

ICICI SECURITIES HOLDINGS, INC.

8TH ANNUAL REPORT AND ACCOUNTS 2007–2008

Directors

Gopakumar P.
Nitin Jain
A. Murugappan
Anup Bagchi
Subir Saha

Auditors

S. R. Batliboi & Co.
Chartered Accountants

Registered Office

1013 Centre Road
City of Wilmington
Country of New Castle
Delaware 19805
USA

directors' report

to the members

The Directors are pleased to present the Eighth Annual Report of ICICI Securities Holdings, Inc. (the Company) with the audited financial statements for the year ended March 31, 2008.

In May 2007, all the shares of the Company were transferred from ICICI Securities Primary Dealership Limited to ICICI Securities Limited. As a result, the Company became a 100% subsidiary of ICICI Securities Limited during the year.

INDUSTRY OVERVIEW

India's macroeconomic fundamentals continue to inspire confidence. But, at the same time, global hardening of commodity prices, moderation of capital flows, slowdown in consumer goods and high inflation remain a concern for the Indian Economy. Further, the US sub-prime mortgage crisis and an ongoing economic problem manifesting itself through liquidity issues in the banking system owing to foreclosures that accelerated in the US in late 2006 and triggered a global financial crisis during 2007 and 2008, had an impact on the investment environment as well as investor sentiment. Despite the current economic and financial scenario in the US, the Company believes that there are significant opportunities in the Wealth Management area.

FINANCIAL HIGHLIGHTS

| | (Rs. in 000's) | |
|-------------------|----------------|-------------|
| | Fiscal 2008 | Fiscal 2007 |
| Gross Income | 81.64 | 14,250.88 |
| Profit before Tax | (2,204.45) | (11,398.82) |
| Provision for Tax | — | 10,537.13 |
| Profit after Tax | (2,204.45) | (21,935.95) |

OPERATIONAL REVIEW

During the year, the Company supported its wholly-owned subsidiary, ICICI Securities, Inc., to expand its business operations and persevere in additional activities. The Company also proposed to expand business activities in the Investment Management area by registering with the US Securities & Exchange Commission (SEC), as a Registered Investment Advisor (RIA).

REGISTERED INVESTMENT ADVISOR BUSINESS

The Company proposes to enter the RIA business and has obtained the necessary licence from the SEC for acting as an RIA. The Company expects to grow the business via organic as well as inorganic routes during FY2009.

SHARE CAPITAL

In the year, paid-up equity share capital of the Company increased US\$ 3 million, to US\$ 10.7 million from US\$ 7.7 million.

DIRECTORS

Niranjan J. resigned from the Board during the year. The Board places on record its appreciation for the valuable services rendered by him. Also, A. Murugappan and Anup Bagchi were appointed on the Board as Directors.

AUDITORS

Statutory Auditors, S. R. Batliboi & Co., Chartered Accountants, Mumbai will retire at the ensuing Annual General Meeting. The Board, at its Meeting held on April 15, 2008, proposed their re-appointment as Auditors for auditing the accounts of the Company for the year ending March 31, 2009. S. R. Batliboi & Co., the retiring Auditors, have indicated their willingness to be re-appointed. You are requested to consider their re-appointment.

ANNUAL ACCOUNTS OF SUBSIDIARY

The audited statements of accounts for the year ending March 31, 2008 together with the reports of Directors and Auditors for the year ended March 31, 2008 of the subsidiary company, namely ICICI Securities, Inc., are attached.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company confirm:

1. that the applicable accounting standards have been followed in preparation of final accounts and that there have been no material departures;
2. that such accounting policies have been selected and applied consistently and such judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2008 and of the profit of the Company for the period ended on that date;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. that the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENTS

The Directors thank the clients for the confidence reposed, which has enabled the Company to successfully deliver well structured solutions through timely execution in a preferred way.

The Directors also thank the Company's bankers and the statutory authorities for their continued support.

The Directors express their gratitude for the unstinted support and guidance received from its shareholder, ICICI Securities Limited and other group companies.

