

**N. M. RAIJI & CO.**  
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## AUDITORS' REPORT

The Board of Directors,  
ICICI Prudential Trustee Company Private Limited

We have audited the attached Balance Sheet as at March 31, 2011, and the Revenue Account for the year ended on that date, annexed thereto of ICICI Prudential Advisor series - Very Cautious Plan (the scheme), of ICICI Prudential Mutual Fund. These financial statements are prepared in accordance with SEBI (Mutual Fund) Regulations, 1996 (the Regulations) and 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 the Standards on Auditing issued by Institute of Chartered Accountants of India. 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 referred to above are in agreement with the books of accounts of the Scheme.
3. 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 Regulations.





4. In our opinion, valuation methods for Non Traded Securities, if any, adopted by the scheme are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI and approved by the Trustee.
5. Without qualifying our opinion, we draw attention to note no.1 in Schedule 8 of the financial statements whereby the management has not provided the Cash Flow Statement and Segment Reporting for reasons mentioned therein.
6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements read with the accounting policies and notes to accounts attached thereto, give the information required as per the Regulations and give a true & 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 the scheme as at March 31, 2011; and
  - b. in the case of Revenue Account, of the surplus of the scheme for the year ended on that date.

For N.M.RAIJI & CO.  
Chartered Accountants  
Firm Reg. No:108296W



J. M. GANDHI  
Partner  
Membership No. 37924

Place: Mumbai

Dated: June 21, 2011

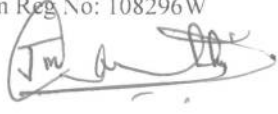


ICICI Prudential Mutual Fund  
Scheme - ICICI Prudential Advisor series - Very Cautious Plan  
Balance Sheet as at March 31, 2011

	Schedule No.	March 31, 2011 Amount (₹.)	March 31, 2010 Amount (₹.)
<b>LIABILITIES</b>			
Unit Capital	1	480,088,792	8,575,643
Reserves & Surplus	2	241,720,915	3,675,741
Unrealised Appreciation in value of Investment		10,089,946	248,793
<b>Unitholders' Funds</b>		<b>731,899,653</b>	<b>12,500,177</b>
Current Liabilities & Provisions	3	1,307,149	95,381
		<b>733,206,802</b>	<b>12,595,558</b>
<b>ASSETS</b>			
Investments	4	689,496,401	11,834,417
Other Current Assets	5	43,710,401	761,141
Deferred Revenue Expenditure			
		<b>733,206,802</b>	<b>12,595,558</b>
Significant Accounting Policies and Notes forming part of the Accounts	8		

As Per our Report Attached

For N.M. Raiji & Co.  
Chartered Accountants  
Firm Reg. No: 108296W

  
J.M. Gandhi  
Partner  
Membership No.37924

For ICICI Prudential Asset Management Company Ltd.

  
Nimesh Shah      Dileep Choksi      Mrinal Singh  
Managing Director      Director      Fund Manager

For and on behalf of ICICI Prudential Trust Ltd.

  
M. N. Gopinath      M S Parthasarathy      Vinod Dhall  
Director      Director      Director

Place: Mumbai.  
Date: June 21, 2011

ICICI Prudential Mutual Fund  
Scheme - ICICI Prudential Advisor series - Very Cautious Plan  
Revenue Account For The Year Ended March 31, 2011

	Schedule No.	Year Ended March 31, 2011 Amount (₹.)	Year Ended March 31, 2010 Amount (₹.)
<b>INCOME</b>			
Profit on sale/redemption of Investments (other than inter-scheme transfer/sale)		1,481,815	1,662,475
Other Income		14,700	-
Net Change in Marked to Market value of Investments		9,841,153	(811,903)
		<u>11,337,668</u>	<u>850,572</u>

**EXPENSES & LOSSES**

Loss on sale/redemption of Investments (other than inter-scheme sale/transfer)		11,859	3,289
Management Fees (including Service Tax)		103,715	10,595
Trusteeship Fees		1,203	-
Marketing and Distribution Expenses		12,118	946
Audit Fees		11,030	60
Commission to Agents		1,218,887	14,233
Registrar & Transfer Agent's Fees & Expenses		31,250	8,192
Other Operating Expenses	6	5,302	4,225
Surplus for the year		9,942,304	809,032
		<u>11,337,668</u>	<u>850,572</u>

