

N. M. RAIJI & CO.
Chartered Accountants
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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 SENSEX Prudential ICICI Exchange Traded Fund (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.

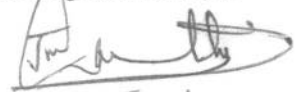
We report that:

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 9 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 - SENSEX Prudential ICICI Exchange Traded Fund
Balance Sheet as at March 31, 2011

	Schedule No.	March 31, 2011 Amount (₹)	March 31, 2010 Amount (₹)
LIABILITIES			
Unit Capital	1	537,490	537,490
Reserves & Surplus	2	5,778,041	5,381,604
Unrealised Appreciation in value of Investment		4,615,778	3,856,168
Unitholders' Funds		10,931,309	9,775,262
Current Liabilities & Provisions	3	503,083	495,792
		11,434,392	10,271,054
ASSETS			
Investments	4	11,385,326	10,219,136
Other Current Assets	5	49,066	51,918
		11,434,392	10,271,054

Significant Accounting Policies and Notes forming part of the Accounts 9

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** **Kayzad Eghlim**
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 - SENSEX Prudential ICICI Exchange Traded Fund
Revenue Account For The Year Ended March 31, 2011

	Schedule No.	Year Ended March 31, 2011 Amount (₹)	Year Ended March 31, 2010 Amount (₹)
INCOME			
Dividend		138,992	114,501
Interest	6	30,035	24,736
Profit on sale/redemption of Investments (other than inter-scheme transfer/sale)		339,133	1,860,865
Net Change in Marked to Market value of Investments		759,610	2,718,316
		<u>1,267,770</u>	<u>4,718,418</u>

EXPENSES & LOSSES

Loss on sale/redemption of Investments (other than inter-scheme sale/transfer)		28,434	108,186
Management Fees (Including Service Tax)		59,115	41,117
Trusteeship Fees		66	68
Marketing and Distribution Expenses		-	4,523
Audit Fees		11,030	11,088
Commission to Agents		-	805
Custodian Fees		1,852	1,912
Registrar & Transfer Agent's Fees & Expenses		7,612	11,888
Other Operating Expenses	7	3,614	3,152
Surplus for the Year		1,156,047	4,535,679
		<u>1,267,770</u>	<u>4,718,418</u>

Surplus for the Year	1,156,047	4,535,679
Add: Write back of provision for Unrealised Appreciation on Investments	3,856,168	1,137,852
Less: Provision for unrealised appreciation on Investments	4,615,778	3,856,168
Add/(Less) : Income Equalisation	-	(8,236,527)
	396,437	(6,419,164)
Surplus brought forward	1,726,763	8,145,927
Amount available for Income Distribution	2,123,200	1,726,763
Less: Dividend Paid (Including Distribution Tax, if any)	-	-
Surplus carried forward to Balance Sheet	<u>2,123,200</u>	<u>1,726,763</u>

Significant Accounting Policies and Notes forming part of the Accounts 9

As per our Report Attached

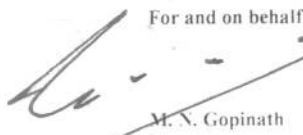
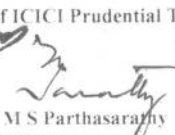

For N.M. Raiji & Co.
Chartered Accountants
Firm Reg No: 108296W

J.M. Gandhi
Partner
Membership No 37924

For ICICI Prudential Asset Management Company Ltd.


Nimesh Shah Dileep Choksi Kayzad Eghlim
Managing Director Director Fund Manager

For and on behalf of ICICI Prudential Trust Ltd.

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

Place: Mumbai
Date: June 21, 2011

ICICI Prudential Mutual Fund
Scheme - SENSEX Prudential ICICI Exchange Traded Fund
Schedules Forming Part of the Accounts

