

ICICI HOME FINANCE COMPANY LIMITED

10TH ANNUAL REPORT AND ACCOUNTS 2008-2009

Directors

Sandeep Bakhshi, *Chairman (w.e.f. May 1, 2009)*
 Vijay Chandok, *Vice-Chairman (w.e.f. April 13, 2009)*
 Jayesh Gandhi
 S. Santhanakrishnan
 Rahul Mallick, *Managing Director & CEO*

Auditors

S.R. Batliboi & Co.
Chartered Accountants

Sreekanth V. N.
Company Secretary

Registered & Corporate Office

ICICI Bank Towers
 Bandra-Kurla Complex
 Mumbai - 400 051

directors' report

to the members

Your Directors have pleasure in presenting the Tenth Annual Report of the Company with the audited Statement of Accounts for the year ended March 31, 2009.

INDUSTRY OVERVIEW

Over the last decade, we have witnessed a trend towards rising urbanization and an increase in the number of smaller households. The 11th Five Year Plan (2007-2012) has projected the demand-supply gap in the housing sector to be 26.5 million units in urban India and 47.4 million units in rural India. Cities with a population of more than 1 million are estimated to grow from 30 to 52 by 2012.

An increase in property prices coupled with high interest rates over the last few years has resulted in a slow down of demand, especially over the last few months. The impact of the slow down has been greater in the premium segment (houses priced in excess of Rs. 6 million). Affordability for individuals (measured by the ratio of property cost to annual household income) has declined on account of real estate prices increasing sharply over the last 2-3 years and household incomes not increasing at the same pace. Thus, with affordability for individuals declining, developers are focusing on the largely unaddressed segment- 'Affordable Housing', to keep their cash flows intact. Developers have realigned existing project configurations, pricing & location and launched a number of new projects targeting this segment.

APPROPRIATIONS

The Profit and Loss Account shows profit before taxation of Rs. 1,843.9 million (previous year Rs. 996.5 million) after provisions and write off against non performing asset of Rs. 98.0 million (previous year Rs. 26.0 million) and after taking into account expenses including depreciation of Rs. 3.0 million (previous year Rs. 1.6 million) on fixed assets.

The profit after tax for the year ended March 31, 2009 was Rs. 1,428.7 million (previous year Rs. 703.8 million). After taking into account the balance of Rs. 106.3 million (previous year Rs. 49.6 million) brought forward from the previous year, the disposable profit is Rs. 1,534.9 million (previous year Rs. 753.4 million).

Your Directors have paid the interim dividend of 0.8% in the month of June 2008, 1.50% in the month of September 2008, 1.75% in the month of December 2008 and 2.85% in the month of March 2009 and have appropriated the disposable profit as follows:

	(Rs. in million)	
	Fiscal 2008	Fiscal 2009
Special Reserve created and maintained in terms of Section 36(1)(viii) of the Income-Tax Act, 1961	142.5	370.0
Dividend		
Preference Shares (including tax thereon)	#	#
Equity Shares (Interim-including tax thereon)	504.6	866.4
Balance to be carried forward to Balance Sheet	106.3	298.5

Fiscal 2009: Rs. 0.02 million; Fiscal 2008: Rs. 0.02 million.

PUBLIC DEPOSITS

As provided by National Housing Bank, the details of public deposits unclaimed as on March 31, 2009, are given below:

(i) Number of accounts of unclaimed public deposit	:	607
(ii) Amount of unclaimed deposit	:	Rs. 14.2 million

The Company has sent reminders to the investors informing that the deposits have matured and requested them to claim the same.

OPERATIONAL REVIEW

Your Company continued to serve as the focal point for marketing, distribution and servicing of mortgage products.

ICICI Home Finance Company Limited (the Company) keenly looks at every step in the value chain of real estate, as a business opportunity for the Company. This starts as a land transaction for developers & individuals and culminates when an end user moves into a property.

In addition, the Company has focused on sourcing Fixed Deposits. With the help of a dedicated team, deposits worth Rs. 27,730.0 million were mobilized during the fiscal 2009, contributing to 34% of incremental liabilities for the year.

ICICI HFC Fixed Deposits have received the highest credit ratings of "MAAA" by ICRA and "CARE AAA (FD) (so)" by CARE.

DIRECTORS

During the year under review, Sunil Rohokale, who was appointed as additional Director and Managing Director & CEO effective from November 5, 2007 and December 1, 2007 respectively, was confirmed as regular Director at the AGM held on July 30, 2008. Sunil Rohokale and Rajiv Sabharwal, who were on the Board since November 5, 2007 and April 25, 2002 ceased to be the Directors due to withdrawal of their nominations by the ICICI Bank Limited (the Bank), Holding Company, effective from August 30, 2008 and December 27, 2008 respectively. The Board places on record its appreciation of the contributions made by them during their tenure.

S. Santhanakrishnan was appointed as additional Director of the Company effective from July 24, 2008. Rahul Mallick was appointed as additional Director and Managing Director & CEO effective from September 1, 2008, in the place of Sunil Rohokale by the Bank, pursuant to powers under the Article 129 of Articles of Association of the Company. Both S. Santhanakrishnan and Rahul Mallick will be holding their office as Directors, till the ensuing Annual General Meeting (AGM).

Ashok Alladi, who was in the Board since October 18, 2006, tendered his resignation from the Board effective from January 21, 2009. The Board accepted his resignation and places on record its appreciation of the contributions made by him during his tenure.

Sachin Khandelwal was appointed as a Director by the Bank effective from December 29, 2008. Sachin Khandelwal is a Senior General Manager in the Bank. Vijay Chandok was appointed as a Director by the Bank in place of Sachin Khandelwal, effective from April 13, 2009 and he was elected as Vice-Chairman. Vijay Chandok is a Senior General Manager in ICICI Bank Limited. Sandeep Bakhshi was appointed as a Director by the Bank effective from May 1, 2009 and he was elected as Chairman of the Company. Sandeep Bakhshi is the Deputy Managing Director of the Bank. The Bank has withdrawn the nomination of V. Vaidyanathan, effective from May 1, 2009 and the Board places on record its appreciation of the contributions made by him during his tenure.

The Company has received notices along with required deposit, under Section 257 of the Companies Act, 1956 from a member, signifying his intention to propose the candidature of S. Santhanakrishnan, Rahul Mallick, Vijay Chandok and Sandeep Bakhshi for the office of the Director in the Company. Jayesh Gandhi would retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

AUDITORS

The Auditors, S. R. Batliboi & Co., Chartered Accountants, Mumbai, will retire at the ensuing Annual General Meeting. As recommended by the Audit Committee, the Board, at its meeting held on April 20, 2009, has proposed their appointment as Auditors to audit the accounts of the Company for fiscal 2010. You are requested to consider their appointment at the ensuing Annual General Meeting.

AUDIT COMMITTEE

Rajiv Sabharwal ceased to be a member, consequent upon the withdrawal of nomination by the Bank and Ashok Alladi has resigned as member of the Audit Committee effective from December 27, 2008 and January 21, 2009 respectively. Sachin Khandelwal and S. Santhanakrishnan were appointed as members of the Audit Committee effective from January 21, 2009.

directors' report



Continued

Sachin Khandelwal ceased to be a member of the Audit Committee effective April 13, 2009, consequent upon the withdrawal of nomination by the Bank. The Board of Directors has appointed Vijay Chandok as a member of the Audit Committee effective April 20, 2009. The existing members of the Audit Committee are Jayesh Gandhi (Chairman), S. Santhanakrishnan and Vijay Chandok.

FOREIGN EXCHANGE EARNING AND EXPENDITURE

During the year under review, foreign exchange earnings were Rs. 30.24 million (previous year-Rs. 70.65 million). There was no foreign exchange outgo during the year under review.

PERSONNEL AND OTHER MATTERS

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

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

The observations of Auditors in the Annexure referred to in paragraph (3) of the Auditors' Report are self-explanatory and also dealt with under the notes forming part of the audited Accounts (Schedule XV).

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- (b) 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;
- (c) 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
- (d) they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

Your 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 unstinted support and guidance received from ICICI Bank Limited and its group companies.

The 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

SANDEEP BAKHSHI
Chairman

May 11, 2009

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, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
- v. On the basis of the written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 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, 2009;
 - 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.
Chartered Accountants

per Vijay Maniar
Partner

Membership No.: 36738

Mumbai, April 20, 2009

annexure to the auditors' report

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) During the year, the Company has written-off fixed assets amounting to Rs. 4,655,992. Based on the information and explanation given by the management and on the basis of audit procedures performed by us, we are of the opinion that the write off of the said fixed assets has not affected the going concern status of the Company. 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) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. The Company has not purchased any inventory nor sold any goods. Hence, internal control procedures over these areas have not been commented upon.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the Company has not entered particulars of all contracts or arrangements referred to in section 301 that are required to be entered in the register maintained under section 301 of the Companies Act, 1956. Based on our test checks, the particulars of one contract for receiving services that needed to be entered in the register, was not so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the time of entering into contracts or arrangements. Also, as discussed in note no v of Schedule XV to the financial statements, the contract for receiving services with the parties covered under section 301 has been voided abinitio by the Board of Directors of the Company.
- (vi) The Company being a "Housing Finance company" ('HFC'), sections 58A, 58AA of the Act is not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act for the products of the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, wealth-tax, service tax, cess have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases pertaining to sales-tax, professional tax, labour welfare fund and tax deducted at source. As informed, provisions of investor education and protection fund, custom duty and excise duty are currently not applicable to the Company.
- (b) According to the information and explanations given to us, undisputed dues in respect of sales-tax, professional tax and labour welfare fund which were outstanding, at the year end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment
State Sales Tax	Lease tax	174,200	Financial year 2006-07	As per laws of various States	Not yet paid
State Labour Welfare Fund	Labour welfare fund	25,727	Financial year 2007-08	As per laws of various States	Not yet paid
State Labour Welfare Fund	Labour welfare fund	5,019	Financial year 2008-09	As per laws of various States	Not yet paid
Professional Tax Act	Professional tax	157,037	Financial year 2007-08	As per laws of various States	Not yet paid
Professional Tax Act	Professional tax	258,941	Financial year 2008-09	As per laws of various States	Not yet paid
State Sales Tax	Sales tax payable	5,986	Financial year 2006-07	As per laws of various States	Not yet paid

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, service tax, wealth tax, and cess were outstanding, at the year end, for a period of more than six months from the date they became payable.

