

**N. M. RAIJI & CO.**  
*Chartered Accountants*  
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Pherozeshah Mehta Road,  
Mumbai-400 001. INDIA  
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**Auditors' Report**

**The Board of Trustees  
ICICI Prudential Mutual Fund**

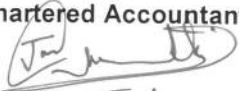
We have audited the attached Balance Sheet as at March 31, 2009 and the Revenue Account for the year ended on that date annexed thereto of ICICI Prudential Gilt Fund-Investment Plan (the scheme) of the Fund. These financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with SEBI (Mutual Fund) Regulations, 1996. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. We have obtained all information and explanations, which, to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and the Revenue Account are in agreement with the books of account of the Scheme.
3. In our opinion, valuation methods for Non Traded Securities, adopted by the scheme are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI and approved by the Trustees.
4. The accounts have been prepared in accordance with the accounting policies adopted by the trustees of the Fund and as specified in the Ninth Schedule to the SEBI (Mutual Funds) Regulations, 1996.
5. In our opinion and to the best of our information and according to the explanations given to us, the statement of accounts read with the notes thereon, give a true and fair view in accordance with the generally accepted accounting principles in India:
  - a. in the case of Balance Sheet, of the state of affairs of ICICI Prudential Gilt Fund-Investment Plan as at March 31, 2009; and
  - b. in the case of Revenue Account of the surplus of ICICI Prudential Gilt Fund-Investment Plan for the year ended on March 31, 2009.

For N M Raiji & Co.  
Chartered Accountants

  
J. M. Gandhi  
Partner  
Membership No. 37924  
Mumbai

18 JUN 2009

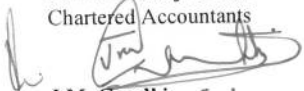
**ICICI Prudential Mutual Fund**  
**Scheme- ICICI Prudential Gilt Fund-Investment Plan**  
**Balance Sheet as at March 31, 2009**

	Schedule No.	March 31, 2009 Amount (Rs.)	March 31, 2008 Amount (Rs.)
<b>LIABILITIES</b>			
Unit Capital	1	4,656,536,849	839,449,684
Reserves & Surplus	2	3,340,302,561	803,506,130
Unrealised Appreciation in value of Investment		-	-
<b>Unitholders' Funds</b>		<b>7,996,839,410</b>	<b>1,642,955,814</b>
Current Liabilities & Provisions	3	226,332,249	260,931,061
		<b>8,223,171,659</b>	<b>1,903,886,875</b>
<b>ASSETS</b>			
Investments	4	6,846,626,140	1,704,399,390
Deposits		-	-
Other Current Assets	5	1,376,545,519	199,487,485
		<b>8,223,171,659</b>	<b>1,903,886,875</b>

Significant Accounting Policies and Notes forming part of the Accounts 9

As per our Report Attached

For N.M. Raiji & Co.  
Chartered Accountants


  
J.M. Gandhi  
Partner  
Membership No.37924

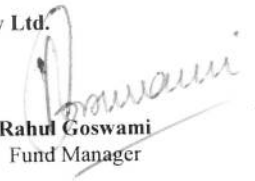
Mumbai.

18 JUN 2009

For ICICI Prudential Asset Management Company Ltd.

  
Nimesh Shah  
Managing Director

  
Nilesh Shah  
Deputy Managing Director

  
Rahul Goswami  
Fund Manager

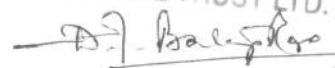
For ICICI PRUDENTIAL TRUST LTD.

  
Sarathy  
Director

For ICICI PRUDENTIAL TRUST LTD.

  
Director

For ICICI PRUDENTIAL TRUST LTD.