For and on behalf of the Board

New York, April 15, 2008

GOPAKUMAR P.
Director

auditors' report



to the Members of ICICI Securities Holdings, Inc.

We have audited the attached Balance Sheet of ICICI Securities Holding Inc. ('the Company') as at March 31, 2008 and also the Profit and Loss account and Cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 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.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2008;
- b. in the case of the profit and loss account, of the loss for the year ended on that date; and
- c. in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For S. R. BATLIBOI & CO.
Chartered Accountants

per VIJAY MANIAR
Partner

Membership No: 36738

Mumbai, April 15, 2008

balance sheet

profit and loss account

as at March 31, 2008

for the year ended March 31, 2008

| | | Schedule | (Rs. in 000's) | | (US\$ in 000's) | | | | Schedule | (Rs. in 000's) | | (US\$ in 000's) | |
|--|---|------------|-------------------|-------------------|-------------------|-------------------|------------------------------|--------------------------------------|----------|-------------------|-------------------|-------------------|-------------------|
| | | | March 31, 2008 | March 31, 2007 | March 31, 2008 | March 31, 2007 | | | | March 31, 2008 | March 31, 2007 | March 31, 2008 | March 31, 2007 |
| SOURCES OF FUNDS | | | | | | | Income from Operations | | | | | | |
| Shareholders' Funds | | | | | | | Other Income | | | | | | |
| A. Share Capital | A | 463,134.26 | 342,606.41 | 10,700.00 | 7,700.00 | | | H | 81.64 | 14,250.88 | 2.03 | 315.00 | |
| B. Reserves & Surplus | | — | — | — | — | | | | 81.64 | 14,250.88 | 2.03 | 315.00 | |
| | | 463,134.26 | 342,606.41 | 10,700.00 | 7,700.00 | | | | | | | | |
| APPLICATION OF FUNDS | | | | | | | Less : Operating Expenditure | | | | | | |
| 1. Fixed Assets | | | | | | | Financial Charges and | | | | | | |
| Gross Block | C | 967.21 | 897.41 | 22.37 | 20.64 | | | I | 62.04 | 110.62 | 1.54 | 2.45 | |
| Less: Depreciation | | 846.63 | 748.40 | 19.64 | 17.22 | | | | 19.60 | 14,140.26 | 0.49 | 312.55 | |
| Net Block | | 120.58 | 149.01 | 2.73 | 3.42 | | | | | | | | |
| 2. Investments | | | | | | | Expenditure | | | | | | |
| 3. Current Assets, Loans & Advances | | | | | | | Less: Administrative | | | | | | |
| A. Current Assets - | D | 433,597.50 | 314,187.50 | 10,050.00 | 7,050.00 | | | | | | | | |
| Cash & Bank Balances | E | 463.09 | 925.76 | 11.54 | 21.30 | | | (a) Payments to and | J | — | 13,088.95 | — | 289.32 |
| B. Loans & Advances | F | 18,298.98 | 12,005.34 | 456.11 | 276.18 | | | (b) Establishment and | K | 2,125.82 | 12,327.10 | 52.81 | 272.49 |
| | | 18,762.07 | 12,931.10 | 467.65 | 297.48 | | | (c) Depreciation | | 98.23 | 123.03 | 2.44 | 2.72 |
| Less : Current Liabilities & Provisions: | G | 16,180.80 | 7,890.62 | 403.33 | 179.09 | | | | | 2,224.05 | 25,539.08 | 55.25 | 564.53 |
| NET CURRENT ASSETS | | 2,581.27 | 5,040.48 | 64.32 | 118.39 | | | Profit before Taxation | | (2,204.45) | (11,398.82) | (54.76) | (251.98) |
| 4. Profit & Loss A/c | B | 26,834.91 | 23,229.42 | 582.95 | 528.19 | | | Less: Provision for Taxation | | — | 10,537.13 | — | 242.40 |
| | | 463,134.26 | 342,606.41 | 10,700.00 | 7,700.00 | | | Profit After Taxation | | (2,204.45) | (21,935.95) | (54.76) | (494.38) |
| | | | | | | | | Brought forward from previous years | | (23,512.20) | (1,576.25) | (528.19) | (33.81) |
| | | | | | | | | Amount available for appropriations | | (25,716.65) | (23,512.20) | (582.95) | (528.19) |
| | | | | | | | | Balance carried to Balance Sheet | | (25,716.65) | (23,512.20) | (582.95) | (528.19) |
| | | | | | | | | Earnings per share (Basic & Diluted) | | (0.27) | (2.30) | | |
| | | | | | | | | (Face value USD 1 per share) | | | | | |
| Notes to Accounts | L | | | | | | | Notes to Accounts | L | | | | |