Surplus for the year		9,942,304	809,032
Add: Write back of provision for Unrealised Appreciation on Investments		248,793	1,060,697
Less: Provision for unrealised appreciation on Investments Carried to Balance Sheet		10,089,946	248,793
Add: Income Equalisation		287,883,974	(7,778,399)
		287,985,125	(6,157,463)
Surplus brought forward		3,447,235	9,604,698
Amount available for Income Distribution		291,432,360	3,447,235
Less: Dividend Paid (including Distribution Tax)		-	-
<b>Surplus carried forward to Balance Sheet</b>		<u>291,432,360</u>	<u>3,447,235</u>

Significant Accounting Policies and Notes forming  
part of the Accounts

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As Per our Report Attached

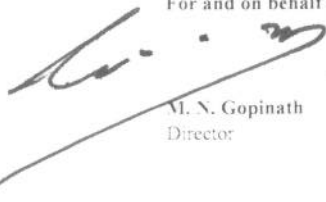
For N.M. Raiji & Co.  
Chartered Accountants  
Firm Reg. No: 108296W

  
J.M. Gandhi  
Partner  
Membership No.37924

For ICICI Prudential Asset Management Company Ltd.

  
Nimesh Shah      Dileep Choksi      Mrinal Singh  
Managing Director      Director      Fund Manager

For and on behalf of ICICI Prudential Trust Ltd.

  
M.N. Gopinath      M S Parthasarathy      Vinod Dhall  
Director      Director      Director

Place: Mumbai  
Date: June 21, 2011

ICICI Prudential Mutual Fund  
Scheme - ICICI Prudential Advisor series - Very Cautious Plan  
Schedules Forming Part of the Accounts

	March 31, 2011 Amount (₹.)	March 31, 2010 Amount (₹.)
<b>1 UNIT CAPITAL</b>		
Unit Capital	480,088,792	8,575,643
	<u>480,088,792</u>	<u>8,575,643</u>
Number of units of face value Rs.10	48,008,879.2	857,564.3
<b>2 RESERVES &amp; SURPLUS</b>		
Unit Premium Reserve		
Opening Balance	228,506	(1,409,108)
Additions / (Deductions) during the year	(49,939,951)	1,637,614
Closing Balance	(49,711,445)	228,506
Surplus in Revenue Account	291,432,360	3,447,235
	<u>241,720,915</u>	<u>3,675,741</u>
<b>3 CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A Current Liabilities</b>		
Management Fees Payable	31,665	589
Trusteeship Fees Payable	1,203	139
Redemption Dues Payable	47	11,544
Other Liabilities	-	4,145
Liability for Expenses Accrued	1,274,234	78,964
	<u>1,307,149</u>	<u>95,381</u>
<b>B Provisions</b>		
	-	-
<b>4 INVESTMENTS (Marked to Market)</b>		
Debt Schemes	689,496,401	7,111,045
Liquid Schemes	-	4,723,372
	<u>689,496,401</u>	<u>11,834,417</u>

ICICI Prudential Mutual Fund  
Scheme - ICICI Prudential Advisor series - Very Cautious Plan  
Schedules Forming Part of the Accounts

	March 31, 2011 Amount (₹.)	March 31, 2010 Amount (₹.)
<b>5 OTHER CURRENT ASSETS</b>		
Balances with Banks in Current Account	37,934,496	689,344
Receivable from Asset Management Company	-	55,113
Receivable against Units Issued	5,746,925	13,968
Other Assets	28,980	2,716
	<u>43,710,401</u>	<u>761,141</u>
<b>6 OTHER OPERATING EXPENSES</b>		
Bank Charges	622	48
Postal and Mailing Charges	612	464
Printing & Stationery	199	123
Investor Service Charges	778	3,590
Clearing Charges	3,091	-
	<u>5,302</u>	<u>4,225</u>

Scheme - ICICI Prudential Advisor series - Very Cautious Plan  
Schedule Forming Part of Accounts

Schedule - 7  
Holding Statement as on March 31, 2011

Sr.No.	Particulars	Market Value (₹)
<b>Debt Schemes</b>		
1	ICICI Prudential - Income Fund	240,962,931
2	ICICI Prudential Flexible Income Plan	69,270,675
3	ICICI Prudential Gilt Investment	241,118,978
4	ICICI Prudential Short Term Fund	138,143,691
5	ICICI Prudential Ultra Short Term Plan	126
		<b>689,496,401</b>
	Deposits with Scheduled Banks	-
	Other Deposits (Including Repos)	-
	Balance with Banks	37,934,496
	Net Current Assets Value	4,468,756
	<b>Total Net Assets Value</b>	<b>731,899,653</b>



