

ICICI BROKERAGE SERVICES LIMITED

9TH ANNUAL REPORT AND ACCOUNTS 2003-2004

Directors

S. Mukherji, *Chairman*
Nitin Jain
Devesh Kumar
Dhanpal Jhaveri
Paresh Shah
T. S. Baskaran
Meher Baburaj
Yogesh Chande, *Company Secretary*

Auditors

M/s. N. M. Raiji & Company
Chartered Accountants

Registered Office

41/44, Minoo Desai Marg
Colaba,
Mumbai 400 005

directors' report

to the members

Your Directors have pleasure in presenting the Ninth Annual Report of ICICI Brokerage Services Limited (the Company) with the audited Statement of Accounts for the year ended March 31, 2004.

INDUSTRY OVERVIEW

It was a historic year for the Indian stock market with the benchmark index, the BSE Sensex, touching an all time high. Besides, the equity capital market also recorded the highest gains in the past 12 years surging to 83%. Among the Asian emerging markets, India was the fourth best by returns. India also garnered the distinction of joining the elite US\$ 1 billion + club of issuers as the disinvestment of seven public sector undertakings garnered US\$ 3.3 billion which exceeds the cumulative primary market mobilisation in the past five years. Your Company was closely associated with three of the seven disinvestment programmes. Indian capital markets continued to attract foreign institutional investors (FIIs). During the year, the Indian equity market witnessed a record FII net inflow of US\$ 8.7 billion underscoring the buoyant economic growth.

FINANCIAL HIGHLIGHTS

	<i>(Rupees million)</i>	
	Fiscal 2004	Fiscal 2003
Gross Income	375.99	135.16
Profit before Tax	298.68	88.80
Provision for Tax	108.00	34.00
Profit after Tax	190.78	54.82

DIVIDEND

To conserve resources for the business of the Company, your Directors do not recommend payment of dividend for the current year.

OPERATIONAL REVIEW

In line with the markets, the year was a historic one for your Company too. Net revenues increased 248% for the year to Rs. 190.78 million, the highest ever achieved by the Company. The "India Unlimited Investors' Conference", organised by your Company is now an established annual feature in the calendar of global money managers. This year too, the conferences at Singapore and New York met with unparalleled success. The Company continued to increase its presence among institutional clients by increasing its FIIs client base and thereby emerging as a major institutional brokerage house. As a testimony to this, the Equities group was voted as the "Best Indian Brokerage House - 2003" by *Asiamoney*, a leading authority on finance, banking, investment and treasury in the Asia-Pacific.

On the equity derivatives front too fiscal 2004 was yet another good year with institutional investors dominating this segment of the market. The Company's derivatives research capabilities in the derivatives business and marketing efforts have positioned it as one of the most respected names in the Indian derivatives market. Going forward, the Company envisages substantial growth opportunities in this segment, by addition of new clients and continuously exploring new client segments.

FUTURE OUTLOOK

With a 10.4% GDP growth in Q3-2004, India Inc. is at an inflection point and is poised for a sustainable growth rate of over 6.5% in the next few years. In line with the economy it is expected that Indian stock markets will scale even greater heights than the one witnessed in the previous year.

The Company has successfully managed to move up from gaining acceptance by clients to being acknowledged and appreciated for its research, trading and execution capabilities. The Company is thus well-positioned to seize the opportunity and going forward, is confident of delivering superior performance.

PUBLIC DEPOSITS

During the year, the Company has not accepted any deposit under Section 58A of the Companies Act, 1956.

DIRECTORS

A. Murugappan and Ramni Nirula resigned from the Board with effect from January 31, 2004 and February 1, 2004 respectively. The Board places on record its appreciation for the valuable services rendered by them.

S. Mukherji was appointed as an additional Director with effect from February 23, 2004. In terms of Section 260 of the Companies Act, 1956, he holds office as an

additional Director only up to the ensuing Annual General Meeting of the Company, but eligible for appointment.

In terms of the provisions of the Articles of Association of the Company, Devesh Kumar will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

AUDITORS

The Statutory Auditors, N. M. Raiji & Co., Chartered Accountants, Mumbai, have conveyed to the Company that they were not offering themselves for re-appointment as the Statutory Auditors of the Company for fiscal 2005 and had given the Notice in terms of Section 224(2)(b) of the Companies Act, 1956 for the same. The Board of Directors has placed on record their sincere appreciation of the professional service rendered by N. M. Raiji & Co. as statutory auditors.

