

ICICI SECURITIES, INC.

9TH ANNUAL REPORT AND ACCOUNTS 2008–2009

Directors

Gopakumar P., *President & CEO*
A. Murugappan
Anup Bagchi
Subir Saha
Charanjit Attra
Hari Panday

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

Your Directors have pleasure in presenting the Ninth Annual Report of ICICI Securities, Inc. (the Company) with the audited statement of accounts for the year ended March 31, 2009.

INDUSTRY OVERVIEW

Fiscal 2009 was a year of significant turbulence in global markets. Foreign institutional investors (FIIs) reduced their exposure in emerging markets globally and moved away from taking further exposure in markets across the world. Owing to higher perceived risks in emerging markets, there was net FII outflow from India in fiscal 2009. Overall volume of trading by FIIs in the Indian Capital Markets saw substantial decline.

FINANCIAL HIGHLIGHTS

	(Rs. in 000's)	
	<i>Fiscal 2008</i>	Fiscal 2009
Gross income	51,331.39	41,129.55
Profit before tax	(195,521.65)	(135,608.91)
Provision for tax	—	10,936.57
Profit after tax	(195,521.65)	(146,545.48)

OPERATIONAL REVIEW

The Company is registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA).

In fiscal 2009, the Company continued making its presence felt in the Indian capital markets brokerage space by continuously reaching out to various institutional investors. Further, the Company conducted placement services for funds from India that were looking to raise capital for their proposed funds overseas. Meetings and road shows were organised with fund managers from India for meeting institutional investors in the US, including pension funds, insurance companies, endowments, foundations, family offices and fund of funds.

In the institutional space, the Company continues to showcase select direct investment opportunities to its clients besides continuing to expand its relationships in select markets, even as it discontinued operations in Houston and San Jose on account of low volume of business from these locations.

OUTLOOK

In the year ahead, we expect institutional investors to invest in the public equity space, once markets stabilise. While caution will be exercised with respect to emerging markets, investors will seek fulfilling their portfolio allocation to markets

such as India to ensure diversification and participation in economies with positive growth prospects. In the alternate investments space, opportunities in private equity will see increased focus in the year ahead.

SHARE CAPITAL

During the year, the paid-up equity share capital of the Company increased US\$ 1 mn to US\$ 11.05 mn from US\$ 10.05 mn.

DIRECTORS

Nitin Jain resigned from the Board during the year. Hari Panday and Charanjit Attra were appointed as Directors on the Board of the Company during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company confirm:

- that the applicable accounting standards have been followed in the preparation of the annual accounts and that there have been no material departures;
- that such accounting policies have been selected and applied consistently and judgments 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, 2009 and of the profit of the Company for the period ended on that date;
- 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
- that the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENTS

The Directors thank the clients of the Company for the confidence reposed in it that has enabled the Company to successfully deliver well-structured solutions via timely execution.

The Directors also thank the statutory authorities and the Company's bankers for their continued support. The Directors express their gratitude for the unstinted support and guidance received from the shareholder, ICICI Securities Holdings, Inc., and other group companies. The Directors also express sincere appreciation to all employees for commendable teamwork, professionalism and contribution during the year.

For and on behalf of the Board

ANUP BAGCHI
Director

April 17, 2009

auditors' report

to the members of ICICI Securities, Inc.

We have audited the attached Balance Sheet of ICICI Securities, Inc. ('the Company') as at 31 March 2009 and also the Profit and Loss account and the 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 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.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and 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 31 March 2009;
- b) in the case of the profit and loss account, of the loss for the year ended on that date; and
- c) in the case of 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 17, 2009

