments at fair value through profit or loss			
– Held by the Bank	7	**—**	*171,224*
Pledged under sale and repurchase agreements		**—**	*—*
Loans to customers	8	**10,286,287**	*15,374,321*
Available-for-sale assets	9		
– Held by the Bank		**509,230**	*2,009,554*
– Pledged		**1,040,314**	*613,536*
Property, equipment and intangible assets	10	**80,063**	*108,000*
Deferred tax asset	26	**53,354**	*167,338*
Other assets	11	**54,273**	*97,351*
TOTAL ASSETS		**21,528,658**	*23,011,695*
LIABILITIES			
Deposits and balances from banks	12	**15,341,597**	*16,915,011*
Current accounts and deposits from customers	13	**2,212,658**	*2,606,242*
Certificates of deposit and promissory notes		**262**	*236*
Subordinated debt	14	**960,262**	*937,105*
Other liabilities	15	**42,366**	*157,044*
Total liabilities		**18,557,145**	*20,615,638*
EQUITY			
Charter capital	16	**2,623,808**	*2,623,808*
Additional paid-in capital		**260,638**	*260,638*
Revaluation reserve for available-for-sale assets		**(71,288)**	*(385,873)*
Retained earnings (accumulated losses)		**158,355**	*(102,516)*
Total equity attributable to equity holders of the Bank		**2,971,513**	*2,396,057*
Total liabilities and equity		**21,528,658**	*23,011,695*

The financial statements as set out on pages 251 to 266 were approved by the Supervisory Board on April 27, 2010.

VLADISLAV VOITSEKHOVICH
Chief Executive Officer

OLGA PARSHINA
Chief Accountant and Chief Financial Officer

The statement of financial position is to be read in conjunction with the notes to, and forming part of, the financial statements.

income statement

for the year ended December 31, 2009

	Notes	2009	(Rs. in 000's) 2008
Interest income	17	**1,479,415**	*1,717,491*
Interest expense	17	**(738,534)**	*(1,004,387)*
Net interest income		**740,881**	*713,104*
Fee and commission income	18	**97,222**	*66,327*
Fee and commission expense	19	**(16,938)**	*(13,072)*
Net fee and commission income		**80,284**	*53,255*
Net loss on financial instruments at fair value through profit or loss and available -for-sale-assets	20	**(14,782)**	*(27,192)*
Net foreign exchange income	21	**32,811**	*18,068*
Other income	22	**863**	*20,750*
Operating income		**840,057**	*777,985*
Impairment losses	23	**(111,519)**	*(25,524)*
Personnel expenses	24	**(227,376)**	*(320,993)*
Other general administrative expenses	25	**(171,912)**	*(264,286)*
Profit before taxes		**329,250**	*167,182*
Income tax expense	26	**(68,380)**	*(63,339)*
Profit		**260,870**	*103,843*
Other comprehensive income			
Revaluation reserve for assets available-for-sale:			
– Net change in fair value of available-for-sale assets, net of tax		**326,411**	*(340,893)*
– Net change in fair value of available-for-sale assets transferred to profit or loss, net of tax		**(11,826)**	*(21,754)*
Other comprehensive income (loss), net of tax		**314,585**	*(362,647)*
Total comprehensive income (loss)		**575,455**	*(258,804)*
Profit attributable to:			
Equity holders of the Bank		**260,871**	*103,843*
Profit		**260,871**	*103,843*
Total comprehensive income (loss) attributable to:			
Equity holders of the Bank		**575,455**	*(258,804)*
Total comprehensive income (loss)		**575,455**	*(258,804)*

VLADISLAV VOITSEKHOVICH
Chief Executive Officer

OLGA PARSHINA
Chief Accountant and Chief Financial Officer

The statement of comprehensive income is to be read in conjunction with the notes to, and forming part of, the financial statements.

ICICI Bank

for the year ended December 31, 2009

	Notes	2009	2008
		(Rs. in 000's)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest receipts		**1,297,407**	*1,961,662*
Interest payments		**(680,244)**	*(1,042,715)*
Fee and commission receipts		**54,196**	*66,327*
Fee and commission payments		**(26,507)**	*(13,883)*
Net payments from financial instruments at fair value through profit or loss		**—**	*(22,800)*
Net realised losses from available-for-sale assets		**(26,417)**	*—*
Net receipts from foreign exchange		**38,780**	*564,701*
Other income received		**863**	*19,083*
Personnel expenses and other general administrative expenses paid		**(372,105)**	*(538,805)*
		285,973	*993,570*
(Increase)/decrease in operating assets			
Placements with banks and other financial institutions and due from the Central Bank of the Russian Federation		**(4,913,411)**	*7,529,470*
Loans to customers		**5,846,447**	*(2,773,214)*
Available-for-sale assets		**1,523,113**	*1,146,691*
Financial instruments at fair value through profit or loss		**—**	*1,204,862*
Other assets		**6,129**	*30,591*
		2,462,278	*7,138,400*
Increase (decrease) in operating liabilities			
Deposits and balances from banks and other financial institutions		**(2,292,680)**	*(10,417,256)*
Current accounts and deposits from customers		**(535,569)**	*2,128,855*
Other liabilities		**(1,874)**	*6,014*
		(2,830,123)	*(8,282,387)*
Net cash used in operating activities before income tax paid		**(81,872)**	*(150,417)*
Income tax paid		**(20,528)**	*(42,352)*
Cash flows used in operations		**(102,400)**	*(192,769)*
CASH FLOWS FROM INVESTING ACTIVITIES			
Net purchases of property and equipment		**(7,537)**	*(46,894)*
Cash flows used in investing activities		**(7,537)**	*(46,894)*
Net decrease in cash and cash equivalents		**(109,935)**	*(239,663)*
Effect of changes in exchange rates on cash and cash equivalents		**(8,984)**	*1,740*
Cash and cash equivalents as at the beginning of the year	4	**582,249**	*820,173*
Cash and cash equivalents as at the end of the year	4	**463,330**	*582,250*

VLADISLAV VOITSEKHOVICH
Chief Executive Officer

OLGA PARSHINA
Chief Accountant and Chief Financial Officer

The statement of cash flow is to be read in conjunction with the notes to, and forming part of, the financial statements.

ICICI Bank Eurasia Limited Liability Company Statement of changes in equity for the year ended December 31, 2009

(Rs. in 000's)

	Charter capital	Additional paid-in capital	Revaluation reserve for available-for-sale assets	Retained earnings (accumulated losses)	Total
Balance at January 1, 2008	**2,623,808**	**260,638**	**(23,225)**	**(206,359)**	**2,654,862**
Total comprehensive income					
Profit	—	—	—	103,843	103,843
Other comprehensive income					
Net change in fair value of available-for-sale assets, net of tax	—	—	(362,648)	—	(362,648)
Total other comprehensive income	—	—	(362,648)	—	(362,648)
Total comprehensive income	—	—	**(362,648)**	**103,843**	(258,804)
Balance as at December 31, 2008	**2,623,808**	**260,638**	**(385,873)**	**(102,516)**	2,396,057
Total comprehensive income					
Profit	—	—	—	260,871	260,871
Other comprehensive income					
Net change in fair value of available-for-sale assets, net of tax	—	—	314,585	—	314,585
Total other comprehensive income	—	—	314,585	—	314,586
Total comprehensive income	**—**	**—**	**314,585**	**260,871**	**575,455**
Balance as at December 31, 2009	**2,623,808**	**260,638**	**(71,288)**	**158,355**	**2,971,513**

The statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the financial statements.

NOTE 1 – BACKGROUND

Principal activities

These financial statements include the financial statements of ICICI Bank Eurasia Limited Liability Company (the "Bank").

The Bank was established in the Russian Federation in May 2005, when ICICI Bank Limited (the "Parent"), acquired the entire share capital of Investisionno-Kreditny Bank (IKB), a Russian bank with registered office in Balabanovo in the Kaluga region and a branch in Moscow. Investisionno-Kreditny Bank (IKB) was founded in 1992. The Bank conducts its business under a banking license issued by the Central Bank of the Russian Federation on May 27, 1998 (registration number 3329), for banking operations in Russian Roubles and foreign currencies from legal entities and individuals.

On October 2, 2008 the Bank received broker, dealer and custodian licenses of a professional financial market participant from the Federal Service for Financial Markets.

The Bank is a member of the state deposit insurance scheme in the Russian Federation.

The principal activities of the Bank are corporate lending, issuing guarantees, deposit taking, customer accounts maintenance, cash and settlement operations and operations with securities and foreign exchange. The activities of the Bank are regulated by the Central Bank of the Russian Federation ("CBR").

The registered address of the Bank's head office is 249000, Kaluga region, Balabanovo, 50 Let Oktyabrya square, 3. The Bank has two branches in Moscow and Saint-Petersburg.

Participants

The Bank is wholly-owned by ICICI Bank Limited which is the parent company of ICICI Group (the "Group"). The majority of funding is from the Group. As a result the Bank is economically dependent upon the Group. In addition, the activities of the Bank are closely linked with the requirements of the Group and determination of the pricing of the Bank's services to the Group is undertaken in conjunction with other group companies. Related party transactions are detailed in note 33.

Russian business environment

The Russian Federation is experiencing political and economic change that has affected, and may continue to affect, the activities of enterprises operating in this environment. Consequently, operations in the Russian Federation involve risks that typically do not exist in other markets. In addition, the recent contraction in the capital and credit markets has further increased the level of economic uncertainty in the environment. The financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Bank. The future business environment may differ from management's assessment.

NOTE 2 – BASIS OF PREPARATION

Statement of compliance

The accompanying financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of measurement

The financial statements are prepared on the historical cost basis except that financial instruments at fair value through profit or loss and available-for-sale assets are stated at fair value.

Functional and presentation currency

The functional currency of the Bank is the Russian Rouble (RUR) as, being the national currency of the Russian Federation, it reflects the economic substance of the majority of underlying events and circumstances relevant to it.

The Indian Rupees is the presentation currency for the purposes of these financial statements.

Financial information presented in Indian Rupees is rounded to the nearest thousand.

Use of estimates and judgments

Management makes a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with IFRS. Actual results could differ from those estimates.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies is described in note 8 – Loans to cusotmers.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies are consistently applied in the preparation of the financial statements. Changes in accounting policies are described at the end of this note.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Bank at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Cash and cash equivalents

The Bank includes cash and nostro accounts with the CBR in cash and cash equivalents. The mandatory reserve deposit with the CBR is not considered to be a cash equivalent due to restrictions on its withdrawability.

Financial instruments

Classification

Financial instruments at fair value through profit or loss are financial assets or liabilities that are:

- acquired or incurred principally for the purpose of selling or repurchasing in the near term
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking
- derivative financial instruments (except for derivative financial instruments that are designated and effective hedging instruments) or,
- upon initial recognition, designated as at fair value through profit or loss.

The Bank may designate financial assets and liabilities at fair value through profit or loss where either:

- the assets or liabilities are managed and evaluated on a fair value basis
- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise or,
- the asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

All trading derivatives in a net receivable position (positive fair value), as well as options purchased, are reported as assets. All trading derivatives in a net payable position (negative fair value), as well as options written, are reported as liabilities.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those that the Bank:

- indends to sell immediately or in the near term
- upon initial recognition designates as at fair value through profit or loss
- upon initial recognition designates as available-for-sale or,
- may not recover substantially all of its initial investment, other than because of credit deterioration.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Bank has the positive intention and ability to hold to maturity, other than those that:

- the Bank upon initial recognition designates as at fair value through profit or loss
- the Bank designates as available-for-sale or,
- meet the definition of loans and receivables.

Available-for-sale assets are those financial assets that are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial instruments at fair value through profit or loss.

Management determines the appropriate classification of financial instruments at the time of the initial recognition. Derivative financial instruments and financial instruments designated as at fair value through profit or loss upon initial recognition are not reclassified out of the fair value through profit or loss category. A financial asset that would have met the definition of loan and receivables may be reclassified out of the fair value through profit or loss or available-for-sale category if the entity has an intention and ability to hold it for the foreseeable future or until maturity. Other financial instruments may be reclassified out of the at fair value through profit or loss category only in rare circumstances. Rare circumstances arise from a single event that is unusual and highly unlikely to recur in the near term.

Recognition

Financial assets and liabilities are recognised in the statement of financial position when the Bank becomes a party to the contractual provisions of the instrument. All regular way purchases of financial assets are accounted for at the settlement date.

Measurement

A financial asset or liability is initially measured at its fair value plus, in the case of a financial asset or liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability.

Subsequent to initial recognition, financial assets, including derivatives that are assets, are measured at their fair values, without any deduction for transaction costs that may be incurred on sale or other disposal, except for:

- loans and receivables which are measured at amortised cost using the effective interest method
- held-to-maturity investments that are measured at amortised cost using the effective interest method
- investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured which are measured at cost.

All financial liabilities, other than those designated at fair value through profit or loss and financial liabilities that arise when a transfer of a financial asset carried at fair value does not qualify for derecognition, are measured at amortised cost. Amortised cost is calculated using the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument. Where a valuation based on observable market data indicates a fair value gain or loss on initial recognition of an asset or liability, the gain or loss is recognised immediately in profit or loss. Where an initial gain or loss is not based entirely on observable market data, it is deferred and recognised over the life of the asset or liability on an appropriate basis, or when prices become observable, or on disposal of the asset or liability.

Fair value measurement principles

The fair value of financial instruments is based on their quoted market price at the reporting date without any deduction for transaction costs. Where a quoted market price is not available, fair value is determined using valuation techniques with a maximum use of market inputs. Such valuation techniques include reference to recent arm's length market transactions, current market prices of substantially similar instruments, discounted cash flow and option pricing models and other techniques commonly used by market participants to price the instrument.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the reporting date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the reporting date.

The fair value of derivatives that are not exchange-traded is estimated at the amount that the Bank would receive or pay to terminate the contract at the reporting date taking into account current market conditions and the current creditworthiness of the counterparties and own credit risk.

Gains and losses on subsequent measurement

A gain or loss arising from a change in the fair value of a financial asset or liability is recognised as follows:

- a gain or loss on a financial instrument classified as at fair value through profit or loss is recognised in profit or loss
- a gain or loss on an available-for-sale asset is recognised as other comprehensive income in equity (except for impairment losses and foreign exchange gains and losses on debt financial instruments available-for-sale) until the asset is derecognised, at which time the cumulative gain or loss previously recognised in equity is recognised in profit or loss. Interest in relation to an available-for-sale asset is recognised as earned in profit or loss using the effective interest method.

For financial assets and liabilities carried at amortised cost, a gain or loss is recognised in profit or loss when the financial asset or liability is derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or when the Bank transfers substantially all the risks and rewards of ownership of the financial asset. Any rights or obligations created or retained in the transfer are recognised separately as assets or liabilities. A financial liability is derecognised when it is extinguished.

The Bank also derecognises certain assets when it writes off balances pertaining to the assets deemed to be uncollectible.

Repurchase and reverse repurchase agreements

Securities sold under sale and repurchase (repo) agreements are accounted for as secured financing transactions, with the securities retained in the statement of financial position and the counterparty liability included in amounts payable under repo transactions within deposits and balances from banks or current accounts and deposits from customers, as appropriate. The difference between the sale and repurchase prices represents interest expense and is recognised in profit or loss over the term of the repo agreement using the effective interest method.

Securities purchased under agreements to resell (reverse repo) are recorded as amounts receivable under reverse repo transactions within placements with banks or loans to customers, as appropriate. The difference between the purchase and resale prices represents interest income and is recognised in profit or loss over the term of the repo agreement using the effective interest method.

If assets purchased under an agreement to resell are sold to third parties, the obligation to return securities is recorded as a trading liability and measured at fair value.

Derivative financial instruments

Derivative financial instruments include swap, forward, futures, spot transactions and options in interest rate, foreign exchange, precious metals and stock markets, and any combinations of these instruments.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. All derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Changes in the fair value of derivatives are recognised immediately in profit or loss.

Derivatives may be embedded in another contractual arrangement (a host contract). An embedded derivative is separated from the host contract and is accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the combined instrument is not measured at fair value with changes in fair value recognised in profit or loss. Derivatives embedded in financial assets or financial liabilities at fair value through profit or loss are not separated.

Although the Bank trades in derivative instruments for risk hedging purposes, these instruments do not qualify for hedge accounting.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Property and equipment

Owned assets

Items of property and equipment are stated at cost less accumulated depreciation and impairment losses.

Where an item of property and equipment comprises major components having different useful lives, they are accounted for as separate items of property and equipment.

Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of the individual assets. Depreciation commences on the first date of the month following the acquisition date or, in respect of internally constructed assets, from the time an asset is completed and ready for use. Land is not depreciated. The estimated useful lives are as follows:

Equipment	4 years
Fixtures and fittings	4 to 10 years
Motor vehicles	5 years
Leasehold improvements	Term of lease

Intangible assets

Intangible assets that are acquired by the Bank are stated at cost less accumulated amortisation and impairment losses.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful live is 10 years.

Impairment

Financial assets carried at amortised cost

Financial assets carried at amortised cost consist principally of loans and other receivables (loans and receivables). The Bank reviews its loans and receivables to assess impairment on a regular basis. A loan or receivable is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the loan or receivable and that event (or events) has had an impact on the estimated future cash flows of the loan that can be reliably estimated.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, breach of loan covenants or conditions, restructuring of a loan or advance on terms that the Bank would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, deterioration in the value of collateral, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers in the group, or economic conditions that correlate with defaults in the group.

The Bank first assesses whether objective evidence of impairment exists individually for loans and receivables that are individually significant, and individually or collectively for loans and receivables that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed loan or receivable, whether significant or not, it includes the loan in a group of loans and receivables with similar credit risk characteristics and collectively assesses them for impairment. Loans and receivables that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on a loan or receivable has been incurred, the amount of the loss is measured as the difference between the carrying amount of the loan or receivable and the present value of estimated future cash flows including amounts recoverable from guarantees and collateral discounted at the loan or receivable's original effective interest rate. Contractual cash flows and historical loss experience adjusted on the basis of relevant observable data that reflect current economic conditions provide the basis for estimating expected cash flows.

In some cases the observable data required to estimate the amount of an impairment loss on a loan or receivable may be limited or no longer fully relevant to current circumstances. This may be the case when a borrower is in financial difficulties and there is little available historical data relating to similar borrowers. In such cases, the Bank uses its experience and judgement to estimate the amount of any impairment loss.

All impairment losses in respect of loans and receivables are recognised in profit or loss and are only reversed if a subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

When a loan is uncollectable, it is written off against the related allowance for loan impairment. The Bank writes off a loan balance (and any related allowances for loan losses) when management determines that the loans are uncollectible and when all necessary steps to collect the loan are completed.

Financial assets carried at cost

Financial assets carried at cost include unquoted equity instruments included in available-for-sale assets that are not carried at fair value because their fair value cannot be reliably measured. If there is objective evidence that such investments are impaired, the impairment loss is calculated as the difference between the carrying amount of the investment and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

All impairment losses in respect of these investments are recognised in profit or loss and cannot be reversed.

Available-for-sale assets

Impairment losses on available-for-sale assets are recognised by transferring the cumulative loss that has been recognised in other comprehensive income to profit or loss as a reclassification adjustment. The cumulative loss that is reclassified from other comprehensive income to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

For an investment in an equity security available-for-sale, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Non-financial assets

Other non-financial assets, other than deferred taxes, are assessed at each reporting date for any indications of impairment. The recoverable amount of goodwill is estimated at each reporting date. The recoverable amount of non financial assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognised when the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

All impairment losses in respect of non financial assets are recognised in profit or loss and reversed only if there has been a change in the estimates used to determine the recoverable amount. Any impairment loss reversed is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Provisions

A provision is recognised in the statement of financial position when the Bank has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Credit related commitments

In the normal course of business, the Bank enters into credit related commitments, comprising undrawn loan commitments, letters of credit and guarantees, and provides other forms of credit insurance.

Financial guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

A financial guarantee liability is recognised initially at fair value net of associated transaction costs, and is measured subsequently at the higher of the amount initially recognised less cumulative amortisation or the amount of provision for losses under the guarantee. Provisions for losses under financial guarantees and other credit related commitments are recognised when losses are considered probable and can be measured reliably.

Financial guarantee liabilities and provisions for other credit related commitment are included in other liabilities.

Taxation

Income tax comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items of other comprehensive income or transactions with shareholders recognised directly in equity, in which case it is recognised within other comprehensive income or directly within equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and temporary differences related to investments in subsidiaries and associates where the parent is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences, unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Income and expense recognition

Interest income and expense are recognised in profit or loss using the effective interest method.

Accrued discounts and premiums on financial instruments at fair value through profit or loss are recognised in gains less losses from financial instruments at fair value through profit or loss.

Loan origination fees, loan servicing fees and other fees that are considered to be integral to the overall profitability of a loan, together with the related transaction costs, are deferred and amortised to interest income over the estimated life of the financial instrument using the effective interest method.

Other fees, commissions and other income and expense items are recognised in profit or loss when the corresponding service is provided.

Dividend income is recognised in profit or loss on the date that the dividend is declared.

Inflation accounting

The Russian Federation ceased to be hyperinflationary with effect from January 1, 2003 and, accordingly, no adjustments for hyperinflation are made for periods subsequent to this date. The hyperinflation-adjusted carrying amounts of the assets, liabilities and equity items as at December 31, 2002 became their carrying amounts as at January 1, 2003 for the purpose of subsequent accounting.

Changes in accounting policies

Starting from January 1, 2009 pursuant to the amendments to IAS 32 *Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation* (effective for annual periods beginning on or after January 1, 2009) the Bank has reclassified charter capital, other capital contributions, other reserves and retained earnings attributable to participants to equity.

Accordingly comparative information for the year ended December 31, 2008 and 2007 has been restated as follows:

(Rs. in 000's)

	Statement of financial position			
	As previously reported		**Restated**	
	2008	**2007**	**2008**	**2007**
Net assets attributable to participants	2,396,058	2,654,862	—	—
Equity				
Charter capital	—	—	2,623,808	2,623,808
Additional paid-in capital	—	—	260,638	260,638
Revaluation reserve for available-for-sale assets	—	—	(385,873)	(23,225)
Retained earnings (accumulated losses)	—	—	(102,515)	(206,359)
	2,396,058	**2,654,862**	**2,396,058**	**2,654,862**

Starting from January 1, 2009 the Bank adopted the revised version of IAS 1 Presentation of Financial Statements (effective for annual periods beginning on or after January 1, 2009). As a result the income statement is replaced by a statement of comprehensive income that also includes all non-owner changes in equity, such as the revaluation of available-for-sale assets. The balance sheet is renamed to the statement of financial position and the cash flow statement is renamed to the statement of cash flows. According to the revised IAS 1, a statement of financial position at the beginning of the earliest comparative period is presented whenever the entity restates comparatives due to reclassifications, changes in accounting policies, or corrections of errors.

New Standards and Interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective as at December 31, 2009, and are not applied in preparing these financial statements. Of these pronouncements, potentially the following will have an impact on the Bank's operations. The Bank plans to adopt these pronouncements when they become effective. The Bank has not yet analysed the likely impact of these pronouncements on its financial statements.

- IAS 27 and Separate Financial Statements (effective for annual periods beginning on or after July 1, 2009). The revised IAS 27 requires an entity to attribute total comprehensive income to the owners of the parent and to the non-controlling interests (previously minority interests) even if this results in the non-controlling interests having a deficit balance (the current standard requires the excess losses to be allocated to the owners of the parent in most cases). The revised standard specifies that changes in a parent's ownership interest in a subsidiary that do not result in the loss of control must be accounted for as equity transactions. It also specifies how an entity should measure any gain or loss arising on the loss of control of a subsidiary. At the date when control is lost, any investment retained in the former subsidiary will be measured at its fair value.