As informed, provisions of investor education and protection fund, custom duty and excise duty are currently not applicable to the Company.

- (c) According to the information and explanation given to us, the dues outstanding of income-tax on account of dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax demand	10,341,382	Assessment Year- 2003-04	CIT (Appeal)
Income Tax Act, 1961	Income Tax demand	1,930,797	Assessment Year- 2004-05	CIT (Appeal)

According to the information and explanations given to us, no disputed amounts payable in respect of provident fund, service tax, wealth tax, sales tax and cess were outstanding, at the year end.

As informed, provisions of investor education and protection fund, custom duty and excise duty are currently not applicable to the Company.

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, we are of the opinion that the Company has generally maintained adequate records in cases where the Company has granted loans and advances on the basis of security of 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 Rs. 17,534,047,010 of which Rs. 13,332,317,938 was outstanding at the end of the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 6,800 bonds of Rs. 1,000,000 each. The Company has created security or charge in respect of debentures issued except on the 3,000 bonds of Rs. 1,000,000 each issued on 14 March 2009 on which charge is yet to be created.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company was noticed or reported during the year, although there have been few instances of loans becoming doubtful of recovery consequent upon fraudulent misrepresentation by borrowers, the amounts whereof is Rs. 24,251,458 and have been provided in the books of account.

For S. R. Batliboi & Co.
Chartered Accountants

per Vijay Maniar
Partner

Mumbai, April 20, 2009

Membership No.: 36738

balance sheet

profit and loss account



as at March 31, 2009

for the year ended March 31, 2009

Schedule		March 31, 2009	(Rs. in 000's) March 31, 2008	Schedule		March 31, 2009	(Rs. in 000's) March 31, 2008
I SOURCES OF FUNDS				Income			
(1) Shareholders' Funds:				Income from Operations X			
A. Share Capital	I	10,987,500	7,987,500	Other Income XI		14,055,779	5,944,324
B. Reserves and Surplus	II	1,466,438	904,210			752,614	402,221
			12,453,938			14,808,393	6,346,545
(2) Loan Funds:				Expenditure			
Secured Loans	III	10,700,000	—	Interest, Other Financial Charges & Expenses on Borrowings XII		10,142,796	4,046,071
Unsecured Loans	IV	106,912,457	72,119,722	Employee Cost XIII		978,775	694,800
		130,066,395	81,011,432	Establishment and Other Expenses XIV		1,636,301	950,584
II APPLICATION OF FUNDS				Depreciation		2,984	1,560
(1) Fixed Assets:				Provision/(write back) of Contingencies		21,290	—
A. Gross Block	V	62,170	27,422	Provision and Write off Against Non-Performing Assets		97,999	26,008
B. Less: Accumulated Depreciation & Amortisation		2,069	22,364	Provision Against Standard Assets		144,787	99,941
C. Net Block		60,101	5,058			13,024,932	5,818,964
(2) Investments				Less : Expenses Recovered		60,443	468,903
(3) Deferred Tax Asset (Net) [refer note 2(c)]						12,964,489	5,350,061
(4) Loans and Other Credit Facilities				Profit before Taxation		1,843,904	996,484
(5) Current Assets, Loans and Advances:				Less: Income-tax Expense			
A. Sundry Debtors	VII	94,252	197,965	Current Tax		510,000	406,863
B. Cash and Bank Balances		4,687,326	2,749,529	Provision for Tax of Earlier Years (net)		7,596	13,372
C. Current Assets		1,172,305	820,884	Deferred Tax		(110,358)	(129,188)
D. Loans and Advances		430,882	2,544,743	Fringe Benefit Tax		8,000	1,602
		6,384,765	6,313,121	Profit after Taxation		1,428,666	703,835
Less:				Add : Balance Brought Forward from Previous Year		106,273	49,577
Current Liabilities and Provisions:	IX			Profit available in appropriation account		1,534,939	753,412
A. Current Liabilities		2,872,945	3,953,693	Appropriations			
B. Provisions		740,941	494,109	Special Reserve		370,000	142,500
		3,613,886	4,447,802	Dividend			
Net Current Assets and Advances		2,770,879	1,865,319	— on Equity Shares - Interim (including Rs. 125,858,597 corporate dividend tax, March 2008 - Rs. 73,302,622)		866,421	504,621
		130,066,395	81,011,432	— on Preference Shares - Proposed (including Rs. 2,424 corporate dividend tax, March 2008 - Rs. 2,550)		17	18
Notes to Accounts				Balance Carried to Balance Sheet		298,501	106,273
						1,534,939	753,412
				Earnings per share - Annualised			
				(Equity shares, par value Rs. 10 each)			
				Basic (Rs.)		1.42	1.61
				Diluted (Rs.)		1.42	1.56
				Notes to Accounts			

The Schedules referred to above and the Notes to Accounts form an integral part of Balance Sheet & Profit and Loss Account

As per our report of even date
For S. R. BATLIBOI & CO.
Chartered Accountants

per VIJAY MANIAR
Partner
Membership No.: 36738
Mumbai, April 20, 2009

For and on behalf of the Board

V. VAIDYANATHAN
Chairman

VIJAY CHANDOK
Vice Chairman

SREEKANTH V. N.
Company Secretary

RAHUL MALLICK
Managing Director & CEO

PANKAJ JAIN
Chief Financial Officer

PRASHANT JAIN
Deputy CFO

schedules

forming part of the Accounts

	March 31, 2009	(Rs. in 000's) March 31, 2008
SCHEDULE – I		
SHARE CAPITAL		
Authorised		
2,385,000,000 Equity Shares of Rs. 10 each (March 2008 - 2,385,000,000)	23,850,000	23,850,000
15,000,000 Preference Shares of Rs. 10 each (March 2008 -15,000,000)	150,000	150,000
	24,000,000	24,000,000
Issued, Subscribed and Paid up		
1,098,750,000 Equity Shares of Rs. 10 each fully paid up (March 2008 - 783,750,000)	10,987,500	7,837,500
Nil - 0.01% Fully Convertible Cumulative Preference Shares of Rs. 10 each fully paid up (March 2008 - 15,000,000)	—	150,000
(15,000,000 0.01% Preference Shares of Rs. 10 each converted to 15,000,000 Equity Shares of Rs. 10 each on March 14, 2009)		
(Refer Note 2 (a) & (b) of Notes to Accounts)		
	10,987,500	7,987,500
Notes: 1. All shares are held by ICICI Bank Limited, the holding company and its nominees		
SCHEDULE – II		
RESERVES AND SURPLUS		
General Reserve		
As per last Balance Sheet	106,393	106,393
Special Reserve created and maintained in terms of Section 36(1)(viii) of the Income Tax Act, 1961 and NHB Act		
As per last Balance Sheet	691,544	549,044
Add : Transferred from Profit & Loss Account	370,000	142,500
	1,061,544	691,544
Surplus in Profit and Loss Account	298,501	106,273
	1,466,438	904,210
SCHEDULE – III		
SECURED LOANS		
Bond		
2,000 (March 2008 - Nil) 10.70% Secured Redeemable Non-Convertible Bond face value of Rs. 1,000,000 each redeemable at par at the end of 55 months from the date of allotment viz. July 18, 2008 or at the option of the Company earlier at par	2,000,000	—
(Secured by charge on the immovable property and negative lien on book debts of Rs. 2,000,000,000)		
1,800 (March 2008 - Nil) 11.35% Secured Redeemable Non-Convertible Bond of Rs. 1,000,000 each redeemable at par at the end of 117 months from the date of allotment viz. September 23, 2008 or at the option of the Company earlier at par	1,800,000	—
(Secured by charge on the immovable property and negative lien on book debts of Rs. 1,800,000,000)		
3,000 (March 2008 - Nil) 10.75% Secured Redeemable Senior Bond of Rs. 1,000,000 each redeemable at par at the end of 120 months from the date of allotment viz. March 18, 2009 or at the option of the Company earlier at par	3,000,000	—
(Secured by charge on the immovable property and negative lien on the Assets of the Company)		
(Maximum outstanding during the period Rs. 6,800,000,000 March 2008 - Nil)	6,800,000	—
Loan from National Housing Bank	3,900,000	—
(Due within a year - Rs. 585,000,000 March 2008 - Nil)		
(Secured by the individual housing loans)		
	10,700,000	—
SCHEDULE – IV		
UNSECURED LOANS		
Loans from Holding Company - Subordinated Debts	4,199,445	4,199,445
(Due within a year - Nil March 2008 - Nil)		
Loans from Holding Company - Other Loans	9,000,000	—
(Due within a year - 9,000,000,000 March 2008 - Nil)		
Short Term Loans from Banks	860,614	—
Other Loans from Banks	40,340,501	39,550,099
(Due within a year Rs. 28,359,314,322 March 2008 - Rs. 8,410,714,286)		
Commercial Paper	12,300,000	20,000,000
(Maximum outstanding during the period Rs. 29,350,000,000 March 2008 - Rs. 20,000,000,000)		
Less : Unamortised interest	607,661	1,162,932
	12,853,000	18,837,068
Bond - Private Placement	1,273,000	7,000,000
Bond - Subordinated Debt Private Placement		—
(Maximum outstanding during the period Rs. 14,126,000,000 March 2008 - Rs. 7,000,000,000)		
Fixed Deposits	14,126,000	7,000,000
{includes deposits from banks Rs. 33,500,000 (March 2008 - Rs. 10,000,000) and from corporates Rs. 2,393,265,000 March 2008 - Rs. 209,312,000)}	26,693,558	2,533,110
{Principal amount due within a year - Rs. 11,218,394,146 March 2008 - Rs. 452,175,653}		
(Floating charge has been created on Government Securities and Fixed Deposit with Banks (SLR Securities) of Rs. 2,590,082,503 as per NHB Directions)		
	106,912,457	72,119,722