balance sheet

profit and loss account



as at March 31, 2009

for the year ended March 31, 2009

		(Rs. in 000's)		(US\$ in 000's)				(Rs. in 000's)		(US\$ in 000's)	
Schedule		March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008	Schedule		March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
SOURCES OF FUNDS						INCOME FROM OPERATIONS					
Shareholders' Funds						(a) Income from Services I					
A. Share Capital	A	476,467.50	433,597.50	11,050.00	10,050.00			32,928.17	33,065.74	716.71	821.15
		<u>476,467.50</u>	<u>433,597.50</u>	<u>11,050.00</u>	<u>10,050.00</u>	(b) Interest Income J		99.62	899.43	2.17	22.34
APPLICATION OF FUNDS						(c) Profit on Securities (net) K		—	36.35	—	0.90
1. Fixed Assets	C					(d) Other Income L		8,101.76	17,329.87	176.34	430.37
Gross Block		72,642.99	59,526.87	1,432.24	1,433.68			<u>41,129.55</u>	<u>51,331.39</u>	<u>895.22</u>	<u>1,274.76</u>
Less: Accumulated Depreciation		18,769.14	7,768.66	370.06	192.51	EXPENDITURE					
Net Block		<u>53,873.85</u>	<u>51,758.21</u>	<u>1,062.18</u>	<u>1,241.17</u>	(a) Payments to and provisions for employees M		75,176.90	123,512.00	1,636.28	3,067.28
2. Current Assets, Loans & Advances						(b) Establishment and other expenses N		90,639.05	99,499.83	1,972.82	2,470.97
A. Current Assets:						(c) Financial charges O		2,710.73	16,554.62	59.00	411.12
(a) Sundry Debtors D	D	23,515.16	13,463.26	463.63	335.57	(e) Depreciation		8,211.78	7,286.59	178.74	180.95
(b) Securities held as Stock-in-Trade E	E	1,745.18	25,059.70	34.41	624.62			<u>176,738.46</u>	<u>246,853.04</u>	<u>3,846.84</u>	<u>6,130.32</u>
(c) Cash & Bank Balances F	F	59,357.38	102,629.15	1,170.30	2,558.05	Profit/(Loss) before taxation		<u>(135,608.91)</u>	<u>(195,521.65)</u>	<u>(2,951.62)</u>	<u>(4,855.56)</u>
B. Loans & Advances G	G	35,305.80	38,362.90	696.09	956.19	Less: Provision for taxation		10,936.57	—	238.04	—
		<u>119,923.52</u>	<u>179,515.01</u>	<u>2,364.43</u>	<u>4,474.43</u>	Profit/(Loss) after taxation		<u>(146,545.48)</u>	<u>(195,521.65)</u>	<u>(3,189.66)</u>	<u>(4,855.56)</u>
Less: Current Liabilities & Provisions H	H	70,493.97	59,071.61	1,389.87	1,472.38	Brought forward from previous years		<u>(240,739.18)</u>	<u>(45,217.53)</u>	<u>(5,806.74)</u>	<u>(951.18)</u>
NET CURRENT ASSETS		<u>49,429.55</u>	<u>120,443.40</u>	<u>974.56</u>	<u>3,002.05</u>	Amount available for appropriations		<u>(387,284.66)</u>	<u>(240,739.18)</u>	<u>(8,996.40)</u>	<u>(5,806.74)</u>
3. Reserves & Surplus	B	373,164.10	261,395.89	9,013.26	5,806.79	Balance carried to Balance Sheet		<u>(387,284.66)</u>	<u>(240,739.18)</u>	<u>(8,996.40)</u>	<u>(5,806.74)</u>
		<u>476,467.50</u>	<u>433,597.50</u>	<u>11,050.00</u>	<u>10,050.00</u>	Earnings per share (Basic & Diluted)					
Notes to Accounts	P					(Face value US\$ 1 per share)		(13.65)	(25.84)	(0.30)	(0.64)

The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet and Profit and Loss Account.

As per our report of even date.

For S. R. BATLIBOI & CO.
Chartered Accountants

Per VIJAY MANIAR
Partner
Membership No.: 36738

Mumbai, April 17, 2009

For and on behalf of the Board

ANUP BAGCHI
Director

CHARANJIT ATTRA
Director

A. MURUGAPPAN
Director

GOPAKUMAR P.
President & CEO

schedules

forming part of the Accounts

	March 31, 2009	(Rs. in 000's) March 31, 2008	March 31, 2009	(US\$ in 000's) March 31, 2008
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SCHEDULE "A" – SHARE CAPITAL

Authorised:

15,000,000 Common stock of US\$ 1 each

(As at March 31, 2008 15,000,000 shares of US\$ 1 each)

Issued Subscribed & Paid up:

Common stock, US\$1 par value; 11,050,000 shares fully paid

(As at March 31, 2008 10,050,000 shares of US\$ 1 each)

476,467.50	433,597.50	11,050.00	10,050.00
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SCHEDULE "B" – RESERVES & SURPLUS