The Board has proposed the appointment of S. R. Batliboi & Co., Chartered Accountants, as statutory auditors for fiscal 2005. S. R. Batliboi & Co., Chartered Accountants have conveyed to the Company, that appointment if made will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. You are requested to consider their appointment.

FOREIGN EXCHANGE EARNING AND EXPENDITURE

During fiscal 2004 expenditure in foreign currencies amounted to Rs. 21.83 million (previous year Rs. 10.18 million). There were no earnings in foreign currencies during the year.

PERSONNEL AND OTHER MATTERS

There are no employees within the purview of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

Since your Company does not own any manufacturing facility, the disclosure of information relating to conservation of energy and technology absorption 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.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm:

- that in preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- that they have selected such accounting policies and applied them consistently and made judgements 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;
- that 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;
- that they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors thank the clients, the Securities and Exchange Board of India, the Stock Exchange, Mumbai, the National Stock Exchange of India Limited and its bankers for their continued support to the Company.

Your Directors express its gratitude for the unstinted support and guidance received from its shareholders, ICICI Bank Limited and other group companies.

Your Directors also express their sincere thanks and appreciation to all the employees for their commendable teamwork, professionalism and contribution during the year.

For and on behalf of the Board

Mumbai, April 21, 2004

S. MUKHERJI
Chairman

auditors' report

to the Members of ICICI Brokerage Services Limited

We have audited the attached Balance Sheet of ICICI BROKERAGE SERVICES LIMITED as at March 31, 2004 and the annexed Profit and Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

- (1) As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
- (2) Further to our comments in the Annexure referred to in paragraph (1) above:
 - (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) 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 the books;

- (c) the Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account of the Company;
- (d) in our opinion, the Balance Sheet and Profit and Loss Account dealt with by this Report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and are in agreement with the books of account;
- (e) on the basis of written representations received from the directors, we report that none of the directors is disqualified as on March 31, 2004 from being appointed as a director u/s 274(1)(g) of the Companies Act, 1956.
- (f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2004 and
 - (ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner

Mumbai, April 21, 2004

Membership No.: 37924

annexure to the auditors' report

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and the situation of its fixed assets.
(b) The fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The assets disposed off during the year are not significant and therefore do not affect the going concern assumption.
- (ii) (a) The company holds shares and other securities as stock in trade which is in dematerialised form.
(b) In our opinion the Company has maintained proper records of securities held as stock in trade. According to the information and explanation given to us no material discrepancies were noticed on reconciliation of securities quantity with the custodial/ depository records.
- (iii) During the year, the Company has neither granted nor taken any loans from parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations provided to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods. During the course of our audit, no major weakness has been noticed in the internal control
- (v) Based on audit procedures applied by us and according to the information and explanation provided by the management, we are of the opinion that there are no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company has a system of internal audit which, in our opinion, is commensurate with its size and nature of its business.
- (viii) The Company being a Broking Company, clause (viii) of the Order in respect of maintenance of cost records is not applicable.
- (ix) (a) According to the records, information and explanations provided to us, the Company is generally regular in depositing with appropriate authorities, undisputed amount of provident fund, investor education protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, custom duty, excise duty, cess and other statutory dues applicable to it and no undisputed amounts payable were outstanding as at March 31, 2004 for a period of more than six months from the date they became payable.
(b) As at the Balance Sheet date, the Company does not have any unpaid disputed dues of sales tax, income tax, excise duty, custom duty, wealth tax, cess.
- (x) The Company neither has accumulated losses at the end of the financial year nor has incurred cash losses during the year and in the year immediately preceding it.
- (xi) Based on our audit procedures and on the information and explanations given to us and based on our examination of records, the Company has not defaulted in repayment of dues to any financial institution or bank.
- (xii) According to the information and explanations given to us and based on our examination of records, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit/ nidhi/ mutual benefit fund/ society hence clause (xiii) of the Order is not applicable.
- (xiv) Based on our examination of the records and according to the information and explanation given to us, we are of the opinion that the company has maintained proper records of transactions and contracts in respect of its dealing or trading in shares, securities, debentures and other investments.
- (xv) On the basis of 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) The Company does not have any term loans.
- (xvii) On the basis of our examination of the books of accounts and the information and explanation given to us, in our opinion, the funds raised on short-term basis have not been used for long-term investment and vice versa.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act.
- (xix) The Company does not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner

