18th Annual Report and Accounts 2011-2012 - Subsidiary Companies

Pioneering
Next Generation Banking...

ICICI Bank | khayaal aapka

Contents

ICICI Securities Primary Dealership Limited

ICICI SECURITIES PRIMARY DEALERSHIP LIMITED

19TH ANNUAL REPORT AND ACCOUNTS 2011-2012

Directors
N. S. Kannan, *Chairman*
Uday Chitale
Shilpa Kumar
Vishakha Mulye
Subir Saha
B. Prasanna, *Managing Director & CEO*
Sundaram G. H., Executive Director

Auditors
S.R. Batliboi & Co.
Chartered Accountants

Prachiti D. Lalingkar
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 Nineteenth Annual Report of ICICI Securities Primary Dealership Limited (the Company) with the audited statement of accounts for the year ended March 31, 2012.

INDUSTRY OVERVIEW

India's economic growth moderated in fiscal 2012 as a combination of global and domestic developments impacted investment and consumption demand. As per the Central Statistical Organisation's advance estimates, the gross domestic product (GDP) is estimated to grow by 6.9% year-on-year (YoY) in fiscal 2012 compared to 8.4%YoY growth in the last two financial years. The deceleration in economic activity was largely driven by a moderation in industrial sector growth to 3.6%YoY. Services sector growth remained robust at 8.8%YoY. Inflation as measured by the wholesale price index (WPI), stayed elevated for most part of fiscal 2012. The average WPI inflation and core inflation in the period April to December 2011 stood at 9.4% and 7.8% respectively. Both headline and core inflation moderated in the fourth quarter of fiscal 2012 (Q4-2012). In response to elevated inflationary expectations, Reserve Bank of India (RBI) raised key policy rates i.e. the repo and reverse repo rates by a cumulative 175 basis points during the first three quarters of fiscal 2012. In global developments, Greece restructured its sovereign debt and many peripheral European countries were downgraded to below investment grade by rating agencies. These resulted in continued deleveraging in the European banking system and impacted the global economy through the trade and financial channels. India's external balances deteriorated during fiscal 2012 with the current account deficit widening to 4.0% of GDP in first three quarters of fiscal 2012 from 2.8% of GDP in fiscal 2011. Rising current account deficit combined with weak global capital flows resulted in deterioration of India's balance of payments and led to 14.1% depreciation in nominal exchange rate over fiscal 2012. RBI intervened in foreign exchange markets to prevent excessive depreciation of the Rupee. However, the intervention resulted in an adverse impact on domestic banking system liquidity. In view of tightening liquidity conditions, RBI reduced the cash reserve ratio (CRR) by a cumulative 125 basis points in Q4-2012.

The central government's fiscal deficit rose to 5.9% of GDP (as against 4.7% budgeted) from 4.8% of GDP recorded in fiscal 2011. The increase was caused by higher subsidies, lower direct tax collections and failure to meet disinvestment targets. In order to finance the increase, the government increased market borrowings by ₹ 934,138.1 million through dated securities and an additional ₹ 1,273,289.5 million through treasury bills.

Credit growth in the banking system slowed to 16.8%YoY at March 23, 2012 before increasing to 19.3% YoY at March 30, 2012. Deposit growth decelerated to 13.4%YoY at March 23, 2012 before increasing to 17.4% at March 30, 2012. Broad money expanded by 13%YoY or significantly below central bank's projection of 15.5%. The liquidity conditions in banking system remained in deficit for the entire fiscal 2012 despite 125 basis points reduction in CRR and RBI's net open market purchase of ₹ 1,342,200.0 million (upto March 30, 2012) of government securities.

In the government bond market, yields increased after the issuance of new 10 year benchmark at a yield of 7.8% in early April 2011. With a continuous supply of government bonds and a 50 basis points increase in policy rates in the annual policy, the yield on benchmark rose to 8.46% by the end of May 2011. The bond yields remained in the range 8.20%-8.45% between June 2011 and September 2011 as inflation remained elevated and RBI increased the policy rates thrice. The government's announcement of extra borrowing through dated securities in the second half of fiscal 2012 led to an increase in yields to 8.97% by mid November 2011. Bond yields fell in December 2011 and January 2012 after RBI signalled a pause in rate increase cycle and on account of the central bank's open market purchases of government securities. The yield on 10 year benchmark declined to 8.14% by the end of January 2012. Government bond yields increased again in the last two months of fiscal 2012 on account of increasing crude prices and concerns on large borrowing program for fiscal 2013. Fiscal 2012 ended with the benchmark 10 year bond yield at 8.54% compared to 7.99% at the end of fiscal 2011.

FINANCIAL HIGHLIGHTS (₹ in million)

	Fiscal 2011	**Fiscal 2012**
Gross income	*3,589.4*	**5,984.2**
Profit before tax	*803.7*	**1,274.4**
Provision for tax	*275.9*	**417.6**
Profit after tax	*527.8*	**856.8**

Profit after tax for the year ended March 31, 2012 was ₹ 856.8 million (previous year: ₹ 527.8 million). After taking into account the balance of ₹ 613.0 million (previous year: ₹ 553.8 million) brought forward from the previous year, the profit available for appropriation is ₹ 1,469.8 million (previous year: ₹ 1,081.6 million), of which ₹ 85.7 million (previous year: ₹ 52.8 million) and ₹ 171.4 million (previous year: ₹ 105.6 million) have been transferred to General Reserve and Special Reserve respectively.

DIVIDEND

During the year, the Company declared four interim dividends aggregating to 24% on the equity share capital of the Company. The Directors are pleased to recommend a final dividend of 3.25% for the year, amounting to a total of 27.25% at ₹ 426.03 million for fiscal 2012.

OPERATIONAL REVIEW

Fixed Income

Despite a challenging business environment last year, the Company was able to maintain its leadership position in the fixed income market. During fiscal 2012, market participants faced increased government borrowings in a tight liquidity scenario. However, RBI purchases through Open Market Operations (OMOs) during the third quarter of fiscal 2012 and through Q4-2012 resulted in a significant moderation in yields.

The Company was able to generate trading profits on all segments of the market by quickly reacting to changing market conditions and effectively using derivatives to capture two-way interest rate movements. 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 ₹ 4,984.50 billion.

In the corporate bond market, yields remained under pressure due to the rise in policy rates and the persistence of tight liquidity. The yield curve remained inverted with 1 year A1+ Certificate of Deposits (CDs) yield being higher than the 10 year corporate bond yield for most of fiscal 2012. The 10 year benchmark AAA corporate bond yield increased from 9.2% in March 2011 to 9.8% by June 2011 due to the 50 basis points policy rate increase by RBI in the May 2011 annual policy and a sharp increase in the supply by PSU issuers in this period. However, strong demand from provident funds & insurance companies and the positive market impact of OMOs by RBI resulted in the 10 year benchmark AAA corporate bond yield coming down to 9.2% by January 2012. Subsequently, yields increased towards the end of fiscal 2012 with the benchmark 10 year AAA corporate bond yield rising to 9.5% by March 31, 2012 due to the persistence of tight liquidity at year end and the anti inflationary policy stance articulated by RBI in the March 2012 policy announcement. The 1 year A1+ CDs yield rose to a high of 11.0% in March 2012 before declining to 10.1% by end of fiscal 2012.

Funding pressures remained throughout the year and high short term borrowing costs impacted the carry income in the non-SLR portfolio. The short end yields remained high due to the tight liquidity conditions. RBI released the final guidelines for credit default swaps for corporate bonds but market volumes are yet to pick up in a significant manner.

In the interest rate swaps market, the improvement in liquidity continued into fiscal 2012. Market volumes improved considerably and the Company's market share in Overnight Indexed Swaps increased significantly compared to fiscal 2011. Swaps were actively used to hedge bond positions and trading positions in an environment of increasing interest rates and tight liquidity. Efficient utilisation of capital remained a key focus for the Company.

The Company's corporate debt placement volumes rose by over 30% with total deals crossing ₹ 830.00 billion. The Company maintained its position as the only non-bank entity in top three of PRIME league tables.

The Company's significant deals included the bond issue by A- rated West Bengal State Electricity Distribution Company Limited which raised ₹ 5.00 billion for a tenor of 15 years without any state guarantee and issuance of unsecured unlisted bonds by Tata Sons Limited in two tranches of ₹ 5.00 billion each where the Company was the sole Arranger.

While the Company continued to be a preferred arranger for other major issuers including Power Finance Corporation Limited, Rural Electrification Corporation Limited, Power Grid Corporation of India Limited, National Bank for Agriculture and Rural Development and Housing Development Finance Corporation Limited, it also assisted several first time / irregular issuers such as NHPC Limited (₹ 12.66 billion), MRF Limited (₹ 5.00 billion) and IL&FS Financial Services Limited (₹ 4.00 billion) in tapping rupee debt capital markets.

Portfolio Management Services

During the year, the Company was appointed as one of the discretionary fund managers for managing the funds belonging to the Employees Provident Fund Organisation under the Ministry of Labour for a period of 3 years.

During the year, the Company was also appointed as advisor to the West Bengal State Electricity Transmission Corporation Limited Provident Fund. The Company was also re-appointed as Advisors to CESC Limited for their provident fund and to the West Bengal State Electricity Distribution Company Limited for its pension and gratuity funds.

With effect from January 17, 2012, the Company ceased to be the fund manager for Coal Mines Provident Fund Organisation (CMPFO). The Company had been managing the funds belonging to CMPFO, under the Ministry of Coal on a discretionary basis since December 2006.

Overall, gross Assets under Management on a discretionary basis were at ₹ 732,500.0 million at March 31, 2012. 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 our 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

Although headline inflation should moderate on an average compared to fiscal 2012, it may still stay above target levels and thereby limit the scope for further easing. High crude oil prices will continue to pose a challenge to Indian economy. On the external front, the balance of payments would need to be monitored despite the likelihood of some decline in current account deficit. The outlook for capital flows remains uncertain due to global factors. As a consequence, liquidity management will assume priority during fiscal 2013 and RBI's liquidity stance is expected to impact interest rates. While lower inflation and probable policy easing could be positives for bonds, the increase in the supply of sovereign paper will have an impact on the bond market. RBI intervention may be required for smoother conduct of the borrowing programme. The outlook for the global economy is likely to be mixed with improvement in the US offset by moderation in the euro zone and a gradual growth moderation in China.

PUBLIC DEPOSITS

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

DIRECTORS

During the year, Shilpa Kumar was appointed as a Director on the Board of Directors of the Company.

In terms of the provisions of the Articles of Association of the Company, B. Prasanna, Managing Director & CEO and Sundaram G. H., Executive 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 has, at its Meeting held on April 20, 2012, proposed their re-appointment as Auditors to audit the accounts of the Company for the financial year ending on March 31, 2013. 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 2012, expenditure in foreign currencies amounted to ₹ 1.3 million (previous year: ₹ 0.5 million) and earnings in foreign currencies were ₹ nil (previous year: ₹ 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. 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, 2012 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 thank the Government of India, Reserve Bank of India, Securities and Exchange Board of India and other statutory authorities for their continued support to the Company. The Directors also thank the Company's bankers and lenders.

The Directors express their gratitude for the 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 20, 2012

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, 2012 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) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
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 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 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, 2012;
      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 SHRAWAN JALAN
Partner
Mumbai, April 20, 2012 *Membership No.: 102102*

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. Government securities and treasury bills held in Subsidiary General Ledger Account ('SGL') with the Reserve Bank of India ('RBI') or as margin with Clearing Corporation of India ('CCIL') are verified with the confirmation statements received from the RBI and CCIL on a regular basis. The securities (other than government securities and treasury bills) held as stock in trade in dematerialised form with the custodian is 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 statements (as mentioned in paragraph ii(a) above) 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. 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, 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) 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 Companies Act, 1956 for the products and services of the Company.

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

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

(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 service tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹. in million)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	6.27	October 2000 to June 2002	CCE (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 and Treasury Bills.

(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 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) 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 20, 2012

balance sheet

as at March 31, 2012

	Notes	As at March 31, 2012	(₹ in million) *As at March 31, 2011*
I EQUITY AND LIABILITIES			
Shareholders' Funds			
A. Share Capital	2	**1,563.4**	1,563.4
B. Reserves and Surplus	3	**4,646.3**	4,284.6
		6,209.7	5,848.0
Non-Current Liabilities			
A. Long Term Borrowings	4	**3,400.0**	1,350.0
B. Long Term Provisions	5	**71.9**	68.8
		3,471.9	1,418.8
Current Liabilities			
A. Short Term Borrowings	6	**68,171.0**	45,755.6
B. Current Maturities of Long Term Borrowings		**1,100.0**	2,100.0
C. Trade Payables	7	**5,851.6**	5,146.2
D. Other Current Liabilities	8	**3,907.7**	649.9
E. Short Term Provisions	9	**59.3**	72.7
		79,089.6	53,724.4
		88,771.2	60,991.2
II ASSETS			
Non-Current Assets			
A. Fixed Assets	10		
(i) Tangible Assets		**16.1**	20.6
(ii) Intangible Assets		**12.8**	15.5
(iii) Capital Work-in-progress		**0.2**	1.1
B. Deferred Tax Assets (Net)	11	**24.6**	24.2
C. Long Term Loans and Advances	12	**150.0**	152.5
		203.7	213.9
Current Assets			
A. Inventories - Securities Held as Stock in Trade	13	**76,698.4**	51,921.1
B. Trade Receivables	14	**5,852.0**	4,165.7
C. Cash and Cash Equivalents	15	**153.8**	2,108.3
D. Short Term Loans and Advances	16	**5,463.0**	2,389.4
E. Other Current Assets	17	**400.3**	192.8
		88,567.5	60,777.3
		88,771.2	60,991.2
Significant Accounting Policies	1		

The notes referred to above 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 SHRAWAN JALAN
Partner
Membership No: 102102

Mumbai, April 20, 2012

profit and loss account

for the year ended March 31, 2012

	Notes	For the year ended March 31, 2012	(₹ in million) *For the year ended March 31, 2011*
Revenue from Operations			
(a) Interest & Dividend Income		**4,460.2**	*3,016.3*
(b) Profit/(Loss) on Securities (Net)	19	**1,349.2**	*356.2*
(c) Income from Services	20	**162.9**	*186.0*
		5,972.3	*3,558.5*
Other Income	21	**11.9**	*30.9*
Total Revenue		**5,984.2**	*3,589.4*
Less : Operating Expenditure			
(b) Interest Expenses	22	**4,034.1**	*2,254.6*
(a) Operating Expenses	23	**150.4**	*86.0*
Total Operating Expenses		**4,184.5**	*2,340.6*
		1,799.7	*1,248.7*
Less : Administrative Expenditure			
(a) Employee expenses	24	**378.8**	*324.2*
(b) Establishment and Other Expenses	25	**134.3**	*111.7*
(c) Depreciation		**12.2**	*9.1*
Total Administrative Expenses		**525.3**	*445.1*
Profit before Tax		**1,274.4**	*803.6*
Tax Expense			
(a) Current Tax		**418.0**	*277.0*
(b) Deferred Tax		**(0.4)**	*(1.2)*
Total Tax		**417.6**	*275.9*
Profit after Tax		**856.8**	*527.8*
Earnings per share (Basic & Diluted)	26	**54,804.27**	*33,760.39*
(Face value Rs. 1,00,000/- per share (Previous Year Rs.1,00,000/- per share)			

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

For and on behalf of the Board of Directors

N. S. KANNAN
Chairman

UDAY CHITALE
Director

B.PRASANNA
Managing Director & CEO

ABHIJEET GUIN
Senior Vice President & CFO

PRACHITI LALINGKAR
Company Secretary

NOTES FORMING PART OF THE ACCOUNTS AND ACCOUNTING POLICIES:

1. **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 recognized 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 recognized based on the stage of completion of assignments and terms of agreement with the client.

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

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

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

(e) All other incomes are recognized 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 recognized 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 Capital Reserve Account. Loss on sale is recognized in the Profit and Loss account.

(vii) Repurchase and Resale Transactions (Repo)

Repo transactions are treated as collateralised lending and borrowing transactions, with an agreement to repurchase, on the agreed terms, as per RBI guidelines and accordingly disclosed in the financial statements. The difference between consideration amounts of the first leg and second leg of the repo are reckoned as Repo Interest. As regards repo / reverse repo transactions outstanding on the balance sheet date, only the accrued income / expenditure till the balance sheet date is taken to the Profit and Loss account. Any repo income / expenditure for the remaining period is reckoned for the next accounting period. The securities sold under repo transactions are continued to marked to market as per the investment classification of the security.

(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 recognized 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 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. 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 recognized 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 recognized 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 on 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 recognized 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.

(₹ in million)

	As at March 31, 2012	*As at March 31, 2011*
2. SHARE CAPITAL :		
Authorised:		
50,000 (Previous year 50,000) Equity Shares of ₹1,00,000/- each	**5,000.0**	*5,000.0*
Issued:		
15,634 (Previous year 15,634) Equity Shares of ₹1,00,000/- each	**1,563.4**	*1,563.4*
Subscribed & Paid Up:		
15,634 (Previous year 15,634) Equity Shares of ₹1,00,000/- each	**1,563.4**	*1,563.4*
fully paid		

Notes:

(1) Of the above, 15,634 (Previous year 15,634) Equity Shares of ₹100,000/- each fully paid are held by ICICI Bank Limited (the Holding company) and its nominees.

(2) The company has only one class of equity shares having a par value of ₹100,000/- per share. Each shareholder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the the number of equity shares held by the shareholder.

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2012	*As at March 31, 2011*
At the beging of the period	15,634.0	15,634.0
Issued during the period	—	—
Outstanding at the end of the period	15,634.0	15,634.0

(a) During the period of last five years immediately preceding the reporting date the company has not issued any bonus shares

(b) During the period of last five years immediately preceding the reporting date, the company has bought back 576 Equity shares during the year ended on March 31, 2009

(₹ in million)

	As at March 31, 2012	*As at March 31, 2011*
3. RESERVES AND SURPLUS		
General Reserve		
Balance as as per last financial statements	**409.9**	357.1
Additions / transfer during the year	**85.7**	52.8
Closing balance	**495.6**	409.9
Special Reserve		
(maintained under Section 45 IC of the Reserve Bank of India (RBI) Act, 1934)		
Balance as as per last financial statements	**2,785.2**	2,679.6
Additions / transfer during the year	**171.4**	105.6
Closing balance	**2,956.6**	2,785.2
Capital Reserve*		
Balance as as per last financial statements	**9.9**	—
Additions / transfer during the year	**—**	9.9
Closing balance	**9.9**	9.9
Capital Redemption Reserve		
Balance as as per last financial statements	**466.6**	466.6
Additions / transfer during the year	**—**	
Closing balance	**466.6**	466.6
Profit and Loss Account		
Balance as as per last financial statements	**613.0**	553.8
Profit for the year	**856.8**	527.8
Less: Appropriations		
Transfer to Special Reserve	**171.4**	105.6
Transfer to General Reserve	**85.7**	52.8
Transfer to Capital Reserve	**—**	9.9
Interim dividend	**375.2**	195.4
Proposed Dividend	**50.8**	62.5
(Amount Rs.3,250/- per share (Previous year Rs.4,000/- per share)		
Corporate Dividend Tax	**69.1**	42.4
Closing balance	**717.6**	613.0
TOTAL	**4,646.3**	4,284.6

* Represents profit on sale of Held to Maturity (HTM) investments (net of tax)

	As at March 31, 2012		*As at March 31, 2011*	
	Non-Current Maturites	Current Maturities	*Non-Current Maturites*	*Current Maturities*
4. LONG TERM BORROWINGS:				
Unsecured				
Subordinated Bonds - Tier II Capital				
150 (Previous year Nil) 9.65% Unsecured Bonds of ₹1 million each maturiing on 17th May 2022	**150.0**	**—**	—	—
50 (Previous year Nil) 9.75% Unsecured Bonds of ₹10 million each maturiing on 21st December 2021	**500.0**	**—**	—	—
25 (Previous year 25) 9.90% Unsecured Bonds of ₹10 million each maturiing on28th April 2014	**250.0**	**—**	*250.0*	—
25 (Previous year 25) 9.25% Unsecured Bonds of ₹10 million each maturiing on18th April 2012	**—**	**250.0**	*250.0*	—
Total Subordinated Bonds issued as Tier II Capital	**900.0**	**250.0**	*500.0*	—
Subordinated Bonds - Tier III Capital				
35 (previous year Nil) 10.10% Unsecured Bondsof ₹10 million each maturiing on 06th April 2015	**350.0**	**—**	—	—
15 (previous year Nil) 9.90% Unsecured Bonds of ₹10 million each maturiing on 21st April 2014	**150.0**	**—**	—	—
100 (previous year Nil) 10.00% Unsecured Bonds of ₹10 million each maturiing on 19th July 2013	**1,000.0**	**—**	—	—
100 (previous year Nil) 10.40% Unsecured Bonds of ₹10 million each maturiing on 27th June 2013	**1,000.0**	**—**	—	—
35 (Previous year 35) 7.60% Unsecured Bonds of ₹10 million each maturiing on 4th July 2012	**—**	**350.0**	*350.0*	—
50 (Previous year 50) 7.80% Unsecured Bonds of ₹10 million each maturiing on 28th June 2012	**—**	**500.0**	*500.0*	—
Nil (Previous year 60) 8.50% Unsecured Bonds of ₹10 million each maturiing on 09th August 2011	**—**	**—**	—	*600.0*
Nil (Previous year 15) 7.75% Unsecured Bonds of ₹10 million each maturiing on 18th July 2011	**—**	**—**	—	*150.0*
Nil (Previous year 135) 8.25% Unsecured Bonds of ₹10 million each maturiing on 21st February 2012	**—**	**—**	—	*1,350.0*
Total Subordinated Bonds issued as Tier III Capital	**2,500.0**	**850.0**	*850.0*	*2,100.0*
Amount disclosed under the head "B. Current Maturities of Long Term Borrowings" under "Current Liabilities" in Balance Sheet		**(1,100.0)**		*(2,100.0)*
TOTAL	**3,400.0**	**—**	*1,350.0*	—

(₹ in million)

	As at March 31, 2012	*As at March 31, 2011*
5. LONG TERM PROVISIONS:		
Provision for Employee Benefits	**71.9**	*68.8*
TOTAL	**71.9**	*68.8*
6. SHORT TERM BORROWINGS:		
Secured		
Borrowings under Liquidity Adjustment Facility	**13,435.0**	*2,950.0*
(Secured by pledge of Government securities of Face Value ₹ 14,150.00 million) (Previous year ₹ 3,130 million)		
Collateralised Borrowings	**4,724.5**	*1,980.3*
(Secured by pledge of Government securities of Face Value ₹ 6,700.00 million) (Previous year ₹ 2,170.40 million)		
Repo Borrowings	**22,696.2**	*21,895.9*
(Secured by pledge of Government securities of Face Value ₹ 23,131.30 million) (Previous year ₹ 22,010.50 million)		
TOTAL (A)	**40,855.7**	*26,826.2*
Unsecured		
Inter-Corporate Borrowings	**—**	*4,050.0*
Money at Call, Notice and Term	**18,050.0**	*10,550.0*
Commercial Paper Borrowings	**9,265.3**	*4,329.4*
TOTAL (B)	**27,315.3**	*18,929.4*
TOTAL (A) + (B)	**68,171.0**	*45,755.6*

(₹ in million)

	As at March 31, 2012	*As at March 31, 2011*
7. TRADE PAYABLES (CURRENT):		
Trades executed but not settled	**5,851.6**	*5,146.2*
	5,851.6	*5,146.2*
8. OTHER CURRENT LIABILITIES:		
Interest accrued but not due on loans	**500.5**	*265.0*
Sundry Creditors for Expenses*	**314.5**	*330.1*
TDS and Service Tax Payable	**10.4**	*7.0*
Other Liabilities	**3,082.2**	*47.7*
(Includes securities short sold having Face Value ₹ 2,950 million (previous year ₹ Nil)		
Unclaimed Dividends	**0.1**	*0.1*
	3,907.7	*649.9*

*Includes amount payable to Micro, Small and Medium Enterprises ₹ Nil (Previous year ₹ Nil) [Refer Note 39]

	As at March 31, 2012	*As at March 31, 2011*
9. SHORT TERM PROVISIONS:		
Provision for Employee Benefits	**0.1**	-
Proposed Dividend & Corporate Dividend Tax (Including Corporate Dividend Tax ₹ 8.24 million (Previous Year ₹ 10.14 million)	**59.1**	*72.7*
Contingent Provision against Standard Assets	**0.1**	*0.1*
	59.3	*72.7*

10. FIXED ASSETS:

(₹ in million)

	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	April 1, 2011	Additions	Sale/Adj	**March 31, 2012**	*April 1 2011*	Additions	Sale/Adj	**March 31, 2012**	**March 31, 2012**	*March 31, 2011*
(i) TANGIBLE										
Plant & Machinery/Electrical Installation	*5.1*			**5.1**	*2.4*	0.5		**2.9**	**2.2**	*2.7*
Office Equipment	*21.8*	0.4	0.1	**22.1**	*14.2*	2.0	0.1	**16.1**	**6.0**	*7.6*
Computers	*42.3*	1.7		**44.0**	*37.1*	2.6		**39.7**	**4.3**	*5.2*
Furniture & Fixtures	*9.6*	0.2	0.0	**9.8**	*6.0*	1.3	0.0	**7.3**	**2.5**	*3.6*
Vehicles	*4.8*			**4.8**	*3.2*	0.4		**3.6**	**1.1**	*1.5*
(ii) INTANGIBLE										
Software	*33.2*	2.7		**35.9**	*17.7*	5.4		**23.1**	**12.8**	*15.5*
Total	***116.7***	**4.9**	**0.1**	**121.6**	***80.6***	**12.1**	**0.1**	**92.7**	**28.9**	***36.1***
(iii) Capital Work-in-Progress	*1.1*	0.8	1.7	**0.2**	—	—	—	**—**	**0.2**	*1.1*
Sub - Total	*117.8*	5.7	1.8	**121.8**	*80.6*	12.1	0.1	**92.7**	**29.1**	*37.2*
Assets Given on lease (Plant & Machinery)	*210.0*	—	—	**210.0**	*210.0*	—-	—	**210.0**	**—**	—
Total	***327.8***	**5.7**	**1.8**	**331.8**	***290.6***	**12.1**	**0.1**	**302.7**	**29.1**	***37.2***
Previous Year	*330.6*	23.6	26.4	**327.8**	*293.8*	9.1	12.4	**290.6**	**37.2**	—

	As at March 31, 2012	As at March 31, 2011
	(₹ in million)	
11. DEFERRED TAX ASSETS (NET)		
The break-up of deferred tax assets into major components as on the balance sheet date is as follows:-		
Deferred Tax Assets		
Timing Difference on Depreciation on Fixed Assets	**1.3**	*1.9*
Expenditure disallowed under Income Tax Act, 1961		
Provision for Doubtful Debtors	**0.0**	*0.0*
Provision for Employee Retirement Benefits	**23.3**	*22.3*
	24.6	*24.2*
12. LONG TERM LOANS AND ADVANCES		
Advance Tax (net of Provisions for Tax and Corporate Dividend Tax of ₹ 7,205.29 million and ₹ 16.49 million respectively) (Previous year - ₹ 6,787.29 million and ₹ 24.67 million respectively)	**150.0**	*152.5*
	150.0	*152.5*

13. QUANTITATIVE DETAILS OF SECURITIES HELD AS STOCK IN TRADE

(a) OPENING AND CLOSING STOCK

(₹ in million)

Category	Opening Stock		Closing Stock	
	Face Value	Value	Face Value	Value
Government Securities	5,115.2	5,113.2	5,245.8	5,205.5
	(2747.0)	(2829.6)	(5115.2)	(5113.2)
Treasury Bills	26,638.5	26,368.0	42,755.1	41,751.8
	(3,588.5)	(3,556.0)	(26,638.5)	(26,368.0)
Shares	82.9	93.0	80.2	54.5
	(89.2)	(110.4)	(82.9)	(93.0)
Debentures/Bonds & CPs/CDs	21,336.5	20,346.9	31,469.9	29,686.6
	(17,560.7)	(16,816.9)	(21,336.5)	(20,346.9)
Total	**53,173.1**	**51,921.1**	**79,551.0**	**76,698.4**
	(23,985.4)	(23,312.9)	(53,173.1)	(51,921.1)

(b) PURCHASES AND SALES

(₹ in million)

Category	Purchases		Sales	
	Face Value	Value	Face Value	Value
Government Securities*	2,461,667.3	2,449,050.7	2,464,515.3	2,452,576.9
	(1,419,379.2)	(1,415,285.0)	(1,417,011.0)	(1,412,617.6)
Treasury Bills	309,263.4	300,611.6	293,146.8	285,228.6
	(234,548.3)	(230,831.9)	(211,498.3)	(208,018.9)
Shares	82.0	946.1	84.7	981.0
	(31.5)	(682.0)	(37.8)	(789.5)
Debentures/Bonds & CPs/CDs	181,259.8	176,016.0	171,126.3	166,844.5
	(160,229.2)	(156,191.5)	(156,453.5)	(152,728.4)
Units	112,928.0	211,950.0	112,928.0	212,025.1
	(142,661.1)	(185,530.3)	(142,661.1)	(185,586.7)
Total	**3,065,200.5**	**3,138,574.4**	**3,041,801.1**	**3,117,656.1**
	(1,956,849.3)	(1,988,520.7)	(1,927,661.7)	(1,959,741.1)

Note: Figures in parenthesis pertain to previous year.

*Does not include purchases of HTM Securities aggregating to Face Value ₹ 23,320.0 million (Previous year ₹ 22,850.0 million) and Book Value ₹ 23,301.5 million (Previous year ₹ 22,847.3 million) and Sale of HTM Securities aggregating to Face Value ₹ 23,320.0 million (Previous year ₹ 22,850.0 million) and Book Value ₹ 23,279.8 million (Previous year ₹ 22,862.0 million).

	Year ended March 31, 2012	Year ended March 31, 2011
	(₹ in million)	
14. TRADE RECEIVABLES (CURRENT):		
Receivables outstanding for a period not exceeding six months:		
Considered good	**54.2**	*18.4*
Trades executed but not settled - Considered Good	**5,797.8**	*4,147.3*
TOTAL	**5,852.0**	*4,165.7*

Included in sundry debtors are:
(i) Dues from related parties
ICICI Bank Limited ₹ 8.8 million
(Previous year - ₹ 0.2 million)
ICICI Securities Limited ₹ 40.8 million
(Previous year - ₹ Nil)

	Year ended March 31, 2012	Year ended March 31, 2011
15. CASH AND CASH EQUIVALENTS:		
Cash & Cheques on hand	**0.1**	*0.1*
Balance In Current Accounts with Scheduled Banks	**25.8**	*4.2*
In Current Accounts with Reserve Bank of India	**2.9**	*4.0*
Fixed Deposits with Scheduled Banks*	**—**	*2,000.0*
(*Deposits with original maturity for more than 3 months and upto 12 months)		
	28.8	*2,008.3*
Fixed Deposits with Scheduled Banks (Under Lien)	**125.0**	*100.0*
(Under lien with ICICI Bank ₹ 50.0 million and HDFC Bank ₹ 75.0 million (previous year ₹ 50.0 million and ₹ 50.0 million respectively)		
TOTAL	**153.8**	*2,108.3*
16. SHORT TERM LOANS AND ADVANCES:		
Repo Lending	**4,029.4**	—
Application Money for Securities Pending Allotment	**—**	*1,500.0*
Advances and Deposits	**1,433.6**	*889.4*
	5,463.0	*2,389.4*

Included in loans and advances are:
Dues from related parties
(i) Dues from Companies under same management
ICICI Securities Limited ₹ 3.3 million (Previous year - ₹ Nil). Maximum balance ₹ 5.4 million
ICICI Lombard General Insurance Company Limited ₹ 3.0 million (Previous year- ₹ 2.8). Maximum balance ₹ 3.0 million (Previous year ₹ 2.8 million)
ICICI Prudential Life Insurance Company Limited ₹ 0.21 million (Previous year - ₹ 0.15 million). Maximum balance ₹ 0.21 million (Previous year - ₹ 0.15million)
ICICI Bank Limited ₹ 5.6 million (Previous year - ₹ 5.6 million) Maximum balance ₹ 5.6 million (Previous year ₹ 490.0 million)
ICICI Venture Fund Management Company Limited ₹ 0.4 million (Previous year- ₹ Nil) Maximum balance ₹ 0.4 million (Previous year - ₹ Nil)

	Year ended March 31, 2012	(₹ in million) Year ended March 31, 2011
17. OTHER CURRENT ASSETS:		
Interest Accrued but not due	400.3	192.8
	400.3	192.8
18. INTEREST & DIVIDEND INCOME:		
Interest On Securities Held As Stock in Trade	1,614.8	1,744.3
Interest On Securities Held As Held to Maturity	115.8	67.2
Income On Discounted Instruments		
- Investments	—	—
- Stock in Trade	2,419.4	1,126.3
Interest On Repo and Call Lendings	44.7	20.9
Interest On Other Loans and Advances	260.6	52.5
Dividend Income from Mutual Funds / Companies*	4.9	5.2
TOTAL	4,460.2	3,016.3
19. PROFIT ON SECURITIES (NET) :		
Profit/(Loss) on Sale of Held to Maturity Securities	(21.7)	14.8
Profit/(Loss) on securities held as Stock In Trade	853.9	(170.2)
Net Gain/(Loss) from interest rate derivatives	517.0	511.6
TOTAL	1,349.2	356.2
20. INCOME FROM SERVICES :		
Financial Advisory Service	65.3	27.9
Syndication Fees	67.3	118.0
Underwriting Commission	1.8	4.0
Brokerage and Commission	28.5	36.1
TOTAL	162.9	186.0
21. OTHER INCOME:		
Miscellaneous Income	11.9	30.9
TOTAL	11.9	30.9
22. INTEREST EXPENSES:		
Interest on Fixed Loans and Debentures	1,242.4	878.4
Interest on Other Borrowings	2,791.7	1,376.2
TOTAL	4,034.1	2,254.6
23. OPERATING EXPENSES:		
Procurement Expenses	13.0	3.3
Rating Agency Fees	6.6	4.0
Brokerage, Stamp Duty & Securities Transaction Tax	36.3	22.8
Bank Charges	4.1	2.7
Custodial and Depository Charges	90.0	53.0
Doubtful Debts Written Off / Provided for the period	0.4	3.6
Less: Opening Provision as at April 1, 2011	0.0	3.4
	0.4	0.2
TOTAL	150.4	86.0
24. EMPLOYEE BENEFIT EXPENSES:		
Salaries, Wages and Incentives	349.7	288.1
Contribution to Provident and Other Funds	20.6	26.3
Staff Welfare Expenses	8.5	9.8
TOTAL	378.8	324.2
25. ESTABLISHMENT AND OTHER EXPENSES:		
Rent and Amenities	39.1	40.5
Insurance	0.3	0.1
Business Promotion, Traveling and Conveyance Expenses	7.5	6.5
Repairs, Maintenance and Upkeep - Others	16.0	17.5
Rates and Taxes	0.0	0.1
Electricity Expenses	4.3	4.4
Loss on Sale of Fixed Assets	0.0	0.5
Communication Expenses	4.9	2.8
Printing and Stationery	2.8	2.7
Subscription and Periodicals	29.4	22.5
Professional Fees [Refer Note 27]	8.1	7.2
Advertisement Expenses	0.0	0.0
Donations	—	0.0
Miscellaneous Expenses	21.9	6.9
TOTAL	134.3	111.7
26. EARNINGS PER EQUITY SHARE (EPS):		
Basic and Diluted EPS (₹)	54,804.27	33,760.39
Nominal Value per share (₹)	100,000.00	100,000.00

EPS has been calculated based on the net profit after taxation of ₹ 856.8 million (previous year ₹ 527.8 million) and the weighted average number of equity shares outstanding during the year of 15,634 (previous year 15,634). Basic and Diluted EPS are same because there were no diluted potential equity shares outstanding during the year.

27. AUDITOR' REMUNERATION* (included in Professional Fees)		
(a) Audit Fees	2.0	2.0
(b) Tax Audit Fees	0.2	0.2
(c) Certification Fees	0.8	0.8
(d) Out of Pocket Expenses	0.1	0.1
*Excluding service tax	3.1	3.1
28. EXPENDITURE IN FOREIGN CURRENCY (on accrual basis)		
(a) Others	1.3	0.5

29. CONTINGENT LIABILITIES & COMMITMENTS

	As at March 31, 2012	(₹ in million) As at March 31, 2011
(a) Income tax and service tax matters disputed by the Company	171.3	171.3
(b) Bank Guarantees	100.0	—
(c) Estimated amount of contracts to be executed on capital account	1.0	1.1
	272.3	172.4

30. 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.

	Year ended March 31, 2012	(₹ in million) Year ended March 31, 2011
Lease payments for the year	38.8	40.2

As at 31st March 2012, there are no non-cancellable obligations in respect of the operating leases of the company

31. 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 Limited
	ICICI Venture Funds Management Company Limited
Key Management Personnel	B. Prasanna, Managing Director & CEO
	G. Sundaram, Executive Director

(₹ in million)

Name of the Related Party	Type of Transactions	Year ended March 31, 2012	Year ended March 31, 2011
ICICI Bank Limited -The Holding Company	**Income from Operations**		
	Income from Services	8.0	*42.1*
	Interest Income	5.9	*6.1*
	Profit / (Loss) on Interest Rate Swaps	242.2	*(371.7)*
	Operating expenditure		
	Payment of financial charges & operating expenses	28.3	*28.2*
	Administrative Expenditure		
	Recoveries / (Payment) to and provisions for employees (Net)	0.4	*Nil*
	Payment of Establishment & other expenses	48.0	*45.9*
	Current Assets		
	Bank Balance	24.6	*3.4*
	Fixed Deposits	50.0	*50.0*
	Trade Receivables	8.8	*0.2*
	Other Current Assets	0.4	*0.7*
	Stock-in-trade	1,148.6	*Nil*
	Short Term Loans and Advances	5.6	*5.6*
	Current Liabilities		
	Short Term Borrowings	4,568.7	*Nil*
	Other Current Liabilities	136.8	*549.8*
	Shareholders' Funds		
	Share Capital	1,563.4	*1,563.4*
	Derivative		
	Notional Principal amount of Interest Rate Swaps outstanding	66,750.0	*98,100.0*
	Other transactions		
	Dividend paid	437.8	*250.2*
	Purchase of Investments	3,786.2	*8,528.8*
	Sale of Investments	3,927.5	*2,109.6*
	Bank Guarantee	100.0	*Nil*
ICICI Securities Limited - Fellow Subsidiary	**Income from Operations**		
	Income from Services	38.8	*0.4*
	Receipts - Others	4.0	*3.5*
	Operating expenditure		
	Payment of financial charges & operating expenses	1.2	*1.5*
	Administrative Expenditure		
	Payment to and provisions for employees / (Recoveries) (Net)	0.8	*1.1*
	Establishment & other expenses - Recoveries /(Payment)(Net)	6.7	*(5.4)*
	Trade Receivables	40.8	*Nil*
	Current Assets		
	Short Term Loans and Advances	3.3	*Nil*
	Other Current Liabilities	Nil	*0.7*
ICICI Lombard General Insurance Company Limited - Fellow Subsidiary	**Operating expenditure**		
	Payment of financial charges & operating expenses	6.9	*Nil*
	Administrative Expenditure		
	Payment to and provisions for employees	2.5	*1.7*
	Payment of Establishment & other expenses	0.3	*0.1*
	Current Assets		
	Short Term Loans and Advances	3.0	*2.8*
	Other transactions		
	Purchase of Investments	1,121.6	*200.4*
	Sale of Investments	4,901.2	*879.6*
	Issue of Debentures	250.0	*Nil*
ICICI Prudential Life Insurance Company Limited - Fellow Subsidiary	**Operating expenditure**		
	Payment of financial charges & operating expenses	53.1	*21.5*
	Administrative Expenditure		
	Payment to and provisions for employees	0.4	*0.3*
	Non-Current Liabilities		
	Long Term Borrowings	550.0	*200.0*
	Current Assets		
	Short Term Loans and Advances	0.2	*0.2*
	Current Liabilities		
	Current Liabilities	14.7	*5.1*
	Other transactions		
	Purchase of Investments	5,886.1	*4,102.5*
	Sale of Investments	8,817.8	*20,165.2*
	Issue of Debentures	650.0	*Nil*
ICICI Home Finance Limited - Fellow Subsidiary	**Income from Operations**		
	Income from Services	0.4	*1.0*
	Interest Income	0.2	*0.5*
	Other transactions		
	Purchase of Investments	1,000.4	*Nil*
ICICI Venture Fund Management Company Limited – Fellow Subsidiary	**Administrative Expenditure**		
	Payment to and provisions for employees	0.4	*Nil*
	Current Assets		
	Other Current Assets	0.4	*Nil*

Key Management Personnel Disclosures:
The Compensation (including contribution to Provident Fund) for the year ended March 31, 2012 to B. Prasanna, Managing Director & CEO, and G. Sundaram, Executive Director was ₹41.4 million and ₹32.0 million (Previous year ₹31.1 million and ₹28.2 million respectively).

32. DERIVATIVES

(₹ in million)

		As at March 31, 2012	As at March 31, 2011
	Notional Principal amount of IRS Contracts		
a.	Trading Contracts	**1,190,144.0**	*1,086,718.1*
	(i) Fair Value of Trading IRS	**1,168.5**	*684.9*
	(ii) Associated Credit Risk on Trading IRS*	**2,095.4**	*1,926.3*
	(iii) Likely impact of one percentage change in interest rate (100*PV01)	**269.3**	*654.1*
	(iv) Credit Risk Concentration@	**1,483.7**	*1,086.3*
	Equity Derivatives – Trading Contracts		
a.	**Futures Contracts**		
	Open Quantity in units – Long	**35,750.0**	*Nil*
	Short	**(32,500.0)**	*(13,000.0)*
	Net Long/(Short)	**3,250.0**	*(13,000.0)*
b.	**Option Contracts**		
	Open Quantity in units – Long	**10,000.0**	—
	Short	**(10,000.0)**	—
	Net Long/(Short)	**—**	—
	MTM Gain/(loss) on Trading Derivatives	**(0.2)**	*0.2*

*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.

33. 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.

(₹ in million)

	Year ended March 31, 2012	*Year ended March 31, 2011*
Defined benefit obligation liability		
Opening obligations	70.4	*67.4*
Service cost	8.1	*7.1*
Interest cost	6.5	*6.0*
Actuarial (gain) / loss	(4.5)	*3.6*
Liability extinguished on settlement	0.6	*0.2*
Benefits paid	(0.1)	*(13.9)*
Obligations	**81.0**	*70.4*
Plan assets at fair value		
Opening plans assets, at fair value	7.3	*12.4*
Expected return on plan assets	0.5	*0.9*
Actuarial gain / (loss)	0.0	*(0.3)*
Contributions	7.5	*8.0*
Assets Acquired on Acquisition / (Distributed on Divestiture)	0.7	*0.2*
Benefits paid	(0.1)	*(13.9)*
Plans assets at fair value	**16.0**	*7.3*
Present value of the defined benefit obligations at the end of the year	81.0	*70.4*
Less: Fair value of plan assets at the end of the year	(16.0)	*(7.3)*
Less: Unrecognised past Service Cost	—	*(0.4)*
Liability / (Asset)	**65.0**	*62.7*
Cost for the year		
Current Service cost	8.1	*7.1*
Interest cost	6.5	*6.0*
Expected return on plan assets	(0.5)	*(0.9)*
Actuarial (gain) / loss	(4.5)	*3.9*
Past Service Cost	0.4	*0.8*
Losses / (Gains) on "Acquisition / Divestiture"	(0.1)	—
Net cost	**9.8**	*16.9*
Investment details of plan assets		
Assumptions		
Interest rate	8.8%	*8.3%*
Salary escalation rate	10.0%	*10.0%*
Estimated rate of return on plan assets	8.0%	*8.0%*

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

Investments with insurer	100.0%	100.0%

Experience Adjustment

Particulars	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Defined Benefit Obligation	81.0	70.4	67.3	70.4
Plan Assets	16.0	7.3	12.4	5.9
Surplus / (Deficit)	(65.0)	(63.1)	(54.9)	(64.5)
Exp. Adj. on Plan Liabilities	0.8	3.6	6.3	(24.0)
Exp. Adj. on Plan Assets	0.0	0.3	0.8	(0.7)

34. COMPOSITION OF INVESTMENTS IN NON GOVERNMENT SECURITIES AS AT MARCH 31, 2012

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

(₹ in million)

No.	Issuer#	Amount*	Extent of private placement**	Extent of unlisted securities'***
1	PSUs	3,379.3	1,823.6	—
		(461.4)	(461.4)	(—)
2	FIs	497.8	497.8	—
		(3,857.2)	(3,857.2)	(—)
3	Banks	—	—	—
		(379.7)	(379.7)	(—)
4	Other PDs	—	—	—
		(—)	(—)	(—)
5	Private corporates	—	—	—
		(—)	(—)	(—)
6	Subsidiaries/Joint ventures	—	—	—
		(—)	(—)	(—)
7	Others	2,967.8	18.6	3.00
		(2,133.6)	(1,915.2)	(218.4)
8	Provision held towards depreciation	—	—	—
		(—)	(—)	(—)
	Total	**6,844.9**	**2,340.0**	**3.0**
		(6,831.9)	**(6,613.4)**	**(218.4)**

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 ₹ 22,841.6 million (Previous Year- ₹ 13,515.1 million) since the same are not covered by the above circular.
\# Does not include equity and preference shares.

35. DISCLOSURE PERSUANT 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	As at March 31, 2012	*As at March 31, 2011*
i) CRAR (%)	**39.64**	*59.05*
ii) CRAR – Tier I Capital (%)	**35.35**	*57.08*
iii) CRAR – Tier II Capital (%)	**4.30**	*1.97*

*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, 2012	*March 31, 2011*
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	**1,218.3**	*1,481.0*
Non-fund based – Notional Principal of IRS	**3,000.0**	*3,000.0*

c. **Asset Liability Management**

Maturity pattern of certain items of assets and liabilities as at March 31, 2012

(₹ in millions)

	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	63,392.2	2,817.8	2,711.1	350.0	-	2,400.0	350.0	650.0	**72,671.0**
Borrowings*	*(44,966.3)*	*(789.3)*	*(—)*	*(750.0)*	*(1,350.0)*	*(1,100.0)*	*(250.0)*	*(—)*	***(49,205.6)***
Assets									
Advances**	—	—	—	—	—	—	—	—	**—**
	—	—	—	—	—	—	—	—	**—**
Investments***	76,698.4	—	—	—	—	—	—	—	**76,698.4**
	(51,921.1)	—	—	—	—	—	—	—	***(51,921.1)***

*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"

36. REPO/Reverse repo transactions:

(Ref: Guidelines for Accounting of Repo / Reverse Repo Transactions dated March 23, 2010)

(₹ in million)

	For the year ended March 31, 2012			
	Minimum outstanding during the year	**Maximum outstanding during the year**	**Daily Average outstanding during the year**	**Outstanding as at March 31, 2012**
Securities sold under repos (Face Value)				
(i) Government	7,580.0	51,189.9	23,083.9	23,131.3
Securities	*(4,720.0)*	*(32,555.5)*	*(16,183.3)*	*(22,010.5)*
(ii) Corporate debt	—	1,300.0	110.3	—
securities	*(—)*	*(300.0)*	*(2.2)*	*(—)*
Securities purchased under reverse repos (Face Value)				
(i) Government	—	4,510.0	588.9	—
Securities	*(—)*	*(3,500.1)*	*(376.3)*	*(—)*
(ii) Corporate debt	—	—	—	—
securities	*(—)*	*(—)*	*(—)*	*(—)*

37. 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 ₹ 2,365.48 million; peak ₹ 14,500.00 million The securities held as stock-in-trade are valued at lower of cost or market value (LOCOM)

ii) Leverage ratio: average 7.86 times; peak 14.83 times.

iii) CRAR (Quarterly)*

June 30, 2011	September 30, 2011	December 31, 2011	March 31, 2012
38.36%	41.45%	34.89%	47.83%

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

38. DISCLOSURE PURSUANT TO CLAUSE 28 OF THE DEBT LISTING AGREEMENT

(₹ in million)

Particulars	**Outstanding as at March 31, 2012**	**Maximum amount outstanding during the year**
Loans and advances in the nature of loans to ICICI Bank Ltd, Holding Company - Amount lent in Inter-bank Call / Notice	—	—
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.	—	—
Loans and advances in the nature of loans to firms/companies in which directors are interested	—	—

39. 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.

40. 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, 2012.

41. PREVIOUS YEAR FIGURES

Till the year ended 31 March 2011, the company was using pre-revised Schedule VI to the companies Act 1956 for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to confirm to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts prsentation and disclosures made in the financial statements, particularly presentaion of balance sheet.

As per our report of even date

Signatures to schedules A to S

For and on behalf of the Board of Directors

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

N. S. KANNAN
Chairman

UDAY CHITALE
Director

B. PRASANNA
Managing Director & CEO

per SHRAWAN JALAN
Partner
Membership no.: 102102

ABHIJEET GUIN
Senior Vice President & CFO

PRACHITI LALINGKAR
Company Secretary

Mumbai, April 20, 2012

cash flow statement

for the year ended March 31, 2012

		Year ended March 31, 2012	(₹ in million) Year ended March 31, 2011
A Cash flows from Operating Activities			
Profit Before Tax	**1,274.4**		*803.7*
- (Profit)/Loss on Sale of Fixed Assets	**0.0**		*0.5*
- Depreciation	**12.2**		*9.1*
- Bad and Doubtful Debts (Net)	**0.1**		*(3.4)*
Operating Profit before Changes in Operating Assets and Liabilities		**1,286.7**	*809.9*
Adjustments for net change in Operating Assets and Liabilities			
- Current Assets excluding Cash and Cash equivalents	**(26,671.0)**		*(742.6)*
- Fixed Deposits under Lien	**(25.0)**		*50.0*
- Fixed Deposits (with maturity more than three months)	**2,000.0**		*(2,000.0)*
- Loans and Advances relating to Operations	**(3,073.6)**		*1,749.1*
- Current Liabilites relating to Operations	**3,966.4**		*(2,747.9)*
		(23,803.2)	*(3,691.4)*
Cash generated from Operations		**(22,516.5)**	*(2,881.5)*
Payment of Taxes (Net)		**(407.3)**	*(225.2)*
Net Cash from Operating Activities		**(22,923.8)**	*(3,106.7)*
B Cash Flow From Investment Activities			
- Purchase of Fixed Assets (Including capital work in progress and capital advances)		**(4.1)**	*(10.1)*
- Sale of Fixed Assets		**(0.0)**	*0.0*
Net cash used in Investment Activities		**(4.1)**	*(10.1)*
C Cash Flow From Financing Activities			
- Increase/ (Decrease) in Borrowings (Net)		**22,415.4**	*2,297.7*
- Issue/ (Redemption) of Debentures / Bonds (Net)		**1,050.0**	*750.0*
- Dividends & Dividend Tax paid		**(516.9)**	*(279.6)*
Net Cash used in Financing Activities		**22,948.5**	*2,768.1*
Net Change in Cash & Cash Equivalents		**20.5**	*(348.7)*
Cash and Cash Equivalents at the beginning of the year		**8.3**	*357.0*
Cash and Cash Equivalents at the end of the year		**28.8**	*8.3*

Cash and cash equivalents at the end of the year does not include fixed deposits under Lien Rs.125.0 million (Previous year Rs.100.0 million) and fixed deposits (with maturity more than three months) Rs.Nil (Previous year Rs.2,000.0 million)

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

As per our report of even date

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

per SHRAWAN JALAN
Partner
Membership no.: 102102

Mumbai, April 20, 2012

For and on behalf of the Board of Directors

N. S. KANNAN
Chairman

UDAY CHITALE
Director

B. PRASANNA
Managing Director & CEO

ABHIJEET GUIN
Senior Vice President & CFO

PRACHITI LALINGKAR
Company Secretary

ICICI Securities Primary Dealership Limited

Schedule to the Balance Sheet as at March 31, 2012
(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

(₹ in million)

Particulars		
Liabilities side :		
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	**Amount outstanding**	**Amount overdue**
(a) Debentures : Secured		
: Unsecured	4,754.6	—
(Other than falling within the meaning of public deposits)		
(b) Deferred Credits	—	—
(c) Term Loans	—	—
(d) Inter-corporate loans and borrowing	—	—
(e) Commercial Paper	9,265.4	—
(f) Other Loans - CBLO - Secured	4,727.8	—
Borrowings under LAF & Refinance - Secured	13,451.8	—
Repo Borrowings - Secured	22,710.4	—
Call, Notice and Term Money - Unsecured	18,151.2	—

Assets side :	
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	**Amount outstanding**
(a) Secured	4,029.4
(b) Unsecured	1,433.6

(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	
(b) Preference	—
(ii) Debentures and Bonds	29,686.6
(iii) Units of mutual funds	—
(iv) Government Securities	46,957.4
(v) Others	—
2. Unquoted	
(i) Shares : (a) Equity	4.5
(b) Preference	50.0
(ii) Debentures and Bonds	—
(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 :

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	—	—	—
(b) Companies in the same group	—	12.5	12.5
(c) Other related parties	—	—	—
2. Other than related parties	—	1,421.1	1,421.1
Total	—	1,433.6	1,433.6

(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	1,148.0	1,148.0
(c) Other related parties	—	—
2. Other than related parties	75,550.4	75,550.4
Total	76,698.4	76,698.4

(7) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	—
(b) Other than related parties	—
(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 of Directors

N. S. KANNAN
Chairman

UDAY CHITALE
Director

B. PRASANNA
Managing Director & CEO

ABHIJEET GUIN
Senior Vice President & CFO

PRACHITI LALINGKAR
Company Secretary

Mumbai, April 20, 2012

ICICI Securities I-Sec

ICICI SECURITIES LIMITED

17TH ANNUAL REPORT AND ANNUAL ACCOUNTS 2011-2012

Directors
Chanda Kochhar, *Chairperson*
Uday Chitale
Narendra Murkumbi
Ketan Patel
Pravir Vohra
Zarin Daruwala
Anup Bagchi, *Managing Director* & CEO
Ajay Saraf, *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 are pleased to present the Seventeenth Annual Report of ICICI Securities Limited (the Company) with the audited statements of accounts for the financial year ended March 31, 2012.

INDUSTRY OVERVIEW

Equities

Fiscal 2012 was marked by continued challenges in the global economy and a moderation in India's economic growth. Inflation, high interest rates and moderation in growth remained the key highlights in India. The major Indian stock indices ended lower by about 10% in fiscal 2012. Foreign Institutional Investor (FII) fund inflows into the Indian equity markets witnessed a sharp decline of over 50% with net inflow of USD 9.01 billion in fiscal 2012 as compared to USD 24.00 billion in fiscal 2011. However, the rebound markets in early calendar 2012 mitigated the negative sentiments and lifted the spirit of market participants. On the back of inflows from exchange traded funds and sovereign wealth funds, the fourth quarter of fiscal 2012 witnessed increased activity, with net inflow of USD 8.87 billion.

The overall cash turnover in the equity market (NSE and BSE) contracted by about 30% in fiscal 2012. A similar trend was witnessed in the derivatives segment with the value of stock futures traded declining by more than 25% whereas the value of index futures traded declined by about 18%. High volatility in not only the stock market, but also the commodity market coupled with high inflation and interest rates kept investors away from the equity markets.

Corporate Finance

Amidst the backdrop of volatile secondary markets, the fund raising activity in capital markets was also impacted. Total funds raised by way of public issues in fiscal 2012 were around ₹ 496 billion, an 11% drop YoY. Almost all the 27 equity IPOs slated for the year which aimed to raise ₹ 350 billion were postponed. Equity fund mobilisation from the primary market saw a drop of about 80% to ₹ 105 billion from ₹ 462 billion last year. During fiscal 2012, only ₹ 59 billion was raised through 34 IPOs, the lowest since fiscal 2009. Funds raised through QIPs declined 93% to ₹ 17 billion and only 11 issues hit the markets compared with 47 last year.

During fiscal 2012, several companies raised funds by way of infrastructure bonds, offering tax benefits under Section 80CCF of the Income Tax Act, 1961.

The number of private equity deals for sale of stakes in Indian companies reduced in fiscal 2012 mainly due to the ongoing economic uncertainty and market volatility. An amount of ₹ 324 billion was raised from 276 private equity deals in fiscal 2012 compared to ₹ 404 billion raised from 283 private equity deals in fiscal 2011. Real estate and infrastructure management, automotive, power and energy, banking, financial services & insurance and Information Technology & Information Technology enabled Services were the dominant sectors by deal value in fiscal 2012. The average deal size in fiscal 2012 was approximately USD 24 million as compared to approximately USD 31 million in fiscal 2011.

Distribution of Retail Financial Products

Fiscal 2012 saw several key regulatory developments in the financial services sector. Investors welcomed tax free bonds issued by entities like NHAI, REC, HUDCO & IRFC. High interest rates made fixed maturity plans and other debt funds more attractive leading to an increase in the number of new fund offerings.

The equity mutual funds showed minor net positive additions of ₹ 5 billion for fiscal 2012. However, the life insurance industry continued to face challenges on account of the revised regulations on Unit Linked Insurance Plans (ULIPs). Gross sale of equity mutual funds stood at ₹ 556.05 billion, a drop of 25% over the corresponding period in fiscal 2011. Gross sales of life insurance policies in fiscal 2012 were ₹ 382.5 billion (on Retail Weighted Received Premium).

Private Wealth Management

The Indian equity markets have been volatile over the last one year. This has resulted in investment preference shifting towards fixed income markets and alternative assets.

FINANCIAL HIGHLIGHTS

(₹ in million)

	Fiscal 2011	**Fiscal 2012**
Gross income	*7,056.1*	**7,182.0**
Profit before tax	*1,699.7*	**1,174.6**
Provision for tax	*567.7*	**403.3**
Profit after tax	*1,132.0*	**771.3**

Profit after tax for the year ended March 31, 2012 decreased to ₹ 771.3 million from ₹ 1,132.0 million in the previous year mainly on account of decrease in overall cash turnover in the equity markets and reduced opportunities in investment banking business.

After taking into account the balance of ₹ 297.1 million (previous year: ₹ 253.1 million) brought forward from the previous year, the profit available for appropriation is ₹ 1,068.4 million (previous year: ₹ 1,435.1 million), of which ₹ 77.1 million (previous year: ₹ 113.2 million) has been transferred to General Reserve.

DIVIDEND

During the year, the Company declared four interim dividends on the 13.75% Non-Convertible Cumulative Redeemable Preference Shares amounting to ₹ 68.9 million (previous year ₹ 68.8 million). The Directors are pleased to recommend the aggregate of interim dividends at ₹ 68.9 million as final dividend for the year.

During the year, the Company declared four interim dividends on the equity share capital, aggregating to 32.29% (approximately) and amounting to ₹ 520.1 million (previous year ₹ 810.0 million). The Directors are pleased to recommend the aggregate of interim dividends at ₹ 520.1 million as the final dividend for the year.

OPERATIONAL REVIEW

The Company has set its vision as 'Creating Informed Access to the Wealth of the Nation' for its diversified set of clients that include corporates, financial institutions, high net-worth individuals and retail investors. The Company continued to expand its client base across various business segments, assisting its customers in meeting their financial goals by providing them with research, advisory and execution services.

Equities

Institutional research covers 115 companies spread across 16 diversified sectors. Institutional research, apart from its company coverage, produced a number of thematic/event based reports on sectors such as banking, cement, IT services, media, metals, oil and gas, pharmaceuticals, power, real estate, shipyards and telecom. The research reports were released on a timely basis to optimise value for the investors.

In the institutional research department of the Company, we have created a strategic research group under the guidance of experts with specialisation in valuation methods and developing quantitative analytical models to identify set of stocks which are recommended to the clients. This is a differentiated approach which is very much welcomed by our clients and we have produced twenty different research reports based on various valuation approaches in the last one year.

The Company continued to empanel new domestic and foreign institutional clients for its institutional equities business.

The Company joined Fidessa's connectivity network in readiness to receive international CARE and Direct Market Access (DMA) flow from the 2,400 buy-sides and 550 brokers already connected to the network. The Company has strengthened its algorithmic execution capability and is currently offering it to Institutional clients *via* its DMA and Non DMA Platforms.

In fiscal 2012, the Company hosted several conferences and delegations to provide its clients an opportunity for interaction with key policy makers and corporate leaders for gainful insights.

The annual India Unlimited investor conference series was hosted successfully for the 10th year in Singapore with 24 corporates participating and eminent expert speakers deliberating on India's macro-economic and company & sector specific outlook. In addition, the Company also hosted a number of interactive sessions with the industry leaders across sectors such as Consumer, Telecom and Software. These sessions were well received by our institutional investors.

ICICI Securities, Oppenheimer & Co., Inc and NASDAQ jointly co-hosted 'The Private Growth Companies Conference'. The conference was aimed at providing a common platform to discuss the opportunities and challenges for private companies in India. Over 30 companies and 50 investors across asset classes participated in the conference. Interaction was fostered through panel discussions on sector specific themes such as travel and hospitality, education. Besides this, the conference also had many companies making presentations, both group as well as in one-on-one format.

The Company's retail research team of 40 analysts covering 211 companies spread across 23 sectors as well as mutual fund, technical and derivatives desk continued to deliver quality research for over 2.3 million customers of ICICIdirect.com. Apart from company earnings' reports, the team also published thematic reports, monthly sector updates, IPO recommendation, mutual fund advice and technical and derivative picks.

ICICIdirect.com, the online trading platform of the Company continued to strengthen its customer base and market share across the retail segment by introducing several new features in a challenging market scenario.

The Company introduced "MyGTC" order placement, the first-of-its-kind in India, that offers investors flexibility in execution of order at their defined price levels and minimizing the efforts of monitoring the stock prices.

Recognizing the need of day traders, the Company introduced Profit Order in Margin Plus, to offer customers the flexibility of placing both Profit and Stop Loss Order at the same time.

During the year, the Company launched 'Shares as Margin' in Equity segment, a product that equates demat to cash for customers to use idle existing demat holdings to buy stocks and bring funds by T+2 days or trade in Intra-day. The Company also introduced trading in Derivatives in Global Indices.

The Company was amongst the few brokerage houses to enable online retail investor participation in the Oil and Natural Gas Corporation Limited's (ONGC) offer for sale auction process.

Currently, the Company has the largest customer account base of 2.3 million and one of the largest pan-India distribution networks of over 220 ICICIdirect offices in 66 cities and over 900 sub-brokers across 500 cities in India.

Corporate Finance

During the fiscal 2012, the Company ranked second in equity markets, garnering 59.5% market share (Source: Prime Database). Out of the total of ₹ 496 billion raised through equity and debt public issues, the Company completed 18 issues with total funds mobilized to ₹ 320 billion. Moreover, amidst challenging market environment for equities in particular, the Company diversified its product offerings and managed newer transactions for the Company such as the sole FCCB mandate by GATI Limited and the ONGC Offer for Sale (OFS), being the first such deal under the new OFS window.

The Company started the fiscal year with the successful completion of ₹ 9.01 billion IPO of Muthoot Finance Limited and ₹ 7.5 billion issue of Future Ventures Limited. The Company successfully closed the US$ 22.18 million Foreign Currency Convertible Bonds (FCCB) issue for GATI Limited. This was the first time that FCCBs were issued by an Indian company towards raising funds for refinancing the redemption of an outstanding FCCB. This was also the first sole FCCB mandate for the Company. ICICI Securities also managed the ₹ 2,373 million open offer for equity shares of Everonn Education Limited and completed the preferential issue within tight timelines. Fiscal 2012 also saw the successful closure of rights issues of Central Bank of India and JK Paper Limited. The Company also managed follow-on public offering (FPO) of Power Finance Corporation Limited as well as buy-back of Reliance Infrastructure Limited.

Amidst the challenging market conditions, the Company continued to consolidate its position as one of the leaders in the domestic capital markets by focusing on developing a diversified product portfolio and pioneering several unique transactions.

The slowdown in the equity capital markets was offset by an increase in the public debt issuances during fiscal 2012. A total of ₹ 391 billion was raised through public debt issuances in fiscal 2012 as opposed to ₹ 94 billion raised last year. ICICI Securities participated in almost all infrastructure bond issues during the year. Additionally, the Company made new product offerings of tax free bonds which were floated by the Central Government to boost infrastructure development especially in railways, power, housing and highways.

Several NBFCs preferred to raise funds through public issues of non-convertible debentures. Gold loan companies were also able to successfully garner good subscriptions despite being new entrants to the capital markets in a volatile market scenario.

The Company had a significant share in the bond issuances during the fiscal garnering around 77% share of the public issue bond market. The Company reinforced its leadership position in the public debt market by leading 13 of the 17 debt transactions in fiscal 2012. Some of the key transactions were:

- Tax Free Bonds of National Highways Authority of India and Indian Railways Finance Corporation Limited
- Non Convertible Debentures of Shriram Transport Finance Limited, Shriram City Union Finance Limited, Manappuram Finance Limited and Muthoot Finance Limited
- Infrastructure Bonds of Infrastructure Development Finance Company Limited, L&T Infrastructure Finance Company Limited, Power Finance Corporation Limited and SREI Infrastructure Finance Limited.

Some of the key milestone transactions led by ICICI Securities in fiscal 2012 were:

- Foreign Currency Convertible Bonds (FCCB) issue for GATI Limited – the Company's first sole mandate for an FCCB issue
- ICICI Securities was the second largest procurer in the ONGC Offer for Sale (OFS)-First issue to be launched under the OFS window introduced by Securities and Exchange Board of India to facilitate promoters to offload stake in listed companies.

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

- Acquisition of strategic minority by Zenrin Company Limited in CE Infosystems Private Limited (MapMyIndia).
- Private equity investment by International Financial Corporation and TVS Capital Funds Limited in Dunar Foods Limited.
- Advising Roquette Freres on acquisition of a listed company.
- Acquisition of HCL Infinet Limited by Tikona Digital Networks Private Limited.
- Advising Bumi Geo Engineering for the Private Equity investment made by PE arm of UTI Asset Management.

The Company has initiated pursuing cross border M&A deals. In this connection, the Company forged tie ups with Oppenheimer & Co. Inc, a US based full service investment bank and Collins Stewart Hawkpoint Plc, one of UK's leading independent financial advisory group.

Distribution of Retail Financial Products

In fiscal 2012, the Company further consolidated its position amongst the leading mutual fund distributors. In the life insurance space, the Company increased its share in the distribution of ICICI Life's insurance policies. The Company also established itself as one of the leading distributors in alternate products like Portfolio Management Services.

ICICIdirect.com also launched Target Investment Plan (TIP), a simple and smart method of investing in mutual funds where the amount of monthly contribution is determined by the current portfolio performance wherein the investor invests more when the market is low and invests less when the market is high. This method of investing helps lower the average cost of investment and has the potential of providing better returns than the regular systematic investment plan (SIP) wherein a fixed monthly investment is made in mutual funds.

With an aim to simplify the understanding of financial products for the investors in India, ICICI Securities launched Webetorial, which is a live online classroom offered by ICICIdirect Centre for Financial Learning. This service would enable retail investors and knowledge seekers to participate in various financial programmes offered by ICICIdirect Centre for Financial Learning using internet as a medium. This is the first-of-its-kind service offered in India by ICICIdirect.com. Various knowledge programmes like Stock Investing, Derivatives, Mutual Funds, Insurance Planning, Retirement Planning & Tax Planning will be offered by ICICIdirect Centre for Financial Learning through Webetorials. These programmes would be conducted by several reputed financial experts. The Company has already completed over 100 Webetorial sessions within the first quarter of its launch.

The Company also launched a complete bouquet of financial planning services which besides financial planning includes portfolio evaluation services and estate planning services to be offered across India.

Private Wealth Management

In fiscal 2012, the Company maintained its focus on strengthening its Private Wealth Management business. The Company has set up a strong relationship team along with a robust product and advisory platform which aims to offer best in class financial solutions to its clients and maintain the organization's competitive positioning.

Risk Management

The Company has put in place a robust Risk Management framework that ensures identification and measurement of risks so that sufficient risk mitigation controls are put in place within the Company. The Risk Management Committee has been constituted by the Board of Directors of the Company. The Committee analyses and monitors various products/processes/policies of the Company and suggests risk controls to ensure that the residual risk of various business activities is within the defined limits. The Committee is assisted by the Corporate Risk Management Group of the Company for framing the various risk management policies, defining the prudential limits such as VaR limits, exposure limits and concentration limits for the various products and services offered by the Company.

The Operational Risk Management function identifies operational risks in various products as well as processes and monitors the operational losses incurred by the Company. In addition, the risk based compliance monitoring helps in ensuring that various products and processes within the Company meet the regulatory requirements on an on-going basis.

OUTLOOK

Equities

India's GDP growth in fiscal 2013 is expected to be around 7-7.5%. With negatives already factored in the current stock prices, the investors would look forward to positive new flows during the fiscal year 2013. Global events would also have a significant impact on capital inflows to the Indian market.

The competition for institutional equities business in India continues to be challenging with declining volumes and pressure on commission rates in cash equities and derivatives markets. In line with the market trends, the Company is also focussing on investing in technology and on higher yielding business segment.

The recent initiatives announced in the Union Budget for fiscal 2013 namely the Rajiv Gandhi Equity Savings Scheme, lower Securities Transaction Tax (STT) on delivery and higher tax free infrastructure bond issuances are expected to increase participation from retail investors. The Company will continue to explore newer segments of clients and enhance products and services to maintain its leadership position.

Corporate Finance

The rebound in the markets from January 2012 due to foreign fund inflows has created a positive momentum in the capital markets. This, in addition to the changing monetary policy stance and the focus of the Government on deepening the capital markets as reflected in the Union Budget, indicate that fund raising activity is expected to accelerate in the near term. Also, the short to medium term pipeline of equity offerings in India remains the strongest among emerging markets and the disinvestment target for fiscal 2013 of ₹ 300 billion seems to be achievable. The key theme for fiscal 2013 besides IPOs is likely to be the new mechanisms introduced by SEBI to ensure minimum 25% public float in private-owned companies; Institutional Placement Programme (IPP) and Offer for Sale of Shares through the stock exchanges. Based on the same theme, private owned companies are expected to bring down their promoter holding to 75% by June 2013. The trend of declining private equity deals is likely to reverse in fiscal 2013 due to likely increase in liquidity from developed markets.

Distribution of Retail Financial Products

The introduction of a uniform customer identification process for investors is expected to bring uniformity in the conduct of the Know Your Customer (KYC) process. The regulations around distribution of retail financial products are expected to stabilise. New regulations are expected to focus on disclosure and client protection. The Company is well positioned to capture a significant share of this business opportunity.

Private Wealth Management

The current economic downturn is cyclical in nature. Structurally the growth trajectory of the Indian economy is intact which will lead to increase in the overall HNI population in India which in turn will increase the addressable market for savings and investments needs. With fall in interest rates and recovery of growth, it is also expected that clients will once again start allocating funds to equities and real estate.

The Company expects that the overall growth of the economy will aid the growth in High Net Worth Individuals (HNI) and their wealth in fiscal 2013. Going forward, several more regulatory changes focusing on greater transparency are expected in this segment.

The Company expects to continue to build its competitive advantage through innovative products and strong advisory services. The Company is also in the process of expanding and improving its client base through a wider geographical reach and by focusing on acquiring large family office relationships.

SUBSIDIARY COMPANIES

The Company has two subsidiaries in the United States of America (US), *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, 2012 together with the reports of the directors and auditors for the year ended March 31, 2012 of these subsidiaries are attached.

During the year, ISHI proceeded with its plans of getting into the business of providing India focused investment advisory services to the US investors. ISHI was in the advanced stages of discussions for being appointed as an adviser to an investment company registered under the Investment Companies Act of 1940. During the later part of the year, considering the then prevalent bearish market conditions in the United States and the volatility in the equity market in India, ISHI deferred its plan for advising a mutual fund in the US. ISHI desires to build its India focused advisory services in the US during the year. It will also continue to grow its wholly owned subsidiary, *viz.* ICICI Securities, Inc. in its efforts to increase business from the institutional segment in US and Singapore.

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

During the year, I-Sec. Inc. continued to make its presence felt in the FII community by servicing its institutional clientele. Meetings and road shows were organised with Indian corporates to meet institutional investors in US and Singapore. I-Sec. Inc. expects institutional investors to maintain their interest in the Indian capital markets. I-Sec. Inc. expects India to continue on its growth path to achieve higher GDP rates. In light of this, I-Sec. Inc. is positive about its business prospects in the US and Singapore markets.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company continued to partner with ICICI Foundation for Inclusive Growth to support the cause of education and health of marginalised children in the society. Besides Muktangan and Door Step School, the Company undertook several initiatives to help underprivileged children by partnering with other NGOs like Umang Foundation, Sun Beam Foundation and Committed Communities Development Trust.

For the second year in a row, the Company organised several volunteering projects under the initiative called 'Shramdaan'. It encouraged its employees to donate clothes and toys during the Ek Jodi Kapda campaign. The Company partnered with Umang Foundation to donate the clothes to the villagers of Vangani in Thane district near Mumbai.

The Company also donated funds to Muktangan during the India Giving Challenge, 2011 organised by GiveIndia during the Joy of Giving Week, 2011.

Twenty-five volunteers from the Company participated in the Mumbai Marathon, 2012 in support of Sun Beam Foundation.

The Company had also organised a blood donation camp in its premises in August 2011. The camp was in support of underprivileged children suffering from Thalassemia/ Hemophilia.

PUBLIC DEPOSITS

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

ACHIEVEMENTS

During the year, the Company received several accolades for its pioneering initiatives.

The Company was judged the number one brokerage house by ET NOW - StarMine Analyst Award 2011-12. Five analysts of the Company won eight awards in different categories at the ET NOW - StarMine Analyst Awards.

The Company won the Grand Jury Award for 'Commendable performance by National Financial Advisor (Retail) - Online' at the CNBC TV 18 - Financial Advisor Awards 2011. The award recognises India's best Financial Advisors.

'Smart use Technology eRetailer 2012' award was conferred on the Company by Franchise India in association with UTV Bloomberg, for utilising available technologies or proprietary systems that deliver improved efficiencies for the business, better customer experience and valuable analytical data to continually improve customer experience.

ICICI Securities Business Partners (Sub Broker channel) won the 'Franchisor of the Year at the Franchise Awards' 2011 third time in a row. The award stands as an acknowledgment to the contribution of the Company to the development of Franchise system, in the retail broking industry.

ICICIdirect.com, won the Outlook Money 'Best e-Brokerage Award' seventh time in a row since the year 2004.

DIRECTORS

During the year, Zarin Daruwala was nominated as a Nominee Director of the Company by ICICI Bank Limited effective May 25, 2011.

During the year, Ajay Saraf was appointed as an Executive Director of the Company with effect from May 25, 2011 for a period of five years.

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 16, 2012, the Board has proposed their re-appointment as Auditors to audit the accounts of the Company for the year ending March 31, 2013. 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 2012, expenditure in foreign currencies amounted to ₹ 142.6 million (previous year: ₹ 112.8 million) and earnings in foreign currencies amounted to ₹ 136.1 million (previous year: ₹ 116.6 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 of Uday Chitale, Pravir Vohra and Zarin Daruwala as its members. Uday Chitale, an independent director, is Chairman of the Audit Committee. The Committee meets, *inter alia*, 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, 2012 and of the profit of the Company for the year 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 strong 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 with regard to 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 shareholder, 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 extend their sincere thanks to the clients of the Company for their unstinted support.

For and on behalf of the Board

CHANDA KOCHHAR
Chairperson

April 16, 2012

to the Members of ICICI Securities Limited

Report on the Financial Statements

We have audited the accompanying financial statements of ICICI Securities Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2012, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the 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 audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2012;

(b) in the case of the Statement of Profit and Loss, of the profit 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.

Report on Other Legal and Regulatory Requirements

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

2. As required by section 227(3) of the Act, 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 appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and

   (e) On the basis of written representations received from the directors as on 31 March 2012, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2012, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Per Shrawan Jalan
Partner
Membership No.: 102102

Mumbai, 16 April 2012

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" 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) In our opinion, there are no contracts or arrangements that need to be entered in 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 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, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax and other material statutory dues applicable to it.

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

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, 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, 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 and Service Tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in million)	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.	804	AY 1999-2000 to 2009-2010	CIT (Appeals) and ITAT
Service Tax Act, 1994	Disallowance of Input credit	116	2005-2006 to 2010-2011	Commissioner of Service Tax

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

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

(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 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 did not have any outstanding 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.

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

Per Shrawan Jalan
Partner
Membership No.102102

Mumbai, 16 April 2012

balance sheet

at March 31, 2012

	Notes	March 31, 2012	(₹ in million) *March 31, 2011*
I EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share capital	3	**2,110.7**	*2,110.7*
(b) Reserves and surplus	4	**897.5**	*802.1*
		3,008.2	*2,912.8*
(2) Non-current liabilities			
(a) Other long term liabilities	5	**385.8**	*279.1*
(b) Long-term provisions	6	**74.5**	*84.5*
		460.3	*363.6*
(3) Current liabilities			
(a) Short-term borrowings	7	**2,098.8**	*3,034.5*
(b) Trade payables	8	**3,156.9**	*3,510.0*
(c) Other current liabilities	9	**740.0**	*609.7*
(d) Short-term provisions	10	**16.9**	*5.7*
		6,012.6	*7,159.9*
		9,481.1	*10,436.3*
II) ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	**173.9**	*158.0*
(ii) Intangible assets	11	**145.9**	*141.8*
(iii) Capital work-in-progress		**4.4**	*12.5*
(iv) Intangible assets under development		**25.4**	*24.8*
		349.6	*337.1*
(b) Non-current investments	12	**780.5**	*784.5*
(c) Deferred tax assets (Net)	13	**174.4**	*132.4*
(d) Long-term loans and advances	14	**1,291.4**	*1,249.5*
(e) Other non-current assets	15	**81.4**	*25.3*
		2,677.3	*2,528.8*
(2) Current assets			
(a) Stock-in- trade	16	**8.1**	*0.5*
(b) Trade receivables	17	**1,518.1**	*3,070.1*
(c) Cash and bank balances	18	**4,132.4**	*4,244.9*
(d) Short-term loans and advances	19	**779.8**	*299.7*
(e) Other current assets	20	**365.4**	*292.3*
		6,803.8	*7,907.5*
		9,481.1	*10,436.3*
Summary of significant accounting policies	2		

profit and loss account

for the year ended March 31, 2012

	Notes	March 31, 2012	(₹ in million) *March 31, 2011*
I) Revenue from operations			
(a) Brokerage income		**4,445.1**	*5,192.0*
(b) Income from services		**2,224.0**	*1,517.5*
(c) Interest and other operating income	21	**462.6**	*290.2*
(d) Profit/(loss) on securities (net)		**50.3**	*56.4*
Total Revenue		**7,182.0**	*7,056.1*
II) Expenses:			
(a) Employee benefits expense	22	**2,651.4**	*2,307.6*
(b) Operating expenses	23	**1,112.4**	*944.9*
(c) Finance costs	24	**372.6**	*276.9*
(d) Depreciation and amortization expense	11	**140.2**	*152.4*
(e) Other expenses	25	**1,730.8**	*1,674.6*
Total expenses		**6,007.4**	*5,356.4*
III) Profit before tax		**1,174.6**	*1,699.7*
IV) Tax expense:			
(a) Current tax		**445.3**	*677.6*
(b) Deferred tax		**(42.0)**	*(109.9)*
V) Profit (Loss) for the period from continuing operations		**771.3**	*1,132.0*
VI) Profit (Loss) for the period		**771.3**	*1,132.0*
VII) Earnings per equity share:	26		
Basic & Diluted		**0.86**	*1.45*
(Face value ₹ 2/- per share)			

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Per Shrawan Jalan
Partner
Membership No.: 102102

Mumbai, April 16, 2012

For and on behalf of the Board of Directors

CHANDA KOCHHAR
Chairperson

UDAY CHITALE
Director

ANUP BAGCHI
Managing Director & CEO

AJAY SARAF
Executive Director

RAJU NANWANI
Company Secretary

CHARANJIT ATTRA
CFO & Head - Structured Finance Group

1 **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.

2 **Significant Accounting Policies**

During the year ended March 31, 2012 the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has siginificant impact on presentation and disclosures made in the financials statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

a) **Basis of preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP).The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the 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.

b) **Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in india that 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.

c) **Revenue recognition**

i) Brokerage income in relation to stock broking activity is recognised on a trade date basis.

ii) 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.

iii) Fee income in relation to public issues/ other securities is recognised based on mobilization and intimation received from clients/ intermediaries.

iv) Gains/ losses on dealing in securities are recognised on a trade date basis.

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

vi) Revenue from dividends is recognised when the shareholder's right to receive the payment is established.

vii) Training fee income from financial educational programs is recognized on accrual basis.

d) **Investments**

Investments in debt and equity securities are classified as current investment or long term investments.

Investments that are acquired with the intention of short term holding and trading are classified as stock-in-trade. All other investments are classified as long term investments. The securities held as stock- in- trade are carried at cost arrived at on weighted average basis or market value, whichever is lower.

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.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

e) **Fixed Assets**

(i) Tangible assets

Tangible 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.

Losses arising from the retirement of, and gains or lossess arising form disposal of fixed assets which are carried at cost are recognised in the statement of Profit and Loss.

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
Tangible	
Leasehold improvements	Over the lease period
Office equipments comprising air conditioners, photo-copying machines, etc.	10.00% to 50.00%
Computers	16.21%
Furniture and fixtures	15.00%
Motor vehicles	20.00%

(ii) Intangible Assets

Intangible assets are carried at cost less accumulated amortization. Intangible assets are amortised on a straight line basis over their estimated useful lives.The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

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

The amortization rates used are:

Intangible asset	Depreciation rate
Computer software	25.00%
CMA Membership rights	20.00%

f) **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.

g) **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.

h) **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.

i) **Staff retirement and other benefits**

Gratuity

The Company pays gratuity defined benefit plan 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 employee's, the Company makes contributions to the Omani Public Authority for Social Insurance Scheme calculated as a percentage of the employee's salaries. The Company's obligations are limited to these contributions, which are expensed when due.

Compensated absence

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

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.

j) 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. 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 realization 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 realized.

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 recognized as an asset.

k) 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.

l) Provisions and contingent liabilities

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

m) 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.

n) 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.

o) Cash and cash equivalents

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

3. SHARE CAPITAL

(₹ in million)

	March 31, 2012	*March 31, 2011*
Authorised:		
1,000,000,000 (March 31, 2011: 1,000,000,000 of ₹ 2/- each) equity shares of ₹ 2/- each	**2,000.0**	*2,000.0*
55,000,000 (March 31, 2011: 5,000,000 of ₹ 100/- each) 13.75% Cumulative non-convertible redeemable preference shares of ₹ 100/- each	**500.0**	*500.0*
	2,500.0	*2,500.0*
Issued, subscribed and fully paid-up shares:		
805,353,500 (March 31, 2011: 805,353,500 of ₹ 2 each) equity shares of ₹ 2/- each fully paid	**1,610.7**	*1,610.7*
5,000,000 (March 31, 2011: 5,000,000 of ₹ 100/- each) 13.75% Cumulative non-convertible redeemable preference shares of ₹ 100/- each. These shares are redeemable on 18 December, 2013	**500.0**	*500.0*
Total issued, subscribed and fully paid-up share capital	**2,110.7**	*2,110.7*

Reconciliation of the shares at the beginning and at the end of the reporting period

Equity shares

(₹ in million)

	March 31, 2012 Nos		March 31, 2011 Nos	
At the beginning of the period	805,353,500	1,610.7	805,353,500	1,610.7
Issued during the period - Bonus issue	—	—	—	—
Issued during the period - ESOP	—	—	—	—
Outstanding at the end of the period	805,353,500	1,610.7	805,353,500	1,610.7

Cumulative non-convertible redeemable preference share

	March 31, 2012 Nos		March 31, 2011 Nos	
At the beginning of the period	5,000,000	500.0	5,000,000	500.0
Issued during the period - Bonus issue	—	—	—	—
Issued during the period - ESOP	—	—	—	—
Outstanding at the end of the period	5,000,000	500.0	5,000,000	500.0

All the above, 805,353,500 (March 31,2011: 805,353,500) Equity Shares of ₹ 2/- each are held by ICICI Bank Limited (Holding Company) and its nominees and 5,000,000 (March 31, 2011: 5,000,000) 13.75% cumulative non-convertible redeemable preference shares of ` 100/- each are held by ICICI Home Finance Company Limited (Fellow Subsidiary).

(₹ in million)

	March 31, 2012	March 31, 2011
4. RESERVES AND SURPLUS		
Reserves and surplus consist of the following:		
(a) Securities premium account	244.0	244.0
(b) Investors contingency fund		
Opening balance	17.8	13.3
Add : Additions during the year (net)	—	4.5
Less: Deduction during the year	—	—
Closing balance	17.8	17.8
(c) Translation reserve		
Opening balance	(3.5)	(2.7)
Add : Additions during the year (net)	8.5	(0.8)
Closing balance	5.0	(3.5)
(d) General reserve		
Opening balance	246.7	133.5
Add : Additions during the year (net)	77.1	113.2
Closing balance	323.8	246.7
(e) Surplus/deficit in profit & loss		
Opening balance	297.1	253.1
Add: Transfer from debenture redemption reserve	—	50.0
Add: profit for the year	771.3	1,132.0
	1,068.4	1,435.1
Less: Appropriations		
Dividend on preference shares	68.9	68.8
Interim dividend on equity shares	520.1	810.0
Tax on equity dividend	84.2	134.6
Tax on preference shares dividend	11.2	11.4
Transfer to general reserve	77.1	113.2
Closing balance	306.9	297.1
TOTAL	897.5	802.1

(₹ in million)

	March 31, 2012	March 31, 2011
5. OTHER LONG TERM LIABILITIES		
Other long term liabilities consist of the following:		
(a) Trade payables	87.6	7.1
(b) Other liabilities	298.2	272.0
TOTAL	385.8	279.1
6. LONG TERM PROVISION		
Long-term provision consist of the following:		
Provision for employee benefits		
(a) Provision for gratuity	64.5	69.8
(b) Provision for compensated absence	10.0	14.7
TOTAL	74.5	84.5
7. SHORT TERM BORROWINGS		
Short-term borrowings consist of the following:		
(a) Secured loans		
Cash credit	—	1,324.2
(Secured against first charge on all receivables ,book debts, cash flows, and proceeds arising therefrom including but not limited to the Company's cash in hand both present and future)		
(b) Unsecured loans		
Commercial paper		
(repayable within one year)	2,098.8	1,710.3
TOTAL	2,098.8	3,034.5
8. TRADE PAYABLES		
Trade payables consist of the following:		
Trade payables		
(a) Micro, small and medium enterprises	—	—
(Refer note 34 for details of dues to micro and small enterprises)		
(b) Others	3,156.9	3,510.0
TOTAL	3,156.9	3,510.0

(₹ in million)

	March 31, 2012	March 31, 2011
9. OTHER CURRENT LIABILITIES		
Other current liabilities consist of the following:		
Income received in advance	**20.9**	*5.6*
Other payables to		
(a) Micro, small and medium enterprises (Refer note 34 for details of dues to micro and small enterprises)	**—**	*—*
(b) Others	**719.1**	*604.1*
	719.1	*604.1*
TOTAL	**740.0**	*609.7*
Other payable includes:		
1) Statutory liabilities	**124.3**	*132.8*
2) Employee related liabilities	**315.6**	*309.1*
3) Other liabilities	**279.2**	*162.2*

(₹ in million)

	March 31, 2012	March 31, 2011
10. SHORT TERM PROVISION		
Short-term provision consist of the following:		
(a) Provision for employees benefits		
i) Provision for compensated absence	**16.9**	*5.7*
TOTAL	**16.9**	*5.7*

11. FIXED ASSETS

(₹ in million)

	Gross Block (At Cost)				Accumulated Depreciation				Net Block	
	April 01, 2011	Additions	Sale/Adj*	**March 31, 2012**	*April 01, 2011*	Additions	Sale/Adj*	**March 31, 2012**	**March 31, 2012**	*March 31, 2011*
TANGIBLE										
Computers	*150.6*	*9.2*	21.9	**137.9**	*79.0*	*20.3*	*18.8*	**80.5**	**57.4**	*71.6*
Furniture and fixtures	*6.6*	*5.5*	(0.5)	**12.6**	*2.4*	*3.1*	*(0.3)*	**5.8**	**6.8**	*4.2*
Office equipment	*6.3*	*14.8*	(0.1)	**21.2**	*1.2*	*3.1*	*—*	**4.3**	**16.9**	*5.1*
Vehicles	*39.0*	*28.4*	10.8	**56.6**	*13.9*	*10.0*	*5.5*	**18.4**	**38.2**	*25.1*
Lease hold improvements	*200.4*	*35.3*	21.0	**214.7**	*148.4*	*30.1*	*18.4*	**160.1**	**54.6**	*52.0*
TOTAL (A)	*402.9*	*93.2*	53.1	**443.0**	*244.9*	*66.6*	*42.4*	**269.1**	**173.9**	*158.0*
INTANGIBLE										
Software	*399.9*	*79.2*	13.3	**465.8**	*266.4*	*69.9*	*12.9*	**323.4**	**142.4**	*133.5*
CMA membership right	*17.3*	*—*	(2.4)	**19.7**	*9.0*	*3.7*	*(3.5)*	**16.2**	**3.5**	*8.3*
TOTAL (B)	*417.2*	*79.2*	10.9	**485.5**	*275.4*	*73.6*	*9.4*	**339.6**	**145.9**	*141.8*
TOTAL (A+B)	*820.1*	*172.4*	64.0	**928.5**	*520.3*	*140.2*	*51.8*	**608.7**	**319.8**	*299.8*
Previous year	*850.6*	*134.7*	*165.2*	***820.1***	*469.8*	*152.4*	*101.9*	***520.3***	***299.8***	

* Fixed assets sale/ adjustments includes effect of foreign currency translation amounting to ₹ 0.4 million (Previous year ₹ 0.1 million).

12. NON- CURRENT INVESTMENTS

Non-current investments consist of the following:

(₹ in million)

Name of the Company	Quantity Nos	Face value per unit	March 31, 2012	March 31, 2011
Trade Investments				
In equity shares (valued at cost)				
Subsidiary Company:				
(a) ICICI Securities Holding Inc.(unquoted)	16,640,000 (16,640,000)	US $ 1	**728.2**	*728.2*
Others:				
(a) Bombay Stock Exchange Limited (unquoted)	22,828 (22,828)	₹ 1	**0.0**	*0.0*
(b) Parabolic Drugs Limited (quoted)	794,000(794,000)	₹10	**45.5**	*45.5*
			773.7	*773.7*
Less :Provision for investment			**(4.0)**	*—*
			769.7	*773.7*
Non Trade Investments				
In equity shares (valued at cost)				
Others:				
(a) ICICI West Bengal Infrastructure Development Corporation (unquoted)	Nil (1)	₹ 10	**—**	*0.0*
(b) First Source Solutions Limited (quoted)	100 (100)	₹ 10	**0.0**	*0.0*
In mutual funds (Investors Contingency Fund):				
(valued at cost)				
(a) Birla Sun Life Asset Management Company Limited	Nil (10)		**—**	*0.0*
(b) DSP Blackrock Liquid Fund - Growth(unquoted)	226,104 (226,104)		**3.8**	*3.8*
(c) ICICI Prudential Liquid Plan - Growth(unquoted)	400,950 (400,950)		**7.0**	*7.0*
			10.8	10.8
TOTAL			**780.5**	*784.5*

Name of the Company	Quantity Nos	Face value per unit	March 31, 2012	March 31, 2011 (₹ in million)
1) Aggregate amount of quoted investments (market value ₹ 23.1 million , previous year ₹ 33.9 million)			41.5	45.5
2) Aggregate amount of unquoted investments (₹ 0 million indicates values are lower than ₹ 1 million)			739.0	739.0

13. DEFERRED TAX ASSETS (NET)

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

(₹ in million)

	March 31, 2012	March 31, 2011
Deferred tax asset		
(a) Provision for doubtful debtors	27.5	38.0
(b) Provision for gratuity	20.9	23.2
(c) Provision for compensated absence	8.7	6.8
(d) Provision for lease rent escalation	15.2	18.2
(e) Depreciation	20.3	14.4
(f) Provision for investments	1.3	—
(g)Long term incentives	127.7	95.4
Total Deferred tax assets	221.6	196.0
Deferred tax liability		
(a) Preliminary expenses -stamp duty 35DDA	—	(0.2)
(b) Amortization of acquisition cost	(47.2)	(63.4)
Total deferred tax liability	(47.2)	(63.6)
TOTAL	174.4	132.4

14 LONG TERM LOANS AND ADVANCES

Long-term loans and advance consist of the following:

	March 31, 2012	March 31, 2011
(a) Unsecured, considered good		
i) Security deposit for leased premises and assets	332.0	327.3
ii) Security deposit with stock exchanges	26.3	25.3
iii) Advance tax (net provision for tax)	855.3	814.9
iv) Loans and advances to related parties	0.1	1.3
v) Other loans and advances	77.7	80.7
TOTAL	1,291.4	1,249.5
Other loans & advances include:		
1) Prepaid expenses	0.6	0.4
2) Other security deposit	10.2	12.0
3) Others	66.9	68.3

Loans and advances to related parties pertains to:

ICICI Lombard General Insurance Co. Ltd. ₹0.1 million (previous year : ₹1.3million)

(₹ in million)

15. OTHER NON-CURRENT ASSETS

Other non-current assets consist of the following:

	March 31, 2012	March 31, 2011
(a) Interest receivable	2.4	0.4
(b) Fixed deposits with banks *		
i) In India	72.4	19.1
ii) Outside India	6.6	5.8
	79.0	24.9
TOTAL	81.4	25.3

* 1) Fixed deposits under lien with stock exchanges amounted to ₹ 3.5 million (Previous year: ₹ 8.5 million) and kept as collateral security towards bank guarantees issued amounted to ₹ 17.4 million (Previous year: ₹ 16.4 million) and others ₹50.3 million (Previous year: ₹Nil million)

2) Fixed deposits having maturity more than 90 days ₹7.8 million (Previous year: ₹Nil million)

16. STOCK-IN-TRADE

Stock-in-trade consist of the following:

	March 31, 2012	March 31, 2011
(a) Equity shares (quoted)		
i) Bata India Limited	3.4	0.3
ii) Gujarat Fluorochemicals Limited	0.8	—
iii) Reliance Industries Limited	1.5	—
iv) HDFC Ltd warrant exp 23aug2012	2.4	
v) Va Tech Wa Bag Limited	—	0.1
	8.1	0.4
(b) Bond		
i) ICICI Bank (Bond)	0.0	0.0
ii) NABARD (zero coupon bond)	—	0.1
TOTAL	8.1	0.5

1) Current investments are valued at cost or market value whichever is lower.
2) The aggregate carrying value and market value of quoted securities as at March 31, 2012 is ₹ 8.1 million (previous year: ₹0.5 million) and ₹ 8.4 million (previous year ₹ 0.5 million) respectively.
3) The above include securities on the Company's account due to trading errors on behalf of the customers.
4) ₹ 0 million indicates values are lower than ₹ 1 million.

17. TRADE RECEIVABLES

Trade receivables consist of the following:

	March 31, 2012	March 31, 2011
Secured		
a) Receivables outstanding for a period exceeding six months:		
i) Considered good	0.0	—
ii) Considered doubtful	0.2	—
(b) Others		
i) Considered good	314.8	421.3
ii) Considered doubtful	0.4	—
Less: Provision for doubtful debt	(0.6)	—
TOTAL (A)	314.8	421.3
Unsecured		
(a) Receivables outstanding for a period exceeding six months:		
i) Considered good	4.5	4.9
ii) Considered doubtful	81.7	73.3
(b) Others		
i) Considered good	1,198.8	2,643.9
ii) Considered doubtful	2.4	11.8
Less: Provision for doubtful debt	(84.1)	(85.1)
TOTAL (B)	1,203.3	2,648.8
TOTAL (A) + (B)	1,518.1	3,070.1

	March 31, 2012	March 31, 2011 (₹ in million)
18. CASH AND BANK BALANCE:		
Cash and bank balances consist of the following:		
Cash and cash equivalents		
(a) Cash and cheques on hand	33.5	107.0
(b) In Current accounts with banks		
i) In India with Scheduled banks	499.2	567.0
ii) Outside India	53.7	52.0
(c) Fixed Deposit with maturity less than 90 days	47.4	—
Other bank balances		
(a) Fixed deposits in India*	3,498.6	3,518.9
TOTAL	4,132.4	4,244.9

*1) Fixed deposits under lien with stock exchanges amounted to ₹2,768.9 million (Previous year : ₹2,513.8 million) and kept as collateral security towards bank guarantees issued amounted to ₹500.1 million (Previous year: ₹ 249.7 million) and others ₹0.2 million (Previous year ₹0.7 million)

2) Fixed deposits having maturity more than 90 days ₹229.4 million (Previous year: ₹754.7 million)

	March 31, 2012	March 31, 2011
19. SHORT-TERM LOANS AND ADVANCES:		
Short term loans and advances consist of the following:		
(a) Unsecured, considered good		
i) Margin deposits with stock exchange	540.0	15.0
ii) Security deposit for leased premises and assets	13.9	14.0
iii) Other loans and advances	225.9	270.7
TOTAL	779.8	299.7
Other loans and advances include:		
1) Prepaid expenses	33.6	32.0
2) Advance to creditors	25.9	32.4
3) Other advances	166.4	206.3
20. OTHER CURRENT ASSETS		
Other current assets consist of the following:		
(a) Accrued income	252.5	247.4
(b) Interest receivable	112.9	44.9
TOTAL	365.4	292.3
21. INTEREST AND OTHER OPERATING INCOME		
Other income consist of the following:		
(a) Interest		
i) Fixed deposits and application money	338.1	245.0
ii) Securities held as stock-in-trade	104.9	–
iii) Other advances and deposits	0.4	35.1
(b) Dividend Income	0.8	0.1
(c) Miscellaneous income	18.4	10.0
TOTAL	462.6	290.2
22. EMPLOYEE BENEFIT EXPENSES		
Employee benefits expense consist of the following:		
(a) Salaries and wages	2,385.8	2,033.0
(b) Contribution to provident and other funds	88.3	109.3
(c) Staff welfare expenses	177.3	165.3
TOTAL	2,651.4	2,307.6

	March 31, 2012	March 31, 2011 (₹ in million)
23. OPERATING EXPENSES		
Operating expenses consist of the following:		
(a) Procurement expenses (Net of recoveries ₹ 25.6 million, previous year ₹ 54.3 million)	709.8	424.8
(b) Turnover fees	1.0	0.6
(c) Transaction charges and stamp duty	3.6	3.5
(d) Custodial and depository charges	244.0	374.1
(e) Call centre charges	71.5	67.8
(f) Franking charges (Net of recoveries ₹ 49.4 million, previous year ₹ 59.4 million)	9.4	19.2
(g) Rating agency fees	3.0	3.0
(h) Other operating expenses	70.1	51.9
TOTAL	1,112.4	944.9
24. FINANCE COST		
Finance cost consist of the following:		
(a) Interest expense	358.2	262.3
(b) Guarantee commission	11.0	4.4
(c) Bank charges	3.4	10.2
TOTAL	372.6	276.9
25. OTHER EXPENSES		
Other expenses consist of the following:		
(a) Rent and amenities	797.8	795.2
(b) Insurance	2.9	4.1
(c) Business promotion, traveling and conveyance expenses	182.7	152.9
(d) Repairs, maintenance, upkeep and others	237.7	188.4
(e) Rates and taxes	6.2	8.0
(f) Electricity expenses	72.2	66.8
(g) Communication expenses	168.1	160.5
(h) Profit/(loss) on sale of fixed assets	3.4	(25.7)
(i) Advertisement and publicity	52.3	89.0
(j) Printing and stationery	30.9	45.4
(k) Subscription and periodicals	56.9	59.0
(l) Professional fees	71.5	67.9
(m) Auditors' remuneration	5.7	6.1
(n) Donation	11.8	11.7
(o) Recruitment expense	27.3	43.8
(p) Foreign exchange gain/loss	1.5	0.9
(q) Miscellaneous expenses	1.9	0.6
TOTAL	1,730.8	1,674.6

26. Earnings per share

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

Particualrs	March 31, 2012	*March 31, 2011*
Basic & Diluted earnings per share		
Weighted average no. of equity shares outstanding (in millions) (A)	**805.4**	*727.3*
Net profit after tax, before preference dividend (₹ in million)	**771.3**	*1,132.0*
Preference dividend and tax on dividend (₹ in million)	**80.1**	*80.2*
Net profit after tax and preference dividend (₹ in million)	**691.2**	*1,051.8*
Basic & diluted earnings per share (₹)	**0.86**	*1.45*
Nominal value per share (₹)	**2.00**	*2.00*

27. Related Party Disclosures

As per accounting standard on related party disclosures (AS18) as notified by the Companies Accounting Standard Rules 2006 (as amended), 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 Company: 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 Home Finance Company Limited; ICICI Venture Funds Management Company Limited; ICICI Investment Management Company Limited; ICICI Bank Canada.

C. Key Management Personnel

a) Anup Bagchi — Managing Director & CEO (from May 1,2011)
b) Madhabi Puri-Buch — Managing Director & CEO (upto April 30,2011)
c) Ajay Saraf — Executive Director (from April 27,2011)
d) A Murugappan — Executive Director (upto March 3,2011)

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

₹ in million)

Nature of Transaction	Holding Company		Subsidiary Company		Fellow Subsidiary Company	
	2012	*2011*	2012	*2011*	2012	*2011*
Income from services and brokearge (commission and fees)	**121.2**	*206.0*				
ICICI Home Finance Company Limited					**37.1**	*14.2*
ICICI Prudential Life Insurance Company Limited					**375.2**	*285.8*
ICICI Securities Primary Dealership Limited					**1.2**	*1.5*
ICICI Lombard General Insurance Company Limited					**16.8**	*21.8*
ICICI Prudential Asset Management Company Limited					**14.0**	*18.0*
ICICI Investment Management Company Limited					**1.1**	*3.6*
ICICI Venture Funds Management Company Limited					**1.8**	—
ICICI Bank Canada					**0.1**	*0.7*
Interest income	**111.4**	*163.3*				
Staff expenses	**16.4**	*12.3*				
ICICI Securities Primary Dealership Limited					**1.1**	*(1.8)*
ICICI Prudential Life Insurance Company Limited					**3.4**	*3.7*
ICICI Lombard General Insurance Company Limited					**67.7**	*44.9*
Operating expenses	**313.3**	*426.8*				
ICICI Securities Primary Dealership Limited					**39.1**	*0.3*
ICICI Securities Inc			**54.3**	*32.0*		
Other expenses	**198.6**	*166.7*				
ICICI Lombard General Insurance Company Limited					**4.5**	*3.7*
ICICI Securities Primary Dealership Limited					**9.8**	*9.5*
ICICI Prudential Life Insurance Company Limited					**0.3**	*0.1*
ICICI Venture Funds Management Company Limited					**—**	—
Finance cost	**11.3**	*14.2*				
ICICI Securities Inc			**(0.3)**	—		
Dividend paid	**520.1**	*810.0*				
ICICI Home Finance Company Limited					**68.9**	*68.8*

(₹ in million)

Nature of Transaction	Holding Company		Subsidiary Company		Fellow Subsidiary Company	
	2012	*2011*	2012	*2011*	2012	*2011*
Share capital	**1610.7**	1610.7				
Preference share capital						
ICICI Home Finance Company Limited					**500.0**	500.0
Payables	**145.0**	40.0				
ICICI Lombard General Insurance Company Limited					**4.3**	4.0
ICICI Prudential Life Insurance Company Limited					**—**	0.0
ICICI Securities Primary Dealership Limited					**40.6**	—
ICICI Home Finance Company Limited					**(0.0)**	—
ICICI Securities Inc			**13.6**	0.0		
Fixed assets purchases	**1.0**	0.8				
Fixed assets sold	**0.7**	0.2				
Investment	**0.0**	0.0				
ICICI Securities Holding Inc			**728.2**	728.2		
Cash Credit	**(0.0)**	1324.2				
Fixed deposits	**1345.0**	1753.3				
Accrued interest Income	**50.7**	29.8				
Bank balance (Net of current liabilities of ₹ 77 million (Previous year ₹ 34 million)	**417.2**	524.8				
Corporate guarantee	**—**	—		—		
ICICI Securities Inc			**203.5**	178.3		
Deposit	**—**	—				
ICICI Lombard General Insurance Company Limited					**0.1**	1.3
Stock in trade	**—**	—				
Loans & advances (including prepaid expenses)	**2.3**	1.3				
ICICI Lombard General Insurance Company Limited					**13.9**	11.1
ICICI Prudential Life Insurance Company Limited					**1.1**	0.7
ICICI Securities Primary Dealership Limited					**0.6**	0.5
ICICI Venture funds Managemnt Company Limited					**0.0**	0.0
Receivables	**0.0**	—				
ICICI Securities Inc			**—**	0.8		
ICICI Securities Holding Inc			**—**	0.0		
ICICI Prudential Life Insurance Company Limited					**0.0**	5.6
ICICI Lombard General Insurance Company Limited					**0.0**	0.0
ICICI Prudential Asset Management Company Limited					**0.0**	5.2
ICICI Home Finance Company Limited					**0.0**	0.2
ICICI Securities Primary Dealership Limited					**0.0**	0.3
ICICI Investment Management Company Limited					**0.0**	—
Accrued income	**32.6**	45.0				
ICICI Lombard General Insurance Company Limited					**1.7**	9.6
ICICI Prudential Life Insurance Company Limited					**62.8**	25.6
ICICI Prudential Asset Management Company Limited					**0.8**	3.9
ICICI Home Finance Company Limited					**16.2**	—
ICICI Investment Management Company Limited					**0.0**	3.6
ICICI Venture Funds Management Company Limited					**0.3**	—
Purchase value of bond	**87.5**	9.2	**—**	—	**—**	—
Interest Accrued on Purchase value of bond	**3.6**	0	**—**	—	**—**	—

Key Management Personnel

The compensation for the year ended March 31, 2012 to (1) Anup Bagchi, Managing Director & CEO, (2) Madhabi Puri-Buch, former Managing Director & CEO, (3) Ajay Saraf, Executive Director, and (4) Murugappan, former Executive Director is (1) ₹ 23.5 million (Previous year ₹ 23.7 million), (2) ₹ 14.1 miillion (Previous year ₹ 16.4 million), (3) ₹ 8.4 million (Previous year ₹ Nil), and (4) ₹ Nil (Previous year ₹ 20.4 million) respectively.

The compensation paid includes bonus, long term incentives and contribution to provident fund.

During the year ended March, 2009, 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 ₹ 4.4 million.

The Company has received correspondence in respect of Mr. A Murugappan from the Ministry of Corporate Affairs on April 21, 2011 and has sought clarifications on the same vide letter dated May 24, 2011.

28. 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.

(₹ in million)

Particulars	Year ended March 31, 2012 Gratuity	*Year ended March 31, 2011 Gratuity*
Change in Defined Benefit Obligation		
Opening obligations	**130.0**	*117.2*
Service cost	**37.7**	*31.4*
Interest cost	**13.4**	*11.6*
Actuarial (gain) / loss	**(55.8)**	*(18.6)*
Past service cost	**0.0**	*0.0*
Liabilities assumed on acquisition / (settled on divestiture)	**1.8**	*0.6*
Benefits paid	**(19.3)**	*(12.2)*
Total Obligation	**107.8**	*130.0*
Defined benefit obligation liability	**107.8**	*130.0*
Change in Fair Value of Assets		
Opening plans assets, at fair value	**57.8**	*67.1*
Expected return on plan assets	**5.3**	*5.9*
Actuarial gain / (loss)	**(0.5)**	*(3.6)*
Contributions by employer	**0.0**	*0.0*
Assets acquired on acquisition / (settled on divestiture)	**1.7**	*0.6*
Benefits paid	**(19.3)**	*(12.2)*
Plan assets	**45.0**	*57.8*
Fair value of plan assets at the end of the year	**(45.0)**	*(57.8)*
Present value of the defined benefit obligations at the end of the period	**107.8**	*130.0*
Unrecognised Past Service Cost	**0.6**	*3.7*
Asset / (liability)	**(62.2)**	*(68.5)*
Cost for the period		
Service cost	**37.7**	*31.3*
Interest cost	**13.4**	*11.6*
Expected return on plan assets	**(5.2)**	*(5.9)*
Actuarial (gain) / loss	**(55.3)**	*(15.0)*
Past Service Cost	**3.1**	*3.1*
Net cost	**(6.3)**	*25.1*
Investment details of plan assets		
Insurer Managed Funds	**97.00%**	92.00%
Others	**3.00%**	8.00%
Assumptions		
Interest rate (p.a.)	**9.10%**	8.10%
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 ₹ 20 million to Gratuity in 2012 - 2013

The expected rate of retun on plan assets is based on our expectation of the average long term of return expected on investments of the fund during the estimated term of the obligation.

The following table summarises the experience adjustments

Particulars	Year ended				
	March 31, 2012	*March 31, 2011*	*March 31, 2010*	*March 31, 2009*	*March 31, 2008*
Defined benefit obligation	**107.8**	*130.0*	*117.3*	*85.1*	*105.2*
Plan assets	**45.0**	*57.8*	*67.1*	*55.4*	*67.5*
Surplus/(deficit)	**(62.8)**	*(72.2)*	*(50.1)*	*(29.8)*	*(37.7)*
Experience adjustments on plan liabilities	**(16.9)**	*(15.9)*	*8.0*	*(33.9)*	*10.2*
Experience adjustments on plan assets	**(0.5)**	*(3.6)*	*10.2*	*(13.6)*	*(1.8)*

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

29 Managerial remuneration

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

(₹ in million)

	For the year ended	
	March 31, 2012	*March 31, 2011*
Salary, perquisites and bonus	**44.7**	*58.3*
Contribution to provident fund and other funds	**1.3**	*2.2*
Total	**46.0**	*60.5*

As the future liability for gratuity and compensated absence 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.

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 year ended March, 2009, 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 ₹ 4.4 million.

30. Auditors remuneration

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

(₹ in million)

	For the year ended	
	March 31, 2012	*March 31, 2011*
(a) Audit fees	**4.2**	*4.2*
(b) Tax audit	**0.7**	*0.7*
(c) Certification fees	**—**	*1.0*
(d) Out of pocket expenses	**0.8**	*0.2*
Total	**5.7**	*6.1*

31. 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

(₹ in million)

Particulars	For the year ended	
	March 31, 2012	*March 31, 2011*
Earnings:		
Income from services	**136.1**	*116.6*
Expenditure:		
Procurement & other expenses	**142.6**	*112.8*

32. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 8.6 million (Previous year – ₹ 9.1 million).

33. Contingent liabilities

The following are details of contingent liabilities.

a. Income tax matters disputed by the Company are ₹ 804.0 million (Previous year - ₹ 762.2 million).

b. Service tax matters disputed by the Company are ₹ 116.0 million (Previous year - ₹ 101.0 million).

c. 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 million (previous year - USD 4 million) to secure ICICI Securities Inc's performance of its lease obligations

d. The Company has also issued a Standby Letter of Credit (SBLC) of USD 1million (previous year - Nil) to US Bank National Association, the sub lessee of ICICI Securities Inc., through ICICI Bank Limited. The said SBLC is issued in favour of the sub lessee to secure ICICI Securities Inc.'s performance on its lease obligations.

Current tax of ₹ 445.3 million (Previous year ₹ 677.6 million) includes ₹ 16.1 million (Previous year Nil) pertaining to earlier years.

34. 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 March 31, 2012. 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

35. Derivative Instruments

The following are the details of derivative position, for the periods indicated.

(₹ in million)

	For the year ended March 31, 2012		*For the year ended March 31, 2011*	
Type	**Quantity**	**Market Value**	*Quantity*	*Market Value*
Futures (net)	38,500	398.9	*36,000*	*233.6*
Options (net)	(49,900)	6.7	*(80,000)*	*0.4*

36. Un-hedged foreign currency exposure

The following is the details of un-hedged foreign currency exposure.

Particulars	**Amount**
Receivables	US$ 0.1 million @ closing of 1 USD = ₹ 50.87 (Previous year US $ 0.2 million @ closing rate of 1 USD = ₹ 44.59

(₹ 0 thousand indicates values are lower than ₹ 1 thousand or US$ 1 thousand)

37. Lease

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

The following are the details of operating leases for the periods indicated.

(₹ in million)

Particulars	**As on March 31, 2012**	*As on March 31, 2011*
Lease payments recognised in the Profit and Loss Account during the year		
— Minimum lease payments	**710.3**	*613.8*
— Contingent Rent		
Sub-lease payments received/receivable recognised in the Profit and Loss Account during the year	**15.1**	*15.5*
Minimum Lease Payments :		
— Not later than one year	**372.7**	*617.5*
— Later than one year but not later than five years	**1,164.0**	*1,861.8*
— Later than five years	**123.2**	*237.3*
— Total of future minimum sublease payments expected to be received as at balance sheet date	**—**	—

38. 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.

Signatures to notes 1 to 38

As per our report of even date

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

Per Shrawan Jalan
Partner
Membership No.: 102102

Mumbai, April 16,2012

For and on behalf of the Board

CHANDA KOCHHAR
Chairperson

UDAY CHITALE
Director

ANUP BAGCHI
Managing Director & CEO

AJAY SARAF
Executive Director

RAJU NANWANI
Company Secretary

CHARANJIT ATTRA
CFO & Head - Structured Finance Group

cash flow statement

for the year ended March 31, 2012

I-Sec

				(₹ in million)
			March 31, 2012	*March 31, 2011*
A	**Cash flow from operating activities**			
	Profit before tax	**1,174.6**		*1,699.7*
	Add (less adjustments):			
	- (Profit)/loss on sale of fixed assets	**3.4**		*(25.7)*
	- Depreciation	**140.2**		*152.4*
	- Transfer to investor contingency fund			*4.5*
	- Interest expense	**358.2**		*262.3*
	- Expense related to issue of Share Capital			*1.0*
	- Provision for diminution in value of investment	**4.0**		*-*
	- Exchange adjustments	**8.5**		*(0.8)*
	Operating profit before changes in operating assets and liabilities		**1,688.9**	*2,093.4*
	Adjustments for net change in operating assets and liabilities			
	- Current assets excluding cash and cash equivalents	**953.9**		*(1,249.3)*
	- Current liabilites relating to operations	**(127.1)**		*1,440.5*
			826.8	*191.2*
	Cash generated from operations		**2,515.7**	*2,284.6*
	Payment of taxes (net)		**(485.7)**	*(699.5)*
	Net cash from operating activities		**2,030.0**	*1,585.1*
B	**Cash flow from investment activities**			
	- (Purchase) / sale of investments (net)		**—**	*(45.5)*
	- (Purchase) / sale of fixed assets (net)		**(156.1)**	*(65.7)*
	Net cash used in investment activities		**(156.1)**	*(111.2)*
C	**Cash flow from financing activities**			
	- Increase/ (decrease) in borrowings (net)		**(935.7)**	*246.8*
	- Interest paid		**(358.2)**	*(280.3)*
	- Dividends and dividend tax paid		**(672.2)**	*(1,052.5)*
	- Expenses related to issue of share capital		**—**	*(1.0)*
	Net cash used in financing activities		**(1,966.1)**	*(1,087.0)*
	Net change in cash & cash equivalents (A + B + C)		**(92.2)**	*386.9*
	Cash and cash equivalents at the beginning of the year		**726.0**	*339.1*
	Cash and cash equivalents at the end of the year		**633.8**	*726.0*
	Components of cash and cash equivalents			
	Cash and cheques on hand		**33.5**	*107.0*
	In Current account with banks			
	- In India with Scheduled banks		**499.2**	*567.0*
	- Outside India		**53.7**	*52.0*
	- Fixed Deposit with maturity less than 3 months		**47.4**	*—*
			633.8	*726.0*

Cash and cash equivalents at the end of the year excludes:

- Fixed deposits under lien ₹ 3,340.4 million (March 31,2011 ₹ 2,789.1 million) and

- Fixed deposits having maturity more than 90 days ₹237.2 million (March 31, 2011 ₹ 754.7 million).

As per our report of even date

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

Per Shrawan Jalan
Partner
Membership No.: 102102

Mumbai, April 16, 2012

For and on behalf of the Board of Directors

CHANDA KOCHHAR
Chairperson

UDAY CHITALE
Director

ANUP BAGCHI
Managing Director & CEO

AJAY SARAF
Executive Director

RAJU NANWANI
Company Secretary

CHARANJIT ATTRA
CFO & Head - Structured Finance Group

ICICI Securities

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

I-Sec

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, 2012	March 31, 2012
2.	(a) Number of Equity Shares held by ICICI Securities Limited and/or its nominees in the Subsidiary as on March 31, 2012	16,640,000 Equity Shares of US$1 each fully paid-up	12,380,000 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, 2012 (₹ in 000's)	69	8,503
	(b) Profits for the previous financial years of the subsidiary since it became subsidiary of ICICI Securities Limited (₹ in 000's)	(143,965)	(524,213)
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, 2012	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 of Directors

CHANDA KOCHHAR
Chairperson

UDAY CHITALE
Director

ANUP BAGCHI
Managing Director & CEO

AJAY SARAF
Executive Director

RAJU NANWANI
Company Secretary

CHARANJIT ATTRA
CFO & Head - Structured Finance Group

Mumbai, April 16, 2012

ICICI SECURITIES HOLDINGS, INC.

12TH ANNUAL REPORT AND ACCOUNTS 2011-2012

Directors
Pramod Rao, *Chairman*
Raghav Iyengar
Sriram H. Iyer
Ashish Kakkar

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 twelfth Annual Report of ICICI Securities Holdings, Inc. with the audited statement of accounts for the year ended March 31, 2012.

INVESTMENT ADVISORY INDUSTRY OVERVIEW

The fiscal year 2012 that went by was a tough year where the world market suffered from the problems arising out of sovereign debt crisis. Many of the developing countries like India have a problem of high inflation. The Long-Term Refinancing Operation (LTRO) program initiated by the European Central Bank has reduced the tail risk in Europe and there have been encouraging data coming out of United States of America. India is trying to work on a fiscal consolidation exercise which is likely to help.

FINANCIAL HIGHLIGHTS

		(₹ in '000s)
	Fiscal 2011	**Fiscal 2012**
Gross income	*25,543*	**56,867**
Profit /(Loss) before tax	*(5,255)*	**1,991**
Provision for tax	*1,254*	**1,922**
Profit /(Loss)Loss after tax	*(6,509)*	**69**

OPERATIONAL REVIEW

During the initial part of the year, the Company proceeded with its plans towards getting into the business of providing India focused investment advisory services to US investors. The Company was in the advanced stages of discussions for being appointed as an adviser to an investment company registered under the Investment Companies Act of 1940. During the later part of the year, considering the then prevalent bearish market conditions in the United States and the volatility in the equity market in India, the Company deferred its plan for advising a mutual fund in the United States.

OUTLOOK

ICICI Securities Holdings, Inc. desires to build its India focused advisory services in the US during the year. It will also continue to grow its wholly owned subsidiary, viz. ICICI Securities, Inc. in its efforts to increase business from the institutional segment in US and Singapore.

SUBSIDIARY COMPANY

ICICI Securities Inc. is registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (FINRA) and also registered with Monetary Authority of Singapore.

During FY2012, ICICI Securities Inc. deepened its penetration within the US and Singapore based Institutional investor base. During fiscal 2012, ICICI Securities Inc. organised several Corporate, Expert and Analyst roadshows and meetings in the US, thereby helping clients with their investments in Indian markets. During FY2013 and beyond, ICICI Securities Inc. would seek to grow this franchise further.

SHARE CAPITAL

During the year, there was no change in the paid-up equity share capital of the Company.

DIRECTORS

As at the date of report, following are the Directors of the Company:

Pramod Rao, Sriram H. Iyer, Ashish Kakkar, Raghav Iyengar

During the year, Gopakumar P. ceased to be the Director of the Company.

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, 2012 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 would like to 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

April 11, 2012

RAGHAV IYENGAR
Director

ICICI Securities Holdings Inc

to the Members of ICICI Securities Holding, Inc.

We have audited the accompanying financial statements of ICICI Securities Holdings Inc., which comprise the Balance Sheet as at 31 March 2012 and also the Profit and Loss Account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the recognition and measurement principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the 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 audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements of ICICI Securities Holdings Inc. for the year ended 31 March 2012 are prepared, in all material respects, in accordance with recognition and measurement principles generally accepted in India.

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

Per Shrawan Jalan
Partner
Membership No.102102

Mumbai, April 11, 2012

balance sheet

at March 31, 2012

	Note	(₹ in 000's) March 31, 2012	March 31, 2011	(US$ in 000's) March 31, 2012	March 31, 2011
I EQUITY AND LIABILITIES					
1. Shareholders' funds					
(a) Share capital	3	**728,206**	*728,206*	**16,640**	*16,640*
(b) Reserves & surplus	4	**(131,018)**	*(138,963)*	**(3,100)**	*(3,102)*
		597,188	*589,243*	**13,540**	*13,538*
2. Current liabilities					
(a) Other current liabilities	5	**1,334**	*4,942*	**24**	*110*
		1,334	*4,942*	**24**	*110*
		598,522	*594,185*	**13,564**	*13,648*
II. ASSETS					
1. Non-current assets					
(a) Fixed assets					
Tangible assets	6	**154**	*29*	**3**	*1*
(b) Non-current investments	7	**538,298**	*518,510*	**12,380**	*11,950*
(c) Long-term loans and advances	8	**23,195**	*28,060*	**456**	*629*
		561,647	*546,599*	**12,839**	*12,580*
2. Current assets					
(a) Cash and bank balances	9	**35,199**	*46,760*	**692**	*1,049*
(b) Short-term loans and advances	10	**1,676**	*826*	**33**	*19*
		36,875	*47,586*	**725**	*1,068*
		598,522	*594,185*	**13,564**	*13,648*
Summary of significant accounting policies	2				

profit and loss account

for the year ended March 31, 2012

		Note	(₹ in 000's) March 31, 2012	March 31, 2011	(US$ in 000's) March 31, 2012	March 31, 2011
I.	**Revenue from operations**					
	(a) Income from services	11	**56,559**	*24,699*	**1,180**	*542*
	(b) Other income	12	**308**	*844*	**6**	*19*
II.	**Total Revenue**		**56,867**	*25,543*	**1,186**	*561*
III.	**Expenses:**					
	(a) Employee benefits expense	13	**19,075**	*8,176*	**398**	*179*
	(b) Other expenses	14	**32,750**	*22,309*	**683**	*489*
	(c) Depreciation		**2,894**	*62*	**60**	*1*
	(d) Finance costs	15	**157**	*113*	**3**	*2*
	(f) Doubtful debts written off / provided		**—**	*138*	**—**	*3*
			54,876	*30,798*	**1,144**	*674*
IV.	Profit before exceptional and extraordinary items and tax (II - III)		**1,991**	*(5,255)*	**42**	*(113)*
V.	Exceptional items		**—**	*—*	**—**	*—*
VI.	Profit before extraordinary items and tax (IV - V)		**1,991**	*(5,255)*	**42**	*(113)*
VII.	**Profit before tax**		**1,991**	*(5,255)*	**42**	*(113)*
VIII.	Tax expense		**1,922**	*1,254*	**40**	*28*
IX.	Profit (Loss) for the period from continuing operations (VII-VIII)		**69**	*(6,509)*	**2**	*(141)*
X.	**Brought forward from previous years**		**(143,965)**	*(137,456)*	**(3,102)**	*(2,961)*
	Amount available for appropriations		**(143,896)**	*(143,965)*	**(3,100)**	*(3,102)*
	Balance carried forward		**(143,896)**	(143,965)	(3,100)	(3,102)
	Earnings per share (basic & diluted)(Face value US. $1 per share)		0.00	(0.39)	0.00	(0.01)

The accompanying notes are an integral part of the financials statements.

As per our report of even date

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

Per SHRAWAN JALAN
Partner
Membership No: 102102

For and on behalf of the Board of Directors

KRISHNA PRASAD T
President & CEO

ASHISH KAKKAR
Director

PRAMOD RAO
Director

RAGHAV IYENGAR
Director

SRIRAM IYER
Director

Canada, April 11, 2012

1. **Overview**

ICICI Securities Holdings, Inc. ("the Company"), a wholly owned subsidiary of ICICI Securities Ltd., 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.

2. **SIGNIFICANT ACCOUNTING POLICIES**

During the year ended March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company for preparation and presentation of its financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

a) **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.

b) **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.

c) **Revenue recognition**

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

d) **Investments**

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.

e) **Tangible Assets**

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.

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	**Estimated life**
Tangible	
Leasehold improvements	10 years
Plant and machinery like air conditioners, photo-copying machines, etc.	3 Years
Computers	3 Years
Furniture and fixtures	7 years

f) **Intangible Assets**

Intangible assets are carried at cost less accumulated amortization. Intangible assets are amortised on a straight line basis over their estimated useful lives.The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

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

g) **Income taxes**

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 and reassessed at each reporting date, based upon management's judgment as to whether their realization 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 realized.

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 realized. As there is no virtual certainty of future taxable profits, deferred tax assets is not recognized.

h) **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.

i) **Provisions**

Provisions : 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.

j) **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.

k) **Cash and cash equivalents**

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

l) **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 recognized 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.

	(₹ in 000's)		(US$ in 000's)	
	March 31, 2012	*March 31, 2011*	**March 31, 2012**	*March 31, 2011*
3. SHARE CAPITAL :				
Authorised:				
17,500,000 Equity shares of US$ 1/- each				
(As at March 31, 2011 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**	*728,206*	**16,640**	*16,640*
(As at March 31, 2011 16,640,000 shares of US$1 each fully paid)				
(All the above 16,640,000 (March 2011: 16,640,000) equity shares of US$ 1 each are held by holding company ICICI Securities Ltd.)				

Reconciliation of the shares at the beginning and at the end of the reporting period	**March 31, 2012**		March 31, 2011	
Equity shares	**Nos.**	₹	**Nos.**	₹
At the beginning of the period	**728,206**	**728,206**	*16,640*	*16,640*
Issued during the period	**—**	**—**	—	—
Issued during the period - ESOP	**—**	**—**	—	—
Outstanding at the end of the period	**728,206**	**728,206**	*16,640*	*16,640*

4. RESERVES & SURPLUS	**March 31, 2012**	*March 31, 2011*	**March 31, 2012**	*March 31, 2011*
Profit and loss account debit balance				
Balance as on April 1, 2011	**(143,965)**	*(137,456)*	**(3,102)**	*(2,961)*
Add: Additions during the year		*(6,509)*		*(141)*
Less: deductions during the year	**69**	—	**2**	—
Balance as on March 31,2012	**(143,896)**	*(143,965)*	**(3,100)**	*(3,102)*
Translation reserve				
Balance as on April 1, 2011	**5,002**	*5,245*	**—**	—
Add: Additions during the year	**7,876**	—	**—**	—
Less: deductions during the year	**—**	*(243)*	**—**	—
Balance as on March 31,2012	**12,878**	*5,002*	**—**	—
TOTAL	**(131,018)**	*(138,963)*	**(3,100)**	*(3,102)*

5. OTHER CURRENT LIABILITIES				
Other current liabilities consist of the following:				
Sundry creditors for expenses	**555**	*4,772*	**9**	*106*
Other liabilities	**7**	—	**0**	—
Taxes payable	**772**	*170*	**15**	*4*
TOTAL	**1,334**	*4,942*	**24**	*110*

6. FIXED ASSETS

(₹ in 000's) (US$ in 000's)

Particulars	Gross Block (at Cost)				ACCUMULATED DEPRECIATION				Net Block		Net Block	
	April 01, 2011	**Additions**	**Sale/Adj***	**Mar 31 2012**	*April 01, 2011*	**Addition**	**Sale/Adj***	**Mar 31 2012**	**Mar 31 2012**	*March 31, 2011*	**Mar 31 2012**	*March 31, 2011*
Tangible												
Computer	*181*	**174**	(27)	**382**	*152*	**51**	(25)	**228**	**154**	*29*	3	*1*
Leasehold improvement	—	**3,016**	3,016	**—**	—	**2,842**	2,842	**—**	**—**	—	**—**	—
Total	*181*	**3,190**	2,989	**382**	*152*	**2,893**	2,817	**228**	**154**	*29*	**3**	*1*
Intangible - goodwill	—	**—**	—	**—**	—	**—**	—	**—**	**—**		**—**	—
TOTAL	*181*	**3,190**	2,989	**382**	*152*	**2,893**	2,817	**228**	**154**	*29*	**3**	*1*
Previous year	*84,577*	—	*84,396*	*181*	*42,345*	*62*	*42,255*	*152*	*29*		*1*	*1*

*Includes effect of translation reserve ₹ 2 thousand (net) (previous year ₹1 thousand)

	Quantity in thousands	(₹ in 000's) March 31, 2012	March 31, 2011	(US$ in 000's) March 31, 2012	March 31, 2011
7 NON CURRENT INVESTMENT					
Non-current investments consist of the following					
Trade Investments					
In equity shares (valued at cost)					
Subsidiary Company:					
ICICI Securities Inc.(Unquoted)*	12,380 (11,950)	**538,298**	*518,510*	**12,380**	*11,950*
TOTAL		**538,298**	**518,510**	*12,380*	**11,950**
* Face value of US $ 1 per share.					
8. LONG TERM LOANS AND ADVANCES					
(Unsecured and considered good unless otherwise stated)					
Due from Subsidiary		**23,195**	**25,830**	*456*	**579**
Other advances and deposits		**0**	*2,230*	**—**	*50*
TOTAL		**23,195**	*28,060*	**456**	*629*
9 . CASH AND BANK BALANCES					
In Current accounts with banks		**35,199**	*2,165*	**692**	*49*
Fixed deposit with schedule bank (under lien)		**—**	*44,595*	**—**	*1,000*
TOTAL		**35,199**	*46,760*	**692**	*1,049*
10. SHORT TERM LOANS AND ADVANCES					
(Unsecured and considered good unless otherwise stated)					
Short-term loans and advance consist of the following:					
Other advances and deposits		**1,676**	*826*	**33**	*19*
Total		**1,676**	*826*	**33**	*19*
Other advances & deposits include:					
1 Prepaid Expenses		**662**	—	**13**	—
2 Employee advances		**1,014**	—	**20**	—
3 Interest accrued		**—**	*826*	**—**	*19*
11. INCOME FROM SERVICES					
Other Income		**56,559**	*9,114*	**1,180**	*200*
Financial advisory services		**—**	*15,585*	**—**	*342*
TOTAL		**56,559**	*24,699*	**1,180**	*542*
12. OTHER INCOME					
Interest on Fixed Deposit		**308**	*844*	**6**	*19*
(Tax deducted at source Rs. nil (USD Nil)					
TOTAL		**308**	*844*	**6**	*19*
13. EMPLOYEE BENEFIT EXPENSES					
Salaries and wages		**17,732**	*7,276*	**370**	*160*
Staff welfare expenses		**1,343**	*900*	**28**	*19*
TOTAL		**19,075**	*8,176*	**398**	*179*
14. OTHER EXPENSES					
Rent and amenities		**1,259**	*1,023*	**26**	*22*
Insurance		**293**	*349*	**6**	*8*
Business promotion, travelling and conveyance expenses		**1,211**	*512*	**25**	*11*
Communication expenses		**543**	*668*	**11**	*15*
Printing and stationery		**683**	*1,013*	**15**	*22*
Subscription and periodicals		**1,089**	*77*	**23**	*2*
Professional fees		**27,661**	*18,142*	**577**	*397*
Repairs, maintenance, upkeep and others		**11**	*525*	**0**	*12*
TOTAL		**32,750**	*22,309*	**683**	*489*

	(₹ in 000's) March 31, 2012	March 31, 2011	(US$ in 000's) March 31, 2012	March 31, 2011
15 FINANCE COST	**157**	*113*	**3**	*2*
Bank charges	—	—		
Interest	—	—		
TOTAL	**157**	*113*	**3**	*2*

16 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.

17 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

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

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

Fellow Subsidiary:	ICICI Prudential Asset Management Company Limited.

C. Key Management Personnel

a) Pramod Rao

b) Ashish Kakkar

c) Gopakumar P (upto March 29, 2012)

d) Raghav Iyengar

e) Shriram Iyer

f) Krishna Prasad T

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

Nature of Transaction	Subsidiary Company (₹ in thousand)	Subsidiary Company (US$ in thousand)	Ultimate Holding company (₹ in thousand)	Ultimate Holding company (US$ in thousand)	Holding Company (₹ in thousand	Holding Company (US$ in thousand	Fellow Subsidiary (₹ In thousand)	Fellow Subsidiary (US$ in thousand)
Other Services Income								
ICICI Prudential Asset Management Company Limited							56,559	1,180
							(9,114)	(200)
Establishment and other expenses							—	—
ICICI Bank Limited			1,334	28				
			(2,862)	(63)			—	—
Amount recoverable on account of Bank Guarantee Charges							—	—-
ICICI Securites Inc	—	—						
	(5,315)	(120)						
Investment								
ICICI Securities Inc.	538,298	12,380						
	(518,510)	(11,950)						
During the year US$ 430 thousand infused as capital in subsidiary company								
Receivables	23,195	456						
	(25,830)	(579)						
Payables					—	—	—	—
					(13)	(0)	—	—
Share Capital					728,205	16,640	—	—
					(728,205)	(16,640)	—	—

Amounts in parenthesis represent previous year figures)

Key Management Personnel

The compensation for the year ending March 31, 2012 to Krishna Prasad T was ₹ 5,134 thousand US$ 113 thousand (Previous year Nil). The Company has also given an advance to Krishna Prasad T of ₹1,014 thousand USD 20 thousand

18. Earnings per equity share (EPS)

	(₹ in thousand)		(US$ in thousand)	
	Year ended		Year ended	
	March 31, 2012	*March 31, 2011*	**March 31, 2012**	*March 31, 2011*
Basic & Diluted				
Weighted average no. of equity shares outstanding	16,640	*16,640*	16,640	*16,640*
Net profit/(loss)	*69*	*(6,509)*	*2*	*(141)*
Basic/Diluted earnings per share (₹)/(US$)	*0.00*	*(0.39)*	*0.00*	*(0.01)*

19. Other income from services:

It represents amounts received towards marketing support activity as per terms of agreement.

20. 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.

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

Signatures to Notes 1 to 20

As per our report of even date.

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

Per SHRAWAN JALAN
Partner
Membership No.: 102102

For and on behalf of the Board

PRAMOD RAO
Director

ASHISH KAKKAR
Director

SHRIRAM IYER
Director

KRISHNA PRASAD T
Director

RAGHAV IYENGAR
Director

Canada, April 11, 2012

cash flow statement

for the year ended March 31, 2012

	(₹ in 000's) Year ended March 31, 2012	Year ended March 31, 2011	(US$ in 000's) Year ended March 31, 2012	Year ended March 31, 2011
A Cash flow from operating activities				
- Profit /(Loss) before tax	**1,991**	*(5,255)*	**42**	*(113)*
- (Profit)/Loss on sale of fixed assets				
- Depreciation /Amortisation/Impairment	**2,894**	*62*	**60**	*1*
- Loss on sale of Fixed Assets				
- Exchange adjustments	**7,876**	*63*	**—**	—
Operating profit before changes in operating assets and liabilities	**12,761**	*(5,130)*	**102**	*(112)*
Adjustments for net change in operating assets and liabilities				
- Current assets excluding cash and cash equivalents	**(850)**	*14,842*	**(14)**	*329*
- Loans and advances relating to operations	**4,865**	*34,332*	**173**	*763*
- Current liabilites relating to operations	**(4,210)**	*(36,251)*	**(86)**	*(805)*
	(195)	*12,923*	**73**	*287*
Cash generated from operations	**12,566**	*7,793*	**175**	*175*
Payment of taxes (net)	**(1,320)**	*(9,829)*	**(40)**	*(219)*
Net cash from operating activities	**11,246**	*(2,036)*	**135**	*(44)*
B Cash flow from investment activities				
- Acquisition of equity investments in subsidiary companies	**(19,788)**	*(13,447)*	**(430)**	*(300)*
- Purchase/Sale of Fixed Assets/Capital - WIP	**(3,018)**		**(62)**	
- Fixed Deposit with bank for subsidiary	**44,594**	—	**1,000**	—
- Proceeds from Sale of RIA Business	**—**	*2,230*		50
Net cash used in investment activities	**21,788**	*(11,217)*	**508**	*(250)*
C Cash flow from financing activities	**—**	—	**—**	—
Net change in cash and cash equivalents	**33,034**	*(13,253)*	**643**	*(294)*
Cash and cash equivalents at the beginning of the year	**2,165**	*15,418*	**49**	*343*
Cash and cash equivalents at the end of the year	**35,199**	*2,165*	**692**	49

(Note : Cash and cash equivalents at the end of the year excludes fixed deposits under lien ₹ Nil (previous year ₹ 44,595 thousand) USD Nil (previous year USD 1,000 thousand)

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

As per our report of even date.

For and on behalf of the Board

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

Chartered Accountants

Per SHRAWAN JALAN
Partner
Membership No.: 102102

KRISHNA PRASAD T
President & CEO

PRAMOD RAO
Director

ASHISH KAKKAR
Director

SHRIRAM IYER
Director

RAGHAV IYENGAR
Director

Canada, April 11, 2012

ICICI SECURITIES, INC.

12TH ANNUAL REPORT AND ACCOUNTS 2011-2012

Directors
Anup Bagchi, *Chairman*
Charanjit Attra
Gopakumar P.
Rahul Ajmera
Ajay Saraf
Subir Saha
Ashvin Patil

Auditors
S. R. Batliboi & Co.
Chartered Accountants

Registered Office
2711 Centerville Road Suite 400
Wilmington, DE 19808,
United States of America

directors' report

to the members,

Your Directors have pleasure in presenting the Twelfth Annual Report of ICICI Securities, Inc. with the audited statement of accounts for the year ended March 31, 2012.

INSTITUTIONAL EQUITIES INDUSTRY OVERVIEW

Fiscal 2012 was marked by continued challenges in the global economy and a moderation in India's economic growth. Inflation, high interest rates and moderation in growth remained the key highlights in India. The major Indian stock indices ended lower by about 10% in fiscal 2012. Foreign Institutional Investor (FII) fund inflows into the Indian equity markets witnessed a sharp decline of over 50% with net inflow of USD 9.01 billion in fiscal 2012 as compared to USD 24.00 billion in fiscal 2011. However, the rebound markets in early calendar 2012 mitigated the negative sentiments and lifted the spirit of market participants. On the back of inflows from exchange traded funds and sovereign wealth funds, the fourth quarter of fiscal 2012 witnessed increased activity, with net inflow of USD 8.87 billion.

FINANCIAL HIGHLIGHTS

(₹ in '000s)

	Fiscal 2011	**Fiscal 2012**
Gross income	*31,630*	**72,570**
Profit/(Loss) before tax	*(22,772)*	**8,690**
Provision for tax	*79*	**187**
Profit /(Loss) after tax	*(22,851)*	**8,503**

OPERATIONAL REVIEW

The Company is registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (FINRA) and also registered with Monetary Authority of Singapore.

During FY2012, the Company deepened its penetration within the US and Singapore based Institutional investor base. During fiscal 2012, the Company organised several Corporate, Expert and Analyst roadshows and meetings in the US, thereby helping clients with their investments in Indian markets. During FY2013 and beyond, Company would seek to grow this franchise further.

OUTLOOK

India's GDP growth in fiscal 2013 is expected to be around 7-7.5%. With negatives already factored in the current stock prices, the investors would look forward to positive new flows during the fiscal year 2013. Global events would also have a significant impact on capital inflows to the Indian market.

SHARE CAPITAL

During the year, the paid-up equity share capital of the Company increased from US$ 11,950 thousand to US$ 12,380 thousand.

DIRECTORS

During fiscal 2012, the Board approved the appointment of Ajay Saraf as a Director on the Board of Directors of the Company effective July 19, 2011.

During the year, Ashvin Patil was appointed as the Director of the Company and Chief Executive Officer as well as the Executive Director responsible for Singapore operations of the Company with effect from January 30, 2012 in place of T. S. Baskaran.

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, 2012 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.

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 11, 2012

auditors' report

to the Members of ICICI Securities, Inc.

We have audited the accompanying financial statements of ICICI Securities Inc., which comprise the Balance Sheet as at 31 March 2012 and also the Profit and Loss Account and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the recognition and measurement principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the 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 audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements of ICICI Securities Inc. for the year ended 31 March 2012 are prepared, in all material respects, in accordance with the recognition and measurement principles generally accepted in India.

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

Per SHRAWAN JALAN
Partner
Membership No.102102

Mumbai, April 11, 2012

balance sheet

at March 31, 2012

	Note	(₹ in 000's) March 31, 2012	March 31, 2011	(US$ in 000's) March 31, 2012	March 31, 2011
I EQUITY AND LIABILITIES					
1. Shareholders' funds					
(a) Share capital	3	**538,298**	*518,510*	**12,380**	*11,950*
(b) Reserves and surplus	4	**(502,525)**	*(514,234)*	**(11,677)**	*(11,855)*
		35,773	*4,276*	**703**	*95*
2. Non-current liabilities					
(a) Long-term borrowings		—	—	—	—
(b) Other long term liabilities	5	**62,793**	*66,343*	**1,234**	*1,487*
(c) Long-term provisions		—	—	—	—
		62,793	*66,343*	**1,234**	*1,487*
3. Current liabilities					
(a) Short-term borrowings		—	—	—	—
(b) Trade payables	6	**6,526**	*18,250*	**128**	*409*
(c) Other current liabilities	6	**1,491**	*4,901*	**30**	*111*
(d) Short-term provisions		—	—	—	—
		8,017	*23,151*	**158**	*520*
		106,583	*93,770*	**2,095**	*2,102*
II ASSETS					
1. Non-current assets					
(a) Fixed assets					
(i) Tangible assets	7	**2,895**	*4,015*	**56**	*90*
(b) Long-term loans and advances	8	**34,714**	*30,415*	**683**	*682*
(c) Other non-current assets		—	—	—	—
		37,609	*34,430*	**739**	*772*
2. Current assets					
(a) Current investments	9	—	*1,537*	—	*34*
(b) Trade receivables	10	**13,722**	976	**270**	*22*
(c) Cash and bank balances	11	**44,488**	43,584	**874**	*977*
(d) Short-term loans and advances	12	**10,764**	8,797	**212**	*197*
(e) Other current assets		—	4,446	—	*100*
		68,974	59,340	**1,356**	*1,330*
		106,583	93,770	**2,095**	*2,102*
Summary of significant accounting policies	2				

profit and loss account

for the year ended March 31, 2012

	Note	(₹ in 000's) March 31, 2012	March 31, 2011	(US$ in 000's) March 31, 2012	March 31, 2011
I Revenue from operations					
(a) Brokerage and commission	13	**54,658**	*31,603*	**1,140**	*694*
(b) Income from services	13	**17,801**	—	**371**	—
		72,459	*31,603*	**1,511**	*694*
II. Other operating income	14	**27**	*27*	**1**	*1*
III. Other income	15	**84**	—	**2**	—
IV. Total revenue (I+II+III)		**72,570**	*31,630*	**1,514**	*695*
V. Expenses:					
(a) Employee benefit expense	16	**34,926**	*26,801*	**728**	*588*
(b) Operating expenses	17	**1,138**	*14*	**24**	*0*
(c) Depreciation		**1,586**	*1,739*	**33**	*38*
(d) Finance costs	18	**1,958**	*1,046*	**41**	*23*
(e) Other expenses	19	**24,272**	*24,802*	**506**	*545*
Total expenses		**63,880**	*54,402*	**1,332**	*1,194*
VI. Profit before exceptional and extraordinary items and tax (IV - V)		**8,690**	*(22,772)*	**182**	*(499)*
VII. Profit before tax		**8,690**	*(22,772)*	**182**	*(499)*
VIII. Tax expense:		***187***	*79*	**4**	*2*
IX. Profit (Loss) for the period from continuing operations (VII-VIII)		***8,503***	*(22,851)*	**178**	*(501)*
X. Profit (Loss) for the period (VII - VIII)		***8,503***	*(22,851)*	**178**	*(501)*
XI. Brought forward from previous years		***(524,313)***	*(501,462)*	**(11,900)**	*(11,399)*
Amount available for appropriation		***(515,810)***	*(524,313)*	**(11,722)**	*(11,900)*
Interim dividend		—	—	—	—
Balance carried forward		***(515,810)***	*(524,313)*	**(11,722)**	*(11,900)*
XII. Earnings per share (Basic and Diluted) (Face value US. $1 per share)		***0.70***	*(1.94)*	**0.01**	*(0.04)*

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

Per SHRAWAN JALAN
Partner
Membership No.: 102102

For and on behalf of the Board of Directors

RAHUL AJMERA, *President* — AJAY SARAF, *Director* — ANUP BAGCHI, *Director*

CHARANJIT ATTRA, *Director* — SUBIR SAHA, *Director*

New York, April 11, 2012

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

1. 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.

2. Significant Accounting Policies

During the year ended March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company for preparation and presentation of its financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

a) 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.

b) 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.

c) Revenue recognition

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

d) Investments

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.

e) Tangible Assets

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.

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
Tangible	
Leasehold improvements	10 years
Plant and machinery like air conditioners, photo-copying machines, etc.	3 Years
Computers	3 Years
Furniture and fixtures	7 years

f) Intangible Assets

Intangible assets are carried at cost less accumulated amortization.Intangible assets are amortised on a straight line basis over their estimated useful lives.The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

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

g) Income taxes

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 and reassessed at each reporting date, based upon management's judgment as to whether their realization 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 realized.

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 realized. As there is no virtual certainty of future taxable profits, deferred tax assets is not recognised.

h) 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.

i) Provisions

Provisions : 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.

j) 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.

k) Cash and cash equivalents

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

	(₹ in 000's)		(US$ in 000's)	
	March 31, 2012	*March 31, 2011*	**March 31, 2012**	*March 31, 2011*
3. SHARE CAPITAL :				
Authorised:				
15,000,000 Common stock of US$ 1 each				
(As at March 31, 2011 15,000,000 shares of US$ 1 each)				
Issued subscribed & paid up:				
Common stock,US $1 par value; 12,380,000 shares fully paid				
(As at March 31,2011 11,950,000 shares of US$ 1 each)				
(All shares mentioned above are held by holding company ICICI Securities Holding Inc.)				
Total issued, subscribed and fully paid-up share capital	**538,298**	*518,510*	**12,380**	*11,950*

Reconciliation of the shares at the beginning and at the end of the reporting period

Equity shares	March 31, 2012		March 31, 2011	
	Nos.	**Rs.**	*Nos.*	*Rs.*
At the beginning of the period	**11,950**	**518,510**	*11,950*	*518,510*
Issued during the period	**430**	**19,788**	—	—
Issued during the period - ESOP	—	—	—	—
Outstanding at the end of the period	**12,380**	**538,298**	*11,950*	*518,510*

4. RESERVES & SURPLUS

	March 31, 2012	*March 31, 2011*	**March 31, 2012**	*March 31, 2011*
Reserves and surplus consist of the following:				
Profit and loss account debit balance:				
Balance as on April 1, 2011	**(524,313)**	*(501,462)*	**(11,900)**	*(11,399)*
Add: Additions during the year				
Less: deductions during the year	**8,503**	*(22,851)*	**178**	*(501)*
Balance as on March 31, 2012	**(515,810)**	*(524,313)*	**(11,722)**	*(11,900)*
Translation reserve:	**10,079**	*9,664*	**45**	*45*
Add: Additions during the year	**3,206**	*415*	—	—
Less: deductions during the year	—	—	—	—
Balance as on March 31, 2012	**13,285**	*10,079*	**45**	*45*
TOTAL	**(502,525)**	*(514,234)*	**(11,677)**	*(11,855)*

5. OTHER LONG TERM LIABILITIES

Other long term liabilities consist of the following:				
Due to Parent	**23,195**	*25,830*	**456**	*579*
Liabilites for sublease	**39,598**	*40,513*	**778**	*908*
	62,793	*66,343*	**1,234**	*1,487*

6. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:				
Trade payables	**6,526**	*18,250*	**128**	*409*
Other liabilities	**776**	*3,900*	**16**	*88*
Provision for taxes	**715**	*1,001*	**14**	*23*
TOTAL	**8,017**	*23,151*	**158**	*520*

7 FIXED ASSETS :

(₹ in 000's) (US$ in 000's)

	GROSS BLOCK (at Cost)				ACCUMULATED DEPRECIATION				NET BLOCK			
	April 01, 2011	**Additions**	**Sale/Adj***	**Mar 31 2012**	*April 01, 2011*	**Additions**	**Sale/Adj***	**Mar 31 2012**	**Mar 31 2012**	*March 31, 2011*	**Mar 31 2012**	*March 31, 2011*
Computers	*4,549*	—	**(641)**	**5,190**	*4,550*		**(641)**	**5,191**	**(1)**	*(1)*	**(0)**	*(0)*
Software	*665*	—	**(94)**	**759**	*664*		**(94)**	**758**	**1**	*1*	**0**	*0*
Furniture & fixtures	*8,245*	—	**(1,161)**	**9,406**	*4,510*	**1,576**	**(448)**	**6,534**	**2,872**	*3,735*	**56**	*84*
Telecom equipment	*1,288*	—	**(181)**	**1,469**	*1,008*	**10**	**(428)**	**1,446**	**23**	*280*	**0**	*6*
Lease hold improvement	—	—	—	—	—	—		—	—	—	—	—
TOTAL	*14,747*	—	**(2,077)**	**16,824**	*10,732*	**1,586**	**(1,611)**	**13,929**	**2,895**	*4,015*	**56**	*90*
Previous Year	*14,850*	—	**103**	*14,747*	*9,091*	**1,739**	**98**	*10,732*	*4,015*		*90*	*128*

* Includes translation reserve of ₹467 thousand (previous year ₹1,555 thousand)

	(₹ in 000's)		(US$ in 000's)	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
8. LONG TERM LOANS AND ADVANCES				
Unsecured and considered good unless otherwise stated)				
Long-term loans and advance consist of the following:				
Other advances and deposits	9,134	7,993	180	179
Security deposit for leased premises	25,580	22,422	503	503
TOTAL	34,714	30,415	683	682
Other advances and deposits include				
Security Deposit	9,134	7,993	180	179
9. SECURITIES HELD AS STOCK IN TRADE				
(at lower of cost or market value)				
(Quoted unless otherwise stated)				
Pershing money market fund	0	1,537	0	34
TOTAL	0	1,537	0	34
10. TRADE RECEIVABLES				
Unsecured and considered good				
Due from ICICI Securities Limited (the parent)	13,722	976	270	22
	13,722	976	270	22
Less : Provision for doubtful debts	—	—	—	—
TOTAL	13,722	976	270	22
11. CASH AND BANK BALANCES				
In current accounts with banks	44,488	43,584	874	977
TOTAL	44,488	43,584	874	977
12. SHORT TERM LOANS AND ADVANCES				
(Unsecured and considered good unless otherwise stated)				
Short term loans and advances consist of following				
Other advances and deposits	10,764	8,797	212	197
TOTAL	10,764	8,797	212	197
Other advances and deposits include:				
Prepaid Expenses	10,764	8,797	212	197
13. BROKERAGE & COMMISSION & INCOME FROM SERVICES				
Brokerage and commission	54,658	31,603	1,140	694
Financial advisory services	17,801	—	371	—
TOTAL	72,459	31,603	1,511	694
14. INTEREST INCOME				
Interest on other loans and advances	27	27	1	1
TOTAL	27	27	1	1
15. OTHER INCOME				
Miscellaneous income	84	—	2	—
TOTAL	84	—	2	—
16. EMPLOYEE BENEFIT EXPENSES				
Employee benefit expenses consist of the following:				
Salaries and wages	33,568	25,938	700	569
Staff welfare expenses	1,358	863	28	19
TOTAL	34,926	26,801	728	588
17. OPERATING EXPENSES				
Other operating expenses	339	14	7	0
Commission expenses and transaction charges	799	—	17	—
Transaction charges				—
TOTAL	1,138	14	24	—

(₹ 0 thousand indicates values are lower than ₹ 1 thousand or US$ 1 thousand)

	(₹ in 000's) March 31, 2012	March 31, 2011	(US$ in 000's) March 31, 2012	March 31, 2011
18. FINANCE COST				
Finance cost consist of the following:				
Bank charges	**1,901**	*1,006*	**40**	*22*
Interest on fixed loans and debentures	**57**	*40*	**1**	*1*
TOTAL	**1,958**	*1,046*	**41**	*23*
19. OTHER EXPENSES				
Other expenses consist of the following:				
Rent and amenities	**3,939**	*3,431*	**82**	*75*
Rates and taxes	**1,685**	*457*	**35**	*10*
Insurance	**670**	*683*	**14**	*15*
Business promotion, travelling and conveyance expenses	**4,853**	*2,665*	**101**	*58*
Subscription and periodicals	**1,512**	*1,685*	**32**	*37*
Printing and stationery	**135**	*173*	**3**	*4*
Communication expenses	**2,124**	*1,688*	**44**	*37*
Professional fees	**3,748**	*4,906*	**78**	*109*
Auditors' remuneration (statutory audit fee)	**3,446**	*3,142*	**72**	*69*
Miscellaneous expenses	**349**	*2,329*	**7**	*52*
Repairs, maintenance, upkeep and others	**1,064**	*2,020*	**22**	*44*
Foreign exchange translation income	**747**	*(3,311)*	**16**	*(73)*
Lease abandonment expenses	**0**	*4,934*	**0**	*108*
TOTAL	**24,272**	*24,802*	**506**	*545*

(₹ 0 thousand indicates values are lower than ₹ 1 thousand or US$ 1 thousand)

20. 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.

21. 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

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.

C. Key Management Personnel

a) Rahul Ajmera — President & CEO

b) Ashvin Patil — CEO Singapore Branch

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

Nature of transaction	Ultimate Holding Company (₹ in 000's)	Ultimate Holding Company (US$ in 000's)	Holding Company (₹ in 000's)	Holding Company (US$ in 000's)
Income from Services				
ICICI Securities Limited	*54,658*	*1,140*	—	—
	(31,603)	*(694)*	—	—
Establishment expenses				
ICICI Bank Limited	—	—	—	—
	(571)	*(13)*	—	—
Finance charges				
ICICI Securities Limited	*2,645*	*52*	—	—
	—	—	—	—
ICICI Bank Limited	—	—	—	—
	(4)	*(0)*	—	—

(₹ 0 thousand indicates values are lower than ₹ 1 thousand or US$ 1 thousand)

The balances payable to / receivable from related parties included in the balance sheet as on March 31, 2012 are given below:

Nature of transaction	Ultimate Holding Company (₹ in 000's)	Ultimate Holding Company (US$ in 000's)	Holding Company (₹ in 000's)	Holding Company (US$ in 000's)
Cash and Bank Balances				
ICICI Bank Limited	—	—		
	(41)	*(1)*		
Receivables				
ICICI Securities Limited	*13,634*	*268*		
	—	—		
Payables				
ICICI Securities Limited	—	—	—	—
	(7,797)	*(175)*	—	—
ICICI Securities Holdings Inc.	—	—	*23,195*	*456*
	—	—	*(25,830)*	*(579)*
Share Capital				
ICICI Securities Holdings Inc.	—	—	*538,298*	*12,380*
	—	—	*(518,510)*	*(11,950)*

Corporate gurantiees / Bank letter of credit:

Nature of transaction	Ultimate Holding Company		Holding Company	
	(₹ in 000's)	(US$ in 000's)	(₹ in 000's)	(US$ in 000's)
Guarantees given by				
ICICI Securities Limited (Corporate Guarantee)	*203,500*	*4,000*	—	—
	(178,380)	*(4,000)*	—	—
ICICI Securities Limited (Bank letter of credit)	*50,875*	*1,000*		
	—	—		
ICICI Securities Holding Inc. (Bank letter of credit)	—	—	—	—
	(44,595)	*(1,000)*	—	—

Amount in parenthesis represent previous year figures

Key Management Personnel

The compensation for the year ending March 31, 2012 to Rahul Ajmera, President & CEO was ₹ 8,100 thousand, US$ 169 thousand (Previous year ₹ 6,763 thousand, US$ 148 thousand), Ashvin Patil, CEO Singapore Branch ₹ 4,900 thousand, US$ 96 thousand (Previous year Nil)

22. Earnings per equity share (EPS)

	(₹ in 000's)		(US$ in 000's)	
	Year ended		Year ended	
	March 31,2012	*March 31,2011*	**March 31,2012**	*March 31,2011*
Basic & Diluted				
Weighted average no. of equity shares outstanding	**12,203**	*11,755*	**12,203**	*11,755*
Net profit / (loss)	**8,503**	*(22,851)*	**178**	*(501)*
Basic earnings per share (₹)/ (US$)	**0.70**	*(1.94)*	**0.01**	*(0.04)*

23. 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.

	(₹ in 000's)		(US$ in 000's)	
	Year ended		Year ended	
	March 31,2012	*March 31,2011*	**March 31,2012**	*March 31,2011*
Lease payments for the year	**25,081**	*21,986*	**493**	*493*
Minimum lease payments:				
Not later than one year	**26,849**	*22,761*	**527**	*510*
Later than one year but not later than five years	**105,158**	*94,139*	**2,066**	*2,111*
Later than five years	**—**	*21,574*	**—**	*484*

24. Sublease

The Company is having existing lease agreement for its office space in New York City. During the year 2009-10, the Company sub-leased its office space in New York City, by entering into sublease agreement with US Bank National Association.

ICICI Securities Limited has provided a corporate guarantee on behalf of the company to its sub lessee amounting to USD 4,000 thousand. This guarantee has been provided as per the prevailing practice in the New York sub lease market to secure the Company's performance of its lease obligations. ICICI Securities Limited also provided Bank Letter of Credit (issued by ICICI Bank) of USD 1,000 thousand to sub lessee of the Company.

During the year Company has received ₹ 17,780 thousand (USD 371 thousand) as basic sub-lease rentals from US Bank National Association and paid ₹ 24,463 thousand (USD 510 thousand) as basic lease rental to SL Green Management Company. The same has been adjusted against the lease abandonment liability.

25. 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.