(Rs. in 000's)

SCHEDULE – V FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	At April 01, 2008	Additions	Deductions	At March 31, 2009	At April 01, 2008	For the period	Adjustments/ deductions	At March 31, 2009	At March 31, 2009	At March 31, 2008
Tangible Asset:										
Office Building on Freehold Land*	—	23,849	—	23,849	—	192	—	192	23,657	—
Improvements to Leasehold Property	—	8,597	—	8,597	—	956	—	956	7,641	
Computers	16,676	3,578	16,676	3,578	16,315	607	16,577	345	3,233	361
Office Equipments	1,394	22,780	1,394	22,780	379	532	439	472	22,308	1,015
Motor Car	6,377	—	6,377	—	3,465	521	3,986	—	—	2,912
Furniture	1,220	2,259	1,220	2,259	451	174	522	103	2,156	769
Intangible Asset:										
Software	1,755	1,107	1,755	1,107	1,754	2	1,755	1	1,106	1
Total	27,422	62,170	27,422	62,170	22,364	2,984	23,279	2,069	60,101	5,058
Previous year (March 31, 2008)	29,906	—	2,484	27,422	22,000	1,560	1,196	22,364	5,058	

* A negative charge on the Office Building on Freehold Land has been created for issuing Secured Bonds.

	March 31, 2009	(Rs. in 000's) March 31, 2008		March 31, 2009	(Rs. in 000's) March 31, 2008
SCHEDULE – VI			B. Cash and Bank balances:		
INVESTMENTS - (Fully Paid up)			Balances with scheduled banks		
Government Securities - Long Term Quoted			— in current accounts	3,449,086	2,589,529
(Face value – Rs. 833,990,000 March 2008 – Nil)	876,590	—	— in deposit accounts	1,238,240	160,000
Government Securities - Short Term Quoted				4,687,326	2,749,529
(Face value – Rs. 475,252,250 March 2008 – Rs. 200,000,000)	475,252	188,945	C. Current Assets:		
Equity Share (Unquoted) - Long Term			Interest accrued on loans	1,109,950	809,179
7,340,000 Equity Shares of Face value –	513,800	513,800	Income accrued on investments	32,841	4,587
Rs. 10 each (March 2008 - 7,340,000)			Interest accrued on bank deposits	29,514	7,118
Preference Share (Unquoted) - Long Term				1,172,305	820,884
5,000,000 13.75% Cumulative Preference Shares of Face value – Rs. 100 each (March 2008 - Nil)	500,000	—	D. Loans and Advances:		
Current Investments - Short Term			(Unsecured, considered good unless otherwise stated)		
Liquid Plan (Unquoted)			Advances recoverable in cash or in kind or for value to be received		
(Refer Note 2(q) of Notes to Accounts)	13,332,318	10,676,206	Considered Good	43,378	298,245
	15,697,960	11,378,951	Considered Doubtful	—	—
			Less: Provisions	—	—
				43,378	298,245
Market value of Quoted Investments	1,319,097	193,699	<i>(Dues from the Companies under the same management - Rs. 34,128,182</i>		
Repurchase price of Mutual Fund Units	13,341,357	10,677,233	<i>(March 2008 - Rs. 288,521,771))</i>		
SCHEDULE – VII			Other Assets		
LOAN AND OTHER CREDIT FACILITIES				2,212	2,002,027
Housing Loans			<i>(Dues from the Companies under the same management - Nil (March 2008 - Rs. 2,000,000,000))</i>		
Loan against Property,			Deposits	170,807	177,461
Corporate Realty Finance & Others			<i>(Net of provision of Rs. 3,560,940, March 2008 - Rs Nil)</i>		
	54,316,755	34,675,548	Advance income tax (net) \$	214,485	67,010
	57,022,260	32,904,738	\$ Includes Advance Fringe Benefit Tax net of provisions Rs. 530,000 March 2008 - Rs. 347,000)		
	111,339,015	67,580,286		430,882	2,544,743
Considered Good	110,637,965	67,286,508	SCHEDULE – IX		
Considered Doubtful	701,050	293,778	CURRENT LIABILITIES AND PROVISIONS		
Less: Provisions	194,181	100,445	A. Current liabilities:		
	111,144,834	67,479,841	Sundry creditors (Other than MSMED parties)*	347,833	167,695
			Interest accrued but not due	1,691,137	171,198
			Undisputed statutory dues	172,011	37,340
			Other liabilities	462,910	315,828
			Book Overdraft	199,054	3,261,632
			* (Refer Note No. 2(u) of Notes to Accounts)	2,872,945	3,953,693
			B. Provisions:		
			Provision for Gratuity & Other staff benefits	94,750	67,641
			Provision for Contingencies	225,332	204,042
			Other provisions*	367,624	222,408
			Proposed dividend**	53,235	18
				740,941	494,109
Less : Provision for doubtful debts	270,093	265,946	*Includes provision for standard assets Rs. 361,323,594 (March 2008 - Rs. 216,536,850)		
<i>(Dues from the Companies under the same management - Rs. 63,771,893 (March 2008 - Rs. 31,020,102))</i>			** Includes Corporate dividend tax payable on Interim Dividend Rs. 53,221,204 (March 2008 - Rs. 2,550)		
	94,252	197,965			

SCHEDULE – X

INCOME FROM OPERATIONS

	March 31, 2009	(Rs. in 000's) March 31, 2008
Interest Income	12,833,877	4,832,186
(Gross, Tax deducted at source – Rs. 284,246,345 (March 2008 – Rs. 3,583,259)		
Fee income	1,221,902	1,112,138
(Gross, Tax deducted at source – Rs. 124,478,827 (March 2008 – Rs. 111,740,053)		
	<u>14,055,779</u>	<u>5,944,324</u>

SCHEDULE – XI OTHER INCOME

Interest received	99,315	33,726
(Gross, Tax deducted at source – Rs. 10,605,862 (March 2008 – Rs. 4,599,631)		
Profit on sale of mutual fund units	5,296	252,489
Profit on sale of GOI Securities	6,044	—
Dividend Income on Liquid Mutual Fund Units	534,982	106,366
Miscellaneous Income	106,977	9,640
(Gross, Tax deducted at source – Rs. 742,076 (March 2008 – Nil)		
	<u>752,614</u>	<u>402,221</u>

SCHEDULE – XII INTEREST, OTHER FINANCIAL CHARGES & EXPENSES ON BORROWINGS

Interest Expense on:

Loans from Banks	5,077,922	3,042,339
Commercial Paper	1,943,045	673,492
Fixed Deposits	1,480,144	203,209
Bonds	1,390,810	44,529

Other Charges

Brokerage on Fixed Deposits	188,707	9,979
Bank Charges	14,171	7,877
Other Financial Charges	47,997	64,646
	<u>10,142,796</u>	<u>4,046,071</u>

SCHEDULE – XIII EMPLOYEE COST

Salaries, Wages and Bonus	909,501	630,248
Contribution to Provident and Other Funds	64,051	53,091
Staff Welfare Expenses	5,223	11,461
	<u>978,775</u>	<u>694,800</u>

SCHEDULE – XIV ESTABLISHMENT AND OTHER EXPENSES

Advertisement & sales promotion	140,852	41,619
Customer acquisition	655,849	465,416
Professional and legal charges	367,876	159,839
Rent	74,567	94,783
Communication	45,234	5,583
Travelling and conveyance	52,294	20,278
Loss on sale of fixed assets / Written off	3,810	538
Printing and stationery	19,762	21,749
Audit fees	3,225	2,000
Insurance	6,865	1,818
Electricity	30,255	11,902
Rates & Taxes	7,154	8,756
Repairs & maintenance - others	34,373	31,393
Office expenses	25,072	37,329
Directors sitting fees	440	100
Donation	2,012	—
Computer Consumable	5,110	13,046
Miscellaneous expenses	161,551	34,435
	<u>1,636,301</u>	<u>950,584</u>

SCHEDULE – XV NOTES TO ACCOUNTS

1. Significant Accounting Policies

a) Basis of Preparation

The financial statements have been prepared to comply in all material respects in respects with the Notified accounting standard by (Companies Accounting Standards Rules, 2006) and the relevant provisions of the Companies Act, 1956. 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 except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

b) Use of Estimates

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

c) Revenue Recognition

Interest Income/fees on housing loan is accounted for on accrual basis, other than interest on non-performing assets and charges for delayed payments and cheque bouncing, if any, which is accounted for on cash basis.

Dividend is accounted on an accrual basis when the right to receive the dividend is established.

Fees income from Property Service Group is recognized to the extent of invoice raised on the customer. Revenue is recognized on completions of rendering of services.

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 realizable value, category-wise. Long-term 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.