Mumbai, April 21, 2004

Membership No.: 37924

balance sheet profit and loss account



as at March 31, 2004

for the year ended March 31, 2004

	Schedule	(Rs. in '000s)	March 31, 2003		Schedule	(Rs. in '000s)	March 31, 2003
I SOURCES OF FUNDS				INCOME FROM OPERATIONS			
1. Shareholders' Funds				(a) Brokerage Income		311,660	127,700
A. Share Capital	A	45,010	45,010	(b) Interest Income	I	9,890	8,610
B. Reserves & Surplus		334,830	144,050	(c) Other Income	J	660	1,360
		379,840	189,060	(d) Profit/(Loss) on Securities (Net)	K	53,780	(2,510)
2. Loan Funds						375,990	135,160
Secured Loans				Less: Financial Charges and Operating Expenses	L	62,930	31,580
Cash Credit facility (Secured by guarantee from ICICI Securities Limited Rs. 140mn)		175,000	-			313,060	103,580
3. Deferred Tax Liability				EXPENDITURE			
		980	1,080	(a) Payments to and provisions for Employees	M	1,030	1,490
		555,820	190,140	(b) Establishment and other Expenses	N	11,860	11,690
II APPLICATION OF FUNDS				(c) Depreciation		1,490	1,600
1. Fixed Assets						14,380	14,780
A. Gross Block	B	13,900	14,690	Profit before Taxation		298,680	88,800
Less: Depreciation		8,100	7,510	Less: Provision for Taxation		108,000	34,000
Net Block		5,800	7,180	Deferred Tax Adjustment		(100)	(20)
2. Current Assets, Loans & Advances				Profit after Taxation		190,780	54,820
A. Current Assets -				Brought forward from previous years		144,050	89,230
(a) Interest Accrued	C	4,040	3,810	Balance carried to Balance Sheet		334,830	144,050
(b) Securities held as Stock-in-Trade	D	5,120	1,450				
(c) Sundry Debtors	E	217,670	48,980	Notes forming part of the Accounts and Accounting Policies			
(d) Cash & Bank Balances	F	369,300	159,870		O		
B. Loans & Advances							
	G	139,650	20,050				
		735,780	234,160				
Less: Current Liabilities & Provisions							
Current Liabilities	H	185,760	51,200				
Net Current Assets		550,020	182,960				
		555,820	190,140				
Notes forming part of the Accounts and Accounting Policies							
	O	2.77					

Per our Report attached
For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner
Membership No.: 37924

Mumbai, April 21, 2004

YOGESH CHANDE
Company Secretary

For and on behalf of the Board

S. MUKHERJI
Chairman

DEVESH KUMAR
Director

schedules

forming part of the Accounts

(Rs. in '000s)

March 31, 2003

SCHEDULE "A" - SHARE CAPITAL

Authorized:

25,000,000 Equity Shares of Rs. 10 each 250,000 250,000

Issued:

4,500,700 Equity Shares of Rs. 10 each 45,010 45,010

Subscribed & Paid-up:

4,500,700 Equity Shares of Rs. 10 each 45,010 45,010

The entire share capital of the Company is held by ICICI Securities Limited (the holding company) and its nominees.

SCHEDULE "B" - FIXED ASSETS

(Rs. in '000s)

	Gross Block (At Cost)			Accumulated Depreciation			Net Block		
	April 1, 2003	Additions	Sale/Adj	March 31, 2004	Additions	Sale/Adj	March 31, 2004	March 31, 2003	
Computers	2,420.00	30.00	910.00	1,540.00	250.00	890.00	1,160.00	380.00	630.00
Software	130.00	90.00	-	220.00	60.00	-	80.00	140.00	100.00
Office Equipment	1,110.00	10.00	10.00	1,110.00	50.00	-	760.00	350.00	400.00
Improvements To Leasehold Property	1,030.00	-	-	1,030.00	120.00	-	1,030.00	-	120.00
BSE Membership Rights	10,000.00	-	-	10,000.00	1,000.00	-	5,070.00	4,930.00	5,930.00
Total	<u>14,690.00</u>	<u>130.00</u>	<u>920.00</u>	<u>13,900.00</u>	<u>1,480.00</u>	<u>890.00</u>	<u>8,100.00</u>	<u>5,800.00</u>	<u>7,180.00</u>
Previous Year	14,470.00	250.00	30.00	14,690.00	1,600.00	10.00	7,510.00	7,180.00	