- IFRS 3 Business Combinations (effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after July 1, 2009). The revised IFRS 3 allows entities to choose to measure minority interest using the existing IFRS 3 method (proportionate share of the acquiree's identifiable net assets) or at fair value. The revised IFRS 3 is more detailed in providing guidance on the application of the purchase method to business combinations. The requirement to measure at fair value every asset and liability at each step in a step acquisition for the purposes of calculating a portion of goodwill has been removed. Instead, in a business combination achieved in stages, the acquirer must remeasure its previously held equity interest in the acquiree at its acquisition date fair value and recognise the resulting gain or loss, if any, in profit or loss. Acquisition-related costs are accounted for separately from the business combination and therefore recognised as expenses rather than included in goodwill. An acquirer must recognise at the acquisition date a liability for any contingent purchase consideration. Changes in the value of that liability after the acquisition date are recognised in accordance with other applicable IFRSs, as appropriate, rather than by adjusting goodwill. The revised IFRS 3 brings into its scope business combinations involving only mutual entities and business combinations achieved by contract alone.
- Revised IAS 24 Related Party Disclosures (2009) (effective for annual periods beginning on or after January 1, 2011) introduces an exemption from the basic disclosure requirements in relation to related party disclosures and outstanding balances, including commitments, for government-related entities. Additionally, the standard has been revised to simplify some of the presentation guidance that was previously non-reciprocal. The revised standard is to be applied retrospectively.
- Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (effective for annual periods beginning on or after February 1, 2010) clarifies that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount are classified as equity instruments even if the fixed amount is determined in foreign currency. A fixed amount can be determined in any currency provided that entity offers these instruments pro rata to all of the existing owners of the same class of its own non-derivative equity instruments.
- IFRS 9 Financial Instruments will be effective for annual periods beginning on or after January 1, 2013. The new standard is to be issued in several phases and is intended to replace IAS 39 Financial Instruments: Recognition and Measurement once the project is completed by the end of 2010. The first phase of IFRS 9 was issued in November 2009 and relates to the recognition and measurement of financial assets. The Bank recognises that the new standard introduces many changes to the accounting for financial instruments and is likely to have a significant impact on the Bank's financial statements. The impact of these changes will be analysed during the course of the project as further phases of the standard are issued.
- Amendment to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (effective for annual periods beginning on or after January 1, 2010) clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations.
- Amendment to IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions (effective for annual periods beginning on or after January 1, 2010) clarifies that the entity receiving goods or services in a share-based payment transaction that is settled by any other entity in the group or any shareholder of such an entity in cash or other assets is required to recognise the goods or services received in its financial statements.
- Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (effective for annual periods beginning on or after July 1, 2009) clarifies the classification of assets and liabilities on disposal of a subsidiary.
- IFRIC 17 Distributions of Non-cash Assets to Owners (effective for annual periods beginning on or after July 1, 2009) addresses the accounting for non-cash dividend distributions to owners. The interpretation clarifies when and how the non-cash dividend should be recognised and how the differences between the dividend paid and the carrying amount of the net assets distributed should be recognised.

Various Improvements to IFRSs which result in accounting changes for presentation, recognition or measurement purposes will come into effect not earlier than January 1, 2010.

NOTE 4 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flow are composed of the following items:

(Rs. in 000's)

	2009	2008
Cash	134,659	201,525
Nostro accounts with the CBR	328,671	380,725
	463,330	582,250

NOTE 5 – MANDATORY RESERVE DEPOSIT WITH THE CENTRAL BANK OF THE RUSSIAN FEDERATION

(Rs. in 000's)

	2009	2008
Minimum reserve deposit	131,545	25,673
	131,545	25,673

The mandatory reserve deposit with the CBR is a non-interest bearing deposit calculated in accordance with regulations issued by the CBR and whose withdraw ability is restricted. As such, the mandatory reserve deposit with the CBR is not included in cash and cash equivalents.

NOTE 6 – PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

(Rs. in 000's)

	2009	2008
Nostro accounts		
OECD banks	184,346	270,215
Other foreign banks	5,800	8,429
Largest 30 Russian banks	5,087	24,426
Other Russian banks	—	19
Total nostro accounts	195,233	303,089
Loans and deposits		
Other foreign banks	7,962,591	1,944,247
OECD banks	92,122	89,490
Largest 30 Russian banks	95	224,544
Other Russian banks	—	1,301,078
Total loans and deposits	8,054,808	3,559,359
Placements with other financial institutions		
State Corporation 'Bank for Development and Foreign Economic Affairs (Vnesheconombank)'	620,211	—
Moscow Interbank Currency Exchange	40,010	—
Total placements with other financial institutions	660,221	—
Total placements with banks	8,910,262	3,862,448

Concentration of placements with banks and other financial institutions

As at December 31, 2009 and 2008 the Bank had one and two banks, respectively, whose balances exceeded 10% of total placements with banks. The gross value of these balances as of December 31, 2009 and 2008 are Rs. 7,259,360 thousand and Rs. 2,656,960 thousand, respectively.

NOTE 7 – FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

(Rs. in 000's)

	2009	2008
Derivative financial instruments		
Foreign currency contracts	—	171,224
	—	171,224

Foreign currency contracts

The table below summarises, by major currencies, the contractual amounts of forward exchange contracts outstanding at December 31, 2008 with details of the contractual exchange rates and remaining periods to maturity. Foreign currency amounts presented below are translated at rates ruling at the reporting date. The resultant unrealised gains and losses on these unmatured contracts, along with the amounts payable and receivable on the matured but unsettled contracts, are recognised in profit or loss and in financial instruments at fair value through profit or loss, as appropriate.

(Rs. in 000's)

	Notional amount		Weighted average contractual exchange rates	
	2009	2008	2009	2008
Buy JPY sell USD				
Between 3 and 12 months	—	997,793	—	0.01
Buy USD sell GBP				
Between 3 and 12 months	—	250,591	—	0.64

In 2008 the Bank reclassified certain debt securities held for trading with effect from August 8, 2008 into available-for-sale assets following amendments to IAS 39 Financial instruments: Recognition and Measurement. For those quoted securities identified for reclassification, the Bank determined that the Georgian conflict in August 2008 in the context of the deterioration of the financial markets during the third quarter of 2008 constituted rare circumstances that permit reclassification out of the trading category.

The disclosures below detail the impact of the reclassifications on the financial statements:

(Rs. in 000's)

	December 31, 2009		December 31, 2008		August 8, 2008
	Carrying value	Fair value	Carrying value	Fair value	Carrying and fair value
Securities held for trading reclassified to available-for-sale assets	158,865	158,865	349,744	349,744	501,164
	158,865	**158,865**	**349,744**	**349,744**	**501,164**

Included in the table below are amounts related to financial instruments held by the Bank as at December 31, 2009.

(Rs. in 000's)

	2009		2008	
	Recognised for reclassified assets	Would have been recognised if the reclassifications were not made	Recognised for reclassified assets	Would have been recognised if the reclassifications were not made
Interest income	13,698	13,698	13,049	13,049
Gains (losses) from securities held for trading, net	—	78,995	—	(24,248)
Gains (losses) arising from available-for-sale assets, net	35,358	—	4,185	—
Total recognised in profit or loss for the period (before tax)	**49,056**	**92,693**	**17,234**	**(11,199)**
Net change in fair value of available-for-sale assets	43,637	—	(28,433)	—
Total amount recognised within the statement of comprehensive income for the period (before tax)	**92,693**	**92,693**	**(11,199)**	**(11,199)**

NOTE 8 – LOANS TO CUSTOMERS

(Rs. in 000's)

	2009	2008
Loans to legal entities		
Loans to corporate clients	**7,007,460**	*11,230,115*
Public sector customers		
Public administration	**100,322**	*221,381*
Loans to individuals		
Mortgage loans	**3,280,525**	*3,867,777*
Auto loans	**51,656**	*98,293*
Credit cards	**18,996**	*28,601*
Total loans to individuals	**3,351,177**	*3,994,671*
Gross loans to customers	**10,458,959**	*15,446,167*
Impairment allowance	**(172,672)**	*(71,846)*
Net loans to customers	**10,286,287**	*15,374,321*

Movements in the loan impairment allowance for the year ended December 31, are as follows:

(Rs. in 000's)

	2009	2008
Balance at the beginning of the year	**71,846**	*46,322*
Net charge (recovery)	**111,248**	*25,524*
Write-offs	**(10,422)**	—
Balance at the end of the year	**172,672**	*71,846*

As at December 31, 2009, interest accrued on impaired loans amount to Rs. 41,870 thousand (December 31, 2008: Rs. 4,047 thousand).

Credit quality of commercial loan portfolio

The following table provides information on the credit quality of the loans to legal entities portfolio as at December 31, 2009:

	(Rs. in 000's)			%
	Gross loans	Impairment	Net loans	Impairment to gross loans
Loans to corporate clients				
Loans for which no impairment has been identified:				
— Standard loans	5,990,223	(32,245)	5,957,978	0.54
— Watch list loans	344,924	(2,241)	342,682	0.65
Total loans for which no impairment has been identified	6,335,148	(34,487)	6,300,661	0.54
Impaired loans:				
— overdue more than 90 days and less than 1 year	672,312	(22,763)	649,549	3.39
Total impaired loans	672,312	(22,763)	649,549	3.39
Total loans to corporate clients	**7,007,460**	**(57,250)**	**6,950,209**	**0.82**

The following table provides information on the credit quality of the loans to legal entities portfolio as at December 31, 2008:

	(Rs. in 000's)			*%*
	Gross loans	*Impairment*	*Net loans*	*Impairment to gross loans*
Loans to corporate clients				
Loans for which no impairment has been identified:				
— Standard loans	*6,995,662*	*(17,482)*	*6,978,180*	*0.25*
— Watch list loans	*4,224,032*	*(27,457)*	*4,196,575*	*0.65*
Total loans for which no impairment has been identified	*11,219,694*	*(44,939)*	*11,174,755*	*0.40*
Impaired loans:				
— Overdue more than 1 year	*10,421*	*(10,421)*	—	*100.00*
Total impaired loans	*10,421*	*(10,421)*	—	*100.00*
Total loans to corporate clients	*11,230,115*	*(55,360)*	*11,174,755*	*0.49*

Loan impairment results from one or more events that occurred after the initial recognition of the loan and that have an impact on the estimated future cash flows associated with the loan, and which can be reliably estimated. Loans without individual signs of impairment do not have objective evidence of impairment that can be directly attributed to them.

The objective indicators of loan impairment include the following:

- overdue payments under the loan agreement
- significant difficulties in the financial conditions of the borrower
- deterioration in business environment, negative changes in the borrower's markets.

The Bank estimated loan impairment for loans to legal entities based on an analysis of the future cash flows for impaired loans and based on its past loss experience for portfolios of loans for which no indications of impairment has been identified.

Changes in these estimates could effect the loan impairment provision. For example, to the extent that the net present value of the estimated cash flows differs by one percent, the loan impairment provision on loans to legal entities as of December 31, 2009 would be Rs. 69,502 thousand lower/higher (December 31, 2008: Rs. 111,748 thousand).

During the year the Bank renegotiated commercial loans that would otherwise be past due or impaired amounting to Rs. 1,280,855 thousand. The Bank is currently in the process of renegotiating loans amounting to Rs. 653,800 thousand (December 31, 2008: Rs. 1,264,894 thousand). Such activity is aimed at managing customer relationships and maximising collection opportunities. Currently there are no signs of impairment for renegotiated loans and they are included in loans for which no impairment has been identified.

Analysis of collateral

The following table provides the analysis of the gross loans to legal entities portfolio, by types of collateral as at December 31, 2009:

	2009 (Rs. in 000's)	% of loan portfolio	*2008 (Rs. in 000's)*	*% of loan portfolio*
Guarantees of legal entities and individuals	**1,945,978**	**28%**	*3,605,864*	*32%*
Equipment and other property	**618,698**	**9%**	*1,039,165*	*9%*
Real estate	**368,561**	**5%**	*349,079*	*3%*
Other collateral	**1,148,977**	**16%**	*1,843,934*	*16%*
No collateral	**2,925,246**	**42%**	*4,392,073*	*40%*
Total	**7,007,460**	**100%**	*11,230,115*	*100%*

The amounts shown in the table above represent the gross value of the loans, and do not necessarily represent the fair value of the collateral.

Impaired or overdue loans with a gross value of Rs. 672,312 thousand are secured by collateral with a fair value of Rs. 1,519,579 thousand.

During the year ended December 31, 2009 the Bank did not obtain any assets by taking control of collateral accepted as security for loans to legal entities (December 31, 2008: nil).

Analysis of movements in the impairment allowance

Movements in the loan impairment allowance of loans to legal entities for the year ended December 31, are as follows:

(Rs. in 000's)	2009	*2008*
Loan impairment allowance as at January 1	**55,360**	*31,768*
Write-offs	**(10,421)**	*—*
Loan impairment losses during the year	**12,311**	*23,593*
Loan impairment allowance as at December 31	**57,250**	*55,361*

Credit quality of loans to public sector customers

The following table provides information on the credit quality of the loans to public sector customers portfolio as at December 31, 2009:

	(Rs. in 000's) Gross loans	Impairment	Net loans	% Impairment to gross loans
Loans to public sector customers				
Loans for which no impairment has been identified:				
— Standard loans	**100,322**	**—**	**100,322**	**—**
Total loans for which no impairment has been identified	**100,322**	**—**	**100,322**	**—**
Total loans to public sector customers	**100,322**	**—**	**100,322**	**—**

The following table provides information on the credit quality of the loans to public sector customers portfolio as at December 31, 2008:

	(Rs. in 000's) Gross loans	Impairment	Net loans	% Impairment to gross loans
Loans to public sector customers				
Loans for which no impairment has been identified:				
— Standard loans	**221,381**	**—**	**221,381**	**—**
Total loans for which no impairment has been identified	**221,381**	**—**	**221,381**	**—**
Total loans to public sector customers	**221,381**	**—**	**221,381**	**—**

There were no historical losses from loans to public sector customers.

Changes in estimates could effect the loan impairment provision. For example, to the extent that the net present value of the estimated cash flows differs by one percent, the loan impairment on loans to public sector customers as of December 31, 2009 would be Rs. 1,003 thousand lower/higher (December 31, 2008: Rs. 2,214 thousand).

Credit quality of loans to individuals

The following table provides information on the credit quality of loans to individuals collectively assessed for impairment as at December 31, 2009:

	(Rs. in 000's) Gross loans	Impairment	Net loans	% Impairment to gross loans
Mortgage loans				
— Not past due	**2,790,715**	**(1,818)**	**2,788,897**	**0.07**
— Overdue less than 30 days	**68,468**	**(2,311)**	**66,157**	**3.38**
— Overdue 30-89 days	**88,449**	**(8,984)**	**79,464**	**10.16**
— Overdue 90-179 days	**79,928**	**(16,028)**	**63,900**	**20.05**
— Overdue 180-360 days	**173,634**	**(41,747)**	**131,887**	**24.04**
— Overdue more than 360 days	**79,331**	**(25,267)**	**54,064**	**31.85**
Total mortgage loans	**3,280,525**	**(96,155)**	**3,184,369**	**2.93**
Auto loans				
— Not past due	**36,678**	**(116)**	**36,562**	**0.32**
— Overdue less than 30 days	**778**	**(73)**	**705**	**9.36**
— Overdue 30-89 days	**2,055**	**(567)**	**1,488**	**27.60**
— Overdue 90-179 days	**1,696**	**(756)**	**939**	**44.61**
— Overdue 180-360 days	**7,999**	**(5,596)**	**2,403**	**69.96**
— Overdue more than 360 days	**2,449**	**(2,449)**	**—**	**100.00**
Total auto loans	**51,655**	**(9,557)**	**42,097**	**18.50**
Credit cards				
— Not past due	**6,084**	**(144)**	**5,940**	**2.37**
— Overdue less than 30 days	**1,511**	**(184)**	**1,327**	**12.21**
— Overdue 30-89 days	**327**	**(96)**	**231**	**29.38**
— Overdue 90-179 days	**839**	**(476)**	**363**	**56.75**
— Overdue 180-360 days	**4,112**	**(2,685)**	**1,428**	**65.28**
— Overdue more than 360 days	**6,123**	**(6,123)**	**—**	**100.00**
Total credit card	**18,996**	**(9,708)**	**9,289**	**51.11**
Total loans to individuals	**3,351,176**	**(115,420)**	**3,235,755**	**3.44**

The following table provides information on the credit quality of loans to individuals collectively assessed for impairment as at December 31, 2008:

	(Rs. in 000's) Gross loans	*Impairment*	*Net loans*	*% Impairment to gross loans*
Mortgage loans				
— Not past due	*3,748,429*	*—*	*3,748,429*	*—*
— Overdue less than 30 days	*88,911*	*—*	*88,911*	*—*
— Overdue 30-89 days	*18,880*	*(1,516)*	*17,364*	*8.03*
— Overdue 180 - 360 days	*11,558*	*(8,003)*	*3,554*	*69.25*
Total mortgage loans	*3,867,778*	*(9,519)*	*3,858,258*	*0.25*
Auto loans				
— Not past due	*88,227*	*—*	*88,227*	*—*
— Overdue less than 30 days	*5,712*	*—*	*5,712*	*—*
— Overdue 30-89 days	*2,496*	*—*	*2,496*	*—*
— Overdue more than 360 days	*1,859*	*(1,859)*	*—*	*100.00*
Total auto loans	*98,294*	*(1,859)*	*96,435*	*1.89*
Credit cards				
— Not past due	*14,100*	*—*	*14,100*	*—*
— Overdue less than 30 days	*3,052*	*—*	*3,052*	*—*
— Overdue 30-89 days	*4,390*	*—*	*4,390*	*—*
— Overdue 90-179 days	*2,454*	*(1,350)*	*1,104*	*55.02*
— Overdue 180 - 360 days	*4,030*	*(3,182)*	*848*	*78.96*
— Overdue more than 360 days	*575*	*(575)*	*—*	*100*
Total credit card	*28,601*	*(5,107)*	*23,494*	*17.86*
Total loans to individuals	*3,994,673*	*(16,485)*	*3,978,187*	*0.41*

The Bank estimates loan impairment based on its past historical loss experience on these types of loans. The significant assumptions used by management in determining the impairment losses for loans to individuals include:

- loss migration rates are constant and can be estimated based on the historic loss migration pattern for the past 12 months

- for mortgage loans, the significant assumptions used by management in determining value of the collateral for overdue or impaired mortgage loans are as follows:
  - the lowest market comparables of the property pledged are used as a base
  - a discount of 30% is applied to market comparables
  - a delay of 1 year in obtaining proceeds from the disposal of the property pledged.

Changes in these estimates could effect the loan impairment provision. For example, to the extent that the net present value of the estimated cash flows differs by plus minus three percent, the loan impairment on loans to individuals as of December 31, 2009 would be Rs. 97,072 thousand lower/higher (December 31, 2008: Rs. 119,345 thousand).

Analysis of collateral

Mortgage loans are secured by the underlying housing real estate. Auto loans are secured by the underlying cars. Credit card overdrafts are not secured.

Analysis of movements in the impairment allowance

Movements in the loan impairment allowance by classes of loans to individuals for the year ended December 31, 2009 are as follows:

	Mortgage loans	Auto loans	Credit cards	Total
Loan impairment allowance as at 1 January	**9,519**	**1,859**	**5,108**	**16,485**
Loan impairment losses during the year	**86,637**	**7,699**	**4,601**	**98,937**
Loan impairment allowance as at December 31	**96,156**	**9,558**	**9,709**	**115,422**

Movements in the loan impairment allowance by classes of retail loans for the year ended December 31, 2008 are as follows:

	Mortgage loans	*Auto loans*	*Credit cards*	*Total*
Loan impairment allowance as at January 1	*11,409*	*2,479*	*667*	*14,554*
Loan impairment losses during the year	*(1,890)*	*(620)*	*4,441*	*1,931*
Loan impairment allowance as at December 31	*9,519*	*1,859*	*5,108*	*16,485*

Industry and geographical analysis of the loan portfolio

Loans to customers were issued primarily to customers located within the Russian Federation who operate in the following economic sectors:

		(Rs. in 000's)
	2009	*2008*
Mining/metallurgy	**1,752,405**	*1,946,547*
Finance	**1,565,697**	*2,697,695*
Manufacturing	**1,553,654**	*1,853,799*
Real estate	**776,312**	*1,072,189*
Trade	**687,077**	*2,213,230*
Machine-building	**653,801**	*899,503*
Municipal authorities	**100,322**	*221,381*
Oil and gas	**18,514**	*22,542*
Other	**—**	*524,610*
Loans to individuals	**3,351,177**	*3,994,671*
	10,458,959	*15,446,167*
Impairment allowance	**(172,672)**	*(71,846)*
	10,286,287	*15,374,321*

Significant credit exposures

As at December 31, 2009 the Bank had one group of connected borrowers, whose balances exceeded 10% of loans to customers (December 31, 2008: Nil). The gross value of these balances as of December 31, 2009 was Rs. 1,280,855 thousand. Subsequently, after the reporting date the exposure of connected borrowers reduced and Bank had no borrowers or groups of connected borrowers, respectively, for which loan balances exceed 10% of loans to customers.

Loan maturities

The maturity of the loan portfolio is presented in note 36, which shows the remaining period from the reporting date to the contractual maturity of the loans.