Cost such as brokerage, commission etc., pertaining to investment, paid at the time of acquisition, are included in investment cost.

e) Provisions/write-offs on Loans and Other Credit Facilities

i) Loans and other credit facilities are classified as per the 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 & above what is stated above, if in the opinion of the management, increased provisions are necessary.

ii) The Company maintains general provisions to cover potential credit losses, which are inherent in any loan portfolio but not identified. For standard assets, additional general provisions are determined having regard to overall portfolio quality, asset growth, economic conditions and other risk factors.

f) Fixed Assets

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

g) Depreciation

Depreciation on assets is charged on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956, except in case of Computer Software where depreciation is provided @ 20% per annum which is higher than the depreciation rate for Computers prescribed in Schedule XIV of the Companies Act, 1956. The intangible assets (software) are amortised over a period of five years.

h) Retirement and other employee Benefits

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

ii) Gratuity liability is defined benefit obligations and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

iii) Long term compensated absences are provided based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

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

i) Income Tax

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income tax

reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the company does not have a legal right to do so. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realised.

j) Transfer and Servicing of Financial Assets

The Company transfers loans to bankruptcy remote Special Purpose Vehicles through securitization transactions. The transferred loans are derecognized 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 & 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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

l) Accounting for Swaps

The Company enters into derivative contracts such as interest rate swaps to hedge balance sheet assets & liabilities. The swap contracts entered to hedge balance sheet assets & liabilities are structured such that they bear an opposite & offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments are correlated with the movements of the underlying assets & liabilities & accounted pursuant to the principles of hedge accounting whereby interest differential received/paid is adjusted from/to interest expenses. The related amount receivable from & payable to the swap counter parties is included in the Other Assets or Other Liabilities in the Balance Sheet. Net gain/losses are derived from the difference between fair value of hedged item and instrument. Net loss if any is provided in the books.

m) 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 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.
- After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

n) Provision

A provision is recognized 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 & are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date & adjusted to reflect the current management estimates.

o) Leases

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

2. Notes to accounts

- During the year, the Company has issued 250,000,000 and 50,000,000 Equity shares of Rs. 10 each at par by way of preferential allotment to the existing equity shareholders of the Company on June 10, 2008 & November 20, 2008 respectively.
- The Preference Shares for Rs. 150,000,000 were allotted on March 14, 2002 and were convertible into equity shares at the option of the Preference

Shareholder after completion of one year but before completion of seven years from the date of allotment in the ratio of 1:1. These Preference Shares are converted into one Fully Paid-up Equity Share of Rs. 10 each for every one Preference Share of Rs. 10 held on March 14, 2009.

c) Deferred Tax:

The composition of deferred tax assets & liabilities into major items is given below:

Particulars	(Rs. in 000's)	
	As on March 31, 2009	As on March 31, 2008
Deferred tax assets:		
Provision for doubtful debts & future servicing & other liability of securitization	361,267	270,098
Retirement Benefits & Bonus	32,205	11,095
Less: Deferred tax liability:		
Depreciation	(851)	(1,070)
Net Deferred tax asset	392,621	282,263

- Loans given by the Company are secured by the underlying property except loans to the tune of Rs. 2,774,599,929 (March 2008 - Rs. Nil) which are unsecured in nature.
- Loans & other credit facilities include subordinated interest of Rs. 296,625,203 (March 2008 - Rs. 334,635,473) in the underlying trust property of housing loans of Mortgage Backed Securitisation Trust Series VI & VII.
- The Company has paid stamp duty amounting to Rs. 33,10,563 along with penalty for Rs. 22,51,183 (March 2008 - Rs. Nil) as per final assessment order of the Superintendent of Stamps, Mumbai on merger of the ICICI Distribution Finance Private Limited with ICICI Home Finance Company Limited.

g) Earnings Per Share:

The computation of earnings per share is given below:

Particulars	(Rs. in 000's)	
	Year ended March 31, 2009	Year ended March 31, 2008
BASIC		
Weighted average number of Equity Shares outstanding during the year (Nos.)	1,004,627	436,755
Net Profit (Net of preference dividend & the dividend tax)	1,428,666	703,818
Basic Earnings Per Share (Rs.) – annualised	1.42	1.61
DILUTED		
Diluted number of Equity Shares (Nos.)	1,004,627	451,755
Net Profit	1,428,666	703,835
Diluted Earnings Per Share (Rs.)-annualised	1.42	1.56
Face value of Equity Shares (Rs.)	10	10

Note: The dilutive impact is due to 15,000,000 Convertible Preference Shares (March 2008 - Rs. 15,000,000). These shares are converted into Equity Shares on March 14, 2009.

h) 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', the segment information is not provided.

- Interest expense includes Rs. 87,186,120 (March 2008 - Rs. 88,008,046) being interest expenses booked on the interest rate swaps (IRS). During the year, the Company has also earned an income of Rs. 84,900,000 (March 2008 - Rs. Nil) on termination of one SWAP deal. The notional principal of hedge IRS as on March 31, 2009 is Rs. 1,250,000,000 (March 2008 - Rs. 3,500,000,000). During the year, the Company made IRS transactions amounting to Rs. 1,750,000,000 (March 2008 - Rs. Nil).
- During the year the company has changed the income recognition policy related to Fees from Property Service Group. As per the revised policy, the Company recognizes the fees to the extent of invoice raised on the customer as against the earlier method of recognizing the entire fees on rendering of the service. Had the Company continued to use the earlier basis of recognizing fee income, the income to the Profit and Loss Account before taxation & Debtors for the current period would have been higher by Rs. 131,672,984.
- The Company has been providing for gratuity & 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 & loss account & the funded status & amounts recognised in the balance sheet for the respective plans.

Profit & Loss account:

Net employee benefit expense (Recognised in Employee Cost):

Gratuity		(Rs. in 000's)
Particulars	Year ended March 31, 2009	Year ended March 31, 2008
Current service cost	12,409	18,106
Interest cost on benefit obligation	3,009	2,121
Expected return on plan assets	(1,674)	(1,189)
Net actuarial (gain) / loss recognised in the year	(7,386)	(23,188)
Past service cost	—	—
Net benefit expense	6,358	(4,150)
Actual return on plan assets	2,081	1,451

Balance Sheet:

Details of Provision for gratuity & leave encashment:

(Rs. in 000's)				
Particulars	Gratuity		Leave Encashment	
	As on March 31, 2009	As on March 31, 2008	As on March 31, 2009	As on March 31, 2008
Defined benefit obligation	(59,991)	(22,738)	(39,488)	(28,358)
Fair value of plan assets	50,006	18,455	—	—
Net Liability	(9,985)	(4,283)	(39,488)	(28,358)
Less: Unrecognised past service cost	—	—	—	—
Plan asset/(liability)	(9,985)	(4,283)	(39,488)	(28,358)

Changes in the present value of the defined benefit obligation are as follows:

Gratuity			(Rs. in 000's)
Particulars	Year ended March 31, 2009	Year ended March 31, 2008	
Opening defined benefit obligation	22,738	25,437	
Interest cost	3,009	2,121	
Current service cost	12,409	18,106	
Benefits paid	—	—	
Actuarial gains / losses on obligation	(6,979)	(22,926)	
Closing defined benefit obligation	59,991	22,738	

Changes in the fair value of plan assets are as follows:

Gratuity			(Rs. in 000's)
Particulars	Year ended March 31, 2009	Year ended March 31, 2008	
Opening fair value of plan assets	18,455	10,890	
Expected return	1,674	1,189	
Contributions by employer	656	6,114	
Benefits paid	—	—	
Actuarial gains / (losses)	407	262	
Closing fair value of plan assets	50,006	18,455	
Expected employer's contribution next year	15,000	10,000	

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

Gratuity			(Rs. in 000's)
Particulars	As on March 31, 2009	As on March 31, 2008	
	%	%	
Investments with insurer Managed Funds	100%	100%	

The principal assumptions used in determining Gratuity obligations for the Company's plans are shown below:

Particulars	Gratuity		Leave Encashment	
	As on March 31, 2009	As on March 31, 2008	As on March 31, 2009	As on March 31, 2008
	%	%	%	%
Discount rate	6.85%	8.57%	6.85%	8.57%
Expected rate of return on assets	8.00%	8.00%	—	—
Increase in Compensation cost	7.00%	7.00%	7.00%	7.00%

Discount Rate:

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

Expected rate of return on Plan Assets:

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

Salary Escalation Rate:

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

Retirement Age:

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

Leaving Service:

Rates of leaving service at specimen ages are as shown below:

Age (Years)	Rates
21 – 24	23.00%
25 – 29	26.00%
30 – 34	22.00%
35 – 44	16.00%
45 & Above	3.00%

Disability:

Leaving service due to disability is included in the provision made for all causes of leaving service.

Experience Adjustments

Gratuity			(Rs. in 000's)
Particulars	As on March 31, 2009	As on March 31, 2008	
Defined benefit obligation	(59,991)	(22,738)	
Plan assets	50,006	18,455	
Surplus / (deficit)	(9,985)	(4,283)	
Experience adjustments on plan liabilities	(2,552)	(19,565)	
Experience adjustments on plan assets	407	262	

Leave Encashment

(Rs. in 000's)		
Particulars	As on March 31, 2009	As on March 31, 2008
Defined benefit obligation	(39,488)	(28,358)
Experience adjustments on plan liabilities	Not determined	Not determined

An amount of Rs. 287,486 is due to be received from ICICI Bank Gratuity Trust by ICICI Home Finance Gratuity Trust as on March 31, 2009.

Related Party Disclosure:

Consequent to the mandatory AS – 18 issued by ICAI on "Related Party Disclosure" following persons will be considered as related persons for the year ended March 31, 2009.