**ICICI Prudential Mutual Fund**

**Scheme - ICICI Prudential Advisor series – Very Cautious Plan**

**Schedule 8: Significant accounting policies and Notes forming part of the accounts for the Year ended March 31, 2011**

**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.

b) Valuation for 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, on the date of Balance Sheet is transferred to unrealised appreciation in value of investments and is shown as part of unitholder's funds in the Balance Sheet. Latest declared NAV per unit of respective underlying schemes is considered for arriving at market value.

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 call 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.

4. Income Equalisation Reserve and Unit Premium Reserve

In case of open-ended scheme, when units are purchased / sold by the Scheme at NAV based price, amount representing unrealised appreciation per unit is transferred to Unit Premium Reserve.

The balance amount of the purchase/sale price after reducing the face value of unit is transferred to Income Equalisation account and the net balance in this account is credited or debited to the Revenue Account at the year end.

Distributable surplus per unit is arrived after excluding both unit premium reserve and unrealised appreciation from NAV.



5. Provisions:

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

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

6. Entry and Exit Load

- i) No entry load is charged on fresh purchase applications received after August 1, 2009.
- ii) Exit load charged above 1% is recognised as income of the scheme immediately.
- iii) Exit load charged upto 1% is utilised for meeting distribution & marketing expenses. Unutilised amount of load collected is carried forward to subsequent years unless the same is considered excess by the Trustees. In the event the load is considered excess by the Trustees, the same would be recognised as income.

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B. Notes Forming Part of the Accounts

1. This is a Fund of Funds Scheme. The Scheme has two options Growth and Dividend. A combined balance sheet and revenue account is prepared for the scheme.

2. **Net Asset Value Per Unit (NAV):**

	Year ended March 31, 2011			Year ended March 31, 2010		
	Net Asset Value Per Unit (₹)	Units	Dividend Declared during the year	Net Asset Value Per Unit (₹)	Units	Dividend Declared during the year
Face Value (₹)	10			10		
Option	Net Asset Value Per Unit (₹)	Units	Dividend Declared during the year	Net Asset Value Per Unit (₹)	Units	Dividend Declared during the year
Regular Dividend Option	15.2451	9,167,558.70	-	14.5764	344,409.40	-
Regular Growth Option	15.2451	38,841,320.55	-	14.5764	513,154.90	-

3. The cost and market / fair value of investments are as shown below:

(₹ in millions)

Investments	As at March 31, 2011		As at March 31, 2010	
	Cost	Market / Fair Value	Cost	Market / Fair Value
Equity Schemes	-	-	-	-
Debt Schemes	679.41	689.50	7.02	7.11
Liquid Schemes	-	-	4.57	4.72
<b>TOTAL</b>	<b>679.41</b>	<b>689.50</b>	<b>11.59</b>	<b>11.83</b>

Unrealised appreciation/(depreciation) in value of investments is ₹10.09 millions. (Previous year ₹0.24 million).

4. **Industry-wise classification of Investments:**

As per Annexure I

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

(₹ in millions)

	Year ended March 31, 2011		Year ended March 31, 2010	
	Aggregate Value	Percentage of Average Net Assets	Aggregate Value	Percentage of Average Net Assets
<b>Average Net Assets</b>	188.09		19.11	
Purchases	853.65	453.86%	33.37	174.62%
Sales	187.66	99.77%	52.28	273.57%

## 6. 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:

	(₹ In millions)	
	Year Ended March 31, 2011	Year Ended March 31, 2010
Average Net Assets	188.09	19.11
Management Fees charge on Average Net Assets (%)		
Retail	0.05%	0.05%
Management Fees	0.09	0.01

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

The investor are bearing the recurring expenses including the management fees of the scheme in addition to the expenses of the underlying schemes in which the investment has been made.