	March 31, 2011 Amount (₹)	March 31, 2010 Amount (₹)
1 UNIT CAPITAL		
Unit Capital	537,490	537,490
	<u>537,490</u>	<u>537,490</u>
Number of Units of Face Value Rs.10	<u>53749.0</u>	<u>53749.0</u>
2 RESERVES & SURPLUS		
Unit Premium Reserve		
Opening Balance	3,654,841	(4,344,486)
Additions during the year	-	<u>7,999,327</u>
Closing Balance	<u>3,654,841</u>	3,654,841
Surplus in Revenue Account	2,123,200	1,726,763
	<u>5,778,041</u>	<u>5,381,604</u>
3 CURRENT LIABILITIES & PROVISIONS		
A Current Liabilities		
Management Fees Payable	13,701	2,355
Trusteeship Fees Payable	66	68
Load Carried Forward	4,636	4,636
Redemption Dues Payable	14,348	-
Other Liabilities	298,958	284,454
Liability for Expenses Accrued	171,374	204,279
	<u>503,083</u>	<u>495,792</u>
B Provisions		
	-	-
4 INVESTMENTS (Marked to Market)		
Equity Shares	10,785,987	9,769,437
Collateralised Borrowing & Lending Obligation	599,339	449,699
	<u>11,385,326</u>	<u>10,219,136</u>

ICICI Prudential Mutual Fund
Scheme - SENSEX Prudential ICICI Exchange Traded Fund
Schedules Forming Part of the Accounts

	March 31, 2011 Amount (₹)	March 31, 2010 Amount (₹)
5 OTHER CURRENT ASSETS		
Balances with Banks in Current Account	48,934	50,869
Outstanding and Accrued Income	132	1,049
Less: Provision for Outstanding Accrued Income considered doubtful	-	-
	<u>132</u>	<u>1,049</u>
	<u><u>49,066</u></u>	<u><u>51,918</u></u>
6 INTEREST INCOME		
Collateralised Borrowing & Lending Obligation	30,035	24,736
	<u>30,035</u>	<u>24,736</u>
7 OTHER OPERATING EXPENSES		
Postal and Mailing Charges	471	578
Clearing Charges	1	-
Investor Service Charges	1,569	2,063
Printing & Stationery	238	220
Bank Charges	1,335	291
	<u>3,614</u>	<u>3,152</u>

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**Scheme -Sensex Prudential ICICI Exchange Traded Fund
Schedule Forming Part of Accounts**

Schedule - 8

Holding Statement as on March 31, 2011

Sr.No.	Particulars	Market Value (₹)
	Equity Shares	
1	Bajaj Auto Limited	151,819
2	Bharat Heavy Electricals Limited	251,424
3	Bharti Airtel Limited	331,760
4	Cipla Limited	117,183
5	DLF Limited	78,290
6	HDFC Bank Limited	604,481
7	Hero Honda Motors Limited	112,645
8	Hindalco Industries Limited	201,973
9	Hindustan Unilever Limited	217,150
10	Housing Development Finance Corporation Ltd	647,880
11	ICICI Bank Limited	899,102
12	Infosys Technologies Limited	1,081,075
13	ITC Limited	680,075
14	Jaiprakash Associates Limited	73,445
15	Jindal Steel & Power Limited	201,197
16	Larsen and Toubro Limited	631,542
17	Mahindra And Mahindra Limited	220,059
18	Maruti Suzuki India Limited	126,355
19	NTPC Limited	220,985
20	Oil And Natural Gas Corporation Ltd	350,441
21	Reliance Communications Limited	55,358
22	Reliance Industries Limited	1,294,033
23	Reliance Infrastructure Limited	70,156
24	State Bank Of India	564,652
25	Sterlite Industries (India) Limited	202,705
26	Tata Consultancy Services Limited	471,818
27	Tata Motors Limited	295,658
28	Tata Steel Limited	271,779
29	The Tata Power Company Limited	154,321
30	Wipro Limited	206,626
		10,785,987
31	Collateralised Borrowing & Lending Obligation	599,339
	Balance with Banks	48,934
	Net Current Assets Value	(502,951)
	Total Net Assets Value	10,931,309

(Handwritten signature)

**ICICI Prudential Mutual Fund
Scheme – SENSEX Prudential ICICI Exchange Traded Fund**

Schedule 9: 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. Cost of investments includes brokerage, stamps fees, transaction charges (Government securities), Securities Transaction Tax (Equity) 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) Bonus entitlements are recognized on ex-bonus dates.