  
Director

**ICICI Prudential Mutual Fund**  
**Scheme- ICICI Prudential Gilt Fund-Investment Plan**  
**Revenue Account For The Year Ended March 31, 2009**

INCOME	Schedule No.	Year Ended March 31, 2009 Amount (Rs.)	Year Ended March 31, 2008 Amount (Rs.)
Dividend		-	-
Interest	6	256,676,447	90,102,647
Amortisation of Premium/Discount		6,130	-
Profit on sale/redemption of Investments (other than inter-scheme transfer/sale)		876,099,734	93,739,021
Profit on inter-scheme transfer/sale of Investments		75,104,831	2,582,901
Other Income		46,650	-
		<u>1,207,933,792</u>	<u>186,424,569</u>

**EXPENSES & LOSSES**

Net Change in Marked to Market value of Investments		181,257,389	65,339,154
Loss on sale/redemption of Investments (other than inter-scheme sale/transfer)		815,875,268	44,070,763
Loss on Inter-Scheme sale/transfer of Investments		18,635,107	678,226
Loss on Interest Rate SWAPS		4,051,217	-
Management Fees (Including Service Tax)		27,408,891	9,162,430
Trusteeship Fees		34,641	9,586
Publicity Expenses		415,207	149,603
Audit Fees		153,386	16,875
Commission to Agents		28,461,529	3,403,176
Deferred Revenue Expenses Written Off		-	-
Custodian Fees		8,856	8,493
Registrar & Transfer Agent's Fees & Expenses		1,794,877	603,404
Other Operating Expenses	7	125,355	44,904
Surplus for the Year		129,712,069	62,937,955
		<u>1,207,933,792</u>	<u>186,424,569</u>
Surplus for the Year		129,712,069	62,937,955
Add: Write back of provision for Unrealised Appreciation on Investments		-	-
Less: Provision for unrealised appreciation on Investments		-	-
Add/(Less) : Income Equalisation		1,987,270,345	231,825,922
		<u>2,116,982,414</u>	<u>294,763,877</u>
Surplus brought forward		772,219,861	482,861,405
Amount available for Income Distribution		2,889,202,275	777,625,282
Less: Dividend Paid (Including Distribution Tax, if any)		103,325,636	5,405,421
<b>Surplus carried forward to Balance Sheet</b>		<u>2,785,876,639</u>	<u>772,219,861</u>

Significant Accounting Policies and Notes forming part of the Accounts 9

As per our Report Attached

For N.M. Raiji & Co.  
Chartered Accountants

J.M. Gandhi  
Partner  
Membership No.37924

Mumbai.

18 JUN 2009

For ICICI Prudential Asset Management Company Ltd.

Nimesh Shah  
Managing Director

Nilesh Shah  
Deputy Managing Director

Rahul Goswami  
Fund Manager

For ICICI PRUDENTIAL TRUST LTD.

Director

For ICICI PRUDENTIAL TRUST LTD.

Director

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For ICICI PRUDENTIAL TRUST LTD.

Director

ICICI Prudential Mutual Fund  
Scheme- ICICI Prudential Gilt Fund-Investment Plan  
Schedules Forming Part of the Accounts

	Year Ended March 31, 2009 Amount (Rs.)	Year Ended March 31, 2008 Amount (Rs.)
<b>UNIT CAPITAL</b>		
1 Unit Capital	4,656,536,849	839,449,684
	<u>4,656,536,849</u>	<u>839,449,684</u>
Number of Units of Face Value Rs.10	<u>465,653,684.9</u>	<u>83,944,968.4</u>
<b>2 RESERVES &amp; SURPLUS</b>		
Unit Premium Reserve		20,218,120
Opening Balance	31,286,269	11,068,149
Additions / (Deductions) during the year	<u>523,139,653</u>	<u>31,286,269</u>
Closing Balance	554,425,922	31,286,269
Surplus in Revenue Account	2,785,876,639	772,219,861
	<u>3,340,302,561</u>	<u>803,506,130</u>
<b>3 CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A Current Liabilities</b>		
Contracts for Purchase of Investments	101,012,361	254,942,708
Management Fees Payable	1,542,279	547,844
Trusteeship Fees Payable	34,641	5,034
Dividend Payable	2,015	2,009
Redemption Dues Payable	105,436,447	4,269,828
Load Carried Forward	115,029	413
Other Liabilities	2,068,643	-
Liability for Expenses Accrued	16,120,834	1,163,225
	<u>226,332,249</u>	<u>260,931,061</u>
<b>B Provisions</b>		
	-	-
<b>4 INVESTMENTS (Marked to Market)</b>		
Equity Shares	-	-
Privately Placed Debentures/Bonds	-	-
Debentures/Bonds Listed / Awaiting listing on recognised Stock Exchange	-	-
Commercial Paper/Certificate of Deposits & Others	-	91,073,900
Government of India Securities	6,666,683,009	1,329,995,000
Collateralised Borrowing & Lending Obligation	179,943,131	283,330,490
	<u>6,846,626,140</u>	<u>1,704,399,390</u>