NOTE 9 – AVAILABLE-FOR-SALE ASSETS

		(Rs. in 000's)
	2009	*2008*
Held by the Bank		
Government and municipal bonds		
– Russian Government Federal bonds (OFZ)	**—**	*104,698*
– Volgograd municipality	**—**	*67,377*
Total government and municipal bonds	**—**	*172,075*
Corporate bonds		
– OJSC Chelyabinsk Tube Rolling Plant, 01	**—**	*114,428*
– LLC X5 Finance, 01	**—**	*114,773*
– OJSC KOKS, 02	**—**	*139,495*
– OJSC Wimm-Bill-Dann Foods, 02	**—**	*—*
– PJSC Stroytransgaz, 02	**—**	*102,824*
– Severstal, 2009	**—**	*186,851*
– OJSC Salavatnefteorgsintez, 02	**—**	*154,742*
– JSC OGK-5, 01	**—**	*153,226*
– OJSC Bashkirenergo, 03	**—**	*150,783*
– OJSC UMPO, 01	**—**	*143,285*
– LLC San InterBruy Finance, 02	**—**	*136,466*
– OJSC OGK-2, 01	**—**	*115,875*
– LLC Itera Finance, 01	**—**	*88,394*
– JSC Amurmetal	**—**	*38,222*
– JSC SIBUR Holding, 01	**—**	*20,477*
Total corporate bonds	**—**	*1,659,841*
Bonds issued by banks		
– OJSC Commercial Bank Petrocommerce	**—**	*161,100*
– Alfa Bank, 2012 (LPN)	**—**	*16,538*
Total bonds issued by banks	**—**	*177,638*
Promissory notes issued by banks		
– JSC VTB Bank	**305,026**	*—*
– Bank of Khanty-Mansiysk	**204,204**	*—*
Total promissory notes issued by banks	**509,230**	*—*
Total available-for-sale assets held by the bank	**509,230**	*2,009,554*
Pledged under credit line agreements with CBR		
Government and municipal bonds		
– Russian Government Federal bonds (OFZ)	**59,505**	*—*
– Volgograd municipality	**75,919**	*—*
Total Government and municipal bonds	**135,424**	*—*
Corporate bonds		
– OJSC Chelyabinsk Tube Rolling Plant, 01	**175,874**	*—*
– LLC X5 Finance, 01	**158,881**	*—*
– OJSC KOKS, 02	**155,670**	*—*
– PJSC Stroytransgaz, 02	**139,658**	*—*
– OJSC Wimm-Bill-Dann Foods, 02	**154,454**	*—*
– JSC Amurmetal	**120,353**	*—*
– OJSC Nijnekamskneftechim, 4	**—**	*154,257*
– JSC SIBUR Holding, 01	**—**	*132,921*
– OJSC Wimm-Bill-Dann Foods, 2	**—**	*112,305*
– OJSC Uralsvyazinform, 7	**—**	*27,725*
– OJSC TMK, 02	**—**	*8,867*
Total corporate bonds	**904,890**	*436,075*
Bonds issued by banks		
– JSC TransCreditBank, 02	**—**	*75,344*
– OJSC Bank Zenit, 03	**—**	*74,892*
– JSC TransCreditBank, 01	**—**	*27,226*
Total bonds issued by banks	**—**	*177,462*
Total available-for-sale assets pledged by the bank	**1,040,314**	*613,537*
Total available-for-sale assets	**1,549,544**	*2,623,091*

NOTE 10 – PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS

(Rs. in 000's)

	Equipment	Fixtures and fittings	Vehicles	Intangible Assets (Computer software)	Leasehold improvements	Total
Cost						
At January 1, 2009	44,441	29,466	2,604	44,896	29,982	151,389
Additions	550	—	—	7,862	—	8,412
Disposals	(3,855)	(16,054)	—	—	(9,966)	(29,875)
At December 31, 2009	41,136	13,412	2,604	52,758	20,016	129,926
Depreciation and amortisation						
At January 1, 2009	(19,431)	(7,616)	(1,837)	(5,145)	(9,361)	(43,390)
Depreciation and amortisation charge	(9,956)	(2,617)	(453)	(4,841)	(6,534)	(24,401)
Disposals	3,240	4,722	—		9,966	17,928
At December 31, 2009	(26,147)	(5,511)	(2,290)	(9,986)	(5,929)	(49,863)
Carrying value						
At December 31, 2009	14,989	7,901	314	42,772	14,087	80,063
At December 31, 2008	*25,011*	*21,850*	*767*	*39,751*	*20,621*	*108,000*

(Rs. in 000s)

	Equipment	*Fixtures and fittings*	*Vehicles*	*Intangible Assets (Computer software)*	*Leasehold improve-ments*	*Total*
Cost						
At January 1, 2008	*38,850*	*30,661*	*2,604*	*20,330*	*9,769*	*102,214*
Additions	*5,618*	*3,897*	—	*24,566*	*20,213*	*54,294*
Disposals	*(26)*	*(5,093)*	—	—	—	*(5,119)*
At December 31, 2008	*44,442*	*29,466*	*2,604*	*44,896*	*29,982*	*151,390*
Depreciation and amortisation						
At January 1, 2008	*(11,354)*	*(2,638)*	*(1,372)*	*(2,570)*	*(360)*	*(18,294)*
Depreciation and amortisation charge	*(8,081)*	*(5,401)*	*(465)*	*(2,575)*	*(9,001)*	*(25,523)*
Disposals	*5*	*423*	—	—	—	*428*
At December 31, 2008	*(19,430)*	*(7,616)*	*(1,837)*	*(5,145)*	*(9,361)*	*(43,389)*
Carrying value						
At December 31, 2008	*25,012*	*21,849*	*767*	*39,751*	*20,621*	*108,000*
At December 31, 2007	*27,496*	*28,023*	*1,232*	*17,759*	*9,409*	*83,919*

NOTE 11 – OTHER ASSETS

(Rs. in 000's)

	2009	2008
Prepayments	33,846	*43,207*
Rent advances	9,631	*9,631*
Income tax prepayments	4,109	*40,786*
Other tax prepayments	2,227	*2,598*
Other	4,732	*1,129*
Total other assets	54,545	*97,351*
Impairment allowance	(271)	—
	54,274	*97,351*

Analysis of movements in the impairment allowance

(Rs. in 000's)

	2009	2008
Balance at the beginning of the year	—	—
Net charge	271	—
Balance at the end of the year	271	—

As at December 31, 2009, included in other assets are overdue receivables of Rs. 3,973 thousand (December 31, 2008: nil) which are overdue for more than one year.

NOTE 12 – DEPOSITS AND BALANCES FROM BANKS

(Rs. in 000's)

	2009	2008
Term deposits	15,341,597	*16,401,758*
Due to Central Bank	—	*513,253*
	15,341,597	*16,915,011*

Amounts due to the Central Bank as at December 31, 2008 were collateralised by available for-sale-assets (Refer to note 9).

Concentration of deposits and balances from banks

As at December 31, 2009 and 2008 the Bank has two and two banks, respectively, whose balances exceeded 10% of total deposits and balances from banks. The gross value of these balances as of December 31, 2009 and 2008 are Rs. 14,825,708 thousand and Rs. 15,792,231 thousand, respectively.

NOTE 13 – CURRENT ACCOUNTS AND DEPOSITS FROM CUSTOMERS

(Rs. in 000's)

	2009	2008
Current accounts and demand deposits		
– Retail	129,373	*183,048*
– Corporate	266,220	*512,857*
Term deposits		
– Retail	117,618	*155,622*
– Corporate	1,699,446	*1,754,715*
	2,212,658	*2,606,242*

As of December 31, 2009, the Bank maintained customer deposit balances of Rs. 1,657,209 thousand (December 31, 2008: Rs. 1,368,000 thousand) that serves as collateral for loans and off-balance sheet credit instruments granted by the Bank.

Concentrations of current accounts and customer deposits

As of December 31, 2009 and 2008, the Bank has two and one customers, respectively, whose balances exceed 10% of total customer accounts. These balances as of December 31, 2009 and 2008 are Rs. 1,565,110 thousand and Rs. 1,350,739 thousand, respectively.

NOTE 14 – SUBORDINATED DEBT

(Rs. in 000's)

	2009	2008
Subordinated debt (ICICI Bank Limited)	960,262	*937,105*
	960,262	*937,105*

As at December 31, 2009 and 2008, the Bank had the following subordinated debt outstanding:

Principal amount (in US$ thousand)	Interest rate	Issue date	Maturity date	2009 Rs. in 000's	*2008* Rs. in 000's
8,000	6.65%	30 March 2006	30 March 2016	394,173	*382,915*
12,000	2.39%	26 March 2007	27 March 2017	566,089	*554,190*

NOTE 15 – OTHER LIABILITIES

(Rs. in 000's)

	2009	2008
Deferred income received	33,474	*122,162*
Accrued expenses	7,673	*7,924*
Income tax payables	133	*24,250*
Other taxes payable	8	*1,025*
Other	1,078	*1,683*
	42,366	*157,044*

NOTE 16 – EQUITY

Charter capital represents contributions made by the participant of the Bank.

Under new Russian legislation, a sole participant in a limited liability company does not have the unilateral right to withdraw from the company. Accordingly charter capital is classified as equity.

As at December 31, 2009 the charter capital of the Bank was Rs. 2,623,808 thousand (2008: Rs. 2,623,808 thousand).

NOTE 17 – NET INTEREST INCOME

	2009	2008 (Rs. in 000's)
Interest income		
Loans to customers	**1,132,979**	*1,160,898*
Available-for-sale assets	**199,792**	*339,579*
Placements with banks and other financial institutions	**146,644**	*217,014*
	1,479,415	*1,717,491*
Interest expense		
Deposits and balances from banks and other financial institutions	**604,486**	*920,098*
Current accounts and deposits from customers	**85,270**	*35,739*
Subordinated debt	**48,761**	*48,479*
Certificates of deposit and promissory notes	**17**	*71*
	738,534	*1,004,387*

NOTE 18 – FEE AND COMMISSION INCOME

	2009	2008 (Rs. in 000's)
Guarantee and letter of credit issuance fees	**46,193**	*3,728*
Fees related to loans	**20,703**	*25,367*
Settlement fees	**16,989**	*19,542*
Currency exchange fees	**7,144**	*6,301*
Agency services fees	**3,288**	*5,112*
Cash transaction fees	**735**	*1,924*
Account maintenance fees	**133**	*1,944*
Other	**2,037**	*2,409*
	97,222	*66,327*

NOTE 19 – FEE AND COMMISSION EXPENSE

	2009	2008 (Rs. in 000's)
Fees related to letters of credit	**11,311**	*8,329*
Settlement fees	**2,435**	*3,120*
Cash transactions fees	**890**	*462*
Fees for collection services	**676**	*—*
Credit card maintenance fees	**330**	*414*
Other	**1,296**	*747*
	16,938	*13,072*

NOTE 20 – NET LOSS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS AND AVAILABLE-FOR-SALE ASSETS

	2009	2008 (Rs. in 000's)
Realised loss on financial instruments at fair value through profit or loss	**—**	*(7,524)*
Realised loss on available-for-sale assets	**(14,782)**	*(19,668)*
	(14,782)	*(27,192)*

NOTE 21 – NET FOREIGN EXCHANGE INCOME

	2009	2008 (Rs. in 000's)
Gain/(loss) from revaluation of financial assets and liabilities	**165,250**	*(749,700)*
Gain/(loss) on spot transactions and derivatives	**(132,439)**	*767,768*
	32,811	*18,068*

NOTE 22 – OTHER INCOME

	2009	2008 (Rs. in 000's)
Income from provision of information services	**—**	*14,507*
Fines and penalties	**—**	*3,229*
Income from sale of loans	**—**	*1,490*
Other	**863**	*1,524*
	863	*20,750*

NOTE 23 – IMPAIRMENT LOSSES

	2009	2008 (Rs. in 000's)
Loans to customers	**(111,248)**	*(25,524)*
Other assets	**(271)**	*—*
	(111,519)	*(25,524)*

NOTE 24 – PERSONNEL EXPENSES

	2009	2008 (Rs. in 000's)
Employee compensation	**205,575**	*287,643*
Payroll related taxes	**21,801**	*33,350*
	227,376	*320,993*

NOTE 25 – OTHER GENERAL ADMINISTRATIVE EXPENSES

	2009	2008 (Rs. in 000's)
Rent	**50,997**	*75,274*
Depreciation and amortisation	**24,400**	*25,522*
Taxes other than on income	**17,508**	*35,345*
Professional services	**14,377**	*30,442*
Communications services	**13,122**	*13,768*
Loss from disposal of fixed assets	**9,809**	*—*
Repairs and maintenance	**9,215**	*10,897*
Information and consultation services	**8,146**	*7,602*
Travel expenses	**1,855**	*5,909*
Insurance	**860**	*5,148*
Advertising and marketing	**152**	*5,895*
Retail banking sales agents	**—**	*18,260*
Other expenses	**21,471**	*30,224*
	171,912	*264,286*

NOTE 26 – INCOME TAX EXPENSE

	2009	2008 (Rs. in 000's)
Current tax expense		
Current year	**37,151**	*70,212*
Over provided in prior years	**(4,109)**	*(1,459)*
	33,042	*68,753*
Deferred tax expense		
Origination and reversal of temporary differences	**35,338**	*(5,414)*
Total income tax expense	**68,380**	*63,339*

The applicable tax rate for current tax is 20% (2008: 24%). The Bank applied 20% deferred tax rate (2008: 20%).

Reconciliation of effective tax rate:

	2009		2008	
	Rs. in 000's	**%**	*Rs. in 000's*	*%*
Profit before tax	**329,251**		*167,181*	
Income tax at the applicable tax rate	**65,850**	**20**	*40,123*	*24*
Tax effect of non-deductible costs	**7,225**	**2**	*10,716*	*7*
Tax effect of items taxed at lower rate	**(586)**	**—**	*(1,376)*	*(1)*
Over provided tax in previous years	**(4,109)**	**(1)**	*(1,459)*	*(1)*
Difference from effect of change in tax rate	**—**	**—**	*15,335*	*9*
	68,380	**21**	*63,339*	*38*

Deferred tax asset and liability

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes give rise to net deferred tax assets as of December 31, 2009 and 2008. These deferred tax assets have been recognised in these financial statements. The future tax benefits will only be realised if profits will be available against which the unused tax losses can be utilised and there are no changes to the law and regulations that adversely affect the Bank's ability to claim the deductions in future periods.

Movements in temporary differences during the years ended December 31, 2009 and 2008 are presented as follows.

(Rs. in 000's)

	Balance January 1, 2009	Recognised in profit or loss	Recognised in othe comprehensive income	Balance December 31, 2009
Placements with banks and other financial institutions	2,626	(2,626)	—	—
Loans to customers	68,910	(25,716)	—	43,194
Available-for-sale assets	100,171	(4,085)	(78,646)	17,440
Property and equipment	(8,789)	(1,868)	—	(10,657)
Deposits and balances from banks and other financial institutions	(4,531)	2,662	—	(1,869)
Other	8,952	(3,705)	—	5,247
	167,339	(35,338)	(78,646)	53,355

(Rs. in 000's)

	Balance January 1, 2008	Recognised in profit or loss	Recognised in othe comprehensive income	Balance December 31, 2008
Financial instruments at fair value through profit or loss	25,079	(25,079)	—	—
Placements with banks and other financial institutions	3,519	(893)	—	2,626
Loans to customers	35,648	33,262	—	68,910
Available-for-sale assets	7,335	2,173	90,662	100,171
Property and equipment	(3,364)	(5,425)	—	(8,789)
Deposits and balances from banks and other financial institutions	(9,690)	5,159	—	(4,531)
Other	12,734	(3,782)	—	8,952
	71,261	5,415	90,662	167,339

Income tax recognised in other comprehensive income

The tax effects relating to components of other comprehensive income comprise:

(Rs. in 000's)

	2009			*2008*		
	Amount before tax	**Tax expense**	**Amount net-of-tax**	*Amount before tax*	*Tax expense*	*Amount net-of-tax*
Net change in fair value of available-for-sale assets	**393,231**	**(78,646)**	**314,585**	*(453,310)*	*90,662*	*(362,647)*
Other comprehensive income	**393,231**	**(78,646)**	**314,585**	*(453,310)*	*90,662*	*(362,647)*

NOTE 27 – RISK MANAGEMENT

Management of risk is fundamental to the business of banking and is an essential element of the Bank's operations. The major risks faced by the Bank are those related to market risk, which includes price, interest rate and currency risks, credit risk, liquidity risk and operational risk. In 2009 the Bank implemented an updated version of its Internal Capital Adequacy Assessment Process which is based on Basel II principals and includes stress testing and forecasts for the next 4 years. During the year the Bank was focusing on asset quality and additional control procedures.

Risk management policies and procedures

The Bank's risk management policies aim to identify, analyse and manage the risks faced by the Bank, to set appropriate risk limits and controls, and to continuously monitor risk levels and adherence to limits. Risk management policies and procedures are reviewed regularly to reflect changes in market conditions, products and services offered and emerging best practice.

The Supervisory Board of the Bank has overall responsibility for the oversight of the risk management framework, overseeing the management of key risks and reviewing its risk management policies and procedures as well as approving significantly large exposures.

The Executive Board of the Bank is responsible for monitoring and implementation of risk mitigation measures and making sure that the Bank operates within the established risk parameters. The Head of the Risk Management Group of the Bank is responsible for the overall risk management and compliance functions, ensuring the implementation of common principles and methods for identifying, measuring, managing and reporting both financial and non-financial risks. He reports directly to the President and CEO of the Bank.

Credit, market, liquidity and operational risks at portfolio and transactional levels are managed and controlled through a system of Credit Committees, an Operational and Reputation Risk Management Committee, Product and Process Approval Committee and an Asset and Liability Management Committee. In order to facilitate efficient decision-making, the Bank has established a hierarchy of credit committees depending on the type and amount of the exposure.

Both external and internal risk factors are identified and managed throughout the Bank's organisational structure. Particular attention is given to developing risk maps that are used to identify the full range of risk factors and serve as a basis for determining the level of assurance over the current risk mitigation procedures. Apart from the standard credit and market risk analysis, the Risk Management Group monitors financial and non-financial risks by holding regular meetings with operational units in order to obtain expert judgments in their areas of expertise.

During 2009 due to the global financial crisis the Bank implemented new control and limitation procedures, focused on concentration risk management, including review of industry limits.

Market risk

Market risk is the risk that movements in market prices, including foreign exchange rates, interest rates, credit spreads and equity prices will affect the Bank's income or the value of its portfolios. Market risks comprise currency risk, interest rate risk and other price risk. Market risk arises from open positions in interest rate, currency and equity financial instruments, which are exposed to general and specific market movements and changes in the level of volatility of market prices.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return on risk.

Overall authority for market risk is vested in the Executive Board and Asset and Liability Management Committee (ALMC), both chaired by the President and CEO of the Bank. Market risk limits are approved by ALMC and the Executive Board based on recommendations of the Risk Management Group.

The Bank manages its market risk by setting open position limits in relation to financial instrument, interest rate, maturity and currency positions and stop-loss limits which are monitored on a regular basis and reviewed and approved by the Executive Board.

The management of the interest rate risk component of market risk, by monitoring interest rate gaps, is supplemented by monitoring the sensitivity of the Bank's net interest margin to various standard and non-standard interest rate scenarios.

The Bank also utilises Value-at-Risk (VaR) methodology to monitor market risk of its trading positions.

Interest rate risk

Interest rate risk is the risk that movements in interest rates will affect income or the value of financial instruments.

The Bank is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may also reduce or create losses in the event that unexpected movements occur.

Interest rate risk arises when the actual or forecasted assets of a given maturity period are either greater or less than the actual or forecasted liabilities in that maturity period.

An analysis of sensitivity of profit or loss and equity to changes in interest rate repricing risk based on a simplified scenario of a 100 basis points (bps) symmetrical fall or rise in all yield curves and positions of interest-bearing assets and liabilities existing as at December 31, 2009 and 2008 is as follows:

(Rs. in 000's)

	2009		*2008*	
	Profit or loss	**Impact on equity**	*Profit or loss*	*Impact on equity*
100 bps parallel rise	**(10,688)**	**(10,688)**	*(17,964)*	*(17,964)*
100 bps parallel fall	**10,688**	**10,688**	*17,964*	*17,964*

Currency risk

The Bank has assets and liabilities denominated in several foreign currencies. Foreign currency risk arises when the actual or forecasted assets in a foreign currency are either greater or less than the liabilities in that currency. For further information on the Bank's exposure to currency risk at year end refer to note 37.

An analysis of sensitivity of profit or loss and equity to changes in the foreign currency exchange rates based on positions existing as at December 31, 2009 and 2008 and a simplified scenario of a 10% change in USD, Euro and other currencies exchange rates to Russian Rouble is as follows:

(Rs. in 000's)

	2009		*2008*	
	Profit or loss	**Impact on Equity**	*Profit or loss*	*Impact on Equity*
10% appreciation of USD against RUR	**(16,129)**	**(16,129)**	*(16,307)*	*(16,307)*
10% depreciation of USD against RUR	**16,129**	**16,129**	*16,307*	*16,307*
10% appreciation of EUR against RUR	**(198)**	**(198)**	*(17)*	*(17)*
10% depreciation of EUR against RUR	**198**	**198**	*17*	*17*
10% appreciation of other against RUR	**(992)**	**(992)**	*7,126*	*7,126*

(Rs. in 000's)

	2009		2008	
	Profit or loss	**Impact on Equity**	*Profit or loss*	*Impact on Equity*
10% depreciation of other against RUR	**992**	**992**	*(7,126)*	*(7,126)*

Value at Risk (VAR) estimates

VaR is a technique that estimates the potential losses that could occur on risk positions as a result of movements in market rates and prices over a specified time horizon and to a given level of confidence. The VaR model used by the Bank is based upon a 99 percent confidence level and assumes a 1 or 10-day holding period depending on the type of positions. The VaR model used is mainly based on historical simulation. The model derives plausible future scenarios based on historical market rate time series, taking into account inter-relationships between different markets and rates. Potential movements in market prices are determined with reference to market data from at least the last 12 months.

Although VaR is a valuable tool in measuring market risk exposures, it has a number of limitations, especially in less liquid markets:

- The use of historical data as a basis for determining future events may not encompass all possible scenarios, particularly those which are of an extreme nature.
- A 1 or 10-day holding period assumes that all positions can be liquidated or hedged within that period. This is considered to be a realistic assumption in almost all cases but may not be the case in situations in which there is severe market illiquidity for a prolonged period.
- The use of a 99% confidence level does not take into account losses that may occur beyond this level. There is a one percent probability that the loss could exceed the VaR.
- As VaR is only calculated on the end-of-day positions it does not necessarily reflect exposures that may arise on positions during the trading day.
- The VaR measure is dependent upon the Bank's position and the volatility of market prices. The VaR of an unchanged position reduces if market volatility declines and vice versa.

The Bank does not solely rely on its VaR calculations in its market risk measurement due to inherent risk of usage of VaR as described above. The limitations of the VaR methodology are recognised by supplementing VaR limits with other position and sensitivity limit structures, including limits to address potential concentration risks within each trading portfolio, and gap analysis.

A summary of the VaR estimates in respect of the Bank's portfolio of available-for-sale assets as at December 31, 2009 and 2008 is as follows:

(Rs. in 000's)

	2009	2008
Fixed income securities interest rate risk	**16,267**	*34,160*
	16,267	*34,160*

Credit risk

Credit risk is the risk of financial loss occurring as a result of default by a borrower or counterparty on their obligation to the Bank. The Bank has developed policies and procedures for the management of credit exposures (both for on balance sheet and off balance sheet exposures), including guidelines to limit portfolio concentration and the establishment of the Executive Credit Committee, which actively monitors the Bank's credit risk. The Bank's credit and recovery policy is reviewed and approved by the Supervisory Board.

The Bank's Credit and recovery policy establishes:

- Procedures for review and approval of loan/credit applications;
- Credit rating framework;
- Formation of reserves (provisions);
- Assessment of pledges;
- Methodology for the credit assessment of borrowers (corporate, public and retail);
- Methodology for the credit assessment of counterparties, issuers and insurance companies;
- Methodology for the evaluation of collateral;
- Credit documentation requirements;
- Limits on portfolio concentrations;
- Procedures for the ongoing monitoring of loans and other credit exposures.

Corporate loan/credit applications are originated by the Corporate Credit Department, which is responsible for the Bank's corporate loan portfolio. Reports produced by the department's credit analysts are based on a structured analysis focusing on the customer's business and financial performance. The loan/credit application and the report are then independently reviewed by the Risk Management Group's Credit Risk Manager and a second opinion with a credit rating is given accompanied by a check that credit policy requirements have been met. The Credit Committee reviews the loan/credit application on the basis of submissions by the Corporate Credit Department and the Risk Management Group. Individual transactions are also reviewed by the Bank's Legal, Security and Accounting departments depending on the specific risks and pending final approval of the Credit Committee.

The Bank continuously monitors the performance of individual credit exposures and regularly reassesses the creditworthiness of its customers. The review is based on the customer's most recent financial statements and other information submitted by the borrower, or otherwise obtained by the Bank. The current market value of collateral is regularly assessed by the Bank's specialists, and in the event of negative movements in market prices the borrower is usually requested to put up additional security.

Retail loan/credit applications are reviewed by the Bank's respective retail lending division (Mortgages, Auto loans, Credit Cards) through the use of parameters, stipulated in the retail policies and application data verification procedures developed together with the Risk Management Group. Approval of retail transactions lies with different authorities depending on the amount and deviation from the policy. Due to uncertainty in the financial status of potential borrowers the Bank did not disburse any retail loans in 2009.

Apart from individual customer analysis, the whole credit portfolio is assessed by the Risk Management Group with regard to credit concentration and market risks.

The Bank's maximum exposure to credit risk is generally reflected in the carrying amounts of financial assets on the balance sheet and off balance sheet exposures.