c) 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 equity and equity related securities are valued at the closing traded price.
- Traded debt and money market securities (other than Government Securities of over 91 days to maturity) are valued at the weighted average price at which they are traded on the particular valuation day. For this purpose securities traded on recognised stock exchanges are only considered.
- Non-traded/Thinly traded/Unlisted shares are valued at fair value by the Asset Management Company in accordance with the provisions of the SEBI (Mutual Fund) Regulations, 1996
- Non-traded /Thinly traded Debt and money market securities of upto 91 days of maturity are valued on the basis of amortisation (Cost plus accrued interest basis) as prescribed by SEBI.
- Non traded / Thinly traded debt and money market securities other than Government Securities of over 91 days to maturity are valued in good faith in accordance with SEBI guidelines. The valuation of non-traded debt securities is on yield to maturity basis. For this purpose the average of benchmark yields as provided by independent agencies, 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 Government securities over 91 days to maturity are valued based on average of prices released by AMFI approved independent agencies.
- American Depository Receipts and Global Depository Receipts are valued based on the closing prices at the Overseas Stock Exchange on which the respective securities are listed (applying prevailing Foreign Currency exchange rate).
- Equity Derivatives:
In case of futures and options, change in the marked to market value of the contract is treated as unrealised gain/loss.

- d) 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.
- e) 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) Dividend income is accrued on ex-dividend date.
- b) Profit or loss on sale of investments is arrived at by applying weighted average cost on trade date.
- c) Interest on debentures and other fixed income investments is recognised on accrual basis.
- d) Income on non-performing assets (NPA) is recognised on cash basis.
- e) 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) 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.



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.



B. Notes Forming Part of the Accounts

- This is an equity oriented scheme.
- In accordance with SEBI circulars, SEBI/IMD/CIR No.16/ 193388/2010 dated February 2, 2010 and Cir / IMD / DF / 4 / 2010 dated June 21, 2010 valuation of debt and money market instruments were changed with effect from August 1, 2010 and accordingly:
 - Traded debt and money market securities (other than Government Securities of over 91 days to maturity) are valued at the weighted average price at which they are traded on particular valuation day. Upto July 31, 2010 these were valued based on closing traded price.
 - Non Traded debt and money market securities, including floating rate securities, with residual maturity of upto 91 days are valued on amortization basis. Upto July 31, 2010, non traded debt securities with residual maturity of upto 182 days and money market/ floating rate securities were valued on amortization basis.
 - All non traded money market and debt securities, including floating rate securities, with residual maturity of over 91 days are valued at benchmark yield/ matrix of spread over risk free benchmark yield obtained from agencies entrusted for the said purpose by AMFI. Upto July 31, 2010, non traded debt securities with residual maturity of over 182 days were valued at benchmark yield/ matrix of spread over risk free benchmark yield obtained from agencies entrusted for the said purpose by AMFI.

The impact of the change in the basis of valuation of debt and money market instruments on the financial statements is not material.

3. Net Asset Value Per Unit (NAV)

	Year ended March 31, 2011			Year ended March 31, 2010		
	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 Growth Option	203.38	53,749.00	-	181.87	53,749.00	-

4. The Cost and Market /Fair Value of investments are as shown below:

Investments	(₹ in millions)			
	As at March 31, 2011		As at March 31, 2010	
	Cost	Market / Fair Value	Cost	Market / Fair Value
Equity Shares	6.17	10.79	5.91	9.77
Collateralised Lending (CBLO)	0.60	0.60	0.45	0.45
TOTAL	6.77	11.39	6.36	10.22

Unrealized appreciation/(depreciation) in value of investments is ₹ 4.62 millions. (Previous year ₹ 3.86 millions).

5. Industry- wise classification of Investments:

As per Annexure I

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

(₹ in millions)

	Year ended		Year ended	
	March 31, 2011		March 31, 2010	
Average Net Assets	10.41		9.32	
Equity	Aggregate Value	Percentage of Average Net Assets	Aggregate Value	Percentage of Average Net Assets
Purchases	1.03	9.89%	4.92	52.74%
Sales	1.06	10.18%	4.53	48.58%
Other than Equity	Aggregate Value	Percentage of Average Net Assets	Aggregate Value	Percentage of Average Net Assets
Purchases	137.67	1322.27%	228.48	2451.75%
Sales	137.55	1321.10%	229.05	2457.81%
Total	Aggregate Value	Percentage of Average Net Assets	Aggregate Value	Percentage of Average Net Assets
Purchases	138.70	1332.17%	233.40	2504.49%
Sales	138.61	1331.29%	233.57	2506.39%

Other than Equity Securities include Debt, money market including CBLO securities.