*(Handwritten mark)*

ICICI Prudential Mutual Fund  
Scheme- ICICI Prudential Gilt Fund-Investment Plan  
Schedules Forming Part of the Accounts

	Year Ended March 31, 2009 Amount (Rs.)	Year Ended March 31, 2008 Amount (Rs.)
<b>5 OTHER CURRENT ASSETS</b>		
Balances with Banks in Current Account	3,844,796	378,291
Contracts for Sale of Investments	1,233,628,611	101,014,861
Receivable from Asset Management Company	10,671,059	903,192
Margin with CCIL	30,000,000	30,000,000
Outstanding and Accrued Income	67,758,542	
Less: Provision for Outstanding Accrued Income considered doubtful	<u>-</u>	
	67,758,542	31,098,064
Receivable against Units Issued	30,371,428	33,803,469
Other Assets	271,083	2,289,608
	<u><u>1,376,545,519</u></u>	<u><u>199,487,485</u></u>
<b>6 INTEREST INCOME</b>		
Call Deposits with Banks & Others	4,591,732	656,209
Collateralised Borrowing & Lending Obligation	18,579,451	2,764,805
Commercial Paper/Certificate of Deposits & Others	13,376,958	13,193,033
Government of India Securities	220,128,305	73,488,600
	<u><u>256,676,446</u></u>	<u><u>90,102,647</u></u>
<b>7 OTHER OPERATING EXPENSES</b>		
Bank Charges	67,373	15,138
Postal and Mailing Charges	23,391	859
Printing & Stationery	6,207	7,795
Internal Audit Fees	2,243	11,547
Investor Service Charges	26,141	9,565
	<u><u>125,355</u></u>	<u><u>44,904</u></u>

Scheme - ICICI PRUDENTIAL GILT FUND - INVESTMENT PLAN  
Schedule Forming Part of Accounts

Schedule - 8  
Holding Statement as on March 31, 2009

Sr.No.	Company	Market Value
<b>Government Securities</b>		
1	Government of India Securities	4,294,318,129
2	Government of India Securities	2,372,364,880
		<b>6,666,683,009</b>
<b>3 Collateralised Borrowing &amp; Lending Obligation</b>		<b>179,943,131</b>
	Balance with Banks	3,844,796
	Net Current Assets Value	1,146,368,474
	<b>Total Net Assets Value</b>	<b>7,996,839,410</b>



**ICICI Prudential Mutual Fund  
Scheme- ICICI Prudential Gilt Fund – Investment Plan**

**Schedule 9: Significant accounting policies and Notes forming part of the accounts  
for the year ended March 31, 2009**

**A. Significant accounting policies**

1. The method of accounting is on accrual basis. The accounts are prepared as stipulated under SEBI Mutual Fund Regulations, 1996 wherein Cash Flow Statement and Segment Reporting are not required, accordingly Accounting Standard - 3 and Accounting Standard - 17 have not been considered as applicable to the scheme.

2. Investments

a) Purchase and sale of securities are accounted on trade dates. Cost of investments includes brokerage, stamps fees, transaction charges (Government securities) and any losses on account of immediate sale of non-convertible portion of debentures under "Khokha" buy-back scheme and excludes custodian fees. The cost is net of front-end fees and incentives. In case of devolvement, the cost is net of underwriting commission earned.

b) Valuation for Performing Investments:

For the purpose of the financial statements, the Fund marks all investments to market and carries investments in the Balance Sheet at the market value. Unrealised gain, if any, arising out of appreciation of the investments, is carried to the Balance Sheet.