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

Signature to Note 1 to 25

As per our report of even date

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

Per SHRAWAN JALAN
Partner
Membership No.: 102102

For and on behalf of the Board of Directors

RAHUL AJMERA
President

AJAY SARAF
Director

ANUP BAGCHI
Director

CHARANJIT ATTRA
Director

SUBIR SAHA
Director

New York, April 11, 2012

cash flow statement

ICICI Securities Inc **for the year ended March 31, 2012**

	(₹ in 000's)		(US$ in 000's)	
	Year ended March 31, 2012	*Year ended March 31, 2011*	**Year ended March 31, 2012**	*Year ended March 31, 2011*
A Cash flow from operating activities				
Profit/ (Loss) before tax	**8,690**	*(22,772)*	**182**	*(499)*
- Depreciation	**1,586**	*1,739*	**33**	*38*
- Lease abondonment expenses	**—**	*4,934*	**—**	*108*
- Exchange adjustments	**2,741**	*420*	**0**	*(0)*
Operating profit before changes in operating assets and liabilities	**13,017**	*(15,679)*	**215**	*(353)*
Adjustments for net change in operating assets and liabilities				
- Current assets excluding cash and cash equivalents	**(6,763)**	*23,167*	**(114)**	*514*
- Loans and advances relating to operations	**(6,266)**	*2,125*	**(23)**	*45*
- Current liabilites relating to operations	**(18,399)**	*(20,679)*	**(616)**	*(445)*
	(31,428)	*4,613*	**(753)**	*114*
Cash generated from operations	**(18,411)**	*(11,066)*	**(538)**	*(239)*
Payment of taxes (net)	**(473)**	*(245)*	**5**	*(7)*
Net cash from operating activities	**(18,884)**	*(11,312)*	**(533)**	*(246)*
B Cash flow from investment activities				
- Acquisition of equity investments in subsidiary companies	**—**	—	**—**	—
- (Purchase) / Sale of investments	**—**	—	**—**	—
- (Purchase) / Sale of fixed assets (net)	**—**	—	**—**	—
Net cash used in investment activities	**—**	—	**—**	—
C Cash flow from financing activities				
- Increase/ (decrease) in borrowings	**—**	—	**—**	—
- Proceeds from issue of share capital	**19,788**	*13,447*	**430**	300
- Proceeds from Issue of debentures	**—**	—	**—**	—
- Dividends & dividend tax paid	**—**	—	**—**	—
Net cash from financing activities	**19,788**	*13,447*	**430**	*300*
Net change in cash and cash equivalents	**904**	*2,135*	**(103)**	*54*
Cash and cash equivalents at the beginning of the year	**43,584**	*41,449*	**977**	*923*
Cash and cash equivalents at the end of the year	**44,488**	*43,584*	**874**	*977*

As per our report of even date

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

Per SHRAWAN JALAN
Partner
Membership No.: 102102

For and on behalf of the Board of Directors

RAHUL AJMERA
President

AJAY SARAF
Director

ANUP BAGCHI
Director

CHARANJIT ATTRA
Director

SUBIR SAHA
Director

New York, April 11, 2012

ICICI Venture

ICICI VENTURE FUNDS MANAGEMENT COMPANY LIMITED

24TH ANNUAL REPORT AND ANNUAL ACCOUNTS 2011-2012

Directors
Lalita D. Gupte, Chairperson
H. N. Sinor
K. N. Memani
S. Mukherji
K. Ramkumar
Rakesh Jha
Vishakha Mulye, Managing Director & CEO
Prashant Purker, Executive Director
Mohit Batra, Executive Director

Auditors
Deloitte Haskins & Sells
Chartered Accountants

P. Sanker
Company Secretary

Registered Office
ICICI Venture House
Appasaheb Marathe Marg
Prabhadevi
Mumbai – 400 025

Regional Office
10th Floor, Prestige Obelisk
Kasturba Road
Bangalore - 560 001

directors' report

to the members

Your Directors are pleased to present the Twenty Fourth Annual Report of ICICI Venture Funds Management Company Limited with the Statement of Accounts for the year ended March 31, 2012.

1. **FINANCIAL HIGHLIGHTS**

(₹ in million)

	Fiscal 2011	**Fiscal 2012**
Profit before taxation	*937.5*	**915.9**
Profit after taxation	*739.1*	**683.6**
Appropriations :		
General Reserve	*74.0*	**68.5**
Interim Dividend	*450.0*	**150.0**
Corporate tax on Dividend	*74.7*	**24.3**
Balance carried forward to next year	*600.7*	**1,041.5**

The Company earned profit after tax of ₹ 683.6 million for the year. After taking into account profit of ₹ 600.7 million brought forward, the Company's disposable profit stands at ₹ 1,284.3 million. During fiscal 2012, your Company transferred ₹ 68.5 million to General Reserve and paid interim dividend of ₹ 150.0 per share.

Analysis of Financial Performance:

During the year, your Company earned a total income of ₹ 2,002.3 million as compared to ₹ 1,962.9 million in the previous year. Of the total income, income from investments in venture capital funds was ₹ 646.6 million during the year, as compared to the previous year's income of ₹ 516.4 million. Fee income from funds under management was ₹ 1,246.9 million during the year, as compared to the previous year's income of ₹ 1,340.8 million. This marginal decline in fee income from funds under management was due to the deferment in fee income from new funds which were expected to commence operations during the year. Operating expenses were at ₹ 968.3 million as compared to ₹ 908.3 million in the previous year.

Your Company's profit before tax for the year under review was ₹ 915.9 million as compared to the previous year's profit before tax of ₹ 937.5 million. After providing for tax, including deferred tax, for the current year, profit after tax was ₹ 683.6 million as compared to the previous year's profit after tax of ₹ 739.1 million. The Earnings per Share of your Company was ₹ 683.6 per share during fiscal 2012 as compared to ₹ 739.1 per share during the previous year.

2. **OPERATIONAL REVIEW**

Year in Retrospect:

In fiscal 2012, an estimated US$ 7.2 billion was invested by private equity players in the country in about 350 reported transactions. While the total number of deals was 10% higher than the previous year, the aggregate deal value was marginally lower (Source: Industry reports).

The year was marked by policy uncertainty, high interest rates and continuing volatility in international as well as domestic financial markets. This led to a challenging investment climate which persisted for most of the current financial year.

However, there have been some positive developments recently which are expected to favourably impact the overall business environment of your Company going forward. For instance, recent initiatives of the Reserve Bank of India are expected to lead to better liquidity conditions and a lower interest rate environment which bodes well for the industry.

Portfolio and Fund Strategy:

As of March 31, 2012, your Company had six funds under active management in three asset classes – Private Equity, Real Estate and Mezzanine.

(A) Private Equity

India Advantage Fund Series 1 (IAF Series 1)

In fiscal 2012, the objective of your Company was to achieve the closure of the Fund. The Fund has achieved a realized IRR in excess of 50% and a Multiple of Capital (MoC) of 3.4 times based on exits till date. All the major investments by the Fund have been exited and only three residual investments remain which are currently in the process of being exited.

During the year your Company concluded the following exits:

- Sale of Fund's residual equity stake in a leading water treatment company through secondary market block placements at an overall MoC of ~25 times
- Sale of the Fund's equity stake in a realty company holding prime land in Mumbai to its JV partner at an MoC of ~8.6 times
- Sale of residual businesses of a partially exited media company and an animal healthcare company

India Advantage Fund Series 2 (IAF Series 2)

During fiscal 2012, your Company was focused on twin strategies of reducing undisbursed commitments and crafting exit strategies for the portfolio companies. Your Company has been successful in reducing the Fund's undisbursed commitments to the tune of ₹ 4.00 billion during the year. During the year, your Company concluded three full exits and three partial exits which resulted in aggregate realizations of ₹ 1.93 billion to the Fund. The Fund has achieved a realized IRR of 19% and an MoC of 1.7 times, based on exits till date. The Trustees have extended the Fund Term by two years till 2014 based on the recommendation of your Company as Investment Manager to the Fund.

India Advantage Fund Series 3 (IAF Series 3)

India Advantage Fund Series 3, the 3rd third party private equity fund of your Company, successfully commenced operations in fiscal 2010. The Fund has a corpus of ₹ 14.50 billion.

After its investments in a monoline standalone health insurance company in the private sector and a leading composite education and staffing company in India, the Fund made two new investments in fiscal 2012. As part of the Fund's investment thesis in consumption oriented sectors, the Fund made an investment in the country's second largest food services retail company and a large and fast growing mid-tier bank. With this, the Fund has made a total of four investments till date.

The food services company operates India franchises of large global food service brands. The food services sector is a direct beneficiary of the emerging consumption trends in the country.

The second investment closed in fiscal 2012 was in a large and fast growing mid-tier bank. The bank is part of a large global financial services conglomerate. The bank which is led by a very competent management team has shown significant improvement in operating metrics and is well-positioned to deliver higher than market growth and improved profitability.

The Fund is actively evaluating a number of potential new investment opportunities across various sectors and expects to make two to three new investments in fiscal 2013.

(B) Real Estate

India Advantage Fund III and IV (IAF Real Estate Series 1)

During the year, your Company was focused on project execution and exits from investments made in portfolio companies of this Fund. The Fund's portfolio witnessed varied progress with select projects experiencing significant traction vis-a-vis certain other projects which moved slowly primarily due to approval related issues. The residential portfolio witnessed robust sales activity, especially in Pune while the Hyderabad and Chennai Township projects faced challenges. The commercial projects in the portfolio witnessed continuing demand due to their strategic location and high quality construction which were helpful in mitigating a lacklustre market environment. The retail portfolio witnessed a slowdown in leasing as retailers put their expansion plans on hold in Tier II and other emerging cities.

Construction activity picked up in various projects. The first phase of select projects was completed and possession was handed over. Construction also commenced at a large residential township located in Pune and a joint development agreement was executed with a reputed developer for one of the Hyderabad projects of the Fund. The developer partner will execute the project and take over the entire existing project debt, thus resolving the financing crunch facing the project.

During the last year, your Company was able to successfully conclude the first full exit from this Fund by selling its stake in a residential project located in Pune. Besides this exit, till date your Company has successfully concluded partial exits from two other projects in the Fund's portfolio. Your Company is actively pursuing discussions with potential buyers for some of the other investments which are currently part of this Fund's portfolio. The Trustees have extended the Fund Term by two years till 2014 based on the recommendation of your Company as Investment Manager to the Fund.

India Advantage Fund Real Estate Series 2 (IAF Real Estate Series 2)

During the year, the second real estate fund managed by your Company commenced operations with a corpus of ~ ₹ 2.60 billion, based on commitments received till date. The Fund will focus on investing in shorter duration residential projects located across major cities of India. Based on the current real estate financing scenario, the Fund expects to invest through structured transactions. Your Company also intends to pursue a co-investment strategy in this Fund to improve transaction size.

(C) Mezzanine

India Advantage Fund VII (Mezzanine Fund)

The Mezzanine Fund raised by your Company has made a total of four investments of which one investment has been fully redeemed. The Fund's commitment period has come to an end and no further investments would be made by the Fund. During the fiscal 2013, the Fund expects to make one full exit and one partial exit from its residual investments through redemption of the Fund's investments by the portfolio companies. These cumulative cash flows to the Fund from investments would exceed the total capital contribution by investors to the Fund by the end of fiscal 2013.

Fund Raising:

During the year, your Company accelerated its fund raising initiatives in Real Estate and Infrastructure.

- Infrastructure: Your Company had established a new Infrastructure practice and launched its maiden fund called Indian Infrastructure Advantage Fund (IIAF). IIAF proposes to invest in various infrastructure sub-sectors in India including energy, roads, ports, airports, railways, telecom and urban & social infrastructure.
- Real Estate: India Advantage Fund Real Estate Series 2 which is the second real estate fund launched by your Company, commenced operations with a corpus of ~ ₹ 2.60 billion, based on commitments received till date. The Fund would commence investments from the coming year.

  Your Company has also entered into an advisory relationship with Apollo Global Management, one of the largest and most successful global alternative asset managers, to explore opportunities in the areas of special situations and distressed assets in India. AION Fund was launched and has received commitments from international investors. This includes some of the largest Pension Funds and Fund-of-Funds from North America and Asia. Your Company will provide advisory services with respect to the Fund. This has increased awareness of your Company in these markets and created new relationships in the ultra large institutional market.

Your Company's Infrastructure and Real Estate funds and the AION Fund have successfully received commitments totaling to ~US$ 590 million. This includes commitments received from domestic as well as international investors. The process of completing documentation for some of the aforementioned commitments is underway.

During fiscal 2013, your Company plans to intensify its fundraising initiatives with an increased focus on the international market. The Fund Raising and Investor Relations Team has been restructured and reinforced with twin objective of enhancing deeper and wider relationship with various categories of investors and creating robust systems and processes to cater to growth and increasing complexities of the business.

Outlook:

The investment environment in India is expected to improve in the coming fiscal thereby providing more opportunities for alternative asset investments. The business strategy of your Company would continue to be focused on building on its domain expertise across various verticals in the alternative asset industry. The proposed SEBI Regulations on Alternative Investment Funds would facilitate further maturity in the Indian alternative asset industry which your Company believes is a positive for the industry in the long run.

3. PUBLIC DEPOSITS

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

4. DIRECTORS

Sumit Chandwani, who was on the Board of the Company, tendered his resignation effective June 15, 2011. The Board accepted the resignation of Sumit Chandwani and placed on record its gratitude for the services rendered by him.

On July 18, 2011, the Board of Directors of your Company appointed Rakesh Jha as an Additional Director of the Company. As per Section 260 of the Companies Act, 1956, Rakesh Jha's tenure expires at the ensuing Annual General Meeting of the Company. The Company has received notice from a member under Section 257 of the Companies Act, 1956, proposing the appointment of Rakesh Jha as a Director of the Company at the ensuing Annual General Meeting. Rakesh Jha has communicated his consent to act as a Director, if appointed at the general meeting. Your Directors recommend the appointment of Rakesh Jha as a non-executive Director of the Company who shall be liable to retire by rotation.

As per Section 255 of the Companies Act, 1956, Lalita D. Gupte and K. Ramkumar retire by rotation and, being eligible, offer themselves for re-appointment.

5. AUDITORS

Deloitte, Haskins & Sells, Chartered Accountants (Registration No. 008072S) were appointed as statutory auditors of the Company for the year 2011-2012 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 Deloitte, Haskins & Sells, Chartered Accountants, as statutory auditors of the Company for the year 2012-2013.

6. FOREIGN EXCHANGE EARNING AND EXPENDITURE

The foreign exchange earnings during the year amounted to ₹ 42.0 million. Expenditure in foreign currency amounted to ₹ 53.0 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, 2012 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(i)(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 of K. N. Memani as Chairman and 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 ICICI Bank, its parent company, 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

Lalita D. Gupte
Chairperson

Mumbai, April 24, 2012

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, 2012, the Statement of Profit and Loss 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 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 the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 (Auditor's Report) Order, 2003 (CARO) issued by the Central Government 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.

4. Further to our comments in the Annexure referred to in 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, 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 Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss 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, 2012;

      (ii) in the case of the Statement of Profit and Loss, 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 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2012, 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

Mumbai, April 24, 2012

annexure to the auditors' report

(Referred to in para 3 of 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, xii, xiii, xix and xx of the Order are not applicable.

2. In respect of its fixed assets:

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

   (b) Some of the fixed assets of the Company were physically verified during the year by the Management in accordance with a programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. 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 has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed 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 weakness 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 Company has an internal audit system which is commensurate with the size and nature of its business.

7. According to the information and explanations given to us in respect of statutory dues:

   (a) 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 any other material statutory dues with the appropriate authorities during the year.

   (b) There were no undisputed amounts payable in respect of 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 in arrears as at 31 March, 2012 for a period of more than six months from the date they became payable.

   (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2012 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount Involved (₹ in million)
The Central Excise Act 1944	Service tax inclusive of penalty	Commissioner of Central Excise (Appeals)	2005 to 2011	10.9
The Income Tax Act 1961	Income tax inclusive of interest	Assistant Commissioner of Income Tax	2008-2009	12.0

8. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the year and in the immediately preceding financial year.

9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.

10. 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.

11. The Company has not given any guarantee for loans taken by others from banks or financial institutions.

12. 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.

13. 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.

14. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.

15. To the best of our knowledge and belief, and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Deloitte Haskins and Sells
Chartered Accountants
Registration No.008072S

V. BALAJI
Partner
Membership No: 203685

Mumbai, April 24, 2012

ICICI Venture

balance sheet at March 31, 2012

	Note No.	March 31, 2012	(₹ in million) March 31, 2011
A EQUITY & LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	**10.0**	10.0
(b) Reserves and surplus	4	**1,671.8**	1,162.5
		1,681.8	1,172.5
2 Non-current liabilities			
(a) Long-term borrowings	5	**141.0**	333.8
(b) Long-term provisions	6	**112.4**	69.4
		253.4	403.2
3 Current liabilities			
(a) Trade payables	7	**589.7**	584.2
(b) Other current liabilities	8	**230.2**	288.5
(c) Short-term provisions	9	**20.7**	17.5
		840.6	890.2
Total		**2,775.8**	2,465.9
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	**1,113.1**	1,211.4
(ii) Intangible assets	10	**0.3**	0.7
		1,113.4	1,212.1
(b) Non-current investments	11	**94.1**	106.2
(c) Deferred tax assets (net)	21.6	**24.1**	48.4
(d) Long-term loans and advances	12	**100.3**	96.2
		218.5	250.8
2 Current assets			
(a) Current investments	13	**1,402.8**	964.2
(b) Cash and cash equivalents	14	**20.9**	19.7
(c) Short-term loans and advances	15	**20.2**	19.1
		1,443.9	1,003.0
Total		**2,775.8**	2,465.9

See accompanying notes forming part of the financial statements

profit and loss account for the year ended March 31, 2012

	Note No.	March 31, 2012	(₹ in million) March 31, 2011
1 Revenue from operations	**16**	**1,246.9**	*1,340.8*
2 Other income	**17**	**755.4**	*622.1*
3 Total revenue		**2,002.3**	*1,962.9*
4 Expenses			
(a) Employee benefits expense	**18**	**648.3**	*522.1*
(b) Finance costs	**19**	**55.8**	*79.1*
(c) Depreciation and amortisation expense	**10**	**118.1**	*117.1*
(d) Other expenses	**20**	**264.2**	*307.2*
Total expenses		**1,086.4**	*1,025.5*
5 Profit before tax (3-4)		**915.9**	*937.4*
6 Tax expense :			
(a) Current tax expense for current year		**208.0**	*260.2*
(b) Current tax expense / (credit) relating to previous years		**—**	*(14.7)*
(c) Deferred tax	**21.6**	**24.3**	*(47.1)*
		232.3	*198.4*
7 Profit for the year (5-6)		**683.6**	*739.0*
Earnings per equity share (of ₹ 10/- each)			
(a) Basic	**21.10**	**683.6**	*739.0*
(b) Diluted	**21.10**	**683.6**	*739.0*

See accompanying notes forming part of the financial statements

In terms of our reports attached

For Deloitte Haskins & Sells
Chartered Accountants

V. BALAJI
Partner

Mumbai, April 24, 2012

For and on behalf of Board of Directors

LALITA D GUPTE
Chairperson

VISHAKHA MULYE
Managing Director & CEO

BEENA M CHOTAI
Chief Financial Officer

SANKER P.
Company Secretary

Mumbai, April 24, 2012

1 Corporate information:

The Company is an Asset Management Company ('AMC') and manages and advises Venture Capital and Private Equity Funds which invest in a wide spectrum of industrial sectors. The accounts of these Funds are maintained separately and do not form part of the Company's financial statements.

2 Significant accounting policies:

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention, except where otherwise noted. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

'The preparation of the financial statements are in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialises.

2.3 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Depreciation and amortisation

Depreciation has been provided on straight-line method and 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 assets	Depreciation rates	Estimated useful life (in years)
Buildings	6.33% to 12.50%	8 to 16
Furniture & fixtures	15% to 19%	5 to 7
Vehicles	20%	5
Office equipment		
- Cell phone	100%	
- Others	10%	10
Others:		
Computers	33%	3
Intangibles - software	20%	5

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern. Assets individually costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

2.6 Revenue recognition

(i) As an AMC, the Company is entitled to 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 management fee, performance fee and the advisory fee are recognised as revenue when they contractually accrue except where the management believes that there are uncertainties in its ultimate realisation, in which case, they are recognised when such uncertainties cease.

(ii) Income from Investment in Units of Venture Capital Funds is recognised when the right to receive the same is established based on declaration of distribution by the Venture Capital Fund and when no significant uncertainty to the measurability or collectability exists.

(iii) Dividend income from investment in units of Mutual Funds and from shares of corporate bodies is recognised when the right to receive the same is established based on declaration by the Mutual Funds and Corporate bodies respectively.

(iv) Rental income and other income is recognised as per contractual terms.

2.7 Tangible fixed assets

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

2.8 Capital work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

2.9 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.10 Foreign currency transactions

Initial recognition: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date: Foreign currency monetary items (other than derivative contracts) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

2.11 Investments

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.12 Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences.

2.13 Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

2.14 Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in 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, 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 schemes.

2.15 Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under : (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur.

2.16 Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

2.17 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities.

2.18 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.19 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.20 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.21 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these 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 future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

2.22 Provisions and contingencies

A provision is recognised when the Company 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 reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the 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 liabilities are disclosed in the Notes.

2.23 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

3 Share capital

Particulars	March 31, 2012		March 31, 2011	
	No. of shares	**₹ in million**	*No. of shares*	*₹ in miilion*
(a) Authorised				
Equity shares of ₹ 10/- each	**20,000,000**	**200.0**	*20,000,000*	*200.0*
Total		**200.0**		*200.0*
(b) Issued, subscribed and fully paid-up				
Equity Shares of ₹ 10/- each	**1,000,000**	**10.0**	*1,000,000*	*10.0*
(All the above shares are held by ICICI Bank Limited, the Holding Company and its nominees)				
Total		**10.0**		*10.0*

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	March 31, 2012		March 31, 2011	
	No. of Shares	**₹ in million**	*No. of Shares*	*₹ in million*
Opening balance	**1,000,000**	**10.0**	*1,000,000*	*10.0*
Issued/(redeemed) during year	**—**	**—**	—	—
Closing balance	**1,000,000**	**10.0**	*1,000,000*	*10.0*

(ii) Terms/rights attached to equity shares:

The Company has only one class of Equity Share, having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amount. However, as on date no such preferential amounts exists. The distribution will be in proportion to number of equity shares held by the shareholders.

(iii) Details of shares held by each shareholder holding more than 5% of shares :

Particulars	March 31, 2012 No. of Shares	%	*March 31, 2011 No. of Shares*	*%*
1. ICICI Bank Limited, the holding company	**999,994**	**100.0%**	*999,994*	*100.0%*
2. Others	**6**		*6*	
Total	**1,000,000**	**100.0%**	*1,000,000*	*100.0%*

4 **Reserves and surplus**

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
(a) Capital reserve		
Opening balance	**7.8**	*7.8*
Add : Additions during the year	**—**	*—*
Closing Balance	**7.8**	*7.8*
(b) General reserve		
Opening balance	**554.0**	*480.0*
Add : Transferred from surplus in Statement of Profit and Loss	**68.5**	*74.0*
Closing Balance	**622.5**	*554.0*
(c) Surplus in Statement of Profit & Loss		
Opening balance	**600.7**	*460.4*
Add : Profit for the year	**683.6**	*739.0*
Less : Appropriations		
Interim dividend paid to equity shareholders (Rs. 150/- per share)	**150.0**	*250.0*
Final dividend	**—**	*200.0*
Tax on dividend	**24.3**	*74.7*
Transferred to general reserve	**68.5**	*74.0*
Closing balance	**1,041.5**	*600.7*
Total	**1,671.8**	*1,162.5*

5. **Non-current liabilities**

(i) Long-term borrowings

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
(a) Term Loan:		
From banks		
- Secured	**133.5**	*316.3*
(b) Vehicle loans from:		
- Secured		
From ICICI Bank which is a related party	**0.9**	*5.8*
From Axis Bank	**6.6**	*11.7*
Total	**141.0**	*333.8*

(ii) Details of terms of repayment in respect of the secured other long-term borrowings:

(₹ in miilion)

Particulars	No. of Instalments due after 12 months	March 31, 2012	*No. of Instalments due after 12 months*	*March 31, 2011*
Term loan from HDFC Bank Limited:				
- Term loan 1	**—**	**—**	*1*	*15.0*
- Term loan 2	**—**	**—**	*1*	*5.8*
- Term loan 3	**—**	**—**	*3*	*45.0*
- Term loan 4	**2**	**8.5**	*6*	*25.5*
- Term loan 5	**5**	**125.0**	*9*	*225.0*
Total term loan		**133.5**		*316.3*
- Average rate of interest	**12.0%**		*10.5%*	
Vehicle loan from:				
ICICI Bank Limited - Loan amount	**Varies from Apr'13 to Jan'14**	**0.9**	*Varies from Apr'12 to Jun'13*	*5.8*
- Average rate of interest	**12.0%**		*12.0%*	
Axis Bank Limited - Loan amount	**Varies from Apr'13 to Jan'15**	**6.6**	*Varies from Apr'12 to Jan'14*	*11.7*
- Average rate of interest	**10.0%**		*10.0%*	*—*
Total vehicle loan		**7.5**		*17.5*

(iii) Details of security given for term loan & vehicle loan:

Term loan from HDFC Bank Limited:

- Term loan 1 & 2, were secured against pari passu charge on the Company's present and future moveable fixed assets and first pari passu charge on current assets.

- Term loans 3 to 5, are secured by first mortgage / charge on 1st, 3rd, 4th floor and terrace of office building situated at ICICI Venture House, Appasaheb Marathe Marg, Prabha Devi, Mumbai and a pari passu charge on all moveable and current assets of the Company.

Vehicle loans from ICICI Bank Limited & Axis Bank Limited: Secured by hypothecation of respective vehicle for which loan is availed by the Company.

6 **Long-term provisions**

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
Provision for employee benefits:		
(a) Provision for gratuity (net)	**59.7**	*24.8*
(Refer Note 21.7.2)		
(b) Provision for compensated absences	**52.7**	*44.6*
Total	**112.4**	*69.4*

Current Liabilities

7 **Trade payables**

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
Trade Payables	**589.7**	*584.2*
Total	**589.7**	*584.2*

8 **Other current liabilities**

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
(a) Current maturities of long term debt		
(Refer Note 1 below)		
Term Loan	**182.8**	*259.4*
Vehicle Loans		
-Related parties	**2.7**	*5.9*
-Others	**8.6**	*7.2*
	194.1	*272.5*
(b) Other payables		
Income received in advance	**23.6**	*—*
Security deposits		
-Related parties	**0.4**	*—*
-Others	**1.6**	*4.1*
Statutory dues	**10.5**	*11.9*
	36.1	*16.0*
Total	**230.2**	*288.5*

Note:

1 Current maturities of long term debts, Refer Note 5 (iii) - Long-term borrowing for details of security.

9 **Short-term Provisions**

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
(a) Provision for employee benefits		
- Gratuity (Refer Note 21.7.2)	**10.0**	*10.0*
- Compensated absences	**10.7**	*7.5*
Total	**20.7**	*17.5*

10 Fixed Asset

(₹ in million)

Particulars	Gross block: Balance As at April 01, 2011	Gross block: Additions	Gross block: Disposal	Gross block: Balance As at March 31, 2012	Accumulated depreciation and impairment: Balance As at April 01, 2011	Depreciation/ amortisation expense for the year	Eliminated on Disposal of Assets	Balance As at March 31, 2012	Net block: Balance As at March 31, 2012	Net block: Balance As at March 31, 2011
Tangible assets:										
Land - Freehold	108.3	—	—	108.3	—	—	—	—	108.3	108.3
Building	1,360.3	8.9	2.7	1,366.5	365.6	88.1	0.4	453.3	913.2	994.7
Furniture & fixtures	48.4	7.5	5.0	50.9	28.3	6.6	2.7	32.2	18.7	20.1
Vehicles	56.0	7.9	10.2	53.7	23.1	12.4	7.2	28.3	25.4	32.9
Office equipment	94.2	3.0	6.1	91.1	41.4	9.2	4.8	45.8	45.3	52.8
Others:										
Computers	33.9	1.0	1.1	33.8	31.3	1.4	1.1	31.6	2.2	2.6
Total (A)	**1,701.1**	**28.3**	**25.1**	**1,704.3**	**489.7**	**117.7**	**16.2**	**591.2**	**1,113.1**	**1,211.4**
Previous Year	1,697.1	28.9	24.9	1,701.1	383.9	116.8	11.0	489.7	1,211.4	1,313.2
Intangible assets:										
Software	1.0	—	—	1.0	0.3	0.4	—	0.7	0.3	0.7
Total (B)	1.0	—	—	1.0	0.3	0.4	—	0.7	0.3	0.7
Previous Year	0.0	1.0	—	1.0	0.0	0.3	0.0	0.3	0.8	—
Total (A+B)	**1,702.1**	**28.3**	**25.1**	**1,705.3**	**490.0**	**118.1**	**16.2**	**591.9**	**1,113.4**	**1,212.1**
Previous Year	**1,697.1**	**29.9**	**24.9**	**1,702.1**	**383.9**	**117.1**	**11.0**	**490.0**	**1,212.2**	**1,313.2**

Note: Tangible assets include a small portion of office space given on operating lease and since this forms an integral part of the Building occupied/used by the Company, separate details for the space leased are not available.

11 Non-current investments (at cost)

(₹ in million)

	Particulars	March 31, 2012: Quantity	"Face Value ₹ (per unit / Share)"	At Cost	*March 31,2011: Quantity*	*"Face Value ₹ (per unit / Share)"*	*At Cost*
A	Trade investment - Investment in units of venture capital funds, (Unquoted), fully paid						
1	ICICI Venture Value Fund Trust	**100**	**100**	**—**	*100*	*100*	*0.1*
2	India Advantage Fund I- Class `C' units	—	—	—	*5,000*	*100*	*0.5*
3	India Advantage Fund I-Class `A' & `A1' units	—	—	—	*17,721*	*100*	*2.7*
4	India Advantage Fund I-Class`B' &`B1' units	—	—	—	*7,112*	*100*	*1.3*
5	India Advantage Fund II - Class `C' units	—	—	—	*5,000*	*100*	*0.5*
6	India Advantage Fund II - Class `A',A1' & `B,`B1' units	—	—	—	*10,880*	*100*	*0.6*
7	India Advantage Fund III-Class A units	**46,331**	**100**	**3.5**	*48,199*	*100*	*3.8*
8	India Advantage Fund V - Class B Units	**45,035**	**100**	**4.0**	*49,383*	*100*	*4.6*
9	India Advantage Fund VI-Class B units	**28,456**	**100**	**2.5**	*28,054*	*100*	*2.5*
10	Rainbow Trust Fund	**717**	**100**	**0.1**	*3,225*	*100*	*0.2*
11	India Advantage Fund VII (Mezzanine Fund 1)-Class A units	**785,959**	**100**	**78.6**	*839,466*	*100*	*84.0*
	Total (A)			**88.7**			*100.8*
B	Other Investments - Investment in equity instruments (Unquoted), fully paid						
1	Microland Limited	**4,528,457**	**100**	**5.4**	*4,528,457*	*100*	*5.4*
2	Shri Renuga Textiles Limited	**48,674**	**100**	**0.0**	*48,674*	*100*	*0.0*
	Total (B)			**5.4**			*5.4*
	Total - (A+B)			**94.1**			*106.2*
	Aggregate amount of unquoted investments			94.1			106.2
	Aggregate provision for diminution in value of unquoted investments			—			—
	Total			**94.1**			**106.2**

12 Long-term loans and advances

(₹ in million)

Particulars	March 31, 2012	*March 31, 2011*
(Unsecured, considered good)		
Prepaid expense	**8.5**	*5.6*
Security deposit	**12.1**	*9.4*
Advance Tax and tax deducted at source (Net of Provision for taxation ₹ 1,596.6 Million; PY ₹ 1,388.6 Million)	**79.7**	*81.2*
Total	**100.3**	*96.2*

13 Current investments

(₹ in million)

		March 31, 2012			March 31, 2011		
		Quantity	Face value ₹ (per unit)	At Cost	Quantity	Face value ₹ (per unit)	At Cost
A	**Current Portion of long term investments (at cost)**						
	Investment in units of venture capital funds, (Unquoted), fully paid						
1	India Advantage Fund I- Class `C' units	5,000	100	0.5	—	—	—
2	India Advantage Fund I-Class `A' & `A1' units	924	100	0.1	—	—	—
3	India Advantage Fund I-Class`B' &`B1' units	438	100	0.1	—	—	—
4	India Advantage Fund II - Class `C' units	5,000	100	0.5	—	—	—
5	India Advantage Fund II - Class `A',A1' & `B,`B1' units	1,355	100	0.1	—	—	—
	Total (A)			1.3			—
B	**Other Current Investments**						
	Investment in mutual funds (unquoted)						
1	Birla Sun Life Short Term FMP Series 7-Dividend	—	—	—	12,245,617	10.00	122.5
2	Birla Sun Life Cash Plus-Institutional Premium-Growth	773,695	100	131.2	—	—	—
3	DSP Black Rock-FMP-3 Months-Series 33-Dividend	—	—	—	5,000,000	10	50.0
4	HDFC Cash Mgmt Fund - Savings Plan - Daily Dividend	—	—	—	5,488,108	10	58.4
5	HDFC Cash Mgmt Fund - Savings Plan - Growth	5,875,047	10	130.8	—	—	—
6	HDFC FMP 92D March 2012(1)-Growth Series XIX	5,000,000	10	50.0	—	—	—
7	ICICI Prudential Interval Fund II QIP Inst.cumulative	7,767,714	10	100.0	—	—	—
8	ICICI Prudential Interval Fund BPB-Dividend	—	—	—	20,065,968	10	200.8
9	ICICI Prudential Interval Fund QIP-D-Dividend	—	—	—	10,026,593	10	100.2
10	ICICI Prudential Interval Fund QIP-F-Dividend	—	—	—	9,473,977	10	94.8
11	ICICI Prudential Banking and PSU Debt Fund PP Growth	25,333,990	10	300.0	—	—	—
12	IDFC-Cash Fund-Plan C- Super IP-Daily Dividend	—	—	—	4,087,480	10	40.9
13	IDFC Cash Fund-Super Institutional Plan C-Growth	103,354	1,000	131.2	—	—	—
14	IDFC Fixed Maturity Quarterly Series 71 Growth	2,500,000	10	25.0	—	—	—
15	Kotak Floater-Long term-Growth	—	—	—	10,768,563	10	108.7
16	Reliance Liquid Fund-Cash Plan-Daily Dividend	—	—	—	8,836,758	10	98.5
17	Reliance Liquid Fund-Cash Plan-Growth Plan	2,441,125	10	40.6	—	—	—
18	SBI Magnum Insta Cash-Cash Option	39,797	1,000	92.7	—	—	—
19	Sundaram Money Fund-Super IP Growth	3,913,644	10	87.5	—	—	—
20	TATA Floater Fund - Daily Dividend	—	—	—	448,404	1,000	4.5
21	TATA Liquidity Management Fund-Growth	34,816	1,000	50.0	—	—	—
22	TATA Fixed Income Fund-Scheme B3-Inst.-Qtly Div.	—	—	—	3,463,276	10	34.6
23	TATA Liquid Super High Investment Fund-Appreciation	67,268	1,000	131.3	—	—	—
24	UTI Liquid Fund-Daily Dividend	—	—	—	50,152	1,000	50.3
25	UTI Liquid Cash Plan Institutional - Growth Option	75,197	1,000	131.2	—	—	—
	Total (B)			1,401.5			964.2
	Total (A) + (B)			1,402.8			964.2
	Aggregate Value of Investments :						
	Aggregate amount of unquoted investments			1,402.8			964.2
	Aggregate provision for diminution in value of unquoted investments			—			—
	Total			1,402.8			964.2

Note: Current investments includes investments in the nature of "Cash and cash equivalents" (as defined in AS 3 Cash Flow Statements) amounting to ₹ Nil (As at 31 March, 2011 ₹ 855.5 Million), considered as part of Cash and cash equivalents in the Cash Flow Statement.

14 Cash and cash equivalents

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
Cash on hand	—	—
Balance with banks:		
(i) In current accounts	2.0	3.1
(ii) In EEFC accounts	18.9	16.6
Total	20.9	19.7

Note: Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is ₹ 20.9 Million (PY ₹ 19.7 Million)

15 Short-term loans and advances

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
(Unsecured, considered good)		
Security deposits	3.1	8.8
Loans and advances to related parties	4.0	—
Prepaid expenses		
-To related parties	6.2	3.9
-To others	3.8	4.8
Balance with government authorities	3.1	1.6
Total	20.2	19.1

16 Revenue from Operations

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
Fee income	1,246.9	1,340.8
Total	1,246.9	1,340.8

17 Other income

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
(a) Income from long term investments		
Distribution from investment in units of venture capital funds	646.6	516.4
(b) Dividend income from current investments (others)	15.1	46.7
(c) Net gain on sale of current investments (others)	67.7	29.3
(d) Net Gain on foreign currency transactions and translation	2.3	—
(e) Other non-operating income:		
(i) Rental Income from Operating Leases	6.1	15.0
(ii) Miscellaneous income	2.5	2.8
(iii) Provisions no longer required written back	15.1	11.9
Total	755.4	622.1

18 Employee benefits expense

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
Salaries and wages	567.7	483.3
Contributions to provident and other funds	62.4	23.9
Staff welfare expenses	18.2	14.9
Total	648.3	522.1

19 Finance cost

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
Interest expense on borrowings	55.8	79.1
Total	55.8	79.1

20 Other expenses

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
Power charges	6.9	5.6
Rent including lease rentals	12.8	10.7
Repairs and maintenance - Building	15.5	17.2
Repairs and maintenance - Others	11.7	5.7
Insurance	2.0	1.4
Rates and taxes	8.3	7.9
Communication expense	6.9	7.3
Travelling and conveyance	46.9	24.8
Printing and stationery	1.9	2.2
Advertisement and business promotion	4.0	6.0
Seminar expenses	7.1	12.7
Marketing and distribution expenses	14.9	84.2
Legal and professional charges	87.0	98.2
Audit fees	0.3	0.3
Tax audit fees	0.1	0.1
Other matters	0.3	0.3
Out of pocket expense	0.1	0.1
Loss on foreign exchange fluctuation	—	0.5
Loss on sale of assets	3.0	0.1
Recruitment and training	1.8	4.5
Memberships and subscriptions	9.8	9.0
Miscellaneous expenses	22.9	8.4
Total	264.2	307.2

21 Other Notes

21.1 Contingent liabilities and commitments (to the extent not provided for)

A Contingent Liabilities

(i) Disputed Statutory Dues

As at March 31, 2012, the Company has disputed tax liabilities arising from assessment proceedings relating to earlier years from the income tax authorities and service tax authorities amounting to ₹ 12.0 Million and ₹ 10.9 Million, respectively.

Based on legal opinion/ legal precedents, the Management is hopeful of succeeding in the above appeals/disputes.

B Commitments

(i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances, if any) – ₹ Nil Million. (Previous Year – ₹ Nil Million).

(ii) The AMC is an investor in IAF I and IAF II ("Funds"), which have declared a distribution of ₹ 645.7 Million, to the AMC as the AMC's share of income from investments in units of Funds. Of the above, ₹ 125.1 Million has been received free of any encumbrances, and the balance of ₹ 520.6 Million was conditionally receivable upon the Company furnishing a Bank Guarantee and a General Indemnity to the trustees of Funds to cover present and future potential liabilities of the Funds. Consequently the Company has furnished a Bank Guarantee and a General Indemnity in favor of the Trustees of the Funds.

21.2 Earnings in foreign currency

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
Fee income	42.0	48.8
Total	42.0	48.8

21.3 Expenditure in foreign currency

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
Advertisement and business promotion	3.9	3.4
Seminar expenses	3.0	1.7
Travelling and conveyance	9.4	2.7
Marketing and distribution expenses	20.2	52.2
Legal and professional charges	12.4	78.4
Membership and subscription expenses	2.6	0.5
Others	1.5	0.8
Total	53.0	139.7

21.4 Miscellaneous expenses include ₹ 4.8 Million (Previous Year– ₹ 7.3 Million), being the Company's share of various common corporate expenses incurred by ICICI Bank Limited, the holding company.

21.5 The Company has entered into operating leases in respect of office premises. As per the terms and conditions mentioned in the lease agreement, the leases may be renewed for a period of 3 years after the expiry of initial lease period of 3 years on mutual consent between the parties to the lease agreement. The lease rentals charged to the Profit & Loss account in respect of these leases amount to ₹ 12.8 Million (Previous Year ₹ 10.7 Million). Future minimum lease payments in respect of non cancellable leases are as follows:

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
Not later than one year	11.1	10.5
Later than one year but not later than 5 years	56.7	26.9
Later than 5 years	-	-
Total	67.8	37.4

21.6 Deferred tax (Liability)/asset

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	(59.0)	(73.8)
Tax effect of item constituting deferred tax asset		
Provision for compensated absences and gratuity	133.1	86.9
Income from funds receivable in future years	—	194.4
Total	74.1	207.5
Net Deferred tax Asset/ (Liability) on above	24.1	48.4

21.7 Employee benefit plans

21.7.1 Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 20.8 Million (Previous Year ₹ 17.0 Million) for Provident Fund contributions and ₹ 3.9 Million (Previous Year ₹ 2.6 Million) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

21.7.2 Defined benefit plans

The Company offers the following benefit plan to its employees. The following tables sets out the funded status of the defined benefit plan and amount recognised in the financial statements:

(₹ in million)

Particulars	March 31, 2012	*March 31, 2011*
Components of employer expense		
Current service cost	**12.4**	*15.6*
Interest cost	**7.0**	*8.1*
Expected return on plan assets	**(3.2)**	*(2.4)*
Curtailment cost / (credit)	**-**	-
Settlement cost / (credit)	**-**	-
Past service cost	**-**	-
Actuarial losses/(gains)	**18.8**	*(39.4)*
Total expense recognised in the Statement of Profit and Loss	**35.0**	*(18.1)*
Actual contribution and benefit payments for year		
Actual benefit payments	**(5.6)**	*(5.5)*
Actual contributions	**2.8**	*4.9*
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	**116.6**	*74.3*
Fair value of plan assets	**46.9**	*39.5*
Funded status [Surplus / (Deficit)]	**(69.7)**	*(34.8)*
Unrecognised past service costs	**-**	-
Net asset / (liability) recognised in the Balance Sheet	**(69.7)**	*(34.8)*
Net liability is bifurcated as follows		
Current	**(10.0)**	*(10.0)*
Non-current	**(59.7)**	*(24.8)*
Total	**(69.7)**	*(34.8)*
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	**74.3**	*80.4*
Current service cost	**12.4**	*15.6*
Interest cost	**7.0**	*8.1*
Curtailment cost / (credit)	**-**	-
Settlement cost / (credit)	**-**	-
Plan amendments	**-**	-
Acquisitions	**9.1**	*14.8*
Actuarial (gains) / losses	**19.4**	*(39.1)*
Past service cost	**-**	-
Benefits paid	**(5.6)**	*(5.5)*
Present value of DBO at the end of the year	**116.6**	*74.3*
Change in fair value of assets during the year		
Plan assets at beginning of the year	**39.5**	*23.5*
Acquisition adjustment	**6.4**	*13.9*
Expected return on plan assets	**3.2**	*2.4*
Actual company contributions	**2.8**	*4.9*
Actuarial gain / (loss)	**0.6**	*0.3*
Benefits paid	**(5.6)**	*(5.5)*
Plan assets at the end of the year	**46.9**	*39.5*
Actual return on plan assets	**3.8**	*2.7*
Composition of the plan assets is as follows:		
Government bonds	**—**	—
PSU bonds	**—**	—
Insured managed funds	**100%**	*100%*
Others	**—**	—
Actuarial assumptions		
Discount rate	**8.3%**	*8.3%*
Expected return on plan assets	**7.5%**	*7.5%*
Salary escalation	**10.0%**	*10.0%*
Estimate of amount of contribution in the immediate next year (Rs. In Million)	**10.0**	*10.0*
Attrition rate : Age in years - 21-30: 15%, 31-34: 10%, 35-44: 5%, 45-50: 3%, 51-54: 2%, 55-57: 1%		

Mortality tables: Published rate under the LIC (1994-96) mortality tables:

Experience adjustments	March 31, 2012	*March 31, 2011*	*March 31, 2010*	*March 31, 2009*	*March 31, 2008*
Present value of DBO	**(116.6)**	*(74.3)*	*(80.4)*	*(80.4)*	*(54.7)*
Fair value of plan assets	**46.9**	*39.5*	*23.5*	*20.6*	*17.5*
Funded status [Surplus / (Deficit)]	**(69.7)**	*(34.8)*	*(56.9)*	*(59.8)*	*(37.2)*
Experience gain / (loss) adjustments on plan liabilities	**(20.1)**	*(19.2)*	*(16.0)*	*3.9*	*0.9*
Experience gain / (loss) adjustments on plan assets	**0.6**	*0.3*	*(0.3)*	*0.1*	*0.0*
Actuarial assumptions for long-term compensated absences					
Discount rate				8.3%	8.3%
Salary escalation				10.0%	10.0%
Attrition rate : Age in years - 21-30: 15%, 31-34: 10%, 35-44: 5%, 45-50: 3%, 51-54: 2%, 55-57: 1%					

Note: The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

21.8 Related party disclosure:

Details of related party, transactions with related parties during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012:

(₹ in million)

Sl. No.	Name of the related party	Nature of relationship	Nature of transaction	March 31, 2012	March 31, 2011
1.	ICICI Bank Limited	Holding Company	Purchase of Tangible assets	**12.5**	*2.3*
			Rent expense	**1.3**	*1.5*
			Common corporate expense	**4.8**	*7.3*
			Marketing and distribution expense	**—**	*25.5*
			Finance cost	**1.2**	*2.3*
			Salary for deputed staff	**—**	*0.3*
			Dividend paid	**150.0**	*450.0*
			Other income	**5.8**	—
			Cash and cash equivalents	**20.9**	*19.1*
			Share capital	**10.0**	*10.0*
			Borrowings	**3.6**	*11.7*
			Payable towards common corporate expenses	**1.7**	*2.8*
			Amounts receivable towards membership fees paid	**4.0**	—
2	ICICI Prudential Life Insurance Company Limited	Fellow subsidiary	Insurance for employees	**2.4**	*1.3*
			Rental income	**—**	*15.0*
			Prepaid Insurance	**0.7**	*0.3*
3	ICICI Lombard General Insurance Company Limited	Fellow subsidiary	Insurance for employees	**5.3**	*4.9*
			Insurance for assets	**2.0**	*1.4*
			Prepaid Insurance	**5.5**	*3.6*
4	ICICI Securities Primary Dealership Limited	Fellow subsidiary	Other income	**0.4**	—
			Security Deposit received towards Lease Rentals.	**0.4**	—
5	ICICI Securities Limited	Fellow subsidiary	Marketing and distribution expense	**1.6**	—
6	ICICI Equity Fund VCF	Fund in which the beneficiary is the Holding Company	Fee income	**74.9**	*84.0*
7	ICICI Eco-net Internet & Technology Fund	Fund in which the beneficiary is the Holding Company	Fee income	**0.7**	*0.7*
8	ICICI Emerging Sector Fund	Fund in which the beneficiary is the Holding Company	Fee income	**30.4**	*35.2*
9	ICICI Strategic Investment Fund	Fund in which the beneficiary is the Holding Company	Fee income	**70.5**	*70.5*
10	ICICI Venture Value Fund	Fund in which the company is a significant beneficiary.	Non-current investments	**0.0**	*0.1*
11	Vishakha Mulye	Key Managerial Personnel	Remuneration to Managing Director	**21.2**	*18.5*
12	Sumit Chandwani	Key Managerial Personnel	"Remuneration to Executive Director (With effect from August 13, 2010 upto June 15, 2011)"	**6.5**	*7.0*
13	Prashant Purkar	Key Managerial Personnel	"Remuneration to Executive Director (With effect from August 13, 2010)"	**17.4**	*7.5*
14	Mohit Batra	Key Managerial Personnel	"Remuneration to Executive Director (With effect from August 13, 2010)"	**17.4**	*7.3*

The related parties have been identified on the basis of information provided by the company which has been relied upon by the Auditors.

21.9 Segment information

The Company has identified business segments as its primary segment. Business segments are primarily Asset Management Service and Other Activities. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. The Company operates only in one geographical, i.e., India, hence geographical segment disclosure is not applicable.

(₹ in million)

Particulars	March 31, 2012	March 31, 2011
Segment revenue		
Asset Management Services	**1,913.3**	*1,876.8*
Others	**89.0**	*86.1*
Total revenue	**2,002.3**	*1,962.9*
Segment results		
Asset Management Services	**882.7**	*956.5*
Others	**89.0**	*60.0*
Total operating profit	**971.7**	*1,016.5*
Less: Finance cost	**(55.8)**	*(79.1)*
Profit before tax	**915.9**	*937.4*
Less: Income taxes	**(232.3)**	*(198.4)*
Net profit for the year	**683.6**	*739.0*
Segment assets:		
Asset Management Services	**1,270.5**	*1,074.4*
Others	**1,401.5**	*1,261.9*
Unallocable Assets :		
Deferred tax assets	**24.1**	*48.4*
Advance tax and TDS (Net of provision for taxation)	**79.7**	*81.2*
Total assets	**2,775.8**	*2,465.9*
Segment liabilities:		
Asset Management Services	**758.9**	*687.2*
Others	**-**	*103.8*
Unallocable Liabilities :		
Loan Liability	**335.1**	*502.4*
Total liabilities	**1,094.0**	*1,293.4*

21.10 Earnings per share

Particulars	March 31, 2012	March 31, 2011
Basic		
Weighted average no. of equity shares outstanding (of ₹ 10/- each)	**1,000,000**	*1,000,000*
Par value per share (₹)	**10**	*10*
Net profit (₹ in million)	**683.6**	*739.0*
Basic earnings per share (₹)	**683.6**	*739.0*
Diluted		
Weighted average no. of equity shares outstanding (of ₹10/- each)	**1,000,000**	*1,000,000*
Par value per share (₹)	**10**	*10*
Net profit (₹ in million)	**683.6**	*739.0*
Diluted earnings per share (₹)	**683.6**	*739.0*

21.11 Details on derivatives instruments and unhedged foreign currency exposures

(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) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	March 31, 2012		March 31, 2011	
	Amount (Foreign currency)	**₹ In million**	*Amount (Foreign currency)*	*₹ In million*
Asset:				
In EEFC account	**US$ 371,028**	**18.9**	*US$ 371,028*	*16.6*
Liabilities:				
Payables towards various expenses	**US$ 4,804,936**	**244.5**	*US$ 4,770,336*	*212.7*
	GBP 959,598	**78.5**	*GBP 1,313,699*	*94.5*

21.12 There are no dues to Micro and Small Enterprises. The information disclosure with regard to Micro and Small Enterprises is based on information collected by the Management. This has been relied upon by the auditors.

21.13 Previous year's figures

The Revised Schedule VI has become effective from April 1, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

LALITA D GUPTE
Chairperson

VISHAKHA MULYE
Managing Director & CEO

BEENA M CHOTAI
Chief Financial Officer

SANKER P.
Company Secretary

Mumbai, April 24, 2012

cash flow statement

ICICI Venture **for the year ended March 31, 2012**

		March 31, 2012	(₹ in millions) March 31, 2011
A.	**Cash flows from operating activities**		
	Net profit before taxation	**915.9**	*937.4*
	Adjustments for:		
	Depreciation and amortisation	**118.1**	*117.1*
	Profit on sale of investment in mutual fund units	**(67.7)**	*(29.3)*
	Distribution from investment in units of venture capital funds	**(646.6)**	*(516.4)*
	Dividend from investments in mutual fund units	**(15.1)**	*(46.7)*
	Provisions written back	**(15.1)**	*(11.9)*
	Rent income	**(6.1)**	*(15.0)*
	Finance charges	**55.8**	*79.1*
	(Profit) / loss on sale of Assets	**3.0**	*0.1*
	Operating profit before working capital changes	**342.2**	*514.4*
	Changes in working capital:		
	Adjustment for (increase)/ decrease in operating assets:		
	Short-term loans and advances	**(1.1)**	*146.1*
	Long-term loans and advances	**(5.6)**	*0.6*
	Adjustment for increase/ (decrease) in operating liabilities:		
	Trade payables	**5.5**	*92.1*
	Other current liabilities	**20.1**	*(7.9)*
	Long-term provisions	**43.0**	*(25.7)*
	Short-term provisions	**18.3**	*(81.9)*
	Cash generated from operations	**422.4**	*637.7*
	Net income taxes paid	**(206.6)**	*(290.7)*
	Net cash flow from operating activities	**215.8**	*347.00*
B.	**Cash flows from investing activities**		
	Capital expenditure on fixed assets	**(28.3)**	*(29.6)*
	Proceeds from sale of fixed assets	**5.8**	*13.8*
	Purchase of long-term investments	**-**	*(22.6)*
	Distribution from investment in units of venture capital funds	**646.6**	*516.4*
	Dividend from investments in mutual fund units	**15.1**	*46.7*
	Rental income	**6.1**	*15.0*
	Purchase of current investments	**(4,676.2)**	*(5,791.6)*
	Sale of long-term investments	**16.6**	*24.9*
	Sale of current investments	**3,445.5**	*6,611.9*
	Net cash flow (used in) / from investing activities	**(568.8)**	*1,384.9*
C.	**Cash flows from financing activities**		
	Proceeds from long-term borrowings	**4.3**	*313.8*
	Repayment of long-term borrowings	**(275.5)**	*(606.9)*
	Finance cost	**(55.8)**	*(79.1)*
	Dividends paid (including dividend tax)	**(174.3)**	*(524.7)*
	Net Cash flow used in financing activities	**(501.3)**	*(896.9)*
	Net increase/(decrease) in cash & cash equivalents (A+B+C)	**(854.3)**	*835.0*
	Cash & cash equivalents at the beginning of the year	**875.2**	*40.2*
	Cash & cash equivalents at the end of the year	**20.9**	*875.2*
	Reconciliation of Cash and cash equivalents with the Balance Sheet		
	Cash & cash equivalents as per Balance Sheet (Refer Note 14)	**20.9**	*19.7*
	Add : Current Investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note 13 Current Investments)	**—**	*855.5*
	Cash & cash equivalents at the end of the year*	**20.9**	*875.2*
	* Comprises :		
	(a) Cash on hand	**—**	*—*
	(b) Balances with banks		
	(i) In current accounts	**2.0**	*3.1*
	(ii) In EEFC account	**18.9**	*16.6*
	(c) Current Investments considered as part of Cash and cash equivalents (Refer Note 13 Current Investments)	**—**	*855.5*
		20.9	*875.2*

See accompanying notes forming part of the financial statements

In terms of our reports attached

For Deloitte Haskins & Sells
Chartered Accountants

V. BALAJI
Partner

Mumbai, April 24, 2012

For and on behalf of Board of Directors

LALITA D GUPTE
Chairperson

VISHAKHA MULYE
Managing Director & CEO

BEENA M CHOTAI
Chief Financial Officer

SANKER P.
Company Secretary

Mumbai, April 24, 2012

ICICI International

ICICI INTERNATIONAL LIMITED

17TH ANNUAL REPORT AND ACCOUNTS 2011-2012

Directors
Couldip Basanta Lala
Kapildeo Joory
Suresh Kumar
Ranjit Fernando
Pramod Rao

Auditors
Crowe Horwath (Mur) Co.
Member Crowe Horwath International
3rd Floor, C.A Building, 19, Poudrière Street
Port-Louis, Mauritius

Administrator & 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, 2012

The directors present their report and the audited financial statements of ICICI INTERNATIONAL LIMITED (the "Company") for the year ended March 31, 2012 .

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and to act as CIS Manager.

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 on page 2.

STATEMENT OF 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 cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. 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.

AUDITORS

The auditors, Crowe Horwath (Mur) Co., have indicated their willingness to continue in office until the next Annual Meeting.

CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (D) OF THE MAURITIUS 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, 2012 .

for International Financial Services Limited
Secretary

Registered office:
IFS Court TwentyEight
Cybercity Ebene Mauritius

April 20, 2012

independent auditors' report

to the member of ICICI International Limited

We have audited the accompanying financial statements of ICICI INTERNATIONAL LIMITED, the "Company", which comprise of the statement of financial position as at March 31, 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended as set out on pages 7 to 10, and a summary of significant accounting policies and other explanatory information as set out on pages 11 to 23.

Directors' responsibilities for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the Mauritius Companies Act 2001, and for designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. They are also responsible for keeping proper accounting records and 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 the accounting estimates made by the directors, 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 audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2012 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act 2001.

Report on other legal and regulatory requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- We have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- We have obtained all the information and explanations that we required; and
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Other matters

This report is made solely for the Company's members, as a body, in accordance with Section 205 of the Mauritius 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 fullest 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.

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.

Crowe Horwath (Mur) Co.
Public Accountants
Port Louis, Mauritius, Date

K. S. Sewraz, FCCA
'Licenced by FRC'
Signing Partner

income statement

for the year ended March 31, 2012

(₹ in 000's)

	Notes	March 31, 2012 US$	March 31, 2012 ₹*	*March 31, 2012 US$*	*March 31, 2012 ₹**
Income					
Management fee	6 (b)	845,251	40,514	*984,851*	*44,878*
Consultancy income	6 (f)	3,118	149	*2,176*	*99*
Sub account income	6 (d)	72,024	3,452	*85,709*	*3,906*
Bank interest income		672	32	*714*	*33*
Other income		—		*10,745*	*490*
		921,065	44,147	*1,084,195*	*49,406*
Expenses					
Licence fees		3,750	180	*3,750*	*171*
Directors' fees		10,000	479	*10,000*	*456*
Secretarial fees		1,500	72	*1,500*	*68*
Administration and disbursements	6 (a)	59,078	2,832	*63,719*	*2,904*
Bank charges		2,705	130	*2,538*	*116*
Audit fees		6,900	331	*6,900*	*314*
Legal and professional fees		—	—	*840*	*38*
Salaries		137,026	6,568	*94,866*	*4,323*
General expenses		50,386	2,415	*44,409*	*2,024*
Advisory fees	6 (c)	236,105	11,317	*265,102*	*12,080*
Amortisation of deferred expenses	6 (e) (i)	215,100	10,310	*215,100*	*9,802*
Trailer fees	6 (e)	181,780	8,713	*217,722*	*9,921*
Insurance fees		17,238	826	*8,298*	*378*
Loss on exchange		832	40	*645*	*29*
Receivables written off		2,534	121,457	—	—
Impairment of available for sale investment		82,422	3,951	—	—
		1,007,356	48,284	935,389	*42,624*
(Loss) / profit before		(86,291)	(4,136)	*148,806*	*6,781*
Taxation	5	(5,738)	(275)	*(10,947)*	*(499)*
(Loss) / profit for the year		(92,029)	(4,411)	*137,859*	*6,282*
Other comprehensive income					
Available for sale investments – current year's losses	7	—	—	*(12,197)*	*(544)*
Total comprehensive income for the year		(92,029)	(4,411)	*125,662*	*5,738*

*The corresponding amounts in Indian rupees ("₹") are shown as additional information for the sole purpose of the holding company which prepares consolidated financial statements.
The notes on pages 11 to 23 form an integral part of these financial statements.

balance sheet

at March 31, 2012

(₹ in 000's)

	Notes	March 31, 2012 US$	March 31, 2012 ₹*	*March 31, 2012 US$*	*March 31, 2012 ₹**
ASSETS					
Non-current assets					
Investments	7	94	5	*227,608*	*10,150*
Deferred expense	8	84,861	4,317	*299,961*	*13,377*
		84,955	4,322	*527,569*	*23,527*
Current assets					
Receivables and prepayments	9	22,548	1,147	*83,273*	*3,714*
Cash and cash equivalents	10	1,640,397	83,455	*1,201,009*	*53,559*
		1,662,945	84,602	*1,284,282*	*57,272*
TOTAL ASSETS		1,747,900	88,924	*1,811,851*	*80,800*
EQUITY AND LIABILITIES					
Equity					
Stated capital	11	900,000	36,796	*900,000*	*36,796*
Retained earnings		725,398	31,845	*817,427*	*35,854*
Translation reserves		—	14,052	—	*3,784*
Other component of equity	7	—	—	*(72,486)*	*(3,077)*
		1,625,398	82,692	*1,644,941*	*73,356*
Current liabilities					
Income tax payable	5	920	47	*3,550*	*158*
Payables	12	121,582	6,185	*163,360*	*7,285*
		122,502	6,232	*166,910*	*7,443*
TOTAL EQUITY AND LIABILITIES		1,747,900	88,924	*1,811,851*	*80,800*

* The corresponding amounts in Indian rupees ("₹") are shown as additional information for the sole purpose of the holding company which prepares consolidated financial statements.

Approved by the Board on April 20, 2012 and signed on its behalf by:

-------------- ------------
Director Director

statement of changes in equity

for the year ended March 31, 2012

	Stated capital US$	Retained earnings US$	Revaluation reserves US$	Total US$
At March 31, 2010	**900,000**	**672,131**	**(60,289)**	**1,511,842**
Profit for the year	—	137,859	—	137,859
Refund of prior year tax(note 5)	—	7,437	—	7,437
Other comprehensive income				
Available for sale investments-current period's loss	—	—	(12,197)	(12,197)
At March 31, 2011	**900,000**	**817,427**	**(72,486)**	**1,644,941**
At April 1, 2011	**900,000**	**817,427**	**(72,486)**	**1,644,941**
Loss for the year	—	(92,029)		(92,029)
Other comprehensive income				
Reversal of the reserve arising on winding up of the investment	—-		72,486	72,486
At March 31, 2012	**900,000**	**725,398**	**—**	**1,625,398**

cash flow statement

for the year ended March 31, 2012

	March 31, 2012 US$	*March 31, 2011 US$*
Cash flows from operating activities		
(Loss)/profit before taxation	**(86,291)**	*148,806*
Adjustments for:		
Bank interest income	**(672)**	*(714)*
Impairment of available for sale investments	**82,422**	—
Amortization of deferred expenses	**215,100**	*215,100*
Operating profit before working capital changes	**210,559**	*363,192*
Decrease in receivables and prepayments	**60,725**	*32,962*
Decrease in payables	**(41,778)**	*(22,428)*
Cash generated from operations	**229,506**	*373,726*
Refund of tax	**—**	*7,437*
Tax paid	**(8,368)**	*(7,397)*
Net cash from operating activities	**221,138**	*373,766*
Cash flows from investing activities		
Proceeds from investment	**217,578**	—
Interest received	**672**	*714*
Net cash from investing activities	**218,250**	*714*
Net increase in cash and cash equivalents	**439,388**	*374,480*
Cash and cash equivalents at beginning of year	**1,201,009**	*826,529*
Cash and cash equivalents at end of the year	**1,640,397**	*1,201,009*

notes to the financial statements

for the year ended March 31, 2012

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 been granted by the Securities and Exchange Board of India a Certificate of Perpetual Registration as a Foreign Institutional Investor (FII). The Company's registered office is at IFS Court, TwentyEight, Cybercity, Ebene, Mauritius.

The Company has subscribed to non-redeemable management shares of India Optima Fund (IOF) (Mauritius), India Opportunities Fund Limited (Jersey) and Emerging India Fund Company Limited (Mauritius). The Company also provides investment management services to IOF and TP Hold Co (Mauritius) Limited and has acted as promoter Emerging India Fund Company Limited, a company incorporated in Mauritius, and settlor to The Emerging India Fund Trust. The Company also offers sub-account services as a FII to IOF.

The financial statements of the Company are expressed in United States dollar ("US$"). The Company's functional currency is the US$, the currency of the primary economic environment in which the Company operates. The corresponding amounts in Indian rupees ("₹") 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 Accounting Standard 34 –Financial Reporting ("IAS 34"). The preparation of the financial statements in accordance with IAS 34 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 statement of financial position.

Payables

Payables are stated at their nominal value.

Investments

The investment in the joint venture entity, TCW/ICICI Investment Partners Ltd. ("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 dollar ("US$"), which is the Company's functional currency and presentation currency.

(ii) Transactions and balances

Transactions denominated in foreign currencies are translated in US$ 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 reporting date. Exchange differences arising on translation and realised gains and losses on disposals or settlement of monetary assets and liabilities are recognised in the statement of comprehensive income.

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 invoiced amount less allowances 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.

Revenue recognition

Interest income, management fee, performance fee, sub account income and investment facilitation fee are recognised 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 statement of financial position 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 13.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In the current period, 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 year beginning on and after April 1, 2011

3.1 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 resulting from May 2010 Annual Improvements to IFSRSs (effective January 1, 2011)

IAS 24 Related Party Disclosures – Revised definition of related parties (effective January 1, 2011)

IAS 34 Interim Financial Reporting – Amendments resulting from May 2010 Annual Improvements to IFRSs (effective January 1, 2011)

IFRS 1 First-time Adoption of International Financial Reporting Standards – Amendments resulting from May 2010 Annual Improvements to IFRSs (effective January 1, 2011)

IFRS 7 Financial Instruments: Disclosures – Amendments resulting from May 2010 Annual Improvements to IFRSs (effective January 1, 2011)

IFRIC 13 Customer Loyalty Programmes – Amendments resulting from May 2010 Annual improvements to IFRSs (effective January 1, 2011)

IIFRIC 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)

3.2 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 12 Income Taxes – Limited scope amendment (recovery of underlying assets) (effective January 1, 2012)

IFRS 1 First-time Adoption of International Financial Reporting Standards – Replacement of 'fixed dates' for certain exceptions with 'the date of transition to IFRSs' (effective July 1, 2011)

IFRS 1 First-time Adoption of International Financial Reporting Standards– Additional exemption for entities ceasing to suffer from severe hyperinflation (effective July 1, 2011)

IFRS 7 Financial instruments: Disclosures – Amendments enhancing disclosures about transfers of financial assets (effective July 1, 2011)

IFRS 9 Financial Instruments: Classification and Measurement (effective January 1, 2015)

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective July 1, 2010)

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 (i), the directors have considered those factors therein and have determined that the functional currency of the Company is the United States dollar (US$).

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, thus reducing its maximum effective tax rate to 3%. For the year ended March 31, 2012 , a provision for tax of US$ 5,738 (March 31, 2011: US$10,947) has been made in the financial statements.

The Company is resident in Mauritius and has received a Tax Residence Certificate from the Mauritius Revenue Authority.

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.

	March 31, 2012 US$	*March 31, 2011 US$*
(Loss)/profit for the year before tax	**(86,291)**	*148,806*
Income tax at 15%	**(12,944)**	*22,321*
Tax effect of:		
Non allowable expenses	**45,265**	*32,650*
Exempt income	**(101)**	*(238)*
Deemed tax credit	**(25,776)**	*(43,786)*
Income tax expense	**6,444**	*10,947*
At April 1	**3,550**	—
Overprovision	**(706)**	—
Income tax expense during the year	**6,444**	*10,947*
Paid during the year	**(8,368)**	*(7397)*
Tax payable	**920**	*3,550*

6. **AGREEMENTS**

(a) **Administration Agreement**

The Company has entered into an administration agreement with an Administrator to procure administrative services. In consideration of the services being performed by the Administrator, the Company pays the Administrator a fee as per industry norms.

(b) **Investment Management Agreements**

The Company has entered into several investment management agreements with different companies to provide investment management services. Management fee accrued to the Company are included in the financial statements as per the investment management agreements. Where the companies under management are not activated, no investment management fee is accrued.

c) **Advisory Agreements**

The Company has entered into advisory agreements with two leading asset management companies in India to provide non-binding investment advisory services to the Company.

(d) **Investment Facilitation Agreement**

The Company has entered into an investment facilitation agreement for providing sub account services as foreign institutional investor.

(e) **Global Distribution Agreements**

(i) Pursuant to a global distribution agreement, the Company had paid an upfront fee to the Distributor in respect of aggregate capital commitment amount raised by the Distributor from all investors of IOF. The upfront fee will be amortised as deferred expenses in the statement of comprehensive income during the next 5 years, starting from the launch of the fund on August 24, 2007. The Company would also pay the Distributor quarterly trail fees.

(ii) The Company has also entered into other distribution agreements with distributors pursuant to which it would pay the distributors trailer fees as per the agreements.

(f) **Consultancy Services Agreement**

Pursuant to a consultancy services agreement, the Company is entitled to consultancy income on expenses incurred and/or payable (or likely to be incurred) by the Company in relation to the funds under its management.

The above fees are paid on an arms' length basis and according to industry norms.

7. **INVESTMENTS**

Investments consist of:

(a) 49% of management shares in India Optima Fund, a company incorporated in Mauritius for a consideration of US$ 71.

(b) 49% of management shares in India Opportunities Fund Limited, a company incorporated in Jersey for a consideration of US$ 13.

(c) 10% of management shares of Emerging India Fund Company Limited (EIFCL), a company incorporated in Mauritius for a consideration of US$ 1.

(d) Contribution of US$ 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	**March 31, 2012 US$**	*March 31, 2011 US$*
Available for sale investments:		
TCW/ICICI Investment Partners Ltd ("TCW")	**—**	*227,514*
India Optima Fund	**71**	*71*
India Opportunities Fund Limited	**13**	*13*
Emerging India Fund Company Limited	**1**	*1*
	85	*227,599*
Other investments:		
The Emerging India Fund Trust	**9**	*9*
Total investments	**94**	*227,608*

	March 31, 2012 US$
Investments at cost	**300,094**
Investments at fair value	
Opening balance	**227,608**
Movement during the year	**72,486**
	300,094
Proceeds from investment	**217,578**
Impairment losses	**(82,422)**
Closing balance	**94**
Revaluation reserve	
Opening balance	**(72,486)**
Movement during the year	**72,486**
Closing balance	**—**

The shareholders of TCW/ICICI Investment Partners Ltd ("TCW") had on December 28, 2011 approved the winding up of the company. Consequently the investments in TCW had been impaired by US$ 82,422 and the Company had received the remaining US$ 217,578 which represented the Company's share of surplus asset on winding up.

8. **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 statement of comprehensive income over a period of 5 years starting from the year ended 31 March 2008.

9. **RECEIVABLES AND PREPAYMENTS**

	March 31, 2012 US$	*March 31, 2012 US$*
Sundry debtors	**9,821**	*33,028*
Management fees receivable	**1,852**	*39,370*
Other prepayments	**10,875**	*10,875*
	22,548	*83,273*

The Directors believe receivables and prepayments to approximate to their fair values.

10. **CASH AND CASH EQUIVALENTS**

For the purposes of the statement of cash flows, the cash and cash equivalents comprise the following:

	March 31, 2012 US$	*March 31, 2012 US$*
Cash at bank	**1,045,833**	*607,117*
Short term bank deposits	**594,564**	*593,892*
	1,640,397	*1,201,009*

11. **STATED CAPITAL**

	March 31, 2011 US$	*March 31, 2010* US$
Issued and fully paid		
90,000 Ordinary shares of US$ 10 each	**900,000**	*900,000*

The fully paid ordinary shares carry voting rights and the holders are entitled to receive dividends.

12. **PAYABLES**

	March 31, 2012 US$	March 31, 2011 US$
Sundry creditors	21,574	31,000
Accruals	6,725	9,512
Trail fees	40,283	53,592
Advisory fees	53,000	69,256
	121,582	163,360

The directors believe payables to approximate to their fair values.

13. **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 summarized as follows:

	Financial assets March 31, 2012 US$	Financial liabilities March 31, 2012 US$	Financial assets March 31, 2011 US$	Financial liabilities March 31, 2011 US$
Indian rupee	454	—	518	—
Mauritian rupee	22,097	—	12,787	—
United States dollar	1,714,474	122,502	1,787,671	163,360
	1,737,025	122,502	1,800,976	163,360

Prepayments amounting US$10,875 (March 31, 2011: US$10,875) 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

With respect to credit risk arising from financial assets which comprise of investments, deferred expense, receivables and cash and cash equivalents, the Company's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

	Notes	Carrying amount March 31, 2012 US$	Carrying amount March 31, 2011 US$
Investment	7	94	227,608
Deferred expense	8	84,861	229,961
Receivables	9	11,673	72,398
Cash and cash equivalents	10	1,640,397	1,201,009

The Company's credit risk is primarily attributable to its management fees receivable and other receivables. The amounts presented in the statement of financial position 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

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through the adequate amount of committed credit facilities.

The total below illustrates the aged analysis of the Company's financial liabilities.

	March 31, 2012 US$	March 31, 2011 US$	Remaining contractual maturity
Liabilities			
Payables (Note 12)	121,582	132,360	Less than 1 year
	—	31,000	More than 1 year
	121,582	163,360	

(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 US$ changes relative to any other currency.

(iv) Interest rate risk

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 March 31, 2012	5% decrease March 31, 2012	5% increase March 31, 2011	5% decrease March 31, 2011
US$ denominated	US$	US$	US$	US$
Bank interest income	34	(34)	36	(36)
Effect on profit before tax	34	(34)	36	(36)

14. **CAPITAL MANAGEMENT**

The principal activity of the Company is to provide investment management services and to hold investments.

The Company invests its surplus funds in short term fixed deposits with the banks, with a view to maximise interest income.

The assets of the Company are managed by its Board of Directors and all investments/divestments decisions are taken by the Board.

The Company has an externally imposed capital requirement in that it should maintain a minimum stated and unimpaired capital of at least Mauritian Rupees 1 million or an equivalent amount. As at March 31, 2012 , the Company's stated capital is in excess of this minimum.

15. **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 period under review, the Company traded with related parties. The nature, volume of transactions and balance with the related parties are as follows:

Relationship	Nature of transaction	Volume of transactions US$	Balances US$	Payable(P) or receivable(R)
Fellow subsidiary	Advisory Fees	105,939	24,761	P
Parent Company	Consultancy income	3,118	—	—
Parent Company	Trail fees	181,780	40,283	P

The services below from International Financial Services Limited, the Administrator, are provided on commercial terms and conditions.

	31 March 2012 US$
Directors' fees	10,000
Secretarial fees	1,500
Administration and disbursements	59,078

16. **HOLDING AND ULTIMATE HOLDING COMPANY**

The Directors consider ICICI Bank Limited, incorporated in India as the holding and ultimate holding company.

17. **EVENTS AFTER THE REPORTING DATE**

There have been no significant events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended March 31, 2012.

ICICI PRUDENTIAL LIFE INSURANCE

ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

12TH ANNUAL REPORT AND ACCOUNTS 2011-2012

Directors
Chanda Kochhar, *Chairperson*
N. S. Kannan
K. Ramkumar
Rajiv Sabharwal
Barry Stowe
Adrian O'Connor
Keki Dadiseth
Marti G. Subrahmanyam
Rama Bijapurkar
Vinod Kumar Dhall
Sridar Iyengar
Sandeep Bakhshi, *Managing Director & CEO*
Puneet Nanda, *Executive Director*
Madhivanan Balakrishnan, *Executive Director*

Auditors
B S R & Co.
Chartered Accountants

S.R.BATLIBOI & CO.
Chartered Accountants

M. Sanaulla Khan
Company Secretary

Registered & Corporate Office
ICICI PruLife Towers,
1089 Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400 025.

directors' report

to the members

Your Directors have pleasure in presenting the Twelfth Annual Report of ICICI Prudential Life Insurance Company Limited (the Company) with the audited statement of accounts for the year ended March 31, 2012.

PERFORMANCE

Fiscal 2012 was the first full year of operations for the life insurance industry since the regulatory changes to product structures that came into effect from September 1, 2010. During the year, the retail new business of the industry (in weighted terms) recorded a negative growth of 4.8%. Within this, the public sector grew 11.2% and the private sector companies as a whole had a negative growth of 23.9%.

In line with the private sector performance, the Company registered a negative growth of 23.5% during FY2012. The Company had a private sector market share of 16.1% for the year as against 16.0% for fiscal 2011.

The key metrics for year ended March 31, 2012 are summarised below:

(₹ in '000)

Particulars	Fiscal 2011	Fiscal 2012
Premium income:	*178,806,290*	**140,215,780**
• New business premium	*74,389,868*	**44,410,932**
• Renewal premium	*104,416,422*	**95,804,848**
Profit/(Loss) before taxation	*8,325,037*	**14,137,226**
Provision for taxation (deferred tax)	*(248,809)*	**(295,489)**
Profit/Loss after taxation	*8,076,228*	**13,841,737**
Sum assured in force:		
- Basic policy	*1,350,544,690*	**1,651,229,818**
- Total (Basic + Riders)	*1,737,644,341*	**2,082,990,383**
Annualised premium equivalent (APE)	*39,754,314*	**31,178,843**
Assets held	*681,504,252*	**707,711,056**
Expense ratio*	*16.0%*	**17.9%**

* Expense ratio = Expenses (including commission and front line sales cost excluding unit expenses)/(Total premium income - 90% of single premium)

OUR REACH

The Company reaches its customers through 992 offices in 889 locations at March 31, 2012. At March 31, 2012, the Company had over 13,000 employees and over 130,000 advisors and is thus well equipped to cater to the needs of customers.

PRODUCTS

The Company offers a range of life, pension and health products across traditional and unit linked platforms with a view to provide a range of solutions to meet specific needs of customers.

DIVIDEND

The financial operations have resulted in a profit after tax of ₹ 13.84 billion as compared to a profit after tax of ₹ 8.08 billion for the previous year. The Board at its Meetings held on December 27, 2011 and January 17, 2012 had approved payment of interim dividend of ₹ 1.45 per share and ₹ 0.75 per share respectively. The Board at its Meeting held on April 25, 2012 recommended a final dividend of ₹ 0.70 per share which together with the interim dividend of ₹ 2.20 per share already declared and paid works out to a total dividend of ₹ 2.90 per share aggregating to ₹ 4.14 billion for fiscal 2012 representing a cumulative dividend rate of 30% for fiscal 2012. An amount of ₹ 1.38 billion was transferred to the reserves of the Company at March 31, 2012.

CLAIMS

The Company believes that claim settlement is the ultimate promise which needs to be delivered to policyholders/beneficiaries. Towards this objective, we have designed and developed robust claims processes and systems which ensures settlement of genuine and legitimate claims at the earliest, thereby protecting the interest of policyholders.

The Company has demonstrated its commitment by settling over 14,500 individual (life & health business) mortality claims and over 5,000 group mortality claims in fiscal 2012. For non-investigated claims, the average claim settlement was done within five days from receipt of last requirement as compared to the regulatory norm of 30 days.

SUBSIDIARY

The Company has a wholly owned subsidiary, ICICI Prudential Pension Funds Management Company Limited (PFM). 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.

During the year ended March 31, 2012, the subscribers' funds managed by PFM have reached ₹ 291.9 million (previous year: ₹ 107.7 million) and for the year ended March 31, 2012 the PFM registered a loss of ₹ 445,139 (previous year: loss of ₹ 2,158).

BOARD OF DIRECTORS

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Adrian O' Connor, Marti G. Subrahmanyam and Rama Bijapurkar will retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. Adrian O' Connor, Marti G. Subrahmanyam and Rama Bijapurkar have offered themselves for re-appointment.

AUDITORS

B S R & Co. and S. R. Batliboi & Co., Chartered Accountants, were appointed as joint statutory auditors of the Company at the 11th Annual General Meeting to hold office upto the conclusion of the ensuing Annual General Meeting.

B S R & Co., Chartered Accountants, were first appointed as joint statutory auditors of the Company at the 7th Annual General Meeting for FY2008. Pursuant to circular dated July 25, 2005 regarding the appointment of statutory auditors by insurance companies, IRDA requires that the joint statutory auditors should retire after completion of 5 years. Since B S R & Co. has completed the tenure of 5 years, it is now proposed to appoint S. B. Billimoria & Co. in place of B. S. R & Co., together with S. R. Batliboi & Co. as joint statutory auditors for FY2013.

A special notice has been received by the Company under Section 225(1) of the Companies Act, 1956 proposing the appointment of S. B. Billimoria & Co., Chartered Accountants as one of the joint Statutory Auditors of the Company in place of B S R & Co. No representation referred to in section 225(3) has been received from the retiring Auditors.

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.

RURAL AND SOCIAL BUSINESS
More than 331,133 policies were issued in rural areas, constituting over 32% of total policy issuances. The Company also covered more than 155,339 lives falling within the norm of 'social sector' business.

INCREASE IN SHARE CAPITAL
The paid-up capital of the Company was increased by ₹ 3.9 million (face value) pursuant to exercise of stock options granted under the Employee Stock Option Scheme taking the paid-up capital to ₹ 14.29 billion (face value) at March 31, 2012.

PUBLIC DEPOSITS
During the year under review, the Company has not accepted any deposits under Section 58A of the Companies Act, 1956.

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 and circulars related to insurance, anti money laundering and other regulatory requirements, to various functions. It also serves as a reference point for the staff of various functions for seeking clarifications on applicable laws, regulations and circulars issued by the regulatory authority. The Compliance team also monitors the adequacy of the compliance framework across the Company. Key issues observed as 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 certification from respective functional heads is placed at the Board Audit Committee on a quarterly basis.

RISK MANAGEMENT FRAMEWORK

Investment risk:
The Company uses the 1-year 99.5% Value at Risk (VaR) of the Embedded Value (EV) as a measure of exposure to market risk. The Company also conducts resilience testing of the balance sheet to evaluate the impact of market stresses on solvency and free assets.

For market risk management, the Company categorises its products based on their risk profiles.

a. Category 1: Participating and non participating endowment business.

   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.

b. Category 2: Other conventional business – Annuity, Non Par Investment, Non-unit of unit linked business, Protection and Paid up fund of participating products.

   Asset Liability Management is done by managing the duration gap between assets and liabilities. In addition, for certain products a cashflow matching strategy is used.

c. Category 3: Linked products with return and capital guarantee – Universal Life funds and Return Guarantee Funds.

   The Company manages the investment risk arising from these products by setting limits on the equity backing ratio and debt duration.

d. Category 4: Linked products without guarantees.

   The linked portfolio without guarantees has minimal investment risk to the solvency of the Company. These funds are managed with respect to an appropriate benchmark index and do not require any active ALM.

Credit risk is managed by restricting investments only to government bonds and highly rated corporate securities and continual monitoring of the credit portfolio. In addition, there are exposure limits to companies, groups and industries.

Liquidity risk is managed by specifying the minimum investment in cash and cash equivalent instruments and through cashflow matching for certain funds. Additionally, the Company has a liquidity contingency plan (LCP) which is implemented when the ratio of withdrawals to daily exchange turnover breaches a pre-defined threshold.

Insurance risk:
The Company uses the 1-year 99.5% Value at Risk (VaR) of the EV as the measure of risk exposure for persistency, mortality and morbidity risks.

The Company conducts its experience analysis regularly to compare actual experience with assumptions used for pricing and reporting to ensure that corrective action can be initiated at the earliest opportunity and assumptions are in line with experience. The Company uses reinsurance and underwriting as key mitigants for mortality and morbidity risk. The Company also reserves the right to review risk charges for certain products, in case of adverse experience, with IRDA approval.

Expense risk is recognised as a significant risk by the Company. The Company monitors the actual unit costs versus the planned unit costs for both acquisition and renewal expenses. In case of any adverse deviations, mitigation measures are taken.

The Company uses different key performance indicators to align interests and ensure adequate focus on expense and persistency.

Operational risk:
The Company identifies its operational risks through periodic Risk and Control Self Assessment (RCSA) which requires each business unit within the Company to identify and assess risks in terms of likelihood and impact. The risks identified are classified into risk categories including financial crime, business practice, process risk, people risk and outsourcing. The Company develops mitigation plans for high risk items. For each monitoring period, the past actual loss incidents and current audit findings are used to validate the RCSA. Additionally, the Company uses Key Risk Indicators (KRI) to monitor operational risk.

Corporate Governance
The corporate governance framework of the Company is based on an effective independent Board, the separation of Board's supervisory role from the executive management and the constitution of Board Committees, generally comprising a majority of independent/non-executive Directors and chaired by independent Directors, to oversee critical areas.

Philosophy of Corporate Governance
The Company's corporate governance philosophy encompasses not only regulatory and legal requirements but also several voluntary practices aimed at a high level of business ethics, effective supervision and enhancement of value for all stakeholders, legally, ethically and on a sustainable basis, while ensuring fairness. The Insurance Regulatory & Development Authority (IRDA) had issued corporate governance guidelines applicable to all insurance companies. The Guidelines have come into force effective April 1, 2010. The Company had taken necessary steps and put in appropriate processes to ensure compliance with the same. The corporate governance framework adopted by the Company already encompasses a significant portion of the recommendations contained in the 'Corporate Governance Voluntary Guidelines 2009' issued by the Ministry of Corporate Affairs, Government of India.

Whistle Blower Policy
The Company has formulated a Whistle Blower Policy. In terms of this policy, employees of the Company are free to raise issues, if any, on breach of any law, statute or regulation by the Company and on the accounting policies and procedures adopted for any area or item and report them to the Board Audit Committee through specified channels. This mechanism has been communicated and posted on the Company's intranet.

Code of Conduct for Personal Investments
The Company has a Code of Conduct for personal investments. The objective of the Code is to prohibit insider trading in any manner by the Access Persons and to maintain confidentiality of unpublished price sensitive information and access to information on a "need to know" basis. The Code is applicable to all "Access Persons" and their "Family Members" as defined in this Code and forms a part of the code of conduct for such employees.

Code of business conduct and ethics
The Board of Directors has approved a Code of Business Conduct and Ethics for Directors and employees of the Company. The Code aims at ensuring consistent standards of conduct and ethical business practices across the constituents of the Company.

The Code lays down the broad framework of general guiding principles.

Board of Directors
The Company has a broad-based Board of Directors, constituted in compliance with the Companies Act, 1956 and in accordance with good corporate governance practices. The Board comprises fourteen Directors; four nominated by ICICI Bank Limited, two nominated by Prudential Plc, five independent Directors, the Managing Director & CEO and two Executive Directors. Except the Managing Director & CEO and the two Executive Directors, all other Directors including the Chairperson of the Board are non-executive Directors. There is a clear segregation of responsibility and authority between the non-executive Directors and the executive management. The Board is responsible for overall corporate strategy and other responsibilities as laid down by IRDA under the Corporate Governance guidelines. The Managing Director & CEO and the Executive Directors oversee implementation of strategy, achievement of the business plan and day-to-day operations. 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 and marketing. None of the Directors are related to any other Director or employee of the Company.

The Board functions either as a full Board or through various Committees constituted to oversee specific operational areas. The Board has constituted six Committees, namely, Board Audit Committee, Board Risk Management Committee, Board Investment Committee, Board Customer Service & Policyholders' Protection Committee, Board Compensation & Nominations Committee and Share Transfer Committee. These Board Committees mainly consist of independent/non-executive Directors and all the Committees are chaired by independent Directors.

At March 31, 2012, the Board of Directors consisted of 14 members. There were five Meetings of the Board during FY2012 - on April 21, July 21, October 14 and December 27 in 2011 and January 17 in 2012. The names of the Directors and their attendance at Board Meetings during the year are set out in the following table:

Name of the Director	Qualification	Field of specialisation	Number of Board Meetings Held: 5 Attended
Chanda Kochhar, Chairperson (Nominee of ICICI Bank)	MMS - Finance, ICWA	Banking, Financial Services	5
N. S. Kannan, Non Executive Director (Nominee of ICICI Bank)	Bachelor of Engineering (Honours), PGDM, Chartered Financial Analyst (CFA)	Banking, Financial Services	5
K. Ramkumar, Non Executive Director (Nominee of ICICI Bank)	B. Sc, PG Diploma in Personnel Management	Human Resources Management, Customer Service and Operations	4
Rajiv Sabharwal, Non Executive Director (Nominee of ICICI Bank)	B. Tech, MBA	Banking, Financial Services	5
Barry Stowe, Non Executive Director (Nominee of Prudential Corporation)	BA - Politics	Life insurance, fund management	3*
Adrian O'Connor Non Executive Director (Nominee of Prudential Corporation)	Fellow of the Institute of Actuaries and Fellow of Society of Actuaries	Financial management, strategic planning	3*
Keki Dadiseth, Independent Director	B. Com, F.C.A (England and Wales)	Finance	3
Prof. Marti G. Subrahmanyam, Independent Director	B.Tech, PGDM , Ph.D.	Corporate finance, capital markets and international finance	3*
Rama Bijapurkar, Independent Director	B.Sc (Hon.), PGDM	Market strategy	4
Vinod Kumar Dhall, Independent Director	LLB , M.Sc, Masters degree in Mathematics	Corporate Affairs, Law	4
Sridar Iyengar, Independent Director	B. Com (Hons), FCA	Finance, Accounts & Audit	3*
Sandeep Bakhshi, Managing Director & CEO (w.e.f August 1, 2010)	B.E (Mech), PGDM	Corporate Banking, Insurance, Financial Services	5
Puneet Nanda, Executive Director	B.E, PGDM	Insurance, Financial Services	5
Madhivanan Balakrishnan, Executive Director	B. Sc (Chemistry), MBA	Banking, Financial Services	5

* Participated in one Meeting through teleconference not included in the table above

Board Committees

The Board has six Committees, details of which are as follows:

a) **Board Audit Committee**

Terms of reference:

I. Accounts & Audit

- Oversee the financial statements, financial reporting, statement of cash flow and disclosure processes both on an annual and quarterly basis.
- Recommend the appointment, re-appointment and, if required, the replacement or removal; remuneration, performance and oversight of the work of the auditors (internal/statutory/concurrent).
- Oversight of the procedures and processes established to attend to issues relating to maintenance of books of account, administration procedures, transactions and other matters having a bearing on the financial position of the Company, whether raised by the auditors or by any other person.
- Discuss with the statutory auditors before the audit commences, about the nature and scope of audit, as well as, have post-audit discussions to address areas of concern.
- Approval of payment to statutory auditors and internal auditors or any of its associated persons or companies, for any other services rendered by them.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
    - Changes, if any, in accounting policies and practices and reasons for the same.
    - Major accounting entries involving estimates based on the exercise of judgment by management.
    - Significant adjustments made in the financial statements arising out of audit findings.
    - Compliance with listing and other legal requirements relating to financial statements to the extent applicable.
    - Disclosure of any related party transactions.
    - Qualifications in the draft audit report.
- To the extent applicable review with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Review of housekeeping items, particularly review of suspense balances, reconciliations (including Securities General Ledger (SGL) accounts) and other outstanding assets & liabilities.

II. Internal Audit

- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Oversee the efficient functioning of the internal audit department and review its reports. The Committee will additionally monitor the progress made in rectification of irregularities and changes in processes wherever deficiencies have come to notice.
- Set-up procedures and processes to address all concerns relating to adequacy of checks and control mechanisms.
- Review 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.
- Review with the management, performance of internal auditors, and the adequacy of the internal control systems.
- Look into the reasons for substantial defaults in the payment, if any, to the depositors, debenture holders, 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.
- Review reports on the above and on proactive compliance activities aimed at increasing the Company's ability to meet its legal and ethical obligations, on identified weaknesses, lapses, breaches or violations and the controls and other measures in place to help detect and address the same.
- Supervise and monitor matters reported using the Company's whistle blowing or other confidential mechanisms for employees and others to report ethical and compliance concerns or potential breaches or violations.
- Advise the Board on the effect of the above on the Company's conduct of business and helping the Board set the correct "tone at the top" by communicating, or supporting the communication, throughout the Company of the importance of ethics and compliance.
- Approve compliance programmes, reviewing their effectiveness on a regular basis and signing off on any material compliance issues or matters.
- Review key transactions involving conflict of interest.
- Review the Anti Money Laundering (AML)/Counter – Financing of Terrorism (CFT) policy annually and review the implementation of the Companies AML/CFT programme.
- Review compliance of Insurance Regulatory & Development Authority (IRDA) Corporate Governance guidelines.
- Monitor the directives issued/penalties imposed/penal action taken against the Company under various laws and statutes and action taken for corrective measures.

Members & Attendance details:

Name of the member	Number of Meetings Held: 5 Attended
Keki Dadiseth – Chairman	5
K. Ramkumar	5
Adrian O'Connor	2

b) **Board Risk Management Committee**

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.

Members & Attendance details:

Name of the member	Number of Meetings Held: 4 Attended
Marti G. Subrahmanyam – Chairman	3
Rama Bijapurkar	4
N. S. Kannan	4
Adrian O'Connor	2

c) **Board Investment Committee**

Terms of reference:

- Responsible for laying down an overall Investment Policy and operational framework for the investment operations of the Company. The Policy should focus on prudential Asset Liability Management (ALM) supported by robust internal control systems. The Investment Policy and operational framework should, inter alia, encompass aspects concerning liquidity for smooth operations, compliance with prudential regulatory norms on investments, risk management/mitigation strategies to ensure commensurate yield on investments and above all protection of policyholders' funds.
- Responsible for a periodic review of the Investment Policy based on the performance of investments and the evaluation of dynamic market condition.
- Put in place an effective reporting system to ensure compliance with the Policy set out by it apart from Internal/Concurrent Audit mechanisms for a sustained and on-going monitoring of Investment Operations.
- Set the Company's risk/reward objectives and assess policyholders' expectations.
- Quantify the level of risk exposure and assess the expected rewards and costs associated with the risk exposure.
- To furnish a 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.

Members & Attendance details:

Name of the member	Number of Meetings Held: 4 Attended
Marti G. Subrahmanyam – Chairman	3
N. S. Kannan	4
Adrian O'Connor	2
Sandeep Bakhshi	4
Puneet Nanda	4
Avijit Chatterjee	4
Manish Kumar	4

d) **Board Customer Service & Policyholders' Protection Committee**

Terms of reference:

- Putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including misselling by intermediaries
- 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. These disclosures shall, for the present, comply with the requirements laid down by the Authority both at the point of sale and at periodic intervals
- Review the status of complaints of the policyholders at periodic intervals
- Provide the details of grievances at periodic intervals in such formats as may be prescribed by the Authority
- Provide details of insurance ombudsmen to the policyholders
- Shape the customer service philosophy and policies of the organisation based on the overall environment in the financial services industry
- Oversee the functions of the customer service council
- Review measures for enhancing the quality of customer service
- Provide guidance to improve in the overall satisfaction level of customers

Members & Attendance details:

Name of the member	Number of Meetings Held: 4 Attended
Vinod Kumar Dhall – Chairman	4
K. Ramkumar	4
Adrian O'Connor	3

e) **Board Compensation & Nominations Committee**

Terms of reference:

- Recommending appointment of Directors on the Board
- Fix remuneration of the Directors
- Approve executive compensation program

Members & Attendance details:

Name of the member	Number of Meetings Held: 3 Attended
Rama Bijapurkar – Chairperson	3
Marti G. Subrahmanyam	2
Vinod Kumar Dhall	3
K. Ramkumar	3
Adrian O'Connor	2

Remuneration policy

The Board Compensation and Nominations Committee determines and recommends to the Board the amount of remuneration, including performance bonus and perquisites, payable to the wholetime Directors on certain parameters.

The following table sets out the details of remuneration (including perquisites and retiral benefits) paid to wholetime Directors for FY2012.

(₹ in '000)

Details	Sandeep Bakhshi, Managing Director & CEO	Puneet Nanda Executive Director	Madhivanan Balakrishnan, Executive Director
Basic	8,752	5,557	5,557
Bonus	4,508	3,938	4,053
Retirals	1,779	1,130	1,130
Allowances/ Perquisites	5,432	5,587	5,406
LTRS*	—	2,000	—

* Long Term Reward Scheme

Sitting fees paid to independent Directors during the financial year ended March 31, 2012:

Name of the member	Amount (in ₹)
Keki Dadiseth	160,000
Marti G. Subrahmanyam	220,000
Rama Bijapurkar	220,000
Vinod Kumar Dhall	220,000
Sridar Iyengar	60,000

f) **Share Transfer Committee**

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

Members:

Vinod Kumar Dhall (Chairman)
Keki Dadiseth
Sandeep Bakhshi, Managing Director & CEO

During the year, no Meetings of the Committee were held.

Grievance Redressal Committee
Grievance Redressal Committee is formed as per the Redressal of Public Grievances, 1998 to provide effective grievance redressal to the policyholders. The Committee consists of two external members and three members from senior management team of the Company. R. Narayanan, an external member, chairs the Committee. As part of the grievance redressal mechanism, the GRC is set up as the final authority to address the policyholders' grievances before approaching the Ombudsman office. Additionally, the Committee focuses on building and strengthening customer service orientation in the Company by initiating various measures including simplifying processes for improvement in customer service levels. The Committee holds quarterly review Meetings to discuss service updates, claims experiences, ongoing projects specifically targeted towards improvement of customer service and appropriate actions arising from discussions.

The GRC carries out the following specific functions:

a) Evaluate feedback on quality of customer service and claims experience.
b) Review and approve representations received on claims repudiations.
c) Ensure that the Company follows all prescribed regulatory requirements on policyholder service.
d) Submit report on its performance to the Customer Service & Policyholder Protection Committee (CS & PPC) on a quarterly basis.

The key discussions of the GRC Meeting are put up at the Board Customer Service & Policyholders' Protection Committee for information.

General Body Meetings

The details of the last three Annual General Meetings (AGM) are given below:

Financial Year ended	Day, Date	Start time	Venue
Ninth AGM	Friday, June 12, 2009	11.00 a.m.	ICICI PruLife Towers, 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025
Tenth AGM	Thursday, September 9, 2010	11.30 a.m.	ICICI PruLife Towers, 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025
Eleventh AGM	Tuesday, July 19, 2011	3.00 p.m.	ICICI PruLife Towers, 1089 Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025

The following special resolutions were passed by the members during the last three Annual General Meeting:

Annual General Meeting held on June 12, 2009

- Appointment of V. Vaidyanathan as the Managing Director & CEO of the Company for a period of five years effective May 1, 2009.
- Supplementary Allowance payable to Shikha Sharma, Managing Director, N. S. Kannan, and Bhargav Dasgupta, Executive Directors.

Annual General Meeting held on September 9, 2010

- Appointment of Sandeep Bakhshi as the Managing Director & CEO of the Company for a period of five years effective August 1, 2010.
- Appointment of Puneet Nanda as the Executive Director of the Company for a period of five years effective August 1, 2010.
- Appointment of Madhivanan Balakrishnan as the Executive Director of the Company for a period of five years effective August 1, 2010.

Annual General Meeting held on July 19, 2011

- Revision in remuneration payable to Sandeep Bakhshi, Managing Director & CEO.
- Revision in remuneration payable to Puneet Nanda, Executive Director.
- Revision in remuneration payable to Madhivanan Balakrishnan, Executive Director.

General Shareholder Information

General Body Meeting	Day, Date & Time	Venue
Twelfth AGM	Monday, June 18, 2012, 11.00 a.m.	ICICI Prulife Towers, 1089, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025

Share Transfer System
The Company's investor services are handled by 3i Infotech Limited (3i Infotech). 3i Infotech is a SEBI registered Category I - Registrar to an Issue & Share Transfer (R&T) Agent. 3i Infotech is a global information technology Company providing technology solutions and in addition to R&T services provides software products, managed IT Services, application software development & maintenance, payment solutions, business intelligence, document imaging & digitization, IT consulting and various transaction processing services. 3i Infotech's quality certifications include SEI CMMI Level 5 for software business, ISO 9001:2000 for BPO (including R&T), ISO 27001:2005 for infrastructure services and ISO 20000-1:2005 for Data Centre Management Services.

Physical share transfer requests are processed and the share certificates are returned normally within a period of fifteen days from the date of receipt, if the documents are correct, valid and complete in all respects.

Registrar and Transfer Agent
The address of the Registrar and Transfer Agent of the Company is as follows.

3i Infotech Limited
International Infotech Park
Tower 5, 3rd Floor
Vashi Railway Station Complex
Vashi, Navi Mumbai 400 703
Maharashtra, India
Tel No. : +91-22-6792 8000
Fax No. : +91-22-6792 8099

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:

(₹ in '000)

Particulars	Fiscal 2011	Fiscal 2012
Foreign exchange earnings and outgo		
- Earnings	—	6,269
- Outgo	437,160	315,689

DIRECTORS' RESPONSIBILITY STATEMENT
The Directors confirm:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed, alongwith proper explanation relating to material departures;
- 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;
- 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
- that they 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. The Directors also 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

Date: April 25, 2012
Place: Mumbai

CHANDA KOCHHAR
Chairperson

"Certification for compliance of the Corporate Governance Guidelines"
I, M. Sanaulla Khan, hereby certify that the Company has complied with the Corporate Governance guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

Date: April 25, 2012
Place: Mumbai

M. Sanaulla Khan
Company Secretary

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, 2012:

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, 2013 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 is 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 387,975 shares have been allotted during the year under review.

The shareholding pattern of the Company at March 31, 2012 was as follows:

1. ICICI Bank Limited – 73.86%
2. Prudential Corporation Holdings Limited – 25.95%
3. Others – 0.19%

4. **Investments outside India**
We hereby declare that no investments, directly or indirectly have been made outside India from 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 as prescribed under Section 64VA of the Insurance Act, 1938 and the IRDA (Assets, Liabilities and Solvency Margin of Insurers) Regulations, 2000.

The details of the solvency ratio are as below:

Particulars	March 31, 2012	*March 31, 2011*
Actual solvency ratio	**371.3%**	*327.3%*
Required solvency ratio	**150.0%**	*150.0%*

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.

Non-Linked Investments
We hereby certify that, as required by IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, all debt securities including government securities and redeemable preference shares are considered as 'held to maturity' and accordingly measured 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. At March 31, 2012 the market value of these investments is lower by ₹ 2,164,499 thousand (Previous year: the market value of these investments was lower by ₹ 1,026,343 thousand). The lower market value is attributable to the 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.

Listed equity shares and mutual fund investments are measured at fair value. The unrealised gain at March 31, 2012 on these investments amount to ₹ 2,410,747 thousand (Previous year: Unrealised gain of ₹ 2,381,060 thousand).

Investment in real estate is valued at historical cost, subject to revaluation (at least once in every three years). The real estate investment has been re-valued during the year ended March 31, 2012 and change in carrying amount of ₹ 35,600 thousand has been taken to the revaluation reserve in the Balance Sheet. There was no change in the carrying amount of the real estate during the previous year.

Linked Investments
Investments in linked business are valued on mark-to-market basis.

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 Company uses the following approaches to assess risk exposure to its Embedded Value and the statutory position. The Embedded Value of the Company is the present value of shareholders' interests in the earnings distributable from assets allocated to the covered business after sufficient allowance for the aggregate risks in the covered business.

- **Risk to the Embedded Value (EV):** The Company considers the 1-year Value at Risk (VaR) of the EV, calculated using estimates of 1-in-200 year economic and non- economic stress scenarios, to be the appropriate measure of risk exposure for market, credit, persistency, mortality and morbidity risks.
- **Risk to the growth of the EV:** In addition to the risk to the current EV, the Company also considers risks that impede future growth of the EV like insufficient new business profit growth and over-run in acquisition or renewal expenses, caused by adverse deviation of actual unit costs from planned unit costs.
- **Risk to the statutory position:** The Company conducts asset liability modelling on its balance sheet to assess potential impacts on its solvency cover and on its free surplus. The analysis indicates that even under reasonably foreseeable extreme economic stresses the available solvency margin would remain above 150% of the required solvency margin required by regulations.

The mitigation strategy in respect of various risks is as under:

(a) **Market risk:** For management of market risk, the Company categorizes its products based on their risk profiles. The mitigation strategies for different portfolios are as follows:

i. **Category 1: Participating and non-participating endowment business**

For these funds 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 optimizing policyholder returns, subject to regulatory constraints. Asset Liability Management (ALM) is done through monthly monitoring of the equity backing ratio and debt duration against limits as applicable. The bonus declaration mechanism for participating products also helps in the smoothing of the volatility of the investment returns.

ii. **Category 2: Other conventional business – Annuity, Non Par Investment, Non-unit of unit linked business, Protection and Paid up fund of participating products**

The liabilities for these lines of business are obligations to policyholders or to meet expenses and have to be met either at a fixed time or on the occurrence of a contingency. The Company manages the risk on such products by investing only in fixed income instruments. ALM is done by managing the duration gap between assets and liabilities. In addition, for certain products a cashflow matching strategy is used.

iii. **Category 3: Linked products with return and capital guarantee – Universal Life funds and Return Guarantee Funds**

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. The Company manages the investment risk arising from these products by setting limits on the equity backing ratio and debt duration.

iv. **Category 4: Linked products without guarantees**

The linked portfolio without guarantees has minimal investment risk to the solvency of the Company. These funds are managed with respect to an appropriate benchmark index and do not require any active ALM.

(b) **Credit risk:** The Company manages the credit risk of its investments through the following measures:

i. Exposure limits for companies, groups and industries in accordance with IRDA norms and limits as per its own Investment Policy;

ii. Restricting approved investments only to securities rated AA and above or to instruments specifically approved by the Executive Investment Committee; and

iii. Monitoring credit spread on corporate bonds to ensure adequate reward for credit risk taken.

(c) **Liquidity risk:** The Company faces limited liquidity risk due to the nature of its liabilities. The Company has put 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 or cash instruments to meet near term liquidity requirements or specifying cashflow matching.

ii. Liquidity contingency plan which is implemented when the ratio of withdrawals to daily exchange turnover breaches a pre-defined threshold.

iii. Most of our linked product terms and conditions allow us to delay the claim payouts under certain stress scenarios.

(d) **Morbidity and Mortality risk:** The Company uses the following approaches to manage its mortality and morbidity risk:

i. **Reinsurance:** The Company uses a combination of surplus, quota share and catastrophe reinsurance treaties with reputed and highly rated international reinsurers to manage the risk.

ii. **Repricing:** The Company also 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 and manage the risks. The Company conducts 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 the light of market practice to manage insurance risk.

v. **Experience analysis:** The Company conducts its experience analysis regularly to ensure that corrective action can be initiated at the earliest opportunity and that assumptions are in line with experience.

(e) **Persistency risk:** The Company uses the following approaches to manage the risk:

i. **Experience analysis:** The Company conducts its experience analysis regularly to ensure that corrective action can be initiated at the earliest opportunity and that assumptions used in product pricing and embedded value reporting are in line with experience.

ii. **Product features:** The Company uses features like loyalty bonuses and additional allocation of units to encourage policyholders to continue with the policy.

iii. **Service initiatives:** The Company uses a combination of proactive and reactive interventions to manage persistency. The interventions could include sending communication via different media like email to customers and distributors and reminders and telephonic interviews with customers.

iv. **Aligning key performance indicators:** The Company uses different key performance indicators for different levels of hierarchy in sales and operations to align interests and ensure adequate focus on persistency.

(f) **Expense risk:** The Company uses the following approaches to manage the risk:

i. **Experience analysis:** The Company actively monitors its expense levels, which are then fed back into new product pricing, calculation of reserves and management reporting. In case of any adverse deviations between actual unit costs and planned unit costs, mitigation measures are taken.

ii. **Aligning key performance indicators:** The Company uses different key performance indicators to align interests and ensure adequate focus on expense.

(g) **Operational risk:** The Company identifies its operational risks through periodic Risk and Control Self Assessment (RCSA) which requires each business unit within the Company to identify and assess risks in terms of likelihood and impact. The risks identified are classified into risk categories including financial crime, business practice, process risk, people risk and outsourcing. The Company develops mitigation plans for high risk items. For each monitoring period, the past actual loss incidents and current audit findings are used to validate the RCSA. Additionally, the Company uses Key Risk Indicators (KRI) to monitor operational risk.

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)
2011-12	5
2010-11	7
2009-10	7
2008-09	7
2007-08	6
2006-07	7

The ageing of claims registered and not settled as of March 31, 2012 has been detailed herein below:

Linked business:

(₹ in '000)

Period	Number of Claims	Amount
Upto 30 days	**11**	4,853
Greater than 30 days and upto 6 months	**11**	4,469
Greater than 6 months and upto 1 year	**—**	—
Greater than 1 year and upto 5 years	**6**	6,693
Greater than 5 years	**2**	504

Non Linked business:

(₹ in '000)

Period	Number of Claims	Amount
Upto 30 days	**3**	3,152
Greater than 30 days and upto 6 months	**13**	8,503
Greater than 6 months and upto 1 year	**—**	—
Greater than 1 year and upto 5 years	**1**	142
Greater than 5 years	**1**	243

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 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. Listed equity shares and mutual fund investments are carried at fair value. 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 (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 securities are 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. Securities with residual maturity of upto 182 days are to be valued at cost plus the difference between the redemption value and cost spread uniformly over the remaining maturity period of the instrument
- Mutual fund units: Mutual fund units are valued at latest available 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
- Fixed deposits with banks: Investments in Fixed deposits are valued at cost
- 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 Act, 1938, Insurance Regulatory and Development Authority (Investments) Regulations, 2008, Investment Policy and various other circulars/notifications/amendments issued by IRDA in this context from time to time.

The portfolio mix of assets of the Company at March 31, 2012 is as follows:

Asset type	% of assets held*
Equity	55.3
Debentures and bonds	14.4
Money market instruments	10.8
Government securities	8.8
Fixed deposits	7.6
Mutual funds	1.1
Net current assets and other investments	2.0
Total	**100.0**

*Non-Linked Funds under management are valued at fair value for equity and mutual fund. Debt securities, including government securities are measured at historical cost subject to amortisation of premium/accretion of discount. The value of investment property is presented at historical cost, subject to revaluation. Linked Funds are valued at market value.

At March 31, 2012, majority of the linked funds generated returns better than their respective benchmarks (81% of the funds outperformed the benchmark over 1 year and 91% of the funds outperformed the benchmark over 5 years). Returns generated by major funds as against their respective benchmarks over 1 and 5 years are given below:

Management Report for the year ended March 31, 2012

Fund name	SFIN	Assets held	(Annualised returns)			
		(₹ in '000)	1 year		5 year	
			Fund	Benchmark	Fund	Benchmark
Maximiser Fund	ULIF 001 22/10/01 LMaximis1 105	53,872,102	(6.3%)	(9.2%)	8.6%	6.8%
Pension Flexi Growth Fund II	ULIF 030 20/03/07 PFlexiGro2 105	28,730,725	(6.5%)	(8.7%)	7.8%	6.1%
Flexi Growth Fund	ULIF 026 20/03/07 LFlexiGro1 105	28,341,752	(7.4%)	(8.7%)	6.9%	6.1%
Pension Flexi Growth Fund	ULIF 029 20/03/07 PFlexiGro1 105	27,552,965	(7.7%)	(8.7%)	6.5%	6.1%
Pension RICH Fund	ULIF 052 17/03/08 PRICH1 105	24,120,603	(8.1%)	(9.3%)	NA	NA
Pension Maximiser Fund II	ULIF 013 17/05/04 PMaximis2 105	21,640,998	(5.2%)	(9.2%)	9.2%	6.8%
Pension RICH Fund II	ULIF 053 17/03/08 PRICH2 105	17,732,522	(7.3%)	(9.3%)	NA	NA
Pension Protector Fund	ULIF 006 03/05/02 PProtect1 105	16,305,984	8.2%	7.7%	7.9%	6.7%
Group Balanced Fund	ULGF 001 03/04/03 GBalancer 105	16,223,426	6.3%	5.2%	9.7%	7.3%
Pension Dynamic P/E Fund	ULIF 098 11/01/10 PDynmicPE 105	14,332,302	(7.6%)	(5.0%)	NA	NA
Multiplier Fund	ULIF 042 22/11/07 LMultip1 105	14,281,028	(7.3%)	(9.2%)	NA	NA
Flexi Growth Fund II	ULIF 027 20/03/07 LFlexiGro2 105	13,736,148	(6.7%)	(8.7%)	7.7%	6.1%
Balancer Fund	ULIF 002 22/10/01 LBalancer1 105	13,585,525	2.5%	1.9%	9.0%	7.8%
Pension Multi Cap Growth Fund	ULIF 091 11/01/10 PMCapGro 105	12,716,283	(3.6%)	(8.7%)	NA	NA
Dynamic P/E Fund	ULIF 097 11/01/10 LDynmicPE 105	12,671,688	(7.7%)	(5.0%)	NA	NA
Maximiser Fund II	ULIF 012 17/05/04 LMaximis2 105	12,217,300	(5.3%)	(9.2%)	9.6%	6.8%
Flexi Growth Fund IV	ULIF 038 27/08/07 LFlexiGro4 105	11,859,117	(6.7%)	(8.7%)	NA	NA
RICH Fund	ULIF 048 17/03/08 LRICH1 105	11,759,565	(10.4%)	(9.3%)	NA	NA
RICH Fund II	ULIF 049 17/03/08 LRICH2 105	10,823,068	(9.7%)	(9.3%)	NA	NA
Protector Fund	ULIF 003 22/10/01 LProtect1 105	8,794,343	8.1%	7.7%	7.9%	6.7%

NA – indicates that the fund was non-existent during relevant year

The Company has a well-diversified portfolio across various asset classes, investee companies, groups and industries. The majority of equity investments are held in companies listed in BSE 100 or Nifty 50 stocks. The Company maintains high quality of assets at all points in time in the fixed income portfolio as well. 91% of the fixed income portfolio is held in highest credit quality rating securities (AAA and equivalent) with no downgrade in credit quality rating during the financial year. There have been no defaults in repayment of principal or interest in the Company's debt portfolio.

13. Payments made to parties in which Directors are interested

The details of such payments for the year ended March 31, 2012 are given below:

(₹ in '000)

Sr. No.	Name of Director	Entity in which Director is interested	Interested as	Amount paid
1	Chanda Kochhar	ICICI Bank Limited ICICI Lombard General Insurance Company Limited ICICI Securities Limited	Managing Director & CEO Chairperson Chairperson	5,879,628 96,936 391,715
2	Keki Dadiseth	The Indian Hotels Company Limited	Director	777
3	Rama Bijapurkar	CRISIL Limited Axis Bank Limited	Director Director	2,773 506
4	K. Ramkumar	ICICI Bank Limited ICICI Venture Funds Management Company Limited	Executive Director Director	5,879,628 120
5	N. S. Kannan	ICICI Bank Limited ICICI Lombard General Insurance Company Limited	Executive Director & CFO Director	5,879,628 96,936
6	Rajiv Sabharwal	ICICI Bank Limited ICICI Home Finance Company Limited	Director Chairman	5,879,628 4,449
7	Sridar Iyengar	ICICI Bank Limited CL Educate India Limited Rediff.com India Limited	Director Director Director	5,879,628 7,364 3,144

14. Management Responsibility Statement

The Management confirms that:

(i) In the preparation of financial statements, the applicable accounting standards, principles and policies are 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 profit and of the profit 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 and on behalf of the Board of Directors

CHANDA KOCHHAR
Chairperson

KEKI DADISETH
Director

K. RAMKUMAR
Director

SANDEEP BAKHSHI
Managing Director & CEO

PUNEET NANDA
Executive Director

AVIJIT CHATTERJEE
Appointed Actuary

SATYAN JAMBUNATHAN
Executive Vice President

Mumbai, April 25, 2012

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 31 March 2012, 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 Without qualifying our opinion, we draw your attention to Note no. 3.15 of schedule 16 to the financial statements. In view of the reasons stated in the said note, no adjustments on account of the tax proposals applicable to insurance companies as contained in the Finance Bill 2012 have been made to the carrying value of deferred tax asset of ₹ 860,260 thousand of the Company as at 31 March 2012.

4 Further to our comments made 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 the audit and have found them to be satisfactory;

(b) 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;

(c) 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;

(d) 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 31 March 2012 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 valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists on financial statements of the Company;

(e) On the basis of written representations received from the Directors of the Company, as on 31 March 2012 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

5 In our opinion and to the best of our information and according to the explanations given to us, we further report that:

(a) Proper books of account as required by law have been maintained by the Company, so far as appears from our examination of those books;

(b) 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;

(c) 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 Auditor's Report of Insurance Companies) Regulations, 2002, ('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 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;

(e) 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 31 March 2012;

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.

For S. R. Batliboi & Co.	For B S R & Co.
Chartered Accountants	*Chartered Accountants*
Firm's Registration No: 301003E	*Firm's Registration No: 101248W*
per SHRAWAN JALAN	N SAMPATH GANESH
Partner	*Partner*
Membership No: 102102	Membership No: 042554
Mumbai, April 25, 2012	Mumbai, April 25, 2012

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 31 March 2012, we certify that:

1. We have reviewed the Management Report attached to the financial statements for the year ended 31 March 2012, and have found no apparent mistake or material inconsistencies with the financial statements;
2. Based on management representations and compliance certificates noted by the Board Audit Committee, we certify that the Company has complied with the terms and conditions of registration stipulated by Insurance Regulatory and Development Authority (IRDA);
3. We have verified the cash balances, to the extent considered necessary, and securities relating to the Company's loans and investments as at 31 March 2012, 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 31 March 2012, the Company does not have reversions and life interests;
4. The Company is not a trustee of any trust; and
5. 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 Auditor's 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 S. R. Batliboi & Co.	For B S R & Co.
Chartered Accountants	*Chartered Accountants*
Firm's Registration No: 301003E	*Firm's Registration No: 101248W*
per SHRAWAN JALAN	N SAMPATH GANESH
Partner	*Partner*
Membership No: 102102	*Membership No: 042554*
Mumbai, April 25, 2012	*Mumbai, April 25, 2012*

FORM A-RA
Name of the Insurer: ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED
Registration number and date of registration with the IRDA : Regn.No. 105 dated 24.11.2000

(₹ in '000)

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	7,287,840	5,756,123	14,944,719	2,347,745	248,775	57,454,640	42,154,834	1,929,528	8,091,576	**140,215,780**
(b) Reinsurance ceded		(8,492)	(72)	(529,370)	—	(60,099)	(67,869)	(164)	(269,810)	(1,104)	**(936,980)**
Income from Investments											
(a Interest, Dividend & Rent - Gross		2,419,628	1,270,301	646,440	809,238	22,312	9,300,232	7,966,663	89,092	3,738,420	**26,262,326**
(b) Profit on sale/redemption of investments		59,584	8,750	85,975	6,701	2,619	21,197,939	13,631,897	70,605	1,159,538	**36,223,608**
(c) Loss on sale/redemption of investments		(107,476)	(37,517)	(5,635)	(1,474)	(65)	(9,324,602)	(8,655,168)	(108,550)	(578,636)	**(18,819,123)**
(d) Unrealised gain/(loss)		—	—	—	—	—	(27,543,149)	(17,044,166)	(54,265)	(419,027)	**(45,060,607)**
(e) Appropriation / Expropriation Adjustment Account		—	—	—	—	—	353,303	(352,681)	(3,918)	(20,992)	**(24,288)**
Other income:											
Contribution from the Shareholders' account		—	—	2,422,707	1,075,299	—	—	—	—	—	**3,498,006**
Fees and charges		41,143	2,302	5,304	—	752	12,463	508	41	9	**62,522**
Miscellaneous income		6,269	251	23,860	200	314	35,886	6,976	2,214	605	**76,575**
Total (A)		**9,698,496**	**7,000,138**	**17,594,000**	**4,237,709**	**214,608**	**51,418,843**	**37,708,699**	**1,654,937**	**11,970,389**	**141,497,819**
Commission	2	611,869	11,673	2,950,124	802	11,732	1,863,486	497,775	102,122	19,731	**6,069,314**
Operating expenses related to Insurance business	3	1,367,436	35,987	5,115,251	38,267	71,608	9,902,446	2,777,578	573,107	192,145	**20,073,825**
Total (B)		**1,979,305**	**47,660**	**8,065,375**	**39,069**	**83,340**	**11,765,932**	**3,275,353**	**675,229**	**211,876**	**26,143,139**
Benefits paid (Net)	4	1,340,714	1,496,107	797,788	695,787	75,564	44,003,282	30,140,189	166,219	5,828,152	**84,543,802**
Interim Bonus Paid		28,848	983	—	—	—	—	—	—	—	**29,831**
Change in valuation of liability in respect of life policies											
(a)Gross amount		6,213,029	5,354,970	11,098,262	3,670,947	(169,503)	(7,425,909)	(5,623,404)	778,218	5,117,923	**19,014,533**
(b)Amount ceded in reinsurance		—	—	(1,988,699)	—	—	—	—	—	—	**(1,988,699)**
(c)Amount accepted in reinsuarnce		—	—	—	—	—	—	—	—	—	**—**
Total (C)		**7,582,591**	**6,852,060**	**9,907,351**	**4,366,734**	**(93,939)**	**36,577,373**	**24,516,785**	**944,437**	**10,946,075**	**101,599,467**
SURPLUS/ (DEFICIT) (D) =(A)-(B)-(C)		**136,600**	**100,418**	**(378,726)**	**(168,094)**	**225,207**	**3,075,538**	**9,916,561**	**35,271**	**812,438**	**13,755,213**
Tax credit / (charge)		(161,049)	—	378,726	168,094	(30,446)	(676,291)	—	(4,768)	(109,833)	**(435,567)**
SURPLUS/ (DEFICIT) AFTER TAX		**(24,449)**	**100,418**	**—**	**—**	**194,761**	**2,399,247**	**9,916,561**	**30,503**	**702,605**	**13,319,646**
APPROPRIATIONS											
Transfer to Shareholders' account		117,186	102,717	—	—	194,761	3,934,670	10,367,061	30,503	702,605	**15,449,503**
Balance being funds for future appropriations		(141,635)	(2,299)	—	—	—	(1,535,423)	(450,500)	—	—	**(2,129,857)**
Total (D)		**(24,449)**	**100,418**	**—**	**—**	**194,761**	**2,399,247**	**9,916,561**	**30,503**	**702,605**	**13,319,646**
FUNDS FOR FUTURE APPROPRIATION											
Opening Balance as at April 1, 2011		823,159	476,677	—	—	—	4,574,250	3,847,940	—	—	**9,722,026**
Add: Current period appropriations		(141,635)	(2,299)	—	—	—	(1,535,423)	(450,500)	—	—	**(2,129,857)**
Balance Carried forward to Balance Sheet		**681,524**	**474,378**	**—**	**—**	**—**	**3,038,827**	**3,397,440**	**—**	**—**	**7,592,169**
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	16										

DETAILS OF TOTAL SURPLUS	**Par Life**	**Par Pension**
(a) Interim bonuses paid	28,848	983
(b) Allocation of bonus to policyholders'	1,025,828	923,466
(c) Surplus shown in the Revenue Account	136,600	100,418
TOTAL SURPLUS	1,191,276	1,024,867

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

per SHRAWAN JALAN
Partner
Membership No. 102102

For B S R & Co.
Chartered Accountants
Firm Registration No.101248W

N SAMPATH GANESH
Partner
Membership No. 042554

Mumbai, April 25, 2012

For and on behalf of the Board of Directors

CHANDA KOCHHAR
Chairperson

KEKI DADISETH
Director

K. RAMKUMAR
Director

SANDEEP BAKHSHI
Managing Director and CEO

PUNEET NANDA
Executive Director

AVIJIT CHATTERJEE
Appointed Actuary

SATYAN JAMBUNATHAN
Executive Vice President

SANAULLA KHAN
Company Secretary

FORM A-RA
Name of the Insurer: ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED
Registration number and date of registration with the IRDA : Regn.No. 105 dated 24.11.2000

(₹ in '000)

Policyholders' Account (Technical Account)

Particulars	Schdule	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	7,840,920	7,921,841	5,374,339	859,725	331,795	77,991,978	65,448,645	1,570,863	11,466,184	178,806,290
(b) Reinsurance ceded		(1,996)	(47)	(292,719)	—	(79,560)	(41,502)	(257)	(219,950)	(497)	(636,528)
Income from Investments											
(a) Interest, Dividend & Rent - Gross		1,605,801	414,073	338,692	569,206	9,748	7,410,226	5,933,708	52,755	2,687,188	19,021,397
(b) Profit on sale/redemption of investments		1,794,343	403,230	56,066	61,167	1,352	83,914,715	44,791,391	176,870	2,623,263	133,822,397
(c) Loss on sale/redemption of investments		(906,655)	(203,395)	(28,955)	(30,592)	(676)	(43,470,976)	(23,394,923)	(102,804)	(1,432,946)	(69,571,922)
(d) Unrealised gain/(loss)		—	—	—	—	—	(15,746,358)	(4,489,615)	4,245	(560,056)	(20,791,784)
(e) Appropriation / Expropriation Adjustment Account		—	—	—	—	—	(327,611)	154,701	2,194	5,952	(164,764)
Other income:											
Contribution from the Shareholders' account		—	—	493,964	106,608	194,947	—	—	151,947	411,555	1,359,021
Fees and charges		39,671	2,098	1,950	—	1,018	18,872	886	48	—	64,543
Miscellaneous income		2,040	57	562	48	251	18,817	14,345	831	1,304	38,255
Total (A)		10,374,124	8,537,857	5,943,899	1,566,162	458,875	109,768,161	88,458,881	1,636,999	15,201,947	241,946,905
Commission	2	494,407	7,945	962,641	3,605	25,767	2,236,175	1,751,092	107,427	17,700	5,606,759
Operating expenses related to Insurance business	3	1,050,628	9,674	2,178,472	35,768	152,144	9,537,265	7,900,160	601,286	408,551	21,873,948
Total (B)		1,545,035	17,619	3,141,113	39,373	177,911	11,773,440	9,651,252	708,713	426,251	27,480,707
Benefits paid (Net)	4	760,086	154,390	383,459	534,047	86,737	70,770,145	26,748,632	86,236	6,387,937	105,911,669
Interim Bonus Paid		2,581	2,969	—	—	—	—	—	—	—	5,550
Change in valuation of liability in respect of life policies											
(a) Gross amount		8,003,796	8,331,002	3,980,358	1,009,868	225,544	22,801,342	49,360,434	866,460	8,453,873	103,032,677
(b) Amount ceded in reinsurance		—	—	(1,481,678)	—	—	—	—	—	—	(1,481,678)
(c) Amount accepted in reinsuarnce		—	—	—	—	—	—	—	—	—	—
Total (C)		8,766,463	8,488,361	2,882,139	1,543,915	312,281	93,571,487	76,109,066	952,696	14,841,810	207,468,218
SURPLUS/ (DEFICIT) (D) =(A)-(B)-(C)		62,626	31,877	(79,353)	(17,126)	(31,317)	4,423,234	2,698,563	(24,410)	(66,114)	6,997,980
Tax credit / (charge)		(99,526)	—	79,353	17,126	31,317	(1,040,732)	—	24,410	66,114	(921,938)
SURPLUS/ (DEFICIT) AFTER TAX		(36,900)	31,877	—	—	—	3,382,502	2,698,563	—	—	6,076,042
APPROPRIATIONS											
Transfer to Shareholders' account		72,937	14,804	—	—	—	5,259,560	3,330,880	—	—	8,678,181
Balance being funds for future appropriations		(109,837)	17,073	—	—	—	(1,877,058)	(632,317)	—	—	(2,602,139)
Total (D)		(36,900)	31,877	—	—	—	3,382,502	2,698,563	—	—	6,076,042
FUNDS FOR FUTURE APPROPRIATION											
Opening Balance as at April 1, 2010		932,996	459,604	—	—	—	6,451,308	4,480,257	—	—	12,324,165
Add: Current year appropriations		(109,837)	17,073	—	—	—	(1,877,058)	(632,317)	—	—	(2,602,139)
Balance Carried forward to Balance Sheet		823,159	476,677	—	—	—	4,574,250	3,847,940	—	—	9,722,026
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	16										

DETAILS OF TOTAL SURPLUS	Par Life	Par Pension
(a) Interim bonuses paid	2,581	2,969
(b) Allocation of bonus to policyholders'	653,856	193,309
(c) Surplus shown in the Revenue Account	62,626	31,877
TOTAL SURPLUS	719,063	228,155

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

per SHRAWAN JALAN
Partner
Membership No. 102102

For B S R & Co.
Chartered Accountants
Firm Registration No.101248W

N SAMPATH GANESH
Partner
Membership No. 042554

For and on behalf of the Board of Directors

CHANDA KOCHHAR
Chairperson

KEKI DADISETH
Director

K. RAMKUMAR
Director

SANDEEP BAKHSHI
Managing Director and CEO

PUNEET NANDA
Executive Director

AVIJIT CHATTERJEE
Appointed Actuary

SATYAN JAMBUNATHAN
Executive Vice President

SANAULLA KHAN
Company Secretary

Mumbai, April 25, 2012

profit & loss account balance sheet

for the year ended March 31, 2012 at March 31, 2012

Form A-PL

Name of the Insurer: ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

Registration number and date of registration with the IRDA : Regn.No. 105 dated 24.11.2000

(₹ in '000)

	Schedule	March 31, 2012	March 31, 2011
Shareholders' Account (Non-Technical Account)			
Amounts transferred from Policyholders' account - net (Technical account)		**11,951,497**	*7,319,160*
Income from investments			
(a) Interest, Dividend & Rent - Gross		**2,065,785**	*928,768*
(b) Profit on sale/redemption of investments		**558,014**	*135,283*
(c) Loss on sale/redemption of investments		**(426,516)**	*(5,422)*
Other income		**5,617**	—
Total (A)		**14,154,397**	*8,377,789*
Expenses other than those directly related to the insurance business	3A	**17,171**	*52,752*
Bad debts written-off		—	—
Provisions (other than taxation)			
(a) For diminition in value of investments (net)		—	—
(b) Provision for doubtful debts		—	—
Total (B)		**17,171**	*52,752*
Profit / (Loss) before Tax		**14,137,226**	*8,325,037*
Provision for Taxation		—	—
Tax credit / (charge)		**(295,489)**	*(248,809)*
Profit after Tax		**13,841,737**	*8,076,228*
APPROPRIATIONS			
(a) Balance at the beginning of the year		**(27,108,690)**	*(35,184,918)*
(b) Interim dividends paid during the year - Refer note 3.33 of schedule 16		**3,142,777**	—
(c) Proposed final dividend		**1,000,885**	—
(d) Dividend distribution on tax		**672,206**	—
(e) Transfer to General reserve		**1,384,174**	—
Loss carried to Balance Sheet		**(19,466,995)**	*(27,108,690)*
Significant Accounting Policies & Notes to Accounts	16		
Earnings per equity share (Refer note 3.26 of schedule 16)			
Basic earnings per equity share ₹		**9.69**	*5.65*
Diluted earnings per equity share ₹		**9.66**	*5.64*
Nominal value per equity share ₹		**10.00**	*10.00*

Schedules referred to herein form an integral part of the Shareholders' Account.

Form A-BS

(₹ in '000)

	Schedule	March 31, 2012	March 31, 2011
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS :			
Share capital	5	**14,288,491**	*14,284,611*
Share application money		—	*503*
Reserve and surplus	6	**35,023,689**	*33,606,925*
Fair Value Change Account - Net		**207,604**	*65,619*
Sub - Total		**49,519,784**	*47,957,658*
Borrowings	7	—	—
POLICYHOLDERS' FUNDS :			
Fair Value Change Account - Net		**2,203,143**	*2,315,441*
Revaluation reserve - Investment Property		**704,479**	*668,879*
Policy liabilities		**83,379,998**	*58,875,524*
Provision for linked liabilities		**574,185,927**	*582,329,617*
Funds for discontinued polices (Refer note 3.32 of schedule 16)		**665,190**	*138*
Sub - Total		**661,138,737**	*644,189,599*
Funds for Future Appropriations			
- Linked		**3,322,629**	*5,935,592*
- Non linked		**4,269,540**	*3,786,434*
Total		**718,250,690**	*701,869,283*
APPLICATION OF FUNDS			
Investments			
- Shareholders'	8	**34,770,112**	*19,764,653*
- Policyholders'	8A	**91,107,635**	*72,171,914*
Asset held to cover linked liabilities	8B	**578,173,746**	*588,265,347*
Loans	9	**95,740**	*86,945*
Fixed assets	10	**1,802,306**	*1,982,628*
Deferred tax asset (Refer note 3.15 of schedule 16)		**1,053,361**	*1,784,417*
Current assets			
- Cash and Bank balances	11	**2,840,640**	*3,303,199*
- Advances and Other assets	12	**6,700,182**	*3,347,252*
Sub-Total (A)		**9,540,822**	*6,650,451*
Current liabilities	13	**16,464,015**	*15,896,702*
Provisions	14	**1,296,012**	*49,060*
Sub-Total (B)		**17,760,027**	*15,945,762*
Net Current Assets (C) = (A-B)		**(8,219,205)**	*(9,295,311)*
Miscellaneous expenditure (to the extent not written-off or adjusted)	15	—	—
Debit Balance in Profit & Loss Account (Shareholders' account)		**19,466,995**	*27,108,690*
Total		**718,250,690**	*701,869,283*
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 S.R.Batliboi & Co.
Chartered Accountants
Firm Registration No.301003E

per SHRAWAN JALAN
Partner
Membership No. 102102

For B S R & Co.
Chartered Accountants
Firm Registration No.101248W

N SAMPATH GANESH
Partner
Membership No. 042554

Mumbai, April 25, 2012

For and on behalf of the Board of Directors

CHANDA KOCHHAR
Chairperson

KEKI DADISETH
Director

K. RAMKUMAR
Director

SANDEEP BAKHSHI
Managing Director & CEO

PUNEET NANDA
Executive *Director*

AVIJIT CHATTERJEE
Appointed Actuary

SATYAN JAMBUNATHAN
Executive Vice President

SANAULLA KHAN
Company Secretary

(₹ in '000)

SCHEDULE – 1
PREMIUM

For the Year ended March 31, 2012

Particulars	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
First year premiums	3,054,490	3,640,773	9,111,386	—	16,552	16,610,830	(34,363)	549,154	3,500,427	36,449,249
Renewal premiums	4,233,350	2,115,350	2,601,035	—	232,223	38,780,647	41,870,720	1,380,374	4,591,149	95,804,848
Single premiums	—	—	3,232,298	2,347,745	—	2,063,163	318,477	—	—	7,961,683
Total Premium	**7,287,840**	**5,756,123**	**14,944,719**	**2,347,745**	**248,775**	**57,454,640**	**42,154,834**	**1,929,528**	**8,091,576**	**140,215,780**
Premium Income from business written : In India	**7,287,840**	**5,756,123**	**14,944,719**	**2,347,745**	**248,775**	**57,454,640**	**42,154,834**	**1,929,528**	**8,091,576**	**140,215,780**
Total Premium	**7,287,840**	**5,756,123**	**14,944,719**	**2,347,745**	**248,775**	**57,454,640**	**42,154,834**	**1,929,528**	**8,091,576**	**140,215,780**

For the Year ended March 31, 2011

Particulars	*Par Life*	*Par Pension*	*Non Par*	*Annuity Non Par*	*Health*	*Linked Life*	*Linked Pension*	*Linked Health*	*Linked Group*	*Total*
First year premiums	*4,500,159*	*7,203,262*	*3,078,068*	—	*64,386*	*11,371,806*	*18,432,055*	*511,715*	*7,533,902*	*52,695,353*
Renewal premiums	*3,340,761*	*718,579*	*508,071*	—	*267,409*	*47,913,351*	*46,676,821*	*1,059,148*	*3,932,282*	*104,416,422*
Single premiums	—	—	*1,788,200*	*859,725*	—	*18,706,821*	*339,769*	—	—	*21,694,515*
Total Premium	***7,840,920***	***7,921,841***	***5,374,339***	***859,725***	***331,795***	***77,991,978***	***65,448,645***	***1,570,863***	***11,466,184***	***178,806,290***
Premium Income from business written : In India	***7,840,920***	***7,921,841***	***5,374,339***	***859,725***	***331,795***	***77,991,978***	***65,448,645***	***1,570,863***	***11,466,184***	***178,806,290***
Total Premium	***7,840,920***	***7,921,841***	***5,374,339***	***859,725***	***331,795***	***77,991,978***	***65,448,645***	***1,570,863***	***11,466,184***	***178,806,290***

SCHEDULE – 2
COMMISSION EXPENSES

For the Year ended March 31, 2012

Particulars	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Commission *										
Direct – First year premiums	476,775	4,829	2,847,308	—	4,417	1,386,410	(790)	76,607	19,731	4,815,287
– Renewal premiums	135,094	6,844	99,557	—	7,315	444,359	497,520	25,515	—	1,216,204
– Single premiums	—	—	3,259	802	—	32,717	1,045	—	—	37,823
Total	**611,869**	**11,673**	**2,950,124**	**802**	**11,732**	**1,863,486**	**497,775**	**102,122**	**19,731**	**6,069,314**
Add: Commission on re-insurance accepted	—	—	—	—	—	—	—	—	—	—
Less: Commission on re-insurance ceded	—	—	—	—	—	—	—	—	—	—
Net Commission	**611,869**	**11,673**	**2,950,124**	**802**	**11,732**	**1,863,486**	**497,775**	**102,122**	**19,731**	**6,069,314**
Break-up of the expenses (Gross) incurred to procure business										
Tied Agency	473,842	5,710	1,246,169	408	8,362	627,501	234,635	90,759	—	2,687,386
Corporate Agency	124,789	5,942	1,405,057	286	2,928	945,855	210,625	9,625	19,731	2,724,838
Brokers	13,210	20	298,855	108	446	289,670	52,676	1,789	—	656,774
Referral	28	1	43	—	(4)	460	(161)	(51)	—	316
Total Commission	**611,869**	**11,673**	**2,950,124**	**802**	**11,732**	**1,863,486**	**497,775**	**102,122**	**—**	**6,069,314**

* Commission includes referral payments

For the Year ended March 31, 2011

Particulars	*Par Life*	*Par Pension*	*Non Par*	*Annuity Non Par*	*Health*	*Linked Life*	*Linked Pension*	*Linked Health*	*Linked Group*	*Total*
Commission *										
Direct – First year premiums	*397,102*	*419*	*945,700*	—	*17,155*	*1,183,903*	*1,195,778*	*72,250*	*17,700*	*3,830,007*
– Renewal premiums	*97,305*	*7,526*	*16,319*	—	*8,612*	*704,074*	*555,105*	*35,177*	—	*1,424,118*
– Single premiums	—	—	*622*	*3,605*	—	*348,198*	*209*	—	—	*352,634*
Total	***494,407***	***7,945***	***962,641***	***3,605***	***25,767***	***2,236,175***	***1,751,092***	***107,427***	***17,700***	***5,606,759***
Add: Commission on re-insurance accepted	—	—	—	—	—	—	—	—	—	—
Less: Commission on re-insurance ceded	—	—	—	—	—	—	—	—	—	—
Net Commission	***494,407***	***7,945***	***962,641***	***3,605***	***25,767***	***2,236,175***	***1,751,092***	***107,427***	***17,700***	***5,606,759***
Break-up of the expenses (Gross) incurred to procure business										
Tied Agency	*380,562*	*6,095*	*748,170*	*425*	*18,233*	*1,083,565*	*909,264*	*91,677*	*12,716*	*3,250,707*
Corporate Agency	*89,517*	*1,647*	*167,252*	*3,120*	*6,487*	*875,074*	*629,195*	*9,523*	*4,984*	*1,786,799*
Brokers	*21,568*	*52*	*41,397*	*60*	*738*	*220,583*	*178,486*	*3,203*	—	*466,087*
Referral	*2,760*	*151*	*5,822*	—	*309*	*56,953*	*34,147*	*3,024*	—	*103,166*
Total Commission	***494,407***	***7,945***	***962,641***	***3,605***	***25,767***	***2,236,175***	***1,751,092***	***107,427***	***17,700***	***5,606,759***

* Commission includes referral payments

(₹ in '000)

SCHEDULE – 3
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

For the year ended March 31, 2012

Particulars	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Employees' remuneration and welfare benefits	633,117	21,312	2,120,518	7,865	33,332	3,621,317	922,717	218,734	71,492	7,650,404
Travel, conveyance and vehicle running expenses	18,170	426	80,682	197	943	134,582	30,671	8,216	11,411	285,298
Agents training, recruitment and incentives	95,777	1,270	541,547	975	1,676	1,097,045	77,014	28,047	—	1,843,351
Rents, rates and taxes	132,927	1,761	385,857	1,125	6,611	625,744	128,614	52,608	8,224	1,343,471
Repairs	27,042	435	76,986	270	1,329	143,288	39,856	11,485	2,147	302,838
Printing and stationery	8,203	327	946	9	1,071	22,896	15,694	2,274	128	51,548
Communication expenses	65,990	1,909	147,787	318	6,060	274,923	104,339	18,822	1,562	621,710
Legal and professional charges	48,036	1,209	111,330	225	4,045	192,193	56,946	11,296	1,609	426,889
Medical fees	9,107	46	47,164	21	1,273	30,340	3,092	13,205	—	104,248
Auditors' fees, expenses etc :										
(a) as auditor	1,959	28	4,392	11	104	5,644	1,250	478	1	13,867
(b) as advisor or in any other capacity, in respect of										
(i) Taxation matters	—	—	—	—	—	—	—	—	—	—
(ii) Insurance matters	—	—	—	—	—	—	—	—	—	—
(iii) Management Services; and	—	—	—	—	—	—	—	—	—	—
(c) in any other capacity (for Certification)	6	—	13	—	1	18	4	2	—	44
Advertisement and publicity	51,736	1,703	308,818	324	1,279	652,478	102,730	21,504	520	1,141,092
Interest and bank charges	6,885	603	19,832	4,108	356	66,475	43,698	1,893	14,142	157,992
Information technology cost	42,754	890	84,632	313	3,364	130,666	39,961	10,188	382	313,150
Administration support expenses	62,512	475	581,261	586	456	614,515	47,773	18,978	—	1,326,556
Office running expenses	41,678	702	110,695	378	2,395	193,416	56,100	15,256	2,097	422,717
Data entry related expenses	28,832	938	55,060	97	2,871	110,594	46,520	6,556	239	251,707
Unit fund expenses	—	—	—	—	—	1,246,841	863,307	100,497	68,381	2,279,026
Others	41,700	1,389	272,379	20,961	2,537	457,978	167,984	11,521	5,715	982,164
Depreciation	51,005	564	165,352	484	1,905	281,493	29,308	21,547	4,095	555,753
Total	**1,367,436**	**35,987**	**5,115,251**	**38,267**	**71,608**	**9,902,446**	**2,777,578**	**573,107**	**192,145**	**20,073,825**

For the Year ended March 31, 2011

Particulars	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
Employees' remuneration and welfare benefits	*433,766*	*3,691*	*877,749*	*17,962*	*66,219*	*3,794,692*	*3,150,990*	*222,515*	*72,506*	*8,640,090*
Travel, conveyance and vehicle running expenses	*26,536*	*336*	*57,234*	*734*	*2,768*	*170,505*	*130,692*	*12,446*	*16,207*	*417,458*
Agents training, recruitment and incentives	*80,482*	*362*	*197,161*	*2,051*	*2,820*	*622,525*	*699,216*	*26,232*	—	*1,630,849*
Rents, rates and taxes	*65,018*	*442*	*200,875*	*4,532*	*19,419*	*811,740*	*534,689*	*83,449*	*7,225*	*1,727,389*
Repairs	*27,866*	*125*	*91,820*	*1,303*	*5,961*	*269,872*	*146,650*	*28,261*	*2,012*	*573,870*
Printing and stationery	*44,329*	*408*	*49,956*	*767*	*1,300*	*81,932*	*23,160*	*2,885*	*29,459*	*234,196*
Communication expenses	*55,988*	*811*	*35,345*	*541*	*13,450*	*484,088*	*318,218*	*23,931*	*1,200*	*933,572*
Legal and professional charges	*43,406*	*892*	*48,511*	*179*	*2,646*	*225,659*	*279,731*	*8,952*	*2,213*	*612,189*
Medical fees	*10,121*	*46*	*21,289*	*18*	*2,093*	*31,337*	*5,668*	*8,268*	—	*78,840*
Auditors' fees, expenses etc :										
(a) as auditor	*1,387*	*26*	*1,252*	*4*	*126*	*4,867*	*2,970*	*237*	—	*10,869*
(b) as advisor or in any other capacity, in respect of			—	—	—					
(i) Taxation matters	*30*	*1*	*27*	—	*3*	*104*	*64*	*5*	—	*234*
(ii) Insurance matters	—	—	—	—	—	—	—	—	—	—
(iii) Management Services; and	—	—	—	—	—	—	—	—	—	—
(c) in any other capacity	—	—	—	—	—	—	—	—	—	—
Advertisement and publicity	*42,592*	*203*	*152,532*	*1,327*	*1,976*	*434,646*	*217,845*	*17,938*	*733*	*869,792*
Interest and bank charges	*9,924*	*57*	*6,438*	*1,467*	*384*	*100,028*	*76,846*	*2,946*	*44,877*	*242,967*
Information technology cost	*29,469*	*832*	*36,063*	*192*	*2,920*	*127,384*	*67,121*	*5,735*	*5*	*269,721*
Administration support expenses	*85,999*	*382*	*127,350*	*750*	*2,654*	*544,239*	*1,066,070*	*17,188*	—	*1,844,632*
Office running expenses	*23,533*	*105*	*69,858*	*1,160*	*5,825*	*225,349*	*134,984*	*22,121*	*1,908*	*484,843*
Data entry related expenses	*18,107*	*411*	*20,485*	*100*	*2,728*	*119,942*	*80,810*	*4,782*	*256*	*247,621*
Unit fund expenses	—	—	—	—	—	*1,005,486*	*737,758*	*61,803*	*224,067*	*2,029,114*
Others	*16,811*	*388*	*84,807*	*735*	*10,272*	*157,427*	*10,023*	*15,699*	*3,036*	*299,198*
Depreciation	*35,264*	*156*	*99,720*	*1,946*	*8,580*	*325,443*	*216,655*	*35,893*	*2,847*	*726,504*
Total	**1,050,628**	**9,674**	**2,178,472**	**35,768**	**152,144**	**9,537,265**	**7,900,160**	**601,286**	**408,551**	**21,873,948**

SCHEDULE – 3A
EXPENSES OTHER THAN THOSE DIRECTLY RELATED TO THE INSURANCE BUSINESS

Particulars	March 31, 2012	*March 31, 2011*
Employees' remuneration and welfare benefits	**14,435**	*5,316*
Travel, conveyance and vehicle running expenses	**86**	*177*
Rent, rates and taxes	**—**	—
Printing and stationery	**2**	*44*
Communication expenses	**61**	*61*
Legal and professional charges	**—**	—
Interest and bank charges	**1,842**	*1,491*
Profit/Loss on sale/write off of Fixed Assets (Net)	**—**	*45,597*
Others	**656**	*61*
Depreciation	**89**	*5*
Total	**17,171**	*52,752*

(₹ in '000)

SCHEDULE – 4
BENEFITS PAID [NET]

For the Year ended March 31, 2012

Particulars	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
1 Insurance claims										
(a) Claims by death	123,911	10,222	644,200	37,777	—	1,052,330	726,704	2,266	70,006	**2,667,416**
(b) Claims by maturity	201,540	193,723	390,931	—	—	75,032	84,644	—	—	**945,870**
(c) Annuities / Pension payment	—	—	—	658,010	—	—	—	—	—	**658,010**
(d) Other benefits										
- Surrender	441,808	1,291,315	94,020	—	—	42,851,018	29,323,286	—	5,758,146	**79,759,593**
- Survival	554,093	—	—	—	—	—	—	—	—	**554,093**
- Rider	19,362	847	11,869	—	—	63,746	5,555	—	—	**101,379**
- Health	—	—	6,034	—	162,781	—	—	306,415	—	**475,230**
Sub Total (A)	**1,340,714**	**1,496,107**	**1,147,054**	**695,787**	**162,781**	**44,042,126**	**30,140,189**	**308,681**	**5,828,152**	**85,161,591**
2 Amount ceded in reinsurance										
(a) Claims by death	—	—	(347,541)	—	—	(38,844)	—	—	—	**(386,385)**
(b) Claims by maturity	—	—	—	—	—	—	—	—	—	**—**
(c) Annuities / Pension payment	—	—	—	—	—	—	—	—	—	**—**
(d) Other benefits										
- Surrender	—	—	—	—	—	—	—	—	—	**—**
- Survival	—	—	—	—	—	—	—	—	—	**—**
- Rider	—	—	—	—	—	—	—	—	—	**—**
- Health	—	—	(1,725)	—	(87,217)	—	—	(142,462)	—	**(231,404)**
Sub Total (B)	**—**	**—**	**(349,266)**	**—**	**(87,217)**	**(38,844)**	**—**	**(142,462)**	**—**	**(617,789)**
Total (A) + (B)	**1,340,714**	**1,496,107**	**797,788**	**695,787**	**75,564**	**44,003,282**	**30,140,189**	**166,219**	**5,828,152**	**84,543,802**
Benefits paid to claimants: In India	1,340,714	1,496,107	1,147,054	695,787	162,781	44,042,126	30,140,189	308,681	5,828,152	85,161,591
Total	**1,340,714**	**1,496,107**	**1,147,054**	**695,787**	**162,781**	**44,042,126**	**30,140,189**	**308,681**	**5,828,152**	**85,161,591**

For the Year ended March 31, 2011

Particulars	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
1 Insurance claims										
(a) Claims by death	*86,271*	*11,216*	*470,362*	*15,592*	*1,651*	*965,101*	*756,403*	*1,868*	*346,112*	*2,654,576*
(b) Claims by maturity	*14,077*	*58,305*	*15,136*	—	—	*231,698*	*37,615*	—	—	*356,831*
(c) Annuities / Pension payment	—	—	—	*518,455*	—	—	—	—	—	*518,455*
(d) Other benefits										
- Surrender	*178,940*	*83,963*	*92,593*	—	—	*69,501,301*	*25,944,126*	—	*6,041,825*	*101,842,748*
- Survival	*475,146*	—	—	—	—	—	—	—	—	*475,146*
- Rider	*13,536*	*906*	*3,075*	—	—	*72,045*	*10,488*	—	—	*100,050*
- Health	—	—	*14,181*	—	*214,740*	—	—	*186,852*	—	*415,773*
Sub Total (A)	***767,970***	***154,390***	***595,347***	***534,047***	***216,391***	***70,770,145***	***26,748,632***	***188,720***	***6,387,937***	***106,363,579***
2 Amount ceded in reinsurance										
(a) Claims by death	*(7,884)*	—	*(210,622)*	—	—	—	—	—	—	*(218,506)*
(b) Claims by maturity	—	—	—	—	—	—	—	—	—	—
(c) Annuities / Pension payment	—	—	—	—	—	—	—	—	—	—
(d) Other benefits										
- Surrender	—	—	—	—	—	—	—	—	—	—
- Survival	—	—	—	—	—	—	—	—	—	—
- Rider	—	—	—	—	—	—	—	—	—	—
- Health	—	—	*(1,266)*	—	*(129,654)*	—	—	*(102,484)*	—	*(233,404)*
Sub Total (B)	**(7,884)**	—	**(211,888)**	—	**(129,654)**	—	—	**(102,484)**	—	**(451,910)**
Total (A) + (B)	**760,086**	**154,390**	**383,459**	**534,047**	**86,737**	**70,770,145**	**26,748,632**	**86,236**	**6,387,937**	**105,911,669**
Benefits paid to claimants: In India	767,970	154,390	595,347	534,047	216,391	70,770,145	26,748,632	188,720	6,387,937	106,363,579
Total	**767,970**	**154,390**	**595,347**	**534,047**	**216,391**	**70,770,145**	**26,748,632**	**188,720**	**6,387,937**	**106,363,579**

(₹ in '000)

SCHEDULE – 5
SHARE CAPITAL

Particulars	March 31, 2012	*March 31, 2011*
Authorised capital		
Equity shares of ₹ 10/- each	**15,000,000**	*15,000,000*
Issued, subscribed and called up capital		
Equity shares of ₹ 10/- each fully paid up	**14,288,491**	*14,284,611*
Total	**14,288,491**	*14,284,611*

Of the total share capital, 1,055,310,907 shares (Previous Year: 1,055,310,907) of ₹ 10 each are held by the holding company, ICICI Bank Limited

SCHEDULE – 5A
PATTERN OF SHAREHOLDING
[As certified by the Management]

Shareholder	March 31, 2012		*March 31, 2011*	
	Number of Shares	% of Holding	*Number of Shares*	*% of Holding*
Promoters				
Indian (ICICI Bank Limited)	**1,055,310,907**	**73.86**	*1,055,310,907*	*73.88*
Foreign (Prudential Corporation Holdings Limited)	**370,784,884**	**25.95**	*370,784,884*	*25.96*
Others	**2,753,333**	**0.19**	*2,365,358*	*0.16*
Total	**1,428,849,124**	**100**	*1,428,461,149*	*100*

SCHEDULE 6
RESERVES AND SURPLUS

Particulars	March 31, 2012	*March 31, 2011*
Capital reserves	—	—
Capital redemption reserve	—	—
Share premium	**33,639,515**	*33,606,925*
Revaluation reserve	—	—
General reserve	—	—
Add: Transfer from Profit and Loss Appropriations - Refer note 3.33 of schedule 16	**1,384,174**	—
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	**35,023,689**	*33,606,925*

SCHEDULE 7
BORROWINGS

Particulars	March 31, 2012	*March 31, 2011*
Debentures / Bonds	—	—
Banks	—	—
Financial Institutions	—	—
Others	—	—
Total	—	—

SCHEDULE - 8
INVESTMENTS- SHAREHOLDERS

Particulars	March 31, 2012	*March 31, 2011*
LONG TERM INVESTMENT		
Government Securities* (Market value at March 31, 2012: ₹ 2,607,874 thousands) (Market value at March 31, 2011 : ₹ 1,880,829 thousands)	**2,652,838**	1,895,382
Other Approved Securities (Market value at March 31, 2012: ₹ 1,178,076 thousands) (Market value at March 31, 2011 : ₹ 910,848 thousands)	**1,206,110**	920,687
Other Approved Investments		
Equity (Historic value at March 31, 2012: ₹ 3,932,188 thousands) (Historic value at March 31, 2011 : ₹ 1,637,042 thousands)	**4,131,457**	1,690,232
Debentures/Bonds (Market value at March 31, 2012: ₹ 3,372,892 thousands) (Market value at March 31, 2011 : ₹ 762,790 thousands)	**3,342,044**	766,183
Investments in subsidiary (Market value at March 31, 2012: ₹ 110,000 thousands) (Market value at March 31, 2011 : ₹ 110,000 thousands)	**110,000**	110,000
CCIL Deposit (Market value at March 31, 2012: ₹ 60,029 thousands) (Market value at March 31, 2011 : ₹ 59,296 thousands)	**60,029**	59,296
Fixed Deposits (Market value at March 31, 2012: ₹ 1,639,000 thousands) (Market value at March 31, 2011 : ₹ 500,000 thousands)	**1,639,000**	500,000
Investments in infrastructure/housing/social sector		
Debentures/ Bonds (Market value at March 31, 2012: ₹ 5,025,832 thousands) (Market value at March 31, 2011 : ₹ 1,263,612 thousands)	**5,028,055**	1,287,356
Equity (Historic value at March 31, 2012: ₹ 220,135 thousands) (Historic value at March 31, 2011 : ₹ 160,297 thousands)	**226,060**	167,302
Other Investments		
Debentures/ Bonds (Market value at March 31, 2012: ₹ 373,427 thousands) (Market value at March 31, 2011 : ₹ Nil)	**361,932**	—
Equity (Historic value at March 31, 2012: ₹ 215,546 thousands) (Historic value at March 31, 2011 : ₹ 140,224 thousands)	**217,740**	145,650
SHORT TERM INVESTMENT		
Government Securities (Market value at March 31, 2012: ₹ 2,618,017 thousands) (Market value at March 31, 2011 : ₹ 5,229,721 thousands)	**2,620,459**	5,229,721
Other Approved Securities (Market value at March 31, 2012: ₹ 694,475 thousands) (Market value at March 31, 2011 : ₹ 712,929 thousands)	**699,993**	713,629
Other Approved Investments		
Debentures/Bonds (Market value at March 31, 2012: ₹ 853,588 thousands) (Market value at March 31, 2011 : ₹ 204,173 thousands)	**855,566**	202,934
Fixed Deposits# (Market value at March 31, 2012: ₹ 3,856,226 thousands) (Market value at March 31, 2011 : ₹ 454,295 thousands)	**3,856,226**	454,295
Certificate of Deposits (Market value at March 31, 2012: ₹ 3,418,431 thousands) (Market value at March 31, 2011 : ₹ 2,679,536 thousands)	**3,418,431**	2,679,536
Commercial Papers (Market value at March 31, 2012: ₹ 96,047 thousands) (Market value at March 31, 2011 : ₹ Nil)	**96,047**	—
Reverse Repo (Market value at March 31, 2012: ₹ 231,786 thousands) (Market value at March 31, 2011 : ₹ Nil)	**231,786**	—
Collateralized Borrowing and Lending Obligation (CBLO) (Market value at March 31, 2012: ₹ 1,001,963 thousands) (Market value at March 31, 2011 : ₹ 117,818 thousands)	**1,001,963**	117,818
Mutual Fund (Historical value at March 31, 2012: ₹ 640,779 thousands) (Historical value at March 31, 2011 : ₹ 468,436 thousands)	**640,994**	468,436
Investments in Infrastructure / Housing / Social Sector		
Debentures/Bonds (Market value at March 31, 2012: ₹ 1,695,433 thousands) (Market value at March 31, 2011 : ₹ 1,522,642 thousands)	**1,702,659**	1,534,810
Commercial Papers (Market value at March 31, 2012: ₹ 670,723 thousands) (Market value at March 31, 2011 : ₹ 821,386 thousands)	**670,723**	821,386
Total	**34,770,112**	19,764,653
In India	**34,770,112**	19,764,653
Total	**34,770,112**	19,764,653

* Includes ₹ 209,402 thousand (Market value: ₹ 207,961 thousand) of securities under Section 7 of Insurance Act, 1938 at March 31, 2012. [At March 31, 2011:₹ 100,847 thousand (Market value: ₹ 100,444 thousand)] - Refer 3.9 of Schedule 16

Includes Fixed deposit of ₹ 1,050,000 thousand (Previous year:Nil) and ₹ 100,000 thousand (Previous year:Nil) deposited with National Securities Clearing Corporation Limited and Indian Clearing Corporation Limited respectively towards margin requirement for equity trade settlement - Refer 3.3 of Schedule 16

(₹ in '000)

SCHEDULE - 8A
INVESTMENTS - POLICYHOLDERS

Particulars	March 31, 2012									
	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Health	Linked Group	Total
LONG TERM INVESTMENT										
Government Securities*	12,555,542	4,237,990	4,592,027	6,831,517	137,349	2,568,128	918,007	—	153,510	**31,994,070**
(Market value : ₹ 30,417,143 thousands)										
Other Approved Securities	5,394,908	1,563,168	1,756,088	504,263	—	1,181,281	841,918	—	506,854	**11,748,480**
(Market value : ₹ 11,371,758 thousands)										
Other Approved Investments										
Equity	2,689,305	981,059	977,092	—	—	—	—	—	—	**4,647,456**
(Historical value : ₹ 2,529,149 thousands)										
Debentures/ Bonds	2,597,407	2,090,371	227,255	697,611	—	44,000	—	—	—	**5,656,644**
(Market value : ₹ 5,620,356 thousands)										
Property - Refer note 3.11 of schedule 16	445,000	445,000	—	—	—	—	—	—	—	**890,000**
(Historical value : ₹ 185,521 thousands)										
CCIL Deposit	—	—	—	—	—	51	18	—	2	**71**
(Market value : ₹ 71 thousands)										
Fixed Deposits	1,215,500	1,439,000	294,500	356,000	—	473,000	249,000	—	—	**4,027,000**
(Market value : ₹ 4,027,000 thousands)										
Investments in Infrastructure / Housing / Social Sector										
Equity	27,150	17,890	70,623	—	—	—	—	—	—	**115,663**
(Historical value : ₹ 123,834 thousands)										
Debentures/ Bonds	6,040,362	2,978,242	973,495	2,440,508	81,539	1,174,110	753,963	60,480	335,562	**14,838,261**
(Market value : ₹ 14,728,493 thousands)										
Other Investments										
Equity	225,962	—	90,126	—	—	—	—	—	—	**316,088**
(Historical value : ₹ 223,867 thousands)										
Debentures/ Bonds	121,003	—	50,000	—	—	—	—	—	—	**171,003**
(Market value : ₹ 171,003 thousands)										
Venture Fund	641,335	—	—	—	—	—	—	—	—	**641,335**
(Market value : ₹ 645,810 thousands)										
SHORT TERM INVESTMENT										
Government Securities	—	—	259,317	—	—	272,454	332,060	—	149,981	**1,013,812**
(Market value : ₹ 1,010,683 thousands)										
Other Approved Securities	—	—	—	—	—	50,068	50,019	—	—	**100,087**
(Market value : ₹ 99,522 thousands)										
Other Approved Investments										
Debentures/ Bonds	—	35,000	140,000	—	15,000	227,864	142,336	33,770	40,993	**634,963**
(Market value : ₹ 629,894 thousands)										
Fixed Deposits	702,000	2,358,200	230,000	—	—	598,900	453,800	—	157,500	**4,500,400**
(Market value : ₹ 4,500,400 thousands)										
Certificate of Deposits	1,036,612	1,358,168	628,620	—	—	205,709	98,152	—	127,233	**3,454,494**
(Market value : ₹ 3,454,494 thousands)										
Commercial Papers	96,047	—	—	—	—	—	—	48,023	—	**144,070**
(Market value : ₹ 144,070 thousands)										
Collateralized Borrowing and Lending Obligation (CBLO)	27,053	926,589	759,491	487,113	—	—	—	—	—	**2,200,246**
(Market value : ₹ 2,200,246 thousands)										
Mutual Fund	334,499	—	1,505,603	—	18,796	155,294	150,869	13,382	166,058	**2,344,501**
(Historical value : ₹ 2,343,717 thousands)										
Investments in Infrastructure / Housing / Social Sector										
Debentures/ Bonds	329,619	424,873	466,822	—	50,846	144,978	85,060	—	50,111	**1,552,309**
(Market value : ₹ 1,546,318 thousands)										
Commercial Paper	—	116,682	—	—	—	—	—	—	-	**116,682**
(Market value : ₹ 116,682 thousands)										
Total	**34,479,304**	**18,972,232**	**13,021,059**	**11,317,012**	**303,530**	**7,095,837**	**4,075,202**	**155,655**	**1,687,804**	**91,107,635**
In India	34,479,304	18,972,232	13,021,059	11,317,012	303,530	7,095,837	4,075,202	155,655	1,687,804	91,107,635
Total	**34,479,304**	**18,972,232**	**13,021,059**	**11,317,012**	**303,530**	**7,095,837**	**4,075,202**	**155,655**	**1,687,804**	**91,107,635**

* Includes Government securities of ₹ 843,445 thousand (Market value: ₹ 831,528 thousand) that has been deposited with Clearing Corporation of India Limited (CCIL) as Settlement Guarantee Fund (SGF) deposit [At March 31, 2011: ₹ 845,143 thousand (Market value: ₹ 846,383 thousand)] and Government securities of ₹ 209,291 thousand (Market value: ₹ 191,400 thousand) has been deposited with CCIL for trades in the Collateralized Borrowing and Lending Obligation (CBLO) segment [At March 31, 2011: ₹ 209,675 thousand (Market value: ₹ 199,700 thousand)] - Refer note 3.3 of Schedule 16

(₹ in '000)

SCHEDULE - 8A
INVESTMENTS - POLICYHOLDERS

Particulars	March 31, 2011									
	Par Life	*Par Pension*	*Non Par*	*Annuity Non Par*	*Health*	*Linked Life*	*Linked Pension*	*Linked Health*	*Linked Group*	*Total*
LONG TERM INVESTMENTS										
Government Securities	*10,748,091*	*2,405,818*	*1,088,518*	*5,035,562*	—	*2,507,942*	*1,148,887*	—	*7,564*	*22,942,382*
(Market value : ₹ 22,125,128 thousands)										
Other Approved Securities	*3,884,213*	*790,823*	*924,561*	*139,602*	—	*50,224*	*100,664*	—	*50,332*	*5,940,419*
(Market value : ₹ 5,871,883 thousands)										
Other Approved Investments										
Equity	*2,711,694*	*1,044,178*	*116,623*	—	—	—	—	—	—	*3,872,495*
(Historical value : ₹ 1,769,753 thousands)										
Debentures/ Bonds	*1,904,986*	*715,623*	*396,447*	*702,497*	*15,000*	*316,978*	*161,030*	*60,579*	*40,993*	*4,314,133*
(Market value : ₹ 4,280,018 thousands)										
Property - Refer note 3.11 of schedule 16	*427,200*	*427,200*	—	—	—	—	—	—	—	*854,400*
(Historical value : ₹ 185,521 thousands)										
CCIL Deposit	—	—	—	—	—	*101,607*	*35,211*	—	*3,986*	*140,804*
(Market value : ₹ 140,805 thousands)										
Fixed Deposits	*1,141,500*	*1,275,000*	*524,500*	*356,000*	—	*521,800*	*352,700*	—	*107,500*	*4,279,000*
(Market value : ₹ 4,279,000 thousands)										
Investments in Infrastructure / Housing / Social Sector										
Equity	*137,961*	*35,223*	*4,542*	—	—	—	—	—	—	*177,726*
(Historical value : ₹ 95,102 thousands)										
Debentures/ Bonds	*3,764,279*	*1,352,007*	*1,116,977*	*1,181,587*	*50,498*	*999,725*	*342,355*	*9,506*	*60,560*	*8,877,494*
(Market value : ₹ 8,844,471 thousands)										
Other Investments										
Equity	*260,684*	—	*16,525*	—	—	—	—	—	—	*277,209*
(Historical value : ₹ 147,133 thousands)										
Debentures/ Bonds	*123,738*	—	*50,000*	—	—	—	—	—	—	*173,738*
(Market value : ₹ 174,010 thousands)										
Venture Fund	*671,551*	—	—	—	—	—	—	—	—	*671,551*
(Market value : ₹ 674,060 thousands)										
SHORT TERM INVESTMENTS										
Government Securities	*1,146,139*	*2,649,510*	*692,438*	—	—	*1,510,918*	*797,447*	*9,003*	*299,343*	*7,104,798*
(Market value : ₹ 7,104,809 thousands)										
Other Approved Securities	—	—	*83,942*	—	*19,905*	*945,902*	*317,169*	*13,612*	*112,664*	*1,493,194*
(Market value : ₹ 1,489,022 thousands)										
Other Approved Investments										
Debentures/ Bonds	—	—	*48,700*	—	*4,000*	*38,200*	*7,200*	—	*1,900*	*100,000*
(Market value : ₹ 99,556 thousands)										
Fixed Deposits	*405,000*	*1,315,393*	*250,000*	—	—	*228,101*	*258,785*	—	*63,113*	*2,520,392*
(Market value : ₹ 2,520,393 thousands)										
Certificate of Deposits	*1,438,600*	*1,641,878*	*338,829*	—	—	*1,484,683*	*691,983*	*2,433*	*382,140*	*5,980,546*
(Market value : ₹ 5,980,546 thousands)										
CBLO	*332,543*	*191,589*	*309,595*	*109,061*	—	*99,912*	—	*20,693*	—	*1,063,393*
(Market value : ₹ 1,063,394 thousands)										
Mutual Fund	*54,778*	—	*33,828*	—	*39,938*	*13,703*	*96,983*	*426*	*34,612*	*274,268*
(Historical value : ₹ 274,268 thousands)										
Investments in Infrastructure / Housing / Social Sector										
Debentures/ Bonds	*127,898*	*22,364*	*234,059*	—	—	*397,011*	*225,480*	—	*43,449*	*1,050,261*
(Market value : ₹ 1,042,102 thousands)										
Commercial Paper	*50,346*	*13,365*	—	—	—	—	—	—	—	*63,711*
(Market value : ₹ 63,711 thousands)										
Total	**29,331,201**	**13,879,971**	**6,230,084**	**7,524,309**	**129,341**	**9,216,706**	**4,535,894**	**116,252**	**1,208,156**	**72,171,914**
In India	29,331,201	13,879,971	6,230,084	7,524,309	129,341	9,216,706	4,535,894	116,252	1,208,156	72,171,914
Total	**29,331,201**	**13,879,971**	**6,230,084**	**7,524,309**	**129,341**	**9,216,706**	**4,535,894**	**116,252**	**1,208,156**	**72,171,914**

(₹ in '000)

SCHEDULE - 8B
ASSETS HELD TO COVER LINKED LIABILITIES

Particulars	Linked Life Funds	Linked Pension Funds	Linked Health Funds	Linked Group Funds	Total
	March 31, 2012				
LONG TERM INVESTMENTS					
Government Securities	10,561,449	997,067	6,217	361,125	**11,925,858**
(Historical value : ₹ 12,085,250 thousands)					
Other Approved Securities	81,204	119,249	—	—	**200,453**
(Historical value : ₹ 205,724 thousands)					
Other Approved Investments					
Equity	178,346,530	144,025,920	1,475,137	5,090,739	**328,938,326**
(Historical value : ₹ 292,598,008 thousands)					
Debentures/ Bonds	8,620,074	6,979,301	87,379	5,988,168	**21,674,922**
(Historical value : ₹ 21,507,422 thousands)					
Fixed Deposit	5,851,499	5,246,399	48,083	3,633,619	**14,779,600**
(Historical value : ₹ 14,779,600 thousands)					
Investments in Infrastructure / Housing / Social Sector					
Equity	13,143,314	11,053,142	125,428	348,547	**24,670,431**
(Historical value : ₹ 28,046,842 thousands)					
Debenture/ Bonds	13,205,450	10,794,051	107,661	8,131,396	**32,238,558**
(Historical value : ₹ 32,275,823 thousands)					
Other Investments					
Equity	15,008,916	12,371,137	186,960	429,327	**27,996,340**
(Historical value : ₹ 33,684,161 thousands)					
Debentures/ Bonds	548,958	443,035	19,931	806,694	**1,818,618**
(Historical value : ₹ 1,849,241 thousands)					
Venture Fund	15,853	—	—	—	**15,853**
(Historical value : ₹ 15,063 thousands)					
SHORT TERM INVESTMENTS					
Government Securities	—	—	—	—	**—**
(Historical value: Nil)					
Other Approved Securities	—	—	—	69	**69**
(Historical value : ₹ 67 thousands)					
Other Approved Investments					
Debentures/ Bonds	1,699,073	2,856,719	10,894	1,262,958	**5,829,644**
(Historical value : ₹ 5,869,154 thousands)					
Certificate of Deposit	21,578,958	20,989,961	395,357	10,116,077	**53,080,353**
(Historical value : ₹ 52,703,029 thousands)					
Commercial Papers	372,524	476,268	1,461	610,638	**1,460,891**
(Historical value : ₹ 1,450,695 thousands)					
Fixed Deposits	8,688,352	9,465,675	79,728	6,467,918	**24,701,673**
(Historical value : ₹ 24,701,673 thousands)					
Collateralized Borrowing and Lending Obligation (CBLO)	415,082	18,002	—	422,028	**855,112**
(Historical value : ₹ 854,551 thousands)					
Mutual Fund	1,773,660	1,210,836	26,266	473,626	**3,484,388**
(Historical value : ₹ 3,483,218 thousands)					
Reverse repo	1,047,650	1,323,316	—	1,114,405	**3,485,371**
(Historical value : ₹ 3,485,371 thousands)					
Investments in Infrastructure / Housing / Social Sector					
Debentures/ Bonds	2,481,995	2,198,637	30,971	1,176,122	**5,887,725**
(Historical value : ₹ 5,723,510 thousands)					
Certificate of Deposits	7,607	123,615	—	344,220	**475,442**
(Historical value : ₹ 460,240 thousands)					
Commercial Papers	926,243	1,271,519	8,414	1,281,861	**3,488,037**
(Historical value : ₹ 3,379,950 thousands)					
Other Investments					
Debentures/ Bonds	8,216	180,746	—	16,431	**205,393**
(Historical value : ₹ 183,635 thousands)					
Mutual Fund	392,725	368,728	98,518	299,703	**1,159,674**
(Historical value : ₹ 1,159,286 thousands)					
Net Current Asset	3,854,768	3,314,791	85,919	2,545,537	**9,801,015**
Total	**288,630,100**	**235,828,114**	**2,794,324**	**50,921,208**	**578,173,746**
In India	288,630,100	235,828,114	2,794,324	50,921,208	578,173,746
Total	**288,630,100**	**235,828,114**	**2,794,324**	**50,921,208**	**578,173,746**

(₹ in '000)

SCHEDULE - 8B
ASSETS HELD TO COVER LINKED LIABILITIES

Particulars	March 31, 2011				
	Linked Life Funds	*Linked Pension Funds*	*Linked Health Funds*	*Linked Group Funds*	*Total*
LONG TERM INVESTMENTS					
Government Securities	3,325,193	519,489	101	19,988	3,864,771
(Historical value : ₹ 3,851,046 thousands)					
Other Approved Securities	10,839	—	—	69	10,908
(Historical value : ₹ 10,798 thousands)					
Other Approved Investments					
Equity	198,516,792	157,553,670	1,003,955	5,532,127	362,606,544
(Historical value : ₹ 285,038,155 thousands)					
Debentures/ Bonds	8,658,406	6,915,106	94,122	4,936,271	20,603,905
(Historical value : ₹ 20,651,553 thousands)					
Fixed Deposit	5,430,191	5,673,708	70,006	4,042,095	15,216,000
(Historical value : ₹ 15,216,000 thousands)					
Investments in Infrastructure / Housing / Social Sector					
Equity	9,993,990	10,869,975	106,431	141,138	21,111,534
(Historic value : ₹ 23,311,631 thousands)					
Debenture/ Bonds	10,183,203	7,882,077	67,186	6,172,505	24,304,971
(Historical value : ₹ 24,383,571 thousands)					
Other Investments					
Equity	20,890,134	14,991,337	184,381	670,575	36,736,427
(Historical value : ₹ 39,663,904 thousands)					
Debentures/ Bonds	371,733	520,889	8,016	920,813	1,821,451
(Historical value : ₹ 1,817,022 thousands)					
Venture Fund	16,883	—	—	—	16,883
(Historical value : ₹ 16,440 thousands)					
SHORT TERM INVESTMENTS					
Government Securities	—	—	—	—	—
(Historical value Nil)					
Other Approved Securities	105,827	200,772	—	2,320	308,919
(Historical value : ₹ 315,373 thousands)					
Other Approved Investments					
Debentures/ Bonds	2,289,758	1,682,974	34,529	1,952,664	5,959,925
(Historical value : ₹ 5,990,783 thousands)					
Certificate of Deposit	20,417,281	19,763,330	171,555	10,827,133	51,179,299
(Historical value : ₹ 50,562,936 thousands)					
Commercial Papers	734,528	1,374,549	2,846	1,280,964	3,392,887
(Historical value : ₹ 3,349,798 thousands)					
Fixed Deposits	8,066,807	6,812,578	60,428	4,939,794	19,879,607
(Historical value : ₹ 19,879,607 thousands)					
CBLO	280,373	—	42,088	—	322,461
(Historical value : ₹ 322,390 thousands)					
Mutual Fund	431,302	289,417	15,231	125,680	861,630
(Historical value : ₹ 861,630 thousands)					
Investments in Infrastructure / Housing / Social Sector					
Debentures/ Bonds	1,827,162	1,209,509	3,343	663,014	3,703,028
(Historical value : ₹ 3,648,611 thousands)					
Commercial Papers	2,959,435	2,518,834	31,275	1,779,757	7,289,301
(Historical value : ₹ 7,168,479 thousands)					
Other Investments					
Mutual Fund	257,595	101,853	48,006	18,212	425,666
(Historical value : ₹ 425,666 thousands)					
Net Current Asset	3,936,455	3,398,115	79,834	1,234,826	8,649,230
Total	**298,703,887**	**242,278,182**	**2,023,333**	**45,259,945**	**588,265,347**
In India	298,703,887	242,278,182	2,023,333	45,259,945	588,265,347
Total	**298,703,887**	**242,278,182**	**2,023,333**	**45,259,945**	**588,265,347**

(₹ in '000)

SCHEDULE - 9
LOANS

Particulars	March 31, 2012	March 31, 2011
1. SECURITY-WISE CLASSIFICATIONS		
Secured		
(a) On mortgage of property		
(aa) In India	—	—
(bb) Outside India	—	—
(b) On Shares, Bonds, Govt Securities, etc.	—	—
(c) Loans against policies	95,740	86,945
(d) Others	—	—
Unsecured	—	—
Total	95,740	86,945
2. BORROWER WISE CLASSIFICATION		
(a) Central and State Governments	—	—
(b) Banks and Financial Institutions	—	—
(c) Subsidiaries	—	—
(d) Companies	—	—
(e) Loans against policies	95,740	86,945
(f) Loans to employees	—	—
Total	95,740	86,945

Particulars	March 31, 2012	March 31, 2011
3. PERFORMANCE-WISE CLASSIFICATION		
(a) Loans classified as standard		
(aa) In India	95,740	86,945
(bb) Outside India	—	—
(b) Non-standard loans less provisions		
(aa) In India	—	—
(bb) Outside India	—	—
Total	95,740	86,945
4. MATURITY-WISE CLASSIFICATION		
(a) Short-Term	—	—
(b) Long-Term	95,740	86,945
Total	95,740	86,945

SCHEDULE - 10
FIXED ASSETS

Particulars	Gross Block (at cost)				Depreciation				Net Block	
	At April 1, 2011	Additions	Deductions	At March 31, 2012	At April 1, 2011	For the year	Deductions	At March 31, 2012	At March 31, 2012	At March 31, 2011
Software	517,162	70,787	—	587,949	332,186	140,279	—	472,465	115,484	184,976
Freehold land	903,280	—	—	903,280	—	—	—	—	903,280	903,280
Improvements to leasehold property	2,313,268	64,389	496,881	1,880,776	1,571,758	362,161	496,520	1,437,398	443,378	741,510
Office buildings on freehold land	89,000	—	—	89,000	5,812	1,451	—	7,263	81,737	83,188
Furniture and fixtures	131,273	30,145	6,908	154,510	116,253	12,346	6,655	121,944	32,566	15,020
Information technology equipment	106,625	105,492	18,301	193,816	104,179	9,484	18,075	95,588	98,228	2,446
Motor vehicles	4,885	51,540	1,575	54,850	2,641	5,887	143	8,385	46,465	2,244
Office equipment/plant	242,727	13,997	11,749	244,975	218,315	14,686	11,210	221,791	23,184	24,412
Communication networks	69,047	11,372	—	80,419	56,696	9,548	—	66,244	14,175	12,351
Total	4,377,267	347,722	535,414	4,189,575	2,407,840	555,842	532,603	2,431,078	1,758,497	1,969,427
Capital work in progess including capital advances									43,809	13,201
Total									1,802,306	1,982,628
As at March 31, 2011	4,435,654	123,942	182,329	4,377,267	1,813,300	726,509	131,969	2,407,840		

SCHEDULE - 11
CASH AND BANK BALANCES

Particulars	March 31, 2012	March 31, 2011
Cash (including cheques, drafts and stamps)	1,492,219	2,314,279
Bank Balance		
(a) Deposit Account :		
(aa) Short-term (due within 12 months of the date of balance sheet)	—	—
(bb) Others	—	—
(b) Current accounts	1,348,421	988,920
Money at call and short notice	—	—
Others	—	—
Total	2,840,640	3,303,199
CASH AND BANK BALANCES		
In India	2,831,823	3,284,247
Outside India	8,817	18,952
Total	2,840,640	3,303,199

SCHEDULE - 12
ADVANCES AND OTHER ASSETS

Particulars	March 31, 2012	March 31, 2011
ADVANCES		
Prepayments	189,520	231,772
Advance tax paid and taxes deducted at source	983,147	664,272
Deposits	482,257	715,351
Other advances	311,714	271,274
Other receivables	445,333	22,768
Total (A)	2,411,971	1,905,437
OTHER ASSETS		
Income accrued on investments and deposits	3,062,209	1,188,907
Outstanding premiums	750,148	206,018
Agents' balances	15,935	10,742
Due from subsidiary	6,334	5,294
Sundry Debtors (Investments)	419,950	—
Service Tax un-utilised credit	33,635	30,854
Total (B)	4,288,211	1,441,815
Total (A+B)	6,700,182	3,347,252

(₹ in '000)

SCHEDULE - 13
CURRENT LIABILITIES

Particulars	March 31, 2012	March 31, 2011
Agents' balances	**377,335**	*435,750*
Reinsurance premium payable	**152,634**	*42,782*
Premium received in advance	**801,434**	*800,590*
Unallocated premium	**1,473,059**	*1,461,815*
Sundry creditors	**278,550**	*275,276*
Due to holding company	**197,798**	*123,521*
Claims outstanding	**68,690**	*157,638*
Deposits	**5,981**	*5,981*
Expenses payable	**5,625,931**	*5,174,953*
TDS payable	**165,554**	*214,445*
Payable towards investments purchased	**799,432**	—
Unclaimed amount of Policyholders (Refer note 3.7 of schedule 16)	**3,171,318**	*4,467,815*
Other liabilities	**3,346,299**	*2,736,136*
Total	**16,464,015**	*15,896,702*

SCHEDULE - 14
PROVISIONS

Particulars	March 31, 2012	March 31, 2011
For proposed dividends - Refer note 3.33 of schedule 16	**1,000,885**	—
For dividend distribution tax	**162,369**	—
For service tax un-utilised credit	**—**	—
For leave encashment and gratuity	**132,758**	*49,060*
Total	**1,296,012**	*49,060*

SCHEDULE - 15
MISCELLANEOUS EXPENDITURE
(To the extent not written off or adjusted)

Particulars	March 31, 2012	March 31, 2011
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, 2012

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 are prepared and presented under the historical cost convention, unless otherwise stated, 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 (Accounting Standard Rules, 2006) and the relevant provisions of the Companies Act, 1956 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 the 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 in the current and future periods.