Sr. No.	Name of the Related Party	Nature of Relationship
01	ICICI Bank Limited	Holding Company
02	ICICI Securities Limited	Fellow Subsidiary
03	ICICI Securities Inc.	- do -
04	ICICI Securities Holdings Inc.	- do -
05	ICICI Securities Primary Dealership Limited	- do -
06	ICICI Venture Funds Management Company Limited	- do -
07	ICICI Trusteeship Services Limited	- do -
08	ICICI Investment Management Company Limited	- do -
09	ICICI International Limited	- do -
10	ICICI Bank UK PLC	- do -
11	ICICI Bank Canada	- do -
12	ICICI Wealth Management Inc.	- do -
13	ICICI Bank Eurasia LLC.	- do -
14	ICICI Eco-net Internet & Technology Fund	- do -
15	ICICI Equity Fund	- do -
16	ICICI Emerging Sectors Fund	- do -
17	ICICI Strategic Investments Fund	- do -
18	ICICI Prudential Life Insurance Company Limited	- do -
19	ICICI Lombard General Insurance Company Limited	- do -
20	ICICI Prudential Asset Management Company Limited	- do -
21	ICICI Prudential Trust Limited	- do -
22	TCW/ICICI Investment Partners LLC	- do -
23	ICICI Kinfra Limited	- do -

schedules



forming part of the Accounts

Continued

Sr. No.	Name of the Related Party	Nature of Relationship
24	ICICI West Bengal Infrastructure Development Corporation Limited	- do -
25	Loyalty Solutions & Research Limited	- do -
26	Financial Information Network & Operations Limited	- do -
27	I-Process Services (India) Private Limited	- do -
28	I-Solutions Providers (India) Private Limited	- do -
29	NIIT Institute of Finance, Banking & Insurance Training Limited	- do -
30	ICICI Venture Value Fund	- do -
31	Comm Trade Services Limited	- do -
32	Firstsource Solutions Limited	- do -
33	Contests2win.com India Private Limited	- do -
34	Crossdomain Solutions Private Limited	- do -
35	Transafe Limited	- do -
36	Prize Petroleum Limited	- do -
37	ICICI Foundation for Inclusive Growth	- do -
38	Mr.Sunil Rohokale, Managing Director & CEO (Till August 30, 2008)	Key Management Personnel
39	Mr.Rahul Mallick, Managing Director & CEO (From September 01, 2008)	Key Management Personnel

The Company being a finance company, the transactions with related parties in the normal course of business have not been disclosed. The following are the details of transactions with related parties:

(Rs. in 000's)

Particulars	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
ASSETS				
Fixed Assets Purchased	58,315	—	—	58,315
	(—)	(—)	(—)	(—)
Amount recoverable on account of expenses	—	—	—	—
	(288,522)	(—)	(—)	(288,522)
Fee Receivable	4,952	30,708	—	35,650
	(—)	(19,884)	(—)	(19,884)
Bank Balance (Including interest outstanding on Fixed Deposit)	3,772,707	—	—	3,772,707
	(751,000)	(—)	(—)	(751,000)
Purchase of Housing loan Portfolio	—	—	—	—
	(6,231,361)	(—)	(—)	(6,231,361)
Other Receivable	143,115	18,933	—	162,048
	(—)	(11,136)	(—)	(11,136)
Investment in Shares	—	500,000	—	500,000
	(—)	(—)	(—)	(—)
LIABILITIES				
Equity Share Capital	10,987,500	—	—	10,987,500
	(7,837,500)	(—)	(—)	(7,837,500)
Preference Share Capital	—	—	—	—
	(150,000)	(—)	(—)	(150,000)
Commercial Paper	—	570,381	—	570,381
	(—)	(—)	(—)	(—)
Sub — Debt Loan	4,199,445	—	—	4,199,445
	(4,199,445)	(—)	(—)	(4,199,445)
Loan From Holding Company	9,000,000	—	—	9,000,000
	(—)	(—)	(—)	(—)
Amount payable on account of expenses (Including interest accrued but not due on unsecured loans)	135,938	2,405	—	138,343
	(86,807)	(—)	(—)	(86,807)
Bank Overdraft	860,614	—	—	860,614
	(—)	(—)	(—)	(—)
Proposed Preference Dividend	14	—	—	14
	(—)	(—)	(—)	(—)
Book Overdraft	196,958	—	—	196,958
	(—)	(—)	(—)	(—)
Bonds	—	1,247,000	—	1,247,000
	(—)	(—)	(—)	(—)
Accrued Interest on Bond	—	22,080	—	22,080
	(—)	(—)	(—)	(—)
Expenses Payable	—	295	—	295
	(—)	(—)	(—)	(—)

Particulars	Holding Company	Fellow Subsidiary	Key Management Personnel	Total
INCOME				
Interest on Fixed Deposit	16,433	—	—	16,433
	(13,760)	(—)	(—)	(13,760)
Management Fee	428,031	—	—	428,031
	(626,263)	(—)	(—)	(626,263)
Valuation Fee	29,583	—	—	29,583
	(—)	(—)	(—)	(—)
Sourcing Fee	38,890	—	—	38,890
	(—)	(—)	(—)	(—)
Income from Swap	84,900	—	—	84,900
	(—)	(—)	(—)	(—)
Rent Received	3,661	—	—	3,661
	(—)	(—)	(—)	(—)
Expense Recovery	64,090	—	—	64,090
	(526,802)	(—)	(—)	(526,802)
PSG Fee	—	8,223	—	8,223
	(45)	(45,689)	(—)	(45,734)
Other Fee	—	184,317	—	184,317
	(—)	(—)	(—)	(—)
EXPENDITURE				
Interest & Other Finance Expenses	748,985	109,952	—	858,937
	(297,916)	(—)	(—)	(297,916)
Staff Cost	244,052	—	—	244,052
	(195,596)	(—)	(—)	(195,596)
Miscellaneous	361,669	2,117	—	363,786
	(129,389)	(—)	(—)	(129,389)
Bank Guarantee Commission	8,693	—	—	8,693
	(8,731)	(—)	(—)	(8,731)
Equity Dividend	740,563	—	—	740,563
	(431,319)	(—)	(—)	(431,319)
Rent Paid	25,534	—	—	25,534
	(3,574)	(—)	(—)	(3,574)
Preference Dividend	14	—	—	14
	(15)	(—)	(—)	(15)
Insurance Premium	—	5,682	—	5,682
	(—)	(1,433)	(—)	(1,433)
DMA Commission	—	14,960	—	14,960
	(—)	(—)	(—)	(—)
Fee Expenses	—	20,529	—	20,529
	(—)	(—)	(—)	(—)
DST Expenses	—	9,940	—	9,940
	(—)	(—)	(—)	(—)
Donation	—	1,992	—	1,992
	(—)	(—)	(—)	(—)
OTHERS				
Guarantee	3,100,000	—	—	3,100,000
	(3,100,000)	(—)	(—)	(3,100,000)
Letter of Comfort	91,054,953	—	—	91,054,953
	(65,248,388)	(—)	(—)	(65,248,388)
Notional Principal	1,250,000	—	—	1,250,000
	(3,500,000)	(—)	(—)	(3,500,000)
Insurance Claim Settlement	—	89,872	—	89,872
	(—)	(211,694)	(—)	(211,694)

*Figures in bracket pertain to previous year

Related party transactions which are in excess of 10% of the total related party transactions of similar nature are as follows:

(Rs. in 000's)			
Particulars	Name of the Related Party	Year ended March 31, 2009	Year ended March 31, 2008
ASSETS			
Asset Purchased	ICICI Bank Limited	58,315	—
Fee Receivable	ICICI Bank Limited	4,952	—
	ICICI Prudential Life Insurance Co. Limited	27,770	19,332
Bank Balance (Including interest outstanding on Fixed Deposit)	ICICI Bank Limited	3,772,707	751,000
Investment in Shares	ICICI Securities Limited	500,000	—
Other Receivable	ICICI Bank Limited	143,115	—
	I Process Services (India) Pvt. Limited	18,933	—

schedules

forming part of the Accounts

Continued

		(Rs. in 000's)	
Particulars	Name of the Related Party	Year ended	Year ended
		March 31, 2009	March 31, 2008
LIABILITIES			
Equity Share Capital	ICICI Bank Limited	10,987,500	7,837,500
Sub — Debt Loan	ICICI Bank Limited	4,199,445	4,199,445
Amount payable on account of expenses (Including interest accrued but not due on unsecured loans)	ICICI Bank Limited		
		135,938	86,807
Bank Overdraft	ICICI Bank Limited	860,614	—
Book Overdraft	ICICI Bank Limited	196,958	—
Loans	ICICI Bank Limited	9,000,000	—
Proposed Preference Dividend	ICICI Bank Limited	14	15
Commercial Paper	ICICI Prudential Life Insurance Co. Limited	478,125	—
	ICICI Securities Primary Dealership Limited	92,257	—
Bonds	ICICI Prudential Life Insurance Co. Limited	997,000	—
	ICICI Lombard General Insurance Co. Limited	250,000	—
Accrued Interest on Bond	ICICI Prudential Life Insurance Co. Limited	4,042	—
	ICICI Lombard General Insurance Co. Limited	18,038	—
Expenses Payable	I Solutions Providers (India) Pvt. Limited	295	—
INCOME			
Interest on Fixed Deposit	ICICI Bank Limited	16,433	13,760
Management Fee	ICICI Bank Limited	428,031	626,263
Valuation Fee	ICICI Bank Limited	29,583	—
Sourcing fee	ICICI Bank Limited	38,890	—
Income from Swap	ICICI Bank Limited	84,900	—
Rent received	ICICI Bank Limited	3,661	—
Expenses Recovery	ICICI Bank Limited	64,090	526,802
PSG Fee	ICICI Prudential Life Insurance Co. Limited	8,058	43,721
Other fee	ICICI Prudential Life Insurance Co. Limited	79,292	—
	ICICI Lombard General Insurance Co. Limited	96,036	—
EXPENDITURE			
Interest & other Finance Expenses	ICICI Bank Limited	748,985	297,916
Staff Cost	ICICI Bank Limited	244,052	195,596
Miscellaneous	ICICI Bank Limited	361,669	129,389
Bank Guarantee Commission	ICICI Bank Limited	8,693	8,731
Equity Dividend	ICICI Bank Limited	740,563	431,319
Preference Dividend	ICICI Bank Limited	14	15
Rent Paid	ICICI Bank Limited	25,534	3,574
Insurance Premium	ICICI Lombard General Insurance Co. Limited	5,682	1,433
DMA Commission	ICICI Securities Limited	14,960	—
Fee Expenses	ICICI Securities Primary Dealership Limited	20,529	—
DST Expenses	I Solutions Providers (India) Pvt. Limited	9,940	—
Donation	ICICI Foundation for Inclusive Growth	1,992	—
OTHERS			
Guarantee	ICICI Bank Limited	3,100,000	3,100,000
Letter of Comfort	ICICI Bank Limited	91,054,953	65,248,388
SWAP (Notional Principal)	ICICI Bank Limited	1,250,000	3,500,000
Insurance Claim Settlement	ICICI Lombard General Insurance Co. Limited	89,872	211,694