The Bank monitors concentrations of credit risk by industry/sector and by geographic location. For the analysis of concentration of credit risk in respect of loans and advances to customers refer to note 8.

The maximum exposure to on balance sheet credit risk at the reporting date is as follows:

(Rs. in 000's)

	2009	2008
ASSETS		
Nostro accounts with the CBR	**328,671**	*380,725*
Due from the Central Bank of the Russian Federation	**131,545**	*25,673*
Placements with banks and other financial institutions	**8,910,262**	*3,862,448*
Available-for-sale debt assets	**1,549,544**	*2,623,090*
Loans to customers	**10,286,287**	*15,374,321*
Other assets	**4,460**	*1,128*
Total maximum exposure to on balance sheet credit risk	**21,210,769**	*22,267,385*

For the analysis of concentration of credit risk in respect of loans to customers refer to note 8.

Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in raising funds to meet its commitments. Liquidity risk exists when the maturities of assets and liabilities do not match. The matching and/or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of financial institutions, including the Bank. It is unusual for financial institutions ever to be completely matched since business transacted is often of an uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

The Bank maintains liquidity management with the objective of ensuring that funds will be available at all times to honor all cash flow obligations as they become due. The Bank's liquidity policy is reviewed and approved by the Executive Board.

The Bank seeks to actively support a diversified and stable funding base comprising debt securities in issue, long-term and short-term loans from other banks, core corporate and retail customer deposits, accompanied by diversified portfolios of highly liquid assets, in order to be able to respond quickly and smoothly to unforeseen liquidity requirements.

The liquidity management policy of the Bank requires:

- projecting cash flows by major currencies and considering the level of liquid assets necessary in relation thereto;
- maintaining a diverse range of funding sources;
- managing the concentration and profile of debts;
- maintaining debt financing plans;
- maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any interruption to cash flow;
- maintaining liquidity and funding contingency plans;
- monitoring balance sheet liquidity ratios against regulatory requirements.

The Treasury Department receives information from business units regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. The Treasury Department then provides for an adequate portfolio of short-term liquid assets to be maintained, largely made up of short-term liquid trading securities, loans to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Bank as a whole.

Under normal market conditions, liquidity reports covering the liquidity position of the Bank are presented to senior management on a weekly basis. Decisions on the Bank's liquidity management are made by the Asset and Liability Management Committee and implemented by the Treasury Department.

The following tables show the undiscounted cash flows on the Bank's financial assets and liabilities and unrecognised loan commitments on the basis of their earliest possible contractual maturity. The total gross amount (inflow)/outflow disclosed in the table is the contractual, undiscounted cash flow on the financial liability or commitment. The Bank's expected cash flows on these financial liabilities and unrecognised loan commitments may vary significantly from this analysis.

The liquidity position as at December 31, 2009 is as follows:

(Rs. in 000's)

	Demand and less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 1 year	Total gross amount	Carrying amount
Non-derivative assets							
Placements with banks	4,409,328	—	2,457,629	2,133,671	—	9,000,628	8,910,262
Loans to customers	973,666	410,136	1,383,230	1,423,404	9,698,801	13,889,237	10,286,287
Available-for-sale assets	68,414	492,850	320,434	188,100	643,597	1,713,395	1,549,544
Total assets	5,451,408	902,986	4,161,293	3,745,175	10,342,398	24,603,260	20,746,093
Non-derivative liabilities							
Deposits and balances from banks	2,583,702	2,759,035	—	6,879,291	3,528,984	15,751,012	15,341,597
Current accounts and deposits from customers	1,613,003	23,729	26,993	542,551	18,414	2,224,690	2,212,658
Certificates of deposit and promissory notes	—	—	—	—	471	471	262
Subordinated debt	—	31,662	—	6,721	1,174,650	1,213,033	960,262
Other liabilities	3,764	7,183	1,063	29,827	532	42,369	42,366
Total liabilities	4,200,469	2,821,609	28,056	7,458,390	4,723,051	19,231,575	18,557,145
Net position	1,250,938	(1,918,624)	4,133,236	(3,713,215)	5,619,347	5,371,681	2,188,947
Credit related commitments	842,619	—	—	—	—	842,619	842,619

The liquidity position as at December 31, 2008 is as follows:

(Rs. in 000's)

	Demand and less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 1 year	Total gross amount	Carrying amount
Non-derivative liabilities							
Deposits and balances from banks and other financial institutions	*1,913,912*	*1,925,054*	*518,574*	*6,754,252*	*6,603,186*	*17,714,978*	*16,915,011*
Current accounts and deposits from customers	*994,234*	*559,905*	*56,786*	*935,569*	*138,249*	*2,684,743*	*2,606,242*
Promissory notes	—	—	—	—	*450*	*450*	*236*
Subordinated debt	—	*38,478*	—	*14,250*	*1,297,214*	*1,349,942*	*937,105*
Other liabilities	*4,643*	*36,193*	*40,909*	*10,228*	*65,072*	*157,045*	*157,044*
Derivative liabilities							
– Inflow	—	—	—	*(1,248,385)*	—	*(1,248,385)*	*(171,224)*
– Outflow	—	—	—	*1,077,161*	—	*1,077,161*	—
Total	*2,912,789*	*2,559,630*	*616,269*	*7,543,075*	*8,104,171*	*21,735,934*	*20,444,414*
Credit related commitments	*2,112,588*	—	—	—	—	*2,112,588*	*2,112,588*

A similar, but not identical, calculation is used to measure compliance with the liquidity limit established by the CBR.

NOTE 28 – CAPITAL MANAGEMENT

The CBR sets and monitors capital requirements for the Bank.

The Bank defines as capital those items defined by statutory regulation as capital for credit institutions. Under the current capital requirements set by the CBR, banks have to maintain a ratio of capital to risk weighted assets (statutory capital ratio) above the prescribed minimum level. As at December 31, 2009, this minimum level is 10%. The Bank is in compliance with the statutory capital ratio during the years ended December 31, 2009 and 2008.

The Bank also monitors its capital adequacy levels calculated in accordance with the requirements of the Basle Accord, as defined in the International Convergence of Capital Measurement and Capital Standards (updated April 1998) and Amendment to the Capital Accord to incorporate market risks (updated November 2007), commonly known as Basel I.

The following table shows the composition of the capital position calculated in accordance with the requirements of the Basle Accord, as at December 31:

(Rs. in 000's)

	2009	*2008*
Tier 1 capital		
Charter Capital	**2,623,808**	*2,623,808*
Additional paid-in capital	**260,638**	*260,638*
Retained earnings (accumulated losses)	**158,355**	*(102,516)*
Net unrealised losses on available-for-sale assets	**(71,288)**	*(385,873)*
Total tier 1 capital	**2,971,513**	*2,396,058*
Tier 2 capital		
Subordinated debt (unamortised portion)	**960,262**	*937,105*
Total tier 2 capital	**960,262**	*937,105*
Total capital	**3,931,775**	*3,333,163*
Risk-weighted assets		
Banking book	**11,257,496**	*16,326,303*
Trading book	**1,891,410**	*3,402,803*
Total risk weighted assets	**13,148,906**	*19,729,105*
Total capital expressed as a percentage of risk-weighted assets ("total capital ratio")	**29.90**	*16.89*
Total tier 1 capital expressed as a percentage of risk-weighted assets ("tier 1 capital ratio")	**22.60**	*12.14*

The risk-weighted assets are measured by means of a hierarchy of risk weights classified according to the nature of – and reflecting an estimate of credit, market and other risks associated with – each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses.

The Bank is subject to minimum capital adequacy requirements calculated in accordance with the Basle Accord established by covenants under liabilities incurred by the Bank. The Bank has complied with all externally imposed capital requirements during the years ended December 31, 2009 and 2008.

NOTE 29 – COMMITMENTS

The Bank has outstanding commitments to extend loans. These commitments take the form of approved loans and credit card limits and overdraft facilities.

The Bank provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These agreements have fixed limits and generally extend for a period of up to five years. The Bank also provides guarantees by acting as settlement agent in securities borrowing and lending transactions.

The contractual amounts of commitments are set out in the following table by category. The amounts reflected in the table for commitments assume that amounts are fully advanced. The amounts reflected in the table for guarantees and letters of credit represent the maximum accounting loss that would be recognised at the reporting date if counterparties failed completely to perform as contracted.

(Rs. in 000's)

	2009	*2008*
Contracted amount		
Guarantees and letters of credit	**591,290**	*1,361,222*
Loan and credit line commitments	**201,629**	*614,824*
Credit card commitments	**49,699**	*136,542*

The total outstanding contractual commitments above do not necessarily represent future cash requirements, as these commitments may expire or terminate without being funded.

NOTE 30 – OPERATING LEASES

Leases as lessee

Non-cancelable operating lease rentals are payable as follows:

(Rs. in 000's)

	2009	*2008*
Less than 1 year	**39,055**	*37,785*
Between 1 and 5 years	**82,720**	*117,115*
More than 5 years	**—**	*524*
	121,775	*155,424*

The Bank leases a number of premises under operating leases. The leases typically run for an initial period of five to ten years, with an option to renew the lease after that date. Lease payments are usually increased annually to reflect market rentals. None of the leases includes contingent rentals.

During 2009 Rs. 50,997 thousand is recognised as an expense in profit or loss in respect of operating leases (2008: Rs. 75,274 thousand).

NOTE 31 – CONTINGENCIES

Insurance

The insurance industry in the Russian Federation is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Bank does not have full coverage for its equipment, business interruption, or third party liability in respect of property or environmental damage arising from accidents on the Bank's property or relating to operations. Until the Bank obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on its operations and financial position.

Litigation

In the ordinary course of business, the Bank is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations.

Taxation contingencies

The taxation system in the Russian Federation is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities who have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open longer. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive position in their interpretation and enforcement of tax legislation.

These circumstances may create tax risks in the Russian Federation that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on the financial position, if the authorities were successful in enforcing their interpretations, could be significant.

NOTE 32 – TRUST AND CUSTODY ACTIVITIES

Custody activities

The Bank does not provide custody services to its customers, whereby it holds securities on behalf of customers and receives fee income for providing these services.

NOTE 33 – RELATED PARTY TRANSACTIONS

Control relationships

The party with ultimate control over the Bank (and also its direct parent company) is ICICI Bank Limited, India, which produces publicly available financial statements.

Transactions with the members of the Supervisory Board and the Executive Board

Total remuneration included in personnel expenses (refer to note 24):

	2009	2008
		(Rs. in 000's)
Members of the Supervisory Board of Directors	**6,636**	*12,103*
Members of the Executive Board of Directors	**11,261**	*10,672*
	17,897	*22,775*

The outstanding balances and average interest rates as of December 31, 2009 with the members of the Supervisory Board of Directors and the Executive Board of Directors are as follows:

	2009 (Rs. in 000's)	Average Interest Rate	*2008 (Rs. in 000's)*	*Average Interest Rate*
Statement of financial position				
Assets				
Loans to customers	**197**	**23.88%**	*74*	*23.88%*
Liabilities				
Current accounts and deposits from customers	**11,465**	**5.72%**	*5,277*	*6.17%*

Amounts included in the income statement in relation to transactions with the members of the Supervisory Board of Directors and the Executive Board of Directors are as follows:

	2009	2008
		(Rs. in 000's)
Profit or loss		
Interest income	**11**	*25*
Interest expense	**(341)**	*(126)*

Transactions with other related parties

Other related parties include ICICI Bank Limited (Parent company) and ICICI Bank UK PLC (subsidiary of the Parent company). The outstanding balances and the related average interest rates as of December 31, 2009 and related profit or loss amounts of transactions for the year ended December 31, 2009 with other related parties are as follows:

	Parent company		Other subsidiaries of the Parent company		Total
	Rs. in 000's	Average Interest Rate	Rs. in 000's	Average Interest Rate	Rs. in 000's
Statement of financial position					
Assets					
Placements with banks and other financial institutions	7,265,162	2.71	—	—	7,265,162
Liabilities					
Deposits and balances from banks	8,421,245	3.49	3,463,869	3.82	11,885,114
Subordinated debt	960,262	4.09	—	—	960,262
Income statement					
Interest income	98,434	—	2,072	—	100,506
Interest expense	(392,158)	—	(160,527)	—	(552,685)
Net loss on financial instruments at fair value through profit or loss	(127,511)	—	—	—	(127,511)

The outstanding balances and the related average interest rates as of December 31, 2008 and related profit or loss amounts of transactions for the year ended December 31, 2008 with other related parties are as follows:

	Parent company		Other subsidiaries of the Parent company		Total
	(Rs. in 000's)	Average Interest Rate	(Rs. in 000's)	Average Interest Rate	(Rs. in 000's)
Statement of financial position					
Assets					
Placements with banks and other financial institutions	1,952,641	0.6	33	—	1,952,674
Financial instruments at fair value through profit or loss	171,224	—	—	—	171,224
Liabilities					
Deposits and balances from banks	8,895,948	3.78	3,986,981	5.32	12,882,929
Subordinated debt	937,105	5.80	—	—	937,105
Income statement					
Interest income	586	—	—	—	586
Interest expense	(618,583)	—	(174,120)	—	(792,703)
Net loss on financial instruments at fair value through profit or loss	(181,168)	—	—	—	(181,168)

NOTE 34 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values of financial instruments at fair value through profit or loss and quoted available-for-sale assets are based on quoted market prices at the reporting date without any deduction for transaction costs.

The estimated fair values of all other financial assets and liabilities are calculated using discounted cash flow techniques based on estimated future cash flows and discount rates for similar instruments at the reporting date.

	2009		*2008*	(Rs. in 000's)
	Fair value	Carrying value	*Fair value*	*Carrying value*
ASSETS				
Loans to customers	**10,286,287**	**10,286,287**	*15,232,840*	*15,374,321*
Liabilities				
Deposits and balances from banks	**15,341,597**	**15,341,597**	*16,850,726*	*16,915,011*
Subordinated debt	**960,262**	**960,262**	*858,352*	*937,105*

The following table shows an analysis of financial instruments recorded at fair value, between those whose fair value is based on quoted market prices and those calculated using valuation techniques where all the model inputs are observable in the market as at December 31, 2009:

(Rs. in 000's)

	Quoted market prices	Valuation techniques based on market observable inputs	*Valuation techniques based on non market bservable inputs*	*Total*
Financial assets				
Available-for-sale assets	**919,961**	**509,230**	*120,353*	*1,549,544*

The following assumptions are used by management to estimate the fair values of financial instruments for which fair value is based on valuation techniques involving the use of non-market observable inputs:

- a discount rates of 16.58% was used for discounting future cash flows.

The estimates of fair value are intended to approximate the amount for which a financial instrument can be exchanged between knowledgeable, willing parties in an arm's length transaction. However given the uncertainties and the use of subjective judgment, the fair value should not be interpreted as being realisable in an immediate sale of the assets or settlement of liabilities.

NOTE 35 - AVERAGE EFFECTIVE INTEREST RATES

The table below displays average effective interest rates for interest bearing assets and liabilities as at December 31, 2009 and 2008 and their corresponding average effective interest rates at those dates.

(Rs. in 000's)

	2009			*2008*		
	RUR	USD	Other currency	*RUR*	*USD*	*Other currency*
Interest bearing assets						
Placements with banks and other financial institutions	**5.00%**	**2.56%**	**0.15%**	—	*3.41%*	*0.60%*
Loans to customers	**12.91%**	**6.75%**	**4.19%**	*12.46%*	*7.10%*	*7.24%*
Available-for-sale assets	**8.71%**	—	—	*8.56%*	*8.01%*	—
Interest bearing liabilities						
Deposits and balances from banks	—	**3.62%**	**1.56%**	—	*4.21%*	*2.56%*
Deposits and balances from Central Bank	—	—	—	*10.25%*	—	—
Current accounts and deposits from customers						
- Term deposits	**10.25%**	**1.05%**	**5.43%**	*8.47%*	*7.29%*	*5.40%*
Certificates of deposit and promissory notes	—	—	**10.00%**	—	—	*10.00%*
Subordinated debt	—	**4.14%**	—	—	*5.80%*	—

NOTE 36 - MATURITY ANALYSIS

The following table shows assets and liabilities by remaining contractual maturity dates as at December 31, 2009.

(Rs. in 000's)

	Less than 1month	1 to 3 months	3 to 12 month	1 to 5 years	More than 5 years	No maturity	Overdue	Total
ASSETS								
Cash and cash equivalents	463,330	—	—	—	—	—	—	463,330
Due from the Central Bank of the Russian Federation	31,397	20,745	53,837	25,566	—	—	—	131,545
Placements with banks and other financial institutions	4,408,176	—	4,502,086	—	—	—	—	8,910,262
Loans to customers	407,757	289,529	1,648,787	4,725,981	2,160,328	—	1,053,905	10,286,287
Available-for-sale assets	54,494	478,356	442,132	524,644	49,918	—	—	1,549,544
Property, equipment and intangible assets	—	—	—	—	—	80,064	—	80,064
Deferred tax asset	—	—	—	—	—	53,354	—	53,354
Other assets	646	7,625	15,563	28,857	—	1,581	—	54,274
Total assets	5,365,800	796,255	6,662,405	5,305,048	2,210,246	134,999	1,053,905	21,528,658

(Rs. in 000's)

	Less than 1 month	1 to 3 months	3 to 12 month	1 to 5 years	More than 5 years	No maturity	Overdue	Total
LIABILITIES								
Deposits and balances from banks	2,578,728	2,745,452	6,622,772	3,394,645	—	—	—	15,341,597
Current accounts and deposits from customers	1,611,072	22,951	561,657	16,978	—	—	—	2,212,658
Certificates of deposit and promissory notes	—	—	—	—	262	—	—	262
Subordinated debt	—	—	—	—	960,262	—	—	960,262
Other liabilities	3,764	7,183	30,886	533	—	—	—	42,366
Total liabilities	4,193,564	2,775,586	7,215,315	3,412,156	960,524	—	—	18,557,145
Net position as at December 31, 2009	1,172,236	(1,979,329)	(552,910)	1,892,892	1,249,722	134,999	1,053,905	2,971,515
Net position as at December 31, 2008	940,957	573,263	(3,287,610)	1,595,802	2,170,053	275,851	127,741	2,396,057
Cumulative net position as at December 31, 2009	1,172,236	(807,092)	(1,360,003)	532,887	1,782,609	1,917,609	2,971,514	2,971,515
Cumulative net position as at December 31, 2008	940,957	1,514,217	(1,773,393)	(177,590)	1,992,463	2,268,317	2,396,058	2,396,057

The amounts in this table represent the carrying amounts of the assets and liabilities as at the reporting date and do not include future interest payments.

(Rs. in 000's)

	RUR	USD	Other currencies	Total
ASSETS				
Cash and cash equivalents	**389,574**	**53,192**	**20,564**	**463,330**
Minimum reserve deposit at the Central Bank of the Russian Federation	**131,545**	—	—	**131,545**
Placements with banks and other financial institutions	**622,243**	**5,314,724**	**2,973,295**	**8,910,262**
Loans to customers	**607,831**	**8,808,257**	**870,198**	**10,286,286**
Available-for-sale assets	**1,549,544**	—	—	**1,549,544**
Property, equipment and intangible assets	**80,064**	—	—	**80,064**
Deferred tax asset	**53,354**	—	—	**53,354**
Other assets	**54,273**	—	—	**54,273**
Total assets	**3,488,428**	**14,176,173**	**3,864,057**	**21,528,658**
LIABILITIES				
Deposits and balances from banks	—	**11,527,627**	**3,813,970**	**15,341,597**
Current accounts and deposits from customers	**258,557**	**1,894,469**	**59,632**	**2,212,658**
Certificates of deposit and promissory notes	—	—	**262**	**262**
Subordinated debt	—	**960,262**	—	**960,262**
Other liabilities	**41,841**	**136**	**389**	**42,366**
Total liabilities	**300,398**	**14,382,494**	**3,874,253**	**18,557,145**
Net on balance sheet position as of December 31, 2009	**3,188,030**	**(206,321)**	**(10,196)**	**2,971,513**
Net off balance sheet position as of December 31, 2009	—	**4,688**	**(4,688)**	—
Net on and off balance sheet positions as of December 31, 2009	**3,188,030**	**(201,633)**	**(14,884)**	**2,971,513**
Net on and off balance sheet positions as of December 31, 2008	*2,636,140*	*(407,695)*	*167,612*	*2,396,057*

ICICI PRUDENTIAL ASSET MANAGEMENT COMPANY LIMITED

17TH ANNUAL REPORT AND ACCOUNTS 2009-2010

Directors
Chanda D. Kochhar, *Chairperson*
Dileep Choksi
N. S. Kannan
Swati A. Piramal
Barry Stowe
Vijay Thacker
Vikram Trivedi
Nimesh Shah, *Managing Director*
Nilesh Shah, *Deputy Managing Director*

Auditors
B S R & Associates.
Chartered Accountants

Saurabh Gangrade
Company Secretary

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

Corporate Office
3rd Floor, Hallmark
Business Plaza,
Sant Dyaneshwar Marg,
Bandra (East),
Mumbai - 400 051

directors' report

to the members

The Directors have pleasure in presenting the Seventeenth Annual Report, together with the audited accounts of ICICI Prudential Asset Management Company Limited (the Company), for the year ended March 31, 2010.

Financial Results

The salient features of the Company's financial results for fiscal 2010 are as follows:

(Rs. in millon)

	Fiscal 2009	**Fiscal 2010**
Gross Income	*3,218.91*	**4,661.01**
Expenses	*3,215.55*	**2,733.97**
Profit/(Loss) before Tax	*3.37*	**1,927.04**
Provision for Taxation	*(3.74)*	**646.78**
Profit/(Loss) after Tax	*7.11*	**1,280.26**
Profit/(Loss) brought forward from previous year	*295.01*	**136.19**
Profit available for appropriation	*302.12*	**1,416.44**
APPROPRIATIONS		
Transfer to General Reserve	*0.71*	**128.03**
Transfer to Contingency Reserve	*0.00*	**0.00**
Interim Dividend	*141.22*	**803.17**
Dividend (Final)	*0.00*	**0.00**
Dividend Tax	*24.00*	**136.50**
Balance Profit Carried Forward	*136.19*	**348.75**

DIVIDEND

The Directors of the Company have pleasure in informing that the Company had declared interim dividend during the year in the following manner:

Record date for dividend	Rate of dividend	Total dividend amount (Rs. in million)
September 24, 2009	Rs. 15 per share (150% of the face value)	264.78
December 24, 2009	Rs. 12.5 per share (125% of the face value)	220.65
March 25, 2010	Rs. 18 per share (180% of the face value)	317.74

OPERATIONS DURING THE YEAR

The Company acts as an Investment Manager to ICICI Prudential Mutual Fund (the Fund/ Mutual Fund) which at March 31, 2010 was amongst the top three Mutual Funds in India.

a. **Average Assets Under Management (AUM):** During the year under review, the average assets under management of ICICI Prudential Mutual Fund stood at Rs. 810,176.24 million at March 31, 2010 as compared to Rs. 514,561.11 million at March 31, 2009.

b. **Awards received by ICICI Prudential:** The Directors are pleased to inform you that during the period under review, the following awards were won by the Fund:

(i) **Brand Equity "Most Trusted Brands Survey - 2009"**

ICICI Prudential Mutual Fund has been voted as the Most Trusted Mutual Fund brand by Brand Equity Most Trusted Brands Survey 2009.

