

ICICI PRUDENTIAL ASSET MANAGEMENT COMPANY LIMITED

15TH ANNUAL REPORT AND ACCOUNTS 2007-2008

Directors

K. V. Kamath, *Chairman*
Vijay Thacker
Vikram Trivedi
B. R. Gupta
Dadi Engineer
K. S. Mehta
Swati A. Piramal
Kalpana Morparia
Barry Stowe
Renuka Ramnath
Nilesh Shah, *Deputy Managing Director*
Nimesh Shah, *Managing Director*

Auditors

BSR & Associates.
Chartered Accountants

Ranganath Athreya
Company Secretary

Registered Office

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

Corporate Office

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

directors' report

to the members

Your Directors have pleasure in presenting the Fifteenth Annual Report, together with the audited accounts of your Company, for the year ended March 31, 2008.

FINANCIAL RESULTS

The salient features of the Company's financial results for the financial year ended March 31, 2008 are as follows:

	(Rs. in 000's)	
	Financial Year ended March 31, 2008	Financial Year ended March 31, 2007
Gross Income	4,393,111	2,388,988
Expenses	3,150,425	1,653,417
Profit / (Loss) before Tax	1,242,686	735,571
Provision for Taxation	421,640	251,783
Profit / (Loss) after Tax	821,046	483,788
Profit/(Loss) brought forward from previous year	30,809	—
Less: Effect of first time adoption of AS 15 - Gratuity	—	—
Profit/(Loss) brought forward from previous year	—	2,418
Profit available for appropriation	851,855	486,206
APPROPRIATIONS		
Transfer to General Reserve	82,105	48,379
Transfer to Contingency Reserve	41,052	24,189
Interim Dividend	282,433	241,968
Dividend (Final)	88,260	88,260
Dividend Tax	62,999	48,936
Transfer to Capital Redemption Reserve	—	3,665
Balance Profit Carried Forward	295,006	30,809

DIVIDEND

Your Directors are pleased to recommend payment of dividend at the rate of 50% (Rs. 5 per share) on 17,652,090 equity shares of Rs. 10 each amounting to Rs. 88,260,450 thousand for the year ended March 31, 2008.

Interim dividend was declared and paid in the following manner during the year ended March 31, 2008:

Sr. No.	Dividend per share	Record Date
1	Rs. 6	September 24, 2007
2	Rs. 5	December 24, 2007
3	Rs. 5	March 25, 2008

OPERATIONS DURING THE YEAR

Mutual Fund Business

a. **Assets Under Management:** During the year under review, the assets under management of ICICI Prudential Mutual Fund crossed Rs. 543,551,300 thousand as on March 31, 2008 as compared to Rs. 379,062,395 thousand as on March 31, 2007.

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

• ICRA Awards

- ICICI Prudential Flexible Income Plan has been ranked as a Five Star Fund in the category of 'Open Ended Liquid Plus' schemes for its 1-year performance till December 31, 2007.
- ICICI Prudential Emerging S.T.A.R. (Stocks Targeted at Return) Fund has been ranked as a Five Star Fund in the category of 'Open Ended Diversified Equity - Defensive' schemes for its 3 year performance till December 31, 2007.
- ICICI Prudential Mutual Fund has been judged Star Fund House of the Year by ICRA Mutual Fund Awards 2008 in the Debt Category.
- ICICI Prudential FMCG Fund has been ranked as a Seven Star Fund and awarded the ICRA 7-Star Gold Award in the category of 'Open Ended Sectoral' schemes for its 3 year performance till December 31, 2007.
- ICICI Prudential Infrastructure Fund has been ranked as a Five Star Fund in the category of 'Open Ended Diversified Equity - Defensive' schemes for its 1 year performance till December 31, 2007.
- ICICI Prudential Liquid Plan has been ranked as a Seven Star Fund and awarded the ICRA 7-Star Gold Award in the category of 'Open Ended Liquid' schemes for its 1 year performance till December 31, 2007.
- ICICI Prudential Liquid - Institutional Plan has been ranked as a Seven Star Fund and awarded the ICRA 7-Star Gold Award in the category of 'Open Ended Liquid - Institutional Plan' schemes for its 1 year performance till December 31, 2007.
- ICICI Prudential Sweep Plan has been ranked as a Five Star Fund in the category of 'Open Ended Liquid' schemes for its 1 year performance till December 31, 2007.

• Lipper Awards

- ICICI Prudential Asset Management Company has been awarded the 'Best Bond Group over 3 years' in the category 'Bond' (3 years)
- ICICI Prudential Asset Management Company has been awarded the 'Best Mixed Assets Group over 3 years' in the category 'Mixed Assets' (3 years)
- ICICI Prudential Asset Management Company has been awarded the 'Best Overall Fund Group over 3 years' in the category 'Overall Group' (3 years).
- ICICI Prudential Gilt Fund Investment Plan – PF Option – Growth has been awarded the 'Best Fund over 3 years' in the category 'Bond INR Government Category' (3 years).

directors' report



Continued

- ICICI Prudential Dynamic Plan – Growth has been awarded the 'Best Fund over 3 years' in the category 'Mixed Assets INR Conservative Category' (3 years).
 - ICICI Prudential Long Term Plan – Cumulative has been awarded the 'Best Fund over 5 years' in the category 'Bond INR General' (5 years).
- c. Operations and Consumer Service:** With a view to render timely and efficient customer service, the Investment Manager of the Fund has been making good progress in networking its 58 branches. The service levels at these branches have been consistently maintained to cope with the continuously increasing client base.
- 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. Your Company believes that one of the ways to achieve the above objectives is to provide long-term incentives to the performing employees.
- The total strength of the company as on March 31, 2008 stood at 699 from 403 as on March 31, 2007.

UPDATE ON NEW PRODUCTS

During the Financial year 2007-2008, your Company has launched the following new schemes under ICICI Prudential Mutual Fund.

Sr. No.	Name of Scheme	Scheme Type	Date of Allotment	Funds Mobilised during NFO (Rs. in 000's)
1	ICICI Prudential Fixed Maturity Plan – Series 35 – One Year Plan	Close Ended Debt Fund	19-Apr-07	2,315,576
2	ICICI Prudential Fixed Maturity Plan – Series 38 – Three Months Plan A	Close Ended Debt Fund	20-Apr-07	3,106,120
3	ICICI Prudential Fixed Maturity Plan – Series 37 – Three Months Plus Plan B	Close Ended Debt Fund	27-Apr-07	5,417,143
4	ICICI Prudential Fixed Maturity Plan – Series 38 – Three Months Plan B	Close Ended Debt Fund	11-May-07	7,078,488
5	ICICI Prudential Interval Fund – Monthly Interval Plan – I	Debt Oriented Interval Fund	12-May-07	834,474
6	ICICI Prudential Interval Fund – Quarterly Interval Plan – I	Debt Oriented Interval Fund	15-May-07	3,256,474
7	ICICI Prudential Fixed Maturity Plan – Series 38 – One Year Plan A	Close Ended Debt Fund	18-May-07	2,293,089
8	ICICI Prudential Interval Fund – Monthly Interval Plan – II	Debt Oriented Interval Fund	26-May-07	146,220
9	ICICI Prudential Fixed Maturity Plan – Series 38 – Three Months Plan C	Close Ended Debt Fund	30-May-07	1,230,883
10	ICICI Prudential Fixed Maturity Plan – Series 36 – Eighteen Months Plan A	Close Ended Debt Fund	31-May-07	1,203,560
11	ICICI Prudential Interval Fund Quarterly Interval Plan – II	Debt Oriented Interval Fund	15-Jun-07	2,241,937
12	ICICI Prudential Fixed Maturity Plan – Series 38 – Three Months Plan D	Close Ended Debt Fund	29-Jun-07	897,958
13	ICICI Prudential Fixed Maturity Plan – Series 36 – Eighteen Months Plan B	Close ended Debt Fund	13-Jul-07	5,641,234
14	ICICI Prudential Interval Fund Quarterly Interval Plan – III	Debt Oriented Interval Fund	20-Jul-07	42,844
15	ICICI Prudential Fixed Maturity Plan – Series 38 – One Year Plan B	Close ended Debt Fund	26-Jul-07	409,913
16	ICICI Prudential Fixed Maturity Plan – Series 38 – Two Years Plan	Close ended Debt Fund	03-Aug-07	973,951
17	ICICI Prudential Fixed Maturity Plan – Series 39 – Twenty Four Months Plan B	Close ended Debt Fund	13-Aug-07	873,149
18	ICICI Prudential Interval Fund Annual Interval Plan – I	Debt Oriented Interval Fund	17-Aug-07	412,103
19	ICICI Prudential Fixed Maturity Plan – Series 39 – Three Months Plan A	Close ended Debt Fund	26-Sep-07	123,948
20	ICICI Prudential Interval Fund – Annual Interval Plan II	Debt Oriented Interval Fund	05-Oct-07	2,829,203
21	ICICI Prudential Interval Fund – Half Yearly Interval Plan I	Debt Oriented Interval Fund	12-Oct-07	60,842
22	ICICI Prudential Indo Asia Equity Fund	Open-ended Diversified Equity Scheme	18-Oct-07	9,583,481