2.3 Revenue recognition

2.3.1. Premium income

Premium is recognised as income when due from policyholders. 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. Amortisation of premium/accretion of discount on 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 gains/losses 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 gains/losses on debt securities for linked business is the difference between the sale consideration net of expenses and the weighted average book cost 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 weighted average book cost. 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 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 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 premiums have 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, the IRDA regulations and the Actuarial Practice Standards Guidance Notes issued by the Institute of Actuaries of India.

2.8 Investments

Investments are made in accordance with the Insurance Act, 1938, Insurance Regulatory and Development Authority (Investments) Regulations, 2000, Investment Policy 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.

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 policyholders' Non-linked 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 at the Balance Sheet date are stated at fair value being the last quoted closing price on the National Stock Exchange ('NSE') (in case the securities are not listed on NSE, the last quoted closing price on the Bombay Stock Exchange ('BSE') is used). Unlisted equity shares are stated at historical cost.

Mutual fund units are valued at the latest available net asset values 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 (at least once in every three years). 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.

The Company assesses at each Balance Sheet date whether there is any indication that any investment in equity, real estate and venture fund is impaired. In case of impairment, the carrying value of such investment is reduced to its fair value and the impairment loss is recognised in the Revenue/Profit and Loss account. However, at the Balance Sheet date if there is any indication that a previously recognised impairment loss no longer exists, then such loss is reversed and the investment is restated to that extent.

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 Ltd. ('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 valuation provided 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).

Mutual fund units are valued at the latest available net asset values 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 upto 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 the security at various call dates or upto the final maturity date.

Securities with put option are valued at the higher of the value as obtained by valuing the security upto final maturity date or the put option date. In case there are multiple put options, the security is valued at the highest value obtained by valuing the security at various put dates or upto 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 date 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, transfer of debt securities, made with the objective of meeting the deficit in the Policyholders' account, are at the lower of the market price and the net amortised cost. Transfer of investments between unit liked funds is done at the prevailing 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 ₹ 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 freehold land	1.63%
Improvement to leasehold properties	Over the lease period, subject to a maximum of 9 years
Furniture and 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 the employee.

The Company's liability towards gratuity, leave encashment and provident fund (for interest rate guarantee) 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 put together), Non Participating, 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 one 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 relationship to the various business segments.

2.15 Taxes on Income

Income tax expense comprises of current tax (i.e. amount of tax for the year 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 year).

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 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.

The Company allocates tax to the participating lines of business in order to ensure that the expenses pertaining to and identifiable with a particular line of business are represented as such to enable a more appropriate presentation of the financial statements. Accordingly, tax charge/credit on surplus/deficit arising from the participating line of business is disclosed separately in the Revenue account.

2.16 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.

2.17 Provisions and contingent liabilities

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.

2.18 Earnings per share

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

2.19 Appropriation / Expropriation

In accordance with the Unit Linked guidelines issued by the IRDA effective July 1, 2006, the Company followed the Appropriation/Expropriation methodology for calculating Net Asset Value (`NAV') until August 17, 2011. The Appropriation/Expropriation methodology provided for adjusting the NAV on account of `Dealing Costs'. The impact of such dealing costs is accounted for in the Revenue account as "Income on Investments" with a corresponding impact in "Change in Valuation of Policy Liability". Corresponding adjustments are also made in Assets Held to cover Policy Liabilities and the Provisions for Linked Liabilities in the Balance Sheet.

As stipulated by the IRDA vide circular no. IRDA/F&I/CIR/INV/173/08/2011 dated July 29, 2011, NAV is being computed without Appropriation/ Expropriation adjustments in unit pricing with effect from August 18, 2011.

2.20 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 maximum revival period. After expiry of this revival period, the Company may appropriate surplus from the Revenue Account, on the Appointed Actuary's recommendation.

3 Notes to accounts

3.1 Contingent liabilities

(₹ in '000)

Particulars	March 31, 2012	*March 31, 2011*
Partly-paid up investments	—	—
Underwriting commitments outstanding	—	—
Claims, other than those under policies, not acknowledged as debts	**140,718**	*153,485*
Guarantees given by or on behalf of the Company	**5,357**	*4,888*
Statutory demands / liabilities in dispute, not provided for	—	—
Reinsurance obligations to the extent not provided for	—	—
Others – policy related claims under litigation	**285,403**	*239,601*

3.2 Actuarial method and assumptions

The actuarial liability in respect of 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.

An explicit provision has been made to allow for additional expenses that the Company may have to incur if it were to close to new business 12 months after the valuation date.

The greater of a liability calculated using discounted cash flows and unearned premium reserves is held for the unexpired portion of the risk for the general fund liabilities of linked business and attached riders. An unearned premium reserve and a reserve in respect of claims incurred but not reported 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.

The interest rates used for valuing the liabilities are in the range of 4.93% to 6.02% per annum. (The previous year's rates were 6.16% to 6.86%)

Mortality rates used are based on the published IALM (94-96) Ultimate Mortality Table for assurances and LIC (a) 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 any future improvement but with an allowance for any expected worsening. Per policy renewal expenses for regular premium policies are assumed to inflate at 5.20% (The inflation assumption for the previous year was 5.90%).

3.3 Encumbrances of assets

The assets of the Company are free from all encumbrances at March 31, 2012 (Previous year: ₹ Nil) except as required to be deposited as margin contributions for investment trade obligations as detailed below:

a. Fixed deposit of ₹ 1,050,000 thousand (Previous year: Nil) and ₹ 100,000 thousand (Previous year: Nil) has been deposited with National Securities Clearing Corporation Limited and Indian Clearing Corporation Limited respectively towards margin requirement for equity trade settlement;

b. Government securities of ₹ 843,445 thousand with market value: ₹ 831,528 thousand (Previous year: ₹ 845,143 with Market value: ₹ 846,383 thousand) has been deposited with Clearing Corporation of India Limited (CCIL) as Settlement Guarantee Fund (SGF) deposit;

c. Government securities of ₹ 209,291 thousand with market value: ₹ 191,400 thousand (Previous year: ₹ 209,675 with Market value: ₹ 199,700 thousand) has been deposited with CCIL for trades in the Collateralized Borrowing and Lending Obligation (CBLO) segment.

d. Further, ₹ 60,000 thousand (Previous year: ₹ 200,000) has been deposited with CCIL as SGF deposit and ₹ 100 thousand (Previous year: ₹ 100 thousand) has been deposited with CCIL for trades in CBLO segment.

3.4 Assets to be deposited under local laws

There are no assets required to be deposited by the Company under any local laws in or outside India at March 31, 2012 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: ₹ Nil).

3.6 Commitments

Commitments made and outstanding for loans and investment are ₹ Nil (Previous year: ₹ Nil).

Estimated amount of contracts remaining to be executed on fixed assets to the extent not provided for (net of advance) is ₹ 61,924 thousand (Previous year: ₹ 61,269 thousand).

3.7 Unclaimed amount of policyholders

In accordance with circular IRDA/F&I/CIR/CMP/174/11/2010 issued by the IRDA on November 4, 2010, the age wise analysis of unclaimed amount of the policyholders at March 31, 2012 is tabulated as below:

a. Claims settled but not paid to the policyholders/insured due to any reasons except under litigation from the insured/policyholders:

Year	Total Amount	Age-wise analysis (₹ '000)							
		Outstanding period in months							
		0-1	1-6	7-12	13-18	19-24	25-30	31-36	> 36
2012	5,877	494	59	—	—	5,324	—	—	—
2011	4,145	4,125	20	—	—	—	—	—	—

b. Sum due to the insured/policyholders on maturity or otherwise:

Year	Total Amount	Age-wise analysis (₹ '000)							
		Outstanding period in months							
		0-1	1-6	7-12	13-18	19-24	25-30	31-36	> 36
2012	819,479	667,706	101,611	13,807	18,350	5,813	3,625	5,386	3,181
2011	3,163,220	3,106,529	23,972	8,235	4,829	6,535	6,516	6,029	575

c. Any excess collection of the premium/tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far:

Year	Total Amount	Age-wise analysis (₹ '000)							
		Outstanding period in months							
		0-1	1-6	7-12	13-18	19-24	25-30	31-36	> 36
2012	152,326	120,681	26,383	2,756	1,978	126	145	52	205
2011	241,086	222,080	15,591	741	2,488	129	56	—	1

d. Cheques issued but not encashed by the policyholder / insured:

Year	Total Amount	Age-wise analysis (₹ '000)							
		Outstanding period in months							
		0-1	1-6	7-12	13-18	19-24	25-30	31-36	> 36
2012	4,380,718	2,027,799	874,336	626,897	359,862	194,468	58,597	46,254	192,505
2011	2,573,592	1,024,933	807,048	305,185	170,926	55,374	39,503	36,811	133,812

The cheques issued but not encashed by policyholder/insured category include ₹ 2,187,081 thousands pertaining to cheques which are within the validity period but not yet encashed by the policyholders as at March 31, 2012 (Previous Year ₹ 1,514,228). This amount forms part of bank reconciliation and consequently not considered in unclaimed amount of policyholders as disclosed under Schedule 13 – Current liabilities.

3.8 Managerial remuneration

The details of the Managing Director and Executive Directors' remuneration included in employee remuneration and welfare benefits are as follows:

(₹ in '000)

Particulars	March 31, 2012	*March 31, 2011*
Sandeep Bakhshi Managing Director & CEO	**20,471**	*8,815*
Puneet Nanda Executive Director	**18,212**	*7,162*
Madhivanan Balakrishnan Executive Director	**16,146**	*7,372*

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.

All the managerial remuneration is in accordance with the requirements of Section 34A of the Insurance Act, 1938 and as approved by the IRDA.

3.9 Investments

- The investments are made from the respective funds of the Policyholder's or Shareholder's and investment income thereon has been accounted accordingly.
- All investments are performing investments.
- The market value of deposit held under Section 7 of the Insurance Act, 1938 in the form of securities are as follows:

(₹ in '000)

Particulars	March 31, 2012	*March 31, 2011*
7.40% 2012 Government of India Securities*	**102,412**	*100,444*
10.00% 2014 Government of India Securities*	**105,549**	-
Total	**207,961**	*100,444*

* The investments are held with Deutsche Bank A.G. in Constituent Subsidiary Generl Ledger Account as specified by the IRDA.

3.10 Value of investment contracts where settlement or delivery is pending is as follows:

(₹ in '000)

Particulars	March 31, 2012		March 31, 2011	
	Linked business	Non linked business	*Linked business*	*Non linked business*
Purchases where deliveries are pending	2,393,132	799,276	*3,319,514*	—
Sales where receipts are pending	2,745,465	419,951	*4,761,939*	—

3.11 Real Estate – Investment Property

In accordance with the IRDA Regulations, 2002 (Preparation of Financial Statements and Auditors' Report of Insurance Companies), the Company's real estate investment has been revalued by an independent valuer at March 31, 2012. The real estate investment property is accordingly re-stated at ₹ 890,000 thousand at March 31, 2012 (Previous year: ₹ 854,400 thousand, Historical cost: ₹ 185,521 thousand).

3.12 Impairment of investment assets

In accordance with the impairment policy of the Company, permanent diminution in value of Investments in equity, real estate and venture fund has been assessed at March 31, 2012. The Company has accordingly written-off a part of the value of the equity investments considered as impaired. The total impairment loss recognised is ₹ 127,140 thousand at March 31, 2012 (Previous year: Nil) in the Revenue account under Loss on sale/redemption of investments.

3.13 Sector-wise percentage of business

Sector wise break-up of policies issued during the year is as follows:

Sector	March 31, 2012	*March 31, 2011*
Rural – Number of policies	331,133	*352,899*
– Percentage of total policies	32%	*26%*
Social – Number of policies	1	*1*
– Percentage of total policies	0.0001%	*0.0001%*
– Number of lives	155,339	*159,427*
– Percentage of group lives	6%	*5%*
– Gross premium (₹ in '000)	23,252	*7,505*
– Percentage of total premium	0.05%	*0.01%*
Total – Number of policies	1,029,068	*1,350,724*
– Number of group lives	2,431,455	*3,136,447*
– Gross new business premium (₹ in '000)	44,410,932	*74,389,868*

3.14 Risks retained and reinsured

Extent of risk retained and reinsured based on sum at risk, is as follows:

Particulars	March 31, 2012	*March 31, 2011*
Individual business		
Risk retained	70%	*82%*
Risk reinsured	30%	*18%*
Group business		
Risk retained	44%	*50%*
Risk reinsured	56%	*50%*

3.15 Deferred taxes

As required under AS 22, 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 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 recognised 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 asset can be realised.

In the Finance Bill, 2012, the scope of Minimum Alternate Tax (MAT) has been expanded by virtue of which it has been proposed to bring insurance companies within the ambit of MAT from FY 2013 onwards. As per the proposals of the Finance Bill, 2012, which is yet to become law, a MAT rate of 18.5% of the Company's book profit has been stipulated. However, this rate is higher than the current income tax rate for an insurance company at 12.5% of taxable profits as prescribed by the Income Tax Act, 1961. The Company has taken a view that since the proposed rate of MAT is higher than the normal rate of tax applicable to insurance companies, there seems to be an anomaly in this regard which is anticipated to be rationalised. In the light of the above, the Company has not considered the proposal of introduction of a higher MAT rate in the Finance Bill, 2012 in ascertaining the virtual certainty of the realisability of its deferred tax asset.

As at March 31, 2012, ₹ 860,260 thousand represents deferred tax asset on carry forward unabsorbed losses (Previous year: ₹ 1,330,807 thousand).

(₹ in '000)

Particulars	Deferred tax asset at April 1, 2011	(Charge)/ Credit for the period	Deferred tax asset at March 31, 2012
Deferred tax assets on:			
Carry forward of unabsorbed tax losses	1,330,807	(470,547)	***860,260**
Linked funds for future appropriation	453,610	(260,509)	**193,101**
Total	1,784,417	(731,056)	**1,053,361**

*The deferred tax asset on carried forward unabsorbed losses is recognised based on estimated taxable profit considering the current in force life insurance contracts at March 31, 2012.

3.16 Operating lease commitments

The Company takes premises (both commercial and residential), motor vehicles, office equipments, computers, servers and modular furniture on operating 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 at the balance sheet date are summarised below:

(₹ in '000)

Particulars	March 31, 2012	*March 31, 2011*
Not later than one year	311,224	*471,287*
Later than one year but not later than five years	610,442	*792,890*
Later than five years	—	—

The total operating lease rentals charged to Revenue account in the current year is ₹ 1,354,055 thousand (Previous year: ₹ 2,268,307 thousand).

3.17 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
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

Nature of relationship	Name of the related party
	ICICI Strategic Investments Fund TCW / ICICI Investment Partners Limited Liability Company ICICI Kinfra Limited ICICI Venture Value Fund (IVVF) I-Ven Biotech Limited
Key management personnel	Sandeep Bakhshi, Managing Director and CEO Puneet Nanda, Executive Director Madhivanan Balakrishnan, Executive Director Tarun Chugh, Chief Distribution Officer Judhajit Das, Chief – Human Resources Avijit Chatterjee, Appointed Actuary
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, 2012:

(₹ in '000)

Particulars	Holding company	Subsidiary and Fellow subsidiaries	Companies having Substantial Interest	Key Management Personnel	Entities having Significant Influence
Income					
Premium income	174,269	[1]13,832	—	2,294	[6]115,098
Interest income	129,199	[2]187,172	—	—	—
Expenses					
Establishment & other expenditure	3,501,605	[3]483,834	—	106,615	—
Provident fund, Superannuation and Gratuity contribution	—	—	—	—	[7]317,652
Claims	56,339	2,500	—	—	—
Others					
Share capital issued during the year	—	—	—	—	—
Share premium	—	—	—	—	—
Purchase of securities	8,263,309	[4]11,893,866	—	—	—
Investment in subsidiary	—	—	—	—	—
Sale of securities	1,675,358	[5]6,599,088	—	—	—
Repo transactions	—	—	—	—	—
Purchase of Fixed Assets	—	—	—	—	—
Sale of Fixed Assets	—	—	—	—	—
Interim dividend paid	[8]2,321,684	—	[8]815,727	—	—
Proposed final dividend	738,718	—	259,549	—	—

Notes :

[1] Includes transactions with ICICI Securities Limited of ₹ 2,527 thousand, with ICICI Venture Funds Management Company Limited of ₹ 2,575 thousand, with ICICI Securities Primary Dealership Limited of ₹ 281 thousand, with ICICI Prudential Asset Management Company Limited of ₹ 2,154 thousand and ICICI Lombard General Insurance Company Limited of ₹ 6,293 thousand;

[2] Includes transactions with ICICI Home Finance Company Limited of ₹ 134,191 thousand and ICICI Securities Primary Dealership Limited ₹ 52,980 thousand;

[3] Establishment and other expenditure include expenses for sharing of common services and facilities, insurance commission, insurance premium, brokerage and business support. Expense also includes ₹ 18,328 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 ₹ 9,467,762 thousand and ICICI Lombard General Insurance Company Limited of ₹ 2,426,103 thousand;

[5] Includes transactions with ICICI Securities Primary Dealership Limited of ₹ 5,886,048 thousand and ICICI Lombard General Insurance Company Limited of ₹ 713,039 thousand;

[6] Includes transactions with ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme of ₹ 106,247 thousand and with ICICI Prudential Life Insurance Company Limited Employees' Group Superannuation Scheme of ₹ 8,850 thousand ;

[7] Includes transactions with ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme of ₹ 106,246 thousand, with ICICI Prudential Life Insurance Company Limited Employees' Group Superannuation Scheme of ₹ 8,850 thousand and with ICICI Prudential Life Insurance Company Limited Employees' Provident Fund of ₹ 202,555 thousand;

[8] Includes interim dividends paid to ICICI Bank Limited and Prudential Corporation Plc.

Balances of Related parties as at March 31, 2012:

(₹ in '000)

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	4,256,989	[1]1,876,547	—	—	—
Equity	—	[2]110,000	—	—	—
Cash & bank balances	349,310	—	—	—	—
Income accrued on investments	123,615	[3]55,698	—	—	—
Other assets	4,452	[4]50,538	—	—	—
Liabilities					
Share capital	10,553,109	—	3,707,849	—	—
Share premium	24,684,412	—	8,672,901	—	—
Other liabilities	202,271	[5]64,580	—	—	33,786
Final dividend	738,718	—	259,549	—	—

Notes :

[1] Includes investment in debentures of ₹ 1,328,114 thousand of ICICI Home Finance Company Limited and ₹ 548,432 thousand of ICICI Securities Primary Dealership Limited;

[2] Represents investment in equity of ₹ 110,000 thousand of ICICI Prudential Pension Funds Management Company Limited;

[3] Includes interest accrued on Debentures of ₹ 41,088 thousand of ICICI Home Finance Company Limited and ₹ 14,609 thousand of ICICI Securities Primary Dealership Limited;

[4] Includes advance premium of ₹ 42,025 thousand paid to ICICI Lombard General Insurance Company Limited and expenses recoverable of ₹ 6,886 from ICICI Prudential Pension Fund Management Company Limited;

[5] Other liabilities include expenses payable towards sharing of common services and facilities, insurance commission, business support and premium received in advance.

Transactions for the year ended March 31, 2011:

(₹ in '000)

Particulars	Holding company	Subsidiary and Fellow subsidiaries	Companies having Substantial Interest	Key Management Personnel	Entities having Significant Influence
Income					
Premium income	143,140	[1]10,888	—	—	[7]25,084
Interest income	272,489	[2]163,765	—	—	—
Expenses					
Establishment & other expenditure	2,290,786	[3]424,537	—	89,081	—
Provident fund, Superannuation and Gratuity contribution	—	—	—	—	[8]479,465
Claims	41,000	2,320	—	—	—
Others					
Share capital issued during the year	—	—	—	—	—
Share premium	—	—	—	—	—
Purchase of securities	7,440,229	[4]21,069,846	—	—	—
Sale of securities	1,991,351	[5]4,352,487	—	—	—
Repo transactions	7,014,425	—	—	—	—
Redemption of Investments	200,100	[6]250,000	—	—	—
Purchase of Fixed Assets	24	—	—	—	—
Sale of Fixed Assets	98	—	—	—	—

Notes :

[1]Includes transactions with ICICI Prudential Asset Management Company Limited of ₹ 1,414 thousand, with ICICI Securities Limited of ₹ 1,095 thousand, with ICICI Lombard General Insurance Company Limited of ₹ 6,067 thousand, with ICICI Venture Limited of ₹ 2,076 thousand and ICICI Securities Primary Dealership Limited ₹ 236 thousand;

[2] Includes transactions with ICICI Home Finance Company Limited of ₹ 142,278 thousand and ICICI Securities Primary Dealership Limited ₹ 21,487 thousand;

[3] Establishment and other expenditure include expenses for sharing of common services and facilities, insurance commission, insurance premium, brokerage and business support. Expense also includes ₹ 16,562 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 ₹ 20,413,498 thousand and ICICI Lombard General Insurance Company Limited of ₹ 656,348 thousand;

[5] Includes transactions with ICICI Securities Primary Dealership Limited of ₹ 4,102,298 thousand and ICICI Lombard General Insurance Company Limited of ₹ 250,188 thousand;

[6] Represents transactions with ICICI Securities Primary Dealership Limited;

[7] Includes transactions with ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme of ₹ 16,078 thousand and with ICICI Prudential Life Insurance Company Limited Employees' Group Superannuation Scheme of ₹ 9,006 thousand;

[8] Includes transactions with ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme of ₹ 16,034 thousand, with ICICI Prudential Life Insurance Company Limited Employees' Group Superannuation Scheme of ₹ 9,006 thousand and with ICICI Prudential Life Insurance Company Limited Employees' Provident Fund of ₹ 454,424 thousand.

Balances of Related parties as at March 31, 2011:

(₹ in '000)

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	3,469,136	[1]1,679,745	—	—	—
Equity	—	[2]110,000	—	—	—
Cash & bank balances	202,523	—	—	—	—
Income accrued on investments	45,957	[3]46,062	—	—	—
Other assets	5,604	[4]36,237	—	—	—
Liabilities					
Share capital	10,553,109	—	3,707,329	—	—
Share premium	24,684,412	—	8,672,901	—	—
Other liabilities	123,521	[5]23,925	—	—	—

Notes:

[1] Includes investment in debentures of ₹ 1,479,512 thousand of ICICI Home Finance Company Limited and ₹ 200,233 thousand of ICICI Securities Primary Dealership Limited;

[2] Represents investment in equity of ₹ 110,000 thousand of ICICI Prudential Pension Funds Management Company Limited;

[3] Includes interest accrued on Debentures of ₹ 40,962 thousand of ICICI Home Finance Company Limited and ₹ 5,099 thousand of ICICI Securities Primary Dealership Limited;

[4] Includes advance premium of ₹ 35,279 thousand paid to ICICI Lombard General Insurance Company Limited;

[5] Other liabilities include expenses payable towards sharing of common services and facilities, insurance commission, business support and premium received in advance.

3.18 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 ₹ 1,802,306 thousand (Previous year ₹ 1,982,628 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:

(₹ in '000)

Business Segments	Loans, Deferred Tax Asset & Net Current Assets	
	March 31, 2012	*March 31, 2011*
Shareholders	**(6,519,629)**	*(667,719)*
Par Life	**1,251,820**	*386,280*
Par Pension	**289,031**	*65,801*
Non-Par	**2,371,694**	*35,040*
Annuity Non-Par	**131,305**	*253,061*
Health	**(186,273)**	*(73,183)*
Linked Life	**(1,619,323)**	*(4,852,770)*
Linked Pension	**(1,153,053)**	*(1,989,888)*
Linked Health	**(66,258)**	*(34,086)*
Linked Group	**(1,569,418)**	*(546,485)*
Total	**(7,070,104)**	*(7,423,949)*

Segment-wise information of non-cash items being amortisation of premium included in interest income on debt instruments is tabled below:

(₹ in '000)

Business Segments	March 31, 2012	March 31, 2011
Shareholders	**(437,541)**	*(471,675)*
Par Life	**(92,929)**	*7,946*
Par Pension	**(161,632)**	*(3,380)*
Non-Par	**(44,266)**	*(12,669)*
Annuity Non-Par	**(17,572)**	*(1,540)*
Health	**(781)**	*(453)*
Linked Life	**(26,710)**	*(25,806)*
Linked Pension	**(14,363)**	*(9,582)*
Linked Health	**(3,273)**	*828*
Linked Group	**(34,124)**	*(17,569)*
Total	**(833,191)**	*(533,900)*

3.19 Fund Balance Sheet at March 31, 2012

Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Anmol Nivesh Fund	Balancer Fund	Balancer Fund II	Balancer Fund III	Balancer Fund IV	Bluechip Fund	Cash Plus Fund	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund	Flexi Balanced Fund II	Flexi Balanced Fund III
		ULIF 072 28/04/09 LAnmolNiv 105	ULIF 002 22/10/01 LBalancer1 105	ULIF 014 17/05/04 LBalancer2 105	ULIF 023 13/03/06 LBalancer3 105	ULIF 039 27/08/07 LBalancer4 105	ULIF 087 24/11/09 LBluChip 105	ULIF 008 11/08/03 LCashPlus 105	ULIF 100 01/07/10 LDiscont 105	ULIF 097 11/01/10 LDynmicPE 105	ULIF 031 20/03/07 LFlexiBal1 105	ULIF 032 20/03/07 LFlexiBal2 105	ULIF 033 20/03/07 LFlexiBal3 105
Sources of funds													
Policyholders' funds													
Policyholder contribution	F-1	5,206	3,673,121	781,583	158,569	712,554	1,152,090	2,004,580	656,089	13,814,066	1,098,978	767,252	56,428
Revenue account		(29)	9,912,404	3,112,725	252,569	30,420	(80,770)	455,673	9,101	(1,142,377)	282,202	75,145	23,509
Total		**5,177**	**13,585,525**	**3,894,308**	**411,138**	**742,974**	**1,071,320**	**2,460,253**	**665,190**	**12,671,689**	**1,381,180**	**842,397**	**79,937**
Application of funds													
Investments	F-2	4,770	13,264,827	3,825,408	403,251	724,203	1,031,391	2,350,267	679,431	12,424,750	1,353,813	825,639	78,844
Current assets	F-3	408	325,369	71,644	8,510	18,890	40,139	110,480	8,632	249,464	27,839	16,892	1,264
Less: Current liabilities and provisions	F-4	1	4,671	2,744	623	119	210	494	22,873	2,525	472	134	171
Net current assets		**407**	**320,698**	**68,900**	**7,887**	**18,771**	**39,929**	**109,986**	**(14,241)**	**246,939**	**27,367**	**16,758**	**1,093**
Total		**5,177**	**13,585,525**	**3,894,308**	**411,138**	**742,974**	**1,071,320**	**2,460,253**	**665,190**	**12,671,689**	**1,381,180**	**842,397**	**79,937**
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ in '000)		5,177	13,585,525	3,894,308	411,138	742,974	1,071,320	2,460,253	665,190	12,671,689	1,381,180	842,397	79,937
(b) Number of Units outstanding (in '000)		425	380,850	158,663	24,929	50,278	103,611	140,247	61,346	1,180,198	99,900	56,546	5,836
(c) NAV per unit (a)/ (b) (₹)		12.18	35.67	24.54	16.49	14.78	10.34	17.54	10.84	10.74	13.83	14.90	13.70

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Flexi Balanced Fund IV	Flexi Growth Fund	Flexi Growth Fund II	Flexi Growth Fund III	Flexi Growth Fund IV	Highest NAV Fund B	Income Fund	Invest Shield Cash Fund	Invest Shield Fund - Life	Maximiser Fund	Maximiser Fund II	Maximiser Fund III
		ULIF 040 27/08/07 LFlexiBal4 105	ULIF 026 20/03/07 LFlexiGro1 105	ULIF 027 20/03/07 LFlexiGro2 105	ULIF 028 20/03/07 LFlexiGro3 105	ULIF 038 27/08/07 LFlexiGro4 105	ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 020 03/01/05 LInvCash 105	ULIF 018 03/01/05 LInvShld 105	ULIF 001 22/10/01 LMaximis1 105	ULIF 012 17/05/04 LMaximis2 105	ULIF 022 13/03/06 LMaximis3 105
Sources of funds													
Policyholders' funds													
Policyholder contribution	F-1	217,540	20,194,972	12,802,614	1,318,335	10,796,052	11,271,872	3,095,049	4,245,610	1,737,169	16,638,607	2,628,300	914,181
Revenue account		5,612	8,146,780	933,534	292,133	1,063,065	(235,846)	61,580	274,048	308,084	37,233,495	9,589,000	1,783,961
Total		**223,152**	**28,341,752**	**13,736,148**	**1,610,468**	**11,859,117**	**11,036,026**	**3,156,629**	**4,519,658**	**2,045,253**	**53,872,102**	**12,217,300**	**2,698,142**
Application of funds													
Investments	F-2	217,886	28,292,674	13,722,299	1,602,535	11,836,983	10,478,121	2,962,174	4,332,040	1,987,852	53,986,073	12,235,889	2,702,669
Current assets	F-3	5,301	58,593	16,924	14,948	24,787	794,423	195,105	188,524	57,803	20,154	4,223	769
Less: Current liabilities and provisions	F-4	35	9,515	3,075	7,015	2,653	236,518	650	906	402	134,125	22,812	5,296
Net current assets		**5,266**	**49,078**	**13,849**	**7,933**	**22,134**	**557,905**	**194,455**	**187,618**	**57,401**	**(113,971)**	**(18,589)**	**(4,527)**
Total		**223,152**	**28,341,752**	**13,736,148**	**1,610,468**	**11,859,117**	**11,036,026**	**3,156,629**	**4,519,658**	**2,045,253**	**53,872,102**	**12,217,300**	**2,698,142**
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ in '000)		223,152	28,341,752	13,736,148	1,610,468	11,859,117	11,036,026	3,156,629	4,519,658	2,045,253	53,872,102	12,217,300	2,698,142
(b) Number of Units outstanding (in '000)		16,942	2,005,482	937,422	114,300	946,605	1,136,890	266,493	269,504	104,622	812,609	326,685	160,454
(c) NAV per unit (a)/ (b) (₹)		13.17	14.13	14.65	14.09	12.53	9.71	11.85	16.77	19.55	66.30	37.40	16.82

3.19 Fund Balance Sheet at March 31, 2012 (Contd.)

Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Maximiser Fund IV	Maximiser Fund V	Money Market Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Multiplier Fund	Multiplier Fund II	Multiplier Fund III	Multiplier Fund IV	New Invest Shield Balanced Fund	Opportunities Fund	Pinnacle Fund
		ULIF 037 27/08/07 LMaximis4 105	ULIF 114 15/03/11 LMaximis5 105	ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105	ULIF 085 24/11/09 LMCapGro 105	ULIF 042 22/11/07 LMultip1 105	ULIF 044 25/02/08 LMultip2 105	ULIF 046 25/02/08 LMultip3 105	ULIF 047 25/02/08 LMultip4 105	ULIF 025 21/08/06 LInvShldNw 105	ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09 LPinnacle 105
Sources of funds													
Policyholders' funds													
Policyholder contribution	F-1	631,883	546,684	1,396,541	933,773	8,731,474	10,708,987	2,213,777	169,799	1,019,403	2,300,778	2,359,767	10,341,564
Revenue account		162,749	15,431	62,503	(24,800)	(587,664)	3,572,041	190,844	44,470	108,054	330,541	(193,049)	(898,825)
Total		**794,632**	**562,115**	**1,459,044**	**908,973**	**8,143,810**	**14,281,028**	**2,404,621**	**214,269**	**1,127,457**	**2,631,319**	**2,166,718**	**9,442,739**
Application of funds													
Investments	F-2	795,879	512,937	1,407,082	882,228	7,985,103	14,256,092	2,402,021	215,356	1,125,061	2,561,161	2,142,877	9,142,400
Current assets	F-3	232	49,280	52,135	26,929	160,313	30,559	3,137	11	2,647	70,673	47,245	792,557
Less: Current liabilities and provisions	F-4	1,479	102	173	184	1,606	5,623	537	1,098	251	515	23,404	492,218
Net current assets		**(1,247)**	**49,178**	**51,962**	**26,745**	**158,707**	**24,936**	**2,600**	**(1,087)**	**2,396**	**70,158**	**23,841**	**300,339**
Total		**794,632**	**562,115**	**1,459,044**	**908,973**	**8,143,810**	**14,281,028**	**2,404,621**	**214,269**	**1,127,457**	**2,631,319**	**2,166,718**	**9,442,739**
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ in '000)		794,632	562,115	1,459,044	908,973	8,143,810	14,281,028	2,404,621	214,269	1,127,457	2,631,319	2,166,718	9,442,739
(b) Number of Units outstanding (in '000)		59,619	51,318	123,302	84,394	743,267	1,467,631	216,182	19,942	102,108	162,319	204,287	870,912
(c) NAV per unit (a)/ (b) (₹)		13.33	10.95	11.83	10.77	10.96	9.73	11.12	10.74	11.04	16.21	10.61	10.84

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Pinnacle Fund II	Preserver Fund	Preserver Fund III	Preserver Fund IV	Protector Fund	Protector Fund II	Protector Fund III	Protector Fund IV	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III	Return Guarantee Fund IV
		ULIF 105 26/10/10 LPinnacle2 105	ULIF 010 17/05/04 LPreserv1 105	ULIF 021 13/03/06 LPreserv3 105	ULIF 036 27/08/07 LPreserv4 105	ULIF 003 22/10/01 LProtect1 105	ULIF 016 17/05/04 LProtect2 105	ULIF 024 13/03/06 LProtect3 105	ULIF 041 27/08/07 LProtect4 105	ULIF 054 18/12/08 LRGF1 105	ULIF 063 27/01/09 LRGF(T2) 105	ULIF 066 26/02/09 LRGF(T3) 105	ULIF 069 31/03/09 LRGF(T4) 105
Sources of funds													
Policyholders' funds													
Policyholder contribution	F-1	3,237,360	2,493,607	156,883	164,199	5,531,174	2,305,778	314,908	3,422,501	473,321	507,395	535,532	243,207
Revenue account		(282,899)	1,050,244	54,770	13,051	3,263,170	1,286,341	174,732	228,954	76,097	68,851	65,118	21,411
Total		**2,954,461**	**3,543,851**	**211,653**	**177,250**	**8,794,344**	**3,592,119**	**489,640**	**3,651,455**	**549,418**	**576,246**	**600,650**	**264,618**
Application of funds													
Investments	F-2	2,880,620	3,489,545	209,413	173,257	8,467,203	3,468,224	474,214	3,498,973	497,789	532,074	559,506	252,800
Current assets	F-3	100,610	54,738	3,137	4,014	331,530	124,368	16,773	152,963	52,656	45,784	45,504	25,640
Less: Current liabilities and provisions	F-4	26,769	432	897	21	4,389	473	1,347	481	1,027	1,612	4,360	13,822
Net current assets		**73,841**	**54,306**	**2,240**	**3,993**	**327,141**	**123,895**	**15,426**	**152,482**	**51,629**	**44,172**	**41,144**	**11,818**
Total		**2,954,461**	**3,543,851**	**211,653**	**177,250**	**8,794,344**	**3,592,119**	**489,640**	**3,651,455**	**549,418**	**576,246**	**600,650**	**264,618**
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ in '000)		2,954,461	3,543,851	211,653	177,250	8,794,344	3,592,119	489,640	3,651,455	549,418	576,246	600,650	264,618
(b) Number of Units outstanding (in '000)		332,721	197,699	13,149	12,253	401,302	210,740	31,644	249,738	41,815	45,217	47,942	21,513
(c) NAV per unit (a)/ (b) (₹)		8.88	17.93	16.10	14.47	21.91	17.05	15.47	14.62	13.14	12.74	12.53	12.30

3.19 Fund Balance Sheet at March 31, 2012 (Contd.)

Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Life Funds									
		Return Guarantee Fund V	Return Guarantee Fund VI	Return Guarantee Fund VII	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund XI (5 Yrs)
		ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105	ULIF 082 16/11/09 LRGF(T7) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 104 12/10/10 LRGF(S1) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 107 22/12/10 LRGF(S2) 105	ULIF 111 13/01/11 LRGF(T10) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 120 17/03/11 LRGF(T11) 105
Sources of funds											
Policyholders' funds											
Policyholder contribution	F-1	111,014	105,181	42,203	931,862	255,370	1,226,966	126,724	2,526,470	442,656	1,282,510
Revenue account		2,313	5,889	821	62,922	18,419	82,888	8,052	161,948	21,081	53,007
Total		**113,327**	**111,070**	**43,024**	**994,784**	**273,789**	**1,309,854**	**134,776**	**2,688,418**	**463,737**	**1,335,517**
Application of funds											
Investments	F-2	108,315	105,574	40,779	950,618	262,902	1,246,791	129,657	2,533,228	443,306	1,268,197
Current assets	F-3	5,106	5,552	2,256	44,391	10,949	63,359	5,150	155,852	20,537	67,622
Less: Current liabilities and provisions	F-4	94	56	11	225	62	296	31	662	106	302
Net current assets		**5,012**	**5,496**	**2,245**	**44,166**	**10,887**	**63,063**	**5,119**	**155,190**	**20,431**	**67,320**
Total		**113,327**	**111,070**	**43,024**	**994,784**	**273,789**	**1,309,854**	**134,776**	**2,688,418**	**463,737**	**1,335,517**
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ in '000)		113,327	111,070	43,024	994,784	273,789	1,309,854	134,776	2,688,418	463,737	1,335,517
(b) Number of Units outstanding (in '000)		9,574	9,407	3,775	91,863	25,175	121,109	12,527	248,157	43,124	124,384
(c) NAV per unit (a)/ (b) (₹)		11.84	11.81	11.40	10.83	10.88	10.82	10.76	10.83	10.75	10.74

(₹ in '000)

Particulars	Schedule	Linked Life Funds								
		Return Guarantee Fund XI (10 Yrs)	RICH Fund	RICH Fund II	RICH Fund III	RICH Fund IV	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund	Total
		ULIF 121 19/04/11 LRGF(S4) 105	ULIF 048 17/03/08 LRICH1 105	ULIF 049 17/03/08 LRICH2 105	ULIF 050 17/03/08 LRICH3 105	ULIF 051 17/03/08 LRICH4 105	ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105	
Sources of funds										
Policyholders' funds										
Policyholder contribution	F-1	26,188	10,539,918	10,944,850	564,335	4,597,990	332,131	32,699	133,068	**205,703,247**
Revenue account		(200)	1,219,647	(121,782)	187,143	(29,954)	74,926	(2,061)	(6,359)	**82,926,853**
Total		**25,988**	**11,759,565**	**10,823,068**	**751,478**	**4,568,036**	**407,057**	**30,638**	**126,709**	**288,630,100**
Application of funds										
Investments	F-2	25,022	11,777,859	10,811,424	752,733	4,514,619	395,210	30,165	123,329	**284,775,332**
Current assets	F-3	972	43,778	15,759	14	55,121	11,928	479	3,414	**4,966,759**
Less: Current liabilities and provisions	F-4	6	62,072	4,115	1,269	1,704	81	6	34	**1,111,991**
Net current assets		**966**	**(18,294)**	**11,644**	**(1,255)**	**53,417**	**11,847**	**473**	**3,380**	**3,854,768**
Total		**25,988**	**11,759,565**	**10,823,068**	**751,478**	**4,568,036**	**407,057**	**30,638**	**126,709**	**288,630,100**
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ in '000)		25,988	11,759,565	10,823,068	751,478	4,568,036	407,057	30,638	126,709	**288,630,100**
(b) Number of Units outstanding (in '000)		2,466	942,384	838,980	60,019	354,957	24,395	2,643	10,924	**17,997,712**
(c) NAV per unit (a)/ (b) (₹)		10.54	12.48	12.90	12.52	12.87	16.69	11.59	11.60	

3.19 Fund Balance Sheet at March 31, 2012 (Contd.)

Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Pension Funds											
		Invest Shield Fund - Pension	Pension Balancer Fund	Pension Balancer Fund II	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Flexi Balanced Fund	Pension Flexi Balanced Fund II	Pension Flexi Growth Fund	Pension Flexi Growth Fund II	Pension Income Fund	Pension Maximiser Fund	Pension Maximiser Fund II
		ULIF 019 03/01/05 PInvShld 105	ULIF 005 03/05/02 PBalancer1 105	ULIF 015 17/05/04 PBalancer2 105	ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105	ULIF 034 20/03/07 PFlexiBal1 105	ULIF 035 20/03/07 PFlexiBal2 105	ULIF 029 20/03/07 PFlexiGro1 105	ULIF 030 20/03/07 PFlexiGro2 105	ULIF 095 11/01/10 PIncome 105	ULIF 004 03/05/02 PMaximis1 105	ULIF 013 17/05/04 PMaximis2 105
Sources of funds													
Policyholders' funds													
Policyholder contribution	F-1	320,091	4,927,323	5,129,158	2,178,062	16,124,332	1,201,088	1,271,786	25,114,604	20,907,926	6,321,001	2,609,805	10,524,559
Revenue account		93,028	2,061,203	3,028,072	(259,167)	(1,792,030)	51,093	308,547	2,438,361	7,822,799	(178,093)	3,531,361	11,116,438
Total		**413,119**	**6,988,526**	**8,157,230**	**1,918,895**	**14,332,302**	**1,252,181**	**1,580,333**	**27,552,965**	**28,730,725**	**6,142,908**	**6,141,166**	**21,640,997**
Application of funds													
Investments	F-2	403,956	6,760,605	7,921,274	1,883,293	14,144,262	1,232,321	1,558,235	27,400,017	28,657,500	5,925,618	6,129,174	21,665,591
Current assets	F-3	9,242	230,297	237,241	35,985	190,910	28,133	26,845	169,540	91,345	218,564	14,045	8,615
Less: Current liabilities and provisions	F-4	79	2,376	1,285	383	2,870	8,273	4,747	16,592	18,120	1,274	2,053	33,209
Net current assets		**9,163**	**227,921**	**235,956**	**35,602**	**188,040**	**19,860**	**22,098**	**152,948**	**73,225**	**217,290**	**11,992**	**(24,594)**
Total		**413,119**	**6,988,526**	**8,157,230**	**1,918,895**	**14,332,302**	**1,252,181**	**1,580,333**	**27,552,965**	**28,730,725**	**6,142,908**	**6,141,166**	**21,640,997**
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ in '000)		413,119	6,988,526	8,157,230	1,918,895	14,332,302	1,252,181	1,580,333	27,552,965	28,730,725	6,142,908	6,141,166	21,640,997
(b) Number of Units outstanding (in '000)		20,893	221,577	343,190	195,201	1,354,158	87,665	105,612	1,964,117	1,958,186	526,563	92,839	560,811
(c) NAV per unit (a)/ (b) (₹)		19.77	31.54	23.77	9.83	10.58	14.28	14.96	14.03	14.67	11.67	66.15	38.59

(₹ in '000)

Particulars	Schedule	Linked Pension Funds											
		Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund	Pension Multiplier Fund II	Pension Opportunities Fund	Pension Preserver Fund	Pension Protector Fund	Pension Protector Fund II	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	Pension Return Guarantee Fund III
		ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105	ULIF 043 25/02/08 PMultip1 105	ULIF 045 25/02/08 PMultip2 105	ULIF 092 11/01/10 POpport 105	ULIF 011 17/05/04 PPreserv 105	ULIF 006 03/05/02 PProtect1 105	ULIF 017 17/05/04 PProtect2 105	ULIF 055 18/12/08 PRGF1 105	ULIF 064 27/01/09 PRGF2 105	ULIF 067 26/02/09 PRGF3 105
Sources of funds													
Policyholders' funds													
Policyholder contribution	F-1	1,917,365	1,952,643	13,749,441	6,732,161	3,634,563	6,129,305	4,399,199	13,937,366	5,693,397	1,440,948	1,308,602	1,281,276
Revenue account		(17,920)	(170,463)	(1,033,159)	358,646	403,935	(743,370)	672,791	2,368,619	1,501,357	348,746	350,680	310,642
Total		**1,899,445**	**1,782,180**	**12,716,282**	**7,090,807**	**4,038,498**	**5,385,935**	**5,071,990**	**16,305,985**	**7,194,754**	**1,789,694**	**1,659,282**	**1,591,918**
Application of funds													
Investments	F-2	1,844,237	1,743,120	12,563,474	6,949,362	3,952,317	5,349,704	4,990,525	15,724,023	6,941,706	1,644,936	1,551,116	1,481,789
Current assets	F-3	55,435	39,419	155,334	143,817	87,083	94,808	82,081	585,751	253,970	146,151	108,541	116,637
Less: Current liabilities and provisions	F-4	227	359	2,526	2,372	902	58,577	616	3,789	922	1,393	375	6,508
Net current assets		**55,208**	**39,060**	**152,808**	**141,445**	**86,181**	**36,231**	**81,465**	**581,962**	**253,048**	**144,758**	**108,166**	**110,129**
Total		**1,899,445**	**1,782,180**	**12,716,282**	**7,090,807**	**4,038,498**	**5,385,935**	**5,071,990**	**16,305,985**	**7,194,754**	**1,789,694**	**1,659,282**	**1,591,918**
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ in '000)		1,899,445	1,782,180	12,716,282	7,090,807	4,038,498	5,385,935	5,071,990	16,305,985	7,194,754	1,789,694	1,659,282	1,591,918
(b) Number of Units outstanding (in '000)		161,186	172,555	1,181,708	713,726	390,838	530,558	285,721	830,232	424,151	136,101	130,358	127,089
(c) NAV per unit (a)/ (b) (₹)		11.78	10.33	10.76	9.93	10.33	10.15	17.75	19.64	16.96	13.15	12.73	12.53

3.19 Fund Balance Sheet at March 31, 2012 (Contd.)

Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Pension Funds											
		Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Return Guarantee Fund VIII	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund X (10 Yrs)	Pension Return Guarantee Fund XI (10 Yrs)	Pension RICH Fund	Pension RICH Fund II	Secure Plus Pension Fund	Total
		ULIF 070 31/03/09 PRGF4 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 113 13/01/11 PRGF(S3) 105	ULIF 122 19/04/11 PRGF(S4) 105	ULIF 052 17/03/08 PRICH1 105	ULIF 053 17/03/08 PRICH2 105	ULIF 009 17/11/03 PSecPlus 105	
Sources of funds													
Policyholders' funds													
Policyholder contribution	F-1	519,683	301,858	403,784	703,511	131,948	41,648	98,083	12,491	22,257,304	14,968,317	132,171	**198,376,799**
Revenue account		88,953	31,808	41,321	27,641	10,586	3,051	6,142	669	1,863,299	2,764,205	41,524	**37,451,315**
Total		**608,636**	**333,666**	**445,105**	**731,152**	**142,534**	**44,699**	**104,225**	**13,160**	**24,120,603**	**17,732,522**	**173,695**	**235,828,114**
Application of funds													
Investments	F-2	598,852	322,715	429,253	700,989	136,201	42,734	100,488	12,794	23,906,129	17,679,390	165,623	**232,513,323**
Current assets	F-3	61,837	11,026	15,953	30,328	6,365	1,975	3,813	457	236,704	83,191	8,105	**3,589,543**
Less: Current liabilities and provisions	F-4	52,053	75	101	165	32	10	76	91	22,230	30,059	33	**274,752**
Net current assets		**9,784**	**10,951**	**15,852**	**30,163**	**6,333**	**1,965**	**3,737**	**366**	**214,474**	**53,132**	**8,072**	**3,314,791**
Total		**608,636**	**333,666**	**445,105**	**731,152**	**142,534**	**44,699**	**104,225**	**13,160**	**24,120,603**	**17,732,522**	**173,695**	**235,828,114**
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ in '000)		608,636	333,666	445,105	731,152	142,534	44,699	104,225	13,160	24,120,603	17,732,522	173,695	**235,828,114**
(b) Number of Units outstanding (in '000)		49,510	28,209	37,786	64,394	13,113	4,157	9,695	1,243	1,896,513	1,350,143	10,681	**15,980,479**
(c) NAV per unit (a)/ (b) (₹)		12.29	11.83	11.78	11.35	10.87	10.75	10.75	10.58	12.72	13.13	16.26	

(₹ in '000)

Particulars	Schedule	Linked Health Funds														
		Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund	Health Return Guarantee Fund II	Health Return Guarantee Fund III	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII	Health Return Guarantee Fund IX (5 Yrs)	Total
		ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 062 15/01/09 HRGF1 105	ULIF 065 29/01/09 HRGF2 105	ULIF 068 26/02/09 HRGF3 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105	ULIF 109 22/12/10 HRGF9 105	
Sources of funds																
Policyholders' funds																
Policyholder contribution	F-1	163,623	175,786	2,725,606	347,719	30,099	777,930	55,369	65,389	68,213	34,740	17,282	10,224	5,754	2	**4,477,736**
Revenue account		(53,499)	(59,061)	(1,006,363)	(120,940)	(8,273)	(260,937)	(39,014)	(46,907)	(46,709)	(20,613)	(11,242)	(6,452)	(3,400)	(2)	**(1,683,412)**
Total		**110,124**	**116,725**	**1,719,243**	**226,779**	**21,826**	**516,993**	**16,355**	**18,482**	**21,504**	**14,127**	**6,040**	**3,772**	**2,354**	**—**	**2,794,324**
Application of funds																
Investments	F-2	105,468	111,476	1,689,676	217,244	21,210	490,884	13,995	16,565	19,194	12,184	5,223	3,269	2,017	—	**2,708,405**
Current assets	F-3	4,674	5,267	41,456	9,584	620	26,176	2,486	2,182	2,690	2,027	836	506	343	—	**98,847**
Less: Current liabilities and provisions	F-4	18	18	11,889	49	4	67	126	265	380	84	19	3	6	—	**12,928**
Net current assets		**4,656**	**5,249**	**29,567**	**9,535**	**616**	**26,109**	**2,360**	**1,917**	**2,310**	**1,943**	**817**	**503**	**337**	**—**	**85,919**
Total		**110,124**	**116,725**	**1,719,243**	**226,779**	**21,826**	**516,993**	**16,355**	**18,482**	**21,504**	**14,127**	**6,040**	**3,772**	**2,354**	**—**	**2,794,324**
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ in '000)		110,124	116,725	1,719,243	226,779	21,826	516,993	16,355	18,482	21,504	14,127	6,040	3,772	2,354	—	**2,794,324**
(b) Number of Units outstanding (in '000)		7,504	7,178	89,368	11,521	1,710	38,712	1,249	1,448	1,709	1,136	502	318	207	—	**162,562**
(c) NAV per unit (a)/ (b) (₹)		14.68	16.26	19.24	19.68	12.76	13.35	13.10	12.76	12.58	12.44	12.04	11.85	11.37	—	

3.19 Fund Balance Sheet at March 31, 2012 (Contd.)

Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Group Funds												
		Group Balanced Fund	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Balanced Fund II	Group Capital Guarantee Debt Fund	Group Capital Guarantee Debt Fund II	Group Capital Guarantee Growth Fund	Group Capital Guarantee Growth Fund II	Group Capital Guarantee Short Term Debt Fund	Group Capital Guarantee Short Term Debt Fund II	Group Debt Fund	Group Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund
		ULGF 001 03/04/03 GBalancer 105	ULGF 006 03/10/05 GCGBal1 105	ULGF 010 21/03/07 GCGBal2 105	ULGF 007 28/10/05 GCGDebt1 105	ULGF 011 21/03/07 GCGDebt2 105	ULGF 008 11/12/06 GCGGrowth1 105	ULGF 012 05/07/07 GCGGrowth2 105	ULGF 005 24/02/04 GCGSTDebt1 105	ULGF 009 16/03/07 GCGSTDebt2 105	ULGF 002 03/04/03 GDebt 105	ULGF 004 30/10/03 GGrowth 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105
Sources of funds														
Policyholders' funds														
Policyholder contribution	F-1	11,758,167	28,618	1,184,220	7,147	(3,524)	18,404	33,770	36,507	2,463,981	6,615,624	3,890,977	413,686	66,948
Revenue account		4,465,259	72,472	386,990	2,866	384,748	6,989	15,834	64,298	706,149	1,638,710	1,817,086	139,017	10,829
Total		**16,223,426**	**101,090**	**1,571,210**	**10,013**	**381,224**	**25,393**	**49,604**	**100,805**	**3,170,130**	**8,254,334**	**5,708,063**	**552,703**	**77,777**
Application of funds														
Investments	F-2	15,236,085	96,944	1,537,157	9,612	366,915	24,204	47,677	97,525	3,014,632	7,793,668	5,580,393	532,800	74,104
Current assets	F-3	990,517	4,178	44,014	404	14,412	1,200	1,942	3,298	156,171	777,826	128,780	20,012	3,688
Less: Current liabilities and provisions	F-4	3,176	32	9,961	3	103	11	15	18	673	317,160	1,110	109	15
Net current assets		**987,341**	**4,146**	**34,053**	**401**	**14,309**	**1,189**	**1,927**	**3,280**	**155,498**	**460,666**	**127,670**	**19,903**	**3,673**
Total		**16,223,426**	**101,090**	**1,571,210**	**10,013**	**381,224**	**25,393**	**49,604**	**100,805**	**3,170,130**	**8,254,334**	**5,708,063**	**552,703**	**77,777**
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ in '000)		16,223,426	101,090	1,571,210	10,013	381,224	25,393	49,604	100,805	3,170,130	8,254,334	5,708,063	552,703	77,777
(b) Number of Units outstanding (in '000)		663,211	5,992	103,738	520	22,956	1,634	3,405	5,801	214,427	433,178	170,979	39,183	6,456
(c) NAV per unit (a)/ (b) (₹)		24.46	16.87	15.15	19.26	16.61	15.54	14.57	17.38	14.78	19.06	33.38	14.11	12.05

(₹ in '000)

Particulars	Schedule	Linked Group Funds										Total	Grand Total
		Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund - A4	Group Return Guarantee Fund - S5	Group Return Guarantee Fund II	Group Return Guarantee Fund III	Group Return Guarantee Fund-S6	Group Return Guarantee Fund-S7	Group Short Term Debt fund	Group Superannuation Corporate Bond Fund		
		ULGF 024 26/02/10 GLEST 105	ULGF 021 10/02/09 GRGF1 105	ULGF 025 14/03/11 GRGFA4 105	ULGF 026 14/03/11 GRGFS5 105	ULGF 022 30/03/09 GRGF2 105	ULGF 023 16/06/09 GRGF3 105	ULGF 027 14/03/11 GRGFS6 105	ULGF 028 01/07/11 GRGFS7 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 015 22/12/08 GSACorBon 105		
Sources of funds													
Policyholders' funds													
Policyholder contribution	F-1	572,001	2,138,565	(5,247)	125,624	110,779	2,084,535	(2)	456,623	4,526,097	1,768,214	**38,291,714**	**446,849,496**
Revenue account		23,966	579,952	5,247	8,117	23,667	362,780	2	26,496	1,754,267	133,753	**12,629,494**	**131,324,250**
Total		**595,967**	**2,718,517**	**—**	**133,741**	**134,446**	**2,447,315**	**—**	**483,119**	**6,280,364**	**1,901,967**	**50,921,208**	**578,173,746**
Application of funds													
Investments	F-2	563,849	2,497,580	—	126,190	115,229	2,331,899	—	459,345	6,071,065	1,798,798	**48,375,671**	**568,372,731**
Current assets	F-3	32,228	221,651	—	7,583	19,252	116,055	—	23,901	210,444	103,542	**2,881,098**	**11,536,247**
Less: Current liabilities and provisions	F-4	110	714	—	32	35	639	—	127	1,145	373	**335,561**	**1,735,232**
Net current assets		**32,118**	**220,937**	**—**	**7,551**	**19,217**	**115,416**	**—**	**23,774**	**209,299**	**103,169**	**2,545,537**	**9,801,015**
Total		**595,967**	**2,718,517**	**—**	**133,741**	**134,446**	**2,447,315**	**—**	**483,119**	**6,280,364**	**1,901,967**	**50,921,208**	**578,173,746**
(a) Net asset as per balance sheet (total assets less current liabilities and provisions) (₹ in '000)		595,967	2,718,517	—	133,741	134,446	2,447,315	—	483,119	6,280,364	1,901,967	**50,921,208**	**578,173,746**
(b) Number of Units outstanding (in '000)		51,277	215,054	—	12,557	11,034	207,753	—	45,686	349,378	176,432	**2,740,652**	**36,881,405**
(c) NAV per unit (a)/ (b) (₹)		11.62	12.64	—	10.65	12.18	11.78	—	10.57	17.98	10.78		

Schedule F - 1

POLICYHOLDERS' CONTRIBUTION AT MARCH 31, 2012

(₹ in '000)

Particulars	Linked Life Funds											
	Anmol Nivesh Fund	Balancer Fund	Balancer Fund II	Balancer Fund III	Balancer Fund IV	Bluechip Fund	Cash Plus Fund	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund	Flexi Balanced Fund II	Flexi Balanced Fund III
	ULIF 072 28/04/09 LAnmolNiv 105	ULIF 002 22/10/01 LBalancer1 105	ULIF 014 17/05/04 LBalancer2 105	ULIF 023 13/03/06 LBalancer3 105	ULIF 039 27/08/07 LBalancer4 105	ULIF 087 24/11/09 LBluChip 105	ULIF 008 11/08/03 LCashPlus 105	ULIF 100 01/07/10 LDiscont 105	ULIF 097 11/01/10 LDynmicPE 105	ULIF 031 20/03/07 LFlexiBal1 105	ULIF 032 20/03/07 LFlexiBal2 105	ULIF 033 20/03/07 LFlexiBal3 105
Opening balance	2,501	5,483,673	1,077,650	250,529	501,748	567,136	1,883,520	138	9,035,852	1,225,566	736,872	77,211
Add: Additions during the year*	2,742	1,057,082	438,598	663	264,848	599,192	281,377	657,082	5,298,900	161,054	139,130	64
Less: Deductions during the year**	37	2,867,634	734,665	92,623	54,042	14,238	160,317	1,131	520,686	287,642	108,750	20,847
Closing balance	**5,206**	**3,673,121**	**781,583**	**158,569**	**712,554**	**1,152,090**	**2,004,580**	**656,089**	**13,814,066**	**1,098,978**	**767,252**	**56,428**

* Represents unit creation
** Represents unit cancellations

(₹ in '000)

Particulars	Linked Life Funds											
	Flexi Balanced Fund IV	Flexi Growth Fund	Flexi Growth Fund II	Flexi Growth Fund III	Flexi Growth Fund IV	Highest NAV Fund B	Income Fund	Invest Shield Cash Fund	Invest Shield Fund - Life	Maximiser Fund	Maximiser Fund II	Maximiser Fund III
	ULIF 040 27/08/07 LFlexiBal4 105	ULIF 026 20/03/07 LFlexiGro1 105	ULIF 027 20/03/07 LFlexiGro2 105	ULIF 028 20/03/07 LFlexiGro3 105	ULIF 038 27/08/07 LFlexiGro4 105	ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 020 03/01/05 LInvCash 105	ULIF 018 03/01/05 LInvShld 105	ULIF 001 22/10/01 LMaximis1 105	ULIF 012 17/05/04 LMaximis2 105	ULIF 022 13/03/06 LMaximis3 105
Opening balance	166,954	24,856,855	13,288,404	1,687,541	10,202,806	835,152	1,617,267	3,829,019	1,591,478	25,063,160	5,034,357	1,549,363
Add: Additions during the year*	70,302	2,917,272	1,918,584	2,481	2,668,072	10,482,382	1,671,060	702,945	220,198	3,655,352	816,451	3,492
Less: Deductions during the year**	19,716	7,579,155	2,404,374	371,687	2,074,826	45,662	193,278	286,354	74,507	12,079,905	3,222,508	638,674
Closing balance	**217,540**	**20,194,972**	**12,802,614**	**1,318,335**	**10,796,052**	**11,271,872**	**3,095,049**	**4,245,610**	**1,737,169**	**16,638,607**	**2,628,300**	**914,181**

* Represents unit creation
** Represents unit cancellations

(₹ in '000)

Particulars	Linked Life Funds											
	Maximiser Fund IV	Maximiser Fund V	Money Market Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Multiplier Fund	Multiplier Fund II	Multiplier Fund III	Multiplier Fund IV	New Invest Shield Balanced Fund	Opportunities Fund	Pinnacle Fund
	ULIF 037 27/08/07 LMaximis4 105	ULIF 114 15/03/11 LMaximis5 105	ULIF 090 24/11/09 LMoneyMkt105	ULIF 088 24/11/09 LMCapBal 105	ULIF 085 24/11/09 LMCapGro 105	ULIF 042 22/11/07 LMultip1 105	ULIF 044 25/02/08 LMultip2 105	ULIF 046 25/02/08 LMultip3 105	ULIF 047 25/02/08 LMultip4 105	ULIF 025 21/08/06 LInvShldNw 105	ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09 LPinnacle 105
Opening balance	709,649	-	852,908	582,441	4,849,318	14,135,507	2,232,689	226,375	1,060,190	2,157,253	1,262,917	6,414,868
Add: Additions during the year*	97,212	547,243	835,078	360,457	4,170,631	1,540,927	393,979	350	210,322	280,957	1,142,946	3,933,676
Less: Deductions during the year**	174,978	559	291,445	9,125	288,475	4,967,447	412,891	56,926	251,109	137,432	46,096	6,980
Closing balance	**631,883**	**546,684**	**1,396,541**	**933,773**	**8,731,474**	**10,708,987**	**2,213,777**	**169,799**	**1,019,403**	**2,300,778**	**2,359,767**	**10,341,564**

* Represents unit creation
** Represents unit cancellations

(₹ in '000)

Particulars	Linked Life Funds											
	Pinnacle Fund II	Preserver Fund	Preserver Fund III	Preserver Fund IV	Protector Fund	Protector Fund II	Protector Fund III	Protector Fund IV	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III	Return Guarantee Fund IV
	ULIF 105 26/10/10 LPinnacle2 105	ULIF 010 17/05/04 LPreserv1 105	ULIF 021 13/03/06 LPreserv3 105	ULIF 036 27/08/07 LPreserv4 105	ULIF 003 22/10/01 LProtect1 105	ULIF 016 17/05/04 LProtect2 105	ULIF 024 13/03/06 LProtect3 105	ULIF 041 27/08/07 LProtect4 105	ULIF 054 18/12/08 LRGF1 105	ULIF 063 27/01/09 LRGF(T2) 105	ULIF 066 26/02/09 LRGF(T3) 105	ULIF 069 31/03/09 LRGF(T4) 105
Opening balance	1,980,916	2,479,103	161,436	108,416	5,803,167	2,461,801	397,157	2,962,505	588,819	625,458	623,431	269,715
Add: Additions during the year*	1,450,940	1,326,561	73,581	94,708	2,430,460	893,412	93,692	1,023,142	—	5	24	80
Less: Deductions during the year**	194,496	1,312,057	78,134	38,925	2,702,453	1,049,435	175,941	563,146	115,498	118,068	87,923	26,588
Closing balance	**3,237,360**	**2,493,607**	**156,883**	**164,199**	**5,531,174**	**2,305,778**	**314,908**	**3,422,501**	**473,321**	**507,395**	**535,532**	**243,207**

* Represents unit creation
** Represents unit cancellations

Schedule F - 1

POLICYHOLDERS' CONTRIBUTION AT MARCH 31, 2012 (Contd.)

(₹ in '000)

Particulars	Linked Life Funds									
	Return Guarantee Fund V	Return Guarantee Fund VI	Return Guarantee Fund VII	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund XI (5 Yrs)
	ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105	ULIF 082 16/11/09 LRGF(T7) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 104 12/10/10 LRGF(S1) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 107 22/12/10 LRGF(S2) 105	ULIF 111 13/01/11 LRGF(T10) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 120 17/03/11 LRGF(T11) 105
Opening balance	116,665	110,669	43,080	966,442	266,213	1,243,069	128,901	2,596,821	436,832	889,899
Add: Additions during the year*	19	93	—	4	2	1,029	257	5	9,298	397,227
Less: Deductions during the year**	5,670	5,581	877	34,584	10,845	17,132	2,434	70,356	3,474	4,616
Closing balance	**111,014**	**105,181**	**42,203**	**931,862**	**255,370**	**1,226,966**	**126,724**	**2,526,470**	**442,656**	**1,282,510**

* Represents unit creation
** Represents unit cancellations

(₹ in '000)

Particulars	Linked Life Funds								Total
	Return Guarantee Fund XI (10 Yrs)	RICH Fund	RICH Fund II	RICH Fund III	RICH Fund IV	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund	
	ULIF 121 19/04/11 LRGF(S4) 105	ULIF 048 17/03/08 LRICH1 105	ULIF 049 17/03/08 LRICH2 105	ULIF 050 17/03/08 LRICH3 105	ULIF 051 17/03/08 LRICH4 105	ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105	
Opening balance	-	12,273,244	10,406,634	759,833	4,171,941	305,838	21,915	91,440	**198,340,226**
Add: Additions during the year*	26,330	2,008,768	2,230,306	1,400	1,196,740	45,561	11,267	43,919	**60,901,932**
Less: Deductions during the year**	142	3,742,094	1,692,090	196,898	770,691	19,268	483	2,291	**53,538,911**
Closing balance	**26,188**	**10,539,918**	**10,944,850**	**564,335**	**4,597,990**	**332,131**	**32,699**	**133,068**	**205,703,247**

* Represents unit creation
** Represents unit cancellations

(₹ in '000)

Particulars	Linked Pension funds											
	Invest Shield Fund - Pension	Pension Balancer Fund	Pension Balancer Fund II	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Flexi Balanced Fund	Pension Flexi Balanced Fund II	Pension Flexi Growth Fund	Pension Flexi Growth Fund II	Pension Income Fund	Pension Maximiser Fund	Pension Maximiser Fund II
	ULIF 019 03/01/05 PInvShld 105	ULIF 005 03/05/02 PBalancer1 105	ULIF 015 17/05/04 PBalancer2 105	ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105	ULIF 034 20/03/07 PFlexiBal1 105	ULIF 035 20/03/07 PFlexiBal2 105	ULIF 029 20/03/07 PFlexiGro1 105	ULIF 030 20/03/07 PFlexiGro2 105	ULIF 095 11/01/10 PIncome 105	ULIF 004 03/05/02 PMaximis1 105	ULIF 013 17/05/04 PMaximis2 105
Opening balance	290,062	4,168,175	5,485,276	1,445,723	11,082,644	1,033,405	1,358,841	23,883,169	25,259,638	4,041,218	2,842,060	13,473,003
Add: Additions during the year*	44,472	1,247,833	825,286	734,989	5,629,326	287,520	165,249	5,482,603	2,917,919	2,470,274	376,948	1,564,474
Less: Deductions during the year**	14,443	488,685	1,181,404	2,650	587,638	119,837	252,304	4,251,168	7,269,631	190,491	609,203	4,512,918
Closing balance	**320,091**	**4,927,323**	**5,129,158**	**2,178,062**	**16,124,332**	**1,201,088**	**1,271,786**	**25,114,604**	**20,907,926**	**6,321,001**	**2,609,805**	**10,524,559**

* Represents unit creation
** Represents unit cancellations

(₹ in '000)

Particulars	Linked Pension funds											
	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund	Pension Multiplier Fund II	Pension Opportunities Fund	Pension Preserver Fund	Pension Protector Fund	Pension Protector Fund II	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	Pension Return Guarantee Fund III
	ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105	ULIF 043 25/02/08 PMultip1 105	ULIF 045 25/02/08 PMultip2 105	ULIF 092 11/01/10 POpport 105	ULIF 011 17/05/04 PPreserv 105	ULIF 006 03/05/02 PProtect1 105	ULIF 017 17/05/04 PProtect2 105	ULIF 055 18/12/08 PRGF1 105	ULIF 064 27/01/09 PRGF2 105	ULIF 067 26/02/09 PRGF3 105
Opening balance	1,050,407	1,331,001	9,268,395	6,922,364	4,131,702	4,285,675	3,705,879	12,044,030	5,634,497	1,870,269	1,666,062	1,615,328
Add: Additions during the year*	888,526	625,798	4,514,308	1,211,165	450,996	1,913,557	1,987,324	4,155,257	2,461,294	75	10	195
Less: Deductions during the year**	21,568	4,156	33,262	1,401,368	948,135	69,927	1,294,004	2,261,921	2,402,394	429,396	357,470	334,247
Closing balance	**1,917,365**	**1,952,643**	**13,749,441**	**6,732,161**	**3,634,563**	**6,129,305**	**4,399,199**	**13,937,366**	**5,693,397**	**1,440,948**	**1,308,602**	**1,281,276**

* Represents unit creation
** Represents unit cancellations

Schedule F - 1

POLICYHOLDERS' CONTRIBUTION AT MARCH 31, 2012 (Contd.)

(₹ in '000)

Particulars	Linked Pension funds											
	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Return Guarantee Fund VIII	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund X (10 Yrs)	Pension Return Guarantee Fund XI (10 Yrs)	Pension RICH Fund	Pension RICH Fund II	Secure Plus Pension Fund	Total
	ULIF 070 31/03/09 PRGF4 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 113 13/01/11 PRGF(S3) 105	ULIF 122 19/04/11 PRGF(S4) 105	ULIF 052 17/03/08 PRICH1 105	ULIF 053 17/03/08 PRICH2 105	ULIF 009 17/11/03 PSecPlus 105	
Opening balance	601,425	316,578	417,077	730,091	133,022	43,761	101,392	-	22,929,446	17,488,955	121,844	**190,772,414**
Add: Additions during the year*	111	9	—	—	1,399	—	9	13,008	4,797,058	2,363,101	15,935	**47,146,028**
Less: Deductions during the year**	81,853	14,729	13,293	26,580	2,473	2,113	3,318	517	5,469,200	4,883,739	5,608	**39,541,643**
Closing balance	**519,683**	**301,858**	**403,784**	**703,511**	**131,948**	**41,648**	**98,083**	**12,491**	**22,257,304**	**14,968,317**	**132,171**	**198,376,799**

* Represents unit creation
** Represents unit cancellations

(₹ in '000)

Particulars	Linked Health Funds														
	Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund	Health Return Guarantee Fund II	Health Return Guarantee Fund III	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII	Health Return Guarantee Fund IX (5 Yrs)	Total
	ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 062 15/01/09 HRGF1 105	ULIF 065 29/01/09 HRGF2 105	ULIF 068 26/02/09 HRGF3 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105	ULIF 109 22/12/10 HRGF9 105	
Opening balance	99,970	92,939	1,633,007	219,186	19,791	507,354	68,467	76,863	77,945	35,753	17,888	10,659	5,779	20	**2,865,621**
Add: Additions during the year*	65,633	84,690	1,135,545	133,499	10,679	302,157	—	—	3	—	—	—	—	—	**1,732,206**
Less: Deductions during the year**	1,980	1,843	42,946	4,966	371	31,581	13,098	11,474	9,735	1,013	606	435	25	18	**120,091**
Closing balance	**163,623**	**175,786**	**2,725,606**	**347,719**	**30,099**	**777,930**	**55,369**	**65,389**	**68,213**	**34,740**	**17,282**	**10,224**	**5,754**	**2**	**4,477,736**

* Represents unit creation
** Represents unit cancellations

(₹ in '000)

Particulars	Linked Group Funds												
	Group Balanced Fund	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Balanced Fund II	Group Capital Guarantee Debt Fund	Group Capital Guarantee Debt Fund II	Group Capital Guarantee Growth Fund	Group Capital Guarantee Growth Fund II	Group Capital Guarantee Short Term Debt Fund	Group Capital Guarantee Short Term Debt Fund II	Group Debt Fund	Group Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund
	ULGF 001 03/04/03 GBalancer 105	ULGF 006 03/10/05 GCGBal1 105	ULGF 010 21/03/07 GCGBal2 105	ULGF 007 28/10/05 GCGDebt1 105	ULGF 011 21/03/07 GCGDebt2 105	ULGF 008 11/12/06 GCGGrowth1 105	ULGF 012 05/07/07 GCGGrowth2 105	ULGF 005 24/02/04 GCGSTDebt1 105	ULGF 009 16/03/07 GCGSTDebt2 105	ULGF 002 03/04/03 GDebt 105	ULGF 004 30/10/03 GGrowth 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105
Opening balance	12,785,055	34,352	1,735,277	6,748	55,889	14,549	30,334	39,849	1,763,347	5,175,903	4,071,042	407,679	44,226
Add: Additions during the year*	2,669,758	7,236	2,502,508	912	252,328	4,884	40,599	3,511	3,308,369	3,307,796	614,587	10,308	24,558
Less: Deductions during the year**	3,696,646	12,970	3,053,565	513	311,741	1,029	37,163	6,853	2,607,735	1,868,075	794,652	4,301	1,836
Closing balance	**11,758,167**	**28,618**	**1,184,220**	**7,147**	**(3,524)**	**18,404**	**33,770**	**36,507**	**2,463,981**	**6,615,624**	**3,890,977**	**413,686**	**66,948**

* Represents unit creation
** Represents unit cancellations

(₹ in '000)

Particulars	Linked Group Funds											
	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund - A4	Group Return Guarantee Fund - S5	Group Return Guarantee Fund II	Group Return Guarantee Fund III	Group Return Guarantee Fund-S6	Group Return Guarantee Fund-S7	Group Short Term Debt fund	Group Superannuation Corporate Bond Fund	Total	Grand Total
	ULGF 024 26/02/10 GLEST 105	ULGF 021 10/02/09 GRGF1 105	ULGF 025 14/03/11 GRGFA4 105	ULGF 026 14/03/11 GRGFS5 105	ULGF 022 30/03/09 GRGF2 105	ULGF 023 16/06/09 GRGF3 105	ULGF 027 14/03/11 GRGFS6 105	ULGF 028 01/07/11 GRGFS7 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 015 22/12/08 GSACorBon 105		
Opening balance	27,399	2,287,690	64,867	124,763	109,711	2,059,946	208	—	3,287,484	1,559,648	**35,685,966**	**427,664,227**
Add: Additions during the year*	1,100,360	21,340	32	125,625	2,604	47,951	—	472,622	5,418,928	215,228	**20,152,044**	**129,932,210**
Less: Deductions during the year**	555,758	170,465	70,146	124,764	1,536	23,362	210	15,999	4,180,315	6,662	**17,546,296**	**110,746,941**
Closing balance	**572,001**	**2,138,565**	**(5,247)**	**125,624**	**110,779**	**2,084,535**	**(2)**	**456,623**	**4,526,097**	**1,768,214**	**38,291,714**	**446,849,496**

* Represents unit creation
** Represents unit cancellations

Schedule: F-2

INVESTMENTS AT MARCH 31, 2012

(₹ in '000)

Particulars	Linked Life Funds											
	Anmol Nivesh Fund	Balancer Fund	Balancer Fund II	Balancer Fund III	Balancer Fund IV	Bluechip Fund	Cash Plus Fund	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund	Flexi Balanced Fund II	Flexi Balanced Fund III
	ULIF 072 28/04/09 LAnmolNiv 105	ULIF 002 22/10/01 LBalancer1 105	ULIF 014 17/05/04 LBalancer2 105	ULIF 023 13/03/06 LBalancer3 105	ULIF 039 27/08/07 LBalancer4 105	ULIF 087 24/11/09 LBluChip 105	ULIF 008 11/08/03 LCashPlus 105	ULIF 100 01/07/10 LDiscont 105	ULIF 097 11/01/10 LDynmicPE 105	ULIF 031 20/03/07 LFlexiBal1 105	ULIF 032 20/03/07 LFlexiBal2 105	ULIF 033 20/03/07 LFlexiBal3 105
Approved Investments												
Government Bonds	—	286,564	80,808	8,984	14,585	—	49,577	—	602,028	19,773	12,054	1,115
Corporate Bonds	—	2,431,071	780,603	79,980	131,890	—	655,682	46,781	54,743	192,361	117,896	5,792
Infrastructure Bonds	—	1,514,986	476,696	44,578	77,979	—	342,545	12,971	—	105,911	58,098	3,409
Equity	—	4,393,148	1,273,542	137,287	230,454	877,974	—	—	10,868,832	687,439	417,711	39,442
Money Market	1,507	1,501,292	564,692	88,611	161,919	—	635,465	553,265	348,700	217,362	129,526	21,999
Mutual Funds	68	26,002	3,244	384	568	13,525	3,457	9,079	65,687	847	541	85
Deposit with Banks	2,751	2,632,868	503,850	27,746	81,900	—	654,890	42,643	—	74,132	56,524	3,676
Total	**4,326**	**12,785,931**	**3,683,435**	**387,570**	**699,295**	**891,499**	**2,341,616**	**664,739**	**11,939,990**	**1,297,825**	**792,350**	**75,518**
Other Investments												
Corporate Bonds	—	126,180	35,509	4,087	5,628	—	8,651	—	—	2,552	1,499	143
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—
Equity	—	352,716	106,464	11,594	19,280	72,805	—	—	484,760	53,436	31,790	3,183
Money Market	—	—	—	—	—	—	—	—	—	—	—	—
Mutual Funds	444	—	—	—	—	67,087	—	14,692	—	—	—	—
Venture Fund	—	—	—	—	—	—	—	—	—	—	—	—
Total	**444**	**478,896**	**141,973**	**15,681**	**24,908**	**139,892**	**8,651**	**14,692**	**484,760**	**55,988**	**33,289**	**3,326**
Grand total	**4,770**	**13,264,827**	**3,825,408**	**403,251**	**724,203**	**1,031,391**	**2,350,267**	**679,431**	**12,424,750**	**1,353,813**	**825,639**	**78,844**
% of approved investments to Total	90.69%	96.39%	96.29%	96.11%	96.56%	86.44%	99.63%	97.84%	96.10%	95.86%	95.97%	95.78%
% of other investments to Total	9.31%	3.61%	3.71%	3.89%	3.44%	13.56%	0.37%	2.16%	3.90%	4.14%	4.03%	4.22%

(₹ in '000)

Particulars	Linked Life Funds											
	Flexi Balanced Fund IV	Flexi Growth Fund	Flexi Growth Fund II	Flexi Growth Fund III	Flexi Growth Fund IV	Highest NAV Fund B	Income Fund	Invest Shield Cash Fund	Invest Shield Fund - Life	Maximiser Fund	Maximiser Fund II	Maximiser Fund III
	ULIF 040 27/08/07 LFlexiBal4 105	ULIF 026 20/03/07 LFlexiGro1 105	ULIF 027 20/03/07 LFlexiGro2 105	ULIF 028 20/03/07 LFlexiGro3 105	ULIF 038 27/08/07 LFlexiGro4 105	ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 020 03/01/05 LInvCash 105	ULIF 018 03/01/05 LInvShld 105	ULIF 001 22/10/01 LMaximis1 105	ULIF 012 17/05/04 LMaximis2 105	ULIF 022 13/03/06 LMaximis3 105
Approved Investments												
Government Bonds	3,052	—	—	—	—	4,046,283	53,219	91,135	45,578	—	—	—
Corporate Bonds	24,875	29,529	12,796	—	101,261	—	608,744	1,227,618	389,030	—	—	—
Infrastructure Bonds	12,039	—	—	—	—	—	279,452	681,355	214,825	—	—	—
Equity	110,356	25,081,790	11,870,736	1,424,392	10,036,975	5,966,322	—	—	472,403	46,957,819	10,665,252	2,367,017
Money Market	49,163	823,839	764,822	—	718,350	137,296	978,659	1,169,245	498,650	2,754,182	728,263	137,411
Mutual Funds	211	82,957	10,643	20,910	84,953	64,860	6,029	5,986	2,350	696,175	50,287	20,038
Deposit with Banks	9,177	—	—	—	—	—	955,471	1,141,037	328,988	—	—	—
Total	**208,873**	**26,018,115**	**12,658,997**	**1,445,302**	**10,941,539**	**10,214,761**	**2,881,574**	**4,316,376**	**1,951,824**	**50,408,176**	**11,443,802**	**2,524,466**
Other Investments												
Corporate Bonds	357	—	—	—	—	—	80,600	15,664	5,254	—	—	—
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—
Equity	8,656	2,274,559	1,063,302	133,260	895,444	263,360	—	—	30,774	3,411,119	792,087	178,203
Money Market	—	—	—	—	—	—	—	—	—	—	—	—
Mutual Funds	—	—	—	23,973	—	—	—	—	—	166,778	—	—
Venture Fund	—	—	—	—	—	—	—	—	—	—	—	—
Total	**9,013**	**2,274,559**	**1,063,302**	**157,233**	**895,444**	**263,360**	**80,600**	**15,664**	**36,028**	**3,577,897**	**792,087**	**178,203**
Grand total	**217,886**	**28,292,674**	**13,722,299**	**1,602,535**	**11,836,983**	**10,478,121**	**2,962,174**	**4,332,040**	**1,987,852**	**53,986,073**	**12,235,889**	**2,702,669**
% of approved investments to Total	95.86%	91.96%	92.25%	90.19%	92.44%	97.49%	97.28%	99.64%	98.19%	93.37%	93.53%	93.41%
% of other investments to Total	4.14%	8.04%	7.75%	9.81%	7.56%	2.51%	2.72%	0.36%	1.81%	6.63%	6.47%	6.59%

Schedule: F-2

INVESTMENTS AT MARCH 31, 2012 (Contd.)

(₹ in '000)

Particulars	Linked Life Funds											
	Maximiser Fund IV	Maximiser Fund V	Money Market Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Multiplier Fund	Multiplier Fund II	Multiplier Fund III	Multiplier Fund IV	New Invest Shield Balanced Fund	Opportunities Fund	Pinnacle Fund
	ULIF 037 27/08/07 LMaximis4 105	ULIF 114 15/03/11 LMaximis5 105	ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105	ULIF 085 24/11/09 LMCapGro 105	ULIF 042 22/11/07 LMultip1 105	ULIF 044 25/02/08 LMultip2 105	ULIF 046 25/02/08 LMultip3 105	ULIF 047 25/02/08 LMultip4 105	ULIF 025 21/08/06 LInvShldNw 105	ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09 LPinnacle 105
Approved Investments												
Government Bonds	—	—	—	11,202	—	—	—	—	—	51,540	—	3,698,580
Corporate Bonds	—	—	12,933	59,664	54,743	—	—	—	—	445,302	—	—
Infrastructure Bonds	—	—	82,469	31,868	55,059	—	—	—	—	235,540	—	—
Equity	697,795	444,534	—	426,498	6,358,746	13,143,145	2,183,031	192,746	1,019,494	851,920	1,671,336	5,022,618
Money Market	40,512	25,832	966,477	204,875	927,779	—	—	—	—	442,679	233,366	130,686
Mutual Funds	7,894	6,633	1,152	588	60,655	77,576	31,022	2,782	14,532	2,533	27,499	61,739
Deposit with Banks	—	—	344,051	109,502	100,000	—	—	—	—	452,069	—	—
Total	**746,201**	**476,999**	**1,407,082**	**844,197**	**7,556,982**	**13,220,721**	**2,214,053**	**195,528**	**1,034,026**	**2,481,583**	**1,932,201**	**8,913,623**
Other Investments												
Corporate Bonds	—	—	—	1,149	—	—	—	—	—	6,130	—	—
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—
Equity	49,678	28,356	—	36,882	428,121	1,035,371	165,784	15,736	77,290	57,595	171,231	228,777
Money Market	—	—	—	—	—	—	—	—	—	—	—	—
Mutual Funds	—	7,582	—	—	—	—	22,184	4,092	13,745	—	39,445	—
Venture Fund	—	—	—	—	—	—	—	—	—	15,853	—	—
Total	**49,678**	**35,938**	**—**	**38,031**	**428,121**	**1,035,371**	**187,968**	**19,828**	**91,035**	**79,578**	**210,676**	**228,777**
Grand total	**795,879**	**512,937**	**1,407,082**	**882,228**	**7,985,103**	**14,256,092**	**2,402,021**	**215,356**	**1,125,061**	**2,561,161**	**2,142,877**	**9,142,400**
% of approved investments to Total	93.76%	92.99%	100.00%	95.69%	94.64%	92.74%	92.17%	90.79%	91.91%	96.89%	90.17%	97.50%
% of other investments to Total	6.24%	7.01%	0.00%	4.31%	5.36%	7.26%	7.83%	9.21%	8.09%	3.11%	9.83%	2.50%

(₹ in '000)

Particulars	Linked Life Funds											
	Pinnacle Fund II	Preserver Fund	Preserver Fund III	Preserver Fund IV	Protector Fund	Protector Fund II	Protector Fund III	Protector Fund IV	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III	Return Guarantee Fund IV
	ULIF 105 26/10/10 LPinnacle2 105	ULIF 010 17/05/04 LPreserv1 105	ULIF 021 13/03/06 LPreserv3 105	ULIF 036 27/08/07 LPreserv4 105	ULIF 003 22/10/01 LProtect1 105	ULIF 016 17/05/04 LProtect2 105	ULIF 024 13/03/06 LProtect3 105	ULIF 041 27/08/07 LProtect4 105	ULIF 054 18/12/08 LRGF1 105	ULIF 063 27/01/09 LRGF(T2) 105	ULIF 066 26/02/09 LRGF(T3) 105	ULIF 069 31/03/09 LRGF(T4) 105
Approved Investments												
Government Bonds	945,601	—	—	—	167,110	25,000	10,601	72,675	—	—	—	—
Corporate Bonds	—	75,626	993	—	2,340,728	934,987	135,098	891,632	317,124	379,447	402,675	152,266
Infrastructure Bonds	—	65,622	—	—	1,456,100	579,299	83,107	569,246	54,496	59,220	45,096	42,674
Equity	1,807,722	—	—	—	—	—	—	—	—	—	—	—
Money Market	—	2,350,963	174,042	149,473	2,242,730	853,482	183,606	893,193	—	—	—	—
Mutual Funds	37,855	927	1,684	1,659	11,409	3,898	1,648	15,679	7,263	6,276	3,888	3,649
Deposit with Banks	—	996,407	32,694	22,125	2,134,380	1,025,065	53,390	1,011,629	118,673	87,131	107,847	54,211
Total	**2,791,178**	**3,489,545**	**209,413**	**173,257**	**8,352,457**	**3,421,731**	**467,450**	**3,454,054**	**497,556**	**532,074**	**559,506**	**252,800**
Other Investments												
Corporate Bonds	—	—	—	—	114,746	46,493	6,764	44,919	—	—	—	—
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—
Equity	82,714	—	—	—	—	—	—	—	—	—	—	—
Money Market	—	—	—	—	—	—	—	—	—	—	—	—
Mutual Funds	6,728	—	—	—	—	—	—	—	233	—	—	—
Venture Fund	—	—	—	—	—	—	—	—	—	—	—	—
Total	**89,442**	**—**	**—**	**—**	**114,746**	**46,493**	**6,764**	**44,919**	**233**	**—**	**—**	**—**
Grand total	**2,880,620**	**3,489,545**	**209,413**	**173,257**	**8,467,203**	**3,468,224**	**474,214**	**3,498,973**	**497,789**	**532,074**	**559,506**	**252,800**
% of approved investments to Total	96.90%	100.00%	100.00%	100.00%	98.64%	98.66%	98.57%	98.72%	99.95%	100.00%	100.00%	100.00%
% of other investments to Total	3.10%	0.00%	0.00%	0.00%	1.36%	1.34%	1.43%	1.28%	0.05%	0.00%	0.00%	0.00%

Schedule: F-2

INVESTMENTS AT MARCH 31, 2012 (Contd.)

(₹ in '000)

Particulars	Linked Life Funds									
	Return Guarantee Fund V	Return Guarantee Fund VI	Return Guarantee Fund VII	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund XI (5 Yrs)
	ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105	ULIF 082 16/11/09 LRGF(T7) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 104 12/10/10 LRGF(S1) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 107 22/12/10 LRGF(S2) 105	ULIF 111 13/01/11 LRGF(T10) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 120 17/03/11 LRGF(T11) 105
Approved Investments										
Government Bonds	—	—	—	—	82,113	—	48,337	—	189,648	—
Corporate Bonds	57,461	51,650	20,621	632,464	68,516	694,905	26,023	1,291,087	92,872	685,035
Infrastructure Bonds	25,935	28,760	11,622	175,080	57,865	359,392	32,783	742,889	87,214	338,772
Equity	—	—	—	—	—	—	—	—	—	—
Money Market	—	—	—	—	—	—	—	—	—	—
Mutual Funds	1,497	1,198	350	13,125	3,618	5,949	1,314	10,625	4,657	7,090
Deposit with Banks	22,814	23,966	8,186	126,700	49,020	136,900	21,200	488,627	68,915	237,300
Total	**107,707**	**105,574**	**40,779**	**947,369**	**261,132**	**1,197,146**	**129,657**	**2,533,228**	**443,306**	**1,268,197**
Other Investments										
Corporate Bonds	—	—	—	—	—	49,645	—	—	—	—
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—
Equity	—	—	—	—	—	—	—	—	—	—
Money Market	—	—	—	—	—	—	—	—	—	—
Mutual Funds	608	—	—	3,249	1,770	—	—	—	—	—
Venture Fund	—	—	—	—	—	—	—	—	—	—
Total	**608**	—	—	**3,249**	**1,770**	**49,645**	**—**	—	—	—
Grand total	**108,315**	**105,574**	**40,779**	**950,618**	**262,902**	**1,246,791**	**129,657**	**2,533,228**	**443,306**	**1,268,197**
% of approved investments to Total	99.44%	100.00%	100.00%	99.66%	99.33%	96.02%	100.00%	100.00%	100.00%	100.00%
% of other investments to Total	0.56%	0.00%	0.00%	0.34%	0.67%	3.98%	0.00%	0.00%	0.00%	0.00%

(₹ in '000)

Particulars	Linked Life Funds								
	Return Guarantee Fund XI (10 Yrs)	RICH Fund	RICH Fund II	RICH Fund III	RICH Fund IV	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund	Total
	ULIF 121 19/04/11 LRGF(S4) 105	ULIF 048 17/03/08 LRICH1 105	ULIF 049 17/03/08 LRICH2 105	ULIF 050 17/03/08 LRICH3 105	ULIF 051 17/03/08 LRICH4 105	ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105	
Approved Investments									
Government Bonds	13,567	—	—	—	—	10,335	195	1,394	**10,642,653**
Corporate Bonds	6,684	—	—	—	—	74,781	1,051	6,471	**16,803,491**
Infrastructure Bonds	992	63,590	38,040	—	—	46,639	1,160	7,728	**9,203,101**
Equity	—	10,258,940	9,052,543	663,589	3,698,222	61,987	17,511	38,576	**191,489,844**
Money Market	—	354,330	736,938	—	253,451	144,675	6,309	48,448	**24,348,064**
Mutual Funds	344	42,840	50,046	9,714	58,873	1,042	397	1,655	**1,773,660**
Deposit with Banks	3,280	—	—	—	120,000	53,537	623	13,956	**14,539,851**
Total	**24,867**	**10,719,700**	**9,877,567**	**673,303**	**4,130,546**	**392,996**	**27,246**	**118,228**	**268,800,664**
Other Investments									
Corporate Bonds	—	—	—	—	—	1,204	—	—	**557,174**
Infrastructure Bonds	—	—	—	—	—	—	—	—	**—**
Equity	—	1,058,159	933,857	69,366	378,294	1,010	1,224	2,679	**15,008,916**
Money Market	—	—	—	—	—	—	—	—	**—**
Mutual Funds	155	—	—	10,064	5,779	—	1,695	2,422	**392,725**
Venture Fund	—	—	—	—	—	—	—	—	**15,853**
Total	**155**	**1,058,159**	**933,857**	**79,430**	**384,073**	**2,214**	**2,919**	**5,101**	**15,974,668**
Grand total	**25,022**	**11,777,859**	**10,811,424**	**752,733**	**4,514,619**	**395,210**	**30,165**	**123,329**	**284,775,332**
% of approved investments to Total	99.38%	91.02%	91.36%	89.45%	91.49%	99.44%	90.32%	95.86%	**94.39%**
% of other investments to Total	0.62%	8.98%	8.64%	10.55%	8.51%	0.56%	9.68%	4.14%	**5.61%**

Schedule: F-2

INVESTMENTS AT MARCH 31, 2012

(₹ in '000)

Particulars	Linked Pension Funds											
	Invest Shield Fund - Pension	Pension Balancer Fund	Pension Balancer Fund II	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Flexi Balanced Fund	Pension Flexi Balanced Fund II	Pension Flexi Growth Fund	Pension Flexi Growth Fund II	Pension Income Fund	Pension Maximiser Fund	Pension Maximiser Fund II
	ULIF 019 03/01/05 PInvShld 105	ULIF 005 03/05/02 PBalancer1 105	ULIF 015 17/05/04 PBalancer2 105	ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105	ULIF 034 20/03/07 PFlexiBal1 105	ULIF 035 20/03/07 PFlexiBal2 105	ULIF 029 20/03/07 PFlexiGro1 105	ULIF 030 20/03/07 PFlexiGro2 105	ULIF 095 11/01/10 PIncome 105	ULIF 004 03/05/02 PMaximis1 105	ULIF 013 17/05/04 PMaximis2 105
Approved Investments												
Government Bonds	5,006	79,426	87,616	—	604,358	10,336	12,791	—	—	37,169	—	—
Corporate Bonds	51,874	1,180,209	1,559,506	—	—	101,653	126,718	—	—	1,292,503	—	44,114
Infrastructure Bonds	27,844	665,058	897,883	—	—	62,089	91,679	51,809	—	785,143	—	—
Equity	96,907	2,186,852	2,620,032	1,645,644	12,401,261	570,321	738,789	24,397,466	26,239,686	—	5,321,444	19,018,770
Money Market	155,586	1,093,795	1,293,221	—	530,264	259,674	232,895	718,684	246,435	1,877,920	383,675	1,106,850
Mutual Funds	5,419	64,079	106,612	24,671	55,165	16,258	20,562	45,757	60,394	80,287	33,752	75,846
Deposit with Banks	45,918	1,234,882	1,051,385	—	—	92,372	203,622	290,298	13,838	1,721,983	—	—
Total	**388,554**	**6,504,301**	**7,616,255**	**1,670,315**	**13,591,048**	**1,112,703**	**1,427,056**	**25,504,014**	**26,560,353**	**5,795,005**	**5,738,871**	**20,245,580**
Other Investments												
Corporate Bonds	—	64,616	81,780	—	—	—	—	—	—	91,367	—	—
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—
Equity	6,367	191,688	221,980	138,652	553,214	59,566	78,551	1,896,003	2,097,147	—	390,303	1,420,011
Money Market	—	—	—	—	—	—	—	—	—	—	—	—
Mutual Funds	9,035	—	1,259	74,326	—	60,052	52,628	—	—	39,246	—	—
Venture Fund	—	—	—	—	—	—	—	—	—	—	—	—
Total	**15,402**	**256,304**	**305,019**	**212,978**	**553,214**	**119,618**	**131,179**	**1,896,003**	**2,097,147**	**130,613**	**390,303**	**1,420,011**
Grand total	**403,956**	**6,760,605**	**7,921,274**	**1,883,293**	**14,144,262**	**1,232,321**	**1,558,235**	**27,400,017**	**28,657,500**	**5,925,618**	**6,129,174**	**21,665,591**
% of approved investments to Total	96.19%	96.21%	96.15%	88.69%	96.09%	90.29%	91.58%	93.08%	92.68%	97.80%	93.63%	93.45%
% of other investments to Total	3.81%	3.79%	3.85%	11.31%	3.91%	9.71%	8.42%	6.92%	7.32%	2.20%	6.37%	6.55%

(₹ in '000)

Particulars	Linked Pension Funds											
	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund	Pension Multiplier Fund II	Pension Opportunities Fund	Pension Preserver Fund	Pension Protector Fund	Pension Protector Fund II	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	Pension Return Guarantee Fund III
	ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105	ULIF 043 25/02/08 PMultip1 105	ULIF 045 25/02/08 PMultip2 105	ULIF 092 11/01/10 POpport 105	ULIF 011 17/05/04 PPreserv 105	ULIF 006 03/05/02 PProtect1 105	ULIF 017 17/05/04 PProtect2 105	ULIF 055 18/12/08 PRGF1 105	ULIF 064 27/01/09 PRGF2 105	ULIF 067 26/02/09 PRGF3 105
Approved Investments												
Government Bonds	—	12,501	—	—	—	—	—	110,385	50,688	—	—	—
Corporate Bonds	13,926	95,086	—	—	—	—	108,466	4,339,008	1,951,470	923,612	778,813	919,545
Infrastructure Bonds	—	36,483	—	—	—	74,724	87,795	2,613,941	1,163,493	249,416	232,418	153,039
Equity	—	863,775	10,686,101	6,055,174	3,491,215	4,318,508	—	—	—	—	—	—
Money Market	1,350,938	360,713	1,119,262	243,896	48,793	456,534	3,527,743	4,120,280	1,829,362	—	—	—
Mutual Funds	18,727	23,069	47,949	91,377	52,056	69,145	101	72,842	40,969	7,728	13,192	21,093
Deposit with Banks	460,646	240,484	69,414	—	—	—	1,266,420	4,205,418	1,781,855	464,180	526,693	328,309
Total	**1,844,237**	**1,632,111**	**11,922,726**	**6,390,447**	**3,592,064**	**4,918,911**	**4,990,525**	**15,461,874**	**6,817,837**	**1,644,936**	**1,551,116**	**1,421,986**
Other Investments												
Corporate Bonds	—	—	—	—	—	—	—	262,149	123,869	—	—	—
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—
Equity	—	85,485	640,748	553,236	328,148	426,757	—	—	—	—	—	—
Money Market	—	—	—	—	—	—	—	—	—	—	—	—
Mutual Funds	—	25,524	—	5,679	32,105	4,036	—	—	—	—	—	—
Venture Fund	—	—	—	—	—	—	—	—	—	—	—	—
Total	**—**	**111,009**	**640,748**	**558,915**	**360,253**	**430,793**	**—**	**262,149**	**123,869**	—	—	**59,803**
Grand total	**1,844,237**	**1,743,120**	**12,563,474**	**6,949,362**	**3,952,317**	**5,349,704**	**4,990,525**	**15,724,023**	**6,941,706**	**1,644,936**	**1,551,116**	**1,481,789**
% of approved investments to Total	100.00%	93.63%	94.90%	91.96%	90.89%	91.95%	100.00%	98.33%	98.22%	100.00%	100.00%	95.96%
% of other investments to Total	0.00%	6.37%	5.10%	8.04%	9.11%	8.05%	0.00%	1.67%	1.78%	0.00%	0.00%	4.04%

Schedule: F-2

INVESTMENTS AT MARCH 31, 2012 (Contd.)

(₹ in '000)

Particulars	Linked Pension Funds											Total
	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Return Guarantee Fund VIII	Pension Return Guarantee Fund IX (10Yrs)	Pension Return Guarantee Fund X(10 Yrs)	Pension Return Guarantee Fund XI (10Yrs)	Pension RICH Fund	Pension RICH Fund II	Secure Plus Pension Fund	
	ULIF 070 31/03/09 PRGF4 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 113 13/01/11 PRGF(S3) 105	ULIF 122 19/04/11 PRGF(S4) 105	ULIF 052 17/03/08 PRICH1 105	ULIF 053 17/03/08 PRICH2 105	ULIF 009 17/11/03 PSecPlus 105	
Approved Investments												
Government Bonds	—	—	—	—	41,465	14,727	40,645	6,824	—	—	2,379	**1,116,316**
Corporate Bonds	334,251	223,074	274,686	467,558	30,526	7,917	19,891	3,594	139,143	—	20,841	**15,007,984**
Infrastructure Bonds	127,922	84,421	142,026	182,084	37,205	12,072	22,832	1,006	—	—	18,342	**7,820,724**
Equity	—	—	—	—	—	—	—	—	19,680,842	14,720,237	26,038	**155,079,062**
Money Market	—	—	—	—	—	—	—	—	1,709,764	1,485,133	51,264	**24,202,681**
Mutual Funds	4,657	4,404	3,356	9,650	1,884	503	1,379	175	80,386	55,118	2,274	**1,210,836**
Deposit with Banks	132,022	9,600	9,185	41,614	25,090	7,515	15,550	1,190	431,979	—	40,612	**14,712,074**
Total	**598,852**	**321,499**	**429,253**	**700,906**	**136,170**	**42,734**	**100,297**	**12,789**	**22,042,114**	**16,260,488**	**161,750**	**219,149,677**
Other Investments												
Corporate Bonds	—	—	—	—	—	—	—	—	—	—	—	**623,781**
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	**—**
Equity	—	—	—	—	—	—	—	—	1,864,015	1,418,902	364	**12,371,137**
Money Market	—	—	—	—	—	—	—	—	—	—	—	**—**
Mutual Funds	—	1,216	—	83	31	—	191	5	—	—	3,509	**368,728**
Venture Fund	—	—	—	—	—	—	—	—	—	—	—	**—**
Total	—	**1,216**	—	**83**	**31**	—	**191**	**5**	**1,864,015**	**1,418,902**	**3,873**	**13,363,646**
Grand total	**598,852**	**322,715**	**429,253**	**700,989**	**136,201**	**42,734**	**100,488**	**12,794**	**23,906,129**	**17,679,390**	**165,623**	**232,513,323**
% of approved investments to Total	100.00%	99.62%	100.00%	99.99%	99.98%	100.00%	99.81%	99.96%	92.20%	91.97%	97.66%	**94.25%**
% of other investments to Total	0.00%	0.38%	0.00%	0.01%	0.02%	0.00%	0.19%	0.04%	7.80%	8.03%	2.34%	**5.75%**

(₹ in '000)

Particulars	Linked Health Funds														Total
	Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund	Health Return Guarantee Fund II	Health Return Guarantee Fund III	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII	Health Return Guarantee Fund IX (5 Yrs)	
	ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 062 15/01/09 HRGF1 105	ULIF 065 29/01/09 HRGF2 105	ULIF 068 26/02/09 HRGF3 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105	ULIF 109 22/12/10 HRGF9 105	
Approved Investments															
Government Bonds	1,838	1,469	—	—	—	2,910	—	—	—	—	—	—	—	—	**6,217**
Corporate Bonds	10,662	8,409	—	—	—	121,202	6,086	6,226	7,103	3,230	565	308	216	—	**164,007**
Infrastructure Bonds	6,455	4,961	—	—	—	54,840	—	1,931	2,820	1,891	—	—	—	—	**72,898**
Equity	34,113	51,941	1,326,552	187,959	—	—	—	—	—	—	—	—	—	—	**1,600,565**
Money Market	46,037	36,574	91,661	—	17,847	212,112	—	—	—	—	546	273	182	—	**405,232**
Mutual Funds	170	132	21,749	2,855	283	526	111	247	33	46	53	30	31	—	**26,266**
Deposit with Banks	3,497	2,296	—	—	1,959	79,707	7,798	8,051	9,238	7,017	4,059	2,658	1,531	—	**127,811**
Total	**102,772**	**105,782**	**1,439,962**	**190,814**	**20,089**	**471,297**	**13,995**	**16,455**	**19,194**	**12,184**	**5,223**	**3,269**	**1,960**	**—**	**2,402,996**
Other Investments															
Corporate Bonds	202	142	—	—	—	19,587	—	—	—	—	—	—	—	—	**19,931**
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Equity	2,494	5,552	162,126	16,788	—	—	—	—	—	—	—	—	—	—	**186,960**
Money Market	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Mutual Funds	—	—	87,588	9,642	1,121	—	—	110	—	—	—	—	57	—	**98,518**
Venture Fund	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Total	**2,696**	**5,694**	**249,714**	**26,430**	**1,121**	**19,587**	**-**	**110**	**—**	**—**	**—**	**—**	**57**	**—**	**305,409**
Grand total	**105,468**	**111,476**	**1,689,676**	**217,244**	**21,210**	**490,884**	**13,995**	**16,565**	**19,194**	**12,184**	**5,223**	**3,269**	**2,017**	**—**	**2,708,405**
% of approved investments to Total	97.44%	94.89%	85.22%	87.83%	94.71%	96.01%	100.00%	99.34%	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%	**88.72%**
% of other investments to Total	2.56%	5.11%	14.78%	12.17%	5.29%	3.99%	0.00%	0.66%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	**11.28%**

Schedule: F-2

INVESTMENTS AT MARCH 31, 2012 (Contd.)

(₹ in '000)

Particulars	Linked Group Funds												
	Group Balanced Fund	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Balanced Fund II	Group Capital Guarantee Debt Fund	Group Capital Guarantee Debt Fund II	Group Capital Guarantee Growth Fund	Group Capital Guarantee Growth Fund II	Group Capital Guarantee Short Term Debt Fund	Group Capital Guarantee Short Term Debt Fund II	Group Debt Fund	Group Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund
	ULGF 001 03/04/03 GBalancer 105	ULGF 006 03/10/05 GCGBal1 105	ULGF 010 21/03/07 GCGBal2 105	ULGF 007 28/10/05 GCGDebt1 105	ULGF 011 21/03/07 GCGDebt2 105	ULGF 008 11/12/06 GCGGrowth1 105	ULGF 012 05/07/07 GCGGrowth2 105	ULGF 005 24/02/04 GCGSTDebt1 105	ULGF 009 16/03/07 GCGSTDebt2 105	ULGF 002 03/04/03 GDebt 105	ULGF 004 30/10/03 GGrowth 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105
Approved Investments													
Government Bonds	222,504	1,422	28,817	69	2,611	336	547	—	—	54,961	40,757	7,699	1,471
Corporate Bonds	3,663,278	16,246	465,523	726	112,819	1,162	8,174	—	10,936	2,333,164	569,622	127,573	17,567
Infrastructure Bonds	1,524,027	8,530	187,178	152	45,509	192	6,457	—	—	998,154	374,020	45,449	10,535
Equity	2,276,683	14,503	230,683	—	—	8,218	15,668	—	—	—	2,815,189	78,342	—
Money Market	3,628,345	32,209	315,212	6,176	128,788	5,166	9,624	74,720	2,137,029	2,079,724	763,540	153,513	22,229
Mutual Funds	111,723	1,319	3,765	132	3,296	330	278	1,308	19,392	82,333	73,837	7,209	1,022
Deposit with Banks	3,014,334	15,117	273,599	2,148	66,825	6,443	4,365	17,737	847,275	2,071,676	683,227	81,135	16,422
Total	**14,440,894**	**89,346**	**1,504,777**	**9,403**	**359,848**	**21,847**	**45,113**	**93,765**	**3,014,632**	**7,620,012**	**5,320,192**	**500,920**	**69,246**
Other Investments													
Corporate Bonds	606,787	—	16,431	—	7,067	1,011	1,010	—	—	173,656	—	15,144	2,019
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity	188,404	1,019	15,949	—	—	778	1,554	—	—	—	215,082	6,541	—
Money Market	—	—	—	—	—	—	—	—	—	—	-	-	-
Mutual Funds	—	6,579	—	209	—	568	—	3,760	—	—	45,119	10,195	2,839
Venture Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**795,191**	**7,598**	**32,380**	**209**	**7,067**	**2,357**	**2,564**	**3,760**	**-**	**173,656**	**260,201**	**31,880**	**4,858**
Grand total	**15,236,085**	**96,944**	**1,537,157**	**9,612**	**366,915**	**24,204**	**47,677**	**97,525**	**3,014,632**	**7,793,668**	**5,580,393**	**532,800**	**74,104**
% of approved investments to Total	94.78%	92.16%	97.89%	97.83%	98.07%	90.26%	94.62%	96.14%	100.00%	97.77%	95.34%	94.02%	0.00%
% of other investments to Total	5.22%	7.84%	2.11%	2.17%	1.93%	9.74%	5.38%	3.86%	0.00%	2.23%	4.66%	5.98%	0.00%

(₹ in '000)

Particulars	Linked Group Funds										Total	Grand Total
	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund - A4	Group Return Guarantee Fund - S5	Group Return Guarantee Fund II	Group Return Guarantee Fund III	Group Return Guarantee Fund-S6	Group Return Guarantee Fund-S7	Group Short Term Debt fund	Group Superannuation Corporate Bond Fund		
	ULGF 024 26/02/10 GLEST 105	ULGF 021 10/02/09 GRGF1 105	ULGF 025 14/03/11 GRGFA4 105	ULGF 026 14/03/11 GRGFS5 105	ULGF 022 30/03/09 GRGF2 105	ULGF 023 16/06/09 GRGF3 105	ULGF 027 14/03/11 GRGFS6 105	ULGF 028 01/07/11 GRGFS7 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 015 22/12/08 GSACorBon 105		
Approved Investments												
Government Bonds	—	—	—	—	—	—	—	—	—	—	**361,194**	**12,126,380**
Corporate Bonds	50,758	1,494,875	—	84,054	65,310	1,640,770	—	215,205	27,842	954,252	**11,859,856**	**43,835,338**
Infrastructure Bonds	—	359,336	—	16,884	870	499,920	—	189,725	—	431,850	**4,698,788**	**21,795,511**
Equity	—	—	—	—	—	—	—	—	—	—	**5,439,286**	**353,608,757**
Money Market	184,332	—	—	—	—	—	—	—	4,348,622	—	**13,889,229**	**62,845,206**
Mutual Funds	7,843	35,750	—	1,754	1,021	31,977	—	6,349	81,216	1,772	**473,626**	**3,484,388**
Deposit with Banks	285,021	606,905	—	21,400	48,028	157,058	—	45,237	1,477,934	359,651	**10,101,537**	**39,481,273**
Total	**527,954**	**2,496,866**	**—**	**124,092**	**115,229**	**2,329,725**	—	**456,516**	**5,935,614**	**1,747,525**	**46,823,516**	**537,176,853**
Other Investments												
Corporate Bonds	—	—	—	—	—	—	—	—	—	—	**823,125**	**2,024,011**
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	**—**	**—**
Equity	—	—	—	—	—	—	—	—	—	—	**429,327**	**27,996,340**
Money Market	—	—	—	—	—	—	—	—	—	—	**—**	**—**
Mutual Funds	35,895	714	—	2,098	—	2,174	—	2,829	135,451	51,273	**299,703**	**1,159,674**
Venture Fund	—	—	—	—	—	—	—	—	—	—	**—**	**15,853**
Total	**35,895**	**714**	**—**	**2,098**	**—**	**2,174**	**—**	**2,829**	**135,451**	**51,273**	**1,552,155**	**31,195,878**
Grand total	**563,849**	**2,497,580**	**—**	**126,190**	**115,229**	**2,331,899**	**—**	**459,345**	**6,071,065**	**1,798,798**	**48,375,671**	**568,372,731**
% of approved investments to Total	0.00%	99.97%	0.00%	98.34%	100.00%	99.91%	0.00%	99.38%	97.77%	97.15%	**96.79%**	
% of other investments to Total	0.00%	0.03%	0.00%	1.66%	0.00%	0.09%	0.00%	0.62%	2.23%	2.85%	**3.21%**	

Schedule F - 3

CURRENT ASSETS AT MARCH 31, 2012

(₹ in '000)

Particulars	Linked Life Funds											
	Anmol Nivesh Fund	Balancer Fund	Balancer Fund II	Balancer Fund III	Balancer Fund IV	Bluechip Fund	Cash Plus Fund	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund	Flexi Balanced Fund II	Flexi Balanced Fund III
	ULIF 072 28/04/09 LAnmolNiv 105	ULIF 002 22/10/01 LBalancer1 105	ULIF 014 17/05/04 LBalancer2 105	ULIF 023 13/03/06 LBalancer3 105	ULIF 039 27/08/07 LBalancer4 105	ULIF 087 24/11/09 LBluChip 105	ULIF 008 11/08/03 LCashPlus 105	ULIF 100 01/07/10 LDiscont 105	ULIF 097 11/01/10 LDynmicPE 105	ULIF 031 20/03/07 LFlexiBal1 105	ULIF 032 20/03/07 LFlexiBal2 105	ULIF 033 20/03/07 LFlexiBal3 105
Accrued Interest	394	279,011	59,526	5,954	13,435	—	72,235	8,622	20,204	15,457	9,037	789
Cash & Bank Balance	14	9	11	10	10	10	11	10	10	10	9	11
Dividend Receivable	—	411	171	18	52	355	—	—	2,002	160	94	9
Receivable for Sale of Investments	—	42,509	11,934	2,528	1,622	15,270	35,743	—	25,145	8,432	4,723	455
Unit Collection A/c	—	3,427	—	—	3,771	24,499	2,491	—	202,103	3,779	3,028	—
Other Current Assets (for Investments)	—	2	2	—	–	5	—	—	—	1	1	—
Appropriation adjustment account	—	—	—	—	—	—	—	—	—	—	—	—
Total	**408**	**325,369**	**71,644**	**8,510**	**18,890**	**40,139**	**110,480**	**8,632**	**249,464**	**27,839**	**16,892**	**1,264**

(₹ in '000)

Particulars	Linked Life Funds											
	Flexi Balanced Fund IV	Flexi Growth Fund	Flexi Growth Fund II	Flexi Growth Fund III	Flexi Growth Fund IV	Highest NAV Fund B	Income Fund	Invest Shield Cash Fund	Invest Shield Fund - Life	Maximiser Fund	Maximiser Fund II	Maximiser Fund III
	ULIF 040 27/08/07 LFlexiBal4 105	ULIF 026 20/03/07 LFlexiGro1 105	ULIF 027 20/03/07 LFlexiGro2 105	ULIF 028 20/03/07 LFlexiGro3 105	ULIF 038 27/08/07 LFlexiGro4 105	ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 020 03/01/05 LInvCash 105	ULIF 018 03/01/05 LInvShld 105	ULIF 001 22/10/01 LMaximis1 105	ULIF 012 17/05/04 LMaximis2 105	ULIF 022 13/03/06 LMaximis3 105
Accrued Interest	2,594	863	374	—	3,025	113,443	61,456	115,805	42,798	—	63	—
Cash & Bank Balance	10	11	10	10	10	11	10	11	9	2,821	10	10
Dividend Receivable	22	547	416	52	350	996	—	—	74	17,310	4,145	758
Receivable for Sale of Investments	1,528	29,102	2,079	14,884	1,750	203,216	38,144	65,180	11,270	—	—	—
Unit Collection A/c	1,146	28,066	14,043	—	19,652	476,757	95,495	7,528	3,651	—	—	—
Other Current Assets (for Investments)	1	4	2	2	—	—	—	—	1	23	5	1
Appropriation adjustment account	—	—	—	—	—	—	—	—	—	—	—	—
Total	**5,301**	**58,593**	**16,924**	**14,948**	**24,787**	**794,423**	**195,105**	**188,524**	**57,803**	**20,154**	**4,223**	**769**

(₹ in '000)

Particulars	Linked Life Funds											
	Maximiser Fund IV	Maximiser Fund V	Money Market Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Multiplier Fund	Multiplier Fund II	Multiplier Fund III	Multiplier Fund IV	New Invest Shield Balanced Fund	Opportunities Fund	Pinnacle Fund
	ULIF 037 27/08/07 LMaximis4 105	ULIF 114 15/03/11 LMaximis5 105	ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105	ULIF 085 24/11/09 LMCapGro 105	ULIF 042 22/11/07 LMultip1 105	ULIF 044 25/02/08 LMultip2 105	ULIF 046 25/02/08 LMultip3 105	ULIF 047 25/02/08 LMultip4 105	ULIF 025 21/08/06 LInvShldNw 105	ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09 LPinnacle 105
Accrued Interest	—	—	16,818	6,898	14,959	—	—	—	—	50,711	83	106,750
Cash & Bank Balance	10	11	11	10	9	10	19	11	15	11	9	9
Dividend Receivable	222	89	—	132	—	–	—	—	—	152	389	998
Receivable for Sale of Investments	—	—	—	4,436	—	30,170	—	—	—	17,624	951	456,741
Unit Collection A/c	—	49,177	35,306	15,452	145,343	366	3,117	—	2,632	2,173	45,809	228,059
Other Current Assets (for Investments)	—	3	—	1	2	13	1	—	—	2	4	—
Appropriation adjustment account	—	—	—	—	—	—	—	—	—	—	—	—
Total	**232**	**49,280**	**52,135**	**26,929**	**160,313**	**30,559**	**3,137**	**11**	**2,647**	**70,673**	**47,245**	**792,557**

(₹ in '000)

Particulars	Linked Life Funds											
	Pinnacle Fund II	Preserver Fund	Preserver Fund III	Preserver Fund IV	Protector Fund	Protector Fund II	Protector Fund III	Protector Fund IV	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III	Return Guarantee Fund IV
	ULIF 105 26/10/10 LPinnacle2 105	ULIF 010 17/05/04 LPreserv1 105	ULIF 021 13/03/06 LPreserv3 105	ULIF 036 27/08/07 LPreserv4 105	ULIF 003 22/10/01 LProtect1 105	ULIF 016 17/05/04 LProtect2 105	ULIF 024 13/03/06 LProtect3 105	ULIF 041 27/08/07 LProtect4 105	ULIF 054 18/12/08 LRGF1 105	ULIF 063 27/01/09 LRGF(T2) 105	ULIF 066 26/02/09 LRGF(T3) 105	ULIF 069 31/03/09 LRGF(T4) 105
Accrued Interest	25,200	53,860	3,127	2,100	210,544	101,778	9,772	86,885	52,646	45,774	45,494	25,630
Cash & Bank Balance	10	10	10	10	11	10	10	10	10	10	10	10
Dividend Receivable	357	—	—	—	—	—	—	—	—	—	—	—
Receivable for Sale of Investments	25,574	—	—	—	120,975	20,553	6,991	51,991	—	—	—	—
Unit Collection A/c	49,469	868	—	1,904	—	2,027	—	14,077	—	—	—	—
Other Current Assets (for Investments)	—	—	—	—	—	—	—	—	—	—	—	—
Appropriation adjustment account	—	—	—	—	—	—	—	—	—	—	—	—
Total	**100,610**	**54,738**	**3,137**	**4,014**	**331,530**	**124,368**	**16,773**	**152,963**	**52,656**	**45,784**	**45,504**	**25,640**

Schedule F - 3

CURRENT ASSETS AT MARCH 31, 2012 (Contd.)

(₹ in '000)

Particulars	Linked Life Funds									
	Return Guarantee Fund V	Return Guarantee Fund VI	Return Guarantee Fund VII	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund XI (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund IX (10 Yrs)
	ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105	ULIF 082 16/11/09 LRGF(T7) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 104 12/10/10 LRGF(S1) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 121 19/04/11 LRGF(S4) 105	ULIF 111 13/01/11 LRGF(T10) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 107 22/12/10 LRGF(S2) 105
Accrued Interest	5,096	5,543	2,247	43,969	10,895	63,270	955	155,841	20,527	5,080
Cash & Bank Balance	10	9	9	10	10	10	9	11	10	10
Dividend Receivable	—	—	—	—	—	—	—	—	—	—
Receivable for Sale of Investments	—	—	—	—	—	—	—	—	—	—
Unit Collection A/c	—	—	—	412	44	79	8	—	—	60
Other Current Assets (for Investments)	—	—	—	—	—	—	—	—	—	—
Appropriation adjustment account	—	—	—	—	—	—	—	—	—	—
Total	**5,106**	**5,552**	**2,256**	**44,391**	**10,949**	**63,359**	**972**	**155,852**	**20,537**	**5,150**

(₹ in '000)

Particulars	Linked Life Funds								
	Return Guarantee Fund XI (5 Yrs)	RICH Fund	RICH Fund II	RICH Fund III	RICH Fund IV	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund	Total
	ULIF 120 17/03/11 LRGF(T11) 105	ULIF 048 17/03/08 LRICH1 105	ULIF 049 17/03/08 LRICH2 105	ULIF 050 17/03/08 LRICH3 105	ULIF 051 17/03/08 LRICH4 105	ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105	
Accrued Interest	67,585	884	62	—	15,449	9,082	197	2,244	**2,093,040**
Cash & Bank Balance	10	10	10	9	10	10	11	12	**3,494**
Dividend Receivable	—	71	57	5	22	—	3	6	**30,445**
Receivable for Sale of Investments	—	25,228	226	—	23,550	1,313	82	595	**1,302,514**
Unit Collection A/c	27	17,577	15,397	—	16,087	1,523	186	557	**1,537,172**
Other Current Assets (for Investments)	—	8	7	—	3	–	—	—	**94**
Appropriation adjustment account	—	—	—	—	—	—	—	—	**—**
Total	**67,622**	**43,778**	**15,759**	**14**	**55,121**	**11,928**	**479**	**3,414**	**4,966,759**

(₹ in '000)

Particulars	Linked Pension Funds											
	Invest Shield Fund - Pension	Pension Balancer Fund	Pension Balancer Fund II	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Flexi Balanced Fund	Pension Flexi Balanced Fund II	Pension Flexi Growth Fund	Pension Flexi Growth Fund II	Pension Income Fund	Pension Maximiser Fund	Pension Maximiser Fund II
	ULIF 019 03/01/05 PInvShld 105	ULIF 005 03/05/02 PBalancer1 105	ULIF 015 17/05/04 PBalancer2 105	ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105	ULIF 034 20/03/07 PFlexiBal1 105	ULIF 035 20/03/07 PFlexiBal2 105	ULIF 029 20/03/07 PFlexiGro1 105	ULIF 030 20/03/07 PFlexiGro2 105	ULIF 095 11/01/10 PIncome 105	ULIF 004 03/05/02 PMaximis1 105	ULIF 013 17/05/04 PMaximis2 105
Accrued Interest	6,531	123,112	156,951	—	17,159	12,310	17,183	37,593	1,495	144,299	42	1,318
Cash & Bank Balance	10	10	10	10	10	9	10	11	10	10	9	11
Dividend Receivable	15	1,026	1,317	715	2,338	144	280	433	483	—	1,842	7,279
Receivable for Sale of Investments	2,542	86,687	70,883	27,783	25,145	8,839	5,448	89,030	89,319	14,850	—	—
Unit Collection A/c	144	19,454	8,069	7,471	146,258	6,824	3,916	42,436	—	59,405	12,149	—
Other Current Assets (for Investments)	—	8	11	6	—	7	8	37	38	—	3	7
Appropriation adjustment account	—	—	—	—	—	—	—	—	—	—	—	—
Total	**9,242**	**230,297**	**237,241**	**35,985**	**190,910**	**28,133**	**26,845**	**169,540**	**91,345**	**218,564**	**14,045**	**8,615**

(₹ in '000)

Particulars	Linked Pension Funds											
	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund	Pension Multiplier Fund II	Pension Opportunities Fund	Pension Preserver Fund	Pension Protector Fund	Pension Protector Fund II	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	Pension Return Guarantee Fund III
	ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105	ULIF 043 25/02/08 PMultip1 105	ULIF 045 25/02/08 PMultip2 105	ULIF 092 11/01/10 POpport 105	ULIF 011 17/05/04 PPreserv 105	ULIF 006 03/05/02 PProtect1 105	ULIF 017 17/05/04 PProtect2 105	ULIF 055 18/12/08 PRGF1 105	ULIF 064 27/01/09 PRGF2 105	ULIF 067 26/02/09 PRGF3 105
Accrued Interest	20,500	14,502	8,951	—	—	—	71,463	502,054	212,911	146,141	108,099	116,627
Cash & Bank Balance	10	10	10	11	9	9	10	10	10	10	10	10
Dividend Receivable	—	270	—	2,909	1,747	1,472	—	—	—	—	—	—
Receivable for Sale of Investments	—	11,385	—	134,472	84,093	40,434	—	24,636	18,629	—	—	—
Unit Collection A/c	34,925	13,250	146,368	6,398	1,220	52,879	10,608	59,051	22,420	—	432	—
Other Current Assets (for Investments)	—	2	5	27	14	14	—	—	—	—	—	—
Appropriation adjustment account	—	—	—	—	—	—	—	—	—	—	—	—
Total	**55,435**	**39,419**	**155,334**	**143,817**	**87,083**	**94,808**	**82,081**	**585,751**	**253,970**	**146,151**	**108,541**	**116,637**

Schedule F - 3

CURRENT ASSETS AT MARCH 31, 2012 (Contd.)

(₹ in '000)

Particulars	Linked Pension Funds											
	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Return Guarantee Fund VIII	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund X (10 Yrs)	Pension Return Guarantee Fund XI (10 Yrs)	Pension RICH Fund	Pension RICH Fund II	Secure Plus Pension Fund	Total
	ULIF 070 31/03/09 PRGF4 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 113 13/01/11 PRGF(S3) 105	ULIF 122 19/04/11 PRGF(S4) 105	ULIF 052 17/03/08 PRICH1 105	ULIF 053 17/03/08 PRICH2 105	ULIF 009 17/11/03 PSecPlus 105	
Accrued Interest	61,826	10,991	15,908	30,318	6,357	1,965	3,804	448	56,730	69	6,272	**1,913,929**
Cash & Bank Balance	11	11	9	9	8	10	9	9	11	10	11	**347**
Dividend Receivable	—	—	—	—	—	—	—	—	5,674	4,428	—	**32,372**
Receivable for Sale of Investments	—	—	—	—	—	—	—	—	117,026	78,642	1,024	**930,867**
Unit Collection A/c	—	24	36	1	—	—	—	—	57,239	—	798	**711,775**
Other Current Assets (for Investments)	—	—	—	—	—	—	—	—	24	42	—	**253**
Appropriation adjustment account	—	—	—	—	—	—	—	—	—	—	—	**—**
Total	**61,837**	**11,026**	**15,953**	**30,328**	**6,365**	**1,975**	**3,813**	**457**	**236,704**	**83,191**	**8,105**	**3,589,543**

(₹ in '000)

Particulars	Linked Health Funds														
	Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund	Health Return Guarantee Fund II	Health Return Guarantee Fund III	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII	Health Return Guarantee Fund IX (5 Yrs)	Total
	ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 062 15/01/09 HRGF1 105	ULIF 065 29/01/09 HRGF2 105	ULIF 068 26/02/09 HRGF3 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105	ULIF 109 22/12/10 HRGF9 105	
Accrued Interest	1,116	817	—	—	192	11,084	2,476	2,172	2,680	2,016	826	496	333	—	**24,208**
Cash & Bank Balance	10	10	9	10	11	9	10	10	10	11	10	10	10	—	**130**
Dividend Receivable	4	13	544	80	—	—	—	—	—	—	—	—	—	—	**641**
Receivable for Sale of Investments	491	810	—	3,836	—	1,919	—	—	—	—	—	—	—	—	**7,056**
Unit Collection A/c	3,052	3,617	40,900	5,657	417	13,164	—	—	—	—	—	—	—	—	**66,807**
Other Current Assets (for Investments)	1	—	3	1	—	—	—	—	—	—	—	—	—	—	**5**
Appropriation adjustment account	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Total	**4,674**	**5,267**	**41,456**	**9,584**	**620**	**26,176**	**2,486**	**2,182**	**2,690**	**2,027**	**836**	**506**	**343**	**—**	**98,847**

(₹ in '000)

Particulars	Linked Group Funds												
	Group Balanced Fund	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Balanced Fund II	Group Capital Guarantee Debt Fund	Group Capital Guarantee Debt Fund II	Group Capital Guarantee Growth Fund	Group Capital Guarantee Growth Fund II	Group Capital Guarantee Short Term Debt Fund	Group Capital Guarantee Short Term Debt Fund II	Group Debt Fund	Group Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund
	ULGF 001 03/04/03 GBalancer 105	ULGF 006 03/10/05 GCGBal1 105	ULGF 010 21/03/07 GCGBal2 105	ULGF 007 28/10/05 GCGDebt1 105	ULGF 011 21/03/07 GCGDebt2 105	ULGF 008 11/12/06 GCGGrowth1 105	ULGF 012 05/07/07 GCGGrowth2 105	ULGF 005 24/02/04 GCGSTDebt1 105	ULGF 009 16/03/07 GCGSTDebt2 105	ULGF 002 03/04/03 GDebt 105	ULGF 004 30/10/03 GGrowth 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105
Accrued Interest	377,280	2,783	30,978	333	11,390	808	1,090	1,555	66,053	212,606	67,680	12,083	3,228
Cash & Bank Balance	4,744	10	10	10	11	9	10	10	10	10	10	11	11
Dividend Receivable	383	1	18	—	—	1	3	—	—	—	620	2	—
Receivable for Sale of Investments	131,802	586	13,008	16	624	200	268	—	—	335,667	19,389	3,421	79
Unit Collection A/c	476,306	798	—	45	2,387	182	571	1,733	90,108	229,543	41,081	4,495	370
Other Current Assets (for Investments)	2	—	—	—	—	—	—	—	—	—	—	—	—
Appropriation adjustment account	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	**990,517**	**4,178**	**44,014**	**404**	**14,412**	**1,200**	**1,942**	**3,298**	**156,171**	**777,826**	**128,780**	**20,012**	**3,688**

(₹ in '000)

Particulars	Linked Group Funds											
	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund - A4	Group Return Guarantee Fund - S5	Group Return Guarantee Fund II	Group Return Guarantee Fund III	Group Return Guarantee Fund-S6	Group Return Guarantee Fund-S7	Group Short Term Debt fund	Group Superannuation Corporate Bond Fund	Total	Grand Total
	ULGF 024 26/02/10 GLEST 105	ULGF 021 10/02/09 GRGF1 105	ULGF 025 14/03/11 GRGFA4 105	ULGF 026 14/03/11 GRGFS5 105	ULGF 022 30/03/09 GRGF2 105	ULGF 023 16/06/09 GRGF3 105	ULGF 027 14/03/11 GRGFS6 105	ULGF 028 01/07/11 GRGFS7 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 015 22/12/08 GSACorBon 105		
Accrued Interest	30,493	211,777	—	6,711	17,901	91,456	—	21,784	83,806	95,800	**1,347,595**	**5,378,772**
Cash & Bank Balance	10	10	2	11	9	10	—	8	10	10	**4,946**	**8,917**
Dividend Receivable	—	—	—	—	—	—	—	—	—	—	**1,028**	**64,486**
Receivable for Sale of Investments	—	—	—	—	—	—	—	—	—	—	**505,060**	**2,745,497**
Unit Collection A/c	1,725	9,864	(2)	861	1,342	24,589	—	2,109	126,628	7,732	**1,022,467**	**3,338,221**
Other Current Assets (for Investments)	—	—	—	—	—	—	—	—	—	—	**2**	**354**
Appropriation adjustment account	—	—	—	—	—	—	—	—	—	—	**—**	**—**
Total	**32,228**	**221,651**	**—**	**7,583**	**19,252**	**116,055**	**—**	**23,901**	**210,444**	**103,542**	**2,881,098**	**11,536,247**

Schedule F - 4

CURRENT LIABILITIES AT MARCH 31, 2012

(₹ in '000)

Particulars	Linked Life Funds											
	Anmol Nivesh Fund	Balancer Fund	Balancer Fund II	Balancer Fund III	Balancer Fund IV	Bluechip Fund	Cash Plus Fund	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund	Flexi Balanced Fund II	Flexi Balanced Fund III
	ULIF 072 28/04/09 LAnmolNiv 105	ULIF 002 22/10/01 LBalancer1 105	ULIF 014 17/05/04 LBalancer2 105	ULIF 023 13/03/06 LBalancer3 105	ULIF 039 27/08/07 LBalancer4 105	ULIF 087 24/11/09 LBluChip 105	ULIF 008 11/08/03 LCashPlus 105	ULIF 100 01/07/10 LDiscont 105	ULIF 097 11/01/10 LDynmicPE 105	ULIF 031 20/03/07 LFlexiBal1 105	ULIF 032 20/03/07 LFlexiBal2 105	ULIF 033 20/03/07 LFlexiBal3 105
Payable for Purchase of Investments	—	(86)	(26)	(3)	(5)	—	(28)	—	(15)	(7)	(4)	—
Other Current Liabilities	(1)	(4,585)	(604)	(139)	(114)	(210)	(466)	(52)	(2,510)	(465)	(130)	(27)
Unit Payable a/c	—	—	(2,114)	(481)	—	—	—	(22,821)	—	—	—	(144)
Expropriation adjustment account	—	—	—	—	—	—	—	—	—	—	—	—
Total	**(1)**	**(4,671)**	**(2,744)**	**(623)**	**(119)**	**(210)**	**(494)**	**(22,873)**	**(2,525)**	**(472)**	**(134)**	**(171)**

(₹ in '000)

Particulars	Linked Life Funds											
	Flexi Balanced Fund IV	Flexi Growth Fund	Flexi Growth Fund II	Flexi Growth Fund III	Flexi Growth Fund IV	Highest NAV Fund B	Income Fund	Invest Shield Cash Fund	Invest Shield Fund - Life	Maximiser Fund	Maximiser Fund II	Maximiser Fund III
	ULIF 040 27/08/07 LFlexiBal4 105	ULIF 026 20/03/07 LFlexiGro1 105	ULIF 027 20/03/07 LFlexiGro2 105	ULIF 028 20/03/07 LFlexiGro3 105	ULIF 038 27/08/07 LFlexiGro4 105	ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 020 03/01/05 LInvCash 105	ULIF 018 03/01/05 LInvShld 105	ULIF 001 22/10/01 LMaximis1 105	ULIF 012 17/05/04 LMaximis2 105	ULIF 022 13/03/06 LMaximis3 105
Payable for Purchase of Investments	(1)	—	—	—	—	(233,602)	(30)	(50)	(16)	(94,153)	—	—
Other Current Liabilities	(34)	(9,515)	(3,075)	(543)	(2,653)	(2,916)	(620)	(856)	(386)	(18,051)	(2,733)	(906)
Unit Payable a/c	—	—	—	(6,472)	—	—	—	—	—	(21,921)	(20,079)	(4,390)
Expropriation adjustment account	—	—	—	—	—	—	—	—	—	—	—	—
Total	**(35)**	**(9,515)**	**(3,075)**	**(7,015)**	**(2,653)**	**(236,518)**	**(650)**	**(906)**	**(402)**	**(134,125)**	**(22,812)**	**(5,296)**

(₹ in '000)

Particulars	Linked Life Funds											
	Maximiser Fund IV	Maximiser Fund V	Money Market Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Multiplier Fund	Multiplier Fund II	Multiplier Fund III	Multiplier Fund IV	New Invest Shield Balanced Fund	Opportunities Fund	Pinnacle Fund
	ULIF 037 27/08/07 LMaximis4 105	ULIF 114 15/03/11 LMaximis5 105	ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105	ULIF 085 24/11/09 LMCapGro 105	ULIF 042 22/11/07 LMultip1 105	ULIF 044 25/02/08 LMultip2 105	ULIF 046 25/02/08 LMultip3 105	ULIF 047 25/02/08 LMultip4 105	ULIF 025 21/08/06 LInvShldNw 105	ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09 LPinnacle 105
Payable for Purchase of Investments	—	—	—	(4)	—	(832)	—	—	—	(18)	(22,978)	(490,224)
Other Current Liabilities	(178)	(102)	(173)	(180)	(1,606)	(4,791)	(537)	(72)	(251)	(497)	(426)	(1,994)
Unit Payable a/c	(1,301)	—	—	—	—	—	—	(1,026)	—	—	—	—
Expropriation adjustment account	—	—	—	—	—	—	—	—	—	—	—	—
Total	**(1,479)**	**(102)**	**(173)**	**(184)**	**(1,606)**	**(5,623)**	**(537)**	**(1,098)**	**(251)**	**(515)**	**(23,404)**	**(492,218)**

(₹ in '000)

Particulars	Linked Life Funds											
	Pinnacle Fund II	Preserver Fund	Preserver Fund III	Preserver Fund IV	Protector Fund	Protector Fund II	Protector Fund III	Protector Fund IV	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III	Return Guarantee Fund IV
	ULIF 105 26/10/10 LPinnacle2 105	ULIF 010 17/05/04 LPreserv1 105	ULIF 021 13/03/06 LPreserv3 105	ULIF 036 27/08/07 LPreserv4 105	ULIF 003 22/10/01 LProtect1 105	ULIF 016 17/05/04 LProtect2 105	ULIF 024 13/03/06 LProtect3 105	ULIF 041 27/08/07 LProtect4 105	ULIF 054 18/12/08 LRGF1 105	ULIF 063 27/01/09 LRGF(T2) 105	ULIF 066 26/02/09 LRGF(T3) 105	ULIF 069 31/03/09 LRGF(T4) 105
Payable for Purchase of Investments	(26,141)	—	—	—	(105)	(36)	(6)	(40)	—	—	—	—
Other Current Liabilities	(628)	(432)	(26)	(21)	(1,992)	(437)	(111)	(441)	(124)	(131)	(137)	(63)
Unit Payable a/c	—	—	(871)	—	(2,292)	—	(1,230)	—	(903)	(1,481)	(4,223)	(13,759)
Expropriation adjustment account	—	—	—	—	—	—	—	—	—	—	—	—
Total	**(26,769)**	**(432)**	**(897)**	**(21)**	**(4,389)**	**(473)**	**(1,347)**	**(481)**	**(1,027)**	**(1,612)**	**(4,360)**	**(13,822)**

Schedule F - 4

CURRENT LIABILITIES AT MARCH 31, 2012 (Contd.)

(₹ in '000)

Particulars	Linked Life Funds									
	Return Guarantee Fund V	Return Guarantee Fund VI	Return Guarantee Fund VII	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund XI (5 Yrs)
	ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105	ULIF 082 16/11/09 LRGF(T7) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 104 12/10/10 LRGF(S1) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 107 22/12/10 LRGF(S2) 105	ULIF 111 13/01/11 LRGF(T10) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 120 17/03/11 LRGF(T11) 105
Payable for Purchase of Investments	—	—	—	—	—	—	—	—	—	—
Other Current Liabilities	(26)	(25)	(10)	(225)	(62)	(296)	(31)	(608)	(105)	(302)
Unit Payable a/c	(68)	(31)	(1)	—	—	—	—	(54)	(1)	—
Expropriation adjustment account	—	—	—	—	—	—	—	—	—	—
Total	**(94)**	**(56)**	**(11)**	**(225)**	**(62)**	**(296)**	**(31)**	**(662)**	**(106)**	**(302)**

(₹ in '000)

Particulars	Linked Life Funds								Total
	Return Guarantee Fund XI (10 Yrs)	RICH Fund	RICH Fund II	RICH Fund III	RICH Fund IV	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund	
	ULIF 121 19/04/11 LRGF(S4) 105	ULIF 048 17/03/08 LRICH1 105	ULIF 049 17/03/08 LRICH2 105	ULIF 050 17/03/08 LRICH3 105	ULIF 051 17/03/08 LRICH4 105	ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105	
Payable for Purchase of Investments	—	(58,134)	(1,698)	(127)	(686)	(4)	—	—	**(929,059)**
Other Current Liabilities	(6)	(3,938)	(2,417)	(252)	(1,018)	(77)	(6)	(34)	**(76,379)**
Unit Payable a/c	—	—	—	(890)	—	—	—	—	**(106,553)**
Expropriation adjustment account	—	—	—	—	—	—	—	—	**—**
Total	**(6)**	**(62,072)**	**(4,115)**	**(1,269)**	**(1,704)**	**(81)**	**(6)**	**(34)**	**(1,111,991)**

(₹ in '000)

Particulars	Linked Pension Funds											
	Invest Shield Fund - Pension	Pension Balancer Fund	Pension Balancer Fund II	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Flexi Balanced Fund	Pension Flexi Balanced Fund II	Pension Flexi Growth Fund	Pension Flexi Growth Fund II	Pension Income Fund	Pension Maximiser Fund	Pension Maximiser Fund II
	ULIF 019 03/01/05 PInvShld 105	ULIF 005 03/05/02 PBalancer1 105	ULIF 015 17/05/04 PBalancer2 105	ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105	ULIF 034 20/03/07 PFlexiBal1 105	ULIF 035 20/03/07 PFlexiBal2 105	ULIF 029 20/03/07 PFlexiGro1 105	ULIF 030 20/03/07 PFlexiGro2 105	ULIF 095 11/01/10 PIncome 105	ULIF 004 03/05/02 PMaximis1 105	ULIF 013 17/05/04 PMaximis2 105
Payable for Purchase of Investments	(1)	(25)	(23)	—	(13)	(7,853)	(4,503)	(7,363)	(7,671)	(40)	—	—
Other Current Liabilities	(78)	(2,351)	(1,262)	(383)	(2,857)	(420)	(244)	(9,229)	(6,425)	(1,234)	(2,053)	(4,836)
Unit Payable a/c	—	—	—	—	—	—	—	—	(4,024)	—	—	(28,373)
Expropriation adjustment account	—	—	—	—	—	—	—	—	—	—	—	—
Total	**(79)**	**(2,376)**	**(1,285)**	**(383)**	**(2,870)**	**(8,273)**	**(4,747)**	**(16,592)**	**(18,120)**	**(1,274)**	**(2,053)**	**(33,209)**

(₹ in '000)

Particulars	Linked Pension Funds											
	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund	Pension Multiplier Fund II	Pension Opportunities Fund	Pension Preserver Fund	Pension Protector Fund	Pension Protector Fund II	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	Pension Return Guarantee Fund III
	ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105	ULIF 043 25/02/08 PMultip1 105	ULIF 045 25/02/08 PMultip2 105	ULIF 092 11/01/10 POpport 105	ULIF 011 17/05/04 PPreserv 105	ULIF 006 03/05/02 PProtect1 105	ULIF 017 17/05/04 PProtect2 105	ULIF 055 18/12/08 PRGF1 105	ULIF 064 27/01/09 PRGF2 105	ULIF 067 26/02/09 PRGF3 105
Payable for Purchase of Investments	—	(2)	—	—	—	(57,503)	—	(118)	(50)	—	—	—
Other Current Liabilities	(227)	(357)	(2,526)	(2,372)	(902)	(1,074)	(616)	(3,671)	(872)	(405)	(375)	(362)
Unit Payable a/c	—	—	—	—	—	—	—	-	—	(988)	—	(6,146)
Expropriation adjustment account	—	—	—	—	—	—	—	-	—	—	—	—
Total	**(227)**	**(359)**	**(2,526)**	**(2,372)**	**(902)**	**(58,577)**	**(616)**	**(3,789)**	**(922)**	**(1,393)**	**(375)**	**(6,508)**

Schedule F - 4

CURRENT LIABILITIES AT MARCH 31, 2012 (Contd.)