- Traded Securities other than Central Government Securities are valued at the closing traded price.
  - Non-traded /Thinly traded Debt Non-Government Securities of upto 182 days of maturity are valued on the basis of amortisation (Cost plus accrued interest basis) as prescribed by SEBI. Discount on short term instruments are amortised over the maturity period.
  - Non traded / Thinly traded Non-Government Debt Securities of over 182 days to maturity are valued in good faith in accordance with SEBI guidelines. The valuation of non-traded debt securities is on comparative yield to maturity basis; wherein the benchmark yields as provided by an independent agency, duly approved by AMFI is used.
  - Interest rate swaps are valued on the basis of expected future cash inflows and outflows and the difference as compared to its cost is considered as unrealised appreciation/ depreciation.
  - Traded / Non-traded / Thinly traded Central Government securities are valued based on prices released by an AMFI approved independent agency
- c) An investment is regarded as non-performing, if interest/principal amount has not been received or has remained outstanding for one quarter from the day such income/instalment has fallen due.
- d) Investments include contracts for purchase of securities and exclude contracts for sale of securities, for which deliveries are not received/collected.

### 3. Income Recognition

- a) Profit or loss on sale of investments is arrived at by applying weighted average cost on trade date.
- b) Interest on debentures and other fixed income investments is recognised on accrual basis.
- c) Income on non-performing assets (NPA) is recognised on cash basis.
- d) Other income of miscellaneous nature is accounted for when there is certainty of collection.
- e) Interest income is accounted after considering effect of interest rate swap, if any.

### 4. Income Equalisation

This being an open-ended scheme, when units are purchased / sold by the Scheme, an appropriate part of the purchase / sale price is debited / credited to an Equalisation Account. The net balance on this account is credited or debited to the Revenue Account.

For the purpose of equalisation, the cumulative distributable surplus (without considering unrealised appreciation and Unit Premium Reserve) upto the date of purchase / sale of units is taken into account. In case of deficit, no income equalisation is carried out.

### 5. Sale / Repurchase of Units

When units are sold / repurchased, after considering the income equalisation as above, the difference between the sale price and the face value of the unit, is transferred to unit premium reserve.

### 6. Provisions

Provision is made by charge to the Revenue Account, in respect of:

- a) Non Performing Debt Securities as per the Guidelines prescribed by SEBI.
- b) Interest Outstanding for more than one quarter beyond the due date.
- c) Securities where the certificates are not traceable for a protracted period.
- d) Assets other than investments, which in the opinion of the Trustees have suffered substantial impairment in their value.

### 7. Entry and Exit Load

Load charged at the time of purchase and sale of units is utilised towards meeting distribution and marketing expenses. Unutilised amount of Load collected is carried forward to subsequent year unless the same is considered excess by the trustee. Such excess amount is credited to other income.

## B. Notes Forming Part of the Accounts

- The Scheme has two options: Growth and Dividend. A Combined balance sheet and revenue account is prepared for the Scheme.
- Net Asset Value Per Unit (NAV):**

	Year ended March 31, 2009			Year ended March 31, 2008		
	Face Value (Rs.)	10		10		
Option	Net Asset Value Per Unit (Rs.)	Units	Dividend Declared during the year*	Net Asset Value Per Unit (Rs.)	Units	Dividend Declared during the year*
Growth Option	29.9311	121,124,898.4	-	24.2623	53,877,355.4	-
Dividend Option	12.6882	344,528,786.5	1.0000	11.1671	30,067,613.0	0.3000

\* Includes Distribution Tax

- The Cost and Market /Fair Value of investments are as shown below:**  
(Rs in millions)

Investments	As at March 31, 2009		As at March 31, 2008	
	Cost	Market / Fair Value	Cost	Market / Fair Value
Government Securities	6,914.03	6,666.68	1,396.40	1,330.00
Pass Through Certificates	-	-	-	-
Commercial Paper/Certificate of Deposits	-	-	91.07	91.07
Collateralised Lending (CBLO)	179.94	179.94	283.33	283.33
<b>TOTAL</b>	<b>7,093.97</b>	<b>6,846.62</b>	<b>1,770.80</b>	<b>1,704.40</b>

Unrealised appreciation/ (depreciation) in value of investments is Rs (247.35) millions. (Previous year Rs (66.40) million).