23	ICICI Prudential Interval Fund – Annual Interval Plan III	Debt Oriented Interval Fund	18-Oct-07	1,040,685
24	ICICI Prudential Fixed Maturity Plan – Series 41 – 19 Months Plan	Close ended Debt Fund	19-Oct-07	3,232,155
25	ICICI Prudential Interval Fund – Annual Interval Plan IV	Debt Oriented Interval Fund	24-Oct-07	24,445
26	ICICI Prudential Interval Fund II – Quarterly Interval Plan A	Debt Oriented Interval Fund	24-Oct-07	31,215
27	ICICI Prudential Fixed Maturity Plan – Series 39 – 18 Months Plan A	Close ended Debt Fund	26-Oct-07	837,045
28	ICICI Prudential Interval Fund – Half Yearly Interval Plan II	Debt Oriented Interval Fund	07-Nov-07	14,301
29	ICICI Prudential Interval Fund II – Quarterly Interval Plan B	Debt Oriented Interval Fund	07-Nov-07	4,562,216
30	ICICI Prudential Fixed Maturity Plan – Series 39 – 18 Months Plan B	Close ended Debt Fund	10-Nov-07	1,216,430
31	ICICI Prudential Fixed Maturity Plan – Series 38 – One Year Plan C	Close ended Debt Fund	19-Nov-07	155,246
32	ICICI Prudential Fixed Maturity Plan – Series 41 – 18 Months Plan	Close ended Debt Fund	20-Nov-07	546,644
33	ICICI Prudential Fixed Maturity Plan – Series 38 – One Year Plan D	Close ended Debt Fund	23-Nov-07	563,525
34	ICICI Prudential Interval Fund II – Quarterly Interval Plan C	Debt Oriented Interval Fund	23-Nov-07	8,669,660
35	ICICI Prudential Fixed Maturity Plan Series 41 – 17 Months Plan	Close ended Debt Fund	04-Dec-07	423,628
36	ICICI Prudential Interval Fund II – Quarterly Interval Plan D	Debt Oriented Interval Fund	05-Dec-07	457,270
37	ICICI Prudential Fixed Maturity Plan – Series 39- 6 Months Plan A	Close ended Debt Fund	10-Dec-07	4,351,513
38	ICICI Prudential Fixed Maturity Plan Series 42 – 18 Months Plan	Close ended Debt Fund	12-Dec-07	1,595,433
39	ICICI Prudential Interval Fund II – Quarterly Interval Plan E	Debt Oriented Interval Fund	13-Dec-07	164,300
40	ICICI Prudential Fixed Maturity Plan Series 42 – 13 Months Plan A	Close ended Debt Fund	19-Dec-07	1,009,584
41	ICICI Prudential Fixed Maturity Plan – Series 39- 16 Weeks Plan A	Close ended Debt Fund	24-Dec-07	3,047,825
42	ICICI Prudential Interval Fund II – Quarterly Interval Plan F	Debt Oriented Interval Fund	27-Dec-07	1,616,534
43	ICICI Prudential Fixed Maturity Plan Series 41 – 16 Months Plan	Close ended Debt Fund	28-Dec-07	867,578
44	ICICI Prudential Real Estate Securities Fund	Close ended Debt Fund	31-Dec-07	4,123,674
45	ICICI Prudential Fixed Maturity Plan – Series 42 – 13 Months Plan B	Close ended Debt Fund	31-Dec-07	594,090
46	ICICI Prudential Fixed Maturity Plan – Series 39- Three Months Plan B	Close ended Debt Fund	08-Jan-08	205,063
47	ICICI Prudential Fixed Maturity Plan Series 42 – 13 Months Plan C	Close ended Debt Fund	09-Jan-08	19,920
48	ICICI Prudential Fixed Maturity Plan – Series 39- Three Months Plan C	Close ended Debt Fund	11-Jan-08	2,150,127
49	ICICI Prudential Fixed Maturity Plan Series 42 – 16 Months Plan	Close ended Debt Fund	18-Jan-08	620,343
50	ICICI Prudential Fixed Maturity Plan – Series 41- 14 Months Plan	Close ended Debt Fund	18-Feb-08	1,013,307
51	ICICI Prudential Fixed Maturity Plan – Series 42 - Three Months Plan A	Close ended Debt Fund	22-Feb-08	4,728,390
52	ICICI Prudential Fixed Maturity Plan – Series 33 – Plan A	Close ended Debt Fund	28-Feb-08	1,711,088
53	ICICI Prudential Fixed Maturity Plan Series 41 – 15 Months Plan	Close ended Debt Fund	28-Feb-08	365,749
54	ICICI Prudential Fusion Fund Series – III	Close ended Debt Fund	15-Mar-08	6,712,841
55	ICICI Prudential Fixed Maturity Plan – Series 43 - Thirteen Months Plan A	Close ended Debt Fund	18-Mar-08	1,082,179
56	ICICI Prudential Fixed Maturity Plan – Series 42 - Three Months Plan B	Close ended Debt Fund	19-Mar-08	82,767
57	ICICI Prudential Fixed Maturity Plan – Series 43 - Thirteen Months Plan B	Close ended Debt Fund	25-Mar-08	720,715

58	ICICI Prudential Fixed Maturity Plan – Series 42 - Three Months Plan C	Close ended Debt Fund	26-Mar-08	2,957,221
59	ICICI Prudential Fixed Maturity Plan – Series 43 - Thirteen Months Plan D	Close ended Debt Fund	27-Mar-08	1,704,453
60	ICICI Prudential Fixed Maturity Plan – Series 43 - Thirteen Months Plan C	Close ended Debt Fund	31-Mar-08	1,719,549
61	ICICI Prudential Fixed Maturity Plan – Series 43 - Fourteen Months Plan A	Close ended Debt Fund	31-Mar-08	200,254
62	ICICI Prudential Fixed Maturity Plan – Series 43 - Three Months Plan Plus	Close ended Debt Fund	31-Mar-08	272,005
Total				116,383,559

PERFORMANCE OF THE SCHEMES OF ICICI PRUDENTIAL MUTUAL FUND

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

Close-ended Fund

Scheme Name	Date of Allotment	Net Assets as on March 31, 2008 (Rs. in 000's)	Net Assets Value per unit as on March 31, 2008 (Rs.) - For Growth option	Compounded Annualized Return (%) from the date of allotment of units till March 31, 2008 - For Growth option
ICICI Prudential Fusion Fund	25-Mar-06	5,964,817	12.78	12.92%
ICICI Prudential Fixed Maturity Plan Series 34 - Eighteen Months Plan	25-Nov-06	2,562,473	11.0811	7.91%
ICICI Prudential Fixed Maturity Plan Series 34 - Seventeen Months Plan	23-Dec-06	710,481	11.0351	8.06%
ICICI Prudential Fixed Maturity Plan Series 34 - Sixteen Months Plan	22-Jan-07	3,065,908	11.0352	8.64%
ICICI Prudential Fixed Maturity Plan Series 34 - Fifteen Months Plan	26-Feb-07	4,524,080	11.1972	10.93%
ICICI Prudential Fixed Maturity Plan Series 35 - Thirteen Months Plan A	9-Mar-07	2,628,442	11.0792	10.23%
ICICI Prudential Fixed Maturity Plan Series 35 - Thirteen Months Plan B	16-Mar-07	8,101,342	11.0776	10.42%
ICICI Prudential Fixed Maturity Plan Series 37 - Fourteen Months Plan	23-Mar-07	2,326,866	11.0356	10.21%
ICICI Prudential Fixed Maturity Plan Series 34 - One Year Plan B	29-Mar-07	14,186,445	11.0622	10.88%
ICICI Prudential Fixed Maturity Plan Series 37 - One Year Plan A	30-Mar-07	2,970,842	11.0035	10.01%
ICICI Prudential Fusion Fund Series II	31-Mar-07	9,917,505	11.03	10.27%
ICICI Prudential Fixed Maturity Plan Series 36 - 18 Months Plan A	31-May-07	1,279,030	10.8425	8.78%
ICICI Prudential Fixed Maturity Plan Series 36 - 18 Months Plan B	13-Jul-07	5,907,714	10.6072	6.35%
ICICI Prudential Fixed Maturity Plan Series 39 - 16 Weeks Plan A	24-Dec-07	3,105,847	10.2438	2.44%
ICICI Prudential Fixed Maturity Plan Series 39 - 18 Months Plan A	26-Oct-07	857,697	10.2613	2.61%
ICICI Prudential Fixed Maturity Plan Series 39 - 18 Months Plan B	10-Nov-07	1,246,829	10.2582	2.58%
ICICI Prudential Fixed Maturity Plan Series 39 - 24 Months Plan B	13-Aug-07	910,077	10.5120	5.12%
ICICI Prudential Fixed Maturity Plan Series 39 - 3 Months Plan B	8-Jan-08	208,160	10.1750	1.75%
ICICI Prudential Fixed Maturity Plan Series 39 - 3 Months Plan C	11-Jan-08	2,084,632	10.1898	1.90%
ICICI Prudential Fixed Maturity Plan Series 39 - 6 Months Plan A	10-Dec-07	4,450,893	10.2721	2.72%
ICICI Prudential Fixed Maturity Plan Series 41 - 14 Months Plan	18-Feb-08	1,017,685	10.0568	0.57%
ICICI Prudential Fixed Maturity Plan Series 41 - 15 Months Plan	28-Feb-08	366,857	10.0461	0.46%
ICICI Prudential Fixed Maturity Plan Series 41 - 16 Months Plan	28-Dec-07	879,591	10.1474	1.47%
ICICI Prudential Fixed Maturity Plan Series 41 - 17 Months Plan	4-Dec-07	431,783	10.1992	1.99%