Profit and loss account debit balance:

Balance as on April 1, 2008

(+)/(-) transfers during the year

Balance as on March 31, 2009

(240,739.18)	(45,217.53)	(5,806.74)	(951.18)
(146,545.48)	(195,521.65)	(3,189.66)	(4,855.61)
(387,284.66)	(240,739.18)	(8,996.40)	(5,806.79)

Translation reserve:

Balance as on April 1, 2008

(+)/(-) transfers during the year

Balance as on March 31, 2009

(20,656.71)	(45,217.53)	—	—
34,777.27	24,560.82	(16.86)	—
14,120.56	(20,656.71)	(16.86)	—

Total

(373,164.10)	(261,395.89)	(9,013.26)	(5,806.79)
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SCHEDULE "C" – FIXED ASSETS

									(Rs. in 000's)		(US\$ in 000's)	
	Gross Block (At Cost)				Accumulated Depreciation				Net Block		Net Block	
	April 1, 2008	Additions	Sale/Adj	March 31, 2009	April 1, 2008	Additions	Sale/Adj	March 31, 2009	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Computers	4,243.82	—	(894.72)	5,138.54	1662.58	1443.31	(473.64)	3,579.53	1,559.01	2,581.24	30.74	61.84
Software	631.39	—	(124.45)	755.84	181.15	228.20	(97.21)	506.56	249.28	450.24	4.91	10.44
Furniture & Fixtures	7681.74	—	(1,622.59)	9,304.33	897.00	1,204.02	(358.00)	2,459.02	6,845.31	6,784.74	134.96	161.17
Telecom Equipment	1,172.73	—	(292.85)	1,465.58	213.32	265.51	(82.98)	561.81	903.77	959.41	17.82	23.60
Lease Hold Improvement	45,797.19	—	(10,181.51)	55,978.70	4,814.61	5,070.73	(1,776.88)	11,662.22	44,316.48	40,982.58	873.75	984.12
TOTAL	59,526.87	—	(13,116.12)	72,642.99	7,768.66	8,211.77	(2,788.71)	18,769.14	53,873.85	51,758.21	1,062.18	1,241.17
Previous year	1,945.36	57,581.51	—	59,526.87	482.07	7,286.59	—	7,768.66	51,758.21			

Fixed assets sale/adjustment represents translation reserve of Rs. 10,327.41 thousand.

	March 31, 2009	(Rs. in 000's) March 31, 2008	March 31, 2009	(US\$ in 000's) March 31, 2008
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SCHEDULE "D" – SUNDRY DEBTORS (Unsecured)

(A) Receivables outstanding for a period exceeding six months:

Considered Doubtful

5,828.54	4,610.43	114.91	114.92
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(B) Receivables outstanding for a period not exceeding six months:

Considered Good

23,515.16	13,463.26	463.63	335.57
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29,343.70	18,073.69	578.54	450.49
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5,828.54	4,610.43	114.91	114.92
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Less: Provision for doubtful debts

TOTAL

23,515.16	13,463.26	463.63	335.57
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SCHEDULE "E" – SECURITIES HELD AS STOCK-IN-TRADE

(at lower of cost or market value)

(Quoted unless otherwise stated)

Pershing money market fund

1,745.18	25,059.70	34.41	624.62
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TOTAL

1,745.18	25,059.70	34.41	624.62
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SCHEDULE "F" – CASH AND BANK BALANCES

In Current Accounts with Banks

59,357.38	102,388.64	1,170.30	2,552.06
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Fixed deposits with Scheduled Banks

—	240.51	—	5.99
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TOTAL

59,357.38	102,629.15	1,170.30	2,558.05
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schedules