- Industry- wise classification of Investments:**

As per Annexure I

- Exposure in Derivate Products:**

The Scheme has gross exposure in derivative products as follows:

Particulars	(Rs in millions)	
	As at March 31, 2009	As at March 31, 2008
Gross Exposure in Interest Rate SWAPS	250.00	250.00

6. Aggregate value of purchases and sales of investments during the year as a percentage of average NAV:

(Rs. in millions)

	Year ended		Year ended	
	March 31, 2009		March 31, 2008	
Average Net Assets	3,469.91		1,161.88	
	Aggregate Value	Percentage of Average Net Assets	Aggregate Value	Percentage of Average Net Assets
Purchases	128377.89	3699.75%	31578.22	2717.86%
Sales	123126.56	3548.41%	30889.08	2658.54%

7. Load charges

Commission to agents and publicity expenses paid, amounting to Rs. 8.15 millions (Previous year NIL) are utilized from load collected.

8. Management fees

Management fees are paid on the basis of terms of the Offer Document to ICICI Prudential Asset Management Company Limited. The computation for the same is as under:

(Rs in millions)

	Year Ended March 31, 2009	Year Ended March 31, 2008
Average Net Assets	3469.91	1,161.88
Management Fees Charge on Average Net Assets	0.71%	0.70%
Management Fees	24.50	8.16

Management fees are computed after adjusting for units held by AMC, if any.

9. Income and Expenditure as a % of Average Net Asset Value:

(Rs in millions)

	Year ended		Year ended	
	March 31, 2009		March 31, 2008	
Average Net Assets	3,469.91		1161.88	
	Aggregate value	Percentage of Average Net Assets	Aggregate value	Percentage of Average Net Assets
Total Income (including profit on sale of investments and profit on inter-scheme transfers, excluding net change in unrealised appreciation in value of investments and write back of Provisions)	1,207.89	34.81%	186.42	16.05%
Total Expenditure (including loss on sale of investments and loss on inter-scheme transfers, excluding net change in unrealised depreciation in value of investments and other Provisions)	892.91	25.73%	58.15	5.00%

10. Movement in Unit Capital

	Year ended		Year ended	
	March 31, 2009		March 31, 2008	
	No. of units	Amount (Rs.)	No. of units	Amount (Rs.)
Balance at the beginning of the year/Initial Subscription	83,944,968.4	839,449,684	53,640,012.7	536,400,127
Issued during the year	599,757,764.0	5,997,577,640	138,140,365.9	1,381,403,659
Repurchased during the year	218,049,047.5	2,180,490,475	107,835,410.2	1,078,354,102
Balance at the close of the year	465,653,684.9	4,656,536,849	83,944,968.4	839,449,684

11. Unclaimed Redemption Amount:

Unclaimed Redemption amount is Rs. 0.05 millions (Previous year Rs. 0.05 millions)

12. a. In the following cases, the Schemes of the mutual fund have invested in a company, which holds more than 5% of the Net Asset Value of any Scheme of ICICI Prudential Mutual Fund as on March 31, 2009.

As per Annexure II

- b. Aggregate market value and cost of investments and term deposits made by all schemes in the group of the Sponsor i.e. ICICI Bank Ltd is Rs.16,054.14 millions and Rs. 18,782.27 millions respectively. (Previous year Rs. 54,391.69 millions and Rs. 55,919.44 millions respectively).
- c. Investors holding units in the Scheme over 25% of the NAV as on March 31, 2009 are Nil. (Previous year Nil).
13. a. The AMC has not dealt in any securities through brokers associated with any of the sponsors in excess of the limit of 5% of the aggregate sale and purchase of securities made by the Mutual Fund in any block of three months.
- b. The AMC has paid the following charges to parties associated with one of the sponsors in which AMC or its major shareholders or its subsidiaries are having a substantial interest:

(Rs In millions)

Entity	Nature Of Payment	Year Ended March 31, 2009	Year Ended March 31, 2008
ICICI Bank Limited	Bank Charges/ Interest Charges	0.02	0.01
Stock Holding Corporation of India Limited *	Brokerage	0.02	#
ICICI Bank Limited	Brokerage / Marketing and Distribution Expenses	3.02	0.46
ICICI Securities Ltd.*	Brokerage	2.05	0.04
ICICI Securities Primary Dealership Limited*	Brokerage	0.02	#