ICICI Prudential Fixed Maturity Plan Series 41 - 18 Months Plan	20-Nov-07	559,415	10.2384	2.38%
ICICI Prudential Fixed Maturity Plan Series 41 - 19 Months Plan	19-Oct-07	3,328,413	10.3016	3.02%
ICICI Prudential Fixed Maturity Plan Series 42 - 13 Months Plan A	19-Dec-07	1,029,433	10.2071	2.07%
ICICI Prudential Fixed Maturity Plan Series 42 - 13 Months Plan B	31-Dec-07	602,521	10.1541	0.20%
ICICI Prudential Fixed Maturity Plan Series 42 - 13 Months Plan C	9-Jan-08	202,230	10.1681	1.68%
ICICI Prudential Fixed Maturity Plan Series 42 - 16 Months Plan	18-Jan-08	624,279	10.0726	0.73%
ICICI Prudential Fixed Maturity Plan Series 42 - 3 Months Plan A	22-Feb-08	4,752,862	10.0888	0.89%
ICICI Prudential Fixed Maturity Plan Series 42 - 3 Months Plan B	19-Mar-08	32,106	10.0171	0.17%
ICICI Prudential Fixed Maturity Plan Series 42 - 3 Months Plan C	26-Mar-08	477,446	\$	\$
ICICI Prudential Fixed Maturity Plan Series 43 - 13 Months Plan A	18-Mar-08	454,602	10.0196	0.20%
ICICI Prudential Fixed Maturity Plan Series 43 - 13 Months Plan B	25-Mar-08	139,534	10.0042	0.04%
ICICI Prudential Fixed Maturity Plan Series 43 - 13 Months Plan C	31-Mar-08	55,512	\$	\$
ICICI Prudential Fixed Maturity Plan Series 43 - 13 Months Plan D	27-Mar-08	220,187	\$	\$
ICICI Prudential Fixed Maturity Plan Series 43 - 14 Months Plan A	31-Mar-08	6,460	\$	\$
ICICI Prudential Fixed Maturity Plan Series 43 - 3 Months plan Plus	31-Mar-08	8,774	\$	\$
ICICI Prudential Fixed Maturity Plan Series 33 - Plan A	28-Feb-08	1,678,934	9.8949	-1.05%
ICICI Prudential Fixed Maturity Plan Series 35 - One year Plan	19-Apr-07	2,522,745	10.9679	9.68%
ICICI Prudential Fixed Maturity Plan Series 38 - 1 Year Plan A	18-May-07	2,462,990	10.8742	8.74%
ICICI Prudential Fixed Maturity Plan Series 38 - 1 Year Plan B	26-Jul-07	409,753	10.4725	4.73%
ICICI Prudential Fixed Maturity Plan Series 38 - 2 Year Plan	3-Aug-07	1,019,298	10.5013	5.41%
ICICI Prudential Fixed Maturity Plan Series 38 - 1 year Plan C	19-Nov-07	159,333	10.2831	2.83%
ICICI Prudential Fixed Maturity Plan Series 38 - 1 year Plan D	23-Nov-07	578,329	10.2906	3.04%
ICICI Prudential Fixed Maturity Plan Series 42 - 18 Months Plan	12-Dec-07	1,621,937	10.1861	1.86%
ICICI Prudential Fusion Fund Series - III	15-Mar-08	3,259,156	10.20	2.0%*
ICICI Prudential Real Estate Securities Fund	31-Dec-07	3,923,450	9.4647	-5.35%*
Total		109,835,693		

*Absolute returns

\$ First NAV declared on April 2, 2008 and hence no NAV and performance given.

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

Open-ended Funds

Scheme Name	Date of Allotment	Net Assets as on March 31, 2008 (Rs. in 000's)	Net Assets Value per unit as on March 31, 2008 (Rs.) - For Growth option	Compounded Annualized Return (%) from the date of allotment of units till March 31, 2008 - For Growth option
ICICI Prudential Power	1-Oct-94	11,344,695	87.93	17.46%
ICICI Prudential Liquid Plan	24-Jun-98	159,440,267	19.8110	7.24%
ICICI Prudential Growth Plan	9-Jul-98	4,512,523	103.22	27.10%
ICICI Prudential Income Plan	9-Jul-98	6,730,166	23.5780	9.21%
ICICI Prudential FMC Fund	31-Mar-99	687,446	46.52	18.61%

directors' report



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ICICI Prudential Tax Plan	19-Aug-99	7,517,928	92.74	29.48%
ICICI Prudential Gilt Fund - Investment Plan	19-Aug-99	1,535,982	24.2623	10.83%
ICICI Prudential Gilt Fund - Treasury Plan	19-Aug-99	707,923	19.4688	8.03%
ICICI Prudential Balanced Fund	3-Nov-99	3,611,151	37.28	16.93%
ICICI Prudential Technology Fund	3-Mar-00	1,101,063	12.73	3.03%
ICICI Prudential Monthly Income Plan	10-Nov-00	3,884,024	20.4567	10.17%
ICICI Prudential Child Care - Gift Plan	31-Aug-01	1,283,757	45.67	25.94%
ICICI Prudential Child Care - Study Plan	31-Aug-01	292,186	22.0799	12.78%
ICICI Prudential Short Term Plan	25-Oct-01	6,975,474	15.5105	7.06%
ICICI Prudential Index Fund	26-Feb-02	369,160	42.8552	26.96%
ICICI Prudential Sweep Plan	6-Mar-02	2,834,549	13.6967	5.32%
ICICI Prudential Long Term Plan	28-Mar-02	57,908	16.9985	9.22%
ICICI Prudential Flexible Income Plan	27-Sep-02	63,144,826	14.9348	7.55%
ICICI Prudential Dynamic Plan	31-Oct-02	17,862,305	72.2406	44.04%
Sensex Prudential ICICI Exchange Traded Fund	10-Jan-03	8,700	157.6197	34.43%
ICICI Prudential Floating Rate Plan	28-Mar-03	8,706,329	12.5826	6.23%
ICICI Prudential Gilt Fund - Investment Plan- PF Option	19-Nov-03	735,167	12.9195	6.04%
ICICI Prudential Advisor Series- Aggressive Plan	18-Dec-03	77,641	23.1664	22.18%
ICICI Prudential Advisor Series- Cautious Plan	18-Dec-03	46,539	14.9036	10.02%
ICICI Prudential Advisor Series- Moderate Plan	18-Dec-03	84,172	19.2478	16.91%
ICICI Prudential Advisor Series- Very Aggressive Plan	18-Dec-03	87,709	27.5448	25.00%
ICICI Prudential Advisor Series- Very Cautious Plan	18-Dec-03	36,523	12.9188	5.51%
ICICI Prudential Gilt Fund - Treasury Plan - PF Option	11-Feb-04	407,191	12.3621	5.26%
ICICI Prudential Income Multiplier Fund	30-Mar-04	3,736,735	15.2842	11.17%
ICICI Prudential Discovery Fund	16-Aug-04	4,151,071	26.30	30.58%
ICICI Prudential Long Term Floating Rate Plan	15-Sep-04	594,752	12.4358	6.79%
ICICI Prudential Emerging S.T.A.R. (Stocks Targeted At Returns) Fund	28-Oct-04	7,395,498	30.94	39.07%
ICICI Prudential Blended Plan - Plan A	31-May-05	4,453,980	12.6009	8.49%
ICICI Prudential Blended Plan - Plan B	31-May-05	169,708	12.3579	7.75%
ICICI Prudential Infrastructure Fund	31-Aug-05	44,959,389	26.92	46.71%
ICICI Prudential Services Industries Fund	30-Nov-05	6,442,543	16.79	24.86%
ICICI Prudential Equity & Derivatives Fund - Income Optimiser Plan	30-Dec-06	10,474,353	11.35	10.64%
ICICI Prudential Equity & Derivatives Fund - Wealth Optimiser Plan	30-Dec-06	7,531,065	10.45	3.58%
ICICI Prudential Interval Fund Annual Interval Plan I	17-Aug-07	431,574	10.5207	5.21%
ICICI Prudential Interval Fund - Monthly Interval Plan - I	12-May-07	1,246,564	10.6648	6.65%
ICICI Prudential Interval Fund - Quarterly Interval Plan - I	15-May-07	7,451,591	10.7941	7.94%
ICICI Prudential Interval Fund Quarterly Interval Plan - II	15-Jun-07	1,080,455	10.7121	7.12%
ICICI Prudential Interval Fund Quarterly Interval Plan - III	20-Jul-07	1,013,621	10.5106	5.11%
ICICI Prudential Interval Fund II - Quarterly Interval Plan A	24-Oct-07	106,498	10.3312	3.31%