(₹ in '000)

Particulars	Linked Pension Funds											
	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Return Guarantee Fund VIII	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund X (10 Yrs)	Pension Return Guarantee Fund XI (10 Yrs)	Pension RICH Fund	Pension RICH Fund II	Secure Plus Pension Fund	Total
	ULIF 070 31/03/09 PRGF4 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 113 13/01/11 PRGF(S3) 105	ULIF 122 19/04/11 PRGF(S4) 105	ULIF 052 17/03/08 PRICH1 105	ULIF 053 17/03/08 PRICH2 105	ULIF 009 17/11/03 PSecPlus 105	
Payable for Purchase of Investments	—	—	—	—	-	—	—	—	(14,152)	(17,307)	—	**(116,624)**
Other Current Liabilities	(149)	(75)	(101)	(165)	(32)	(10)	(24)	(3)	(8,078)	(3,971)	(33)	**(57,772)**
Unit Payable a/c	(51,904)	—	—	—	—	—	(52)	(88)	—	(8,781)	—	**(100,356)**
Expropriation adjustment account	—	—	—	—	—	—	—	—	—	—	—	**—**
Total	**(52,053)**	**(75)**	**(101)**	**(165)**	**(32)**	**(10)**	**(76)**	**(91)**	**(22,230)**	**(30,059)**	**(33)**	**(274,752)**

(₹ in '000)

Particulars	Linked Health Funds														
	Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund	Health Return Guarantee Fund II	Health Return Guarantee Fund III	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII	Health Return Guarantee Fund IX (5 Yrs)	Total
	ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 062 15/01/09 HRGF1 105	ULIF 065 29/01/09 HRGF2 105	ULIF 068 26/02/09 HRGF3 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105	ULIF 109 22/12/10 HRGF9 105	
Payable for Purchase of Investments	(1)	(1)	(11,514)	—	—	(6)	—	—	—	—	—	—	—	—	**(11,522)**
Other Current Liabilities	(17)	(17)	(375)	(49)	(4)	(61)	(4)	(4)	(5)	(3)	(1)	(1)	(1)	—	**(542)**
Unit Payable a/c	—	—	—	—	—	—	(122)	(261)	(375)	(81)	(18)	(2)	(5)	—	**(864)**
Expropriation adjustment account	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Total	**(18)**	**(18)**	**(11,889)**	**(49)**	**(4)**	**(67)**	**(126)**	**(265)**	**(380)**	**(84)**	**(19)**	**(3)**	**(6)**	**—**	**(12,928)**

(₹ in '000)

Particulars	Linked Group Funds												
	Group Balanced Fund	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Balanced Fund II	Group Capital Guarantee Debt Fund	Group Capital Guarantee Debt Fund II	Group Capital Guarantee Growth Fund	Group Capital Guarantee Growth Fund II	Group Capital Guarantee Short Term Debt Fund	Group Capital Guarantee Short Term Debt Fund II	Group Debt Fund	Group Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund
	ULGF 001 03/04/03 GBalancer 105	ULGF 006 03/10/05 GCGBal1 105	ULGF 010 21/03/07 GCGBal2 105	ULGF 007 28/10/05 GCGDebt1 105	ULGF 011 21/03/07 GCGDebt2 105	ULGF 008 11/12/06 GCGGrowth1 105	ULGF 012 05/07/07 GCGGrowth2 105	ULGF 005 24/02/04 GCGSTDebt1 105	ULGF 009 16/03/07 GCGSTDebt2 105	ULGF 002 03/04/03 GDebt 105	ULGF 004 30/10/03 GGrowth 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105
Payable for Purchase of Investments	(47)	—	(6)	—	(14)	—	—	—	—	(315,584)	(8)	(1)	—
Other Current Liabilities	(3,129)	(32)	(403)	(3)	(89)	(10)	(15)	(18)	(673)	(1,576)	(1,102)	(108)	(15)
Unit Payable a/c	—	—	(9,552)	—	—	(1)	—	—	—	—	—	—	—
Expropriation adjustment account	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	**(3,176)**	**(32)**	**(9,961)**	**(3)**	**(103)**	**(11)**	**(15)**	**(18)**	**(673)**	**(317,160)**	**(1,110)**	**(109)**	**(15)**

(₹ in '000)

Particulars	Linked Group Funds											
	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund - A4	Group Return Guarantee Fund - S5	Group Return Guarantee Fund II	Group Return Guarantee Fund III	Group Return Guarantee Fund-S6	Group Return Guarantee Fund-S7	Group Short Term Debt fund	Group Superannuation Corporate Bond Fund	Total	Grand Total
	ULGF 024 26/02/10 GLEST 105	ULGF 021 10/02/09 GRGF1 105	ULGF 025 14/03/11 GRGFA4 105	ULGF 026 14/03/11 GRGFS5 105	ULGF 022 30/03/09 GRGF2 105	ULGF 023 16/06/09 GRGF3 105	ULGF 027 14/03/11 GRGFS6 105	ULGF 028 01/07/11 GRGFS7 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 015 22/12/08 GSACorBon 105		
Payable for Purchase of Investments	—	—	—	—	—	—	—	—	—	—	**(315,660)**	**(1,372,865)**
Other Current Liabilities	(110)	(714)	—	(32)	(35)	(639)	—	(127)	(1,145)	(373)	**(10,348)**	**(145,041)**
Unit Payable a/c	—	—	—	—	—	—	—	—	—	—	**(9,553)**	**(217,326)**
Expropriation adjustment account	—	—	—	—	—	—	—	—	—	—	**—**	**—**
Total	**(110)**	**(714)**	**—**	**(32)**	**(35)**	**(639)**	**—**	**(127)**	**(1,145)**	**(373)**	**(335,561)**	**(1,735,232)**

3.19 Fund Balance Sheet at March 31, 2011

Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Life Funds													
		Anmol Nivesh Fund	Balancer Fund*	Bluechip Fund	Cash Plus Fund*	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund*	Flexi Growth Fund*	Highest NAV Fund B	Income Fund	Invest Shield Fund - Life	Maximiser Fund*	Money Market Fund	Multi Cap Balanced Fund
		ULIF 072 28/04/09 LAnmolNiv 105		ULIF 087 24/11/09 LBluChip 105		ULIF 100 01/07/10 LDiscont 105	ULIF 097 11/01/10 LDynmicPE 105			ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 018 03/01/05 LInvShld 105		ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105
Sources of funds															
Policyholders' funds															
Policyholder contribution	F-1	*2,501*	*7,313,600*	*567,136*	*5,712,539*	*137*	*9,035,852*	*2,206,603*	*50,035,606*	*835,152*	*1,617,267*	*1,591,478*	*32,356,529*	*852,908*	*582,441*
Revenue Account		*(113)*	*12,972,086*	*(16,385)*	*335,306*	*1*	*(30,713)*	*460,988*	*15,882,225*	*17,230*	*(10,089)*	*272,723*	*54,663,583*	*10,511*	*(3,750)*
Total		***2,388***	***20,285,686***	***550,751***	***6,047,845***	***138***	***9,005,139***	***2,667,591***	***65,917,831***	***852,382***	***1,607,178***	***1,864,201***	***87,020,112***	***863,419***	***578,691***
Application of funds															
Investments	F-2	*2,338*	*19,944,359*	*536,086*	*5,912,166*	*241*	*8,748,554*	*2,640,779*	*65,336,003*	*668,716*	*1,555,442*	*1,835,280*	*86,949,453*	*842,519*	*553,096*
Current Assets	F-3	*50*	*365,457*	*18,638*	*135,909*	*10*	*341,900*	*31,401*	*1,285,280*	*233,686*	*51,800*	*28,992*	*718,723*	*20,921*	*25,618*
Less: Current Liabilities and Provisions	F-4	—	*24,130*	*3,973*	*230*	*113*	*85,315*	*4,589*	*703,452*	*50,020*	*64*	*71*	*648,064*	*21*	*23*
Net current assets		***50***	***341,327***	***14,665***	***135,679***	***(103)***	***256,585***	***26,812***	***581,828***	***183,666***	***51,736***	***28,921***	***70,659***	***20,900***	***25,595***
Total		***2,388***	***20,285,686***	***550,751***	***6,047,845***	***138***	***9,005,139***	***2,667,591***	***65,917,831***	***852,382***	***1,607,178***	***1,864,201***	***87,020,112***	***863,419***	***578,691***
(a) Net asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (₹ in '000)		*2,388*	*20,285,686*	*550,751*	*6,047,845*	*138*	*9,005,139*	*2,667,591*	*65,917,831*	*852,382*	*1,607,178*	*1,864,201*	*87,020,112*	*863,419*	*578,691*
(b) Number of Units outstanding (in '000)		*214*	*676,914*	*50,397*	*385,453*	*14*	*773,369*	*186,536*	*4,402,096*	*81,669*	*147,898*	*98,832*	*1,607,566*	*79,900*	*53,473*
(c) NAV per unit (a)/ (b) (₹)		*11.16*	*29.97*	*10.93*	*15.69*	*10.04*	*11.64*	*14.30*	*14.97*	*10.44*	*10.87*	*18.86*	*54.13*	*10.81*	*10.82*

* During the year Linked funds with different plans below them have been split into segregated linked funds as per IRDA circular no. IRDA/F&I/CIR/INV/173/08/2011 dated July 29, 2011. Further, as prescribed in the circular a unique Segregated Fund Identification Number (SFIN) is assigned to each segregated fund. Disclosures with respect to funds having plans below them, for the period before the split, are hence not identified with SFIN.

(₹ in '000)

Particulars	Schedule	Linked Life Funds													
		Multi Cap Growth Fund	Multiplier Fund*	New Invest Shield Balanced Fund	Opportunities Fund	Pinnacle Fund	Pinnacle Fund II	Preserver Fund*	Protector Fund*	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III	Return Guarantee Fund IV	Return Guarantee Fund V	Return Guarantee Fund VI
		ULIF 085 24/11/09 LMCapGro 105		ULIF 025 21/08/06 LInvShldNw 105	ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09 LPinnacle 105	ULIF 105 26/10/10 LPinnacle2 105			ULIF 054 18/12/08 LRGF1 105	ULIF 063 27/01/09 LRGF(T2) 105	ULIF 066 26/02/09 LRGF(T3) 105	ULIF 069 31/03/09 LRGF(T4) 105	ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105
Sources of funds															
Policyholders' funds															
Policyholder contribution	F-1	*4,849,318*	*17,654,761*	*2,157,253*	*1,262,917*	*6,414,868*	*1,980,916*	*2,748,955*	*11,624,630*	*588,819*	*625,458*	*623,431*	*269,715*	*116,665*	*110,669*
Revenue Account		*(82,632)*	*5,679,754*	*330,961*	*(26,063)*	*(77,743)*	*(17,491)*	*812,843*	*3,892,003*	*42,585*	*37,228*	*31,073*	*6,924*	*(2,915)*	*280*
Total		***4,766,686***	***23,334,515***	***2,488,214***	***1,236,854***	***6,337,125***	***1,963,425***	***3,561,798***	***15,516,633***	***631,404***	***662,686***	***654,504***	***276,639***	***113,750***	***110,949***
Application of funds															
Investments	F-2	*4,635,712*	*22,599,149*	*2,449,277*	*1,184,186*	*6,263,999*	*1,969,909*	*3,500,228*	*15,175,565*	*591,017*	*625,987*	*618,484*	*258,251*	*110,679*	*107,759*
Current Assets	F-3	*138,685*	*801,206*	*48,456*	*52,717*	*223,401*	*13,525*	*61,831*	*342,405*	*40,624*	*37,016*	*36,313*	*18,456*	*3,101*	*3,202*
Less: Current Liabilities and Provisions	F-4	*7,711*	*65,840*	*9,519*	*49*	*150,275*	*20,009*	*261*	*1,337*	*237*	*317*	*293*	*68*	*30*	*12*
Net current assets		***130,974***	***735,366***	***38,937***	***52,668***	***73,126***	***(6,484)***	***61,570***	***341,068***	***40,387***	***36,699***	***36,020***	***18,388***	***3,071***	***3,190***
Total		***4,766,686***	***23,334,515***	***2,488,214***	***1,236,854***	***6,337,125***	***1,963,425***	***3,561,798***	***15,516,633***	***631,404***	***662,686***	***654,504***	***276,639***	***113,750***	***110,949***
(a) Net asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (₹ in '000)		*4,766,686*	*23,334,515*	*2,488,214*	*1,236,854*	*6,337,125*	*1,963,425*	*3,561,798*	*15,516,633*	*631,404*	*662,686*	*654,504*	*276,639*	*113,750*	*110,949*
(b) Number of Units outstanding (in '000)		*416,072*	*2,177,467*	*156,080*	*109,712*	*544,832*	*203,908*	*220,597*	*904,174*	*51,551*	*55,738*	*56,008*	*24,118*	*10,299*	*10,065*
(c) NAV per unit (a)/ (b) (₹)		*11.46*	*10.72*	*15.94*	*11.27*	*11.63*	*9.63*	*16.15*	*17.16*	*12.25*	*11.89*	*11.69*	*11.47*	*11.04*	*11.02*

* During the year Linked funds with different plans below them have been split into segregated linked funds as per IRDA circular no. IRDA/F&I/CIR/INV/173/08/2011 dated July 29, 2011. Further, as prescribed in the circular a unique Segregated Fund Identification Number (SFIN) is assigned to each segregated fund. Disclosures with respect to funds having plans below them, for the period before the split, are hence not identified with SFIN.

3.18 Fund Balance Sheet at March 31, 2011 (Contd.)

Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Life Funds												
		Return Guarantee Fund VII	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund XI (5 Yrs)	RICH Fund*	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund	Total
		ULIF 082 16/11/09 LRGF(T7) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 104 12/10/10 LRGF(S1) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 107 22/12/10 LRGF(S2) 105	ULIF 111 13/01/11 LRGF(T10) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 120 17/03/11 LRGF(T11) 105		ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105	
Sources of funds														
Policyholders' funds														
Policyholder contribution	F-1	*43,080*	*966,442*	*266,213*	*1,243,069*	*128,901*	*2,596,821*	*436,832*	*889,899*	*27,611,652*	*305,838*	*21,915*	*91,440*	***198,340,226***
Revenue Account		*(1,034)*	*4,459*	*6,506*	*11,024*	*2,595*	*20,887*	*4,832*	*86*	*5,076,489*	*60,244*	*(63)*	*(2,774)*	***100,363,661***
Total		***42,046***	***970,901***	***272,719***	***1,254,093***	***131,496***	***2,617,708***	***441,664***	***889,985***	***32,688,141***	***366,082***	***21,852***	***88,666***	***298,703,887***
Application of funds														
Investments	F-2	*40,924*	*940,914*	*267,277*	*1,213,465*	*128,820*	*2,534,747*	*413,440*	*640,868*	*32,505,151*	*357,480*	*21,629*	*87,483*	***294,767,432***
Current Assets	F-3	*1,141*	*30,151*	*5,454*	*40,685*	*2,682*	*83,079*	*28,243*	*249,146*	*184,827*	*8,616*	*224*	*1,188*	***5,714,759***
Less: Current Liabilities and Provisions	F-4	*19*	*164*	*12*	*57*	*6*	*118*	*19*	*29*	*1,837*	*14*	*1*	*5*	***1,778,304***
Net current assets		***1,122***	***29,987***	***5,442***	***40,628***	***2,676***	***82,961***	***28,224***	***249,117***	***182,990***	***8,602***	***223***	***1,183***	***3,936,455***
Total		***42,046***	***970,901***	***272,719***	***1,254,093***	***131,496***	***2,617,708***	***441,664***	***889,985***	***32,688,141***	***366,082***	***21,852***	***88,666***	***298,703,887***
(a) Net asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (₹ in '000)		*42,046*	*970,901*	*272,719*	*1,254,093*	*131,496*	*2,617,708*	*441,664*	*889,985*	*32,688,141*	*366,082*	*21,852*	*88,666*	***298,703,887***
(b) Number of Units outstanding (in '000)		*3,949*	*95,961*	*26,410*	*123,771*	*12,847*	*258,006*	*43,108*	*88,551*	*2,316,945*	*23,074*	*1,817*	*7,718*	***16,487,107***
(c) NAV per unit (a)/ (b) (₹)		*10.65*	*10.12*	*10.33*	*10.13*	*10.24*	*10.15*	*10.25*	*10.05*	*14.11*	*15.87*	*12.03*	*11.49*	

* During the year Linked funds with different plans below them have been split into segregated linked funds as per IRDA circular no. IRDA/F&I/CIR/INV/173/08/2011 dated July 29, 2011. Further, as prescribed in the circular a unique Segregated Fund Identification Number (SFIN) is assigned to each segregated fund. Disclosures with respect to funds having plans below them, for the period before the split, are hence not identified with SFIN.

(₹ in '000)

Particulars	Schedule	Linked Pension Funds												
		Invest Shield Fund - Pension	Pension Balancer Fund*	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Flexi Balanced Fund*	Pension Flexi Growth Fund*	Pension Income Fund	Pension Maximiser Fund*	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund*	Pension Opportunities Fund
		ULIF 019 03/01/05 PInvShld 105		ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105			ULIF 095 11/01/10 PIncome 105		ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105		ULIF 092 11/01/10 POpport 105
Sources of funds														
Policyholders' funds														
Policyholder contribution	F-1	*290,062*	*9,653,451*	*1,445,723*	*11,082,644*	*2,392,246*	*49,142,807*	*4,041,218*	*16,315,063*	*1,050,407*	*1,331,001*	*9,268,395*	*11,054,066*	*4,285,675*
Revenue Account		*83,497*	*4,928,308*	*(49,733)*	*44,934*	*431,614*	*15,307,930*	*(197,567)*	*16,512,817*	*(26,971)*	*(45,917)*	*120,391*	*2,029,875*	*(67,346)*
Total		***373,559***	***14,581,759***	***1,395,990***	***11,127,578***	***2,823,860***	***64,450,737***	***3,843,651***	***32,827,880***	***1,023,436***	***1,285,084***	***9,388,786***	***13,083,941***	***4,218,329***
Application of funds														
Investments	F-2	*367,499*	*14,359,140*	*1,375,095*	*10,987,454*	*2,791,721*	*63,435,190*	*3,753,973*	*32,821,413*	*1,008,236*	*1,250,346*	*9,278,176*	*13,018,306*	*4,121,198*
Current Assets	F-3	*6,574*	*223,299*	*41,371*	*140,573*	*32,268*	*1,246,222*	*89,833*	*231,069*	*15,276*	*34,790*	*115,089*	*66,408*	*97,302*
Less: Current Liabilities and Provisions	F-4	*514*	*680*	*20,476*	*449*	*129*	*230,675*	*155*	*224,602*	*76*	*52*	*4,479*	*773*	*171*
Net current assets		***6,060***	***222,619***	***20,895***	***140,124***	***32,139***	***1,015,547***	***89,678***	***6,467***	***15,200***	***34,738***	***110,610***	***65,635***	***97,131***
Total		***373,559***	***14,581,759***	***1,395,990***	***11,127,578***	***2,823,860***	***64,450,737***	***3,843,651***	***32,827,880***	***1,023,436***	***1,285,084***	***9,388,786***	***13,083,941***	***4,218,329***
(a) Net asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (₹ in '000)		*373,559*	*14,581,759*	*1,395,990*	*11,127,578*	*2,823,860*	*64,450,737*	*3,843,651*	*32,827,880*	*1,023,436*	*1,285,084*	*9,388,786*	*13,083,941*	*4,218,329*
(b) Number of Units outstanding (in '000)		*19,500*	*559,241*	*133,021*	*972,015*	*189,293*	*4,165,525*	*359,386*	*736,223*	*95,104*	*122,614*	*841,068*	*1,181,390*	*387,455*
(c) NAV per unit (a)/ (b) (₹)		*19.16*	*26.07*	*10.49*	*11.45*	*14.92*	*15.47*	*10.70*	*44.59*	*10.76*	*10.48*	*11.16*	*11.08*	*10.89*

* During the year Linked funds with different plans below them have been split into segregated linked funds as per IRDA circular no. IRDA/F&I/CIR/INV/173/08/2011 dated July 29, 2011. Further, as prescribed in the circular a unique Segregated Fund Identification Number (SFIN) is assigned to each segregated fund. Disclosures with respect to funds having plans below them, for the period before the split, are hence not identified with SFIN.

3.18 Fund Balance Sheet at March 31, 2011 (Contd.)

Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Pension Funds														
		Pension Preserver Fund	Pension Protector Fund*	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	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 Return Guarantee Fund VIII	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund X (10 Yrs)	Pension RICH Fund*	Secure Plus Pension Fund	Total
		ULIF 011 17/05/04 PPreserv 105		ULIF 055 18/12/08 PRGF1 105	ULIF 064 27/01/09 PRGF2 105	ULIF 067 26/02/09 PRGF3 105	ULIF 070 31/03/09 PRGF4 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 113 13/01/11 PRGF(S3) 105		ULIF 009 17/11/03 PSecPlus 105	
Sources of funds																
Policyholders' funds																
Policyholder contribution	F-1	*3,705,879*	*17,678,527*	*1,870,269*	*1,666,062*	*1,615,328*	*601,425*	*316,578*	*417,077*	*730,091*	*133,022*	*43,761*	*101,392*	*40,418,401*	*121,844*	***190,772,414***
Revenue Account		*307,850*	*2,362,934*	*226,317*	*230,490*	*201,259*	*51,560*	*14,233*	*18,317*	*1,075*	*3,670*	*930*	*1,455*	*8,978,648*	*35,198*	***51,505,768***
Total		***4,013,729***	***20,041,461***	***2,096,586***	***1,896,552***	***1,816,587***	***652,985***	***330,811***	***435,394***	***731,166***	***136,692***	***44,691***	***102,847***	***49,397,049***	***157,042***	***242,278,182***
Application of funds																
Investments	F-2	*3,972,160*	*19,600,026*	*1,975,110*	*1,834,933*	*1,724,191*	*609,746*	*320,753*	*423,285*	*707,643*	*133,947*	*43,792*	*91,601*	*48,721,110*	*154,023*	***238,880,067***
Current Assets	F-3	*41,666*	*442,202*	*121,816*	*61,932*	*92,605*	*43,351*	*10,204*	*12,188*	*23,593*	*2,751*	*901*	*11,250*	*719,300*	*3,025*	***3,926,858***
Less: Current Liabilities and Provisions	F-4	*97*	*767*	*340*	*313*	*209*	*112*	*146*	*79*	*70*	*6*	*2*	*4*	*43,361*	*6*	***528,743***
Net current assets		***41,569***	***441,435***	***121,476***	***61,619***	***92,396***	***43,239***	***10,058***	***12,109***	***23,523***	***2,745***	***899***	***11,246***	***675,939***	***3,019***	***3,398,115***
Total		***4,013,729***	***20,041,461***	***2,096,586***	***1,896,552***	***1,816,587***	***652,985***	***330,811***	***435,394***	***731,166***	***136,692***	***44,691***	***102,847***	***49,397,049***	***157,042***	***242,278,182***
(a) Net asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (₹ in '000)		*4,013,729*	*20,041,461*	*2,096,586*	*1,896,552*	*1,816,587*	*652,985*	*330,811*	*435,394*	*731,166*	*136,692*	*44,691*	*102,847*	*49,397,049*	*157,042*	***242,278,182***
(b) Number of Units outstanding (in '000)		*247,444*	*1,164,439*	*171,331*	*160,081*	*155,486*	*56,927*	*29,943*	*39,536*	*68,764*	*13,236*	*4,371*	*10,057*	*3,530,743*	*10,094*	***15,424,287***
(c) NAV per unit (a)/ (b) (₹)		*16.22*	*17.21*	*12.24*	*11.85*	*11.68*	*11.47*	*11.05*	*11.01*	*10.63*	*10.33*	*10.23*	*10.23*	*13.99*	*15.56*	

* During the year Linked funds with different plans below them have been split into segregated linked funds as per IRDA circular no. IRDA/F&I/CIR/INV/173/08/2011 dated July 29, 2011. Further, as prescribed in the circular a unique Segregated Fund Identification Number (SFIN) is assigned to each segregated fund. Disclosures with respect to funds having plans below them, for the period before the split, are hence not identified with SFIN.

(₹ in '000)

Particulars	Schedule	Linked Health Funds														
		Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund	Health Return Guarantee Fund II	Health Return Guarantee Fund III	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII	Health Return Guarantee Fund IX (5 Yrs)	Total
		ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 062 15/01/09 HRGF1 105	ULIF 065 29/01/09 HRGF2 105	ULIF 068 26/02/09 HRGF3 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105	ULIF 109 22/12/10 HRGF9 105	
Sources of funds																
Policyholders' funds																
Policyholder contribution	F-1	*99,970*	*92,939*	*1,633,007*	*219,186*	*19,791*	*507,354*	*68,467*	*76,863*	*77,945*	*35,753*	*17,888*	*10,659*	*5,779*	*20*	***2,865,621***
Revenue Account		*(27,164)*	*(24,781)*	*(410,360)*	*(49,601)*	*(5,243)*	*(157,159)*	*(37,946)*	*(45,244)*	*(44,840)*	*(19,931)*	*(10,787)*	*(6,171)*	*(3,060)*	*(1)*	***(842,288)***
Total		***72,806***	***68,158***	***1,222,647***	***169,585***	***14,548***	***350,195***	***30,521***	***31,619***	***33,105***	***15,822***	***7,101***	***4,488***	***2,719***	***19***	***2,023,333***
Application of funds																
Investments	F-2	*70,023*	*64,995*	*1,177,794*	*166,155*	*14,102*	*334,593*	*27,365*	*29,392*	*31,209*	*14,429*	*6,524*	*4,263*	*2,637*	*18*	***1,943,499***
Current Assets	F-3	*2,848*	*3,165*	*44,907*	*4,653*	*447*	*15,610*	*3,162*	*2,247*	*1,899*	*1,395*	*577*	*225*	*82*	*1*	***81,218***
Less: Current Liabilities and Provisions	F-4	*65*	*2*	*54*	*1,223*	*1*	*8*	*6*	*20*	*3*	*2*	—	—	—	—	***1,384***
Net current assets		***2,783***	***3,163***	***44,853***	***3,430***	***446***	***15,602***	***3,156***	***2,227***	***1,896***	***1,393***	***577***	***225***	***82***	***1***	***79,834***
Total		***72,806***	***68,158***	***1,222,647***	***169,585***	***14,548***	***350,195***	***30,521***	***31,619***	***33,105***	***15,822***	***7,101***	***4,488***	***2,719***	***19***	***2,023,333***
(a) Net asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (₹ in '000)		*72,806*	*68,158*	*1,222,647*	*169,585*	*14,548*	*350,195*	*30,521*	*31,619*	*33,105*	*15,822*	*7,101*	*4,488*	*2,719*	*19*	***2,023,333***
(b) Number of Units outstanding (in '000)		*5,088*	*4,197*	*58,609*	*8,067*	*1,248*	*28,779*	*2,508*	*2,659*	*2,824*	*1,367*	*635*	*407*	*256*	*2*	***116,644***
(c) NAV per unit (a)/ (b) (₹)		*14.31*	*16.24*	*20.86*	*21.02*	*11.66*	*12.17*	*12.17*	*11.89*	*11.72*	*11.57*	*11.19*	*11.04*	*10.63*	*10.31*	

* During the year Linked funds with different plans below them have been split into segregated linked funds as per IRDA circular no. IRDA/F&I/CIR/INV/173/08/2011 dated July 29, 2011. Further, as prescribed in the circular a unique Segregated Fund Identification Number (SFIN) is assigned to each segregated fund. Disclosures with respect to funds having plans below them, for the period before the split, are hence not identified with SFIN.

3.18 Fund Balance Sheet at March 31, 2011 (Contd.)

Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	Linked Group Funds									
		Group Balanced Fund	**Group Capital Guarantee Balanced Fund***	**Group Capital Guarantee Debt Fund***	**Group Capital Guarantee Growth Fund***	**Group Capital Guarantee Short Term Debt Fund***	**Group Debt Fund**	**Group Growth Fund**	**Group Leave Encashment Balance Fund**	**Group Leave Encashment Income Fund**	**Group Leave Encashment Short Term Fund**
		ULGF 001 03/04/03 GBalancer 105					**ULGF 002 03/04/03 GDebt 105**	**ULGF 004 30/10/03 GGrowth 105**	**ULGF 013 02/04/08 GLEBal 105**	**ULGF 014 02/04/08 GLEIncome 105**	**ULGF 024 26/02/10 GLEST 105**
Sources of funds											
Policyholders' funds											
Policyholder contribution	F-1	12,785,055	1,769,629	62,637	44,883	1,803,196	5,175,903	4,071,042	407,679	44,226	27,399
Revenue Account		3,472,375	340,451	351,193	20,754	559,832	1,021,402	1,718,290	107,408	4,434	4,960
Total		**16,257,430**	**2,110,080**	**413,830**	**65,637**	**2,363,028**	**6,197,305**	**5,789,332**	**515,087**	**48,660**	**32,359**
Application of funds											
Investments	F-2	15,944,830	2,063,259	405,003	64,405	2,333,306	6,100,192	5,689,210	501,915	47,528	21,899
Current Assets	F-3	313,238	46,930	8,867	1,236	29,824	119,773	100,348	13,192	1,134	10,462
Less: Current Liabilities and Provisions	F-4	638	109	40	4	102	22,660	226	20	2	2
Net current assets		**312,600**	**46,821**	**8,827**	**1,232**	**29,722**	**97,113**	**100,122**	**13,172**	**1,132**	**10,460**
Total		**16,257,430**	**2,110,080**	**413,830**	**65,637**	**2,363,028**	**6,197,305**	**5,789,332**	**515,087**	**48,660**	**32,359**
(a) Net asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (₹ in '000)		16,257,430	2,110,080	413,830	65,637	2,363,028	6,197,305	5,789,332	515,087	48,660	32,359
(b) Number of Units outstanding (in '000)		706,797	146,533	27,295	4,540	172,712	354,749	176,360	38,752	4,454	3,036
(c) NAV per unit (a)/ (b) (₹)		23.00	14.40	15.16	14.46	13.68	17.47	32.83	13.29	10.92	10.66

* During the year Linked funds with different plans below them have been split into segregated linked funds as per IRDA circular no. IRDA/F&I/CIR/INV/173/08/2011 dated July 29, 2011. Further, as prescribed in the circular a unique Segregated Fund Identification Number (SFIN) is assigned to each segregated fund. Disclosures with respect to funds having plans below them, for the period before the split, are hence not identified with SFIN.

(₹ in '000)

Particulars	Schedule	Linked Group Funds								Total	Grand Total
		Group Return Guarantee Fund	**Group Return Guarantee Fund - A4**	**Group Return Guarantee Fund - S5**	**Group Return Guarantee Fund II**	**Group Return Guarantee Fund III**	**Group Return Guarantee Fund - S6**	**Group Short Term Debt fund**	**Group Superannuation Corporate Bond Fund**		
		ULGF 021 10/02/09 GRGF1 105	**ULGF 025 14/03/11 GRGFA4 105**	**ULGF 026 14/03/11 GRGFS5 105**	**ULGF 022 30/03/09 GRGF2 105**	**ULGF 023 16/06/09 GRGF3 105**	**ULGF 027 14/03/11 GRGFS6 105**	**ULGF 003 03/04/03 GSTDebt 105**	**ULGF 015 22/12/08 GSACorBon 105**		
Sources of funds											
Policyholders' funds											
Policyholder contribution	F-1	2,287,690	64,867	124,763	109,711	2,059,946	208	3,287,484	1,559,648	**35,685,966**	**427,664,227**
Revenue Account		391,701	286	—	14,877	210,401	—	1,347,905	7,710	**9,573,979**	**160,601,120**
Total		**2,679,391**	**65,153**	**124,763**	**124,588**	**2,270,347**	**208**	**4,635,389**	**1,567,358**	**45,259,945**	**588,265,347**
Application of funds											
Investments	F-2	2,516,217	64,105	—	111,166	2,171,280	—	4,452,816	1,537,988	**44,025,119**	**579,616,117**
Current Assets	F-3	163,448	1,051	124,763	13,435	99,186	208	182,972	29,432	**1,259,499**	**10,982,334**
Less: Current Liabilities and Provisions	F-4	274	3	—	13	119	—	399	62	**24,673**	**2,333,104**
Net current assets		**163,174**	**1,048**	**124,763**	**13,422**	**99,067**	**208**	**182,573**	**29,370**	**1,234,826**	**8,649,230**
Total		**2,679,391**	**65,153**	**124,763**	**124,588**	**2,270,347**	**208**	**4,635,389**	**1,567,358**	**45,259,945**	**588,265,347**
(a) Net asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (₹ in '000)		2,679,391	65,153	124,763	124,588	2,270,347	208	4,635,389	1,567,358	**45,259,945**	**588,265,347**
(b) Number of Units outstanding (in '000)		226,901	6,487	12,476	10,948	205,665	21	280,810	155,951	**2,534,486**	**34,562,524**
(c) NAV per unit (a)/ (b) (₹)		11.81	10.04	10.00	11.38	11.04	10.01	16.51	10.05		

* During the year Linked funds with different plans below them have been split into segregated linked funds as per IRDA circular no. IRDA/F&I/CIR/INV/173/08/2011 dated July 29, 2011. Further, as prescribed in the circular a unique Segregated Fund Identification Number (SFIN) is assigned to each segregated fund. Disclosures with respect to funds having plans below them, for the period before the split, are hence not identified with SFIN.

Schedule F - 1

POLICYHOLDER'S CONTRIBUTION AT MARCH 31, 2011

(₹ in '000)

Particulars	Linked Life Funds													
	Anmol Nivesh Fund	Balancer Fund*	Bluechip Fund	Cash Plus Fund*	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund*	Flexi Growth Fund*	Highest NAV Fund B	Income Fund	Invest Shield Fund - Life	Maximiser Fund*	Money Market Fund	Multi Cap Balanced Fund
	ULIF 072 28/04/09 LAnmolNiv 105		ULIF 087 24/11/09 LBluChip 105		ULIF 100 01/07/10 LDiscont 105	ULIF 097 11/01/10 LDynmicPE 105			ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 018 03/01/05 LInvShld 105		ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105
Opening balance	*186*	*11,233,895*	*90,337*	*4,741,849*	—	*211,482*	*2,228,075*	*59,882,503*	—	*183,312*	*1,381,976*	*62,567,802*	*28,595*	*40,980*
Add: Additions during the year ^	*2,317*	*2,671,232*	*476,952*	*1,304,915*	*138*	*8,855,714*	*609,955*	*12,530,200*	*835,212*	*1,479,785*	*261,738*	*7,639,560*	*1,039,874*	*541,571*
Less: Deductions during the year#	*2*	*6,591,527*	*153*	*334,225*	*1*	*31,344*	*631,427*	*22,377,097*	*60*	*45,830*	*52,236*	*37,850,833*	*215,561*	*110*
Closing balance	***2,501***	***7,313,600***	***567,136***	***5,712,539***	***137***	***9,035,852***	***2,206,603***	***50,035,606***	***835,152***	***1,617,267***	***1,591,478***	***32,356,529***	***852,908***	***582,441***

^ Represents unit creation
# Represents unit cancellations

(₹ in '000)

Particulars	Linked Life Funds													
	Multi Cap Growth Fund	Multiplier Fund*	New Invest Shield Balanced Fund	Opportunities Fund	Pinnacle Fund	Pinnacle Fund II	Preserver Fund*	Protector Fund*	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III	Return Guarantee Fund IV	Return Guarantee Fund V	Return Guarantee Fund VI
	ULIF 085 24/11/09 LMCapGro 105		ULIF 025 21/08/06 LInvShldNw 105	ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09 LPinnacle 105	ULIF 105 26/10/10 LPinnacle2 105			ULIF 054 18/12/08 LRGF1 105	ULIF 063 27/01/09 LRGF(T2) 105	ULIF 066 26/02/09 LRGF(T3) 105	ULIF 069 31/03/09 LRGF(T4) 105	ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105
Opening balance	*650,280*	*18,268,494*	*1,942,318*	*151,217*	*3,067,159*	—	*2,751,486*	*10,608,014*	*621,167*	*658,430*	*658,984*	*289,530*	*125,799*	*119,823*
Add: Additions during the year ^	*4,381,860*	*4,338,128*	*394,273*	*1,112,079*	*3,353,294*	*1,981,005*	*1,870,722*	*6,424,570*	—	—	—	—	—	—
Less: Deductions during the year#	*182,822*	*4,951,861*	*179,338*	*379*	*5,585*	*89*	*1,873,253*	*5,407,954*	*32,348*	*32,972*	*35,553*	*19,815*	*9,134*	*9,154*
Closing balance	***4,849,318***	***17,654,761***	***2,157,253***	***1,262,917***	***6,414,868***	***1,980,916***	***2,748,955***	***11,624,630***	***588,819***	***625,458***	***623,431***	***269,715***	***116,665***	***110,669***

^ Represents unit creation
# Represents unit cancellations

(₹ in '000)

Particulars	Linked Life Funds												
	Return Guarantee Fund VII	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund XI (5 Yrs)	RICH Fund*	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund	Total
	ULIF 082 16/11/09 LRGF(T7) 105	ULIF 104 12/10/10 LRGF(S1) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 107 22/12/10 LRGF(S2) 105	ULIF 111 13/01/11 LRGF(T10) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 120 17/03/11 LRGF(T11) 105		ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105	
Opening balance	*48,192*	—	—	—	—	—	—	—	*18,702,068*	*278,462*	*10,823*	*45,822*	***201,589,060***
Add: Additions during the year ^	*4*	*271,470*	*967,414*	*1,243,167*	*128,988*	*2,597,726*	*436,881*	*889,903*	*9,798,727*	*48,180*	*11,095*	*46,278*	***78,544,927***
Less: Deductions during the year#	*5,116*	*5,257*	*972*	*98*	*87*	*905*	*49*	*4*	*889,143*	*20,804*	*3*	*660*	***81,793,761***
Closing balance	***43,080***	***266,213***	***966,442***	***1,243,069***	***128,901***	***2,596,821***	***436,832***	***889,899***	***27,611,652***	***305,838***	***21,915***	***91,440***	***198,340,226***

^ Represents unit creation
# Represents unit cancellations

(₹ in '000)

Particulars	Linked Pension funds												
	Invest Shield Fund - Pension	Pension Balancer Fund*	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Flexi Balanced Fund*	Pension Flexi Growth Fund*	Pension Income Fund	Pension Maximiser Fund*	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund*	Pension Opportunities Fund
	ULIF 019 03/01/05 PInvShld 105		ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105			ULIF 095 11/01/10 PIncome 105		ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105		ULIF 092 11/01/10 POpport 105
Opening balance	*252,041*	*8,993,156*	*527,415*	*3,180,314*	*2,107,059*	*49,801,004*	*1,595,184*	*23,591,970*	*388,360*	*564,330*	*3,969,395*	*9,200,897*	*1,745,390*
Add: Additions during the year ^	*51,591*	*2,862,885*	*923,832*	*7,940,645*	*668,649*	*14,011,409*	*2,458,157*	*3,497,572*	*1,016,052*	*807,821*	*5,733,354*	*3,031,312*	*2,552,033*
Less: Deductions during the year#	*13,570*	*2,202,590*	*5,524*	*38,315*	*383,462*	*14,669,606*	*12,123*	*10,774,479*	*354,005*	*41,150*	*434,354*	*1,178,143*	*11,748*
Closing balance	***290,062***	***9,653,451***	***1,445,723***	***11,082,644***	***2,392,246***	***49,142,807***	***4,041,218***	***16,315,063***	***1,050,407***	***1,331,001***	***9,268,395***	***11,054,066***	***4,285,675***

^ Represents unit creation
# Represents unit cancellations

Schedule F - 1

POLICYHOLDER'S CONTRIBUTION AT MARCH 31, 2011 (Contd)

(₹ in '000)

Particulars	Linked Pension funds														
	Pension Preserver Fund	Pension Protector Fund*	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	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 Return Guarantee Fund VIII	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund X (10 Yrs)	Pension RICH Fund*	Secure Plus Pension Fund	Total
	ULIF 011 17/05/04 PPreserv 105		ULIF 055 18/12/08 PRGF1 105	ULIF 064 27/01/09 PRGF2 105	ULIF 067 26/02/09 PRGF3 105	ULIF 070 31/03/09 PRGF4 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 113 13/01/11 PRGF(S3) 105		ULIF 009 17/11/03 PSecPlus 105	
Opening balance	*2,406,413*	*12,096,073*	*1,967,078*	*1,759,079*	*1,746,421*	*649,040*	*347,288*	*445,581*	*790,159*	—	—	—	*29,363,906*	*113,296*	***157,600,849***
Add: Additions during the year^	*2,053,122*	*7,896,272*	—	—	—	—	—	*1,429*	—	*133,381*	*43,761*	*101,530*	*12,957,817*	*16,719*	***68,759,343***
Less: Deductions during the year#	*753,656*	*2,313,818*	*96,809*	*93,017*	*131,093*	*47,615*	*30,710*	*29,933*	*60,068*	*359*	—	*138*	*1,903,322*	*8,171*	***35,587,778***
Closing balance	***3,705,879***	***17,678,527***	***1,870,269***	***1,666,062***	***1,615,328***	***601,425***	***316,578***	***417,077***	***730,091***	***133,022***	***43,761***	***101,392***	***40,418,401***	***121,844***	***190,772,414***

^ Represents unit creation
# Represents unit cancellations

(₹ in '000)

Particulars	Linked Health Funds													
	Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund	Health Return Guarantee Fund II	Health Return Guarantee Fund III	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII	Health Return Guarantee Fund IX (5 Yrs)	Total
	ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 062 15/01/09 HRGF1 105	ULIF 065 29/01/09 HRGF2 105	ULIF 068 26/02/09 HRGF3 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105	ULIF 109 22/12/10 HRGF9 105	
Opening balance	*46,695*	*41,074*	*751,977*	*103,112*	*8,854*	*245,421*	*69,639*	*77,603*	*78,708*	*36,277*	*18,356*	*10,660*	*5,758*	—	***1,494,134***
Add: Additions during the year^	*54,165*	*51,950*	*889,765*	*116,278*	*10,943*	*262,903*	—	—	—	—	—	*16*	*27*	*20*	***1,386,067***
Less: Deductions during the year#	*890*	*85*	*8,735*	*204*	*6*	*970*	*1,172*	*740*	*763*	*524*	*468*	*17*	*6*	—	***14,580***
Closing balance	***99,970***	***92,939***	***1,633,007***	***219,186***	***19,791***	***507,354***	***68,467***	***76,863***	***77,945***	***35,753***	***17,888***	***10,659***	***5,779***	***20***	***2,865,621***

^ Represents unit creation
# Represents unit cancellations

(₹ in '000)

Particulars	Linked Group Funds									
	Group Balanced Fund	Group Capital Guarantee Balanced Fund*	Group Capital Guarantee Debt Fund*	Group Capital Guarantee Growth Fund*	Group Capital Guarantee Short Term Debt Fund*	Group Debt Fund	Group Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund
	ULGF 001 03/04/03 GBalancer 105					ULGF 002 03/04/03 GDebt 105	ULGF 004 30/10/03 GGrowth 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105	ULGF 024 26/02/10 GLEST 105
Opening balance	*7,836,205*	*1,652,847*	*39,738*	*32,846*	*1,768,585*	*4,897,201*	*3,747,279*	*398,417*	*43,920*	*17,322*
Add: Additions during the year^	*7,648,575*	*333,054*	*102,837*	*16,775*	*223,663*	*2,306,027*	*1,540,767*	*9,347*	*7,775*	*16,197*
Less: Deductions during the year#	*2,699,725*	*216,272*	*79,938*	*4,738*	*189,052*	*2,027,325*	*1,217,004*	*85*	*7,469*	*6,120*
Closing balance	***12,785,055***	***1,769,629***	***62,637***	***44,883***	***1,803,196***	***5,175,903***	***4,071,042***	***407,679***	***44,226***	***27,399***

^ Represents unit creation
# Represents unit cancellations

(₹ in '000)

Particulars	Linked Group Funds									
	Group Return Guarantee Fund	Group Return Guarantee Fund - A4	Group Return Guarantee Fund - S5	Group Return Guarantee Fund II	Group Return Guarantee Fund III	Group Return Guarantee Fund - S6	Group Short Term Debt fund	Group Superannuation Corporate Bond Fund	Total	Grand Total
	ULGF 021 10/02/09 GRGF1 105	ULGF 025 14/03/11 GRGFA4 105	ULGF 026 14/03/11 GRGFS5 105	ULGF 022 30/03/09 GRGF2 105	ULGF 023 16/06/09 GRGF3 105	ULGF 027 14/03/11 GRGFS6 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 015 22/12/08 GSACorBon 105		
Opening balance	*2,278,279*	—	—	*110,417*	*2,036,586*	—	*5,551,126*	—	***30,410,768***	***391,094,811***
Add: Additions during the year^	*11,471*	*64,867*	*124,763*	*1,261*	*23,360*	*208*	*4,967,723*	*1,561,044*	***18,959,714***	***167,650,051***
Less: Deductions during the year#	*2,060*	—	—	*1,967*	—	—	*7,231,365*	*1,396*	***13,684,516***	***131,080,635***
Closing balance	***2,287,690***	***64,867***	***124,763***	***109,711***	***2,059,946***	***208***	***3,287,484***	***1,559,648***	***35,685,966***	***427,664,227***

^ Represents unit creation
# Represents unit cancellations

SCHEDULE: F-2

INVESTMENTS AT MARCH 31, 2011

(₹ in '000)

Particulars	Linked Life Funds													
	Anmol Nivesh Fund	Balancer Fund*	Bluechip Fund	Cash Plus Fund*	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund*	Flexi Growth Fund*	Highest NAV Fund B	Income Fund	Invest Shield Fund - Life	Maximiser Fund*	Money Market Fund	Multi Cap Balanced Fund
	ULIF 072 28/04/09 LAnmolNiv 105		ULIF 087 24/11/09 LBluChip 105		ULIF 100 01/07/10 LDiscont 105	ULIF 097 11/01/10 LDynmicPE 105			ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 018 03/01/05 LInvShld 105		ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105
Approved Investments														
Government Bonds	—	276,897	—	102,800	—	299,455	1,571	—	139,440	372	1,671	—	—	62
Corporate Bonds	—	4,422,037	70	1,606,813	—	1,551	318,188	16,305	—	263,773	334,173	—	—	20,819
Infrastructure Bonds	62	2,206,451	—	567,341	—	—	120,918	—	—	11,834	118,414	—	8,738	1,180
Equity	—	6,361,072	463,948	—	—	7,996,281	1,276,137	57,873,917	434,664	—	479,896	73,782,185	—	244,809
Money Market	779	2,758,916	10,553	2,092,381	241	—	424,375	893,052	46,194	945,436	514,342	5,432,512	626,031	185,647
Mutual Funds	20	1,633	5,303	4,454	—	67,048	1,647	24,152	6,200	1,744	2,546	34,546	8,463	1,012
Deposit with Banks	1,477	3,094,025	—	1,538,377	—	—	322,045	—	—	299,296	358,913	139,110	195,343	55,905
Total	**2,338**	**19,121,031**	**479,874**	**5,912,166**	**241**	**8,364,335**	**2,464,881**	**58,807,426**	**626,498**	**1,522,455**	**1,809,955**	**79,388,353**	**838,575**	**509,434**
Other Investments														
Corporate Bonds	—	128,461	—	—	—	—	—	—	—	32,987	—	—	—	—
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity	—	694,867	37,703	—	—	384,219	175,898	6,528,577	20,706	—	25,325	7,561,100	—	43,662
Money Market	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mutual Funds	—	—	18,509	—	—	—	—	—	21,512	—	—	—	3,944	—
Venture Fund	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	**—**	**823,328**	**56,212**	**—**	**—**	**384,219**	**175,898**	**6,528,577**	**42,218**	**32,987**	**25,325**	**7,561,100**	**3,944**	**43,662**
Grand total	**2,338**	**19,944,359**	**536,086**	**5,912,166**	**241**	**8,748,554**	**2,640,779**	**65,336,003**	**668,716**	**1,555,442**	**1,835,280**	**86,949,453**	**842,519**	**553,096**
% of approved investments to Total	100.00%	95.87%	89.51%	100.00%	100.00%	95.61%	93.34%	90.01%	93.69%	97.88%	98.62%	91.30%	99.53%	92.11%
% of other investments to Total	0.00%	4.13%	10.49%	0.00%	0.00%	4.39%	6.66%	9.99%	6.31%	2.12%	1.38%	8.70%	0.47%	7.89%

(₹ in '000)

Particulars	Linked Life Funds													
	Multi Cap Growth Fund	Multiplier Fund*	New Invest Shield Balanced Fund	Opportunities Fund	Pinnacle Fund	Pinnacle Fund II	Preserver Fund*	Protector Fund*	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III	Return Guarantee Fund IV	Return Guarantee Fund V	Return Guarantee Fund VI
	ULIF 085 24/11/09 LMCapGro 105		ULIF 025 21/08/06 LInvShldNw 105	ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09 LPinnacle 105	ULIF 105 26/10/10 LPinnacle2 105			ULIF 054 18/12/08 LRGF1 105	ULIF 063 27/01/09 LRGF(T2) 105	ULIF 066 26/02/09 LRGF(T3) 105	ULIF 069 31/03/09 LRGF(T4) 105	ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105
Approved Investments														
Government Bonds	—	—	1,962	—	1,796,373	380,148	—	1,762	—	—	—	—	—	—
Corporate Bonds	1,342	6,116	374,413	124	845	324	—	4,038,382	389,698	433,255	434,559	157,091	66,380	56,864
Infrastructure Bonds	—	—	130,447	—	—	—	—	1,974,137	72,442	74,279	60,837	42,418	26,007	30,491
Equity	3,498,833	20,180,251	894,624	934,238	4,156,492	1,484,025	—	—	—	—	—	—	—	—
Money Market	713,858	243,376	579,013	69,692	—	—	2,568,375	4,792,921	—	—	—	—	—	—
Mutual Funds	21,660	15,637	3,075	11,892	61,230	19,498	35,149	6,600	6,315	6,628	6,546	2,766	1,137	1,109
Deposit with Banks	—	—	423,216	—	—	—	864,066	4,201,515	120,876	100,441	111,410	53,090	15,624	17,316
Total	**4,235,693**	**20,445,380**	**2,406,750**	**1,015,946**	**6,014,940**	**1,883,995**	**3,467,590**	**15,015,317**	**589,331**	**614,603**	**613,352**	**255,365**	**109,148**	**105,780**
Other Investments														
Corporate Bonds	—	—	—	—	—	—	—	160,248	—	—	—	—	—	—
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity	400,019	2,153,769	25,644	126,796	201,847	70,954	—	—	—	—	—	—	—	—
Money Market	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mutual Funds	—	—	—	41,444	47,212	14,960	32,638	—	1,686	11,384	5,132	2,886	1,531	1,979
Venture Fund	—	—	16,883	—	—	—	—	—	—	—	—	—	—	—
Total	**400,019**	**2,153,769**	**42,527**	**168,240**	**249,059**	**85,914**	**32,638**	**160,248**	**1,686**	**11,384**	**5,132**	**2,886**	**1,531**	**1,979**
Grand total	**4,635,712**	**22,599,149**	**2,449,277**	**1,184,186**	**6,263,999**	**1,969,909**	**3,500,228**	**15,175,565**	**591,017**	**625,987**	**618,484**	**258,251**	**110,679**	**107,759**
% of approved investments to Total	91.37%	90.47%	98.26%	85.79%	96.02%	95.64%	99.07%	98.94%	99.71%	98.18%	99.17%	98.88%	98.62%	98.16%
% of other investments to Total	8.63%	9.53%	1.74%	14.21%	3.98%	4.36%	0.93%	1.06%	0.29%	1.82%	0.83%	1.12%	1.38%	1.84%

Schedule F - 2

INVESTMENTS AT MARCH 31, 2011 (Contd.)

(₹ in '000)

Particulars	Linked Life Funds												
	Return Guarantee Fund VII	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund XI (5 Yrs)	RICH Fund*	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund	Total
	ULIF 082 16/11/09 LRGF(T7) 105	ULIF 104 12/10/10 LRGF(S1) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 107 22/12/10 LRGF(S2) 105	ULIF 111 13/01/11 LRGF(T10) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 120 17/03/11 LRGF(T11) 105		ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105	
Approved investments													
Government Bonds	—	143,209	—	—	71,670	—	224,003	—	—	448	2	14	**3,441,859**
Corporate Bonds	26,814	67,729	621,097	738,567	27,247	1,385,450	87,598	222,862	10,159	92,376	1,209	10,628	**16,234,858**
Infrastructure Bonds	9,809	—	202,150	365,898	8,380	534,619	26,324	92,126	—	34,432	553	3,385	**6,723,672**
Equity	—	—	—	—	—	—	—	—	28,348,183	56,516	14,058	30,653	**208,510,782**
Money Market	—	—	—	—	—	105,832	—	180,580	1,101,897	80,639	2,428	22,546	**24,391,616**
Mutual Funds	421	2,726	9,708	11,161	223	26,088	4,208	6,514	10,993	357	61	832	**431,302**
Deposit with Banks	3,106	50,830	90,400	47,800	21,300	479,644	64,845	116,700	600,000	91,086	2,210	17,032	**13,496,998**
Total	**40,150**	**264,494**	**923,355**	**1,163,426**	**128,820**	**2,531,633**	**406,978**	**618,782**	**30,071,232**	**355,854**	**20,521**	**85,090**	**273,231,087**
Other investments													
Corporate Bonds	—	—	—	50,039	—	—	—	—	—	—	—	—	**371,735**
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Equity	—	—	—	—	—	—	—	—	2,433,919	1,626	1,108	2,393	**20,890,132**
Money Market	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Mutual Funds	774	2,783	17,559	—	—	3,114	6,462	22,086	—	—	—	—	**257,595**
Venture Fund	—	—	—	—	—	—	—	—	—	—	—	—	**16,883**
Total	**774**	**2,783**	**17,559**	**50,039**	**—**	**3,114**	**6,462**	**22,086**	**2,433,919**	**1,626**	**1,108**	**2,393**	**21,536,345**
Grand total	**40,924**	**267,277**	**940,914**	**1,213,465**	**128,820**	**2,534,747**	**413,440**	**640,868**	**32,505,151**	**357,480**	**21,629**	**87,483**	**294,767,432**
% of approved investments to Total	98.11%	98.96%	98.13%	95.88%	100.00%	99.88%	98.44%	96.55%	92.51%	99.55%	94.88%	97.26%	**92.69%**
% of other investments to Total	1.89%	1.04%	1.87%	4.12%	0.00%	0.12%	1.56%	3.45%	7.49%	0.45%	5.12%	2.74%	**7.31%**

(₹ in '000)

Particulars	Linked Pension Funds												
	Invest Shield Fund - Pension	Pension Balancer Fund*	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Flexi Balanced Fund*	Pension Flexi Growth Fund*	Pension Income Fund	Pension Maximiser Fund*	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund*	Pension Opportunities Fund
	ULIF 019 03/01/05 PInvShld 105		ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105			ULIF 095 11/01/10 PIncome 105		ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105		ULIF 092 11/01/10 POpport 105
Approved investments													
Government Bonds	69	2,300	—	362,018	1,606	—	946	—	—	275	—	—	—
Corporate Bonds	66,456	2,372,350	104	2,148	265,852	14,114	575,961	7,815	—	78,566	4,698	—	1,378
Infrastructure Bonds	19,982	1,243,732	—	—	72,226	155,512	65,374	—	13,243	9,036	—	—	—
Equity	96,080	5,155,997	1,247,691	10,094,669	1,393,889	55,933,208	—	27,556,527	—	594,683	7,682,863	12,011,446	3,568,499
Money Market	112,996	2,788,209	—	—	545,585	1,650,182	2,153,601	1,787,908	743,952	333,592	793,206	117,192	187,259
Mutual Funds	505	5,354	13,751	39,887	1,930	3,087	4,401	43,081	9,047	1,719	11,865	13,233	41,634
Deposit with Banks	66,780	2,334,737	—	—	338,290	30,800	907,711	187,260	241,994	144,202	248,185	—	—
Total	**362,868**	**13,902,679**	**1,261,546**	**10,498,722**	**2,619,378**	**57,786,903**	**3,707,994**	**29,582,591**	**1,008,236**	**1,162,073**	**8,740,817**	**12,141,871**	**3,798,770**
Other investments													
Corporate Bonds	—	143,875	—	—	—	—	45,979	—	—	—	—	—	—
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity	4,631	312,586	74,713	488,732	172,343	5,648,287	—	3,238,822	—	88,273	537,359	876,435	282,123
Money Market	—	—	—	—	—	—	—	—	—	—	—	—	—
Mutual Funds	—	—	38,836	—	—	—	—	—	—	—	—	—	40,305
Venture Fund	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	**4,631**	**456,461**	**113,549**	**488,732**	**172,343**	**5,648,287**	**45,979**	**3,238,822**	**—**	**88,273**	**537,359**	**876,435**	**322,428**
Grand total	**367,499**	**14,359,140**	**1,375,095**	**10,987,454**	**2,791,721**	**63,435,190**	**3,753,973**	**32,821,413**	**1,008,236**	**1,250,346**	**9,278,176**	**13,018,306**	**4,121,198**
% of approved investments to Total	98.74%	96.82%	91.74%	95.55%	93.83%	91.10%	98.78%	90.13%	100.00%	92.94%	94.21%	93.27%	92.18%
% of other investments to Total	1.26%	3.18%	8.26%	4.45%	6.17%	8.90%	1.22%	9.87%	0.00%	7.06%	5.79%	6.73%	7.82%

Schedule F - 2

INVESTMENTS AT MARCH 31, 2011 (Contd.)

(₹ in '000)

Particulars	Linked Pension Funds														
	Pension Preserver Fund	Pension Protector Fund*	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	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 Return Guarantee Fund VIII	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund X (10 Yrs)	Pension RICH Fund*	Secure Plus Pension Fund	Total
	ULIF 011 17/05/04 PPreserv 105		ULIF 055 18/12/08 PRGF1 105	ULIF 064 27/01/09 PRGF2 105	ULIF 067 26/02/09 PRGF3 105	ULIF 070 31/03/09 PRGF4 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 113 13/01/11 PRGF(S3) 105		ULIF 009 17/11/03 PSecPlus 105	
Approved investments															
Government Bonds	—	206,273	—	–	—	—	—	—	—	73,424	24,056	49,262	—	33	**720,262**
Corporate Bonds	—	4,547,084	1,233,536	978,370	1,152,299	351,948	223,133	271,880	500,571	33,339	11,651	15,445	8,919	36,882	**12,754,499**
Infrastructure Bonds	46,906	1,969,575	278,866	325,517	206,529	121,317	81,393	141,868	163,597	—	—	3,727	—	16,766	**4,935,166**
Equity	—	—	—	—	—	—	—	—	—	—	—	—	43,062,098	25,995	**168,423,645**
Money Market	2,943,258	7,457,788	—	—	—	—	—	—	—	—	—	3,758	2,002,142	36,085	**23,656,713**
Mutual Funds	22,425	8,245	9,487	5,049	18,163	6,244	3,309	4,353	7,310	1,366	260	933	12,545	234	**289,417**
Deposit with Banks	959,571	5,080,026	453,221	525,997	346,549	130,237	9,600	—	24,500	25,450	7,825	16,950	369,000	37,401	**12,486,286**
Total	**3,972,160**	**19,268,991**	**1,975,110**	**1,834,933**	**1,723,540**	**609,746**	**317,435**	**418,101**	**695,978**	**133,579**	**43,792**	**90,075**	**45,454,704**	**153,396**	**223,265,988**
Other investments															
Corporate Bonds	—	331,035	—	—	—	—	—	—	—	—	—	—	—	—	**520,889**
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Equity	—	—	—	—	—	—	—	—	—	—	—	—	3,266,406	627	**14,991,337**
Money Market	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Mutual Funds	—	–	—	—	651	—	3,318	5,184	11,665	368	—	1,526	—	—	**101,853**
Venture Fund	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Total	**—**	**331,035**	**—**	**—**	**651**	**—**	**3,318**	**5,184**	**11,665**	**368**	**—**	**1,526**	**3,266,406**	**627**	**15,614,079**
Grand total	**3,972,160**	**19,600,026**	**1,975,110**	**1,834,933**	**1,724,191**	**609,746**	**320,753**	**423,285**	**707,643**	**133,947**	**43,792**	**91,601**	**48,721,110**	**154,023**	**238,880,067**
% of approved investments to Total	100.00%	98.31%	100.00%	100.00%	99.96%	100.00%	98.97%	98.78%	98.35%	99.73%	100.00%	98.33%	93.30%	99.59%	**93.46%**
% of other investments to Total	0.00%	1.69%	0.00%	0.00%	0.04%	0.00%	1.03%	1.22%	1.65%	0.27%	0.00%	1.67%	6.70%	0.41%	**6.54%**

(₹ in '000)

Particulars	Linked Health Funds														
	Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund	Health Return Guarantee Fund II	Health Return Guarantee Fund III	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII	Health Return Guarantee Fund IX (5 Yrs)	Total
	ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 062 15/01/09 HRGF1 105	ULIF 065 29/01/09 HRGF2 105	ULIF 068 26/02/09 HRGF3 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105	ULIF 109 22/12/10 HRGF9 105	
Approved investments															
Government Bonds	10	8	—	—	—	83	—	—	—	—	—	—	—	—	**101**
Corporate Bonds	6,518	4,119	—	16	—	99,185	11,696	18,461	17,983	5,142	2,521	1,601	1,694	12	**168,948**
Infrastructure Bonds	1,155	738	—	—	123	9,825	2,367	2,718	5,770	4,192	1,128	1,457	754	5	**30,232**
Equity	23,395	25,305	912,838	148,848	—	—	—	—	—	—	—	—	—	—	**1,110,386**
Money Market	26,007	23,949	41,106	982	10,762	144,958	—	—	—	—	—	—	—	—	**247,764**
Mutual Funds	240	206	11,819	1,643	142	131	305	216	331	103	23	45	27	—	**15,231**
Deposit with Banks	11,091	7,657	—	—	2,867	72,395	12,669	7,997	6,647	4,992	2,852	1,110	156	1	**130,434**
Total	**68,416**	**61,982**	**965,763**	**151,489**	**13,894**	**326,577**	**27,037**	**29,392**	**30,731**	**14,429**	**6,524**	**4,213**	**2,631**	**18**	**1,703,096**
Other investments															
Corporate Bonds	—	—	—	—	—	8,016	—	—	—	—	—	—	—	—	**8,016**
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Equity	1,607	3,013	170,832	8,929	—	—	—	—	—	—	—	—	—	—	**184,381**
Money Market	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Mutual Funds	—	—	41,199	5,737	208	—	328	—	478	—	—	50	6	—	**48,006**
Venture Fund	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Total	**1,607**	**3,013**	**212,031**	**14,666**	**208**	**8,016**	**328**	**—**	**478**	**—**	**—**	**50**	**6**	**—**	**240,403**
Grand total	**70,023**	**64,995**	**1,177,794**	**166,155**	**14,102**	**334,593**	**27,365**	**29,392**	**31,209**	**14,429**	**6,524**	**4,263**	**2,637**	**18**	**1,943,499**
% of approved investments to Total	97.71%	95.36%	82.00%	91.17%	98.53%	97.60%	98.80%	100.00%	98.47%	100.00%	100.00%	98.83%	99.77%	100.00%	**87.63%**
% of other investments to Total	2.29%	4.64%	18.00%	8.83%	1.47%	2.40%	1.20%	0.00%	1.53%	0.00%	0.00%	1.17%	0.23%	0.00%	**12.37%**

SCHEDULE: F-2

INVESTMENTS AT MARCH 31, 2011 (Contd.)

(₹ in '000)

Particulars	Linked Group Funds									
	Group Balanced Fund	Group Capital Guarantee Balanced Fund*	Group Capital Guarantee Debt Fund*	Group Capital Guarantee Growth Fund*	Group Capital Guarantee Short Term Debt Fund*	Group Debt Fund	Group Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund
	ULGF 001 03/04/03 GBalancer 105					ULGF 002 03/04/03 GDebt 105	ULGF 004 30/10/03 GGrowth 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105	ULGF 024 26/02/10 GLEST 105
Approved Investments										
Government Bonds	12,296	2,192	2,426	10	—	2,314	3,016	109	13	—
Corporate Bonds	3,440,302	434,202	119,749	10,649	1,052	1,807,731	566,964	117,245	14,972	—
Infrastructure Bonds	868,631	132,456	24,034	3,556	27,492	661,134	213,116	42,175	3,233	572
Equity	2,423,159	306,363	—	20,936	—	—	2,849,742	73,065	—	—
Money Market	4,842,411	616,796	116,896	12,940	1,735,032	1,836,506	1,099,515	119,847	16,537	8,000
Mutual Funds	6,977	1,520	417	108	20,110	3,999	2,412	1,199	31	222
Deposit with Banks	3,444,607	452,726	110,819	10,898	549,620	1,619,897	623,261	117,911	10,933	11,917
Total	**15,038,383**	**1,946,255**	**374,341**	**59,097**	**2,333,306**	**5,931,581**	**5,358,026**	**471,551**	**45,719**	**20,711**
Other Investments										
Corporate Bonds	617,284	80,344	30,662	2,392	—	168,611	—	19,711	1,809	—
Infrastructure Bonds	—	—	-	—	—	—	—	—	—	—
Equity	289,163	36,660	—	2,916	—	—	331,184	10,653	—	—
Money Market	—	—	—	—	—	—	—	—	—	—
Mutual Funds	—	—	—	—	—	—	—	—	—	1,188
Venture Fund	—	—	—	—	—	—	—	—	—	—
Total	**906,447**	**117,004**	**30,662**	**5,308**	**—**	**168,611**	**331,184**	**30,364**	**1,809**	**1,188**
Grand total	**15,944,830**	**2,063,259**	**405,003**	**64,405**	**2,333,306**	**6,100,192**	**5,689,210**	**501,915**	**47,528**	**21,899**
% of approved investments to Total	94.32%	94.33%	92.43%	91.76%	100.00%	97.24%	94.18%	93.95%	96.19%	94.58%
% of other investments to Total	5.68%	5.67%	7.57%	8.24%	0.00%	2.76%	5.82%	6.05%	3.81%	5.42%

(₹ in '000)

Particulars	Linked Group Funds								Total	Grand Total
	Group Return Guarantee Fund	Group Return Guarantee Fund - A4	Group Return Guarantee Fund - S5	Group Return Guarantee Fund II	Group Return Guarantee Fund III	Group Return Guarantee Fund - S6	Group Short Term Debt fund	Group Superannuation Corporate Bond Fund		
	ULGF 021 10/02/09 GRGF1 105	ULGF 025 14/03/11 GRGFA4 105	ULGF 026 14/03/11 GRGFS5 105	ULGF 022 30/03/09 GRGF2 105	ULGF 023 16/06/09 GRGF3 105	ULGF 027 14/03/11 GRGFS6 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 015 22/12/08 GSACorBon 105		
Approved Investments										
Government Bonds	—	—	—	—	—	—	—	—	**22,376**	**4,184,598**
Corporate Bonds	1,437,748	16,551	—	58,458	1,536,928	—	—	1,004,390	**10,566,941**	**39,725,246**
Infrastructure Bonds	485,581	5,064	—	12,358	527,312	—	—	150,798	**3,157,512**	**14,846,582**
Equity	—	—	—	—	—	—	—	—	**5,673,265**	**383,718,078**
Money Market	—	17,551	—	–	—	—	3,375,286	90,538	**13,887,855**	**62,183,948**
Mutual Funds	26,674	479	—	712	22,466	—	33,243	5,111	**125,680**	**861,630**
Deposit with Banks	559,006	24,460	—	39,638	74,758	—	1,044,287	287,151	**8,981,889**	**35,095,607**
Total	**2,509,009**	**64,105**	**—**	**111,166**	**2,161,464**	**—**	**4,452,816**	**1,537,988**	**42,415,518**	**540,615,689**
Other Investments										
Corporate Bonds	—	—	—	—	—	—	—	—	**920,813**	**1,821,453**
Infrastructure Bonds	—	—	—	—	—	—	—	—	**—**	**—**
Equity	—	—	—	—	—	—	—	—	**670,576**	**36,736,426**
Money Market	—	—	—	—	—	—	—	—	**—**	**—**
Mutual Funds	7,208	—	–	—	9,816	—	—	—	**18,212**	**425,666**
Venture Fund	—	—	—	—	—	—	—	—	**—**	**16,883**
Total	**7,208**	**—**	**—**	**—**	**9,816**	**—**	**—**	**—**	**1,609,601**	**39,000,428**
Grand total	**2,516,217**	**64,105**	**—**	**111,166**	**2,171,280**	**—**	**4,452,816**	**1,537,988**	**44,025,119**	**579,616,117**
% of approved investments to Total	99.71%	100.00%	0.00%	100.00%	99.55%	0.00%	100.00%	100.00%	**96.34%**	
% of other investments to Total	0.29%	0.00%	0.00%	0.00%	0.45%	0.00%	0.00%	0.00%	**3.66%**	

Schedule: F - 3

CURRENT ASSETS AT MARCH 31, 2011

(₹ in '000)

Particulars	Linked Life Funds													
	Anmol Nivesh Fund	Balancer Fund*	Bluechip Fund	Cash Plus Fund*	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund*	Flexi Growth Fund*	Highest NAV Fund B	Income Fund	Invest Shield Fund - Life	Maximiser Fund*	Money Market Fund	Multi Cap Balanced Fund
	ULIF 072 28/04/09 LAnmolNiv 105		ULIF 087 24/11/09 LBluChip 105		ULIF 100 01/07/10 LDiscont 105	ULIF 097 11/01/10 LDynmicPE 105			ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 018 03/01/05 LInvShld 105		ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105
Accrued Interest	33	259,118	—	113,118	—	6,523	19,351	33	2,379	10,221	21,473	5,848	4,117	1,394
Cash & Bank Balance	10	7	10	9	10	10	10	10	10	10	10	10,501	10	10
Dividend Receivable	—	3,838	—	—	—	1,298	261	9,568	34	—	—	67,058	—	8
Receivable for Sale of Investments	—	80,429	—	8,429	—	39,820	1,619	1,190,349	—	1,683	1,819	635,202	—	14,043
Unit Collection A/c	7	22,061	17,164	14,051	—	270,288	10,160	85,205	229,552	39,808	4,092	—	16,752	9,212
Other Current Assets (for Investments)	—	4	1	—	—	6	—	115	3	—	—	114	—	2
Appropriation adjustment account	—	—	1,463	302	—	23,955	—	—	1,708	78	1,598	—	42	949
Total	**50**	**365,457**	**18,638**	**135,909**	**10**	**341,900**	**31,401**	**1,285,280**	**233,686**	**51,800**	**28,992**	**718,723**	**20,921**	**25,618**

(₹ in '000)

Particulars	Linked Life Funds													
	Multi Cap Growth Fund	Multiplier Fund*	New Invest Shield Balanced Fund	Opportunities Fund	Pinnacle Fund	Pinnacle Fund II	Preserver Fund*	Protector Fund*	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III	Return Guarantee Fund IV	Return Guarantee Fund V	Return Guarantee Fund VI
	ULIF 085 24/11/09 LMCapGro 105		ULIF 025 21/08/06 LInvShldNw 105	ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09 LPinnacle 105	ULIF 105 26/10/10 LPinnacle2 105			ULIF 054 18/12/08 LRGF1 105	ULIF 063 27/01/09 LRGF(T2) 105	ULIF 066 26/02/09 LRGF(T3) 105	ULIF 069 31/03/09 LRGF(T4) 105	ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105
Accrued Interest	3	12	24,563	—	18,179	4,383	16,164	277,217	40,614	37,006	36,303	18,446	3,091	3,191
Cash & Bank Balance	11	10	9	11	10	10	10	10	10	10	10	10	10	11
Dividend Receivable	—	—	—	—	722	239	—	—	—	—	—	—	—	—
Receivable for Sale of Investments	—	798,109	18,258	9,763	—	—	—	24,188	—	—	—	—	—	—
Unit Collection A/c	125,943	3,031	2,820	39,659	187,615	3,517	45,657	40,990	—	—	—	—	—	—
Other Current Assets (for Investments)	1	44	1	1	10	1	—	—	—	—	—	—	—	—
Appropriation adjustment account	12,727	—	2,805	3,283	16,865	5,375	—	—	—	—	—	—	—	—
Total	**138,685**	**801,206**	**48,456**	**52,717**	**223,401**	**13,525**	**61,831**	**342,405**	**40,624**	**37,016**	**36,313**	**18,456**	**3,101**	**3,202**

(₹ in '000)

Particulars	Linked Life Funds												Total
	Return Guarantee Fund VII	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund XI (5 Yrs)	RICH Fund*	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund	
	ULIF 082 16/11/09 LRGF(T7) 105	ULIF 104 12/10/10 LRGF(S1) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 107 22/12/10 LRGF(S2) 105	ULIF 111 13/01/11 LRGF(T10) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 120 17/03/11 LRGF(T11) 105		ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105	
Accrued Interest	1,131	5,429	30,091	40,168	2,665	74,516	7,549	10,676	360	6,506	93	763	**1,102,727**
Cash & Bank Balance	10	11	11	10	10	11	10	11	11	11	10	10	**10,895**
Dividend Receivable	—	—	—	—	—	—	—	—	2,593	—	3	6	**85,628**
Receivable for Sale of Investments	—	—	—	—	—	—	—	—	—	436	9	76	**2,824,232**
Unit Collection A/c	—	—	—	444	—	8,422	20,663	238,426	92,471	1,645	61	233	**1,529,949**
Other Current Assets (for Investments)	—	—	—	—	—	—	—	—	—	—	—	—	**303**
Appropriation adjustment account	-	14	49	63	7	130	21	33	89,392	18	48	100	**161,025**
Total	**1,141**	**5,454**	**30,151**	**40,685**	**2,682**	**83,079**	**28,243**	**249,146**	**184,827**	**8,616**	**224**	**1,188**	**5,714,759**

(₹ in '000)

Particulars	Linked Pension Funds												
	Invest Shield Fund - Pension	Pension Balancer Fund*	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Flexi Balanced Fund*	Pension Flexi Growth Fund*	Pension Income Fund	Pension Maximiser Fund*	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund*	Pension Opportunities Fund
	ULIF 019 03/01/05 PInvShld 105		ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105			ULIF 095 11/01/10 PIncome 105		ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105		ULIF 092 11/01/10 POpport 105
Accrued Interest	4,305	151,368	—	8,420	16,950	218	37,321	66	5,471	5,244	983	—	3
Cash & Bank Balance	10	10	10	10	10	10	9	10	10	10	9	10	10
Dividend Receivable	—	—	—	1,795	—	12,546	—	21,551	—	125	—	—	—
Receivable for Sale of Investments	1,536	12,232	25,730	14,415	1,704	965,118	4,899	203,986	—	19,540	—	15,216	62,364
Unit Collection A/c	403	43,279	11,832	85,651	8,911	91,771	47,414	5,427	9,794	7,740	88,591	15,341	23,412
Other Current Assets (for Investments)	—	—	3	—	—	57	—	29	—	2	1	1	9
Appropriation adjustment account	320	16,410	3,796	30,282	4,693	176,502	190	—	1	2,129	25,505	35,840	11,504
Total	**6,574**	**223,299**	**41,371**	**140,573**	**32,268**	**1,246,222**	**89,833**	**231,069**	**15,276**	**34,790**	**115,089**	**66,408**	**97,302**

Schedule: F - 3

CURRENT ASSETS AT MARCH 31, 2011 (Contd.)

(₹ in '000)

Particulars	Linked Pension Funds														
	Pension Preserver Fund	Pension Protector Fund*	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	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 Return Guarantee Fund VIII	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund X (10 Yrs)	Pension RICH Fund*	Secure Plus Pension Fund	Total
	ULIF 011 17/05/04 PPreserv 105		ULIF 055 18/12/08 PRGF1 105	ULIF 064 27/01/09 PRGF2 105	ULIF 067 26/02/09 PRGF3 105	ULIF 070 31/03/09 PRGF4 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 113 13/01/11 PRGF(S3) 105		ULIF 009 17/11/03 PSecPlus 105	
Accrued Interest	20,691	324,461	121,805	61,922	92,596	43,340	10,194	12,178	23,578	2,734	890	1,718	3,163	2,469	**952,088**
Cash & Bank Balance	9	10	11	10	9	10	10	10	10	10	9	10	11	11	**268**
Dividend Receivable	—	—	—	—	—	—	—	—	—	—	—	—	3,387	—	**39,404**
Receivable for Sale of Investments	—	30,178	—	—	—	—	—	—	—	—	—	-	497,629	183	**1,854,730**
Unit Collection A/c	20,767	86,556	—	–	–	–	–	—	5	—	–	9,517	79,813	354	**636,578**
Other Current Assets (for Investments)	—	—	–	–	–	–	–	–	—	—	—	—	47	—	**149**
Appropriation adjustment account	199	997	—	—	–	1	—	—	—	7	2	5	135,250	8	**443,641**
Total	**41,666**	**442,202**	**121,816**	**61,932**	**92,605**	**43,351**	**10,204**	**12,188**	**23,593**	**2,751**	**901**	**11,250**	**719,300**	**3,025**	**3,926,858**

(₹ in '000)

Particulars	Linked Health Funds														
	Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund	Health Return Guarantee Fund II	Health Return Guarantee Fund III	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII	Health Return Guarantee Fund IX (5 Yrs)	Total
	ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 062 15/01/09 HRGF1 105	ULIF 065 29/01/09 HRGF2 105	ULIF 068 26/02/09 HRGF3 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105	ULIF 109 22/12/10 HRGF9 105	
Accrued Interest	412	247	—	—	56	4,734	3,152	2,237	1,851	1,382	567	215	72	1	**14,926**
Cash & Bank Balance	10	10	10	9	10	10	10	10	10	13	10	10	10	—	**132**
Dividend Receivable	—	–	14	—	—	—	—	—	—	—	—	—	—	—	**14**
Receivable for Sale of Investments	51	320	8,601	—	—	418	—	—	—	—	—	—	—	—	**9,390**
Unit Collection A/c	2,295	2,479	33,019	4,190	380	10,431	—	—	38	—	—	—	—	—	**52,832**
Other Current Assets (for Investments)	—	—	1	—	—	—	—	—	—	—	—	—	—	—	**1**
Appropriation adjustment account	80	109	3,262	454	1	17	—	—	—	—	—	—	—	—	**3,923**
Total	**2,848**	**3,165**	**44,907**	**4,653**	**447**	**15,610**	**3,162**	**2,247**	**1,899**	**1,395**	**577**	**225**	**82**	**1**	**81,218**

(₹ in '000)

Particulars	Linked Group Funds									
	Group Balanced Fund	Group Capital Guarantee Balanced Fund*	Group Capital Guarantee Debt Fund*	Group Capital Guarantee Growth Fund*	Group Capital Guarantee Short Term Debt Fund*	Group Debt Fund	Group Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund
	ULGF 001 03/04/03 GBalancer 105					ULGF 002 03/04/03 GDebt 105	ULGF 004 30/10/03 GGrowth 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105	ULGF 024 26/02/10 GLEST 105
Accrued Interest	202,160	27,001	5,970	644	10,533	109,800	37,571	7,389	827	254
Cash & Bank Balance	10	10	10	11	10	10	9	9	10	11
Dividend Receivable	2,483	264	—	18	—	—	2,759	61	—	—
Receivable for Sale of Investments	44,695	5,112	584	55	—	9,652	12,198	1,226	67	—
Unit Collection A/c	54,333	13,307	2,303	434	19,164	—	38,222	4,206	228	10,197
Other Current Assets (for Investments)	4	—	—	—	—	—	1	—	—	—
Appropriation adjustment account	9,553	1,236	—	74	117	311	9,588	301	2	—
Total	**313,238**	**46,930**	**8,867**	**1,236**	**29,824**	**119,773**	**100,348**	**13,192**	**1,134**	**10,462**

(₹ in '000)

Particulars	Linked Group Funds									
	Group Return Guarantee Fund	Group Return Guarantee Fund - A4	Group Return Guarantee Fund - S5	Group Return Guarantee Fund II	Group Return Guarantee Fund III	Group Return Guarantee Fund - S6	Group Short Term Debt fund	Group Superannuation Corporate Bond Fund	Total	Grand Total
	ULGF 021 10/02/09 GRGF1 105	ULGF 025 14/03/11 GRGFA4 105	ULGF 026 14/03/11 GRGFS5 105	ULGF 022 30/03/09 GRGF2 105	ULGF 023 16/06/09 GRGF3 105	ULGF 027 14/03/11 GRGFS6 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 015 22/12/08 GSACorBon 105		
Accrued Interest	151,968	1,005	—	12,163	75,704	—	16,061	29,038	**688,089**	**2,757,830**
Cash & Bank Balance	10	11	—	10	10	—	10	10	**161**	**11,456**
Dividend Receivable	—	—	—	—	—	—	—	—	**5,585**	**130,631**
Receivable for Sale of Investments	—	—	—	—	—	—	—	—	**73,589**	**4,761,941**
Unit Collection A/c	11,470	32	124,763	1,262	23,360	208	166,901	306	**470,696**	**2,690,055**
Other Current Assets (for Investments)	—	—	—	—	—	—	—	—	**6**	**458**
Appropriation adjustment account	—	3	—	—	112	—	—	78	**21,375**	**629,963**
Total	**163,448**	**1,051**	**124,763**	**13,435**	**99,186**	**208**	**182,972**	**29,432**	**1,259,499**	**10,982,334**

Schedule: F - 4

CURRENT LIABILITIES AT MARCH 31, 2011

(₹ in '000)

Particulars	Linked Life Funds													
	Anmol Nivesh Fund	Balancer Fund*	Bluechip Fund	Cash Plus Fund*	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund*	Flexi Growth Fund*	Highest NAV Fund B	Income Fund	Invest Shield Fund - Life	Maximiser Fund*	Money Market Fund	Multi Cap Balanced Fund
	ULIF 072 28/04/09 LAnmolNiv 105		ULIF 087 24/11/09 LBluChip 105		ULIF 100 01/07/10 LDiscont 105	ULIF 097 11/01/10 LDynmicPE 105			ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 018 03/01/05 LInvShld 105		ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105
Payable for Purchase of Investments	—	—	(3,951)	—	—	(84,960)	—	(518,061)	(49,985)	—	—	(387,808)	—	—
Unit Payable a/c	—	—	—	—	(113)	—	—	—	—	—	—	(14,694)	—	—
Other Current Liabilities	—	(1,206)	(22)	(230)	—	(355)	(144)	(3,852)	(35)	(64)	(71)	(5,556)	(21)	(23)
Expropriation adjustment account	—	(22,924)	—	—	—	—	(4,445)	(181,539)	—	—	—	(240,006)	—	—
Total	**—**	**(24,130)**	**(3,973)**	**(230)**	**(113)**	**(85,315)**	**(4,589)**	**(703,452)**	**(50,020)**	**(64)**	**(71)**	**(648,064)**	**(21)**	**(23)**

(₹ in '000)

Particulars	Linked Life Funds													
	Multi Cap Growth Fund	Multiplier Fund*	New Invest Shield Balanced Fund	Opportunities Fund	Pinnacle Fund	Pinnacle Fund II	Preserver Fund*	Protector Fund*	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III	Return Guarantee Fund IV	Return Guarantee Fund V	Return Guarantee Fund VI
	ULIF 085 24/11/09 LMCapGro 105		ULIF 025 21/08/06 LInvShldNw 105	ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09 LPinnacle 105	ULIF 105 26/10/10 LPinnacle2 105			ULIF 054 18/12/08 LRGF1 105	ULIF 063 27/01/09 LRGF(T2) 105	ULIF 066 26/02/09 LRGF(T3) 105	ULIF 069 31/03/09 LRGF(T4) 105	ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105
Payable for Purchase of Investments	(7,522)	—	(9,425)	—	(150,006)	(19,923)	—	—	—	—	—	—	—	—
Unit Payable a/c	—	—	—	—	—	—	—	—	(176)	(254)	(230)	(41)	(19)	(1)
Other Current Liabilities	(189)	(1,501)	(94)	(49)	(269)	(86)	(85)	(563)	(29)	(30)	(30)	(13)	(5)	(5)
Expropriation adjustment account	—	(64,339)	—	—	—	—	(176)	(774)	(32)	(33)	(33)	(14)	(6)	(6)
Total	**(7,711)**	**(65,840)**	**(9,519)**	**(49)**	**(150,275)**	**(20,009)**	**(261)**	**(1,337)**	**(237)**	**(317)**	**(293)**	**(68)**	**(30)**	**(12)**

(₹ in '000)

Particulars	Linked Life Funds												
	Return Guarantee Fund VII	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund XI (5 Yrs)	RICH Fund*	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund	Total
	ULIF 082 16/11/09 LRGF(T7) 105	ULIF 104 12/10/10 LRGF(S1) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 107 22/12/10 LRGF(S2) 105	ULIF 111 13/01/11 LRGF(T10) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 120 17/03/11 LRGF(T11) 105		ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105	
Payable for Purchase of Investments	—	—	—	—	—	—	—	—	—	—	—	—	*(1,231,641)*
Unit Payable a/c	(15)	—	(120)	—	—	—	—	—	—	—	—	—	*(15,663)*
Other Current Liabilities	(2)	(12)	(44)	(57)	(6)	(118)	(19)	(29)	(1,837)	(14)	(1)	(5)	*(16,671)*
Expropriation adjustment account	(2)	—	—	—	—	—	—	—	—	—	—	—	*(514,329)*
Total	**(19)**	**(12)**	**(164)**	**(57)**	**(6)**	**(118)**	**(19)**	**(29)**	**(1,837)**	**(14)**	**(1)**	**(5)**	**(1,778,304)**

(₹ in '000)

Particulars	Linked Pension Funds												
	Invest Shield Fund - Pension	Pension Balancer Fund*	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Flexi Balanced Fund*	Pension Flexi Growth Fund*	Pension Income Fund	Pension Maximiser Fund*	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund*	Pension Opportun-ities Fund
	ULIF 019 03/01/05 PInvShld 105		ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105			ULIF 095 11/01/10 PIncome 105		ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105		ULIF 092 11/01/10 POpport 105
Payable for Purchase of Investments	(500)	-	(20,420)	-	-	(227,115)	-	(132,445)	-	-	(4,101)	-	-
Unit Payable a/c	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Liabilities	(14)	(680)	(56)	(449)	(129)	(3,560)	(155)	(1,646)	(25)	(52)	(378)	(773)	(171)
Expropriation adjustment account	-	-	-	-	-	-	-	(90,511)	(51)	-	-	-	-
Total	**(514)**	**(680)**	**(20,476)**	**(449)**	**(129)**	**(230,675)**	**(155)**	**(224,602)**	**(76)**	**(52)**	**(4,479)**	**(773)**	**(171)**

Schedule: F - 4

CURRENT LIABILITIES AT MARCH 31, 2011

(₹ in '000)

Particulars	Linked Pension Funds														
	Pension Preserver Fund	Pension Protector Fund*	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	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 Return Guarantee Fund VIII	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund X (10 Yrs)	Pension RICH Fund*	Secure Plus Pension Fund	Total
	ULIF 011 17/05/04 PPreserv 105		ULIF 055 18/12/08 PRGF1 105	ULIF 064 27/01/09 PRGF2 105	ULIF 067 26/02/09 PRGF3 105	ULIF 070 31/03/09 PRGF4 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 113 13/01/11 PRGF(S3) 105		ULIF 009 17/11/03 PSecPlus 105	
Payable for Purchase of Investments	—	—	—	—	—	—	—	—	—	—	—	—	(40,516)	—	(425,097)
Unit Payable a/c	—	—	(140)	(132)	(36)	(49)	(114)	(37)	—	—	—	—	—	—	(508)
Other Current Liabilities	(97)	(767)	(95)	(86)	(82)	(30)	(15)	(20)	(33)	(6)	(2)	(4)	(2,845)	(6)	(12,176)
Expropriation adjustment account	—	—	(105)	(95)	(91)	(33)	(17)	(22)	(37)	—	—	—	—	—	(90,962)
Total	**(97)**	**(767)**	**(340)**	**(313)**	**(209)**	**(112)**	**(146)**	**(79)**	**(70)**	**(6)**	**(2)**	**(4)**	**(43,361)**	**(6)**	**(528,743)**

(₹ in '000)

Particulars	Linked Health Funds														
	Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund	Health Return Guarantee Fund II	Health Return Guarantee Fund III	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII	Health Return Guarantee Fund IX (5 Yrs)	Total
	ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 062 15/01/09 HRGF1 105	ULIF 065 29/01/09 HRGF2 105	ULIF 068 26/02/09 HRGF3 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105	ULIF 109 22/12/10 HRGF9 105	
Payable for Purchase of Investments	(63)	—	—	(1,216)	—	—	—	—	—	—	—	—	—	—	(1,279)
Unit Payable a/c	—	—	—	—	—	—	(3)	(17)	—	—	—	—	—	—	(20)
Other Current Liabilities	(2)	(2)	(54)	(7)	(1)	(8)	(1)	(1)	(1)	(1)	—	—	—	—	(78)
Expropriation adjustment account	—	—	—	—	—	—	(2)	(2)	(2)	(1)	—	—	—	—	(7)
Total	**(65)**	**(2)**	**(54)**	**(1,223)**	**(1)**	**(8)**	**(6)**	**(20)**	**(3)**	**(2)**	**—**	**—**	**–**	**—**	**(1,384)**

(₹ in '000)

Particulars	Linked Group Funds									
	Group Balanced Fund	Group Capital Guarantee Balanced Fund*	Group Capital Guarantee Debt Fund*	Group Capital Guarantee Growth Fund*	Group Capital Guarantee Short Term Debt Fund*	Group Debt Fund	Group Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund
	ULGF 001 03/04/03 GBalancer 105					ULGF 002 03/04/03 GDebt 105	ULGF 004 30/10/03 GGrowth 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105	ULGF 024 26/02/10 GLEST 105
Payable for Purchase of Investments	—	—	—	—	—	—	—	—	—	—
Unit Payable a/c	—	—	—	—	—	(22,416)	—	—	—	—
Other Current Liabilities	(638)	(109)	(19)	(4)	(102)	(244)	(226)	(20)	(2)	(1)
Expropriation adjustment account	—	—	(21)	—	—	—	—	—	—	(1)
Total	**(638)**	**(109)**	**(40)**	**(4)**	**(102)**	**(22,660)**	**(226)**	**(20)**	**(2)**	**(2)**

(₹ in '000)

Particulars	Linked Group Funds									
	Group Return Guarantee Fund	Group Return Guarantee Fund - A4	Group Return Guarantee Fund - S5	Group Return Guarantee Fund II	Group Return Guarantee Fund III	Group Return Guarantee Fund - S6	Group Short Term Debt fund	Group Superannuation Corporate Bond Fund	Total	Grand Total
	ULGF 021 10/02/09 GRGF1 105	ULGF 025 14/03/11 GRGFA4 105	ULGF 026 14/03/11 GRGFS5 105	ULGF 022 30/03/09 GRGF2 105	ULGF 023 16/06/09 GRGF3 105	ULGF 027 14/03/11 GRGFS6 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 015 22/12/08 GSACorBon 105		
Payable for Purchase of Investments	—	—	—	—	—	—	—	—	—	(1,658,017)
Unit Payable a/c	—	—	—	—	—	—	—	—	(22,416)	(38,607)
Other Current Liabilities	(141)	(3)	—	(7)	(119)	—	(176)	(62)	(1,873)	(30,798)
Expropriation adjustment account	(133)	—	—	(6)	—	—	(223)	—	(384)	(605,682)
Total	**(274)**	**(3)**	**—**	**(13)**	**(119)**	**—**	**(399)**	**(62)**	**(24,673)**	**(2,333,104)**

3.20 Fund Revenue Account for the year ended March 31, 2012

Form A-RA(UL)-

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Anmol Nivesh Fund	Balancer Fund	Balancer Fund II	Balancer Fund III	Balancer Fund IV	Bluechip Fund	Cash Plus Fund	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund	Flexi Balanced Fund II	Flexi Balanced Fund III
		ULIF 072 28/04/09 LAnmolNiv 105	ULIF 002 22/10/01 LBalancer1 105	ULIF 014 17/05/04 LBalancer2 105	ULIF 023 13/03/06 LBalancer3 105	ULIF 039 27/08/07 LBalancer4 105	ULIF 087 24/11/09 LBluChip 105	ULIF 008 11/08/03 LCashPlus 105	ULIF 100 01/07/10 LDiscont 105	ULIF 097 11/01/10 LDynmicPE 105	ULIF 031 20/03/07 LFlexiBal1 105	ULIF 032 20/03/07 LFlexiBal2 105	ULIF 033 20/03/07 LFlexiBal3 105
Income from investments													
Interest income		339	757,176	214,918	24,095	33,656	294	200,503	8,594	35,012	55,135	32,191	3,232
Dividend income		—	59,561	16,510	1,917	2,475	10,481	—	—	126,234	11,107	6,283	686
Profit/(loss) on sale of investment		27	561,852	151,254	19,666	23,243	(7,653)	12,772	1,063	1,694	13,914	7,559	1,196
Profit/(loss) on inter fund transfer/ sale of investment		—	55,120	9,855	1,728	1,603	(5,624)	1,919	—	1,601	(2,648)	(2,305)	(272)
Unrealised gain/(loss)*		—	(777,885)	(210,747)	(27,473)	(26,734)	(1,815)	9,324	8	(632,292)	(74,869)	(39,322)	(5,030)
Appropriation - Expropriation		—	17,005	4,664	557	699	(1,463)	(108)	—	(23,955)	2,511	1,452	169
Total income (A)		**366**	**672,829**	**186,454**	**20,490**	**34,942**	**(5,780)**	**224,410**	**9,665**	**(491,706)**	**5,150**	**5,858**	**(19)**
Fund management expenses #		42	154,354	44,205	11,114	6,969	10,978	32,271	565	151,255	35,349	9,320	2,134
Fund administration expenses #		—	192,942	—	—	—	—	—	—	—	—	—	—
Other charges	F-5	240	81,667	68,293	2,984	16,155	47,627	29,779	—	468,703	9,143	23,539	776
Total expenditure (B)		**282**	**428,963**	**112,498**	**14,098**	**23,124**	**58,605**	**62,050**	**565**	**619,958**	**44,492**	**32,859**	**2,910**
Net income for the year (A-B)		**84**	**243,866**	**73,956**	**6,392**	**11,818**	**(64,385)**	**162,360**	**9,100**	**(1,111,664)**	**(39,342)**	**(27,001)**	**(2,929)**
Add: Fund revenue account at the beginning of the year		(113)	9,668,538	3,038,769	246,177	18,602	(16,385)	293,313	1	(30,713)	321,544	102,146	26,438
Fund revenue account at the end of the year		**(29)**	**9,912,404**	**3,112,725**	**252,569**	**30,420**	**(80,770)**	**455,673**	**9,101**	**(1,142,377)**	**282,202**	**75,145**	**23,509**

* Net change in mark to market value of investments
\# Gross of service tax

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Flexi Balanced Fund IV	Flexi Growth Fund	Flexi Growth Fund II	Flexi Growth Fund III	Flexi Growth Fund IV	Highest NAV Fund B	Income Fund	Invest Shield Cash Fund	Invest Shield Fund - Life	Maximiser Fund	Maximiser Fund II	Maximiser Fund III
		ULIF 040 27/08/07 LFlexiBal4 105	ULIF 026 20/03/07 LFlexiGro1 105	ULIF 027 20/03/07 LFlexiGro2 105	ULIF 028 20/03/07 LFlexiGro3 105	ULIF 038 27/08/07 LFlexiGro4 105	ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 020 03/01/05 LInvCash 105	ULIF 018 03/01/05 LInvShld 105	ULIF 001 22/10/01 LMaximis1 105	ULIF 012 17/05/04 LMaximis2 105	ULIF 022 13/03/06 LMaximis3 105
Income from investments													
Interest income		7,307	87,506	38,661	3,564	37,166	130,920	189,555	362,628	119,765	123,930	28,008	6,093
Dividend income		1,421	489,196	225,486	29,697	183,129	23,822	—	—	8,339	669,865	156,655	34,991
Profit/(loss) on sale of investment		1,566	1,282,326	510,617	74,305	392,665	(7,935)	28,868	22,960	(3,706)	5,617,102	1,341,011	311,560
Profit/(loss) on inter fund transfer/ sale of investment		(552)	(283,832)	(81,220)	(5,407)	(63,666)	(329)	1,309	2,593	926	592,886	134,279	29,980
Unrealised gain/(loss)*		(7,598)	(3,451,128)	(1,529,060)	(215,658)	(1,165,351)	64,409	2,807	16,882	(25,465)	(9,984,196)	(2,338,271)	(536,400)
Appropriation-Expropriation		314	96,280	44,030	5,675	35,553	(1,708)	(78)	(194)	(1,598)	184,698	43,053	9,664
Total income (A)		**2,458**	**(1,779,652)**	**(791,486)**	**(107,824)**	**(580,504)**	**209,179**	**222,461**	**404,869**	**98,261**	**(2,795,715)**	**(635,265)**	**(144,112)**
Fund management expenses #		2,153	757,195	232,843	44,622	191,461	85,040	32,841	58,207	26,591	632,347	220,347	74,171
Fund administration expenses #		—	—	—	—	—	—	—	—	—	790,433	—	—
Other charges	F-5	5,552	165,614	449,135	17,531	328,846	377,215	117,951	114,607	36,309	293,340	223,612	22,033
Total expenditure (B)		**7,705**	**922,809**	**681,978**	**62,153**	**520,307**	**462,255**	**150,792**	**172,814**	**62,900**	**1,716,120**	**443,959**	**96,204**
Net income for the year (A-B)		**(5,247)**	**(2,702,461)**	**(1,473,464)**	**(169,977)**	**(1,100,811)**	**(253,076)**	**71,669**	**232,055**	**35,361**	**(4,511,835)**	**(1,079,224)**	**(240,316)**
Add: Fund revenue account at the beginning of the year		10,859	10,849,241	2,406,998	462,110	2,163,876	17,230	(10,089)	41,993	272,723	41,745,330	10,668,224	2,024,277
Fund revenue account at the end of the year		**5,612**	**8,146,780**	**933,534**	**292,133**	**1,063,065**	**(235,846)**	**61,580**	**274,048**	**308,084**	**37,233,495**	**9,589,000**	**1,783,961**

* Net change in mark to market value of investments
\# Gross of service tax

3.20 Fund Revenue Account for the year ended March 31, 2012 (Contd.)

Form A-RA(UL)-

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Maximiser Fund IV	Maximiser Fund V	Money Market Fund	Multi Cap Balanced Fund	Multi Cap Growth Fund	Multiplier Fund	Multiplier Fund II	Multiplier Fund III	Multiplier Fund IV	New Invest Shield Balanced Fund	Opportunities Fund	Pinnacle Fund
		ULIF 037 27/08/07 LMaximis4 105	ULIF 114 15/03/11 LMaximis5 105	ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105	ULIF 085 24/11/09 LMCapGro 105	ULIF 042 22/11/07 LMultip1 105	ULIF 044 25/02/08 LMultip2 105	ULIF 046 25/02/08 LMultip3 105	ULIF 047 25/02/08 LMultip4 105	ULIF 025 21/08/06 LInvShldNw 105	ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09 LPinnacle 105
Income from investments													
Interest income		1,621	127	89,125	26,427	40,696	35,039	4,396	433	2,049	132,986	7,100	220,010
Dividend income		9,466	706	—	5,821	87,276	261,244	39,545	3,929	18,419	14,953	19,263	61,691
Profit/(loss) on sale of investment		82,403	11,132	4,679	(6,103)	(123,228)	513,844	70,429	7,911	33,016	(19,371)	(14,560)	(200,959)
Profit/(loss) on inter fund transfer/ sale of investment		8,046	232	—	238	5,449	491,275	65,155	7,995	34,533	2,959	2,192	(11,347)
Unrealised gain/(loss)*		(137,398)	16,943	(55)	(10,087)	(36,784)	(2,283,637)	(309,720)	(34,731)	(152,868)	(47,718)	(51,661)	(344,923)
Appropriation-Expropriation		2,591	—	(42)	(949)	(12,727)	52,018	7,850	789	3,681	(2,805)	(3,283)	(16,865)
Total income (A)		**(33,271)**	**29,140**	**93,707**	**15,347**	**(39,318)**	**(930,217)**	**(122,345)**	**(13,674)**	**(61,170)**	**81,004**	**(40,949)**	**(292,393)**
Fund management expenses #		13,518	1,895	8,343	10,235	91,281	389,930	39,993	5,888	18,715	34,697	23,859	105,985
Fund administration expenses #		—	—	—	—	—	—	—	—	—	—	—	7,851
Other charges	F-5	16,214	11,814	33,372	26,162	374,433	74,387	76,783	2,132	29,111	46,727	102,178	414,853
Total expenditure (B)		**29,732**	**13,709**	**41,715**	**36,397**	**465,714**	**464,317**	**116,776**	**8,020**	**47,826**	**81,424**	**126,037**	**528,689**
Net income for the year (A-B)		**(63,003)**	**15,431**	**51,992**	**(21,050)**	**(505,032)**	**(1,394,534)**	**(239,121)**	**(21,694)**	**(108,996)**	**(420)**	**(166,986)**	**(821,082)**
Add: Fund revenue account at the beginning of the year		225,752	—	10,511	(3,750)	(82,632)	4,966,575	429,965	66,164	217,050	330,961	(26,063)	(77,743)
Fund revenue account at the end of the year		**162,749**	**15,431**	**62,503**	**(24,800)**	**(587,664)**	**3,572,041**	**190,844**	**44,470**	**108,054**	**330,541**	**(193,049)**	**(898,825)**

* Net change in mark to market value of investments
# Gross of service tax

(₹ in '000)

Particulars	Schedule	Linked Life Funds											
		Pinnacle Fund II	Preserver Fund	Preserver Fund III	Preserver Fund IV	Protector Fund	Protector Fund II	Protector Fund III	Protector Fund IV	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III	Return Guarantee Fund IV
		ULIF 105 26/10/10 LPinnacle2 105	ULIF 010 17/05/04 LPreserv1 105	ULIF 021 13/03/06 LPreserv3 105	ULIF 036 27/08/07 LPreserv4 105	ULIF 003 22/10/01 LProtect1 105	ULIF 016 17/05/04 LProtect2 105	ULIF 024 13/03/06 LProtect3 105	ULIF 041 27/08/07 LProtect4 105	ULIF 054 18/12/08 LRGF1 105	ULIF 063 27/01/09 LRGF(T2) 105	ULIF 066 26/02/09 LRGF(T3) 105	ULIF 069 31/03/09 LRGF(T4) 105
Income from investments													
Interest income		49,024	320,450	19,742	13,285	739,828	304,015	43,998	285,077	54,602	54,176	53,037	24,703
Dividend income		19,505	—	—	—	—	—	—	—	—	—	—	—
Profit/(loss) on sale of investment		(76,852)	15,287	1,024	755	36,254	19,706	2,394	15,972	155	541	(247)	(114)
Profit/(loss) on inter fund transfer/ sale of investment		(2,586)	—	—	—	12,875	2,520	549	4,317	(2,104)	(1,171)	395	(505)
Unrealised gain/(loss)*		(68,228)	10	—	—	17,799	11,264	1,446	9,625	923	2,233	3,288	(29)
Appropriation-Expropriation		(5,375)	160	9	6	422	172	26	154	32	33	33	14
Total income (A)		**(84,512)**	**335,907**	**20,775**	**14,046**	**807,178**	**337,677**	**48,413**	**315,145**	**53,608**	**55,812**	**56,506**	**24,069**
Fund management expenses #		29,667	29,965	1,854	1,255	23,665	31,264	8,486	29,327	10,207	10,729	10,835	4,606
Fund administration expenses #		2,197	—	—	—	118,325	—	—	—	—	—	—	—
Other charges	F-5	149,032	28,139	1,115	3,178	54,768	62,112	3,364	115,909	9,889	13,460	11,626	4,976
Total expenditure (B)		**180,896**	**58,104**	**2,969**	**4,433**	**196,758**	**93,376**	**11,850**	**145,236**	**20,096**	**24,189**	**22,461**	**9,582**
Net income for the year (A-B)		**(265,408)**	**277,803**	**17,806**	**9,613**	**610,420**	**244,301**	**36,563**	**169,909**	**33,512**	**31,623**	**34,045**	**14,487**
Add: Fund revenue account at the beginning of the year		(17,491)	772,441	36,964	3,438	2,652,750	1,042,040	138,169	59,045	42,585	37,228	31,073	6,924
Fund revenue account at the end of the year		**(282,899)**	**1,050,244**	**54,770**	**13,051**	**3,263,170**	**1,286,341**	**174,732**	**228,954**	**76,097**	**68,851**	**65,118**	**21,411**

* Net change in mark to market value of investments
# Gross of service tax

3.20 Fund Revenue Account for the year ended March 31, 2012 (Contd.)

Form A-RA(UL)-

(₹ in '000)

Particulars	Schedule	Linked Life Funds									
		Return Guarantee Fund V	Return Guarantee und VI	Return Guarantee Fund VII	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund XI (5 Yrs)
		ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105	ULIF 082 16/11/09 LRGF(T7) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 104 12/10/10 LRGF(S1) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 107 22/12/10 LRGF(S2) 105	ULIF 111 13/01/11 LRGF(T10) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 120 17/03/11 LRGF(T11) 105
Income from investments											
Interest income		9,681	9,565	3,617	80,694	23,576	109,106	11,488	224,041	39,215	105,961
Dividend income		—	—	—	—	—	—	—	—	—	—
Profit/(loss) on sale of investment		(114)	(63)	(359)	(124)	(371)	1,682	(128)	57	(447)	4,127
Profit/(loss) on inter fund transfer/ sale of investment		(354)	(594)	(4)	(702)	(246)	(2,891)	(83)	(544)	(893)	(695)
Unrealised gain/(loss)*		513	551	336	3,503	(4,408)	(2,890)	(2,438)	(7,103)	(8,270)	(2,589)
Appropriation-Expropriation		6	6	2	(49)	(14)	(63)	(7)	(130)	(21)	(33)
Total income (A)		**9,732**	**9,465**	**3,592**	**83,322**	**18,537**	**104,944**	**8,832**	**216,321**	**29,584**	**106,771**
Fund management expenses #		1,876	1,835	702	16,264	4,481	21,155	2,192	43,454	7,506	20,746
Fund administration expenses #		—	—	—	—	—	—	—	—	—	—
Other charges	F-5	2,628	2,021	1,035	8,595	2,143	11,925	1,183	31,806	5,829	33,104
Total expenditure (B)		**4,504**	**3,856**	**1,737**	**24,859**	**6,624**	**33,080**	**3,375**	**75,260**	**13,335**	**53,850**
Net income for the year (A-B)		**5,228**	**5,609**	**1,855**	**58,463**	**11,913**	**71,864**	**5,457**	**141,061**	**16,249**	**52,921**
Add: Fund revenue account at the beginning of the year		(2,915)	280	(1,034)	4,459	6,506	11,024	2,595	20,887	4,832	86
Fund revenue account at the end of the year		**2,313**	**5,889**	**821**	**62,922**	**18,419**	**82,888**	**8,052**	**161,948**	**21,081**	**53,007**

* Net change in mark to market value of investments
# Gross of service tax

(₹ in '000)

Particulars	Schedule	Linked Life Funds								Total
		Return Guarantee Fund XI (10 Yrs)	RICH Fund	RICH Fund II	RICH Fund III	RICH Fund IV	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund	
		ULIF 121 19/04/11 LRGF(S4) 105	ULIF 048 17/03/08 LRICH1 105	ULIF 049 17/03/08 LRICH2 105	ULIF 050 17/03/08 LRICH3 105	ULIF 051 17/03/08 LRICH4 105	ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105	
Income from investments										
Interest income		1,879	6,838	8,916	185	4,102	27,030	706	5,813	**5,694,607**
Dividend income		—	221,286	184,911	15,085	73,423	930	244	524	**3,096,076**
Profit/(loss) on sale of investment		65	58,610	53,369	4,160	9,168	2,009	(250)	(253)	**10,863,132**
Profit/(loss) on inter fund transfer/ sale of investment		(18)	4,741	(4,314)	(191)	(1,669)	135	(4)	(22)	**1,000,613**
Unrealised gain/(loss)*		(173)	(1,438,534)	(1,162,374)	(98,372)	(442,359)	(5,213)	(985)	(2,172)	**(27,543,149)**
Appropriation-Expropriation		—	(40,746)	(32,863)	(2,787)	(12,996)	(18)	(48)	(100)	**353,303**
Total income (A)		**1,753**	**(1,187,805)**	**(952,355)**	**(81,920)**	**(370,331)**	**24,873**	**(337)**	**3,790**	**(6,535,418)**
Fund management expenses #		366	315,973	179,994	21,283	72,448	5,292	369	2,145	**4,470,654**
Fund administration expenses #		—	—	—	—	—	—	—	—	**1,111,748**
Other charges	F-5	1,587	75,364	425,358	7,254	131,351	4,899	1,292	5,230	**5,318,989**
Total expenditure (B)		**1,953**	**391,337**	**605,352**	**28,537**	**203,799**	**10,191**	**1,661**	**7,375**	**10,901,391**
Net income for the year (A-B)		**(200)**	**(1,579,142)**	**(1,557,707)**	**(110,457)**	**(574,130)**	**14,682**	**(1,998)**	**(3,585)**	**(17,436,809)**
Add: Fund revenue account at the beginning of the year		—	2,798,789	1,435,925	297,600	544,176	60,244	(63)	(2,774)	**100,363,661**
Fund revenue account at the end of the year		**(200)**	**1,219,647**	**(121,782)**	**187,143**	**(29,954)**	**74,926**	**(2,061)**	**(6,359)**	**82,926,852**

* Net change in mark to market value of investments
# Gross of service tax

3.20 Fund Revenue Account for the year ended March 31, 2012 (Contd.)

Form A-RA(UL)-

(₹ in '000)

Particulars	Schedule	Linked Pension Funds											
		Invest Shield Fund - Pension	Pension Balancer Fund	Pension Balancer Fund II	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Flexi Balanced Fund	Pension Flexi Balanced Fund II	Pension Flexi Growth Fund	Pension Flexi Growth Fund II	Pension Income Fund	Pension Maximiser Fund	Pension Maximiser Fund II
		ULIF 019 03/01/05 PInvShld 105	ULIF 005 03/05/02 PBalancer1 105	ULIF 015 17/05/04 PBalancer2 105	ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmic PE 105	ULIF 034 20/03/07 PFlexiBal1 105	ULIF 035 20/03/07 PFlexiBal2 105	ULIF 029 20/03/07 PFlexiGro1 105	ULIF 030 20/03/07 PFlexiGro2 105	ULIF 095 11/01/10 PIncome 105	ULIF 004 03/05/02 PMaximis1 105	ULIF 013 17/05/04 PMaximis2 105
Income from investments													
Interest income		23,019	339,481	432,362	305	38,642	43,970	61,404	82,186	82,618	422,781	13,015	58,057
Dividend income		1,641	37,672	49,354	23,314	152,489	8,799	12,828	428,121	499,116	—	70,052	261,726
Profit/(loss) on sale of investment		(2,381)	88,482	116,912	(25,256)	63	1,620	5,070	868,626	1,089,370	69,057	494,004	1,804,295
Profit/(loss) on inter fund transfer/ sale of investment		98	(9,748)	(11,924)	(5,813)	2,132	(3,335)	(5,311)	(85,657)	(132,145)	(235)	37,159	139,762
Unrealised gain/(loss)*		(3,849)	(208,898)	(299,145)	(45,195)	(805,412)	(44,460)	(70,840)	(2,625,474)	(3,212,874)	5,718	(861,020)	(3,330,213)
Appropriation-Expropriation		(321)	(7,012)	(9,398)	(3,796)	(30,282)	(1,918)	(2,775)	(78,024)	(98,478)	(190)	18,946	71,565
Total income (A)		**18,207**	**239,977**	**278,161**	**(56,441)**	**(642,368)**	**4,676**	**376**	**(1,410,222)**	**(1,772,393)**	**497,131**	**(227,844)**	**(994,808)**
Fund management expenses #		5,338	69,915	92,213	23,093	182,303	28,643	18,398	666,518	509,735	72,563	66,932	375,683
Fund administration expenses #		—	87,394	—	—	—	—	—	—	—	—	83,665	—
Other charges	F-5	3,338	52,356	55,293	129,900	1,012,293	15,968	14,017	441,896	246,006	405,094	28,881	87,205
Total expenditure (B)		**8,676**	**209,665**	**147,506**	**152,993**	**1,194,596**	**44,611**	**32,415**	**1,108,414**	**755,741**	**477,657**	**179,478**	**462,888**
Net income for the year (A-B)		**9,531**	**30,312**	**130,655**	**(209,434)**	**(1,836,964)**	**(39,935)**	**(32,039)**	**(2,518,636)**	**(2,528,134)**	**19,474**	**(407,322)**	**(1,457,696)**
Add: Fund revenue account at the beginning of the year		83,497	2,030,891	2,897,417	(49,733)	44,934	91,028	340,586	4,956,997	10,350,933	(197,567)	3,938,683	12,574,134
Fund revenue account at the end of the year		**93,028**	**2,061,203**	**3,028,072**	**(259,167)**	**(1,792,030)**	**51,093**	**308,547**	**2,438,361**	**7,822,799**	**(178,093)**	**3,531,361**	**11,116,438**

* Net change in mark to market value of investments
# Gross of service tax

(₹ in '000)

Particulars	Schedule	Linked Pension Funds											
		Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund	Pension Multiplier Fund II	Pension Opportunities Fund	Pension Preserver Fund	Pension Protector Fund	Pension Protector Fund II	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	Pension Return Guarantee Fund III
		ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105	ULIF 043 25/02/08 PMultip1 105	ULIF 045 25/02/08 PMultip2 105	ULIF 092 11/01/10 POpport 105	ULIF 011 17/05/04 PPreserv 105	ULIF 006 03/05/02 PProtect1 105	ULIF 017 17/05/04 PProtect2 105	ULIF 055 18/12/08 PRGF1 105	ULIF 064 27/01/09 PRGF2 105	ULIF 067 26/02/09 PRGF3 105
Income from investments													
Interest income		129,599	52,569	55,191	3,212	1,653	17,551	428,108	1,286,636	602,542	177,168	161,615	147,697
Dividend income		—	12,190	160,280	116,304	70,536	60,512	—	—	—	—	—	—
Profit/(loss) on sale of investment		7,493	(16,636)	(77,615)	147,681	69,230	(149,346)	19,106	80,475	39,412	(2,721)	(593)	858
Profit/(loss) on inter fund transfer/ sale of investment		—	1,156	811	(17,744)	(24,563)	378	—	1,508	2,568	311	(3,550)	(8,149)
Unrealised gain/(loss)*		(80)	(34,065)	(235,353)	(757,506)	(445,609)	(141,183)	(305)	37,668	16,855	6,199	9,221	16,335
Appropriation-Expropriation		51	(2,130)	(25,505)	(21,919)	(13,921)	(11,504)	(200)	(692)	(306)	105	95	91
Total income (A)		**137,063**	**13,084**	**(122,191)**	**(529,972)**	**(342,674)**	**(223,592)**	**446,709**	**1,405,595**	**661,071**	**181,062**	**166,788**	**156,832**
Fund management expenses #		12,263	22,031	157,095	174,303	70,032	68,504	40,119	40,589	61,510	33,797	31,191	29,991
Fund administration expenses #		—	—	—	—	—	—	—	202,945	—	—	—	—
Other charges	F-5	115,749	115,599	874,264	103,920	46,393	383,928	41,649	212,485	42,095	24,836	15,407	17,458
Total expenditure (B)		**128,012**	**137,630**	**1,031,359**	**278,223**	**116,425**	**452,432**	**81,768**	**456,019**	**103,605**	**58,633**	**46,598**	**47,449**
Net income for the year (A-B)		**9,051**	**(124,546)**	**(1,153,550)**	**(808,195)**	**(459,099)**	**(676,024)**	**364,941**	**949,576**	**557,466**	**122,429**	**120,190**	**109,383**
Add: Fund revenue account at the beginning of the year		(26,971)	(45,917)	120,391	1,166,841	863,034	(67,346)	307,850	1,419,043	943,891	226,317	230,490	201,259
Fund revenue account at the end of the year		**(17,920)**	**(170,463)**	**(1,033,159)**	**358,646**	**403,935**	**(743,370)**	**672,791**	**2,368,619**	**1,501,357**	**348,746**	**350,680**	**310,642**

* Net change in mark to market value of investments
# Gross of service tax

3.20 Fund Revenue Account for the year ended March 31, 2012 (Contd.)

Form A-RA(UL)-

(₹ in '000)

Particulars	Schedule	Linked Pension Funds											
		Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Return Guarantee Fund VIII	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund X (10 Yrs)	Pension Return Guarantee Fund XI (10 Yrs)	Pension RICH Fund	Pension RICH Fund II	Secure Plus Pension Fund	Total
		ULIF 070 31/03/09 PRGF4 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 113 13/01/11 PRGF(S3) 105	ULIF 122 19/04/11 PRGF(S4) 105	ULIF 052 17/03/08 PRICH1 105	ULIF 053 17/03/08 PRICH2 105	ULIF 009 17/11/03 PSecPlus 105	
Income from investments													
Interest income		56,333	27,178	36,814	61,228	12,157	3,829	8,858	992	107,602	71,221	11,166	**5,058,759**
Dividend income		—	—	—	—	—	—	—	—	378,410	302,620	408	**2,646,372**
Profit/(loss) on sale of investment		(595)	367	596	(840)	(223)	(64)	(74)	72	415,924	294,599	313	**5,337,281**
Profit/(loss) on inter fund transfer/ sale of investment		(1,068)	(124)	(621)	(1,816)	(190)	(78)	(160)	22	(132,864)	(108,113)	(68)	**(367,371)**
Unrealised gain/(loss)*		1,678	682	170	1,344	(2,255)	(736)	(1,822)	(76)	(2,214,004)	(1,797,335)	(2,327)	**(17,044,166)**
Appropriation-Expropriation		33	17	22	37	(7)	(2)	(5)	—	(74,183)	(61,067)	(8)	**(352,681)**
Total income (A)		**56,381**	**28,120**	**36,981**	**59,953**	**9,482**	**2,949**	**6,797**	**1,010**	**(1,519,115)**	**(1,298,075)**	**9,484**	**(4,721,806)**
Fund management expenses #		10,825	5,484	7,275	12,052	2,299	728	1,695	194	603,973	317,355	2,234	**3,816,873**
Fund administration expenses #		—	—	—	—	—	—	—	—	—	—	—	**374,004**
Other charges	F-5	8,163	5,061	6,702	21,335	267	100	415	147	371,465	241,161	924	**5,141,770**
Total expenditure (B)		**18,988**	**10,545**	**13,977**	**33,387**	**2,566**	**828**	**2,110**	**341**	**975,438**	**558,516**	**3,158**	**9,332,647**
Net income for the year (A-B)		**37,393**	**17,575**	**23,004**	**26,566**	**6,916**	**2,121**	**4,687**	**669**	**(2,494,553)**	**(1,856,591)**	**6,326**	**(14,054,453)**
Add: Fund revenue account at the beginning of the year		51,560	14,233	18,317	1,075	3,670	930	1,455	—	4,357,852	4,620,796	35,198	**51,505,768**
Fund revenue account at the end of the year		**88,953**	**31,808**	**41,321**	**27,641**	**10,586**	**3,051**	**6,142**	**669**	**1,863,299**	**2,764,205**	**41,524**	**37,451,315**

* Net change in mark to market value of investments
# Gross of service tax

(₹ in '000)

Particulars	Schedule	Linked Health Funds														
		Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund	Health Return Guarantee Fund II	Health Return Guarantee Fund III	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII	Health Return Guarantee Fund IX (5 Yrs)	Total
		ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 062 15/01/09 HRGF1 105	ULIF 065 29/01/09 HRGF2 105	ULIF 068 26/02/09 HRGF3 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105	ULIF 109 22/12/10 HRGF9 105	
Income from investments																
Interest income		4,537	3,264	5,962	73	1,596	34,936	2,231	2,230	2,412	1,261	593	370	221	—	**59,686**
Dividend income		474	583	16,733	2,746	—	—	—	—	—	—	—	—	—	—	**20,536**
Profit/(loss) on sale of investment		(981)	(1,187)	(32,197)	(158)	121	5,479	70	11	85	(60)	(45)	5	(20)	—	**(28,877)**
Profit/(loss) on inter fund transfer/ sale of investment		(114)	21	(9,828)	(1,204)	-	99	(37)	360	(41)	(54)	(60)	(57)	(56)	—	**(10,971)**
Unrealised gain/(loss)*		(132)	(479)	(47,877)	(7,654)	-	1,364	69	(141)	189	180	101	48	67	—	**(54,265)**
Appropriation-Expropriation		(80)	(110)	(3,263)	(454)	(1)	(17)	2	2	2	1	—	—	—	—	**(3,918)**
Total income (A)		**3,704**	**2,092**	**(70,470)**	**(6,651)**	**1,716**	**41,861**	**2,335**	**2,462**	**2,647**	**1,328**	**589**	**366**	**212**	**—**	**(17,809)**
Fund management expenses #		969	952	22,299	2,943	154	3,651	427	462	501	248	109	68	42	—	**32,825**
Fund administration expenses #		—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Other charges	F-5	29,070	35,420	503,234	61,745	4,592	141,988	2,976	3,663	4,015	1,762	935	579	510	1	**790,490**
Total expenditure (B)		**30,039**	**36,372**	**525,533**	**64,688**	**4,746**	**145,639**	**3,403**	**4,125**	**4,516**	**2,010**	**1,044**	**647**	**552**	**1**	**823,315**
Net income for the year (A-B)		**(26,335)**	**(34,280)**	**(596,003)**	**(71,339)**	**(3,030)**	**(103,778)**	**(1,068)**	**(1,663)**	**(1,869)**	**(682)**	**(455)**	**(281)**	**(340)**	**(1)**	**(841,124)**
Add: Fund revenue account at the beginning of the year		(27,164)	(24,781)	(410,360)	(49,601)	(5,243)	(157,159)	(37,946)	(45,244)	(44,840)	(19,931)	(10,787)	(6,171)	(3,060)	(1)	**(842,288)**
Fund revenue account at the end of the year		**(53,499)**	**(59,061)**	**(1,006,363)**	**(120,940)**	**(8,273)**	**(260,937)**	**(39,014)**	**(46,907)**	**(46,709)**	**(20,613)**	**(11,242)**	**(6,452)**	**(3,400)**	**(2)**	**(1,683,412)**

* Net change in mark to market value of investments
# Gross of service tax

3.20 Fund Revenue Account for the year ended March 31, 2012 (Contd.)

Form A-RA(UL)-

(₹ in '000)

Particulars	Schedule	Linked Group Funds												
		Group Balanced Fund	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Balanced Fund II	Group Capital Guarantee Debt Fund	Group Capital Guarantee Debt Fund II	Group Capital Guarantee Growth Fund	Group Capital Guarantee Growth Fund II	Group Capital Guarantee Short Term Debt Fund	Group Capital Guarantee Short Term Debt Fund II	Group Debt Fund	Group Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund
		ULGF 001 03/04/03 GBalancer 105	ULGF 006 03/10/05 GCGBal1 105	ULGF 010 21/03/07 GCGBal2 105	ULGF 007 28/10/05 GCGDebt1 105	ULGF 011 21/03/07 GCGDebt2 105	ULGF 008 11/12/06 GCGGrowth1 105	ULGF 012 05/07/07 GCGGrowth2 105	ULGF 005 24/02/04 GCGSTDebt1 105	ULGF 009 16/03/07 GCGSTDebt2 105	ULGF 002 03/04/03 GDebt 105	ULGF 004 30/10/03 GGrowth 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105
Income from investments														
Interest income		1,179,396	7,152	141,114	800	32,581	1,184	2,228	9,348	231,727	611,277	198,410	37,102	5,401
Dividend income		31,284	199	3,915	—	—	100	187	—	—	—	37,364	1,022	—
Profit/(loss) on sale of investment		186,966	1,293	21,647	195	7,204	407	966	397	9,533	75,035	197,805	5,222	1,717
Profit/(loss) on inter fund transfer/ sale of investment		9,316	(59)	(62)	59	2,315	11	17	(2)	(49)	16,136	17,219	102	108
Unrealised gain/(loss)*		(176,241)	(603)	(14,670)	9	(62)	(404)	(841)	(5)	(163)	16,789	(263,373)	(3,961)	98
Appropriation-Expropriation		(9,554)	(59)	(1,177)	1	20	(27)	(47)	(5)	(112)	(311)	(9,588)	(301)	(2)
Total income (A)		**1,221,167**	**7,923**	**150,767**	**1,064**	**42,058**	**1,271**	**2,510**	**9,733**	**240,936**	**718,926**	**177,837**	**39,186**	**7,322**
Fund management expenses #		228,283	2,405	37,274	182	6,519	707	1,005	1,310	38,744	101,618	79,041	7,577	927
Fund administration expenses #		—	—	—	—	—	—	—	—	—	—	—	—	—
Other charges	F-5	—	—	—	—	—	—	—	—	—	—	—	—	—
Total expenditure (B)		**228,283**	**2,405**	**37,274**	**182**	**6,519**	**707**	**1,005**	**1,310**	**38,744**	**101,618**	**79,041**	**7,577**	**927**
Net income for the year (A-B)		**992,884**	**5,518**	**113,493**	**882**	**35,539**	**564**	**1,505**	**8,423**	**202,192**	**617,308**	**98,796**	**31,609**	**6,395**
Add: Fund revenue account at the beginning of the year		3,472,375	66,954	273,497	1,984	349,209	6,425	14,329	55,875	503,957	1,021,402	1,718,290	107,408	4,434
Fund revenue account at the end of the year		**4,465,259**	**72,472**	**386,990**	**2,866**	**384,748**	**6,989**	**15,834**	**64,298**	**706,149**	**1,638,710**	**1,817,086**	**139,017**	**10,829**

* Net change in mark to market value of investments
# Gross of service tax

(₹ in '000)

Particulars	Schedule	Linked Group Funds											
		Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund - A4	Group Return Guarantee Fund - S5	Group Return Guarantee Fund II	Group Return Guarantee Fund III	Group Return Guarantee Fund-S6	Group Return Guarantee Fund-S7	Group Short Term Debt fund	Group Superannuation Corporate Bond Fund	Total	Grand Total
		ULGF 024 26/02/10 GLEST 105	ULGF 021 10/02/09 GRGF1 105	ULGF 025 14/03/11 GRGFA4 105	ULGF 026 14/03/11 GRGFS5 105	ULGF 022 30/03/09 GRGF2 105	ULGF 023 16/06/09 GRGF3 105	ULGF 027 14/03/11 GRGFS6 105	ULGF 028 01/07/11 GRGFS7 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 015 22/12/08 GSACorBon 105		
Income from investments													
Interest income		20,711	214,301	5,488	10,730	11,026	201,197	4	32,243	457,597	154,984	**3,565,999**	**14,379,055**
Dividend income		—	—	—	—	—	—	—	—	—	—	**74,071**	**5,837,055**
Profit/(loss) on sale of investment		1,469	1,315	379	142	160	2,469	—	603	16,973	2,533	**534,430**	**16,705,966**
Profit/(loss) on inter fund transfer/ sale of investment		56	(5,031)	207	(204)	(1,337)	(7,291)	(1)	1,110	—	2,572	**35,193**	**657,463**
Unrealised gain/(loss)*		12	30,828	(43)	(290)	1,417	1,310	-	(703)	84	(8,215)	**(419,027)**	**(45,060,607)**
Appropriation-Expropriation		1	133	(3)	-	6	(112)	-	-	223	(78)	**(20,992)**	**(24,288)**
Total income (A)		**22,249**	**241,546**	**6,028**	**10,378**	**11,272**	**197,573**	**3**	**33,253**	**474,877**	**151,796**	**3,769,674**	**(7,505,356)**
Fund management expenses #		3,243	53,295	1,067	2,261	2,482	45,194	1	6,757	68,515	25,753	**714,159**	**9,034,512**
Fund administration expenses #		—	—	—	—	—	—	—	—	—	—	**—**	**1,485,752**
Other charges	F-5	—	—	—	—	—	—	—	—	—	—	**—**	**11,251,249**
Total expenditure (B)		**3,243**	**53,295**	**1,067**	**2,261**	**2,482**	**45,194**	**1**	**6,757**	**68,515**	**25,753**	**714,159**	**21,771,513**
Net income for the year (A-B)		**19,006**	**188,251**	**4,961**	**8,117**	**8,790**	**152,379**	**2**	**26,496**	**406,362**	**126,043**	**3,055,515**	**(29,276,869)**
Add: Fund revenue account at the beginning of the year		4,960	391,701	286	—	14,877	210,401	—	—	1,347,905	7,710	**9,573,979**	**160,601,120**
Fund revenue account at the end of the year		**23,966**	**579,952**	**5,247**	**8,117**	**23,667**	**362,780**	**2**	**26,496**	**1,754,267**	**133,753**	**12,629,494**	**131,324,250**

* Net change in mark to market value of investments
# Gross of service tax

Schedule F - 5

OTHER EXPENSES FOR THE YEAR ENDED MARCH 31, 2012

(₹ in '000)

Particulars	Linked Life Funds											
	Anmol Nivesh Fund ULIF 072 28/04/09 LAnmolNiv 105	Balancer Fund ULIF 002 22/10/01 LBalancer1 105	Balancer Fund II ULIF 014 17/05/04 LBalancer2 105	Balancer Fund III ULIF 023 13/03/06 LBalancer3 105	Balancer Fund IV ULIF 039 27/08/07 LBalancer4 105	Bluechip Fund ULIF 087 24/11/09 LBluChip 105	Cash Plus Fund ULIF 008 11/08/03 LCashPlus 105	Discontinued Fund - Life ULIF 100 01/07/10 LDiscont 105	Dynamic P/E Fund ULIF 097 11/01/10 LDynmicPE 105	Flexi Balanced Fund ULIF 031 20/03/07 LFlexiBal1 105	Flexi Balanced Fund II ULIF 032 20/03/07 LFlexiBal2 105	Flexi Balanced Fund III ULIF 033 20/03/07 LFlexiBal3 105
Policy administration charge	149	419	20,204	1,093	6,608	28,286	6,716	—	244,248	9	7,948	251
Surrender charge *	—	—	—	—	—	—	—	—	—	—	—	—
Switching charge *	—	—	—	—	—	—	—	—	—	—	—	—
Mortality charge	50	58,160	26,673	1,622	7,062	11,771	19,149	—	152,209	6,552	7,557	455
Rider premium charge	—	12,049	13,781	—	122	1,887	—	—	15,850	1,190	5,365	—
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—
Service tax	41	11,039	7,635	269	2,363	5,683	3,914	—	56,396	1,392	2,669	70
Total	**240**	**81,667**	**68,293**	**2,984**	**16,155**	**47,627**	**29,779**	**—**	**468,703**	**9,143**	**23,539**	**776**

* Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

(₹ in '000)

Particulars	Linked Life Funds											
	Flexi Balanced Fund IV ULIF 040 27/08/07 LFlexiBal4 105	Flexi Growth Fund ULIF 026 20/03/07 LFlexiGro1 105	Flexi Growth Fund II ULIF 027 20/03/07 LFlexiGro2 105	Flexi Growth Fund III ULIF 028 20/03/07 LFlexiGro3 105	Flexi Growth Fund IV ULIF 038 27/08/07 LFlexiGro4 105	Highest NAV Fund B ULIF 116 15/03/11 LHighNavB 105	Income Fund ULIF 089 24/11/09 LIncome 105	Invest Shield Cash Fund ULIF 020 03/01/05 LInvCash 105	Invest Shield Fund - Life ULIF 018 03/01/05 LInvShld 105	Maximiser Fund ULIF 001 22/10/01 LMaximis1 105	Maximiser Fund II ULIF 012 17/05/04 LMaximis2 105	Maximiser Fund III ULIF 022 13/03/06 LMaximis3 105
Policy administration charge	2,261	53	174,089	8,062	163,017	131,391	65,369	51,886	17,982	1,128	70,294	9,099
Surrender charge *	—	—	—	—	—	—	—	—	—	—	—	—
Switching charge *	—	—	—	—	—	—	—	—	—	—	—	—
Mortality charge	2,424	117,441	137,432	7,914	118,422	153,473	31,184	50,542	12,702	202,317	89,743	10,963
Rider premium charge	93	23,654	90,460	—	7,056	37	6,316	177	1,839	50,449	41,438	—
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—
Service tax	774	24,466	47,154	1,555	40,351	92,314	15,082	12,002	3,786	39,446	22,137	1,971
Total	**5,552**	**165,614**	**449,135**	**17,531**	**328,846**	**377,215**	**117,951**	**114,607**	**36,309**	**293,340**	**223,612**	**22,033**

* Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

(₹ in '000)

Particulars	Linked Life Funds											
	Maximiser Fund IV ULIF 037 27/08/07 LMaximis4 105	Maximiser Fund V ULIF 114 15/03/11 LMaximis5 105	Money Market Fund ULIF 090 24/11/09 LMoneyMkt 105	Multi Cap Balanced Fund ULIF 088 24/11/09 LMCapBal 105	Multi Cap Growth Fund ULIF 085 24/11/09 LMCapGro 105	Multiplier Fund ULIF 042 22/11/07 LMultip1 105	Multiplier Fund II ULIF 044 25/02/08 LMultip2 105	Multiplier Fund III ULIF 046 25/02/08 LMultip3 105	Multiplier Fund IV ULIF 047 25/02/08 LMultip4 105	New Invest Shield Balanced Fund ULIF 025 21/08/06 LInvShldNw 105	Opportunities Fund ULIF 086 24/11/09 LOpport 105	Pinnacle Fund ULIF 081 26/10/09 LPinnacle 105
Policy administration charge	7,074	3,260	18,229	13,504	218,563	(11)	28,179	1,006	11,538	27,756	59,383	317,971
Surrender charge *	—	—	—	—	—	—	—	—	—	—	—	—
Switching charge *	—	—	—	—	—	—	—	—	—	—	—	—
Mortality charge	7,021	5,432	9,147	7,467	90,503	53,536	23,031	938	13,381	14,007	25,526	54,895
Rider premium charge	483	2	1,544	1,718	19,954	9,158	17,219	—	816	—	4,779	—
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—
Service tax	1,636	3,120	4,452	3,473	45,413	11,704	8,354	188	3,376	4,964	12,490	41,987
Total	**16,214**	**11,814**	**33,372**	**26,162**	**374,433**	**74,387**	**76,783**	**2,132**	**29,111**	**46,727**	**102,178**	**414,853**

* Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

(₹ in '000)

Particulars	Linked Life Funds											
	Pinnacle Fund II ULIF 105 26/10/10 LPinnacle2 105	Preserver Fund ULIF 010 17/05/04 LPreserv1 105	Preserver Fund III ULIF 021 13/03/06 LPreserv3 105	Preserver Fund IV ULIF 036 27/08/07 LPreserv4 105	Protector Fund ULIF 003 22/10/01 LProtect1 105	Protector Fund II ULIF 016 17/05/04 LProtect2 105	Protector Fund III ULIF 024 13/03/06 LProtect3 105	Protector Fund IV ULIF 041 27/08/07 LProtect4 105	Return Guarantee Fund ULIF 054 18/12/08 LRGF1 105	Return Guarantee Fund II ULIF 063 27/01/09 LRGF(T2) 105	Return Guarantee Fund III ULIF 066 26/02/09 LRGF(T3) 105	Return Guarantee Fund IV ULIF 069 31/03/09 LRGF(T4) 105
Policy administration charge	62,138	3,530	300	1,165	151	15,659	1,018	52,251	2,840	4,038	4,642	1,903
Surrender charge *	—	—	—	—	—	—	—	—	—	—	—	—
Switching charge *	—	—	—	—	—	—	—	—	—	—	—	—
Mortality charge	66,546	16,742	710	1,533	40,202	28,388	2,040	47,018	5,219	6,726	4,374	2,008
Rider premium charge	—	4,401	—	70	7,454	11,407	—	2,213	746	1,311	1,430	560
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—
Service tax	20,348	3,466	105	410	6,961	6,658	306	14,427	1,084	1,385	1,180	505
Total	**149,032**	**28,139**	**1,115**	**3,178**	**54,768**	**62,112**	**3,364**	**115,909**	**9,889**	**13,460**	**11,626**	**4,976**

* Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

Schedule F - 5

OTHER EXPENSES FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

(₹ in '000)

Particulars	Linked Life Funds									
	Return Guarantee Fund V	Return Guarantee Fund VI	Return Guarantee Fund VII	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund XI (5 Yrs)
	ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105	ULIF 082 16/11/09 LRGF(T7) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 104 12/10/10 LRGF(S1) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 107 22/12/10 LRGF(S2) 105	ULIF 111 13/01/11 LRGF(T10) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 120 17/03/11 LRGF(T11) 105
Policy administration charge	1,116	721	405	3,703	962	6,680	629	15,736	2,482	16,496
Surrender charge *	—	—	—	—	—	—	—	—	—	—
Switching charge *	—	—	—	—	—	—	—	—	—	—
Mortality charge	779	669	301	3,995	950	4,168	444	13,168	2,772	12,415
Rider premium charge	345	313	186	5	10	-	3	17	39	284
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—
Service tax	388	318	143	892	221	1,077	107	2,885	536	3,909
Total	**2,628**	**2,021**	**1,035**	**8,595**	**2,143**	**11,925**	**1,183**	**31,806**	**5,829**	**33,104**

* Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

(₹ in '000)

Particulars	Linked Life Funds								
	Return Guarantee Fund XI (10 Yrs)	RICH Fund	RICH Fund II	RICH Fund III	RICH Fund IV	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund	Total
	ULIF 121 19/04/11 LRGF(S4) 105	ULIF 048 17/03/08 LRICH1 105	ULIF 049 17/03/08 LRICH2 105	ULIF 050 17/03/08 LRICH3 105	ULIF 051 17/03/08 LRICH4 105	ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105	
Policy administration charge	752	(46)	182,671	3,683	57,949	1,800	1,186	4,793	**2,168,367**
Surrender charge *	—	—	—	—	—	—	—	—	**—**
Switching charge *	—	—	—	—	—	—	—	—	**—**
Mortality charge	519	53,776	105,654	2,931	54,273	2,461	—	—	**2,011,482**
Rider premium charge	94	8,329	91,140	—	3,100	—	—	—	**460,893**
Partial withdrawal charge	—	—	—	—	—	—	—	—	**—**
Service tax	222	13,305	45,893	640	16,029	638	106	437	**678,247**
Total	**1,587**	**75,364**	**425,358**	**7,254**	**131,351**	**4,899**	**1,292**	**5,230**	**5,318,989**

* Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

(₹ in '000)

Particulars	Linked Pension Funds											
	Invest Shield Fund - Pension	Pension Balancer Fund	Pension Balancer Fund II	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Flexi Balanced Fund	Pension Flexi Balanced Fund II	Pension Flexi Growth Fund	Pension Flexi Growth Fund II	Pension Income Fund	Pension Maximiser Fund	Pension Maximiser Fund II
	ULIF 019 03/01/05 PInvShld 105	ULIF 005 03/05/02 PBalancer1 105	ULIF 015 17/05/04 PBalancer2 105	ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105	ULIF 034 20/03/07 PFlexiBal1 105	ULIF 035 20/03/07 PFlexiBal2 105	ULIF 029 20/03/07 PFlexiGro1 105	ULIF 030 20/03/07 PFlexiGro2 105	ULIF 095 11/01/10 PIncome 105	ULIF 004 03/05/02 PMaximis1 105	ULIF 013 17/05/04 PMaximis2 105
Policy administration charge	2,289	44,986	46,366	118,090	921,025	14,538	11,658	403,876	195,732	365,931	21,810	65,929
Surrender charge *	—	—	—	—	—	—	—	—	—	—	—	—
Switching charge *	—	—	—	—	—	—	—	—	—	—	—	—
Mortality charge	580	1,503	2,900	466	3,934	33	850	243	22,655	3,779	2,460	10,019
Rider premium charge	99	556	568	—	—	9	142	97	3,616	—	1,051	2,211
Partial withdrawal charge	—	—	—	—	—	-	—	–	—	—	—	—
Service tax	370	5,311	5,459	11,344	87,334	1,388	1,367	37,680	24,003	35,384	3,560	9,046
Total	**3,338**	**52,356**	**55,293**	**129,900**	**1,012,293**	**15,968**	**14,017**	**441,896**	**246,006**	**405,094**	**28,881**	**87,205**

* Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

(₹ in '000)

Particulars	Linked Pension Funds											
	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund	Pension Multiplier Fund II	Pension Opportunities Fund	Pension Preserver Fund	Pension Protector Fund	Pension Protector Fund II	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	Pension Return Guarantee Fund III
	ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105	ULIF 043 25/02/08 PMultip1 105	ULIF 045 25/02/08 PMultip2 105	ULIF 092 11/01/10 POpport 105	ULIF 011 17/05/04 PPreserv 105	ULIF 006 03/05/02 PProtect1 105	ULIF 017 17/05/04 PProtect2 105	ULIF 055 18/12/08 PRGF1 105	ULIF 064 27/01/09 PRGF2 105	ULIF 067 26/02/09 PRGF3 105
Policy administration charge	102,751	105,225	792,894	95,014	38,000	348,961	37,363	191,493	34,530	22,035	13,724	15,620
Surrender charge *	—	—	—	—	—	—	—	—	—	—	—	—
Switching charge *	—	—	—	—	—	—	—	—	—	—	—	—
Mortality charge	328	280	7,948	34	3,344	1,299	456	1,427	3,110	487	239	243
Rider premium charge	—	—	—	14	539	—	94	594	370	81	38	42
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—
Service tax	12,670	10,094	73,422	8,858	4,510	33,668	3,736	18,971	4,085	2,233	1,406	1,553
Total	**115,749**	**115,599**	**874,264**	**103,920**	**46,393**	**383,928**	**41,649**	**212,485**	**42,095**	**24,836**	**15,407**	**17,458**

* Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

Schedule F - 5

OTHER EXPENSES FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)

(₹ in '000)

Particulars	Linked Pension Funds											
	Pension Return Guarantee Fund IV	Pension Return Guarantee Fund V	Pension Return Guarantee Fund VI	Pension Return Guarantee Fund VII	Pension Return Guarantee Fund VIII	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund X (10 Yrs)	Pension Return Guarantee Fund XI (10 Yrs)	Pension RICH Fund	Pension RICH Fund II	Secure Plus Pension Fund	Total
	ULIF 070 31/03/09 PRGF4 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 113 13/01/11 PRGF(S3) 105	ULIF 122 19/04/11 PRGF(S4) 105	ULIF 052 17/03/08 PRICH1 105	ULIF 053 17/03/08 PRICH2 105	ULIF 009 17/11/03 PSecPlus 105	
Policy administration charge	7,331	4,536	6,090	19,526	233	86	376	104	339,938	198,028	458	**4,586,546**
Surrender charge *	—	—	—	—	—	—	—	—	—	—	—	**—**
Switching charge *	—	—	—	—	—	—	—	—	—	—	—	**—**
Mortality charge	94	54	18	11	—	5	2	1	3	16,722	310	**85,837**
Rider premium charge	16	9	3	2	—	—	1	—	—	2,838	—	**12,990**
Partial withdrawal charge	—	—	—	—	–	—	—	—	—	—	—	**—**
Service tax	722	462	591	1,796	34	9	36	42	31,524	23,573	156	**456,397**
Total	**8,163**	**5,061**	**6,702**	**21,335**	**267**	**100**	**415**	**147**	**371,465**	**241,161**	**924**	**5,141,770**

* Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

(₹ in '000)

Particulars	Linked Health Funds														
	Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund	Health Return Guarantee Fund II	Health Return Guarantee Fund III	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII	Health Return Guarantee Fund IX (5 Yrs)	Total
	ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 062 15/01/09 HRGF1 105	ULIF 065 29/01/09 HRGF2 105	ULIF 068 26/02/09 HRGF3 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105	ULIF 109 22/12/10 HRGF9 105	
Policy administration charge	2,728	3,305	48,636	6,024	434	13,046	353	401	420	184	93	63	51	—	**75,738**
Surrender charge *	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Switching charge *	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Mortality charge	22,977	27,681	395,427	48,749	3,671	112,972	2,341	2,919	3,215	1,411	742	455	406	1	**622,967**
Rider premium charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Service tax	3,365	4,434	59,171	6,972	487	15,970	282	343	380	167	100	61	53	—	**91,785**
Total	**29,070**	**35,420**	**503,234**	**61,745**	**4,592**	**141,988**	**2,976**	**3,663**	**4,015**	**1,762**	**935**	**579**	**510**	**1**	**790,490**

* Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

(₹ in '000)

Particulars	Linked Group Funds												
	Group Balanced Fund	Group Capital Guarantee Balanced Fund	Group Capital Guarantee Balanced Fund II	Group Capital Guarantee Debt Fund	Group Capital Guarantee Debt Fund II	Group Capital Guarantee Growth Fund	Group Capital Guarantee Growth Fund II	Group Capital Guarantee Short Term Debt Fund	Group Capital Guarantee Short Term Debt Fund II	Group Debt Fund	Group Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund
	ULGF 001 03/04/03 GBalancer 105	ULGF 006 03/10/05 GCGBal1 105	ULGF 010 21/03/07 GCGBal2 105	ULGF 007 28/10/05 GCGDebt1 105	ULGF 011 21/03/07 GCGDebt2 105	ULGF 008 11/12/06 GCGGrowth1 105	ULGF 012 05/07/07 GCGGrowth2 105	ULGF 005 24/02/04 GCGSTDebt1 105	ULGF 009 16/03/07 GCGSTDebt2 105	ULGF 002 03/04/03 GDebt 105	ULGF 004 30/10/03 GGrowth 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105
Policy administration charge	—	—	—	—	—	—	—	—	—	—	—	—	—
Surrender charge *	—	—	—	—	—	—	—	—	—	—	—	—	—
Switching charge *	—	—	—	—	—	—	—	—	—	—	—	—	—
Mortality charge	—	—	—	—	—	—	—	—	—	—	—	—	—
Rider premium charge	—	—	—	—	—	—	—	—	—	—	—	—	—
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	—
Service tax	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**

* Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

(₹ in '000)

Particulars	Linked Group Funds											
	Group Leave Encashment Short Term Fund	Group Return Guarantee Fund	Group Return Guarantee Fund - A4	Group Return Guarantee Fund - S5	Group Return Guarantee Fund II	Group Return Guarantee Fund III	Group Return Guarantee Fund-S6	Group Return Guarantee Fund-S7	Group Short Term Debt fund	Group Superannuation Corporate Bond Fund	Total	Grand Total
	ULGF 024 26/02/10 GLEST 105	ULGF 021 10/02/09 GRGF1 105	ULGF 025 14/03/11 GRGFA4 105	ULGF 026 14/03/11 GRGFS5 105	ULGF 022 30/03/09 GRGF2 105	ULGF 023 16/06/09 GRGF3 105	ULGF 027 14/03/11 GRGFS6 105	ULGF 028 01/07/11 GRGFS7 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 015 22/12/08 GSACorBon 105		
Policy administration charge	—	—	—	—	—	—	—	—	—	—	—	**6,830,651**
Surrender charge *	—	—	—	—	—	—	—	—	—	—	—	**—**
Switching charge *	—	—	—	—	—	—	—	—	—	—	—	**—**
Mortality charge	—	—	—	—	—	—	—	—	—	—	—	**2,720,286**
Rider premium charge	—	—	—	—	—	—	—	—	—	—	—	**473,883**
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	**—**
Service tax	—	—	—	—	—	—	—	—	—	—	—	**1,226,429**
Total	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**11,251,249**

* Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

3.20 Fund Revenue Account for the year ended March 31, 2011

Form A-RA(UL)-

(₹ in '000)

Particulars	Schedule	Linked Life Funds													
		Anmol Nivesh Fund	Balancer Fund*	Bluechip Fund	Cash Plus Fund*	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund*	Flexi Growth Fund*	Highest NAV Fund B	Income Fund	Invest Shield Fund - Life	Maximiser Fund*	Money Market Fund	Multi Cap Balanced Fund
		ULIF 072 28/04/09 LAnmol Niv 105		ULIF 087 24/11/09 LBluChip 105		ULIF 100 01/07/10 LDiscont 105	ULIF 097 11/01/10 LDynmic PE 105			ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 018 03/01/05 LInvShld 105		ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105
Income from investments															
Interest income		84	1,012,136	14	409,190	1	24,861	81,906	71,409	322	46,576	90,893	120,643	28,456	6,341
Dividend income		—	120,606	1,629	—	—	14,337	18,296	910,171	57	—	4,937	1,350,691	—	617
Profit/(loss) on sale of investment		5	1,738,413	2,054	3,625	—	5,197	134,373	7,269,306	126	6,759	44,621	19,681,873	1,717	2,142
Profit/(loss) on inter fund transfer/ sale of investment		—	384,414	(1,192)	12,753	—	741	87,110	1,092,447	—	404	17,660	3,778,567	—	(119)
Unrealised gain/(loss)**		1	(1,353,872)	10,258	(77,877)	—	62,419	(126,750)	(1,383,521)	17,946	1,990	(45,527)	(11,835,680)	59	1,341
Appropriation-Expropriation		—	3,091	1,231	63	—	23,440	(8,759)	(337,327)	1,708	70	219	55,283	41	886
Total income (A)		**90**	**1,904,788**	**13,994**	**347,754**	**1**	**130,995**	**186,176**	**7,622,485**	**20,159**	**55,799**	**112,803**	**13,151,377**	**30,273**	**11,208**
Fund management expenses #		13	245,339	3,516	76,200	—	40,574	53,288	1,501,233	291	10,111	24,074	1,209,361	3,311	3,160
Fund administration expenses #		—	223,896	—	—	—	—	—	—	—	—	—	1,014,414	—	—
Other charges	F-5	175	187,569	26,151	154,768	—	122,087	42,153	1,092,176	2,638	50,878	44,210	666,273	15,976	11,244
Total expenditure (B)		**188**	**656,804**	**29,667**	**230,968**	**—**	**162,661**	**95,441**	**2,593,409**	**2,929**	**60,989**	**68,284**	**2,890,048**	**19,287**	**14,404**
Net income for the year (A-B)		**(98)**	**1,247,984**	**(15,673)**	**116,786**	**1**	**(31,666)**	**90,735**	**5,029,076**	**17,230**	**(5,190)**	**44,519**	**10,261,329**	**10,986**	**(3,196)**
Add: Fund revenue account at the beginning of the year		(15)	11,724,102	(712)	218,520	—	953	370,253	10,853,149	—	(4,899)	228,204	44,402,254	(475)	(554)
Fund revenue account at the end of the year		**(113)**	**12,972,086**	**(16,385)**	**335,306**	**1**	**(30,713)**	**460,988**	**15,882,225**	**17,230**	**(10,089)**	**272,723**	**54,663,583**	**10,511**	**(3,750)**

* During the year Linked funds with different plans below them have been split into segregated linked funds as per IRDA circular no. IRDA/F&I/CIR/INV/173/08/2011 dated July 29, 2011. Further, as prescribed in the circular a unique Segregated Fund Identification Number (SFIN) is assigned to each segregated fund. Disclosures with respect to funds having plans below them, for the period before the split, are hence not identified with SFIN
** Net change in mark to market value of investments
\# Gross of service tax

(₹ in '000)

Particulars	Schedule	Linked Life Funds													
		Multi Cap Growth Fund	Multiplier Fund*	New Invest Shield Balanced Fund	Opportunities Fund	Pinnacle Fund	Pinnacle Fund II	Preserver Fund*	Protector Fund*	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III	Return Guarantee Fund IV	Return Guarantee Fund V	Return Guarantee Fund VI
		ULIF 085 24/11/09 LMCapGro 105		ULIF 025 21/08/06 LInvShldNw 105	ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09 LPinnacle 105	ULIF 105 26/10/10 LPinnacle2 105			ULIF 054 18/12/08 LRGF1 105	ULIF 063 27/01/09 LRGF(T2) 105	ULIF 066 26/02/09 LRGF(T3) 105	ULIF 069 31/03/09 LRGF(T4) 105	ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105
Income from investments															
Interest income		4,024	16,509	106,915	1,312	64,348	6,763	265,836	1,115,867	55,967	56,224	54,259	24,417	10,031	9,807
Dividend income		19,664	329,193	9,300	4,021	37,541	1,331	—	—	—	—	—	—	—	—
Profit/(loss) on sale of investment		57,941	1,185,650	98,243	11,607	85,668	(5,255)	14,517	695	3,033	1,441	2,825	1,144	(318)	(178)
Profit/(loss) on inter fund transfer/ sale of investment		9,424	943,444	8,116	(1,847)	3,012	1,495	930	61,620	208	479	672	(440)	(271)	(319)
Unrealised gain/(loss)**		32,679	328,555	(58,744)	11,255	217,844	15,754	(5,007)	(239,946)	(20,075)	(16,947)	(18,095)	(7,747)	(3,315)	(2,667)
Appropriation-Expropriation		11,408	(124,504)	338	2,908	9,323	5,375	(340)	(1,438)	1	1	1	1	—	—
Total income (A)		**135,140**	**2,678,847**	**164,168**	**29,256**	**417,736**	**25,463**	**275,936**	**936,798**	**39,134**	**41,198**	**39,662**	**17,375**	**6,127**	**6,643**
Fund management expenses #		29,931	564,093	32,650	7,575	59,822	6,200	32,507	86,159	10,698	11,227	11,094	4,734	1,970	1,926
Fund administration expenses #		—	—	—	—	4,431	459	—	118,531	—	—	—	—	—	—
Other charges	F-5	182,020	212,296	51,328	47,600	379,377	36,295	31,857	224,020	13,022	17,153	16,738	7,372	4,423	3,547
Total expenditure (B)		**211,951**	**776,389**	**83,978**	**55,175**	**443,630**	**42,954**	**64,364**	**428,710**	**23,720**	**28,380**	**27,832**	**12,106**	**6,393**	**5,473**
Net income for the year (A-B)		**(76,811)**	**1,902,458**	**80,190**	**(25,919)**	**(25,894)**	**(17,491)**	**211,572**	**508,088**	**15,414**	**12,818**	**11,830**	**5,269**	**(266)**	**1,170**
Add: Fund revenue account at the beginning of the year		(5,821)	3,777,296	250,771	(144)	(51,849)	—	601,271	3,383,915	27,171	24,410	19,243	1,655	(2,649)	(890)
Fund revenue account at the end of the year		**(82,632)**	**5,679,754**	**330,961**	**(26,063)**	**(77,743)**	**(17,491)**	**812,843**	**3,892,003**	**42,585**	**37,228**	**31,073**	**6,924**	**(2,915)**	**280**

* During the year Linked funds with different plans below them have been split into segregated linked funds as per IRDA circular no. IRDA/F&I/CIR/INV/173/08/2011 dated July 29, 2011. Further, as prescribed in the circular a unique Segregated Fund Identification Number (SFIN) is assigned to each segregated fund. Disclosures with respect to funds having plans below them, for the period before the split, are hence not identified with SFIN
** Net change in mark to market value of investments
\# Gross of service tax

3.20 Fund Revenue Account for the year ended March 31, 2011 (Contd.)

Form A-RA(UL)-

(₹ in '000)

Particulars	Schedule	Linked Life Funds												
		Return Guarantee Fund VII	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund XI (5 Yrs)	RICH Fund*	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund	Total
		ULIF 082 16/11/09 LRGF(T7) 105	ULIF 104 12/10/10 LRGF(S1) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 107 22/12/10 LRGF(S2) 105	ULIF 111 13/01/11 LRGF(T10) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 120 17/03/11 LRGF(T11) 105		ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105	
Income from investments														
Interest income		3,712	8,720	30,514	22,677	2,370	25,070	3,128	747	34,709	25,186	373	3,302	**3,845,619**
Dividend income		—	—	—	—	—	—	—	—	330,113	24	143	305	**3,152,976**
Profit/(loss) on sale of investment		(14)	(610)	442	667	(36)	1,529	338	80	3,198,129	(660)	35	123	**33,547,247**
Profit/(loss) on inter fund transfer/ sale of investment		13	(889)	(7,795)	(233)	(274)	(83)	28	—	471,109	(83)	—	(18)	**6,861,083**
Unrealised gain/(loss)**		(1,070)	1,982	(8,469)	(4,204)	1,362	4,479	2,662	282	(1,245,991)	(4,547)	965	1,859	**(15,746,359)**
Appropriation-Expropriation		(4)	14	49	63	7	130	21	33	29,157	(175)	25	51	**(327,609)**
Total income (A)		**2,637**	**9,217**	**14,741**	**18,970**	**3,429**	**31,125**	**6,177**	**1,142**	**2,817,226**	**19,745**	**1,541**	**5,622**	**31,332,957**
Fund management expenses #		741	1,766	6,433	4,665	475	5,162	643	173	589,600	4,784	239	1,380	**4,647,118**
Fund administration expenses #		—	—	—	—	—	—	—	—	—	—	—	—	**1,361,731**
Other charges	F-5	2,034	945	3,849	3,281	359	5,076	702	883	653,974	4,664	1,182	4,962	**4,325,257**
Total expenditure (B)		**2,775**	**2,711**	**10,282**	**7,946**	**834**	**10,238**	**1,345**	**1,056**	**1,243,574**	**9,448**	**1,421**	**6,342**	**10,334,106**
Net income for the year (A-B)		**(138)**	**6,506**	**4,459**	**11,024**	**2,595**	**20,887**	**4,832**	**86**	**1,573,652**	**10,297**	**120**	**(720)**	**20,998,851**
Add: Fund revenue account at the beginning of the year		(896)	—	—	—	—	—	—	—	3,502,837	49,947	(183)	(2,054)	**79,364,810**
Fund revenue account at the end of the year		**(1,034)**	**6,506**	**4,459**	**11,024**	**2,595**	**20,887**	**4,832**	**86**	**5,076,489**	**60,244**	**(63)**	**(2,774)**	**100,363,661**