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

	Year ended March 31, 2011		Year ended March 31, 2010	
	Aggregate value	Percentage of Average Net Assets	Aggregate value	Percentage of Average Net Assets
Average Net Assets	188.09		19.11	
Total Income (including profit on sale of investments and profit on inter-scheme transfers, excluding net change in unrealised appreciation in value of investments)	1.50	0.80%	1.66	8.70%
Total Expenditure (including loss on sale of investments and loss on inter-scheme transfers, excluding net change in unrealised depreciation in value of investments)	1.40	0.74%	0.04	0.22%

## 8. Movement in Unit Capital

	Year ended March 31, 2011		Year ended March 31, 2010	
	No. of units	Amount (₹)	No. of units	Amount (₹)
Balance at the beginning of the year/Initial Subscription	857,564.27	8,575,643	2,320,133.78	23,201,338
Issued during the year	48,599,331.02	485,993,310	1,467,440.89	14,674,409
Repurchased during the year	1,448,016.04	14,480,160	2,930,010.40	29,300,104
Balance at the close of the year	48,008,879.25	480,088,792	857,564.27	8,575,643

**9. Unclaimed Redemption Amount:**

There is no Unclaimed Redemption amount. Redemption Payable, if any, represents the amount payable against Redemption request received at the end of the year.

10. 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 during the financial year ended March 31, 2011.

As per Annexure II

- b. investments made by schemes in Sponsor/Associates/Group Companies.

As per Annexure III

- c. Investors holding units in the Scheme over 25% of the NAV as on March 31, 2011 are Nil. (Previous Year - Nil).

**11.**

- a. Subscription by the Schemes (excluding Secondary Market Purchases) in the issues lead managed by the associate company:

As per Annexure IV

- b. Charges paid to associates/related parties/group companies of Sponsor/AMC

As per Annexure V

**12. Non-Traded securities in the portfolio:**

Particulars	(₹ In millions)	
	As at March 31, 2011	As at March 31, 2010
Aggregate value of non traded Units of Mutual Fund	689.50	11.83

13. The audited results for the year ended March 31, 2011 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 21, 2011.

14. A complete list of investments of the Scheme is given in Schedule 7.

15. Previous year figures are regrouped wherever necessary.



## Scheme - ICICI Prudential Advisor series - Very Cautious Plan

Annexure I

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

## Equity Shares

(₹ in millions)

Industry	As at March 31, 2011		As at March 31, 2010	
	Market / Fair Value	% of Classification	Market / Fair Value	% of Classification
Mutual Funds	689.50	100.00%	11.83	100.00%
<b>TOTAL</b>	<b>689.50</b>	<b>100.00%</b>	<b>11.83</b>	<b>100.00%</b>



## Historical Per Unit Statistics (on the basis of closing units)

## Scheme - ICICI Prudential Advisor series - Cautious Plan

		31-Mar-11	31-Mar-10	31-Mar-09
		₹.	₹.	₹.
A	<b>NET ASSET VALUE</b>			
	Growth Option	18.4738	17.3909	13.6181
	Dividend Option	18.4738	17.3909	13.6181
B	i Income other than profit on sale of Investment	-	-	-
	ii Income from profit on interscheme Sales / transfer of investment	-	-	-
	iii Income from profit on sale of Investment	2.0052	2.0872	0.5794
	iv Transfer to Revenue Account from past year's Reserve	-	-	-
C	Aggregate of Expenses, Write off, amortisation and charges	0.1687	0.4602	0.5549
D	Net Income	1.8365	1.6270	0.0245
E	i Net change in Marked to Market value of Investments	(0.5799)	1.8011	(1.5092)
	ii Unrealised Appreciation/(Depreciation) per unit	0.6405	0.8181	(0.9929)
F	(a) <b>Repurchase Price</b>			
	Highest during the year / Period			
	Growth Option	18.698	17.3914	15.455
	Dividend Option	18.698	17.3914	15.455
	Lowest during the year / Period			
	Growth Option	17.1776	13.8777	12.7124
	Dividend Option	17.1776	13.8777	12.7124
	(b) <b>Resale Price</b>			
	Highest during the year / Period			
	Growth Option	18.698	17.3914	15.455
	Dividend Option	18.698	17.3914	15.455
	Lowest during the year / Period			
	Growth Option	17.1776	13.8777	12.7124
	Dividend Option	17.1776	13.8777	12.7124
	(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 and net change in marked to market value of investment) to Average Net Assets by percentage - for Regular Option	0.50%	0.35%	0.34%
H	Ratio of Gross Income (including unrealised appreciation) to Average Net Assets by percentage	10.02%	26.73%	3.53%

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

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