ICICI Prudential Interval Fund II - Quarterly Interval Plan B	7-Nov-07	5,415,755	10.3475	3.48%
ICICI Prudential Interval Fund II - Quarterly Interval Plan C	23-Nov-07	7,777,212	10.3297	3.30%
ICICI Prudential Interval Fund II - Quarterly Interval Plan D	5-Dec-07	501,650	10.2939	2.94%
ICICI Prudential Interval Fund II - Quarterly Interval Plan E	13-Dec-07	1,202,940	10.3390	3.39%
ICICI Prudential Interval Fund II - Quarterly Interval Plan F	27-Dec-07	2,134,847	10.2397	2.40%
ICICI Prudential Interval Fund - Annual Interval Plan II	5-Oct-07	2,935,261	10.3921	3.92%
ICICI Prudential Interval Fund - Annual Interval Plan III	18-Oct-07	1,073,477	10.3443	3.44%
ICICI Prudential Interval Fund - Annual Interval Plan IV	24-Oct-07	24,489	10.2970	2.97%
ICICI Prudential Interval Fund - Half Yearly Interval Plan I	12-Oct-07	62,665	10.3788	3.79%
ICICI Prudential Interval Fund - Half Yearly Interval Plan II	7-Nov-07	14,699	10.3188	3.19%
ICICI Prudential Indo Asia Equity Fund	18-Oct-07	7,249,913	8.77	-12.30%*
Total		433,715,607		

* Absolute returns

During the period from April 1, 2007 to March 31, 2008, the Nifty and SENSEX changed as set out below:

INDICES VALUE & PERFORMANCE

Index	March 31, 2008	April 2, 2007*	% Change
BSE Sensex	15,644.44	12,455.37	25.60%
S & P CNX Nifty	4,734.50	3,633.60	30.30%

* April 1, 2007 being holiday change in indices is calculated from April 2, 2007

PORTFOLIO MANAGEMENT SERVICES

As you are aware, the Company is offering Portfolio Management Services since October 2000, for discretionary, non-discretionary, and advisory services across both equity and fixed income assets. As on March 31, 2008, Asset Management Company has been rendering portfolio management services to 4,939 clients having assets to the extent of Rs. 29,476,500 thousands under its Discretionary/Non-discretionary/Advisory schemes.

SALES OFFICES

Your Company has established a wide reach to the retail customers through its 58 well-equipped sales offices.

FOREIGN EXCHANGE EARNINGS AND EXPENDITURE ETC.

Your Company has earned Rs. 199,570 thousands as foreign exchange income and has incurred expenses of Rs. 191,247 thousands towards foreign exchange expenditure. Since the Company does not own any manufacturing facility, the other requirements of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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

FIXED DEPOSITS

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

DIRECTORS

In terms of the Articles of Association of the Company read with the provisions of the Companies Act, 1956, Dr. Swati A. Piramal retires at the forthcoming Annual General Meeting (AGM) and being eligible, offer herself for reappointment. K. S. Mehta who also retires at the forthcoming AGM has expressed his unwillingness to continue as a Director of the Company.

CONSTITUTION OF AUDIT COMMITTEE OF DIRECTORS

As on March 31, 2008, the Audit Committee consists of the following Directors:

1. Vijay Thacker
2. Renuka Ramnath

During the FY 2007-2008, four meetings of the Audit Committee were held.

AUDITORS

The Auditors, BSR and Associates, Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for reappointment.

EMPLOYEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

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

ACKNOWLEDGEMENT

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

Your Directors further wish to place on record their appreciation for the support and cooperation received from the Securities and Exchange Board of India, the Reserve Bank of India, Prudential plc, ICICI Bank Limited, 3i Infotech Limited and Company's banker.

Your Directors thank Computer Age Management Services Private Limited - the Registrar and Transfer Agents to the Schemes of the Fund and the Custodians to the Fund, for the support provided by them in carrying out the operations in an efficient manner.

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

On behalf of the Board

K. V. KAMATH
Chairman

Mumbai, April 25, 2008

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, 2008, and the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (iii) the balance sheet, the profit and loss account and the cash flow statement dealt with by this report are in agreement with the books of account;

- (iv) in our opinion, the balance sheet, the profit and loss account and the cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) on the basis of written representations received from the Directors, as on March 31, 2008, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2008 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2008;
 - b) in the case of the profit and loss account, of the profit of the Company for the year ended on that date; and
 - c) in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

For BSR & ASSOCIATES
Chartered Accountants

BHAVESH DHUPELIA
Partner

Membership No.: 042070

Mumbai, April 25, 2008

annexure to the auditors' report

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

With reference to the annexure referred to in paragraph 3 of the Auditors' report to the members of ICICI Prudential Asset Management Company Limited ('the Company') on the financial statements for the year ended March 31, 2008, we report the following:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
2. The Company is a service company, primarily rendering asset management services to ICICI Prudential Mutual Fund and Portfolio Management Services to its customers. Thus, paragraph 4(ii) of the Order is not applicable.
3. According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured to or from, any companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regards to purchase of fixed assets and with regards to the sale of services. The activities of the Company do not involve the purchase of inventory and sale of goods. We have not observed any major weaknesses in the internal control system during the course of the audit.
5. In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 for any of the services rendered by the Company.

9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been regular in depositing amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Wealth tax, Service tax and other material statutory dues applicable to it with the appropriate authorities. As explained to us the Company did not have any dues on account of Investor Education and Protection Fund.

There were no dues on account of cess under section 441A of the Companies Act, 1956 since the aforesaid section has not yet been made effective by the Central Government.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service tax, Wealth tax, Cess and other material statutory dues were in arrears as at March 31, 2008 for a period of more than six months from the date they became applicable.

- (b) According to the information and explanations given to us, the following dues of Income-tax have not been deposited by the Company on account of disputes.

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

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. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding debentures during the year.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

annexure to the auditors' report

Continued

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

For BSR & ASSOCIATES
Chartered Accountants

BHAVESH DHUPELIA
Partner
Membership No.: 042070

Mumbai, April 25, 2008

balance sheet

profit and loss account



as at March 31, 2008

for the year ended March 31, 2008

			(Rs. in 000's)				(Rs. in 000's)
	Schedule	March 31, 2008	March 31, 2007		Schedule	March 31, 2008	March 31, 2007
SOURCES OF FUNDS :				INCOME			
Shareholders' Fund							
Share capital	3	176,521	176,521	Management fees	13	4,336,600	2,352,354
Reserves and surplus	4	692,034	304,680	Dividend	14	18,754	14,580
		<u>868,555</u>	<u>481,201</u>	Profit on sale of investment (net)	15	37,201	21,737
				Miscellaneous income	16	556	317
						<u>4,393,111</u>	<u>2,388,988</u>
APPLICATION OF FUNDS				EXPENDITURE			
Fixed assets							
Gross block	5	616,302	356,501	Employee costs	17	796,053	456,697
Accumulated depreciation		(321,737)	(260,309)	Administrative and other expenses	18	2,281,067	1,125,927
Net block		<u>294,565</u>	<u>96,192</u>	Diminution in value of Current Investments		7,505	—
Capital Work-in-Progress		<u>40,209</u>	<u>16,443</u>	Depreciation	5	90,802	—
		<u>334,774</u>	<u>112,635</u>	Depreciation write back due to change in policy (Refer Note 2.2)		(25,002)	70,793
						<u>3,150,425</u>	<u>1,653,417</u>
Investments	6	753,693	404,898	Profit before taxation		1,242,686	735,571
Deferred tax asset	7	80,732	82,032	Provision for current taxation		(405,912)	(292,623)
Current assets, loans and advances				Deferred tax credit / (expense)		(1,301)	46,445
Cash and bank balances	8	28,357	77,456	Fringe benefit tax		(14,322)	(5,503)
Sundry debtors	9	392,929	247,645	Wealth tax		(105)	(102)
Loans and advances	10	580,836	362,008	Profit after taxation		821,046	483,788
		<u>1,002,122</u>	<u>687,109</u>	Add: Accumulated profit brought forward		30,809	5,019
				Less: Effect of first time adoption of AS 15		—	—
Current liabilities and provisions				Gratuity		—	(2,601)
Current liabilities	11	(864,915)	(516,763)	Amount available for appropriation		851,855	486,206
Provisions	12	(437,851)	(288,710)	Appropriations			
		<u>(1,302,766)</u>	<u>(805,473)</u>	Final dividend proposed		88,260	88,260
Net current liabilities		<u>(300,644)</u>	<u>(118,364)</u>	Interim Dividend		282,433	241,968
		<u>868,555</u>	<u>481,201</u>	Tax on dividend		62,999	48,936
Significant accounting policies	2			Transfer to general reserve		82,105	48,379
Notes to the accounts	19-32			Transfer to contingency reserve		41,052	24,189
				Transfer to capital redemption reserve		—	3,665
						<u>556,849</u>	<u>455,397</u>
				Balance profit carried forward		295,006	30,809
				Earnings per Share of face value of Rs. 10 each – Basic and Diluted (in Rs.)	22	46.51	26.99
				Significant accounting policies	2		
				Notes to the accounts	19-32		