m) (i) Classification of Loans & Other Credit Facilities:

(Rs. in 000's)

Particulars	Standard	Sub Standard	Doubtful	Loss	Total
Housing Loans	53,948,804 (34,470,072)	206,028 (91,344)	78,171 (51,642)	83,752 (62,490)	54,316,755 (34,675,548)
Other Loans	56,612,897 (32,814,260)	284,856 (83,772)	24,189 (4,433)	24,053 (98)	56,945,995 (32,902,563)
Total	110,561,701 (67,284,332)	490,884 (175,116)	102,360 (56,075)	107,805 (62,588)	111,262,750 (67,578,111)

*Figures in bracket pertain to previous year

Above break up is excluding Loan against Fixed Deposit of Rs. 76,265,250 (March 2008—Rs. 2,174,000)

(ii) Classification of Non Performing Assets:

(Rs. in 000's)

Particulars	Sub Standard	Doubtful	Loss	Total
Loans Outstanding				
Housing Loans	206,028 (91,344)	78,171 (51,642)	83,752 (62,490)	367,951 (205,476)
Other Loans	284,856 (83,772)	24,189 (4,433)	24,053 (98)	333,098 (88,303)
Total	490,884 (175,116)	102,360 (56,075)	107,805 (62,588)	701,049 (293,779)
Provisions				
Housing Loans	20,603 (9,134)	29,938 (18,318)	83,753 (62,490)	134,294 (89,942)
Other Loans	28,486 (8,378)	7,349 (2,027)	24,053 (98)	59,888 (10,503)
Total	49,089 (17,512)	37,287 (20,345)	107,806 (62,588)	194,182 (100,445)

*Figures in bracket pertain to previous year

(iii) A general provision of 0.40% of total outstanding amount of Non-Housing Loans, which are Standard Assets, has been made as per NHB's Direction No. NHB.HFC.DIR.18/CMD/2007 dated March 26, 2007.

(iv) In view of prevailing industry scenario, uncertainties about recoveries & increasing incidence of frauds it has been considered prudent to keep a provision of Rs. 134,872,009 equivalent to 0.25% (March 2008 - Rs. 86,672,552) of standard housing loans to meet any such future eventuality.

n) Disclosure of provision for contingencies:

(Rs. in 000's)

Particulars	Year ended March 31, 2009	Year ended March 31, 2008
Servicing expenses provision on loans securitized		
Opening Balance	5,738	5,738
Utilisations/(write back)	(1,472)	—
Closing Balance	4,266	5,738
Provision for delinquencies, prepayment and conversion risk on loans securitized		
Opening Balance	198,305	198,305
Additions	22,761	—
Utilisations/(write back)	—	—
Closing Balance	221,066	198,305

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 & differential amounts are written back or provided for in the books of account. The provision of the delinquencies & conversion risk as well as provision for prepayment risk on the loan portfolio sold by the Company is also made upfront & reduced from the gross capital gains on the securitisation transaction. At each Balance sheet date, the Company assesses the delinquencies, prepayment & conversion risk of securitised pool & differential amounts are written back/ provided in the books of account.

o) Auditors' remuneration (excluding service tax):

(Rs. in 000's)

Particulars	Year ended March 31, 2009	Year ended March 31, 2008
Statutory Audit fees	1,700	900
Tax audit fees	300	150
Certification & other charges	1,225	950
Total	3,225	2,000

- p) The Company has recovered the following common expenses (as per the sharing arrangement) from ICICI Bank Limited:

(Rs. in 000's)		
Expense Head	Year ended March 31, 2009	Year ended March 31, 2008
Employee cost	896	6,871
Advertisement & Sales Promotion	—	545
Customer acquisition	21,481	275,448
Professional & legal charges	2,930	2,243
Rent	15,748	85,889
Communication	1,194	(988)
Travelling & conveyance	—	146
Printing & stationery	5,954	32,063
Insurance	—	451
Electricity	2,784	9,922
Rates & Taxes	925	6,625
Repairs & maintenance – others	2,333	16,546
Miscellaneous expenses	6,198	33,141
Service Tax	7,308	57,899
Total	67,751	526,801

- q) **Position of investment in mutual fund units:**

(No. of Units)						
Scheme Name	Face Value (Rs.)	Opening Balance	Purchase	Dividend	Redemption	Closing Balance
Kotak Flexi Debt Scheme – Daily Dividend	10	172,081,896	320,559,953	4,850,778	497,492,627	—
		(—)	(288,156,652)	(562,502)	(116,637,258)	(172,081,896)
Kotak Liquid Institutional Premium	10	—	1,568,546,545	559,569	1,569,106,113	—
		(—)	(236,340,887)	(43,195)	(236,384,082)	(—)
Kotak Flexi Debt Scheme Institutional – Daily Dividend	10	—	762,143,813	2,616,159	764,759,972	—
		(—)	(—)	(—)	(—)	(—)
Kotak Floater Long Term – Daily Dividend	10	—	263,927,854	1,544,516	265,472,370	—
		(—)	(—)	(—)	(—)	(—)
Kotak Flexi Debt Scheme Institutional - Growth	10	—	104,340,918	—	—	104,340,918
		(—)	(—)	(—)	(—)	(—)
Kotak Liquid (Institutional Premium) - Growth	17	—	42,099,202	—	42,099,202	—
		(—)	(—)	(—)	(—)	(—)
Reliance Liquidity Fund – Daily Dividend Reinvestment Option	10	—	2,898,601,434	1,641,481	2,900,242,915	—
		(—)	(557,827,073)	(99,950)	(557,927,023)	(—)
Reliance Liquid Plus Fund – Institutional Option Daily Dividend	1,000	2,287,227	19,685,847	103,210	22,076,284	—
		(—)	(5,574,665)	(9,139)	(3,296,577)	(2,287,227)
Reliance Liquid Fund – Treasury Plan – Institutional Option – Growth Option – Growth Plan	21	—	58,310,025	—	58,310,025	—
		(—)	(—)	(—)	(—)	(—)
Reliance Money Manager Fund Institutional Option Daily Dividend Plan	1,001	—	2,527,585	8,405	2,535,990	—
		(—)	(—)	(—)	(—)	(—)
Reliance Money Manager Fund – Institutional Option – Growth Plan	1,193	—	1,240,087	—	—	1,240,087
		(—)	(—)	(—)	(—)	(—)
Fidelity Liquid Plus Super Institutional Daily Dividend	10	15,171,544	118,495,630	946,841	134,614,014	—
		(—)	(49,999,854)	(166,091)	(34,994,401)	(15,171,544)
Fidelity Cash Fund Super Institutional – Daily Dividend	10	—	208,435,897	139,294	208,575,191	—
		(—)	(49,999,500)	(8,404)	(50,007,904)	(—)
Fidelity Cash Fund Super Institutional – Growth	12	—	20,747,232	—	20,747,232	—
		(—)	(—)	(—)	(—)	(—)
Fidelity Ultra Short Term Debt Fund Super Institutional – Growth	11	—	22,038,391	—	—	22,038,391
		(—)	(—)	(—)	(—)	(—)