(ii) **CNBC-TV18 - CRISIL Mutual Fund Awards 2010**

- ICICI Prudential Mutual Fund adjudged as "Debt Mutual Fund House of the Year".
- ICICI Prudential Target Returns Fund (There is no guarantee or assurance of returns) has been awarded as the "Most Innovative Fund of the Year".
- ICICI Prudential Liquid Plan was among the only two schemes that won the CNBC TV18 – CRISIL Mutual Fund of the year award in the Liquid Funds category.
- ICICI Prudential Gilt Fund - Investment - PF Option was the only scheme that won the CNBC TV18 - CRISIL Mutual Fund of the Year Award in the Gilt Funds category.

(iii) **Lipper Fund Awards 2010 India**

- ICICI Prudential Dynamic Plan-Growth has been awarded as the Best Fund over 3 Years & 5 Years in the Mixed Asset INR Flexible category.
- ICICI Prudential Gilt Fund – Investment Plan - PF Option - Growth has been awarded as the Best Fund over 3 Years & 5 Years in the Bond Indian Rupee – Government category.

(iv) **Morning Star Mutual Fund Awards – 2009**

- India Debt Fund House Award – 2009
- ICICI Prudential Tax Plan–Runner up Award in the ELSS Category.

(v) **ICRA Mutual Fund Awards – 2010**

- ICICI Prudential Discovery Fund ranked as Seven Star Gold Fund in the Open Ended Equity Diversified Defensive category.
- ICICI Prudential Tax Plan ranked as Seven Star Gold Fund in the Open Ended Equity - Tax Planning category.
- ICICI Prudential Gilt Fund - Treasury Plan ranked as Seven Star Gold Fund in the Open Ended Gilt Category.
- ICICI Prudential Child Care Plan – Gift Plan ranked as a Five Star Fund in the 'Open Ended Balance' category.

c. **Operations and Consumer Service:** The Company has been rendering timely and efficient services to its customers through its 26 branches located at various locations across the country.

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 at March 31, 2010 stood at 708 against 714 at March 31, 2009.

UPDATE ON NEW PRODUCTS

During the year ended March 31, 2010, the 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 million)
1.	ICICI Prudential Target Returns Fund (an Open Ended Diversified Equity Fund. There is no guarantee or assurance of returns)	Open-ended diversified Equity Fund	May 28, 2009	8008.28
2.	ICICI Prudential Medium Term Plan	Open Ended Income Fund	June 12, 2009	0.32
3.	ICICI Prudential Ultra Short Term Plan	Open Ended Income Fund	June 12, 2009	9.56
4.	ICICI Prudential R.I.G.H.T (Rewards of Investing and Generation of Healthy Tax Savings)	A Close Ended Equity Linked Savings Scheme	September 26, 2009	858.61
5.	ICICI Prudential Banking and PSU Debt Fund	Open Ended Debt Fund	January 01, 2010	1.70

During the year the Company launched various Fixed Maturity Plans and raised an aggregate amount of Rs. 27,145.97 million during respective new fund offer periods.

PERFORMANCE OF THE SCHEMES OF ICICI PRUDENTIAL MUTUAL FUND

Your Company is acting as the Investment Manager for thirty two open ended schemes, twelve close-ended schemes and four debt oriented interval schemes, of the Fund. The Net Asset Value (NAV) and average AUM of various schemes of the Fund is given below:

Open Ended Schemes:

Scheme Name	Date of Allotment	Average AUM at March 31, 2010 (Rs. in million)	Net Assets Value per unit at March 31, 2010 (Rs.) - For Growth option
ICICI Prudential Power	October 01, 1994	7,030.34	102.94
ICICI Prudential Liquid Plan	June 24, 1998	106,635.75	222.64
ICICI Prudential Growth Plan	July 09, 1998	3,846.11	125.02
ICICI Prudential Income Plan	July 09, 1998	9,275.16	29.92
ICICI Prudential FMCG Fund	March 31, 1999	654.35	52.61
ICICI Prudential Tax Plan	August 19, 1999	11,230.78	127.34
ICICI Prudential Gilt Fund - Investment Plan	August 19, 1999	3,341.05	31.39
ICICI Prudential Gilt Fund – Treasury Plan	August 19, 1999	2,660.81	24.37
ICICI Prudential Balanced Fund	November 03, 1999	2,620.16	41.45
ICICI Prudential Technology Fund	March 03, 2000	1,079.40	14.55
ICICI Prudential Monthly Income Plan	November 10, 2000	5,647.25	24.15
ICICI Prudential Child Care Plan – Gift Option	August 31, 2001	1,539.26	52.80
ICICI Prudential Child Care Plan – Study Option	August 31, 2001	309.74	26.59
ICICI Prudential Short Term Plan	October 25, 2001	21,998.21	19.07
ICICI Prudential Index Fund	February 26, 2002	966.01	48.30
ICICI Prudential Sweep Plan	March 06, 2002	14.00	129.03
ICICI Prudential Long Term Plan	March 28, 2002	1,379.41	19.71
ICICI Prudential Flexible Income Plan	September 27, 2002	312,968.37	104.76
ICICI Prudential Dynamic Plan	October 31, 2002	20,326.77	95.27
Sensex Prudential ICICI Exchange Traded Fund	January 10, 2003	9.64	181.87
ICICI Prudential Floating Rate Plan - Plan B	March 28, 2003	42,109.37	152.95
ICICI Prudential Gilt Fund - Investment Plan- PF Option	November 19, 2003	775.09	18.25
ICICI Prudential Advisor Series- Aggressive Plan	December 18, 2003	76.53	27.56
ICICI Prudential Advisor Series- Cautious Plan	December 18, 2003	39.46	17.39
ICICI Prudential Advisor Series- Moderate Plan	December 18, 2003	76.65	23.04
ICICI Prudential Advisor Series- Very Aggressive Plan	December 18, 2003	82.47	32.21
ICICI Prudential Advisor Series- Very Cautious Plan	December 18, 2003	12.62	14.58
ICICI Prudential Gilt Fund – Treasury Plan -PF Option	February 11, 2004	510.56	15.38
ICICI Prudential Income Multiplier Fund	March 30, 2004	3,640.99	18.27
ICICI Prudential Discovery Fund	August 16, 2004	8,757.63	43.13
ICICI Prudential Long Term Floating Rate Plan - Plan B	September 15, 2004	1,700.17	14.66
ICICI Prudential Emerging S.T.A.R. (Stocks Targeted At Returns) Fund	October 28, 2004	4,421.29	14.66
ICICI Prudential Blended Plan – Plan A	May 31, 2005	3,151.32	13.95
ICICI Prudential Blended Plan – Plan B	May 31, 2005	240.22	13.79
ICICI Prudential Infrastructure Fund	August 31, 2005	40,340.74	29.28
ICICI Prudential Services Industries Fund	November 30, 2005	3,439.31	16.34
ICICI Prudential Equity & Derivatives Fund - Income Optimiser Plan	December 30, 2006	3,528.42	12.50
ICICI Prudential Equity & Derivatives Fund - Wealth Optimiser Plan	December 30, 2006	3,523.11	12.63
ICICI Prudential Fusion Fund Series II	March 31, 2007	7,455.90	12.31
ICICI Prudential Interval Fund – Monthly Interval Plan – I	May 12, 2007	3.52	12.16
ICICI Prudential Interval Fund – Quarterly Interval Plan – I	May 15, 2007	45.13	12.37
ICICI Prudential Interval Fund Quarterly Interval Plan - II	June 15, 2007	10.99	12.20
ICICI Prudential Interval Fund Quarterly Interval Plan - III	July 20, 2007	4.22	11.88
ICICI Prudential Interval Fund - Annual Interval Plan I	August 17, 2007	29.98	12.36
ICICI Prudential Interval Fund – Annual Interval Plan II	October 05, 2007	23.35	12.19
ICICI Prudential Interval Fund – Half Yearly Interval Plan I	October 12, 2007	0.37	11.87
ICICI Prudential Interval Fund – Annual Interval Plan III	October 18, 2007	23.59	12.16
ICICI Prudential Indo Asia Equity Fund	October 18, 2007	4,885.87	9.73
ICICI Prudential Interval Fund – Annual Interval Plan IV	October 24, 2007	6.42	12.11
ICICI Prudential Interval Fund II – Quarterly Interval Plan A	October 24, 2007	4.23	12.00
ICICI Prudential Interval Fund – Half Yearly Interval Plan II	November 07, 2007	3.49	11.70
ICICI Prudential Interval Fund II – Quarterly Interval Plan B	November 07, 2007	2.98	11.76
ICICI Prudential Interval Fund II – Quarterly Interval Plan C	November 23, 2007	40.64	11.97
ICICI Prudential Interval Fund II – Quarterly Interval Plan D	December 05, 2007	2.75	12.53
ICICI Prudential Interval Fund II – Quarterly Interval Plan F	December 27, 2007	90.40	11.59

Continued

Scheme Name	Date of Allotment	Average AUM at March 31, 2010 (Rs. in million)	Net Assets Value per unit at March 31, 2010 (Rs.) - For Growth option
ICICI Prudential Focused Equity Fund	May 23, 2008	11,869.34	14.20
ICICI Prudential Income Opportunities Fund	August 18, 2008	959.33	12.80
ICICI Prudential Banking and Financial Services Fund	August 22, 2008	1,076.71	15.42
ICICI Prudential Interval Fund V – Monthly Interval Plan A	September 05, 2008	1.22	10.96
ICICI Prudential Interval Fund IV- Quarterly Interval Plan B	September 24, 2008	292.56	11.06
ICICI Prudential Target Returns Fund (an Open Ended Diversified Equity Fund. There is no guarantee or assurance of returns	May 28, 2009	4,397.82	12.72
ICICI Prudential Medium Term Plan	June 12, 2009	11,820.80	10.24
ICICI Prudential Ultra Short Term Plan	June 12, 2009	79,975.62	10.31
ICICI Prudential Banking and PSU Debt Fund	January 01, 2010	17,063.80	10.11

Close-ended Schemes:

Scheme Name	Date of Allotment	Average AUM at March 31, 2010 (Rs. in million)	Net Assets Value per unit at March 31, 2010 (Rs.) - For Growth option
ICICI Prudential Fusion Fund	March 25, 2006	4,207.94	13.26
ICICI Prudential Real Estate Securities Fund	December 31, 2007	3,574.94	10.49
ICICI Prudential Fixed Maturity Plan Series 33 – Plan A	February 28, 2008	1,676.33	10.47
ICICI Prudential Fusion Fund Series - III	March 15, 2008	5,874.28	11.95
ICICI Prudential Fixed Maturity Plan Series 45 – Three Year Plan - Growth	September 01, 2008	5,855.61	12.38
ICICI Prudential Fixed Maturity Plan Series 48 – Three Years Plan A - Growth	October 16, 2008	1,877.55	12.37
ICICI Prudential Fixed Maturity Plan Series 45 – 20 Months Plan - Growth	September 17, 2008	117.94	11.94
ICICI Prudential Fixed Maturity Plan Series 44 – Eighteen Months Plan - Growth	October 17, 2008	161.74	11.75
ICICI Prudential S.M.A.R.T. (Structured Methodology Aimed At Returns over Tenure) Fund – 24 Months Series C	October 20, 2008	1,897.11	12.64
ICICI Prudential S.M.A.R.T. (Structured Methodology Aimed At Returns over Tenure) Fund – 36 Months Series F	October 20, 2008	1,676.57	14.53
ICICI Prudential S.M.A.R.T. (Structured Methodology Aimed at Returns over Tenure) Fund – 24 Months Series D	December 05, 2008	315.67	13.23
ICICI Prudential Fixed Maturity Plan Series 48 – Three Years Plan B - Growth	December 11, 2008	153.45	11.87
ICICI Prudential S.M.A.R.T. (Structured Methodology Aimed at Returns over Tenure) Fund – 36 Months Series H	December 19, 2008	82.32	14.09
ICICI Prudential S.M.A.R.T. (Structured Methodology Aimed at Returns over Tenure) Fund – 36 Months Series G	December 22, 2008	124.73	17.25
ICICI Prudential S.M.A.R.T. (Structured Methodology Aimed at Returns over Tenure) Fund – 15 Months Series B	January 06, 2009	82.76	11.87

Scheme Name	Date of Allotment	Average AUM at March 31, 2010 (Rs. in million)	Net Assets Value per unit at March 31, 2010 (Rs.) - For Growth option
ICICI Prudential S.M.A.R.T. (Structured Methodology Aimed at Returns over Tenure) Fund – 24 Months Series E	January 06, 2009	81.67	11.67
ICICI Prudential Fixed Maturity Plan – Series 49 – One Year Plan A	July 03, 2009	887.83	10.44
ICICI Prudential R.I.G.H.T. (Rewards of Investing and Generation of Healthy Tax Savings) Fund	September 26, 2009	902.19	10.97
ICICI Prudential Fixed Maturity Plan – Series 49 – Three Years Plan A	September 25, 2009	607.89	10.50
ICICI Prudential Fixed Maturity Plan – Series 49 – One Year Plan B	September 29, 2009	3,078.52	10.34
ICICI Prudential Fixed Maturity Plan – Series 49 – One Year Plan C	October 23, 2009	58.13	10.18
ICICI Prudential Fixed Maturity Plan – Series 49 – Three Years Plan B	November 06, 2009	170.42	10.27
ICICI Prudential Fixed Maturity Plan – Series 50 – Eighteen Months Plan A	November 19, 2009	99.26	10.25
ICICI Prudential Fixed Maturity Plan – Series 50 – Eighteen Months Plan B	November 19, 2009	319.24	10.26
ICICI Prudential Fixed Maturity Plan – Series 50 – 19 Months Plan A	December 24, 2009	700.03	10.16
ICICI Prudential Fixed Maturity Plan Series 51 – 15 Months Plan E	February 19, 2010	896.00	10.14
ICICI Prudential Fixed Maturity Plan Series 51 – One Year Plan A	February 26, 2010	922.17	10.06
ICICI Prudential Fixed Maturity Plan Series 51 – 14 Months Plan D	March 12, 2010	2,022.05	10.04
ICICI Prudential Fixed Maturity Plan Series 51 – 13 Months Plan C	March 23, 2010	925.63	10.03
ICICI Prudential Fixed Maturity Plan Series 51 – 3 Years Plan F	March 23, 2010	416.09	10.01
ICICI Prudential Fixed Maturity Plan Series 50 – 24 Months Plan A	March 29, 2010	4.80	10.00
ICICI Prudential Fixed Maturity Plan Series 50 – 24 Months Plan B	March 30, 2010	5.32	10.00
ICICI Prudential Fixed Maturity Plan Series 51 – One Year Plan B	March 30, 2010	58.86	10.00
ICICI Prudential Fixed Maturity Plan Series 52 –13 Months Plan A	March 30, 2010	258.23	10.00
ICICI Prudential Fixed Maturity Plan Series 52 – One Year Plan A	March 30, 2010	33.44	10.00

For Fixed Maturity Plans, NAV is declared once a week, i.e. every Wednesday. However it may be noted that March 31, 2010 was a Wednesday.

During the period from April 1, 2009 to March 31, 2010, the S&P CNX Nifty and BSE SENSEX changed as set out below:

INDICES VALUE & PERFORMANCE

Index	March 31, 2010	March 31, 2009	% Change
BSE Sensex	17527.77	9708.50	80.54%
S & P CNX Nifty	5249.10	3020.95	73.76%

STATUTORY NOTES

1. 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.
2. 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

The Company is offering Portfolio Management Services since October 2000, for discretionary, non-discretionary, and advisory services across both equity and fixed income assets. At March 31, 2010, AMC has been rendering portfolio management services to 7,135 clients under its Discretionary, Non-discretionary and Advisory services.

The Directors are pleased to inform you that your Company has been providing Portfolio Management Services to Employees Provident Fund Organisation (EPFO).

SALES OFFICES

Your Company has established a wide network of about 160 well equipped offices for selling its products to and servicing its retail clientele.

FOREIGN EXCHANGE EARNINGS AND EXPENDITURE ETC.

Your Company has earned Rs. 338.14 million as foreign exchange income and has incurred Rs. 29.69 million 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

N. S. Kannan, who was appointed as an additional director effective May 1, 2009, holds office upto the date of the ensuing Annual General Meeting and is eligible for appointment. During the year H. N. Sinor had been appointed as the Chief Executive Officer of Association of Mutual Funds in India (AMFI). In order to avoid a conflict of interest, he resigned from the Board effective close of business hours on February 25, 2010. The Board place on record their appreciation and gratitude for the guidance offered by him during his tenure as a Director of the Company.

In terms of the provisions of the Companies Act, 1956 read with Articles of Association of the Company, Swati Piramal and Nilesh Shah retire at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

CONSTITUTION OF AUDIT COMMITTEE OF DIRECTORS

At March 31, 2010, the Audit Committee consists of the following Directors:

Vijay Thacker

Dileep Choksi

Vikram Trivedi

During the year ended March 31, 2010, four meetings of the Audit Committee were held.

CONSTITUTION OF GOVERNANCE COMMITTEE OF DIRECTORS

At March 31, 2010, the Governance Committee consists of the following Directors:

Chanda D. Kochhar

Barry Stowe

Vijay Thacker

During the year ended March 31, 2010, three meetings of the Governance Committee were held.

AUDITORS

The Auditors, B S R and 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:

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

ACKNOWLEDGEMENT

The 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.

The 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, Stock Exchanges, Depositories, Prudential Corporation plc and ICICI Bank Limited.

The 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

CHANDA D. KOCHHAR
Chairperson

Mumbai, April 22, 2010

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, 2010 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 (Auditors' 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 ('Act'), 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 Act;

(v) on the basis of written representations received from the Directors, as on 31 March 2010, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2010 from being appointed as Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

(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 Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2010;

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
Firm's Registration No:116231W

Mumbai, April 22, 2010

annexure to the auditors' report

(Referred to in our report of even date)

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 three 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. The Company has not accepted any deposits from the public.

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, 2010 for a period of more than six months from the date they became applicable.

(b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess which have not been deposited with the appropriate authorities on account of any dispute.

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 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
Firm's Registration No:116231W

Mumbai, April 22, 2010

balance sheet

as at March 31, 2010

	Schedule	March 31, 2010	(Rs. in 000's) March 31, 2009
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	3	**176,521**	*176,521*
Reserves and surplus	4	**874,513**	*533,927*
TOTAL		**1,051,034**	*710,448*
APPLICATION OF FUNDS			
Fixed assets			
Gross block	5	**772,686**	*732,866*
Less: Accumulated depreciation		**(496,967)**	*(409,497)*
Net block		**275,719**	*323,369*
Add: Capital work-in-progress		**8,724**	*2,696*
		284,443	*326,065*
Investments	6	**508,224**	*481,332*
Deferred tax asset	17(5)	**132,143**	*93,716*
Current assets, loans and advances			
Cash and bank balances	7	**46,143**	*19,589*
Sundry debtors	8	**310,423**	*261,476*
Loans and advances	9	**795,892**	*978,520*
		1,152,458	*1,259,585*
Less: Current liabilities and provisions			
Current liabilities	10	**620,345**	*1,391,290*
Provisions	11	**405,889**	*58,960*
		(1,026,234)	*(1,450,250)*
Net current assets/(liabilities)		**126,224**	*(190,665)*
TOTAL		**1,051,034**	*710,448*
Significant accounting policies	2		
Notes to the accounts	17		

profit and loss account

for the year ended March 31, 2010

	Schedule	March 31, 2010	(Rs. in 000's) March 31, 2009
INCOME			
Management fees	12	**4,612,922**	*3,167,441*
Dividend	13	**16,173**	*22,344*
Profit on sale of investment (net)	14	**43,523**	*15,995*
Miscellaneous income	15	**1,279**	*534*
		4,673,897	*3,206,314*
EXPENDITURE			
Operating expenses	16	**2,606,521**	*3,067,755*
Reversal of diminution in value of current investments		**—**	*(7,371)*
Depreciation	5	**133,575**	*142,563*
Interest on loan		**6,764**	*—*
		2,746,860	*3,202,947*
Profit before tax		**1,927,037**	*3,367*
Less: Provision for Tax:			
– Provision for current tax		**685,002**	*513*
– Deferred tax credit		**(38,427)**	*(12,984)*
– Fringe benefit tax (FBT)		**—**	*8,600*
– Wealth tax		**207**	*128*
Net Profit after tax		**1,280,255**	*7,110*
Balance in profit and loss account brought forward		**136,188**	*295,006*
Amount available for appropriation		**1,416,443**	*302,116*
Appropriations			
Final dividend proposed		**—**	*—*
Interim Dividend		**803,170**	*141,217*
Tax on dividend		**136,499**	*24,000*
Transfer to general reserve		**128,026**	*711*
		1,067,695	*165,928*
Balance in profit and loss account carried forward		**348,748**	*136,188*
Earnings per share of face value of Rs. 10 each – Basic and Diluted (in Rs.)	17(4)	**72.53**	*0.40*
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
Firm's Registration No: 116231W

Mumbai, April 22, 2010

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

CHANDA D. KOCHHAR
Chairperson

N. S. KANNAN
Director

BARRY STOWE
Director

NIMESH SHAH
Managing Director

SAURABH GANGRADE
Company Secretary

cash flow statement

for the year ended March 31, 2010

	March 31, 2010	(Rs. in 000's) March 31, 2009
Cash flows from Operating Activities		
Net profit before tax for the year	**1,927,037**	*3,367*
Adjustments for:		
Depreciation	**133,575**	*142,563*
Diminution/(reversal in diminution) in value of current investments	**—**	*(7,371)*
Interest income	**1,279**	*(533)*
Dividend income	**(16,173)**	*(22,344)*
Interest expense	**6,764**	—
Unrealised Exchange Losses/(Gain)	**1,237**	*(782)*
Profit on sale of investments (net)	**(43,523)**	*(15,995)*
Loss on sale of fixed assets (net)	**9,076**	*84*
Operating profit before working capital changes	**2,019,272**	*98,989*
(Increase)/decrease in sundry debtors	**(48,947)**	*131,453*
(Increase)/decrease in loans and advances	**209,495**	*(73,798)*
Increase/(decrease) in current liabilities and provisions	**(425,253)**	*266,526*
Cash generated from working capital changes	**1,754,567**	*423,170*
Interest received	**(1,279)**	*237*
Income tax paid net of income tax refunds (including FBT & Wealth Tax)	**(712,077)**	*(332,831)*
Net cash generated from in operating activities (A)	**1,041,211**	*90,576*
Cash flow from investing activities		
Purchase of fixed assets	**(104,822)**	*(134,381)*
Advance for purchase of fixed assets	**(6,028)**	*(2,696)*
Proceeds from sale of fixed assets	**9,820**	*3,140*
Dividend income	**16,173**	*22,344*
Purchase of investments	**(4,155,008)**	*(3,413,482)*
Proceeds from sale of investments	**4,171,641**	*3,709,208*
Net cash generated/(used) from investing activities (B)	**(68,224)**	*184,133*
Cash Flow from financing activities		
New loan taken during the period	**450,000**	—
Repayment of Secured loans	**(450,000)**	—
Interest expense	**(6,764)**	—
Interim dividend paid	**(803,170)**	*(229,477)*
Tax on dividend paid	**(136,499)**	*(54,000)*
Net cash generated/(used) in financing activities (C)	**(946,433)**	*(283,477)*
Net (decrease)/increase in cash and cash equivalents ((A) + (B) + (C))	**26,554**	*(8,768)*
Cash and cash equivalents at beginning of year		
Cash and bank balances	**19,589**	*28,357*
	19,589	*28,357*
Cash and cash equivalents at end of year		
Cash and bank balances	**46,143**	*19,589*
	46,143	*19,589*

As per report of even date

For B S R & ASSOCIATES
Chartered Accountants

BHAVESH DHUPELIA
Partner
Membership No.: 042070
Firm's Registration No.: 116231W

Mumbai, April 22, 2010

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

CHANDA D. KOCHHAR
Chairperson

N. S. KANNAN
Director

BARRY STOWE
Director

NIMESH SHAH
Managing Director

SAURABH GANGRADE
Company Secretary

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, 2010 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.