7. **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	Year Ended
	March 31, 2011	March 31, 2010
Average Net Assets	10.41	9.32
Management Fees charge on Average Net Assets (%)		
Retail	0.51%	0.40%
Management Fees	0.05	0.04

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

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

(₹ 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
Average Net Assets	10.41		9.32	
Total Income (including profit on sale of investments and profit on inter-scheme transfers, excluding net change in unrealised appreciation in value of investments)	0.51	4.88%	2.00	21.46%
Total Expenditure (including loss on sale of investments and loss on inter-scheme transfers, excluding net change in unrealised depreciation in value of investments)	0.11	1.07%	0.18	1.96%

9. 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	53,749.00	537,490	53,749.00	537,490
Issued during the year	-	-	-	-
Repurchased during the year	-	-	-	-
Balance at the close of the year	53,749.00	537,490	53,749.00	537,490

10. 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.

11. 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).

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- 12. 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

- 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 8.

- 15.** Previous year figures are regrouped wherever necessary.

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Scheme – Sensex Prudential ICICI Exchange Traded Fund

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
Auto	0.91	8.40%	0.63	6.44%
Banks	2.07	19.18%	1.74	17.77%
Industrial Capital Goods	0.25	2.33%	0.30	3.06%
Consumer Non Durables	0.90	8.32%	0.71	7.25%
Telecom Services	0.39	3.59%	0.40	4.09%
Cement	0.07	0.68%	0.34	3.47%
Software	1.76	16.31%	1.43	14.61%
Pharmaceuticals	0.12	1.09%	0.11	1.12%
Power	0.45	4.13%	0.53	5.41%
Petroleum Products	1.29	12.00%	1.29	13.18%
Oil	0.35	3.25%	0.34	3.47%
Non Ferrous Metals	0.40	3.75%	0.41	4.19%
Finance	0.65	6.01%	0.52	5.31%
Ferrous Metals	0.47	4.39%	0.29	2.96%
Construction	0.08	0.73%	0.10	1.02%
Construction Projects	0.63	5.86%	0.65	6.64%
Diversified	-	-	-	-
TOTAL	10.79	100.00%	9.79	100.00%

Privately Placed Debentures / Bonds / Debentures Bonds Listed / Awaiting Listing
/ Government Securities / Money Market Instruments

(₹ in millions)

Industry	As at March 31, 2011		As at March 31, 2010	
	Market / Fair Value	% Of Classification	Market / Fair Value	% Of Classification
Collateralised Lending (CBLO)	0.60	100.00%	0.45	100.00%
TOTAL	0.60	100.00%	0.45	100.00%

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

Scheme - SENSEX Prudential ICICI Exchange Traded Fund

		31-Mar-11	31-Mar-10	31-Mar-09	
		₹	₹	₹	
A	NET ASSET VALUE	203.3769	181.8687	101.8965	
B	i	Income other than profit on sale of Investment	3.1447	2.5905	2.8001
	ii	Income from profit on interscheme Sales / transfer of investment	-	-	-
	iii	Income from profit on sale of Investment	6.3096	34.6214	9.6275
	iv	Transfer to Revenue Account from past year's Reserve	-	-	-
C		Aggregate of Expenses, Write off, amortisation and charges	2.0786	3.3999	3.8086
D		Net Income	7.3757	33.8120	8.6190
E	i	Net change in Marked to Market value of Investments	14.1325	50.5743	(64.3432)
	ii	Unrealised Appreciation/(Depreciation) per unit	85.8765	71.7440	21.1697
F	(a)	Repurchase Price			
		Highest during the year / Period	217.8357	NA	NA
		Lowest during the year / Period	166.6142	NA	NA
	(b)	Resale Price			
		Highest during the year / Period	217.8357	NA	NA
		Lowest during the year / Period	166.6142	NA	NA
	(c)	Trading Price			
		Closing Price	-	-	95.0000
		Highest during the year / Period	228.9000	210.0000	188.0000
		Lowest during the year / Period	155.0000	145.6000	81.2500
		Price-earning Ratio (Traded Price / Net Income)	NA	NA	NA
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 - Regular Option	0.80%	0.80%	0.80%
H		Ratio of Gross Income (including unrealised appreciation) to Average Net Assets by percentage	12.18%	50.63%	9.82%

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