	March 31, 2009	(Rs. in 000's) March 31, 2008	March 31, 2009	(US\$ in 000's) March 31, 2008
SCHEDULE "G" – 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	8,965.26	1,160.66	176.76	28.91
Security Deposit for Leased Premises	26,340.54	21,271.89	519.33	530.21
Advance Tax (net of provisions)	—	15,930.35	—	397.07
TOTAL	35,305.80	38,362.90	696.09	956.19
Included in other advances and deposit are:				
Dues from Companies under same management				
ICICI Securities Limited Rs.Nil (Previous year - Rs7,237.34 thousand) ,				
US\$ Nil (Previous year US\$ 180.39 thousand), and maximum outstanding during the year				
Rs. 9,149.38 thousand (Previous year Rs.10,157.56 thousand) US\$ 180.39 (Previous year US\$ 253.18).				
SCHEDULE "H" – CURRENT LIABILITIES				
Sundry Creditors for Expenses	47,818.00	20,442.70	942.79	509.54
Other Liabilities	21,974.11	38,628.91	433.24	962.84
Provision for Tax	701.86	—	13.84	—
TOTAL	70,493.97	59,071.61	1,389.87	1,472.38
Includes amount payable to micro, small and medium enterprises Rs. Nil (Previous year Rs. Nil)				
SCHEDULE "I" – INCOME FROM SERVICES				
Brokerage and Commission	12,538.20	33,065.74	272.91	821.15
Financial Advisory Services	20,389.97	—	443.80	—
TOTAL	32,928.17	33,065.74	716.71	821.15
SCHEDULE "J" – INTEREST INCOME				
Interest on Other Loans and Advances	99.62	899.43	2.17	22.34
TOTAL	99.62	899.43	2.17	22.34
SCHEDULE "K" – PROFIT ON SECURITIES (NET)				
Profit on Stock in Trade	—	36.35	—	0.90
TOTAL	—	36.35	—	0.90
SCHEDULE "L" – OTHER INCOME				
Miscellaneous Income	1,174.17	6,120.74	25.56	152.00
Income from Rent	6,477.85	—	141.00	0.00
Dividend Income	449.74	11,209.13	9.78	278.37
TOTAL	8,101.76	17,329.87	176.34	430.37
SCHEDULE "M" – PAYMENTS TO AND PROVISIONS FOR EMPLOYEES				
Salaries, Wages and Incentive	73,542.00	113,292.81	1,600.69	2,813.50
Staff Welfare Expenses	1,634.90	10,219.19	35.59	253.78
TOTAL	75,176.90	123,512.00	1,636.28	3,067.28
SCHEDULE "N" – ESTABLISHMENT AND OTHER EXPENSES				
Rent and Amenities	28,218.47	35,647.72	614.20	885.27
Rates and Taxes	2,505.90	1,514.80	54.54	37.62
Insurance	795.45	503.10	17.31	12.49
Business Promotion, Travelling and Conveyance Expenses	7,153.69	21,118.67	155.71	524.46
Subscription and Periodicals	3,882.08	3,745.26	84.50	93.01
Commission Expenses	15,645.98	—	340.54	—
Printing and Stationery	478.86	545.54	10.42	13.55
Communication Expenses	4,766.44	7,505.21	103.74	186.38
Professional Fees	16,598.38	23,093.89	361.28	573.51
Auditors' Remuneration (statutory audit fee)	3,660.70	254.36	79.68	6.32
Miscellaneous Expenses	6,933.10	5,571.28	150.90	138.36
TOTAL	90,639.05	99,499.83	1,972.82	2,470.97

schedules

forming part of the Accounts

Continued

	March 31, 2009	(Rs. in 000's) March 31, 2008	March 31, 2009	(US\$ in 000's) March 31, 2008
SCHEDULE "O" - FINANCIAL CHARGES				
Bank Charges	239.51	238.45	5.21	5.92
Interest on Fixed Loans and Debentures	32.57	15,444.86	0.71	383.56
Transaction Charges	2,438.65	871.31	53.08	21.64
TOTAL	2,710.73	16,554.62	59.00	411.12

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

Overview

ICICI Securities, Inc. ("the Company"), a wholly owned subsidiary of ICICI Securities Holdings, Inc., was incorporated in the United States in 2001. The Company is a registered broker dealer with the National Association of Securities Dealers Inc., and is engaged in providing brokerage and wealth management services to US Institutional investors.

Basis of Preparation

The financial statements have been prepared solely for the information and use of ICICI Securities Limited, the Ultimate Holding Company for consolidation in accordance with the notified accounting standards issued by Companies Accounting Standards Rules, 2006 and relevant provisions of the Companies Act, 1956. The financial statements have been prepared on historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and, except where otherwise stated, are consistent with those used in the previous year.

Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

SIGNIFICANT ACCOUNTING POLICIES

1. Revenue Recognition

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

2. Investments & stock in trade

Investments in debt and equity securities are classified as stock-in-trade or long term investments.