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.

Class of Assets	Depreciation rates used (%)	Schedule XIV Rates (%)
Furniture & fixture	16.67	6.33
Office equipments	10	4.75
Computer	33.33	16.21
Vehicles	20	9.5
Software	33.33	16.21

Leasehold improvements are amortised over the primary period of the lease on straight-line basis.

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 recognised 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 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 as at the balance sheet date, carried out by an independent actuary.

2.9 Initial issue expenses

Expenses relating to initial issue 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 prior to July 31, 2009 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.

Post August 1, 2009 the expenses incurred by the company are charged to profit and loss account in compliance with SEBI circular No SEBI/IMD/CIR NO. 4/168230/09, wherein no entry load is to be charged to all Mutual Fund Schemes.

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

Upfront brokerage paid over and above the upfront fees received on closed ended PMS 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 Long-term incentive plan ('LTIP') & Talent Retention Pay Plan 2009

The Company launched LTIP for financial year ended March 31, 2010, for which the grant value will be paid in three annual tranches. This has been fully provided in the current financial year and the balance provision will be reassessed on a yearly basis based on continuity of employees in service.

The Company had initiated Long Term Incentive Plan 2008 ('LTIP 2008') in the prior year. This plan is 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 Company launched Talent Retention Pay Plan 2009 during the year. This is a value based plan and the grant value will be paid in three equal tranches. Each of these tranches are provided proportionately over the period of vesting from the date it is granted.

2.13 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.

2.14 Tax

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

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.

2.15 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.

2.16 Provisions, contingent liabilities and contingent assets

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognised when the Company recognises 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.

(Rs. in 000's)

	March 31, 2010	*March 31, 2009*
SCHEDULE – 3		
SHARE CAPITAL		
Authorised share capital		
25,000,000 (Previous year: 25,000,000) equity shares of Rs. 10 each.	**250,000**	*250,000*
Issued, subscribed and paid-up capital		
17,652,090 (Previous year: 17,652,090) equity shares of Rs. 10 each, fully paid up	**176,521**	*176,521*

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.

	March 31, 2010	*March 31, 2009*
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	**8,690**	*8,690*
Share Premium		
Balance at the beginning of the year	**33,517**	*33,517*
Balance at the end of the year	**33,517**	*33,517*
General Reserve		
Balance at the beginning of the year	**252,500**	*251,789*
Add: Transfer from profit and loss account	**128,026**	*711*
Balance at the end of the year (A)	**380,526**	*252,500*
Contingency Reserve[1]		
Balance at the beginning of the year	**103,032**	*103,032*
Balance at the end of the year (B)	**103,032**	*103,032*
Total (A+B)	**483,558**	*355,532*
Surplus in Profit and Loss Account		
Balance at the end of the year	**348,748**	*136,188*
Total Reserves & Surplus	**874,513**	*533,927*

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

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, 2009	132,908	73,894	107,935	270,258	110,798	37,073	**732,866**	*616,302*
Additions during the year	53,938	7,167	9,981	13,517	14,774	5,446	**104,823**	*174,591*
Deletions during the year	(1,943)	(15,215)	(22,275)	(15,631)	—	(9,939)	**(65,003)**	*(58,027)*
As at March 31, 2010	**184,903**	**65,846**	**95,641**	**268,144**	**125,572**	**32,580**	**772,686**	*732,866*
Accumulated Depreciation								
As at April 1, 2009	**83,441**	**29,821**	**48,594**	**177,634**	**58,569**	**11,438**	**409,497**	*321,737*
Charge for the year	23,110	10,864	7,566	54,321	31,528	6,186	**133,575**	*142,563*
On deletions during the year	(1,310)	(9,388)	(15,457)	(14,930)	—	(5,020)	**(46,105)**	*(54,803)*
As at March 31, 2010	**105,241**	**31,297**	**40,703**	**217,025**	**90,097**	**12,604**	**496,967**	*409,497*
Net Block								
As at March 31, 2010	**79,662**	**34,549**	**54,938**	**51,119**	**35,475**	**19,976**	**275,719**	*323,369*
As at March 31, 2009	49,467	44,073	59,341	92,624	52,229	25,638	323,369	—

(Rs. in 000's)

SCHEDULE – 6
INVESTMENTS

	March 31, 2010	*March 31, 2009*
A. Long-term investments		
Non trade, Unquoted (at cost)		
Mutual Fund units of Face Value of Rs.10 each		
'Nil' Units (Previous year: 5,000,000) of ICICI Prudential Fixed Maturity Plan Series 41 – 19 Months Institutional Cumulative	—	*50,000*
'Nil' Units (Previous year: 5,000,000) of ICICI Prudential Fixed Maturity Plan Series 39 – 18 Months Plan 'A' Institutional Cumulative	—	*50,000*
'Nil' Units (Previous year: 6,500,000) of ICICI Prudential Fixed Maturity Plan Series 39 – 18 Months Plan 'B' Institutional Cumulative	—	*65,000*
'Nil' Units (Previous year: 750,000) of ICICI Prudential Fixed Maturity Plan Series 41 – 18 Months Retail Cumulative	—	*7,500*
'Nil' Units (Previous year: 2,000,000) of ICICI Prudential Fixed Maturity Plan Series 41 – 14 Months Retail Cumulative	—	*20,000*
'Nil' Units (Previous year: 1,000,000) of ICICI Prudential Fixed Maturity Plan Series 41 – 15 Months Institutional Growth	—	*10,000*
10,000,000 Units (Previous year: 'Nil' Units) of ICICI Prudential Fixed Maturity Plan Series 51 – 14 Months Plan 'D' Cumulative Growth	**100,000**	—
1,678,930 Units (Previous year: Nil) of ICICI Prudential Ultra STP Daily Dividend[1] of Rs. 10 each	**16,825**	—
Mutual fund units:		
514,150 Units (Previous year: 2,644,712) of ICICI Prudential Floating Rate Daily Dividend[1] of face value Rs. 100 each (Previous year: Rs. 10 each)	**51,425**	*26,452*
Equity shares:		
458,831 (Previous year: 458,831) equity shares of Sabari Inn Private Limited[1] of Rs. 10 each	**8,676**	*8,661*
2705 (Previous year: 2705) equity shares of Sabari Realtors Private Limited[1] of Rs. 10 each	**1,356**	*1,352*
19,088 (Previous year: 19,088) equity shares of OMR Mall Developers Private Limited[1] of Rs. 10 each	**1,537**	*1,528*
676 (Previous year: 676) equity shares of DSK Southern Projects Private Limited[1] of Rs. 10 each	**7**	*7*
270 (Previous year: 270) Class 'A' equity shares of DSK Southern Projects Private Limited[1] of Rs. 10 each	**3**	*3*
135 (Previous year: Nil) equity shares of Riverview Properties Private Limited[1] of Rs. 100 each	**1,248**	—
107 (Previous year: Nil) equity shares of Shiprop Housing Private	**1**	—
Other corporate securities:		
7202 (Previous year: 7,202) Zero Coupon Bonds of OMR Mall Developers Private Limited[1] of face value Rs. 10 each	**7,248**	*7,202*
94,385 (Previous year: 94,385) Optional Convertible Debentures of DSK Southern Projects Private Limited[1] of face value Rs. 10 each	**9,450**	*9,438*
82,178 (Previous year: Nil) Non-Convertible Debentures of Riverview Pro Private Limited[1] of face value Rs. 100 each	**8,218**	—
143,986 (Previous year: Nil) Non-Convertible Debentures of Shiprop Housing Private Limited[1] of face value Rs. 10 each	**1,440**	—
Total Long-Term Investments (A)	**207,434**	*257,143*
B. Current investments		
Non trade, Quoted (at cost)		
Mutual fund units of face value of Rs.10 each:		
1,200,000 Units (Previous year: Nil) of ICICI Prudential Fixed Maturity Plan Series 49 – 1 Year Plan 'C' (Market Value Rs. 12,221; Previous year: 'Nil')	**12,000**	—
Non trade, Unquoted (at cost)		
Mutual fund units of face value of Rs.10 each:		
'Nil' Units (Previous year: 10,000,000) of ICICI Prudential Fixed Maturity Plan Series 44 – 1 Year Plan 'B' Institutional Growth	—	*100,000*
'Nil' Units (Previous year: 5,000,000) of ICICI Prudential Fixed Maturity Plan Series 46 – 1 Year Plan 'C' Retail Growth	—	*50,000*
'Nil' Units (Previous year: 7,016,520) of ICICI Prudential Flexible Income Plan Dividend Plan	—	*74,189*
1,885,529 units (Previous year: Nil) of ICICI Prudential Liquid Plan Super Institution Daily Dividend	**188,595**	—
9,997,959 Units (Previous year: Nil) of ICICI Prudential Banking and PSU Debt Fund - Daily Dividend	**100,195**	—
Total Current Investments (B)	**300,790**	*224,189*
Total Investments (A + B)	**508,224**	*481,332*

C. Statement showing purchases and redemption of investments (in units)
Purchases includes dividend re-invested units

	2010		*2009*	
Scheme	**Purchase**	**Redeemed**	**Purchase**	**Redeemed**
Long-term Investments				
Mutual fund units:				
ICICI Prudential Fixed Maturity Plan	**10,000,000**	**20,250,000**	*202,500,000*	*21,750,000*
ICICI Prudential Interval Fund II Quarterly Interval Plan A – I Retail	—	—	*46,270*	*817,648*
ICICI Prudential Interval Fund Annual Interval Plan-IV Retail	—	—	—	*150,000*
ICICI Prudential Interval Half Yearly Interval Plan I – Retail	—	—	*50,430*	*1,550,430*
ICICI Prudential Interval Fund Annual Interval Plan-III Institutional	—	—	—	*7,000,000*
ICICI Prudential Interval Fund Plan II – Retail – Dividend Reinvestment[1]	—	—	—	*133,269*
ICICI Prudential Interval Fund quarterly Interval Plan I Retail DIV (PMS)[1]	—	—	—	*1,782,565*
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*
ICICI Prudential Floating Rate Daily Dividend[1]	**5,901,793**	**8,032,355**	—	—
ICICI Prudential Ultra STP Daily Dividend[1]	**1,678,931**	—	—	—
Equity shares:				
Sabari Inn Private Limited[1]	—	—	*8,997*	—
Sabari Realtors Private Limited[1]	—	—	*2,705*	—
OMR Mall Developers Private Limited[1]	—	—	*19,088*	—
DSK Southern Projects Private Limited[1]	—	—	*676*	—
DSK Southern Projects Private Limited[1] (Class A)	—	—	*270*	—
Riverview Properties Private Limited[1]	**135**	—	—	—
Shiprop Housing Private Limited[1]	**107**	—	—	—
Other corporate securities:				
Zero Coupon Bonds of OMR Mall Developers Private Limited[1]	—	—	*7,202*	—
Optional Convertible Debentures of DSK Southern Projects Private Limited[1]	—	—	*94,385*	—
Non – Convertible Debentures of Riverview Pro Private Limited[1]	**82,178**	—	—	—
Non – Convertible Debentures of Shiprop Housing Private Limited[1]	**143,986**	—	—	—
Current Investments				
ICICI Prudential Liquid Plan – Super Institutional Weekly Dividend	**3,996,363**	**3,996,363**	**55,001,526**	*55,001,526*
ICICI Prudential Flexible Income Plan	**157,281,145**	**164,297,665**	*206,746,955*	*199,730,435*
ICICI Prudential Fixed Maturity Plan	**1,200,000**	**15,000,000**	*21,000,000*	*6,000,000*
ICICI Prudential Infrastructure Fund	—	—	—	*3,584,200*
ICICI Prudential Growth Fund	—	—	—	*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 Liquid Plan – Super Institutional Daily Dividend	**39,696,247**	**37,810,718**	—	—
ICICI Prudential Banking and PSU Fund Daily Dividend	**9,997,959**	—	—	—

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

	March 31, 2010	(Rs. in 000's) *March 31, 2009*
SCHEDULE – 7		
CASH AND BANK BALANCES		
Balance with scheduled banks		
– in current accounts	**41,143**	*14,589*
– in fixed deposits	**5,000**	*5,000*
	46,143	*19,589*
SCHEDULE – 8		
SUNDRY DEBTORS		
Unsecured		
Debts outstanding for a period exceeding six months		
a) Considered good	**471**	*1,031*
b) Considered doubtful	**628**	*843*
Other debts		
Considered good	**309,952**	*260,445*
Less:-Provision for doubtful debts	**(628)**	*(843)*
	310,423	*261,476*
SCHEDULE – 9		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	**137,985**	*334,745*
Staff loans	**5,061**	*5,911*
Prepaid expenses	**104,303**	*125,742*
Sundry deposits	**139,412**	*129,859*
Advance tax (net of provision for tax Rs. 1,588,290 (Previous year: Rs. 904,386))	**409,131**	*382,263*
Advances considered doubtful or bad	**2,770**	*2,770*
Less: Provision for doubtful advances	**(2,770)**	*(2,770)*
	795,892	*978,520*
SCHEDULE – 10		
CURRENT LIABILITIES		
Sundry creditors	**175,226**	*88,907*
Statutory dues	**16,711**	*17,774*
Accrued expenses	**428,408**	*1,284,609*
	620,345	*1,391,290*
SCHEDULE – 11		
PROVISIONS		
Provision for Gratuity	**18,110**	*14,682*
Provision for Leave encashment	**4,107**	*5,331*
Provision for Other employee cost	**383,672**	*38,947*
	405,889	*58,960*

(Rs. in 000's)

	March 31, 2010	March 31, 2009
SCHEDULE – 12		
MANAGEMENT FEES		
Fees from mutual fund operations (Tax deducted at source Rs. 389,907 (Previous year: Rs. 241,906))	**3,724,118**	*2,358,162*
Fees from PMS operations (Tax deducted at source Rs. 1,975) (Previous year: Rs. 1,914))	**549,897**	*544,592*
Fees from Advisory Services (Tax deducted at source Rs. 12,726 (Previous year: Rs. 18,159))	**338,907**	*264,687*
	4,612,922	*3,167,441*
SCHEDULE – 13		
DIVIDEND INCOME		
Dividend on Long-term Investments	**—**	*8,896*
Dividend on Current Investments	**16,173**	*13,448*
	16,173	*22,344*
SCHEDULE – 14		
PROFIT ON SALE OF INVESTMENT		
Profit on sale of Long-term Investments	**43,512**	*15,435*
Profit on sale of on Current Investments (net)	**11**	*560*
	43,523	*15,995*
SCHEDULE – 15		
MISCELLANEOUS INCOME		
Interest on loans to employees	**758**	*237*
Interest on bank deposits	**521**	*297*
	1,279	*534*
SCHEDULE – 16		
OPERATING EXPENSES		
A. Employee costs		
Salaries, bonus and allowances	**930,434**	*622,338*
Contribution to provident and other funds	**33,077**	*39,469*
Staff welfare	**14,174**	*15,405*
Total (A)	**977,685**	*677,212*
B. Fund expenses		
Advertisement	**91,066**	*3,503*
Brokerage	**212,979**	*240,974*
Other expenses	**32,599**	*1,020,866*
Total (B)	**336,644**	*1,265,343*
C. Administrative and other expenses		
Brokerage and incentives	**306,350**	*176,103*
Service tax	**400,313**	*314,161*
Rent	**145,709**	*134,133*
Communication expenses	**50,156**	*53,576*
Travelling and conveyance	**43,695**	*59,077*
Fund accounting expenses-PMS	**37,004**	*80,151*
Legal and professional fees	**49,562**	*81,118*
SEBI fees	**1,250**	*16,360*
Information technology	**28,846**	*29,746*
Electricity	**30,439**	*29,414*
Insurance	**18,028**	*17,261*
Books, periodicals and subscriptions	**13,921**	*12,922*
Repairs and maintenance		
– Equipment	**11,033**	*13,761*
– Others	**11,567**	*8,361*

(Rs. in 000's)

	March 31, 2010	March 31, 2009
Marketing advertisement and publicity	**44,664**	*8,254*
Printing and stationery	**14,224**	*21,678*
Training & consultancy	**7,394**	*12,577*
Loss on sale of fixed assets (net)	**9,076**	*84*
Rates and taxes	**7,621**	*5,114*
Auditors remuneration:		
– Audit fees (including interim audits)	**1,400**	*1,300*
– Tax audit	**200**	*180*
– Other matters	**225**	*120*
– Reimbursement of out of pocket expenses	**32**	*32*
Directors sitting fees	**660**	*642*
Housekeeping expenses	**18,879**	*24,356*
Miscellaneous expenses	**39,984**	*24,719*
Total (C)	**1,292,232**	*1,125,200*
Total (A+B+C)	**2,606,521**	*3,067,755*

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

The Company has entered into non-cancellable leasing arrangement for certain office premises generally for a period of 36 months. As per the term of the lease all maintenance charges and municipal levies are borne by the lessee.

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

	2010	2009
Total future minimum lease payments		
In less than a year	**79,272**	*59,343*
In 1 year to 5 years	**229,237**	*31,904*
In more than 5 years	**196,388**	—

The total lease payments recognised in the profit and loss account amount to Rs. 145,709 (Previous year: Rs. 134,133) which includes Rs. 11,550 (Previous year: Rs. 64,000) provision towards straight lining of lease rentals.

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 categorised 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 categorised, 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.

(Rs. in 000's)

	Mutual Fund		Portfolio Management		Advisory		Total	
	March 31, 2010	*March 31, 2009*	**March 31, 2010**	*March 31, 2009*	**March 31, 2010**	*March 31, 2009*	**March 31, 2010**	*March 31, 2009*
Segment Revenue								
Management fees	**3,724,118**	*2,358,162*	**549,897**	*544,592*	**338,907**	*264,687*	**4,612,922**	*3,167,441*
Inter Segment revenue	**—**	—	**—**	—	**—**	—	**—**	—
Total Segment revenue	**3,724,118**	*2,358,162*	**549,897**	*544,592*	**338,907**	*264,687*	**4,612,922**	*3,167,441*
Identifiable operating expenses	**(1,220,486)**	*(2,078,900)*	**(382,367)**	*(402,317)*	**(27,320)**	*(2,666)*	**(1,630,173)**	*(2,483,882)*
Segmental operating income	**2,503,632**	*2,79,262*	**177,557**	*142,275*	**311,587**	*262,021*	**2,982,749**	*683,559*
Unallocable expense							**(1,116,687)**	*(739,035)*
Operating income							**1,866,062**	*(55,476)*
Other income net of other expenses							**60,975**	*58,843*
Net Profit before taxation and prior period items							**1,927,037**	*3,367*
Provision for income tax							**(685,002)**	*(513)*
Deferred tax credit							**38,427**	*12,984*
Fringe benefit tax							**—**	*(8,600)*
Wealth Tax							**(207)**	*(128)*
Net profit after tax							**1,280,255**	*7,110*
As at	**March 31, 2010**	*March 31, 2009*	**March 31, 2010**	*March 31, 2009*	**March 31, 2010**	*March 31, 2009*	**March 31, 2010**	*March 31, 2009*
Segment assets and liabilities								
Allocable current assets	**192,576**	*449,684*	**126,410**	*66,321*	**116,576**	*56,482*	**435,562**	*572,487*
Unallocable current assets	**—**	—	**—**	—	**—**	—	**716,896**	*687,098*
Total current assets	**192,576**	*449,684*	**126,410**	*66,321*	**116,576**	*56,482*	**1,152,458**	*1,259,585*
Unallocable assets	**—**	—	**—**	—	**—**	—	**924,810**	*901,113*
Total Assets							**2,077,268**	*2,160,698*
Current liabilities and provisions	**507,327**	*1,202,097*	**220,251**	*60,930*	**5,737**	*8,446*	**733,315**	*1,271,473*
Unallocable current liabilities and provisions							**292,919**	*178,777*
Total current liabilities and provisions	**507,327**	*1,202,097*	**220,251**	*60,930*	**5,737**	*8,446*	**1,026,234**	*1,450,250*

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

(Rs. in 000's)

Nature of Transactions	Holding company	Fellow subsidiary companies	Party with Significant influence	Key management personnel	Total
Dividend paid	**409,617**	**—**	**393,553**	**—**	**803,170**
Previous year	*117,033*	—	*112,444*	—	*229,477*
Common Cost, Brokerage & Marketing expenses paid	**45,352**	**11,708**	**—**	**—**	**57,060**
Previous year	*51,971*	*21,552*	—	—	*73,523*
Insurance premium paid	—	**9,934**	**—**	**—**	**9,934**
Previous year	—	*26,547*	—	—	*26,547*
Remuneration paid	**—**	**—**	**—**	**34,802**	**34,802**
Previous year	—	—	—	*72,547*	*72,547*
Management fees earned	—	**11,534**	**—**	**—**	**11,534**
Previous year	—	*12,609*	—	—	*12,609*
Other expenses incurred by Company	**—**	**3,137**	**—**	**—**	**3,137**
Previous year	—	*28,725*	—	—	*28,725*
Balance outstanding: Receivable/(payable)	**(11,446)**	**(408)**	**—**	**—**	**(11,854)**
Previous year	*(9,220)*	*(292)*	—	—	*(9,512)*

- 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, 2010 and Long Term Incentive Plan ('LTIP') to the extent actually paid up to March 31, 2010 have been included in the above figures.
- The remuneration paid to Key Management Personnel referred above includes 43% (Previous year: 49%) paid to Deputy Managing Director and Chief Investment Officer and 57% (Previous year: 51%) paid to Managing Director.
- An amount of Rs. 45,352 (Previous year: Rs. 51,971) was paid to ICICI Bank Limited towards usage of their network/ facilities, brokerage and reimbursement of expenses. Rs. 11,446 (Previous year: Rs. 9,220) is payable to ICICI Bank Limited towards the above.
- The Company maintains a bank balance of Rs. 41,143 (Previous year: Rs. 14,589) and Rs. 5,000 in fixed deposit (Previous year: Rs. 5,000) with its holding company, ICICI Bank Limited as at March 31, 2010. Interest accrued but not due on fixed deposit Rs. 818 (Previous year: Rs. 297).
- Banking transactions in the normal course of business with related parties have not been considered.
- Nil (Previous year: Rs. 45,012) was paid to ICICI Bank Limited, towards final dividend and Rs. 409,617 (Previous year: Rs. 72,021) towards interim dividend for the current year.
- Nil (Previous year: Rs. 43,248) was paid to Prudential Corporation Holding Limited, England towards final dividend and Rs. 393,553 (Previous year: Rs. 69,196) towards interim dividend for the current year.
- The Company has paid Rs. 5,135 (Previous year: Rs. 21,257) to ICICI Lombard General Insurance Company Limited towards employee medical and asset insurance. An amount of Rs. 256 (Previous year: Rs. 209) is receivable from ICICI Lombard General Insurance Company Limited.
- An amount of Rs. 4,799 (Previous year: Rs. 5,290) was paid to ICICI Prudential Life Insurance Company Limited towards insurance premium.
- The Company has earned Advisory fees of Rs. 11,534 (Previous year: Rs. 12,609) from ICICI International Limited. An amount of Rs. 2,140 is receivable from ICICI International Limited.
- An amount of Rs. 11,708 (Previous year: Rs. 21,552) has been paid to ICICI Securities Limited towards marketing & distribution support during the year and Rs. 2,804 (Previous year: Rs. 2,729) is payable. Nil (Previous year: Rs. 3,000) has been paid in advance.
- An amount of Rs. 3,137 (Previous year: Rs. 4,443) has been incurred on behalf of ICICI Prudential Trust Limited. Nil (Previous year: Rs. 6,348) is receivable from ICICI Prudential Trust Limited.