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

For BSR & ASSOCIATES
Chartered Accountants

BHAVESH DHUPELIA
Partner
Membership No. 042070

Mumbai, April 25, 2008

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

K. V. KAMATH
Chairman

KALPANA MORPARIA
Director

BARRY STOWE
Director

NIMESH SHAH
Managing Director

RANGANATH ATHREYA
Company Secretary

cash flow statement

for the year ended March 31, 2008

		March 31, 2008	(Rs. in 000's) March 31, 2007
Cash flows from Operating Activities			
Net profit before taxation		1,242,686	735,571
<i>Adjustment for:</i>			
Depreciation	65,800		70,793
Diminution in value of current investments	7,505		—
Interest income	(173)		(158)
Investment income (dividend)	(18,754)		(14,580)
Provision for Gratuity	4,317		2,656
Provision for Leave Encashment	2,178		3,000
Unrealised Exchange Losses/(Gain)	(353)		—
Profit on sale of investments (net)	(37,201)		(21,737)
Loss on sale of fixed assets (net)	1,720	25039	(55)
Operating profit before working capital changes		1,267,725	775,490
(Increase) in sundry debtors	(144,441)		(77,217)
(Increase) in loans and advances	(176,497)		(157,821)
Increase in current liabilities and provisions	549,391		329,970
Cash generated from working capital changes	228,453		94,932
Interest received on loans to employees	173		158
Income tax paid net of income tax refunds (including FBT & Wealth Tax)	(459,805)	(231,179)	(313,404)
Net cash generated from/ (used) in operating activities (A)		1,036,546	557,176
Cash Flow from Investing Activities			
Purchase of fixed assets	(269,589)		(92,486)
Advance for purchase of fixed assets	(23,766)		(8,168)
Proceeds from sale of fixed assets	3,696		473
Investment income (dividend)	18,754		14,580
Purchase of Investments	(4,655,555)		(5,230,733)
Proceeds from sale of Investments	4,328,953		5,360,311
Net cash generated from investing activities (B)		(597,507)	43,977
Cash Flow from Financing Activities			
Buyback of shares			(195,630)
Final dividend paid	(88,261)		(72,074)
Interim dividend paid	(282,433)		(317,898)
Tax on dividend paid	(56,665)		(57,113)
Tax on buyback of Shares			(38,147)
Net cash generated (used) in financing activities (C)		(427,359)	(680,862)
Net (decrease)/increase in cash and cash equivalents (A) + (B) + (C)		11,680	(79,709)
Cash and cash equivalents at beginning of year			
Cash and bank balances	77,456		194,755
Book Overdraft	(60,779)	16,677	(98,369)
Cash and cash equivalents at end of year			
Cash and bank balances	28,357		77,456
Book Overdraft	—	28,357	(60,779)

As per our report attached.

For BSR & ASSOCIATES
Chartered Accountants

BHAVESH DHUPELIA
Partner
Membership No. 042070

Mumbai, April 25, 2008

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

K. V. KAMATH
Chairman

KALPANA MORPARIA
Director

BARRY STOWE
Director

NIMESH SHAH
Managing Director

RANGANATH ATHREYA
Company Secretary

Schedules



to financial statements for the year ended March 31, 2008

1. BACKGROUND

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

The principal shareholders of the Company as at March 31, 2008 are ICICI Bank Limited (51%) and Prudential Plc (49%) (through its wholly owned subsidiary Prudential Corporation Holdings Limited).

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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. 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 the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.2 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.

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

The depreciation rates prescribed in Schedule XIV to the Companies Act, 1956 are considered as minimum rates. If the management's estimate of the 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 provided at a higher rate based on the management's estimate of the useful life/ remaining useful life. Pursuant to this policy depreciation is provided based on the economic lives of assets as estimated by management.

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

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

Due to the above revision in useful life of fixed assets, profit for current year is higher by Rs.6,222.

Due to the above changes, profit for the period is higher by Rs. 58,687, the deferred tax asset is lower by Rs. 19,948 and reserves are higher by Rs. 38,739.

Leasehold improvements are amortised over the primary period of the lease on straight-line basis.

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

Assets individually costing Rs. five thousand or less are fully depreciated in the year of purchase/acquisition.

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

2.3 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. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

2.4 Investments

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

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.

2.5 Revenue recognition

Management fees

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

Income on Asset Shield products under PMS is accrued over the term. The unaccrued portion of income is carried forward as a current liability.

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.

2.6 Transactions in foreign currency

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

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date. The exchange differences, if any, are recognised in the profit and loss account and related assets and liabilities are accordingly restated in the balance sheet except those related to acquisition of fixed assets, which are adjusted in the carrying amount of the related fixed assets.

2.7 Retirement benefits

Provident Fund

The Company expenses its contribution to the Statutory Provident Fund, a defined contribution scheme, made at 12% of the basic salary plus leave encashment of each employee.

Gratuity

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

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

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

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

Benefits in respect of gratuity, a defined benefit scheme, and superannuation, a defined contribution scheme, as applicable to employees of the Company are annually funded with the Life Insurance Corporation of India ('LIC').

Schedules

to financial statements for the year ended March 31, 2008

Continued

2.8 Initial public offer expenses

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

2.9 Brokerage and incentives

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

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

2.10 Pru points

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

2.11 Long term incentive plan ('LTIP')

The company has initiated new Long Term Incentive Plan 2007 and Plan 2007 Series 2. These plans are based on bonus points, which are encashable, after they are held for a specified period (holding period), at a determined price. The determined price shall be computed by the Core Team using the P/E method of valuation.

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

For LTIPs issued in prior years, the LTIP cost is estimated as of the end of each accounting year by multiplying the number of units awarded in the respective plan by the increase in price of the respective LTIP unit and the same was apportioned on a pro rata basis over the life of the plan, since they are unit base schemes.

2.12 Loyalty reward scheme

Loyalty bonus cost is estimated based on the amounts expected to be paid to employees under the scheme. The amount so estimated is apportioned on a pro rata basis over the life of the scheme.

2.13 Fund expenses

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

2.14 Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as Operating Leases. Operating Lease rentals are recognised as an expense on Straight Line basis over the lease period.

2.15 Tax

Current tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and fringe benefit tax. Provision for Income Tax 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 by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future: however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

Fringe benefit tax (FBT)

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

2.16 Earnings per share

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

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

2.17 Contingencies and provisions

The Company creates a provision when there is 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 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.

	March 31, 2008	(Rs. in 000's) March 31, 2007
SCHEDULE - 3		
SHARE CAPITAL		
Authorised share capital		
25,000,000 equity shares of Rs 10 each.	250,000	250,000
Issued, subscribed and paid-up capital		
17,652,090 equity shares of Rs 10 each, fully paid up	176,521	176,521

Note: Of the above, 9,002,573 equity shares of Rs. 10 each are held by ICICI Bank Limited, the Holding Company.

SCHEDULE - 4 RESERVE AND SURPLUS

Capital Redemption Reserve

Balance at the beginning of the year	8690	5,025
Add: Transfer from profit and loss account (created for the purpose of buyback of equity shares)	—	3,665
Balance at the end of the year	8,690	8,690

Share Premium

Balance at the beginning of the year	33,517	222,245
Utilised during the year for the purpose of buyback of equity shares	0	(188,728)
Balance at the end of the year	33,517	33,517

General Reserve

Balance at the beginning of the year	169,684	121,305
Add: Transfer from profit and loss account	82,105	48,379
Balance at the end of the year (A)	251,789	169,684

Contingency Reserve*

Balance at the beginning of the year	61,980	37,791
Add: Transfer from profit and loss account	41,052	24,189
Balance at the end of the year (B)	103,032	61,980

Total (A+B)

Surplus in Profit and Loss Account		
Balance at the end of the year	295,006	30,809
Total Reserves & Surplus	692,034	304,680

Note: * The Contingency Reserve is a free reserve, created voluntarily by the Company, by transferring up to 5% of the profits at the end of each financial year.