Securities acquired with the intention of short-term holding and trading are classified as stock-in-trade. The securities held as stock-in-trade are grouped under current assets and are valued at cost or market value, whichever is lower.

Securities acquired with the intention of holding it for more than a year are classified as long term investments. Long term investments are carried at acquisition cost, net of direct acquisition costs, if any. Any decline in the value of investments, which is other than temporary is reduced from its acquisition costs. A decline is considered as other than temporary after considering the investee company's market value, assets, results and the expected cash flows from the investment and restrictions, if any, on distribution or sale by the company.

3. Fixed Assets and Depreciation

Fixed assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset.

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	Estimated life
Office equipment , Computers & Software	3 Years
Furniture & Fixtures	7 years
Telecom Equipment	5 years
Leasehold Improvements	10 years

4. 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.

5. 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.

The diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

6. 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.

7. Lease Transactions

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

8. 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.

B OTHER NOTES TO ACCOUNTS

1. 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.

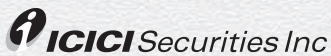
2. The rent expenses recognized in the financial statements have been straight-lined over the life of the lease. The lease expires on February 28, 2017.

3. Related Party Disclosures

As per Accounting Standard on Related Party Disclosures (AS18) as notified by the Companies Accounting Standard Rules 2006, the related parties of the company are as follows:

- Related party where control exists irrespective whether transactions have occurred or not
 - Ultimate Holding Company : ICICI Bank Limited;
ICICI Securities Limited
 - Holding Company : ICICI Securities Holding Inc.
- Other related parties where transactions have occurred during the year
 - Fellow Subsidiary : ICICI Securities Primary Dealership Limited
 - Key Management Personnel
Gopakumar P. — President & CEO

schedules



forming part of the Accounts

Continued

The following transactions were carried out with the related parties in the ordinary course of business.

Nature of transaction	Ultimate Holding Company		Holding Company		Fellow Subsidiary	
	(Rs.in '000)	(US\$ in '000)	(Rs. in '000)	(US\$ in '000)	(Rs. in '000)	(US\$ in '000)
Income from Services						
ICICI Securities Limited			12,538.20	272.90		
			(26,156.83)	(649.58)		
Interest Income						
ICICI Bank Limited	9.45	0.21				
	(18.12)	(0.45)				
Rent Income						
ICICI Bank Limited	744.06	16.20				
	(—)	(—)				
ICICI Securities Holdings Inc.			5,733.79	124.80		
			(—)	(—)		
Commission expenses						
ICICI Securities Limited	16,311.98	355.04				
	(—)	(—)				
Finance charges and operating expenses						
ICICI Bank Limited	—	—				
	(15,438.25)	(383.39)				

The balances payable to / receivable from related parties included in the balance sheet as on March 31, 2009 are given below:

Nature of transaction	Ultimate Holding Company		Holding Company		Fellow Subsidiary	
	(Rs.in 000's)	(US\$ in 000's)	(Rs.in 000's)	(US\$ in 000's)	(Rs.in 000's)	(US\$ in 000's)
Cash and Bank Balances						
ICICI Bank Limited	1,154.10	22.75				
	(804.11)	(20.04)				
Receivables						
ICICI Securities Limited	—	—				
	(7,237.34)	(180.39)				
Payables						
ICICI Securities Limited	20,344.76	401.12				
	(—)	(—)				
ICICI Securities Holdings Inc.			14,519.57	286.27		
			(8,086.06)	(201.55)		
ICICI Securities Primary Dealership Limited					—	—
Share Capital					(1,693.12)	(42.20)
ICICI Securities Holding Inc.			476,467.50	11,050		
			(433,597.50)	(10,050.00)		

Amount in parenthesis represent previous year figures.

Key Management Personnel

The compensation for the year ending March 31, 2009 to Gopakumar P., President & CEO was Rs. 12,156.73 thousand (Previous year Rs. 10,245.08 thousand) US\$ 264.60 thousand (Previous year US\$ 254.43 thousand).

4. Managerial remuneration

The details regarding the managerial remuneration paid by the Company is given in the table below.