* During the year Linked funds with different plans below them have been split into segregated linked funds as per IRDA circular no. IRDA/F&I/CIR/INV/173/08/2011 dated July 29, 2011. Further, as prescribed in the circular a unique Segregated Fund Identification Number (SFIN) is assigned to each segregated fund. Disclosures with respect to funds having plans below them, for the period before the split, are hence not identified with SFIN
** Net change in mark to market value of investments
# Gross of service tax

(₹ in '000)

Particulars	Schedule	Linked Pension Funds												
		Invest Shield Fund - Pension	Pension Balancer Fund*	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Flexi Balanced Fund*	Pension Flexi Growth Fund*	Pension Income Fund	Pension Maximiser Fund*	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund*	Pension Opportunities Fund
		ULIF 019 03/01/05 PInvShld 105		ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105			ULIF 095 11/01/10 PIncome 105		ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105		ULIF 092 11/01/10 POpport 105
Income from investments														
Interest income		18,162	625,659	124	59,585	83,389	110,657	201,333	32,548	58,351	29,221	7,955	6,732	4,715
Dividend income		856	55,070	9,166	76,928	16,196	814,739	—	491,866	—	5,935	93,725	132,137	37,296
Profit/(loss) on sale of investment		8,468	649,480	14,684	806,639	122,396	5,229,429	8,296	6,267,422	4,722	21,738	349,485	1,253,540	121,771
Profit/(loss) on inter fund transfer/ sale of investment		2,215	193,635	4,250	(207)	35,076	862,036	(229)	923,704	1	(4,434)	169,470	238,445	8,512
Unrealised gain/(loss)**		(6,309)	(643,177)	33,164	33,572	(62,341)	623,324	(6,889)	(3,422,224)	89	17,687	341,072	(767,418)	112,644
Appropriation-Expropriation		45	1,359	2,476	22,676	683	45,756	119	10,388	(66)	1,252	17,706	6,425	7,253
Total income (A)		**23,437**	**882,026**	**63,864**	**999,193**	**195,399**	**7,685,941**	**202,630**	**4,303,704**	**63,097**	**71,399**	**979,413**	**869,861**	**292,191**
Fund management expenses #		4,809	153,886	15,282	121,438	42,818	1,262,350	43,758	536,582	7,277	15,129	106,561	266,704	48,867
Fund administration expenses #		—	75,091	—	—	–	—	—	91,945	—	—	—	—	—
Other charges	F-5	4,087	109,171	102,330	846,045	30,352	756,113	326,824	141,146	75,469	97,541	745,134	170,179	322,355
Total expenditure (B)		**8,896**	**338,148**	**117,612**	**967,483**	**73,170**	**2,018,463**	**370,582**	**769,673**	**82,746**	**112,670**	**851,695**	**436,883**	**371,222**
Net income for the year (A-B)		**14,541**	**543,878**	**(53,748)**	**31,710**	**122,229**	**5,667,478**	**(167,952)**	**3,534,031**	**(19,649)**	**(41,271)**	**127,718**	**432,978**	**(79,031)**
Add: Fund revenue account at the beginning of the year		68,956	4,384,430	4,015	13,224	309,385	9,640,452	(29,615)	12,978,786	(7,322)	(4,646)	(7,327)	1,596,897	11,685
Fund revenue account at the end of the year		**83,497**	**4,928,308**	**(49,733)**	**44,934**	**431,614**	**15,307,930**	**(197,567)**	**16,512,817**	**(26,971)**	**(45,917)**	**120,391**	**2,029,875**	**(67,346)**

* During the year Linked funds with different plans below them have been split into segregated linked funds as per IRDA circular no. IRDA/F&I/CIR/INV/173/08/2011 dated July 29, 2011. Further, as prescribed in the circular a unique Segregated Fund Identification Number (SFIN) is assigned to each segregated fund. Disclosures with respect to funds having plans below them, for the period before the split, are hence not identified with SFIN
** Net change in mark to market value of investments
# Gross of service tax

3.20 Fund Revenue Account for the year ended March 31, 2011 (Contd.)

Form A-RA(UL)-

(₹ in '000)

Particulars	Schedule	Linked Pension Funds														
		Pension Preserver Fund	Pension Protector Fund*	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	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 Return Guarantee Fund VIII	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund X (10 Yrs)	Pension RICH Fund*	Secure Plus Pension Fund	Total
		ULIF 011 17/05/04 PPreserv 105		ULIF 055 18/12/08 PRGF1 105	ULIF 064 27/01/09 PRGF2 105	ULIF 067 26/02/09 PRGF3 105	ULIF 070 31/03/09 PRGF4 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	ULIF 102 12/10/10 PRGF(S1) 105	ULIF 108 22/12/10 PRGF(S2) 105	ULIF 113 13/01/11 PRGF(S3) 105		ULIF 009 17/11/03 PSecPlus 105	
Income from investments																
Interest income		240,765	1,236,892	180,284	160,259	150,546	56,931	28,713	38,039	62,497	4,442	893	881	105,757	10,570	**3,515,900**
Dividend income		—	—	—	—	—	—	—	—	–	—	—	—	517,624	10	**2,251,548**
Profit/(loss) on sale of investment		11,540	5,560	12,885	6,722	4,750	(1,122)	(575)	(929)	(359)	(351)	(71)	87	3,429,007	(207)	**18,325,007**
Profit/(loss) on inter fund transfer/ sale of investment		—	24,069	3,934	(805)	1,803	(1,703)	(1,861)	(2,365)	(2,252)	(295)	(55)	1	598,831	(7)	**3,051,769**
Unrealised gain/(loss)**		119	(182,735)	(74,535)	(56,001)	(46,204)	(12,049)	(7,863)	(8,784)	(15,156)	879	369	726	(339,459)	(2,119)	**(4,489,618)**
Appropriation-Expropriation		75	331	2	2	4	1	1	1	(76)	7	2	5	38,349	(76)	**154,700**
Total income (A)		**252,499**	**1,084,117**	**122,570**	**110,177**	**110,899**	**42,058**	**18,415**	**25,962**	**44,654**	**4,682**	**1,138**	**1,700**	**4,350,109**	**8,171**	**22,809,306**
Fund management expenses #		29,377	81,612	35,359	31,851	31,038	11,079	5,750	7,507	12,673	895	178	180	926,038	2,039	**3,801,037**
Fund administration expenses #		—	153,368	—	—	—	—	—	—	—	—	—	—	—	—	**320,404**
Other charges	F-5	36,916	223,089	34,391	21,232	24,175	11,252	7,566	10,132	27,344	117	30	65	654,996	811	**4,778,862**
Total expenditure (B)		**66,293**	**458,069**	**69,750**	**53,083**	**55,213**	**22,331**	**13,316**	**17,639**	**40,017**	**1,012**	**208**	**245**	**1,581,034**	**2,850**	**8,900,303**
Net income for the year (A-B)		**186,206**	**626,048**	**52,820**	**57,094**	**55,686**	**19,727**	**5,099**	**8,323**	**4,637**	**3,670**	**930**	**1,455**	**2,769,075**	**5,321**	**13,909,003**
Add: Fund revenue account at the beginning of the year		121,644	1,736,886	173,497	173,396	145,573	31,833	9,134	9,994	(3,562)	—	—	—	6,209,573	29,877	**37,596,765**
Fund revenue account at the end of the year		**307,850**	**2,362,934**	**226,317**	**230,490**	**201,259**	**51,560**	**14,233**	**18,317**	**1,075**	**3,670**	**930**	**1,455**	**8,978,648**	**35,198**	**51,505,768**

* During the year Linked funds with different plans below them have been split into segregated linked funds as per IRDA circular no. IRDA/F&I/CIR/INV/173/08/2011 dated July 29, 2011. Further, as prescribed in the circular a unique Segregated Fund Identification Number (SFIN) is assigned to each segregated fund. Disclosures with respect to funds having plans below them, for the period before the split, are hence not identified with SFIN
** Net change in mark to market value of investments
# Gross of service tax

(₹ in '000)

Particulars	Schedule	Linked Health Funds														
		Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund	Health Return Guarantee Fund II	Health Return Guarantee Fund III	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII	Health Return Guarantee Fund IX (5 Yrs)	Total
		ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 062 15/01/09 HRGF1 105	ULIF 065 29/01/09 HRGF2 105	ULIF 068 26/02/09 HRGF3 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105	ULIF 109 22/12/10 HRGF9 105	
Income from investments																
Interest income		2,214	1,402	441	5	691	18,519	2,754	2,789	2,976	1,388	729	427	285	—	**34,620**
Dividend income		168	288	9,363	1,145	—	—	–	—	—	—	—	—	—	—	**10,964**
Profit/(loss) on sale of investment		1,078	1,469	43,013	3,054	56	3,329	611	116	45	52	(32)	(10)	—	—	**52,781**
Profit/(loss) on inter fund transfer/ sale of investment		364	560	15,233	3,146	—	1,107	5	175	133	28	(1)	(41)	(6)	—	**20,703**
Unrealised gain/(loss)**		131	237	4,761	2,852	4	(946)	(476)	(845)	(875)	(325)	(143)	(73)	(57)	—	**4,245**
Appropriation-Expropriation		39	55	1,838	253	—	8	—	—	—	—	—	—	—	—	**2,193**
Total income (A)		**3,994**	**4,011**	**74,649**	**10,455**	**751**	**22,017**	**2,894**	**2,235**	**2,279**	**1,143**	**553**	**303**	**222**	**—**	**125,506**
Fund management expenses #		577	520	14,329	2,009	85	2,241	540	579	610	291	137	85	58	—	**22,061**
Fund administration expenses #		—	—	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Other charges	F-5	22,272	21,623	391,384	49,787	4,055	120,529	5,597	7,470	8,523	4,224	2,909	2,147	2,123	1	**642,644**
Total expenditure (B)		**22,849**	**22,143**	**405,713**	**51,796**	**4,140**	**122,770**	**6,137**	**8,049**	**9,133**	**4,515**	**3,046**	**2,232**	**2,181**	**1**	**664,705**
Net income for the year (A-B)		**(18,855)**	**(18,132)**	**(331,064)**	**(41,341)**	**(3,389)**	**(100,753)**	**(3,243)**	**(5,814)**	**(6,854)**	**(3,372)**	**(2,493)**	**(1,929)**	**(1,959)**	**(1)**	**(539,199)**
Add: Fund revenue account at the beginning of the year		(8,309)	(6,649)	(79,296)	(8,260)	(1,854)	(56,406)	(34,703)	(39,430)	(37,986)	(16,559)	(8,294)	(4,242)	(1,101)	—	**(303,089)**
Fund revenue account at the end of the year		**(27,164)**	**(24,781)**	**(410,360)**	**(49,601)**	**(5,243)**	**(157,159)**	**(37,946)**	**(45,244)**	**(44,840)**	**(19,931)**	**(10,787)**	**(6,171)**	**(3,060)**	**(1)**	**(842,288)**

* During the year Linked funds with different plans below them have been split into segregated linked funds as per IRDA circular no. IRDA/F&I/CIR/INV/173/08/2011 dated July 29, 2011. Further, as prescribed in the circular a unique Segregated Fund Identification Number (SFIN) is assigned to each segregated fund. Disclosures with respect to funds having plans below them, for the period before the split, are hence not identified with SFIN
** Net change in mark to market value of investments
# Gross of service tax

3.20 Fund Revenue Account for the year ended March 31, 2011 (Contd.)

Form A-RA(UL)-

(₹ in '000)

Particulars	Schedule	Linked Group Funds									
		Group Balanced Fund	Group Capital Guarantee Balanced Fund*	Group Capital Guarantee Debt Fund*	Group Capital Guarantee Growth Fund*	Group Capital Guarantee Short Term Debt Fund*	Group Debt Fund	Group Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund
		ULGF 001 03/04/03 GBalancer 105					ULGF 002 03/04/03 GDebt 105	ULGF 004 30/10/03 GGrowth 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105	ULGF 024 26/02/10 GLEST 105
Income from investments											
Interest income		*895,481*	*121,561*	*28,329*	*2,541*	*159,352*	*442,327*	*165,009*	*30,480*	*3,442*	*1,238*
Dividend income		*33,507*	*4,682*	—	*289*	—	—	*43,716*	*1,238*	—	—
Profit/(loss) on sale of investment		*306,572*	*42,109*	*2,686*	*2,945*	*15,948*	*14,612*	*503,828*	*12,328*	*69*	*53*
Profit/(loss) on inter fund transfer/ sale of investment		*79,388*	*10,609*	*1,772*	*194*	*719*	*50,476*	*74,086*	*7,185*	*196*	—
Unrealised gain/(loss)**		*(140,504)*	*(18,254)*	*(800)*	*(31)*	*(8,668)*	*(62,471)*	*(181,390)*	*(9,830)*	*(129)*	*4*
Appropriation-Expropriation		*3,526*	*140*	*(39)*	*19*	*226*	*77*	*1,262*	*577*	—	*(1)*
Total income (A)		**1,177,970**	**160,847**	**31,948**	**5,957**	**167,577**	**445,021**	**606,511**	**41,978**	**3,578**	**1,294**
Fund management expenses #		*213,099*	*38,058*	*6,860*	*1,480*	*35,705*	*86,679*	*78,494*	*7,093*	*668*	*247*
Fund administration expenses #		—	—	—	—	—	—	—	—	—	—
Other charges	F-5	—	—	—	—	—	—	—	—	—	—
Total expenditure (B)		**213,099**	**38,058**	**6,860**	**1,480**	**35,705**	**86,679**	**78,494**	**7,093**	**668**	**247**
Net income for the year (A-B)		**964,871**	**122,789**	**25,088**	**4,477**	**131,872**	**358,342**	**528,017**	**34,885**	**2,910**	**1,047**
Add: Fund revenue account at the beginning of the year		*2,507,504*	*217,662*	*326,105*	*16,277*	*427,960*	*663,060*	*1,190,273*	*72,523*	*1,524*	*3,913*
Fund revenue account at the end of the year		**3,472,375**	**340,451**	**351,193**	**20,754**	**559,832**	**1,021,402**	**1,718,290**	**107,408**	**4,434**	**4,960**

* During the year Linked funds with different plans below them have been split into segregated linked funds as per IRDA circular no. IRDA/F&I/CIR/INV/173/08/2011 dated July 29, 2011. Further, as prescribed in the circular a unique Segregated Fund Identification Number (SFIN) is assigned to each segregated fund. Disclosures with respect to funds having plans below them, for the period before the split, are hence not identified with SFIN
** Net change in mark to market value of investments
# Gross of service tax

(₹ in '000)

Particulars	Schedule	Linked Group Funds								Total	Grand Total
		Group Return Guarantee Fund	Group Return Guarantee Fund - A4	Group Return Guarantee Fund - S5	Group Return Guarantee Fund II	Group Return Guarantee Fund III	Group Return Guarantee Fund - S6	Group Short Term Debt fund	Group Superannuation Corporate Bond Fund		
		ULGF 021 10/02/09 GRGF1 105	ULGF 025 14/03/11 GRGFA4 105	ULGF 026 14/03/11 GRGFS5 105	ULGF 022 30/03/09 GRGF2 105	ULGF 023 16/06/09 GRGF3 105	ULGF 027 14/03/11 GRGFS6 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 015 22/12/08 GSACorBon 105		
Income from investments											
Interest income		*200,779*	*293*	—	*10,273*	*188,295*	—	*303,499*	*6,149*	***2,559,048***	***9,955,187***
Dividend income		—	—	—	—	—	—	—	—	***83,432***	***5,498,920***
Profit/(loss) on sale of investment		*12,473*	*3*	—	*205*	*(534)*	—	*33,822*	*125*	***947,244***	***52,872,279***
Profit/(loss) on inter fund transfer/ sale of investment		*(818)*	—	—	*285*	*1,662*	—	*989*	—	***226,743***	***10,160,298***
Unrealised gain/(loss)**		*(55,487)*	*43*	—	*(2,344)*	*(72,575)*	—	*(10,010)*	*2,389*	***(560,057)***	***(20,791,789)***
Appropriation-Expropriation		*(6)*	*3*	—	—	*5*	—	*85*	*78*	***5,952***	***(164,764)***
Total income (A)		***156,941***	***342***	**—**	***8,419***	***116,853***	**—**	***328,385***	***8,741***	***3,262,362***	***57,530,131***
Fund management expenses #		*50,780*	*56*	—	*2,346*	*42,941*	—	*62,115*	*1,031*	***627,652***	***9,097,868***
Fund administration expenses #		—	—	—	—	—	—	—	—	**—**	***1,682,135***
Other charges	F-5	—	—	—	—	—	—	—	–	**—**	***9,746,763***
Total expenditure (B)		***50,780***	***56***	**—**	***2,346***	***42,941***	**—**	***62,115***	***1,031***	***627,652***	***20,526,766***
Net income for the year (A-B)		***106,161***	***286***	**—**	***6,073***	***73,912***	**—**	***266,270***	***7,710***	***2,634,710***	***37,003,365***
Add: Fund revenue account at the beginning of the year		*285,540*	—	—	*8,804*	*136,489*	—	*1,081,635*	—	***6,939,269***	***123,597,755***
Fund revenue account at the end of the year		***391,701***	***286***	**—**	***14,877***	***210,401***	**—**	***1,347,905***	***7,710***	***9,573,979***	***160,601,120***

* During the year Linked funds with different plans below them have been split into segregated linked funds as per IRDA circular no. IRDA/F&I/CIR/INV/173/08/2011 dated July 29, 2011. Further, as prescribed in the circular a unique Segregated Fund Identification Number (SFIN) is assigned to each segregated fund. Disclosures with respect to funds having plans below them, for the period before the split, are hence not identified with SFIN
** Net change in mark to market value of investments
# Gross of service tax

Schedule: F- 5

OTHER EXPENSES FOR THE YEAR ENDED MARCH 31, 2011

(₹ in '000)

Particulars	Linked Life Funds													
	Anmol Nivesh Fund	Balancer Fund*	Bluechip Fund	Cash Plus Fund*	Discontinued Fund - Life	Dynamic P/E Fund	Flexi Balanced Fund*	Flexi Growth Fund*	Highest NAV Fund B	Income Fund	Invest Shield Fund - Life	Maximiser Fund*	Money Market Fund	Multi Cap Balanced Fund
	ULIF 072 28/04/09 LAnmolNiv 105		ULIF 087 24/11/09 LBluChip 105		ULIF 100 01/07/10 LDiscont 105	ULIF 097 11/01/10 LDynmicPE 105			ULIF 116 15/03/11 LHighNavB 105	ULIF 089 24/11/09 LIncome 105	ULIF 018 03/01/05 LInvShld 105		ULIF 090 24/11/09 LMoneyMkt 105	ULIF 088 24/11/09 LMCapBal 105
Policy administration charge	121	35,242	16,370	71,418	—	76,330	11,315	418,320	1,404	34,254	24,297	127,864	10,400	6,719
Surrender charge **	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Switching charge **	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mortality charge	42	103,414	6,931	70,516	—	33,090	19,480	426,204	1,120	10,042	14,523	357,214	3,749	2,519
Rider premium charge	—	29,238	1,356	253	—	7,161	7,228	142,802	—	3,671	2,402	111,386	1,149	1,221
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service tax	12	19,675	1,494	12,581	—	5,506	4,130	104,850	114	2,911	2,988	69,809	678	785
Total	**175**	**187,569**	**26,151**	**154,768**	**—**	**122,087**	**42,153**	**1,092,176**	**2,638**	**50,878**	**44,210**	**666,273**	**15,976**	**11,244**

** Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

(₹ in '000)

Particulars	Linked Life Funds													
	Multi Cap Growth Fund	Multiplier Fund*	New Invest Shield Balanced Fund	Opportu-nities Fund	Pinnacle Fund	Pinnacle Fund II	Preserver Fund*	Protector Fund*	Return Guarantee Fund	Return Guarantee Fund II	Return Guarantee Fund III	Return Guarantee Fund IV	Return Guarantee Fund V	Return Guarantee Fund VI
	ULIF 085 24/11/09 LMCapGro 105		ULIF 025 21/08/06 LInvShldNw 105	ULIF 086 24/11/09 LOpport 105	ULIF 081 26/10/09 LPinnacle 105	ULIF 105 26/10/10 LPinnacle2 105			ULIF 054 18/12/08 LRGF1 105	ULIF 063 27/01/09 LRGF(T2) 105	ULIF 066 26/02/09 LRGF(T3) 105	ULIF 069 31/03/09 LRGF(T4) 105	ULIF 073 29/04/09 LRGF(T5) 105	ULIF 078 17/06/09 LRGF(T6) 105
Policy administration charge	123,678	47,459	31,374	32,181	301,234	17,344	5,041	69,958	4,107	5,721	6,446	2,696	1,677	1,139
Surrender charge **	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Switching charge **	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mortality charge	33,896	106,911	16,630	8,911	62,247	17,201	19,389	111,626	6,666	7,942	6,323	2,829	1,446	1,440
Rider premium charge	14,028	31,556	—	3,775	—	—	4,295	21,373	1,118	2,059	2,367	1,005	684	622
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service tax	10,418	26,370	3,324	2,733	15,896	1,750	3,132	21,063	1,131	1,431	1,602	842	616	346
Total	**182,020**	**212,296**	**51,328**	**47,600**	**379,377**	**36,295**	**31,857**	**224,020**	**13,022**	**17,153**	**16,738**	**7,372**	**4,423**	**3,547**

** Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

(₹ in '000)

Particulars	Linked Life Funds													
	Return Guarantee Fund VII	Return Guarantee Fund VIII (10 Yrs)	Return Guarantee Fund VIII (5 Yrs)	Return Guarantee Fund IX (5 Yrs)	Return Guarantee Fund IX (10 Yrs)	Return Guarantee Fund X (5 Yrs)	Return Guarantee Fund X (10 Yrs)	Return Guarantee Fund XI (5 Yrs)	RICH Fund*	Secure Plus Fund	Secure Save Builder Fund	Secure Save Guarantee Fund	Total
	ULIF 082 16/11/09 LRGF(T7) 105	ULIF 104 12/10/10 LRGF(S1) 105	ULIF 103 12/10/10 LRGF(T8) 105	ULIF 106 22/12/10 LRGF(T9) 105	ULIF 107 22/12/10 LRGF(S2) 105	ULIF 111 13/01/11 LRGF(T10) 105	ULIF 112 13/01/11 LRGF(S3) 105	ULIF 120 17/03/11 LRGF(T11) 105		ULIF 007 11/08/03 LSecPlus 105	ULIF 077 29/05/09 LSSavBuil 105	ULIF 076 29/05/09 LSSavGtee 105	
Policy administration charge	762	450	1,726	1,972	200	2,712	310	505	263,370	1,891	1,148	4,816	**1,763,971**
Surrender charge **	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Switching charge **	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Mortality charge	701	443	1,920	1,187	142	2,141	349	340	217,213	2,394	—	—	**1,679,131**
Rider premium charge	436	6	5	—	2	3	7	3	109,343	—	—	—	**500,554**
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	**—**
Service tax	135	46	198	122	15	220	36	35	64,048	379	34	146	**381,601**
Total	**2,034**	**945**	**3,849**	**3,281**	**359**	**5,076**	**702**	**883**	**653,974**	**4,664**	**1,182**	**4,962**	**4,325,257**

** Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

(₹ in '000)

Particulars	Linked Pension Funds												
	Invest Shield Fund - Pension	Pension Balancer Fund*	Pension Bluechip Fund	Pension Dynamic P/E Fund	Pension Flexi Balanced Fund*	Pension Flexi Growth Fund*	Pension Income Fund	Pension Maximiser Fund*	Pension Money Market Fund	Pension Multi Cap Balanced Fund	Pension Multi Cap Growth Fund	Pension Multiplier Fund*	Pension Opportunities Fund
	ULIF 019 03/01/05 PInvShld 105		ULIF 093 11/01/10 PBluChip 105	ULIF 098 11/01/10 PDynmicPE 105			ULIF 095 11/01/10 PIncome 105		ULIF 096 11/01/10 PMoneyMkt 105	ULIF 094 11/01/10 PMCapBal 105	ULIF 091 11/01/10 PMCapGro 105		ULIF 092 11/01/10 POpport 105
Policy administration charge	3,075	97,440	97,901	813,052	27,787	691,307	312,523	112,751	72,411	93,400	706,519	159,460	307,972
Surrender charge **	—	—	—	—	—	—	—	—	—	—	—	—	—
Switching charge **	—	—	—	—	—	—	—	—	—	—	—	—	—
Mortality charge	655	5,135	481	3,713	991	26,264	3,825	14,989	363	256	8,812	3,655	1,400
Rider premium charge	122	1,426	—	—	167	4,619	—	4,079	—	—	—	628	—
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	—
Service tax	235	5,170	3,948	29,280	1,407	33,923	10,476	9,327	2,695	3,885	29,803	6,436	12,983
Total	**4,087**	**109,171**	**102,330**	**846,045**	**30,352**	**756,113**	**326,824**	**141,146**	**75,469**	**97,541**	**745,134**	**170,179**	**322,355**

** Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

Schedule F - 5

OTHER EXPENSES FOR THE YEAR ENDED MARCH 31, 2011 (Contd.)

(₹ in '000)

Particulars	Linked Pension Funds														
	Pension Preserver Fund	Pension Protector Fund*	Pension Return Guarantee Fund	Pension Return Guarantee Fund II	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 Return Guarantee Fund VIII	Pension Return Guarantee Fund IX (10 Yrs)	Pension Return Guarantee Fund X (10 Yrs)	Pension RICH Fund*	Secure Plus Pension Fund	Total
	ULIF 011 17/05/04 PPreserv 105		ULIF 055 18/12/08 PRGF1 105	ULIF 064 27/01/09 PRGF2 105	ULIF 067 26/02/09 PRGF3 105	ULIF 070 31/03/09 PRGF4 105	ULIF 074 29/04/09 PRGF5 105	ULIF 079 17/06/09 PRGF6 105	ULIF 083 16/11/09 PRGF7 105	ULIF 102 12/10/10 PRGF(S1)105	ULIF 108 22/12/10 PRGF(S2)105			ULIF 009 17/11/03 PSecPlus 105	
Policy administration charge	35,214	210,681	32,319	20,020	22,560	10,494	6,913	9,655	26,455	117	28	65	605,866	473	4,476,458
Surrender charge **	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Switching charge **	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mortality charge	426	4,299	767	400	446	186	113	42	28	—	2	—	18,000	288	95,536
Rider premium charge	110	1,074	122	62	74	32	18	7	4	—	—	—	3,081	—	15,625
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service tax	1,166	7,035	1,183	750	1,095	540	522	428	857	—	—	—	28,049	50	191,243
Total	**36,916**	**223,089**	**34,391**	**21,232**	**24,175**	**11,252**	**7,566**	**10,132**	**27,344**	**117**	**30**	**65**	**654,996**	**811**	**4,778,862**

** Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

(₹ in '000)

Particulars	Linked Health Funds														
	Health Balancer Fund	Health Flexi Balanced Fund	Health Flexi Growth Fund	Health Multiplier Fund	Health Preserver Fund	Health Protector Fund	Health Return Guarantee Fund	Health Return Guarantee Fund II	Health Return Guarantee Fund III	Health Return Guarantee Fund IV	Health Return Guarantee Fund V	Health Return Guarantee Fund VI	Health Return Guarantee Fund VII	Health Return Guarantee Fund IX (5yrs)	Total
	ULIF 059 15/01/09 HBalancer 105	ULIF 060 15/01/09 HFlexiBal 105	ULIF 057 15/01/09 HFlexiGro 105	ULIF 058 15/01/09 HMultip 105	ULIF 056 15/01/09 HPreserv 105	ULIF 061 15/01/09 HProtect 105	ULIF 062 15/01/09 HRGF1 105	ULIF 065 29/01/09 HRGF2 105	ULIF 068 26/02/09 HRGF3 105	ULIF 071 31/03/09 HRGF4 105	ULIF 075 29/04/09 HRGF5 105	ULIF 080 17/06/09 HRGF6 105	ULIF 084 16/11/09 HRGF7 105	ULIF 109 22/12/10 HRGF9 105	
Policy administration charge	2,242	2,186	41,168	5,196	408	11,874	695	825	911	439	295	233	217	—	66,689
Surrender charge **	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Switching charge **	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mortality charge	17,962	17,426	313,885	39,972	3,267	97,444	4,431	5,991	6,830	3,378	2,328	1,717	1,720	1	516,352
Rider premium charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service tax	2,068	2,011	36,331	4,619	380	11,211	471	654	782	407	286	197	186	—	59,603
Total	**22,272**	**21,623**	**391,384**	**49,787**	**4,055**	**120,529**	**5,597**	**7,470**	**8,523**	**4,224**	**2,909**	**2,147**	**2,123**	**1**	**642,644**

** Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

(₹ in '000)

Particulars	Linked Group Funds									
	Group Balanced Fund	Group Capital Guarantee Balanced Fund*	Group Capital Guarantee Debt Fund*	Group Capital Guarantee Growth Fund*	Group Capital Guarantee Short Term Debt Fund*	Group Debt Fund	Group Growth Fund	Group Leave Encashment Balance Fund	Group Leave Encashment Income Fund	Group Leave Encashment Short Term Fund
	ULGF 001 03/04/03 GBalancer 105					ULGF 002 03/04/03 GDebt 105	ULGF 004 30/10/03 GGrowth 105	ULGF 013 02/04/08 GLEBal 105	ULGF 014 02/04/08 GLEIncome 105	ULGF 024 26/02/10 GLEST 105
Policy administration charge	—	—	—	—	—	—	—	—	—	—
Surrender charge **	—	—	—	—	—	—	—	—	—	—
Switching charge **	—	—	—	—	—	—	—	—	—	—
Mortality charge	—	—	—	—	—	—	—	—	—	—
Rider premium charge	—	—	—	—	—	—	—	—	—	—
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—
Service tax	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—

** Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

(₹ in '000)

Particulars	Linked Group Funds									
	Group Return Guarantee Fund	Group Return Guarantee Fund - A4	Group Return Guarantee Fund - S5	Group Return Guarantee Fund II	Group Return Guarantee Fund III	Group Return Guarantee Fund - S6	Group Short Term Debt fund	Group Superannuation Corporate Bond Fund	Total	Grand Total
	ULGF 021 10/02/09 GRGF1 105	ULGF 025 14/03/11 GRGFA4 105	ULGF 026 14/03/11 GRGFS5 105	ULGF 022 30/03/09 GRGF2 105	ULGF 023 16/06/09 GRGF3 105	ULGF 027 14/03/11 GRGFS6 105	ULGF 003 03/04/03 GSTDebt 105	ULGF 015 22/12/08 GSACorBon 105		
Policy administration charge	—	—	—	—	—	—	—	—	—	6,307,118
Surrender charge **	—	—	—	—	—	—	—	—	—	—
Switching charge **	—	—	—	—	—	—	—	—	—	—
Mortality charge	—	—	—	—	—	—	—	—	—	2,291,019
Rider premium charge	—	—	—	—	—	—	—	—	—	516,179
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—
Service tax	—	—	—	—	—	—	—	—	—	632,447
Total	—	—	—	—	—	—	—	—	—	**9,746,763**

** Surrender & switch charges as not available at fund level have been shown under Schedule F-1 Policyholders contribution

ANNEXURE TO THE REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012

POLICYHOLDERS' ACCOUNT (TECHNICAL ACCOUNT)

(₹ in '000)

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		2,462,283	54,992,357	**57,454,640**	239,115	41,915,719	**42,154,834**	221,079	1,708,449	**1,929,528**	12,790	8,078,786	**8,091,576**	**109,630,578**
(b) Reinsurance ceded		(67,869)	—	**(67,869)**	(164)	—	**(164)**	(269,810)	—	**(269,810)**	(1,104)	—	**(1,104)**	**(338,947)**
Income from Investments														
(a) Interest, Dividend & Rent - Gross		509,549	8,790,683	**9,300,232**	261,532	7,705,131	**7,966,663**	8,870	80,222	**89,092**	98,350	3,640,070	**3,738,420**	**21,094,407**
(b) Profit on sale/redemption of investments		28,001	21,169,938	**21,197,939**	13,800	13,618,097	**13,631,897**	2,744	67,861	**70,605**	13,310	1,146,228	**1,159,538**	**36,059,979**
(c) Loss on sale/redemption of investments		(18,409)	(9,306,193)	**(9,324,602)**	(6,981)	(8,648,187)	**(8,655,168)**	(841)	(107,709)	**(108,550)**	(2,031)	(576,605)	**(578,636)**	**(18,666,956)**
(d) Unrealised gain/(loss)		—	(27,543,149)	**(27,543,149)**	—	(17,044,166)	**(17,044,166)**	—	(54,265)	**(54,265)**	—	(419,027)	**(419,027)**	**(45,060,607)**
(e) Appropriation / Expropriation Adjustment Account		—	353,303	**353,303**	—	(352,681)	**(352,681)**	—	(3,918)	**(3,918)**	—	(20,992)	**(20,992)**	**(24,288)**
Other income:														
(a) Linked income	UL1	14,020,206	(14,020,206)	**—**	12,693,181	(12,693,181)	**—**	817,112	(817,112)	**—**	316,914	(316,914)	**—**	**—**
(b) Fees & charges		12,463	—	**12,463**	508	—	**508**	41	—	**41**	9	—	**9**	**13,021**
(b) Misc. income		35,886	—	**35,886**	6,976	—	**6,976**	2,214	—	**2,214**	605	—	**605**	**45,681**
(c) Contribution from the Shareholders' a/c		—	—	**—**	—	—	**—**	—	—	**—**	—	—	**—**	**—**
TOTAL (A)		**16,982,110**	**34,436,733**	**51,418,843**	**13,207,967**	**24,500,732**	**37,708,699**	**781,409**	**873,528**	**1,654,937**	**438,843**	**11,531,546**	**11,970,389**	**102,752,868**
Commission		1,863,486	—	**1,863,486**	497,775	—	**497,775**	102,122	—	**102,122**	19,731	—	**19,731**	**2,483,114**
Operating expenses related to insurance business *		8,655,605	1,246,841	**9,902,446**	1,914,271	863,307	**2,777,578**	472,610	100,497	**573,107**	123,764	68,381	**192,145**	**13,445,276**
TOTAL (B)		10,519,091	1,246,841	**11,765,932**	2,412,046	863,307	**3,275,353**	574,732	100,497	**675,229**	143,495	68,381	**211,876**	**15,928,390**
Benefits paid (Net)	UL2	739,532	43,263,750	**44,003,282**	52,767	30,087,422	**30,140,189**	164,179	2,040	**166,219**	26,248	5,801,904	**5,828,152**	**80,137,842**
Change in valuation of liability in respect of life policies		720,965	(8,146,874)	**(7,425,909)**	140,614	(5,764,018)	**(5,623,404)**	7,227	770,991	**778,218**	(543,338)	5,661,261	**5,117,923**	**(7,153,172)**
TOTAL (C)		**1,460,497**	**35,116,876**	**36,577,373**	**193,381**	**24,323,404**	**24,516,785**	**171,406**	**773,031**	**944,437**	**(517,090)**	**11,463,165**	**10,946,075**	**72,984,670**
SURPLUS/ (DEFICIT) (D) =(A)-(B)-(C)		**5,002,522**	**(1,926,984)**	**3,075,538**	**10,602,540**	**(685,979)**	**9,916,561**	**35,271**	**—**	**35,271**	**812,438**	**—**	**812,438**	**13,839,808**
Tax credit / (charge)		(676,291)	—	**(676,291)**	—	—	**—**	(4,768)	—	**(4,768)**	(109,833)	—	**(109,833)**	**(790,892)**
SURPLUS/ (DEFICIT) AFTER TAX		4,326,231	(1,926,984)	**2,399,247**	10,602,540	(685,979)	**9,916,561**	30,503	—	**30,503**	702,605	—	**702,605**	**13,048,916**
APPROPRIATIONS														
Transfer to Shareholders' a/c		3,934,670	—	**3,934,670**	10,367,061	—	**10,367,061**	30,503	—	**30,503**	702,605	—	**702,605**	**15,034,839**
Balance being funds for future appropriations		391,561	(1,926,984)	**(1,535,423)**	235,479	(685,979)	**(450,500)**	—	—	**—**	—	—	**—**	**(1,985,923)**
Total (D)		**4,326,231**	**(1,926,984)**	**2,399,247**	**10,602,540**	**(685,979)**	**9,916,561**	**30,503**	**—**	**30,503**	**702,605**	**—**	**702,605**	**13,048,916**

* 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, 2011

POLICYHOLDERS' ACCOUNT (TECHNICAL ACCOUNT)

(₹ in '000)

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		5,788,075	72,203,903	**77,991,978**	1,599,602	63,849,043	**65,448,645**	197,663	1,373,200	**1,570,863**	(53,363)	11,519,547	**11,466,184**	**156,477,670**
(b) Reinsurance ceded		(41,502)	—	**(41,502)**	(257)	—	**(257)**	(219,950)	—	**(219,950)**	(497)	—	**(497)**	**(262,206)**
Income from Investments														
(a) Interest, Dividend & Rent - Gross		411,630	6,998,596	**7,410,226**	166,262	5,767,446	**5,933,708**	7,169	45,586	**52,755**	44,709	2,642,479	**2,687,188**	**16,083,877**
(b) Profit on sale/redemption of investments		43,506,386	40,408,329	**83,914,715**	23,414,616	21,376,775	**44,791,391**	103,387	73,483	**176,870**	1,449,276	1,173,987	**2,623,263**	**131,506,239**
(c) Loss on sale/redemption of investments		(43,470,976)	—	**(43,470,976)**	(23,394,923)	—	**(23,394,923)**	(102,804)	—	**(102,804)**	(1,432,946)	—	**(1,432,946)**	**(68,401,649)**
(d) Unrealised gain/(loss)		—	(15,746,358)	**(15,746,358)**	—	(4,489,615)	**(4,489,615)**	—	4,245	**4,245**	—	(560,056)	**(560,056)**	**(20,791,784)**
(e) Appropriation / Expropriation Adjustment Account		—	(327,611)	**(327,611)**	—	154,701	**154,701**	—	2,194	**2,194**	—	5,952	**5,952**	**(164,764)**
Other income:														
(a) Linked income	UL1	14,695,014	(14,695,014)	**—**	12,184,785	(12,184,785)	**—**	603,240	(603,240)	**—**	279,432	(279,432)	**—**	**—**
(b) Fees & charges		18,872	—	**18,872**	886	—	**886**	48	—	**48**	—	—	**—**	**19,806**
(b) Misc. income		18,817	—	**18,817**	14,345	—	**14,345**	831	—	**831**	1,304	—	**1,304**	**35,297**
(c) Contribution from the Shareholders' a/c		—	—	**—**	—	—	**—**	151,947	—	**151,947**	411,555	—	**411,555**	**563,502**
TOTAL (A)		**20,926,316**	**88,841,845**	**109,768,161**	**13,985,316**	**74,473,565**	**88,458,881**	**741,531**	**895,468**	**1,636,999**	**699,470**	**14,502,477**	**15,201,947**	**215,065,988**
Commission		2,236,175	—	**2,236,175**	1,751,092	—	**1,751,092**	107,427	—	**107,427**	17,700	—	**17,700**	**4,112,394**
Operating expenses related to insurance business *		8,531,779	1,005,486	**9,537,265**	7,162,402	737,758	**7,900,160**	539,483	61,803	**601,286**	184,484	224,067	**408,551**	**18,447,262**
TOTAL (B)		**10,767,954**	**1,005,486**	**11,773,440**	**8,913,494**	**737,758**	**9,651,252**	**646,910**	**61,803**	**708,713**	**202,184**	**224,067**	**426,251**	**22,559,656**
Benefits paid (Net)	UL2	713,730	70,056,415	**70,770,145**	63,468	26,685,164	**26,748,632**	84,860	1,376	**86,236**	19,433	6,368,504	**6,387,937**	**103,992,950**
Change in valuation of liability in respect of life policies		1,925,439	20,875,903	**22,801,342**	409,777	48,950,657	**49,360,434**	34,171	832,289	**866,460**	543,967	7,909,906	**8,453,873**	**81,482,109**
TOTAL (C)		**2,639,169**	**90,932,318**	**93,571,487**	**473,245**	**75,635,821**	**76,109,066**	**119,031**	**833,665**	**952,696**	**563,400**	**14,278,410**	**14,841,810**	**185,475,059**
SURPLUS/ (DEFICIT) (D) =(A)-(B)-(C)		**7,519,193**	**(3,095,959)**	**4,423,234**	**4,598,577**	**(1,900,014)**	**2,698,563**	**(24,410)**	**—**	**(24,410)**	**(66,114)**	**—**	**(66,114)**	**7,031,273**
Provision for taxation														
Tax credit / (charge)		(1,040,732)	—	**(1,040,732)**	—	–	**—**	24,410	—	**24,410**	66,114	—	**66,114**	**(950,208)**
SURPLUS/ (DEFICIT) AFTER TAX		6,478,461	(3,095,959)	**3,382,502**	4,598,577	(1,900,014)	**2,698,563**	—	—	**—**	—	—	**—**	**6,081,065**
APPROPRIATIONS														
Transfer to Shareholders' a/c		5,259,560	—	**5,259,560**	3,330,880	—	**3,330,880**	—	—	**—**	—	—	**—**	**8,590,440**
Balance being funds for future appropriations		1,218,901	(3,095,959)	**(1,877,058)**	1,267,697	(1,900,014)	**(632,317)**	—	—	**—**	—	—	**—**	**(2,509,375)**
Total (D)		**6,478,461**	**(3,095,959)**	**3,382,502**	**4,598,577**	**(1,900,014)**	**2,698,563**	**—**	**—**	**—**	**—**	**—**	**—**	**6,081,065**

* 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, 2012

(₹ in '000)

Particulars	Linked Life Unit (1)	Linked Pension Unit (2)	Linked Health Unit (3)	Linked Group Unit (4)	Total (5)= (1)+(2)+(3)+(4)
Fund administration charges	1,007,931	339,079	—	—	**1,347,010**
Fund management charge	4,043,890	3,450,045	29,467	645,786	**8,169,188**
Policy administration charge	2,168,367	4,586,546	75,738	—	**6,830,651**
Surrender charge	668,023	1,381,589	—	890	**2,050,502**
Switching charge	7,079	5,112	29	—	**12,220**
Mortality charge	2,011,482	85,837	622,967	57	**2,720,343**
Rider premium charge	460,893	12,990	—	—	**473,883**
Partial withdrawal charge	—	—	—	—	**—**
Policy foreclose	3,800,612	2,832,130	88,911	—	**6,721,653**
Discontinued charges	43,291	—	—	—	**43,291**
Miscellaneous charge	(191,362)	(147)	—	(329,819)	**(521,328)**
TOTAL (UL-1)	**14,020,206**	**12,693,181**	**817,112**	**316,914**	**27,847,413**

LINKED INCOME (RECOVERED FROM LINKED FUNDS)* FOR THE YEAR ENDED MARCH 31, 2011

(₹ in '000)

Particulars	Linked Life Unit (1)	Linked Pension Unit (2)	Linked Health Unit (3)	Linked Group Unit (4)	Total (5)= (1)+(2)+(3)+(4)
Fund administration charges	1,234,569	290,484	—	—	**1,525,053**
Fund management charge	4,206,625	3,439,112	19,855	567,907	**8,233,499**
Policy administration charge	1,763,974	4,476,458	66,689	—	**6,307,121**
Surrender charge	1,019,005	943,625	—	434	**1,963,064**
Switching charge	7,502	5,077	19	—	**12,598**
Mortality charge	1,679,131	95,536	516,353	155	**2,291,175**
Rider premium charge	500,556	15,627	—	—	**516,183**
Partial withdrawal charge	—	—	—	—	**—**
Policy foreclose	4,452,996	2,923,701	324	—	**7,377,021**
Miscellaneous charge	(169,344)	(4,835)	—	(289,064)	**(463,243)**
TOTAL (UL-1)	**14,695,014**	**12,184,785**	**603,240**	**279,432**	**27,762,471**

SCHEDULE–UL2

BENEFITS PAID [NET] FOR THE YEAR ENDED MARCH 31, 2012

(₹ in '000)

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	733,316	319,014	1,052,330	42,799	683,905	726,704	226	2,040	2,266	26,248	43,758	70,006	1,851,306
(b)	Claims by maturity	(18,686)	93,718	75,032	4,413	80,231	84,644	—	—	—	—	—	—	159,676
(c)	Annuities / Pension payment	—	—	—	—	—	—	—	—	—	—	—	—	—
(d)	Other benefits													
	- Surrender	—	42,851,018	42,851,018	—	29,323,286	29,323,286	—	—	—	—	5,758,146	5,758,146	77,932,450
	- Survival	—	—	—	—	—	—	—	—	—	—	—	—	—
	- Rider	63,746	—	63,746	5,555	—	5,555	—	—	—	—	—	—	69,301
	- Health	—	—	—	—	—	—	306,415	—	306,415	—	—	—	306,415
	Sub Total (A)	778,376	43,263,750	44,042,126	52,767	30,087,422	30,140,189	306,641	2,040	308,681	26,248	5,801,904	5,828,152	80,319,148
2	Amount ceded in reinsurance													
(a)	Claims by death	(38,844)	—	(38,844)	—	—	—	—	—	—	—	—	—	(38,844)
(b)	Claims by maturity	—	—	—	—	—	—	—	—	—	—	—	—	—
(c)	Annuities / Pension payment	—	—	—	—	—	—	—	—	—	—	—	—	—
(d)	Other benefits													
	- Surrender	—	—	—	—	—	—	—	—	—	—	—	—	—
	- Survival	—	—	—	—	—	—	—	—	—	—	—	—	—
	- Rider	—	—	—	—	—	—	—	—	—	—	—	—	—
	- Health	—	—	—	—	—	—	(142,462)	—	(142,462)	—	—	—	(142,462)
	Sub Total (B)	(38,844)	—	(38,844)	—	—	—	(142,462)	—	(142,462)	—	—	—	(181,306)
	TOTAL (A) + (B)	739,532	43,263,750	44,003,282	52,767	30,087,422	30,140,189	164,179	2,040	166,219	26,248	5,801,904	5,828,152	80,137,842
	Benefits paid to claimants: In India	778,376	43,263,750	44,042,126	52,767	30,087,422	30,140,189	306,641	2,040	308,681	26,248	5,801,904	5,828,152	80,319,148
	TOTAL (UL2)	778,376	43,263,750	44,042,126	52,767	30,087,422	30,140,189	306,641	2,040	308,681	26,248	5,801,904	5,828,152	80,319,148

SCHEDULE–UL2

BENEFITS PAID [NET] FOR THE YEAR ENDED MARCH 31, 2011

(₹ in '000)

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	622,999	342,102	965,101	52,980	703,423	756,403	492	1,376	1,868	19,433	326,679	346,112	2,069,484
(b)	Claims by maturity	18,686	213,012	231,698	—	37,615	37,615	—	—	—	—	—	—	269,313
(c)	Annuities / Pension payment	—	—	—	—	—	—	—	—	—	—	—	—	—
(d)	Other benefits	—	–	—	—	—	—	—	—	—	—	—	—	
	- Surrender	—	69,501,301	69,501,301	—	25,944,126	25,944,126	—	—	—	—	6,041,825	6,041,825	101,487,252
	- Survival	—	—	—	—	—	—	—	—	—	—	—	—	—
	- Rider	72,045	—	72,045	10,488	—	10,488	-	—	—	—	—	—	82,533
	- Health	—	—	—	—	—	—	186,852	—	186,852	—	—	—	186,852
	Sub Total (A)	713,730	70,056,415	70,770,145	63,468	26,685,164	26,748,632	187,344	1,376	188,720	19,433	6,368,504	6,387,937	104,095,434
2	Amount ceded in reinsurance													
(a)	Claims by death	—	—	—	—	—	—	—	—	—	—	—	—	—
(b)	Claims by maturity	—	—	—	—	—	—	—	—	—	—	—	—	—
(c)	Annuities / Pension payment	—	—	—	—	—	—	—	—	—	—	—	—	—
(d)	Other benefits	—	—	—	—	—	—	—	—	—	—	—	—	—
	- Surrender	—	—	—	—	—	—	—	—	—	—	—	—	—
	- Survival	—	—	—	—	—	—	—	—	—	—	—	—	—
	- Rider	—	—	—	—	—	—	—	—	—	—	—	—	—
	- Health	—	—	—	—	—	—	(102,484)	—	(102,484)	—	—	—	(102,484)
	Sub Total (B)	—	—	—	—	—	—	(102,484)	—	(102,484)	—	—	—	(102,484)
	TOTAL (A) + (B)	713,730	70,056,415	70,770,145	63,468	26,685,164	26,748,632	84,860	1,376	86,236	19,433	6,368,504	6,387,937	103,992,950
	Benefits paid to claimants: In India	713,730	70,056,415	70,770,145	63,468	26,685,164	26,748,632	187,344	1,376	188,720	19,433	6,368,504	6,387,937	104,095,434
	TOTAL (UL2)	713,730	70,056,415	70,770,145	63,468	26,685,164	26,748,632	187,344	1,376	188,720	19,433	6,368,504	6,387,937	104,095,434

3.22 Assets held to cover Policyholders' Liability

The Policyholders' liabilities including linked fund aggregating ₹ 658,231,115 thousand as at March 31, 2012 are adequately backed by assets as at March 31, 2012 as shown below:

(₹ in '000)

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 Policy holder
Policyholders' Liabilities as per Balance Sheet [A]	33,056,973	17,896,315	15,368,498	11,448,317	117,250	3,866,000	287,201,593	1,418,922	233,933,992	89,393	2,794,324	118,330	50,921,208	**658,231,115**
Assets held to cover policyholders' liabilities:														
Investments (As per Schedule-8A & 8B)	34,479,304	18,972,232	13,021,059	11,317,012	303,529	7,095,837	288,630,100	4,075,202	235,828,114	155,655	2,794,324	1,687,805	50,921,208	**669,281,381**
Fair Value Change Account	(1,640,390)	(538,328)	(24,255)	—	(6)	(52)	—	(51)	—	(4)	—	(57)	—	**(2,203,143)**
Revaluation Reserve	(352,237)	(352,242)	—	—	—	—	—	—	—	—	—	—	—	**(704,479)**
Net Investments	32,486,677	18,081,662	12,996,804	11,317,012	303,523	7,095,785	288,630,100	4,075,151	235,828,114	155,651	2,794,324	1,687,748	50,921,208	**666,373,759**
Net current asset	1,251,820	289,031	2,371,694	131,305	(186,273)	(1,619,323)	—	(1,153,053)	—	(66,258)	—	(1,569,418)	—	**(550,475)**
Total Assets [B]	**33,738,497**	**18,370,693**	**15,368,498**	**11,448,317**	**117,250**	**5,476,462**	**288,630,100**	**2,922,098**	**235,828,114**	**89,393**	**2,794,324**	**118,330**	**50,921,208**	**665,823,284**

The Policyholders' liabilities including linked fund aggregating ₹ 641,205,279 thousand as at March 31, 2011 are adequately backed by assets as at March 31, 2011 as shown below:

(₹ in '000)

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 Policy holder
Policyholders' Liabilities as per Balance Sheet [A]	26,843,945	12,541,343	6,258,935	7,777,370	286,751	3,145,035	295,348,538	1,278,307	239,697,939	82,166	2,023,333	661,672	45,259,945	**641,205,279**
Assets held to cover policyholders' liabilities:														
Investments (As per Schedule-8A & 8B)	29,331,201	13,879,971	6,230,084	7,524,309	129,341	9,216,706	298,703,887	4,535,894	242,278,182	116,252	2,023,333	1,208,156	45,259,945	**660,437,261**
Fair Value Change Account	(1,715,940)	(593,311)	(6,189)	—	—	—	—	—	—	—	—	—	—	**(2,315,440)**
Revaluation Reserve	(334,437)	(334,441)	—	—	—	—	—	—	—	—	—	—	—	**(668,878)**
Net Investments	27,280,824	12,952,219	6,223,895	7,524,309	129,341	9,216,706	298,703,887	4,535,894	242,278,182	116,252	2,023,333	1,208,156	45,259,945	**657,452,943**
Net current asset	386,280	65,801	35,040	253,061	157,410	(4,852,770)	—	(1,989,890)	—	(34,086)	—	(546,484)	—	**(6,525,638)**
Total Assets [B]	**27,667,104**	**13,018,020**	**6,258,935**	**7,777,370**	**286,751**	**4,363,936**	**298,703,887**	**2,546,004**	**242,278,182**	**82,166**	**2,023,333**	**661,672**	**45,259,945**	**650,927,305**

3.23 Employee benefits

Provision for staff benefits as per AS 15 (Revised):

(a) Defined Contribution Plans: The amount recognised as an expense during the year is ₹ 211,406 thousand (Previous year ₹ 232,380 thousand).

(b) Defined Benefit Plans:

Gratuity

(₹ in '000)

Particulars	Year ended March 31, 2012	March 31, 2011
Change in Defined Benefit Obligation:		
Opening obligations as at April 1	**328,568**	*261,481*
Service cost	**59,161**	*54,039*
Interest cost	**26,874**	*17,911*
Actuarial (gain) / loss	**12,783**	*29,296*
Past service costs	**—**	*—*
Liability assumed on acquisition	**(317)**	*(28,667)*
Benefits paid	**(29,638)**	*(5,492)*
Present value of the defined benefit obligations at March 31 (A)	**397,431**	*328,568*
Change in Plan Asset:		
Opening plan assets, at fair value as at April 1	**310,314**	*233,791*
Expected return on plan assets	**14,657**	*18,055*
Actuarial gain / (loss)	**6,835**	*(20,827)*
Contributions	**5**	*109,375*
Assets acquired on acquisition	**(317)**	*(24,588)*
Benefits paid	**(29,638)**	*(5,492)*
Fair value of plan assets at March 31 (B)	**301,856**	*310,314*
Cost for the year:		
Service cost	**59,161**	*54,039*
Interest cost	**26,874**	*17,911*
Expected return on plan assets	**(14,657)**	*(18,055)*
Actuarial (gain) / loss	**5,948**	*50,123*
Past service cost	**10,216**	*10,216*
Losses / (Gains) on Acquisition / Divestiture	**—**	*(4,078)*
Total net cost recognised as employee remuneration	**87,543**	*110,156*
Reconciliation of Benefit Obligations and Planned Assets for the period:		
Present value of the defined benefit obligations at March 31 (A)	**397,431**	*328,568*
Fair value of plan assets at March 31 (B)	**301,856**	*310,314*
Unrecognised past service cost (C)	**9,778**	*19,994*
Net asset / (liability) as at March 31 recognised in Balance Sheet (B+C-A)	**(85,797)**	*1,740*
Investment details of plan assets:		
The plan assets are invested in insurer managed funds.		
Assumptions:		
Discount rate	**8.25%**	*7.59%*
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%**	*5.00%*
Estimated rate of return on plan assets	**7.50%**	*7.50%*

Experience adjustments on gratuity provisioning

(₹ in '000)

Particulars	Year ended March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	**March 31, 2012**
Defined Benefit Obligation	*110,505*	*151,491*	*261,481*	*328,569*	**397,433**
Plan Assets	*47,860*	*35,934*	*233,791*	*204,073*	**301,856**
Surplus/ (Deficit)	*(62,645)*	*(115,557)*	*(27,690)*	*(124,496)*	**(95,576)**
Experience adjustments					
- on Plan Liabilities	*22,297*	*8,343*	*1,650*	*38,548*	**24,870**
- on Plan Assets	*5,984*	*(10,115)*	*4,158*	*(20,827)*	**6,835**

Provident fund

The defined benefit obligation of interest rate guarantee on exempt Provident Fund in respect of the employees of the Company has been determined for the year ended March 31, 2012 based on the Guidance Note (GN 29) on Valuation of Interest Rate Guarantees on Exempt Provident Funds under AS 15 (Revised) issued by The Institute of Actuaries of India. The defined benefit obligation of interest rate guarantee as at March 31, 2012 based on actuarial valuation is ₹ 13,543,070. The balance in the surplus / (deficit) account of the provident fund is ₹ 39,973,579 (surplus) and hence there is no liability which needs to be provided for in the books of accounts of the Company.

The assumptions used in valuing the defined benefit obligations of interest rate guarantee are as follows:

Particulars	**March 31, 2012**	*March 31, 2011*
Discount Rate for the term of the Obligation	**8.25%**	—
Average Historic Yield on the Investment Portfolio	**8.97%**	—
Discount Rate for the remaining term to maturity of the Investment Portfolio	**8.55%**	—
Expected Investment Return	**8.67%**	—
Guaranteed Rate of Return	**8.25%**	—

*Pending guidance from the Institute of Actuaries, the consulting actuaries had expressed their inability to reliably measure the defined benefit obligations of interest rate guarantee on the Exempt Provident Fund. The liability has however now been actuarially determined during the current year as per GN 29 prescribed by the Institute of Actuaries and hence the comparatives are not available for the previous year.

3.24 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)	6,090,200
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, 2012 for Founder I (2003-04) scheme, 2004-2005 scheme, 2005-06 scheme, 2006-07 scheme, Founder II and 2007-08 scheme is ₹ 30, ₹ 42, ₹ 70, ₹ 130, ₹ 130 and ₹ 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, 2012	March 31, 2011
Outstanding at the beginning of the year	**13,565,154**	14,827,086
Add: Granted during the year	**—**	—
Less: Forfeited / lapsed during the year	**414,481**	943,666
Exercised during the year	**387,975**	318,266
Outstanding at the end of the year	**12,762,698**	13,565,154
Exercisable at the end of the year	**11,240,148**	8,768,885

During the year, the Company has recognised a compensation cost of ₹ Nil (Previous year: ₹ 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 ₹ 34,322 thousand (Previous year: ₹ 90,918 thousand) and profit after tax would have been ₹ 13,807,415 thousand (Previous year: ₹ 7,985,310 thousand). Consequently Company's basic earnings per share would have been ₹ 9.67 (Previous year: ₹ 5.59) and diluted earnings per share would have been ₹ 9.64 (Previous year: ₹ 5.57).

The weighted average price of options exercised during the year is ₹ 94.00 (Previous year: ₹ 65.18). The weighted average remaining contractual life of options outstanding at the end of the period is 5.10 years (Previous year: 6.11 years).

The Key assumptions used to estimate fair value of options are:

Particulars	Assumptions
Risk-free interest rate	**6.87% - 8%**
Expected life	**3 - 5 years**
Expected volatility	**28.65%**
Expected dividend yield	**1.50%**

3.25 Foreign exchange gain/(loss):

The amount of foreign exchange loss (net) debited to Revenue and Profit and Loss account is ₹ 912 thousand (Previous year: loss of ₹ 1,082 thousand).

3.26 Earnings per equity share:

(₹ in '000)

	Particulars	March 31, 2012	March 31, 2011
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 ₹ 10 each	**13,841,737**	*8,076,228*
II	Weighted average number of equity shares for earnings per equity share		
	(a) For basic earnings per equity share	**1,428,508,855**	*1,428,225,507*
	(b) For diluted earnings per equity share		
	Number of equity shares for basic earnings per equity share as per (ii) (a)	**1,428,508,855**	*1,428,225,507*
	Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	**3,878,613**	*4,358,826*
	Weighted number of equity shares for diluted earnings per equity share	**1,432,387,468**	*1,432,584,333*
III	Earnings per equity share		
	Basic (in ₹)	**9.69**	*5.65*
	Diluted (in ₹)	**9.66**	*5.64*

3.27 Funds for Future Appropriations ('FFA') – Linked

The cumulative balance of FFA as at March 31, 2012 of ₹ 3,322,629 thousand (Previous year ₹ 5,935,592 thousand) is not available for distribution to shareholders. Such amount is classified under Funds for Future appropriations – Linked, in the Balance Sheet.

3.28 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, 2012 (Previous year: Nil).

3.29 Additional disclosures on expenses

The additional disclosures on expenses pursuant to the IRDA notification dated March 28, 2008 have been detailed herein below:

(₹ in '000)

Particulars	March 31, 2012	March 31, 2011
Outsourcing expenses	**1,929,839**	*1,644,039*
Business development expenses	**1,795,633**	*1,443,497*
Market support expenses	**1,161,205**	*1,279,817*

3.30 Disclosures on fines and penalties

The additional disclosures with respect to fines and penalties for penal actions pursuant to the IRDA circular dated May 7, 2009 have been detailed herein below:

Sl No.	Authority	Non-compliance/ violation	Penalties levied during the year ended March 31, 2012	March 31, 2011
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	—	22
		Equal Remuneration Act	—	—
		Electricity Act	—	—
		Contract Labour (Regulation and Abolishment) Act	—	—
		Profession Tax Act	—	—
		Industrial Dispute Act	—	—
		Maternity Benefit Act	—	16
		Payment of Gratuity Act	—	9
	Total		—	47

3.31 Disclosures on other work given to auditors

Pursuant to clause 7.1 (g) of Corporate Governance Guidelines issued by the IRDA on August 5, 2009 the services of the statutory auditor are disclosed below:

(₹ in '000)

Name of the auditor	Service rendered	Amount
B S R & Co.	Certifications	44

3.32 Discontinued Policy Fund

Pursuant to the IRDA's notification dated July 1, 2010, the following details are disclosed with respect to policies discontinued either on customer request or for non-payment of premium amount within the grace period:

Movement in funds for discontinued policies:

(₹ in '000)

Particulars	March 31, 2012	*March 31, 2011*
Opening balance at the beginning of the year	**138**	—
Add:Amount transferred to funds for discontinued policies	**655,952**	*138*
Add: Income on investments	**9,665**	—
Less: Fund Management Charges	**565**	—
Less: Amount refunded to policyholders	**—**	—
Closing balance at the end of the year	**665,190**	*138*

i. Number of policies discontinued during the year ended March 31, 2012: 30,029 (Previous year: 28);

ii. Percentage of discontinued to total policies (product wise):

Product Name	March 31, 2012	*March 31, 2011*
LifeTime Premier	**20.84%**	—
Pinnacle II	**14.01%**	—
Life Stage Wealth II	**10.20%**	*0.05%*
Smart Kid Premier	**5.23%**	—

iii. Number and percentage of policies revived:

Particulars	March 31, 2012	*March 31, 2011*
Number of policies revived	**4,514**	—
Number of policies discontinued	**30,057**	—
Percentage of policies revived	**15.02%**	—

iv. Charges imposed on account of discontinued policies during the year ended March 31, 2012: ₹ 43,856 thousand (Previous year: ₹ 30 thousand).

3.33 Dividend

The Board of Directors of the Company have during the year approved and paid an interim dividend aggregating to ₹ 3,142,777 thousand (Previous year: Nil).

The total interim dividend appropriation for the year amounted to ₹ 3,652,614 thousand including corporate dividend tax of ₹ 509,837 thousand (Previous year: Nil).

The Board of Directors have also proposed a final dividend of ₹ 1,000,885 thousand (Previous year: Nil).

These dividends were declared from current year's profit and the Company has transferred 10% of current year's profit amounting to ₹ 1,384,174 thousand to general reserves as required by the Companies (Transfer of Profits to Reserves) Rules, 1975.

3.34 Segregation of Linked funds

Funds having similar investment objectives but with different charge structures were managed by the Company as a single fund with different plans below it. However, in accordance with circular no. IRDA/F&I/CIR/INV/173/08/2011 issued by the IRDA on July 29, 2011, the company has converted various plans offered below a single fund, as individual segregated linked funds.

3.35 Previous year comparatives

Previous year figures have been regrouped and reclassified wherever necessary, to conform to current year's presentation. The details of regroupings / reclassifications during the year are as follows:

Sr. No.	Regrouped to	Regrouped from	Amount (in ₹ '000)	Reason
1.	Renewal Premium in Schedule 1	Initial Premium in Schedule 1	6,397,928	The IRDA has issued a circular no. IRDA/F&I/CIR/EMT/085/04/2012 which in respect of group product requires that regular premium plans with limited premium payment term and/or pre-determined policy term shall be treated as regular business with due classification into first year premium and renewal premium. The Company has accordingly regrouped the premium on group funds business.
2.	Advance tax paid and taxes deducted at source in Schedule 12	Deposits in Schedule 12	626,368	Taxes paid on demands from the Income Tax Authorities have been reclassified from 'Deposits' to 'Advance tax paid and taxes deducted at source' in Schedule 12 to ensure appropriate representation.
3.	Amount ceded in reinsurance under change in valuation of liability with respect to life policies in Revenue account	Change in valuation of liability in respect of life policies in Revenue account	1,988,699	Increase in policy liabilities attributable to policies ceded in reinsurance were net off in the 'gross amount of change in valuation of liability in respect of life policies' in the Revenue account. The same has been reclassified as 'Amount ceded in reinsurance' under the amount of change in valuation of liability in respect of life policies insured in the Revenue account.
4.	Foreign (Prudential Corporation Holdings Limited) in Schedule 5A	Others in Schedule 5A	52,000 shares	Equity shares transferred between the promoters and ESOP holders erroneously reflected in Schedule – 5A Pattern of Shareholding at March 31, 2011.

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

per SHRAWAN JALAN
Partner
Membership No. 102102

For B S R & Co.
Chartered Accountants
Firm Registration No.101248W

N SAMPATH GANESH
Partner
Membership No. 042554

Mumbai April 25, 2012

For and on behalf of the Board of Directors

CHANDA KOCHHAR
Chairperson

KEKI DADISETH
Director

K. RAMKUMAR
Director

SANDEEP BAKHSHI
Managing Director & CEO

PUNEET NANDA
Executive Director

AVIJIT CHATTERJEE
Appointed Actuary

SATYAN JAMBUNATHAN
Executive Vice President

SANAULLA KHAN
Company Secretary

ICICI PRUDENTIAL LIFE INSURANCE

for the year ended March 31, 2012

(₹ in '000)

Particulars	March 31, 2012		March 31, 2011	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers :				
Premium and other receipts		165,102,805		208,661,759
Cash paid towards operating activities :				
Expenses and withdrawals	(136,171,589)		(160,326,657)	
Reinsurance premium ceded	(826,648)		(762,294)	
Advances and deposits	59,418		(330,776)	
Loan against policies	(8,795)		—	
Taxes paid	(4,099)	(136,951,713)	(3,245)	(161,422,971)
Net cash from operating activities (A)		28,151,092		47,238,788
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of fixed assets	8,441		3,820	
Purchase of fixed assets	(378,334)	(369,893)	(125,754)	(121,934)
Purchase of investments		(4,985,672,143)		(4,850,826,197)
Sale of investments		4,958,390,446		4,777,428,275
Interest and dividend received		19,660,245		15,820,839
Net cash from investing activities (B)		(7,991,345)		(57,699,017)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of share capital		3,880		2,619
Share premium on capital issued		32,590		17,663
Interim Dividend paid		(3,142,777)		—
Dividend Distribution Tax		(509,837)		—
Net cash used in financing activities (C)		(3,616,144)		20,282
Net increase In cash and cash equivalents (A+B+C)		16,543,603		(10,439,947)
Cash and cash equivalents at beginning of the period		15,398,399		25,838,346
Cash and cash equivalents at end of the period		31,942,002		15,398,399
Note:				
Cash and cash equivalents at the end of the period				
- Cash (Including cheques in hand and stamps in hand)		1,492,219		2,314,279
- Bank Balances and Money at call and short notice		1,357,332		1,000,374
[Including bank balance for linked business of				
₹ 8,911 thousands (Previous Year: ₹ 11,454 thousands)]				
- Other short term liquid investment				
[Forming part of investments in financials]		29,092,451		12,083,746
		31,942,002		15,398,399

As per our report of even date attached.

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

For B S R & CO.
Chartered Accountants
Firm Registration No.101248W

For and on behalf of the Board of Directors

per SHRAWAN JALAN
Partner
Membership No. 102102

N SAMPATH GANESH
Partner
Membership No. 042554

CHANDA KOCHHAR
Chairperson

KEKI DADISETH
Director

K. RAMKUMAR
Director

SANDEEP BAKHSHI
Managing Director and CEO

PUNEET NANDA
Executive Director

AVIJIT CHATTERJEE
Appointed Actuary

SATYAN JAMBUNATHAN
Executive Vice President

SANAULLA KHAN
Company Secretary

Place : Mumbai
Date : April 25, 2012

ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED

3RD ANNUAL REPORT AND ACCOUNTS 2011-2012

Directors
Sandeep Bakhshi, *Chairman*
Vinod Kumar Dhall
M. N. Gopinath
Puneet Nanda
Tarun Chugh

Auditors
Walker, Chandiok & Co.
Chartered Accountants

Girish Manik
Company Secretary

Registered & Corporate Office
ICICI PruLife Towers
1089, Appasaheb Marathe Marg
Prabhadevi
Mumbai - 400 025

directors' report

to the members,

Your Directors have pleasure in presenting the Third Annual Report of ICICI Prudential Pension Funds Management Company Limited (the Company) with the audited statement of accounts for the year ended March 31, 2012.

OPERATIONS REVIEW & OUTLOOK

The performance for financial year ended March 31, 2012 is summarised as follows:

(₹ in 000's)

Particulars	*FY2011*	FY2012
Investment management fees*	*1*	**2**
Investment income	*8,000*	**10,259**
Total revenue	*8,001*	**10,261**
Personnel expenses	*3,148*	**3,801**
Other operating expenses	*3,997*	**5,962**
Amortisation expenses	*390*	**803**
Total expenses	*7,535*	**10,566**
Profit / (Loss) before tax	*466*	**(305)**
Tax expense	*(468)*	**(140)**
Loss after tax	*(2)*	**(445)**

* Investment management fees of ₹ 456 and ₹ 1,689 earned for FY2011 and FY2012 respectively.

The Company has during the year earned investment management fees (@ 0.0009% on the assets under management) of ₹ 1,689. The investment income of ₹ 10.3 million generated on the shareholders capital invested in business has been offset by the generating costs. The Company has thus recorded a loss of ₹ 0.45 million for the year end March 31, 2012.

DIVIDEND

The financial operations of the company have resulted in a loss (after tax) of ₹ 0.45 million. In view of the loss incurred, the Directors are unable to recommend any dividend.

BOARD OF DIRECTORS

The Board comprises of five Directors; three nominated by ICICI Prudential Life Insurance Company Limited and two Independent Directors. The Board is responsible for overall corporate strategy and other responsibilities as laid down by the Pension Fund Regulatory & Development Authority. The Independent Directors are eminent personalities with significant expertise in the fields of finance, law, and strategy. None of the Directors are related to any other Director or employee of the Company.

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Puneet Nanda will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Mr. Puneet Nanda has offered himself for re-appointment.

DETAILS AS PER SECTION 217(2A)

The 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 payable do not exceed the specified limits.

SHARE CAPITAL

The paid-up share capital of the Company is ₹ 110 million. During the year, there has been no change to the paid-up share capital of the Company.

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., Chartered Accountants were appointed as the statutory auditor of the Company at the 2nd Annual General Meeting to hold office upto the conclusion of the ensuing Annual General Meeting. It is now proposed to re-appoint M/s. Walker, Chandiok & Co., Chartered Accountants, bearing registration number 001076N as statutory auditors of the Company for FY2013.

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:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed;
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; and
4. that they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

The Directors are grateful to the Pension Fund Regulatory & Development Authority (PFRDA), New Pension System (NPS) Trust 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 appreciation to all employees. Finally, the Directors wish to express their gratitude to ICICI Bank Ltd, Prudential Corporation Holdings Limited and ICICI Prudential Life Insurance Company Limited for their continued trust and support.

For and on behalf of the Board

SANDEEP BAKHSHI
Chairman

Mumbai, April 24, 2012

auditors' report

to the 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, 2012, and the Profit and Loss Statement for the year ended on that date 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:
   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 appears from our examination of those books;
   c. The financial statements dealt with by this report are in agreement with the books of account;
   d. On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
   e. 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 in sub-section (3C) of section 211 of the Act and the Rules framed there under, and 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:
      i) the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
      ii) the Profit and Loss Statement, of the loss for the year ended on that date; and
      iii) the Cash Flow Statement, of the cash flows for the year ended on that date.
5. The financial statements of the Company for the year ended March 31, 2011 were audited by another auditor whose report dated April 21, 2011 expressed an unmodified opinion on those statements.

For Walker, Chandiok & Co
Chartered Accountants
Firm registration number: 001076N

per KHUSHROO B. PANTHAKY
Partner
Membership No.:F-42423
Mumbai, April 24, 2012

annexure to the auditors' report

Annexure of even date to the members

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) The Company does not have any tangible fixed assets. Accordingly, the provisions of clause 4(i) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 4(ii) of the Order are not applicable.

(iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to (d) of the Order are not applicable.
(b) 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. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.

(iv) Owing to the nature of its business, the Company does not maintain any physical inventories or sells any goods. Accordingly, clause 4(iv) of the Order with respect to purchase of inventories and sale of goods is not applicable. In our opinion, 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 aforesaid internal control system.

(v) The Company has not entered into contracts or arrangements referred to in section 301 of the Act. Accordingly, the provisions of clause 4(v) of the Order are not applicable.

(vi) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.

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

(viii) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act, in respect of Company's products. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.

(ix) (a) The Company is regular in depositing the 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, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof of were outstanding at the year end for a period of more than six months from the date they become payable.
(b) There are no dues in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.

(x) The Company has been registered for a period of less than five years. Accordingly, the provisions of clause 4(x) of the Order are not applicable.

(xi) The Company has no dues payable to a financial institution or a bank or debenture holders during the year. Accordingly, the provisions of clause 4(xi) of the Order are not applicable.

(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. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.

(xiii) The Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.

(xiv) In our opinion, proper records have been maintained for the transactions and contracts in respect of dealing and/ or trading in shares, securities, debentures and other investments and timely entries have been made therein. These shares, securities, debentures and other securities have been held by the Company in its own name.

(xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.

(xvi) The Company did not have any terms loans outstanding during the year. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable.

(xvii) In our opinion, 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. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.

(xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.

(xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.

(xxi) In our opinion, no fraud on or by the Company has been noticed or reported during the period covered by our audit.

For Walker, Chandiok & Co
Chartered Accountants
Firm registration number: 001076N

per KHUSHROO B. PANTHAKY
Partner
Membership No.:F-42423
Mumbai, April 24, 2012

balance sheet

at March 31, 2012

Particulars	Note	March 31, 2012	(₹ in 000's) *March 31, 2011*
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3.1	**110,000**	110,000
Reserves and surplus	3.2	**(585)**	*(140)*
Non-current liabilities			
Deferred tax liabilities (net)	3.3	**156**	—
Current liabilities			
Other current liabilities	3.4	**7,249**	*5,937*
Total		**116,820**	*115,797*
ASSETS			
Non-current assets			
Fixed assets			
Intangible assets	3.5	**2,000**	*2,803*
Other non-current assets	3.7	**97,000**	—
Current assets			
Current investments	3.6	**13,000**	*18,009*
Cash and bank balances	3.7	**113**	*91,941*
Short-term loans and advances	3.8	**1,417**	*834*
Other current assets	3.9	**3,290**	*2,210*
Total		**116,820**	*115,797*

profit & loss statement

for the year ended March 31, 2012

Particulars	Note	Year ended March 31, 2012	(₹ in 000's) Year ended March 31, 2011
Revenue from operations			
Investment management fees		**2**	*0*
Other income			
Interest on fixed deposit		**8,745**	*4,530*
[Tax deducted at source ₹ 543,375 (previous year: ₹ 907,124)]			
Gain on sale of investments		**1,514**	*3,470*
Total Revenue (A)		**10,261**	*8,000*
Expenses			
Employee benefits expense	3.10	**3,801**	*3,148*
Other expenses	3.11	**5,962**	*3,997*
Amortisation expense		**803**	*390*
Total Expenses (B)		**10,566**	*7,535*
Profit / (loss) before tax (A-B)		**(305)**	*465*
Tax expense			
Current tax (MAT)		**—**	*(86)*
Deferred tax charge	3.3	**(156)**	*(381)*
Excess tax provision of earlier years		**16**	—
Loss for the year		**(445)**	*(2)*
Earnings per equity share:			
Basic and diluted earnings per equity share (₹)	3.12	**(0.04)**	*(0.00)*

The notes referred to above form an integral part of the financial statements.

Refer accompanying significant accounting policies and notes to accounts

As per our report of even date

For Walker, Chandiok & Co
Chartered Accountants
Firm Registration No.: 001076N

For and on behalf of the Board of Directors

per KHUSHROO B. PANTHAKY
Partner
Membership No. F-42423

SANDEEP BAKHSHI
Chairman

PUNEET NANDA
Director

Mumbai, April 24, 2012

MEGHANA BAJI
Chief Executive Officer

GIRISH MANIK
Company Secretary

Significant accounting policies and notes to accounts

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 Statement of accounting policies

2.1 Basis of preparation

The 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 accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

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 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 year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

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 the 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 non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

2.5 Intangible assets

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 current and deferred tax. Current income tax is measured as the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect 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; 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.

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.

Minimum Alternate Tax is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period.

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 year attributable to equity shareholders 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 year attributable to equity shareholders and the weighted average number of shares outstanding during the year 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 Share capital

The following table sets forth, for the periods indicated, the details of outstanding share capital.

(₹ in 000's)

Particulars	At March 31, 2012	At *March 31, 2011*
Authorised:		
20,000,000 (Previous year 20,000,000) Equity shares of ₹ 10 each	**200,000**	*200,000*
Issued, subscribed and fully paid up:		
11,000,000 (Previous year 11,000,000) Equity shares of ₹ 10 each (All the above Equity shares of ₹ 10 each are held by the holding company, ICICI Prudential Life Insurance Company Limited and it's nominees)	**110,000**	*110,000*
Total	**110,000**	*110,000*

3.2 Reserves and Surplus

The following table sets forth, for the periods indicated, the details of reserves and surplus.

(₹ in 000's)

Particulars	At March 31, 2012	At *March 31, 2011*
Surplus:		
Opening balance	**(140)**	*(138)*
Add: Loss for the year	**(445)**	*(2)*
Total	**(585)**	*(140)*

3.3 Deferred taxes

Deferred tax assets / liabilities 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. Deferred tax charge of ₹ 155,830 is recognised during the year ended March 31, 2012 (Previous year deferred tax charge of ₹ 380,835).

A net deferred tax liability of ₹ 155,830 is carried forward as given below:

(₹ in 000's)

Particulars	At March 31, 2012	*At March 31, 2011*
Deferred tax asset		
- Effect of incorporation expenses (A)	**192**	*190*
Deferred tax liability		
- Difference in amortisation of computer software as per tax books and financial books (B)	**(348)**	*(190)*
Net Deferred Tax Liability (A-B)	**(156)**	—

3.4 Other current liabilities

The following table sets forth, for the periods indicated, the details of other current liabilities.

(₹ in 000's)

Particulars	At March 31, 2012	*At March 31, 2011*
Other payables		
Payable to holding company for expenses	**6,334**	*5,294*
Payable to others for expenses	**327**	*188*
Tax deducted at source(TDS) payable	**588**	*455*
Total	**7,249**	*5,937*

3.5 Intangible Assets

The following table sets forth, for the periods indicated, the details of intangible assets.

(₹ in 000's)

Particulars	Gross Block: *Balance at April 1, 2011*	Gross Block: Additions/ (Disposals)	Gross Block: **Balance at March 31, 2012**	Amortisation: *Balance at April 1, 2011*	Amortisation: For the year	Amortisation: On Disposals	Amortisation: **Balance at March 31, 2012**	Net Block: **Balance at March 31, 2012**	Net Block: *Balance at March 31, 2011*
Computers Software	*3,213*	—	**3,213**	*410*	803	—	**1,213**	**2,000**	*2,803*
Total	*3,213*	—	**3,213**	*410*	803	—	**1,213**	**2,000**	*2,803*
Previous year	*111*	3,102	**3,213**	*20*	390	—	**410**	**2,803**	

3.6 Current investments

The following table sets forth, for the periods indicated, the details of current Investments.

(₹ in 000's)

Particulars	At March 31, 2012	*At March 31, 2011*
Investments in mutual funds - quoted (at lower of cost or market value):		
- IDFC Cash Fund - A Growth 6,861 units and 401 fractions (Previous year: 10,574 units and 409 fractions) of ₹ 1000 each	**13,000**	*18,009*
Total	**13,000**	*18,009*
Aggregate amount of mutual fund investments at market value	**13,007**	*18,409*

3.7 Cash and bank balances

The following table sets forth, for the periods indicated, the details of cash and cash equivalents.

(₹ in 000's)

Particulars	At March 31, 2012	*At March 31, 2011*
Cash and cash equivalents Balances with banks:		
- Balance in current account	**113**	*1,941*
Other bank balance		
- Bank deposit with maturity for more than 3 months but less than 12 months	**—**	*90,000*
- Bank deposit with maturity for more than 12 months	**97,000**	—
Sub-total	**97,113**	*91,941*
Amount disclosed under non-current assets	**(97,000)**	—
Total	**113**	*91,941*

3.8 Short-term loans and advances

The following table sets forth, for the periods indicated, the details of short term loans and advances.

(₹ in 000's)

Particulars	At March 31, 2012	*At March 31, 2011*
Prepaid expenses	**53**	*29*
Advance income tax (Net of provision ₹ 395,404, Previous year ₹ 411,021)	**1,364**	*805*
Total	**1,417**	*834*

3.9 Other current assets

The following table setsforth, for the periods indicated, the details of other current assets.

(₹ in 000's)

Particulars	At March 31, 2012	*At March 31, 2011*
Interest accrued on fixed deposit	**3,290**	*2,210*
Total	**3,290**	*2,210*

3.10 Employee benefits expense and cost sharing arrangement

Salaries and wages

The employees and the Company Secretary are on 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.

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. All costs are charged to the Company on arms length basis as per the ICICI Group Transfer Pricing Policy. The following expenses have been cross charged to the Company under such agreement:

(₹ in 000's)

Nature of the expenses	Year ended March 31, 2012	*Year ended March 31, 2011*
Salaries and wages	**3,801**	*3,148*
Rent and Utilities	**1,840**	*1,312*
Travel cost	**61**	*56*
Technology cost	**1,185**	*1,216*
Total	**6,887**	*5,732*

3.11 Other expenses

The following table sets forth, for the periods indicated, the details of other expenses.

(₹ in 000's)

Particulars	Year ended March 31, 2012	*Year ended March 31, 2011*
Information technology expenses	**2,063**	1,357
Rent and utilities charges	**1,840**	*1,312*
Pension Fund Regulatory Development Authority licence fees	**1,000**	*1,000*
Payments to the auditor as:		
- Auditor	**193**	*165*
- Reimbursement of expenses	**6**	*17*
Travelling expenses	**61**	*56*
Legal and professional fees	**725**	*70*
Miscellaneous expenses	**74**	*20*
Total	**5,962**	*3,997*

3.12 Earnings per equity share:

(₹ in 000's)

Particulars	Year ended March 31, 2012	*Year ended March 31, 2011*
1 Net profit / (loss) after tax as per profit and loss statement available for equity shareholders for both basic and diluted earnings per equity share of ₹ 10 each (in ₹)	**(445)**	*(2)*
2 Weighted average number of equity shares for earnings per equity share		
(a) For basic earnings per equity share	**11,000**	*11,000*
(b) For diluted earnings per equity share	**11,000**	*11,000*
3 Earnings per equity share		
Basic and Diluted (in ₹)	**(0.04)**	*(0.00)*

3.13 Details of related parties and transactions with related parties

Related parties and nature of relationship:

Nature of relationship	Name of the related party
Ultimate holding company	ICICI Bank Limited
Holding company	ICICI Prudential Life Insurance Company Limited
Fellow subsidiaries	ICICI Securities Limited
	ICICI Securities Inc
	ICICI Securities Holding Inc
	ICICI Securities Primary Dealership Limited
	ICICI Venture Funds Management Company Limited
	ICICI Home Finance Company Limited
	ICICI Trusteeship Services Limited
	ICICI Investment Management Company Limited
	ICICI International Limited
	ICICI Bank UK PLC
	ICICI Bank Canada
	ICICI Bank Eurasia Limited Liability Company
	ICICI Eco-net Internet and Technology Fund
	ICICI Equity Fund
	ICICI Emerging Sectors Fund
	ICICI Strategic Investments Fund
	ICICI Lombard General Insurance Company Limited
	ICICI Prudential Asset Management Company Limited
	ICICI Prudential Trust Limited
	TCW/ICICI Investment Partners Limited Liability Company
	ICICI Kinfra Limited
	ICICI Venture Value Fund
	I-Ven Biotech Limited
Key management personnel	Meghana Baji, Chief Executive Officer
	Ramandeep Singh Sahni, Authorised signatory (upto June 30, 2011)

The following represents significant transactions between the Company and its related parties:

(₹ in 000's)

Particulars	Holding company	Ultimate holding company	Fellow subsidiary (ICICI Prudential Asset Management Company Limited)
Transactions for the year ended March 31, 2012			
Expenses			
Salaries and wages	3,801	—	—
Rent and utilities	1,840	—	—
Travel cost	61	—	—
Technology cost	1,185	—	—
Others			
Income on investments	—	—	—
Purchase of mutual fund units	—	—	—
Redemption of mutual fund units	—	—	—
Profit on redemption of mutual fund units	—	—	—
Balances at March 31, 2012			
Expenses payable	6,334	—	—

(₹ in 000's)

Particulars	Holding company	Ultimate holding company	Fellow subsidiary (ICICI Prudential Asset Management Company Limited)
Transactions for the year ended March 31, 2011			
Expenses			
Salaries and wages	3,148	—	—
Rent and utilities	1,312	—	—
Travel cost	56	—	—
Technology cost	1,216	—	—
Others			
Income on investments	—	668	—
Purchase of mutual fund units	—	—	95,000
Redemption of mutual fund units	—	—	115,460
Profit on redemption of mutual fund units	—	—	3,057
Balances at March 31, 2011			
Expenses payable	5,294	—	—

3.14 The Micro, Small and Medium Enterprises Development Act, 2006

Based on current information available with the Company, there are no dues to suppliers who are registered under the Micro Small and Medium Enterprise Development Act 2006 (the 'MSMED') at March 31, 2012 (Previous year: Nil).

3.15 Previous year comparatives

Till the year ended March 31, 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has accordingly reclassified previous year figures to conform to this year's classification.

As per our report of even date

For Walker, Chandiok & Co
Chartered Accountants
Firm Registration No.: 001076N

For and on behalf of the Board of Directors

per KHUSHROO B. PANTHAKY
Partner
Membership No. F-42423

SANDEEP BAKHSHI
Chairman

PUNEET NANDA
Director

MEGHANA BAJI
Chief Executive Officer

GIRISH MANIK
Company Secretary

Mumbai, April 24, 2012

cash flow statement

for the year ended March 31, 2012

Particulars	Year ended March 31, 2012	(₹ in 000's) Year ended *March 31, 2011*
CASH FLOWS FROM OPERATING ACTIVITIES		
Management fees received	**2**	—
Expenses and withdrawals	**(8,474)**	*(3,929)*
Taxes paid	**(543)**	*(16)*
Net cash from operating activities (A)	**(9,015)**	*(3,945)*
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	**19,522**	*139,560*
Purchase of investments	**(13,000)**	*(136,599)*
(Placement)/Maturity proceeds of fixed deposit	**(7,000)**	*(600)*
Interest on fixed deposit	**7,665**	*6,516*
Purchase of fixed assets	**—**	*(3,101)*
Net cash from investing activities (B)	**7,187**	*5,776*
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash used in financing activities (C)	**—**	—
Net increase in cash and cash equivalents (A+B+C)	**(1,828)**	*1,831*
Cash and cash equivalents at beginning of the year	**1,941**	*110*
Cash and Cash Equivalents at the end of the year	**113**	*1,941*
Note :		
Components of cash and cash equivalents:		
- Balance in current account	**113**	*1,941*

As per our report of even date

For Walker, Chandiok & Co
Chartered Accountants
Firm Registration No.: 001076N

For and on behalf of the Board of Directors

per KHUSHROO B. PANTHAKY
Partner
Membership No. F-42423

SANDEEP BAKHSHI
Chairman

PUNEET NANDA
Director

MEGHANA BAJI
Chief Executive Officer

GIRISH MANIK
Company Secretary

Mumbai, April 24, 2012

ICICI Lombard GENERAL INSURANCE

ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED

12TH ANNUAL REPORT AND ACCOUNTS 2011-2012

Directors
Chanda Kochhar, *Chairperson*
R. Athappan
B. V. Bhargava
Dileep Choksi
Zarin Daruwala
N. S. Kannan
S. Mukherji
Chandran Ratnaswami
M. K. Sharma
H. N. Sinor
Bhargav Dasgupta, *Managing Director & CEO*
Alok Kumar Agarwal, *Executive Director*
Neelesh Garg, *Executive Director*

Auditors
PKF Sridhar & Santhanam
Chartered Accountants

Khandelwal Jain & Co.
Chartered Accountants

Vikas Mehra
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 Twelfth Annual Report of ICICI Lombard General Insurance Company Limited (ICICI Lombard) with the audited statement of accounts for the financial year ended March 31, 2012.

INDUSTRY OVERVIEW

The gross premium of the industry for the period April 2011 - March 2012 grew from ₹ 445.35 billion to ₹ 547.62 billion on a year-on-year basis, a growth of about 23%. The market share of private sector general insurance companies for the corresponding period grew marginally from 40.1% to 41.1%. ICICI Lombard led the private players in general insurance sector with a market share of 22.9% and an overall industry market share of 9.4% (including specialised health insurance companies).

FINANCIAL HIGHLIGHTS

	Fiscal 2011	**Fiscal 2012**
No. of Policies	*5,644,837*	**7,574,172**
		(₹ million)
Gross written premium	*44,082.3*	**53,582.9**
Earned premium	*28,561.6*	**35,489.9**
Income from Investments	*3,937.3*	**4,084.4**
Profit/(Loss) before tax	*(823.4)*	**(3,952.1)**
Profit/(Loss) after tax	*(803.4)*	**(4,163.3)**

Insurance Regulatory and Development Authority (IRDA) in FY2011 had instructed all general insurance companies to provisionally provide for pool losses at 153% loss ratio for underwriting years 2008 to 2011, subject to peer review of the report. Accordingly, ICICI Lombard had provided additionally ₹ 2.72 billion in FY2011 towards third party pool reserves and infused capital to maintain the desired solvency ratio.

IRDA had carried out the peer review of the report of consultant actuary to evaluate the liabilities of the third party pool reserves and assess the adequacy of reserves through Government Actuary's Department (GAD), U.K. Based on the report, IRDA vide order dated January 3, 2012 had directed all general insurance companies to provide reserves based on the ultimate loss ratios at the lower end i.e. 159%, 188%, 200% and 213% respectively for underwriting years 2008 to 2011.

IRDA vide its order dated March 22, 2012 further directed all insurers that liabilities related to the Pool for underwriting years 2008 and 2009 be accounted and recognised in full in FY2012. In respect of liabilities pertaining to underwriting years 2010 to 2012, IRDA has given a choice to either recognise the liabilities in FY2012 itself or treat it as an expense over a period of three years on straight line basis, beginning FY2012. Further through a separate order issued on same date, IRDA declared the ultimate loss ratio for underwriting year 2012 at 145%.

The Company recognised additional liability of ₹ 6.85 billion pertaining to motor third party pool in FY2012. This includes provision of additional liability for underwriting year 2008 of ₹ 0.98 billion since the actual loss experience has exceeded the ultimate loss ratio prescribed at the lower end of GAD estimate.

Based on above, the Company has reported loss after tax of ₹ 4.16 billion in FY2012. The solvency margin ratio of the Company at March 31, 2012 stood at 136% which is above the requirement of 130% prescribed by IRDA for FY2012.

IRDA had also ordered for dismantling of existing Indian Motor Third Party Insurance Pool (IMTPIP) with effect from March 31, 2012 and set up a framework for Indian Motor Third Party Declined Risk Insurance Pool (Declined Risk Pool) for commercial vehicles. The Declined Risk Pool is effective from April 1, 2012.

IRDA vide its order dated March 27, 2012 also announced an increase in the premium of motor third party liability cover effective April 1, 2012 in order to give effect to the higher loss ratios. The increase in premium rates with annual adjustments is based on the cost inflation index and other parameters such as average claim amount, frequency and expenses involved in servicing motor third party business.

APPROPRIATIONS

Your Directors have not recommended any dividend for FY2012 in view of loss suffered due to additional provision made on account of motor third party pool.

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 violation, actual or suspected fraud and other irregularities. The framework of the policy strives to foster responsible and secure whistle blowing.

REGISTRATION

The certificate of registration of ICICI Lombard has been renewed by IRDA for FY2013.

CAPITAL

The total capital invested by shareholders till March 31, 2012 including share premium, was ₹ 18.25 billion. The net worth of ICICI Lombard stood at ₹ 15.07 billion at March 31, 2012 as compared to ₹ 19.44 billion at March 31, 2011.

RURAL AND SOCIAL RESPONSIBILITY

ICICI Lombard issued more than 350,000 policies in rural areas and covered more than 150,000 lives falling within the norms of social responsibility.

PUBLIC DEPOSITS

During the year under review, ICICI Lombard has not accepted any deposit from the public.

DIRECTORS

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of ICICI Lombard, R. Athappan, S. Mukherji and B. V. Bhargava would retire at the forthcoming Annual General Meeting and are eligible for re-appointment. R. Athappan and S. Mukherji have offered themselves for re-appointment.

ICICI Lombard had adopted norms governing tenure of non-executive independent Directors. In accordance with these norms, maximum tenure of a non-executive independent Director of a Company shall be nine years.

Pursuant to above norm, B. V. Bhargava will not be eligible for re-appointment as a Director. A Resolution is proposed to the Members in the Notice of the current Annual Genral Meeting to this effect and also not to fill up the vacancy caused by the retirement of B. V. Bhargava at this meeting or any adjourned meeting thereof.

AUDITORS

The Joint Statutory Auditors, PKF Sridhar & Santhanam, Chartered Accountants and Khandelwal Jain & Co., Chartered Accountants will retire at the ensuing Annual General Meeting. As recommended by the Audit Committee, the Board, at its Meeting held on April 13, 2012 has proposed the re-appointment of PKF Sridhar & Santhanam, Chartered Accountants (Firm's Registration Number 003990S) and Khandelwal Jain & Co., Chartered Accountants (Firm's Registration Number 105049W), as Joint Statutory Auditors to audit the accounts of the Company for the financial year ending March 31, 2013. You are requested to consider their appointment.

FOREIGN EXCHANGE EARNING AND EXPENDITURE

During FY2012, expenditure in foreign currencies amounted to ₹ 3,539.8 million and earning in foreign currencies amounted to ₹ 1,474.3 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 namely, Dileep Choksi, S. Mukherji, H. N. Sinor and R. Athappan. There were five 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 FY2006, ICICI Lombard had 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 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 (net of forfeited/lapsed) is limited to 5% of ICICI Lombard's issued equity shares on the date of the grant.

Options granted in the years 2005, 2006, 2007, 2008 and 2010 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 grants vesting each year in subsequent four years. Options granted for the year 2011 vest in a graded manner over a two-year period, with 40% and 60% of the grants vesting each year, commencing not earling than 12 months from the date of grant. Options can be exercised within ten 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, 2012 are given below:

Options granted	23,572,260
Options vested	18,508,220
Options exercised	3,936,954
Number of shares allotted pursuant to exercise of options	3,891,254
Options forfeited/lapsed	7,186,286
Extinguishment or modification of options	—
Amount realised by exercise of options (₹)	162,487,670
Total number of options in force	12,449,020

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 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 IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and 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.

CORPORATE GOVERNANCE

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 viz. integrity, equity, transparency, fairness, sound disclosure practices, accountability and commitment to values. It also aims to increase and sustain its corporate value through growth and innovation.

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 also several voluntary practices aimed at maximising shareholders value legally, ethically and on a sustainable basis.

I. 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 to ensure 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 to stakeholders;
- Delegation of decision making with accountability is achieved;
- Financial and operating control and integrity are maintained at an optimal level;
- Risk is suitably evaluated and dealt with;
- Compliance with applicable acts and regulations is achieved;
- Corporate culture that recognises and rewards adherence to ethical standards is developed.

This multi-tier management structure besides ensuring greater management accountability and credibility, facilitates increased autonomy of businesses, performance discipline and development of business leaders, leading to enhanced public confidence.

II. Board Structure

At March 31, 2012, the Company's Board of Directors consisted of thirteen members. Out of the thirteen members of the Board, four are nominated by ICICI Bank Limited (ICICI Bank), two are nominated by Fairfax Financial Holdings Limited (Fairfax), four are independent Directors and three are wholetime Directors including Managing Director & CEO. Except the wholetime Directors, all other Directors, including the Chairperson of the Board, are non-executive Directors. The composition of Board of Directors is in compliance with provisions of the Companies Act, 1956 and in accordance with Corporate Governance guidelines prescribed for insurance companies by IRDA. There is a clear segregation of responsibility and authority between the Chairperson and the wholetime Directors. The Board functions either as an entity per se, or through various committees constituted to oversee specific operational areas. 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 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.
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 Mergers & Acquisitions.
Zarin Daruwala	Non- Executive, Nominee of ICICI Bank	A.C.A, A.C.S	Wholesale Banking.
N. S. Kannan	Non- Executive, Nominee of ICICI Bank	B.E. (Hon), PGDM, IIM Bangalore, CFA	Finance, Taxation, Corporate Legal, Treasury, Commercial & Investment Banking, Corporate Communications & Corporate Branding.
S. Mukherji	Non- Executive, Nominee of ICICI Bank	B.A. (Eco.), M.Sc Economics (London School of Economics), MMS	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	Corporate Laws, Human Resources, Risk Management and Communication.
H. N. Sinor	Non-Executive, Independent	B.Com, LL.B	Banking and Finance.
Bhargav Dasgupta	Managing Director	PGDM, IIM Bangalore, B. E. (Mechanical)	Banking and Insurance.
Alok Kumar Agarwal	Executive Director	B.E. (Chemical) PGDM, IIM Calcutta	Banking and Insurance.
Neelesh Garg	Executive Director	PGDM, IIM Bangalore	Banking and Insurance.

The Board met four times in the year under review on April 25, 2011, July 22, 2011, October 20, 2011 and January 20, 2012. The attendance record of the Directors is set out in the following table:

Name of the Director	Number of Board Meetings Attended
Chanda Kochhar	4
R. Athappan	2
B. V. Bhargava	3
Dileep Choksi	3
Zarin Daruwala	4
N. S. Kannan	2
S. Mukherji	4
Chandran Ratnaswami	4
M. K. Sharma	4
H. N. Sinor	4
Bhargav Dasgupta	4
Alok Kumar Agarwal	4
Neelesh Garg	4

III. Board Committees ('the Committees')

The Board has constituted seven 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 Chairmen of the respective Committees briefs the Board on deliberations taken place at the Committee meetings in relation to important discussions, noting and approvals. The role and composition of these Committees, alongwith the number of meetings held during FY2012 and the attendance of the members are provided below:

(i) Board Governance Committee

Composition

The Board Governance Committee (the Committee) comprises four non-executive Directors, two of whom are Independent Directors. The Committee was chaired by M. K. Sharma, a non-executive independent Director.

The composition of the Committee is given below along with the attendance of the members. The Committee met once in the year under review on April 25, 2011.

Attendance record of the Members:

Name	Number of Meetings attended
M. K. Sharma Chairman	1
Chanda Kochhar Non-executive Director	1
Chandran Ratnaswami Non-executive Director	1
H. N. Sinor Independent Director	1

Terms of reference

The functions of this Committee included recommendations of appointments to the Board, evaluation of the performances of the wholetime Directors and Managing Director & CEO on pre-determined parameters, recommendation to the Board of the remuneration (including performance bonus and perquisites) to wholetime Directors and 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 stock options to the employees and wholetime Directors of the Company.

(ii) Investment Committee

Composition

The Investment Committee (the Committee) comprises two non-executive Directors, one executive Director, the Appointed Actuary, the Head of Investments, Head of Corporate Centre and the Chief Financial Officer. The Committee was chaired by Chandran Ratnaswami, a non-executive nominee Director.

The composition of the Committee is given below along with the attendance of the members. The Committee met four times in the year under review on April 25, 2011, July 22, 2011, October 20, 2011 and January 20, 2012.

Attendance record of the Members:

Name	Number of Meetings attended
Chandran Ratnaswami Chairman	4
N. S. Kannan Non-executive Director	2
Liyaquat Khan Appointed Actuary	3
Bhargav Dasgupta Managing Director & CEO	4
S. Gopalakrishnan Head- Investments	4
Rakesh Jain [1] Director Corporate Centre & CFO	2
Rajive Kumaraswami [2] Head Corporate Centre	1
Gopal Balachandran [3] Chief Financial Officer	1

1. Ceased to be Member w.e.f. October 20, 2011
2. Appointed as Member w.e.f. October 20, 2011
3. Appointed as Member w.e.f. October 20, 2011

ICICI Lombard GENERAL INSURANCE

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 said policy, periodical updation to the Board with regard to investment activities of the Company, reviewing the Company's capital and solvency position, reviewing the investment strategies adopted from time to time and giving suitable directions as needed in the best interest of the Company, reviewing the broker policy and making suitable amendments from time to time and reviewing counter party/intermediary exposure norms.

In addition to above the Committee also supervises the asset allocation strategy to ensure financial liquidity, security and diversification through liquidity contingency plan and asset liability management policy. The Committee also oversees the assessment, measurement and accounting for other than temporary impairment in investments in accordance with the policy adopted by the Company and reviews the broker empanelment/de-empanelment on an annual basis.

(iii) Audit Committee

Composition

The Audit Committee (the Committee) comprises four non-executive Directors. The Chief Financial Officer, the Head of Internal Audit, Statutory Auditors and their representatives, Compliance Officer and Chief Risk Officer and other officials at senior management level are invitees to the Audit Committee. The Committee was chaired by Dileep Choksi, a non-executive independent Director. All members of the Committee are financially literate and the Chairman has accounting and financial management expertise.

The composition of the Committee is given below along with the attendance of the members. The Committee met five times in the year under review on April 25, 2011, June 20, 2011, July 22, 2011, October 19, 2011 and January 19, 2012.

Attendance record of the Members:

Name	Number of Meetings attended
Dileep Choksi Chairman	3
R. Athappan Non-executive Director	2
S. Mukherji [1] Non-executive Director	5
H. N. Sinor Non-executive Director	5

1. The meetings of the Committee held on October 19, 2011 and January 19, 2012 were chaired by S. Mukherji in absence of Dileep Choksi, Chairman of the Committee.

Terms of reference

The functions of the Committee included overseeing the Company's financial reporting process under Indian GAAP and US GAAP 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 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

Composition

The Risk Management Committee (the Committee) has been formed in accordance with the Corporate Governance Guidelines issued by the Insurance Regulatory and Development Authority (IRDA). It comprises of three non-executive Directors and one executive Director. The Chief Financial Officer and other officials at senior management level are invitees to the Committee meetings. The Chief Risk Officer of the Company is appointed by the Board who reports to the Risk Committee and is a permanent invitee at the Committee meetings. The Committee was chaired by S. Mukherji, a non-executive nominee Director.

The composition of the Committee is given below along with the attendance of the members. The Committee met four times in the year under review on April 25, 2011, July 22, 2011, October 19, 2011 and January 19, 2012.

Attendance record of the Members:

Name	Number of Meetings attended
S. Mukherji Chairman	4
R. Athappan Non-executive Director	1
H. N. Sinor Non-executive Director	4
Bhargav Dasgupta Managing Director & CEO	4

Terms of reference

The functions of the Committee included assisting the Board in effective operation of the risk management program 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 advising the Board with regard to risk management decisions in relation to strategic and operational matters.

(v) Policyholder Protection Committee

Composition

The Policyholder Protection Committee (the Committee) has been formed in accordance with the Corporate Governance Guidelines issued by IRDA. It comprises three non-executive Directors and one executive Director. The Committee was chaired by M. K. Sharma, a non-executive independent Director.

The composition of the Committee is given below along with the attendance of the members. The Committee met four times in the year under review on April 25, 2011, July 22, 2011, October 19, 2011 and January 20, 2012.

Attendance record of the Members:

Name	Number of Meetings attended
M. K. Sharma Chairman	4
S. Mukherji Non-executive Director	4
Chandran Ratnaswami Non-executive Director	4
Bhargav Dasgupta Managing Director & CEO	4

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.

IV. Details of managerial remuneration for FY2012:

(i) Wholetime Directors:

The Board based on the recommendation of the Board Governance Committee approved revision in the remuneration and performance bonus payable to the wholetime Directors. In terms of provisions of Insurance Act, 1938, prior approval of IRDA is obtained to effect the remuneration of wholetime Directors.

The details of remuneration of wholetime Directors' are as under:

(₹ in 000's)

Particulars	Fiscal 2012	*Fiscal 2011*
Salaries	**51,467**	*19,641*
Contribution to provident fund	**2,211**	*1,065*
Perquisites	**528**	*463*

1. Expenses towards gratuity and leave accrued are determined actuarially on an overall basis and accordingly have not been considered for the above disclosure.

(ii) Non-executive Independent Directors:

Non-executive Independent Directors are appointed for their professional expertise in their individual capacity as professionals. Non-executive Independent Directors do not have any material pecuniary relationship with the Company other than the sitting fees payable to them.

The details of sitting fees of non-executive independent Directors are as follows:

Names	Sitting fees for Board Meeting	Sitting fees for Committee Meeting	Total (in ₹)
B. V. Bhargava	60,000	—	60,000
Dileep Choksi	60,000	60,000	1,20,000
M. K. Sharma	80,000	1,00,000	1,80,000
H. N. Sinor	80,000	2,00,000	2,80,000

(iii) Non-executive nominee Directors:

Non-executive nominee Directors were not paid any sitting fees during FY2012.

V. Internal Control

The Company has adopted the following Frameworks in accordance with the requirements laid down under Corporate Governance guidelines.

(i) Internal Audit Framework

The Company has established an internal audit framework with a risk based approach. The internal audit covers auditing of processes as well as transactions.

The Company has designed its internal control framework to provide reasonable assurance to ensure compliance with internal policies and procedures, regulatory matters and to safeguard reliability of the financial reporting and its disclosures. An annual risk-based internal audit plan is drawn up on the basis of risk profiling of the businesses/departments of the Company which is approved by the Audit Committee. 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 in relation to the key audit findings.

In accordance with IRDA directives, the Company carries out a concurrent audit of investment operations through a Chartered Accountant firm and reports the findings to the Audit Committee.

(ii) 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 encompasses, inter alia, 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. Accordingly, Risk Committee reviews key risks in the areas such as credit risk, market risk, underwriting risk, operational risk and strategic risk on a regular basis.

The Company has put in place risk register as well as risk scoring methodology to analyse and manage risk effectively. The risk register consist four sub-processes viz., risk identification, risk assessment, risk mitigation & control and risk monitoring.

VI. Other information:

(i) Annual General Meetings

Details of the last three Annual General Meetings are given below:

Financial year ended	Day, Date	Time	Venue
March 31, 2009	Tuesday, July 21, 2009	2.00 p.m.	ICICI Bank Towers, Bandra-Kurla complex, Mumbai 400 051
March 31, 2010	Monday, June 28, 2010	11.30 a.m.	Zenith House, Keshavrao Khadye Marg, Opp. Mahalaxmi Race Course, Mumbai 400 034
March 31, 2011	Monday, June 20, 2011	11.00 a.m.	ICICI Lombard House, 414, Veer Savarkar Marg, Prabhadevi, Mumbai 400 025

(ii) History of Dividends declared during last five years

Financial year	Dividend type	Percentage
2011-2012	—	—
2010-2011	Interim Dividend	14%
2009-2010	Interim Dividend	16%
2008-2009	—	—
2007-2008	Interim Dividend	16%

(iii) Means of Communication

The Company's website www.icicilombard.com serves as a key awareness platform for all its stakeholders, allowing them to access information at their convenience. It provides comprehensive information on business segment and financial performance of the Company. The Company periodically publishes its financial performance in print media and also hosts the same on its website.

In accordance with IRDA circular no. IRDA/F&I/CIR/F&A/012/01/2010 dated January 28, 2010, half-yearly financial results of the Company were published in two prominent daily newspapers. The quarterly, half-yearly and annual financial information are available on the website of the Company. Additionally, the annual reports of the Company are also available on the website.

(iv) Corporate Identity Number (CIN)

The Corporate Identity Number (CIN), allotted by Ministry of Corporate Affairs, Government of India is U67200MH2000PLC129408, and the Company registration number is 11-129408.

(v) Registrar and Transfer Agents

The Registrar and Transfer Agent of the Company is 3i Infotech Limited. Investor services related queries/requests/complaints may be directed at the address as under:

3i Infotech Limited
International Infotech Park
Tower 5, 3rd Floor,
Vashi Railway Station Complex,
Vashi, Navi Mumbai 400 703
Maharashtra, India
Tel No. : +91-22-6792 8000
Fax No. : +91-22-6792 8099

(vi) Correspondence Address

Correspondence relating to the financial performance of the Company may be addressed to:

Gopal Balachandran/Vikas Mehra
ICICI Lombard General Insurance Company Limited
414, Veer Savarkar Marg, Prabhadevi, Mumbai 400 025
Tel No. : +91-22-6196 1100
Fax No. : +91-22-6196 1323

VII. 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, Fairfax Financial Holdings Limited and their group companies.

The Directors express their deep sense of appreciation to all the employees, whose outstanding professionalism, commitment and initiative have made the organisation's growth and success possible and continue to drive its progress. The Directors also wish to express their gratitude to the Members for their trust and support.

For and on behalf of the Board

CHANDA KOCHHAR
Mumbai, April 13, 2012 *Chairperson*

Certificate for compliance of the Corporate Governance Guidelines

I, Vikas Mehra, hereby certify that the Company has complied with the corporate governance guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

VIKAS MEHRA
Company Secretary

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 2012-2013 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 receipts, debt securities which are stated at cost / amortised cost.

7. The entire gross risk exposure of the portfolio consists 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 (tariff as well as non tariff products) filed by us with IRDA, as per the file and use procedure.

   While in property lines (Fire) the net retention has not exceeded ₹ 2,500.0 million on a PML basis (Previous year: ₹ 400.0 million) in any single risk, this also gets graded down to between ₹ 5.0 million to ₹ 2,500.0 million (Previous year: between ₹ 5.0 million to ₹ 400.0 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 Regulation.

    For the purpose of comparison, the fair value of debt securities has 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 as 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 as at balance sheet date.

    Investments other than those mentioned above are valued at cost.

    In accordance with the Regulation, 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 as on March 31, 2012 amount to ₹ 60,336.2 million (Refer schedule 8, Previous year: ₹ 46,652.9 million). Income from Investments amounted to ₹ 4,084.4 million (Previous year: ₹ 3,937.3 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 largely 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 accounting standards, 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 loss and of the loss of the company for the year ended;

    (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 4.

For and on behalf of the Board

CHANDA KOCHHAR *Chairperson*	S. MUKHERJI *Director*
DILEEP CHOKSI *Director*	BHARGAV DASGUPTA *Managing Director & CEO*
ALOK KUMAR AGARWAL *Executive Director*	NEELESH GARG *Executive Director*
GOPAL BALACHANDRAN *Chief Financial Officer*	VIKAS MEHRA *Company Secretary*

Mumbai, April 13, 2012

Continued

Annexure - 1

Details of Claims Outstanding during the preceding five years

As at March 31, 2012

(₹ in million)

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Credit Insurance		Others		Grand Total	
Period	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
0-30 days	98	658.6	1,864	266.7	8	23.4	16,861	1,754.7	2,056	31,938.7	55	109.5	353	18.8	115	154.4	21	146.9	426	376.9	455,408	2,397.8	0	4.7	753	576.7	478,018	38,427.7
30 days to 6 months	209	1,737.6	1,000	337.5	8	48.0	8,984	451.8	8,600	1,764.4	310	46.5	510	17.6	208	284.0	27	79.0	1,526	252.1	748,125	553.1	3	1.1	1,432	675.8	770,942	6,248.3
6 months to 1 year	94	165.9	140	64.6	12	34.9	602	104.1	8,605	1,950.5	148	28.5	21	1.6	107	436.9	20	59.2	388	49.8	236,938	88.0	2	1.6	685	189.0	247,762	3,174.9
1 year to 5 years	1,271	1,989.5	631	546.3	144	681.8	362	90.2	39,880	7,912.9	54	7.4	16	9.2	326	468.8	64	132.1	148	22.0	10,376	400.2	66	116.3	1,371	944.9	54,709	13,321.5
5 years and above	24	21.2	—	0.0	19	90.7	0	0.0	1,284	222.7	—	—	3	0.3	20	12.7	2	3.5	—	—	0	0.0	3	—	8	24.4	1,363	375.6
Grand Total	1,696	4,572.8	3,635	1,215.1	191	878.8	26,809	2,400.8	60,425	43,789.2	567	192.0	903	47.5	776	1,356.7	134	420.7	2,488	700.8	1,450,847	3,439.1	74	123.7	4,249	2,410.8	1,552,794	61,548.0

As at March 31, 2011

(₹ in million)

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Credit Insurance		Others		Grand Total	
Period	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
0-30 days	263	921.4	1,975	229.5	21	49.7	14,246	1,323.3	2,390	14,378.6	32	67.4	91	11.6	129	136.4	22	46.5	526	254.0	345,054	1,781.0	35	15.5	831	635.7	365,615	19,850.5
30 days to 6 months	222	790.8	1,174	292.1	15	9.9	8,443	475.8	10,260	2,006.2	116	22.8	0	0.0	183	275.9	30	54.4	892	95.9	19,186	279.9	5	3.3	1,580	279.8	42,106	4,586.8
6 months to 1 year	187	793.7	532	350.4	17	44.4	1,005	143.1	11,144	2,148.3	68	9.5	0	0.0	99	238.8	9	18.1	424	53.6	20,071	172.5	2	0.2	632	182.8	34,190	4,155.4
1 year to 5 years	890	2,202.5	428	224.1	151	977.1	479	106.2	35,939	6,664.7	94	8.1	15	4.5	330	503.5	26	80.2	463	46.5	8,630	309.1	33	108.5	727	825.5	48,205	12,060.5
5 years and above	17	29.4	3	0.4	18	40.2	—	—	149	29.6	—	—	1	0.5	16	37.2	—	—	—	—	1	0.2	—	—	2	0.0	207	137.5
Grand Total	1,579	4,737.8	4,112	1,096.5	222	1,121.3	24,173	2,048.4	59,882	25,227.4	310	107.8	107	16.6	757	1,191.8	87	199.2	2,305	450.0	392,942	2,542.7	75	127.5	3,772	1,923.8	490,323	40,790.7

As at March 31, 2010

(₹ in million)

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Credit Insurance		Others		Grand Total	
Period	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
0-30 days	619	731.4	713	112.0	12	9.0	15,100	1,167.2	2,854	8,929.5	44	19.8	52	3.6	126	141.5	1	385.5	484	205.7	208,163	1,367.5	2	—	968	158.4	229,138	13,230.9
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	6	—	2,376	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	12	—	1,184	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	20	0.5	1,140	697.6	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	1,925.4	48,609	17,217.3	316	43.5	72	8.8	899	1,383.9	28	698.1	2,302	397.4	352,115	2,106.0	40	0.5	5,669.0	1,588.5	438,759	32,205.6

As at March 31, 2009

(₹ in million)

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Credit Insurance		Others		Grand Total	
Period	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
0-30 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	11	39.1	684	96.9	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	6	47.7	1,500	138.9	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	9	12.5	855	157.3	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	9	15.7	552	236.4	14,929	4,641.8
5 years and above	5	4.9	—	—	—	—	—	—	1	0.1	—	—	—	—	2	0.9	—	—	—	—	—	—	—	—	1	—	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	35	115.0	3,592.0	629.5	181,264	23,749.6

As at March 31, 2008

(₹ in million)

Product	Fire		Marine Cargo		Marine Others		Motor OD		Motor TP		Workmen's Compensation		Public/Product Liability		Engineering		Aviation		Personal Accident		Health		Credit Insurance		Others		Grand Total	
Period	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
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	3	—	1,582	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	4	0.0	1,095	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	8	0.5	498	115.6	5,091	2,105.8
5 years and above	4	5.8	—	—	—	—	—	—	1	0.1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0	—	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	15	0.5	3,614.0	506.4	79,910	12,692.6

Annexure - 2

Details of Average Claim Settlement time for the preceding five years

Particulars	**For the year ended March 31, 2012**		*For the year ended March 31, 2011*		*For the year ended March 31, 2010*		*For the year ended March 31, 2009*		*For the year ended March 31, 2008*	
	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	**1,326**	**120**	*1,436*	*133*	*1,552*	*176*	*2,089*	*145*	*1,636*	*129*
Marine Cargo	**22,763**	**59**	*16,989*	*56*	*13,501*	*67*	*12,139*	*84*	*12,992*	*75*
Marine Hull	**74**	**728**	*54*	*435*	*105*	*431*	*82*	*350*	*108*	*147*
Motor	**454,501**	**16**	*451,362*	*17*	*405,163*	*20*	*298,161*	*20*	*278,240*	*19*
Workmen's Compensation	**699**	**80**	*577*	*83*	*376*	*107*	*685*	*48*	*389*	*26*
Public/Product Liability	**9,784**	**26**	*11,877*	*28*	*6,261*	*50*	*3,142*	*16*	*1*	*1*
Engineering	**1,606**	**107**	*1,563*	*229*	*1,551*	*167*	*2,667*	*167*	*1,755*	*144*
Aviation	**52**	**177**	*18*	*99*	*16*	*139*	*10*	*26*	*10*	*73*
Personal Accident	**9,277**	**54**	*7,925*	*96*	*12,561*	*49*	*39,302*	*51*	*15,744*	*35*
Health	**3,827,703**	**15**	*7,620,495*	*15*	*5,795,126*	*22*	*2,947,748*	*26*	*493,867*	*26*
Credit Insurance	**15**	**165**	*75*	*222*	*24*	*294*	*7*	*138*	*32*	*216*
Others	**11,659**	**87**	*16,030*	*121*	*14,347*	*68*	*7,798*	*58*	*7,322*	*67*
Total	**4,339,459**	**16**	*8,128,401*	*16*	*6,250,583*	*23*	*3,313,830*	*26*	*812,096*	*26*

The above ageing does not include Motor third party claims which have to be settled through MACT and other judicial bodies

Annexure - 3

Details of Claims intimated

	For the year ended March 31, 2012		*For the year ended March 31, 2011*	
Product	**Claims intimated**	**Amount (₹ in million)**	*Claims intimated*	*Amount (₹ in million)*
Fire	1,443	3,311.2	*1,775*	*3,540.6*
Marine Cargo	22,286	1,631.5	*19,050*	*1,384.6*
Marine Hull	43	108.1	*76*	*8,258.6*
Motor OD	457,137	7,770.4	*450,317*	*7,634.0*
Motor TP	26,043	5,201.6	*29,328*	*5,110.2*
Workmen's Compensation	956	183.7	*571*	*104.7*
Public/Product Liability	10,580	352.5	*11,912*	*369.5*
Engineering	1,625	1,322.8	*1,421*	*862.7*
Aviation	99	409.6	*77*	*251.0*
Personal Accident	9,460	1,259.6	*7,928*	*1,081.9*
Health	4,885,608	13,077.6	*7,661,322*	*13,134.2*
Credit insurance	14	29.3	*47*	*20.3*
Others	12,136	3,630.4	*14,196*	*1,772.0*
Grand Total	**5,427,430**	**38,288.3**	*8,198,020*	*43,524.3*

Annexure - 4

List of payments to parties in which Directors are interested (₹ in million)

Sl. No	**Entity in which Director is interested**	**Name of Director**	**Interested as**	**For the year ended March 31, 2012**	*For the year ended March 31, 2011*
1	3i Infotech Limited	H. N. Sinor	Director	14.4	*24.4*
		Dileep Choksi	Director		
2	Bata India Limited	M.K. Sharma[1]	Director	—	*1.0*
3	Confederation of Indian Industry	Chanda Kochhar	Member	1.3	*0.2*
4	Cricket Club of India	Chanda Kochhar	Member	0.2	—
		Dileep Choksi	Member		
		N. S. Kannan	Member		
5	CRISIL Limited	B.V.Bhargava	Director	0.8	*0.9*
		H.N. Sinor	Director		

Continued

(₹ in million)

Sl. No	Entity in which Director is interested	Name of Director	Interested as	For the year ended March 31, 2012	*For the year ended March 31, 2011*
6	First Capital Insurance Limited	Chandran Ratnaswami	Director	—	*1.2*
		R.Athappan	Director		
7	Excel Crop Care Limited	B.V.Bhargava	Director	0.1	—
8	Grasim Industries Limited	B.V.Bhargava	Director	5.1	*0.1*
9	ICICI Bank Limited	Chanda Kochhar	Director	989.9	*1320.7*
		N. S. Kannan	Director		
		Sandeep Bakhshi[3]	Director		
10	ICICI Foundation for Inclusive Growth	Chanda Kochhar	Trustee	—	*10.8*
		N. S. Kannan	Member		
11	ICICI Home Finance Company Limited	Dileep Choksi	Director	35.2	*70.1*
12	ICICI Prudential Asset Management Company Limited	Chanda Kochhar	Director	0.1	—
		N. S. Kannan	Director		
		Dileep Choksi	Director		
13	ICICI Prudential Life Insurance Company Limited	Chanda Kochhar	Director	17.3	*12.3*
		N. S. Kannan	Director		
14	ICICI Securities Limited	Chanda Kochhar	Director	122.9	*76.4*
		Zarin Daruwala[2]	Director		
15	ICICI Securities Primary Dealership Limited	N. S. Kannan	Chairman	1.7	*0.6*
16	ICICI Ventures Fund Management Company Limited	H. N. Sinor	Director	0.4	—
		S. Mukherji	Director		
17	Indian Institute of Management, Lucknow	Chanda Kochhar	Member	0.1	*0.3*
18	JSW Steel Limited	Zarin Daruwala[2]	Director	27.7	*5.1*
19	Lakshmi Precision Screws Limited	B.V.Bhargava	Director	0.4	—
20	NSE IT Limited	Dileep Choksi	Director	1.8	*2.4*
21	Singapore Reinsurance Corp Limited	R.Athappan	Director	—	*5.5*
22	Schrader Duncan Limited	M.K.Sharma	Director	0.1	*0.1*
23	The Malabar Club Limited	Dileep Choksi	Member	—	*0.1*
24	Others[4]				
	Birla Corporation Limited	M.K.Sharma	Director		
	Bombay Gymkhana Limited	Chanda Kochhar	Member		
		Dileep Choksi	Member		
	J. K. Lakshmi Cement Limited	B.V.Bhargava	Director		
	National Sports Club of India	Chanda Kochhar	Member		
		Zarin Daruwala[2]	Member		
	The Supreme Industries Limited	B.V.Bhargava	Director		
	Thomas Cook India Limited	M.K.Sharma	Chairman		
	Total others			0.1	
25	Others[5]				
	NM Rothschild And Sons India Pvt Ltd	H. N. Sinor	Member		
	Sahara India Financial Corporation Ltd	H. N. Sinor	Director		
	Tata Capital Limited	H. N. Sinor	Director		
	Total others				*0.1*

1 ceased to be Director in Bata India Ltd w.e.f. July 1, 2010
2 appointed as Director in ICICI Lombard w.e.f. October 18, 2010
3 ceased to be director in ICICI Lombard w.e.f. July 31, 2010
4 individual payment to parties during the period and aggregate payments during the previous period are less then ₹ 0.1 million
5 pertaining to previous period where Individual payments are less than ₹ 0.1 million

auditors' report

to the Members of ICICI Lombard General Insurance Company Limited

1. We have audited the attached balance sheet of ICICI Lombard General Insurance Company Limited ('the Company') as at March 31, 2012, 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.
2. 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.
3. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
4. 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 Auditor's Report of Insurance Companies) Regulations, 2002 ('the Regulations') read with Section 211 of the Companies Act, 1956 ('the Act').
5. We report thereon as follows:
   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. 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;
   c. 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;
   d. 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, 2012, other than for reinsurance accepted from Indian Motor Third Party Insurance Pool ('IMTPIP'), 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
   e. On the basis of the written representations received from the directors of the Company, as on March 31, 2012 and taken on record by the Board of Directors, no director of the Company is disqualified as on March 31, 2012 from being appointed as director of the Company under clause (g) of sub-section (1) of Section 274 of the Act.
6. In our opinion and according to the information and explanations given to us, we further report that:
   a. 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;
   b. 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;
   c. The balance sheet, the revenue account, the profit and loss account and receipts and payments account referred to in this report comply with the accounting standards referred to under sub section 3C of Section 211 of the Act;
   d. 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
   e. 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:
      i. in the case of balance sheet, of the state affairs of the Company as at March 31, 2012;
      ii. in the case of revenue account, of the deficit, for the year ended on that date;
      iii. in the case of profit and loss account, of the loss for the year ended on that date; and
      iv. in the case of receipts and payments account, of the receipts and payments for the year ended on that date.
7. 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:
   a. We have reviewed the management report attached to the financial statements for the year ended March 31, 2012 and there are no apparent mistakes or material inconsistency with the financial statements; and
   b. Based on the information and explanations received during the 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 KHANDELWAL JAIN & CO.	For PKF SRIDHAR & SANTHANAM
Chartered Accountants	*Chartered Accountants*
Firm Registration No. 105049W	*Firm Registration No.003990S*
NARENDRA JAIN	R SURIYANARAYANAN
Partner	*Partner*
Membership No.048725	*Membership No. 201402*

Mumbai, April 13, 2012

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, 2012, 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 the 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 Auditor's 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 KHANDELWAL JAIN & CO.	For PKF SRIDHAR & SANTHANAM
Chartered Accountants	*Chartered Accountants*
Firm Registration No. 105049W	*Firm Registration No.003990S*
NARENDRA JAIN	R SURIYANARAYANAN
Partner	*Partner*
Membership No.048725	*Membership No. 201402*

Mumbai, April 13, 2012

balance sheet

at March 31, 2012

	Schedule	March 31, 2012	(₹ in 000's) *March 31, 2011*
Sources of funds			
Share capital	5	**4,365,839**	*4,045,672*
Reserves and Surplus	6	**14,201,514**	*11,262,593*
Share application money-pending allotment		**1,882**	*3,402,304*
Fair value change account		**495,909**	*729,314*
Borrowings	7	**—**	*—*
Total		**19,065,144**	*19,439,883*
Application of funds			
Investments	8	**60,336,193**	*46,652,974*
Loans	9	**—**	*—*
Fixed assets	10	**3,995,973**	*3,881,266*
Deferred tax asset (Refer note 5.2.13)		**261,721**	*472,868*
Current assets			
Cash and bank balances	11	**4,257,374**	*3,900,055*
Advances and other assets	12	**36,400,293**	*27,381,955*
Sub-Total (A)		**40,657,667**	*31,282,010*
Current liabilities	13	**70,129,635**	*48,417,756*
Provisions	14	**20,043,528**	*14,431,479*
Sub-Total (B)		**90,173,163**	*62,849,235*
Net current assets (C) = (A - B)		**(49,515,496)**	*(31,567,225)*
Miscellaneous expenditure (to the extent not written off or adjusted)	15	**—**	*—*
Debit balance in profit and loss account		**3,986,753**	*—*
Total		**19,065,144**	*19,439,883*
Significant accounting policies and notes to accounts	16		

The schedules referred to above & notes to accounts form an integral part of the Financial Statements

profit and loss account

for the year ended March 31, 2012

Particulars		**March 31, 2012**		(₹ in 000's) *March 31, 2011*
1. Operating profit/(loss)				
(a) Fire Insurance		**(236,023)**		*(270,994)*
(b) Marine Insurance		**(209,368)**		*(222,163)*
(c) Miscellaneous Insurance		**(4,223,486)**		*(1,308,940)*
2. Income from investments				
(a) Interest/Dividend & Rent – Gross		**872,639**		*912,861*
(b) Profit on sale/redemption of investments		**179,494**		*451,297*
Less: Loss on sale/redemption of investments		**(50,551)**		*(20,401)*
3. Other income				
(a) Interest income on tax refund		**32,381**		*13,410*
(b) Profit on sale/discard of fixed assets		**15,467**		*11,399*
Total (A)		**(3,619,447)**		*(433,531)*
4. Provisions (Other than taxation)				
(a) For diminution in the value of investments		**—**		*—*
(b) For doubtful debts		**279,591**		*270,369*
(c) Others		**—**		*—*
5. Other expenses				
(a) Expenses other than those related to Insurance Business				
(i) Employees' remuneration and other expenses		**10,098**		*11,614*
(ii) Managerial remuneration		**9,206**		*1,206*
(iii) Directors' fees		**660**		*740*
(b) Bad debts written of		**735**		*25,000*
(c) Loss on sale/discard of fixed assets		**32,408**		*80,960*
Total (B)		**332,698**		*389,889*
Profit/(Loss) before tax		**(3,952,145)**		*(823,420)*
Provision for taxation:				
(a) Current tax/MAT payable	**—**		*—*	
Less : MAT credit entitlement (Refer note 4.14)	**—**		*—*	
(b) Deferred tax (Income)/Expense	**211,147**	**211,147**	*(19,992)*	*(19,992)*
Profit/(Loss) after tax		**(4,163,292)**		*(803,428)*
Appropriations				
(a) Interim dividends paid during the year	**—**		*565,889*	
(b) Proposed final dividend	**—**		*—*	
(c) Dividend distribution tax	**—**		*93,994*	
(d) Transfer to General Reserves	**—**	**—**	*105,190*	*765,073*
Balance of Profit/(Loss) brought forward from last year		**176,539**		*1,745,040*
Balance carried forward to Balance sheet		**(3,986,753)**		*176,539*
Basic earnings per share of ₹ 10 face value		**₹ (9.56)**		*₹ (1.99)*
Diluted earnings per share of ₹ 10 face value		**₹ (9.56)**		*₹ (1.99)*
Significant accounting policies & notes to accounts	16			

The schedules referred to above & notes to accounts form an integral part of the Financial Statements

As per our attached report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants
Firm Regn No.: 105049W

NARENDRA JAIN
Partner
Membership No:048725

For PKF SRIDHAR & SANTHANAM
Chartered Accountants
Firm Regn No.: 003990S

R. SURIYANARAYANAN
Partner
Membership No: 201402

Mumbai, April 13, 2012

For and on behalf of the Board

CHANDA KOCHHAR
Chairperson

S. MUKHERJI
Director

DILEEP CHOKSI
Director

BHARGAV DASGUPTA
Managing Director & CEO

ALOK KUMAR AGARWAL
Executive Director

NEELESH GARG
Executive Director

GOPAL BALACHANDRAN
Chief Financial Officer

VIKAS MEHRA
Company Secretary

ICICI Lombard GENERAL INSURANCE

for the year ended March 31, 2012

Registration No. 115 dated August 3, 2001

(₹ in 000's)

Particulars	Schedule	Fire		Marine		Miscellaneous		Total	
		2011-12	*2010-11*	**2011-12**	*2010-11*	**2011-12**	*2010-11*	**2011-12**	*2010-11*
1. Premium earned (net)	1	**1,145,919**	*1,128,721*	**538,931**	*424,785*	**33,805,148**	*27,008,141*	**35,489,998**	*28,561,647*
2. Profit on sale/redemption of investments		**15,918**	*31,242*	**8,511**	*15,197*	**594,429**	*913,440*	**618,858**	*959,879*
Less : Loss on sale/redemption of investments		**(4,483)**	*(1,408)*	**(2,397)**	*(685)*	**(167,408)**	*(41,156)*	**(174,288)**	*(43,249)*
3. Others -									
Foreign exchange gain/(loss)		**17,139**	*(9,172)*	**1,838**	*(13,623)*	**4,057**	*(879)*	**23,034**	*(23,674)*
Investment income from pool (Terrorism and Motor)		**10,221**	*125,809*	**—**	—	**848,273**	*520,354*	**858,494**	*646,163*
4. Interest, Dividend & Rent – Gross		**67,860**	*54,581*	**36,285**	*26,549*	**2,534,118**	*1,595,809*	**2,638,263**	*1,676,939*
Total (A)		**1,252,574**	*1,329,773*	**583,168**	*452,223*	**37,618,617**	*29,995,709*	**39,454,359**	*31,777,705*
1. Claims Incurred (net)	2	**904,947**	*1,122,084*	**515,712**	*472,226*	**34,588,395**	*25,712,119*	**36,009,054**	*27,306,429*
2. Commission (net)	3	**59,205**	*20,412*	**(59,104)**	*(82,180)*	**(613,639)**	*(481,239)*	**(613,538)**	*(543,007)*
3. Operating expenses related to insurance business	4	**524,445**	*458,271*	**337,128**	*265,840*	**7,867,347**	*6,073,769*	**8,728,920**	*6,797,880*
4. Premium deficiency		**—**	—	**(1,200)**	*18,500*	**—**	—	**(1,200)**	*18,500*
Total (B)		**1,488,597**	*1,600,767*	**792,536**	*674,386*	**41,842,103**	*31,304,649*	**44,123,236**	*33,579,802*
Operating Profit/(Loss) C = (A - B)		**(236,023)**	*(270,994)*	**(209,368)**	*(222,163)*	**(4,223,486)**	*(1,308,940)*	**(4,668,877)**	*(1,802,097)*
APPROPRIATIONS									
Transfer to Shareholders' Account		**(236,023)**	*(270,994)*	**(209,368)**	*(222,163)*	**(4,223,486)**	*(1,308,940)*	**(4,668,877)**	*(1,802,097)*
Transfer to Catastrophe Reserve		**—**	—	**—**	—	**—**	—	**—**	—
Transfer to Other Reserves		**—**	—	**—**	—	**—**	—	**—**	—
Total (C)		**(236,023)**	*(270,994)*	**(209,368)**	*(222,163)*	**(4,223,486)**	*(1,308,940)*	**(4,668,877)**	*(1,802,097)*
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 an expense.

The schedules referred to above & notes to accounts form an integral part of the Financial Statements

As per our attached report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants
Firm Regn No.: 105049W

NARENDRA JAIN
Partner
Membership No:048725

For PKF SRIDHAR & SANTHANAM
Chartered Accountants
Firm Regn No.: 003990S

R. SURIYANARAYANAN
Partner
Membership No: 201402

Mumbai, April 13, 2012

For and on behalf of the Board

CHANDA KOCHHAR
Chairperson

S. MUKHERJI
Director

DILEEP CHOKSI
Director

BHARGAV DASGUPTA
Managing Director & CEO

ALOK KUMAR AGARWAL
Executive Director

NEELESH GARG
Executive Director

GOPAL BALACHANDRAN
Chief Financial Officer

VIKAS MEHRA
Company Secretary

SCHEDULE – 1
PREMIUM EARNED (NET)

(₹ 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	Credit Insurance	Others	Total Miscellaneous	
	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012
Premium from direct business written-net of service tax	3,083,635	1,281,978	707,158	1,989,136	15,022,624	6,365,732	21,388,356	278,635	383,771	1,788,060	1,183,360	1,387,332	14,358,351	198,495	5,462,255	46,428,615	51,501,386
Add: Premium on reinsurance accepted	1,266,790	113,709	14,455	128,164	(1,168)	6,560,495	6,559,327	281	624	189,710	351,373	2,534	122,258	—	21,771	7,247,878	8,642,832
Less: Premium on reinsurance ceded	3,045,627	838,102	694,235	1,532,337	1,522,051	3,787,067	5,309,118	28,253	247,537	1,554,219	1,170,520	451,615	2,113,390	183,029	3,421,179	14,478,860	19,056,824
Net premium	1,304,798	557,585	27,378	584,963	13,499,405	9,139,160	22,638,565	250,663	136,858	423,551	364,213	938,251	12,367,219	15,466	2,062,847	39,197,633	41,087,394
Adjustment for change in reserve for unexpired risks	158,879	34,273	11,759	46,032	1,748,374	1,871,663	3,620,037	22,309	(61,992)	89,411	105,624	301,610	1,375,760	2,946	(63,220)	5,392,485	5,597,396
Total premium earned (Net)	1,145,919	523,312	15,619	538,931	11,751,031	7,267,497	19,018,528	228,354	198,850	334,140	258,589	636,641	10,991,459	12,520	2,126,067	33,805,148	35,489,998

(₹ 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	Credit Insurance	Others	Total Miscellaneous	
	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011
Premium from direct business written-net of service tax	*2,834,646*	*1,100,073*	*563,656*	*1,663,729*	*11,365,537*	*4,084,031*	*15,449,568*	*200,849*	*444,345*	*1,490,439*	*1,011,028*	*943,455*	*12,813,009*	*215,095*	*5,452,585*	*38,020,373*	*42,518,748*
Add: Premium on reinsurance accepted	*942,945*	*71,748*	*267,210*	*338,958*	*6,610*	*3,266,717*	*3,273,327*	—	*492*	*180,674*	*119,193*	*2,044*	*(32,899)*	—	*5,501*	*3,548,332*	*4,830,235*
Less: Premium on reinsurance ceded	*2,640,229*	*756,058*	*782,821*	*1,538,879*	*1,157,485*	*2,165,200*	*3,322,685*	*20,270*	*75,139*	*1,314,546*	*987,696*	*354,766*	*2,798,249*	*197,351*	*3,767,339*	*12,838,041*	*17,017,149*
Net premium	***1,137,362***	***415,763***	***48,045***	***463,808***	***10,214,662***	***5,185,548***	***15,400,210***	***180,579***	***369,698***	***356,567***	***142,525***	***590,733***	***9,981,861***	***17,744***	***1,690,747***	***28,730,664***	***30,331,834***
Adjustment for change in reserve for unexpired risks	*8,641*	*47,006*	*(7,983)*	*39,023*	*747,181*	*352,631*	*1,099,812*	*39,401*	*63,558*	*30,831*	*17,236*	*139,322*	*40,406*	*(2,570)*	*294,527*	*1,722,523*	*1,770,187*
Total premium earned (Net)	***1,128,721***	***368,757***	***56,028***	***424,785***	***9,467,481***	***4,832,917***	***14,300,398***	***141,178***	***306,140***	***325,736***	***125,289***	***451,411***	***9,941,455***	***20,314***	***1,396,220***	***27,008,141***	***28,561,647***

SCHEDULE – 2
CLAIMS INCURRED (NET)

(₹ 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	Credit Insurance	Others	Total-Miscellaneous	
	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012
Claims paid- Direct	2,124,621	1,228,992	212,230	1,441,222	7,554,417	4,769,299	12,323,716	69,130	228,777	742,486	126,403	657,772	8,964,346	21,792	3,057,492	26,191,914	29,757,757
Add: Re-insurance accepted	1,042,978	1,186	-	1,186	3,946	1,972,310	1,976,256	—	—	21,882	132,010	3,960	35,468	—	108	2,169,684	3,213,848
Less: Re-insurance ceded	1,980,157	766,726	180,736	947,462	786,169	3,449,888	4,236,057	8,205	82,994	592,885	122,283	311,923	294,580	19,962	2,039,213	7,708,102	10,635,721
Net Claims paid	1,187,442	463,452	31,494	494,946	6,772,194	3,291,721	10,063,915	60,925	145,783	171,483	136,130	349,809	8,705,234	1,830	1,018,387	20,653,496	22,335,884
Add: Claims outstanding at the end of the year	757,164	383,014	92,042	475,056	2,295,472	28,965,186	31,260,658	182,134	26,443	246,759	124,582	565,490	2,886,275	12,346	817,578	36,122,265	37,354,485
Less: Claims outstanding at the beginning of the year	1,039,659	317,386	136,904	454,290	1,930,974	16,937,099	18,868,073	101,539	6,630	208,584	22,935	346,947	2,117,592	8,913	506,153	22,187,366	23,681,315
Total claims incurred	904,947	529,080	(13,368)	515,712	7,136,692	15,319,808	22,456,500	141,520	165,596	209,658	237,777	568,352	9,473,917	5,263	1,329,812	34,588,395	36,009,054

(₹ 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	Credit Insurance	Others	Total-Miscellaneous	
	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011
Claims paid- Direct	*2,109,006*	*792,765*	*211,033*	*1,003,798*	*7,118,502*	*3,165,275*	*10,283,777*	*35,725*	*267,524*	*617,335*	*574,554*	*672,695*	*10,750,326*	*(8,112)*	*1,605,812*	*24,799,636*	*27,912,440*
Add: Re-insurance accepted	*668,652*	*392*	*8,118,882*	*8,119,274*	—	*1,917,493*	*1,917,493*	—	—	*12,637*	*131,291*	—	*12,289*	—	—	*2,073,710*	*10,861,636*
Less: Re-insurance ceded	*2,054,909*	*515,012*	*8,286,092*	*8,801,104*	*821,296*	*2,327,848*	*3,149,144*	*5,484*	*29,829*	*467,593*	*628,642*	*451,345*	*1,971,111*	*(8,365)*	*1,044,601*	*7,739,384*	*18,595,397*
Net Claims paid	***722,749***	***278,145***	***43,823***	***321,968***	***6,297,206***	***2,754,920***	***9,052,126***	***30,241***	***237,695***	***162,379***	***77,203***	***221,350***	***8,791,504***	***253***	***561,211***	***19,133,962***	***20,178,679***
Add: Claims outstanding at the end of the year	*1,039,659*	*317,386*	*136,904*	*454,290*	*1,930,974*	*16,937,099*	*18,868,073*	*101,539*	*6,630*	*208,584*	*22,935*	*346,947*	*2,117,592*	*8,913*	*506,153*	*22,187,366*	*23,681,315*
Less: Claims outstanding at the beginning of the year	*640,324*	*168,946*	*135,086*	*304,032*	*1,698,332*	*11,285,209*	*12,983,541*	*38,706*	*5,002*	*253,223*	*9,330*	*204,597*	*1,722,019*	*7,399*	*385,392*	*15,609,209*	*16,553,565*
Total claims incurred	***1,122,084***	***426,585***	***45,641***	***472,226***	***6,529,848***	***8,406,810***	***14,936,658***	***93,074***	***239,323***	***117,740***	***90,808***	***363,700***	***9,187,077***	***1,767***	***681,972***	***25,712,119***	***27,306,429***

SCHEDULE – 3
COMMISSION

(₹ 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	Credit Insurance	Others	Total-Miscellaneous	
	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012
Commission paid -Direct	74,148	88,102	5,426	93,528	584,202	—	584,202	22,940	5,880	93,489	7,959	113,684	691,522	9,328	208,190	1,737,194	1,904,870
Add: Commission on re-insurance accepted	216,939	6,549	1,598	8,147	64	—	64	14	32	16,379	54,217	100	14,090	—	1,795	86,691	311,777
Less: Commission on re-insurance ceded	231,882	145,132	15,647	160,779	227,423	(2,972)	224,451	4,181	9,708	343,096	26,411	199,485	966,200	18,176	645,816	2,437,524	2,830,185
Net Commission	59,205	(50,481)	(8,623)	(59,104)	356,843	2,972	359,815	18,773	(3,796)	(233,228)	35,765	(85,701)	(260,588)	(8,848)	(435,831)	(613,639)	(613,538)

(₹ 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	Credit Insurance	Others	Total-Miscellaneous	
	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011
Commission paid -Direct	*87,835*	*87,368*	*7,646*	*95,014*	*735,487*	*—*	*735,487*	*17,521*	*5,734*	*78,053*	*14,814*	*82,934*	*666,474*	*9,193*	*178,308*	*1,788,518*	*1,971,367*
Add: Commission on Re-insurance Accepted	*176,561*	*3,991*	*5,610*	*9,601*	*—*	*28,559*	*28,559*	*—*	*12*	*11,800*	*19,171*	*87*	*101*	*—*	*77*	*59,807*	*245,969*
Less: Commission on Re-insurance Ceded	*243,984*	*149,438*	*37,357*	*186,795*	*228,046*	*3,070*	*231,116*	*3,037*	*9,266*	*307,768*	*21,389*	*130,696*	*741,409*	*(21,195)*	*906,078*	*2,329,564*	*2,760,343*
Net Commission	*20,412*	*(58,079)*	*(24,101)*	*(82,180)*	*507,441*	*25,489*	*532,930*	*14,484*	*(3,520)*	*(217,915)*	*12,596*	*(47,675)*	*(74,834)*	*30,388*	*(727,693)*	*(481,239)*	*(543,007)*

SCHEDULE- 3 A
COMMISSION PAID - DIRECT

(₹ in 000's)

Particulars	2011-2012	2010-2011
Agents	597,672	*473,184*
Brokers	662,384	*593,174*
Corporate agency	644,814	*814,339*
Referral	—	*90,670*
Total (B)	1,904,870	*1,971,367*

SCHEDULE – 4
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(₹ in 000's)

Particulars	Fire	Marine: Marine-Cargo	Marine: Marine-Others	Marine: Marine-Total	Miscellaneous: Motor- OD	Miscellaneous: Motor-TP	Miscellaneous: Motor-Total	Miscellaneous: Worksmens' Compensation	Miscellaneous: Public/ Product Liability	Miscellaneous: Engineering	Miscellaneous: Aviation	Miscellaneous: Personal Accident	Miscellaneous: Health Insurance	Miscellaneous: Credit Insurance	Miscellaneous: Others	Miscellaneous: Total-Miscellaneous	Total
	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012	2011-2012
Employees' remuneration & welfare benefits	155,074	64,470	35,563	100,033	755,480	320,129	1,075,609	14,012	19,300	89,921	59,511	69,768	722,074	9,982	274,693	2,334,870	2,589,977
Travel, conveyance and vehicle running expenses	16,289	6,772	3,736	10,508	79,356	33,627	112,983	1,472	2,027	9,445	6,251	7,329	75,847	1,049	28,854	245,257	272,054
Training expenses	2,115	879	485	1,364	10,306	4,367	14,673	191	263	1,227	812	952	9,850	136	3,749	31,853	35,332
Rents, rates & taxes*	22,059	9,171	5,059	14,230	107,464	45,537	153,001	1,993	2,745	12,791	8,465	9,924	102,712	1,420	39,075	332,126	368,415
Repairs & maintenance	13,202	5,489	3,028	8,517	64,316	27,254	91,570	1,193	1,643	7,655	5,066	5,940	61,472	850	23,384	198,773	220,492
Printing & stationery	3,458	1,438	793	2,231	16,846	7,138	23,984	312	430	2,005	1,327	1,556	16,101	223	6,125	52,063	57,752
Communication	19,221	7,991	4,408	12,399	93,640	39,680	133,320	1,737	2,392	11,145	7,376	8,648	89,500	1,237	34,048	289,403	321,023
Legal & professional charges	50,833	20,376	11,240	31,616	238,772	101,178	339,950	4,429	6,100	28,420	18,809	22,050	228,214	3,155	86,817	737,944	820,393
Auditors' fees, expenses etc																	
(a) as auditor	295	122	68	190	1,435	608	2,043	27	37	171	113	133	1,372	19	520	4,435	4,920
(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	46	19	10	29	222	94	316	4	6	26	17	20	212	3	81	685	760
Advertisement and publicity	35,058	14,575	8,040	22,615	170,792	72,372	243,164	3,168	4,363	20,328	13,454	15,773	163,240	2,257	62,099	527,846	585,519
Interest & Bank charges	4,332	1,801	993	2,794	21,105	8,943	30,048	391	539	2,512	1,662	1,949	20,172	279	7,675	65,227	72,353
Others																	
(a) Miscellaneous expenses	148,058	61,553	33,954	95,507	720,238	305,196	1,025,434	13,379	18,426	85,852	56,819	66,612	689,407	9,531	262,267	2,227,727	2,471,292
(b) Business & Sales promotion	27,714	11,522	6,356	17,878	135,015	57,211	192,226	2,504	3,449	16,070	10,635	12,469	129,045	1,784	49,091	417,273	462,865
Depreciation	26,691	11,096	6,121	17,217	130,029	55,099	185,128	2,412	3,322	15,477	10,243	12,008	124,280	1,718	47,277	401,865	445,773
Service tax on premium account	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	**524,445**	**217,274**	**119,854**	**337,128**	**2,545,016**	**1,078,433**	**3,623,449**	**47,224**	**65,042**	**303,045**	**200,560**	**235,131**	**2,433,498**	**33,643**	**925,755**	**7,867,347**	**8,728,920**

* Rent expense is net off rental income of ₹ 74,158 thousand (previous year ₹103,064 thousand)

(₹ in 000's)

Particulars	Fire	Marine: Marine-Cargo	Marine: Marine-Others	Marine: Marine-Total	Miscellaneous: Motor- OD	Miscellaneous: Motor-TP	Miscellaneous: Motor-Total	Miscellaneous: Worksmens' Compensation	Miscellaneous: Public/ Product Liability	Miscellaneous: Engineering	Miscellaneous: Aviation	Miscellaneous: Personal Accident	Miscellaneous: Health Insurance	Miscellaneous: Credit Insurance	Miscellaneous: Others	Miscellaneous: Total-Miscellaneous	Total
	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011	2010-2011
Employees' remuneration & welfare benefits	173,929	67,498	34,585	102,083	697,368	250,589	947,957	12,324	27,264	91,451	62,035	57,889	786,183	13,198	334,561	2,332,862	2,608,874
Travel, conveyance and vehicle running expenses	15,382	5,970	3,059	9,029	61,676	22,162	83,838	1,090	2,411	8,088	5,486	5,120	69,530	1,167	29,589	206,319	230,730
Training expenses	1,678	651	334	985	6,728	2,418	9,146	119	263	882	599	559	7,586	127	3,228	22,509	25,172
Rents, rates & taxes*	20,653	8,015	4,107	12,122	82,810	29,757	112,567	1,463	3,238	10,859	7,366	6,874	93,356	1,567	39,728	277,018	309,793
Repairs & maintenance	14,418	5,595	2,867	8,462	57,810	20,773	78,583	1,022	2,260	7,581	5,143	4,799	65,172	1,094	27,734	193,388	216,268
Printing & stationery	3,973	1,542	790	2,332	15,928	5,724	21,652	281	623	2,089	1,417	1,322	17,957	301	7,641	53,283	59,588
Communication	18,706	7,259	3,720	10,979	75,001	26,951	101,952	1,325	2,932	9,835	6,672	6,226	84,554	1,419	35,982	250,897	280,582
Legal & professional charges	45,890	15,737	8,063	23,800	162,591	58,424	221,015	2,873	6,357	21,322	14,463	13,497	183,297	3,077	78,003	543,904	613,594
Auditors' fees, expenses etc																	
(a) as auditor	256	99	51	150	1,026	369	1,395	18	40	135	91	85	1,157	19	492	3,432	3,838
(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	33	13	7	20	134	48	182	2	5	18	12	11	151	3	64	448	501
Advertisement and publicity	25,283	9,812	5,028	14,840	101,375	36,427	137,802	1,791	3,963	13,294	9,018	8,415	114,285	1,919	48,634	339,121	379,244
Interest & Bank charges	6,544	2,540	1,301	3,841	26,240	9,429	35,669	464	1,026	3,441	2,334	2,178	29,582	497	12,588	87,779	98,164
Others																	
(a) Miscellaneous expenses	79,602	30,892	15,829	46,721	318,196	114,339	432,535	5,641	12,478	41,854	28,391	26,493	359,813	6,040	153,118	1,066,363	1,192,686
(b) Business & Sales promotion	18,813	7,301	3,741	11,042	75,432	27,105	102,537	1,333	2,949	9,892	6,710	6,262	85,039	1,428	36,188	252,338	282,193
Depreciation	33,111	12,850	6,584	19,434	132,758	47,705	180,463	2,346	5,190	17,410	11,810	11,020	149,666	2,512	63,691	444,108	496,653
Service tax on premium account	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	**458,271**	**175,774**	**90,066**	**265,840**	**1,815,073**	**652,220**	**2,467,293**	**32,092**	**70,999**	**238,151**	**161,547**	**150,750**	**2,047,328**	**34,368**	**871,241**	**6,073,769**	**6,797,880**

* Rent expense is net off rental income of ₹ 103,064 thousand (previous year ₹ Nil)

SCHEDULE – 5
SHARE CAPITAL

(₹ in 000's)

Particulars	At March 31, 2012	At March 31, 2011
Authorised Capital		
450,000,000 (previous year : 450,000,000) Equity Shares of ₹ 10 each	4,500,000	4,500,000
Issued Capital		
436,583,913 (previous year : 404,567,230) Equity Shares of ₹ 10 each	4,365,839	4,045,672
Subscribed Capital		
436,583,913 (previous year : 404,567,230) Equity Shares of ₹ 10 each	4,365,839	4,045,672
Called up Capital		
436,583,913 (previous year : 404,567,230) Equity Shares of ₹ 10 each	4,365,839	4,045,672
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	4,365,839	4,045,672

Note:

Of the above, 320,635,518 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, 2012 Number of Shares	At March 31, 2012 % of Holding	At March 31, 2011 Number of Shares	At March 31, 2011 % of Holding
Promoters				
- Indian	320,635,518	73.44%	297,552,950	73.55%
- Foreign	112,655,031	25.80%	104,544,940	25.84%
Others-(Employees/ others)	3,293,364	0.76%	2,469,340	0.61%
Total	436,583,913	100.00%	404,567,230	100.00%

SCHEDULE – 6
RESERVES AND SURPLUS

(₹ in 000's)

Particulars	At March 31, 2012	At March 31, 2011
1. Capital Reserve	—	—
2. Capital Redemption Reserve	—	—
3. Share Premium (refer note 4.15)		
Opening balance	10,752,412	10,721,414
Additions during the period	3,118,860	30,998
Deductions during the period- share issue expenses	3,400	—
Closing balance	13,867,872	10,752,412
4. General Reserves		
Opening balance	333,642	228,452
Additions during the period	—	105,190
Deductions during the period	—	—
Closing balance	333,642	333,642
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	—	176,539
TOTAL	14,201,514	11,262,593

SCHEDULE- 7
BORROWINGS

(₹ in 000's)

Particulars	At March 31, 2012	At March 31, 2011
Debentures/Bonds	—	—
Banks	—	—
Financial Institutions	—	—
Others	—	—
Total	—	—

SCHEDULE- 8
INVESTMENTS

(₹ in 000's)

Particulars	At March 31, 2012	At March 31, 2011
Long term investments		
Government securities and Government guaranteed bonds including Treasury Bills (note 3 below)	22,319,329	14,423,310
Other Approved Securities	—	—
Other Investments		
(a) Shares		
(aa) Equity (note 5 below)	5,196,697	2,775,985
(bb) Preference	10,649	21,377
(b) Mutual Funds	—	—
(c) Derivative Instruments	—	—
(d) Debentures/Bonds	9,934,264	11,544,069
(e) Other Securities (note 7 below)	3,000,000	2,003,601
(f) Subsidiaries	—	—
(g) Investment Properties-Real Estate	—	—
Investments in Infrastructure and Social Sector	5,969,142	5,255,121
Other than Approved Investments	905,953	1,613,018
Total Long Term Investments	47,336,034	37,636,481
Short term investments		
Government securities and Government guaranteed bonds including Treasury Bills	—	99,338
Other Approved Securities	—	—
Other Investments		
(a) Shares		
(aa) Equity	—	—
(bb) Preference	—	—
(b) Mutual Funds	—	—
(c) Derivative Instruments	—	—
(d) Debentures/Bonds	1,901,160	—
(e) Other Securities (note 8 below)	9,546,536	7,702,294
(f) Subsidiaries	—	—
(g) Investment Properties-Real Estate	—	—
Investments in Infrastructure and Social Sector	453,030	200,000
Other than Approved Investments (note 4 below)	1,099,433	1,014,861
Total Short Term Investments	13,000,159	9,016,493
Total investments	60,336,193	46,652,974

Notes:

1. Aggregate book value of investments (other than listed equities) is ₹ 54,675,721 thousand (previous year: ₹ 42,828,867 thousand).
2. Aggregate market value of investments (other than listed equities) is ₹ 53,552,897 thousand (previous year: ₹ 42,075,430 thousand).
3. Includes investment of FRB GOI 2014 of ₹ 100,000 thousand under Section 7 of Insurance Act, 1938 (previous year: FRB GOI 2014 of ₹ 100,000 thousand).
4. Includes investment in mutual fund amounting to ₹ 1,099,433 thousand (previous year ₹ 1,014,861 thousand).
5. Includes investments qualifying for infrastructure and social sector investments of ₹ 549,886 thousand (previous year ₹ 168,761 thousand).
6. Includes funds of motor TP pool invested in various asset classes aggregating to ₹ 10,836,041 thousand (previous year ₹ 7,206,563 thousand).
7. Long term other securities includes fixed deposit amounting to ₹ 3,000,000 thousand (previous year ₹ 2,000,000 thousand of Fixed deposits and ₹ 3,601 thousand of Pass through certificates).
8. Short term other securities includes certificate of deposits amounting to ₹ 9,546,203 thousand and Pass through certificate amounting to ₹ 333 thousand (previous year ₹ 7,702,294 thousand of certificate of deposits).

SCHEDULE- 9
LOANS

(₹ in 000's)

Particulars	At March 31, 2012	At March 31, 2011
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 ₹ Nil).