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SCHEDULE - 5 FIXED ASSETS

(Rs. in 000's)

Description	Leasehold Improvements	Furniture and fixtures	Office equipments	Computers	Intangible Assets	Vehicles	Total	Previous Year
Cost								
At April 1, 2007	75,562	18,547	64,478	126,978	52,115	18,821	356,501	267,470
Additions	47,017	20,274	27,014	107,792	55,355	12,137	269,589	92,486
Deletions	—	(767)	(874)	(512)	—	(7,635)	(9,788)	(3,455)
At March 31, 2008	12-2,579	38,054	90,618	234,258	107,470	23,323	616,302	356,501
Accumulated Depreciation								
At April 1, 2007	55,998	8,849	48,911	101,395	34,391	10,765	260,309	192,555
Effect of Change in Policy (Refer Note 2.2)	—	(3,101)	(8,807)	(9,386)	—	(3,708)	(25,002)	—
Charge for the year	17,402	8,721	5,474	36,086	18,809	4,310	90,802	70,793
Deletions	—	(201)	(361)	(452)	—	(3,358)	(4,372)	(3,039)
At March 31, 2008	73,400	14,268	45,217	127,643	53,200	8,009	321,737	260,309
Net Book Value								
At March 31, 2008	49,179	23,786	45,401	106,615	54,270	15,314	294,565	96,192
At March 31, 2007	19,564	9,698	15,567	25,583	17,724	8,056	96,192	

SCHEDULE - 6 INVESTMENTS

A. Long term investments

Non trade, Quoted (at cost)

Mutual Fund units of Face Value of Rs.10 each

42,000,000.000 Units (Previous Year 36,293,940.760 Units) in ICICI Prudential Fixed Maturity Plan. (Market Value Rs 436,390,275 (Previous Year Rs 387,482,989))

March 31, 2008 420,000 March 31, 2007 362,954

771,377.000 Units (Previous Year Nil) in ICICI Prudential Interval Fund II Quarterly Plan-A-Retail Dividend Reinvest (Market Value Rs 7,825,622 (Previous Year Rs Nil))

7,712 —

150,000.000 Units (Previous Year Nil) in ICICI Prudential Interval Fund Annual Plan -IV Retail Cumulative (Market value Rs 1,544,550 (Previous Year Rs Nil))

1,500 —

1,500,000.000 Units (Previous year Nil units) in ICICI Pru Interval Half Yearly Plan1-Retail Dividend (Market Value Rs 15,568,200 (Previous Year Rs Nil))

15,000 —

7,000,000.000 (Previous year Nil Units) in ICICI Prudential Interval Fund Annual Plan-III Institutional Cum (Market Value Rs 72,524,900 (Previous Year Rs Nil))

70,000 —

133,269.000 Units (Previous Year Nil) in ICICI Prudential FMP SR 42 - 3 Months Plan B Retail Dividend (Market Value Rs 1,334,969 (Previous Year Rs Nil))

1,333* —

1,782,565.000 Units (Previous Year Nil) in ICICI Prudential Institutional Fund-Qty Interval Plan 1 Retail Div (Market Value Rs 17,844,192 (Previous Year Rs Nil))

17,826* —

Non trade, Unquoted (at cost)

449,834.000 equity shares of face value Rs. 10 each (Previous Year Nil) Sabari Inn Private Limited

8,390* —

Total Long Term Investments

541,761 362,954

* Investments made with Portfolio Manager, ICICI Prudential AMC Limited - A/c PMS.

B. Current investments (valued at cost or net realisable value whichever is lower)

Non trade, Quoted

Mutual Fund Units of Face value of Rs.10 each

Nil units (Previous Year 3,307,581.910)

in ICICI Prudential Sweep Plan

— 41,944

3,584,200.387 Units (previous Year Nil)

In ICICI Prudential Infrastructure Fund Growth

96,487 —

9,30,131.159 Units (Previous Year Nil) in ICICI Prudential Growth Plan-Growth

March 31, 2008 96,008 March 31, 2007 —

1,662,847.000 Units (Previous Year Nil) in ICICI Prudential Liquid Plan - Super Institutional Growth Option

19,437 —

Total Current Investments

211,932 41,944

Total Investments

753,693 404,898

The aggregate book value of Unquoted Investments & the book value and market value of Quoted Investments are as follows:

Aggregate Book Value of Unquoted Investments 8,390 —

Aggregate Book Value of Quoted Investments 745,303 404,898

Aggregate Market Value of Quoted Investments 764,965 429,427

Scheme	2008		2007	
	Purchase	Redeemed	Purchase	Redeemed
Long Term Investments				
ICICI Prudential Long Term Plan-Cumulative	—	—	1,355,491	1,694,912
ICICI Prudential Institutional Income Plan-Growth	—	—	—	1266
ICICI Prudential Index Nifty Plan	—	—	—	24,027
ICICI Prudential Fixed Maturity Plan	42,000,000	36,293,940	58,414,945	48,123,504
ICICI Prudential Interval Fund II Quarterly Interval Plan - I Retail Dividend- Reinvest	771,377	—	—	506,613
ICICI Prudential Interval Fund Annual Interval Plan-IV Retail Cumulative	150,000	—	—	10,358,939
ICICI Prudential Interval Half Yearly	1,500,000	—	—	—
ICICI Prudential Interval Fund Annual Interval Plan-III Institutional Cumulative	7,000,000	—	—	—
ICICI Prudential Interval Fund II Qtr Interval Plan E -Retail Dividend -Rein	2,558,900	2,558,900	—	—
ICICI Prudential Interval Fund Plan II - Retail - Dividend Reinvestment	133,269*	—	—	—
ICICI Prudential Interval Fund quarterly Interval Plan 1 Retail DIV (PMS)	1,782,565*	—	—	—
Sabari Inn Pvt. Limited (PMS)	449,834*	—	—	—
Current Investments				
ICICI Prudential Sweep Plan	—	3,307,582	211,676,706	214,614,094
ICICI Prudential Liquid Plan - Super Institutional Weekly Dividend	107,222,769	107,222,769	198,651,928	198,651,928
ICICI Prudential Flexible Income Plan	240,272,279	240,272,279	—	—
ICICI Prudential Infrastructure Fund	3,584,200	—	—	—
ICICI Prudential Growth Fund	930,131	—	—	—
ICICI Prudential Liquid Plan - Super Institutional Growth Option	1,662,847*	—	—	—

*Purchases includes dividend re-invested in units.