SCHEDULE "C" - INTEREST ACCRUED

On Fixed Deposits	<u>4,040</u>	<u>3,810</u>
Total	<u>4,040</u>	<u>3,810</u>

SCHEDULE "D" - SECURITIES HELD AS STOCK IN TRADE

(At cost or market value whichever is lower)

(Quoted unless otherwise stated):

	Face Value (in Rupees)	March 31, 2004	March 31, 2003
EQUITY SHARES			
Apollo Hospitals Limited	2,000 (Nil)	30	-
Balaji Telefilms Limited	Nil (40,000)	-	1,080
Britannia Industries Limited	Nil (2,150)	-	110
Clariant India Limited	4,000 (Nil)	70	-
Crisil Limited	Nil (740)	-	20
Maruti Udyog Limited	111,750 (Nil)	4,470	-
United Breweries (Holdings) Limited	40,700 (40,700)	160	70
United Breweries Limited	24,940 (24,940)	240	170
United Phosphorus Limited	2,730 (Nil)	110	-
Zee Telefilms Limited	3,210 (Nil)	40	-
Total		<u>5,120</u>	<u>1,450</u>

Note: The aggregate carrying value and market value of quoted securities as at March 31, 2004 is Rs.5,120 thousand and Rs. 11,760 thousand respectively. (previous year - Rs. 1,450 thousand and Rs. 1,450 thousand respectively).

SCHEDULE "E" - SUNDRY DEBTORS (UNSECURED)

Considered Good (less than six months)		
Trade Receivables	<u>217,670</u>	<u>48,980</u>
Total	<u>217,670</u>	<u>48,980</u>

schedules



forming part of the Accounts

Continued

Schedule	(Rs. in '000s)	March 31, 2003	Schedule	(Rs. in '000s)	March 31, 2003
SCHEDULE "F" - CASH AND BANK BALANCES			SCHEDULE "K" - PROFIT / (LOSS) ON SECURITIES (NET)		
In Current Accounts With Scheduled Banks	149,300	8,370	On Securities held as Stock in trade		
Fixed Deposits with Scheduled Banks (Under lien with Stock Exchanges Rs. 91,000 thousand, previous year Rs. 133,000 thousand)	220,000	151,500	Sales	168,080	225,310
Total	369,300	159,870	Less: Purchases	173,760	230,470
				(5,680)	(5,160)
			Add/(Less): Increase/(Decrease) in Closing Stock	3,680	(2,000)
			On Derivatives	55,780	1,200
			Total	53,780	(2,510)
SCHEDULE "G" - LOANS AND ADVANCES (Unsecured and Considered Good)			SCHEDULE "L" - FINANCIAL CHARGES AND OPERATING EXPENSES:		
Advances: (Recoverable in cash or in kind or for value to be received)			Interest on Fixed Loans	10,320	1,440
Deposit with stock exchanges	136,440	18,940	Procurement Expenses	26,260	21,490
Other advances and deposits	1,250	1,430	Turnover Fees	20	10
Advance Tax (net of Provisions)	1,960	(320)	Transaction Charges	8,950	2,110
Total	139,650	20,050	Custodial and Depository Charges	800	970
			Guarantee Commission	890	480
			Stamp Duty	15,620	5,010
			Bank Charges	70	70
			Total	62,930	31,580
SCHEDULE "H" - CURRENT LIABILITIES AND PROVISIONS			SCHEDULE "M" - PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
CURRENT LIABILITIES			Salaries, Wages and Incentive	1,000	1,460
Interest accrued but not due	800	-	Staff Welfare Expenses	30	30
Trade Creditors	177,820	48,220	Total	1,030	1,490
Other Sundry Creditors	5,700	2,470			
Other Liabilities	1,440	510			
Total	185,760	51,200	SCHEDULE "N" - ESTABLISHMENT AND OTHER EXPENSES		
			Rent & Amenities	6,120	6,120
			Insurance	220	110
			Travelling, Conveyance & Motor Car Expenses	60	120
			Repairs, Maintenance & Upkeep	870	850
			Rates & Taxes	10	10
			Loss on Sale of Fixed Assets	20	20
			Communication Expenses	980	1,140
			Printing & Stationery	540	500
			Subscription & Periodicals	1,970	670
			Professional Fees	580	1,800
			Auditors' Remuneration	290	290
			Miscellaneous Expenses	200	60
			Total	11,860	11,690
SCHEDULE "I" - INTEREST INCOME			SCHEDULE "J" - OTHER INCOME		
Interest income on Fixed Deposits	9,890	8,610	Interest - Income-tax Refund	224	-
Total	9,890	8,610	Financial Advisory Services	-	150
			Dividend Income	1	290
			Miscellaneous Income	435	920
			Total	660	1,360

