

ICICI SECURITIES PRIMARY DEALERSHIP LIMITED

16TH ANNUAL REPORT AND ACCOUNTS 2008-2009

Directors

S. Mukherji, *Chairman (upto May 1, 2009)*
 N. S. Kannan, *Chairman (w.e.f. May 1, 2009)*
 Uday Chitale
 Vishakha Mulye
 A. Murugappan
 Subir Saha
 Prasanna B., *Managing Director & CEO*
 Sundaram G. H., *Executive Director (w.e.f. April 27, 2009)*

Auditors

S. R. Batliboi & Co.
Chartered Accountants

Registered Office

ICICI Centre
 H. T. Parekh Marg,
 Churchgate,
 Mumbai - 400 020.

Angarika Baviskar
Company Secretary

directors' report

to the members,

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

INDUSTRY OVERVIEW

India's economy slowed down considerably in fiscal 2009 on the back of a severe global recession, tightening of credit conditions and turmoil in global financial markets. According to CSO advance estimates, the domestic economy was expected to have grown 7.1% in fiscal 2009 compared with 9% in the previous year. Higher Government spending this fiscal has had to compensate for a drop in private investment, softening in domestic consumption and contraction in external demand. The extent of the slowdown, apart from coordinated monetary easing by central banks globally, spurred Reserve Bank of India (RBI) to reverse its tightening stance and cut the repo and reverse repo 400 bps and 250 bps respectively from October 2008. Prior to October, RBI had raised the repo and CRR to 9% each to control the huge spike in inflation.

Inflation rose considerably in the first half of the year, with headline WPI inflation rising to 12.9% in August 2008 from 7.7% in April 2008. The rise was driven by a record increase in global crude and commodity prices, and its impact on domestic fuel and manufacturing prices. WPI inflation touched double digits after domestic prices of petrol, diesel and LPG were hiked on June 7, 2008 and remained above 10% for 21 weeks. However, commodity prices softened after July 2008 on fears of widespread demand reduction across global economies. Subsequent to peaking of commodity prices, WPI inflation trended down to 0.18% by the end of fiscal 2009. Among other indicators, non-food credit growth decelerated to 17.5% YoY in March 2009 from 22.3% in March 2008. In the past eight fortnights, incremental non-food credit was down 50.1% YoY. Liquidity remained tight through the first half of the year before turning surplus from November 2008 due to large-scale monetary easing by RBI.

With Balance of Payment in deficit in the second quarter and emerging markets facing capital outflows due to heightened risk aversion, RBI stepped up liquidity management in September 2008. The severe liquidity crunch after the collapse of Lehman Brothers in mid-September was the result of a massive capital outflow as Indian corporates sought to substitute foreign liabilities by borrowing in the domestic market. In response, RBI infused primary liquidity of Rs. 3,880.45 billion between September 2008 and January 2009 through a slew of measures, which included cuts in SLR and CRR, MSS unwinding and introduction of various refinance and term repo facilities aimed at non-banking financial companies, banks and other financial institutions. As a result of active liquidity management, money market, during advance tax payment period and fiscal year-end, has remained orderly in sharp contrast to October 2008.

Government bond yields changed direction twice during the year. Broadly, yields went up in the first two quarters owing to the tightening by RBI and rise in inflationary expectations. The benchmark by 10Y yield was at 9.5% in mid-July, responding to global crude prices touching a record high. Yields again rose to these levels a fortnight later after RBI raised repo rate by 50 bps and CRR by 25 bps. Subsequently, the fall in global commodity prices saw inflationary expectations subside and market yields retreat from the record high, remaining range-bound until end September. The central bank commenced monetary easing in October, which helped the 10Y yield to drop steadily to 5% in early January 2009. However, in the face of higher expenditure, tax slippage and a departure from the Fiscal Responsibility and Budget Management Act, actual

net borrowing for fiscal 2009 was Rs. 2,169.72 billion, more than twice the budgeted Rs. 1,005.71 billion. With next year's net borrowing budgeted much higher at Rs. 3,085.47 billion, market sentiment turned bearish and yields headed higher in the past quarter. Over the year, the benchmark 10Y yield fell 91 bps from 7.91% to 7%; intra-year the yield ranged between 5% and 9.51%. The 1Y-10Y spread widened sharply from 99 bps to 249 bps.