**Investments made with Portfolio Manager, ICICI Prudential AMC Limited - A/c PMS.

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	March 31, 2008	(Rs. in 000's) March 31, 2007		March 31, 2008	(Rs. in 000's) March 31, 2007
SCHEDULE - 7					
DEFERRED TAX ASSET					
Deferred tax asset arising on account of timing differences in :					
Depreciation on fixed asset	7,668	22,527			
Employee compensation	71,704	59,505			
Lease Rentals	1,360	—			
Deferred tax asset	80,732	82,032			
SCHEDULE - 8					
CASH AND BANK BALANCES					
Cash in hand	—	—			
Balance with scheduled banks					
– in current accounts	25,812	77,456			
– Others*	2,545	—			
	28,357	77,456			
* Cash held in Pool Account of Portfolio Manager, ICICI Prudential AMC Limited – A/c PMS.					
SCHEDULE - 9					
SUNDRY DEBTORS					
Unsecured					
Debts outstanding for a period exceeding six months					
a) Considered good	4,246	4,273			
b) Considered doubtful	843	843			
Other debts					
Considered good*	388,683	243,372			
Less : Provision for doubtful debts	(843)	(843)			
	392,929	247,645			
* Includes an amount of Rs. 110 (Previous year Rs. 57) due from a Director. Maximum amount due by the Director at any time during the year Rs. 118 (Previous year Rs.57).					
SCHEDULE - 10					
LOANS AND ADVANCES					
(Unless otherwise stated – unsecured and considered good)					
Advances recoverable in cash or in kind or for value to be received	244,820	236,978			
Staff loans	4,018	3,423			
Prepaid expenses	146,121	20,943			
Sundry deposits	127,500	81,753			
Advance tax (net of provision)	58,377	18,911			
Advances considered doubtful or bad	2,770	2,865			
Less :Provision for doubtful advances	(2,770)	(2,865)			
	580,836	362,008			
SCHEDULE - 11					
CURRENT LIABILITIES					
Sundry creditors	144,443	279,983			
Book overdraft	—	60,779			
Statutory dues	32,547	10,893			
Accrued expenses	687,925	165,108			
	864,915	516,763			
SCHEDULE - 12					
PROVISIONS					
Provision for proposed final dividend	88,260	88,260			
Provision for tax on dividend	30,000	23,665			
Provision for Gratuity	6,973	2,656			
Provision for Leave Encashment	5,178	3,000			
Provision for other employee cost	307,440	171,129			
	437,851	288,710			
SCHEDULE - 13					
MANAGEMENT FEES					
Fees from mutual fund operations (Tax Deducted at Source Rs. 343,884 (Previous year Rs. 99,376))	3,195,353	1,774,723			
Fees from PMS operations (Tax Deducted at Source Rs. 17,361 (Previous year Rs. 2,650))	941,675	555,500			
Fees from Advisory Services (Tax Deducted at Source Rs. 8,004 (Previous year Rs. Nil))	199,572	22,131			
	4,336,600	2,352,354			
SCHEDULE - 14					
DIVIDEND INCOME					
Dividend on Long term Investments	—	4,165			
Dividend on Current Investments	18,754	10,415			
	18,754	14,580			
SCHEDULE - 15					
PROFIT ON SALE OF INVESTMENTS					
Profit on sale of Long term Investments	35,259	17,538			
Profit on sale of on Current Investments	1,942	4,199			
	37,201	21,737			
SCHEDULE - 16					
MISCELLANEOUS INCOME					
Interest on loans to employees	173	158			
Profit on sale of fixed assets (net)	—	55			
Unrealised Exchange Gain	353	—			
Others	30	104			
	556	317			
SCHEDULE - 17					
EMPLOYEE COSTS					
Salaries, bonus and allowances	751,691	428,572			
Contribution to provident and other funds	27,105	14,230			
Staff welfare	17,257	13,895			
	796,053	456,697			
SCHEDULE - 18					
ADMINISTRATIVE AND OTHER EXPENSES					
Brokerage and incentives (Refer Schedule 2.9)	666,202	353,050			
Service tax	446,679	256,822			
Rent	93,170	58,188			
Communication expenses	47,860	30,463			
Travelling and conveyance	69,284	36,201			
Fund Accounting Expenses-PMS	180,127	43,950			
Legal and professional fees	71,393	32,759			
Fund Expenses	72,969	53,521			
SEBI Fees	50,310	21,897			
Information Technology	20,644	14,179			
Electricity	24,540	14,086			
Insurance	13,077	6,586			
Books, periodicals and subscriptions	9,628	8,347			
Repairs and maintenance					
– Equipment	12,441	7,309			
– Others	8,099	5,949			
Marketing advertisement and publicity	381,664	111,226			
Printing and stationery	22,743	11,838			
Training	17,135	8,155			

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to financial statements for the year ended March 31, 2008

	March 31, 2008	(Rs. in 000's) March 31, 2007
SCHEDULE - 18 (Continued)		
Recruitment and consultancy services	21,073	9,196
Entertainment	8,335	3,788
Motor car expenses	3,902	4,237
Provision for bad and doubtful debts and advances	—	4,040
Loss on sale of Fixed Assets	1,719	—
Rates and taxes	3,622	1,966
Auditors remuneration:		
- Audit fees (including interim audits)	1,292	1,121
- Tax matters	163	233
- Other matters	112	243
- Reimbursement of out of pocket expenses	—	10
Directors sitting fees	520	240
Miscellaneous expenses	32,364	26,327
	2,281,067	1,125,927

SCHEDULE - 19 OPERATING LEASES

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

The total future liability of all operating leases is as given below:

	In less than a year		In 1 year to 5 years		In more than 5 years	
	2008	2007	2008	2007	2008	2007
Total future lease payments	127,119	51,696	198,360	53,382	4,530	774

The total lease payments recognized in the profit and loss account towards the above referred leases amount to Rs 100,610 (Previous year Rs 63,020)

SCHEDULE - 20 SEGMENTAL REPORTING

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

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

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

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

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

Primary segment information

	(Rs. in 000's)							
	Mutual Fund		Portfolio Management		Others		Total	
	March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007
Segment Revenue								
Management fees	3,195,353	1,774,723	941,675	555,500	199,572	22,131	4,336,600	2,352,354
Inter Segment revenue	—	—	—	—	—	—	—	—
Total Segment revenue	3,195,353	1,774,723	941,675	555,500	199,572	22,131	4,336,600	2,352,354
Identifiable operating expenses	(1,466,847)	(429,101)	(644,922)	(393,342)	(2,825)	(3,510)	(2,114,594)	(825,953)
Segmental operating income	1,728,506	1,345,622	296,753	162,158	196,747	25,641	2,222,006	1,526,401
Unallocable expense							(1,035,831)	(826,352)
Operating income							1,186,175	700,049
Other income net of other expenses							56,512	35,522
Net Profit before taxation and prior period items							1,242,686	735,571
Provision for income tax							(405,912)	(292,623)
Deferred tax credit							(1,301)	46,445
Fringe benefit tax							(14,322)	(5,503)
Wealth Tax							(105)	(102)
Net profit after tax							821,046	483,788
As at	March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007
Segment assets and liabilities								
Allocable current assets	333,767	310,299	196,562	123,226	82,273	—	612,602	433,525
Unallocable current assets	—	—	—	—	—	—	389,520	253,584
Total current assets	333,767	310,299	196,562	123,226	82,273	—	1,002,122	687,109
Current liabilities and provisions	476,281	66,915	89,063	67,781	—	—	565,344	134,696
Unallocable current liabilities and provisions							737,422	670,777
Total current liabilities and provisions	476,281	66,915	89,063	67,781	82,273	—	1,302,766	805,473

SCHEDULE - 21 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 Lombard General Insurance Company Limited – Fellow Subsidiary
 - ICICI Prudential Life Insurance Company Limited – Fellow Subsidiary
 - ICICI Venture Funds Management Company Limited – Fellow Subsidiary
 - Way2wealth Securities Private Limited – Associate (Till April 17, 2006)
 - ICICI International Limited – Fellow Subsidiary
 - ICICI Prudential Trust Limited – Fellow Subsidiary

Key management:

- Pankaj Razdan – Managing Director (up to July 18, 2007)
- Nimesh Shah – Managing Director
- Nilesh Shah – Deputy Managing Director and Chief Investment Officer

Relatives of Key Management Personnel

- Sonia Razdan, Wife of Pankaj Razdan, Managing Director (up to July 18, 2007)

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to financial statements for the year ended March 31, 2008

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Related party transactions (Continued)

(Rs. in 000's)

Nature of Transactions	Holding company	Fellow subsidiary companies	Party with Significant influence	Key management personnel	Relatives of Key Management Personnel	Total
Remittance towards Buyback of shares	—		—			—
Previous Year	98,117		97,506			195,623
Dividend Paid	189,039		181,640			370,679
Previous Year	160,160		229,812			389,972
Common Cost, Brokerage & Marketing expenses incurred by the Company	89,897					89,897
Previous Year	157,354					157,354
Insurance Premium paid		10,515				10,515
Previous Year		11,821				11,821
Remuneration paid				54,041		54,041
Previous Year				26,311		26,311
Management Fees Earned		5,855			69	5,924
Previous Year		7,088			415	7,503
Expenses incurred by company		4,102	—			4,102
Previous Year		3,565	2,285			5,850
Expenses incurred by Related party		—				—
Previous Year		3,268				3,268
Personal Loan				—		—
Previous Year				175		175
Balance outstanding : Receivable/(Payable)	37,338	(733)	(2,207)	—	—	34,398
Previous Year	(85,562)	3,434	733	165	93	(81,137)