SCHEDULE - 11
CASH AND BANK BALANCES

(₹ in 000's)

Particulars	At March 31, 2012	At March 31, 2011
Cash (including cheques, drafts and stamps)	605,621	408,555
Balances with scheduled banks :		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)	2,910,160	3,400,173
(bb) Others	—	—
(b) Current Accounts	741,593	91,327
(c) Others	—	—
Money at Call and Short Notice		
(a) With Banks	—	—
(b) With other institutions	—	—
Others	—	—
Total	4,257,374	3,900,055

SCHEDULE - 12
ADVANCES AND OTHER ASSETS

(₹ in 000's)

Particulars		At March 31, 2012		At March 31, 2011
Advances				
Reserve deposits with ceding companies		—		—
Application money for investments		—		—
Prepayments		93,983		83,520
Advances to Directors/Officers		—		—
Advance tax paid and taxes deducted at source (net of provision for tax)		1,363,668		936,608
MAT credit entitlement		255,974		255,974
Others				
- Sundry Deposits	167,458		134,797	
- Surplus in Gratuity fund	8,654		19,717	
- Advance to Employees against expenses	64	176,176	136	154,650
Total (A)		1,889,801		1,430,752
Other Assets				
Income accrued on investments/ deposits		1,351,306		868,754
Outstanding Premiums		1,863,897		2,271,479
Agents' Balances		—		—
Foreign Agencies' Balances		—		—
Due from other Entities carrying on Insurance business (net) (including reinsurers)	31,825,796		22,900,880	
Less : Provisions for doubtful debts	580,630	31,245,166	301,039	22,599,841
Due from subsidiaries/holding company		—		—
Deposit with Reserve Bank of India [Pursuant to section 7 of Insurance Act, 1938]		—		—
Others				
- Service Tax unutilised credit	—		39,388	
- Service Tax paid in advance	—		541	
- Other receivables	50,123	50,123	171,200	211,129
Total (B)		34,510,492		25,951,203
Total (A+B)		36,400,293		27,381,955

SCHEDULE - 10
FIXED ASSETS

(₹ in 000's)

Particulars	Cost/ Gross Block				Depreciation				Net Block	
	April 1, 2011	Additions	Deductions	March 31, 2012	April 1, 2011	For the year ended	On Sales/ Adjustments	March 31, 2012	March 31, 2012	March 31, 2011
Goodwill	—	—	—	—	—	—	—	—	—	—
Intangibles - Computer Software	1,023,596	518,122	21,612	1,520,106	570,173	250,562	9,680	811,055	709,051	453,423
Land-Freehold	2,410,852	—	—	2,410,852	—	—	—	—	2,410,852	2,410,852
Leasehold Property	—	—	—	—	—	—	—	—	—	—
Buildings	230,933	—	—	230,933	3,026	3,765	—	6,791	224,142	227,907
Furniture & Fittings	645,469	146,096	32,066	759,499	313,975	132,590	17,613	428,952	330,547	331,494
Information Technology Equipment	408,654	31,838	39,276	401,216	393,358	17,217	38,545	372,030	29,186	15,296
Vehicles	3,659	—	366	3,293	1,081	671	237	1,515	1,778	2,578
Office Equipment	301,306	69,106	22,833	347,579	92,217	41,020	8,748	124,489	223,090	209,089
Others	—	—	—	—	—	—	—	—	—	—
Total	5,024,469	765,162	116,153	5,673,478	1,373,830	445,825	74,823	1,744,832	3,928,646	3,650,639
Work in Progress									67,327	230,627
Grand total	5,024,469	765,162	116,153	5,673,478	1,373,830	445,825	74,823	1,744,832	3,995,973	3,881,266
Previous year	2,321,378	2,890,978	187,887	5,024,469	973,759	496,766	96,695	1,373,830	3,881,266	

SCHEDULE - 13
CURRENT LIABILITIES

(₹ in 000's)

Particulars		At March 31, 2012		*At March 31, 2011*
Agents' Balances		**76,189**		*49,384*
Balances due to other insurance companies (net)		**1,520,526**		*1,494,994*
Deposits held on re-insurance ceded		**28,240**		*42,360*
Premiums received in advance		**558,339**		*861,008*
Unallocated Premium		**966,391**		*507,979*
Sundry Creditors		**1,841,090**		*1,801,418*
Due to subsidiaries/ holding company		**41,173**		*45,552*
Claims Outstanding (gross)		**61,548,048**		*40,790,675*
Due to Officers/ Directors		**—**		*—*
Others				
- Statutory Dues	**151,730**		*136,388*	
- Salary Payable	**11,243**		*5,896*	
- Collections- Environment Relief fund	**87**		*62*	
- Unclaimed amount of policyholders	**1,559,921**		*1,045,315*	
- Book Overdraft	**1,429,498**		*1,216,725*	
- Employee rewards	**397,000**		*420,000*	
- Service Tax Liability	**160**	**3,549,639**	*—*	*2,824,386*
Total		**70,129,635**		*48,417,756*

SCHEDULE - 14
PROVISIONS

(₹ in 000's)

Particulars		At March 31, 2012		*At March 31, 2011*
Reserve for unexpired risk		**19,866,094**		*14,268,697*
Reserve for premium deficiency (Refer note no. 5.1.10)		**17,300**		*18,500*
For taxation (less advance tax paid and taxes deducted at source)		**—**		*—*
For proposed dividends		**—**		*—*
For dividend distribution tax		**—**		*—*
Others				
- Gratuity	**—**		*—*	
- Accrued leave	**160,134**	**160,134**	*144,282*	*144,282*
Total		**20,043,528**		*14,431,479*

SCHEDULE - 15
MISCELLANEOUS EXPENDITURE
(To the extent not written off or adjusted)

(₹ in 000's)

Particulars	At March 31, 2012	*At March 31, 2011*
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, 2012

1 Background

ICICI Lombard General Insurance Company Limited ('the Company') was incorporated on October 30, 2000 and is a 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 with validity until March 31, 2013.

2 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention, unless otherwise specifically stated, on the accrual basis of accounting, and comply with the applicable accounting standards notified under the Companies Accounting Standard Rules, 2006, 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 as on 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.

4 Significant accounting policies

4.1 Revenue recognition

Premium income

Premium including reinsurance accepted is recorded for the policy period at the commencement of risk and for installment cases, it is recorded on installment due dates. Reinstatement premium is recorded as and when such premiums are recovered. Premium earned including reinstatement premium and re-insurance accepted 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 revisions to premium as and when they occur are 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 funds the profit or loss on sale also includes the accumulated changes in the fair value previously recognised in the fair value change account.

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 in accordance with reinsurance arrangements with the reinsurers. 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 they are cancelled.

4.4 Reserve for unexpired risk (also refer note 5.2.2)

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 account(s).

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 the management on the basis of ultimate amounts likely to be paid on each claim based on the past experience and in cases where claim payment period exceeds four years based on actuarial valuation. These estimates are progressively revalidated on availability of further information.

IBNR reserves are provisions for claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, for claims that have been incurred but are not enough reported (IBNER). The provision for IBNR and IBNER is based on actuarial estimate duly certified by the Appointed Actuary of the Company. The actuarial estimate is derived in accordance with relevant IRDA regulations and Guidance Note GN 21 issued by the Institute of Actuaries of India. (also refer note 5.2.1).

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 and maintenance costs exceed the reserve for unexpired risks and is computed based on actuarially determined ultimate loss ratios 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 exclude 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

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 funds (Other than venture capital fund)

Mutual fund investments are stated at fair value, being the closing net asset value at balance sheet date.

Fair Value Change Account

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 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 date of additions/deductions.

Depreciation on fixed assets is provided using higher of the rates based on economic useful lives of assets as estimated by the management and the straight-line method specified as per schedule XIV of the Companies Act, 1956 as below,

In case of following categories of fixed assets, the management's estimate of the useful lives is lower than prescribed in Schedule XIV of the Companies Act, 1956.

Nature of Fixed Assets	Management Estimate of Useful Life in years	Useful life as per the rates prescribed in Schedule XIV of the Companies Act, 1956 in Years
Information Technology equipment	3.00	6.17
Furniture & Fittings	6.67	15.80
Office Equipment	10.00	21.05
Vehicles	5.00	10.53

Intangibles Assets

Intangible assets comprising computer software are stated at cost less amortisation. Computer softwares including improvements are amortised over a period of 4 years, being the management's estimate of the useful life of such intangibles.

All assets including intangibles individually costing up to ₹ 5,000 are fully depreciated/amortised in the year in which they are 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 Operating Lease

Operating Lease payments of 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.

4.12 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 prescribed percentage of salary and is charged to revenue account(s) and profit and loss account.

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 revenue accounts and profit and loss account.

Accrued leave

Compensated absences are provided based on actuarial valuation including actuarial gains/losses at balance sheet date and is recognised in the revenue accounts and profit and loss account.

4.13 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 restated 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).

4.14 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 thereon 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.

4.15 Share issue expenses

Share issue expenses are adjusted against share premium account.

4.16 Earnings per share

The basic earnings per share is calculated by dividing the Net profit after tax by weighted average number of equity shares outstanding during the reporting period.

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

4.17 Provisions and Contingencies

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 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***

(₹ in 000's)

Particulars	At March 31, 2012	*At March 31, 2011*
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)	728,615	*392,421*
Reinsurance obligations to the extent not provided for in accounts	—	—
Others	—	—

Note: The Company has disputed the demand raised by Income Tax authorities of ₹ 655,071 thousand and Service Tax authorities of ₹ 73,544 thousand (previous year: Income tax of ₹ 392,421 thousand), the appeals of which 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 ₹ 61,262 thousand (previous year: ₹ 147,391 thousand).

5.1.4 Commitment in respect of loans and investments is ₹ 50,100 thousand (previous year: ₹ 90,900 thousand).

5.1.5 ***Claims***

Claims, less reinsurance paid to claimants in/outside India are as under:

(₹ in 000's)

Particulars	For the year ended March 31, 2012	*For the year ended March 31, 2011*
In India	22,260,191	*20,130,877*
Outside India	75,693	*47,802*

Claims where the claim payment period exceeds four years:

As per circular F&A/CIR/017/May-04, the Appointed Actuary has to certify the valuation of claims paid for longer than four years. In this context, the following claims have been valued on the basis of a contractually defined benefit amount payable in monthly installments over a period of 60 months. As per instructions in circular no 11/IRDA/ACTL/IBNR/2005-06, the outstanding claim amount has not been discounted and the value has been determined in full.

Product Name: Personal protect

(₹ in 000's)

Particulars	For the year ended March 31, 2012		*For the year ended March 31, 2011*	
	Count	Amount	*Count*	*Amount*
Intimated	7	15,200	—	—
Paid	—	—	—	—
Outstanding	7	15,200	—	—

Ageing of gross claims outstanding is set out in the table below:

(₹ in 000's)

Particulars	For the year ended March 31, 2012	*For the year ended March 31, 2011*
More than six months	16,871,983	*16,353,430*
Others	44,676,065	*24,437,245*

Claims settled and remaining unpaid for more than six months is ₹ NIL (previous year: ₹ NIL).

5.1.6 ***Premium***

Premium, less reinsurance, written from business in/outside India is given below:

(₹ in 000's)

Particulars	For the year ended March 31, 2012	*For the year ended March 31, 2011*
In India	40,827,862	*30,298,949*
Outside India	259,532	*32,885*

5.1.7 The Company has recognised 1.08 percent (previous year: 1.36 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 are given below:

Sector	For the year ended March 31, 2012				*For the year ended March 31, 2011*			
	GWP ₹ in 000's	No. of Policies	No. of lives	% of GWP	*GWP ₹ in 000's*	*No. of Policies*	*No. of lives*	*% of GWP*
Rural	8,041,568	380,325	—	13.37	*5,310,376*	*350,841*	—	*11.22*
Social	28,432	10	186,694	0.05	*74,965*	*60*	*253,053*	*0.16*
Urban	52,074,218	7,193,837	—	86.58	*41,963,642*	*5,293,936*	—	*88.62*
Total	60,144,218	7,574,172		100.00	*47,348,983*	*5,644,837*		*100.00*

5.1.9 Extent of risks retained and reinsured is set out below (excluding excess of loss and catastrophe reinsurance)

Particulars	Basis	For the year ended March 31, 2012		*For the year ended March 31, 2011*	
		Retention	Ceded	*Retention*	*Ceded*
Fire	Total sum insured	37%	63%	*33%*	*67%*
Marine – Cargo	Value at risk	42%	58%	*38%*	*62%*
Marine – Hull	Value at risk	6%	94%	*6%*	*94%*
Miscellaneous					
- Engineering	Total sum insured	29%	71%	*26%*	*74%*
- Motor (refer note 5.2.3)	Total sum insured	75%	25%	*79%*	*21%*
- Workmen Compensation	Value at risk	90%	10%	*90%*	*10%*
- Public Liability	Value at risk	40%	60%	*87%*	*13%*
- Personal Accident	Value at risk	69%	31%	*65%*	*35%*
- Health	Value at risk	85%	15%	*78%*	*22%*
- Credit Insurance	Value at risk	8%	92%	*8%*	*92%*
- Others	Value at risk	40%	60%	*32%*	*68%*

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:

(₹ in 000's)

Particulars	At March 31, 2012	*At March 31, 2011*
Motor TP (other than IMTPIP)	—	*35,265*
Motor TP pool Inward (IMTPIP)*	1,408,900	*851,833*

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.

* Calculated as per actuarially determined ultimate loss ratio as prescribed by IRDA vide circular no. IRDA/NL/ORD/MPL/72/03/2012 dated March 22, 2012.

During the year the Company has changed the basis of determining premium deficiency from incurred loss ratio to actuarially determined ultimate loss ratio for better estimates. The impact of the change on the current results is estimated to be not material.

5.1.11 ***Investments***

Value of contracts in relation to investments for:

- Purchases where deliveries are pending ₹ 41,535 thousand (previous year: ₹ 4,236 thousand); and
- Sales where payments are overdue ₹ NIL (previous year: ₹ NIL).

Historical cost of investments that are valued on fair value basis (General Portfolio) is ₹ 5,601,995 thousand (previous year: ₹ 3,883,127 thousand).

Historical cost of investments that are valued on fair value basis (Motor Pool Portfolio) is ₹ 668,378 thousand (previous year: ₹ 239,786 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, 2012 (previous year: ₹ NIL).

5.1.12 ***Employee Benefit Plans***

(A) Defined contribution plan

(₹ in 000's)

Expenses on defined contribution plan	For the year ended March 31, 2012	*For the year ended March 31, 2011*
Contribution to staff provident fund	**94,513**	*88,700*

(B) Defined benefit plan

Gratuity

The Company has a defined gratuity benefit plan payable to every employee on separation from employment. The Company makes the contribution to an approved gratuity fund which is maintained and managed by ICICI Prudential Insurance Company Limited.

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity benefits of the Company is given below.

(₹ in 000's)

Reconciliation of Benefit Obligations and Plan Assets	For the year ended March 31, 2012	*For the year ended March 31, 2011*
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	**189,667**	*145,128*
Current Service Cost	**39,852**	*35,830*
Interest Cost	**18,366**	*14,498*
Actuarial Losses/(Gain)	**3,235**	*1,807*
Liabilities assumed on Acquisition	**—**	*25*
Benefits Paid	**(22,763)**	*(7,621)*
Closing Defined Benefit Obligation	**228,357**	*189,667*
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	**209,384**	*149,821*
Expected Return on Plan Assets	**15,664**	*11,928*
Actuarial Gains/(Losses)	**(290)**	*231*
Contributions by Employer	**35,016**	*55,000*
Assets acquired on Acquisition	**—**	*25*
Benefits Paid	**(22,763)**	*(7,621)*
Closing Fair Value of Plan Assets	**237,011**	*209,384*
Expected Employer's contribution Next Year	**—**	*10,000*

(₹ in 000's)

Reconciliation of Present Value of the obligation and the Fair Value of the Plan Assets	At March 31, 2012	*At March 31, 2011*
Fair Value of Plan Assets at the end of the year	**(237,011)**	*(209,384)*
Present Value of the defined obligations at the end of the year	**228,357**	*189,667*
Liability recognised in the balance sheet	**—**	*—*
Asset recognised in the balance sheet	**8,654**	*19,717*
Investment details of plan assets		
100% Insurer Managed Funds	**237,011**	*209,384*
Assumptions		
Discount Rate	**8.40% p.a.**	*8.20% 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.*

(₹ in 000's)

Expenses to be recognised in statement of Profit and Loss Account	For the year ended March 31, 2012	*For the year ended March 31, 2011*
Current Service Cost	**39,836**	*35,830*
Interest on Defined Benefit Obligation	**18,366**	*14,499*
Expected return on Plan Assets	**(15,664)**	*(11,928)*
Net Actuarial Losses/(Gains) recognised in year	**3,525**	*1,575*
Past Service Cost	**—**	*—*
Losses/(Gains) on "Curtailments & Settlements"	**—**	*—*
Losses/(Gains) on "Acquisition/ Divestiture"	**—**	*—*
Effect of limit in Para 59 (b)	**—**	*—*
Total included in Employee Benefit Expense	**46,063**	*39,976*

Experience adjustments of five years is given below

(₹ in 000's)

	March 31, 2012	*March 31, 2011*	*March 31, 2010*	*March 31, 2009*	*March 31, 2008*
Defined Benefit Obligation	**228,341**	*189,667*	*145,128*	*141,813*	*67,800*
Plan assets	**237,011**	*209,384*	*149,821*	*70,875*	*44,124*
Surplus / (Deficit)	**8,670**	*19,717*	*4,693*	*(70,938)*	*(23,676)*
Exp.Adj on Plan Liabilites	**10,137**	*2,943*	*(18,518)*	*26,355*	*672*
Exp.Adj on Plan Assets	**(290)**	*231*	*9,860*	*(6,597)*	*13,887*

Accrued Leave

The Company has a scheme for accrual of leave for employees, the liability for which is determined on the basis of Actuarial Valuation carried out at the year end. Assumption stated above is applicable for accrued leaves also.

(₹ in 000's)

Particulars	For the year ended March 31, 2012	*For the year ended March 31, 2011*
Opening Balance	**144,282**	*133,443*
Add: Provision made during the year	**15,852**	*10,839*
Closing balance	**160,134**	*144,282*

5.1.13 *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 year and at the end of the year.

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.

5.1.14 *Managerial remuneration*

The details of remuneration of MD & CEO (for FY2012) and two Wholetime Directors' (with effect from January 19, 2011) as per the terms of appointment are as under:

(₹ in 000's)

Particulars (see note below)	**For the year ended March 31, 2012**	*For the year ended March 31, 2011*
Salaries and allowances	**51,467**	*19,641*
Contribution to provident and other funds	**2,211**	*1,065*
Perquisites	**528**	*463*

Note: Expenses towards gratuity and leave accrued are determined actuarially on an overall basis and accordingly have not been considered for the above disclosure.

Managerial remuneration in excess of ₹ 15,000 thousand, for each Managerial personnel has been charged to profit and loss account.

5.1.15 *(A) Share Capital*

During the year the Company (i) has completed the allotment of shares issued under preferential issue of 31,192,659 equity shares of ₹ 10/- each at a premium of ₹ 99/- per share to the promoters raising ₹ 3,400,000 thousand. (ii) has allotted 824,024 equity shares under the Employee Stock Option Scheme.

(B) Share Application

At March 31, 2012 the Company had received share application money of ₹ 1,882 thousand (previous year: ₹ 3,402,304 thousand) against which shares are yet to be allotted.

5.1.16 *Outsourcing, business development and marketing support expenses*

Expenses relating to outsourcing, business development and marketing support are:

(₹ in 000's)

Particulars	**For the year ended March 31, 2012**	*For the year ended March 31, 2011*
Outsourcing expenses	**1,353,413**	*1,120,287*
Business development	**462,865**	*282,193*
Marketing support	**585,519**	*379,244*

5.1.17 *Details of penal actions taken by various Govt. authorities during year ended March 31, 2012 :*

(₹ in 000's)

Sl No.	Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	500 (-)	500 (-)	500 (-)	— (-)
2	Service Tax Authorities	— (-)	— (-)	— (-)	— (-)
3	Income Tax Authorities	— (-)	— (-)	— (-)	— (-)
4	Any other Tax Authorities	— (-)	— (-)	— (-)	— (-)
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	— (-)	— (-)	— (-)	— (-)
6	Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	— (-)	— (-)	— (-)	— (-)
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	— (-)	— (-)	— (-)	— (-)
8	Securities and Exchange Board of India	NA (NA)	NA (NA)	NA (NA)	NA (NA)
9	Competition Commission of India	— (-)	— (-)	— (-)	— (-)
10	Any other Central/State/Local Govt / Statutory Authority (Tariff Advisory Committee)	— (166,981)	— (2,053)	— (2,053)	— (164,928)

Figures in brackets represent previous year figures.

5.1.18 *Summary of Financial Statements for five years*

(₹ in 000's)

Particulars	**FY 2011-2012**	*FY 2010-2011*	*FY 2009-2010*	*FY 2008-2009*	*FY 2007-2008*
Operating Result					
Gross premium written	**60,144,218**	*47,348,983*	*36,947,821*	*37,492,110*	*36,010,198*
Net premium income #	**41,087,394**	*30,331,834*	*23,140,883*	*21,164,757*	*17,797,672*
Income from investments (net)@	**3,082,833**	*2,589,359*	*2,828,112*	*2,325,325*	*1,364,414*
Other income	**881,528**	*622,489*	*542,421*	*3,842*	*(3,332)*
Total income	**45,051,755**	*33,543,682*	*26,511,416*	*23,493,924*	*19,158,754*
Commissions (net of reinsurance commission)	**(613,538)**	*(543,007)*	*210,557*	*(755,837)*	*(1,365,640)*
Brokerage	**—**	—	—	—	—
Operating expenses	**8,728,920**	*6,797,879*	*5,551,359*	*6,785,799*	*5,611,590*
Claims, increase in Unexpired Risk Reserve & other outgoes	**41,605,250**	*29,095,116*	*20,597,980*	*18,341,597*	*14,439,528*
Operating Profit/(Loss)	**(4,668,878)**	*(1,806,306)*	*151,520*	*(877,635)*	*473,276*
Non - Operating Result					
Total income under shareholder's account(net of expenses)	**716,732**	*982,886*	*1,431,533*	*880,380*	*828,958*
Profit/(Loss) before tax	**(3,952,145)**	*(823,420)*	*1,583,053*	*2,745*	*1,302,234*
Provision for tax	**(211,147)**	*(19,992)*	*143,774*	*(233,500)*	*273,500*
Profit/(Loss) after tax	**(4,163,292)**	*(803,428)*	*1,439,279*	*236,245*	*1,028,734*
Miscellaneous					
Policy holder's account:					
Total funds	**60,322,530**	*40,382,814*	*28,712,993*	*23,498,753*	*16,874,828*
Total investments					
Yield on investments	**Not applicable as investments are not earmarked**				
Shareholder's account:					
Total funds	**15,078,391**	*19,439,883*	*17,924,396*	*12,369,209*	*8,514,813*
Total investments					
Yield on investments	**Not applicable as investments are not earmarked**				
Paid up equity capital	**4,365,839**	*4,045,672*	*4,036,327*	*4,031,369*	*3,773,578*
Net worth **	**15,078,391**	*19,439,883*	*17,924,396*	*16,026,640*	*10,759,589*
Total assets	**105,251,554**	*82,286,865*	*67,320,168*	*54,842,026*	*37,941,850*
Yield on total investments (annualised)	**8%**	*9%*	*13%*	*14%*	*11%*
Earnings per share (₹)	**(9.56)**	*(1.99)*	*3.57*	*0.60*	*2.76*
Book value per share (₹)	**34.54**	*48.05*	*44.41*	*39.75*	*28.51*
Total dividend (excluding dividend tax)	**—**	*565,889*	*645,248*	—	*591,157*
Dividend per share (₹)	**—**	*1.40*	*1.60*	—	*1.60*

\# Net of Reinsurance
@ Net of Losses
** Shareholders funds and Net worth is excluding fair value change account for financial year 2007-2008 and 2008-2009

5.1.19 *Ratio Analysis:*

(A) For ratios at March 31, 2012 refer Annexure 1a and 1b and for March 31, 2011 refer Annexure 2a and 2b

(B) Solvency Margin

(₹ in 000's)

Solvency Margin	At March 31, 2012	*At March 31, 2011*
Required solvency margin under IRDA Regulations (A)	**9,408,540**	*10,473,090*
Available solvency margin (B)	**12,826,136**	*16,301,400*
Solvency ratio actual (times) (B/A)	**1.36**	*1.56*
Solvency ratio prescribed by Regulation	**1.30**	*1.30*

5.1.20 *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 is stated below:

Founder ESOPs:

Scheme	
Date of grant	April 26, 2005
No. of Options granted (in 000's)	917
Grant Price	₹ 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		
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		₹ 35 – ₹ 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		
Date of grant	2009	July 21, 2009
No. of Options granted (in 000's)		1,249
Grant Price		₹ 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

Performance ESOPs (2010):

Scheme		
Date of grant	2010	April 19, 2010
No. of Options granted (in 000's)		2,312
Grant Price		₹ 114
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 (2011):

Scheme		
Date of grant	2011	April 25, 2011
No. of Options granted (in 000's)		723
Grant Price		₹ 109
Graded Vesting Period		
1st Year		40% of option
2nd Year		60% 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 ₹ 7.72 to ₹ 73.62 per option. Accordingly, the compensation cost and charge to the profit and Loss account for the year ended March 31, 2012 would have been higher by ₹ 167,203 thousand had the Company followed the fair valuation method for accounting the options issued. On proforma basis the Company's basic and diluted earnings per share would have been ₹ (9.56). The key assumptions used to estimate the fair value of options granted during the year ended March 31, 2012 are given below:

Risk-free interest rate	7.96% — 8.41% p.a.
Expected life	5.8 years
Expected volatility*	38.62% p.a.
Expected dividend yield	1.28% p.a.

*Expected volatility is based on estimates of management in the absence of data on historical volatility at the period 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:

(in 000's)

Particulars	Other than Wholetime Directors'		Wholetime Directors'	
	At March 31, 2012	*At March 31, 2011*	**At March 31, 2012**	*At March 31, 2011*
Outstanding at the beginning of the year*	**11,945**	*13,346*	**1,700**	—
Add: Granted during the year	**478**	*1,762*	**245**	*550*
Less: Forfeited / lapsed during the year	**1,101**	*1,132*	**—**	—
Less: Exercised during the year	**817**	*881*	**—**	—
Outstanding at the end of the year	**10,505**	*13,095*	**1,945**	*550*
Exercisable at the end of the year	**7,709**	*7,577*	**1,005**	—

*Previous years balances are reclassified.

5.2 Other disclosures

5.2.1 Basis used by the Actuary for determining provision required for IBNR/IBNER

The liability for IBNR including IBNER (excluding IMTPIP) for the year ending March 31, 2012 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 IRDA/NL/CIR/Cre/205/12/2010 and the applicable provisions of the Guidance Note 21 issued by the Institute of Actuaries of India.

The Appointed Actuary has adopted the Loss Ratio method for credit insurance where enough claim development data is not available and Chain Ladder Method for other lines of business where claims development in the past years is considered to be representative of the future claims development. Where this method is not found suitable the Bornhuetter-Ferguson method has been used.

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 ₹ 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 intimation/confirmation received from GIC. Accordingly, reinsurance accepted, on account of the terrorism pool has been recorded only up to September 30, 2011 (previous year: September 30, 2010) 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 statement received from pool for the period from March 2011 up to February 2012 ('pool statements') and on management's estimate for March 2012. In accordance with regulations, the pool follows a policy of providing for Unexpired Risk Reserve at a minimum of 50% of the pooled business. Accordingly company has carried forward 50% of current year premiums from IMTPIP as Unexpired Risk Reserve.

IRDA vide Orders IRDA / NL / ORD / MPL / 276/12/2011 dated December 23, 2011, IRDA / NL/ORD/MPL/003/01/2012 dated January 3, 2012 and IRDA/F&A/ORD/MTPP/070/03-2012 dated March 22, 2012 had directed the dismantling of Indian Motor Third Party Insurance Pool (IMTPIP) on a clean cut basis and advised recognition of revised actuarially estimated liabilities (estimated by GAD UK "GAD Estimates") relating to retroceded business from IMTPIP and own book earlier ceded to IMTPIP, for all underwriting years commencing from the year ended March 31, 2008 to year ended March 31, 2012 on the following basis:

(a) Recognise additional IMTPIP liabilities for underwriting years 2007-2008 & 2008-09 in full and

(b) Recognise additional IMTPIP liabilities for underwriting years 2009-2010 to 2011-2012 either in full or amortise it on a straight line basis over upto three years beginning with the financial year ending March 31, 2012.

The company has decided to recognise the additional liabilities of IMTPIP for all the years in the current year itself. Accordingly the current year claims incurred, outstanding claims, operating loss and loss for the year includes ₹ 6,849,645 thousand (including ₹ 1,408,690 thousand relating to the current year) as exceptional loss of the pool.

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 ₹ 87 thousand outstanding (Previous year ₹ 62 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

(₹ in 000's)

	At March 31, 2012	*At March 31, 2011*
a. not later than one year	**1,483**	*777*
b. later than one year and not later than five years	**4,506**	—
c. later than five years	**—**	—

An amount of ₹ 1,381 thousand (previous year: ₹ 1,281 thousand) towards said 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 as at March 31, 2012. 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 to the extent identifiable to business segment

(₹ in 000's)

		Current liabilities	Current Assets
Segment	**Year**	**Claims Outstanding**	**Outstanding Premium**
Fire	**2011-12**	**4,572,678**	**17,862**
	2010-11	*4,737,759*	*4,732*
Engineering	**2011-12**	**1,356,748**	**5,691**
	2010-11	*1,191,808*	*90*
Marine Cargo	**2011-12**	**1,215,133**	**5,601**
	2010-11	*1,096,582*	*3,081*
Marine Hull	**2011-12**	**878,790**	**—**
	2010-11	*1,121,238*	—
Motor OD	**2011-12**	**2,400,845**	**48**
	2010-11	*2,048,369*	*182*
Motor TP	**2011-12**	**43,789,152**	**—**
	2010-11	*25,227,461*	*51*
Workmen Compensation	**2011-12**	**192,002**	**—**
	2010-11	*107,807*	—
Public/Product Liability	**2011-12**	**47,535**	**—**
	2010-11	*16,559*	—
Personal Accident	**2011-12**	**700,831**	**40**
	2010-11	*449,887*	*27*
Aviation	**2011-12**	**420,686**	**—**
	2010-11	*199,231*	—
Health	**2011-12**	**3,439,122**	**1,327,377**
	2010-11	*2,542,646*	*1,247,141*
Credit Insurance	**2011-12**	**123,699**	**—**
	2010-11	*127,535*	—
Others	**2011-12**	**2,410,827**	**507,278**
	2010-11	*1,923,793*	*1,016,175*
Total Amount	**2011-12**	**61,548,048**	**1,863,897**
	2010-11	*40,790,675*	*2,271,479*

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 related party	Relationship
ICICI Bank UK PLC	Fellow Subsidiary
ICICI Eco-net Internet & Technology Fund	Fellow Subsidiary
ICICI Emerging Sectors Fund	Fellow Subsidiary
ICICI Equity Fund	Fellow Subsidiary
ICICI Home Finance Company Limited	Fellow Subsidiary
ICICI Prudential Asset Management Company Limited	Fellow Subsidiary
ICICI Prudential Life Insurance Company Limited	Fellow Subsidiary
ICICI Securities Limited	Fellow Subsidiary
ICICI Securities Primary Dealership Limited	Fellow Subsidiary
ICICI Strategic Investments Fund	Fellow Subsidiary
ICICI Venture Funds Management Company Limited	Fellow Subsidiary
FAL Corporation (Affiliate of Fairfax Financial Holdings Limited)	Venturer in Joint Venture

Key Management Personnel (KMP):

Bhargav Dasgupta, Managing Director & CEO

Alok Kumar Agarwal, Executive Director (w.e.f. January 19, 2011)

Neelesh Garg, Executive Director (w.e.f. January 19, 2011)

Relatives of KMP with whom transactions have taken place during the year:

Shubhra Sharma :	Spouse of Neelesh Garg
Dhruv Garg :	Son of Neelesh Garg

Details of transaction with related parties for the year ended March 31, 2012 are given below : (₹ in 000's)

Particulars	ICICI Bank Ltd	With ICICI Home Finance Co Ltd	With ICICI Securities Primary Dealership Ltd	With ICICI Prudential Life Insurance Co Ltd	With ICICI Securities Ltd	With Others	Venturer in Joint Venture	With KMP & their relatives
	Holding company	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary			
Premium income	775,824	9,689	2,527	133,963	97,939	33,072	—	33
	(1,380,755)	(13,833)	(1,740)	(117,336)	(98,868)	(27,032)	(-)	(25)
Income from interest & dividend	41,963	—	6,930	—	—	—	—	—
	(51,177)	(10,587)	(-)	(-)	(-)	(-)	(-)	(-)
Issue of share capital	230,826	—	—	—	—	—	81,101	—
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Share premium on share issued	2,285,174	—	—	—	—	—	802,899	—
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Claim payments	392,053	33,177	1,474	9,659	78,926	444	—	—
	(906,531)	(71,570)	(563)	(6,544)	(57,065)	(64)	(-)	(-)
Commission/ Brokerage payouts	369,950	-841	—	—	15,716	—	—	—
	(325,624)	(632)	(-)	(-)	(24,832)	(-)	(-)	(-)
Investment								
- Purchases	6,540,326	—	5,151,165	713,039	—	—	—	—
	(5,266,533)	(-)	(879,583)	(250,188)	(-)	(-)	(-)	(-)
- Sales	5,137,516	—	1,121,594	2,426,103	—	—	—	—
	(4,510,971)	(278,625)	(200,404)	(656,336)	(-)	(-)	(-)	(-)
Purchase of Fixed Asset	2,678	—	—	—	—	—	—	—
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sale of fixed assets	4,616	—	—	—	—	—	—	—
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Premium Paid	—	—	—	6,293	—	—	—	—
	(-)	(-)	(-)	(6,374)	(-)	(-)	(-)	(-)
Establishment & other expenditure	184,623	-3,365	—	-1,478	-386	—	—	54,206
	(232,154)	(-)	(-)	(-1,717)	(-2,586)	(-)	(-)	(20,780)
Dividend paid	—	—	—	—	—	—	—	—
	(416,574)	(-)	(-)	(-)	(-)	(-)	(146,363)	(-)

Figures in brackets represent previous year figures

Balances with related parties at March 31, 2012, are as under:

(₹ in 000's)

Particulars	ICICI Bank Ltd	With ICICI Home Finance Co Ltd	With ICICI Securities Primary Dealership Ltd	With ICICI Prudential Life Insurance Co Ltd	With ICICI Securities Ltd	With others	Venturer in Joint Venture	With KMP & their relatives
	Holding company	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary			
Assets								
Cash, Bank Balances & Deposits	-1,397,931	—	—	—	—	—	—	—
	(-1,063,989)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investments	454,339	—	—	—	—	—	—	—
	(455,508)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Income accrued on investments	6,005	—	—	—	—	—	—	—
	(5,835)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Liabilities								
Capital	3,206,355	—	—	—	—	—	1,126,550	150
	(2,975,530)	(-)	(-)	(-)	(-)	(-)	(1,045,449)	(150)
Share premium	10,184,674	—	—	—	—	—	3,578,399	375
	(7,899,500)	(-)	(-)	(-)	(-)	(-)	(2,775,500)	(375)
Application money	—	—	—	—	—	—	—	—
	(2,516,000)	(-)	(-)	(-)	(-)	(-)	(884,000)	(-)
Premium received in advance / Cash deposits	358,453	2,835	—	339	2,317	1,325	—	—
	(22,606)	(2,834)	(-)	(890)	(1,339)	(677)	(-)	(-)
Others liabilities/ Payables	300,830	-4,553	66	23,669	9,378	1,864	—	—
	(240,919)	(54,787)	(415)	(11,830)	(15,678)	(2605)	(-)	(-)

Figure in brackets pertain to year ended March 31, 2011

5.2.11 Details of age-wise analysis of the unclaimed amount of the policyholders for the year ended March 31, 2012

At March 31, 2012 the Company has not appropriated / written back the unclaimed amount of policyholders. (Reference IRDA circular no IRDA/F&I/CIR/CMP/174/11/2011 dated 4th November, 2010)

(₹ in 000's)

Particulars	Total Amount	1-6 months	7-12 months	13-18 months	19–24 months	25–30 months	31–36 months	Beyond 36 months
Claims settled but not paid to the policyholders/ insured's due to any reasons except under litigation from the insured/ policyholders	— (-)	— (-)	— (-)	— (-)	— (-)	— (-)	— (-)	— (-)
Sum due to the insured/ policyholders on maturity or otherwise	— (-)	— (-)	— (-)	— (-)	— (-)	— (-)	— (-)	— (-)
Any excess collection of the premium/ tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	170,107 *(158,606)*	8,909 *(9,758)*	6,095 *(4,177)*	15,342 *(7,027)*	3,559 *(5,608)*	4,849 *(10,646)*	5,442 *(16,778)*	125,911 *(104,612)*
Cheques issued but not encashed by the policyholder/ insured	1,389,814 *(886,709)*	674,199 *(417,505)*	260,420 *(111,884)*	89,789 *(76,603)*	50,572 *(37,097)*	55,200 *(35,975)*	30,384 *(57,045)*	229,250 *(150,600)*
Total	**1,559,921** ***(1,045,315)***	**683,108** ***(427,263)***	**266,515** ***(116,061)***	**105,131** ***(83,630)***	**54,131** ***(42,705)***	**60,049** ***(46,621)***	**35,826** ***(73,823)***	**355,161** ***(255,212)***

Figure in brackets pertain to the year ended March 31, 2011

5.2.12 ***Details of earning per share for the year ended March 31, 2012***

(₹ in 000's)

Particulars	At March 31, 2012	*At March 31, 2011*
Profit/(loss) available to equity shareholders ₹	**(4,163,292)**	*(803,428)*
Weighted average number of equity shares		
Number of shares at the beginning of the year	**404,567**	*403,633*
Share issued during the year	**32,017**	*934*
Total number of equity share outstanding at the end of the year	**436,584**	*404,567*
Weighted average number of equity shares outstanding during the year	**435,280**	*404,170*
Add : Effect of dilutive issues of options and share application pending allotment	**6,265**	*6,721*
Diluted weighted average number of equity shares outstanding during the year	**441,545**	*410,891*
Nominal value of equity shares ₹	**10**	*10*
Basic earning per share ₹	**(9.56)**	*(1.99)*
Diluted earning per share ₹	**(9.56)**	*(1.99)*

As the Company has incurred loss during the year, potential equity shares are not resulting into dilution of EPS.

5.2.13 ***Deferred taxes***

The major components of deferred tax are as under:

(₹ in 000's)

Particulars	Deferred tax asset at March 31, 2012	*Deferred tax asset at March 31, 2011*
Timing differences on account of:		
Reserve for Unexpired Risks/Premium deficiency	**—**	*—*
Provision for escalation in lease rentals	**21,380**	*22,590*
Leaves accrued	**51,956**	*46,812*
Provision for doubtful debts	**188,385**	*97,672*
Carry forward losses*	**—**	*305,794*
Total	**261,721**	*472,868*
Net deferred tax asset/(liability)	**261,721**	*472,868*
Deferred tax expense/(income) recognised in the Profit and Loss A/c	**211,147**	*(19,992)*

* *Restricted to estimated taxable profit, considering current insurance contract renewal rate of the company, impact of exceptional one-time loss of the IMTPIP, regulatory revision in the administered third party premium rates and the estimated income from existing investments.

5.2.14 Prior year figures have been regrouped, reclassified in the respective schedule and notes wherever necessary, to conform to current year classifications.

For and on behalf of the Board

CHANDA KOCHHAR *Chairperson*	S.MUKHERJI *Director*
DILEEP CHOKSI *Director*	BHARGAV DASGUPTA *Managing Director & CEO*
ALOK KUMAR AGARWAL *Executive Director*	NEELESH GARG *Executive Director*
GOPAL BALACHANDRAN *Chief Financial Officer*	VIKAS MEHRA *Company Secretary*

Mumbai, April 13, 2012

Annexure-1a Analytical Ratios as at March 31, 2012

Sr. No.	Particular	Total	Fire	Marine Cargo	Marine Others	Marine total	Motor OD	Motor TP	Motor Total	Workmen compensation	Public/Product Liability	Engineering	Aviation	PA	Health	Credit	Others	Total miscellaneous	Basis of calculations
1	Gross Premium Growth Rate	21%	9%	17%	25%	20%	32%	56%	38%	39%	-14%	20%	17%	47%	12%	-8%	0%	22%	(GDPI current year- GDPI previous year)/ GDPI previous year
2	Gross Premium to shareholders' fund ratio	342%																	GDPI/ Shareholders' funds
3	Growth rate of shareholders'fund	-22%																	(Shareholders' funds current year- Shareholders' funds previous year) / Shareholders' funds previous year
4	Net Retention Ratio	80%	42%	43%	4%	29%	90%	144%	106%	90%	36%	24%	31%	68%	86%	8%	38%	84%	Net premium/ GDPI
5	Net Commission Ratio	4%	2%	7%	1%	5%	4%	0%	3%	8%	2%	5%	1%	8%	5%	5%	4%	4%	Gross commission paid/ GDPI
6	Expense of Management to Gross Direct Premium Ratio	21%																	Expenses of management/ GDPI
7	Combined Ratio	78%																	(Claims paid + Expenses of management + Commission paid-direct)/ Gross driect premium
8	Technical Reserves to net premium ratio	198%																	(Reserve for Unexpired Risk + Reserve for premium deficiency + Reserve for outstanding claims including IBNR and IBNER)/ Net premium
9	Underwriting balance ratio	-21%	-26%			-43%												-21%	(Underwriting profit/loss) / Net premium
10	Operating Profit Ratio	-10%																	(Underwriting profit/loss + Investment income) / Net premium
11	Liquid Assets to liabilities ratio	21%																	Liquid assets/ Policyholders liabilities
12	Net earning ratio	-10%																	Profit after tax/ Net premium
13	Return on net worth ratio	-28%																	Profit after tax/ Net worth
14	Available Solvency margin Ratio to Required Solvency Margin Ratio (times)	1.36																	
15	NPA Ratio																		
	Gross NPA Ratio	—																	
	Net NPA Ratio	—																	

Notes :

Ratios are computed as per definitions laid down by IRDA cicular no. IRDA/F&I/CIR F&A/012/01/2010 dated January 28, 2010

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-1b - Equity Holding Pattern

1	(a)	No. of shares	436,583,913
2	(b)	Percentage of shareholding (Indian / Foreign)	74.2%/ 25.8%
3	(c)	%of Government holding (in case of public sector insurance companies)	—
4	(a)	Basic and diluted EPS before extraordinary items (net of tax expense) for the period	₹ (9.56) and ₹ (9.56)
5	(b)	Basic and diluted EPS after extraordinary items (net of tax expense) for the period	₹ (9.56) and ₹ (9.56)
6	(iv)	Book value per share (₹)	34.54

Annexure-2a Analytical Ratios as at March 31, 2011

Sr. No.	Particular	Total	Fire	Marine Cargo	Marine Others	Marine total	Motor OD	Motor TP	Motor Total	Workmen compensation	Public/Product Liability	Engineering	Aviation	PA	Health	Credit	Others	Total miscellaneous	Basis of calculations
1	Gross Premium Growth Rate	29%	5%	35%	-13%	14%	19%	-3%	12%	76%	84%	-2%	76%	18%	50%	-25%	89%	32%	(GDPI current year- GDPI previous year)/ GDPI previous year
2	Gross Premium to shareholders' fund ratio	219%																	GDPI/ Shareholders' funds
3	Growth rate of shareholders'fund	8%																	(Shareholders' funds current year- Shareholders' funds previous year) / Shareholders' funds previous year
4	Net Retention Ratio	71%	40%	38%	9%	28%	90%	127%	100%	90%	83%	24%	14%	63%	78%	8%	31%	76%	Net premium/ GDPI
5	Net Commission Ratio	5%	3%	8%	1%	6%	6%	0%	5%	9%	1%	5%	1%	9%	5%	4%	3%	5%	Gross commission paid/ GDPI
6	Expense of Management to Gross Direct Premium Ratio	21%																	Expenses of management/ GDPI
7	Combined Ratio	86%																	(Claims paid + Expenses of management + Commission paid-direct)/ Gross driect premium
8	Technical Reserves to net premium ratio	182%																	(Reserve for Unexpired Risk + Reserve for premium deficiency + Reserve for outstanding claims including IBNR and IBNER)/ Net premium
9	Underwriting balance ratio	-17%	-42%			-54%												-15%	(Underwriting profit/loss) / Net premium
10	Operating Profit Ratio	-3%																	(Underwriting profit/loss + Investment income) / Net premium
11	Liquid Assets to liabilities ratio	23%																	Liquid assets/ Policyholders liabilities
12	Net earning ratio	-3%																	Profit after tax/ Net premium
13	Return on net worth ratio	-4%																	Profit after tax/ Net worth
14	Available Solvency margin Ratio to Required Solvency Margin Ratio (times)	1.56																	
15	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-2b - Equity Holding Pattern

1	(a)	No. of shares	404,567,230
2	(b)	Percentage of shareholding (Indian / Foreign)	74.2%/ 25.8%
3	(c)	%of Government holding (in case of public sector insurance companies)	—
4	(a)	Basic and diluted EPS before extraordinary items (net of tax expense) for the period	₹ (1.99) and ₹ (1.99)
5	(b)	Basic and diluted EPS after extraordinary items (net of tax expense) for the period	₹ (1.99) and ₹ (1.99)
6	(iv)	Book value per share ₹	48.05

receipts & payment account

for the year ended March 31, 2012

		March 31, 2012		(₹ in 000's) March 31, 2011
CASH FLOW FROM OPERATING ACTIVITIES				
- Premium received from policyholders, including advance receipt	**56,951,264**		*50,899,854*	
- Premium received from co-insurer	**2,289,886**		*1,029,138*	
- Other receipts (including-environment relief fund & Motor TP pool and Terrorism Pool)	**2,501,807**		*719,085*	
- Receipt / (payment) from/to re-insurer net of commissions & claims recovery	**(1,815,404)**		*9,889,143*	
- Receipt / (payment) from / to co-insurer net of claims recovery	**231,005**		*(2,549,759)*	
- Payments of claims (net of salvage)	**(34,464,546)**		*(39,287,030)*	
- Payments of commission and brokerage	**(2,115,060)**		*(1,889,287)*	
- Payments of other operating expenses	**(8,681,173)**		*(6,509,426)*	
- Deposits, advances & staff loans	**(213,789)**		*647,365*	
- Income tax paid (net)	**(427,060)**		*(433,610)*	
- Service taxes paid	**(3,981,524)**		*(3,138,718)*	
- Cash flows before extrordinary items	**—**	**10,275,406**	*—*	*9,376,755*
- Cash flows from extrordinary operations		**—**		*—*
Net cash from operating activities		**10,275,406**		*9,376,755*
CASH FLOW FROM INVESTING ACTIVITIES				
- Purchase of fixed assets (including capital advances)	**(488,705)**		*(3,035,846)*	
- Proceeds from sale of fixed assets	**24,386**	**(464,319)**	*21,631*	*(3,014,215)*
- Purchase of investments	**(73,194,470)**		*(22,058,474)*	
- Loans disbursed	**—**		*—*	
- Sale of investments	**61,593,657**		*16,483,562*	
- Repayments received	**—**		*—*	
- Rent/interest/dividends received	**2,848,241**		*2,130,519*	
- Investments in money mkt instruments and liquid mutual fund (net)	**(726,302)**		*(2,263,378)*	
- Expenses related to investments	**(10,099)**	**(9,488,973)**	*(11,615)*	*(5,719,386)*
Net cash from investing activities		**(9,953,292)**		*(8,733,601)*
CASH FLOW FROM FINANCING ACTIVITIES				
- Proceeds from issuance of share capital (including share premium & net of share issue expenses)	**35,205**		*3,440,777*	
- Proceeds from borrowing	**—**		*—*	
- Repayments of borrowing	**—**		*—*	
- Dividends paid (including dividend tax)	**—**		*(687,323)*	
Net cash from financing activities		**35,205**		*2,753,454*
Effect of foreign exchange rates on cash and cash equivalents, net		**—**		*—*
Net increase/(decrease) in cash and cash equivalents		**357,319**		*3,396,608*
Cash and cash equivalents at the beginning of the year		**3,900,055**		*503,447*
Cash and cash equivalents at end of the year*		**4,257,374**		*3,900,055*

*Cash and cash equivalent at the end of the year includes short term deposits of ₹ 2,910,160 thousand (previous year: ₹ 3,400,173 thousand), balances with banks in current accounts ₹ 741,593 thousand (previous year: ₹ 91,327 thousand) and cash including cheques and stamps in hand amounting to ₹ 605,621 thousand (previous year: ₹ 408,555 thousand)

As per our attached report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants
Firm Regn No.: 105049W

NARENDRA JAIN
Partner
Membership No:048725

For PKF SRIDHAR & SANTHANAM
Chartered Accountants
Firm Regn No.: 003990S

R. SURIYANARAYANAN
Partner
Membership No: 201402

Mumbai, April 13, 2012

For and on behalf of the Board

CHANDA KOCHHAR
Chairperson

S. MUKHERJI
Director

DILEEP CHOKSI
Director

BHARGAV DASGUPTA
Managing Director & CEO

ALOK KUMAR AGARWAL
Executive Director

NEELESH GARG
Executive Director

GOPAL BALACHANDRAN
Chief Financial Officer

VIKAS MEHRA
Company Secretary

ICICI Home Finance

ICICI HOME FINANCE COMPANY LIMITED

13TH ANNUAL REPORT AND ACCOUNTS 2011-2012

Directors
Rajiv Sabharwal, Chairman
Maninder Juneja, Vice-Chairman
Dileep C. Choksi
Jayesh Gandhi
S. Santhanakrishnan
Sachin Khandelwal , Managing Director & CEO

Auditors
S.R. Batliboi & Co.
Chartered Accountants

Pratap Salian
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 Thirteenth Annual Report of ICICI Home Finance Company Limited (the Company) with the audited Statement of Accounts for the year ended March 31, 2012.

INDUSTRY OVERVIEW

The Real Estate industry witnessed a challenging year. The overall growth slowed down in sync with challenges of high inflation and interest rates and an overall slowdown in the new projects approvals process across the country. Residential volumes also witnessed stagnation, which had been coming off from early 2009. Residential property absorption in 2011-12 was down 4% year on year primarily on account of a significant slow down of almost 30% year on year in Mumbai, while rest of the primary markets showed a marginal positive growth in absorption. New launches were also muted in most markets vis-a-vis the previous year. However, on the back of lower supply and sustained demand, overall property prices in the top 7 metros witnessed price increase of 6% to 19%, with only Hyderabad stagnant. On the Commercial Real Estate front a weak economic outlook led to many projects being deferred / delayed / postponed. Bangalore and Gurgaon remained positive, while Mumbai and Hyderabad were the worse hit. Vacancy levels increased, and rentals were under pressure in most commercial hubs, with not much off take for SEZ's.

APPROPRIATIONS

The Profit and Loss Account shows profit before taxation of ₹ 3,531.4 million (previous year ₹ 3,293.4 million) after general provision on standard assets and provision & write off against non performing asset of ₹ 301.1 million (previous year ₹ 228.2 million), all operating expenses of ₹ 6,916.5 million (previous year ₹ 9,123.4 million) , which includes depreciation of ₹ 9.7 million (previous year ₹ 10.6 million) on fixed assets.

The profit after tax for the year ended March 31, 2012 is ₹ 2,596.5 (previous year ₹ 2,332.9 million). The profit available for distribution is ₹ 2,925.3 million (previous year ₹ 2,661.2 million), it includes profit brought forward from previous year of ₹ 328.7 million (previous year ₹ 328.4 million).

The Company has paid the interim dividend of 3.75% in the month of June 2011, 3.20% in September 2011, 3.40% in December 2011 and 4.10% in March 2012 and appropriated the disposable profit as follows:

(₹ in million)

	Fiscal 2012	*Fiscal 2011*
Special Reserve created and maintained in terms of Section 36(1)(viii) of the Income Tax Act, 1961	**520.0**	*470.0*
General Reserve	**130.0**	*120.0*
Dividend		
Preference Shares (including tax)	**–**	*–*
Equity Shares (Interim- including tax)	**1845.3**	*1,595.1*
Proposed final dividend @ 0.55% on equity share capital (previous year 1.15%) including tax	**70.2**	*147.3*
Balance profit to be carried forward	**359.7**	*328.7*

PUBLIC DEPOSITS

As required by National Housing Bank, the details of public deposits unclaimed as on March 31, 2012, are given below :-

(i) Number of accounts of unclaimed public deposits : 3,686

(ii) Amount of unclaimed deposits : ₹ 498.6 million

The Company has sent reminders to the investors informing them that the deposits have matured and requested them to claim the same.

In addition, the Company has raised deposits worth ₹ 451.0 million during FY2012. The Company's Fixed Deposits have received the highest credit ratings of "MAAA" by ICRA and "CARE AAA (FD) " by CARE.

The matured deposits with the Company which were unclaimed for more than 7 years from the date of maturity of ₹ 1.2 million has been transferred to IEPF pursuant to Section 205C of the Companies Act, 1956.

OPERATIONAL REVIEW

We have grown our mortgages footprint to now cover the upcoming markets - markets which are largely unaffected by the pressures of the primary (Top 7) markets. We have already attained market leadership in some of these key locations. Portfolio has been closely tracked to ensure we maintain good quality since the overall book has been declining. Revenues of our Real Estate advisory business grew by 25% even though there was a slowdown in the markets. The Mortgage Valuations group expanded its footprint to cover the requirement of our Mortgages Business and also for ICICI Bank and its other divisions. The streamlining of operations with more automation has been the focus to achieve better productivity. The Company continues to stay committed and focused to partnering the developers at all stages of the Real Estate Value chain.

DIRECTORS

Pursuant to the rights conferred on ICICI Bank Limited (the Bank) by Article 129 of the Articles of Association of the Company the Bank vide its letter dated April 23, 2012 withdrawn the nomination of Sachin Khandelwal as a Director and Managing Director & CEO on the Board of the Company effective close of business hours on May 1, 2012. Further, pursuant to the right conferred by the said Articles the Bank has appointed Rohit Salhotra as a Director and also Managing Director & CEO on the Board of the Company effective May 2, 2012.

In terms of the provisions of the Companies act, 1956 and Articles of Association of the Company Rajiv Sabharwal and S. Santanakrishnan, who are longest in office as Directors, will be retiring by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. You are requested to consider their appointment as directors of the Company.

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 23, 2012 has proposed their appointment as Auditors to audit the accounts of the Company for FY 2013 . You are requested to consider their appointment at the ensuing AGM.

AUDIT COMMITTEE

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 period under review there was no income and expenditure in foreign currency.

directors' report

as at March 31, 2012

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, has been reported in the notes forming part of the audited accounts.

DIRECTORS' RESPONSIBILITY STATEMENT

The 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 23, 2012

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, 2012 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) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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 at March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors are disqualified as at March 31, 2012 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 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, 2012;

      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 Shrawan Jalan
Partner
Membership No.: 102102

Mumbai, April 23, 2012

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) According to the information and explanations given to us, 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. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.

(b) According to information and explanations given to us, 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. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.

(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 rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

(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 are 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, investor education and protection fund, income-tax, sales tax, employees' state insurance, wealth-tax, service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases pertaining to service tax, tax deducted at source and work contract tax deducted at source. As informed, provisions of, custom duty and excise duty are currently not applicable to the Company.

b) 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, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable except amount aggregating to ₹ 5,761 for State labour fund ('LWF') due under Kerela State LWF laws, pertaining for financial year 2007-08 to financial year 2011-12. As informed, provisions of, custom duty and excise duty are currently not applicable to the Company.

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

Income Tax

For Assessment Year 2005-06 amounting to ₹ 62,201,098 where the nature of dispute is disallowance of special reserve and certain expenses and matter is pending before ITAT Mumbai.

For Assessment Year 2008-09 amounting to ₹ 27,442,423 where the nature of dispute is disallowance of special reserve and certain expenses and matter is pending before ITAT Mumbai.

For Assessment Year 2009-10 amounting to ₹ 426,113,458 where the nature of dispute is disallowance of special reserve and certain expenses and matter is pending before the CIT A-21.

Service Tax

For Financial Year 2005-06 amounting to ₹ 473,724,929 where the nature of dispute is non payment of service tax on recovery of reimbursement of expenses and matter is pending before the Commissioner of Service Tax - I, Mumbai / Add. Com. Service Tax (Audit), Division III, Mumbai.

For Financial Year 2006-07 amounting to ₹ 16,320,684 where the nature of dispute is non payment of service tax on recovery of reimbursement of expenses and matter is pending before the Commissioner of Service Tax - I, Mumbai / Add. Com. Service Tax (Audit), Division III, Mumbai.

For Financial Year 2006-07 amounting to ₹ 242,607 where the nature of dispute is wrong availment of cenvat credit and matter is pending before the Asst. Com. Service Tax (Audit), Division III, Mumbai.

(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 its 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 utilization 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 ₹ 4,982,793,661 of which ₹ 1,304,546,420 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 has not issued any secured bonds.

(xx) The Company has not raised any money by public issues during the year.

(xxi) We have informed that during the year under review few borrowers of the company have made fraudulent representations at the time of borrowing the loan amounting to ₹ 57,783,318 and consequently such loans have become doubtful of recovery and the same has been fully provided for by the company in its books of account

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

per Shrawan Jalan
Partner
Membership No.: 102102

Mumbai, April 23, 2012

balance sheet

at March 31, 2012

	Note		March 31, 2012	(₹ in millions) March 31, 2011
I EQUITY AND LIABILITIES				
(1) Shareholders' Funds:				
a) Share Capital	3	**10,987.5**		*10,987.5*
b) Reserves and Surplus	4	**3,097.7**		*2,416.7*
			14,085.2	*13,404.2*
(2) Non-current liabilities				
a) Long Term Borrowings	5	**38,485.9**		*51,784.7*
b) Other Long Term Liabilities	6	**264.9**		*350.8*
c) Long Term Provisions	7	**1,460.9**		*1,181.1*
			40,211.7	*53,316.6*
(3) Current liabilities				
a) Short Term Borrowings	8	**2,032.2**		*1,724.2*
b) Trade Payables	9	**192.3**		*120.1*
c) Other Current Liabilities	10	**17,484.3**		*23,237.1*
d) Short Term Provisions	7	**218.4**		*227.7*
			19,927.2	*25,309.1*
			74,224.1	*92,029.9*
II ASSETS				
(1) Non-current Assets				
a) Fixed Assets	11			
(i) Tangible Assets		**35.7**		*42.9*
(ii) Intangible Assets		**10.1**		*10.7*
(iii) Capital Work in Progress		**0.8**		*0.4*
(iv) Intangible assets under development		**—**		*1.1*
			46.6	*55.1*
b) Non-current Investments	12	**3,541.0**		*3,508.3*
c) Deferred Tax Asset (Net)	13	**469.5**		*398.7*
d) Long Term Loans and Advances	14	**61,525.2**		*75,260.4*
e) Other non-current Assets	16	**15.6**		*264.1*
			65,551.3	*79,431.5*
(2) Current Assets				
a) Trade Receivables	15	**80.6**		*46.9*
b) Cash and Bank Balances	17	**2,042.2**		*1,924.1*
c) Short term Loans & Advances	14	**5,140.9**		*8,913.3*
d) Other Current Assets	16	**1,362.5**		*1,659.00*
			8,626.2	*12,543.3*
			74,224.1	*92,029.9*
Summary of significant accounting policies	2			
The accompanying notes are an integral part of the financial statements				

profit and loss account

for the year ended March 31, 2012

		Note	March 31, 2012	(₹ in millions) March 31, 2011
I	**Revenue from Operations**	18	**10,609.8**	*12,366.9*
II	**Other Income**	19	**100.1**	*96.9*
III	**Total Revenue(I+II)**		**10,709.9**	*12,463.8*
IV	**Expenses:**			
	Finance Cost	20	**6,141.0**	*8,284.4*
	Employee Benefit Expense	21	**236.7**	*309.5*
	Depreciation and Amortization Expense		**9.7**	*10.6*
	Establishment and Other Expenses	22	**830.4**	*747.3*
			7,217.8	*9,351.8*
	Less : Expenses Recovered		**39.3**	*181.4*
	Total Expenses (IV)		**7,178.5**	*9,170.4*
V	**Profit before Exceptional and Extraordinary Items and Tax(III-IV)**		**3,531.4**	*3,293.4*
VI	**Exceptional Items**		**—**	*—*
VII	**Profit Before Extraordinary Items and Tax(V-VI)**		**3,531.4**	*3,293.4*
VIII	**Extraordinary Items**		**—**	*—*
IX	**Profit Before Tax(VII-VIII)**		**3,531.4**	*3,293.4*
X	**Tax Expense:**			
	Current Tax		**1,040.0**	*900.0*
	Provision For Tax of Earlier Years (net)		**(34.4)**	*44.3*
	Deferred Tax		**(70.7)**	*16.2*
XI	**Profit For The Year From Continuing Operations (IX-X)**		**2,596.5**	*2,332.9*
XII	**Earnings Per Equity Share:**	23		
	(1) Basic (₹)		**2.36**	*2.12*
	(2) Diluted (₹)		**2.36**	*2.12*
	Summary of significant accounting policies	2		
	The accompanying notes are an integral part of the financial statements			

As per our report of even date

For S. R. BATLIBOI & CO.
Chartered Accountants

per SHRAWAN JALAN
Partner
Membership No.:102102

Place: Mumbai
Dated: April 23, 2012

For and on behalf of the Board

RAJIV SABHARWAL
Chairman

SACHIN KHANDELWAL
Managing Director & CEO

MANINDER JUNEJA
Vice Chairman

PANKAJ JAIN
Chief Financial Officer

PRATAP SALIAN
Company Secretary

NOTES FORMING PART OF ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information

ICICI Home Finance Company Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the providing financial assistance for specified interest & maturity to person/persons for the purpose to acquire, construct, erect, improve, extend, alter, repair, renovate, develop any house, flats or buildings or any form of real estate or any part or portion thereof. The Company is also providing financial assistance to any person for specified purpose against the security of any immovable property. The Company is engaged in providing advisory, consultancy, broking in property service, sourcing and servicing home loans.

2. Basis of Preparation

The financial statements of the Company 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 on an accrual basis under the historical cost convention. The accounting policies applied by the Company are consistent with those used in the previous year.

2.1 Significant Accounting Policies

a) Presentation and disclosure of Financial Statement

During the year ended March 31, 2012, the revised schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. It has significant impact on presentation and disclosures made in the financial statements. The term 'Operating cycle ' is defined as the time between the acquisition of assets for processing and their realization in cash or cash equivalents. In the Company, normal operating cycle cannot be identified hence it is assumed to have duration of 12 months as per revised schedule VI notified under Companies Act, 1956.

b) Use of Estimates

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles (IGAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the end of reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets / liabilities in future period.

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 are accounted for on cash basis.

Dividend is accounted on an accrual basis when the right to receive the dividend is established.

Property Service Fees is recognised to the extent of invoice raised on the customer.

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.

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 in accordance with NHB Guidelines. 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

Tangible Fixed assets and Intangible assets are stated at cost less accumulated depreciation, amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

g) Depreciation and Amortisation

Depreciation and amortisation on assets is charged on Straight Line Method as per the rate decided by the management or at the rates prescribed in Schedule XIV of the Companies Act, 1956, whichever is higher.

Particular	Schedule XIV Rates (SLM)	Management rate
Office Buildings on Freehold Land	1.63%	1.63%
Improvements to Leasehold Property	Useful Life	1.63% or over the lease period whichever is higher
Furniture and Fixtures	6.33%	15%
Office Equipments	4.75%	10%
Computers	16.21%	33.33%
Vehicles	9.50%	20%
Software	Useful life (5 Year)	25%
Capital WIP	Nil	Nil

h) Retirement and Other Employee Benefits

i) Retirement benefit in the form of provident fund is a defined benefit obligation. The actuarial valuation has been carried out using Projected Accrued Benefit Method. Current and Non-Current obligation have been bifurcated as per actuarial valuation.

ii) 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 quarter end. Current and Non-Current obligation have been bifurcated as per actuarial valuation

iii) The Company provides for leave encashment benefits, which is a defined benefit obligation, based on actuarial valuation conducted by an independent actuary. Current and Non-Current obligation have been bifurcated as per actuarial valuation.

iv) Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes.

v) Actuarial gains / losses are immediately taken to Profit and Loss account and are not deferred.

i) Income Tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the expected amount to be paid to the tax authorities in accordance with the Indian Income Tax Act,1961. 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 liability is recognised for all taxable timing difference and 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.

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.

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 is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares). 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.

l) **Accounting for Swaps**

The Company enters into derivative contracts such as interest rate swaps to hedge balance sheet assets and liabilities. 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. Net gains are ignored.

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. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

p) **Cash and Cash equivalents**

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

3. **Share Capital**

(₹ in millions)

Particulars	**As at March 31, 2012**	*As at March 31, 2011*
Authorized shares		
2,385,000,000 Equity Shares of ₹ 10 each (March 2011-2,385,000,000)	**23,850.0**	*23,850.0*
15,000,000 Preference Shares of ₹ 10 each (March 2011-15,000,000)	**150.0**	*150.0*
Total Authorized shares	**24,000.0**	*24,000.0*
Issued, Subscribed and Paid up shares		
1,098,750,000 Equity Shares of ₹ 10 each fully paid up(March 2011-1,098,750,000)	**10,987.5**	*10,987.5*
Total Issued, Subscribed and Paid up shares	**10,987.5**	*10,987.5*

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

	As at March 31, 2012		*As at March 31, 2011*	
	No.	**(₹ millions)**	*No.*	*(₹ millions)*
At the beginning of the year	**1,098,750,000**	**10,987.5**	*1,098,750,000*	*10,987.5*
Issued during the year	**—**	**—**	—	—
Outstanding at the end of the year	**1,098,750,000**	**10,987.5**	*1,098,750,000*	*10,987.5*

Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2012 , the amount of per share dividend(including proposed dividend) recognised as distribution to equity shareholder is ₹ 1.5 (March 31, 2011 - ₹ 1.4)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Preference Shares

	As at March 31, 2012		*As at March 31, 2011*	
	No.	**(₹ millions)**	*No.*	*(₹ millions)*
At the beginning of the year	–	–	–	–
Issued during the year	–	–	–	–
Outstanding at the end of the year	–	–	–	–

ii) **Details of shareholders holding more than 5% shares in the company**

	As at March 31, 2012			*As at March 31, 2011*		
Equity shares of ₹10 each fully paid	**No.**	**(₹ millions)**	**% holding in the class**	*No.*	*(₹ millions)*	*% holding in the class*
ICICI Bank Limited (Holding Company & its nominees)	**1,098,750,000**	**10,987.5**	**100.0%**	1,098,750,000	10,987.5	*100.0%*

4. **Reserves and Surplus**

(₹ in millions)

Particulars	**As at March 31, 2012**	*As at March 31, 2011*
(i) General Reserve		
As per last Balance Sheet	**226.4**	*106.4*
Add : Transferred from Profit and Loss Account	**130.0**	*120.0*
Closing Balance	**356.4**	*226.4*
(ii) Special Reserve as per NHB Act,1987		
As per last Balance Sheet	**1,861.6**	*1,391.6*
Add : Transferred from Profit and Loss Account	**520.0**	*470.0*
Closing Balance	**2,381.6**	*1,861.6*
(iii) Surplus in the statement of Profit & loss		
Opening balance	**328.7**	*328.4*
Add : Net Profit for the year	**2,596.5**	*2,332.9*
Less : Proposed Dividends(₹ 0.055 per equity share, March 2011 - ₹ 0.115 per equity share)	**(70.2)**	*(147.4)*
Less : Interim Dividends	**(1,845.3)**	*(1,595.2)*
Less : Transfer to Special Reserves	**(520.0)**	*(470.0)*
Less : Transfer to General Reserves	**(130.0)**	*(120.0)*
Closing Balance	**359.7**	*328.7*
Total Reserves & Surplus	**3,097.7**	*2,416.7*

5. **Long-Term Borrowings**

				(₹ in millions)
	Non - Current portion		Current Maturities	
Particulars	**As at March 31, 2012**	*As at March 31, 2011*	**As at March 31, 2012**	*As at March 31, 2011*
[A] Secured				
(a) Bonds/debentures				
4,000 (March 2011 - 4,000) 9.29% Secured Redeemable Senior Bond of ₹ 1,000,000 each redeemable at par	4,000.0	4,000.0	—	—
3,000 (March 2011- 3,000) 10.75% Secured Redeemable Senior Bond of ₹ 1,000,000 each redeemable at par	3,000.0	3,000.0	—	—
1,800 (March 2011- 1,800) 11.35% Secured Redeemable Non-Convertible Bond of ₹ 1,000,000 each redeemable at par	1,800.0	1,800.0	—	—
2,000 (March 2011 - 2,000) 10.70% Secured Redeemable Non-Convertible Bond face value of ₹ 1,000,000 each redeemable at par	2,000.0	2,000.0	—	—
Total (a)	10,800.0	10,800.0		
(b) Term loans				
Long Term secured Loans from Banks	1,901.4	2,955.0	1,053.6	1,053.6
Total (b)	1,901.4	2,955.0	1,053.6	1,053.6
Total[A=a+b]	12,701.4	13,755.0	1,053.6	1,053.6
Amount disclosed under head "other current liabilities" (ref Note 10)	—	—	(1,053.6)	(1,053.6)
Net Amount	12,701.4	13,755.0	—	—
[B] Unsecured				
(a) Bonds/debenture				
• Bond - Private Placement	3,653.0	3,295.0	1,150.0	2,600.0
• Bond - Subordinate Debt Private Placement	3,343.0	3,343.0	—	—
• Bonds - ZCB	1,793.1	—	—	—
Less: Interest Accrued but not due on Bonds - ZCB	(265.9)	—	—	—
	1,527.2	—	—	—
Total (a)	8,523.2	6,638.0	1,150.0	2,600.0
(b) Term loans				
Loans from Banks	—	10,562.4	10,562.5	4,250.0
Total (b)	—	10,562.4	10,562.5	4,250.0
(c) Deposits				
Fixed Deposits	3,520.4	6,684.8	2,403.1	11,553.8
Total (c)	3,520.4	6,684.8	2,403.1	11,553.8
d) Loans and advances from Related parties				
Loans from Holding Company - Subordinated Debts	3,793.9	4,049.5	255.5	150.0
Loans from Holding Company - Other Loans	8,600.0	8,600.0	—	—
Loans from related party - unsecured bonds	1,347.0	1,495.0	—	—
Total (d)	13,740.9	14,144.5	255.5	150.0
Total[B= a+b+c+d]	25,784.5	38,029.7	14,371.1	18,553.8
Amount disclosed under head "other current liabilities"(ref Note 10)	—	—	(14,371.1)	(18,553.8)
Net Amount	25,784.5	38,029.7	—	—
Total = [A] + [B]	38,485.9	51,784.7	—	—

(i) 4,000 (March 2011-4,000) 9.29% Secured Redeemable Senior Bond of ₹ 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.

(ii) 3,000 (March 2011-3,000) 10.75% Secured Redeemable Senior Bond of ₹ 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. Secured by charge on the immovable property and negative lien on the assets of the Company.

(iii) 1,800 (March 2011-1,800) 11.35% Secured Redeemable Non-Convertible Bond of ₹ 1,000,000 each redeemable at par at the end of 120 months from the date of allotment viz. September 23, 2008 or at the option of the Company earlier at par. Secured by charge on the immovable property and negative lien on book debts of ₹ 1,800,000,000.

(iv) 2,000 (March 2011-2,000) 10.70% Secured Redeemable Non-Convertible Bond face value of ₹ 1,000,000 each redeemable at par at the end of 60 months from the date of allotment viz. July 18, 2008 or at the option of the Company earlier at par. Secured by charge on the immovable property and negative lien on book debts of ₹ 2,000,000,000.

(v) Long term Secured loans includes loan from various banks (NHB & other banks) carrying interest in the range of 7.5% p.a to 10.9% p.a. The loan from NHB is repayable in quarterly installments along with interest of ₹ 263.4 million, from the date of loan and loan from other banks is repayable in bullet payment of ₹ 1,000.0 million at the end of the tenure. The loan is secured by charge on the loans and other credit facilities of the Company.

(vi) Fixed deposits includes deposits from Banks ₹ 22.5 million (March 2011- ₹ 123.5 million), deposits from Corporate ₹ 320.0 million (March 2011- ₹ 1,182.0 million) and deposits from Public ₹ 5,580.9 million (March 2011- ₹ 16,933.2 million) and carry interest in the range of 6.85% to 11.85% and having a tenure of 13 to 84 months from the date of acceptance of deposits. Fixed deposits accepted from Directors and their relatives are ₹ Nil (March 2011- ₹ Nil). Floating charge has been created on Government Securities and Fixed Deposit with banks (SLR Securities) of ₹ 2,940.9 million (March 2011- ₹ 3,844.5 million) as per NHB Directions.

(vii) Unsecured Bonds - Private Placement carries rate of interest in the range of 9.29% to 11.25% and tenure of 2-10 years from the date of issue. Unsecured Bonds - Subordinate debt private placement carries rate of interest in the range of 9.75% to 9.90% and tenure of 5-10 years. All Unsecured Bonds are repayable in bullet payment from the respective date of issue. Interest is payable semi- annually and annually as per the terms.

(viii) Loans from Related parties carries rate of interest in the range of 7.25% p.a to 15.75% and tenure of 3- 14 years from the date of issue.

6. **Other Long Term Liabilities**

		(₹ in millions)
Particulars	**As at March 31, 2012**	*As at March 31,2011*
a) Trade Payables	—	—
b) Others Interest Accrued but not due on Borrowings – Cumulative Fixed deposits	264.9	350.8
Total(a+b)	264.9	350.8

7. **Provisions**

				(₹ in millions)
	Long Term		Short Term	
Particulars	**As at March 31, 2012**	*As at March 31, 2011*	**As at March 31, 2012**	*As at March 31, 2011*
(a) Provision for employee benefits				
Provision for Provident fund	0.6	—	0.2	—
Provision for Leave encashment	5.0	5.0	3.0	3.1
Provision for Bonus	—	—	33.0	37.3
Total (a)	5.6	5.0	36.2	40.4
(b) Others				
Provision for Contingencies (Refer Note 7(i) below)	185.1	185.1	—	—
Provision Against Standard Assets	407.4	326.5	38.9	39.8
Provision for Sub Standard Assets-Housing Loans	29.0	18.5	—	—
Provision for Sub Standard Assets-Other Loans	42.2	42.0	—	—
Provision for Doubtful Assets-Housing Loans	91.4	153.3	—	—
Provision for Doubtful Assets-Other Loans	164.2	171.4	—	—
Provision for Loss Assets-Housing Loans	278.8	173.5	—	—
Provision for Loss Assets-Other Loans	228.9	83.4	—	—
Provision for Others	28.3	22.4	—	—
Provision for Proposed Dividend	—	—	60.4	126.4
Provision for Dividend Distribution Tax	—	—	82.9	21.0
Total (b)	1,455.3	1,176.1	182.2	187.2
Total(a+b)	1,460.9	1,181.1	218.4	227.7

(i) **Disclosure of provision for contingencies:**

(₹ in millions)

Particulars	As at March 31, 2012	As at March 31,2011
(a) Servicing expenses provision on loans securitised		
Opening Balance	**2.4**	*3.2*
Utilisations / (write back)	**-**	*(0.8)*
Closing Balance	**2.4**	*2.4*
(b) Provision for delinquencies, prepayment and conversion risk on loans securitised		
Opening Balance	**182.7**	*231.1*
Utilisations / (write back)	**-**	*(48.4)*
Closing Balance	**182.7**	*182.7*
Total(a+b)	**185.1**	*185.1*

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 for in the books of account.

8. **Short Term Borrowing**

(₹ in millions)

Particulars	As at March 31, 2012	As at March 31,2011
Unsecured		
Other loans and advances		
(a) Fixed Deposit	**22.1**	*721.0*
(b) Commercial Paper	**1,800.0**	*1,000.0*
Less : Unamortised interest	**(130.2)**	*(20.0)*
	1,669.8	*980.0*
(c) Loans from Holding Company	**340.3**	*23.2*
Total(a+b+c)	**2,032.2**	*1,724.2*

(i) Fixed deposits includes deposits from Banks ₹ Nil (March 2011 - ₹ Nil) deposits from Corporates ₹ 0.5 million (March 2011- ₹ 297.0 million and deposits from Public ₹ 21.6 million (March 2011- ₹ 424.0 million) and carries interest in the range of 8.25% to 9.50% with tenure of 12 months from the date of acceptance of deposits. Fixed deposits accepted from Directors and their relatives are ₹ Nil (March 2011- ₹ Nil).

9. **Trade Payables**

(₹ in millions)

Particulars	As at March 31, 2012	As at March 31,2011
Trade Payables		
(a) Total outstanding dues of Micro and Small Enterprises (Refer Note 7(i) below)	**0.5**	*0.4*
(b) Total outstanding dues to creditors other than Micro and Small Enterprises	**191.8**	*119.8*
Total(a+b)	**192.3**	*120.1*

(i) Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

(₹ in millions)

Particulars	As at March 31, 2012	As at March 31,2011
Trade Payables		
The principal amount and the interest due thereon (Interest- March 31, 2012 ₹ Nil, March 31 - 2011 ₹ Nil) remaining unpaid to any supplier as at the end of each accounting year	**0.5**	*0.4*
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	**NIL**	*NIL*
The 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 Micro Small and Medium Enterprise Development Act, 2006.	**NIL**	*NIL*
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	**NIL**	*NIL*
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	**NIL**	*NIL*

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.

10. **Other Current Liabilities**

(₹ in millions)

Particulars	As at March 31, 2012	As at March 31,2011
(a) Current maturities of long term debt (ref note no. 5)		
Secured	**1,053.6**	*1,053.6*
Unsecured	**14,371.1**	*18,553.8*
(b) Interest accrued but not due on Borrowings	**1,247.6**	*2,083.4*
(c) Unpaid Matured Deposits	**506.9**	*1,040.0*
(d) Statutory dues	**21.1**	*155.5*
(e) Other Liabilities	**284.0**	*350.8*
Total(a+b+c+d+e)	**17,484.3**	*23,237.1*

11. **Fixed Assets**

(₹ in millions)

Particulars	Gross Block				Depreciation				Net Block	
	At April 01, 2011	Additions	Deductions	At March 31, 2012	At April 01, 2011	For the year	Adjustments/ deductions	At March 31, 2012	At March 31, 2012	At March 31, 2011
(i) Tangible Assets										
Office Building[1,2]	24.3	—	—	24.3	1.0	0.4	—	1.4	22.0	23.3
Improvements to leasehold Property	9.5	0.5	4.6	5.4	4.6	0.9	3.5	2.0	3.4	4.9
Computers	4.8	1.4	0.1	6.1	2.3	1.9	0.1	4.1	2.0	2.5
Office Equipments	13.1	0.3	4.7	8.7	2.2	1.0	1.0	2.2	6.5	10.9
Furniture & Fixtures	2.0	—	0.1	1.9	0.7	0.3	0.0	1.0	0.9	1.3
Total	**53.7**	**2.2**	**9.6**	**46.4**	**10.8**	**4.5**	**4.6**	**10.7**	**35.7**	**42.9**
Previous Year (March 31, 2011)	664.1	9.5	619.9	53.7	9.9	6.7	5.8	10.8	42.9	—
(ii) Intangible Assets										
Software	16.3	4.6	—	20.9	5.6	5.2	—	10.8	10.1	10.7
Total	**16.3**	**4.6**	**—**	**20.9**	**5.6**	**5.2**	**—**	**10.8**	**10.1**	**10.7**
Previous Year (March 31, 2011)	10.6	5.7	—	16.3	1.8	3.9	—	5.6	10.7	—

1. A negative charge on the Gross Block of Office Building amounting to ₹ 23.8 million has been created on Secured Bonds.
2. RPG Tower Building is classified as "Fixed Assets held for sale" under Note no.16.

12. **Non-Current Investments**

(₹ in millions)

Particulars	As at March 31, 2012	*As at March 31,2011*
Non-Trade Investments(valued at cost unless otherwise stated)		
Investments in Government Securities - (Quoted)		
Government Securities (Face value- ₹ 2,513,990,000, March 2011 - ₹ 2,513,990,000)	**2,490.9**	*2,494.5*
Investments in Equity Shares - (Unquoted)		
7,340,000 (March 2011 - 7,340,000) Equity Shares of Asset Reconstruction Company (India) Limited of Face value – ₹ 10 each fully paid-up	**513.8**	*513.8*
Investments in Preference Shares - (Unquoted)		
5,000,000 (March 2011 - 5,000,000) 13.75% Cumulative Preference Shares of ICICI Securities Limited(a fellow subsidiary) of Face value – ₹ 100 each fully paid-up (Preference shares shall be due for redemption at the expiry of 5 years from the issue date i.e. December 18, 2013(the Maturity date) in a bullet payment at the issue price on the maturity date)	**500.0**	*500.0*
Other Investments – (Unquoted)		
3,630.995 units of Emerging India Fund of Face value ₹ 10,000 each at par	**36.3**	—
Total	**3,541.0**	*3,508.3*
Aggregate amount of quoted investments	**2,490.9**	*2,494.5*
Market value of quoted investments	**2,336.8**	*2,395.6*
Aggregate amount of unquoted investments	**1,050.1**	*1,013.8*

13. **Deferred Tax (net)**

The composition of deferred tax assets and liabilities into major items is given below:

(₹ in millions)

Particulars	As at March 31, 2012	*As at March 31,2011*
(i) Deferred Tax Assets		
Provision for doubtful debts and future servicing and other liability of securitisation	**507.3**	*426.7*
	507.3	*426.7*
(ii) Deferred Tax Liability		
Depreciation	**(37.2)**	*(27.5)*
Retirement benefits	**(0.6)**	*(0.5)*
	(37.8)	*(28.0)*
Net Deferred Tax Asset	**469.5**	*398.7*

14. **Loans and Advances**

(₹ in millions)

Particulars	Non - Current portion As at March 31, 2012	As at March 31, 2011	Current Maturities As at March 31, 2012	As at March 31, 2011
a. Security deposits				
Unsecured, considered good	**90.6**	*93.0*	**—**	—
Doubtful	**30.9**	*31.5*	**—**	—
Less: Provisions for doubtful deposits	**(30.9)**	*(31.5)*	**—**	—
Total (a)	**90.6**	***93.0***	**—**	—
b. Loans & Other Credit Facilities				
Housing Loans	**37,860.6**	*45,623.7*	**2,604.9**	*5,844.8*
Loan against Property, Corporate Realty Finance and Others	**23,077.4**	*29,242.7*	**2,533.5**	*3,055.5*
Total (b)	**60,938.0**	***74,866.4***	**5,138.4**	***8,900.3***
Secured, considered good	**59,253.5**	*72,968.3*	**5,138.4**	*8,900.3*
Unsecured, considered good	**68.0**	*174.8*	**—**	—
Doubtful (Non Performing Assets as per NHB guidelines)	**1,616.5**	*1,723.3*	**—**	—
	60,938.0	***74,866.4***	**5,138.4**	***8,900.3***
c. Advance tax				
(net of provision for taxation)	**496.6**	*301.0*	**2.5**	*13.0*
Total :- (a+b+c)	**61,525.2**	***75,260.4***	**5,140.9**	***8,913.3***

(i) **Classification of Loans and Other Credit Facilities (gross basis):**

(₹ in millions)

Particulars	Standard	Sub Standard	Doubtful	Loss	Total
Housing Loans	39,769.7	193.0	224.0	278.8	40,465.5
	(50,706.4)	(185.0)	(403.6)	(173.5)	(51,468.5)
Other Loans	24,690.2	281.4	410.4	228.9	25,610.9
	(31,337.0)	(419.7)	(458.1)	(83.4)	(32,298.2)
Total	**64,460.0**	**474.4**	**634.3**	**507.7**	**66,076.4**
	(82,043.4)	**(604.7)**	**(861.7**	**(256.9)**	**(83,766.7)**

*Figures in bracket pertain to March 31, 2011

(ii) **Classification of Non Performing Assets:**

(₹ in millions)

Particulars	Sub Standard	Doubtful	Loss	Total
Loans Outstanding				
Housing Loans	193.0	224.0	278.8	695.8
	(185.0)	(403.6)	(173.5)	(762.1)
Other Loans	281.4	410.4	228.9	920.7
	(419.7)	(458.1)	(83.4)	(961.2)
Total	**474.4**	**634.4**	**507.7**	**1,616.5**
	(604.7)	(861.7)	(256.9)	(1,723.3)
Provisions				
Housing Loans	28.9	91.4	278.8	399.1
	(18.5)	(153.3)	(173.5)	(345.3)
Other Loans	42.3	164.2	228.9	435.4
	(42.0)	(171.4)	(83.4)	(296.8)
Total	**71.2**	**255.6**	**507.7**	**834.5**
	(60.5)	(324.7)	(256.9)	(642.1)

*Figures in bracket pertain to March 31, 2011

(iii) All registered housing finance companies are required to carry provision of 0.4% and 1.0% of the total outstanding amount of loans which are standard assets in respect of housing and other loans and commercial real estates loans respectively vide circular no. NHB(ND)/DRS/Pol.no.45/2011-2012 issued dated January 19, 2012. However all registered housing finance companies are required to carry a provision of 2 % of the total outstanding loans which are standard assets in respect of housing loans at special rates i.e limited period fixed rate loans vide circular no. NHB(ND)/DRS/Pol.no47/2010-2011 issued dated December 24,2010. Accordingly the Company carried a provision ₹ 446.4 million (March 2011 – ₹ 366.4) towards standard loans as per the prudential norms of National Housing Bank.

(iv) Loans given by the Company are secured by the underlying property or fixed deposit except unsecured loans to the tune of ₹ 76.5 million (March 2011- ₹ 183.8 million).

(v) Loan and other credit facilities include loan of ₹ Nil (March 2011- ₹ Nil) which is secured by way of capital market exposure;

(vi) Loans and other credit facilities include subordinated interest of ₹ 187.2 million (March 2011- ₹ 204.2 million) in the underlying trust property of housing loans of Mortgage Backed Securitisation.

15. **Trade Receivable**

(₹ in millions)

Particulars	Non - Current portion As at March 31, 2012	As at March 31, 2011	Current Poriton As at March 31, 2012	As at March 31, 2011
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Doubtful	**32.8**	*29.6*	**—**	—
Less: Provisions for doubtful Trade Receivables	**(32.8)**	*(29.6)*		
Total (A)	**—**	—	**—**	—
Other Receivable				
Unsecured, considered good	**—**	—	**80.6**	*46.9*
Less: Provisions for doubtful Trade Receivables	**—**	—	**—**	—
Total (B)	**—**	—	**80.6**	*46.9*
Total (A) + (B)	**—**	—	**80.6**	*46.9*

16. Other Assets

(₹ in millions)

	Non - Current portion		Current Portion	
Particulars	**As at March 31, 2012**	**As at March 31, 2011**	**As at March 31, 2012**	**As at March 31, 2011**
(i) Advances recoverable				
Unsecured, considered good	—	—	**47.2**	*100.5*
Doubtful	**3.8**	*4.0*	—	—
Less: Provisions for Doubtful Advances	**(3.8)**	*(4.0)*	—	—
	—	—	**47.2**	*100.5*
(ii) Gratuity(Net Plan assets)	**10.4**	*9.3*	—	—
(iii) **Sundry Receivables**				
Doubtful	**1.7**	*1.4*	—	—
Less: Provisions for doubtful Receivables	**(1.7)**	*(1.4)*	—	—
	—	—	—	—
(iv) Interest Accrued on Loans	**5.2**	*4.4*	**639.4**	*813.0*
(v) Accrued Interest-Fixed Deposits	—	—	**0.1**	*76.2*
(vi) Accrued Interest-Fixed deposits placed with ICICI Bank	—	—	**50.7**	*34.3*
(vii) Accrued Interest-GOI Securities- INV	—	—	**45.2**	*45.2*
(viii) **Fixed assets held for sale**				
Gross	—	—	**598.5**	*598.5*
Less: Accumulated depreciation	—	—	**(21.9)**	*(12.1)*
Net	—	—	**576.6**	*586.4*
(ix) Bank deposits with original maturity for more than 12 months	—	*250.0*	—	—
(x) Others	—	*0.4*	**3.3**	*3.4*
Total	**15.6**	***264.1***	**1,362.5**	***1,659.0***

17. Cash and Bank Balances

(₹ in millions)

	Non - Current portion		Current portion	
Particulars	**As at March 31, 2012**	**As at March 31, 2011**	**As at March 31, 2012**	**As at March 31, 2011**
A. Cash & cash equivalents				
a. Investments in Mutual Funds (Liquid Plan)	—	—	1,304.5	—
b. Mutual Fund Units Redemption Receivable (Liquid Plan)	—	—	100.0	—
c. Balances with banks	—	—	214.8	*881.0*
d. Book Overdraft	—	—	(27.1)	*(56.9)*
e. Bank deposits with original maturity of less than 3 months	—	—	200.0	—
Total A	—	—	**1,792.2**	***824.1***
B. Other bank balances				
Bank deposits with original maturity for more than 12 months	—	*250.0*	250.0	*1,100.0*
Total B	—	***250.0***	**250.0**	***1,100.0***
Amount disclosed under other assets (ref note 16)	—	*(250.0)*	—	—
Total (A) + (B)	—	—	**2,042.2**	***1,924.1***

18. Revenue From Operations

(₹ in millions)

Particulars	**Year ended March 31, 2012**	*Year ended March 31,2011*
Interest income	**9,538.0**	*11,084.8*
Other operating income		
Fee income	**658.8**	*630.4*
Interest received	**251.2**	*343.4*
Profit on sale of liquid mutual fund units	**0.9**	*17.6*
Profit on sale of GOI securities	—	*0.6*
Dividend income (Mutual Fund- liquid plan)	**160.9**	*290.1*
Total	**10,609.8**	*12,366.9*

19. Other Income

(₹ in millions)

Particulars	**Year ended March 31, 2012**	*Year ended March 31,2011*
Dividend income (Preference Shares of ICICI Securities, a fellow subsidiary)	**68.9**	*68.8*
Dividend income (Equity Shares)	**-**	*5.8*
Rent income	**9.9**	*18.1*
Miscellaneous income	**21.3**	*4.2*
Total	**100.1**	*96.9*

20. Finance Cost

(₹ in millions)

Particulars	**Year ended March 31, 2012**	*Year ended March 31,2011*
(a) Interest expense on:		
Loans from banks	**2,841.6**	*2,934.4*
Commercial paper	**202.4**	*117.3*
Fixed deposits	**1,019.8**	*2,692.8*
Bonds	**2,037.9**	*2,467.4*
Total (a)	**6,101.7**	*8,211,9*
(b) Other charges		
Brokerage on fixed deposits	**3.3**	*40.7*
Bank charges	**2.7**	*4.9*
Other financial charges	**33.3**	*26.9*
Total (b)	**39.3**	*72.5*
Total(a+b)	**6,141.0**	*8,284.4*

(i) Interest expense includes ₹ 33.7 million (March 2011 - ₹ (89.2) million being interest expenses / (income) booked on the Interest Rate Swaps (IRS). The notional principal of hedge IRS as at Mar 31, 2012 is ₹ 5,500 million (March 2011- ₹ 5,500 million). During the year, the Company has entered Interest Rate Swap (IRS) transactions amounting to ₹ Nil (March 2011 - ₹ Nil).

21. Employee Benefit Expenses

(₹ in millions)

Particulars	**Year ended March 31, 2012**	*Year ended March 31,2011*
Salaries, wages and bonus	**221.2**	*303.6*
Contribution to gratuity fund	**(1.0)**	*(17.4)*
Contribution to provident and other funds	**9.7**	*20.7*
Staff welfare expenses	**6.8**	*2.6*
Total	**236.7**	*309.5*

(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 29, 2012 employees detail).

Profit and Loss account:

Net employee benefit expense (Recognised in Employee Cost):

Gratuity (₹ in millions)

Particulars	**Year ended March 31, 2012**	*Year ended March 31,2011*
Current service cost	**3.1**	*11.9*
Interest on defined benefit obligation	**1.5**	*5.0*
Expected return on plan assets	**(2.3)**	*(5.0)*
Net actuarial (gains) / losses recognised in the year	**0.7**	*(34.8)*
Past service cost	—	—
Losses / (Gains) on "Acquisition / Divestiture"	**(0.3)**	*0.6*
Effect of the limit in Para 59(b)	**(3.6)**	*4.9*
Net employee benefit expenses	**(0.1)**	*(17.4)*
Actual return on plan assets	**2.6**	*1.4*

Balance Sheet:

Details of provision for gratuity and leave encashment:

Particulars	Gratuity (₹ millions) As at March 31, 2012	As at March 31, 2011	Leave Encashment (₹ millions) As at March 31, 2012	As at March 31, 2011
Present value of funded obligations	21.2	16.3	*8.0	*8.1
Fair value of plan assets	(32.8)	(30.6)	—	—
Amt not Recognised as an Asset (Limit in Para 59 (b)	1.2	4.9	—	—
Net Liability	(10.4)	(9.4)	8.0	8.1
Less: Unrecognised past service cost	—	—	—	—
Plan asset / (liability)	10.4	9.4	(8.0)	(8.1)

*Includes short term leave encashment provision of ₹ 1.3 million (March 2011 - ₹ 1.2 million)

Changes in the present value of the defined benefit obligation are as follows:

Gratuity (₹ in millions)

Particulars	Year ended March 31, 2012	*Year ended March 31,2011*
Opening defined benefit obligation	**16.3**	*72.8*
Interest cost	**1.5**	*5.0*
Current service cost	**3.1**	*11.9*
Benefits paid	**(2.8)**	*(16.3)*
Actuarial (gains) / losses on obligation	**0.9**	*(38.4)*
Liabilities assumed on Acquisition / (Settled on Divestiture)	**2.3**	*(18.8)*
Closing defined benefit obligation	**21.2**	*16.3*

Changes in the fair value of plan assets are as follows:

Gratuity (₹ in millions)

Particulars	Year ended March 31, 2012	*Year ended March 31,2011*
Opening fair value of plan assets	**30.6**	*64.8*
Expected return on plan assets	**2.3**	*5.0*
Contributions by employer	—	—
Benefits paid	**(2.8)**	*(16.3)*
Actuarial gains / (losses)	**0.2**	*(3.6)*
Assets Acquired on Acquisition / (Distributed on Divestiture)	**2.6**	*(19.4)*
Closing fair value of plan assets	**32.8**	*30.6*
Expected employer's contribution next year	—	—

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

Gratuity (%)

Particulars	As at March 31, 2012	*As at March 31,2011*
Investments with insurer managed funds	**100%**	*95%*

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	Gratuity (%) As at March 31, 2012	As at March 31, 2011	Leave Encashment (%) As at March 31, 2012	As at March 31, 2011
Discount rate	8.30%	8.10%	8.30%	8.10%
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 on March 15, 2012 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)	Rate
21 – 24	27%
25 – 29	26%
30 – 34	21%
35 – 44	14%
45 and Above	3%

Disability:

Leaving service due to disability is included in the provision made for all causes of leaving service.

EXPERIENCE ADJUSTMENTS

Gratuity (₹ in millions)

Particulars	March 31, 2012	*March 31, 2011*	*March 31, 2010*	*March 31, 2009*	*March 31, 2008*
Defined benefit obligation	**21.2**	*16.3*	*72.8*	*60.0*	*22.7*
Plan assets	**32.8**	*30.6*	*64.8*	*50.0*	*18.5*
Surplus / (deficit)	**11.6**	*14.3*	*(8.0)*	*(1.0)*	*(4.3)*
Experience adjustments on plan liabilities	**1.2**	*(38.0)*	*(1.3)*	*(2.6)*	*(19.6)*
Experience adjustments on plan assets	**0.2**	*(3.6)*	*1.8*	*0.4*	*0.3*

Leave Encashment (₹ in millions)

Particulars	As at March 31, 2012	*As at March 31, 2011*
Defined benefit obligation *	**8.0**	*8.1*
Experience adjustments on plan liabilities	**Not determined**	*Not determined*

*Includes short term leave encashment provision of ₹ 1.3 million (March 2011 - ₹ 1.2 million)

22. Establishment and Other Expenses

(₹ in millions)

Particulars	Year ended March 31, 2012	*Year ended March 31,2011*
Advertisement and sales promotion	**9.6**	*0.9*
Customer acquisition cost	**8.0**	*11.9*
Professional and legal charges	**279.5**	*255.3*
Rent	**41.2**	*76.5*
Communication	**7.5**	*11.0*
Travelling and conveyance	**9.2**	*9.3*
Loss on sale of fixed assets / written off	**5.7**	*7.1*
Printing and stationery	**2.8**	*3.9*
Audit fees (Refer note 22(i) below)	**4.0**	*4.0*
Insurance	**10.3**	*13.5*
Electricity	**4.4**	*2.9*
Rates & Taxes	**44.7**	*21.2*
Repairs and maintenance – others	**26.4**	*28.5*
Office expenses	**11.7**	*13.4*
Directors sitting fees	**0.4**	*0.5*
Donation	**13.4**	*3.6*
Computer consumable	**0.9**	*2.2*
Miscellaneous expenses	**39.9**	*43.6*
Depreciation on asset held for sale	**9.8**	*9.8*
Provision and Write off Against Non-Performing Assets	**190.0**	*202.9*
Provision Against Standard Assets	**80.0**	*25.3*
Provision for others	**31.0**	—
Total	**830.4**	*747.3*

(i) Auditor's remuneration (excluding service tax):

(₹ in millions)

Particulars	Year ended March 31, 2012	*Year ended March 31,2011*
Statutory Audit fees	**2.5**	*2.5*
Tax audit fees	**0.3**	*0.3*
Certification and other charges	**1.2**	*1.2*
Total	**4.0**	*4.0*

(ii) The Company has recovered the following common expenses (as per the sharing arrangement) from ICICI Bank Limited:

(₹ in millions)

Expense Head	Year ended March 31, 2012	*Year ended March 31,2011*
Employee cost	—	*47.4*
Professional and legal charges	—	*35.3*
Rent & Electricity	**23.1**	*48.0*
Communication	**2.2**	*5.9*
Printing and stationery	**0.9**	*2.4*
Rates and Taxes	**3.3**	*8.2*
Repairs and maintenance – others	**2.2**	*11.8*
Miscellaneous expenses	**7.6**	*22.4*
	39.3	*181.4*
Service Tax	**4.0**	*18.7*
Total	**43.3**	*200.1*

Expense recovery from the Parent company is recognised as per the sharing arrangement.

23. Earnings Per Share

The computation of earnings per share is given below:

(₹ in millions)

Particulars	As at March 31, 2012	*As at March 31,2011*
Basic		
Weighted average number of equity shares outstanding during the year ended March 31, 2011 (Nos.)	**1,098,750,000**	*1,098,750,000*
Net Profit (Net of preference dividend and the dividend tax)	**2,596.5**	*2,332.9*
Basic Earnings Per Share (₹)	**2.36**	*2.12*
Diluted		
Diluted number of Equity Shares (Nos.)	**1,098,750,000**	*1,098,750,000*
Net Profit	**2,596.5**	*2,332.9*
Diluted Earnings Per Share (₹)	**2.36**	*2.12*
Face value of Equity Shares (₹)	**10**	*10*

24. 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.

25. Related Party Disclosure

Consequent to the mandatory Accounting Standard – AS 18 issued by ICAI on "Related Party Disclosure" following persons will be considered as related persons for the year ended March 31, 2012.

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 Limited	- do -
22	ICICI Kinfra Limited	- do -
23	ICICI Prudential Pension Funds Management Company Limited	- do -
24	ICICI Venture Value Fund (IVVF)	- do -
25	I-Ven Biotech Limited	- do -
26	I-Solutions Providers (India) Private Limited (upto September 30, 2011)	Associate
27	ICICI Foundation for Inclusive Growth	- do -
28	Sachin Khandelwal(w.e.f January 04,2011)	Key Management Personnel
29	Sanjeev Sehrawat, Managing Director and CEO (w.e.f. December 07, 2009 to April 07, 2010)	Key Management Personnel
30	Harshil Mehta, Managing Director and CEO (w.e.f. April 08, 2010 to January 03, 2011)	Key Management Personnel

The following are the details of transactions with related parties: (₹ in millions)

Particulars	Holding Company	Fellow Subsidiary / Associate Company	Key Management Personnel	Total
ASSETS				
Investment in Shares	—	500.0	—	**500.0**
	(—)	(500.0)	(—)	**(500.0)**
Bank Balance (Including interest outstanding on Fixed Deposit)	598.8	—	—	**598.8**
	(1,298.1)	(—)	(—)	**(1,298.1)**
Amount recoverable on account of expenses (Including interest on swap)	—	—	—	**—**
	(42.9)	(—)	(—)	**(42.9)**
Fee Receivable	66.5	1.5	—	**67.9**
	(40.4)	(—)	(—)	**(40.4)**
Other Receivable	63.6	—	—	**63.6**
	(103.2)	(—)	(—)	**(103.2)**
LIABILITIES				
Equity Share Capital	10,987.5	—	—	**10,987.5**
	(10,987.5)	(—)	(—)	**(10,987.5)**
Loan From Holding Company	8,600.0	—	—	**8,600.0**
	(8,600.0)	(—)	(—)	**(8,600.0)**
Sub – Debt Loan	4,049.4	—	—	**4,049.4**
	(4,199.4)	(—)	(—)	**(4,199.4)**
Bonds	—	1,347.0	—	**1,347.0**
	(—)	(1,495.0)	(—)	**(1,495.0)**
Bank Overdraft	340.3	—	—	**340.3**
	(23.3)	(—)	(—)	**(23.3)**
Book Overdraft	27.0	—	—	**27.0**
	(56.5)	(—)	(—)	**(56.5)**
Accrued Interest on Bond	—	41.1	—	**41.1**
	—	(41.0)	(—)	**(41.0)**
Amount payable on account of expenses (Including interest accrued but not due on unsecured loans)	154.5	21.0	—	**175.5**
	(99.2)	(0.2)	(—)	**(99.5)**
Proposed Equity Dividend	60.4	—	—	**60.4**
	(126.4)	(—)	(—)	**(126.4)**
INCOME				
Dividend Income	—	68.9	—	**68.9**
	—	(68.8)	(—)	**(68.8)**
Management Fee	—	(—)	—	**—**
	(85.7)	(—)	(—)	**(85.7)**
Valuation Fee	336.8	—	—	**336.8**
	(123.9)	(—)	(—)	**(123.9)**
Sourcing Fee	—	—	—	**—**
	(17.7)	(—)	(—)	**(17.7)**
Other Fee	—	5.3	—	**5.3**
	—	(8.6)	(—)	**(8.6)**
Interest on Fixed Deposit & G-Sec	26.3	—	—	**26.3**
	(26.1)	(—)	(—)	**(26.1)**
Servicing fee	0.9	—	—	**0.9**
	(1.3)	(—)	(—)	**(1.3)**
Rent Received	11.0	—	—	**11.0**
	(19.9)	(—)	(—)	**(19.9)**
Expense Recovery	43.4	0.3	—	**43.7**
	(200.6)	(—)	(—)	**(200.6)**

(₹ in millions)

Particulars	Holding Company	Fellow Subsidiary / Associate Company	Key Management Personnel	Total
EXPENDITURE				
Interest & Other Finance Expenses	1,216.4	134.8	—	**1,351.2**
	(1,054.9)	(154.6)	(—)	**(1,209.5)**
DMA Commission	—	0.1	—	**0.1**
	—	(1.3)	(—)	**(1.3)**
Equity Dividend	1,648.1	—	—	**1,648.1**
	(1,494.3)	(—)	(—)	**(1,494.3)**
Staff Cost	6.0	—	11.8	**17.9**
	—	(—)	(6.2)	**(6.2)**
Insurance Premium	—	10.9	—	**10.9**
	—	(14.1)	(—)	**(14.1)**
DST Expenses	—	—	—	**—**
	(—)	(0.1)	(—)	**(0.1)**
Rent Paid	13.8	—	—	**13.8**
	(22.5)	(—)	(—)	**(22.5)**
Fee Expenses	—	—	—	**—**
	—	(1.1)	(—)	**(1.1)**
Servicing fee	26.4	—	—	**26.4**
	(36.1)	(—)	(—)	**(36.1)**
Miscellaneous	329.4	45.9	—	**375.2**
	(283.5)	(12.7)	(—)	**(296.2)**
Donation	—	11.9	—	**11.9**
	(—)	(3.6)	(—)	**(3.6)**
OTHERS				
SWAP (Notional Principal)	5,500.0	—	—	**5,500.0**
	(5,500.0)	(—)	(—)	**(5,500.0)**
Letter of Comfort	21,695.2	—	—	**21,695.2**
	(35,335.5)	(—)	(—)	**(35,335.5)**
Bond payment made during the year	—	—	—	**—**
	(—)	(250.0)	(—)	**(250.0)**
Bank Loan taken and repaid during the year	150.0	—	—	**150.0**
	(—)	(—)	(—)	**(—)**
Sale of Fixed Assets	0.3	—	—	**0.3**
	(11.7)	(—)	(—)	**(11.7)**
Bond Issue during the year	—	1,000.4	—	**1,000.4**
	(—)	(—)	(—)	**(—)**

*Figures in bracket pertain to March 31, 2011

Related party transaction which are in excess of 10% of the total related party transactions of similar nature are as follows:

(₹ in millions)

Particulars	Name of the Related Party	Year ended March 31, 2012	*Year ended March 31, 2011*
ASSETS			
Investment in Shares	ICICI Securities Limited	**500.0**	*500.0*
Bank Balance (Including interest outstanding on Fixed Deposit)	ICICI Bank Limited	**598.8**	*1,298.1*
Amount recoverable on account of expenses	ICICI Bank Limited	**—**	*42.9*
Fee Receivable	ICICI Bank Limited	**66.5**	*40.4*
Other Receivable	ICICI Bank Limited	**63.6**	*103.2*
LIABILITIES			
Equity Share Capital	ICICI Bank Limited	**10,987.5**	*10,987.5*
Proposed final Equity dividend	ICICI Bank Limited	**60.4**	*126.4*
Sub - Debt Loan	ICICI Bank Limited	**4,094.4**	*4,199.4*
Loan from Holding Company	ICICI Bank Limited	**8,600.0**	*8,600.0*
Bonds	ICICI Prudential Life Insurance Company Limited	**1,347.0**	*1,495.0*
Bank Overdraft	ICICI Bank Limited	**340.3**	*23.3*
Book Overdraft	ICICI Bank Limited	**27.0**	*56.5*
Accrued Interest on Bond	ICICI Prudential Life Insurance Company Limited	**41.1**	*41.0*
Amount payable on account of expenses (Including interest accrued but not due on unsecured loans & Purchase of assets)	ICICI Bank Limited	**154.5**	*99.2*
INCOME			
Dividend Income	ICICI Securities Limited	**68.9**	*68.8*
Management Fee	ICICI Bank Limited	**—**	*85.7*
Valuation Fee	ICICI Bank Limited	**336.8**	*123.9*
Sourcing fee	ICICI Bank Limited	**—**	*17.7*
Other fee	ICICI Prudential Life Insurance Company Limited	**5.3**	*7.9*
Interest on Fixed Deposit & G-Sec	ICICI Bank Limited	**26.3**	*26.1*
Rent Received	ICICI Bank Limited	**11.0**	*19.9*
Expense Recovery	ICICI Bank Limited	**43.4**	*200.6*
Servicing Fee	ICICI Bank Limited	**0.9**	*1.3*
EXPENDITURE			
Interest & other Finance Expenses	ICICI Bank Limited	**1,216.4**	1,054.9
	ICICI Prudential Life Insurance Company Limited	**134.2**	142.3
DMA Commission	ICICI Securities Limited	**0.1**	1.3
Equity Dividend	ICICI Bank Limited	**1,648.1**	1,494.3
Insurance Premium	ICICI Lombard General Insurance Company Limited	**10.9**	14.1
DST Expenses	I Solution India Providers	**—**	0.1
Rent Paid	ICICI Bank Limited	**13.8**	**22.5**
Fee Expenses	ICICI Securities Primary Dealership	**—**	*1.1*
Servicing Fee	ICICI Bank Limited	**26.4**	*36.1*
Donation	ICICI Foundation for Inclusive Growth	**11.9**	*3.6*
Miscellaneous	ICICI Bank Limited	**329.4**	*283.5*
Staff Cost	Mr. Harshil Mehta	**—**	*4.3*
	Mr. Sachin Khandelwal	**11.8**	*1.7*
	ICICI Bank Limited	**6.0**	*—*
OTHERS			
SWAP (Notional Principal)	ICICI Bank Limited	**5,500.0**	*5,500.0*
Letter of Comfort	ICICI Bank Limited	**21,695.2**	*35,335.5*
Bond payment made during the year	ICICI Lombard General Insurance Company Limited	**—**	*250.0*
Bank Loan taken and repaid during the year	ICICI Bank Limited	**150.0**	*—*
Fixed Assets Sale	ICICI Bank Limited	**0.3**	*11.7*
Bond Issue during the year	ICICI Securities Primary Dealership	**1,000.4**	*—*

26. Impairment of Assets (AS 28): The management feels that the Accounting Standard (AS 28) would not apply to 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 and investments.

27. The Company has paid an amount of ₹ Nil as penalty (March 2011- ₹ 1,736) paid towards late payment of professional tax for Financial Years 2007-2008, 2008-2009 and 2009-2010).

28. Office premises are obtained on operating lease. There is no provision relating to contingent rent the terms of renewal and escalation clause are those normally prevalent in similar agreements.

    The future minimum lease payments under operating lease in the aggregate and for each of the following periods:

(₹ in millions)

Particulars	Year ended March 31, 2012	*Year ended March 31,2011*
Not later than one year	**8.3**	*13.9*
Later than one year but not later than 5 years	**24.3**	*43.8*
Later than five years	**76.9**	*74.6*
Lease payments recognised in the Profit and Loss Account	**25.0**	*53.0*

29. The disclosure as per NHB circular no. NHB/ND/DRS/Pol-No. 35/2010-11 dated October 11, 2010 is as under:

    i) Capital to Risk Assets Ratio (CRAR)

Sr. No.	Item	Year ended March 31, 2012	*Year ended March 31,2011*
1)	CRAR %	**28.95%**	*22.37%*
2)	CRAR - Tier I capital %	**21.73%**	*15.70%*
3)	CRAR - Tier II capital %	**7.22%**	*6.67%*

ii) Exposure to Real Estate Sector

(₹ in millions)

Category	Year ended March 31, 2012	*Year ended March 31, 2011*
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. (Individual Housing Loans up to ₹ 15 Lakhs may be shown separately)	**52,090.8**	*61,044.4*
ii) Commercial Real Estate Lending fully 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 & construction etc). Exposure would also include non-fund based (NFB) limits.	**13,909.2**	*21,863.4*
iii) Investments in Mortgage Backed Securities (MBS) & other securitised exposures		
a) Residential	**Nil**	*Nil*
b) Commercial Real Estate	**Nil**	*Nil*
iv) Others (These contains exposures not covered above)	**76.5**	*216.8*
b) **Indirect Exposure**		
Fund based & Non fund based exposures on National Housing Bank (NHB) & Housing Finance Companies (HFC's)	**Nil**	*Nil*

iii) Asset Liability Management

Maturity pattern of certain types of items of Assets & Liabilities* (₹ in millions)

	1 Day to 30-31 Days (One mth)	Over 1 mth to 2 mths	Over 2 mths upto 3 mths	Over 3 mths to 6 mths	Over 6 mths to 1 Yr	Over 1 Yr to 3 Yrs	Over 3 to 5 Yrs	Over 5 to 7 Yrs	Over 7 to 10 Yrs	Over 10 Yrs	Total
Liabilities											
Borrowings from Banks	340.2	612.5	—	5,313.4	5,682.4	6,656.6	3,374.5	4,527.6	—	—	**26,507.2**
Market Borrowing (includes CP & Bonds)	(26.7)	73.0	(25.7)	425.6	2,221.0	8,460.0	—	5,303.0	7,060.0	—	**23,490.2**
Fixed Deposits	463.7	273.4	129.1	421.9	1,137.1	2,628.6	890.2	1.6	—	—	**5,945.6**
Total	**777.2**	**958.9**	**103.4**	**6,160.9**	**9,040.5**	**17,745.2**	**4,264.7**	**9,832.2**	**7,060.0**	**—**	**55,943.0**
Assets											
Advances	631.5	490.9	492.6	4,073.9	8,371.0	7,855.3	7,838.7	7,539.8	9,315.6	19,467.1	**66,076.4**
Investments	1,304.5	—	—	—	—	500.0	395.1	1,011..6	855.9	778.4	**4,845.5**
Fixed Deposit	350.0	50.0	50.0	—	—	—	—	—	—	—	**450.0**
Total	**2,286.0**	**540.9**	**542.6**	**4,073.9**	**8,371.0**	**8,355.3**	**8,233.8**	**8,551.4**	**10,171.5**	**20,245.5**	**71,371.9**

* Classification of Assets and Liabilities under different maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the return submitted to NHB.

30. Contingent liabilities and commitments not provided for:

(a) Contingent Liabilities

(i) Income Tax matters in appeal - ₹ 515.7 million (March 2011 - ₹ 89.0 million)

(ii) Show cause notice in respect of service tax matters - ₹ 490.3 million (March 2011 - ₹ 477.6 million)

(iii) The contingent liability on account of claims filed against the Company not acknowledged as debt is ₹ 2.6 million (March 2011 - ₹ 3.2 million). 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.

(b) Commitments

(i) Estimated amount of contracts remaining to be executed on capital account- ₹ 4.6 million (March 2011 - ₹ 10.8 million) (Net of advance - ₹ 3.9 million March 2011 - ₹ 9.2 million).

(ii) Commitment towards part disbursement and non-disbursed sanctions amount to ₹ 2,075.1 million (March 2011 - ₹ 1,656.1 million) and ₹ 2,057.0 million (March 2011- ₹ 1,370.0 million) respectively.

(iii) Commitment towards investment in Emerging India Fund ₹ 213.7 million (March 2011- ₹ Nil)

31. Till the year ended March 31, 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to current year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements, particularly presentation of balance sheet.

FOR S.R. BATLIBOI & CO.
Firm's Registration no.: 301003E
Chartered Accountants

per SHRAWAN JALAN
Partner
Membership no.: 102102

Place : Mumbai
Date : April 23, 2012

For and on behalf of the Board

RAJIV SABHARWAL
Chairman

SACHIN KHANDELWAL
Managing Director and CEO

MANINDER JUNEJA
Vice-Chairman

PANKAJ JAIN
Chief Financial Officer

PRATAP SALIAN
Company Secretary

ICICI Home Finance

for the year ended March 31, 2012

		March 31, 2012	(₹ in millions) March 31, 2011
A	**Cash Flow from Operating Activities :**		
	Profit before taxation and exceptional items	**3,531.6**	*3,293.6*
	Adjustments for:		
	Depreciation / Amortisation (net of write back)	**19.4**	*20.3*
	Provision for Gratuity and Other staff benefits	**(3.8)**	*(84.0)*
	Provision / (write back) against standard assets	**80.0**	*25.5*
	Loss on sale of fixed assets/Written Off	**5.7**	*7.1*
	Provision for contingencies and Others	**221.1**	*203.0*
	Profit on sale of long term investments	**—**	*(0.6)*
	Interest received	**(251.2)**	*(343.4)*
	Dividend Income	**(229.9)**	*(364.7)*
	Short term capital gain	**(0.9)**	*(17.6)*
	Operating Profit before Working Capital Changes	**3,372.0**	*2,738.8*
	Adjustments for Increase or Decrease in :		
	Trade Receivables	**(36.7)**	*89.4*
	Other Receivables	**297.4**	*3,632.2*
	Trade Payables	**72.2**	*(74.0)*
	Other Liabilities	**(1,656.0)**	*(1,006.4)*
	Provisions	**(19.0)**	*(146.0)*
	Loans given (net movement)	**17,690.2**	*28,167.5*
	Cash generated from Operations	**19,720.1**	*33,401.5*
	Income Taxes paid	**(1,201.4)**	*(993.3)*
	Net cash from Operating Activities - A	**18,518.7**	*32,408.2*
B	**Cash Flow from Investing Activities :**		
	Purchase of fixed assets (including Capital work in progress)	**(7.6)**	*(16.7)*
	Proceeds from sale of fixed assets	**0.8**	*15.7*
	Sale / Purchase of Investments (Net)	**(32.7)**	*(148.2)*
	Net proceeds from sale of GOI Securities	**—**	*0.6*
	Net proceeds from sale of Mutual fund units	**0.9**	*17.6*
	Dividend Income	**229.9**	*364.7*
	Interest received	**251.2**	*343.4*
	Fixed deposits placed with the banks	**1,100.0**	*1,390.7*
	Net cash from Investing Activities - B	**1,542.5**	*1,968.0*
C	**Cash Flow from Financing Activities :**		
	Dividend and dividend tax paid	**(1,919.5)**	*(1,595.1)*
	Proceeds from borrowings (net)	**(17,173.6)**	*(42,219.0)*
	Net Cash used in Financing Activities - C	**(19,093.1)**	*(43,814.1)*
	Net Increase in Cash and Cash Equivalents (A+B+C)	**968.1**	*(9,437.9)*
	Cash and Cash Equivalents as at beginning	**824.1**	*10,261.9*
	Cash and Cash Equivalents as at end	**1,792.2**	*824.1*
	Notes :		
	1. Cash and Cash Equivalents consists of :		
	A. Bank balances		
	I) Current Accounts	**414.8**	*881.0*
	2) Book Overdraft	**(27.1)**	*(56.9)*
	B. Investments in mutual fund units (Including Mutual Fund Redemption receivable)	**1,404.5**	*—*
		1,792.2	*824.1*

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.
Firm's Registration no.: 301003E
Chartered Accountants

per SHRAWAN JALAN
Partner
Membership no.: 102102

Place : Mumbai
Date : April 23, 2012

For and on behalf of the Board

RAJIV SABHARWAL
Chairman

MANINDER JUNEJA
Vice-Chairman

PRATAP SALIAN
Company Secretary

SACHIN KHANDELWAL
Managing Director and CEO

PANKAJ JAIN
Chief Financial Officer

ICICI Investment Management

ICICI INVESTMENT MANAGEMENT COMPANY LIMITED

12TH ANNUAL REPORT AND ACCOUNTS 2011-2012

Directors
Vijay Chandok, Chairman
(w.e.f June 3, 2011)
N.L.Bhatia
Chandrashekhar Lal
Narendra Murkumbi

Auditors
B S R and Company
Chartered Accountants

Sawankumar Jain
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 Twelfth Annual Report of the Company with the audited statement of accounts for the year ended March 31, 2012.

FINANCIAL HIGHLIGHTS

The summary of the financial results for the year under review is as follows:

(₹ in thousands)

	Fiscal 2011	**Fiscal 2012**
Gross Income	*37,850*	**66,163**
Profit/(loss) Before Tax	*7,785*	**23,937**
Provision for tax	*(1,450)*	**(4,666)**
MAT Credit / DTA	*5,530*	**(2,115)**
Profit/(loss) After Tax	*11,865*	**17,156**
Transfer to Reserves	*11,865*	**17,156**

ANALYSIS OF THE FINANCIAL PERFORMANCE

In FY2012, your Company made profit of ₹17.2 million as compared to profit of ₹ 11.9 million in FY2011, a 44% increase over the previous year. FY2012 was the first year of full operations as Emerging India Fund announced its final closure in September 2011. The increase in profit was primarily on account of higher management fees.

Your Directors do not recommend payment of dividend for the year ended March 31, 2012.

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 acts as Asset Management Company of ICICI Securities Fund, a Mutual Fund and an Investment Manager of Emerging India Fund, a Venture Capital Fund. Both Mutual Fund and Venture Capital Fund are registered with Securities and Exchange Board of India (SEBI).

During the current year, the Company announced the final closure of Emerging India Fund (the Fund) on September 20, 2011 at aggregate gross capital commitments of ₹3,002.0 million with drawable corpus of ₹2,501.7 million. The Fund has received commitments from several leading institutions and large corporates. Accordingly, the amended trust deed was submitted to SEBI after the final closure of the Fund.

During FY 2012, the investment team met more than 125 clients across various sectors. Based on the investment strategy of the Fund to leverage ICICI Group's network for deal origination, the team has successfully sourced transactions from ICICI Group's network. As part of the process, almost 67% of the client meetings were sourced through proprietary network, which we believe is one of the key differentiator of the Fund, especially in the current competitive environment.

As part of the screening process, the investment team closely evaluated around 15 transactions, which accounted for almost 12% of the total deals screened by the team. The deals evaluated by the team were across various sectors like capital goods, industrials, processed food, education, infrastructure, hospitality, BFSI and agri based industries. The process entailed in-depth and detailed evaluation of the business model with multiple rounds of promoter and management meetings, discussions and reference checks from various stakeholders including vendors, clients and competitors culminating into due-diligence and approval by Investment Committee.

The team is currently pursuing some of the above deals and we are envisaging closing few transactions over the next few months.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted deposits under Section 58A of the Companies Act, 1956.

DIRECTORS

Consequent to withdrawal of nomination of Rajiv Sabharwal by ICICI Bank Limited, Vijay Chandok was appointed as ICICI Nominee Director with effect from June 3, 2011 and Chairman of the Company with effect from the same day.

In terms of the provisions of the Articles of Association of the Company, N. L. Bhatia will retire at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

COMPANY SECRETARY

The Board of Directors at its meeting held on January 19, 2012 has appointed Sawankumar Jain as Company Secretary & Compliance Officer of the Company.

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 FY2013. You are requested to consider their appointment.

AUDIT COMMITTEE

Pursuant to the withdrawal of nomination of Rajiv Sabharwal as ICICI Nominee Director by ICICI Bank Limited from the Board of the Company, he has ceased to be a Member of the Audit Committee effective June 3, 2011 and Vijay Chandok was appointed as a Member of the Audit Committee of the Company with effect from June 3, 2011. The re-constituted Audit Committee currently comprises of Chandrashekhar Lal, Chairman, N.L.Bhatia and Vijay Chandok.

FOREIGN EXCHANGE EARNING AND EXPENDITURE

Total foreign exchange earnings during the year ended March 31, 2012 were Nil (March 31, 2011: Nil) and foreign exchange expenditure was ₹192,827 (March 31, 2011: ₹1,139,935).

directors' report

ICICI Investment Management

to the members

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

In terms of section 217(2AA) of the Companies Act, 1956, the Directors confirm:

1. that in the preparation of the annual accounts, the applicable accounting standards had 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;
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

VIJAY CHANDOK
Chairman

Mumbai, April 25, 2012

auditors' report

to the Members of ICICI Investment Management Company Limited

We have audited the attached Balance Sheet of ICICI Investment Management Company Limited ('the Company') as at March 31, 2012, the related Profit and Loss Statement 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.

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

As required by the Companies (Auditor's Report) Order, 2003 and amendments thereto (together referred to as 'the Order') issued by the Central Government of India in terms of section 227(4A) 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, to the extent applicable to the Company.

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

(i) we have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 Balance Sheet, Profit and loss Statement 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 written representations received from the Directors as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2012 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, in the case of:

a) the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;

b) the Profit and Loss Statement, of the profit 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

N SAMPATH GANESH
Partner
Membership No: 042554

Mumbai, April 25, 2012

annexure to auditors' report

(Referred to in our report of even date)

We report the following:

1. The Company does not have any fixed assets. Accordingly, paragraph 4(i) of the Order are not applicable
2. 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.
3. 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.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business, with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. We have not observed any continuing failure to correct major weakness in the internal control system during the course of our 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 Act.
6. The Company has not accepted any deposits from the public.
7. 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.
8. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Act 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, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-tax, Sales-tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

   According to the information and explanations given to us, no undisputed amounts payable in respect of Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues were in arrears as at March 31, 2012 for a period of more than six months from the date they became payable.

   b) 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.

   c) 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 dues	Amount (rupees in'000)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	*Income tax*	*2,452*	*A.Y 2009-10*	*CIT, Appeals*

10. 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 and in the immediately preceding financial year.
11. The Company did not have any outstanding dues to any financial institutions, banks or debenture holders during the year.
12. The Company has not granted any 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 or a nidhi/mutual benefit fund/society.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. 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. The Company did not have any term loans outstanding 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, we are of the opinion that no short-term funds were raised during the year.
18. According to the information and explanations given to us, the Company has not made preferential allotment of shares to companies, firms and other parties covered in the register maintained under section 301 of the Act.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues.
21. 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: 128900W

N SAMPATH GANESH
Partner
Membership No: 042554

Mumbai, April 25, 2012

balance sheet

at March 31, 2012

	Note No.	March 31, 2012	(₹ in '000) March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3.1	**100,007**	*100,007*
Reserves and surplus	3.2	**43,459**	*26,303*
		143,466	*126,310*
Current liabilities			
Trade payables	3.3	**21,117**	*17,001*
		21,117	*17,001*
TOTAL		**164,583**	*143,311*
ASSETS			
Non-current assets			
Non-current investments	3.4	**52**	*2*
Deferred tax assets (net)	3.5	**—**	*4,130*
Other non current assets	3.6	**10,333**	*6,022*
		10,385	*10,154*
Current assets			
Current investments	3.7	**43,466**	*1,225*
Trade receivables	3.8	**77,619**	*16,871*
Cash and bank balances	3.9	**1,784**	*84,370*
Other current assets	3.10	**31,329**	*30,691*
		154,198	*133,157*
TOTAL		**164,583**	*143,311*

profit and loss statment

for the year ended March 31, 2012

	Note No.	March 31, 2012	(₹ in '000) March 31, 2011
Income:			
Revenue from operations	3.11	**61,195**	*15,295*
Other income	3.12	**4,968**	*22,555*
Total Revenue		**66,163**	*37,850*
Expenses:			
Employee benefits expense	3.13	**28,186**	*19,517*
Other expenses	3.14	**14,040**	*10,548*
Total expenses		**42,226**	*30,065*
Profit before tax		**23,937**	*7,785*
Tax expense:			
Current tax/ MAT Payable		**4,666**	*1,450*
Less: MAT Credit Entitlement		**(2,015)**	*(1,400)*
Deferred tax		**4,130**	*(4,130)*
		17,156	*11,865*
Earnings Per Equity Share	3.1(5)		
Basic		**1.72**	*1.19*
Diluted		**1.72**	*1.19*

Significant accounting policies and notes to financial statements (Note No. 2 to 3.18)
The accompanying notes form an integral part of the Balance Sheet.

As per our report of even date attached

For B S R and Company
Chartered Accountants
Firm's Registration No: 128900W

N SAMPATH GANESH
Partner
Membership No: 042554

Mumbai, April 25, 2012

SAWANKUMAR JAIN
Company Secretary

For and on behalf of the Board of Directors

VIJAY CHANDOK
Chairman

CHANDRASHEKHAR LAL
Director

Mumbai, April 25, 2012

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. Background

ICICI Investment Management Company Limited (the Company) was incorporated in Mumbai, India. The Company's main objective 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

Management Fees

Investment management fees are recognized annually on an accrual basis in accordance with the respective terms of contracting parties. These fees are linked to the capital commitments having regard to the amount of obligation outstanding, the nature of services provided and the timing of the investments / divestment in portfolio companies relating thereto.

When the uncertainty relating to collectability of management fees arises subsequent to the rendering of services an appropriate provision to reflect the uncertainty will be created in the books.

Performance Fees

Performance fees represent allocation of investment gains ("carried interest"), which are a component of our interest in the Fund for holding Class B shares.

Other income

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 statement 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 statement.

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.

In accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, Minimum Alternative 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

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. Notes to accounts for the year ended March 31, 2012

3.1 Share Capital

(₹ in '000)

Particulars	**Par value per share**	**As on March 31, 2012**	*As on March 31, 2011*
Authorised:			
25,000,000 equity shares of ₹ 10 each	10	**250,000**	*250,000*
Issued, subscribed and paid up: 10,000,700 equity shares of ₹10 each fully paid up	10	**100,007**	*100,007*

Reconciliation of Number of Shares

Particulars	**As on March 31, 2012**	*As on March 31, 2011*
No. of shares at the beginning	**10,000,700**	*10,000,700*
No. of shares at the beginning	**10,000,700**	*10,000,700*

Share held by Holding Company:

1. All the above shares are held by ICICI Bank Limited (the holding company) and its nominees.
2. The company has only one class of shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.
3. The company declares to pay dividend in Indian rupees. No interim dividend has been declared by the company during the year ended March 31, 2012.
4. In the event of liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.
5. Earning per share:

Particulars	**Year ended March 31, 2012**	*Year ended March 31, 2011*
Net Profit after tax (₹ in '000)	**17,156**	*11,865*
Weighted Average Number of Equity Shares outstanding during the year (in units)	**10,000,700**	*10,000,700*
Basic and diluted earning per share	**1.72**	*1.19*
Face value per share(₹)	**10**	*10*

3.2 Reserves and Surplus

(₹ in '000)

Particulars	As on March 31, 2012	As on March 31, 2011
Surplus in the statement of Profist and Loss		
Balance as per last financial statements	26,303	14,438
Add: Profit for the year	17,156	11,865
Transfer to general reserve	—	—
Total	43,459	26,303

3.3 Trade Payables

(₹ in '000)

Particulars	As on March 31, 2012	As on March 31, 2011
Sundry Creditors:		
a) Payable to Holding Company	7,856	5,979
b) Tax deducted at source payable	1,641	1,505
c) Service Tax Input/payable (net)	1,610	263
d) Other liabilities	10,010	9,254
Total	21,117	17,001

3.4 Non Current Investments

(₹ in '000)

Particulars	As on March 31, 2012	As on March 31, 2011
Trade Investments	—	—
Non Trade Investments:		
Investment in Equity Instruments:		
Quoted Investments:		
First Source Solutions Limited- 200 shares (March 31, 2011- 200 shares of ₹10 each)	2	2
Unquoted Investments:		
Emerging India Fund- 5 Class B Shares (March 31, 2011- Nil) of ₹ 10,000 each	50	—
ICICI Venture Funds Management Company Limited – 1 share (March 31, 2011- 1 share) of ₹ 10 each	—	—
Total	52	2
Aggregate Cost of quoted Investments	2	2
Aggregate Cost of unquoted investments	50	—
Aggregate Market Value of quoted investments	2	4
Aggregate provision for diminution in value of investments	—	—

3.5 Deferred Taxes

(₹ in '000)

Particulars	As on March 31, 2012	As on March 31, 2011
Deferred Tax Assets		
Carry forward losses	—	4,130

3.6 Other Non Current Assets

(₹ in '000)

Particulars	As on March 31, 2012	As on March 31, 2011
Other Receivables:		
a) Tax paid in advance/tax deducted at source (net)	6,918	4,622
b) MAT credit entitlement	3,415	1,400
Total	10,333	6,022

3.7 Current Investments

(₹ in '000)

Particulars	As on March 31, 2012	As on March 31, 2011
Investment in Mutual Funds (Unquoted)		
11,007 units of ICICI Prudential Institutional Liquid Plan- Daily Dividend Option (March 31, 2011- 10,333.940 units)	1,304	1,225
112,701.70 units of ICICI Prudential Flexible Income Premium Plan- Daily Dividend Option	11,917	—
2,999,910 units of ICICI Prudential Interval II Quarterly C Installment Dividend	30,245	—
Total	43,466	1,225

3.8 Trade Receivables

(₹ in '000)

Particulars	As on March 31, 2012	As on March 31, 2011
Unsecured		
Debts outstanding for a period exceeding six months:		
a) Considered good	52,853	16,871
b) Considered doubtful		
Other Debts:		
a) Considered good	24,766	—
b) Considered doubtful		
Less: Provision for doubtful debt	—	—
Grand Total	77,619	16,871

3.9 Cash and bank balances

(₹ in '000)

Particulars	As on March 31, 2012	As on March 31, 2011
A) Balance with Banks	1,784	820
B) Others		
Bank Deposits (More than 12 months maturity)	—	83,550
Total	1,784	84,370

3.10 Other Current Assets (Unsecured, Considered good)

(₹ in '000)

Particulars	As on March 31, 2012	As on March 31, 2011
Interest accrued on Investment	—	3,994
Other Receivables:		
a) Receivable from Emerging India Fund	31,113	26,401
b) Advances recoverable in cash or in kind or for value to be received	216	296
Total	31,329	30,691

3.11 Revenue from Operations

(₹ in '000)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Gross Management Fee	67,498	16,871
Less: Service Tax/ Excise Duty	6,303	1,576
Net Management Fee	61,195	15,295

3.12 Other Income

(₹ in '000)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Interest Income	2,226	6,761
Dividend Income:		
From subsidiary companies	—	—
From others	2,742	269
Profit on sale of Investments (Refer Note 3.12 (1))	—	1
Other Income (Refer Note 3.12(2))	—	15,524
Total	4,968	22,555

1. During the year ended March 31, 2012 Nil (March 31, 2011- 100) shares with the face value of ₹10 were sold.
2. Other Income includes amount recoverable from the fund towards its set-up and establishment expenses incurred in the previous years on behalf of the fund.

3.13 Employee Benefit Expenses

(₹ in '000)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Salaries and Wages	28,186	19,517
Total	28,186	19,517

forming part of the accounts

1. 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.

3.14 Other expenses

Particulars	Year ended March 31, 2012	(₹ in '000) Year ended March 31, 2011
a) Director Sitting fee	**36**	*36*
b) ROC Filing fee	**2**	*2*
c) Professional Tax	**2**	*2*
d) Stamp Charges	**—**	—
e) Miscellaneous Expenses	**8,093**	*4,082*
f) General and Administrative expenses (Refer Note 3.14 (1))	**5,266**	*5,448*
g) Auditor's remuneration (Refer Note 3.14(2))	**335**	*302*
h) SEBI Registration fees	**250**	*250*
i) Legal and professional fees	**56**	*426*
Total	**14,040**	*10,548*

1. General and administrative 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.

2. The detailed break-up of auditor's remuneration is given in the table below.

Auditors' remuneration:

Particulars	Year ended March 31, 2012	(₹ in '000) Year ended March 31, 2011
Statutory audit fees	**250**	*250*
Tax audit fees	**50**	*50*
Service tax	**31**	—
Reimbursement of out of pocket expenses	**4**	*2*
Total	**335**	*302*

3.15 Contingent Liability:

During the year ended March 31, 2012, the company has received an order under section 143(3) of Income-tax Act, 1961 for Assessment Year 2009-2010 wherein the expenses totalling to ₹ 7,472,578 (including establishment expenses, SEBI fees, Professional and Legal fees) have been disallowed. The Company has preferred an appeal before the Commissioner of the Income Tax (Appeals) against the said order under Section 143(3) for Assessment Year 2009-2010. The Company believes that such expenditure is allowable in nature. Hence, the company has considered this as a contingent liability of ₹ 2,452,091.

3.16 Related Party Disclosures:

Names of related parties and description of relationship for the transactions are given below:

1) Key Managerial Personnel

Sharad Malpani (Appointed as Manager of the Company from December 1, 2009)

Remuneration to Mr. Sharad Malpani of ₹ 5,870,344 (March 31, 2011: ₹ 4,975,587) is included in the employee cost paid to the Holding Company as disclosed below.

2) Holding Company (parent): ICICI Bank Limited

Particulars	Year ended March 31, 2012	(₹ in '000) Year ended March 31, 2011
Share capital	**100,007**	*100,007*
Current account	**1,784**	*820*
Fixed deposit account	**—**	*83,550*
Interest accrued on fixed deposit	**—**	*3,994*
Payables	**7,856**	*5,979*

Particulars	Year ended March 31, 2012	(₹ in '000) Year ended March 31, 2011
Interest Income on deposit	**2,226**	*6,761*
Employee cost (Refer Note 3.16(2)(1))	**28,186**	*19,517*
General and administrative expenses	**5,266**	*5,448*

1. Also includes remuneration paid to key managerial personnel.

3) Fellow subsidiaries and fellow entities, consolidated as per Accounting Standard 21, of the Holding Company.

a) ICICI Venture Funds Management Company Limited

Particulars	As on March 31, 2012	(₹ in '000) As on March 31, 2011
Equity investment	**—**	—

b) ICICI Securities Limited

Particulars	As on March 31, 2012	(₹ in '000) As on March 31, 2011
Fees payable	**—**	*4,025*

3.17 Segment Reporting

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.

3.18 Other Disclosures

a) Total foreign exchange expenditure for the year ended March 31, 2012 was ₹ 192,827 (March 31, 2011: ₹ 1,139,935).

b) Other expenses also include expenditure incurred towards marketing.

c) 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.

d) 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

For B S R and Company
Chartered Accountants
Firm's Registration No: 128900W

N SAMPATH GANESH
Partner
Membership No:042554

Mumbai, April 25, 2012

SAWANKUMAR JAIN
Company Secretary

For and on behalf of the Board of Directors

VIJAY CHANDOK
Chairman

CHANDRASHEKHAR LAL
Director

Mumbai, April 25, 2012

cash flow statement

ICICI Investment Management

for the year ended March 31, 2012

		Year ended March 31, 2012	(₹ in '000) Year ended *March 31, 2011*
A)	**Cash Flow from Operating Activities**		
	Profit/(loss) before tax	23,937	*7,785*
	Less: Adjustments for:		
	Dividend income	(2,742)	*(269)*
	Profit on sale of investments	—	*(1)*
	Interest received	(2,226)	*(6,762)*
	Operating Profit/(loss) before working capital changes	18,969	*753*
	Adjustments for:		
	Movement in current assets, loans and advances	(61,386)	*(41,301)*
	Movement in current liabilities and provisions	4,116	*5,753*
	Cash generated from Operations	(38,301)	*(34,795)*
	Income taxes paid (includes tax deducted at source)	(6,961)	*(761)*
	Net cash from operating activities - A	(45,262)	*(35,556)*
B)	**Cash Flow from Investing Activities :**		
	Dividend received	2,742	*269*
	Proceeds from sale of investments	43,500	*7,002*
	Purchase of investments	(85,792)	*(269)*
	Interest received	2,226	*6,762*
	Net cash from investing activities - B	(37,324)	*13,764*
C)	**Cash Flow from Financing Activities :**		
	Net Cash from in Financing Activities - C	—	—
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(82,586)	*(21,792)*
	Cash and cash equivalents at beginning of the year	84,370	*106,162*
	Cash and cash equivalents at end of the year (see note 1)	1,784	*84,370*

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, 2012	(₹ in '000) *At March 31, 2012*
	Balances with Banks		
a)	In current account	1,784	*820*
b)	In fixed deposit	—	*83,550*
	Total	1,784	*84,370*

As per our report of even date attached

For B S R and Company
Chartered Accountants
Firm's Registration No: 128900W

N SAMPATH GANESH
Partner
Membership no: 042554

Mumbai, April 25, 2012

SAWANKUMAR JAIN
Company Secretary

For and on behalf of the Board of Directors

VIJAY CHANDOK
Chairman

CHANDRASHEKHAR LAL
Director

Mumbai, April 25, 2012

ICICI Trusteeship Services

ICICI TRUSTEESHIP SERVICES LIMITED

13TH ANNUAL REPORT AND ACCOUNTS 2011-2012

Directors
Pramod Rao, Chairman
(up to April 30, 2012)
Sanker Parameswaran
(w.e.f. May 1, 2012)
S.D. Israni
Girish Mehta
N.D. Shah

Auditors
Khandelwal Jain & Co.
Chartered Accountants

Sawankumar Jain
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 Thirteenth Annual Report of the Company with the audited statement of accounts for the year ended March 31, 2012.

FINANCIAL HIGHLIGHTS

The summary of the financial results for the year under review is as follows:

(₹ in '000s)

	Fiscal 2011	**Fiscal 2012**
Gross Income	*543*	**551**
Profit Before Tax	*496*	**468**
Provision for tax	*154*	**130**
Profit After Tax	*342*	**338**
Transfer to Reserves	*342*	**338**

Your Directors do not recommend payment of dividend for the year ended March 31, 2012.

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 Child 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 favor of one or more Transferor Companies in trust for the benefit of persons for whose benefit the pledge had been created.

During the year under review the Company has entered in to a Deed of Trust for establishment of Disha Trust (Reconstituted) as public charitable trust to reflect the charitable and non-commercial nature of the trust and the said trust is registered with Sub Registrar Office, Adyar, Chennai.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted deposits under Section 58A of the Companies Act, 1956.

DIRECTORS

Consequent to withdrawal of nomination of Pramod Rao by ICICI Bank Limited, Sanker Parameswaran was appointed as ICICI Nominee Director with effect from May 1, 2012 and Chairman of the Company with effect from May 9, 2012.

In terms of the provisions of the Articles of Association of the Company, Girish Mehta will retire at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

COMPLIANCE OFFICER

The Board of Directors of the Company at its meeting held on January 24, 2012 has appointed Sawankumar Jain as Compliance Officer of the Company.

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 18, 2012 has proposed their appointment as the auditors to audit the accounts of the Company for the FY2013. 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 had 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

SANKER PARAMESWARAN
Chairman

Mumbai, May 10, 2012

auditors' report

ICICI Trusteeship Services

to the Members of ICICI Trusteeship Services Limited

1. We have audited the attached Balance Sheet of ICICI TRUSTEESHIP SERVICES LIMITED as at March 31, 2012, the Profit and Loss Statement 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 (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, 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 Statement 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;

(f) on the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956; and

(g) 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 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 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, 2012;

(ii) in the case of the Profit and Loss Statement, of the profit of the Company 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
Firm Registration No. 105049W

SHIVRATAN AGARWAL
PARTNER
Membership No.104180

Mumbai, April 18, 2012

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 paragraph 4 (i) of the Order is not applicable.

2. The activities of the Company and the nature of its business do not involve the use of inventory. Accordingly, paragraph 4 (ii) of the Order is not applicable.

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, paragraph 4 (iii) of the Order is not applicable.

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 sale of services. The activities of the Company do not involve purchase of inventory, fixed assets and sale of goods. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal controls.

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 paragraph 4 (v) of the Order is not applicable.

6. The Company has not accepted any deposits from the public and hence paragraph 4 (vi) of the Order is not applicable.

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. Accordingly paragraph 4 (vii) of the Order, relating to internal audit system, is not applicable.

8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) 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 does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

11. The Company has not borrowed any amounts from banks, financial institutions or by issue of debentures. Accordingly paragraph 4 (xi) of the Order is not applicable.

12. 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. Accordingly paragraph 4 (xii) of the Order is not applicable.

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. Accordingly paragraph 4 (xiii) of the Order is not applicable.

14. According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, paragraph 4 (xiv) of the Order is not applicable.

15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.

16. The Company did not have any term loans outstanding 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, we are of the opinion that no short term funds have been raised.

18. The Company has not made any preferential allotment of shares to companies/ parties covered in the register maintained under section 301 of the Companies Act, 1956.

19. The Company did not have any outstanding debentures during the year.

20. The Company has not raised any money by public issue during the year.

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
Firm Registration No. 105049W

SHIVRATAN AGARWAL
PARTNER
Membership No.104180

Mumbai, April 18, 2012

balance sheet

at March 31, 2012

	Note No.	March 31, 2012	(₹ in '000s) March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' funds :			
Share capital	2A	500	*500*
Reserves and surplus	2B	3,109	*2,771*
		3,609	*3,271*
Non-current liabilities			
Other long-term liabilities	2C	13	*12*
		13	*12*
Current liabilities			
Other current liabilities	2D	27	*33*
		27	*33*
TOTAL		3,649	*3,316*
ASSETS			
Non-current assets			
Non-current investments	2E	3	*3*
Long-term loans and advances	2F	22	*32*
		25	*35*
Current assets			
Current investments	2G	1,899	*560*
Trade receivables	2H	20	*-*
Cash and cash equivalents	2I	1,562	*2,615*
Short-term loans and advances	2J	57	*7*
Other current assets	2K	86	*99*
		3,624	*3,281*
TOTAL		3,649	*3,316*

profit and loss statement

for the year ended March 31, 2012

	Note No.	March 31, 2012	(₹ in '000s) March 31, 2011
Income			
Revenue from operations (gross)	2L	372	*350*
Other Income	2M	179	*192*
Total Revenue (I)		551	*542*
Expenses			
Auditor's remuneration - Statutory audit fees		22	*15*
Directors' fees		20	*20*
Professional fees		17	*2*
Conveyance expenses		16	*-*
Miscellaneous expenses		6	*7*
Profession tax		2	*2*
Total expenses (II)		83	*46*
PROFIT BEFORE TAX (I)-(II)		468	*496*
Current tax		130	*154*
PROFIT FOR THE YEAR		338	*342*
Earnings per share - Basic and Diluted	2Q	6.76	*6.84*

See notes accompanying to the financial statements.

As per our Report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. 104180

SAWANKUMAR JAIN
Compliance Officer

Mumbai, April 18, 2012

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 18, 2012

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. Significant 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 financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ('GAAP') under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards prescribed by the Companies (Accounting Standards) Rules 2006. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision of an existing accounting standard requires a change in the accounting policy hitherto in use.

c) Use of estimates:

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, post-sales customer support and the useful lives of fixed assets and intangible assets. Actual result could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

d) Revenue recognition:

Trusteeship Fees, Interest Income and Other Income are accounted on accrual basis. Dividend is accounted, as and 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 provision of 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 year.

g) Investments:

Investments are classified into Current Investment and Long Term Investments. Current Investments are carried at lower of the cost and fair value. Long Term Investments are carried at cost. Provision for diminution is made only if, in the opinion of the management, such a decline is other than temporary.

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 for the year ended March 31, 2012

A. Share capital

(₹ in '000s)

Particulars	At March 31, 2012	*At March 31, 2011*
Authorised: 1,000,000 (March 31, 2011: 1,000,000) equity shares of ₹ 10 each	10,000	*10,000*
Issued, subscribed and fully paid up: 50,000 (March 31, 2011: 50,000) equity shares of ₹ 10 each, fully paid up	500	*500*
Total	**500**	*500*

The Company has only one class of equity shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.

All the above equity shares are held by ICICI Bank Limited (the holding company) and its nominees.

B. Reserves and surplus

(₹ in '000s)

Particulars	At March 31, 2012	*At March 31, 2011*
Surplus in Profit and Loss Statement at the beginning of the year	**2,771**	*2,429*
Add: Profit/(Loss) during the year	338	*342*
Surplus in Profit and Loss Statement at the end of the year	**3,109**	*2,771*

C. Other long-term liabilities

(₹ in '000s)

	Particulars	At March 31, 2012	*At March 31, 2011*
(i)	Received from erstwhile ICICI Limited towards corpus fund [1]	10	*10*
(ii)	Interest accrued on above	2	*1*
(iii)	Received from ICICI Prudential Life Insurance Company Limited towards corpus fund [2]	1	*1*
Total		**13**	*12*

1) The Company in the earlier years, in terms of the Indenture of Trust, received corpus fund for setting up ICICI Securities Fund of ₹ 10,000 from erstwhile ICICI Limited. This amount along with interest thereon, reflected in "Note – I: Bank balances with schedule banks – Saving accounts ".

2) The Company in the earlier years, in terms of the Indenture of Trust, received corpus fund for issue of life insurance, on the life of life assured vide their endowment policy, "ICICI Pru save n protect" of ₹ 1,000 from ICICI Prudential Life Insurance Company Limited which is forming part of "Note – I: Bank balances with schedule banks – Current account".

D. Other current liabilities

(₹ in '000s)

Particulars	At March 31, 2012	*At March 31, 2011*
Audit fees	22	*16*
Miscellaneous liabilities	5	*17*
Total	**27**	*33*

E. Non-current investments

(₹ in '000s)

Particulars	At March 31, 2012	*At March 31, 2011*
(A) Non trade investment (equity shares - quoted)		
Firstsource Solutions Limited- 100 (March 31, 2011 - 100) shares of ₹ 10 each (Market value at March 31, 2012 - ₹ 957; at March 31, 2011 - ₹ 1,800)	1	*1*
Total (A)	**1**	*1*
(B) Non trade investment (equity shares - un-quoted)		
ICICI Venture Funds Management Company Limited - 1 (March 31, 2011 - 1) share of ₹ 10 each	-	*-*
ICICI Kinfra Limited - 200 (March 31, 2011 – 200) shares of ₹ 10 each	2	*2*
Total (B)	**2**	*2*
Grand Total (A+B)	**3**	*3*

F. Long-term loans and advances

(₹ in '000s)

Particulars	At March 31, 2012	*At March 31, 2011*
Advance payment of income tax etc. (net of provision for tax)	18	*26*
Prepaid expenses	4	*6*
Total	**22**	*32*

G. Current investments

(₹ in '000s)

Particulars	At March 31, 2012	*At March 31, 2011*
Current portion of long-term investments (valued at lower of cost and market value)		
Nil units of ICICI Prudential FMP Series 53 (March 31, 2011 - 56,000 units)	-	*560*
86,000 units of ICICI Prudential FMP Series 57 (March 31, 2011 - Nil)	860	*-*
61,379 units of ICICI Prudential FMP Series 61 (March 31, 2011 - Nil)	614	*-*
42,500 units of ICICI Prudential FMP Series 54 (March 31, 2011 - Nil)	425	*-*
Total	**1,899**	*560*

H. Trade receivables

(₹ in '000s)

Particulars	At March 31, 2012	*At March 31, 2011*
Trusteeship fees	20	*-*
Total	**20**	*-*

I. Cash and cash equivalents

(₹ in '000s)

Particulars	At March 31, 2012	*At March 31, 2011*
Cash on hand (* ₹ 320; March 31, 2011: Nil)	*-	-
Bank balances with scheduled banks		
Current accounts	15	*295*
Saving accounts	14	*14*
Fixed deposits	1,533	*2,306*
Total	**1,562**	*2,615*
Fixed deposit accounts with more than 12 months maturity from the reporting date	255	*505*

J. Short-term loans and advances

(₹ in '000s)

Particulars	At March 31, 2012	*At March 31, 2011*
Service tax (input)	-	*5*
Receivables from Disha Trust	55	-
Prepaid expenses	2	*2*
Total	**57**	*7*

K. Other current assets

(₹ in '000s)

Particulars	At March 31, 2012	*At March 31, 2011*
Interest accrued on fixed deposits	86	*99*
Total	**86**	*99*

L. Revenue from operations

(₹ in '000s)

Particulars	For the year ended March 31, 2012	*For the year ended March 31, 2011*
Trusteeship fees *(gross)* (Tax deducted at source : ₹ 33,186; March 31, 2011 : ₹ 34,207)	372	*350*
Total	**372**	*350*

M. Other income

(₹ in '000s)

Particulars	For the year ended March 31, 2012	*For the year ended March 31, 2011*
Interest on deposits with banks *(gross)* (Tax deducted at source : ₹ 12,207; March 31, 2011: ₹ 19,040)	122	*190*
Profit on sale/redemption of long term investments	54	*2*
Sundry balance written back (net of balances written off)	3	-
Total	**179**	*192*

N. Related party transactions

i) Names of related parties as identified by the management 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 (IVFMCL) • ICICI Prudential Life Insurance Company Limited (IPLICL) • ICICI Kinfra Limited (IKL) • ICICI West Bengal Infrastructure Development Corporation Limited (upto December 31, 2010)

ii) Transactions with related parties, as identified by the management for the year ended March 31, 2012.

(₹ in '000s)

Nature of transaction	Holding company	Fellow subsidiaries/entities			Total
	ICICI Bank	IVFMCL	IKL	IPLICL	
Trusteeship fees	182	150	-	-	**332**
Interest on deposits with banks	122	-	-	-	**122**
Bank balances	29	-	-	-	**29**
Fixed deposits	1,533	-	-	-	**1,533**
Accrued interest on fixed deposits	86	-	-	-	**86**
Fee income receivable	20	-	-	-	**20**
Investments	-	-	2	-	**2**
Corpus fund	10	-	-	1	**11**
Share capital	500	-	-	-	**500**

iii) Transactions with related parties, as identified by the management for the year ended March 31, 2011

(₹ in '000s)

Nature of transaction	Holding company	Fellow subsidiaries/entities			Total
	ICICI Bank	IVFMCL	IKL	IPLICL	
Trusteeship fees	160	150	-	-	**310**
Interest on deposits with banks	190	-	-	-	**190**
Bank balances	309	-	-	-	**309**
Fixed deposits	2,306	-	-	-	**2,306**
Accrued interest on fixed deposits	99	-	-	-	**99**
Investments	-	-	2	-	**2**
Corpus fund	10	-	-	1	**11**
Share capital	500	-	-	-	**500**

O. Nature of business

The Company is engaged in the business of acting as a trustee for funds and trusts, which constitute the only segment of the Company.

P. Income Tax

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.

Q. Earnings per share

Earnings per share is calculated as follows:

	Particulars	Year ended March 31, 2012	*Year ended March 31, 2011*
(i)	Net profit after tax (₹ in '000s)	338	*342*
(ii)	Weighted average number of Equity Shares (No.)	50,000	*50,000*
(iii)	Earnings per share – basic and diluted (₹)	**6.76**	*6.84*

R. Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

There are no suppliers as defined under the MSMED Act and hence the disclosures relating thereto under the said Act are not applicable.

S. Paragraph 3 of Part II of Revised Schedule-VI of Companies Act, 1956

Additional information pursuant to provisions of paragraph 3 of Part II of Schedule-VI of Companies Act, 1956 are not applicable.

T. Presentation and disclosure of Financial Statements

Till the year ended March 31, 2011, the Company was using pre-revised schedule-VI to Companies Act, 1956, for preparation and presentation of financials statements. During the year ended March 31, 2012, the revised schedule–VI notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified the previous year figures to conform to this year's classification. The adoption of revised schedule–VI does not impact the recognition and measurement principles followed for preparation of financial statements.

As per our Report of even date

For KHANDELWAL JAIN & CO.
Chartered Accountants

SHIVRATAN AGARWAL
Partner
Membership No. 104180

SAWANKUMAR JAIN
Compliance Officer

Mumbai, April 18, 2012

For and on behalf of the Board of Directors

PRAMOD RAO
Chairman

S. D. ISRANI
Director

GIRISH MEHTA
Director

N. D. SHAH
Director

Mumbai, April 18, 2012

cash flow statement

for the year ended March 31, 2012

		March 31, 2012	(₹ in '000s) *March 31, 2011*
A	**Cash Flow from Operating Activities :**		
	Net Profit before taxation	**468**	*496*
	Adjustments for:		
	Interest on deposits with banks	**(122)**	*(190)*
	Profit on sale of investments	**(54)**	*(2)*
	Operating Profit before Working Capital Changes	**292**	*304*
	Adjustments for:		
	Trade Payables and Other Liabilities	**(5)**	*(4)*
	Trade and Other Receivables	**(67)**	*(10)*
	Cash generated from Operations	**220**	*290*
	Taxes paid	**122**	*145*
	Net cash flow from Operating Activities - A	**98**	*145*
B	**Cash Flow from Investing Activities :**		
	Interest on deposits with banks	**122**	*190*
	Sale of investment	**613**	*2*
	Purchase of Investments (net)	**(1,899)**	*(558)*
	Net cash from Investing Activities - B	**(1,164)**	*(366)*
C	**Cash Flow from Financing Activities :**	**-**	*-*
	Net Cash used in Financing Activities - C	**-**	*-*
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**(1,066)**	*(221)*
	Cash and Cash Equivalents at beginning of the year	**2,714**	*2,935*
	Cash and Cash Equivalents at end of the year	**1,648**	*2,714*

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 3 on '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

SAWANKUMAR JAIN
Compliance officer

Mumbai, April 18, 2012

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 18, 2012

ICICI Bank

ICICI BANK UK PLC

9TH ANNUAL REPORT AND ACCOUNTS 2011-2012

Directors

Chanda Kochhar, *Chairperson of the Board*
N.S. Kannan, *Non Executive Director*
William Michael Thomas Fowle, *Independent Non Executive Director*
(Served till January 24, 2012)
Richard Michael James Orgill, *Independent Non Executive Director*
Independent Non Executive Director (Served till March 31, 2012)
Mohan Lal Kaul, *Independent Non Executive Director*
Richard Banks, *Independent Non Executive Director*
Jonathan Britton, *Independent Non Executive Director*
(Appointed effective October 03, 2011)
John Burbidge, *Independent Non Executive Director*
(Appointed effective January 23, 2012)
Suvek Nambiar, *Managing Director and CEO*

Auditors

KPMG Audit Plc.
15 Canada Square
London E14 5GL
United Kingdom

Aarti Sharma
Chief Financial Officer
& Company Secretary

Registered Office

ICICI Bank UK PLC
One Thomas More Square
London E1W 1YN

directors' report

to the members,

The Directors have pleasure in presenting the Ninth annual report of ICICI Bank UK PLC, together with the audited financial statements for the year ended March 31, 2012.

Principal Activities

ICICI Bank UK PLC ("the Bank") is a full service bank offering retail and corporate 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 banking, commercial banking and treasury.

The Bank delivers its corporate, commercial and retail banking 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 online banking.

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.

The Bank's corporate business mainly includes banking services for Indian corporations seeking to develop their overall business, including in the UK and Europe, as well as for Europe based multinational corporations which have active trade and investment flows with India. The business strategy of the Bank, has mainly been driven by the increased globalisation of the Indian economy, the growing trend of Indian corporates expanding overseas, the large population of non-resident Indians and persons of Indian origin across the globe and overseas companies looking to invest in India.

The Bank provides retail deposit products to UK consumers with a varied product suite including current accounts, savings accounts, online banking and debit cards. Additionally, the Bank offers an interest based savings account and fixed rate term accounts to the UK and German consumers which is supported over internet and phone enabled channels.

Over the past few years, the Bank has taken proactive steps towards balance sheet consolidation and optimisation and effective liquidity and capital management. During the course of FY2012, the Bank focused on key strategic objectives of diversification of the business profile, further optimisation of the balance sheet, continued focus on risk management, maintenance of cost discipline and meeting the requirements of the changing regulatory environment. The Bank successfully implemented the strategic objectives to embed a long term sustainable business model.

The Bank has a senior debt 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 described activity within the individual business segments.

Financial Results

The financial statements for the reporting year ended March 31, 2012 are shown on pages 235 to 251.

Financial Highlights

The financial performance for the financial year 2012 is summarised in the following table:

Profit and Loss Account

			₹ in million, except percentages
	Financial 2012	*Financial 2011*	**% Change**
Net interest income	**2,973.1**	*3,806.9*	(22%)
Non interest income	**1,355.3**	*1,459.7*	(7%)
Gain on buy back of bonds	**—**	*7.6*	(100%)
Mark to market on financial instruments	**(35.3)**	*164.8*	(121%)
Total operating income	**4,293.1**	*5,439.0*	(21%)
Operating expenses	**(1,992.8)**	*(2,263.5)*	(12%)
Profit before provisions, charges and taxes	**2,300.3**	*3,175.5*	(28%)
Specific impairment provision and charges	**(453.6)**	*(764.2)*	(25%)
Collective provision	**221.6**	*(139.1)*	(347%)
(Loss)/Profit on sale of debt securities	**(264.8)**	*325.1*	(181%)
Profit before tax	**1,803.5**	*2,597.3*	(31%)
Profit after tax	**1,291.7**	*1,859.8*	(31%)

Balance Sheet

			₹ in million, except percentages
	Financial 2012	*Financial 2011*	**% Change**
Loans and advances	**136,813.6**	*227,410.2*	(40%)
Investments	**59,689.3**	*80,147.1*	(26%)
Total assets	**207,789.9**	*328,997.4*	(37%)
Customer accounts	**122,683.2**	*214,191.8*	(43%)
Shareholders' funds	**36,102.9**	*34,766.0*	4%

Capital

			₹ in million, except percentages
	Financial 2012	*Financial 2011*	**% Change**
Core Tier 1 ratio	**19.7%**	13.1%	6.6%
Tier 1 ratio	**21.2%**	14.1%	7.1%
Total ratio	**32.4%**	23.1%	9.3%

			₹ in million, except percentages
	Financial 2012	*Financial 2011*	**% Change**
Risk weighted assets	**174,857.3**	262,274.4	(33%)

Key strategic highlights: FY2012

In view of the market and regulatory changes related to higher capital and liquidity requirements, at the beginning of FY2012, the Bank recognised that further changes were required to rebalance both its asset and liability profile. This included reducing the concentration of the corporate loan and the investment portfolio and realigning of the liability composition.

Consequently, during the year both the industrial and geographical concentration of the credit portfolio decreased markedly. The corporate loan portfolio reduced as compared to the previous financial year by 33.5% and the investment portfolio (excluding Treasury Bills) by 55%. During the year, the Bank also extended selective credits and strengthened its trade finance and commercial banking business.

The decrease in retail liabilities was mainly due to maturities of term deposits and was in line with the reduction in assets. The Bank took further steps towards leveraging the institutional funding channels to broaden its funding profile.

Specific focus was given to enhancing the granularity of income streams by implementing and building scale in several non interest income generating businesses. The new business initiatives, such as launch of "Travel Money", "Travel card" and the "Money to India Europe" remittance platform offer significant opportunities for growth and complement the Bank's existing core strengths and competencies. The Bank believes that income from an increased number of business streams will help in the diversification of its income profile and will reduce risk across the Bank.

Key Financial highlights: FY2012

As at March 31, 2012, the Bank had total assets of ₹ 207,789.9 million as compared to ₹ 327,737.8 million as at March 31, 2011. The profit before tax in FY2012 was lower at ₹ 1,803.5 million as compared to ₹ 2,597.3 in FY2011, in line with the reduction in the balance sheet. Total operating income fell by 21% to ₹ 4,293.1 million primarily due to the decrease in net interest income resulting from the balance sheet reduction. However, Net Interest Margin (NIM) improved to 1.18% from 1.13% in the previous year. The cost of funds reduced during the year due to maturities of high cost liabilities. The reduction in the investment portfolio also contributed to an improvement in overall asset yields.

Despite a reduction in the balance sheet by 37%, non interest income at ₹ 1,320.0 million was only marginally lower than the previous year. The decline was mainly due to lower corporate banking fees. However, the Bank's focus on commercial banking and improvement in remittance volumes led to an increase in commercial and retail banking income by over 60% compared with the previous year.