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

	2010	*2009*
Net Profit after tax	**1,280,255**	*7,110*
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.)	**72.53**	*0.40*

5. DEFERRED TAX

As on March 31, 2010, the Company has net deferred tax asset of Rs. 132,143 (Previous year: Rs. 93,716). The composition of deferred tax asset and liabilities are as follows:

(Rs. in 000's)

	2010	*2009*
Deferred tax asset		
Written down value of fixed assets	**26,586**	*9,698*
Gratuity	**6,156**	*4,990*
Leave encashment	**1,396**	*2,138*
Long-term incentive plan	**48,160**	*12,234*
Lease rentals	**7,461**	*3,535*
Provision for doubtful debts	**213**	—
Bonus	**42,079**	*42,079*
Carried forward loss	**—**	*19,042*
Donation exempt u/s 80G	**92**	—
Total deferred tax asset	**132,143**	*93,716*

6. PROVISION FOR EMPLOYEE RELATED COST

The details of the provision are as under:

	2010	2009
		(Rs. in 000's)
Opening Balance	**44,277**	*312,618*
Additional provision during the year	**387,142**	*328,133*
Amount used/reversed during the year	**(43,640)**	*(596,474)*
Closing Balance	**387,779**	*44,277*

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

	2010	2009
		(Rs. in 000's)
Present value of funded obligations	**34,677**	*28,849*
Fair value of plan assets	**(14,175)**	*(10,727)*
Unrecognised past service cost	**(2,392)**	*(3,440)*
Net liability	**18,110**	*14,682*
Amounts in the Balance Sheet		
Liabilities	**18,110**	*14,682*
Net Liability	**18,110**	*14,682*

B) Expense recognised in the profit and loss account

	2010	2009
		(Rs. in 000's)
Current service cost	**7,645**	*4,570*
Interest on defined benefit obligation	**2,478**	*1,289*
Expected return on plan assets	**(1,006)**	*(527)*
Net actuarial losses/(gains) recognised in year	**(1,138)**	*(2,045)*
Past service cost	**1,049**	*9,729*
Total, included in "Employee Benefit Expenses"	**9,028**	*13,016*
Actual return on plan assets	**517**	*(342)*

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, 2010

	2010	2009
		(Rs. in 000's)
Change in present value of defined benefit obligation		
Opening defined benefit obligation as at 1 April	**28,849**	*13,051*
current service cost	**7,645**	*4,570*
Interest cost	**2,478**	*1,289*
Actuarial losses/(gains)	**(1,627)**	*(2,915)*
Past service cost	**-**	*13,169*
Liabilities assumed on acquisition	**430**	*1,881*
Benefits paid	**(3,098)**	*(2,196)*
Closing defined benefit obligation as at 31 March	**34,677**	*28,849*
Change in the fair value of plan assets		
Opening fair value of plan assets as at 1 April	**10,727**	*6,078*
Expected return on plan assets	**1,006**	*527*
Actuarial gain/(losses)	**(489)**	*(870)*
Contributions by employer	**5,599**	*5,307*
Assets acquired on acquisition	**430**	*1,881*
Benefits paid	**(3,098)**	*(2,196)*
Closing fair value of plan assets as at 31 March	**14,175**	*10,727*

D) Asset information

Category of Assets	**March 31, 2010**	*March 31, 2009*
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	**14,175**	*10,727*
Total	**14,175**	*10,727*

E) Summary of actuarial assumptions

Financial assumptions at the valuation date:

	March 31, 2010	*March 31, 2009*
Discount Rate	**6.65%**	*7.25%*
Expected Rate of Return on Plan Assets	**7.50%**	*7.50%*
Salary Escalation Rate	**6.00%**	*6.00%*

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 24% 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, 2010, the Company had capital commitments (net of advances) amounting to Rs. 103,701 (Previous year: Rs. 162,985) for which no provision is required to be made.

9. CONTINGENT LIABILITIES

During the year ended March 31, 2009 the Company had received an order under Section 220(6) of the Income-tax Act, 1961 disallowing exemption u/s 14 A and Income tax authorities had disallowed expenditure of Rs. 3,239 for AY 2006-07. The Company has preferred an appeal before the Commissioner of Income Tax (Appeals) against the said order under Section 143(3) for AY 2006-07.

Similarly, during the year ended March 31, 2010 the Company received an order under Section 220(6) of the Income-tax Act, 1961 disallowing exemption u/s 14 A and Income tax authorities had disallowed expenditure of Rs. 2,061 for AY 07-08. The Company has preferred appeal before the Commissioner of Income Tax (Appeals) against the said order under Section 143(3) for AY 2007-08.

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

10. 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

11. EARNINGS IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

(Rs. in 000's)

	March 31, 2010	*March 31, 2009*
Fee from advisory services	**338,907**	*264,687*
Fee from PMS operations	**10,419**	*11,864*
	349,326	*276,551*

12. EXPENDITURE IN FOREIGN CURRENCY (ON CASH BASIS)

(Rs. in 000's)

	March 31, 2010	*March 31, 2009*
Training	**209**	*481*
Communication expenses	**1,842**	*1,385*
Information technology	**19,547**	*17,064*
Travelling	**232**	—
Distribution support expenses	**1,513**	*6,585*
Guarantee fees	**—**	*54,632*
Consultancy fees	**2,185**	*339*
Conference expenses	**2,612**	—
Employee cost	**1,552**	—
Total	**29,692**	*80,486*

Nil (Previous year: Rs. 39,492) was remitted towards capital expenditure.

13. UNHEDGED FOREIGN CURRENCY EXPOSURE

The unhedged foreign currency exposure as on March 31, 2010 is given below:

(in 000's)

	March 31, 2010		*March 31, 2009*	
	Foreign Currency	*INR*	**Foreign Currency**	*INR*
Payables				
SGD	**201**	*6,318*	**409**	*14,064*
USD	**26**	*1,185*	**29**	*1,495*
HKD	**—**	—	**437**	*2,942*
		7,503		*18,501*
Receivables				
USD	**2,485**	*112,912*	**935**	*47,437*
		112,912		*47,437*

14. MANAGERIAL REMUNERATION

(Rs. in 000's)

	March 31, 2010	*March 31, 2009*
Remuneration to Wholetime Director:		
Salary and allowances	**32,384**	*68,889*
Company's contribution to provident fund	**1,147**	*1,147*
Perquisites	**1,271**	*2,511*
	34,802	*72,547*

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 above. Bonus and Long-term Incentive Plan ('LTIP') to the extent actually paid during the year ended March 31, 2010 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.

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

Shareholders

(Rs. in 000's)

	March 31, 2010	*March 31, 2009*
Amount Remitted	**—**	*43,248*
No. of non-resident shareholders	**—**	*1*
No. of shares held on	**—**	*8,649,517*
Final Dividend for the year	**—**	*2007-08*
Amount Remitted	**393,553**	*69,196*
No. of non-resident shareholders	**1**	*1*
No. of shares held on	**8,649,517**	*86,49,517*
Interim Dividend for the year	**2009-10**	*2008-09*

16. 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.

17. 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.

18. 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

CHANDA KOCHHAR
Chairperson

N. S. KANNAN
Director

BARRY STOWE
Director

NIMESH SHAH
Managing Director

SAURABH GANGRADE
Company Secretary

Mumbai, April 22, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV OF THE COMPANIES ACT, 1956

I. Registration details

Registration No.	0 0 5 4 1 3 5
State Code	5 5
Balance Sheet Date	Date: 3 1 · Month: 0 3 · Year: 2 0 1 0

II. Capital raised during the Year (Amount in Rs. Thousand)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of mobilisation and deployment of funds
(Amount in Rs. Thousand)

Total Liabilities	1051034	Total Assets	1051034

Sources of Funds

Paid-up Capital	176521	Reserves and Surplus	874513
Secured Loans	NIL	Unsecured Loans	NIL

Application of Funds

Net Fixed Assets	275719	Investments	508224
Net Current Assets	126224	Miscellaneous Expenditure	NIL
Deferred Tax Asset	132143	Accumulated Losses	NIL

IV. Performance of the Company

Total Turnover	4673897	Total Expenditure	2746860
Profit Before Tax	1927037	Profit After Tax	1280255
Earnings Per Share in Rupees (Actuals)	72.53	Dividend Rate (%)	455

V. Generic names of principal products/services of the Company

Item code no. (ITC code)	NOT APPLICABLE
Service description	ASSET MANAGEMENT SERVICES

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

CHANDA KOCHHAR
Chairperson

N. S. KANNAN
Director

BARRY STOWE
Director

NIMESH SHAH
Managing Director

SAURABH GANGRADE
Company Secretary

Mumbai, April 22, 2010

ICICI PRUDENTIAL TRUST LIMITED

17TH ANNUAL REPORT AND ACCOUNTS 2009-2010

Directors
E. B. Desai, *Chairman*
M. S. Parthasarathy
Madhabi Puri Buch
Keki Bomi Dadiseth
M. N. Gopinath

Auditors
N. M. Raiji & Co.
Chartered Accountants

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

Corporate Office
3rd Floor, Hallmark
Business Plaza,
Sant Dyaneshwar Marg,
Bandra (East),
Mumbai - 400 051.

directors' report

to the members

The Directors have pleasure in presenting the Seventeenth Annual Report, together with the audited accounts of your ICICI Prudential Trust Limited (the Company), for the year ended March 31, 2010

FINANCIAL RESULTS

The salient features of the Company's financial results for fiscal 2010 are as follows:

(Rs. in million)

Particulars	*Fiscal 2009*	**Fiscal 2010**
Gross Income	*5.39*	**5.97**
Expenses	*3.51*	**1.69**
Profit before Tax	*1.87*	**4.28**
Provision for Taxation	*0.06*	**1.28**
Profit after Tax	*1.31*	**3.00**
Balance brought forward	*6.13*	**6.36**
Profit available for appropriation	*7.44*	**9.36**
Proposed Dividend	*0.81*	**1.51**
Tax on Dividend	*0.14*	**0.26**
Transfer to general reserve	*0.13*	**0.30**
Balance carried to Balance Sheet	*6.37*	**7.29**

Financial Performance of the Company

Dividend

Your Directors are pleased to recommend payment of dividend at the rate of Rs. 15 per share on 100,700 equity shares of Rs. 10 each amounting to Rs. 1.5 million for the year ended March 31, 2010 (Previous year dividend was at the rate of Rs. 8 per share).

MUTUAL FUND INITIATIVES

During the year ended March 31, 2010, ICICI Prudential Mutual Fund (the Fund/ Mutual Fund), to which the Company has been acting as the Trustee has launched the following schemes

Sr. no.	Name of Scheme	Scheme Type	Date of Allotment	Funds Mobilised during NFO (Rs. in million)
1	ICICI Prudential Target Returns Fund (an Open Ended Diversified Equity Fund. There is no guarantee or assurance of returns	Open-ended diversified Equity Fund	May 28, 2009	8,008.28
2	ICICI Prudential Medium Term Plan	Open Ended Income Fund	June 12, 2009	0.32
3	ICICI Prudential Ultra Short Term Plan	Open Ended Income Fund	June 12, 2009	9.56
4	ICICI Prudential Fixed Maturity Plan Series 49 – One Year Plan A	Close Ended Debt Fund	July 3, 2009	851.12
5	ICICI Prudential Fixed Maturity Plan Series 49-Three Years Plan A.	Close Ended Debt Fund	September 25, 2009	583.92
6	ICICI Prudential RIGHT (Rewards of Investing and Generation of Healthy Tax Savings)	A Close Ended Equity Linked Savings Scheme	September 26, 2009	858.61
7	ICICI Prudential Fixed Maturity Plan Series 49-One Year Plan B.	Close Ended Debt Fund	September 29, 2009	2,982.60
8	ICICI Prudential Fixed Maturity Plan Series 49-One Year Plan C.	Close Ended Debt Fund	October 23, 2009	57.27
9	ICICI Prudential Fixed Maturity Plan – Series 49 – Three Years Plan B	Close Ended Debt Fund	November 6, 2009	167.20
10	ICICI Prudential Fixed Maturity Plan – Series 50 – Eighteen Months Plan A	Close Ended Debt Fund	November 19, 2009	97.49
11	ICICI Prudential Fixed Maturity Plan – Series 50 – Eighteen Months Plan B	Close Ended Debt Fund	November 19, 2009	313.30
12	ICICI Prudential Fixed Maturity Plan – Series 50 – Nineteen Months Plan A	Close Ended Debt Fund	December 24, 2009	692.17
13	ICICI Prudential Banking and PSU Debt Fund	Open Ended Debt Fund	January 1, 2010	1.70
14	ICICI Prudential Fixed Maturity Plan Series 51 -15 Months Plan E	Close Ended Debt Fund	February 19, 2010	889.47
15	ICICI Prudential Fixed Maturity Plan Series 51 – One Year Plan A	Close Ended Debt Fund	February 26, 2010	918.98
16	ICICI Prudential Fixed Maturity Plan Series 51 -14 Months Plan D	Close Ended Debt Fund	March 12, 2010	3,293.88
17	ICICI Prudential Fixed Maturity Plan Series 51 -3 Years Plan F	Close Ended Debt Fund	March 23, 2010	1,611.24
18	ICICI Prudential Fixed Maturity Plan Series 51 -13 Months Plan C	Close Ended Debt Fund	March 23, 2010	3,582.92
19	ICICI Prudential Fixed Maturity Plan Series 50 - 24 Months Plan A	Close Ended Debt Fund	March 29, 2010	74.39
20	ICICI Prudential Fixed Maturity Plan Series 50 -24 Months Plan B	Close Ended Debt Fund	March 30, 2010	164.87
21	ICICI Prudential Fixed Maturity Plan Series 51 –One Year Plan B	Close Ended Debt Fund	March 30, 2010	1,826.53
22	ICICI Prudential Fixed Maturity Plan Series 52 -13 Months Plan A	Close Ended Debt Fund	March 30, 2010	8,002.38
23	ICICI Prudential Fixed Maturity Plan Series 52 –One Year Plan A	Close Ended Debt Fund	March 30, 2010	1,036.27

These schemes raised an aggregate amount of Rs. 36,024.43 million during the New Fund Offer period.

OPERATIONS DURING THE YEAR

Mutual Fund Business

a. **Average Assets Under Management (AUM):** During the year under review, the Average assets under management of the Fund crossed Rs. 810,176.24 million at March 31, 2010 as compared to Rs. 514,561.11 million at March 31, 2009.

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

(i) **Brand Equity "Most Trusted Brands Survey - 2009"**

ICICI Prudential Mutual Fund has been voted as the Most Trusted Mutual Fund brand by Brand Equity Most Trusted Brands Survey 2009.

(ii) **CNBC-TV18 - CRISIL Mutual Fund Awards 2010**

- ICICI Prudential Mutual Fund adjudged as "Debt Mutual Fund House of the Year"
- ICICI Prudential Target Returns Fund (There is no guarantee or assurance of returns) has been awarded as the "Most Innovative Fund of the Year"
- ICICI Prudential Liquid Plan was among the only two schemes that won the CNBC TV18 – CRISIL Mutual Fund of the year award in the Liquid Funds category.
- ICICI Prudential Gilt Fund - Investment - PF Option was the only scheme that won the CNBC TV18 - CRISIL Mutual Fund of the Year Award in the Gilt Funds category

(iii) **Lipper Fund Awards 2010 India**

- ICICI Prudential Dynamic Plan-Growth has been awarded as the Best Fund over 3 Years & 5 Years in the Mixed Asset INR Flexible category.
- ICICI Prudential Gilt Fund – Investment Plan - PF Option - Growth has been awarded as the Best Fund over 3 Years & 5 Years in the Bond Indian Rupee – Government category.

(iv) **Morning Star Mutual Fund Awards – 2009**

- India Debt Fund House Award– 2009
- ICICI Prudential Tax Plan - Runner up Award in the ELSS Category.

(v) **ICRA Mutual Fund Awards – 2010**

- ICICI Prudential Discovery Fund ranked as Seven Star Gold Fund in the Open Ended Equity Diversified Defensive category.
- ICICI Prudential Tax Plan ranked as Seven Star Gold Fund in the Open Ended Equity - Tax Planning category.
- ICICI Prudential Gilt Fund - Treasury Plan ranked as Seven Star Gold Fund in the Open Ended Gilt Category.
- ICICI Prudential Child Care Plan – Gift Plan ranked as a Five Star Fund in the 'Open Ended Balance' category.

PERFORMANCE OF THE SCHEMES OF ICICI PRUDENTIAL MUTUAL FUND

The Company acts as the Trustee to the Schemes launched by ICICI Prudential Mutual Fund. Brief details about the Net Asset Value of the schemes are given below:

Open Ended Schemes:

Scheme Name	Date of Allotment	Average AUM at March 31, 2010 (Rs. in million)	Net Assets Value per unit at March 31, 2010 (Rs.) - For Growth option	Compounded Annualised Return (%) from the date of allotment of units till March 31, 2010 - For Growth option
ICICI Prudential Power	October 01, 1994	7,030.34	102.94	16.22
ICICI Prudential Liquid Plan	June 24, 1998	106,635.75	222.64	7.03
ICICI Prudential Growth Plan	July 09, 1998	3,846.11	125.02	24.02
ICICI Prudential Income Plan	July 09, 1998	9,275.16	29.92	9.79
ICICI Prudential FMCG Fund	March 31, 1999	654.35	52.61	16.28
ICICI Prudential Tax Plan	August 19, 1999	11,230.78	127.34	27.07
ICICI Prudential Gilt Fund – Investment Plan	August 19, 1999	3,341.05	31.39	11.37
ICICI Prudential Gilt Fund – Treasury Plan	August 19, 1999	2,660.81	24.37	8.75
ICICI Prudential Balanced Fund	November 03, 1999	2,620.16	41.45	14.63
ICICI Prudential Technology Fund	March 03, 2000	1,079.40	14.55	3.79
ICICI Prudential Monthly Income Plan	November 10, 2000	5,647.25	24.15	9.84
ICICI Prudential Child Care Plan – Gift Option	August 31, 2001	1,539.26	52.80	21.38
ICICI Prudential Child Care Plan – Study Option	August 31, 2001	309.74	26.59	12.07
ICICI Prudential Short Term Plan	October 25, 2001	21,998.21	19.07	7.96
ICICI Prudential Index Fund	February 26, 2002	966.01	48.30	21.47
ICICI Prudential Sweep Plan	March 06, 2002	14.00	129.03	5.18
ICICI Prudential Long Term Plan	March 28, 2002	1,379.41	19.71	8.84
ICICI Prudential Flexible Income Plan	September 27, 2002	312,968.37	104.76	7.42
ICICI Prudential Dynamic Plan	October 31, 2002	20,326.77	95.27	35.50
Sensex Prudential ICICI Exchange Traded Fund	January 10, 2003	9.64	181.87	49.41
ICICI Prudential Floating Rate Plan - Plan B	March 28, 2003	42,109.37	152.95	6.25
ICICI Prudential Gilt Fund - Investment Plan- PF Option	November 19, 2003	775.09	18.25	9.91
ICICI Prudential Advisor Series- Aggressive Plan	December 18, 2003	76.53	27.56	17.49
ICICI Prudential Advisor Series- Cautious Plan	December 18, 2003	39.46	17.39	9.20
ICICI Prudential Advisor Series- Moderate Plan	December 18, 2003	76.65	23.04	14.20
ICICI Prudential Advisor Series- Very Aggressive Plan	December 18, 2003	82.47	32.21	20.44
ICICI Prudential Advisor Series- Very Cautious Plan	December 18, 2003	12.62	14.58	6.18
ICICI Prudential Gilt Fund – Treasury Plan -PF Option	February 11, 2004	510.56	15.38	7.27
ICICI Prudential Income Multiplier Fund	March 30, 2004	3,640.99	18.27	10.56
ICICI Prudential Discovery Fund	August 16, 2004	8,757.63	43.13	29.68
ICICI Prudential Long Term Floating Rate Plan - Plan B	September 15, 2004	1,700.17	14.66	0.07
ICICI Prudential Emerging S.T.A.R. (Stocks Targeted At Returns) Fund	October 28, 2004	4,421.29	14.66	24.01
ICICI Prudential Blended Plan – Plan A	May 31, 2005	3,151.32	13.95	7.13
ICICI Prudential Blended Plan – Plan B	May 31, 2005	240.22	13.79	6.87
ICICI Prudential Infrastructure Fund	August 31, 2005	40,340.74	29.28	26.41
ICICI Prudential Services Industries Fund	November 30, 2005	3,439.31	16.34	12.00
ICICI Prudential Equity & Derivatives Fund - Income Optimiser Plan	December 30, 2006	3,528.42	12.50	7.10
ICICI Prudential Equity & Derivatives Fund - Wealth Optimiser Plan	December 30, 2006	3,523.11	12.63	7.44

Continued

Scheme Name	Date of Allotment	Average AUM at March 31, 2010 (Rs. in million)	Net Assets Value per unit at March 31, 2010 (Rs.) - For Growth option	Compounded Annualised Return (%) from the date of allotment of units till March 31, 2010 - For Growth option
ICICI Prudential Fusion Fund Series II	March 31, 2007	7,455.90	12.31	7.17
ICICI Prudential Interval Fund – Monthly Interval Plan – I	May 12, 2007	3.52	12.16	7.01
ICICI Prudential Interval Fund – Quarterly Interval Plan – I	May 15, 2007	45.13	12.37	7.68
ICICI Prudential Interval Fund Quarterly Interval Plan - II	June 15, 2007	10.99	12.20	7.36
ICICI Prudential Interval Fund Quarterly Interval Plan - III	July 20, 2007	4.22	11.88	6.59
ICICI Prudential Interval Fund - Annual Interval Plan I	August 17, 2007	29.98	12.36	8.42
ICICI Prudential Interval Fund – Annual Interval Plan II	October 05, 2007	23.35	12.19	8.28
ICICI Prudential Interval Fund – Half Yearly Interval Plan I	October 12, 2007	0.37	11.87	7.20
ICICI Prudential Interval Fund – Annual Interval Plan III	October 18, 2007	23.59	12.16	8.32
ICICI Prudential Indo Asia Equity Fund	October 18, 2007	4,885.87	9.73	-1.11
ICICI Prudential Interval Fund – Annual Interval Plan IV	October 24, 2007	6.42	12.11	8.20
ICICI Prudential Interval Fund II – Quarterly Interval Plan A	October 24, 2007	4.23	12.00	7.75
ICICI Prudential Interval Fund – Half Yearly Interval Plan II	November 07, 2007	3.49	11.70	6.75
ICICI Prudential Interval Fund II – Quarterly Interval Plan B	November 07, 2007	2.98	11.76	6.98
ICICI Prudential Interval Fund II – Quarterly Interval Plan C	November 23, 2007	40.64	11.97	7.94
ICICI Prudential Interval Fund II – Quarterly Interval Plan D	December 05, 2007	2.75	12.53	10.21
ICICI Prudential Interval Fund II – Quarterly Interval Plan F	December 27, 2007	90.40	11.59	6.74
ICICI Prudential Focused Equity Fund	May 23, 2008	11,869.34	14.20	20.81
ICICI Prudential Income Opportunities Fund	August 18, 2008	959.33	12.80	16.48
ICICI Prudential Banking and Financial Services Fund	August 22, 2008	1,076.71	15.42	30.96
ICICI Prudential Interval Fund V-Monthly Interval Plan A	September 05, 2008	1.22	10.96	6.02
ICICI Prudential Interval Fund IV-Quarterly Interval Plan B	September 24, 2008	292.56	11.06	6.89
ICICI Prudential Target Returns Fund (an Open Ended Diversified Equity Fund. There is no guarantee or assurance of returns	May 28, 2009	4,397.82	12.72	27.20
ICICI Prudential Medium Term Plan	June 12, 2009	11,820.80	10.24	2.36
ICICI Prudential Ultra Short Term Plan	June 12, 2009	79,975.62	10.31	3.08
ICICI Prudential Banking and PSU Debt Fund	January 01, 2010	17,063.80	10.11	1.07
Close Ended Schemes:				
ICICI Prudential Fusion Fund	March 25, 2006	4,207.94	13.26	7.27
ICICI Prudential Real Estate Securities Fund	December 31, 2007	3,574.94	10.49	2.13
ICICI Prudential Fixed Maturity Plan Series 33 – Plan A	February 28, 2008	1,676.33	10.47	2.21
ICICI Prudential Fusion Fund Series - III	March 15, 2008	5,874.28	11.95	9.11
ICICI Prudential Fixed Maturity Plan Series 45 - Three Year Plan - Growth	September 01, 2008	5,855.61	12.38	14.48