This is the Balance Sheet referred to in our report of even date.

This is the Profit and Loss Account referred to in our report of even date.

For S. R. BATLIBOI & CO.
Chartered Accountants

For and on behalf of the Board

per VIJAY MANIAR
Partner
Membership No.: 36738

GOPAKUMAR P.
Director

Mumbai, April 15, 2008

ANUP BAGCHI
Director

A. MURUGAPPAN
Director

schedules



forming part of the financial statements

| | March 31, 2008 | (Rs. in 000's) March 31, 2007 | March 31, 2008 | (US\$ in 000's) March 31, 2007 |
|--|-------------------|-------------------------------------|-------------------|--------------------------------------|
|--|-------------------|-------------------------------------|-------------------|--------------------------------------|

SCHEDULE "A" – SHARE CAPITAL

Authorized:

15,000,000 Equity Shares of US\$ 1 each

Issued Subscribed & Paid-up:

Common stock, US\$ 1 par value; 10,700,000 shares
(Previous year 7,700,000 shares)

| | | | |
|-------------------|-------------------|------------------|-----------------|
| <u>463,134.26</u> | <u>342,606.41</u> | <u>10,700.00</u> | <u>7,700.00</u> |
|-------------------|-------------------|------------------|-----------------|

SCHEDULE "B" – PROFIT & LOSS ACCOUNT

Profit and Loss Account

| | | | |
|--------------------|--------------------|-----------------|-----------------|
| <u>(25,716.65)</u> | <u>(23,512.20)</u> | <u>(528.95)</u> | <u>(528.19)</u> |
|--------------------|--------------------|-----------------|-----------------|

Translation Reserve

| | | | |
|-------------------|-----------------|----------|----------|
| <u>(1,118.26)</u> | <u>(282.78)</u> | <u>—</u> | <u>—</u> |
|-------------------|-----------------|----------|----------|

Total

| | | | |
|---------------------------|---------------------------|------------------------|------------------------|
| <u><u>(26,834.91)</u></u> | <u><u>(23,229.42)</u></u> | <u><u>(528.95)</u></u> | <u><u>(528.19)</u></u> |
|---------------------------|---------------------------|------------------------|------------------------|

SCHEDULE C – FIXED ASSETS

| | (Rs. in 000's) | | | | (US\$ in 000's) | | | |
|----------------------|-----------------------|--------------|-----------|-------------------|--------------------------|--------------|-----------|-------------------|
| | Gross Block (At Cost) | | | | Accumulated Depreciation | | | |
| | April 1, 2007 | Additions | Sale/Adj. | March 31, 2008 | April 1, 2007 | Additions | Sale/Adj. | March 31, 2008 |
| | | | | | | | | |
| Office Equipment | 598.27 | 69.80 | — | 668.07 | 531.81 | 58.65 | — | 590.46 |
| Furniture & Fixtures | 299.14 | — | — | 299.14 | 216.59 | 39.58 | — | 256.17 |
| Total | 897.41 | 69.80 | — | 967.21 | 748.40 | 98.23 | — | 846.63 |
| Previous Period | 847.07 | 50.34 | — | 897.41 | 646.79 | 101.61 | — | 748.40 |