SCHEDULE "O" - NOTES FORMING PART OF THE ACCOUNTS AND ACCOUNTING POLICIES

1. Significant Accounting Policies

(i) Method of Accounting

The accounts are prepared in accordance with accounting principles generally accepted in India. The Company follows accrual method of accounting.

(ii) Revenue Recognition

Income from Brokerage activities is recognised as income on the trade date of the transaction. Related expenditure incurred for procuring business is accounted for as procurement expenses.

(iii) Investments and stock-in-trade

(a) The securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and shown under current assets. Other securities acquired with the intention of long-term holding are considered as 'Investments'.

(b) In respect of securities held as stock-in-trade, brokerage and stamp duty are written-off as revenue expenditure. The cost of investment includes brokerage and stamp duty payable.

(c) The securities held as stock-in-trade under current assets are valued at cost or market/realisable value, whichever is lower.

(d) Investments are shown in the Balance Sheet at cost. In case of quoted investments, provision for diminution in value of investments is made, if such diminution is of a permanent nature in the opinion of the management.

(iv) Derivatives

(a) Gains are recognised only on settlement/ expiry of the derivative instruments.

(b) All open positions are marked to market and the unrealized gains/ loss are netted off on a scrip wise basis. Mark-to-market gains, if any, are not recognised.

(c) Debit/ credit balance on open position are shown as current assets/ current liabilities, as the case may be.

(v) Fixed Assets and Depreciation / Amortisation

Fixed assets are stated at historical cost.

Expenditure incurred on plumbing, flooring and other civil works at leased premises prior to its occupation by the company have been capitalized as "Improvement to Leasehold Property".

Depreciation on value of improvements to leasehold property is provided on straight line method at the rate determined, considering the period of the lease or at the rate prescribed in Schedule XIV of the Companies Act, 1956, whichever is higher.

Membership Rights of Stock Exchanges is treated as an asset and the value paid to acquire such rights is amortised over a period of 10 years.

Depreciation on fixed assets other than improvements to leasehold property and Membership Rights of Stock Exchanges, is provided on written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956. Additionally, the written down value of an asset falls below Rs. 5,000 or the cost of which is less than Rs. 5,000 is fully depreciated.

(vi) Sundry debtors and creditors

Amounts receivable from and payable to clients for broking transactions are recognised on trade date basis and disclosed separately as sundry debtors and creditors.

(vii) Deferred Tax

The tax effects of significant temporary differences are reflected through a deferred tax Asset /Liability, which has been reflected in the Balance Sheet and the corresponding effect of the same is given in the Profit and loss Account.

(viii) Foreign Currency Transactions

Expenses and income are recorded at the exchange rate prevailing on the date of transaction. Assets and liabilities at the balance sheet date are restated at the exchange rate prevailing on the Balance Sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of assets and liabilities are dealt with in the profit and loss account.

2. Deferred Tax

The break-up of deferred tax assets and liabilities into major components as on the Balance Sheet date is as follows:

	(Rs. in '000s)	
	2003-2004	2002-2003
Deferred Tax Liability		
Depreciation	1,030	1,180
Less: Deferred Tax Assets		
Preliminary Expenses	50	100
	<u>980</u>	<u>1,080</u>

3. Contingent Liabilities

Income tax matters disputed by the Company Rs. 20,630 thousand (Previous year – Rs. 26,620 thousand).