Scheme Name	Date of Allotment	Average AUM at March 31, 2010 (Rs. in million)	Net Assets Value per unit at March 31, 2010 (Rs.) - For Growth option	Compounded Annualised Return (%) from the date of allotment of units till March 31, 2010 - For Growth option
ICICI Prudential Fixed Maturity Plan Series 48 - Three Years Plan A - Growth	October 16, 2008	1,877.55	12.37	15.73
ICICI Prudential Fixed Maturity Plan Series 45 - 20 Months Plan - Growth	September 17, 2008	117.94	11.94	12.26
ICICI Prudential Fixed Maturity Plan Series 44 - Eighteen Months Plan - Growth	October 17, 2008	161.74	11.75	11.78
ICICI Prudential S.M.A.R.T. (Structured Methodology Aimed At Returns over Tenure) Fund - 24 Months Series C	October 20, 2008	1,897.11	12.64	17.64
ICICI Prudential S.M.A.R.T. (Structured Methodology Aimed At Returns over Tenure) Fund - 36 Months Series F	October 20, 2008	1,676.57	14.53	29.50
ICICI Prudential S.M.A.R.T. (Structured Methodology Aimed at Returns over Tenure) Fund- 24 Months Series D	December 05, 2008	315.67	13.23	23.65
ICICI Prudential Fixed Maturity Plan Series 48 - Three Years Plan B - Growth	December 11, 2008	153.45	11.87	0.14
ICICI Prudential S.M.A.R.T. (Structured Methodology Aimed at Returns over Tenure) Fund- 36 Months Series H	December 19, 2008	82.32	14.09	30.74
ICICI Prudential S.M.A.R.T. (Structured Methodology Aimed at Returns over Tenure) Fund- 36 Months Series G	December 22, 2008	124.73	17.25	53.52
ICICI Prudential S.M.A.R.T. (Structured Methodology Aimed at Returns over Tenure) Fund- 15 Months Series B	January 06, 2009	82.76	11.87	14.91
ICICI Prudential S.M.A.R.T. (Structured Methodology Aimed at Returns over Tenure) Fund- 24 Months Series E	January 06, 2009	81.67	11.67	13.37
ICICI Prudential Fixed Maturity Plan – Series 49 – One Year Plan A	July 03, 2009	887.83	10.44	4.38
ICICI Prudential R.I.G.H.T. (Rewards of Investing and Generation of Healthy Tax Savings) Fund	September 26, 2009	902.19	10.97	9.70
ICICI Prudential Fixed Maturity Plan – Series 49 – Three Years Plan A	September 25, 2009	607.89	10.50	4.98
ICICI Prudential Fixed Maturity Plan – Series 49 – One Year Plan B	September 29, 2009	3,078.52	10.34	3.37
ICICI Prudential Fixed Maturity Plan – Series 49 – One Year Plan C	October 23, 2009	58.13	10.18	1.84
ICICI Prudential Fixed Maturity Plan – Series 49 – Three Years Plan B	November 06, 2009	170.42	10.27	2.70
ICICI Prudential Fixed Maturity Plan – Series 50 – Eighteen Months Plan A	November 19, 2009	99.26	10.25	2.45
ICICI Prudential Fixed Maturity Plan – Series 50 – Eighteen Months Plan B	November 19, 2009	319.24	10.26	2.58
ICICI Prudential Fixed Maturity Plan – Series 50- 19 Months Plan A	December 24, 2009	700.03	10.16	1.62
ICICI Prudential Fixed Maturity Plan Series 51 -15 Months Plan E	February 19, 2010	896.00	10.14	1.35

Scheme Name	Date of Allotment	Average AUM at March 31, 2010 (Rs. in million)	Net Assets Value per unit at March 31, 2010 (Rs.) - For Growth option	Compounded Annualised Return (%) from the date of allotment of units till March 31, 2010 - For Growth option
ICICI Prudential Fixed Maturity Plan Series 51 – One Year Plan A	February 26, 2010	922.17	10.06	0.63
ICICI Prudential Fixed Maturity Plan Series 51 -14 Months Plan D	March 12, 2010	2,022.05	10.04	0.44
ICICI Prudential Fixed Maturity Plan Series 51 -13 Months Plan C	March 23, 2010	925.63	10.03	0.27
ICICI Prudential Fixed Maturity Plan Series 51 -3 Years Plan F	March 23, 2010	416.09	10.01	0.12
ICICI Prudential Fixed Maturity Plan Series 50 -24 Months Plan A	March 29, 2010	4.80	10.00	0.03
ICICI Prudential Fixed Maturity Plan Series 50 -24 Months Plan B	March 30, 2010	5.32	10.00	0.03
ICICI Prudential Fixed Maturity Plan Series 51 –One Year Plan B	March 30, 2010	58.86	10.00	0.03
ICICI Prudential Fixed Maturity Plan Series 52 -13 Months Plan A	March 30, 2010	258.23	10.00	0.03
ICICI Prudential Fixed Maturity Plan Series 52 –One Year Plan A	March 30, 2010	33.44	10.00	0.02

For Fixed Maturity Plans, NAV is declared once a week, i.e, every Wednesday. However it may be noted that March 31, 2010 was a Wednesday. Past performance may or may not be sustained in future.

The changes in Nifty and SENSEX at March 31, 2009 and March 31, 2010 are set out below:

Indices Value & Performance

Index	March 31, 2010	March 31, 2009	% Change
BSE Sensex	17,527.77	*9,708.50*	*80.54%*
S & P CNX Nifty	5,249.10	*3,020.95*	*73.76%*

FOREIGN EXCHANGE EARNINGS AND EXPENDITURE ETC.

The Company has neither incurred any expenditure nor earned any income in foreign exchange. 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

D. J. Balaji Rao resigned from the Board effective August 18, 2009. The Board place on record their appreciation and gratitude for the guidance offered by him, during his tenure as a Director of the Company

M. N. Gopinath who was appointed as an additional director effective December 4, 2009, holds office upto the date of the ensuing Annual General Meeting and is eligible for appointment.

In terms of the provisions of the Articles of Association, M. S. Parthasarathy is liable to retire at the forthcoming Annual General Meeting and being eligible has offered himself for reappointment.

AUDITORS

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

EMPLOYEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

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

ACKNOWLEDGEMENT

The 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.

The Directors 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., the Company's bankers and ICICI Bank Limited.

The 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 Agents and Distributors for handling the products of the Fund and for their contribution thereto during the year. Finally, the Directors wish to express their gratitude to the Members for their continued support.

On behalf of the Board

M. N. Gopinath
Director

Mumbai, April 16, 2010

auditors' report

to the members of ICICI Prudential Trust Limited

1. We have audited the attached Balance Sheet of ICICI Prudential Trust Limited (Formerly known as Prudential ICICI Trust Limited) as at March 31, 2010 and also the annexed Profit and Loss Account and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with standards on auditing generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order, to the extent applicable.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that:
   a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
   b. In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of the books.
   c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
   d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt herewith comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
   e. On the basis of the written representations received from the Directors and taken on records by the Board of Directors ,none of the Director is disqualified, as at the balance sheet date, from being appointed as Directors in terms of Section 274 (1) (g) of the Companies Act, 1956.
   f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010
      ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
      iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For N. M. RAIJI & CO.,
Chartered Accountants

J. M. GANDHI
Partner
Membership No. 37924
Firm's Registration No. 108296W

Mumbai, April 16, 2010

annexure to the auditors' report

annexure to Auditors' Report of even date for the year ended – March 31, 2010

Referred to in paragraph 3 of the Auditors Report of even date of ICICI Prudential Trust Limited for the year ended March 31, 2010.

i. The Company does not own any fixed assets and hence no comment is called for in respect of clause i of the Order;
ii. The nature of the Company's activities is such that, the provisions relating to inventories as mentioned in clause ii of the said order are not applicable;
iii. During the year, the Company has not granted or taken any loans to / from parties listed in the register maintained under Section 301 of the Companies Act, 1956;
iv. In our opinion and according to the information and explanations provided to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the services rendered by it;
v. Based on the audit procedures applied by us and according to the information and explanations provided by the management, during the year there are no contracts or arrangements that need to be entered in the register maintained under that Sec. 301 of the Companies Act, 1956;
vi. The Company has not accepted any deposits from the public;
vii. In the opinion of the management,considering nature of the company's operations internal audit is not necessary;
viii. The nature of the Company's activities is such that, the provisions relating to clause (d) of sub-section (1) of section 209 of the Companies Act,1956 is not applicable;
ix. a) According to the records, information and explanations provided to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, sale tax, wealth tax, service tax ,custom duty, excise duty and statutory dues applicable .No undisputed amounts payable were outstanding as at March 31,2010 for a period of more than six months from the date they became payable;
    b) As at the Balance Sheet date, the Company does not have any unpaid disputed dues of sales tax, income tax, service tax, excise duty, custom duty, wealth tax, cess;
x. The Company neither has accumulated losses at the end of the financial year nor has incurred cash losses during the year and in the immediately preceding financial year;
xi. The Company has not taken any loans from financial institutions or banks or debenture holders and hence no question of default in repayment;
xii. According to the information and explanations given to us and based on our examination of records, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
xiii. The Company is not a chit fund / nidhi / mutual benefit fund / society and hence, clause xiii of the Order is not applicable;
xiv. In our opinion and according to the information and explanations provided to us, the company is not dealing or trading in shares, securities, debentures and other investments.
xv. On the basis of the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions;
xvi. Based on the information and explanations given to us, the company has not borrowed funds and hence clause xvi and xvii of the order are not applicable;
xvii. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956;
xviii. The Company has not issued any Debentures; hence the clause xix of the order is not applicable;
xix. During the year the Company has not raised funds by way of public issue, hence the clause xx of the order is not applicable;
xx. Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported.

For N. M. RAIJI & CO.,
Chartered Accountants

J. M. GANDHI
Partner
Membership No. 37924
Firm's Registration No. 108296W

Mumbai, April 16, 2010

balance sheet

as at March 31, 2010

		Schedule	March 31, 2010	(Rs. in 000's) *March 31, 2009*
I.	**SOURCES OF FUNDS :**			
1.	**Shareholder's Fund**			
	Share Capital	1	**1,007**	*1,007*
	Reserves and Surplus	2	**9,095**	*7,867*
2.	**Loan Funds**			
	Secured Loans		**—**	*—*
	Unsecured Loans		**—**	*—*
	TOTAL		**10,102**	*8,874*
II.	**APPLICATION OF FUNDS:**			
1	**Fixed Assets**		**—**	*—*
2.	**Investments**	3	**6,614**	*8,893*
3	**Current Assets, Loans & Advances**			
	a) Current Assets	4	**5,098**	*6,855*
	b) Loans & Advances	5	**700**	*1,100*
	(A)		**5,798**	*7,955*
	Less: **Current Liabilities & Provisions**			
	a) Current Liabilities	6	**515**	*6,965*
	b) Provisions	7	**1,795**	*1,008*
	(B)		**2,310**	*7,973*
	Net Current Assets (A–B)		**3,488**	*(19)*
	TOTAL		**10,102**	*8,874*

profit and loss account

for the year ended March 31, 2010

	Schedule	March 31, 2010	(Rs. in 000's) *March 31, 2009*
INCOME			
Income from Operations	8	**5,000**	*5,000*
Other Income	9	**291**	*386*
Profit on Sale of Investment		**674**	*—*
(A)		**5,965**	*5,386*
Less: Expenditure			
Establishment Expenses & Other Expenses	10	**1,690**	*3,518*
(B)		**1,690**	*3,518*
Profit Before Taxation (A-B)		**4,275**	*1,868*
Less: Provision for Taxation - Current		**1,280**	*561*
Profit After Tax		**2,995**	*1,308*
Add: Balance brought forward		**6,362**	*6,128*
Profit Available for Appropriation		**9,357**	*7,435*
Appropriations			
Dividend @150%		**1,510**	*806*
Corporate Dividend Tax		**257**	*137*
Transfer to General Reserve		**299**	*131*
Balance carried to Balance Sheet		**7,291**	*6,362*
		9,357	*7,435*
Earnings per Share of face value of Rs. 10 each - Basic and Diluted		**29.75**	*12.99*

As per our attached report.

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner
Membership No. 37924

Mumbai, April 16, 2010

For and on behalf of the Board of Directors of ICICI Prudential Trust Limited

E. B. DESAI
Chairman

M. N. GOPINATH
Director

M. S. PARTHASARTHY
Director

cash flow statement

for the year ended March 31, 2010

(Rs. in 000's)

		March 31, 2010		March 31, 2009
Cash flows from Operating Activities				
Net profit before taxation		**4,275**		*1,868*
Adjustment for:				
Interest on Bank Deposit	**(21)**		*(150)*	
Investment income (dividend)	**(219)**		*(236)*	
Interest on IT refunds	**(51)**		—	
(Profit)/Loss on sale of investments (net)	**(674)**		—	
		(965)		*(386)*
Operating Profit before working capital changes		**3,310**		*1,482*
(Increase)/ Decrease in Sundry debtors	**10**		*(974)*	
(Increase)/ Decrease in Loans and advances	**400**		*(712)*	
Increase/(Decrease) in current liabilities and provisions	**(7,717)**		*7*	
Cash generated from working capital changes	**(7,307)**		*(1,679)*	
Interest on IT refunds	—		—	
Income Tax paid net of income tax refunds	—		—	
		(7,307)		*(1,679)*
Net Cash generated from/(Used in) operating activities (A)		**(3,997)**		*(196)*
Cash Flow from Investing Activities				
Dividend Received	**219**		*236*	
Interest Received	**21**		*140*	
Purchase of mutual fund units	**(1,234)**		*(236)*	
Proceeds from sale of Investments	**4,186**		—	
Investment in Term Deposits	—		*(1,727)*	
Proceeds from maturity of Term Deposits	**1,858**		*1,588*	
Net Cash generated from/(used in) Investing activities (B)		**5,050**		—
Cash Flow from financing Activities				
Interest on IT refunds	—			
Dividend Paid	**(806)**		*(101)*	
Tax on Dividend	**(137)**		*(17)*	
Net Cash used in financing activities (C)		**(943)**		*(118)*
Net increase in Cash and Cash equivalents (A) + (B) + (C)		**110**		*(314)*
Cash and Cash equivalents at beginning of the Year				
Balance with Schedule Bank in Current Account	**24**		*338*	
		24		*338*
Cash and Cash equivalents at end of the year				
Balance with Schedule Bank in Current Account	**134**		*24*	
		134		*24*

As per our attached report

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner
Membership No. 37924

Mumbai, April 16, 2010

For and on behalf of the Board of Directors of ICICI Prudential Trust Limited

E. B. DESAI
Chairman

M. N. GOPINATH
Director

M. S. PARTHASARTHY
Director

forming part of the Accounts

(Rs. in 000's)

		March 31, 2010		March 31, 2009
SCHEDULE 1 : SHARE CAPITAL				
Authorised				
10,00,000 Equity Shares of Rs. 10 each		**10,000**		*10,000*
Issued, Subscribed and Paid up				
100,700 Equity Shares of Rs. 10 each, fully paid up (Of the above, 51,157 Equity Shares are held by ICICI Bank Limited, the Holding Company).		**1,007**		*1,007*
		1,007		*1,007*
SCHEDULE 2 : RESERVES AND SURPLUS				
General Reserve				
Opening Balance	**1,505**	**—**	*1,375*	
Add: Transfer from Profit & Loss Account	**299**	**1,804**	*131*	*1,505*
Profit & Loss Account Balance		**7,291**		*6,362*
		9,095		*7,867*
SCHEDULE 3 : INVESTMENTS				
Long Term - (At Cost)				
Quoted				
Nil units (Previous Year -132,441.912 Units) in ICICI Prudential Liquid Plan-Growth Option		**—**		*2,341*
212,071.072 units (Previous Year-226,238.202 Units) in ICICI Prudential Short Term Plan-Cumulative Option		**2,343**		*2,500*
3,99,008.111 units (Previous Year-380,347.218 Units) in ICICI Prudential Short Term Plan-Dividend Option		**4,271**		*4,052*
Total Market Value:Rs. 8,724,160.69 (Previous Year-Rs. 113,23,751.00)				
		6,614		*8,893*
Details of Purchases and Redemptions (Units)				
ICICI Prudential Liquid Plan		**5**		*—*
ICICI Prudential Liquid Plan		**(137)**		*—*
ICICI Prudential Short Term Plan-Cumlative Option		**(14)**		*—*
ICICI Prudential Short Term Plan-Dividend Option		**19**		*21*
SCHEDULE 4 : CURRENT ASSETS (CONSIDERED GOOD)				
Interest Accrued on Term Deposits		**—**		*130*
Sundry Debtors		**4,963**		*4,974*
Balance with Scheduled banks				
in Term Deposits		**—**		*1,727*
in Current Account		**135**		*24*
		5,098		*6,855*

(Rs. in 000's)

	March 31, 2010	March 31, 2009
SCHEDULE 5 : LOANS AND ADVANCES		
Advance Income Tax (Net of Provision)	**700**	*1,100*
	700	*1,100*
SCHEDULE 6 : CURRENT LIABILITIES		
Amount due to ICICI Prudential Asset Management Company Limited	**—**	*6,349*
Miscellaneous Creditors	**—**	*—*
TDS Payable	**—**	*7*
Service Tax Payable (not due)	**515**	*609*
Fees recd. in advance	**—**	*—*
	515	*6,965*
SCHEDULE 7 : PROVISIONS		
Proposed Dividend	**1,510**	*806*
Provision for Dividend Tax	**257**	*137*
Provision for Expenses	**28**	*66*
	1,795	*1,008*
SCHEDULE 8 : INCOME FROM OPERATIONS		
Trusteeship Fees	**5,000**	*5,000*
	5,000	*5,000*
SCHEDULE 9 : OTHER INCOME		
Interest on Bank deposits (TDS deducted Current Year - Nil; Previous Year - Nil)	**21**	*150*
Dividends from Mutual Fund	**219**	*236*
Interest on Income Tax Refund	**51**	*—*
	292	*386*
SCHEDULE 10 : ESTABLISHMENT & OTHER EXPENSES		
Director's Fees	**360**	*340*
Professional and Consultancy	**832**	*2,590*
Bank Charges	**2**	*2*
Board Meeting Expenses	**468**	*554*
Other Expenses	**—**	*4*
Auditor's Remuneration	**28**	*28*
	1,690	*3,518*

SCHEDULE 11 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1. The financial statements are prepared under the historical cost convention, on the accrual basis of accounting, and in accordance with the provisions of the Companies Act, 1956 and generally accepted accounting principles and practices in India.
2. Revenue Recognition
   - Trusteeship fees are recognised on accrual basis as per the Trusteeship Agreement.
   - Interest income is accounted on accrual basis.
   - Dividend income is recognised when right to receive dividend is established
3. Investments are stated at cost less any permanent diminution in value.
4. Trusteeship Fees are shown net of service tax.

NOTES FORMING PART OF ACCOUNTS

1. Trusteeship being the core and only activity of the company, the same is considered as Reportable Segment for the purpose of AS-17 "Segment Reporting". In view of this, there are no other reportable segments other than that mentioned here above.
2. EPS is computed in accordance with AS-20 "Earnings per Share" issued by the Institute of Chartered Accountants of India (ICAI).

(Amount in Rs.)

	March 31, 2010	*March 31, 2009*
Profit after taxation	**2,995,356**	*1,307,696*
Number of equity shares issued and paid (in units)	**100,700**	*100,700*
Basic and diluted EPS of face value of Rs.10 each (in Rs.)	**29.75**	*12.99*

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 Asset Management Company Limited – Fellow Subsidiary

     ICICI Venture Funds Management Company Limited – Fellow Subsidiary

(Amount in Rs.)

Nature of Transactions	Holding company	Fellow subsidiary companies	Party with Significant influence	Key management personnel	Relatives of Key Management Personnel	Total
Interest earned on Term Deposit	**21,014**	—	—	—	—	**21,014**
(Previous Year)	*(149,814)*	—	—	—	—	*(149,814)*
Interest accrued but not due on Term Deposit	—	—	—	—	—	—
(Previous Year)	*(129,932)*	—	—	—	—	*(129,932)*
Dividend Paid	**410,856**	—	**394,744**			**805,600**
(Previous Year)	—	—	—	—	—	—
Expenses paid on our behalf	—	**(3,137,017)**	—	—	—	**(3,137,017)**
(Previous Year)	—	*(4,443,781)*	—	—	—	*(4,443,781)*
Amount Payable against expenses paid on our behalf	—	—	—	—	—	—
(Previous Year)	—	*(6,348,844)*	—	—	—	*(6,348,844)*
Term Deposit	—	—	—	—	—	—
(Previous Year)	*(1,727,424)*	—	—	—	—	*(1,727,424)*

- An amount of Rs. 3,137,017 (Previous year Rs. 4,443,781) has been paid by ICICI Prudential Asset Management Company Limited towards expenses on behalf of the company. An amount of Rs. NIL (Previous year Rs. 6,348,844) is payable to ICICI Prudential Asset Management Company Limited.

4. Auditors remuneration for the current year has been provided as follows

(Amount in Rs.)

	2009-2010	*2008-2009*
Audit Fees	**27,575**	*27,575*
Total	**27,575**	*27,575*

5. Previous years figures have been re-grouped wherever necessary.

As per our attached report

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner
Membership No. 37924

Mumbai, April 16, 2010

For and on behalf of the Board of Directors of ICICI Prudential Trust Limited

E. B. DESAI
Chairman

M. N. GOPINATH
Director

M. S. PARTHASARTHY
Director

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration details

Registration No.	54134	State Code	55
Balance Sheet Date	31 (Date)	03 (Month)	2010 (Year)

II. Capital raised during the Year (Amount in Rs. Thousand)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

III. Position of mobilisation and deployment of funds (Amount in Rs. Thousand)

Total Liabilities	Total Assets
12412	12412

Sources of Funds

Paid-up Capital	Reserves and Surplus
1007	9095
Secured Loans	Unsecured Loans
NIL	NIL

Application of Funds

Net Fixed Assets	Investments
NIL	6614
Net Current Assets	Miscellaneous Expenditure
3488	NIL
Deferred Tax Asset	Accumulated Losses
NIL	NIL

IV. Performance of the Company

Total Turnover	Total Expenditure
5965	1690
Profit Before Tax	Profit After Tax
4275	2995
Earnings Per Share in Rupees (Actuals)	Dividend Rate %
29.75	150

V. Generic names of principal products/services of the Company

Items code no (ITC code)	NOT APPLICABLE
Service description	TRUSTEES FOR MUTUAL FUND

For and on behalf of the Board of Directors of
ICICI Prudential Trust Limited

E. B. DESAI
Chairman

M. N. GOPINATH
Director

M. S. PARTHASARTHY
Director

Mumbai, April 16, 2010

This page is intentionally left blank

This page is intentionally left blank