SCHEDULE "D" – INVESTMENTS - LONG TERM - (AT COST)

| | | | | (Rs. in 000's) | (US\$ in 000's) |
|--|--------------------------|----------------------|----------------------------|----------------------------|----------------------------|
| Name of the Company | Quantity in thousands | FV per unit (Rs.) | As at March 31, 2008 | As at March 31, 2007 | As at March 31, 2008 |
| In Equity Shares of Subsidiary Company – Unquoted and fully paid-up | | | | | |
| ICICI Securities Inc. | 1,050.00 | * | <u>433,597.50</u> | <u>314,187.50</u> | <u>10,050.00</u> |
| Total | | | <u><u>433,597.50</u></u> | <u><u>314,187.50</u></u> | <u><u>10,050.00</u></u> |

* Face Value of US\$ 1.00 per unit.

SCHEDULE "E" – CASH AND BANK BALANCES

In Current Accounts with Banks

| | | | |
|---------------|---------------|--------------|--------------|
| <u>463.09</u> | <u>925.76</u> | <u>11.54</u> | <u>21.30</u> |
|---------------|---------------|--------------|--------------|

Total

| | | | |
|----------------------|----------------------|---------------------|---------------------|
| <u><u>463.09</u></u> | <u><u>925.76</u></u> | <u><u>11.54</u></u> | <u><u>21.30</u></u> |
|----------------------|----------------------|---------------------|---------------------|

SCHEDULE "F" – LOANS AND ADVANCES

(Unsecured and considered good unless otherwise stated)

Advances:

(Recoverable in cash or in kind
or for value to be received)

Other Advances and Deposits*

| | | | |
|------------------|------------------|---------------|---------------|
| <u>18,219.54</u> | <u>11,919.27</u> | <u>454.13</u> | <u>273.20</u> |
|------------------|------------------|---------------|---------------|

Security Deposit for Leased Premises

| | | | |
|--------------|--------------|-------------|-------------|
| <u>79.44</u> | <u>86.07</u> | <u>1.98</u> | <u>1.98</u> |
|--------------|--------------|-------------|-------------|

Advance Tax (net of Provisions)

| | | | |
|----------|----------|----------|----------|
| <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
|----------|----------|----------|----------|

Total

| | | | |
|-------------------------|-------------------------|----------------------|----------------------|
| <u><u>18,298.98</u></u> | <u><u>12,005.34</u></u> | <u><u>456.11</u></u> | <u><u>276.18</u></u> |
|-------------------------|-------------------------|----------------------|----------------------|

* Includes an amount of Rs. 18,220 thousand receivable from Subsidiary Company (Previous year Rs. 11,920 thousand).

schedules

forming part of the financial statements

Continued

| | March 31, 2008 | (Rs. in 000's) March 31, 2007 | March 31, 2008 | (US\$ in 000's) March 31, 2007 |
|---|-------------------|-------------------------------------|-------------------|--------------------------------------|
| SCHEDULE "G" – CURRENT LIABILITIES AND PROVISIONS | | | | |
| Sundry Creditors for Expenses | 11,968.26 | 982.96 | 298.33 | 20.14 |
| Other Liabilities | 0.26 | 0.28 | 0.01 | 0.05 |
| Advance Tax (net of Provisions) | 4,212.28 | 6,907.38 | 104.99 | 158.90 |
| Total | 16,180.80 | 7,890.62 | 403.33 | 179.09 |
| Includes amount payable to SSI units Rs. Nil (Previous year Rs. Nil). | | | | |
| SCHEDULE "H" – OTHER INCOME | | | | |
| Miscellaneous Income | 81.64 | 14,250.88 | 2.03 | 315.00 |
| Total | 81.64 | 14,250.88 | 2.03 | 315.00 |
| SCHEDULE "I" – FINANCIAL CHARGES AND OPERATING EXPENSES | | | | |
| Bank Charges | 62.04 | 110.62 | 1.54 | 2.45 |
| Total | 62.04 | 110.62 | 1.54 | 2.45 |
| SCHEDULE "J" – PAYMENTS TO AND PROVISIONS FOR EMPLOYEES | | | | |
| Salaries, Wages and Incentive | — | 12,690.98 | — | 280.52 |
| Staff Welfare Expenses | — | 397.97 | — | 8.80 |
| Total | — | 13,088.95 | — | 289.32 |
| SCHEDULE "K" – ESTABLISHMENT AND OTHER EXPENSES | | | | |
| Rent and Amenities | — | 4,540.32 | — | 100.36 |
| Business Promotion, Travelling and Conveyance Expenses | — | 1,581.56 | — | 34.96 |
| Rates and Taxes | 603.81 | 885.35 | 14.99 | 19.57 |
| Communication Expenses | — | 656.41 | — | 14.51 |
| Printing and Stationery | — | 67.86 | — | 1.50 |
| Subscription and Periodicals | — | 233.77 | — | 5.17 |
| Professional Fees | 1,504.01 | 3,890.82 | 37.35 | 86.00 |
| Miscellaneous Expenses | 18.00 | 471.01 | 0.47 | 10.42 |
| Total | 2,125.82 | 12,327.10 | 52.81 | 272.49 |