(No. of Units)						
Scheme Name	Face Value (Rs.)	Opening Balance	Purchase	Dividend	Redemption	Closing Balance
Fidelity Ultra Short Term Debt Fund Super Institutional Daily Dividend	10	—	34,996,334	125,183	—	35,121,517
		(—)	(—)	(—)	(—)	(—)
Birla Sun Life Liquid Plus – Daily Dividend – Reinvestment	10	40,477,951	1,226,460,316	4,882,860	1,271,821,128	—
		(—)	(339,799,275)	(474,815)	(299,796,139)	(40,477,951)
Birla Cash Plus – Institutional Premium – Daily Dividend – Reinvestment	10	—	1,689,705,075	577,315	1,690,282,390	—
		(—)	(164,678,876)	(30,280)	(164,709,156)	(—)
Birla Sun Life Cash Plus – Instl. Prem. – Growth	14	—	355,887,084	—	355,887,084	—
		(—)	(—)	(—)	(—)	(—)
Birla Sun Life Savings Fund Instl. – Growth	17	—	300,970,799	—	—	300,970,799
		(—)	(—)	(—)	(—)	(—)
ICICI Prudential Liquid Plan Super Institutional Daily Dividend – Reinvest	10	15,893,339	1,432,928,354	759,788	1,449,581,481	(—)
		(—)	(2,101,010,386)	(4,778,459)	(2,089,895,505)	(15,893,339)
ICICI Prudential Flexible Income Plan Dividend Daily Reinvest Dividend	10	201,489,263	895,069,794	8,153,979	1,104,713,036	—
		(—)	(833,687,993)	(2,901,417)	(635,100,147)	(201,489,263)
ICICI Prudential Super Institutional Growth	13	6,314,936	77,076,043	—	83,390,979	—
		(20,255,795)	(2,991,023,519)	(—)	(3,004,964,378)	(6,314,936)
ICICI Prudential Flexi Growth	26	—	61,433,879	—	—	61,433,879
		(—)	(138,778,202)	(—)	(138,778,202)	(—)
Tata Liquid Super High Investment Fund – Daily Dividend	1,000	—	4,495,209	3,141	4,498,350	—
		(—)	(4,427,915)	(1,806)	(4,429,721)	(—)
Tata Treasury Manager Ship Daily Dividend	1,000	3,728,595	1,631,134	38,141	5,397,871	—
		(—)	(4,922,246)	(2,759)	(1,196,410)	(3,728,595)
Tata Floater Fund – Daily Dividend	10	—	241,693,765	340,571	207,106,190	34,928,146
		(—)	(—)	(—)	(—)	(—)
Tata Floating Rate Short Term Inst. Plan – Daily Dividend	10	—	22,965,093	24,317	22,989,410	—
		(—)	(—)	(—)	(—)	(—)
Tata Floating Rate Short Term Inst. Plan – Growth	14	—	33,909,748	—	—	33,909,748
		(—)	(—)	(—)	(—)	(—)
Tata Liquid Super High Inv. Fund – Appreciation	1,626	—	153,829	—	153,829	—
		(—)	(—)	(—)	(—)	(—)
ABN Amro Money Plus Institutional Plan Daily Dividend	10	—	86,076,364	402,072	86,478,436	—
		(—)	(—)	(—)	(—)	(—)
ABN Amro Overnight Fund – Institutional Daily Dividend	10	—	85,988,004	89,221	86,077,224	—
		(—)	(—)	(—)	(—)	(—)
Fortis Money Plus Institutional Plan Daily Dividend	10	—	34,996,485	103,180	35,099,666	—
		(—)	(—)	(—)	(—)	(—)
Fortis Overnight – Institutional Plus – Daily	10	—	34,989,503	7,332	34,996,835	—
		(—)	(—)	(—)	(—)	(—)
Fortis Money Plus Institutional Plan Growth	13	—	26,646,337	—	—	26,646,337
		(—)	(—)	(—)	(—)	(—)
AIG India Liquid Fund Institutional Daily Dividend	1,001	—	99,919	276	100,196	—
		(—)	(—)	(—)	(—)	(—)
AIG India Treasury Plus Fund Super Institutional Daily Dividend	10	—	10,016,637	28,860	10,045,497	—
		(—)	(—)	(—)	(—)	(—)
Dws Insta Cash Plus Fund – Institutional Plan Daily Dividend	10	—	6,986,377	1,158	6,987,535	—
		(—)	(—)	(—)	(—)	(—)

(No. of Units)						
Scheme Name	Face Value (Rs.)	Opening Balance	Purchase	Dividend	Redemption	Closing Balance
Dws Insta Cash Plus Fund — Super Institutional Plan Daily Dividend	10	—	713,416,926	351,058	713,767,984	—
		(—)	(—)	(—)	(—)	(—)
Dws Liquid Plus Fund — Institutional Daily Dividend	10	—	216,742,032	537,544	217,279,576	—
		(—)	(—)	(—)	(—)	(—)
Dws Money Plus Fund — Institutional Daily Dividend Plan	10	—	225,362,980	1,794,510	227,157,491	—
		(—)	(—)	(—)	(—)	(—)
Dws Ultra Short Term Fund — Institutional Daily Dividend	10	—	142,806,962	422,843	143,229,804	—
		(—)	(—)	(—)	(—)	(—)
Dws Insta Cash Plus Fund — Super Institutional Plan Growth	11	—	87,660,099	—	87,660,099	—
		(—)	(—)	(—)	(—)	(—)
Dws Ultra Short Term Fund — Institutional Growth	10	—	97,084,993	—	—	97,084,993
		(—)	(—)	(—)	(—)	(—)
HDFC Cash Management Fund — Savings Plus Plan — Wholesale — Daily Dividend	10	—	413,766,905	1,952,660	415,719,565	—
		(—)	(—)	(—)	(—)	(—)
HDFC Liquid Fund Premium Plan — Dividend — Daily Reinvest	12	—	338,504,706	57,318	338,562,024	—
		(—)	(—)	(—)	(—)	(—)
HDFC Cash Management Fund — Treasury Advantage Plan — Wholesale — Growth	19	—	36,476,721	—	—	36,476,721
		(—)	(—)	(—)	(—)	(—)
HDFC Liquid Fund — Premium Plan — Growth	18	—	39,755,560	—	39,755,560	—
		(—)	(—)	(—)	(—)	(—)
IDFC Cash Fund — Super Inst Plan C — Daily Dividend	10	—	59,985,004	22,703	60,007,707	—
		(—)	(—)	(—)	(—)	(—)
IDFC Liquid Plus Fund — Tp — Super Inst Plan C — Daily Div	10	—	60,013,706	156,852	60,170,559	—
		(—)	(—)	(—)	(—)	(—)
ING Liquid Fund Institutional — Daily Dividend Option	10	—	37,954,076	22,778	37,976,854	—
		(—)	(—)	(—)	(—)	(—)
ING Liquid Fund Super Institutional — Daily Dividend Option	10	—	110,446,985	167,230	110,614,215	—
		(—)	(—)	(—)	(—)	(—)
ING Liquid Plus Fund — Institutional Daily Dividend	10	—	20,006,409	141,890	20,148,299	—
		(—)	(—)	(—)	(—)	(—)
ING Treasury Advantage Fund Institutional Daily Dividend	10	—	35,493,256	92,724	35,585,981	—
		(—)	(—)	(—)	(—)	(—)
JM High Liquidity Fund — Super Institutional Plan — Daily Dividend	10	—	9,983,527	38,389	10,021,916	—
		(—)	(—)	(—)	(—)	(—)
Lotus India Liquid Fund — Super Institutional Daily Dividend	10	—	52,982,516	11,213	52,993,729	—
		(—)	(—)	(—)	(—)	(—)
Lotus India Liquid Plus Fund — Institutional Daily Dividend	10	—	82,881,094	339,427	83,220,521	—
		(—)	(—)	(—)	(—)	(—)
Religare Liquid Fund Super Institutional Daily Dividend	10	—	4,998,351	782	4,999,132	—
		(—)	(—)	(—)	(—)	(—)
Religare Ultra Short Term Fund — Institutional Daily Dividend	10	—	4,992,943	5,089	4,998,032	—
		(—)	(—)	(—)	(—)	(—)
Mirae Asset Liquid Fund—Super Inst — Dividend Plan (Daily) (Re—Investment)	1,001	—	159,886	32	159,918	—
		(—)	(—)	(—)	(—)	(—)

(No. of Units)						
Scheme Name	Face Value (Rs.)	Opening Balance	Purchase	Dividend	Redemption	Closing Balance
Mirae Asset Liquid Plus Fund—Super Inst — Dividend Plan (Daily) (Re—Investment)	1,001	—	159,777	556	160,333	—
		(—)	(—)	(—)	(—)	(—)
Principal Cash Management Fund Liquid Option Instl. Prem. Plan — Dividend Reinvestment Daily	10	—	333,976,622	319,022	334,295,643	—
		(—)	(—)	(—)	(—)	(—)
Principal Floating Rate Fund Fmp—Instl. Option — Dividend Reinvestment Daily	10	—	199,785,253	393,078	200,178,331	—
		(—)	(—)	(—)	(—)	(—)
Principal Cash Management Fund— Liquid Option Instl. Prem. Plan — Growth	14	—	18,199,290	—	18,199,290	—
		(—)	(—)	(—)	(—)	(—)
Principal Floating Rate Fund Fmp—Instl. Option — Growth Plan	14	—	17,997,430	—	—	17,997,430
		(—)	(—)	(—)	(—)	(—)
Templeton India Treasury Management Account Super Institutional Plan — Daily Dividend Reinvestment	1,001	—	6,585,568	6,913	6,592,481	—
		(—)	(—)	(—)	(—)	(—)
Templeton India Ultra Short Bond Fund Super Institutional Plan — Daily Dividend Reinvestment	10	—	432,447,709	1,633,726	434,081,435	—
		(—)	(—)	(—)	(—)	(—)
Templeton India Treasury Management Account Super Institutional Plan — Growth	1,306	—	214,337	—	214,337	—
		(—)	(—)	(—)	(—)	(—)
Templeton India Ultra Short Bond Fund Super Institutional Plan — Growth	11	—	89,315,495	—	—	89,315,495
		(—)	(—)	(—)	(—)	(—)
UTI — Liquid Plus Fund Institutional Plan (Daily Dividend Option) — Re—Investment	1,000	—	650,067	2,423	652,490	—
		(—)	(—)	(—)	(—)	(—)
UTI Liquid Cash Plan Institutional — Daily Income Option — Re—Investment	1,019	—	1,540,053	2,077	1,542,130	—
		(—)	(—)	(—)	(—)	(—)
UTI Money Market Fund — Daily Dividend Option — Reinvestment	18	—	5,506,517	3,781	5,510,298	—
		(—)	(—)	(—)	(—)	(—)
UTI Treasury Advantage Fund — Institutional Plan (Daily Dividend Option) — Reinvestment	1,000	—	449,970	303	450,272	—
		(—)	(—)	(—)	(—)	(—)
Total		457,444,751	16,975,180,208	36,424,570	16,607,545,079	861,504,450
		(20,255,795)	(7,766,227,044)	(9,078,817)	(7,338,116,903)	(457,444,751)