Disciplined cost management and process efficiencies resulted in a reduction in operating expenses by 12% compared with the previous year. The Bank, however, remains committed to strengthening its control framework to meet enhanced regulatory and reporting obligations.

Specific impairment provisions of ₹ 453.6 million for investments and ₹ 122.1 million for corporate loans were booked during the year. The impaired assets coverage ratio at 38% remained consistent with the previous year. The collective provision for loan impairments was reduced by ₹ 340.9 million as a result of reduction in the corporate loan portfolio.

The Bank paid ₹ 209.9 million of preference dividend during the financial year. The Bank also paid ₹ 1,017.5 million of equity dividend for the first time since its incorporation.

Corporate and Commercial Banking

The Corporate Banking Group continued its focus on the strategy of careful management of the balance sheet through reduction in corporate loans. The group maintained a close focus on key client relationships, while exiting segments and products which were not core to the Bank's growth strategy. Special focus was maintained on supporting India linked global relationships of ICICI Group. In this respect, the group targeted the European market through new relationships with subsidiaries of selected Indian companies and large multinational companies, including global trading houses. In terms of product areas, emphasis was placed on initiating and building transaction and commercial banking and trade finance volumes.

In line with the growth in continental Europe, the Bank's business in Frankfurt, Germany has also been steadily growing, leveraging on expanding Europe-India business opportunities. During FY2012, the Bank established new corporate banking relationships in the German market and increased the funded and non-funded asset portfolio. Given the large volume of trade between India and Germany, the Bank participates in financing such trade through various instruments and products such as supplier's credit and buyer's credit, including credits backed by export credit agency credit insurance.

The Bank through its Frankfurt branch expanded its remittance business by implementing an online remittance platform under the brand name 'Money to India (M2I)' Europe.

Retail Banking

The Retail unit contributed in two significant areas for the Bank, namely liability generation and fee income contribution. The Bank chose to reduce its retail balance as part of its overall strategy of balance sheet consolidation and optimisation during the financial year. This was implemented through a measured reduction in pricing on its savings and fixed rate accounts, as well as a substantially reduced focus on marketing for new customers. The Bank's retail customer account balances stood at ₹ 122.6 billion as at March 31, 2012 (March 31, 2011: ₹ 214.1 billion).

Retail fee income, driven primarily through the Bank's branches, has shown sustained growth of over 30% in FY2012. The Bank continued to have a significant market share of the remittance market to India, as well as a substantial franchise of customer relationships. Several new fee initiatives were launched in FY2012, such as an online travel money product and an Indian Rupee travel card. The Bank won awards for the second consecutive year for its HiSAVE products and service offerings, including being awarded as the 'Best Online Savings Provider' in UK by MoneyFacts, UK's largest consumer financial information agency.

Treasury

The Treasury group of the Bank focuses on managing the balance sheet, supporting the capital needs and managing the market and liquidity risk of the Bank. In preparation for the new liquidity regime of the FSA, Treasury built a Liquid Asset Buffer (LAB) in Government securities and balances with central banks. Further, the group continued to adopt a strategy of maintaining 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 and to fund the requirements of the balance sheet. The group regularly reviews the Bank's asset/liability maturity mismatches and interest rate positions, and maintains liquidity gaps and interest rate positions within prescribed limits, which are monitored by the Asset and Liability Committee (ALCO) of the Bank. In line with the strategy of diversification of funding sources, the group focused on exploring alternate sources of funding in order to ensure optimal composition of the sources of funds. The Treasury group manages the investment portfolio of the Bank. During the year, the investment book reduced compared with the previous financial year due to strategic sales of bonds. Treasury activity is carried out through the Balance Sheet Management desk, the Investment desk, Global Markets Group (GMG) and Foreign Currency Convertible Bonds (FCCB) desk.

Corporate Governance and Risk Management

Corporate Governance

The Bank's corporate governance framework is based on an effective independent Board, the separation of the Board's supervisory role from the executive management of the Bank and the constitution of Board committees to oversee critical areas and functions of executive management.

The Bank has independent control groups such as Compliance, Risk, Internal Audit, Finance and Legal to facilitate independent evaluation, monitoring and reporting of various risks. These support groups function independently of the business groups and are represented at the various committees.

Effective corporate governance controls and compliance is a prerequisite to achieving the Bank's strategic objectives, particularly at a time when the regulatory landscape is undergoing considerable change. The Bank maintains its focus on controls, governance, compliance and risk management to provide a sound foundation for the business. The Bank continues to ensure embedding of a controls and compliance culture throughout the organisation through appropriate training, maintaining adequate resources within the control groups commensurate with the Bank's operations, continuous strengthening of internal systems and processes and effective deployment of technology. Information technology is used as a strategic tool for the Bank's business operations, to gain a competitive advantage and to improve its overall productivity and efficiency.

The Bank has embedded the principles of Treating Customers Fairly (TCF) within its corporate culture and operating procedures. The Bank considers the TCF commitments as a key pillar to serve its customers better. The Bank evaluates the impact of the changing regulatory requirements on an ongoing basis, such as those detailed in the Banking Conduct Regime, Retail Conduct Risk Outlook and Product Intervention discussion paper, in order to enhance its processes and deliver the expected improved outcome for its retail customers.

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 the Head of Risk 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, operational risk and compliance and reputation risk. In its lending operations, the Bank is principally exposed to credit risk which generates the largest regulatory capital requirements. Credit risk is the risk of loss that may occur from the failure of any customer or 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 accessing the financial markets to meet day to day business requirements.

The Bank has an effective Operational Risk management framework, using a Risk and Control Self Assessment (RCSA) approach to identify its operational risks and comprehensive policies, procedures and controls to manage the risks identified. During the year, the Bank made significant progress in further enhancing the governance, control and compliance arrangements. This included a comprehensive review of the Credit Risk Management framework and strengthening of the Operational Risk Management framework.

As part of overall risk management and to adapt to the changing banking regulatory environment in the UK, at the beginning of the year, the Bank had reviewed its business model and conducted a strategic review of its lending portfolio with a view to further diversify its asset base and reduce key concentrations in the portfolio (such as geographical and industry concentration). The Board also approved the revised credit management framework which included new limits on country of risk exposures, type and ratings of loans for enhancing the overall credit risk management of the Bank.

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, 2012, the Bank did not raise equity capital. As at March 31, 2012, the issued and fully paid share capital (including preference shares), amounted to ₹ 30,275.5 million.

Employees

As at March 31, 2012 the Bank had 211 employees. The Bank encourages the involvement of all employees in the Bank's overall performance and profitability. The Bank has a pension scheme operating in the UK in which the 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 ensures 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 persons as for others.

The Bank follows a conservative and comprehensive approach towards rewards management. The Bank has adopted and implemented a Remuneration Policy which has been approved by the Board Governance and Ethics Committee. The Bank ensures that it adheres to the Remuneration Code guidelines published by the FSA. The Bank's remuneration policy disclosures are made available on the Bank's website: http://www.icicibank.co.uk/personal/basel_disclosures.html.

Report of the independent auditor to the members of ICICI Bank UK PLC

Political and charitable contributions

The Bank made no charitable contributions during the financial year 2012 (financial year 2011 : ₹ 456,552.3). The Bank made no political contributions during the financial year 2012 (financial year 2011: Nil).

Payment to Creditors

The Bank has a regular cycle of obtaining services and releasing payment to creditors and suppliers. The 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 Kochhar	Chairperson of the Board
N.S. Kannan	Non Executive Director
William Michael Thomas Fowle	Independent Non Executive Director (Served till January 24, 2012)
Richard Michael James Orgill	Independent Non Executive Director (Served till March 31, 2012)
Mohan Lal Kaul	Independent Non Executive Director
Richard Banks	Independent Non Executive Director
Jonathan Britton	Independent Non Executive Director (Appointed effective October 03, 2011)
John Burbidge	Independent Non Executive Director (Appointed effective January 23, 2012)
Suvek Nambiar	Managing Director and CEO

During the year, William Michael Thomas Fowle and Richard Michael James Orgill retired from the Non Executive Director positions of the Bank.

Disclosure of information to the 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 & Chief Executive Officer

AARTI SHARMA
Chief Financial Officer
& Company Secretary

April 24, 2012
Registered address:
One Thomas More Square
London E1W 1YN

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 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 assets, liabilities, financial position and 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 a 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 are responsible to report a fair review of the development and performance of the business and the position of the company together with a description of the principal risks and uncertainties faced by the company. They have general responsibility for taking such steps as 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 Bank's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the board
SUVEK NAMBIAR
Managing Director & Chief Executive Officer

AARTI SHARMA
Chief Financial Officer
& Company Secretary
April 24, 2012

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 March 31, 2012 set out on pages 235 to 251. 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 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 8, 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, 2012 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)

for and on behalf of
KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
April 24, 2012

profit and loss account

for the year ended March 31, 2012

	Note	March 31, 2012	March 31, 2011
			(₹ in million)
Interest income and similar income arising on debt securities		**1,072.3**	*1,571.4*
Other interest income and similar income		**8,908.4**	*11,537.8*
Interest expense		**(7,007.6)**	*(9,302.3)*
Net interest income		**2,973.1**	*3,806.9*
Fees and commissions receivable		**840.2**	*1,199.6*
Foreign exchange revaluation gains		**472.0**	*143.9*
(Loss)/Income on financial instruments at fair value through profit and loss	5	**(35.3)**	*164.8*
Other operating income	6	**43.1**	*116.2*
Gains on buy back of bonds	7	**—**	*7.6*
Operating income		**4,293.1**	*5,439.0*
Administrative expenses	8	**(1,914.4)**	*(2,144.6)*
Depreciation	21	**(78.4)**	*(118.9)*
Specific impairment on investment securities	19	**(453.6)**	*56.6*
Impairment on loans and advances	18	**221.6**	*(959.9)*
(Loss)/Profit on sale of debt securities		**(264.8)**	*325.1*
Profit on ordinary activities before tax		**1,803.5**	*2,597.3*
Tax on profit on ordinary activities	11	**(511.8)**	*(737.5)*
Profit on ordinary activities after tax		**1,291.7**	*1,859.8*

The dividends paid during the year (not included above) are detailed below:

	Year ended March 31, 2012	Year ended March 31, 2011
		(₹ in million)
Preference Dividend	**(209.9)**	*(209.9)*
Ordinary shares Dividend	**(1,017.5)**	—

The result for the year is derived entirely from continuing activities.

The notes on pages 235 to 251 form part of these financial statements.

balance sheet

at March 31, 2012

	Note	March 31, 2012	March 31, 2011
			(₹ in million)
Assets			
Cash		**63.8**	*53.8*
Loans and advances to banks	15	**15,339.0**	*44,535.2*
Loans and advances to customers	16	**121,474.6**	*182,875.0*
Investment in Treasury Bills	19	**35,293.2**	*26,324.5*
Investment Securities other than Treasury Bills	19	**24,396.1**	*53,822.6*
Tangible fixed assets	21	**431.8**	*496.5*
Other assets	22	**9,270.0**	*17,165.5*
Prepayments and accrued income		**1,521.4**	*2,464.6*
Total assets		**207,789.9**	*327,737.7*
Liabilities			
Deposits by banks	23	**16,211.4**	*18,092.5*
Customer accounts	24	**122,683.2**	*214,191.8*
Debt securities and subordinated liabilities	25	**18,957.1**	*42,658.3*
Other liabilities	26	**11,332.0**	*13,366.2*
Accruals and deferred income		**2,503.3**	*4,662.9*
Total Liabilities		**171,687.0**	*292,971.7*
Shareholders' funds:			
Ordinary share capital	27	**27,731.7**	*27,731.7*
Preference share capital	27	**2,543.8**	*2,543.8*
Capital contribution		**160.3**	*108.4*
Retained earning		**7,594.4**	*7,530.1*
Available for sale reserve		**(1,927.3)**	*(3,148.0)*
Total Equity		**36,102.9**	*34,766.0*
Total Equity and Liabilities		**207,789.9**	*327,737.7*

The notes on pages 235 to 251 form part of these financial statements

These financial statements were approved by the Board of Directors on April 24, 2012 and were signed on its behalf by:

SUVEK NAMBIAR
Managing Director & Chief Executive Officer

AARTI SHARMA
Chief Financial Officer & Company Secretary

ICICI Bank UK PLC
Registered number 4663024

statement of total recognised gains & losses

for the year ended March 31, 2012 *Continued*

(₹ in million)

	Note	March 31, 2012	March 31, 2011
Profit on ordinary activities after tax		**1,291.7**	*1,859.8*
Movement in available for sale reserve			
- Movement in fair value during the year		**1,527.3**	*913.8*
- Amount transferred to the profit and loss account in respect of impairment		**—**	*758.3*
Movement in available for sale reserve		**1,527.3**	*1,672.1*
Taxation relating to available for sale reserve	11	**(306.6)**	*(468.2)*
Net movement in available for sale reserve		**1,220.7**	*1,203.9*
Total gains and losses recognised		**2,512.4**	*3,063.7*

The notes on pages 235 to 251 form part of these financial statements.

reconciliation of movements in shareholders' funds

for the year eneded march 31, 2012

(₹ in million)

	Issued Share Capital	Profit and loss Account	Available for Sale Reserve	Other	Total
As at April 1, 2010	30,275.5	5,880.2	(4,351.9)	74.6	31,878.4
Capital Contribution (Share based payments)	—	—	—	33.8	33.8
Unrealised gain on available for sale securities	—	—	1,672.1	—	1,672.1
Tax impact	—	—	(468.2)	—	(468.2)
Profit on ordinary activities after tax	—	1,859.8	—	—	1,859.8
Preference dividend paid during the year	—	(209.9)	—	—	(209.9)
As at April 1, 2011	30,275.5	7,530.1	(3,148.0)	108.4	34,766.0
Capital Contribution (Share based payments)	—	—	—	51.9	51.9
Unrealised gain on available for sale securities	—	—	1,527.3	—	1,527.3
Tax impact	—	—	(306.6)	—	(306.6)
Profit on ordinary activities after tax	—	1,291.7	—	—	1,291.7
Preference dividend paid during the year	—	(209.9)	—	—	(209.9)
Equity dividend paid during the year	—	(1,017.5)	—	—	(1,017.5)
Closing shareholders' funds as at March 31, 2012	**30,275.5**	**7,594.4**	**(1,927.3)**	**160.3**	**36,102.9**

The notes on pages 235 to 251 form part of these financial statements.

1 Reporting entity

ICICI Bank UK PLC ("ICICI Bank" or "the Bank"), is a Company incorporated in the United Kingdom. The Bank's registered address is - One Thomas More Square, London E1W 1YN. The Bank is primarily involved in providing a wide range of banking and financial services including retail banking, corporate and commercial banking, 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 except for derivative financial instruments, financial instruments at fair value through profit or loss and available for sale financial assets which are valued at fair value.

(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) Cash flow exemptions

Under FRS 1 the Bank is exempted from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Bank in its own published consolidated financial statements (see Note 40).

(e) Related party exemptions

As the Bank is a wholly owned subsidiary of ICICI Bank Limited, the Bank has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of ICICI Bank Limited (see Note 40).

(f) 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 meets its liquidity requirements through managing both retail and wholesale funding sources and meets the regulatory liquidity requirements through maintaining a liquid asset buffer (LAB). With regard to Capital, the Bank maintains a capital buffer over regulatory capital requirements. The Bank's risk management policies and procedures are outlined in Note 33.

The Bank is a wholly owned subsidiary of ICICI Bank Limited. The Parent Bank has issued a letter of comfort to the Bank's regulator, the Financial Services Authority (FSA), stating that the Parent Bank intends to financially support the Bank in ensuring that it meets all of its financial obligations as they fall due.

In addition, the Bank's forecasts and projections, taking account of possible changes in its business model in subsequent years, including stress testing and scenario analysis, show that the Bank will be able to operate at adequate levels of both liquidity and capital for the foreseeable future. In making their assessment, the Directors have also considered future projections of profitability, cash flows and capital resources as well as the strategic review of the business model which is conducted on a periodic basis. The Bank has been maintaining a strong Capital adequacy and Tier 1 capital ratio. The Directors are satisfied that the Bank has adequate resources to continue in business for the foreseeable future and therefore it is appropriate to prepare the Annual Accounts on a going concern basis.

3 Significant accounting policies

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 recognised 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 recognised in the 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) Investment securities

Investment securities are initially measured at fair value plus, in case of investment securities not classified as at fair value through profit or loss, incremental direct transaction costs. Subsequently accounted for, depending on their classification, as either held to maturity, loans and receivable, fair value through profit or loss, or available for sale.

(e) 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.

(f) 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 held for trading, designated at fair value through profit and loss, available for sale or held to maturity. 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.

Policy in relation to write-offs: The Bank writes off its exposure in full when the Bank has pursued all remedies available to it and all underlying processes to recover have been exhausted. Write off may also be considered when a recovery is not anticipated to be made for at least twelve months and the interest is not being serviced. Any amount written off is in the first instance applied against specific provision for the exposure. In the normal course of business the loss to be written off will already have been fully provided. Any decision for a write-off is approved by the Board Credit Committee of the Bank.

Policy in relation to write back: If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss. Any recovery related to a written off asset is recognised in the profit and loss.

(g) 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.

In case of unobservable inputs or in case of unlisted entities, the inputs into valuations based on unobservable data are inherently uncertain because there is little or no current market data available from which the level at which an arm's length transaction would occur under normal business conditions could be determined. In such cases, estimates are made in the valuation technique to reflect uncertainties in fair values resulting from a lack of market data inputs. These include most recent arm's length transaction between knowledgeable, willing parties; reference to fair value of a similar instrument; discounted cash flow; or option pricing models.

However, the valuation techniques incorporate all factors that market participants have considered in setting a price; and have been consistent with accepted economic methodologies for pricing financial instruments.

Note 19 provide a detailed disclosure regarding classification and Fair value of instruments held by the Bank.

(h) 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/incurred 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.

iii) It is a derivative (except for derivative that is a financial guarantee contract or a designated as effective hedging instrument).

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 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/ (loss) 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.

(i) Held to maturity financial assets

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Bank 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) Available for sale financial assets

Available for sale financial assets are those 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/ derecognition, 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.

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 investment is recognised directly in equity since it cannot be reversed through the profit and loss account.

(k) 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 fair value or amortised cost, as applicable.

(l) 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 it is either 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. Such financial instruments stand extinguished at the time of conversion (debt into equity), sale and maturity.

(m) 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.

Refer Note 4 (a) and Note 4 (b) for the detailed policy guidance.

(n) 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.

(o) Provisions

Provisions are recognised when it is probable that an outflow of economic benefits will be required to settle a present, legal or constructive obligation, which has arisen as a result of a past event and for which a reliable estimate can be made of the amount of the obligation. All significant provisions have been discounted for current market assessments and the time value of money.

(p) 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.

(q) 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.

(r) 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.

(s) Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the non-cancellable lease term provided the same is ascertainable unless another basis is more appropriate.

(t) 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.

(u) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments.

(v) Share Capital

Shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from proceeds, net of tax.

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 portfolio to assess for impairment. Provisions are established to recognise incurred losses in the loan portfolio carried at amortised cost. In determining whether an impairment has occurred at the balance sheet date, the Bank assesses if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. It may not be possible to identify a single, discrete event that caused the impairment rather the combined effect of several events may have caused the impairment.

The Bank's policies governing specific impairment, restructuring/renegotiation and collective provision are detailed below:

i) **Specific impairment:** In accordance with the Bank's Credit Risk Management Policy (CRMP), the Bank identifies on a monthly basis, cases that are internally rated 'B' or below and/or significantly in breach of any covenants, including delays in debt servicing and/or where there is an expectation of significant credit deterioration.

Borrower's financial difficulty / credit deterioration / trigger event: The Bank assesses an asset for specific impairment if it becomes probable that the borrower is facing significant financial difficulty. The Bank also assesses for specific impairment and makes specific provision if necessary, if there is evidence of any significant credit deterioration or any event which indicates a reduced ability for the borrower to repay its interest and principal. The indicators of impairment can include, among other things -

a) Net worth of the risk counterparty/borrower turning negative

b) Delay in interest and or principal repayments

c) Breach in financial covenants

d) Likelihood of borrower entering bankruptcy/ financial reorganisation.

e) Rating downgrade by external credit rating agencies.

f) National or local economic conditions that correlate with defaults on the assets in the borrower group (e.g. an increase in the unemployment rate in the geographical area of the borrowers, a decrease in oil prices for loan assets to oil producers, or adverse changes in industry conditions that affect the borrowers in the group).

g) Substantial decline in value of security provided to the Bank, especially when security is prime consideration for the lending. The unsecured portion of the exposure may be subjected to impairment testing.

h) Invocation of contractual comfort by the Bank such as corporate guarantee/put option which is not honoured by the counterparty.

The Bank's policy is to identify and recognise impairment in a loan when it is probable that the Bank will not be able to collect, or there is no longer a reasonable certainty that the Bank will collect all amounts due according to the contractual terms of the loan agreement. In line with ICICI Bank Limited group policy, the Bank considers past due cases as impaired if the principal or interest on a loan is ninety days overdue as at the end of the quarter and the Bank does not have a realistic prospect of recovery of the amounts outstanding in the near term. The objective of the policy is to maintain a prudent level of provision reflective of the risk profile of the loan portfolio. It is not the Bank's policy to systematically over-provide or under-provide for its Credit Risk. The provision weightings included in the policy document are continually monitored against the lending experience of the Bank and are periodically adjusted to reflect such experience.

The Bank's policy is predicated on the premise that regardless of the quality of a lending institution and of its systems and procedures and of its client base the business of extending credit carries the intrinsic risk of such credit not being repaid and monies advanced proving to be irrecoverable. In accordance with the guidelines of FRS 26, an impairment loss for financial assets measured at amortised cost is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. The estimated future cash flows include only those credit losses that have been incurred at the time of the impairment loss calculation. In case the expected cash flows are not available, the breakup value of security/collateral for respective facilities under watch is calculated based on the most recent valuation available. In line with accounting guidelines, the Bank recognises an impairment loss equal to the best estimate within the range of reasonably possibly outcomes, taking into account all relevant information available about conditions existing at the end of the reporting period.

ii) **Restructured / renegotiated cases:** A restructured account is one where the Bank, for economic or legal reasons relating to the borrower's difficulty, grants to the borrower concessions that the Bank would not otherwise consider. Restructuring would normally involve modification of the terms of advances/securities which could include alteration of repayment period/ repayable amount/ the amount of instalments /rate of interest (due to reasons other than competition). The restructuring of an asset is only granted in situations where the customer has showed a willingness to repay the borrowing and is expected to be able to meet the revised terms of the restructuring. The Bank measures a restructured troubled loan by reducing its recorded value to its net realisable value, taking into account the cost of all concessions at the date of the restructuring. The reduction in the carrying value is recorded as a charge to the profit and loss statement in the period in which the loan is restructured.

In relation to loans and advances, the modifications of terms and conditions related to security and collateral arrangements or the waiver of certain covenants which do not affect payment arrangements, are not regarded as sufficient indicators of impairment or restructuring, as such changes do not necessarily indicate credit issues affecting the borrower's payment ability.

The Bank charges penal interest to the borrower for any delay in interest/ principal payment unless a waiver has been approved by the Bank's relevant authority. As per the Bank's practice, such waivers are given in exceptional circumstances which could be mainly related to procedural delays in receiving the interest/principal payment by the due date.

iii) **Collective provision:** Collectively assessed impairment allowances cover credit losses inherent in portfolios with similar economic characteristics, when there is objective evidence to suggest that they contain impaired claims, but, the individual impaired items cannot yet be identified. In assessing the need for collective impairment allowances, management considers factors such as historical loss trends, credit quality of the portfolio, portfolio size, concentrations, and economic factors. The aggregate amount of specific and collective provisions is intended to be sufficient to absorb estimated credit losses generated in the loan portfolio.

The collective impairment policy as defined in the CRMP stipulates that collective provision, based on the credit rating of the exposures, needs to be provided in respect of the entire performing loan and receivables portfolio. The Bank has followed FRS 26 guidelines for defining its collective impairment policy wherein the provisioning is determined by the extent of the underlying credit risk in the portfolio of the Bank. This is also the direction provided by the Basel Accord. The exposures that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in the collective assessment of impairment. In line with market practice, the Bank has been using a representative set of Probability of Default (PD) / Loss Given Default (LGD) data to determine the extent of provisioning required to be made by the Bank in respect of its performing loan portfolio on a collective basis. The aggregate provisioning requirement is arrived at by multiplying the outstanding amounts under each portfolio type (internally rated and externally rated exposures) on the relevant date with the corresponding PD and LGD of that rating band.

In the absence of an adequate default history of its own and on account of a similar internal credit rating scale, the Bank has used Probability of Default (PD) data of its Parent (ICICI Bank Limited) for estimating the collective provisioning on its internally rated portfolio. For the internally rated corporate portfolio, the Bank has used the average one year PDs for each rating category based on data from the Parent Bank's portfolio from FY2004 onwards (from FY2004 to FY2011 for the collective impairment exercise for FY2012). For the externally rated Asset Backed Securities (ABS) held as loan, the average one year PD data for structured finance transactions, published by Standard and Poor (S&P) for the period 1978-2011 has been used to calculate the collective provision. For the internally rated portfolio, the LGD has been assumed at 45.0% in line with Basel-II provisions for senior unsecured debt, while for the externally rated portfolio, the LGD has been assumed at 50.0% based on S&P's experience of recovery rates among global corporates.

The historical average PD data being used are 'through the cycle' default rates and capture periods of low economic activity when relatively higher default rates were observed in the Parent Bank's portfolio. The Bank has conservatively assumed LGD in excess of historic specific provisioning levels to estimate the loss in its portfolio. Further the Management of the Bank assesses the portfolio for any additional provisioning (referred to as 'management overlay') on a particular segment of/ specific assets in the portfolio based on risk concentration and conservative estimate of losses. A management overlay may be considered when the specific impairment testing of an impaired asset assesses no currently observable impairment loss based on security cover and collateral value.

(b) Impairment of available for sale financial assets

The Bank regularly reviews its available for sale securities portfolio to assess for impairment. The Bank considers all available evidence, including observable market data or information about events specifically relating to the securities which may result in a shortfall in recovery of future cash flows. These events may include a significant financial difficulty of the issuer, a breach of contract such as a default, bankruptcy or other financial reorganisation, or the disappearance of an active market for the debt security because of financial difficulties relating to the issuer, information about the issuer's liquidity, business and financial risk exposures, level of and trends in default for similar financial assets, national and local economic conditions. While assessing ABS for objective evidence of impairment, the Bank considers the performance of the underlying collateral, changes in credit rating, credit enhancements, default events etc. 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 any 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 evidence of impairment considered by the Bank.

The negative mark to market on the AFS portfolio is monitored by the Bank on a regular basis. The Bank follows its valuation policy for valuing its AFS portfolio (refer point (c) relating to 'Valuation of financial instruments' below).

(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 (Loss) / Income on financial instruments at fair value through profit and loss

(Loss)/Income on financial instruments at fair value through profit and loss consists of unrealised and realised gains or losses on transactions in securities and derivatives.

(₹ in million)

	Year ended March 31, 2012	Year ended March 31, 2011
Income on other financial assets	72.4	83.2
Realised / unrealised (losses) / gains on derivative instruments	(107.7)	81.6
Total	(35.3)	164.8

Other financial assets include credit linked notes, derivative instruments include currency spot, forwards and option contracts including the equity option component of foreign currency convertible bonds (FCCB) 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 retail branch related fees and other corporate banking related income.

7 Gains on buy back of bonds

During the year the Bank did not buy back its own bonds (2011: bonds with a notional value of ₹ 826.7 million were bought back, realising a gain of ₹ 7.6 million).

8 Administrative expenses

(₹ in million)

	Year ended March 31, 2012	Year ended March 31, 2011
Staff costs (including Directors' emoluments):		
Wages and salaries	1,031.9	1,067.6
Social security costs	108.1	83.9
Other administrative expenses	774.4	993.1
Total	1,914.4	2,144.6

The number of persons employed by the Bank (including Directors) during the year was as follows:

	Year ended March 31, 2012 No. of Employees	Year ended March 31, 2011 No. of Employees
Management	42	52
Non Management	169	183
Total	211	235

9 Profit on ordinary activities before tax is stated after charging

(₹ in million)

	Year ended March 31, 2012	Year ended March 31, 2011
Auditor's remuneration		
Amounts receivable by the auditors and their associates in respect of:		
Audit of financial statements pursuant to legislation	44.7	47.6
Other services pursuant to such legislation	4.8	9.4
Other services relating to taxation	3.9	2.6
Total	53.4	59.6
Depreciation on tangible fixed assets	78.4	118.9
Operating lease rental in respect of leasehold premises	177.9	163.5

10 Segmental reporting

The Bank centrally manages its banking activities as a single business from its offices in the UK, Germany and Belgium.

11. Taxation

(a) Analysis of charge in the year

(₹ in million)

	Year ended March 31, 2012	Year ended March 31, 2011
Current tax		
UK Corporation tax[1] at 26% (2011: 28%) on the taxable profit for the year	417.9	644.2
Overseas corporation charge	65.8	87.4
	483.7	731.6
Adjustments for prior years	1.9	6.1
	485.6	737.7
Deferred tax		
Origination and reversal of timing differences	26.2	12.0
Prior year adjustment to deferred tax	—	(12.2)
Tax on profit on ordinary activities	511.8	737.5

(b) Factors affecting the tax charge for the current year

(₹ in million)

	Year ended March 31, 2012	Year ended March 31, 2011
Current tax reconciliation		
Profit on ordinary activities before tax	1,803.5	2,597.3
Current tax at 26% (2011: 28%)	468.9	727.3
Add effects of:		
Expenses not deductible for tax purposes	11.7	9.8
Other timing differences (FRS 26 Impact)	(18.8)	(25.7)
Timing difference on movement of collective provisions for bad and doubtful debts	(2.8)	(3.1)
Depreciation less than capital allowances for the year	5.4	13.7
Overseas taxes (net of overseas tax credit relief)	19.3	9.6
Adjustment for prior year	1.9	6.1
Total current tax charge (see 11 (a) above)	485.6	737.7

(c) **The movements in deferred tax asset during the year were:**

(₹ in million)

	Year ended March 31, 2012	Year ended March 31, 2011
Balance as at March 31, 2011	**108.5**	*108.3*
Debit to profit and loss account :		
Reversal of Deferred tax asset	**(19.3)**	*(3.6)*
Debit to available for sale reserves :		
Rate differential from 28% to 26%	**(6.8)**	*(8.3)*
Adjustments for prior year	**—**	*12.2*
Balance as at March 31, 2012[2]	**82.4**	*108.6*

(d) **Deferred tax is composed of the tax impact of the following items:**

(₹ in million)

	Year ended March 31, 2012	Year ended March 31, 2011
Collective provision	**10.4**	*14.1*
Effect of FRS 26		
- Fees Income amortisation	**42.2**	*57.1*
- Recognition of fair value of derivatives	**16.3**	*22.1*
Excess of tax written down value over book value of tangible fixed assets	**13.5**	*15.3*
Total	**82.4**	*108.6*

(e) **Taxation relating to available for sale reserve**

(₹ in million)

	Year ended March 31, 2012	Year ended March 31, 2011
Provision for tax for current year	**(306.6)**	*(468.2)*
	(306.6)	*(468.2)*

1 The UK corporation tax rate reduced from 28% to 26%, effective from April 1, 2011 and a further change to 25%, effective from April 1, 2012 was substantively enacted during the period.

2 As per the 2012 Budget announcement on 21 March 2012, it was stated that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from April 1, 2012) was substantively enacted on July 5, 2011, and a further reduction to 24% (effective from April 1, 2012) was substantively enacted on March 26, 2012

This will reduce the Bank's future current tax charge accordingly. The deferred tax asset at March 31, 2012 has been calculated based on the rate of 24% substantively enacted at the balance sheet date.

12 Emoluments of directors

(₹ in million)

	Year ended March 31, 2012	Year ended March 31, 2011
Directors' fees and gross emoluments	**46.3**	*41.0*

The gross emoluments[1] of the highest paid director were ₹ 28.0 million (2011: ₹ 24.6 million) excluding share based payments. Contributions on behalf of a director under a money purchase pension scheme amounted to ₹ 1.0 million (2011: ₹ 0.8 million). The number of directors to whom the stock options are granted under the stock option scheme[2] is 1 (2011:1). The number of stock options granted during the year was 20,000 (2011:72,500).

[1] Gross emoluments include base salary and performance bonus

[2] Refer note 13 for the details of the stock option scheme.

13 Share-based payments

During the year, ₹ 51.9 million was charged to the profit and loss account in respect of equity-settled share-based payment transactions (2011: ₹ 33.6 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 Limited group's reward structures.

Stock 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 the 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 vest in a graded manner over a four year period, with 20%, 20%, 30% and 30% of the grants vesting in each year, commencing from the end of 12 months from the date of 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 up to March 31, 2012 are given below:

(Number in 000's)

	Year ended March 31, 2012	Year ended March 31, 2011
Outstanding at the beginning of the year	**694**	*569*
Additions during the year	**107**	*125*
Outstanding at the end of the year	**801**	*694*

Calculation of fair values

Fair values of stock options/awards, measured at the date of grant of the option/award are calculated using a binomial tree 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 stock options / awards, where applicable. The significant weighted average assumptions used to estimate the fair value of the options granted were as follows:

(Number in 000's)

	Year ended March 31, 2012 Range	Year ended March 31, 2011 Range
Risk-free interest rate[1] (%)	**7.99-8.37**	*5.26-8.41*
Expected term[2] (years)	**6.35**	*6.35-6.87*
Expected volatility[3] (%)	**49.03**	*48.38-49.82*
Expected dividend yield (%)	**1.26**	*1.20*
Share price at grant date (₹)	**1,106.85**	*972.73*

[1] Risk free interest rates over the expected term of the option are based on the Indian government securities yield in effect at the time of the grant.

[2] Expected term is not a single input parameter but a function of various behavioural assumptions. The expected term of an option is estimated based on the vesting term as well as expected exercise behavior of the employees who receive the option. Expected term 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 Bank's publicly traded equity shares.

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 March 31, 2011 stood at ₹ 1,531.3 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. When the loans were agreed, FSCS and HM Treasury committed to review the potential repayment schedule after three years in the light of prevailing market conditions with a view to agreeing new terms to come into effect from April 1, 2012. As a result, with effect from April 1, the interest on the loans will increase from 12 month LIBOR plus 30 basis points to 12 month LIBOR plus 100 basis points.

The Bank booked an expense of ₹ 66.1 million during the FY2012 (FY2011: ₹ 86.4 million), in respect of statutory levies. This mainly includes the Bank's share of forecast management expense, including interest costs, for 2012-2013 levy year. The Bank accrues for the FSCS levy based on its estimated share of total market protected deposits at December 31, 2011. During the year, even though the Bank's deposit base declined, the levy expense accrual continued to remain high due to the increase in the estimated interest cost for 2012-2013 levy year detailed above. 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

(₹ in million)

	March 31, 2012	March 31, 2011
Banks		
Repayable on demand	692.2	903.7
Other loans and advances		
Remaining Maturity :		
Over 5 years	1,264.2	1,398.4
5 year or less but over 1 year	88.0	—
1 year or less but over 3 months	220.5	5,752.9
3 months or less	13,387.0	32,869.8
	15,651.9	40,924.8
Parent and Group Companies		
Repayable on demand	260.6	311.6
Other loans and advances		
Remaining Maturity :		
1 year or less but over 3 months	—	3,815.6
	260.6	4,127.2
Sub Total	15,912.5	45,052.0
Collective provision	(4.9)	(39.6)
Specific impairment allowance	(568.6)	(477.2)
Total	15,339.0	44,535.2

(b) Concentration of exposure

The Bank has the following concentrations of loans and advances to banks:

(₹ in million)

	March 31, 2012	March 31, 2011
Total gross advances to banks located in :		
UK	2,101.4	7,027.3
Europe	3,515.6	8,158.6
North America	15.7	47.9
India	8,921.9	29,785.8
Rest of the World	1,357.9	32.4
Total	15,912.5	45,052.0

As at March 31, 2012, the Bank had no direct exposure to banks in Portugal, Italy, Ireland, Greece or Spain (2011: NIL).

Geographical concentration represents the country of risk exposure. Generally, the risk domicile of an exposure is identified as the country of residence of the borrower provided that the cash flows of the borrower and / or the value of the security adequately covers the loan exposure of the Bank.

16 Loans and advances to customers

(a) Residual Maturity

(₹ in million)

	March 31, 2012	March 31, 2011
Repayable on demand or at short notice	2,251.3	3,569.2
Other loans and advances		
Remaining Maturity :		
Over 5 years	12,230.5	11,478.8
5 years or less but over 1 year	52,302.0	116,659.8
1 year or less but over 3 months	35,194.9	30,879.5
3 months or less	21,343.7	22,823.7
Sub total	123,322.4	185,411.0
Collective provision	(826.7)	(1,135.4)
Specific impairment allowance	(1,021.1)	(1,400.6)
Total	121,474.6	18,2875.0

(b) Concentration of exposure

Geographical concentrations of loans and advances to customers

(₹ in million)

	March 31, 2012	March 31, 2011
UK	31,127.8	19,313.4
Europe	25,268.1	30,712.6
North America	288.5	—
India	65,971.5	128,671.9
Rest of the World	666.5	6,713.1
Total	123,322.4	185,411.0

As at March 31, 2012, the outstanding exposure to customers in Ireland was ₹ 1,745.0 million (2011: ₹ 2,319.9 million). As at March 31, 2012, the Bank had no direct exposure to customers in Portugal, Italy, Greece or Spain. (2011: NIL).

Geographical concentration represents the country of risk exposure. Generally, the risk domicile of an exposure is identified as the country of residence of the borrower provided that the cash flows of the borrower and / or the value of the security adequately covers the loan exposure of the Bank.

17 Potential credit risk on financial instruments

March 31, 2012 (₹ in million)

	Neither past due nor impaired	Past due not impaired	Impaired	Impairment allowances	Total
Cash	63.8	—	—	—	63.8
Loans and advances to banks	14,641.7	—	1,265.9	(568.6)	15,339.0
Loans and advances to customers	115,288.7	606.2	6,600.8	(1,021.1)	1,21,474.6
Investment securities	58,730.1	—	2,078.1	(1,118.9)	59,689.3
Other assets:					
- Cheques in clearing	69.4	—	—	—	69.4
- Deposits receivable	137.7	—	—	—	137.7
- Deferred tax asset	82.4	—	—	—	82.4
- Derivative financial instruments	5,221.0	—	—	—	5,221.0
Prepayments and accrued income	1,521.4	—	—	—	1,521.4
Total financial instruments	195,756.2	606.2	9,944.8	(2,708.6)	203,598.6

March 31, 2011 (₹ in million)

	Neither past due nor impaired	*Past due not impaired*	*Impaired*	*Impairment allowances*	*Total*
Cash	53.8	—	—	—	53.8
Loans and advances to banks	43,746.5	—	1,265.9	(477.2)	44,535.2
Loans and advances to customers	179,819.3	303.4	4,152.9	(1,400.6)	182,875.0
Investment securities	78,810.8	—	2,094.6	(758.3)	80,147.1
Other assets:					
- Cheques in clearing	93.7	—	—	—	93.7
- Deposits receivable	140.8	—	—	—	140.8
- Deferred tax asset	108.6	—	—	—	108.6
- Derivative financial instruments	11,631.9	—	—	—	11,631.9
- Unsettled securities	605.4	—	—	—	605.4
Prepayments and accrued income	2,464.6	—	—	—	2,464.6
Total financial instruments	317,475.4	303.4	7,513.4	(2,636.1)	322,656.1

Loans and advances to customers (₹ in million)

	March 31, 2012	March 31, 2011
Loans contractually overdue as to principal or interest		
- Less than 60 days	606.2	303.4
- 61 to 90 days	—	—
- more than 90 days	4,299.7	1,958.3
Total	4,905.9	2,261.7
Concentration of overdue exposure		
United Kingdom	254.4	257.2
Europe	356.9	759.2
India	4,294.6	1,245.3
Total	4,905.9	2,261.7
Past due whether impaired or not		
Past due not impaired	606.2	303.4
Past due impaired	4,299.7	1,958.3
Total	4,905.9	2,261.7
Past due not impaired		
- Less than 60 days	606.2	303.4
- 61 to 90 days	—	—
- more than 90 days	—	—
Total	606.2	303.4

As at March 31, 2012 the Bank did not have any loans which have been renegotiated/ restructured during the year, which would otherwise have been past due/ impaired.

18 Impairment allowance

Net loan impairment charge to profit and loss account

	March 31, 2012	*March 31, 2011*
		(₹ in million)
New charges	**(276.1)**	*(947.4)*
Release of allowance	**503.7**	*23.7*
Write off directly to profit and loss	**(6.0)**	*(36.2)*
	221.6	*(959.9)*

Movement in impairment allowance on loans and advances

(₹ in million)

	March 31, 2012 Specific impairment allowance	Collective impairment allowance	Total	*March 31, 2011 Specific impairment allowance*	*Collective impairment allowance*	*Total*
Opening Balance	**1,877.9**	**1,174.9**	**3,052.8**	*1,128.9*	*1,054.8*	*2,183.7*
Amounts written off	**(404.0)**	**—**	**(404.0)**	*(54.6)*	—	*(54.6)*
Recovery of amounts provided in previous years	**(140.2)**	**—**	**(140.2)**	—	—	—
Charge to profit and loss account	**256.1**	**(363.6)**	**(107.5)**	*803.6*	*143.8*	*947.4*
Retail loans	**—**	**20.1**	**20.1**	—	*(23.7)*	*(23.7)*
Closing Balance	**1,589.8**	**831.4**	**2,421.2**	*1,877.9*	*1,174.9*	*3,052.8*

19 Investment securities

Classification of Investment Securities (₹ in million)

	March 31, 2012 Market Value	*March 31, 2011 Market Value*
Analysed by class		
Treasury Bills	**35,293.2**	*26,324.5*
Other securities		
- Credit Link Notes	**730.8**	*4,982.8*
- Bonds	**17,513.5**	*41,208.1*
- Asset Backed Securities	**5,186.9**	*6,295.5*
- Equity	**964.9**	*1,336.2*
Total other securities	**24,396.1**	*53,822.6*
Total	**59,689.3**	*80,147.1*
Analysed by designation :		
Available for sale	**57,665.6**	*73,829.4*
Held to Maturity	**1,292.9**	*1,334.9*
Financial instruments at fair value through profit and loss	**730.8**	*4,982.8*
Total	**59,689.3**	*80,147.1*
Analysed by issuer :		
Available for sale		
Issued by public bodies:		
Government Issued	**35,293.2**	*26,324.5*
Other Public sector securities	**6,004.0**	*9,088.2*
Issued by other issuers	**16,368.4**	*38,416.7*
Held to Maturity		
Issued by other issuers	**1,292.9**	*1,334.9*
Financial instruments at fair value through profit and loss		
Issued by other issuers	**730.8**	*4,982.8*
Total	**59,689.3**	*80,147.1*
Analysed by listing status:		
Available for sale		
Unlisted	**36,907.5**	*26,324.5*
Listed	**20,758.1**	*47,504.9*
Held to Maturity		
Unlisted	**1,292.9**	*1,334.9*
Financial instruments at fair value through profit and loss		
Unlisted	**730.8**	*4,982.8*
Total	**59,689.3**	*80,147.1*
Analysed by maturity		
Due within 1 year	**39,908.5**	*38,664.8*
Due 1 year and above	**18,815.9**	*41,482.3*
Total	**58,724.4**	*80,147.1*

Included above are bonds issued by the Parent Bank and ICICI Bank Canada (a fellow subsidiary) with a market value of ₹ 1,607.7 million at March 31, 2012 (2011: ₹ 1,755.2 million)

Impairment on investment securities

During the year the Bank booked impairment of ₹ 452.8 million (2011: release of ₹ 55.9 million) through the profit and loss in respect of certain equity investments held as available for sale.

Investments held at fair value at March 31, 2012, by valuation method:

(₹ in million)

	Level 1	Level 2	Level 3	Total
Treasury Bill	**35,293.2**	**—**	**—**	**35,293.2**
Credit Link Notes	**—**	**730.8**	**—**	**730.8**
Bonds	**13,139.4**	**3,081.2**	**—**	**16,220.6**
Asset Backed Securities	**5,130.6**	**56.3**	**—**	**5,186.9**
Equity	**959.2**	**5.7**	**—**	**9,64.9**
Total	**54,522.4**	**3,874.0**	**—**	**58,396.4**

Investments held at fair value at March 31, 2011, by valuation method:

(₹ in million)

	Level 1	Level 2	Level 3	Total
Treasury Bill	26,324.5	—	—	26,324.5
Credit Link Notes	—	4,982.8	—	4,982.8
Bonds	27,709.6	12,163.6	—	39,873.2
Asset Backed Securities	6,295.5	—	—	6,295.5
Equity	1,336.2	—	—	1,336.2
Total	61,665.8	17,146.4	—	78,812.2

During FY2012, the valuation methodology for ABS instruments held under the available for sale category has been changed from valuation techniques to market quotes as the available quotes depict the reliable fair value of the instruments. The reliability of the market quotes was analysed and checked through bid offer spreads, number of transactions and the availability of two way quotes.

Valuation Hierarchy

The valuation hierarchy is set out below:

Level 1: Investments valued using unadjusted quoted prices in active markets for identical assets.

Level 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.

Level 3: Investments valued using valuation model based on significant non market observable inputs.

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.

(₹ in million)

	March 31, 2012		March 31, 2011	
	Carrying amount	Fair value	*Carrying amount*	*Fair value*
From held for trading to available for sale				
- Corporate Bonds	433.4	433.4	*12,060.9*	*12,060.9*
- Asset Backed Securities	152.2	152.2	*205.4*	*205.4*
From held for trading to loan & receivables				
- Asset Backed Securities	—	—	—	—
From available for sale to loans and receivables				
- Corporate Bonds	7,507.7	7,287.8	*10,560.8*	*10,560.8*
- Asset Backed Securities	7,242.9	6,606.8	*7,632.2*	*7,233.1*
Total	15,336.2	14,480.2	*30,459.3*	*30,060.2*

The amount reclassified was based on the fair value of the financial assets as at the date of reclassification. If these reclassifications had not been made, the Bank's pre-tax profit for FY2012 would have decreased by ₹ 20.4 million and the Bank's pre-tax gain in AFS reserve would have increased by ₹ 849.6 million. The following table sets forth, for the periods indicated, the fair value gains and losses, income and expense recognised in the profit and loss account both before and after the date of reclassification.

Impact on profit & loss account

(₹ in million)

	March 31, 2012		March 31, 2011	
	Post reclassification	Assuming no reclassification	*Post reclassification*	*Assuming no reclassification*
From held for trading to available for sale				
- Corporate Bonds	228.6	205.8	*545.6*	*424.9*
- Asset Backed Securities	2.6	2.7	*5.5*	*(11.2)*
From held for trading to loans and receivables				
- Asset Backed Securities	—	—	*6.3*	*12.0*
From available for sale to loans and receivables				
- Corporate Bonds	927.4	927.4	*890.2*	*890.2*
- Asset Backed Securities	310.5	310.5	*(236.0)*	*(236.0)*
Total	1,469.1	1,446.4	*1,211.6*	*1,079.9*

The following table sets forth, for the periods indicated, the fair value gains and losses recognised in the AFS reserve, in the books of the Bank for the trades outstanding as on respective periods.

Impact of gains /(losses) on available for sale reserve

(₹ in million)

	March 31, 2012		March 31, 2011	
	Post reclassification	Assuming no reclassification	*Post reclassification*	*Assuming no reclassification*
From held for trading to available for sale				
- Corporate Bonds	1.6	—	*41.4*	—
- Asset Backed Securities	(5.8)	—	*(6.0)*	—
From held for trading to loans & receivables				
- Asset Backed Securities	—	—	—	—
From available for sale to loans and receivables				
- Corporate Bonds	262.0	42.1	*49.4*	*49.4*
- Asset Backed Securities	1,195.2	559.1	*616.2*	*217.2*
Total	1,453.0	601.2	*701.1*	*266.6*

21 Tangible fixed assets

(₹ in million)

	Leasehold Improvements	Other fixed assets	Total
Cost :			
At April 1, 2011	619.0	390.7	1,009.7
Additions	8.8	5.0	13.8
Disposal	—	(0.1)	(0.1)
At March 31, 2012	627.8	395.6	1,023.4
Acumulated Depreciation :			
At April 1, 2011	216.3	296.9	513.2
Charge for year	45.1	33.3	78.4
At March 31, 2012	261.4	330.2	591.6
Net book value :			
At March 31, 2012	366.4	65.4	431.8
At April 1, 2011	402.7	93.8	496.5

22 Other assets

(₹ in million)

	March 31, 2012	*March 31, 2011*
Amounts in clearing	69.4	*93.7*
Deposits receivable	137.7	*140.8*
Deferred tax asset	82.4	*108.6*
Derivative financial instruments	5,221.0	*11,631.9*
Unsettled securities	—	*605.4*
Other receivables	3,759.5	*4,585.1*
Total	9,270.0	*17,165.5*

Other receivables of ₹ 3,759.6 million mainly include ₹ 3,535.8 million on income accrued on convertible bonds held by the Bank (2011: ₹ 4,359.9 million).

23 Deposits by banks

With agreed maturity dates or periods of notice, by remaining maturity:

(₹ in million)

	March 31, 2012	*March 31, 2011*
Banks		
5 years or less but over 1 year	1,018.0	*15,808.2*
1 year or less but over 3 months	12,395.3	*1,271.9*
3 months or less but not repayable on demand	2,798.1	*1,012.4*
	16,211.4	*18,092.5*

24 Customer accounts

With agreed maturity dates or periods of notice, by remaining maturity:

(₹ in million)

	March 31, 2012	*March 31, 2011*
5 years or less but over 1 year	25,848.6	*65,414.5*
1 year or less but over 3 months	42,733.5	*75,392.0*
3 months or less but not repayable on demand	14,749.4	*22,363.5*
	83,331.4	*163,170.0*
Repayable on demand	39,351.8	*51,021.8*
Total	122,683.2	*214,191.8*

25 Debt securities and subordinated liabilities

(₹ in million)

	March 31, 2012	*March 31, 2011*
Bonds issued*		
Residual Maturity		
Over 5 years	19,256.0	*23,835.5*
1 year or less but over 3 months	—	*19,201.8*
	19,256.0	*43,037.3*
Less: Bond issue expenses	(131.2)	*(178.3)*
Less: Adjustments to carrying amount for change in the value of hedge which is ineffective	(167.7)	*(200.7)*
	18,957.1	*42,658.3*

* Listed with Singapore stock exchange.

Details of various bonds and notes under the medium term notes programmes issued by the Bank at March 31, 2012 are as follows:

Date of Issue	Nature of Issue	Interest Rate	Interest frequency	Maturity	(₹ in million)
Subordinated debt					
12-Dec-06	Perpetual junior subordinated notes	6.38%	Semi-annually	Callable by issuer at par in 2016; no maturity	4,324.3
27-Dec-07	Unsecured junior subordinated bonds due 2017 (Issued in GBP Currency)	GBP Libor + 275 bps	Semi-annually	First call in December 2012, Maturity in December 2017	813.8
31-Mar-08	Unsecured junior subordinated bonds due 2018	Libor + 460 bps	Quarterly	First call in June 2013, Maturity in April 2018	2,543.8
21-Jul-08	Unsecured junior subordinated bonds due 2018	8.00%	Semi-annually	First call in July 2013, Maturity in July 2018	3,942.8
23-Nov-10	Unsecured subordinated fixed rate notes due 2020	7.00%	Semi-annually	Bullet payment in November 2020	7,631.3
Less: Bond issue expenses					(131.2)
Less: Adjustments to carrying amount for change in the value of hedge which is ineffective					(167.7)
					18,957.1

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

(₹ in million)

	March 31, 2012	March 31, 2011
Amounts in clearing	**76.9**	*1,054.7*
Corporation tax payable	**574.6**	*819.9*
Other creditors	**566.7**	*605.9*
Derivative financial instruments	**4,347.6**	*10,885.7*
Unsettled securities	**5,766.2**	—
Total	**11,332.0**	*13,366.2*

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 were approved by shareholders at a General meeting on April 15, 2011.

At March 31, 2012 the Issued share capital of ICICI Bank UK PLC was:

(₹ in million)

	March 31, 2012	March 31, 2011
545 million ordinary shares of US$ 1 each	**27,726.9**	*27,726.9*
50 million non-cumulative perpetual callable preference shares of US$ 1 each	**2,543.8**	*2,543.8*
50,002 ordinary shares of £1 each	**4.8**	*4.8*
Total Share Capital	**30,275.5**	*30,275.5*

28 Employee benefits

During the year, the Bank made a contribution of ₹ 11.8 miilion (2011: ₹ 10.7 million) to the pension scheme. Out of this amount, ₹ 0.9 million was accrued at the year end (2011: ₹ 0.9 million).

29 Contingent liabilities and commitments

(a) Guarantees and other commitments:

(₹ in million)

	March 31, 2012	March 31, 2011
Guarantees	**21,854.0**	*9,010.0*
Other commitments		
Undrawn formal standby facilities, credit lines and other commitments to lend maturing in:		
Less than one year	**255.8**	*565.8*
More than one year	**—**	—
Total guarantees and commitments	**22,109.8**	*9,575.8*

(b) Significant concentrations of contingent liabilities and commitments

Approximately 61% (2011: 66%) 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 ₹ 38,359.8 million (2011: ₹ 58,353.6 million).

30 Operating lease commitments

As at March 31, 2012, the Bank has the following non cancellable annual operating lease commitments:

(₹ in million)

	March 31, 2012	March 31, 2011
Land and Buildings		
Operating leases which expire :		
Within 1 year	**21.5**	*23.4*
Between 1 and 5 years	**15.5**	*7.5*
More than 5 years	**110.4**	*118.9*
	147.4	*149.8*

31 Categories and classes of Financial Instruments

Assets:

(₹ in million)

At March 31, 2012	**Fair value through Profit and Loss**	**Available for Sale**	**Loans & Receivables**	**Held to maturity**	**Others**	**Total**
Cash	**—**	**—**	**—**	**—**	**63.8**	**63.8**
Loans and advances to banks	**—**	**—**	**15,339.0**	**—**	**—**	**15,339.0**
Loans and advances to customers	**—**	**—**	**121,474.6**	**—**	**—**	**121,474.6**
Investment Securities	**730.8**	**57,665.6**	**—**	**1,292.9**	**—**	**59,689.3**
Other assets	**5,221.0**	**—**	**—**	**—**	**4,049.0**	**9,270.0**
Prepayments and accrued income	**—**	**—**	**—**	**—**	**1,521.4**	**1,521.4**
Total financial assets	**5,951.8**	**57,665.6**	**136,813.6**	**1,292.9**	**5,634.2**	**207,358.1**

(₹ in million)

At March 31, 2011						
Cash	—	—	—	—	53.8	53.8
Loans and advances to banks	—	—	44,535.2	—	—	44,535.2
Loans and advances to customers	—	—	182,875.0	—	—	182,875.0
Investment in Securities	4,982.8	73,829.4	—	1,334.9	—	80,147.1
Other assets	11,631.9	—	—	—	5,533.6	17,165.5
Prepayments and accrued income	—	—	—	—	2,464.6	2,464.6
Total financial assets	16,614.7	73,829.4	227,410.2	1,334.9	8,052.0	327,241.2

Liabilities:

(₹ in million)

At March 31, 2012	**Fair value through Profit and Loss**	**Available for Sale**	**Non trading liability**	**Others**	**Total**
Deposits by banks	**—**	**—**	**16,211.4**	**—**	**16,211.4**
Customer accounts	**—**	**—**	**122,683.2**	**—**	**122,683.2**
Debt securities in issue	**—**	**—**	**18,957.1**	**—**	**18,957.1**
Other liabilities	**4,347.6**	**—**	**6,984.4**	**—**	**11,332.0**
Accruals and deferred income	**—**	**—**	**2,503.3**	**—**	**2,503.3**
Shareholders' funds:					
Ordinary share capital	**—**	**—**	**—**	**27,731.7**	**27,731.7**
Preference share capital	**—**	**—**	**—**	**2,543.8**	**2,543.8**
ESOP Granted	**—**	**—**	**—**	**160.3**	**160.3**
Profit and loss account	**—**	**—**	**—**	**7,594.4**	**7,594.4**
Available for sale securities reserve	**—**	**(1,927.3)**	**—**	**—**	**(1,927.3)**
Total liabilities	**4,347.6**	**(1,927.3)**	**167,339.4**	**38,030.2**	**207,789.9**

(₹ in million)

At March 31, 2011	Fair value through Profit and Loss	Available for Sale	Non trading liability	Others	Total
Deposits by banks	—	—	18,092.5	—	18,092.5
Customer accounts	—	—	214,191.8	—	214,191.8
Debt securities in issue	—	—	42,658.3	—	42,658.3
Other liabilities	10,885.6	—	2,480.6	—	13,366.2
Accruals and deferred income	—	—	4,662.9	—	4,662.9
Shareholders' funds:					
Ordinary share capital	—	—	—	27,731.7	27,731.7
Preference share capital	—	—	—	2,543.8	2,543.8
ESOP Granted	—	—	—	108.4	108.4
Profit and loss account	—	—	—	7,530.1	7,530.1
Available for sale securities reserve	—	(3,148.0)	—	—	(3,148.0)
Total liabilities	10,885.6	(3,148.0)	28,2086.1	37,914.0	327,737.7

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 capital, which includes qualifying subordinated liabilities, collective provision 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 provision 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 last ICAAP document to the FSA in July 2011.

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 regulatory capital requirements throughout the year.

The Bank's regulatory capital position under Basel II is as follows:

(₹ in million)

	March 31, 2012	*March 31, 2011*
Total Capital	**56,679.8**	*60,495.5*
- Tier I	**37,037.0**	*37,001.4*
- Tier II	**19,642.8**	*23,494.1*

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 and Risk Committee (ECRC), the Asset Liability Management Committee (ALCO), the Operational Risk Management Committee (ORMC), the Fraud Governance Committee (FGC) 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 as follows:

1. 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 various 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 groups/sub-groups.

The key risks that the Bank is exposed to include credit (including concentration risk, country risk and residual risk), market (including interest rate risks) and liquidity risk and operational risk. The approach adopted by management to manage 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 obligations under a contract. The Bank's Credit Risk Management Policy (CRMP), which is approved by its Board Credit Committee, 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 has 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 approval

The delegation structure for approval of credit limits is approved by the Board. Credit proposals are approved by the Board Credit Committee (BCC) or the Executive Credit and Risk Committee (ECRC) based on, inter alia, the amount and internal risk rating of the facility. All credit proposals are passed through the ECRC 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.

Concentration risk

Concentration risk arises from significant exposures to groups of counterparties whose likelihood of default is driven by common underlying factors, e.g. sector, economy, geographical location, instrument type. The concentration risk in the Bank's portfolio is governed by the Credit Risk Management Policy which stipulates various limits to manage exposure concentrations within the Bank. The key parameters of risk concentrations measured in the Bank include sectoral, country, rating category based, product specific exposures, counterparty and large exposures. The concentration limits that are material to the Bank are reviewed and approved annually by the BCC.

Credit Monitoring

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. The Bank has various early warning indicators as part of the credit monitoring tools for early detection of risks in borrowers showing signs of any credit deterioration. 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. The Bank has established a list of assets under watch as an additional tool for monitoring exposures which show or are expected to show signs of weakness. The assets under watch are reviewed on a quarterly basis by the BCC. The Bank documents the 'lessons learned' from its experiences of exposures against which specific provisions have been raised. These are circulated to the commercial officers on an ongoing basis.

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, single counterparty exposure, large exposures, industry /sectoral exposures, country/geographical exposures and rating category based exposures.

The segregation of responsibilities and oversight by groups external to the business groups ensure adequate checks and balances.

An analysis of the Bank's investment portfolio based on credit ratings provided by external rating agencies is as follows:

(₹ in million)

	March 31, 2012	*March 31, 2011*
AAA	**39,950.1**	*32,216.6*
AA	**322.2**	*1,331.9*
AA-	**2,875.3**	*8,152.3*
A+	**995.5**	*3,684.1*
A	**1,115.0**	*13,320.4*
A-	**4,191.8**	*8,226.4*
BBB+	**—**	*3,359.9*
BBB	**—**	*1,163.7*
BBB-	**7,193.5**	*5,273.9*
BB+ and below	**788.2**	*746.8*
Non rated	**2,257.7**	*2,671.1*
Total	**59,689.3**	*80,147.1*

Credit quality of loan partfolio

The definition of internal risk rating for the loans and advances are given below:

AAA to AA-	:	Highest safety
A+ to A-	:	Adequate safety
BBB+ to BBB-	:	Moderate safety
BB and below	:	Inadequate safety / High risk

The Bank's internal risk rating scale is a measure of relative credit worthiness and does not map exactly with that of external rating agencies.

Internal risk rating of loans and advances to customers

(₹ in million)

Rating	March 31, 2012	*March 31, 2011*
AAA to AA-	**4,052.5**	*2,007.4*
A+ to A-	**36,366.4**	*59,157.8*
BBB to BBB-	**35,017.7**	*66,127.5*
BB and below	**24,030.2**	*29,222.9*
Total	**99,466.8**	*156,515.6*

Investments held as loans and receivables which are internally risk rated:

(₹ in million)

Rating	March 31, 2012	*March 31, 2011*
AAA to AA-	**10,878.8**	*13,461.9*
A+ to A-	**3,568.0**	*5,927.1*
BBB to BBB-	**2,165.9**	*935.1*
BB and below	**—**	*653.0*
Total	**16,612.7**	*20,977.1*

Investments held as loans and receivables which are externally risk rated:

(₹ in million)

Rating	March 31, 2012	*March 31, 2011*
A+ to A-	**2,471.1**	*3,041.8*
BBB to BBB-	**4,378.1**	4,272.3
BB and below	**393.7**	604.2
Total	**7,242.9**	7,918.3

The Bank has adopted the standardised approach to Credit Risk Management under the Basel II framework.

Industry exposure

The following is an analysis of loans and advances to customers by industry:

(₹ in million)

	March 31, 2012	*March 31, 2011*
Industrials	**15,474.6**	*29,722.2*
Consumer Discretionary	**7,370.7**	*19,554.4*
Consumer Staples	**16,039.0**	*13,115.6*
Energy	**16,037.3**	*21,725.9*
Financials	**5,071.0**	*4,166.8*
Gems and Jewellery	**15,202.3**	*16,673.6*
Healthcare	**6,516.8**	*8,462.1*
Information Technology	**2,925.6**	*10,790.1*
Materials	**27,074.9**	*36,384.6*
Real Estate	**2,645.5**	*6,461.1*
RMBS	**5,938.8**	*6,241.0*
SME CLO	**1,304.1**	*1,202.4*
CMBS	**—**	*474.9*
Telecom Services	**907.1**	*9,643.8*
Utilities	**756.0**	*755.4*
Others	**58.7**	*37.1*
Total	**123,322.4**	*185,411.0*

The above exposure is gross of collective and specific impairment.

Collateral Management

The Bank has a policy on collateral management and credit risk mitigation which provides guidance for identifying eligible collateral as per Prudential sourcebook for Banks, Building Societies and Investment Firms (BIPRU) for the purpose of credit risk mitigation and securing capital relief.

Apart from obtaining eligible collateral for capital relief, the Bank endeavours to reduce or mitigate, to the extent possible, the credit risk on credit facilities by way of securing the facilities with appropriate collateral. The Bank determines the appropriate collateral for each facility based on the type of product, the counterparty and the appropriateness of the collateral typically offered in the jurisdiction of the borrower.

The security accepted by the Bank includes cash deposits, pledge / contractual comfort over equity shares (both listed and unlisted), charges over fixed assets (including plant and machinery and land and building) for term loans, charges over current assets for working capital finance, charges on specific receivables with escrow arrangements, mortgages on residential / commercial property, assignment of underlying project contracts for project finance loans. The Bank also accepts corporate guarantees and related support undertakings from borrower group entities for mitigating credit risk.

The Bank's credit risk limit framework which forms part of Credit Risk Management Policy (CRMP) limits the funding of unsecured exposures to 50.0% of total exposures as at March 31, 2012. This framework also provides guidance for identifying and defining secured facilities and valuing the underlying security. The Bank monitors and reports the proportion of unsecured exposures in loan portfolio to the ECRC on a monthly basis and to the BCC on a quarterly basis.

The table below provides the value of collateral/collaterals held by the Bank:

(₹ in million)

	March 31, 2012	*March 31, 2011*
Collateral value	**68,035.1**	*102,140.9*
Gross loans and advances	**123,322.4**	*185,411.0*
Less: Investments held as loans and receivables	**(23,855.5)**	*(28,895.5)*
Outstanding balance against which collateral held	**99,466.9**	*156,515.5*

No collateral is held against loans and advances to banks.

The collateral valuations in the table above are based on the valuation available from the latest available audited financial statements of the organisation, valuation reports for tangible assets and reports from security trustee for loans against the shares. The valuations exclude any charges which might be incurred for selling the collateral.

The maximum amount of on balance sheet credit risk, without taking account of any collateral or netting arrangements, as at March 31, 2012 is approximately ₹ 203.5 billion (2011: ₹ 322.6 billion). The maximum amount of off balance sheet credit risk on guarantees and letters of credit is approximately ₹ 22,110.3 million (2011: ₹ 9,574.7 million). Potential credit risk on financial instruments is detailed in Note 17.

The collateral value in the above table excludes the value of such collateral which the Bank may accept to manage its risks more effectively such as second charge on assets, other liens and corporate guarantees and related support undertakings from the borrower group entities. The Bank has applied appropriate haircuts while calculating the collateral value detailed above.

Market Risk

Market risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, credit spreads and other asset prices. The key policies for managing the market risk as approved by the Board Risk Committee (BRC) are:

- Treasury policy manual (TPM) which comprises of the liquidity policy statement (LPS) and trading book policy statement (TBPS)
- Valuation and model validation policy

These policies are designed to ensure that transactions in securities, foreign exchange and derivatives are conducted in accordance with sound and acceptable business practices and are as per the extant regulatory guidelines, laws governing transactions in financial securities and the financial environment. The policies contain the limit structure that governs transactions in financial instruments. The policies are reviewed periodically to incorporate therein, changed business requirements, economic environment and revised policy guidelines.

The key market risks to which the Bank is exposed relate to:

- Interest rate risk – Interest rate risk is defined as the risk of loss which the Bank will incur as a result of an increase or decrease in interest rates. Interest income/expense from interest sensitive assets and liabilities are impacted by changes in interest rates. The overall value of the investment portfolio, the underlying value of the Bank's other assets, its liabilities, and off balance sheet (OBS) instruments are also impacted due to change in interest rates because the present value of future cash flows changes when interest rates change (economic value perspective).
- Interest rate risk on the balance sheet is measured by the use of re-pricing gap reports and estimating the sensitivity of the Bank's net interest income (defined as Earnings at Risk) to changes in interest rates. 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. Net overnight open position (NOOP) of the Bank as at March 31, 2012 is ₹ 264.6 million (2011: ₹ 1,419.4 million).
- Equity Risk – Equity price risk arises due to the volatility of price movements on the Bank's investment in equity shares and convertibles. The equity investment of the Bank as at March 31, 2012 was ₹ 961.5 million (2011: ₹ 1,338.0 million) and option value of the convertibles was ₹ 91.6 million (2011: ₹ 595.2 million).

The Bank has devised various risk metrics for different products and investments. These risk metrics are measured and reported to the senior management independently by the Bank's Treasury Middle Office Group (TMOG). Some of the risk metrics adopted by the Bank for monitoring its risks are value-at-risk (VaR), duration of equity (DoE), price value of basis point (PV01) and stop loss amongst others. Based on the risk appetite of the Bank, limits are placed on the risk metrics which are monitored on a periodic basis.

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, 2012 was ₹ 8.1 million. The maximum, average and minimum VAR during the year for the trading book portfolio was ₹ 8.1 million, ₹ 2.0 million and ₹ 0.0 million respectively.

The impact of an increase in interest rates on investment securities held in the AFS category (bonds, asset backed securities and treasury bills) as at March 31, 2012, assuming a parallel shift in yield curve, has been set out in the following table:

(₹ in million)

Particulars	Portfolio size	Increase in interest rates (in bps)	
		100	200
Reserves	56,700.6	323.6	647.2
Decrease in value of debt securities (excluding credit linked notes)		323.6	647.2

The impact of an increase in interest rates on investement seccurities held in the AFS category (bonds and asset backed securities) as at March 31, 2011, assuming a parallel shift in yield curve, has been set out in the following table:

(₹ in million)

Particulars	Portfolio size	Increase in interest rates (in bps)	
		100	*200*
Reserves	*73,828.0*	*195.9*	*391.7*
Decrease in value of debt securities (excluding credit linked notes)		*195.9*	*391.7*

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, 2012, assuming a parallel shift in the yield curve, has been set out in the following table:

Equivalent ₹ 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	**46.3**	**92.6**
USD	**351.6**	**703.1**
GBP	**187.7**	**375.5**
Other currencies	**(2.5)**	**(5.1)**
Total	**583.1**	**1,166.1**

The impact of an increase in interest rates on the Bank's net interest income as at March 31, 2011, assuming a parallel shift in the yield curve, has been set out in the following table:

Equivalent ₹ 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	*21.9*	*43.8*
USD	*330.2*	*660.4*
GBP	*373.4*	*746.8*
Other currencies	(1.5)	*(3.1)*
Total	724.0	1,447.9

An increase in interest rates results in a positive impact on the NII on account of positive re-pricing gaps on the balance sheet i.e. more assets re-price within a 1 year horizon than liabilities.

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 5% 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 or through the available cash flows. The Bank differentiates liquidity risk between funding liquidity risk and market liquidity risk.

Funding liquidity risk is the risk that the Bank will not be able to efficiently meet cash flow requirements in timely manner for its payment obligations including liability repayments, even under adverse conditions, and to fund all investment/ lending opportunities, even under adverse conditions. Market liquidity refers to a Bank's ability to execute its transactions and to close out its positions at a fair market price. This may become difficult in certain market conditions either because of the underlying product itself or because of the Bank's own creditworthiness.

The goal of liquidity risk management of the Bank is to be able, even under adverse conditions, to meet all liability repayments on time and to fund all investment opportunities by raising sufficient funds either by increasing liabilities or by converting assets into cash expeditiously and at reasonable cost.

The Bank maintains diversified funding base comprising retail, corporate customer deposits and institutional balances. These deposits are augmented by wholesale deposits, borrowings and through issuance of bonds and subordinated debt from time to time. Loan maturities and sale of investments also provide liquidity. Further, the Bank holds unencumbered, high quality liquid assets to protect against stress conditions.

The Bank monitors and manages its overall liquidity risk appetite by ensuring that it maintains adequate liquid assets for projected stressed outflows under various scenarios and also ensure that its liquidity gap position is within the approved limit for the various time buckets. This framework is further augmented by defining risk limit for individual risk drivers within the relevant regulatory environment. The ALCO monitors these parameters on a monthly basis and the BRC reviews these parameters on a quarterly basis.

The Bank mitigates the risk of a liquidity mismatch in excess of its risk appetite by managing the liquidity profile of the balance sheet through both short-term liquidity management and long-term funding strategy. Short-term liquidity management is considered from two perspectives; business as usual and liquidity under stressed conditions, both of which relate to funding in the less than one year time horizon. Longer term funding is used to manage the Bank's strategic liquidity profile which is determined by the Bank's balance sheet structure.

The Bank uses various tools for measurement of liquidity risk including the statement of structural liquidity (SSL), dynamic liquidity gap statements, liquidity ratios and stress testing through scenario analysis. The SSL is used as a standard tool for measuring and managing net funding requirements and assessment of surplus or shortfall of funds in various maturity buckets in the future. The Bank also prepares dynamic liquidity gap statements, which in addition to scheduled cash flows, also considers the liquidity requirements pertaining to incremental business and the funding thereof.

As part of the stock and flow approach to monitor liquidity, the Bank monitors certain liquidity ratios covering various liquidity risk drivers inter-alia short-term liquidity risk, structural mismatch risk, wholesale funding risk, off balance sheet risk and non-marketable assets risk. Amongst the various ratios monitored, the Bank lays more emphasis on the liquid assets to short term liabilities ratio and withdrawable funding ratio and the loan (customer advances) to total assets ratio. The liquid asset to short term liabilities ratio describes the value of liquid assets as compared to the short term liabilities maturing within 8 days. This ratio was 1.63 as at March 31, 2012 (1.76 as at March 31, 2011). The withdrawable funding ratio indicates the proportion of deposits that can be withdrawn by the customers without any notice to total funding resources. The ratio as at March 31, 2012 was 0.24 (0.19 as at March 31, 2011).The loan (customer advances) to total assets ratio indicates the structural liquidity of asset portfolio of the Bank. The ratio as at March 31, 2012 was 0.48 (0.51 as at March 31, 2011).

The Bank has implemented the Individual Liquidity Adequacy Assessment (ILAA) framework in line with the requirements of the FSA policy document PS09/16 on "Strengthening Liquidity Standards" during the current year. The ILAA summarises the level of liquidity required by the Bank to meet the UK regulatory requirements and the liquidity commensurate with the risks identified in the Bank's portfolio and strategic plans. The ILAA sets out the framework used to ensure that the Bank maintains sufficient liquidity at all times, including periods of stress. This has been done through the quantification of outflows and inflows associated with material risks identified using scenarios – themselves a combination of historic data, external events and seasoned judgment. Based on the scenarios defined in the ILAA framework, the Bank carries out a stress testing of its liquidity position on a monthly frequency and reports the results of the stress test to the ALCO and BRC on a monthly and quarterly basis respectively.

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.

In summary, the Bank seeks to follow a conservative approach in its management of liquidity and has in place, a robust governance structure, policy framework and review mechanism to ensure availability of adequate liquidity even under stressed market conditions.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. The management of operational risk is governed by the Operational Risk Management Policy (ORMP) approved by the Board Risk Committee (BRC) 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. Operational risk elements covered in the ORMP include operational risk incident management, techniques for risk identification and measurement, monitoring through key risk indicators and risk mitigation techniques.

An Operational Risk Management Committee (ORMC) comprising of the senior management is responsible for the mitigation of operational risk within the Bank by the creation and maintenance of an explicit operational risk management process. The ORMC meets at least on a monthly basis to track and monitor the progress of the implementation of the ORMP. A report on the activities of the ORMC held during a quarter is presented to the BRC on a quarterly basis.

The Operational Risk Management Group (ORMG) is responsible for coordinating all the operational risk related activities of the Bank including implementing tools for managing operational risk and maintenance 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 RCSAs are reviewed periodically as per BRC approved plan in consultation with the business groups and the results of the RCSA exercise are presented to BRC semi-annually. The Bank also captures certain Key Risk Indicators (KRIs) of the various business groups. The KRIs are monitored on a monthly basis and the results are presented to the ORMC and the BRC on a quarterly basis.

The Bank has implemented a loss data collection and reporting process for all operational risk loss data (including internal and external fraud) and near miss events. The data is collected from all business and support units in the UK as well as those outsourced to India. Analysis of such data is reported to the ORMC and the BRC on a quarterly basis.

The Bank has adopted the Basic Indicator Approach for the purposes of calculating its operational risk capital charge as per Basel II. The Bank has put in place an Operational Risk Stress Testing (ORST) framework for assessing the adequacy of the operational risk capital charge. Twenty nine operational risk events based on existing and external loss data and risks identified in RCSA and internal audit reports, have been assessed which are further used to create seven operational risk scenarios. Each of these scenarios is assessed for its probability and financial impact and compared with the operational risk capital charge. The ORST results are presented to the ORMC and BRC on a semi annual 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 management after obtaining inputs from all the relevant groups and control functions in the Bank.

The Bank has developed and implemented a Business Continuity and Crisis Management 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. Periodic testing of the BCP is carried out and the results and the updates are shared with ORMC. The corporate BCP of the Bank along with the 20 group specific plans are renewed and presented to the BRC annually.

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 BRC and pre-notified to FSA. The performance of vendors is periodically reviewed and assessment reports are presented to the BRC on a quarterly basis by the performance monitoring unit.

34 Cash flow payable under contractual maturity

At March 31, 2012, the contractual maturity comprised

(₹ in million)

	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	**2,843.4**	**5,130.3**	**7,357.1**	**1,027.9**	**—**	**—**	**16,358.7**
Customer accounts	**54,101.1**	**11,161.9**	**31,571.6**	**25,848.6**	**—**	**—**	**122,683.2**
Other liabilities	**7,513.8**	**75.2**	**—**	**—**	**173.9**	**—**	**7,762.9**
Derivative financial liabilities	**82.6**	**523.0**	**140.1**	**2,823.4**	**—**	**—**	**3,569.1**
Accruals and deferred income	**1,827.9**	**109.9**	**310.9**	**254.6**	**—**	**—**	**2,503.3**
Debt securities in issue	**320.5**	**320.5**	**637.5**	**9,203.7**	**17,367.6**	**—**	**27,849.8**
Shareholders' funds	**—**	**—**	**—**	**—**	**—**	**36,102.9**	**36,102.9**
Total Liabilities	**66,689.3**	**17,320.8**	**40,017.2**	**39,158.2**	**17,541.5**	**36,102.9**	**216,829.9**

At March 31, 2011, the contractual maturity comprised

(₹ in million)

	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	*1,061.6*	*1,319.0*	*74.5*	*15,978.4*	—	—	*18,433.5*
Customer accounts	*73,385.3*	*32,373.2*	*43,018.8*	*65,414.5*	—	—	*214,191.8*
Other liabilities	*4,087.0*	—	—	—	—	—	*4,087.0*
Derivative financial liabilities	*1,501.4*	*270.7*	*1,325.9*	*5,526.5*	*654.7*	—	*9,279.2*
Accruals and deferred income	*2,638.9*	*464.0*	*622.5*	*937.5*	—	—	*4,662.9*
Debt securities in issue	*393.5*	*393.5*	*19,969.7*	*5,589.2*	*27,657.9*	—	*54,003.8*
Shareholders' funds	—	—	—	—	—	*34,766.0*	*34,766.0*
Total Liabilities	*83,067.7*	*34,820.4*	*65,011.4*	*93,446.1*	*28,312.6*	*34,766.0*	*339,424.2*

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 Bank's trading and non trading financial assets and financial liabilities at the year end.

(₹ in million)

	March 31, 2012 Fair value	**March 31, 2012 Book value**	*March 31, 2011 Fair value*	*March 31, 2011 Book value*
Non trading book financial assets and liabilities				
Assets:				
Cash	**63.8**	**63.8**	*53.8*	*53.8*
Loans and advances to banks	**15,222.2**	**15,339.0**	*44,586.1*	*44,535.2*
Loans and advances to customers	**120,055.8**	**121,474.6**	*181,729.2*	*182,875.0*
Investment securities	**58,883.7**	**58,958.5**	*75,159.2*	*75,164.3*
Liabilities:				
Deposits by banks and customer accounts	**138,619.0**	**138,894.6**	*232,050.7*	*232,284.3*
Debt securities in issue	**18,689.8**	**18,957.1**	*43,507.6*	*42,658.3*
Financial assets and liabilities at fair value through profit and loss				
Assets:				
Derivative financial instruments	**5,221.0**	**5,221.0**	*11,631.9*	*11,631.9*
Credit linked notes	**730.8**	**730.8**	*4,982.8*	*4,982.8*
Liabilities:				
Derivative financial instruments	**4,347.6**	**4,347.6**	*10,885.7*	*10,885.7*

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. The fair vale of debt securities is derived based on prevalent market quotes as at balance sheet date. In case market quotes are not available the Bank has used the internal valuation technique to calculate the fair value. Internal valuation discounts the estimated future cash flows, computed based on the prevailing interest rates and credit spreads in the market.

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, 2012, the notional amounts of swaps designated as fair value hedges was ₹ 51,689.0 million (2011: ₹ 73,921.4 million) and these contracts had a positive fair value of ₹ 1,343.1 million (2011: positive fair value of ₹ 1,261.7 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.

The methodologies for the valuation of derivative products are defined in the Valuation Policy of the Bank, which has been approved by the Board Risk Committee (BRC) of the Bank. The Bank uses swap rates, cross currency basis spreads and spot rates as inputs for the valuation of currency swaps and foreign exchange forward transactions. Further, the Bank uses swap rates and interest rate basis spreads as inputs for the valuation of interest rate swaps. Inputs are drawn from Reuters on a real time basis. While the currency wise cash flows for currency swaps and forward transactions are discounted with the appropriate swap rate for the respective currency and the applicable cross currency basis spread, cash flows for interest rate swaps are discounted with the appropriate zero rate for the currency. Further, the floating rate cash flows for currency swaps and forward transactions are calculated from the zero rates derived from the swap curve and the appropriate basis spread applicable for the currency. The floating rate cash flows for interest rate swaps are calculated from the zero rates derived from the swap curve and the appropriate interest rate basis applicable for the currency.

At March 31, 2012, the principal amounts of the derivative financial instruments were:

(₹ in million)

Instrument	Non-trading Notional Principal	Trading Notional Principal	Gross Positive Fair Value	Gross negative Fair Value
Foreign exchange contracts	**27,695.0**	**65,012.8**	**2,144.7**	**1,056.8**
Interest rate	**23,983.3**	**120,686.1**	**2,985.3**	**2,512.3**
Total	**51,678.3**	**185,698.9**	**5,130.0**	**3,569.1**

At March 31, 2011, the principal amounts of the derivative financial instruments were:

(₹ in million)

Instrument	*Non-trading Notional Principal*	*Trading Notional Principal*	*Gross Positive Fair Value*	*Gross negative Fair Value*
Foreign exchange contracts	*59,098.3*	*112,614.1*	*6,377.5*	*6,151.6*
Interest rate	*14,840.8*	*125,702.3*	*2,335.9*	*2,622.0*
Total	*73,939.1*	*238,316.4*	*8,713.4*	*8,773.6*

In addition of the above the Bank holds equity options relating to their Foreign Currency Convertible Bonds. As at March 31, 2012 these equity options had a gross positive fair value of ₹ 91.6 million (March 31, 2011 gross positive fair value of ₹ 595.2 million). These options are valued based on valuation techniques with observable market inputs and are classified as level 2.

Derivative financial instruments by valuation method

As at March 31, 2012 (₹ in million)

	Foreign exchange contracts		Interest rate	
	Gross Positive Fair Value	**Gross Negative Fair Value**	**Gross Positive Fair Value**	**Gross Negative Fair Value**
Level 1	**5.3**	**28.4**	**—**	**—**
Level 2	**2,139.4**	**1,028.4**	**2,645.8**	**2,172.8**
Level 3	**—**	**—**	**339.5**	**339.5**
Total	**2,144.7**	**1,056.8**	**2,985.3**	**2,512.3**

As at March 31, 2011 (₹ in million)

	Foreign exchange contracts		Interest rate	
	Gross Positive Fair Value	Gross Negative Fair Value	Gross Positive Fair Value	Gross Negative Fair Value
Level 1	0.2	0.1	—	—
Level 2	6,377.4	6,151.5	1,623.9	1,910.0
Level 3	—	—	712.0	712.0
Total	6,377.6	6,151.6	2,335.9	2,622.0

37 Assets and liabilities denominated in foreign currency

(₹ in million)

	March 31, 2012	*March 31, 2011*
Denominated in US Dollars	**102,111.1**	*151,266.7*
Denominated in Sterling	**68,657.7**	*117,203.6*
Denominated in other currencies	**37,021.1**	*59,267.4*
Total assets	**207,789.9**	*327,737.7*
Denominated in US Dollars	**60,335.0**	*98,642.8*
Denominated in Sterling	**128,890.4**	*176,444.3*
Denominated in other currencies	**18,564.5**	*52,650.6*
Total liabilities	**207,789.9**	*327,737.7*

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, 2012 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.

ICICI Bank

ICICI BANK CANADA

8TH ANNUAL REPORT AND ACCOUNTS 2011 (as of December 31, 2011)

Directors
Chanda D. Kochhar, *Chairperson*
Robert G. Long
John R. Thompson
David P. Smith
Glenn R. Rourke
Vijay Chandok
Sriram H. Iyer, President & CEO

Auditors
KPMG LLP

Anthony Coulthard
Corporate Secretary

Registered & Corporate 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 eighth annual report and accounts 2011, together with the financial statements and auditors' report for the year ended December 31, 2011. All information provided in this Management Report is as at December 31, 2011.

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 C$5.28 billion, as at December 31, 2011, 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

Vijay Chandok

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, 2011, 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 C$ 6.03 million on its preferred shares to the Parent during the year ended December 31, 2011.

ANTHONY COULTHARD
Corporate Secretary

auditors' report

to the shareholder

We have audited the accompanying financial statements of ICICI Bank Canada, which comprise the statements of financial position as at December 31, 2011, December 31, 2010 and January 1, 2010, the statements of comprehensive income, changes in shareholder's equity and cash flows for the years ended December 31, 2011 and December 31, 2010, and notes, comprising a summary of significant accounting policies and other explanatory information.

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, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we consider 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 policies 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of ICICI Bank Canada as at December 31, 2011, December 31, 2010 and January 1, 2010, and its financial performance and its cash flows for the years ended December 31, 2011 and December 31, 2010 in accordance with International Financial Reporting Standards.

For KPMG LLP

Toronto, Canada
February 16, 2012

Chartered Accountants
Licensed Public Accountants

statements of financial position

as at

	December 31, 2011	December 31, 2010	₹ in millions January 1, 2010
ASSETS			
Cash (note 1):			
Notes and coins	100.6	90.7	85.9
Deposits with regulated financial institutions:			
Interest bearing	—	1,715.8	1,185.4
Non-interest bearing	1,464.7	1,480.3	620.4
	1,565.3	3,286.8	1,891.7
Trading account securities (note 2)	3,481.5	8,700.1	12,018.5
Derivative assets (note 3)	1,857.9	5,619.3	11,789.5
Investment securities (note 2):			
Available-for-sale	54,733.5	43,949.9	39,062.2
Held-to-maturity	1,059.0	1,625.6	5,623.7
	55,792.5	45,575.5	44,685.9
Loans, net of allowance for credit losses (note 4):			
Commercial and corporate loans and commercial mortgages	120,273.7	155,380.7	177,026.9
Residential mortgages	22,669.8	18,448.8	52,178.6
Securitised residential mortgages	59,129.4	43,594.9	—
Personal	7,188.5	2,874.3	65.3
	209,261.4	220,298.7	229,270.8
Other:			
Interest accrued on loans and deposits	853.1	1,148.8	1,410.1
Property, plant and equipment (note 5)	101.7	128.1	165.7
Deferred tax assets (note 13)	282.5	199.2	133.9
Current tax assets	—	—	146.3
Other assets (note 6)	1,308.7	1,001.5	696.8
	2,546.0	2,477.6	2,552.8
Total assets	274,504.6	285,958.0	302,209.2
LIABILITIES AND SHAREHOLDERS' EQUITY			
Derivative liabilities (note 3)	2,005.7	3,127.3	3,207.8
Deposits from customers (note 7):			
Personal	143,871.1	170,169.5	228,957.1
Commercial	4,690.9	5,749.1	8,120.3
	148,562.0	175,918.6	237,077.4
Deposits from banks	15.5	11.2	29.5
Current tax liabilities	568.5	285.5	—
Interest accrued on deposit liabilities	6,719.6	8,284.7	8,152.7
Accounts payable and other liabilities (note 8)	1,891.6	1,258.3	703.4
Subordinated notes (note 9)	3,899.6	3,899.6	3,899.6
Secured borrowing (note 10)	59,347.5	43,192.2	—
Total liabilities	223,010.0	235,977.4	253,070.4
Shareholders' equity:			
Share capital (note 12):			
Common share capital	43,649.8	43,649.8	43,649.8
Additional paid-in capital	104.8	76.2	60.1
Preferred share capital	4,821.6	4,821.6	4,821.6
Retained earnings	2,902.6	1,358.0	596.7
Accumulated other comprehensive income	15.8	75.0	10.6
Total equity attributable to equity holders	51,494.6	49,980.6	49,138.8
Total liabilities and shareholders' equity	274,504.6	285,958.0	302,209.2

See accompanying notes to financial statements.

For KPMG LLP
Chartered Accountants

For and on behalf of the Board:

Toronto, Canada, February 16, 2012

Director *Director*

statements of comprehensive income

for the year ended December 31

	2011	₹ in millions 2010
Interest income:		
Loans	9,285.2	10,390.6
Securities	1,811.7	1,140.9
Deposits with regulated financial institutions	30.8	140.6
	11,127.7	11,672.1
Interest expense:		
Deposits	5,940.8	7,782.2
Subordinated notes (note 9)	247.8	243.8
Secured borrowings	1,337.3	735.8
Short-term borrowings (note 11)	10.2	—
	7,536.1	8,761.8
Net interest income	3,591.6	2,910.3
Fee and commission income (note 14)	188.1	248.4
Net trading income/(losses) (note 15)	(18.2)	(426.4)
Other income (note 16)	905.1	534.6
Total revenue	4,666.6	3,266.9
Net impairment loss on loans (note 4)	444.2	251.2
Personnel expenses	784.1	659.8
Depreciation (note 5)	46.6	52.7
Other expenses (note 17)	755.2	782.0
	2,029.1	1,745.7
Profit before income tax	2,637.5	1,521.2
Income tax expense (note 13)	779.5	446.5
Profit for the year	1,858.0	1,074.7
Other comprehensive income, net of income taxes:		
Change in unrealised gain (loss) on available-for-sale securities, net of income tax recovery of ₹ 23.3 (2010 - income taxes of ₹ 32.2)	(59.2)	64.4
Total comprehensive income for the year	1,798.8	1,139.1

See accompanying notes to financial statements.

For KPMG LLP
Chartered Accountants

For and on behalf of the Board:

Toronto, Canada, February 16, 2012

Director *Director*

statements of changes in shareholders' equity

for the year ended December 31

₹ *in millions*

	Common share capital (note 12)	Additional paid-in capital (note 12)	Preferred share capital (note 12)	Retained earnings	Accumulated other comprehensive income	Total
Balance, January 1, 2011	**43,649.8**	**76.2**	**4,821.6**	**1,358.0**	**75.0**	**49,980.6**
Comprehensive income for the year:						
Profit or loss	**—**	**—**	**—**	**1,858.0**	**—**	**1,858.0**
Other comprehensive income, net of income tax recovery of ₹ 23.3:						
Net amount transferred to profit or loss	**—**	**—**	**—**	**—**	**23.8**	**23.8**
Net change in unrealised loss on available-for-sale securities	**—**	**—**	**—**	**—**	**(83.0)**	**(83.0)**
Total comprehensive income for the year	**—**	**—**	**—**	**1,858.0**	**(59.2)**	**1,798.8**
Transactions with owners, recorded directly in equity:						
Additional paid-in capital expense	**—**	**28.6**	**—**	**—**	**—**	**28.6**
Dividends paid	**—**	**—**	**—**	**(313.4)**	**—**	**(313.4)**
Balance, December 31, 2011	**43,649.8**	**104.8**	**4,821.6**	**2,902.6**	**15.8**	**51,494.6**
Balance, January 1, 2010	*43,649.8*	*60.1*	*4,821.6*	*1,596.7*	*10.6*	*49,138.8*
Comprehensive income for the year:						
Profit or loss	—	—	—	*1,074.7*	—	*1,074.7*
Other comprehensive income, net of income tax expense of ₹ 32.2:						
Net amount transferred to profit or loss	—	—	—	—	*89.7*	*89.7*
Net change in unrealised loss on available-for-sale securities	—	—	—	—	*(25.3)*	*(25.3)*
Total comprehensive income for the year	—	—	—	*1,074.7*	*64.4*	*1,139.1*
Transactions with owners, recorded directly in equity:						
Additional paid-in capital expense	—	*16.1*	—	—	—	*16.1*
Dividends paid	—	—	—	*(313.4)*	—	*(313.4)*
Balance, December 31, 2010	*43,649.8*	*76.2*	*4,821.6*	*1,358.0*	*75.0*	*49,980.6*

See accompanying notes to financial statements.

statements of cash flows

for the year ended December 31

₹ in millions

	2011	*2010*
Cash flow from operating activities:		
Profit for the year	**1,858.0**	*1,074.7*
Adjustments for:		
Net impairment loss on loans and advances	**444.2**	*251.2*
Depreciation	**46.6**	*52.7*
Net mark-to-market on securities held for trading	**5.8**	*(124.5)*
Income tax expense	**779.5**	*446.5*
Amortisation of deposit broker commissions	**293.1**	*404.3*
Amortisation of premium on securitised mortgages	**235.9**	*110.4*
Amortisation of premium and expenses on secured borrowings	**55.5**	*23.5*
Net interest income	**(3,591.6)**	*(2,910.3)*
Net change in derivative financial instruments	**2,639.9**	*6,089.6*
Other items, net	**240.1**	*278.8*
	3,007.0	*5,696.9*
Change in:		
Deposits, net	**(27,645.3)**	*(61,581.4)*
Treasury placements, net	**—**	*364.0*
Loans and advances, net	**10,658.5**	*8,929.9*
	(16,986.8)	*(52,287.7)*
Interest received	**11,122.1**	*11,637.6*
Interest paid	**(9,100.6)**	*(8,627.8)*
Income taxes paid	**(515.0)**	*(71.3)*
Net cash used in operating activities	**(12,473.3)**	*(43,652.3)*
Cash flow from investing activities:		
Acquisition of investment securities	**(86,263.1)**	*(146,374.4)*
Net proceeds from sale of investment securities	**81,258.8**	*148,927.8*
Acquisition of property, plant and equipment, net	**(20.3)**	*(15.1)*
Net cash from (used in) investing activities	**(5,024.6)**	*2,538.3*
Cash flow from financing activities:		
Proceeds (repayment) from secured borrowing, net	**16,099.7**	*43,168.7*
Dividends paid on preferred shares	**(313.4)**	*(313.4)*
Net cash from financing activities	**15,786.3**	*42,855.3*
Net increase (decrease) in cash and cash equivalents	**(1,711.6)**	*1,741.3*
Effect of exchange rate fluctuations on cash and cash equivalents held	**(9.9)**	*17.1*
Cash and cash equivalents, beginning of year	**3,286.8**	*1,527.8*
Cash and cash equivalents, end of year	**1,565.3**	*3,286.8*
Represented by:		
Notes and coins	**100.6**	*90.7*
Interest bearing deposits with regulated financial institutions	**—**	*1,715.8*
Non-interest bearing deposits with regulated financial institutions	**1,464.7**	*1,480.3*
	1,565.3	*3,286.8*

See accompanying notes to financial statements.

I. Reporting entity:

ICICI Bank Canada (the "Bank") is a limited liability company, incorporated and domiciled in Canada. It is a wholly owned subsidiary of ICICI Bank Limited (the "Parent") and the address of the Bank's registered office is Don Valley Business Park, 150 Ferrand Drive, Suite 1200, Toronto, Ontario M3C 3E5. 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.

II. Basis of preparation:

(a) Statement of compliance:
These financial statements of the Bank 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 generally accepted accounting principles, the primary source of which is the Handbook of The Canadian Institute of Chartered Accountants ("CICA"). Effective January 1, 2011, the Bank adopted International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB"). These are the Bank's first financial statements prepared in accordance with IFRS as issued by the IASB. IFRS 1, First time Adoption of International Financial Reporting Standards, has been applied in preparing these financial statements.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Bank is provided in note 26.

The financial statements for the year ended December 31, 2011 have been approved for issue by the Bank's Board of Directors on February 16, 2012.

(b) Basis of measurement:
These financial statements have been prepared on the historical cost basis, except for the following material items in the statements of financial position that are measured at fair value:

- Trading account securities
- Available-for-sale ("AFS") investment securities
- Derivative assets and derivative liabilities

(c) Functional and presentation currency:
These financial statements are presented in Canadian dollars, which is the Bank's functional currency. Except as otherwise indicated, financial information presented in Canadian dollars has been rounded to the nearest thousand.

(d) Use of estimates and judgments:
IFRS 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 statements of financial position date and the reported amounts of revenue and expenses during the year. Estimation involves judgments based on the latest available, reliable information. The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability. Estimates for loan loss allowances and fair value of financial instruments require management to make subjective or complex judgments. Actual results could differ from these estimates. For additional details, refer to note 4: Loans and note 19(a): Fair values of financial instruments.

III. Significant accounting policies:
The significant accounting policies used in the preparation of these financial statements, including the accounting requirements of OSFI, are summarised below together with the related IFRS disclosures. These accounting policies have been applied consistently to all years presented in these financial statements, including in preparing the opening IFRS statement of financial position at January 1, 2010 for the purposes of transitioning to IFRS.

1. Cash:
The Bank considers cash and cash equivalents to represent cash balances on hand and interest-bearing and non-interest bearing deposits with regulated financial institutions with an original maturity of 90 days or less and that are subject to an insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term cash commitments. Cash and cash equivalents are measured at amortised cost. As at December 31, 2011, there were nil (2010 - nil) deposits with regulated financial institutions with an original maturity over 90 days.

2. Financial assets:
Financial assets are classified into the following categories: financial assets held for trading (trading account securities); AFS financial assets; held-to-maturity ("HTM") investments and loans and receivables. Management determines the classification of its financial instruments at initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Trading account securities:
Trading account securities are recorded on the statements of financial position 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, comprising securities purchased for resale in the near term, are recognised initially at fair value, and transaction costs are recognised in the statements of comprehensive income when incurred. Gains and losses arising from changes in fair value, including any interest, are recognised in the statements of comprehensive income under "Net trading income".

The composition and maturity profile of trading account securities are as follows:

₹ in millions

December 31, 2011	**Under 1 year**	**1 to 5 years**	**Over 5 years**	**Total trading securities**
Credit-linked notes	**780.6**	**—**	**—**	**780.6**
Equity shares(1)	**—**	**363.6**	**6.7**	**370.3**
MAV notes	**—**	**—**	**1,624.7**	**1,624.7**
Commercial paper	**—**	**—**	**705.9**	**705.9**
	780.6	**363.6**	**2,337.3**	**3,481.5**

₹ in millions

December 31, 2010	*Under 1 year*	*1 to 5 years*	*Over 5 years*	*Total trading securities*
Credit-linked notes	*2,459.9*	*837.0*	—	*3,296.9*
Collateralised debt obligations	*945.0*	—	—	*945.0*
Corporate bonds	*945.4*	—	—	*945.4*
Equity shares(1)	—	*1,087.0*	—	*1,087.0*
MAV notes	—	—	*1,719.9*	*1,719.9*
Commercial paper	—	—	*705.9*	*705.9*
	4,350.3	*1,924.0*	*2,425.8*	*8,700.1*

(1) No contractual maturity but based on expected settlement.

As at December 31, 2011, trading account securities held included those denominated in U.S. dollars. These securities comprised credit-linked notes and Master Asset Vehicles ("MAV") notes of ₹780.6 and ₹563.2, respectively, denominated in U.S. dollars (US$14,762 and US$10,651, respectively).

As at December 31, 2010, trading account securities held included those denominated in U.S. dollars. These securities comprised of credit-linked notes, collateralised debt obligations, corporate bonds and MAV notes of ₹ 3,296.9, ₹945.0, ₹945.4 and ₹660.0, respectively, denominated in thousands of U.S. dollars (US$63,753, US$18,274, US$18,281 and US$12,763, respectively)

During the year ended December 31, 2011, net loss realised from the sale (including write-offs/write-downs of MAV notes) of fixed income securities was ₹84.5 and unrealised loss of ₹5.8 was recognised directly in net trading income with respect to changes in fair value of other trading account securities.

During the year ended December 31, 2010, net loss realised from the sale (including write-offs/write-downs of MAV notes) of fixed income securities was ₹33.6, loss realised on sale of credit-linked notes was ₹18.0, and unrealised gain of ₹124.5 was recognised directly in net trading income with respect to changes in fair value of other trading account securities.

The Bank had invested in convertible bonds, which have been converted into equity shares. To enhance the yield on the investment and to strengthen the structure, the Bank has entered into a Value Protection Agreement ("VPA"). The VPA counterparty carries the equity risk and the Bank is protected for any loss on sale of shares due to changes in market price. In return, the Bank would share any profit that occurs on conversion and sale of shares after adjusting the desired yield.

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 ₹705.9 (2010 - ₹705.9) 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 note holders) provided by certain financial institutions and note holders as well as a senior funding facility provided by the Government of Canada and by 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 U.S. 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 a cash basis in the year of receipt. The MAV notes have been marked-to-model. The recorded carrying value of the MAV notes represents management's best estimate of the fair value of the MAV notes as at December 31, 2011.

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 measured at fair value with unrealised gains and losses being recognised in other comprehensive income ("OCI") until sale, or impairment, at which point the cumulative gain or loss is transferred to the statements of comprehensive income. As at December 31, 2011, the amortised cost exceeded the fair value of AFS securities by ₹189.6 (2010 - fair value exceeded amortised cost by ₹103.7). Interest income is determined in accordance with the effective interest method and is included in "Interest income": Securities, in the statements of comprehensive income.

The composition and maturity profile of AFS securities are as follows:

₹ in millions

December 31, 2011	**Under 1 year**	**1 to 5 years**	**Over 5 years**	**Total AFS securities**
Corporate bonds	—	12,243.1	10,646.3	22,889.4
Canadian federal and provincial bonds and treasury bills	31,844.1	—	—	31,844.1
	31,844.1	12,243.1	10,646.3	54,733.5

The fair value of the AFS securities are shown in the following tables:

₹ in millions

December 31, 2010	*Under 1 year*	*1 to 5 years*	*Over 5 years*	*Total AFS securities*
Corporate bonds	*—*	*4,468.5*	*5,584.0*	*10,052.5*
Canadian federal and provincial bonds and treasury bills	*27,923.2*	*5,974.2*	*—*	*33,897.4*
	27,923.2	*10,442.7*	*5,584.0*	*43,949.9*

The fair value of the AFS securities are shown in the following tables:

₹ in millions

December 31, 2011	**Amortised cost**	**Gross unrealised gains**	**Gross unrealised losses**	**Fair value of AFS securities**
Corporate bonds	23,078.3	336.7	525.6	22,889.4
Canadian federal and provincial bonds and treasury bills	31,844.8	3.1	3.8	31,844.1
	54,923.1	339.8	529.4	54,733.5

₹ in millions

December 31, 2010	*Amortised cost*	*Gross unrealised gains*	*Gross unrealised losses*	*Fair value of AFS securities*
Corporate bonds	*9,941.8*	*156.5*	*45.8*	*10,052.5*
Canadian federal and provincial bonds and treasury bills	*33,904.4*	*19.5*	*26.5*	*33,897.4*
	43,846.2	*176.0*	*72.3*	*43,949.9*

As at December 31, 2011, corporate bonds of ₹8,379.8 were denominated in U.S. dollars. (US$158,471) and bonds of ₹4,955.5 were denominated in Euros (€72,241). As at December 31, 2010, corporate bonds of ₹5,584.0 were denominated in U.S. dollars (US$107,979).

For the year ended December 31, 2011, a post-tax gain of ₹23.8 was reclassified out of OCI on account of sale of government guaranteed securities and other fixed income securities and a loss of ₹83.0, net of income taxes, was recognised directly in OCI with respect to the unrealised changes in fair value of AFS securities.

For the year ended December 31, 2010, a post-tax gain of ₹89.7 was reclassified out of OCI on account of sale of government guaranteed securities and other fixed income securities and a loss of ₹25.3, net of income taxes, was recognised directly in OCI with respect to the unrealised changes in fair value of AFS securities.

At each reporting date, the Bank assesses on an individual basis, whether there is objective evidence that one or more AFS securities are impaired. An AFS security is impaired when objective evidence demonstrates that a loss event has occurred after the security's initial recognition, and that the loss event has an impact on the future cash flows of the security that can be estimated reliably. Objective evidence of impairment can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of the security, indications that a borrower or issuer will enter bankruptcy, or the disappearance of an active market for a security.

Impairment losses on AFS securities are recognised by transferring the cumulative loss that has been recognised in OCI to profit or loss as a reclassification adjustment. The cumulative loss that is reclassified from OCI 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.

HTM securities:

HTM securities comprise securities with fixed or determinable payments and a fixed maturity, 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. HTM securities are subsequently carried at amortised cost using the effective interest method.

At each reporting date, the Bank assesses whether there is objective evidence that one or more HTM securities are impaired. An HTM security is impaired when objective evidence demonstrates that a loss event has occurred after the security's initial recognition, and that the loss event has an impact on the future cash flows of the security that can be estimated reliably. Objective evidence of impairment can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of the security, indications that a borrower or issuer will enter bankruptcy, or the disappearance of an active market for a security.

Impairment losses on HTM securities are measured as the difference between the carrying amount of the security and the present value of estimated future cash flows discounted at the security's original effective interest rate. Impairment losses are recognised in the statements of comprehensive income.

During the current year, the Bank has sold "Participation Interests" in the MAV notes to Xceed Mortgage Corporation for an amount of ₹331.6, which is recorded as secured borrowings. The participation interest is an undivided ownership interest in the MAV notes, entitling the investor to certain rights and entitlements, subordinated and postponed in right of payment to the interests of the Bank.

The composition and maturity profile of HTM securities are as follows:

₹ in millions

December 31, 2011	**Under 1 year**	**1 to 5 years**	**Over 5 years**	**Total HTM securities**
Asset backed securities	—	228.4	188.7	417.1
MAV notes	641.9	—	—	641.9
	641.9	228.4	188.7	1,059.0

₹ in millions

December 31, 2010	*Under 1 year*	*1 to 5 years*	*Over 5 years*	*Total AFS securities*
Asset backed securities	*505.9*	*268.6*	*210.6*	*985.1*
MAV notes	*—*	*640.5*	*—*	*640.5*
	505.9	*909.1*	*210.6*	*1,625.6*

As at December 31, 2011, no HTM securities were denominated in U.S. dollars (2010 - nil).

For the year ended December 31, 2011, no HTM securities have been sold (2010 -nil). However, for the year ended December 31, 2010, gains of ₹55.8 were recognised directly in other income on redemption of fixed income securities.

3. **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 also enters into interest rate swaps and option contracts as a service to clients to assist them in risk management. The Bank enters into offsetting derivatives with its Parent and, accordingly, it has no net market risk exposure as a result of entering into these simultaneous contracts.

The derivatives are carried at fair value with changes in fair value being recorded in net trading income in the statements of comprehensive income. The Bank takes into account its own credit risk and that of the relevant counterparty(s) when determining the fair value of derivative instruments and the credit valuation adjustment ("CVA") is recognised in the statements of comprehensive income. At the statements of financial position date, derivative assets and derivative liabilities of ₹1,857.9 (2010 - ₹5,619.3) and ₹2,005.7 (2010 - ₹3,127.2) respectively, representing market valuations of derivative contracts, net of CVA, were recognised.

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, all of which are over-the-counter, by remaining term to maturity, of the Bank's outstanding trading derivative portfolio, as at December 31:

₹ in millions

				2011	*2010*
	Under 1 year	**1 to 5 years**	**Over 5 years**	**Total**	*Total*
Forward foreign exchange contracts	**202.3**	**530.3**	**—**	**732.6**	*103.0*
Foreign currency swaps	**104,679.9**	**7,478.1**	**—**	**112,158.0**	*133,301.3*
Interest rate swaps	**2,420.3**	**28,791.6**	**—**	**31,211.9**	*56,229.2*
Interest rate options:					
Purchased	**881.0**	**—**	**—**	**881.0**	*1,723.6*
Written	**881.0**	**—**	**—**	**881.0**	*1,723.6*
	109,064.5	**36,800.0**	**—**	**145,864.5**	*193,080.7*

The following is a summary of the gross fair value of the Bank's outstanding trading derivative portfolio, before CVA of ₹30.0 (2010 - ₹97.5) on positive fair values and of ₹24.4 (2010 - ₹91.2) on negative fair values, as at:

₹ in millions

December 31, 2011	**Positive fair value**	**Negative fair value**	**Net fair value**
Forward foreign exchange contracts	**14.9**	**1.4**	**13.5**
Foreign currency swaps	**1,397.0**	**1,552.7**	**(155.7)**
Interest rate swaps	**476.0**	**476.0**	**—**
Interest rate options - purchased	**—**	**—**	**—**
Interest rate options – written	**—**	**—**	**—**
	1,887.9	**2,030.1**	**(142.2)**

₹ in millions

December 31, 2010	*Positive fair value*	*Negative fair value*	*Net fair value*
Forward foreign exchange contracts	*0.2*	*0.2*	—
Foreign currency swaps	*4,792.3*	*2,293.8*	*2,498.5*
Interest rate swaps	*924.4*	*924.4*	—
Interest rate options – purchased	—	—	—
Interest rate options – written	—	—	—
	5,716.9	*3,218.4*	*2,498.5*

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 subsidiaries, as at:

₹ in millions

December 31, 2011	**Notional amounts**	**Negative fair value**	**Positive fair value**
Forward foreign exchange contracts	**—**	**—**	**—**
Foreign currency swaps	**4,002.9**	**7.5**	**452.4**
Interest rate swaps	**14,261.3**	**476.0**	**—**
Interest rate options – purchased	**881.0**	**—**	**—**
Interest rate options – written	**—**	**—**	**—**
	19,145.2	**483.5**	**452.4**

₹ in millions

December 31, 2010	*Notional amounts*	*Negative fair value*	*Positive fair value*
Forward foreign exchange contracts	*19.9*	*0.1*	*0.1*
Foreign currency swaps	*50,886.7*	*17.1*	*3,436.7*
Interest rate swaps	*28,042.4*	*924.4*	—
Interest rate options – purchased	*1,723.6*	—	—
Interest rate options – written	—	—	—
	80,672.6	*941.6*	*3,436.8*

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, as at:

₹ in millions

December 31, 2011	**Current replacement cost**	**Credit equivalent amount**	**Risk-weighted amount**
Forward foreign exchange contracts	**14.9**	**43.5**	**42.6**
Foreign currency swaps	**1,397.0**	**2,817.7**	**1,316.7**
Interest rate swaps	**476.0**	**619.9**	**595.9**
Interest rate options – purchased	**—**	**—**	**—**
Interest rate options – written	**—**	**—**	**—**
	1,887.9	**3,481.1**	**1,955.2**

₹ in millions

December 31, 2010	*Current replacement cost*	*Credit equivalent amount*	*Risk-weighted amount*
Forward foreign exchange contracts	*0.2*	*1.2*	*0.6*
Foreign currency swaps	*4,792.3*	*7,115.3*	*5,470.5*
Interest rate swaps	*924.4*	*1,171.9*	*1,149.5*
Interest rate options – purchased	—	*8.6*	*8.6*
Interest rate options – written	—	—	—
	5,716.9	*8,297.0*	*6,629.2*

4. **Loans:**

Loans are measured upon initial recognition at fair value plus directly attributable incremental transaction costs. Loans are subsequently measured at amortised cost using the effective interest method, net of allowance for impairment. The amortised cost is the amount at which a loan is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment. The carrying amounts of the loan balances represent the Bank's maximum exposure to credit risk thereon before considering any collateral and other credit enhancements.

Interest, fee and commission income:

Interest income is recognised in the statements of comprehensive income using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the loan (or, where appropriate, a shorter period) to the carrying amount of the loan. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the loan, but not future credit losses. The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability. The effective interest rate is established at the time of initial recognition of the loans and is not revised subsequently.

Loan fees received from commercial clients for term loans, demand loans, mortgages and operating lines of credit that are considered integral to the effective interest rate on respective loans are included in the measurement of the effective interest rate and thereby recognised into income over the term of the respective loans.

Non-refundable loan fees received from commercial clients for facilities that are not approved are recorded in income at the point at which the Bank has no further performance obligations.

Impairment:
At each reporting date, the Bank assesses whether there is objective evidence that loans are impaired. Loans are classified as impaired and impairment losses are incurred 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 (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the loan that can be reliably estimated.

The criteria that the Bank uses to determine that there is objective evidence of an impairment loss include:

(a) significant financial difficulty of the issuer or obligor;

(b) a breach of contract, such as a default or delinquency in interest or principal payments;

(c) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

(d) it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

(e) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans since the initial recognition of those loans, although the decrease cannot yet be identified with the individual loans in the portfolio, including;

  (i) adverse changes in the payment status of borrowers in the portfolio; and

  (ii) national or local economic conditions that correlate with defaults on the loans in the portfolio.

An allowance for impairment 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.

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.

The Bank considers evidence of impairment for loans and advances at both an individual asset and collective level. All individually significant loans and advances are assessed for impairment on an individual basis. All individually significant loans and advances found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and advances that are not individually significant are collectively assessed for impairment by grouping together loans and advances with similar risk characteristics. In assessing collective impairment, the Bank uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modeling.

Default rates, loss rates and the expected timing of future recoveries are benchmarked against actual outcomes to ensure that they remain appropriate. Impairment losses on loans and advances are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in profit or loss and reflected in an allowance account against loans and advances. Interest on impaired assets continues to be recognised. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss. The Bank writes off loans and advances when they are determined to be uncollectible.

Loans where interest and principal is contractually past due 90 days are generally 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.

Transaction Risk Ratings ("RR") are assigned to each loan on a scale of 1 to 8, with credits rated 1 through 4 considered "Satisfactory", RR 5 being "Especially mentioned" and RR 6 treated as "sub-standard".

The following table presents the gross loans outstanding as at December 31 that were neither past due nor impaired:

₹ in millions

	2011	*2010*
Risk rating categories:		
Satisfactory (RR 1 through 4)	**164,108.2**	*180,100.2*
Especially mentioned (RR 5)	**21,523.3**	*23,928.6*
Substandard (RR 6)	**1,871.4**	*9,515.3*
	187,502.9	*213,544.1*

An exposure rated 7 or 8 is internally classified as impaired. However, for loans in RR8, losses are identifiable on an individual basis and a specific allowance is established. Included within interest income from loans for the year ended December 31, 2011 is a total of ₹187.1 (2010 - ₹129.3) relating to impaired financial assets.

As at December 31, 2011, gross loans amounting to ₹20,492.2 (2010 - ₹4,222.6) were considered impaired. Based on an assessment of these impaired loans, specific provisions have been created against the following impaired loans:

₹ in millions

	2011		*2010*	
	Gross Loans	**Specific allowance**	*Gross loans*	*Specific allowance*
Commercial loans and commercial mortgages	**1,640.0**	**706.8**	*2,945.2*	*571.3*

The following table presents the carrying value of retail residential mortgages as at December 31 that were past due but not classified as impaired:

₹ in millions

	2011	*2010*
1 - 30 days	**1,285.1**	*1,335.1*
31 - 60 days	**289.8**	*442.0*
61 - 90 days	**66.2**	*99.8*
Above 90 days	**516.5**	*586.9*
	2,157.6	*2,463.8*

During the year ended December 31, 2011, no loan balances were written off (2010 - ₹9.1). The following table reconciles the impairment loss on loans recognised in the statements of comprehensive income with the changes in the allowance for impairment for the year ended December 31:

₹ in millions

	2011	*2010*
Change in allowance for impairment, net	**493.1**	*299.6*
Effect of discounting	**(48.9)**	*(57.5)*
Loan balances written off, net	**—**	*9.1*
Net impairment loss on loans	**444.2**	*251.2*

For loans against which there is no specific allowance, a collective allowance 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:

₹ in millions

December 31, 2011	**Gross amount**	**Collective allowance**	**Specific allowance**	**Deferred loan fees**	**Net amount**
Commercial loans and commercial mortgages	**18,921.9**	**(20.2)**	**(128.1)**	**(127.6)**	**18,646.0**
Corporate loans	**103,750.3**	**(1,353.7)**	**(578.7)**	**(190.2)**	**101,627.7**
Conventional residential mortgages	**290.7**	**(1.3)**	**—**	**—**	**289.4**
Insured residential mortgages	**22,380.4**	**—**	**—**	**—**	**22,380.4**
Securitised residential mortgages	**59,129.4**	**—**	**—**	**—**	**59,129.4**
Personal	**7,188.5**	**—**	**—**	**—**	**7,188.5**
	211,661.2	**(1,375.2)**	**(706.8)**	**(317.8)**	**209,261.4**
Undrawn commitments and other contingent liabilities:					
Commercial[1]	**26,935.8**	**(0.2)**	**—**	**—**	**26,935.6**
Personal	**27.5**	**—**	**—**	**—**	**27.5**
	26,963.3	**(0.2)**	**—**	**—**	**26,963.1**

₹ in millions

December 31, 2010	*Gross amount*	*Collective allowance*	*Specific allowance*	*Deferred loan fees*	*Net amount*
Commercial loans and commercial mortgages	*12,755.8*	*(32.9)*	*(143.8)*	*(91.6)*	*12,487.5*
Corporate loans	*144,539.7*	*(982.5)*	*(427.5)*	*(236.5)*	*142,893.2*
Conventional residential mortgages	*368.0*	*(2.2)*	—	—	*365.8*
Insured residential mortgages	*18,083.0*	—	—	—	*18,083.0*
Securitised residential mortgages	*43,594.9*	—	—	—	*43,594.9*
Personal	*2,874.3*	—	—		*2,874.3*
	222,215.7	*(1,017.6)*	*(571.3)*	*(328.1)*	*220,298.7*
Undrawn commitments and other contingent liabilities:					
Commercial[(1)]	*15,515.0*	*(0.3)*	—	—	*15,514.7*
Personal	*32.6*	—	—	—	*32.6*
	15,547.6	*(0.3)*	—	—	*15,547.3*

[(1)]Provision included in accounts payable and other liabilities.

Unfunded commitments can be drawn at any time during the facility of the term and the Bank manages its liquidity based on expected withdrawals.

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 impairment for the year ended December 31:

₹ in millions

			2011	*2010*
	Collective	**Specific**	***Total***	*Total*
Balance, beginning of year	**1,017.6**	**571.3**	***1,588.9***	*1,289.3*
Net impairment loss	**357.6**	**135.5**	***493.1***	*299.6*
Balance, end of year	**1,375.2**	**706.8**	***2,082.0***	*1,588.9*

As at December 31, 2011, the Bank held loans, net of allowances, denominated in U.S. dollars, British pounds, Euros, Japanese yens, Australian dollars and New Zealand dollars of ₹63,542.9 (US$1,201,669), ₹390.1 (£4,749), ₹4,181.7 (€60,961), ₹866.7 (¥1,261,748), ₹33.6 (AUD 620) and ₹23.7 (NZD 574), respectively.

As at December 31, 2010, the Bank held loans, net of allowances, denominated in U.S. dollars, British pounds, Euros, Japanese yens, Australian dollars and New Zealand dollars of ₹84,848.4 (US$1,640,717), ₹3,628.2 (£44,981), ₹4,444.4 (€64,177), ₹1,361.7 (¥2,129,177), ₹65.6 (AUD 1,238) and ₹57.9 (NZD 1,438), respectively.

At December 31, 2011, ₹169,324.0 (2010 - ₹182,884.3) of loans are expected to be recovered more than 12 months after the reporting date.

An analysis of the Bank's loan portfolio, net of allowances for impairment and deferred loan fees, by category and by location of ultimate risk as at December 31, is as follows:

₹ in millions

	2011	*2010*
Canada:		
Commercial loans and commercial mortgages	**5,658.6**	*8,035.9*
Corporate loans	**41,576.0**	*30,782.5*
Conventional residential mortgages	**290.7**	*368.0*
Insured residential mortgages	**22,380.4**	*18,083.0*
Securitised residential mortgages	**59,129.4**	*43,594.9*
Personal	**7,188.5**	*2,874.3*
	136,223.6	*103,738.6*
Allowance for impairment	**(349.0)**	*(394.8)*
	135,874.6	*103,343.8*
India:		
Commercial loans and commercial mortgages	**10,491.7**	*2,740.8*
Corporate loans	**54,589.6**	*97,984.8*
	65,081.3	*100,725.6*
Allowance for impairment	**(1,364.1)**	*(675.4)*
	63,717.2	*100,050.2*
Other:		
Commercial loans and commercial mortgages	**2,644.0**	*1,887.5*
Corporate loans	**7,394.5**	*15,535.9*
	10,038.5	*17,423.4*
Allowance for impairment	**(368.9)**	*(518.7)*
	9,669.6	*16,904.7*
	209,261.4	*220,298.7*

The total fair value of loans at December 31, 2011 is ₹210,486.3 (2010 - ₹221,124.6) of which the fair value of loans relating to Canada is ₹137,440.1 (2010 - ₹104,007.9) and India is ₹63,209.4 (2010 - ₹99,872.7).

5. **Property, plant and equipment:**

Property, plant and equipment are carried at cost less accumulated depreciation, which is provided by using the straight-line method over the estimated useful lives of the assets. The estimated useful lives, residual values and depreciation method are reviewed annually, with the effect of any changes in estimate accounted on a prospective basis.

₹ in millions

				2011	*2010*
	Useful Lives	**Cost**	**Accumulated depreciation**	**Net book value**	*Net book value*
Computer hardware and software	3 years	**138.7**	**134.0**	**4.7**	*8.9*
Furniture, fixtures and equipment	5 years	**140.0**	**101.8**	**38.2**	*45.9*
Leasehold improvements	Lease term	**198.2**	**139.4**	**58.8**	*73.3*
		476.9	**375.2**	**101.7**	*128.1*

The movement in balances of property, plant and equipment was as follows:

₹ in millions

	Computer hardware and software	**Furniture, fixtures and equipment**	**Leasehold improve-ments**	**Total**
Acquisition cost:				
Balance, January 1, 2011	**135.0**	**129.1**	**192.5**	**456.6**
Acquisitions	**3.7**	**10.9**	**5.7**	**20.3**
Balance, December 31, 2011	**138.7**	**140.0**	**198.2**	**476.9**

₹ in millions

	Computer hardware and software	**Furniture, fixtures and equipment**	**Leasehold improve-ments**	**Total**
Accumulated depreciation and impairment losses:				
Balance, January 1, 2011	**(126.2)**	**(83.2)**	**(119.2)**	**(328.6)**
Depreciation	**(7.8)**	**(18.6)**	**(20.2)**	**(46.6)**
Balance, December 31, 2011	**(134.0)**	**(101.8)**	**(139.4)**	**(375.2)**

₹ in millions

	Computer hardware and software	*Furniture, fixtures and equipment*	*Leasehold improve-ments*	*Total*
Acquisition cost:				
Balance, January 1, 2010	*133.0*	*124.6*	*183.9*	*441.5*
Acquisitions	*2.0*	*4.5*	*8.6*	*15.1*
Balance, December 31, 2010	*135.0*	*129.1*	*192.5*	*456.6*

₹ in millions

	Computer hardware and software	*Furniture, fixtures and equipment*	*Leasehold improve-ments*	*Total*
Accumulated depreciation and impairment losses:				
Balance, January 1, 2010	*(116.0)*	*(64.0)*	*(95.9)*	*(275.9)*
Depreciation	*(10.1)*	*(19.2)*	*(23.3)*	*(52.6)*
Balance, December 31, 2010	*(126.1)*	*(83.2)*	*(119.2)*	*(328.5)*

There were no capitalised borrowing costs related to the acquisitions of property, plant and equipment for the years ended December 31, 2011 and 2010.

6. **Other assets:**

₹ in millions

	2011	*2010*
Prepaid expenses, deposits and accounts receivable	**606.1**	*840.2*
Shortfall in MBS pool collections	**131.9**	*18.6*
Amount receivable on value protection agreements	**558.7**	*126.1*
Others	**12.0**	*16.6*
	1,308.7	*1,001.5*

7. **Deposits:**

Deposits are measured upon initial recognition at their fair value less directly attributable incremental transaction costs. Deposits are subsequently measured at amortised cost using the effective interest method. Deposit balances for current, savings and term deposits are shown below:

₹ in millions

December 31, 2011	Payable on demand: Interest bearing	Payable on demand: Non-interest bearing	Payable after notice	Payable on fixed date	Total
Personal	**1,822.0**	**—**	**38,298.0**	**7,803.9**	**47,923.9**
Commercial	**2,682.8**	**—**	**1,679.6**	**328.5**	**4,690.9**
Broker:					
Personal	**—**	**—**	**—**	**95,947.2**	**95,947.2**
Commercial	**—**	**—**	**—**	**—**	**—**
Interbank Parent (note 11)	**—**	**15.5**	**—**	**—**	**15.5**
	4,504.8	**15.5**	**39,977.6**	**104,079.6**	**148,577.5**

₹ in millions

December 31, 2011	*Payable on demand: Interest bearing*	*Payable on demand: Non-interest bearing*	*Payable after notice*	*Payable on fixed date*	*Total*
Personal	*1,941.5*	*—*	*30,323.6*	*10,019.8*	*42,284.9*
Commercial	*2,525.6*	*—*	*2,205.1*	*648.1*	*5,378.8*
Broker:					
Personal	*—*	*—*	*—*	*127,884.6*	*127,884.6*
Commercial	*—*	*—*	*—*	*370.3*	*370.3*
Interbank Parent (note 11)	*—*	*11.2*	*—*	*—*	*11.2*
	4,467.1	*11.2*	*32,528.7*	*138,922.8*	*175,929.8*

The maturity profile of deposits payable on fixed date, as at December 31, is as follows:

₹ in millions

	Under 1 year	1 to 5 years	**2011** Total	*2010* Total
Payable on fixed date	**31,497.0**	**72,582.6**	**104,079.6**	*138,922.8*

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, 2011, the Bank had unamortised broker commissions on deposits of ₹471.4 (2010 - ₹566.8) included in the above balances. There is no single depositor in excess of 0.4% (2010 - 0.4%) of the total liabilities.

8. **Accounts payable and other liabilities:**

₹ in millions

	2011	*2010*
Accounts payable	**688.3**	*517.8*
Amount payable on value protection agreements	**1,007.3**	*517.1*
Deferred income	**110.9**	*42.8*
Other	**85.1**	*180.6*
	1,891.6	*1,258.3*

9. **Subordinated notes:**

Subordinated notes are measured at amortised cost using the effective interest method.

The Bank issued a subordinated note to its affiliate, ICICI Bank UK PLC, in the amount of ₹1,299.9 on January 31, 2007. The note bears interest at the rate of LIBOR plus 2.5% per annum, payable quarterly in arrears, until April 30, 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 ₹1,299.9 on March 31, 2008. This note bears interest at the rate of LIBOR plus 4.6% per annum, payable quarterly in arrears, until March 31, 2013, and at the rate of LIBOR plus 5.0% 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 ₹1,299.9 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 5.0% 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 for the year ended December 31, 2011 is 6.35% (2010 - 6.12%). The Bank incurred interest expense of ₹247.8 (2010 - ₹243.8) related to the notes during the year ended December 31, 2011, including withholding taxes borne by the Bank.

10. **Securitisation of mortgages:**

The Bank has entered into securitisation arrangements in respect of its originated and purchased (originated by third parties) mortgages, to issue National Housing Act ("NHA") - Mortgage Backed Securities ("MBS") and participates in Canada Mortgage Bonds ("CMB") program as a seller. The NHA MBS are backed by pools of amortising residential mortgages insured by the Canada Mortgage and Housing Corporation ("CMHC") or approved third party insurers. CMB, introduced by CMHC, is a guaranteed, semi-annual coupon, bullet-maturity bond. CMB are issued by a special purpose trust, known as Canada Housing Trust ("CHT").

For mortgages securitised and sold into the CMB program, the Bank retains substantially all the risks and rewards, being comprised primarily of prepayment risk, related to ownership of these mortgages and hence, these mortgage securitisations do not qualify for derecognition accounting under IAS 39, Financial Instruments - Recognition and Measurement. For mortgages that are securitised and the resulting MBS are sold outside of the CMB program, the Bank has determined that it neither transfers nor retains substantially all the risks and rewards associated with the ownership of these mortgages. However, the Bank retains control over these mortgages and hence it continues to recognise the mortgages securitised. For all mortgage securitisations, the amounts received through securitisation and sale are recognised as "Secured borrowings". At December 31, 2011, ₹56,597.1 (2010 - ₹41,820.0) of securitised mortgages are expected to be recovered more than 12 months after the reporting date.

As required under the CMB program, the Bank, as an issuer, has undertaken to remit monthly to the Central Payor and Transfer Agent (the "CPTA") the payments of principal and interest accrued and due on the mortgage loans in the pools. The Bank has also undertaken to make the payments to the CPTA on the due dates even if the corresponding amounts have not been received and collected by the Bank in respect of the pools.

The following table presents the movement in the securitised residential mortgage balance during the year ended December 31:

₹ in millions

	2011	*2010*
Balance, beginning of year	**43,594.9**	—
Add: Mortgage pools securitised	**23,946.6**	*46,385.6*
	67,541.5	*46,385.6*
Less:		
Repayment of mortgages in the pool	**8,176.2**	*2,680.3*
Amortisation of premium	**235.9**	*110.4*
Balance, end of year	**59,129.4**	*43,594.9*

The following table presents the movement in the secured borrowing balance during the year ended December 31:

₹ in millions

	2011	*2010*
Balance, beginning of year	**43,192.2**	—
Add:		
Proceeds of MBS/CMB issued, net of pooling fee and expenses	**23,455.2**	*45,436.7*
Amortisation of pool fees and expenses	**55.5**	*23.5*
	66,702.9	*45,460.2*
Less: Repayment of borrowing	**7,687.0**	*2,268.0*
Balance, end of year	**59,015.9**	*43,192.2*

In addition, the secured borrowing as at December 31, 2011 includes ₹331.6 (2010 - nil) of participation interests in MAV notes.

11. **Related party transactions:**

(a) **Parent and other related parties:**

The Parent held a non-interest bearing deposit of ₹15.5 (2010 - ₹11.2) with the Bank as at December 31, 2011 (note 7). The Bank incurred no interest expense related to short-term borrowings from the Parent or ICICI Bank UK PLC during the years ended December 31, 2011 and 2010. During the year ended December 31, 2011 the Bank has incurred an interest expense on the subordinated notes from ICICI Bank UK PLC of ₹57.5 (2010 - ₹59.7) and ₹190.3 (2010 - ₹184.0) from ICICI Bank Limited, (Bahrain branch). For details of subordinated notes from related parties, refer note 9.

In addition to the deposits 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, 2011, the Bank had incurred costs of ₹94.6 (2010 - ₹83.3) related to these services, of which ₹25.3 (2010 - ₹16.2) remains payable at December 31, 2011. These transactions are in the normal course of operations and are pursuant to formal agreements between the parties. For derivatives transacted with related parties, refer note 3.

As at December 31, 2011, trade and other advances of ₹1,243.4 (2010 - ₹1,084.9) are supported by a letter of undertaking issued by the Parent on behalf of its clients in the normal course of business. Further, the Bank has issued performance guarantees to its clients and as at December 31, 2011, it has received counter-guarantees of ₹785.2 (2010 - ₹298.9) from the Parent.

(b) Key management personnel:

Key management personnel ("KMP") are those persons who have the authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly. The definition of KMP in IAS 24, Related Party Disclosures, specifies a role and is not limited to a person. KMP include directors (both executive and non-executive) and other members of the management team with significant authority and responsibility for planning, directing and controlling the Bank's activities.

The following table summarises the compensation paid to the KMP in respect of short-term and other post-employment benefits during the year ended December 31:

		₹ in millions
	2011	*2010*
Short-term employee benefits	**131.6**	*103.7*
Post-employment benefits	**2.4**	*2.0*
	134.0	*105.7*

In addition, personnel expenses include the cost of the stock options granted to the employees of the Bank, primarily KMP, under the Employee Stock Option Plan of the Parent. During the year ended December 31, 2011, an amount of ₹28.6 (2010 - ₹16.1) has been expensed as employee benefits and recorded as paid-in-capital.

12. 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.

	2011		*2010*	
	Number of Shares	**Amount**	*Number of shares*	*Amount*
Common shares	**839,500,000**	**43,649.8**	*839,500,000*	*43,649.8*
Preferred shares:				
Series A	**10,000,000**	**520.0**	*10,000,000*	*520.0*
Series B	**509,280**	**662.0**	*509,280*	*662.0*
Series C	**600,000**	**779.9**	*600,000*	*779.9*
Series D	**1,000,000**	**1,299.9**	*1,000,000*	*1,299.9*
Series E	**1,200,000**	**1,559.8**	*1,200,000*	*1,559.8*
		4,821.6		*4,821.6*

The Bank has issued the common and preferred shares shown above for cash consideration to the Parent.

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, unless waived by the shareholders.

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 dividend of ₹0.52 per share on Series A preferred shares, ₹90.99 per share on Series B and Series C preferred shares and ₹94.11 per share on Series D and Series E preferred shares, amounting to a total of ₹313.4 in each of the years ended December 31, 2011 and 2010.

During the year ended December 31, 2011, an amount of ₹28.6 (2010 - ₹16.1) has been expensed as employee benefits and recorded as paid-in-capital. This amount represents the cost of the stock options granted to the employees of the Bank under the Employee Stock Option Plan of the Parent.

13. Income taxes:

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

The Bank's income taxes for the year ended December 31, are summarised as follows:

		₹ in millions
	2011	*2010*
Current income taxes	**832.8**	*570.4*
Deferred tax recovery	**(53.3)**	*(123.9)*
	779.5	*446.5*

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The following table reconciles income taxes at the combined Canadian federal and provincial statutory rate with the income tax expense in the financial statements as at December 31:

		₹ in millions
	2011	*2010*
Income taxes at statutory tax rate	**721.8**	*471.5*
Permanent differences	**8.9**	*(2.9)*
Other	**48.8**	*(22.1)*
Income taxes	**779.5**	*446.5*

The statutory tax rate has decreased due to scheduled federal and provincial tax rate reductions that were previously enacted.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. 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.

A deferred tax asset (liability) 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.

Significant components of the Bank's deferred tax asset (liability), as at December 31, are as follows:

		₹ in millions
	2011	*2010*
Property, plant and equipment	**17.0**	*21.3*
Deferred broker commissions	**(159.0)**	*(163.5)*
Allowance for impairment	**366.5**	*280.2*
Securitisation of mortgages	**(55.5)**	*(33.0)*
Other deferred income	**113.5**	*94.2*
Net deferred tax asset	**282.5**	*199.2*

14. Fee and commission income:

		₹ in millions
	2011	*2010*
Commercial loan fees	**102.9**	*99.8*
Investment banking fees	**—**	*59.5*
Trade finance, other service fees and charges	**85.2**	*89.1*
	188.1	*248.4*

The Bank provides investment banking and advisory services to its clients. Investment banking fees are recognised in the statements of comprehensive income upon completion of the contractual terms of service and when collection is assured.

15. Net trading income:

₹ in millions

	2011	2010
Gain (loss) on derivative transactions	**72.1**	*(499.3)*
Loss on sale of securities held for trading	**(84.5)**	*(51.6)*
Mark-to-market gain (loss) on securities held for trading	**(5.8)**	*124.5*
	(18.2)	*(426.4)*

The Bank enters into derivative contracts on behalf of clients and generally enters into offsetting contracts with another counterparty, including the Parent, to eliminate the risk of the contracts to the Bank.

The derivative financial instruments, comprising over-the-counter forward contracts and forward currency swaps used to manage the exposure to currency fluctuations as part of the Bank's asset liability management program and derivatives entered into for clients are measured at fair value through profit and loss and the resultant gains/losses are included in net trading income.

16. Other income:

₹ in millions

	2011	2010
Foreign exchange gain, net	**871.9**	*348.3*
Gain on sale of non-trading securities	**33.2**	*185.9*
Other	**—**	*0.4*
	905.1	*534.6*

17. Other expenses:

₹ in millions

	2011	2010
Professional fees	**189.9**	*203.3*
Call center and outsourcing	**163.4**	*137.7*
General and administrative	**129.4**	*103.9*
Occupancy	**109.9**	*110.3*
Marketing and business development	**51.5**	*59.3*
Data processing fees	**43.1**	*34.5*
Travel, moving and entertainment	**40.7**	*27.1*
Communication	**26.8**	*23.9*
Capital and other taxes	**0.5**	*82.0*
	755.2	*782.0*

18. Foreign currency translation:

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using the Bank of Canada exchange rates at the reporting 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 statements of comprehensive income under "Other income": Foreign exchange gain, net.

19. Financial instruments:

(a) 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 using valuation models that maximise use of available third party/market evidence.

The fair value of HTM securities is shown below:

₹ in millions

December 31, 2011	Amortised cost	Fair value	Gross unrealised gain	Gross unrealised loss
Asset backed securities	**417.1**	**433.3**	**16.2**	**—**
MAV notes	**641.9**	**634.9**	**—**	**7.0**
	1,059.0	**1,068.2**	**16.2**	**7.0**

₹ in millions

December 31, 2010	*Amortised cost*	*Fair value*	*Gross unrealised gain*	*Gross unrealised loss*
Asset backed securities	*985.1*	*1,007.8*	*22.7*	*—*
MAV notes	*640.5*	*634.8*	*—*	*5.7*
	1,625.6	*1,642.6*	*22.7*	*5.7*

As at December 31, the estimated fair values of all variable rate loans, deposits and borrowings approximate their book values. The book values, i.e. amortised cost and fair values for fixed rate loans, deposits and secured borrowings at December 31, are as follows:

₹ in millions

2011	Book value	Fair value	Fair value over (under) book value
Fixed rate loans and mortgages	**106,051.6**	**107,276.4**	**1,224.8**
Fixed rate deposits	**104,079.7**	**107,079.0**	**2,999.3**
Secured borrowings	**44,675.5**	**43,327.5**	**(1,348.0)**

₹ in millions

2010	*Book value*	*Fair value*	*Fair value over (under) book value*
Fixed rate loans and mortgages	*90,299.7*	*91,125.6*	*825.9*
Fixed rate deposits	*138,922.8*	*144,186.2*	*5,263.4*
Secured borrowings	*40,842.0*	*39,344.2*	*(1,497.8)*

IFRS 7, Financial Instruments - Disclosures ("IFRS 7"), requires an entity to categorise fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements, by using 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, equity warrants, Canadian federal and provincial bonds, treasury bills, corporate bonds, bankers' acceptances and bearer deposit notes;
- **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, futures, spots 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. MAV notes, ABCP, credit derivative products and some classes of bonds fall in this category. The Bank has valued the India-linked credit derivatives using 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.

In respect of externally rated MAV notes, the notes have been valued using standard discounted cash flow ("DCF") approach, assuming periodic coupon payments, computed using forward rates for each period (derived from zero curves for BA/LIBOR) and an assumed maturity date. For discounting the cash flows, curves as available on Bloomberg have been used and marked up by illiquidity premium of 100bps. In respect of tracking notes secured by ineligible assets, fair value has been reduced to nil. Further, in respect of unrated notes secured by purely traditional assets or traditional assets and ineligible assets, a hair-cut has been used which is reviewed periodically.

The following tables present, as at December 31, financial instruments measured at fair value classified by the fair value hierarchy set out in IFRS 7:

₹ in millions

2011	Level 1	Level 2	Level 3	Total
Securities	**32,214.4**	**22,889.4**	**3,111.2**	**58,215.0**
Derivative assets[(1)]	**—**	**1,887.9**	**—**	**1,887.9**
Derivative liabilities[(1)]	**—**	**2,030.1**	**—**	**2,030.1**

₹ in millions

2010	*Level 1*	*Level 2*	*Level 3*	*Total*
Securities	*35,150.6*	*10,831.7*	*6,667.7*	*52,650.0*
Derivative assets[(1)]	*—*	*5,697.4*	*19.4*	*5,716.8*
Derivative liabilities[(1)]	*—*	*3,198.9*	*19.4*	*3,218.3*

[(1)]Before deducting CVA of ₹30.0 (2010 - ₹97.5) on positive fair values and ₹24.4 (2010 - ₹91.1) on negative fair values

A 50 basis points change in yields would cause the fair value of the Level 3 investments to change by ₹42.4 (2010 - ₹57.8).

The following table sets forth, additional information about changes in the fair value of Level 3 securities:

₹ in millions

	2011	*2010*
Balance, beginning of year	**6,667.7**	*9,701.0*
Total gains or losses included in:		
- net trading income[1]	**(81.6)**	*104.1*
- OCI	**—**	*—*
Foreign currency translation adjustment	**30.4**	*(270.7)*
Purchases, issuances and settlements, net	**(3,505.3)**	*(2,866.7)*
Balance, end of year	**3,111.2**	*6,667.7*

[1]Total gains or losses for assets and liabilities held at the end of the year included in profit or loss of ₹48.5 (2010 - ₹304.3)

(b) Accounting classifications and fair values:

The table below sets out the carrying amounts and fair values of financial assets and financial liabilities:

₹ in millions

December 31, 2011	Fair value held for trading	Fair value through OCI	Amortised cost	Total carrying amount	Fair value
Financial assets:					
Cash and deposits	—	—	1,565.3	1,565.3	1,565.3
Derivative assets	1,857.9	—	—	1,857.9	1,857.9
Securities	3,481.5	54,733.5	1,059.0	59,274.0	59,283.2
Loans, net	—	—	209,261.4	209,261.4	210,486.3
Other assets	—	—	2,006.7	2,006.7	2,006.7
	5,339.4	54,733.5	213,892.4	273,965.3	275,199.4
Financial liabilities:					
Derivative liabilities	2,005.7	—	—	2,005.7	2,005.7
Deposits	—	—	148,577.5	148,577.5	151,576.8
Accounts payable and other liabilities	—	—	8,415.2	8,415.2	8,415.2
Secured borrowing	—	—	59,347.5	59,347.5	57,999.4
Subordinated notes	—	—	3,899.6	3,899.6	3,899.7
	2,005.7	—	220,239.8	222,245.5	223,896.8

₹ in millions

December 31, 2010	*Fair value held for trading*	*Fair value through OCI*	*Amortised cost*	*Total carrying amount*	*Fair value*
Financial assets:					
Cash and deposits	*—*	*—*	*3,286.8*	*3,286.8*	*3,286.8*
Derivative assets	*5,619.3*	*—*	*—*	*5,619.3*	*5,619.3*
Securities	*8,700.1*	*43,949.9*	*1,625.6*	*54,275.6*	*54,292.5*
Loans, net	*—*	*—*	*220,298.7*	*220,298.7*	*221,124.6*
Other assets	*—*	*—*	*1,866.9*	*1,866.9*	*1,866.9*
	14,319.4	*43,949.9*	*227,078.0*	*285,347.3*	*286,190.1*
Financial liabilities:					
Derivative liabilities	*3,127.3*	*—*	*—*	*3,127.3*	*3,127.3*
Deposits	*—*	*—*	*175,929.8*	*175,929.8*	*181,193.2*
Accounts payable and other liabilities	*—*	*—*	*9,319.6*	*9,319.6*	*9,319.6*
Secured borrowing	*—*	*—*	*43,192.2*	*43,192.2*	*41,694.4*
Subordinated notes	*—*	*—*	*3,899.6*	*3,899.6*	*3,899.6*
	3,127.3	*—*	*232,341.2*	*235,468.5*	*239,234.1*

20. Contractual repricing and maturity schedule:

The following table summarises carrying amounts of assets, liabilities and equity, and derivative instrument notional amounts in order to arrive at the Bank's interest rate gap based on the earlier of contractual repricing or maturity dates.

₹ in millions

December 31, 2011	Floating rate	Under 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years	Non-interest sensitive	Total
Assets								
Cash and deposits	—	1,464.7	—	—	—	—	100.6	1,565.3
Derivative assets	—	—	—	—	—	—	1,857.9	1,857.9
Securities	—	13,560.9	12,662.2	7,043.6	12,835.1	13,172.2	—	59,274.0
Loans, net	103,209.8	7,804.3	12,879.7	5,219.5	70,987.2	9,160.9	—	209,261.4
Property, plant and equipment, net	—	—	—	—	—	—	101.7	101.7
Other assets	—	—	—	—	—	—	2,444.3	2,444.3
Total	103,209.8	22,829.9	25,541.9	12,263.1	83,822.3	22,333.1	4,504.5	274,504.6
Liabilities and Shareholders' Equity								
Derivative liabilities	—	—	—	—	—	—	2,005.7	2,005.7
Deposits	44,497.8	7,423.6	6,663.5	17,410.0	72,582.6	—	—	148,577.5
Accounts payable and other liabilities	—	—	—	—	—	—	9,179.7	9,179.7
Secured borrowing	14,671.9	959.2	999.4	1,453.8	41,263.2	—	—	59,347.5
Subordinated notes	3,899.6	—	—	—	—	—	—	3,899.6
Shareholders' equity	—	—	—	—	—	—	51,494.6	51,494.6
Total	63,069.3	8,382.8	7,662.9	18,863.8	113,845.8	—	62,680.0	274,504.6
On-balance sheet gap	40,140.5	14,447.1	17,879.0	(6,600.7)	(30,023.5)	22,333.1	(58,175.5)	—
Off-balance sheet gap	—	(8,682.3)	(4,657.3)	13,339.5	0.1	—	—	—
Interest rate sensitivity gap based on contractual repricing	40,140.5	5,764.8	13,221.7	6,738.8	(30,023.4)	22,333.1	(58,175.5)	—
Cumulative gap	40,140.5	51,905.3	59,127.0	65,865.8	35,842.4	58,175.5	—	—

₹ in millions

December 31, 2010	*Floating rate*	*Under 3 months*	*3 to 6 months*	*6 to 12 months*	*1 to 5 years*	*Over 5 years*	*Non-interest sensitive*	*Total*
Assets								
Cash and deposits	—	*3,196.1*	—	—	—	—	*90.7*	*3,286.8*
Derivative assets	—	—	—	—	—	—	*5,619.3*	*5,619.3*
Securities	—	*19,637.3*	*11,691.3*	*1,450.9*	*13,275.7*	*8,220.4*	—	*54,275.6*
Loans, net	*129,999.0*	*4,244.1*	*2,876.7*	*5,244.1*	*65,100.8*	*12,834.0*	—	*220,298.7*
Property, plant and equipment, net	—	—	—	—	—	—	*128.1*	*128.1*
Other assets	—	—	—	—	—	—	*2,349.5*	*2,349.5*
Total	*129,999.0*	*27,077.5*	*14,568.0*	*6,695.0*	*78,376.5*	*21,054.4*	*8,187.6*	*285,958.0*
Liabilities and Shareholders' Equity								
Derivative liabilities	—	—	—	—	—	—	*3,127.3*	*3,127.3*
Deposits	*37,007.0*	*13,248.2*	*10,660.6*	*31,295.8*	*83,718.2*	—	—	*175,929.8*
Accounts payable and other liabilities	—	—	—	—	—	—	*9,828.5*	*9,828.5*
Secured borrowing	*2,350.3*	*400.7*	*870.2*	*650.7*	*38,920.3*	—	—	*43,192.2*
Subordinated notes	*3,899.6*	—	—	—	—	—	—	*3,899.6*
Shareholders' equity	—	—	—	—	—	—	*49,980.6*	*49,980.6*
Total	*43,256.9*	*13,648.9*	*11,530.8*	*31,946.5*	*122,638.5*	—	*62,936.4*	*285,958.0*
On-balance sheet gap	*86,742.1*	*13,428.6*	*3,037.2*	*(25,251.5)*	*(44,262.0)*	*21,054.4*	*(54,748.8)*	—
Off-balance sheet gap	—	*(3,163.3)*	*(41.5)*	*3,204.8*	—	—	—	—
Interest rate sensitivity gap based on contractual repricing	*86,742.1*	*10,265.3*	*2,995.7*	*(22,046.7)*	*(44,262.0)*	*21,054.4*	*(54,748.8)*	—
Cumulative gap	*86,742.1*	*97,007.4*	*100,003.1*	*77,956.4*	*33,694.4*	*54,748.8*	—	—

The following table details the undiscounted future cash flows on the Bank's deposit and secured borrowing liabilities as at December 31:

₹ in millions

	2011		*2010*	
	Up to 1 year	**1 to 5 years**	*Up to 1 year*	*1 to 5 years*
Deposits	**84,983.4**	**77,110.9**	*103,764.5*	*90,314.2*
Secured borrowing	**10,085.9**	**54,455.7**	*6,556.3*	*39,862.2*
Total	**95,069.3**	**131,566.6**	*110,320.8*	*130,176.4*

21. Guarantees and commitments:

Undrawn commitments and guarantees include the unused portion of commercial/personal lines of credit, letters of credit facility to commercial clients, import bills for collection, stand-by letters of credit and bank guarantees.

(a) Trade guarantees:

As a part of its trade finance banking activities, the Bank issues guarantees and documentary credits (letters of credit) on behalf of its customers in favour of third parties, with a view to augment the customers' credit standing. Through these instruments, the Bank undertakes to make payments for its customers' obligations, either directly or in case of failure of the customers to fulfil their financial or performance obligations.

A letter of credit ("LC") is a written undertaking by a bank ("issuing bank") given to the seller ("beneficiary") at the request of the bank's client, i.e., buyer ("applicant") to pay a sum of money against presentation of documents complying with the terms of the credit within a set time limit.

Bank guarantees ("BG") and stand-by letters of credit ("SBLC") are written promises issued by a bank to pay a sum of money to the beneficiary in the event that the obligor ("customer") fails to honor its obligations in accordance with the terms and conditions of the guarantee. BG and SBLC differ from LC in that they are triggered only if the applicant or principal has made a default and the Bank is required to honour the commitment as per the terms of the instrument.

Bank guarantees are in the form of financial guarantees or performance guarantees. Financial guarantees are obligations to pay a third party beneficiary where a customer fails to make payment towards a specified financial obligation. Performance guarantees are obligations to pay a third party beneficiary where a customer fails to perform a non-financial contractual obligation. The Bank generally has collateral available to mitigate potential losses on the guarantees. Margins available to mitigating losses realised under guarantees were ₹136.7 (2010 - ₹96.2), as at the statements of financial position date. The gross outstanding amount of guarantees provided to its customers and other third parties as at the statements of financial position date are presented below:

₹ in millions

	2011	*2010*
BG	***1,032.4***	*394.5*
Outstanding LC	**13.2**	—
SBLC	**36.1**	*49.4*
	1,081.7	*443.9*

The maturity profile of the gross outstanding amount of guarantees as at December 31, are presented below, however, the Bank may be called upon to honour the commitment at any point before the maturity date, based on fulfillment of the terms and conditions of the guarantee:

₹ in millions

	Outstanding			**Total**
2011	**BG**	**LC**	**SBLC**	
Upto 1 year	**763.3**	**13.2**	**36.2**	**812.7**
Over 1 year	**269.0**	**—**	**—**	**269.0**
	1,032.3	**13.2**	**36.2**	**1,081.7**

₹ in millions

	Outstanding			*Total*
2010	*BG*	*LC*	*SBLC*	
Upto 1 year	*121.4*	—	*49.4*	*170.8*
Over 1 year	*273.1*	—	—	*273.1*
	394.5	—	*49.4*	*443.9*

(b) Lease commitments:

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. The Bank leases a number of branch and office premises under operating leases. The leases typically run for a period of up to 10 years, with an option to renew the lease after that period. During the year ending December 31, 2011, an amount of ₹94.5 (2010 - ₹94.2) has been recognised as expense for such leases.

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:

₹ in millions

2012	85.8
2013	83.2
2014	74.5
2015	62.4
2016	60.6
Thereafter	84.9
	451.4

22. 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, Tier 2 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, so that the level of capital is appropriate for business requirements, from time to time.

Effective January 1, 2008, the Bank has 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.

On conversion to IFRS, OSFI has permitted Federally Regulated Entities ("FRE") to exclude from total assets:

(a) Mortgages securitised through CMHC Programs up to and including March 31, 2010.

(b) all existing and future reinvestments related to Canada Mortgage Bond/ Insured Mortgage Purchase Program transactions completed up to and including March 31, 2010.

To facilitate an orderly transition, the OSFI's advisory allows FRE to elect for a phase in of the impact of such mortgages brought back on the statements of financial position and include them in the asset to capital multiple calculation by the quarter ending on or after December 31, 2012. Accordingly, the Bank has elected for the phase in and would complete the same by the quarter ending December 31, 2012.

The regulatory capital and the regulatory capital ratios, as at December 31 are presented below:

		₹ in millions
	2011	*2010*
Capital:		
Net Tier 1	**50,755.2**	*48,883.9*
Net Tier 2	**3,176.0**	*2,877.8*
	53,931.2	*51,761.7*
Regulatory capital ratios:		
Tier 1 (%)	**29.7%**	*24.9%*
Total (%)	**31.6%**	*26.4%*
Assets to capital multiple	**4.9**	*5.2*

23. Employee future benefits:

Effective December 29, 2005, the Bank implemented a defined contribution group retirement savings plan for its employees. Under the plan, 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, 2011 was ₹11.8 (2010 - ₹10.3) and is included in personnel expenses in the statements of comprehensive income.

24. 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 foreign exchange risk), 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 the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations and arises principally from the Bank's loans and advances to customers and other banks, and investment in debt securities. 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 also subsequently, in arriving at the loan loss allowance against the credit.

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 ("CRO"). 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.

The types of acceptable collateral are documented in the CRP. The main types of collateral obtained are as follows:

- For commercial lending, assets of the borrower/corporate guarantors, personal assets of the principals and/or pledge of equity interests, charge on equipment and current assets, hypothecation of movables. Generally, for commercial lending, the Bank also obtains guarantees from parent companies for loans to their subsidiaries.
- For retail lending, charge on personal assets including real estate/ property.
- For residential mortgages, first/second mortgage charge in favour of the Bank as well as insurance by CMHC or approved private insurers.

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 collateral, are reviewed at least on an annual basis or in a shorter interval if recommended by the CRO or the relevant sanctioning committee. Collateral is obtained when the loan is initially granted and is monitored periodically. For impaired loans, the available collateral has been considered in determining loan loss allowances.

- Except for the conventional mortgages, all residential mortgages are fully insured with CMHC or approved private insurers.
- Personal loans include advances of ₹7,157.0 (2010 - ₹2,772.7), under the Immigrant Investor Program, which is secured by a promissory note, fully and unconditionally guaranteed by the respective Province in Canada.
- Commercial mortgages are usually secured by a first charge on property.
- Trade finance exposures are backed by guarantees by other financial institutions or current assets of the borrower.
- Commercial and corporate loans of:
  - ₹16,909.0 (2010 - ₹45,819.3) are collateralised by shares whose values at the reporting date are in excess of the loan carrying amount.
  - ₹27,909.9 (2010 - ₹45,574.7) are collateralised by guarantees.
  - ₹54,961.8 (2010 - ₹51,627.7) are collateralised by variety of assets and charge on current assets.
  - ₹5,970.7 (2010 - ₹4,353.6) are either unsecured or senior unsecured facilities.

Credit risk is also managed at the portfolio level by monitoring and reporting to the MCC and 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 of Directors 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 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 ("bps") adverse change in the level of interest rates, defined as Earnings at Risk ("EaR"). The sum of EaR for the Bank over a four quarter horizon for an adverse 100 bps parallel shift in interest rates shall not exceed 5% or ₹1,039.9 (whichever is lower) of the Bank's current Tier 1 plus Tier 2 capital. At December 31, 2011, the actual limit utilisation was 0.96% (₹497.4).

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, 2011, the actual DoE was 1.09 years, based on which the actual limit utilisation was 1.09%.

(ii) **Foreign exchange risk** - The risk arises due to positions in non-CAD 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 across all foreign currencies as per the LIP shall not exceed ₹793.2. 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% - 1 day) on the aggregate overnight open position is ₹13.2 and the actual VaR as at December 31, 2011 was ₹3.7. The Bank uses one-year data to compute VaR and there have been no breaches of the VaR limit in the year ending December 31, 2011.

(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 of Directors. 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 and corporate banking, information technology, corporate operations and trade finance operations to the Parent, 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 performance dashboards 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. The performance of vendors are periodically reviewed and assessment reports are presented to the RC.

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.

25. Standards issued but not yet mandatorily effective:

New international financial reporting and related interpretations standards, amendments to exiting standards and interpretations, not yet mandatorily effective for the year ended December 31, 2011, have not been applied in preparing these financial statements. This section contains standards and interpretations issued, which will be applicable to the Bank at a future date. The Bank intends to adopt those standards when they become effective.

IFRS 9, Financial Instruments ("IFRS 9"):

Published on November 12, 2009 as part of phase I of the IASB's comprehensive project to replace IAS 39, deals with classification and measurement of financial assets. The requirements of this standard represent a significant change from the existing requirements in IAS 39 in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortised cost and fair value. A financial asset would be measured at amortised cost if it is held in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value.

The standard requires that derivatives embedded in contracts with a host that is a financial asset within the scope of the standard are not separated; instead the hybrid financial instrument is assessed in its entirety as to whether it should be measured at amortised cost or fair value.

The standard eliminates the existing IAS 39 categories of held to maturity, available for sale and loans and receivables. For an investment in an equity instrument which is not held for trading, the standard permits an irrevocable election, on initial recognition, on an individual instrument-by-instrument basis, to present all fair value changes from the investment in OCI. Amounts recognised in OCI are never reclassified to profit or loss at a later date. However, dividends on such investments are recognised in profit or loss, rather than OCI unless they clearly represent a recovery of the cost of the investment. Investments in equity instruments in respect of which an entity does not elect to present fair value changes in OCI would be measured at fair value with changes in fair value recognised in profit or loss.

IFRS 9 (2010) added guidance to IFRS 9 (2009) on the classification and measurement of financial liabilities, and this guidance is consistent with the guidance in IAS 39. Under IFRS 9 (2010), for financial liabilities measured at fair value under the fair value option, changes in fair value attributable to changes in credit risk will be recognised in OCI, with the remainder of the change recognised in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, the entire change in fair value will be recognised in profit or loss. Amounts presented in OCI will not be reclassified to profit or loss at a later date.

The IASB has deferred the mandatory effective date of the existing chapters of IFRS 9 to annual periods beginning on or after January 1, 2015. The early adoption of either standard continues to be permitted.

The Bank intends to adopt IFRS 9 (2010) in its financial statements for the annual period beginning on January 1, 2015. The extent of the impact of adoption of IFRS 9 has not yet been determined.

IFRS 13, Fair Value Measurement ("IFRS 13"):

In May 2011, the IASB published IFRS 13, which is effective prospectively for annual periods beginning on or after January 1, 2013. The disclosure requirements of IFRS 13 need not be applied in comparative information for periods before initial application.

IFRS 13 replaces the fair value measurement guidance contained in individual IFRS with a single source of fair value measurement guidance. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price. The standard also establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements to provide information that enables financial statement users to assess the methods and inputs used to develop fair value measurements and, for recurring fair value measurements that use significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or OCI.

IFRS 13 explains how to measure fair value when it is required or permitted by other IFRS. IFRS 13 does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

The Bank intends to adopt IFRS 13 prospectively in its financial statements for the annual period beginning on January 1, 2013. The extent of the impact of adoption of IFRS 13 has not yet been determined.

26. Explanation of transition to IFRS:

As stated in note II (a), these are the Bank's first financial statements prepared in accordance with IFRS as issued by the IASB.

The accounting policies set out in preceding notes have been applied in preparing the financial statements for the year ended December 31, 2011, the comparative information presented in these financial statements for the year ended December 31, 2010 and in the preparation of an opening IFRS statements of financial position at January 1, 2010 (the Bank's date of transition).