schedules

SCHEDULE "L": NOTES FORMING PART OF THE ACCOUNTS AND ACCOUNTING POLICIES:

1. Significant Accounting Policies:

(i) Basis of Preparation

The financial statements have been prepared to comply in all material respects in respects with the Accounting Standards issued by the Institute of Chartered Accountants of India, notified Accounting Standard by Companies Accounting Standard rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(ii) Use of estimates

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

(iii) Revenue Recognition

Revenue from issue management, loan syndication, financial advisory services etc., is recognized based on the stage of completion of assignments and terms of agreement with the client.

(iv) Investments

- Securities acquired with the intention of holding till maturity are classified as investments.
- Investments are carried at cost arrived at on weighted average basis. Commissions earned in respect of securities acquired upon devolvement are reduced from the cost of acquisition. Appropriate provision is made for other than temporary diminution in the value of investments.

(v) Conversion to Indian Rupees

All income and expense items are converted at the average rate of exchange applicable for the year. All assets (except Fixed assets & Investments) and liabilities are translated at the closing rate as on the Balance Sheet date.

The Equity Share Capital and Investments in subsidiary is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation at the year-end are transferred to Translation Reserve account and the said account is being treated as "Reserves and Surplus".

(vi) Fixed Assets and Depreciation

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

Depreciation on fixed assets is provided on straight line method at the rates which are equal or higher than the rates prescribed in Schedule XIV of the Companies Act, 1956. Such rates are fixed after considering applicable laws in the United States of America and management estimation of the useful life of the asset.

Depreciation of Assets

Estimate Life

Office Equipment & Computers

3 Years

Furniture & Fixtures

7 Years

(vii) Income Tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the local tax rates of the United States of America. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet

date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized. As there is no virtual certainty of future taxable profits, deferred tax asset is not recognized.

(viii) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

(ix) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(x) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short term investments with an original maturity of three months or less.

(xi) Segment Reporting

Segment information is disclosed in the consolidated financial statement and hence not furnished in the separate financial statement.

- The Company is a wholly owned subsidiary of ICICI Securities Limited. The accounts have been prepared and audited to attach with the accounts of ICICI Securities Limited, the Holding Company, to comply with the provisions of the Indian Companies Act, 1956.

3. Deferred Tax

Deferred Tax asset resulting from accumulated losses have not been accounted in the absence of virtual certainty of availability of sufficient future taxable income.

- For the purpose of conversion of the local currency (USD) into Indian Currency (Indian Rupees) the exchange rate applied is as per para (iv), (v) & (vi) of the accounting policies.