	(Rs. in 000's)		(US\$ in 000's)	
	Year ended		Year ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Gross Salary	12,156.73	10,245.08	264.6	254.43

5. Earnings per equity share (EPS)

	(Rs. in 000's)		(US\$ in 000's)	
	Year ended		Year ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Basic & Diluted				
Weighted average no. of equity shares outstanding	10,735.66	7,566.39	10,735.66	7,566.39
Net profit/(loss)	(146,545.49)	(195,521.65)	(3189.66)	(4855.56)
Basic earnings per share	(13.65)	(25.84)	(0.30)	(0.64)
Nominal value per share (\$)	1	1	1	1

6. Lease

The Company has obligations for its office space in New York City under the terms of an operating lease expiring February 29, 2017.

	(Rs. in 000's)		(US\$ in 000's)	
	Year ended		Year ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
Lease payments for the year	22,651.40	19,852.89	493.02	493.02
Minimum Lease Payments:				
Not later than one year	25,006.18	19,780.12	493.02	493.02
Later than one year but not later than five years	130,079.10	101,941.92	2,564.65	2,540.93
Later than five years	52,419.07	62,195.94	1,033.49	1,550.25

7. Conversion to Indian Rupees

All income and expense items are converted at the average rate of exchange applicable for the year. All assets (except Investments) and liabilities (except Share Capital) 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". Amounts in US\$ (USD) given in the financial statements are stated only for the purpose of conversion.

8. Figures for the previous year have been regrouped or reclassified wherever necessary.

Signature to Schedules A to P

As per our report of even date.

For S. R. BATLIBOI & CO.
Chartered Accountants

Per VIJAY MANIAR
Partner
Membership No: 36738
Mumbai, April 17, 2009

For and on behalf of the Board

ANUP BAGCHI
Director

CHARANJIT ATTRA
Director

A. MURUGAPPAN
Director

GOPAKUMAR P.
President & CEO

cash flow statement

for the year ended March 31, 2009

	March 31, 2009	(Rs. in 000's) March 31, 2008	March 31, 2009	(US\$ in 000's) March 31, 2008
A Cash flow from Operating Activities				
Profit/(Loss) Before Tax	(135,608.91)	(195,521.65)	(2,951.62)	(4,855.56)
– Depreciation	8,211.78	7,286.59	178.74	180.95
– Exchange adjustments	24,449.85	(18,083.53)	1.44	(0.96)
Operating Profit before Changes in Operating Assets and Liabilities	(102,947.28)	(206,318.59)	(2,771.44)	(4,675.57)
Adjustments for net change in Operating Assets and Liabilities				
– Current Assets excluding Cash and Cash Equivalents	13,262.63	491,841.72	462.15	11,240.51
– Loans and advances relating to Operations	(12,873.25)	10,947.95	(136.97)	208.76
– Current Liabilities relating to Operations	10,720.49	5,225.91	(86.68)	217.96
	11,109.87	508,015.58	238.50	11,667.23
Cash generated from Operations	(91,837.41)	301,696.99	(2,532.94)	6,991.66
Payment of Taxes (Net)	5,695.64	670.84	145.19	15.17
Net Cash from Operating Activities	(86,141.77)	302,367.83	(2,387.75)	7,006.83
B Cash flow from Investment Activities				
– (Purchase)/sale of Fixed Assets (Net)	—	(37,471.41)	—	(968.96)
Net cash used in Investment Activities	—	(37,471.41)	—	(968.96)
C Cash flow from Financing Activities				
– Increase/(decrease) in Borrowings	—	(326,025.00)	—	(7,500.00)
– Proceeds from issue of Share Capital	42,870.00	119,410.00	1,000.00	3,000.00
Net Cash used in Financing Activities	42,870.00	(206,615.00)	1,000.00	(4,500.00)
Net Change in Cash & Cash Equivalents	(43,271.77)	58,281.42	(1,387.75)	1,537.87
Cash and Cash Equivalents at the beginning of the year	102,629.15	44,347.73	2,558.05	1,020.18
Cash and Cash Equivalents at the end of the year	59,357.38	102,629.15	1,170.30	2,558.05

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

As per our report of even date.

For S. R. BATLIBOI & CO.
Chartered Accountants

Per VIJAY MANIAR
Partner
Membership No: 36738

Mumbai, April 17, 2009

For and on behalf of the Board

ANUP BAGCHI
Director

CHARANJIT ATTRA
Director

A. MURUGAPPAN
Director

GOPAKUMAR P.
President & CEO