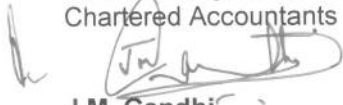
\* Holding by a major shareholder of AMC, viz. ICICI Bank Limited whether directly or indirectly  
 # Below Rs 0.01 million

14. The audited results for the year ended March 31, 2009 have been placed by the ICICI Prudential Asset Management Company Limited and approved by the Trustees in the meeting of the Board of Directors of ICICI Prudential Trust Limited held on June 18, 2009.
15. A complete list of investments of the Scheme is given in Schedule 8.

16. Previous year figures are regrouped wherever necessary.

As per our report attached

For **N.M. Raiji & Co.**  
Chartered Accountants



**J.M. Gandhi**  
Partner  
Membership No. :37924

Mumbai. 18 JUN 2009

**Schedules 1 to 9 to the Accounts of ICICI Prudential Mutual Fund - ICICI Prudential Gilt Fund – Investment Plan signed by three Directors of ICICI Prudential Trust Limited**

Value of investments falling under each major industry group to the total investment in each major classification

Privately Placed Debentures / Bonds / Debentures Bonds Listed / Awaiting Listing  
/Government Securities / Commercial Papers/ Certificate of Deposits

(Rs. in millions)

Industry	As at March 31, 2009		As at March 31, 2008	
	Market / Fair Value	% of Classification	Market / Fair Value	% of Classification
Central Government Securities	6,666.68	97.37%	1,330.00	78.03%
Banks	-	-	91.07	5.34%
Collateralised Lending (CBLO)	179.94	2.63%	283.33	16.62%
<b>TOTAL</b>	<b>6,846.62</b>	<b>100.00%</b>	<b>1,704.40</b>	<b>100.00%</b>



**Historical Per Unit Statistics (on the basis of closing units)**
**Scheme- ICICI Prudential Gilt Fund - Investment Plan**

		31-Mar-09	31-Mar-08	31-Mar-07
		Rs.	Rs.	Rs.
A	<b>NET ASSET VALUE</b>			
	Growth -Option	29.9311	24.2623	22.4265
	Dividend -Option	12.6882	11.1671	10.6087
B	i Income other than profit on sale of Investment	0.5513	1.0734	1.5470
	ii Income from profit on interscheme Sales / transfer of investment	0.1613	0.0308	0.0266
	iii Income from profit on sale of Investment	1.8814	1.1167	1.0208
	iv Transfer to Revenue Account from past year's Reserve	-	-	-
C	Aggregate of Expenses, Write off, amortisation and charges	1.9177	0.6927	1.3097
D	Net Income	0.6764	1.5281	1.2847
E	Net change in Marked to Market value of Investments	(0.3979)	(0.7784)	0.1180
F	(a) <b>Repurchase Price</b>			
	Highest during the year / Period			
	Growth Option	34.1373	25.6000	22.6244
	Dividend Option	14.4712	11.7827	11.0693
	Lowest during the year / Period			
	Growth Option	24.0258	22.3957	20.9085
	Dividend Option	10.7851	10.5941	10.2616
	(b) <b>Resale Price</b>			
	Highest during the year / Period			
	Growth Option	34.1373	25.6000	22.6244
	Dividend Option	14.4712	11.7827	11.0693
	Lowest during the year / Period			
	Growth Option	24.0258	22.3957	20.9085
	Dividend Option	10.7851	10.5941	10.2616
	(c) <b>Trading Price</b>	N. A.	N. A.	N. A.
	<b>Price-earning Ratio (Traded Price / Net Income)</b>	N. A.	N. A.	N. A.
G	Ratio of Recurring Expenses (excluding loss on sale of Investment, write off, amortisation and net change in marked to market value of investment) to Average Net Assets by percentage- for Regular Option	1.68%	1.15%	1.15%
H	Ratio of Gross Income (excluding unrealised appreciation & Income Equalisation) to Average Net Assets by percentage	34.81%	16.05%	12.25%

**Note: The Highest and the Lowest Repurchase Price have been determined without considering the applicable Exit Load, if any.**