5. Related Party Disclosures

(Rs. in 000's)

| NAME OF THE RELATED PARTY | TYPE OF TRANSACTIONS | 2007-08 | 2006-07 |
|---|------------------------|---------|---------|
| ICICI Securities Limited – The Holding Company | Share Capital | 463,134 | 343,720 |
| | Current Liabilities | 355 | 94 |
| | Income from Services | — | 14,250 |
| | Establishment Expenses | — | 4,725 |
| ICICI Securities, Inc. – Subsidiary Company | Investment | 433,598 | 314,187 |

6. Earnings per equity share (EPS)

EPS has been calculated based on the net loss after taxation of Rs. 2,204.45 thousands (previous year net loss after taxation Rs. 21,935.95 thousands) and the weighted average number of equity shares outstanding during the year of 8,216.39 thousands (previous year 7,700 thousands).

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

Signatures to Schedules A to L

Per our Report attached

For and on behalf of the Board

For S. R. BATLIBOI & CO.
Chartered Accountants

GOPAKUMAR P.
Director

per VIJAY MANIAR
Partner
Membership No.: 36738
Mumbai, April 15, 2008

ANUP BAGCHI
Director

A. MURUGAPPAN
Director

cash flow statement

for the year ended March 31, 2008

| | March 31, 2008 | (Rs. in 000's) March 31, 2007 | March 31, 2008 | (US\$ in 000's) March 31, 2007 |
|---|----------------|----------------------------------|----------------|-----------------------------------|
| A. Cash Flow From Operating Activities | | | | |
| Profit Before Tax | (2,204.45) | (11,398.82) | (54.76) | (251.98) |
| – (Profit)/Loss on Sale of Fixed Assets | — | — | — | — |
| – Depreciation | 98.23 | 123.03 | 2.44 | 2.27 |
| – Exchange adjustments | 7,023.52 | 2,261.14 | — | — |
| – Bad and Doubtful Debts (Net) | — | — | — | — |
| Operating Profit before Changes in Operating Assets and Liabilities | (4,917.30) | (9,014.65) | (52.32) | (249.71) |
| Adjustments for net change in Operating Assets and Liabilities | | | | |
| – Current Assets excluding Cash and Cash equivalents | — | — | — | — |
| – Loans and advances relating to Operations | (6,293.64) | (9,457.74) | (179.93) | (219.08) |
| – Current Liabilities relating to Operations | 10,985.28 | (2,811.74) | 488.11 | (64.42) |
| | 4,691.64 | (12,269.48) | 308.18 | (283.50) |
| Cash generated from Operations | (9,608.94) | (21,284.13) | 255.86 | (533.21) |
| Payment of Taxes (Net) | (11,119.66) | 10,562.28 | (263.89) | 234.60 |
| Net Cash from Operating Activities | (1,510.72) | (10,721.85) | (8.03) | (298.61) |
| B. Cash Flow From Investment Activities | | | | |
| – Acquisition of Equity Investments in Subsidiary Companies | (119,410.00) | 177,024.55 | (3,000.00) | 4,000.00 |
| – (Purchase)/Sale of Investments (Net) | (69.80) | (50.34) | (1.73) | (1.67) |
| Net cash used in Investment Activities | (119,479.80) | 176,974.21 | (3,001.73) | 3,998.33 |
| C. Cash Flow From Financing Activities | | | | |
| – Proceeds from Issue of Share Capital | 120,527.85 | (179,674.09) | 3,000.00 | (4,000.00) |
| Net Cash used in Financing Activities | 120,527.85 | (179,674.09) | 3,000.00 | (4,000.00) |
| Net Change in Cash & Cash Equivalents | (462.67) | (13,421.73) | (9.76) | (300.28) |
| Cash and Cash Equivalents at the beginning of the year | 925.76 | 14,347.49 | 21.30 | 321.58 |
| Cash and Cash Equivalents at the end of the year | 463.09 | 925.76 | 11.54 | 21.30 |

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board

For S. R. BATLIBOI & CO.
Chartered Accountants

GOPAKUMAR P.
Director

per VIJAY MANIAR
Partner
Membership No.: 36738
Mumbai, April 15, 2008

ANUP BAGCHI
Director

A. MURUGAPPAN
Director