4. Retirement Benefits

At present, there is no liability towards retirement benefits.

	(Rs. in '000s)	
	2003-2004	2002-2003
5. Auditors' remuneration		
(a) Audit Fees	130	130
(b) Tax Audit & Certification Fees	150	150
(c) Out of pocket expenses	10	10
	<u>290</u>	<u>290</u>
6. Expenditure in foreign currency	21,830	10,180
(Procurement & Other expenses)		

5. Auditors' remuneration

(a) Audit Fees	130	130
(b) Tax Audit & Certification Fees	150	150
(c) Out of pocket expenses	10	10
	<u>290</u>	<u>290</u>

6. Expenditure in foreign currency

(Procurement & Other expenses)

7. Quantitative details

(a) OPENING AND CLOSING STOCK

Category	Opening Stock		Closing Stock	
	Face Value	Value	Face Value	Value
	Equity	120	1,450	190
	(-)	(-)	(120)	(1,450)

(b) PURCHASES AND SALES

Category	Purchases		Sales	
	Face Value	Value	Face Value	Value
	Equity	13,070	173,760	12,990
	(11,880)	(230,470)	(11,770)	(225,310)

Note: Figures in parenthesis pertain to previous year.

8. Related Party Disclosures:

The following are the details of other transactions with related parties:

(Rs. in '000s)		
Name of the Related Party	Type of Transactions	Amount
ICICI Bank Ltd – The Parent Company	Brokerage Income	5,660
	Interest Income	7,420
	Procurement Expenses	1,290
	Guarantee Commission	370
	Interest expense	7,510
ICICI Securities Limited – The Holding Company	Brokerage Income	1,390
	Procurement Expenses	23,000
ICICI Securities Inc. – Subsidiary of Holding company		

9. For the purpose of comparison, figures for the corresponding period of previous year have been given, which have been regrouped/reclassified wherever necessary.

Per our Report attached
For N.M.RAJI & CO.
Chartered Accountants

J. M. GANDHI
Partner
Membership No.: 37924

Mumbai, April 21, 2004

Signatures of Schedule A to O

YOGESH CHANDE
Company Secretary

For and on behalf of the Board

S. MUKHERJI
Chairman

DEVESH KUMAR
Director

(Rs. in '000s)

1. Registration Details

Registration number

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

 State code

1	1
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	0	4
---	---	---	---

Date Month Year

2. Capital raised during the Period

Public Issue

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

 Bonus Issue

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

Rights Issue

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

 Private Placement

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

3. Position of mobilisation and Deployment of funds

Total Liabilities and Shareholders' Funds

			5	5	5	8	2	0
--	--	--	---	---	---	---	---	---

 Total Assets

			5	5	5	8	2	0
--	--	--	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

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

 Reserves and Surplus

			3	3	4	8	3	0
--	--	--	---	---	---	---	---	---

Secured Loans

			1	7	5	0	0	0
--	--	--	---	---	---	---	---	---

 Unsecured Loans

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

Application of Funds

Fixed Assets

			5	8	0	0
--	--	--	---	---	---	---

 Investments

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

Net Current Assets

			5	5	0	0	2	0
--	--	--	---	---	---	---	---	---

 Miscellaneous Expenditure

						N	I	L
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4. Performance of the Company

Turnover

			3	7	5	9	9	0
--	--	--	---	---	---	---	---	---

 Total Expenditure

			7	7	3	1	0
--	--	--	---	---	---	---	---

Profit before Tax

			2	9	8	6	8	0
--	--	--	---	---	---	---	---	---

 Profit after Tax

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

Earnings Per Share in Rs.

			4	2	.	3	9
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 Dividend Rate %

						N	I	L
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5. Generic names of three principal services of the Company

(As per Monetary Terms)

Brokerage commission from primary market operations

Brokerage commission from secondary market operations

Income from trading in securities

For and on behalf of the Board

S. MUKHERJI
Chairman

DEVESH KUMAR
Director

YOGESH CHANDE
Company Secretary

Mumbai, April 21, 2004