- Provision for contribution to employee retirement/post retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis are excluded above. Bonus for the period up to March 31, 2008 and Long Term Incentive Plan ('LTIP') to the extent actually paid up to March 31, 2008 have been included in the above figures. Bonus for the period April 1, 2007 to March 31, 2008 and Long Term Incentive Plan ('LTIP') not yet paid have been excluded in the above figures as provision for the same has been made at an overall company level.
- The remuneration paid to Key Management Personnel referred above includes, 52% (Previous year 39%) paid to Deputy Managing Director & CIO and 34% (Previous year 61%) paid to ex-Managing Director & 14% (Previous Year Nil) paid to Current Managing Director.
- An amount of Rs. 89,897 (Previous year Rs. 157,353) was incurred by ICICI Bank Limited towards usage of their network/ facilities, Pru Chairman awards, brokerage and reimbursement of expenses incurred on our behalf. Rs. 7,692 (Previous year Rs. 85,562) is payable to ICICI Bank Limited.
- An amount of Rs. 45,009 (Previous year Rs. 160,160) was paid to ICICI Bank Limited, towards final dividend FY 2006-2007 and Rs. 144,029 towards interim dividend for the FY 2007-2008.
- An amount of Rs. Nil (Previous year Rs. 98,117) has been paid to ICICI Bank Limited towards buyback of shares. An amount of Rs. Nil (Previous year Rs. 77,448) is payable to Prudential Corporation Holdings Limited towards buyback of shares, which includes an amount of Rs. Nil (Previous year Rs. 16,828) being tax deducted at source.
- An amount of Rs. 43,248 was paid to Prudential Corporation Holding Limited, England towards Final dividend for FY 2006-2007. An amount of Rs. 138,392 was paid to Prudential Corporation Holdings Limited, England towards interim dividend for the FY 2007-2008.
- The Company has paid Rs. 5,345 (Previous year Rs. 10,767) to ICICI Lombard General Insurance Company Limited towards employee medical and asset insurance. An amount of Rs. 923 (Previous year Rs. 472) is receivable from ICICI Lombard General Insurance Company Limited.
- An amount of Rs. 5,170 (Previous Year Rs. 1,054) was paid to ICICI Prudential Life Insurance towards Insurance premium and Rs. Nil (Previous year Rs. 285) has been paid as advance towards Insurance premium. An amount of Rs. Nil (Previous year Rs. 3,268) has been incurred by ICICI Prudential Life Insurance company limited on behalf of IPAMC.
- The Company has earned management fees of Rs. Nil (Previous year Rs. 7,088) and Rs. Nil (Previous year Rs. 1,013) is receivable from ICICI Venture Funds Management Company Limited,
- The Company has earned Advisory fees of Rs. 5,845 (Previous year Rs. Nil) from ICICI International Limited,
- An amount of Rs. 4,102 (Previous year Rs. 4,302) has been incurred towards expenses on behalf of ICICI Prudential Trust Limited. An amount of Rs. 5,605 (Previous year Rs. 1,665) is receivable from ICICI Prudential Trust Limited.

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to financial statements for the year ended March 31, 2008

	March 31, 2008	(Rs. in 000's) March 31, 2007		March 31, 2008	(Rs. in 000's) March 31, 2007
SCHEDULE - 22					
EARNINGS PER SHARE ('EPS')					
EPS is computed in accordance with AS 20 prescribed by The Companies (Accounting Standards) Rules, 2006.					
Profit after taxation	821,046	483,788	Change in the Fair Value of Assets		
Weighted Average Number of equity shares outstanding during the year (in units)	17,652,090	17,926,183	Opening Fair Value of Plan Assets	7,217	5,056
Basic and diluted EPS of face value Rs 10 each (In Rs)	46.51	26.99	Expected Return on Plan Assets	560	443
			Actuarial Gain/Loss	577	(39)
			Contributions by Employer	2,426	2,935
			Benefits Paid	(4,702)	(1,217)
			Closing Fair Value of Plan Assets	6,078	7,217
SCHEDULE - 23					
PROVISION FOR LONG TERM INCENTIVE PLAN ('LTIP') & EMPLOYEE COST					
The details of the provision are as under:					
Opening Balance	174,129	61,666	D. Asset information		
Additional provision during the year	310,501	153,273	Category of Assets		
Amount used during the year	(167,989)	(38,660)		Period Ended	<i>Period Ended</i>
Unused amount reversed	(4,021)	(2,150)		March 31, 2008	<i>March 31, 2007</i>
Closing Balance	311,620	174,129	Insurer Managed Funds	100%	100%
			Total	100%	100%
			The break up of the approximate market value of the assets as at March 31, 2008 as advised by the insurer is as follows:		
			Category of Assets		
			Insurer Managed Funds		
			Total		
			E. Summary of actuarial assumptions		
			Financial assumptions at the valuation date:		
				March 31, 2008	<i>March 31, 2007</i>
			Discount Rate	7.55% p.a.	8.00% 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.
			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.		
			ICICI Prudential Asset Management Company Limited		
			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 12% 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).		
			SCHEDULE - 25		
			CAPITAL COMMITMENTS		
			As at March 31, 2008, the Company had capital commitments amounting to Rs. 75,969 (Previous year Rs 42,440) for which no provision is required to be made.		

Schedules

to financial statements for the year ended March 31, 2008

Continued

SCHEDULE - 26

CONTINGENT LIABILITIES

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

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

The company is of the view the exemptions in respect of AY 2004-05 and 2005-06 has been correctly claimed and hence there is no need to provide for the same.

SCHEDULE - 27

SUNDRY CREDITORS

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

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

This being the first year of registration of suppliers under MSMED, previous year comparatives are not applicable.

SCHEDULE - 28

EXPENDITURE IN FOREIGN CURRENCY

	March 31, 2008	(Rs. in 000's) March 31, 2007
Training	1,135	537
Advertisements	553	—
Communication expenses	2,384	1,093
Information technology	28,024	13,746
Travelling	34	356
Stipend	—	12
Distribution Support Expenses	6,847	—
Guarantee Fees	152,270	13,125
	191,247	34,138

An amount of Rs. 39,492 (Previous year Rs. 1,822) was remitted towards capital expenditure.

Note: The above disclosure is made on cash basis.

SCHEDULE - 29

MANAGERIAL REMUNERATION

	March 31, 2008	(Rs. in 000's) March 31, 2007
Remuneration to managing Director:		
Salary and allowances	48,374	14,097
Company's contribution to provident fund	1,103	565
Perquisites (Fair value as estimated by the management)	4,564	1,384
	54,041	16,046

Provision for contribution to employee retirement / post retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis are excluded above. Bonus for the period up to March 31, 2008 and Long Term Incentive Plan ('LTIP') to the extent actually paid up to March 31, 2008 have been included in the above figures. Bonus for the period April 1, 2007 to March 31, 2008 and Long Term Incentive Plan ('LTIP') not yet paid have been excluded in the above figures as provision for the same has been made at an overall company level.

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

SCHEDULE - 30

REMITTANCES IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND TO NON RESIDENT SHAREHOLDERS

	March 31, 2008	(Rs. in 000's) March 31, 2007
Amount Remitted	43,248	111,246
No. of non resident shareholders	1	1
No. of shares held on	86,49,517	8,829,090
Final Dividend for the year	2006-2007	2005-2006
Amount Remitted	138,392	118,566
No. of non resident shareholders	1	1
No. of shares held on	86,49,517	8,649,517
Interim Dividend for the year	2007-2008	2006-2007

SCHEDULE - 31

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

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

SCHEDULE - 32

PRIOR YEAR COMPARATIVES

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

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

I. Registration details

Registration No.

0	0	5	4	1	3	5
---	---	---	---	---	---	---

 State Code

5	5
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	0	8
---	---	---	---

Date Month Year

II. Capital raised during the Year (Amount in Rs. Thousand)

Public Issue

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

 Rights Issue

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

Bonus Issue

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

 Private Placement

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

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

Total Liabilities

		2	1	7	1	3	2	1
--	--	---	---	---	---	---	---	---

 Total Assets

		2	1	7	1	3	2	1
--	--	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

			1	7	6	5	2	1
--	--	--	---	---	---	---	---	---

 Reserves and Surplus

			6	9	2	0	3	4
--	--	--	---	---	---	---	---	---

Secured Loans

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

 Unsecured Loans

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

Application of Funds

Net Fixed Assets

			2	9	4	5	6	5
--	--	--	---	---	---	---	---	---

 Investments

			7	5	3	6	9	3
--	--	--	---	---	---	---	---	---

Net Current Assets

			(3	0	0	6	4	4)
--	--	--	----	---	---	---	---	----

 Miscellaneous Expenditure

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

Deferred Tax Asset

				8	0	7	3	2
--	--	--	--	---	---	---	---	---

 Accumulated Losses

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

IV. Performance of the Company

Total Turnover

		4	3	9	3	1	1	1
--	--	---	---	---	---	---	---	---

 Total Expenditure

		3	1	5	0	4	2	5
--	--	---	---	---	---	---	---	---

Profit Before Tax

		1	2	4	2	6	8	6
--	--	---	---	---	---	---	---	---

 Profit After Tax

			8	2	1	0	4	6
--	--	--	---	---	---	---	---	---

Earnings Per Share in Rupees (Actuals)

			4	6	.	5	1
--	--	--	---	---	---	---	---

 Dividend Rate %

						2	1	0
--	--	--	--	--	--	---	---	---

V. Generic names of principal products/services of the Company

Items code no (ITC code)

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

Service description

A	S	S	E	T		M	A	N	A	G	E	M	E	N	T		S	E	R	V	I	C	E	S
---	---	---	---	---	--	---	---	---	---	---	---	---	---	---	---	--	---	---	---	---	---	---	---	---

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

K. V. KAMATH
Chairman

KALPANA MORPARIA
Director

BARRY STOWE
Director

NIMESH SHAH
Managing Director

RANGANATH ATHREYA
Company Secretary

Mumbai, April 25, 2008