In preparing its IFRS statements of financial position as at January 1, 2010 and December 31, 2010 and the IFRS statements of comprehensive income for the year ended December 31, 2010, the Bank has adjusted amounts reported previously in financial statements prepared in accordance with previous Canadian generally accepted accounting principles ("GAAP"). An explanation of how the transition from previous Canadian GAAP to IFRS has affected the Bank's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Reconciliation of equity:

₹ in millions

January 1, 2010	Note	Canadian GAAP (recasted)	Effect of transition to IFRS	IFRS
Assets				
Cash:				
Notes and coins		85.9	—	85.9
Deposits with regulated financial institutions:				
Interest bearing	v	1,186.4	(1.0)	1,185.4
Non-interest bearing		620.4	—	620.4
		1,892.7	(1.0)	1,891.7
Trading account securities		12,018.5	—	12,018.5
Derivative assets	i	—	11,789.5	11,789.5
Investment securities:				
Available-for-sale	ii	39,062.2	—	39,062.2
Held-to-maturity		5,623.7	—	5,623.7
		44,685.9	—	44,685.9
Loans, net of allowance for credit losses	iii	230,680.0	(1,409.2)	229,270.8
Other:				
Interest accrued on loans and deposits	v	—	1,410.1	1,410.1
Property, plant and equipment		165.7	—	165.7
Deferred tax assets	iv	—	133.9	133.9
Current tax assets	vi	—	146.3	146.3
Other assets	vii	12,982.1	(12,285.3)	696.8
		13,147.8	(10,595.0)	2,552.8
Total assets		302,424.9	(215.7)	302,209.2
Liabilities and Shareholders' Equity				
Derivative liabilities	viii	—	3,207.8	3,207.8
Deposits from customers:				
Personal	x	237,108.1	(8,151.0)	228,957.1
Commercial		8,121.9	(1.6)	8,120.3
		245,230.0	(8,152.6)	237,077.4
Deposits from banks		29.5	—	29.5
Current tax liabilities	ix	—	—	—
Interest accrued on deposit liabilities	x	—	8,152.7	8,152.7
Accounts payable and other liabilities	xi	4,021.5	(3,318.1)	703.4
Subordinated notes		3,899.6	—	3,899.6
Secured borrowing	xii	—	—	—
		7,950.6	4,834.6	12,785.2
Shareholders' equity:				
Share capital:				
Common share capital		43,649.8	—	43,649.8
Additional paid-in capital		60.1	—	60.1
Preferred share capital		4,821.6	—	4,821.6
Retained earnings	xiii	702.2	(105.5)	596.7
Accumulated other comprehensive income	xiv	10.6	—	10.6
Total equity attributable to equity holders		49,244.3	(105.5)	49,138.8
Total liabilities and shareholders' equity		302,424.9	(215.7)	302,209.2

₹ in millions

December 31, 2010	Note	Canadian GAAP (recasted)	Effect of transition to IFRS	IFRS
Assets				
Cash:				
Notes and coins		90.7	—	90.7
Deposits with regulated financial institutions:				
Interest bearing	v	1,715.9	(0.1)	1,715.8
Non-interest bearing		1,480.3	—	1,480.3
		3,286.9	(0.1)	3,286.8
Trading account securities		8,700.1	—	8,700.1
Derivative assets	i	—	5,619.3	5,619.3
Investment securities:				
Available-for-sale	ii	46,072.5	(2,122.6)	43,949.9
Held-to-maturity		1,625.6	—	1,625.6
		47,698.1	(2,122.6)	45,575.5
Loans, net of allowance for credit losses	iii	177,852.6	42,446.1	220,298.7
Other:				
Interest accrued on loans and deposits	v	—	1,148.8	1,148.8
Property, plant and equipment		128.1	—	128.1
Deferred tax assets	iv	—	199.2	199.2
Current tax assets	vi	—	—	—
Other assets	vii	6,656.0	(5,654.5)	1,001.5
		6,784.1	(4,306.5)	2,477.6
Total assets		244,321.8	41,636.2	285,958.0
Liabilities and Shareholders' Equity				
Derivative liabilities	viii	—	3,127.3	3,127.3
Deposits from customers:				
Personal	x	178,032.8	(7,863.3)	170,169.5
Commercial		6,170.5	(421.4)	5,749.1
		184,203.3	(8,285.7)	175,918.6
Deposits from banks		11.2	—	11.2
Current tax liabilities	ix	—	285.5	285.5
Interest accrued on deposit liabilities	x	—	8,284.7	8,284.7
Accounts payable and other liabilities	xi	5,461.9	(4,203.6)	1,258.3
Subordinated notes		3,899.6	—	3,899.6
Secured borrowing	xii	—	43,192.2	43,192.2
		9,372.7	47,558.8	56,931.5
Shareholders' equity:				
Share capital:				
Common share capital		43,649.8	—	43,649.8
Additional paid-in capital		76.2	—	76.2
Preferred share capital		4,821.6	—	4,821.6
Retained earnings	xiii	2,047.5	(689.5)	1,358.0
Accumulated other comprehensive income	xiv	150.7	(75.7)	75.0
Total equity attributable to equity holders		50,745.8	(765.2)	49,980.6
Total liabilities and shareholders' equity		244,321.8	41,636.2	285,958.0

Reconciliation of total comprehensive income:

₹ in millions

	Note	Canadian GAAP (recasted)	Effect of transition to IFRS				IFRS
		Year ended December 31, 2010	Reclassifications	Adjustments	Total	Year ended December 31, 2010	
Interest income:							**Interest income:**
Loans	xv	8,898.8	295.6	1,196.2	1,491.8	10,390.6	Loans
Securities		1,140.9	—	—	—	1,140.9	Securities
Deposits with regulated financial institutions		140.6	—	—	—	140.6	Deposits with regulated financial institutions
		10,180.3	295.6	1,196.2	1,491.8	11,672.1	
Interest expense:							**Interest expense:**
Deposits		7,782.2	—	—	—	7,782.2	Deposits
Subordinated notes		243.8	—	—	—	243.8	Subordinated notes
Short-term borrowings	xvi	—	—	735.8	735.8	735.8	Secured borrowings
		8,026.0	—	735.8	735.8	8,761.8	
Net interest income		2,154.3	295.6	460.4	756.0	2,910.3	**Net interest income**
Provision for credit losses	xvii	156.2	(156.2)	—	(156.2)	—	
Net interest income after provision for credit losses		1,998.1	451.8	460.4	912.2		
Non-interest income		1,848.6	(1,848.6)	—	(1,848.6)		
	xv		248.4	—	248.4	248.4	Fee and commission income
	xviii		(626.2)	199.8	(426.4)	(426.4)	Net trading income
			1,930.7	(1,396.1)	534.6	534.6	Other income
Net interest and non-interest income		3,846.7	156.1	(735.9)	(579.8)	3,266.9	**Total revenue**
	xvii		156.1	95.1	251.2	251.2	Net impairment loss on loans
Non-interest expenses:							
Salaries and benefits		659.8	—	—	—	659.8	Personnel expenses
Depreciation		52.7	—	—	—	52.7	Depreciation
Other expenses[1]		782.0	—	—	—	782.0	Other expenses
		1,494.5	—	—	—	1,494.5	
Income before income taxes		2,352.2	—	(831.0)	(831.0)	1,521.2	**Profit before income tax**
Provision for income taxes	xix	699.9	—	(253.4)	(253.4)	446.5	Income tax expense
Net income		1,652.3	—	(577.6)	(577.6)	1,074.7	**Profit for the year**
Other comprehensive income, net of income taxes							
Net change in fair value on available-for-sale securities	xiv	140.1	—	(75.7)	(75.7)	64.4	**Other comprehensive income, net of income tax**
Comprehensive income for the year		1,792.4	—	(653.3)	(653.3)	1,139.1	**Total comprehensive income for the year**

[1] various other non-interest expenses presented under Canadian GAAP has been presented in the aggregate.

(a) **Changes to statements of cash flows:**
Under Canadian GAAP, the Bank reported the net changes in loans and advances under cash flows from investing activities, and the net changes in deposits were reported under cash flows from financing activities on the statements of cash flows. Under IFRS, the Bank classifies the net changes in loans and deposits as cash flow from operating activities in accordance with IAS 7, Cash Flow Statements, as these comprise the main revenue-producing activities of the Bank. Also under Canadian GAAP, cash flows from mortgage securitisation were reported as cash flows from investing activities, whereas under IFRS, since amounts received on securitisation are accounted as secured borrowings, the resulting cash flows are reported under cash flows from financing activities. There are no other material difference between the statements of cash flows presented under IFRS as issued by the IASB and the statements of cash flows presented under previous Canadian GAAP.

(b) Notes to reconciliation of Canadian GAAP to IFRS statements of financial position:

₹ in millions

		December 31, 2010	January 1, 2010
(i)	**Derivative assets:**	**5,619.3**	**11,789.5**
	● The fair value of derivatives reported as a part of "Other assets" in the Canadian GAAP balance sheet, are reported separately as "Derivative assets" in the IFRS statements of financial position.	5,654.5	11,789.5
	● Swaps entered into by the Bank as part of the CMB securitisation program were recorded as derivatives under Canadian GAAP. Under IFRS, recognising these swaps would result in double counting the cash flows on the securitised on-balance sheet mortgages and secured borrowing liability. Hence, this swap is not recognised in the IFRS financial statements.	(35.2)	—
(ii)	**Investment securities:**	**2,122.6**	**—**
	Retained interest on AFS classified securitised mortgages that was recognised on the Canadian GAAP balance sheet has been derecognised under IFRS. Under IFRS, the mortgages in their entirety do not qualify for derecognition and hence no separate asset is recognised as a retained interest.		
(iii)	**Loans:**	**42,446.1**	**(1,409.2)**
	● Accrued interest on commercial and corporate loans and commercial mortgages previously included in the loans balance on the Canadian GAAP balance sheet is separately presented in the IFRS statements of financial position.	(1,125.7)	(1,329.6)
	● Accrued interest on residential mortgages previously included in the loans balance on the Canadian GAAP balance sheet is separately presented in the IFRS statements of financial position.	(23.1)	(79.6)
	● Securitised mortgages continue to be recognised on the statements of financial position under IFRS. Under Canadian GAAP these mortgages qualified for sale treatment and were derecognised.	43,594.9	—
(iv)	**Deferred tax assets:**	**199.2**	**133.3**
	● Under Canadian GAAP, the Bank had applied fair value hedge accounting in respect of foreign currency risk associated with forecasted interest payments on certain floating rate foreign currency loans. These hedges are not of a type that would qualify for hedge accounting under IFRS, and accordingly they have not been reflected on the opening IFRS statements of financial position. The deferred tax balance associated with hedge accounting have been eliminated.	—	58.0
	● Net deferred tax asset reported as a part of "Other assets" on the Canadian GAAP balance sheet, are reported separately as "Deferred tax assets" under IFRS.	—	75.9
	● Deferred tax liabilities recognised on the Canadian GAAP balance sheet are reported separately under IFRS.	(105.8)	—
	● Additional deferred tax assets recognised under IFRS attributable to no derecognition of the securitised mortgages under IFRS.	305.0	—
(v)	**Interest accrued on loans and deposits:**	**1,148.8**	**1,410.1**
	● Accrued interest on treasury placements.	0.1	0.9
	● Accrued interest on commercial and corporate loans and commercial mortgages.	1,125.6	1,329.6
	● Accrued interest on residential mortgages.	23.1	79.6
	which were reported as a part of the respective asset classes on the Canadian GAAP balance sheet, have been reported separately as "interest accrued on loans and deposits" in the IFRS statements of financial position.		
(vi)	**Current tax assets:**	**—**	**146.3**
	Current tax asset reported as a part of "Other assets" on the Canadian GAAP balance sheet, are reported separately as "Current tax assets" in the IFRS statements of financial position.		
(vii)	**Other assets:**	**(5,654.5)**	**(12,285.3)**
	Amount classified out of "Other assets" recorded on the Canadian GAAP balance sheet on account of:		
	● Deferred tax assets (refer - iv)	—	(75.9)
	● Current tax assets (refer - vi)	—	(194.7)
	● Elimination of fair value hegde adjustment	—	(225.2)
	● The positive mark-to-market on derivatives (refer - I)	(5,654.5)	(11,789.5)
(viii)	**Derivative liabilities:**	**3,127.3**	**3,207.8**
	The fair value of derivatives reported as a part of "Accounts payable and other liabilities" on the Canadian GAAP balance sheet is reported separately as "Derivative liabilities" in the IFRS statements of financial position	3,175.1	3,207.8
	● Derecognition of mark-to-market on swaps entered for securitisation program	(47.8)	—
(ix)	**Current tax liabilities:**	**285.5**	**—**
	● The provision of current taxes is reported separately as "Current tax liabilities" in the IFRS statements of financial position, whereas this was included as a part of "Accounts payable and other liabilities" on the Canadian GAAP balance sheet	319.5	—
	● Reversal of income tax provision on fair value gain on retained interest on securitised mortgages recorded in Canadian GAAP	(34.0)	—
(x)	**Interest accrued on deposit liabilities:**	**8,284.7**	**8,152.7**
	Accrued interest on customer deposits, which was reported as a part of "Deposits" on the Canadian GAAP balance sheet, has been reported as "Interest accrued on deposit liabilities" in the IFRS statements of financial position		
(xi)	**Accounts payable and other liabilities:**	**(4,203.6)**	**(3,318.1)**
	Amount classified out of "Accounts payable and other liabilities" recorded on the Canadian GAAP balance sheet on account of:		
	● Fair value of derivative liabilities (refer - viii)	(3,175.2)	(3,207.8)
	● Reclassification of current tax assets	(319.5)	(48.5)
	● Deferred tax liabilities presented separately under IFRS	(105.7)	—
	● Reclassification of securitisation liabilities to secured borrowings	(603.2)	—
	● Elimination of fair value hedge adjustment	—	(38.2)
	● Others	—	(23.6)

₹ in millions

		December 31, 2010	January 1, 2010
(xii)	**Secured borrowings:**	**43,192.2**	**—**
	● Net proceeds from securitisation of mortgages (refer - iii)		
(xiii)	**Retained earnings:**	**(689.5)**	**(105.5)**
	● After-tax impact of eliminating the effect of fair value hedge accounting (refer - iv)	—	(129.1)
	● Others	—	23.6
	● Derecognition of swaps entered for securitisation program	12.7	—
	● Reversal of gains, expenses, retained interest, servicing liability and premium amortisation under IFRS in respect of mortgages securitised	(1,007.2)	—
	● Additional deferred tax assets recognised on securitisation under IFRS	305.0	—
(xiv)	**Accumulated other comprehensive income:**	**(75.5)**	**—**
	● Reversal of post-tax gain on AFS-classified retained interest in securitised mortgages recorded in the Canadian GAAP financial statements.		

₹ in millions

		Year ended December 31, 2010
(xv)	**Interest income:**	**1,491.8**
	● Reclassification between commercial fees and interest.	295.6
	● Interest income on securitised mortgages recognised under IFRS net of amortisation of retained interest/ servicing liability recognised in the Canadian GAAP financial statements.	1,124.8
	● Interest income recognised under IFRS on impaired loans.	129.2
	● Interest income recognised under IFRS based on carrying value of loans.	(57.8)
(xvi)	**Interest expense:**	**735.8**
	● Interest expense on secured borrowings (refer - xii)	
(xvii)	**Net impairment on loans:**	**251.2**
	● Change in presentation.	156.1
	● Interest income recognised under IFRS on impaired loans.	129.2
	● Collective impairment recognised under IFRS based on carrying value of loans	(34.1)
(xviii)	**Non-interest income:**	**(1,492.0)**
	● Reclassification between commercial fees and interest.	(295.6)
	● Reversal of gains recognised under Canadian GAAP in respect of mortgages securitised.	(1,396.1)
	● Elimination of fair value hedge adjustment.	199.7
(xix)	**Income tax expense:**	**(253.4)**
	● Tax effects of the IFRS transition adjustments.	

Prior period adjustment:

With transition to IFRS on January 1, 2010, the Bank implemented an enhanced methodology for estimating the collective/general allowance in respect of loans that takes into account the probability of borrower default and the loss given default. In preparing the financial statements as at and for the year ended December 31, 2010 under Canadian GAAP, the Bank continued to use its previous collective allowance estimation methodology to determine the collective provision balance as at December 31, 2010 and the corresponding expense during 2010. Management has determined that it would have been more appropriate to use the enhanced allowance estimation technique for determining the collective allowance balance and expense for the 2010 Canadian GAAP financial statements.

The previously reported Canadian GAAP amounts have been adjusted as follows: collective provision balances as at January 1, 2010 and December 31, 2010 increased by ₹ 108.4 and ₹ 185.1, respectively and the provision for credit losses expense for the year ended December 31, 2010 increased by ₹ 76.7.

Mandatory exceptions adopted by the Bank:

Accounting estimates:

The Bank has used estimates under IFRS that are consistent with those applied under Canadian GAAP (with adjustment for accounting policy differences) unless there is objective evidence those estimates were in error.

Optional exemptions applied by the Bank:

The Bank has considered the exceptions from other IFRS permitted per Appendix D of IFRS 1 and concluded that none are applicable.

ICICI Bank

ICICI BANK EURASIA LLC

7TH ANNUAL REPORT AND ANNUAL ACCOUNTS 2011

Directors
Chanda Kochhar, *Chairperson*
K. M. Jayarao
N. S. Kannan
Vijay Chandok
James Bernard Cook

Auditors
ZAO KPMG

Registered Office
4, 4th Lesnoy Lane
City of Moscow
Russian Federation
125047

directors' report

to the members

The Directors have pleasure in presenting the Seventh Annual Report of ICICI Bank Eurasia LLC with the audited statement of accounts for the year ended December 31, 2011.

FINANCIAL HIGHLIGHTS

The financial performance for years ended December 31 is summarised below:

₹ million, except percentages

	2010	**2011**	% change
Net interest income and other income	*750.0*	**700.1**	(21)%
Operating expense	*(370.0)*	**(344.7)**	(7)%
Provisions & contingencies	*32.3*	**(85.0)**	—
Profit before tax	*412.3*	**270.4**	(34)%
Tax expenses	*(91.1)*	**(63.5)**	(30)%
Consolidated profit after tax	*321.2*	**206.9**	(36)%

The balance sheet at December 31 is summarised below:

₹ million, except percentages

	2010	**2011**	% change
CAPITAL AND LIABILITIES			
HO Control Account	*2,851.6*	**2,851.6**	—
Reserves and Surplus	*734.5*	**447.9**	(39)%
Deposits	*2,888.0*	**2,778.9**	(4)%
Borrowings	*12,419.4*	**9,235.8**	(26)%
Other liabilities and provisions	*27.1*	**36.9**	36%
TOTAL	*18,920.6*	**15,351.1**	(19)%
ASSETS			
Cash and balance with Reserve Bank of India	—	**—**	—
Balances with banks and money at call and short notice	*9,163.7*	**5,603.7**	(39)%
Investments	*315.6*	**840.1**	—
Advances	*9,159.8*	**8,830.0**	(4)%
Fixed Assets	*64.9*	**52.4**	(19)%
Other Assets	*216.6*	**24.9**	(88)%
TOTAL	*18,920.6*	**15,351.1**	(19)%

SUBSIDIARY COMPANIES

At December 31, 2011, ICICI Bank Eurasia LLC had no subsidiaries.

DIRECTORS

At March 31, 2011 there were six Members of the Supervisory Board (Directors):

- Chanda Kochhar (Chairperson)
- K. M. Jayarao
- N. S. Kannan
- Vijay Chandok
- James Bernard Cook
- Vladislav Voitsekhovich

Chanda 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.

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.

N. S. Kannan and Vijay Chandok were elected as members of the Supervisory Board on May 4, 2010 vide the Resolution of the Sole Participant.

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 and has been relieved of his position of a member of the Supervisory Board on October 24, 2011 vide the resolution of the Sole Participant with the effect from December 1, 2011.

Starting December 1, 2011 there are five Members of the Supervisory Board (Directors):

- Chanda Kochhar (Chairperson)
- K. M. Jayarao
- N. S. Kannan
- Vijay Chandok
- James Bernard Cook

AUDITORS

ZAO KPMG has been appointed as auditor of ICICI Bank Eurasia LLC on for the calendar year 2011 by a resolution of the Sole Participant pursuant recommendation of the Audit Committee of the Bank.

PERSONNEL

At December 31, 2011 number of the Bank's employees was 66.

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.

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. At March 31, 2011 it was supported in its activities by three committees constituted to oversee specific areas: Executive Credit Committee, Asset and Liability Management Committee, Budget Committee.

On December 1, 2011 the Executive Board consists of 3 members:

- Karen Edonts – Acting Executive Chief Officer and Head of Risks Management Group.
- Olga Parshina – Chief Accountant – Chief Financial Officer
- Elizaveta Stepina – Head of Compliance & AML Department

At November 30, 2011 Vladislav Voitsekhovich has been relieved from its position of the President and CEO of ICICI Bank Eurasia LLC at his own will.

Karen Edonts have been designated for the position of Acting Chief Executive Officer of ICICI Bank Eurasia LLC at December 31, 2011.

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. Karen Edonts was approved to the position of the Members of the Executive Board of ICICI Bank Eurasia LLC on October 25, 2010 subject to approval of the Chief Division of the Central Bank of Russian Federation for Moscow.

There were 121 meetings of the Executive Board during the period from April 1, 2011 till March 31, 2012.

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 November 30, 2011, the Supervisory Board consisted of 6 members. At December 1, 2011 the membership of Vladislav Voitsekhovich in the Supervisory Board has been terminated at his own will.

At December 1, 2011, the Supervisory Board consisted of 5 members.

There were 5 (five) meetings of the Supervisory Board during the period from April 1, 2011 till March 31, 2012 – April 25, 2011, September 9, 2011, October 24, 2011, January 24, 2012 and April 25, 2012. 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:

For the period from April 1, 2011 till November 30, 2011:

Name of Member	Board Meetings attended during the year	Number of other Supervisory Board's committee memberships
Chanda Kochhar (Chairperson)	2	—
K. M. Jayarao	2	2
N. S. Kannan	3	2
Vijay Chandok	3	1
James Bernard Cook	2	2
Vladislav Voitsekhovich	3	3

For the period from December 1, 2011 till March 31, 2012:

Name of Member	Board Meetings attended during the year	Number of other Supervisory Board's committee memberships
Chanda Kochhar (Chairperson)	1	—
K. M. Jayarao	2	2
N.S.Kannan	2	2
Vijay Chandok	2	1
James Bernard Cook	2	2

It has been a standard practice for Directors to participate in the meetings of the Supervisory Board and Committees by teleconference.

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

At March 31, 2011 the Audit Committee comprises three Directors and is chaired by N. S. Kannan. There were seven meetings of the Committee during the period from April 1, 2011 till March 31, 2012. The details of the composition of the Committee and attendance at its Meetings are set out in the following tables:

Name of Member	Number of meetings attended
N. S. Kannan (Chairman)	7
K. M. Jayarao	6
James Bernard Cook	6

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 Kochhar. There were no meetings of the Committee during the period from April 1, 2011 till March 31, 2012.

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 five Members Directors. At December 1, 2011 the Risk and Credit Committee comprises four members. There were 15 meetings of the Committee during the mentioned period. The details of the composition of the Committee and attendance at its Meetings are as follows:

For the period from April 1, 2011 till November 30, 2011:

Name of Member	Number of meetings attended
N.S. Kannan (Chairman)	7
K. M. Jayarao	7
Vijay Chandok	7
James Bernard Cook	7
Vladislav Voitsekhovich	7

For the period from December 1, 2011 till March 31, 2012:

Name of Member	Number of meetings attended
N. S. Kannan (Chairman)	7
K. M. Jayarao	7
James Bernard Cook	7
Vijay Chandok	7

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

At November 30, 2011 The Executive Credit Committee comprises four members, namely:

— President and CEO (Chairman) - Vladislav Voitsekhovich;

— Head of Wholesale Corporate Group– Sunil Rola;

— Chief Accountant – Chief Financial Officer – Olga Parshina;

— Head of Risks Management Group – Karen Edonts.

At December 1, 2011 the Executive Credit Committee comprises four members, namely:

— Acting Chief Executive Officer, Head of Risks Management Group – Karen Edonts;

— Head of Wholesale Corporate Group– Sunil Rola;

— Chief Accountant – Chief Financial Officer – Olga Parshina;

There have been 36 meetings of the Executive Credit Committee during the reporting period from April 1, 2011 till March 31, 2012.

ASSETS 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 of the following members: President and CEO (Chairman) - Vladislav Voitsekhovich (till November 30, 2011), Head of Wholesale Corporate Group– Sunil Rola, Head of Risks Management Group – Karen Edonts, Chief Accountant – Chief Financial Officer - Olga Parshina.

There have been 12 meetings of the ALM Committee during the period from April 1, 2011 till March 31, 2012.

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 of the following members: Head Compliance & AML 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 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 9 meetings of the Product and Process Approval Committee during the reporting period from April 1, 2011 till March 31, 2012.

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), Assistant Vice-president – Head of Compliance & AML Department – Elizaveta Stepina, Branch Head – Alexander Kazanskiy.

There were 4 meetings of the Budget Committee during the reporting period from April 1, 2011 till March 31, 2012.

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, 2012

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

Lesnaya 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.

Karen Edonts
Acting Chief Executive Officer
May 2, 2012

independent auditors' report

to the Supervisory Board of ICICI Bank Eurasia Limited Liability Company

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, 2011, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 policies 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, 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

ZAO KPMG

April 25, 2012

balance sheet

at December 31, 2011

	Notes	2011	(₹ in million) *2010*
ASSETS			
Cash and cash equivalents	4	**424.9**	*5,006.1*
Mandatory reserve deposit with the Central Bank of the Russian Federation		**215.6**	*133.9*
Placements with banks and other financial institutions	5	**4,963.2**	*4,023.7*
Loans to customers	6	**8,830.0**	*9,159.8*
Available-for-sale financial assets held by the Bank	7	**840.1**	*315.6*
Assets held-for-sale	8	**—**	*154.7*
Property, equipment and intangible assets	9	**52.4**	*64.9*
Deferred tax assets	23	**—**	*21.7*
Other assets	10	**24.9**	*40.2*
Total assets		**15,351.1**	*18,920.6*
LIABILITIES			
Deposits and balances from banks	11	**8,143.7**	*11,368.1*
Current accounts and deposits from customers	12	**2,778.9**	*2,888.0*
Subordinated debt	13	**1,092.1**	*1,051.3*
Promissory notes		**0.3**	*0.3*
Deferred tax liabilities	23	**6.5**	*—*
Other liabilities	14	**30.1**	*27.1*
Total liabilities		**12,051.6**	*15,334.8*
EQUITY			
Charter capital	15	**2,851.6**	*2,851.6*
Additional paid-in capital		**283.3**	*283.3*
Revaluation reserve for available-for-sale financial assets		**(38.8)**	*(42.4)*
Retained earnings		**203.4**	*493.3*
Total equity		**3,299.5**	*3,585.8*
Total liabilities and equity		**15,351.1**	*18,920.6*

The financial statements as set out on pages 278 to 293 were approved by the Supervisory Board on 25 April 2012.

Karen Edonts
Acting Chief Executive Officer

Olga Parshina
Chief Accountant and 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, 2011

	Notes	2011	(₹ in million) *2010*
Interest income		**894.5**	*1,141.9*
Interest expense		**(344.5)**	*(445.3)*
Net interest income	16	**550.0**	*696.6*
Fee and commission income		**126.7**	*78.0*
Fee and commission expense		**(7.2)**	*(20.7)*
Net fee and commission income	17	**119.5**	*57.3*
Net loss on available-for-sale financial assets	18	**—**	*(6.0)*
Net foreign exchange income	19	**30.5**	*1.8*
Other operating income		**0.1**	*0.3*
Operating income		**700.1**	*750.0*
Impairment losses (origination) recovery	20	**(85.0)**	*32.3*
Personnel expenses	21	**(212.6)**	*(220.1)*
Other general administrative expenses	22	**(132.1)**	*(149.9)*
Profit before income tax		**270.4**	*412.3*
Income tax expense	23	**(63.5)**	*(91.1)*
Profit for the period		**206.9**	*321.2*
Other comprehensive income, net of income tax			
Revaluation reserve for available-for-sale financial assets:			
- Net change in fair value		**3.6**	*30.3*
- Net change in fair value transferred to profit or loss		**—**	*4.8*
Other comprehensive income for the period, net of income tax		**3.6**	*35.1*
Total comprehensive income for the period		**210.5**	*356.3*

The financial statements as set out on pages 278 to 293 were approved by the Supervisory Board on 25 April 2012.

Karen Edonts
Acting Chief Executive Officer

Olga Parshina
Chief Accountant and Financial Officer

The income statement is to be read in conjunction with the notes to, and forming part of, the financial statements.

cash flow statement

for the year ended December 31, 2011

	Notes	2011	(₹ in million) 2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest receipts		**717.7**	*998.8*
Interest payments		**(360.4)**	*(586.9)*
Fee and commission receipts		**230.1**	*196.7*
Fee and commission payments		**(30.1)**	*(11.5)*
Net payments from available-for-sale financial assets		**—**	*(6.0)*
Net receipts from foreign exchange		**56.9**	*419.5*
Other income received		**0.1**	*0.3*
Personnel expenses and other general administrative expenses paid		**(327.9)**	*(339.7)*
		286.4	*671.2*
(Increase) decrease in operating assets			
Placements with banks and other financial institutions and due from the Central Bank of the Russian Federation		**(664.9)**	*5,061.4*
Loans to customers		**377.2**	*2,022.4*
Available-for-sale financial assets held by Bank		**(488.1)**	*1,405.7*
Assets held-for-sale		**154.7**	-
Other assets		**14.7**	*11.4*
		(606.4)	*8,500.9*
Increase (decrease) in operating liabilities			
Deposits and balances from banks		**(3,542.7)**	*(5,461.8)*
Current accounts and deposits from customers		**(208.3)**	*473.3*
Other liabilities		**21.1**	*3.4*
		(3,729.9)	*(4,985.1)*
Net cash (used in) provided from operating activities before income tax paid		**(4,049.9)**	*4,187.0*
Income tax paid		**(54.5)**	*(50.1)*
Cash flows (used in) provided from operating activities		**(4,104.4)**	*4,136.9*
CASH FLOWS FROM INVESTING ACTIVITIES			
Net purchases of property and equipment		**(1.5)**	*(1.3)*
Cash flows used in investing activities		**(1.5)**	*(1.3)*
CASH FLOWS FROM FINANCING ACTIVITIES			
Profit distribution to the participant		**(496.8)**	—
Cash flows used in financing activities		**(496.8)**	—
Net (decrease) increase in cash and cash equivalents		**(4,602.7)**	*4,135.6*
Effect of changes in exchange rates on cash and cash equivalents		**21.5**	*111.3*
Cash and cash equivalents at the beginning of the period		**5,006.1**	*759.2*
Cash and cash equivalents at the end of the period	4	**424.9**	*5,006.1*

The statement of cash flows is to be read in conjunction with the notes to, and forming part of, the financial statements.

statement of changes in equity

for the year ended December 31, 2011

(₹ in million)

	Charter capital	Additional paid-in capital	Revaluation reserve for available-for-sale financial assets	Retained earnings	Total
Balance at January 1, 2010	2,851.6	283.3	(77.6)	172.1	3,229.4
Total comprehensive income					
Profit for the period	—	—	—	321.2	321.2
Other comprehensive income					
Net change in fair value	—	—	30.3	—	30.3
Net change in fair value transferred to profit or loss	—	—	4.8	—	4.8
Total other comprehensive income	—	—	35.1	—	35.1
Total comprehensive income for the period	—	—	35.0	321.2	356.2
Balance at December 31, 2010	2,851.6	283.3	(42.6)	493.3	3,585.6
Balance at January 1, 2011	2,851.6	283.3	(42.6)	493.3	3,585.6
Total comprehensive income					
Profit for the period	—	—	—	206.9	206.9
Other comprehensive income					
Net change in fair value	—	—	3.6	—	3.6
Total other comprehensive income	—	—	3.6	—	3.6
Total comprehensive income for the period	—	—	3.6	206.9	210.5
Profit distribution to the participant	—	—	—	(496.6)	(496.6)
Balance at December 31, 2011	2,851.6	283.3	(39.0)	203.6	3,299.5

The statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the financial statements.

1 BACKGROUND

Organisation and operations

These financial statements are 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 its registered office in Balabanovo in the Kaluga region and a branch in Moscow. 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 with legal entities and individuals.

On October 2, 2008 the Bank received broker, dealer and custodian licenses for a professional financial market participant from the Federal Service for Financial Markets.

The Bank is a member of the state deposit insurance system in the Russian Federation.

The principal activities of the Bank are corporate lending, trade finance, deposit taking, customer accounts maintenance, cash and settlement operations. The activities of the Bank are regulated by the Central Bank of the Russian Federation (the "CBR").

The registered address of the Bank is 125047, Russian Federation, Moscow, 4th Lesnoy Lane, 4. The Bank has 1 branch in 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 29.

Russian business environment

The Bank's operations are primarily located in the Russian Federation. Consequently, the Bank is exposed to the economic and financial markets of the Russian Federation which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in the Russian Federation. In addition, the contraction in the capital and credit markets and its impact on the Russian economy have 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.

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 financial assets are stated at fair value.

Functional and presentation currency

The functional currency of the Bank is the Russian Rouble ("RUB") 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 ₹ is the presentation currency for the purposes of these financial statements.

Financial information presented in ₹ is rounded to the nearest million.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies is described in note 6 in respect of loan impairment estimates.

Changes in accounting policies and presentation

With effect from January 1, 2011, the Bank retrospectively applied a revised version of IAS 24 (issued in 2009) Related Party Disclosures. This change has not had a significant impact on the related party disclosures.

With effect from January 1, 2011, the Bank retrospectively applied limited amendments to IFRS 7 Financial Instruments: Disclosures issued as part of Improvements to IFRSs 2010. These amendments mainly relate to disclosures on collateral and other credit enhancements, as well as to renegotiated assets that would otherwise be overdue or impaired.

Comparative information

In the current year financial statements 2010 year comparative figures of nostro accounts with other banks have been reclassified as follows:

(₹ in million)

	Before reclassification	Impact of reclassification	After reclassification
Statement of financial position as at 31 December 2010			
Assets			
Cash and cash equivalents	325.0	4,681.1	5,006.1
Placements with banks and other financial institutions	8,704.8	(4,681.1)	4,023.7

This reclassification has lead to the following change in the statement of cash flows:

(₹ in million)

	Before reclassification	After reclassification
Statement of cash flows for 2010 year		
Cash flows (used in) provided from operating activities	(172.5)	4,136.9

3 SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies are consistently applied in the preparation of the financial statements, except for changes in accounting policies and presentations described above.

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency 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. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or qualifying cash flow hedges, which are recognised in other comprehensive income.

Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand and unrestricted balances (nostro accounts) held with the CBR and other banks. The mandatory reserve deposit with the CBR is not considered to be a cash equivalent due to restrictions on its withdrawability. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

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, evaluated and reported internally 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.

Management determines the appropriate classification of financial instruments in this category 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 at fair value through profit or loss category. Financial assets 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 foreseeble future or until maturity. Other financial instruments may be reclassified out of 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.

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:

- intends 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.

Loans and receivables include cash and cash equivalents, placements with banks and other financial institutions, loans to customers, and other receivables.

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 financial assets are those non-derivative 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.

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 can not 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

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment. 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.

Fair value measurement principles

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.

When available, the Bank measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Bank establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Bank, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e., the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e., without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

Assets and long positions are measured at a bid price; liabilities and short positions are measured at an asking price. Where the Bank has positions with offsetting risks, mid-market prices are used to measure the offsetting risk positions and a bid or asking price adjustment is applied only to the net open position as appropriate. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Bank and the counterparty where appropriate. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Bank believes a third-party market participant would take them into account in pricing a transaction.

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 financial 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 financial asset is recognised 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 amortization process.

Derecognition

The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognised as a separate asset or liability in the statement of financial position. The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Bank enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised.

In transactions where the Bank neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognises the asset if control over the asset is lost.

In transfers where control over the asset is retained, the Bank continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred assets.

If the Bank purchases its own debt, it is removed from the statement of financial position and the difference between the carrying amount of the liability and the consideration paid is included in gains or losses arising from early retirement of debt.

The Bank writes off assets deemed to be uncollectible.

Derivative financial instruments

Derivative financial instruments include swaps, forwards, futures, spot transactions and options in interest rates, foreign exchanges, 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 date followed by the month of acquisition 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

Acquired intangible assets 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.

Assets held for sale

Non-current assets, or disposal group comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Bank's accounting policies. Thereafter, the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell.

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 uncollectible, it is written off against the related allowance for loan impairment. The Bank writes off a loan balance (and any related allowances for loan impairment) 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 financial assets that are not carried at fair value because their fair value can not 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 can not be reversed.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by transferring the cumulative loss that is 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 the impairment allowance 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. An impairment loss in respect of goodwill is not reversed.

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.

A provision for restructuring is recognised when the Bank has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

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.

Loan commitments are not recognised, except for the followings:

- loan commitments that the Bank designates as financial liabilities at fair value through profit or loss
- if the Bank has a past practice of selling the assets resulting from its loan commitments shortly after origination, then the loan commitments in the same class are treated as derivative instruments
- loan commitments that can be settled net in cash or by delivering or issuing another financial instrument
- commitments to provide a loan at a below-market interest rate.

Equity

The sole participant in a Russian limited liability company does not have the unilateral right to withdraw his capital from the company. Based on the adopted amendment to IAS 1 Presentation of Financial Statements – Capital Disclosures and IAS 32 Financial Instruments: Disclosure, the Bank recorded charter capital and retained earnings attributable to the participant as equity.

Distributions to the participant

The Bank distributes profits to the participant on the basis of financial statements prepared in accordance with Russian Accounting Rules.

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 the participant 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 profit 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 recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: 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 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. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by 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.

Loan origination fees, loan servicing fees and other fees that are considered to be an integral part 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.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Hyperinflation 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 equity items at December 31, 2002 became their carrying amounts at January 1, 2003 for the purpose of subsequent accounting.

New standards and interpretations not yet adopted

The following new standards, amendments to standards and interpretations are not yet effective at December 31, 2011, and are not applied in preparing these financial statements. Of these pronouncements, potentially the following will have an impact on the financial position and performance. The Bank plans to adopt these pronouncements when they become effective.

The Bank has not yet analysed the likely impact of the new standards and amendments on its financial position or performance.

- IAS 27 (2011) Separate Financial Statements will become effective for annual periods beginning on or after 1 January 2013. The amended standard carries forward the existing accounting and disclosure requirements of IAS 27 (2008) for separate financial statements with some clarifications. The requirements of IAS 28 (2008) and IAS 31 for separate financial statements have been incorporated into IAS 27 (2011). Early adoption of IAS 27 (2011) is permitted provided the entity also early-adopts IFRS 10, IFRS 11, IFRS 12 and IAS 28 (2011).
- IFRS 9 Financial Instruments will be effective for annual periods beginning on or after 1 January 2015. The new standard is to be issued in phases and is intended ultimately to replace International Financial Reporting Standard IAS 39 Financial Instruments: Recognition and Measurement. The first phase of IFRS 9 was issued in November 2009 and relates to the classification and measurement of financial assets. The second phase regarding classification and measurement of financial liabilities was published in October 2010. The remaining parts of the standard are expected to be issued during 2012. 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 financial statements. The impact of these changes will be analysed during the course of the project as further phases of the standard are issued. The Bank does not intend to adopt this standard early.
- IFRS 13 Fair Value Measurement will be effective for annual periods beginning on or after January 1, 2013. The new standard replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It provides a revised definition of fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurement that currently exist in certain standards. The standard is applied prospectively with early adoption permitted. Comparative disclosure information is not required for periods before the date of initial application.
- Amendment to IAS 1 Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income. The amendment requires that an entity presents separately items of other comprehensive income that may be reclassified to profit or loss in the future from those that will never be reclassified to profit or loss. Additionally, the amendment changes the title of the statement of comprehensive income to statement of profit or loss and other comprehensive income. However, the use of other titles is permitted. The amendment shall be applied retrospectively from July 1, 2012 and early adoption is permitted.
- Various Improvements to IFRSs have been dealt with on a standard-by-standard basis. All amendments, which result in accounting changes for presentation, recognition or measurement purposes, will come into effect not earlier than January 1, 2012. The Bank has not yet analysed the likely impact of the improvements on its financial position or performance.

4 Cash and cash equivalents

	2011 (**₹ in million**)	*2010* (₹ in million)
Cash on hand	**59.5**	*116.0*
Nostro accounts with the CBR	**136.8**	*209.0*
Nostro accounts with other banks		
OECD banks	**226.8**	*4,675.9*
Other foreign banks	**1.8**	*3.2*
Russian subsidiaries of OECD banks	**—**	*2.0*
Total nostro accounts with other banks	**228.6**	*4,681.1*
Total cash and cash equivalents	**424.9**	*5,006.1*

None of cash and cash equivalents are impaired or past due.

5 Placements with banks and other financial institutions

	2011 (**₹ in million**)	*2010* (₹ in million)
Loans and deposits		
Foreign banks	**4,611.8**	*2,053.9*
30 largest Russian banks	**—**	*505.4*
Russian subsidiaries of OECD banks	**—**	*235.9*
Total loans and deposits	**4,611.8**	*2,795.2*
Promissory notes		
10 largest Russian banks	**233.4**	*486.7*
Total promissory notes	**233.4**	*486.7*
Placements with other financial institutions		
State Corporation "Bank for Development and Foreign Economic Affairs (Vnesheconombank)"	**118.0**	*741.4*
Moscow Interbank Currency Exchange	**—**	*0.4*
Total placements with other financial institutions	**118.0**	*741.8*
Total placements with banks and other financial institutions	**4,963.2**	*4,023.7*

Concentration of placements with banks and other financial institutions

At December 31, 2011 the Bank has 6 banks (2010:none), whose balances individually exceed 10% of total placements with banks and other financial institutions. The gross value of these balances at December 31, 2011 is ₹ 4,611.8 million (2010: nil).

6 LOANS TO CUSTOMERS

	2011 (**₹ in million**)	*2010* (₹ in million)
Loans to corporate customers	**6,297.2**	*6,195.2*
Loans to retail customers		
Mortgage loans	**2,665.9**	*3,062.1*
Auto loans	**6.3**	*19.0*
Credit cards	**0.1**	*3.1*
Total loans to retail customers	**2,672.3**	*3,084.2*
Gross loans to customers	**8,969.5**	*9,279.4*
Impairment allowance	**(139.5)**	*(119.6)*
Net loans to customers	**8,830.0**	*9,159.8*

Movements in the loan impairment allowance by classes of loans to customers for the year ended December 31, 2011 are as follows:

(₹ in million)

	Loans to corporate customers	Loans to retail customers	Total
Balance at the beginning of the year	**19.6**	**100.0**	**119.6**
Net charge	**58.7**	**26.2**	**84.9**
Loss on loans sold	**(58.7)**	**—**	**(58.7)**
Write-offs	**—**	**(6.3)**	**(6.3)**
Balance at the end of the year	**19.6**	**119.9**	**139.5**

Movements in the loan impairment allowance by classes of loans to customers for the year ended 31 December 2010 are as follows:

(₹ in million)

	Loans to corporate customers	*Loans to retail customers*	*Total*
Balance at the beginning of the year	*62.2*	*125.5*	*187.7*
Net (recovery) charge	*(42.6)*	*5.8*	*(36.8)*
Loss on loans sold	*—*	*(29.2)*	*(29.2)*
Write-offs	*—*	*(2.1)*	*(2.1)*
Balance at the end of the year	***19.6***	***100.0***	***119.6***

Credit quality of loans to customers

The following table provides information on the credit quality of loans to customers at December 31, 2011:

	(₹ in million)			%
	Gross loans	Impairment allowance	Net loans	Impairment allowance to gross loans
Loans to corporate customers				
Loans for which no impairment has been identified:				
- Standard loans	**5,372.0**	**(13.7)**	**5,358.3**	**0.26**
- Watch list loans not overdue	**925.3**	**(5.9)**	**919.4**	**0.64**
Total loans for which no impairment has been identified	**6,297.2**	**(19.6)**	**6,277.6**	**0.31**
Total loans to corporate customers	**6,297.2**	**(19.6)**	**6,277.6**	**0.31**
Loans to retail customers				
Mortgage loans				
- Not overdue	**2,003.3**	**(1.2)**	**2,002.1**	**0.06**
- Overdue less than 30 days	**77.3**	**(1.2)**	**76.1**	**1.55**
- Overdue 30-89 days	**46.6**	**(2.0)**	**44.6**	**4.29**
- Overdue 90-179 days	**49.2**	**(3.5)**	**45.7**	**7.11**
- Overdue 180-360 days	**102.3**	**(19.2)**	**83.1**	**18.77**
- Overdue more than 360 days	**387.2**	**(92.7)**	**294.5**	**23.92**
Total mortgage loans	**2,665.9**	**(119.8)**	**2,546.1**	**4.49**
Auto loans				
- Not overdue	**4.7**	**—**	**4.7**	**—**
- Overdue less than 30 days	**0.3**	**—**	**0.3**	**—**
- Overdue 30-89 days	**1.3**	**(0.1)**	**1.2**	**7.69**
Total auto loans	**6.3**	**(0.1)**	**6.2**	**1.59**
Credit cards				
- Not overdue	**0.1**	**—**	**0.1**	**—**
Total credit cards	**0.1**	**—**	**0.1**	**—**
Total loans to retail customers	**2,672.3**	**(119.9)**	**2,552.4**	**4.49**
Total loans to customers	**8,969.5**	**(139.5)**	**8,830.0**	**1.56**

The following table provides information on the credit quality of the loans to customers at December 31, 2010:

	(₹ in million)			%
	Gross loans	Impairment allowance	Net loans	Impairment allowance to gross loans
Loans to corporate customers				
Loans for which no impairment has been identified:				
- Standard loans	*5,157.0*	*(13.2)*	*5,143.8*	*0.26*
- Watch list loans not overdue	*1,017.9*	*(6.3)*	*1,011.6*	*0.62*
- Overdue less than 30 days	*20.3*	*(0.1)*	*20.2*	*0.62*
Total loans for which no impairment has been identified	***6,195.2***	***(19.6)***	***6,175.6***	***0.32***
Total loans to corporate customers	***6,195.2***	***(19.6)***	***6,175.6***	***0.32***
Loans to retail customers				
Mortgage loans				
- Not overdue	*2,457.3*	*(1.0)*	*2,456.3*	*0.04*
- Overdue less than 30 days	*112.4*	*(1.7)*	*110.7*	*1.52*
- Overdue 30-89 days	*51.8*	*(2.7)*	*49.1*	*5.21*
- Overdue 90-179 days	*53.2*	*(7.4)*	*45.8*	*13.91*
- Overdue 180-360 days	*117.0*	*(11.4)*	*105.6*	*9.74*
- Overdue more than 360 days	*270.4*	*(74.5)*	*195.9*	*27.55*
Total mortgage loans	***3,062.1***	***(98.7)***	***2,963.4***	***3.22***
Auto loans				
- Not overdue	*17.6*	*—*	*17.6*	*—*
- Overdue less than 30 days	*0.8*	*—*	*0.8*	*—*
- Overdue 30-89 days	*0.6*	*(0.1)*	*0.5*	*16.67*
Total auto loans	*19.0*	*(0.1)*	*18.9*	*0.53*
Credit cards				
- Not overdue	*0.9*	*—*	*0.9*	*—*
- Overdue less than 30 days	*0.2*	*—*	*0.2*	*—*
- Overdue 30-89 days	*0.2*	*—*	*0.2*	*—*
- Overdue 90-179 days	*0.3*	*(0.1)*	*0.2*	*33.33*
- Overdue 180-360 days	*0.8*	*(0.4)*	*0.4*	*50.00*
- Overdue more than 360 days	*0.7*	*(0.7)*	*—*	*100.00*
Total credit cards	***3.1***	***(1.2)***	***1.9***	***38.71***
Total loans to retail customers	***3,084.1***	***(100.0)***	***2,984.2***	***3.24***
Total loans to customers	***9,279.4***	***(119.6)***	***9,159.8***	***1.29***

During 2011 the Bank did not renegotiate loans to corporate customers that would otherwise be past due or impaired (2010: ₹ 667.8 million). Such activity was 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.

Key assumptions and judgments for estimating the loan impairment

Loans to corporate customers

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, or negative changes in the borrower's markets.

The Bank estimated the impairment allowance for loans to corporate clients 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, and a delay of 3 to 6 months in obtaining proceeds from the foreclosure of collateral.

In determining the impairment allowance for loans to corporate customers, management makes the following key assumptions:

- a discount of between 35% and 60% to the originally appraised value if the property pledged is sold
- a delay of 3 to 6 months in obtaining proceeds from the foreclosure of collateral.

Changes in these estimates could effect the loan impairment allowance. For example, to the extent that the net present value of the estimated cash flows differs by one percent, the impairment allowance for loans for corporate customers at December 31, 2011 would be ₹ 62.8 million lower/higher (2010: ₹ 61.8 million lower/higher).

Loans to retail customers

The Bank estimates the impairment allowance for loans to retail customers based on its past historical loss experience on each type of loan. The significant assumptions used by management in determining the impairment allowance for loans to retail customers 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 50% is applied to market comparables
  - a delay of 1 to 3 years in obtaining proceeds from the disposal of the property pledged.

Changes in these estimates could effect the loan impairment allowance. For example, to the extent that the net present value of the estimated cash flows differs by plus minus three percent, the impairment allowance for loans to retail customers at December 31, 2011 would be ₹ 76.6 million lower/higher (2010: ₹ 89.5 million).

Analysis of collateral

Loans to corporate customers

The following table provides information on collateral securing loans to corporate customers, net of impairment, by types of collateral at December 31, 2011:

	2011	2010
	(₹ iin million)	(₹ in million)
Guarantees of legal entities and individuals	3,049.3	1,833.7
Equipment and other property	1,850.0	597.6
Real estate	330.1	374.5
Other collateral	196.9	1,205.8
No collateral	851.3	2,164.0
Total loans to corporate customers	**6,277.6**	*6,175.6*

The amounts shown in the table above represent the carrying value of the loan, and do not neceserally represent the fair value of the collateral.

Loans to corporate customers that are overdue or impaired

The Bank has no impaired or overdue loans to corporate customers at December 31, 2011. At December 31, 2010 the Bank had one loan 3 days overdue to a corporate customer with net value of ₹ 20.2 million which was secured by collateral with a fair value of ₹ 141.6 million.

Loans to corporate customers that are neither overdue nor impaired

At December 31, 2011, for loans to legal entities with a net carrying amount of ₹ 2,376.9 million (2010: ₹ 2,157.8 million) management estimates that the fair value of collateral is at least equal to their carrying amounts. The recoverability of these loans is primarily dependent on the creditworthiness of the borrowers rather than the value of collateral, and the current value of collateral does not impact the impairment assessment. The Bank does not take into account guarantees when assessing the impairment allowance for loans to corporate customers.

Collateral obtained

During the year ended December 31, 2011, the Bank did not obtain any assets by taking possession of collateral for loans to corporate customers. During the year ended 31 December 2010 the Bank obtained assets by taking possession of collateral for loans to corporate customers. This collateral represented 16 cranes with a net realizable value of ₹ 154.7 million, which the Bank sold during the year ended December 31, 2011.

Loans to retail customers

Mortgage loans are secured by the underlying housing real estate. Auto loans are secured by the underlying cars. Credit card overdrafts are not secured.

Mortgage loans

Included in mortgage loans are loans with a net carrying amount of ₹ 78,8 million (2010: ₹ 43.9 million), which are secured by collateral with a fair value of less than the net carrying amount of the individual loans. The fair value of collateral for these loans amounts to ₹ 67.5 million (2010: ₹ 38.8 million), excluding overcollateralisation.

For mortgage loans with a net carrying amount of ₹ 2,357.7 million (2010: ₹ 2,724.3 million) management believes that the fair value of collateral is at least equal to the carrying amount of individual loans at the reporting date.

For mortgage loans with a net carrying amount of ₹ 109.7 million (2010: ₹ 195.4 million) the collateral is in process of registration. Management believes that the fair value of this collateral is at least equal to the carrying amount of individual loans at the reporting date.

The Bank updates the appraised values of collateral obtained at inception of the loans to the current values considering the approximate changes in property values. The Bank obtains specific individual valuation of collateral at each reporting date in case there are indications of impairment.

For mortgage loans with a net carrying amount of ₹ 2,002.0 million (2010: ₹ 2,456.3 million) the fair value of collateral was estimated at inception of the loans and was not adjusted for subsequent changes to reporting date.

Auto loans

For auto loans with a net carrying amount of ₹ 6.1 million (2010: ₹ 18.9 million) management believes that the fair value of collateral is at least equal to the carrying amount of individual loans at the reporting date, excluding overcollateralisation.

The Bank updates the appraised values of collateral obtained at inception of the loans to the current values considering the approximate changes in prices and aging of cars. The Bank obtains specific individual valuation of collateral at each reporting date in case there are indications of impairment.

For auto loans with a net carrying amount of ₹ 4.7 million (2010: ₹ 17.6 million) the fair value of collateral was estimated at inception of the loans and was not adjusted for subsequent changes to the reporting date.

Collateral obtained

During the year ended December 31, 2011, the Bank obtained certain assets by taking possession of collateral for loans to retail customers and sold them duiring 2011. In 2010 there were no such cases.

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:

	2011	2010
	(₹ in million)	(₹ in million)
Manufacturing	2,084.9	1,831.1
Oil and gas	1,225.0	779.3
Trade	827.6	1,085.2
Telecommunication	807.0	—
Finance	718.9	1,009.5
Machine-building	633.9	647.4
Mining/metallurgy	—	311.9
Real estate	—	191.5
Loans to retail customers	2,672.2	3,084.1
Other	—	339.4
Total gross loans to customers	**8,969.5**	*9,279.4*
Impairment allowance	(139.5)	(119.6)
Total net loans to customers	**8,830.0**	*9,159.8*

Significant credit exposures

At December 31, 2011 the Bank has no borrowers or groups of connected borrowers (2010: none), whose loan balances individually exceed 10% of total loans to customers.

Loan maturities

The maturity of the loan portfolio is presented in note 24, which shows the remaining periods from the reporting date to the contractual maturities of the loans.

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS HELD BY THE BANK

	2011	2010
	(₹ in million)	(₹ in million)
Corporate bonds (non-rated)	336.4	315.6
Russian Government Federal bonds (OFZ) ('BBB' rated by S&P)	503.7	—
Total available-for-sale financial assets held by the Bank	**840.1**	*315.6*

8. ASSETS HELD FOR SALE

During the year ended December 31, 2011 the Bank sold assets obtained during the year ended 31 December 2010 by taking possession of collateral for loans to corporate customers. This collateral represented 16 cranes with a net realizable value of ₹ 154.7 million.

9. PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS

(₹ in million)

Cost	Equipment	Fixtures and fittings	Motor vehicles	(Computer software)	Leasehold improvements	Total
Balance at January 1, 2011	41.1	12.4	1.7	63.0	10.6	128.8
Additions	—	—	—	1.8	—	1.8
Disposals	(5.3)	(0.6)	—	—	—	(6.0)
Balance at December 31, 2011	35.8	11.7	1.7	64.8	10.6	124.7
Depreciation and amortisation						
Balance at January 1, 2011	(33.3)	(6.8)	(1.7)	(17.0)	(5.1)	(63.9)
Depreciation and amortisation for the year	(4.4)	(1.9)	—	(6.3)	(1.6)	(14.2)
Disposals	5.1	0.6	—	—	—	5.8
Balance at December 31, 2011	(32.6)	(8.0)	(1.7)	(23.3)	(6.7)	(72.3)
Carrying amount						
At December 31, 2011	3.2	3.7	—	41.5	3.9	52.4

(₹ in million)

Cost	*Equipment*	*Fixtures and fittings*	*Motor vehicles*	*(Computer software)*	*Leasehold improvements*	*Total*
Balance at January 1, 2010	*44.7*	*14.6*	*2.8*	*57.3*	*21.8*	*141.2*
Additions	*1.4*	*—*	*—*	*5.7*	*—*	*7.1*
Disposals	*(5.0)*	*(2.2)*	*(1.1)*	*—*	*(11.1)*	*(19.5)*
At December 31, 2010	*41.1*	*12.4*	*1,7*	*63.0*	*10.6*	*128.8*
Depreciation and amortisation						
Balance at January 1, 2010	*(28.4)*	*(6.0)*	*(2.5)*	*(10.9)*	*(6.4)*	*(54.2)*
Depreciation and amortisation for the year	*(7.8)*	*(1,8)*	*(0.3)*	*(6.1)*	*(3.2)*	*(19.2)*
Disposals	*3.0*	*0.9*	*1.1*	*—*	*4.5*	*9.5*
Balance at December 31, 2010	*(33.3)*	*(6.8)*	*(1,7)*	*(17.0)*	*(5.1)*	*(63.9)*
Carrying amount						
At December 31, 2010	*7.8*	*5.5*	*—*	*46.1*	*5.5*	*64.9*

10. OTHER ASSETS

	2011 (₹ in million)	*2010 (₹ in million)*
Prepayments	9.9	*24.6*
Rent prepayments	8.2	*8.2*
Income tax receivable	4.8	*0.2*
Taxes payable other than on income	0.9	*1.1*
Other	1.6	*6.6*
Total other assets gross of impairment allowance	25.4	*40.7*
Impairment allowance	(0.5)	*(0.5)*
Total other assets	24.9	*40.2*

Analysis of movements in the impairment allowance

Movements in the impairment allowance for the year ended December 31, 2011 are as follows:

	2011 (₹ in million)	*2010 (₹ in million)*
Balance at the beginning of the year	489.0	*0.3*
Net charge	—	*4.5*
Write-offs	—	*(4.3)*
Balance at the end of the year	489.0	*0.5*

11. DEPOSITS AND BALANCES FROM BANKS

	2011 (₹ in million)	*2010 (₹ in million)*
Term deposits	8,142.3	*11,368.0*
Vostro accounts	1.4	*0.1*
Total deposits and balances from banks	8,143.7	*11,368.1*

Concentration of deposits and balances from banks

At December 31, 2011, the Bank has 2 banks (2010: 1 bank), whose balances individually exceed 10% of total deposits and balances from banks. The gross value of these balances at December 31, 2011 is ₹ 8,142.3 million (2010: ₹ 10,548.3 million).

12. CURRENT ACCOUNTS AND DEPOSITS FROM CUSTOMERS

	2011 (₹ in million)	*2010 (₹ in million)*
Current accounts and demand deposits		
- Corporate	221.6	*304.3*
- Retail	134.8	*129.6*
Term deposits		
- Corporate	2,215.3	*2,153.2*
- Retail	207.2	*300.9*
Total current accounts and deposits from customers	2,778.9	*2,888.2*

At December 31, 2011, the Bank maintained customer deposit balances of ₹ 980.4 million (2010: ₹ 6.3 million) that serve as collateral for loans and non-funded credit instruments granted by the Bank.

Concentrations of current accounts and deposits from customers

At December 31, 2011, the Bank has 2 customers (2010: 1 customer), whose balances individually exceed 10% of total current accounts and deposits from customers. The gross value of these balances at December 31, 2011 is ₹ 2,065.2 million (2010: ₹ 2,128.0 million).

13. SUBORDINATED DEBT

At December 31, 2011 and 2010, the Bank had the following subordinated debt outstanding:

Principal amount (in US$ thousand)	Interest rate	Issue date	Maturity date	2011 (₹ in million)	*2010 (₹ in million)*
8,000	6M Libor+ 2.50%	30 March 2006	30 March 2016	437.3	*431.7*
12,000	6M Libor+ 1.75%	26 March 2007	27 March 2017	654.8	*619.6*
Total subordinated debt				1,092.1	*1,051.3*

In case of bankruptcy, the repayment of the subordinated debt will be made after repayment in full of all other liabilities of the Bank.

14. OTHER LIABILITIES

	2011 (₹ in million)	*2010 (₹ in million)*
Deferred income received	22.2	*2.0*
Accrued expenses	7.8	*11.3*
Income tax payable	—	*13.7*
Other	0.1	*0.1*
Total other liabilities	30.1	*27.1*

15. CHARTER CAPITAL

Charter capital represents contributions made by the participant of the Bank.

Under new Russian legislation, the 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.

At December 31, 2011 the charter capital of the Bank was ₹ 2,851.6 million (2010: ₹ 2,851.6 million).

As at 9 September 2011 the sole participant of the Bank approved profit distribution via payment of ₹ 496.6 million from retained earnings. In accordance with the legislation of the Russian Federation, as at the reporting date, reserves available for distribution amounted to ₹ 183.1 million (2010: ₹ 503.9 million).

16. NET INTEREST INCOME

	2011 (₹ in million)	*2010 (₹ in million)*
Interest income		
Loans to customers	763.0	*947.0*
Available-for-sale financial assets	81.3	*113.4*
Placement with banks and other financial institutions	50.2	*81.5*
Total interest income	894.5	*1,141.9*
Interest expense		
Deposits and balances from banks	289.2	*380.2*
Subordinated debt	29.0	*41.6*
Current accounts and deposits from customers	26.3	*23.5*
Total interest expense	344.5	*445.3*
Net interest income	550.0	*696.6*

17 NET FEE AND COMMISSION INCOME

	2011 (₹ in million)	*2010 (₹ in million)*
Fee and commission income		
Fees related to loans	**74.1**	*9.3*
Currency exchange fees	**25.3**	*10.6*
Settlement fees	**17.1**	*12.5*
Guarantee and letter of credit issuance fees	**7.6**	*40.5*
Agency services fees	**1.4**	*2.7*
Other	**1.2**	*2.4*
Total fee and commission income	**126.7**	*78.0*
Fee and commission expense		
Settlement fees	**2.5**	*2.4*
Credit card maintenance fees	**1.5**	*0.7*
Cash transactions fees	**1.3**	*0.9*
Fees to MICEX	**0.8**	*0.6*
Fees for collection services	**0.6**	*0.2*
Fees related to letters of credit	**0.2**	*15.3*
Other	**0.3**	*0.6*
Total fee and commission expense	**7.2**	*20.7*
Net fee and commission income	**119.5**	*57.3*

18 NET LOSS ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2011 (₹ in million)	*2010 (₹ in million)*
Realised loss on available-for-sale financial assets	**—**	*(6.0)*
Net loss on available-for-sale financial assets	**—**	*(6.0)*

19. NET FOREIGN EXCHANGE INCOME

	2011 (₹ in million)	*2010 (₹ in million)*
Loss from revaluation of financial assets and liabilities	**(26.3)**	*(417.8)*
Gain on spot transactions and derivatives	**56.8**	*419.6*
Total net foreign exchange income	**30.5**	*1.8*

20. IMPAIRMENT LOSSES (ORIGINATION) RECOVER

	2011 (₹ in million)	*2010 (₹ in million)*
Loans to customers	**(85.0)**	*36.8*
Other assets	**—**	*(4.5)*
Total impairment losses (origination) recovery	**(85.0)**	*32.3*

21. PERSONNEL EXPENSES

	2011 (₹ in million)	*2010 (₹ in million)*
Employee compensation	**191.4**	*203.2*
Payroll related taxes	**21.2**	*16.9*
Total personnel expenses	**212.6**	*220.1*

22. OTHER GENERAL ADMINISTRATIVE EXPENSES

	2011 (₹ in million)	*2010 (₹ in million)*
Rent	**42.7**	*46.0*
Taxes other than on income	**15.8**	*20.6*
Depreciation and amortisation (note 9)	**14.2**	*19.2*
Communications services	**13.1**	*13.5*
Information and consultation services	**11.8**	*11.2*
Professional services	**12.2**	*9.2*
Repairs and maintenance	**7.9**	*9.1*
Travel expenses	**1.5**	*1.2*
Insurance	**—**	*0.5*
Advertising and marketing	**—**	*4.2*
Loss from disposal of fixed assets	**2.1**	*2.6*
Other expenses	**10.8**	*12.6*
Total other general administrative expenses	**132.1**	*149.9*

23. INCOME TAX EXPENSE

	2011 (₹ in million)	*2010 (₹ in million)*
Current year tax expense	**36.2**	*63.6*
Origination and reversal of temporary differences	**27.3**	*27.5*
Total income tax expense	**63.5**	*91.1*

In 2011, the applicable tax rate for current and deferred tax is 20% (2010: 20%).

Reconciliation of effective tax rate:

	2011 (₹ in million)	%	*2010 (₹ in million)*	*%*
Profit before tax	**270.4**		*412.3*	
Income tax at the applicable tax rate	**54.0**	**20.0**	*82.5*	*20.0*
Tax effect of non-deductible costs	**10.3**	**3.7**	*8.8*	*2.1*
Tax effect of items taxed at lower rate	**(0.8)**	**(0.3)**	*(0.2)*	*(0.1)*
	63.5	**23.5**	*91.1*	*22.1*

Deferred tax assets and liabilities

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 liabilities and assets at December 31, 2011 and 2010, respectively. 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, 2011 and 2010 are presented as follows.

2011 (₹ in million)	**Balance January 1, 2011**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Balance December 31, 2011**
Loans to customers	**9.6**	**(25.1)**	**—**	**(15.5)**
Available-for-sale financial assets	**10.6**	**—**	**(0.9)**	**9.7**
Deposits and balances from banks	**—**	**(0.9)**	**—**	**(0.9)**
Property, equipment and intangible assets	**1.6**	**(1.4)**	**—**	**0.2**
Total	**21.8**	**(27.4)**	**(0.9)**	**(6.5)**

2010 (₹ in million)	*Balance January 1, 2010*	*Recognised in profit or loss*	*Recognised in other comprehensive income*	*Balance December 31, 2010*
Loans to customers	*46.9*	*(37.4)*	*—*	*9.5*
Available-for-sale financial assets	*19.0*	*0.4*	*(8.8)*	*10.6*
Deposits and balances from banks	*(2.0)*	*2.0*	*—*	*—*
Property, equipment and intangible assets	*(5.9)*	*7.6*	*—*	*1.7*
Total	58.0	(27.4)	(8.8)	21.8

Income tax recognised in other comprehensive income

The tax effects relating to components of other comprehensive income for the years ended December 31, 2011 and 2010 comprise the following:

	2011			2010		
(₹ in million)	**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 financial assets	**4.5**	**(0.9)**	**3.6**	*37.8*	*(7.6)*	*30.3*
Net change in fair value of available-for-sale financial assets transferred to profit and loss	**—**	**—**	**—**	*6.0*	*(1.2)*	*4.8*
Other comprehensive income	**4.5**	**(0.9)**	**3.6**	*43.8*	*(8.8)*	*35.0*

24. 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.

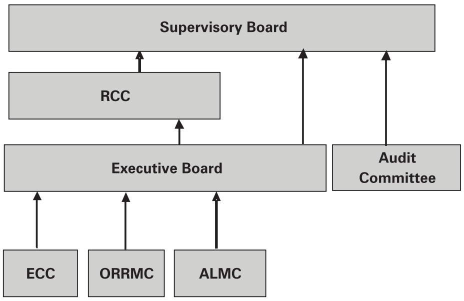
Risk management policies and procedures

The 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 Head of the Risk Management Group of the Bank is responsible for the overall risk management 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 ("ORRMC"), a Product and Process Approval Committee and an Asset and Liability Management Committee ("ALMC"). In order to facilitate efficient and effective decision-making, the Bank has established a hierarchy of credit committees depending on the type and amount of the exposure.

Risk governance and Management:



The Supervisory Board ("SB") is responsible for the oversight and control of the functioning of the Bank and approves all major policies and procedures of the Bank. It 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 Board delegates authority to the Executive Board and various Committees responsible for managing the day-to-day activities of the Bank.

The SB comprises the following members:

- CEO, Parent
- CFO, Parent
- President, Parent
- Head of Risk Management Group, Parent
- President and CEO, Bank
- Independent non-executive Director

The Risk and Credit Committee ("RCC") comprises certain top-management of the Parent and the President and CEO of the Bank. It reviews and monitors the risk profile of the Bank on behalf of the Supervisory Board and makes appropriate recommendations. The Committee considers credit approvals in excess of limits delegated to the Executive Credit Committee.

The Audit Committee comprises certain top-management of the Parent and the President/CEO of the Bank. It supervises the adequacy of internal control systems and the internal audit function, external audit reports, the CBR inspection reports, and reports from the Compliance Officer. The Audit Committee meets once a quarter and its reports and recommendations are circulated to the Supervisory Board.

The Executive Board ("EB") is responsible for monitoring and implementation of risk mitigation measures and making sure that the Bank operates within the established risk parameters. The EB comprises the President and CEO of the Bank, the Head of Risk Management Group, the CFO and the Head of Compliance Group. It is responsible for the day-to-day management of the Bank and reviews key elements of operational performance, including reviews of project implementation schedules, business performance, operational risk and compliance and audit issues.

The Executive Credit Committee ("ECC") comprises the President and CEO of the Bank, the Head of Wholesale banking group, the Head of Risk Management Group and the CFO and considers credit approvals and renewals/reviews within defined limits.

The Asset Liability Management Committee comprises the President and CEO of the Bank, the Head of Risk Management Group, the Head of Wholesale banking group, the CFO and the Head of Treasury. Functions of the ALMC include reviewing the asset/liability profile of the Bank, and setting the asset/liability management policy of the Bank. It also considers other investment and treasury operations matters, implementation of risk mitigation measures, and recommends major policy changes governing treasury activities to the EB/RCC. This Committee reviews adherence to the CBR market risk requirements as well as internal control guidelines and limits.

The Operational and Reputational Risk Management Committee - the principal objective of the ORRMC is to mitigate operational and reputation risks within the Bank by creation and maintenance of an explicit operational and reputation risks management process. The ORRMC reviews the operational and reputation risks exposure across the Bank (taking into consideration business unit views) and assures that a proper understanding is reached and actions taken to meet the stated goals and objectives of operational and reputation risks management in the Bank.

Both external and internal risk factors are identified and managed throughout the organisation. Particular attention is given to identifying the full range of risk factors and determination of 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 2011 the Bank implemented a new Risk based pricing model, focused on asset/liability and liquidity risk management.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises 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 EB and the ALMC, both chaired by the President and CEO of the Bank. Market risk limits are approved by the ALMC and the EB 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. These are monitored on a regular basis and reviewed and approved by the EB.

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 utilizes the Value at Risk (VAR) methodology to monitor market risk of its trading positions.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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.

Average interest rates

The table below displays average effective interest rates for interest bearing assets and liabilities at December 31, 2011 and 2010. These interest rates are an approximation of the yields to maturity of these assets and liabilities.

	2011			*2010*		
	Average effective interest rate, %			*Average effective interest rate, %*		
	RUB	**US$**	**Other currencies**	*RUB*	*US$*	*Other currencies*
Interest bearing assets						
Placements with banks	**6.94**	**1.85**	**—**	*3.26*	*0.72*	—
Loans to customers	**10.87**	**6.15**	**—**	*10.47*	*7.29*	*4.35*
Available-for-sale financial assets	**9.65**	**—**	**—**	*8.73*	—	—
Interest bearing liabilities						
Deposits and balances from banks	**—**	**3.17**	**—**	—	*3.49*	*1.50*
Current accounts and deposits from customers						
- Term deposits	**7.72**	**0.61**	**4.24**	*9.52*	*0.59*	*4.51*
Promissory notes	**—**	**—**	**10.00**	—	—	*10.00*
Subordinated debt	**—**	**2.59**	**—**	—	*4.03*	—

Interest rate sensitivity analysis

An analysis of sensitivity of profit or loss and equity (net of tax) to changes in interest rates (repricing risk) based on a simplified scenario of a 100 basis point (bp) symmetrical fall or rise in all yield curves and positions of interest-bearing assets and liabilities existing at December 31, 2011 and 2010 is as follows:

(₹ in million)

	2011	2010
100 bp parallel fall	**(7.4)**	*(51.2)*
100 bp parallel rise	**7.4**	*51.2*

Currency risk

The Bank has assets and liabilities denominated in several foreign currencies.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. Although the Bank hedges its exposure to currency risk, such activities do not qualify as hedging relationships in accordance with IFRS.

The following table shows the currency exposure structure of assets and liabilities at December 31, 2011:

(₹ in million)

	RUB	USD	Other currencies	Total
ASSETS				
Cash and cash equivalents	**168.5**	**235.2**	**21.2**	**424.9**
Mandatory reserve deposit with the Central Bank of the Russian Federation	**215.6**	**-**	**-**	**215.6**
Placements with banks and other financial institutions	**351.4**	**4,611.8**	**-**	**4,963.2**
Loans to customers	**2,230.7**	**6,590.9**	**8.4**	**8,830.0**
Available-for-sale financial assets held by the Bank	**840.1**	**-**	**-**	**840.1**
Property, equipment and intangible assets	**52.4**	**-**	**-**	**52.4**
Other assets	**24.9**	**-**	**-**	**24.9**
Total assets	**3,883.6**	**11,437.9**	**29.6**	**15,351.1**
LIABILITIES				
Deposits and balances from banks	**1.1**	**8,142.6**	**0.1**	**8,143.7**
Current accounts and deposits from customers	**363.9**	**2,386.3**	**28.6**	**2,778.9**
Subordinated debt	**-**	**1,092.1**	**-**	**1,092.1**
Promissory notes	**-**	**-**	**0.3**	**0.3**
Deferred tax liabilities	**6.5**	**-**	**-**	**6.5**
Other liabilities	**30.3**	**-**	**-**	**30.3**
Total liabilities	**401.8**	**11,621.0**	**29.0**	**12,051.7**
Net position	**3,481.8**	**(183.1)**	**0.6**	**3,299.4**

The following table shows the currency exposure structure of assets and liabilities at December 31, 2010:

(₹ in million)

	RUB	*USD*	*Other currencies*	*Total*
ASSETS				
Cash and cash equivalents	*266.6*	*4,692.0*	*47.6*	*5,006.1*
Mandatory reserve deposit with the Central Bank of the Russian Federation	*133.9*	—	—	*133.9*
Placements with banks and other financial institutions	*1,969.8*	*2,053.9*		*4,023.7*
Loans to customers	*1,292.5*	*7,046.2*	*821.1*	*9,159.8*
Available-for-sale financial assets held by the Bank	*315.6*	—	—	*315.6*
Assets held for sale	*154.7*	—	—	*154.7*
Property, equipment and intangible assets	*64.9*	—	—	*64.9*
Deferred tax assets	*21.7*	—	—	*21.7*
Other assets	*40.2*	—	—	*40.2*
Total assets	*4,259.9*	*13,792.1*	*868.7*	*18,920.7*
LIABILITIES				
Deposits and balances from banks	—	*10,611.6*	*756.5*	*11,368.1*
Current accounts and deposits from customers	*506.0*	*2,269.4*	*112.8*	*2,888.2*
Subordinated debt	—	*1,051.3*	—	*1,051.3*
Promissory notes	—	—	*0.3*	*0.3*
Other liabilities	*27.1*	—	—	*27.1*
Total liabilities	*533.1*	*13,932.3*	*869.6*	*15,335.0*
Net position	*3,726.8*	*(140.3)*	*(0.9)*	*3,585.7*

A weakening of the RUB, as indicated below, against the following currencies at December 31, 2011 and 2010 would have (decreased) increased equity and profit or loss (net of tax) by the amounts shown below. This analysis is on net of tax basis and is based on foreign currency exchange rate variances that the Bank considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

(₹ in million)

	2011	2010
10% depreciation of RUB against US$	**(14.6)**	*(11.2)*
10% depreciation of RUB against other currencies	**—**	*(0.1)*

A strengthening of the RUB against the above currencies at December 31, 2011 and 2010 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

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 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 as follows:

- the use of historical data as a basis for determining future events may not encompass all possible scenarios, particularly those that are of an extreme nature
- a 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 estimate
- VAR is only calculated on the end-of-day balances and does not necessarily reflect exposures that may arise on positions during the trading day
- the VAR measure is dependent upon the 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 of losses that could occur in respect of the portfolio of financial instruments at fair value as at 31 December is as follows:

(₹ in million)

	2011	2010
Fixed income securities interest rate risk	**1.6**	*1.7*

Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Bank has policies and procedures for the management of credit exposures (both for recognised financial assets and unrecognised contractual commitments), including guidelines to limit portfolio concentration and the establishment of the ECC, which actively monitors credit risk. The credit and recovery policy is reviewed and approved by the SB.

The credit and recovery policy establishes:

- procedures for review and approval of loan/credit applications
- credit rating framework
- formation of 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 corporate loan portfolio. Reports produced by the department's credit analysts are based on a structured analysis focusing on the borrower'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 and risk based pricing is given accompanied by a verification 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 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 borrowers. The review is based on the borrower'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 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 make any retail loans in 2011.

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 maximum exposure to credit risk is generally reflected in the carrying amounts of financial assets in the statement of financial position and unrecognised contractual commitment amounts. The impact of possible netting of assets and liabilities to reduce potential credit exposure is not significant.

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 to customers refer to note 6.

Maximum exposure to credit risk from financial assets at the reporting date is as follows:

(₹ in million)

	2011	*2010*
ASSETS		
Cash and cash equivalents	**365.4**	*4,890.1*
Placements with banks and other financial institutions	**4,963.2**	4,023.7
Loans to customers	**8,830.0**	9,159.8
Available-for-sale financial assets	**840.1**	315.6
Other assets	**24.9**	40.2
Maximum exposure to credit risk	**15,023.7**	18,429.3

The Bank holds collateral against loans and advances to customers in the form of real estate, registered securities and guarantees. Estimates of value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired.

For the analysis of collateral held against loans to customers and concentration of credit risk in respect of loans to customers refer to note 6.

The total exposure to credit risk from non-funded contractual commitments at the reporting date is presented in note 26.

At December 31, 2011 and 2010 the Bank had no debtors or group of related debtors, whose credit risk exposures individually exceed 10% of total exposure to recognised credit risk.

Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. 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 liquidity management. 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 liquidity policy is reviewed and approved by the Management 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 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 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 and deposits to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Bank as a whole.

The daily liquidity position is monitored and regular liquidity stress testing under a variety of scenarios covering both normal and more severe market conditions is performed by the Treasury Department. Under the normal market conditions, liquidity reports covering the liquidity position are presented to senior management on a weekly basis. Decisions on liquidity management are made by the ALMC and implemented by the Treasury Department.

The following tables show the undiscounted cash flows on financial liabilities and credit-related commitments on the basis of their earliest possible contractual maturity. The total gross outflow disclosed in the tables is the contractual, undiscounted cash flow on the financial liability or commitment. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee can be called.

In accordance with Russian legislation, individuals can withdraw their term deposits at any time, forfeiting in most of the cases the accrued interest. These deposits are classified in accordance with their stated maturity dates. The amount of such deposits, by each time band, is as follows:

- from 1 to 3 months: ₹ 57.6 million (2010: ₹ 29.3 million)
- from 3 to 6 months: ₹ 37.7 million (2010: ₹ 61.1 million)
- from 6 to 12 months: ₹ 24.1 million (2010: ₹ 160.7 million)
- more than 1 year: ₹ 87.8 million (2010: ₹ 49.9 million)

Management expects that the cash flows from certain financial liabilities will be different from their contractual terms either because management has the discretionary ability to manage the cash flows or because past experience indicates that cash flows will differ from contractual terms.

The maturity analysis for financial liabilities at December 31, 2011 is as follows:

(₹ in million)

	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
LIABILITIES							
Deposits and balances from banks	11.1	54.3	2,776.4	108.6	5,652.0	8,602.5	8,143.7
Current accounts and deposits from customers	1,025.6	627.6	40.0	44.1	1,069.0	2,806.2	2,778.9
Subordinated debt	—	14.1	—	14.1	1,204.8	1,233.0	1,092.1
Promissory notes	—	—	—	—	0.5	0.5	0.3
Other liabilities	—	4.5	—	25.8	—	30.3	30.3
Total liabilities	1,036.7	700.5	2,816.4	192.5	7,926.4	12,672.5	12,051.6
Credit related commitments	1,275.6	—	—	122.1	742.3	2,139.9	2,139.9

The maturity analysis for financial liabilities at December 31, 2010 is as follows:

	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
LIABILITIES							
Deposits and balances from banks	3,351.6	64.6	145.8	2,988.1	5,452.6	12,002.7	11,368.1
Current accounts and deposits from customers	1,540.8	1,059.5	62.7	179.5	76.0	2,918.5	2,888.2
Subordinated debt	-	34.1	-	20.5	1,238.4	1,293.0	1,051.3
Promissory notes	-	-	-	-	0.5	0.5	0.3
Other liabilities	-	-	13.7	13.4	-	27.1	27.1
Total liabilities	4,892.4	1,158.2	222.2	3,201.4	6,767.5	16,241.8	15,334.8
Credit related commitments	441.9	101.4	0.7	33.0	59.4	636.4	636.4

The table below shows an analysis, by expected maturities, of the amounts recognised in the statement of financial position at December 31, 2011:

(₹ in million)	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More that 5 years	No Maturity	Overdue	Total
ASSETS								
Cash and cash equivalents	**424.9**	**—**	**—**	**—**	**—**	**—**	**—**	**424.9**
Mandatory reserve deposit with the Central Bank of the Russian Federation	**20.4**	**12.3**	**55.0**	**109.2**	**18.6**	**—**	**—**	**215.6**
Placements with banks and other financial institutions	**4,192.3**	**770.9**	**—**	**—**	**—**	**—**	**—**	**4,963.2**
Loans to customers	**454.0**	**465.0**	**3,317.7**	**2,767.0**	**1,280.9**	**—**	**545.5**	**8,830.0**
Available-for-sale financial assets held by the Bank	**—**	**—**	**179.8**	**660.3**	**—**	**—**	**—**	**840.1**
Assets held-for-sale	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Property, equipment and intangible assets	**—**	**—**	**—**	**—**	**—**	**52.4**	**—**	**52.4**
Other assets	**—**	**—**	**9.9**	**4.9**	**10.1**	**—**	**—**	**24.9**
Total assets	**5,091.6**	**1,248.2**	**3,562.4**	**3,541.5**	**1,309.5**	**52.4**	**545.5**	**15,351.1**
LIABILITIES								
Deposits and balances from banks	**11.1**	**1.2**	**2,707.5**	**5,423.9**	**—**	**—**	**—**	**8,143.7**
Current accounts and deposits from customers	**1,023.8**	**623.9**	**81.2**	**108.8**	**941.1**	**—**	**—**	**2,778.9**
Subordinated debt	**—**	**—**	**—**	**437.3**	**654.7**	**—**	**—**	**1,092.1**
Promissory notes	**—**	**—**	**—**	**—**	**0.3**	**—**	**—**	**0.3**
Deferred tax liabilities	**—**	**—**	**—**	**—**	**—**	**6.5**	**—**	**6.5**
Other liabilities	**—**	**4.5**	**25.8**	**—**	**—**	**—**	**—**	**30.3**
Total liabilities	**1,034.9**	**629.6**	**2,814.5**	**5,970.0**	**1,596.2**	**6.5**	**—**	**12,051.6**
Net position	**4,056.7**	**618.6**	**747.9**	**(2,428.6)**	**(286.6)**	**45.9**	**545.5**	**3,299.4**

The table below shows an analysis, by expected maturities, of the amounts recognised in the statement of financial position at December 31, 2010:

(₹ in million)	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More that 5 years	No Maturity	Overdue	Total
ASSETS								
Cash and cash equivalents	*5,006.1*	—	—	—	—	—	—	*5,006.1*
Mandatory reserve deposit with the Central Bank of the Russian Federation	*45.8*	*9.9*	*29.4*	*48.9*	—	—	—	*133.9*
Placements with banks and other financial institutions	*3,119.9*	*903.8*	—	—	—	—	—	*4,023.7*
Loans to customers	*87.7*	*1,354.0*	*1,764.2*	*3,710.0*	*1,734.5*	—	*509.3*	*9,159.8*
Available-for-sale financial assets held by the Bank	—	—	—	*169.6*	*146.0*	—	—	*315.6*
Assets held-for-sale	—	—	*154.7*	—	—	—	—	*154.7*
Property, equipment and intangible assets	—	—	—	—	—	*64.9*	—	*64.9*
Deferred tax assets	—	—	—	—	—	*21.7*	—	*21.7*
Other assets	*0.9*	*12.5*	*3.2*	*8.3*	*15.4*	—	—	*40.2*
Total assets	*8,260.4*	*2,280.2*	*1,951.5*	*3,936.7*	*1,895.9*	*86.6*	*509.3*	*18,920.6*
LIABILITIES								
Deposits and balances from banks	*3,331.7*	—	*2,900.3*	*5,136.1*	—	—	—	*11,368.1*
Current accounts and deposits from customers	*1,540.4*	*1,057.2*	*224.7*	*64.9*	*1.1*	—	—	*2,888.2*
Subordinated debt	—	—	—	—	*1,051.3*	—	—	*1,051.3*
Promissory notes	—	—	—	—	*0.3*	—	—	*0.3*
Other liabilities	—	—	*27.1*	—	—	—	—	*27.1*
Total liabilities	*4,872.1*	*1,057.2*	*3,152.1*	*5,200.9*	*1,052.7*	—	—	*15,334.8*
Net position	3,388.3	1,223.0	(1,200.6)	(1,264.2)	843.2	86.6	509.3	3,585.6

In 2011 the Bank implemented new measures for asset/liability management and liquidity measures including risk level and risk direction. The Bank also implemented updated risk based pricing for credit facilities.

The key measures used by the Bank for managing liquidity risk are the indicators – risk level of short term liquidity assets, structural liquidity, liquidity structure and concentration risk, CAMELS Ratios, and lead indicators – the risk direction of the last 3 months and trend in liquidity gaps over the last 3 months.

The reported indicators of liquid assets to liquid liabilities at the reporting date and during the reporting period are as follows:

Indicator	**Range**	**Decemeber 31, 2011**	**Decemeber 31, 2010**
Cumulative liquidity gap in "up to 1 month" bucket	Risk level Low ≥ ₹ 2,567.1 million Med < ₹ 2,567.1 million but ≥ 0 High < 0	₹ 4,056.7 million	₹ 3,388.3 million
Liquid assets to short term liabilities ratio	Risk level Low ≥ 0.55 Med < 0.55 but ≥0.50 High < 0.50	3.85	1.68
Core assets to core liabilities ratio	Risk level Low ≤ 1.25 Med > 1.25 but ≤ 1.50 High > 1.50	1.10	0.93
Liquid assets to total assets ratio	Risk level Low ≥ 0.15 Med < 0.15 but ≥ 0.05 High < 0.05	0.34	0.44
Funding volatility ratio	Risk level Low < 0.00 Med = 0.00 High > 0.00	(0.30)	(0.59)

The Bank also calculates mandatory liquidity ratios on a daily basis in accordance with the requirements of the CBR. These ratios include:

- on-call liquidity ratio (N2), which is calculated as the ratio of highly liquid assets to liabilities payable on demand
- current liquidity ratio (N3), which is calculated as the ratio of liquid assets to liabilities maturing within 30 calendar days
- long-term liquidity ratio (N4), which is calculated as the ratio of assets maturing after 1 year to the shareholders' equity and liabilities maturing after 1 year.

The Bank was in compliance with these ratios during the years ended December 31, 2011 and 2010. The following table shows the mandatory liquidity ratios calculated at December 31, 2011 and 2010.

	Requirement	**2011, %**	*2010, %*
Instant liquidity ratio (N2)	Not less than 15%	**144.88**	*541.80*
Current liquidity ratio (N3)	Not less than 50%	**343.97**	*168.40*
Long-term liquidity ratio (N4)	Not more than 120%	**61.57**	*61.49*

25. 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. At December 31, 2011, this minimum level is 10%. The Bank is in compliance with the statutory capital ratio during the years ended December 31, 2011 and 2010.

The Bank also monitors its capital adequacy levels calculated in accordance with the requirements of the Basel 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 Basel Accord, at December 31:

(₹ in million)

	2011	2010
Tier 1 capital		
Charter capital	**2,851.6**	*2,851.6*
Additional paid-in capital	**283.3**	*283.3*
Retained earnings	**203.4**	*493.3*
Revaluation reserve for available-for-sale financial assets	**(38.8)**	*(42.4)*
Total tier 1 capital	**3,299.5**	*3,585.8*
Tier 2 capital		
Subordinated debt (unamortised portion)	**1,026.5**	*1,051.3*
Total tier 2 capital	**1,026.5**	*1,051.3*
Total capital	**4,326.0**	*4,637.1*
Risk-weighted assets		
Credit risk	**10,170.0**	*10,116.6*
Market risk	**1,260.6**	*618.6*
Operational risk	**119.3**	*127.6*
Total risk weighted assets	**11,549.9**	*10,862.8*
Total capital expressed as a percentage of risk-weighted assets (total capital ratio)	**37.45**	*42.69*
Total tier 1 capital expressed as a percentage of risk-weighted assets (tier 1 capital ratio)	**28.57**	*33.00*

The risk-weighted assets are measured by means of a hierarchy of risk weights classified according to the nature 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 unrecognised contractual commitments, with some adjustments to reflect the more contingent nature of the potential losses.

26. 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.

The Bank applies the same credit risk management policies and procedures when granting credit commitments, financial guarantees and letters of credit as it does for granting loans to customers. At the same time Bank mainly focuses on cash-covered commitments.

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.

(₹ in million)

	2011	2010
Contracted amount		
Loan and credit line commitments	**1,275.1**	*441.9*
Guarantees and letters of credit	**864.8**	*194.5*

The total outstanding contractual commitments above do not necessarily represent future cash requirements, as these commitments may expire or terminate without being funded. The majority of loan and credit line commitments do not represent an unconditional commitment by the Bank

Guarantees and letters of credit are covered by cash deposits in amount of ₹ 761.0 million (2010: ₹ 6.3 million).

Concentration of loan and credit line commitments

At December 31, 2011 the Bank has 4 clients (2010: 3 clients), whose balances individually exceed 10% of total loan and credit line commitments. The gross value of these balances at December 31, 2011 is ₹ 1,066.8 million (2010: ₹ 401.3 million).

Concentration of guarantees and letters of credit

At December 31, 2011 the Bank has 2 clients (2010: 2 clients), whose balances individually exceed 10% of total guarantees and letters of credit. The gross value of these balances at December 31, 2011 is ₹ 844.9 million (2010: ₹ 188.1 million).

27. OPERATING LEASES

Leases as lessee

Non-cancelable operating lease rentals as at 31 December are payable as follows:

(₹ in million)

	2011	2010
Less than 1 year	**39.6**	*40.9*
Between 1 and 5 years	**-**	*37.8*
	39.6	*78.7*

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 2011 ₹ 42.7 million is recognised as an expense in profit or loss in respect of operating leases (2010: ₹ 46.0 million).

28. 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 premises and equipment, business interruption, or third party liability in respect of property or environmental damage arising from accidents on its 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 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 continues to evolve and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes 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.

29. 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 of Directors and the Executive Board of Directors

Total remuneration included in personnel expenses for the years ended December 31, 2011 and 2010 is as follows:

(₹ in million)

	2011	2010
Members of the Supervisory Board of Directors	**13.0**	*13.0*
Members of the Executive Board of Directors	**16.9**	*13.1*
	29.9	*26.1*

The outstanding balances and average interest rates as of December 31, 2011 and 2010 in relation to transactions with the members of the Supervisory Board of Directors and the Executive Board of Directors are as follows:

	2011 (₹ in million	Average effective interest rate	*2010 (₹ in million)*	*Average effective interest rate*
Statement of financial position				
ASSETS				
Loans to customers	**—**	**—**	*14*	*13.00*
LIABILITIES				
Current accounts and deposits from customers	**35.9**	**6.51**	*29.0*	*5.50*

Other amounts included in profit or loss in relation to transactions with the members of the Board of Directors and the Management Board for the years ended 31 December are as follows:

(₹ in million)	2011	*2010*
Statement of comprehensive income		
Interest income	—	*01*
Interest expense	(2.5)	*(0.5)*

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 effective interest rates at December 31, 2011 and related profit or loss amounts in relation to transactions with other related parties for the year ended December 31, 2011 are as follows:

	Parent company		Other subsidiaries of the parent company		
	(₹ in million)	Average effective interest rate, %	(₹ in million)	Average effective interest rate, %	Total (₹ in million)
Statement of financial position					
ASSETS					
Cash and cash equivalents	1.8	—	—	—	1.8
LIABILITIES					
Deposits and balances from banks	5,426.2	4.00	—	—	5,426.2
Subordinated debt	1,092.1	2.59			1,092.1
Statement of comprehensive income					
Interest income	8.5	—	—	—	8.5
Interest expense	(209.1)	—	(69.8)	—	(278.9)
Loss on foreign exchange transactions	(18.8)	—	—	—	(18.8)
Unrecognised credit instruments	759.3	—	—	—	759.3

The outstanding balances and the related effective interest rates at December 31, 2010 and related profit or loss amounts of transactions for the year ended December 31, 2010 with other related parties are as follows:

	Parent company		*Other subsidiaries of the parent company*		
	(₹ in million)	*Average effective interest rate, %*	(₹ in million)	*Average effective interest rate, %*	*Total* (₹ in million)
Statement of financial position					
ASSETS					
Cash and cash equivalents	*3.2*	—	—	—	*3.2*
Placements with banks and other financial institutions	*513.6*	*0.60*	—	—	*513.6*
LIABILITIES					
Deposits and balances from banks	*6,683.5*	*2.89*	*3,864.8*	*4.55*	*10,548.3*
Subordinated debt	*1,051.3*	*4.03*	—	—	*1,051.3*
Statement of comprehensive income					
Interest income	*53.8*	—	*0.1*	—	*53.9*
Interest expense	*(212.0)*	—	*(169.7)*	—	*(381.6)*
Gain on foreign exchange transactions	*327.3*	—	—	—	*327.3*
Unrecognised credit instruments	*28.8*	—	—	—	*28.8*

30 FINANCIAL ASSETS AND LIABILITIES: FAIR VALUES AND ACCOUNTING CLASSIFICATIONS

Accounting classifications and fair values

The estimated fair values of financial instruments at fair value through profit or loss and available-for-sale securities is based on quoted market prices at the reporting date without any deduction for transaction costs. If quoted market prices are not available, the fair value is estimated by using valuation techniques, which include discounted cash flow analysis and other valuation techniques commonly used by market participants.

Based on this assessment the Bank has concluded that the fair value of its financial assets and financial liabilities is not materially different from their carrying values.

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.

Fair value hierarchy

The Bank measures fair values for financial instruments recorded on the statement of financial position using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e, as prices) or indirectly (i.e, derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses financial instruments measured at fair value at December 31, 2011, by the level in the fair value hierarchy into which the fair value measurement is categorised:

(₹ in million)	**Level 1**	**Level 2**	**Level 3**	**Total**
Available-for-sale financial assets held by the Bank				
- fixed income instruments	683.5	156.6	—	840.1
	683.5	156.6	—	840.1

The table below analyses financial instruments measured at fair value at 31 December 2010, by the level in the fair value hierarchy into which the fair value measurement is categorised:

(₹ in million)	*Level 1*	*Level 2*	*Level 3*	*Total*
Available-for-sale financial assets held by the Bank				
- fixed income instruments	*169.6*	*146.0*	—	*315.6*
	169.6	*146.0*	—	*315.6*

ICICI PRUDENTIAL ASSET MANAGEMENT COMPANY LIMITED

19TH ANNUAL REPORT AND ACCOUNTS 2011-2012

Directors
Chanda Kochhar, *Chairperson*
Dileep Choksi
N. S. Kannan
Suresh Kumar
C. R. Muralidharan
Barry Stowe
Vijay Thacker
Nimesh Shah, *Managing Director*

Auditors
B S R & Associates
Chartered Accountants

Rakesh Shetty
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,

Your Directors have pleasure in presenting the Nineteenth Annual Report, together with the audited accounts of ICICI Prudential Asset Management Company Limited (the AMC/the Company), for the year ended March 31, 2012.

FINANCIAL RESULTS

The salient features of the Company's financial results for fiscal 2012 are as follows:

(₹ in million)

	Fiscal 2012	Fiscal 2011
Gross Income	**3,507.7**	*3,497.1*
Expenses	**2,222.5**	*2,463.4*
Profit before Tax	**1,285.2**	*1,033.7*
Provision for Taxation	**404.6**	*315.4*
Profit after Tax	**880.6**	*718.3*
Profit brought forward from previous year	**470.3**	*348.7*
Profit available for appropriation	**1,281.8**	*1,067.9*
Appropriations		
Transfer to General Reserve	**(88.0)**	*(71.8)*
Interim Dividend	**(573.7)**	*(450.1)*
Dividend (Final)	**—**	—
Dividend Tax	**(93.0)**	*(74.8)*
Balance Profit Carried Forward	**596.2**	*470.3*

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 (₹ in million)
June 30, 2011	₹ 5 per share (50% of the face value)	88.3
September 26, 2011	₹ 7.50 per share (75% of the face value)	132.4
December 26, 2011	₹ 10 per share (100% of the face value)	176.5
March 27, 2012	₹ 10 per share (100% of the face value)	176.5

OPERATIONS DURING THE YEAR

Your Company acts as the Investment Manager to ICICI Prudential Mutual Fund (the Fund/Mutual Fund), which at March 31, 2012 was amongst the top three Mutual Funds in India.

a. **Average Assets Under Management (AUM):** The AUM of the Fund for the quarter ended March 31, 2012 stood at ₹ 678,501.8 million.

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

   1. **Bloomberg UTV Financial Leadership Awards 2012**
      The AMC received the coveted UTV Bloomberg Financial Leadership Award 2012 for "Best Contribution in Investor Education and Category Enhancement of the Year" in the mutual fund category.

   2. **Morning Star Mutual Fund Awards – 2012**
      - India Debt Fund House Award– 2012

   3. **Gulf Lipper Fund Awards 2012**
      - Best Fund Group Overall
      - Best Bond Fund Group

   4. **Business Standard Awards 2012**
      - Chaitanya Pande - Head Fixed Income was adjudged Debt Fund Manager of the Year by Business Standard.

   5. **Outlook Money Best Wealth Creator Awards 2011**
      - The Fund has been adjudged "Best Equity Fund House-Runner up in the category: Best Wealth Creator Awards" for a three year period ended June 30, 2011 at the Outlook Money Awards 2011.

   6. **Readers Digest Most Trusted Brand Awards 2011**
      - The AMC received the coveted Readers Digest "Most Trusted Leadership Awards-Gold Award in the Mutual Fund category."

c. **Operations and Consumer Service:** The Company has been rendering timely and efficient services to its customers through its 36 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, 2012 stood at 698 against 795 at March 31, 2011.

to the members,

UPDATE ON NEW PRODUCTS

During fiscal 2012, your Company has launched the following new schemes under the Fund.

Sr. no.	Name of Scheme	Scheme Type	Date of Allotment	Funds Mobilised during NFO (₹ in million)
1.	ICICI Prudential Regular Gold Savings Fund	Gold Fund of Funds	October 10, 2011	900
2.	ICICI Prudential MIP 5	Debt	May 5, 2011	850
3.	Multiple Yield Fund Series	Close ended Debt Scheme	Various dates	6,350
4.	Capital Protection Oriented Schemes	Close ended Debt Scheme	Various dates	7,970

During the year the Company also launched various Fixed Maturity Plans and raised an aggregate amount of ₹ 139,540 million during respective new fund offer periods.

PORTFOLIO MANAGEMENT AND ADVISORY SERVICES

As you are aware, the Company is offering Portfolio Management and Advisory Services across both equity and fixed income assets. At March 31, 2012, the AMC has been rendering Portfolio Management services to 5,782 clients.

SALES OFFICES

Your Company has established a wide network of about 125 well-equipped offices for selling its products to and servicing its retail clientele.

FOREIGN EXCHANGE EARNINGS AND EXPENDITURE ETC.

In fiscal 2012, your Company has earned ₹ 242.5 million (fiscal 2011 - ₹ 304.7 million) as foreign exchange income and has incurred ₹ 119.4 million (fiscal 2011- ₹ 51.4 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 58A of the Companies Act, 1956.

DIRECTORS

In terms of the provisions of the Companies Act, 1956 read with the Articles of Association of the Company, C. R. Muralidharan, retires at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

We are pleased to inform that Suresh Kumar, who was appointed as an Additional Director on the Board of the Company with effect from June 7, 2011, is proposed to be appointed as Director in the ensuing Annual General Meeting.

CONSTITUTION OF AUDIT COMMITTEE OF DIRECTORS

At March 31, 2012, the Audit and Risk Committee consists of the following Directors:

Vijay Thacker

Dileep Choksi

Suresh Kumar

During fiscal 2012, four meetings of the Audit and Risk Committee were held.

CONSTITUTION OF GOVERNANCE COMMITTEE OF DIRECTORS

At March 31, 2012, the Governance Committee consists of the following Directors:

Chanda Kochhar

Barry Stowe

Vijay Thacker

During fiscal 2012, one meeting of the Governance Committee was held.

AUDITORS

The Auditors, M/s. 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 have been followed. No material departures have been made during the year under review;
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.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere thanks to the investors and clients for their continued support and patronage.

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

Your Directors thank Computer Age Management Services Private Limited - the Registrar and Transfer Agents to the schemes of the Fund, the Custodians to the Fund and the Company's bankers 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 Kochhar
Chairperson

Mumbai, April 24, 2012

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, 2012 and the statement of profit and loss and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 and amendments thereto (together referred to '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.

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 statement of profit and loss 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 statement of profit and loss 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 of the Company, as on 31 March 2012, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31 March 2012 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, the state of affairs of the Company as at March 31, 2012;

b) in the case of the statement of profit and loss, 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
Firm's Registration No:116231W

N SAMPATH GANESH
Partner
Membership No: 042554

Mumbai, April 24, 2012

annexure to auditors' report

annexure to auditors' report - 31 March 2012

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 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.

ii. 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.

iii. 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.

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 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.

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 has an 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 of the services rendered by the Company.

ix. (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.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, wealth tax, service tax and other material statutory dues were in arrears as at March 31, 2012 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, provident fund, wealth tax, service tax and material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

(d) There are 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.

x. 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.

xi. In our opinion and according to the information and explanations given to us, the Company did not have any dues to any financial institutions or banks or debenture holders during the year.

xii. 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.

xiii. 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.

xiv. 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.

xv. 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.

xvi. 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.

xvii. 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.

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. According to the information and explanations given to us, the Company has not issued any debentures during the year.

xx. The Company has not raised any money by public issues during the year.

xxi. 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
Firm's Registration No:116231W

N SAMPATH GANESH
Partner
Membership No: 042554

Mumbai, April 24, 2012

balance sheet

at March 31, 2012

	Notes	March 31, 2012	March 31, 2011
			(₹ in million)
Equity and liabilities			
Shareholders' funds			
Share capital	3	**176.5**	*176.5*
Reserves and surplus	4	**1,281.8**	*1,067.9*
		1,458.3	*1,244.4*
Non-current liabilities			
Long term provisions	5	**206.2**	*163.8*
		206.2	*163.8*
Current liabilities			
Other current liabilities	6	**601.8**	*530.5*
Short-term provisions	7	**227.3**	*213.5*
		829.1	*744.0*
TOTAL		**2,493.6**	*2,152.2*
Assets			
Non-current assets			
Fixed assets			
Tangible assets	8	**166.5**	*194.9*
Intangible assets	9	**14.4**	*19.6*
Capital work-in-progress		**3.8**	*1.8*
Intangible assets under development		**3.5**	*1.1*
Non-current investments	10	**299.0**	*313.8*
Deferred tax assets (net)	11	**165.5**	*154.5*
Long term loans and advances	12	**754.8**	*577.7*
		1,407.5	*1,263.4*
Current assets			
Current investments	13	**341.4**	*227.7*
Trade receivables	14	**281.7**	*291.4*
Cash and bank balances	15	**89.5**	*136.0*
Short-term loans and advances	16	**373.5**	*233.7*
		1,086.1	*888.8*
TOTAL		**2,493.6**	*2,152.2*
Significant accounting policies	2		
Notes to the accounts	20 - 33		

statement of profit and loss

for the year ended March 31, 2012

	Note	March 31, 2012	March 31, 2011
			(₹ in million))
Income			
Revenue from operations	17	**3,457.8**	*3,452.5*
Other income	18	**49.9**	*44.6*
Total revenue		**3,507.7**	*3,497.1*
Expenses			
Employee benefit expenses	19A	**917.1**	*840.5*
Depreciation and amortization expenses		**71.3**	*111.3*
Operating and administrative expenses	19B	**1,234.1**	*1,511.6*
Total expenses		**2,222.5**	*2,463.4*
Profit before tax		**1,285.2**	*1,033.7*
Tax expenses:			
- Current tax		**415.6**	*346.1*
- Excess provision of earlier years written back		**—**	*(8.3)*
- Deferred tax credit		**(11.0)**	*(22.4)*
Total tax expense		**404.6**	*315.4*
Net Profit after tax		**880.6**	*718.3*
Earnings per share of face value ₹ 10 each – Basic and Diluted (in ₹)	23	**49.89**	*40.69*
Significant accounting policies	2		
Notes to the accounts	20 - 33		

The Notes referred to above form an integral part of this balance sheet.
As per our report of even date.

For B S R & ASSOCIATES
Chartered Accountants
Firm's Registration No: 116231W

N SAMPATH GANESH
Partner
Membership No: 042554

Mumbai, April 24, 2012

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*
VIJAY THACKER *Director*	NIMESH SHAH *Managing Director*	RAKESH SHETTY *Company Secretary*

cash flow statement

for the year ended March 31, 2012

	March 31, 2012	March 31, 2011
		(₹ in million)
Cash flows from operating activities		
Net profit before tax for the year	**1,285.2**	1,033.7
Adjustment for:		
Depreciation and amortization expenses	**71.3**	111.3
Loss on sale of fixed assets	**3.8**	7.5
Interest	**(0.7)**	(1.1)
Investment income (dividend)	**(30.6)**	(22.0)
Investment income on PMS investment	**(4.4)**	(1.9)
(Profit)/Loss on sale of investments (net)	**(8.8)**	(5.1)
Working capital changes		
Increase / (Decrease) in long term provisions	**42.5**	(58.2)
(Decrease) / Increase in short term provisions	**13.8**	200.6
Increase / (Decrease) in other current liabilities	**(43.9)**	(62.1)
(Increase) / Decrease in other long-term loans and advances	**(170.1)**	(111.7)
Decrease / (Increase) in trade receivables	**9.7**	19.0
(Increase) / Decrease in short-term loans and advances	**(139.9)**	(91.2)
Direct taxes paid (net of refunds)	**(423.2)**	(348.7)
Cash generated from / (used in) working capital changes	**(711.0)**	(452.3)
Cash generated from (used in) operating activities	**604.8**	670.1
From investing activities		
Purchase of tangible assets/capital work-in-progress	**(53.1)**	(59.2)
Purchase of investments	**(2,156.9)**	(2,228.3)
Dividend received	**30.6**	22.0
Investment income on pms investment	**4.4**	1.9
Interest received	**0.7**	1.1
Proceeds from sale of fixed assets	**7.8**	7.1
Proceeds from sale of investments	**2,066.8**	2,200.2
Net Cash generated /(used) in Investing activities	**(99.7)**	(55.2)
Cash flows from financing activities		
Dividends paid (including dividend distribution tax)	**(551.6)**	(525.0)
Net cash generated /(used) in financing activities	**(551.6)**	(525.0)
Net (decrease)/increase in cash and cash equivalents (A)	**(46.5)**	89.9
Add: Cash and cash equivalents at the beginning of the period (B)	**136.0**	46.1
IV. Cash and cash equivalents at the end of the period (A+B)	**89.5**	136.0

As per our report of even date.

For B S R & ASSOCIATES
Chartered Accountants
Firm's Registration No: 116231W

N. SAMPATH GANESH
Partner
Membership No: 042554

Mumbai, April 24, 2012

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*
VIJAY THACKER *Director*	NIMESH SHAH *Managing Director*	RAKESH SHETTY *Company Secretary*

1 **BACKGROUND**

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

The principal shareholders of the Company 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 September 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 million.

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 or 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	10.00 – 33.33	4.75
Computer	33.33	16.21
Vehicles	20.00	9.50
Software	33.33	16.21

Leasehold improvements are amortised over the period of the lease on straight-line basis.

Intangible assets comprising software purchased or 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 ₹ 5,000 or less are fully depreciated in the year of purchase or 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 or of the cash generating unit 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 non-current or current based on intention of the management at the time of purchase.

Non-current investments are carried at carrying cost less diminution in value other than temporary in nature, 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 or 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 the basis of First In First Out ('FIFO') basis.

2.6 **Revenue recognition**

Management fees

Fund management and portfolio management fees (net 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.

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 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 and that benefit is discounted to determine its present value and the fair value of plan assets, if any, is deducted from such determined present value.

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 plan for all its eligible employees who have opted for the scheme. The Company's contribution to the Superannuation fund with the Life Insurance Corporation of India (LIC) is 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 **New Fund Offer (' NFO') expenses**

Expenses relating to NFO 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 NFO 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 and brokerage expenses) on behalf of schemes of the Fund are recognised in the profit and loss account of the Company unless considered recoverable from the schemes of the Fund in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

2.11 Brokerage and incentives

Brokerage and incentive payments for PMS are charged to profit and loss account when incurred.

2.12 Long term incentive plan ('LTIP') & Talent Retention Pay Plan 2009

LTIP 2010 launched in the year ended March 31, 2010 for which the grant value will be paid in three annual tranches. The provision is assessed on a yearly basis based on actuarial valuation.

The Company launched LTIP 2011 in the previous year for which the grant value will be paid in three annual tranches. The provision is assessed on a yearly basis based on actuarial valuation.

The Company has launched LTIP 2012 for which the grant value will be paid in three annual tranches. The year end provision is measured at the present value of estimated future cash flows and the same will be assessed on a yearly basis based on actuarial valuation.

Talent Retention Pay Plan 2009 launched in the year ended March 31, 2010 is a value based plan and the grant value will be paid in three equal tranches. Each of these tranches is provided proportionately over the period of vesting from the date it was 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.

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.

(₹ in million)

	March 31, 2012	March 31, 2011
3. SHARE CAPITAL		
Authorised share capital		
25,000,000 (Previous year: 25,000,000) equity shares of ₹ 10 each	**250.0**	250.0
Issued, subscribed and paid-up capital		
17,652,090 (Previous year: 17,652,090) equity shares of ₹ 10 each, fully paid up	**176.5**	176.5

There is no change in equity shares in the current year.

The Company has one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

Shares held by Holding Company:

9,002,573 (Previous year: 9,002,573) equity shares of ₹ 10 each are held by ICICI Bank Limited, the Holding Company.

Shareholders holding more than 5%:

9,002,573 (Previous year: 9,002,573) equity shares of ₹10 each are held by ICICI Bank 8,649,517 (Previous year: 8,649,517) equity shares of ₹ 10 each are held by Prudential Plc.

The Board of Directors had declared interim dividends aggregating to ₹ 32.5 per equity share (Previous year: ₹ 25.5). The total dividend appropriation for the year ended March 31, 2012 amounted to ₹ 666.7 (Previous year: ₹ 524.9) including corporate dividend tax of ₹ 93.0 (Previous year: ₹ 74.8).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(₹ in million)

	March 31, 2012	March 31, 2011
4. RESERVE AND SURPLUS		
Capital redemption reserve	**8.7**	8.7
Share premium	**33.5**	33.5
General reserve		
Balance at the beginning of the year	**452.4**	380.6
Add: Transfer from surplus in the statement of profit and loss	**88.0**	71.8
Balance at the end of the year	**540.4**	452.4
Contingency reserve[1]	**103.0**	103.0
Surplus/(deficit) in the statement of profit and loss		
Profit brought forward	**470.3**	348.7
Net profit after tax	**880.6**	718.3
Transfer to general reserve	**(88.0)**	(71.8)
Dividend	**(573.7)**	(450.1)
Tax on dividend	**(93.0)**	(74.8)
Net surplus in the statement of profit and loss	**596.2**	470.3
Total reserves & surplus	**1,281.8**	1,067.9

[1]The contingency reserve is a free reserve, created voluntarily by the Company in earlier years, by transferring up to 5% of the profits.

	March 31, 2012	(₹ in million) March 31, 2011
5. Long term provision		
Non-current portion of employee benefits		
- Provision for LTIP	**118.0**	*91.7*
- Provision for leave encashment	**2.7**	*2.6*
- Provision for gratuity	**40.2**	*31.6*
Other non-current provision		
- Lease equalisation	45.3	37.9
	206.2	*163.8*
6. Other current liabilities		
Accounts payable	**49.2**	*78.3*
Unpaid dividend	**86.5**	*86.5*
Dividend distribution tax payable	**28.6**	*29.3*
Fund expenses payable	**326.3**	*211.4*
Accrued expenses	**89.7**	*83.5*
Statutory dues	**16.3**	*41.5*
Income received in advance	**5.2**	—
	601.8	*530.5*

	March 31, 2012	(₹ in million) March 31, 2011
7. Short term provision		
Current portion of employee benefits		
- Provision for bonus	**163.6**	*146.7*
- Provision for LTIP	**39.7**	*21.3*
- Provision for talent pay	**17.7**	*39.0*
- Provision for leave encashment	**1.5**	*1.4*
Other current provision		
- Provision for tax (net of advance tax)	**4.8**	*5.1*
	227.3	*213.5*

8. Tangible assets (₹ in million)

Description	Leasehold improvements	Furniture and fixtures	Office equipments	Computers	Vehicles	Total	Previous year
Gross block							
As at April 1	168.1	59.4	96.9	231.8	40.9	597.1	647.1
Additions during the year	5.7	0.6	2.6	13.1	16.1	38.1	51.3
Deletions during the year	(3.1)	(5.0)	(8.3)	(17.4)	(12.8)	(46.6)	(101.4)
As at March 31	**170.7**	**55.0**	**91.2**	**227.5**	**44.2**	**588.6**	**597.0**
Accumulated depreciation							
As at April 1	**95.0**	**35.0**	**48.1**	**209.1**	**15.0**	**402.2**	**406.9**
Charge for the year	18.9	7.3	8.9	12.6	7.7	55.4	82.1
On deletions during the year	(2.6)	(3.4)	(6.5)	(16.5)	(6.5)	(35.5)	(86.9)
As at March 31	**111.3**	**38.9**	**50.5**	**205.2**	**16.2**	**422.1**	**402.1**
Net block							
As at March 31	**59.4**	**16.1**	**40.7**	**22.3**	**28.0**	**166.5**	**194.9**
As at March 31, 2011	73.1	24.4	48.8	22.6	26.0	194.9	—

	March 31, 2012	(₹ in million) March 31, 2011
9. Intangible assets		
Software		
Gross block		
As at April 1	**138.8**	*125.6*
Additions during the year	11.5	13.2
Deletions during the year	—	—
As at March 31	**150.3**	*138.8*
Accumulated depreciation		
As at April 1	**119.2**	*90.1*
Charge for the year	**16.7**	*29.1*
On deletions during the year	**—**	—
As at March 1	**135.9**	*119.2*
Net block		
As at March 31	**14.4**	*19.6*
As at March 31, 2011	**19.6**	—
10. Non-current investments		
Quoted (at cost)		
Mutual fund units of face value of ₹10 each:		
Nil Units (Previous year 10,000,000 Units) of ICICI Prudential Fixed Maturity Plan Series 51 – 14 Months Plan 'D' Cumulative Growth	**—**	*100.0*
Aggregate amount of non - current quoted investments ₹ Nil (Previous year ₹ 100.0) market value thereof ₹ Nil (Previous year ₹ 107.3);		

	March 31, 2012	(₹ in million) March 31, 2011
Unquoted (at cost)		
Mutual fund units of face value of ₹10 each:		
Nil (Previous year 455 Units) of ICICI Prudential Ultra STP Daily Dividend[2*]	**—**	*0.0*
1,342,535 (Previous Year Nil) ICICI Prudential Focused Bluechip Equity Fund Retail[1]	**21.4**	—
2,180,025 (Previous Year Nil) ICICI Prudential Dynamic Plan Inst. Growth[1]	**21.4**	—
3,036,767 (Previous year Nil) ICICI Prudential Medium Term Plan Prem Mthly Div	**30.5**	—
Mutual fund units of face value of ₹ 100 each:		
Nil Units (Previous year 1,234,916) of ICICI Prudential Institutional Short Term Plan Cumulative Option[1]	**—**	*25.0*
161,319 Units (Previous year 222,608) of ICICI Prudential Dynamic Plan Cumulative[1]	**17.8**	*24.5*
691,238 Units (Previous year 777,117) of ICICI Prudential Floating Rate Daily Dividend[2]	**69.1**	*77.8*
Equity shares of face value of ₹ 10 each:		
476,825 (Previous year 476,825) shares of Sabari Inn Private Limited[2]	**9.3**	*9.3*
2811 (Previous year 2811) shares of Sabari Realtors Private Limited[2]	**1.5**	*1.4*
19,838 (Previous year 19,838) shares of OMR Mall Developers Private Limited[2]	**1.6**	*1.6*

	March 31, 2012	March 31, 2011
		(₹ in million)
1478 (Previous year 1,478) shares of Riverview Properties Private Limited[2]	1.4	1.4
107 (Previous year 107) shares of Shiprop Housing Private Limited[2*]	0.0	0.0
577 (Previous year 577) shares of Kanakia Design & Construction Private Limited[2*]	0.0	0.0
243 (Previous year 243) shares of Marvel Sigma Homes Private Limited[2*]	0.0	0.0
314 (Previous year 314) Series A shares of Marvel Sigma Homes Private Limited[2*]	0.0	0.0
343 (Previous year Nil) shares of Amrapali Sapphire Developers Private Limited[2*]	0.0	—
343 (Previous year Nil) shares of Amrapali Sapphire Developers Private Limited[2*]	0.0	—
Preference shares of face value of ₹ 10 each:		
626 (Previous year Nil) Amrapali Sapphire Dev Private Limited optionally convertible shares[2*]	0.0	—
Equity shares of face value of ₹1 each:		
1,000 (Previous year 110) equity shares of Ansal Urban Condominiums Private Limited[2*]	0.0	—
135 (Previous year 135) Series A equity shares of Ansal Urban Condominiums Private Limited[2*]	0.0	—
4,080 (Previous year Nil) Akarsha Prime Project Private Limited Share[2*]	0.0	—
4,080 (Previous year Nil) Akarsha Prime Project Private Limited Class B Share[2*]	0.0	—
2,040 (Previous year Nil) Marvel Zeta Developers Private Limited Shares[2*]	0.0	—
10,200 (Previous year Nil) Marvel Zeta Developers Private Limited Class A shares[2*]	0.0	—
4,080 (Previous year Nil) PSC Properties Private Limited share[2*]	0.0	—
4,080 (Previous year Nil) PSC Properties Private Limited Class A Share[2*]	0.0	—
Unquoted (at cost)		
Equity Shares of face value of ₹ 1 each:		
545 (Previous year 545) shares of Kanakia Design & Construction Private Limited[2*]	0.0	0.0
6120 (Previous year 6120) shares of Logix Infratech Private Limited[2*]	0.0	0.0
583,440 (Previous year 583,440) class A shares of Logix Infratech Private Limited[2]	2.9	2.9
Other corporate securities:		
7,482 (Previous year 7,482) Zero Coupon Bonds of OMR Mall Developers Private Limited[2] of face value ₹ 1000 each	7.6	7.6
117,529 (Previous year 88,969) Optional Convertible Debentures of Marvel Sigma Homes Private Limited[2] of face value ₹ 100 each	11.8	8.9
120,299 (Previous year 120,299) Non – Convertible Debentures of Riverview Pro Private Limited[2] of face value ₹100 each	12.1	12.0
70,784 (Previous year 70,784) Non – Convertible Debentures of Ansal Urban Condo Private Limited[2] of face value ₹ 100 each	7.1	7.0
212,399 (Previous year 212,399) Non – Convertible Debentures of Kanakia Design & Construction Private Limited[2] of face value ₹ 100 each	21.2	21.2
143,986 (Previous year 143,986) Non – Convertible Debentures of Shiprop Housing Private Limited[2] of face value ₹ 10 each	1.4	1.4
118,320 (Previous year 118,320) Non– Convertible Debentures of Logix Infratech Private Limted[2] of face value ₹ 100 each	11.8	11.8
159,164 (Previous year Nil) 18% Amrapali Sapp Developers Private Limited OCD (MD 09/04/2015)[2] of face value ₹ 100 each	15.9	—

	March 31, 2012	March 31, 2011
		(₹ in million)
78,923 (Previous year Nil) 18% Akarsha Prime Project Private Limited (MD 27/05/2014)[2] of face value ₹ 100 each	7.9	—
71,400 (Previous year Nil) 18% Marvel Zeta Developers Private Limited OCD[2] of face value ₹ 100 each	7.2	—
17,790,840 (Previous year Nil) 16% PSC Properties Private Limited NCD[2] of face value ₹ 1 each	17.8	—
285,600 (Previous year Nil) OMR Mall Developers Private Limited CON ZCB Sr A (MD 01/01/2099)[2] of face value ₹ 1 each	0.3	—
Total non-current investments	**299.0**	313.8
Aggregate amount of non - current unquoted investments ₹ 299.0 (Previous year ₹ 313.8)		

[1]In accordance with Long Term Incentive Plan ('LTIP') 2010 and 2011, investments are identified and separated to meet LTIP liabilities in future. As any gain or loss on these investments belongs to employees, it is valued at cost.
[2]Investments made as per the portfolio management agreement.
* represents value less than ₹ 0.1 million.

(₹ in million)

11. Deferred tax

The Company has net deferred tax asset of ₹ 165.5 (Previous year ₹ 154.5).
The composition of deferred tax asset is as follows:

Deferred tax asset		
Written down value of fixed assets	43.4	40.5
Gratuity	13.3	10.5
Leave encashment	1.4	1.3
Long term incentive plan	51.3	48.5
Lease rentals	15.0	12.6
Bonus	**41.1**	41.1
Total deferred tax asset	**165.5**	154.5

12. Long term loans & advances

Security Deposits	101.9	104.5
Advance tax (net of provision for tax)	432.1	425.0
Staff loan	1.7	1.2
Statutory dues recoverable	4.0	4.0
Prepaid expenses	11.2	18.4
Advances recoverable in cash or in kind or for value to be received	198.1	24.6
Capital Advance	5.8	—
	754.8	577.7

13. Current investments

Unquoted (at cost)		
Mutual fund units of face value of ₹ 10 each:		
1,040,183 (Previous Year Nil) ICICI Prudential Institutional STP Cumulative Option[1]	21.4	—
894,919 Units (Previous year Nil) of ICICI Prudential Institutional Short Term Plan Cumulative Option[1]	17.8	—
557,746 units (Previous Year 800,145) of ICICI Prudential Flexible Income Plan Premium - Daily Dividend	58.9	84.6
1,401,343 units (Previous Year 126,184) of ICICI Prudential Liquid Plan Super Institution Daily Dividend	140.2	12.6
10,277,380 Units (Previous Year 10,542,658) of ICICI Prudential Banking and PSU Debt Fund - Daily Dividend	103.1	105.7
Nil Units (Previous Year 2,079,833) of ICICI Prudential Institutional Short Term Plan-DR-Fortnightly[1]	—	24.8
Total current investments	**341.4**	227.7
Aggregate amount of current unquoted investments ₹ 341.4 (Previous year ₹ 227.7)		

[1]In accordance with Long Term Incentive Plan ('LTIP') 2010 and 2011, investments are identified and separated to meet LTIP liabilities in future. As any gain or loss on these investments belongs to employees, it is valued at cost.
[2]Investments made as per the portfolio management agreement.

	March 31, 2012	(₹ in million) *March 31, 2011*
14. Trade receivables		
Unsecured and considered good		
- Less than six months	281.7	287.2
- More than six months	—	4.2
Doubtful	—	0.6
Allowance for bad and doubtful debts	—	(0.6)
	281.7	*291.4*
15. Cash & bank balances		
Balance with banks	**0.8**	44.4
Interim dividend account	**86.5**	86.5
Bank account – PMS	**2.2**	0.1
Cash and cash equivalents	**89.5**	131.0
Other bank balances		
- Deposit with original maturity for more than twelve months	**—**	5.0
	89.5	*136.0*
16. Short term loans and advances		
Current portion of loans and advances		
- Advances recoverable in cash or in kind or for value to be received	**348.8**	189.5
- Advance to related parties	**0.7**	0.6
- Staff loan	**1.5**	2.7
- Prepaid expenses	**22.5**	40.9
	373.5	*233.7*
17. Revenue from operations		
Management fees from:		
- Mutual fund operations	**2,780.4**	*2,549.6*
- PMS operations	**434.9**	*598.2*
Advisory Services	**242.5**	*304.7*
	3,457.8	*3,452.5*
18. Other Income		
Interest	**5.1**	5.0
Dividend from:		
- Non-current investments	**—**	10.0
- Current investments	**30.6**	12.0
Profit on Sale of:		
- Non-current investments (net)	**8.8**	5.1
- Current investments (net)	**—**	0.0
Others	**5.4**	12.5
	49.9	*44.6*
19. Expenses		
A Employee benefit expenses		
Salaries, bonus and allowances	**854.0**	770.1
Contribution to provident and other funds	**42.1**	46.4
Staff welfare	**21.0**	24.0
Total	**917.1**	*840.5*
B Operating and administrative expenses		
Brokerage and incentives	**146.6**	*338.6*
Fund expenses	**411.0**	*507.5*
Rent	**146.0**	*149.3*
Communication expenses	**48.0**	*58.7*
Travelling and conveyance	**57.1**	*61.1*
Fund accounting expenses-PMS	**37.9**	*45.5*
Fund expenses PMS	**2.9**	*10.6*
Legal and professional fees	**78.6**	*57.7*
SEBI fees	**0.9**	*0.8*
Information technology	**39.2**	*35.2*
Electricity	**30.0**	*30.9*
Insurance	**20.9**	*16.3*
Books, periodicals and subscriptions	**15.8**	*13.1*

	March 31, 2012	(₹ in million) *March 31, 2011*
Repairs and maintenance		
- Equipment	**15.4**	15.6
- Others	**17.6**	14.1
Marketing, advertisement and publicity	**63.5**	48.0
Printing and stationery	**14.1**	19.5
Training and consultancy	**14.9**	17.9
Loss on sale of fixed assets (net)	**3.8**	7.5
Rates and taxes	**2.6**	4.6
Auditors remuneration:		
- Statutory audit	**1.7**	1.5
- Tax audit	**0.3**	0.3
- Other matters	**0.0**	0.2
- Reimbursement of out of pocket expenses	**0.0**	0.0
Directors sitting fees	**0.4**	0.5
Housekeeping expenses	**24.9**	18.1
NFO filing fees	**11.4**	9.9
Miscellaneous expenses	**28.6**	28.6
Total	**1,234.1**	*1,511.6*

20. Operating leases

The Company has entered into non-cancellable leasing arrangement for certain office premises for a period ranging from 3 to 9 years. 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:

	2012	*2011*
Total future minimum lease payments:		
In less than a year	**88.7**	*83.2*
In 1 year to 5 years	**294.6**	*267.5*
In more than 5 years	**108.9**	*196.5*

The total lease payments recognised in the profit and loss account amount to ₹ 146.0 (Previous year ₹ 149.3) which includes ₹ 7.5 (Previous year ₹ 15.9) provision towards straight lining of lease rentals.

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

21. Segmental reporting

The Company's operations predominantly relate to providing asset management services. It acts as an investment manager to schemes launched by the Mutual Fund and provides advisory services to other funds (considered as part of PMS segment for the year ended March 31, 2011). It also provides Portfolio Management Services to corporate and high net worth individuals. Accordingly, the asset management business is split into Fund management & advisory and Portfolio Management Services as primary reporting segments. Figures for the previous year ended March 31, 2011 and as at March 31, 2011 have been reclassified to conform to the current year's presentation.

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.

Income and direct expenses in relation to segments are categorized based on items that can be individually identifiable to that segment. Certain expenses such as depreciation, etc are not specifically allocable to specific segments as the underlying assets or 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.

Current assets and current liabilities to the extent directly identifiable to a segment have been categorized separately; others have been shown as "unallocable" in the total column. Other balance sheet items such as fixed assets and deferred tax asset are similarly not allocated to segments.

Primary segment information

(₹ in million)

	Mutual Fund		PMS		Total	
	March 31, 2012	*March 31, 2011*	**March 31, 2012**	*March 31, 2011*	**March 31, 2012**	*March 31, 2011*
Segment revenue						
Management fees	**3,022.9**	*2,854.3*	**434.9**	*598.2*	**3,457.8**	*3,452.5*
Inter segment revenue	**—**	*—*	**—**	*—*	**—**	*—*
Total segment revenue	**3,022.9**	*2,854.3*	**434.9**	*598.2*	**3,457.8**	*3,452.5*
Identifiable operating expenses	**(1,543.2)**	*(1,539.4)*	**(270.3)**	*(464.2)*	**(1813.5)**	*(2,003.6)*
Segmental operating income	**1,479.7**	*1,314.9*	**164.6**	*134.0*	**1,644.3**	*1,448.9*
Unallocable expense					**(409.0)**	*(459.8)*
Operating income					**1,235.3**	*989.1*
Other income net of other expenses					**49.9**	*44.6*
Net Profit before taxation and prior period items					**1,285.2**	*1,033.7*
Provision for income tax					**(415.6)**	*(346.1)*
Excess provision of earlier years written back					**—**	*8.3*
Deferred tax credit					**11.0**	*22.4*
Net profit after tax					**880.6**	*718.3*
As at	**March 31, 2012**	*March 31, 2011*	**March 31, 2012**	*March 31, 2011*	**March 31, 2012**	*March 31, 2011*
Segment assets and liabilities						
Segment assets	**713.2**	*462.3*	**136.3**	*173.6*	**849.5**	*635.9*
Unallocable assets					**1,644.1**	*1,516.3*
Total assets					**2,493.6**	*2,152.2*
Segment liabilities	**718.7**	*562.4*	**72.7**	*174.2*	**791.4**	*736.6*
Unallocable liabilities					**243.9**	*171.2*
Total liabilities					**1,035.3**	*907.8*

22. 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
  ICICI Securities Holding Inc – Fellow subsidiary

Key management personnel:

Nimesh Shah – Managing Director

	ICICI Bank Limited	Prudential Plc.	ICICI International Limited	ICICI Securities Limited	ICICI Securities Holding Inc	ICICI Lombard General Insurance Company Limited	ICICI Prudential Life Insurance Company Limited	ICICI Prudential Trust Limited	
Nature of Transaction	**Holding Company**	**Significant Influence**	**Fellow Subsidiary**	**Fellow Subsidiary**	**Fellow Subsidiary**	**Fellow Subsidiary**	**Fellow Subsidiary**	**Fellow Subsidiary**	**KMP**
Dividend paid/ provided	**292.6**	**281.1**	—	—	—	—	—	—	—
Previous year	229.6	220.6	—	—	—	—	—	—	—
Common Cost, Brokerage & Marketing expenses	**22.8**	**—**	**—**	**18.7**	**57.4**	—	—	—	—
Previous year	27.1	—	—	18.8	9.1	—	—	—	—
Insurance premium	**—**	**—**	**—**	**—**	**—**	**21.5**	**2.2**	**—**	**—**
Previous year	—	—	—	—	—	31.8	1.8	—	—
Remuneration Paid	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**29.1**
Previous year	—	—	—	—	—	—	—	—	87.3
Management Fees Earned	—	—	5.3	—	—	—	—	—	—
Previous year	—	—	3.1	—	—	—	—	—	—
Other expenses incurred & reimbursed by Company	**—**	**—**	**0.1**	**—**	**—**	**—**	**—**	**0.1**	**—**
Previous year	—	—	—	—	—	—	—	1.2	—
Balance Outstanding:									
Receivable / (Payable)	**(4.1)**	**(86.5)**	**1.3**	**(5.4)**	**—**	**0.7**	**—**	**—**	**—**
Previous year	(6.8)	—	1.4	(9.6)	—	0.6	—	—	—

Banking transactions in the normal course of business with related parties have not been considered.

(₹ in million)

	March 31, 2012	March 31, 2011
23. Earnings per share ('EPS')		
Basic and diluted EPS is computed in accordance with Accounting Standard 20 on 'Earnings Per Share'. The computation of earnings per share is given below:		
Net profit after tax	**880.6**	*718.3*
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 ₹ 10 each (in ₹)	**49.89**	*40.69*

24. Provision for gratuity

The following disclosures have been set out in accordance with the requirement of Accounting Standard 15 on 'Employee Benefits'.

	March 31, 2012	March 31, 2011
A) Amount recognised in balance sheet		
Present value of funded obligations	**58.3**	*51.6*
Fair value of plan assets	**(17.6)**	*(18.5)*
Unrecognised past service cost	**(0.4)**	*(1.5)*
Net liability	**40.2**	*31.6*
Amounts in the Balance Sheet		
Net liability	**40.2**	*31.6*
B) Expense recognised in the profit and loss account		
Current service cost	**9.3**	*7.2*
Interest on defined benefit obligation	**4.3**	*2.5*
Expected return on plan assets	**(1.5)**	*(1.2)*
Net actuarial losses / (gains) recognised in year	**1.3**	*10.1*
Past service cost	**1.0**	*1.2*
Total, included in "Employee Benefit Expenses"	**14.5**	*19.8*
Actual return on plan assets	**(2.4)**	*1.6*
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		
<u>Change in defined benefit obligation</u>		
Opening defined benefit obligation as at April 1	**51.6**	*34.7*
current service cost	**9.3**	*7.2*
Interest cost	**4.3**	*2.5*
Actuarial losses / (gains)	**(2.5)**	*10.5*
Past service cost	**—**	*0.3*
Liabilities assumed on acquisition/(settled on Divestiture)	**—**	*0.2*
Benefits paid	**(4.4)**	*(3.9)*
Closing defined benefit obligation as at March 31	**58.3**	*51.6*
<u>Change in the fair value of plan assets</u>		
Opening fair value of plan assets as at April 1	**18.5**	*14.2*
Expected return on plan assets	**1.5**	*1.2*
Actuarial gain/(losses)	**(3.9)**	*0.5*
Contributions by employer	**5.9**	*6.4*
Assets acquired on acquisition	**0**	*0.2*
Benefits paid	**(4.4)**	*(3.9)*
Closing fair value of plan assets as at March 31	**17.6**	*18.5*
D) Asset information		
Category of assets		
Insurer managed funds	**100%**	*100%*
The approximate full value of the assets as at March 31, 2012 as advised by the insurer is as follows:		
Category of assets		
Insurer managed funds	**17.6**	*18.5*
E) Summary of actuarial assumptions		
<u>Financial assumptions at the valuation date:</u>		
Discount rate (per annum)	**8.45%**	*7.85%*
Expected rate of return on assets (per annum)	**7.50%**	*7.50%*
Salary escalation rate (per annum)	**7.00%**	*7.00%*

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).

F) Experience adjustments

	2012	2011	2010	2009	2008
Defined benefit obligation	**58.2**	51.6	34.7	28.8	13.1
Plan assets	**17.6**	18.5	14.2	10.7	6.1
Surplus / (Deficit)	**(40.6)**	(33.1)	(20.5)	(18.1)	(7.0)
Exp. Adj. on plan liabilities	**(1.0)**	11.0	(0.5)	3.7	3.8
Exp. Adj. on plan assets	**(3.9)**	0.5	(0.5)	(0.9)	0.6

25. Capital commitments

As at March 31, 2012, the Company had capital commitments (net of advances) amounting to ₹ Nil (Previous year ₹ 43.1) for which no provision is required to be made.

26. Contingent liabilities

The Company had received an order under Section 220(6) of the Income-tax Act, 1961 disallowing under Section 14A ₹ 3.2 for Assessment Year 2006-07 and disallowed certain expenses related to unpaid liability and under Section 14A ₹ 2.1 for Assessment Year 2007-08. The Company has preferred an appeal before the Commissioner of Income Tax (Appeals) against the said order under Section 143(3).

During the year ended March 31, 2012, the Company received a draft order disallowing under Section 14A ₹ 2.7 and an estimated tax liability of ₹ 97.6 on account of transfer pricing adjustment for AY 2008-09. The Company has preferred an appeal before The Dispute Resolution Panel against the said order.

The Company is of the view that the above demands may not devolve on the Company and hence no provision has been made.

27. Accounts payable

Accounts payable 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	—
Interest due thereon	—
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	—
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	—
Amount of interest accrued and remaining unpaid at the end of the accounting year	—

28. Earnings in foreign currency (on accrual basis)

(₹ in million)

	March 31, 2012	March 31, 2011
Fee from advisory services	**242.5**	*304.7*
Total	**242.5**	*304.7*

29. Expenditure in foreign currency (on cash basis)

(₹ in million)

Training	**0.2**	—
Communication expenses	**0.1**	*1.7*
Information technology	**4.5**	*20.4*
Travelling	**1.0**	*1.9*
Distribution support expenses	**57.6**	*9.1*
Brokerage –PMS	**11.1**	*3.0*
Consultancy fees	**23.2**	*15.4*
Employee cost	**0.1**	–
Total	**97.8**	*51.5*

30. Unhedged foreign currency exposure

The unhedged foreign currency exposure as on March 31, 2012 is given below:

	2012		*2011*	
	Foreign currency (in millions)	₹	*Foreign currency (in millions)*	₹
Payables				
SG$	**0.4**	**18.3**	*0.1*	*3.9*
US$	**—**	**—**	—	—
		18.3		*3.9*
Receivables				
US$	**1.1**	**55.3**	*1.5*	*67.5*
		55.3		*67.5*

31. Remittances in foreign currency on acount of dividend to non-resident shareholders (on cash basis)

(₹ in million)

	March 31, 2012	March 31, 2011
Amount remitted	**203.2**	*134.1*
No. of non resident shareholders	**1**	*1*
No. of shares held	**8,649,517**	*8,649,517*
Interim dividend paid in the year	**2012**	*2011*

32. 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.

33. Prior year comparatives

Till the year ended March 31, 2011, the Company was using pre Revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the Revised Schedule VI notified under Companies Act 1956 has become applicable to the Company. Accordingly, the Company has reclassified previous year figures to conform to this year's classification. Revised Schedule VI significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

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

For B S R & ASSOCIATES
Chartered Accountants
Firm's Registration No: 116231W

N SAMPATH GANESH
Partner
Membership No: 042554

Mumbai, April 24, 2012

CHANDA KOCHHAR — *Chairperson*
N. S. KANNAN — *Director*
BARRY STOWE — *Director*
VIJAY THACKER — *Director*
NIMESH SHAH — *Managing Director*
RAKESH SHETTY — *Company Secretary*

ICICI PRUDENTIAL TRUST LIMITED

19TH ANNUAL REPORT AND ACCOUNTS 2011 - 2012

Directors
M. N. Gopinath, *Chairman*
Sandeep Batra
Keki Bomi Dadiseth
Vinod Dhall
M. S. Parthasarathy

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

Your Directors have pleasure in presenting the Nineteenth Annual Report, together with the audited accounts of ICICI Prudential Trust Limited (the Company), for the year ended March 31, 2012.

FINANCIAL RESULTS

The summary of the Company's financial results for the year under review is as follows:

		(₹ in '000s)
Particulars	**Fiscal 2012**	*Fiscal 2011*
Gross Income	**5,531**	*5,240*
Expenses	**3,173**	*1,123*
Profit before Tax	**2,358**	*4,117*
Provision for Taxation	**653**	*1,218*
Profit after Tax	**1,705**	*2,899*
Balance brought forward	**7,551**	*7,291*
Profit available for appropriation	**9,256**	*10,190*
Proposed Dividend	**(1,259)**	*(2,014)*
Tax on Dividend	**(204)**	*(335)*
Transfer to general reserve	**(170)**	*(290)*
Balance carried to Balance Sheet	**7,623**	*7,551*

Dividend

Your Directors are pleased to recommend payment of dividend at the rate of ₹ 12.50 per share (Previous year dividend was at the rate of ₹ 20 per share), on 100,700 equity shares of ₹ 10 each, amounting to ₹ 1.3 million for the year.

MUTUAL FUND INITIATIVES

During the fiscal 2012, ICICI Prudential Mutual Fund (the Fund/Mutual Fund), to which your Company has been acting as the Trustee, has launched the following schemes:

Sr. No.	Name of the Scheme	Scheme Type	Date of Allotment	Amount Mobilised (₹ in '000s)
1.	ICICI Prudential Regular Gold Savings Fund	Gold Fund of Funds	October 10, 2011	900,000
2.	ICICI Prudential MIP 5	Debt	May 5, 2011	850,000
3.	Multiple Yield Fund Series	Close ended Debt Scheme	Various dates	6,350,000
4.	Capital Protection Oriented Schemes	Close ended Debt Scheme	Various dates	7,970,000
5.	Fixed Maturity Plans of more than 1 year	Close ended Debt Scheme	Various dates	59,100,000
6.	Fixed Maturity Plans of 1 year	Close ended Debt Scheme	Various dates	77,980,000
7.	Fixed Maturity Plans of 6 months	Close ended Debt Scheme	Various dates	2,460,000

These schemes raised an aggregate amount of ₹155,610 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 for the quarter ended March 31, 2012 stood at ₹ 678,501.8 million.

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

1. **Bloomberg UTV Financial Leadership Awards 2012**

   ICICI Prudential Asset Management Company Ltd. (the AMC) received the coveted UTV Bloomberg Financial Leadership Award 2012 for "Best Contribution in Investor Education & Category Enhancement of the Year" in the mutual fund category.

2. **Morning Star Mutual Fund Awards – 2012**
   - India Debt Fund House Award– 2012

3. **Gulf Lipper Fund Awards 2012**
   - Best Fund Group Overall
   - Best Bond Fund Group

4. **Business Standard Awards 2012**
   - Chaitanya Pande – Head Fixed Income was adjudged Debt Fund Manager of the Year by Business Standard.

5. **Outlook Money Best Wealth Creator Awards 2011**
   - The Fund has been adjudged as "Best Equity Fund House-Runner up in the category: Best Wealth Creator Awards" for a three year period ended June 30, 2011 at the Outlook Money Awards 2011.

6. **Readers Digest Most Trusted Brand Awards 2011**
   - The AMC received the coveted Readers Digest Most Trusted Leadership Awards-Gold Award in the Mutual Fund category,

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 58A of the Companies Act, 1956.

DIRECTORS

Madhabi Puri Buch resigned from the Board of the Company with effect from April 12, 2011. The Board placed on record its deep appreciation and gratitude for her valuable contribution to the Company during her tenure as Director.

directors' report

to the members

In terms of the provisions of the Articles of Association, M. S. Parthasarathy, Director is liable to retire at the forthcoming Annual General Meeting and being eligible, has offered himself for reappointment.

We are pleased to inform that Sandeep Batra, who was appointed as an Additional Director on the Board of the Company with effect from August 4, 2011, is proposed to be appointed as Director in the ensuing Annual General Meeting.

AUDIT COMMITTEE

At March 31, 2012, the Audit Committee comprises following three Directors:

M. N. Gopinath

M. S. Parthasarathy

Vinod Dhall

During the year ended March 31, 2012, six meetings of the Audit Committee were held.

AUDITORS

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

EMPLOYEES

The Company has no employees on its roll. 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 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 this Act 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.

COMPLIANCE CERTIFICATE

Pursuant to Section 383A of the Companies Act, 1956, a certificate from Neena Bhatia, a secretary in whole-time practice to the effect that the Company has complied with all the provisions of the Companies Act, 1956 is attached herewith.

ACKNOWLEDGEMENT

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

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

Your Directors thank Computer Age Management Services Private Limited, the Registrar and Transfer Agents to the Schemes of the Fund, and the Custodians to the Fund, for the support provided by them in carrying out the operations in an efficient manner.

The Directors would also like to express their sincere thanks and appreciation to all the 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
Chairman

Mumbai, April 12, 2012

Compliance Certificate

CIN No: U74899DL1993PLC054134

Nominal Capital: ₹ 1,00,00,000/-

To,
The Members,
ICICI Prudential Trust Limited
12th Floor, Narain Manzil
23, Barakhamba Road
New Delhi 110001

I have examined the registers, records, books and papers of ICICI PRUDENTIAL TRUST LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A(I)' & 'A(II)' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being Public Limited Company, comments are not required with respect to maximum numbers of members during the financial year.
4. The Board of Directors duly met 6 times respectively on April 12, 2011, June 21, 2011, August 26, 2011, October 21, 2011, December 23, 2011 and February 27, 2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members or Debenture holders during the financial year.
6. The annual general meeting for the financial year ended on March 31, 2011 was held on May 30, 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. One extraordinary general meeting was held during the financial year after giving due notice to the member of the Company and the resolution passed thereat were duly recorded in the Minutes Book maintained for the purpose.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company was not required to obtain any approvals from the Board of directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) There was no allotment/transfer/transmission of securities during the financial year.
    (ii) The Company has deposited the amount of dividend declared in a separate bank account which is within five days from the date of declaration of such dividend.
    (iii) The Company paid warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration during the financial year.
    (iv) Since there was no unpaid dividend, application money due for refund, matured deposits, matured debentures or interest accrued thereon, no comments are required on transfer of such amounts to Investor Education and Protection Fund.
    (v) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of additional directors have been duly made.
15. The Company has not appointed any Managing Director/Wholetime Director/ Manager/Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares or debentures during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has not made any borrowings during the financial year .
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate any consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny and complied with provisions of the Act.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not deducted any contribution towards Provident Fund during the financial year as Provident fund Act is not applicable to the Company.

Sd/-
Place: Mumbai NEENA J. BHATIA
Date: 12, April 2012 CP. No.: 2661

ANNEXURE A (I)

REGISTERS AS MAINTAINED BY THE COMPANY

STATUTORY REGISTERS

1 Register of Member under section 150
2 Minutes Books of Meetings of Members
3 Minutes Books of Meetings of Board of Directors and Audit Commitee
4 Books of Accounts under section 209
5 Register of Directors, Managing Directors, Manager and Secretary under section 303
6 Register of Directors' shareholdings under section 307
7 Register of Investment under section 372A
8 Register of Charges under section 143
9 Register of Debenture holders under section 152
10 Register of Particulars of Contracts in which Directors are Interested under Section 301
11 Register of Renewed and Duplicate Certificates under Rule 7 of the Companies (Issue of Share Certificates) Rules, 1960

Compliance Certificate

ANNEXURE A (II)

OTHER REGISTERS

1. Register of Directors' Attendance
2. Register of Shareholders' Attendance
3. Register of Transfer
4. Register of Documents Sealed

ANNEXURE B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31 March 2012.

Sr No.	Form no/ return	Filed under section	Date of filing	Whether filed within prescribed time Yes/no	If delay in filing whether requisite additional fee paid Yes/no
1.	Form 23AC & 23ACA	220	29 November 2011	Yes	—
2	Form 66	383A	05 July 2011	No	Yes
3	Form 20B	159	29 July 2011	Yes	—
4	Form 32 dated 30 May 2011	303(2)	05 July 2011	No	Yes
5	Form 32 dated 12 April 2011	303(2)	05 July 2011	No	Yes
6	Form 32 dated 04 August 2011	303(2)	19 September 2011	No	Yes
7	Form no 23 dated 09 September 2011	17(1) & 18(1)	23 September 2011	Yes	—

Sd/-
NEENA J. BHATIA
CP. No.: 2661

Place: Mumbai
Date: April 12, 2012

auditors' report

to the members of ICICI Prudential Trust Limited

1. We have audited the accompanying financial statements of ICICI Prudential Trust Limited, which comprise the Balance Sheet as at March 31, 2012 and the Profit and Loss Statement and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.
2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.
3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedure selected depends 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 Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the 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 audit opinion.
4. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
   i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
   ii. in the case of the Profit and Loss Statement , 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. 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 of the matters specified in paragraph 4 and 5 of the said order.
6. Further to our comments in the Annexure referred to in Paragraph 5 above, we report that;
   a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
   c. The Balance Sheet, Profit and Loss Statement 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 Statement 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 a Director in terms of section 274 (1) (g) of the Companies Act, 1956.

For N. M. RAIJI & CO.
Chartered Accountants
Firm Regn. No.: 108296W

J. M. GANDHI
Partner
Membership No. 37924

Mumbai, April 12, 2012

Annexure to the Auditors Report

referred to in paragraph 5 of the auditors report of even date for the year ended March 31, 2012.

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

b) According to the information and explanation given to us, the Company has a regular programme of physical verification by which a substantial portion of the fixed assets has been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regards to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies were noticed on verification conducted during the year as compared with the book records and the same have been appropriately dealt with the books of account.

c) The assets disposed of during the year are not significant and therefore do not affect the going concern assumption.

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 explanation 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 Section. 301 of the Companies Act,1956.

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

vii. The Company has an internal audit system which is commensurate with the size and nature of its business;

viii. The nature of the Company's activities is such that, the provisions relating to clause (d) of sub-section (1) of section 209 of the 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 other statutory dues applicable. No undisputed amounts payable were outstanding as at March 31, 2012 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 undisputed 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 loan 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/ hence the clause xiii of the Order is not applicable;

xiv. In our opinion and according to the information and explanation 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 explanation 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 explanation 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 procedure performed and information and explanation 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
Firm Regn. No.: 108296W

J. M. GANDHI
Partner
Membership No. 37924

Mumbai, April 12, 2012

balance sheet

at March 31, 2012

	Notes	March 31, 2012	(₹ in 000's) March 31, 2011
EQUITY AND LIABILITIES			
1. Shareholder's Funds			
Share Capital	2	**1,007**	*1,007*
Reserves and Surplus	3	**9,888**	*9,646*
2. Non-Current Liabilities			
Deferred tax liabilities (Net)	4	**16**	—
3. Current Liabilities			
Trade payables	5	**25**	*25*
Other current liabilities	6	**1,938**	*517*
Short-term provisions	7	**5,077**	*5,341*
TOTAL		**17,951**	*16,536*
ASSETS			
1. Non-current assets			
Fixed assets			
Tangible assets	8	**127**	—
Non-current investments	9	**8,634**	*7,649*
2. Current assets			
Trade receivables	10	**4,964**	*4,964*
Cash and cash equivalents	11	**252**	*213*
Short term loans and advances	12	**3,974**	*3,710*
TOTAL		**17,951**	*16,536*
Significant accounting policies	1		

profit and loss statement

for the year ended March 31, 2012

	Notes	March 31, 2012	(₹ in 000's) March 31, 2011
Income			
Revenue from operations	13	**5,000**	*5,000*
Other Income	14	**531**	*240*
Total Revenue		**5,531**	*5,240*
Less : Expenditure			
Depreciation and amortization expense	15	**38**	—
Operating and administrative expenses	16	**3,135**	*1,123*
Total Expenses		**3,173**	*1,123*
		2,358	*4,117*
Profit before tax			
Tax expense			
Current tax		**637**	*1,218*
Deferred tax		**16**	—
Profit/(Loss) for the period		**1,705**	*2,899*
Earning per equity share:	18		
Basic		**16.93**	*28.79*
Diluted		**16.93**	*28.79*
Significant accounting policies	1		

As per our attached report

For N. M. RAIJI & CO.
Chartered Accountants
Firm Regn. No.: 108296W

J. M. GANDHI
Partner
Membership No. 37924
Firm Regn. No.: 108296W

Mumbai, April 12, 2012

For and on behalf of the Board of Directors

M. N. GOPINATH
Director

M. S. PARTHASARATHY
Director

VINOD DHALL
Director

cash flow statement

for the year ended March 31, 2012

	March 31, 2012	(₹ in 000's) March 31, 2011
From Operating Activities		
Profit/Loss from operating activities	**2,358**	*4,117*
Adjustments for:		
Depreciation and amortization	**38**	—
Other Provisions	**(531)**	*(235)*
Working capital changes:		
Increase in trade receivables	**—**	*(0)*
Decrease in trade payables	**0**	*(3)*
Direct taxes paid (Net of refunds)	**(280)**	—
Increase in other current liabilities	**1,419**	*3*
Net cashflow from/(used) in operating activities A	**3,005**	*3,882*
From Investing activities		
Proceeds from sale of fixed assets	**34**	—
Proceeds from sale of investments	**4,450**	*3,600*
Purchase of tangible assets/capital work-in-progress	**(199)**	—
Purchase of investments	**(5,282)**	*(4,576)*
Increase in other long-term loans and advances	**—**	*(1,237)*
Dividend received	**282**	*176*
Interest received	**96**	—
Net cashflow from/(used) in investing activities B	**(618)**	*(2,036)*
From Financing activities		
Dividends paid (including distribution tax)	**(2,349)**	*(1,767)*
Net cashflow from/(used) in financing activities C		
Net (decrease)/increase in cash and cash equivalents D = (A+B+C)	**38**	*79*
Add: Cash and cash equivalents at the beginning of the period (E)	**213**	*135*
Cash and cash equivalents at the end of the period (D+E)	**252**	*213*

As per our report of even date

For N. M. RAIJI & CO.
Chartered Accountants
Membership No. 37924
Firm Regn. No.: 108296W

For and on behalf of the Board of Directors

M. N. GOPINATH
Director

M. S. PARTHASARATHY
Director

VINOD DHALL
Director

Mumbai, April 12, 2012

(₹ in 000's)

	March 31, 2012	March 31, 2011
2. SHARE CAPITAL		
Authorised Share Capital		
1,000,000 (Previous year: 1,000,000) equity shares of ₹ 10 each	10,000	*10,000*
Issued, Subscribed and Paid up capital		
100,700 (Previous year: 100,700) equity shares of ₹ 10 each, fully paid up	1,007	*1,007*
Number of shares outstanding as on April 1,	100,700	*100,700*
Add: Fresh issue of shares during the year	—	—
Less: buy back of shares during the year	—	—
Number of shares outstanding as on March 31,	1,007,000	*1,007,000*

Note:
Shares held by Holding Company:
Of the above, 51,157 (Previous year: 51,157) equity shares of ₹ 10 each are held by ICICI Bank Limited, the Holding Company.

Details of shareholders holding more than 5%:
Of the above, 49,343 (Previous year: 49,343) equity shares of ₹ 10 each are held by Prudential Plc.

	March 31, 2012	March 31, 2011
3. RESERVES AND SURPLUS		
General Reserve		
Balance at the beginning of the year	2,095	*1,805*
Add: Transfer from profit and loss account	170	*290*
Balance at the end of the year	2,265	*2,095*
Surplus in profit and loss account		
Profit brought forward	7,551	*7,291*
Net Profit after Tax	1,705	*2,899*
Amount Available For Appropriation	9,256	*10,190*
Appropriations		
Dividend	1,259	*2,014*
Tax on Dividend	204	*335*
Transfer to General Reserve	170	*290*
Balance at the end of the year	7,623	*7,551*
Total reserves & surplus	9,888	*9,646*

	March 31, 2012	March 31, 2011
4. Deferred tax asset / liability (net)		
Deferred tax liabilty	16	—
Related to fixed asset	16	—

	March 31, 2012	March 31, 2011
5. Trade payables		
Trade payables	25	*25*
	25	*25*

	March 31, 2012	March 31, 2011
6. Other current liabilities		
Accrued expenses	1,927	—
Statutory dues	11	*517*
	1,938	*517*

	March 31, 2012	March 31, 2011
7. Short term provision		
Provision for dividend	1,259	*2,014*
Provision for dividend distribution tax	204	*335*
Provision for tax	3,614	*2,992*
	5,077	*5,341*

		March 31, 2012	March 31, 2011
8. Tangible assets			
Description	**Computers**		
Gross block			
As at April 1, 2011	—	—	—
Additions during the year	199	199	—
Deletions during the year	42	42	—
As at March 31, 2012	157	157	—
Accumulated depreciation			
As at April 1, 2011	—	—	—
Charge for the year	38	38	—
On deletions during the year	8	8	—
As at March 31, 2012	30	30	—
Net block			
As at March 31, 2012	127	127	—
As at March 31, 2011	—	—	—

	March 31, 2012	March 31, 2011
9. Non Current Investment		
Quoted (at cost)		
Mutual fund units of face value of ₹10 each:		
6,580.999 units (Previous Year: 3844.276 Units) in ICICI Prudential Liquid Plan-Growth Option	1,561	*858*
2,12071.072 units (Previous Year: 212,071.072 Units) in ICICI Prudential Short Term Plan-Cumulative Option	2,343	*2,343*
4,37,968.121 units (Previous Year: 4,14,101.944 Units) in ICICI Prudential Short Term Plan-Dividend Option	4,730	*4,448*
Total Non Current Investments (A)	8,634	*7,649*

Aggregate amount of non - current quoted investments ₹ 8,634 (Previous year: ₹ 7,649) market value thereof ₹ 11,508 (Previous year: ₹ 10,009)

	March 31, 2012	March 31, 2011
10. Trade receivables		
Unsecured considered good		
Less then six months	2,482	2,482
More then six months	2,482	2,482
Doubtful	—	—
	4,964	*4,963*

	March 31, 2012	March 31, 2011
11. Cash & cash equivalents		
Balance with bank	252	213
	252	*213*

(₹ in 000's)

	March 31, 2012	March 31, 2011
12. Short term loans & advances		
Advance tax	**3,974**	*3,710*
	3,974	*3,710*
13. Revenue from operations		
Trusteeship fees	**5,000**	5,000
	5,000	5,000
14. Other Income		
Interest	96	—
Dividend on non-current investment	282	176
Profit on Sale of non-current Investments	153	58
Other non-operating income	—	6
	531	240
15. Depreciation & amortization		
Depreciation on computers	**38**	—
	38	—

(₹ in 000's)

	March 31, 2012	March 31, 2011
16. Administrative & other expenses		
Board Meeting Expenses	**509**	*668*
Bank Charges	**5**	*5*
Legal Charges	**—**	*10*
Other Communication Costs	**20**	—
Statutory Audit Fees	**28**	*28*
Travelling - Lodging	**94**	—
Rates, Taxes & Stamp Chgs	**2**	*37*
Director's Sitting Fees	**320**	*320*
Prof & Consultancy Fees	**2,073**	*55*
Miscellanous Expenses	**84**	*1*
	3,135	*1,123*

(₹ in '000s)

Note 1: Significant Accounting Policies

Significant Accounting Policies

1.1 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.

1.2 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 or 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 (%)
Computer	33.33	16.21

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.

1.3 Revenue Recognition

Trusteeship fees are recognized on accrual basis as per the Trusteeship Agreement.

- Interest income is accounted on accrual basis.
- Dividend income is recognized when right to receive dividend is established

1.4 Investments are stated at cost less any permanent diminution in value

1.5 Trusteeship Fees are shown net of service tax.

1.6 Accounting for Taxes on Income

Tax Expense is charged to Profit and Loss account after considering deferred tax impact for the timing difference between Accounting Income and Tax Income.

Deferred Tax Assets on timing differences are recognized when there is a reasonable certainty that they will be realized.

Deferred Tax Assets relating to unabsorbed business losses are recognized when there is a virtual certainty that there will be sufficient taxable profits to utilize them.

1.7. 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.

1.8. EPS is computed in accordance with AS-20 "Earnings per Share" issued by the Institute of Chartered Accountants of India (ICAI).

	March 31, 2012	March 31, 2011
Profit after taxation	**1,705**	2,899
Number of equity shares issued and paid	**100,700**	100,700
Basic and diluted EPS of face value of ₹10 each	**16.93**	28.79

1.9. 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

Nature of Transactions	Holding company	Fellow subsidiary companies	Party with Significant influence	Key management personnel	Relatives of Key Management Personnel	Total
Dividend Paid	1,013	—	987	—	—	2,000
(Previous Year)	(767)	—	(740)	—	—	(1,508)
Expenses paid on our behalf	—	175	—	—	—	175
(Previous Year)	—	(1,211)	—	—	—	(1,211)
Sale of Fixed asset	—	34	—	—	—	34
(Previous Year)	—	—	—	—	—	—

- An amount of ₹ 175 (Previous year ₹ 1,211) has been paid by ICICI Prudential Asset Management Company Limited towards expenses on behalf of the company.

2.0. Details of Auditors remuneration have been provided as follows

Particulars	**2011-2012**	2010-2011
Statutory Audit Fees	**17**	17
Tax Audit Fees	**11**	11
Total	**28**	28

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

For N. M. RAIJI & CO.
Chartered Accountants
Firm Regn. No.: 108296W

J. M. GANDHI
Partner
Membership No. 37924

Mumbai, April 12, 2012

This page is intentionally left blank

This page is intentionally left blank

ICICI BANK LIMITED
ICICI Bank Towers
Bandra-Kurla Complex
Mumbai 400 051

www.icicibank.com