*Figures in bracket pertain to previous year.

r) **Cash and Cash equivalents:**

Cash and cash equivalents in the balance sheet comprise of Bank FD, cash at bank and in hand & short-term investments.

schedules



forming part of the accounts

Continued

s) **Earnings in Foreign Currency:**

(Rs. in 000's)

Particulars	Year ended March 31, 2009	Year ended March 31, 2008
Fee Income	30,238	70,647

t) Pursuant to The Institute of Chartered Accountants of India's (ICAI) Announcement dated March 29, 2008 on "Accounting for Derivatives", the Company has, based on the principles of prudence enunciated in AS - 1 on "Disclosure of Accounting Policies", valued mark to market losses on derivative contracts outstanding as on March 31, 2009 to the extent the losses are not offset by the fair value gain on the underlying hedge items. For the purpose of arriving at the net losses, the Company has considered fixed borrowings as one portfolio and interest rate swaps as separate portfolio. Accordingly, the amount of loss is not material and hence not provided.

u) At the beginning of the year there was no amount payable to any Micro, Small and/or Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. However, during the year the Company has entered transactions of Rs. 33,367,153 (Mar'2008-Rs. Nil) with such Micro, Small and Medium Enterprises. The outstanding balance as on March 31, 2009 is Rs. 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.

v) During the year, the Company had entered a contract for receiving services with a company covered under section 301 of the Companies Act 1956, without recording it in the register of contracts. The Board of directors have subsequently cancelled the contract abinitio and necessary adjustments have been made in the financial statements.

w) Impairment of Assets (AS 28): The management feels that the AS-28 would not apply to investment, inventories and financial assets such as loans and advances. However as regard to financial assets such as loans and advances the same has been covered by provision in accordance with guidelines on prudential norms issued by National Housing Bank (NHB). Further the management assesses that there is no indication of impairment of Company's fixed assets

x) Estimated amount of contracts remaining to be executed on capital account - Rs. 21,192,948 (March 2008 - Rs. Nil) (Net of advance of Rs. Nil, March 2008 - Rs. Nil).

y) The Company has acquired properties under non-cancelable operating leases for periods ranging from 72 months to 120 months. The total minimum lease payments for the current year, in respect thereof, included under Rent, amounting to Rs. 43,451,394 (March 2008 - Rs. 94,617,082). The future minimum lease payments in respect of the properties acquired under non-cancelable operating lease are as follows:

(Rs. in 000's)

Particulars	Year ended March 31, 2009	Year ended March 31, 2008
Not later than one year	38,569	60,630
Later than one year but not later than five years	143,168	265,497
Later than five years	5,583	9,303

Lease payments recognized in the statement of profit and loss account for the current year is Rs. 74,567,136 (March 2008 - Rs. 94,783,161).

z) **Contingent Liability not provided for:**

(i) Income Tax matters in appeal - Rs. 12,868,521 (March 2008 - Rs. 12,868,521). The Company expects to succeed in these proceedings & hence no additional provision is considered necessary. 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.

(ii) The contingent liability on account of claims filed against the Company not acknowledged as debt is Rs. 11,123,016 (March 2008 - Rs. Nil). 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.

aa) Commitment towards part disbursement and undisbursed sanctions is amounting to Rs. 8,924,405,730 (March 2008 - Rs. 1,298,430,648) and Rs. 1,969,914,116 (March 2008 - Rs. 1,794,868,692) respectively.

bb) Figure of the previous year have been regrouped to conform to the current year's presentation.

For and on behalf of the Board

V VAIDYANATHAN
Chairman

RAHUL MALLICK
Managing Director & CEO

SREEKANTH V. N.
Company Secretary

VIJAY CHANDOK
Vice Chairman

PANKAJ JAIN
Chief Financial Officer

PRASHANT JAIN
Deputy CFO

Mumbai, April 20, 2009

cash flow statement

for the year ended March 31, 2009

	March 31, 2009	(Rs. in 000's) March 31, 2008
A. Cash Flow from Operating Activities :		
Profit before taxation and exceptional items	1,843,904	996,484
<i>Adjustments for:</i>		
Depreciation/Amortisation (net of write back)	2,984	364
Provision for contingencies	21,290	—
Provision for Gratuity & Other staff benefits	27,109	(10,378)
Provision/(write back) against standard assets	144,787	99,941
Proposed Dividend	53,218	—
Loss on sale of fixed assets/Written Off	3,810	538
Provision and write off against Non-performing Assets	97,999	26,008
Profit on sale of long term investments	(6,044)	—
Interest received	(99,315)	(33,726)
Finance & Other Charges	250,875	82,502
Interest paid	9,891,921	3,881,067
Income from SWAP Deals	(84,900)	—
Dividend Income	(534,982)	(106,365)
Operating Profit before Working Capital Changes	11,612,656	4,936,435
<i>Adjustments for:</i>		
Trade and Other Receivables	2,009,481	(2,450,830)
Trade Payables and Other Liabilities	(1,076,173)	3,759,087
Loans given (net)	(43,762,992)	(24,292,366)
Cash generated from Operations	(31,217,028)	(18,047,674)
Income Taxes paid	(673,071)	(345,472)
Net cash from Operating Activities - A	(31,890,099)	(18,393,146)
B. Cash Flow from Investing Activities :		
Purchase of fixed assets	(62,169)	—
Sale of fixed assets	331	1,947
Purchase of Investments	(1,662,897)	(557,808)
Sale of Investments	6,044	—
Dividend Income	534,982	106,366
Interest received	99,315	33,726
Net cash from Investing Activities - B	(1,084,394)	(415,769)
C. Cash Flow from Financing Activities :		
Issuance of the Equity Shares	3,000,000	5,000,000
Dividend and dividend tax	(866,438)	(504,639)
Finance & Other Charges	(250,875)	(82,502)
Interest Paid	(9,891,921)	(3,881,067)
Income from SWAP Deals	84,900	—
Proceeds from borrowings (net)	45,492,736	31,253,402
Net Cash used in Financing Activities - C	37,568,402	31,785,194
Net Increase in Cash and Cash Equivalents (A+B+C)	4,593,909	12,976,279
Cash and Cash Equivalents as at beginning	13,425,735	449,456
Cash and Cash Equivalents as at end	18,019,644	13,425,735
Notes :		
1. Cash and Cash Equivalents consists of :		
A. Bank balances		
I) Current Accounts	3,449,086	2,589,529
II) Deposit Accounts	1,238,240	160,000
B. Investments in mutual fund units	13,332,318	10,676,206
	18,019,644	13,425,735
2. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in AS- 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 and on behalf of the Board

For S. R. BATLIBOI & CO.
Chartered Accountants

per VIJAY MANIAR
Partner
Membership No.: 36738
Mumbai, April 20, 2009

V VAIDYANATHAN
Chairman
RAHUL MALLICK
Managing Director & CEO
SREEKANTH V N
Company Secretary

VIJAY CHANDOK
Vice Chairman
PANKAJ JAIN
Chief Financial Officer
PRASHANT JAIN
Deputy CFO

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

(Rs. in 000's)

1. Registration details

Registration No.

0	1	2	0	1	0	6
---	---	---	---	---	---	---

 State Code

1	1
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	0	9
---	---	---	---

Date Month Year

2. Capital raised during the Year

Public Issue

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

 Bonus Issue

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

Rights Issue

				3	0	0	0	0	0	0
--	--	--	--	---	---	---	---	---	---	---

 Private Placement

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

3. Position of mobilisation and deployment of funds

Total Liabilities

		1	3	0	0	6	6	3	9	5
--	--	---	---	---	---	---	---	---	---	---

 Total Assets

		1	3	0	0	6	6	3	9	5
--	--	---	---	---	---	---	---	---	---	---

Sources of funds

Paid-up Capital

			1	0	9	8	7	5	0	0
--	--	--	---	---	---	---	---	---	---	---

 Reserves and Surplus

				1	4	6	6	4	3	8
--	--	--	--	---	---	---	---	---	---	---

Secured Loans

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

 Unsecured Loans

			1	0	6	9	1	2	4	5	7
--	--	--	---	---	---	---	---	---	---	---	---

Application of funds

Net Fixed Assets

						6	0	1	0	1
--	--	--	--	--	--	---	---	---	---	---

 Loans & Investments

			1	2	6	8	4	2	7	9	4
--	--	--	---	---	---	---	---	---	---	---	---

Net Current Assets

				2	7	7	0	8	7	9
--	--	--	--	---	---	---	---	---	---	---

 Miscellaneous Expenditure & Deferred Tax Assets

						3	9	2	6	2	1
--	--	--	--	--	--	---	---	---	---	---	---

Accumulated Losses

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

4. Performance of the Company

Turnover

			1	4	8	0	8	3	9	3
--	--	--	---	---	---	---	---	---	---	---

 Expenditure

			1	2	9	6	4	4	8	9
--	--	--	---	---	---	---	---	---	---	---

Profit/(Loss) Before Tax

				1	8	4	3	9	0	4
--	--	--	--	---	---	---	---	---	---	---

 Profit/(Loss) After Tax

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

Earnings Per Share in Rupees – Basic

						1	.	4	2
--	--	--	--	--	--	---	---	---	---

 Dividend Rate %

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

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

Product Description Item Code

Home Loans

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

For and on behalf of the Board

V VAIDYANATHAN
Chairman

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