Globally, the Federal Reserve (Fed) cut the Fed Fund Target Rate by 25 bps to 2% in April and then brought it down to a range of 0-0.25% after the collapse of Lehman Brothers. The Fed also resorted to quantitative easing in terms of outright buy-back of treasuries, corporate bonds and other commercial paper aimed at easing credit spreads, which shot up during October-December 2008. The European Central Bank cut its policy rates by 275 bps since October 2008 to all-time low of 1.5%. The Bank of Japan cut its policy rate by 40 bps to 0.1%. The People's Bank of China also eased its one-year lending rate by 190 bps to 5.4% in an attempt to avoid hard-landing of an economy plagued by a huge contraction in global exports.

FINANCIAL HIGHLIGHTS

	(Rs. in million)	
	Fiscal 2008	Fiscal 2009
Gross income	5,172.4	7,289.9
Profit before tax	2,107.4	4,176.7
Provision for tax	710.6	1,455.4
Profit after tax	1,396.8	2,721.2

Profit after tax (PAT) for the year ended March 31, 2009 was at Rs. 2,721.2 million (previous year Rs. 1,396.8 million). After taking into account the balance of Rs. 444.7 million (previous year Rs. 263.5 million) brought forward from the previous year, the profit available for appropriation is Rs. 3,166.0 million (previous year Rs. 1,660.3 million), of which Rs. 272.1 million (previous year Rs. 139.7 million) and Rs. 544.2 million (previous year Rs. 279.4 million) have been transferred to General Reserve and Special Reserve respectively. This marks the best ever performance by the fixed income business since the Company's inception.

DIVIDEND

During the year, the Company declared four interim dividends aggregating to 83%. The Directors are pleased to recommend a final dividend of 3.5% for the year, amounting to a total of 86.5% at Rs. 1,355.2 million for fiscal 2009.

OPERATIONAL REVIEW

Fixed Income

During the past year, the Company continued to maintain its leadership in the fixed income market despite operating in an uncertain environment. The key difference in the operating environment compared with the previous year was the sharp increase in volatility with two bearish phases interspersed with a three-month steady rally. RBI policy rate cuts and MSS buy-backs sustained a rally in government bonds before enhanced supply and steepening yield curve across the globe pushed up bond yields. This year was characterised by extreme rate movements compressed into a very short timeframe.

The Company's government securities business had the best year ever, despite having uncertain markets for most part of the year. The PD book was successful in increasing positions at the beginning of the rally and continued to run it to enhance profitability over the bullish phase. The Company successfully met its underwriting and bidding commitments in the primary market and traded actively in the secondary market to achieve an overall turnover in excess of Rs. 2,343.34 billion. In the non-Government securities market, the year saw a historic widening of corporate bond 5 and 10 year spreads to over 400 bps in the aftermath of Lehman Brothers' collapse in September. Subsequently, spreads contracted to 300 bps in December and are currently trading between 150 bps and 210 bps. The Company's non-government securities trading activity was able to capture nearly the entire movement in spreads and yields during these volatile times, resulting in the best ever performance by this segment as well. The turnover achieved was Rs. 236.56 billion in corporate bonds. In surrogates, the overall turnover was Rs. 161.87 billion.

The nature of the economic scenario and market-wide credit concerns during the previous year meant wider bid-offer spreads and reducing volumes in interest rate swaps. Emphasis was placed on trading profitability, apart from hedging risk from bond positions. Significant savings on capital usage were achieved through the year by lowering gross outstanding position, by almost Rs. 750.00 billion.

The Company maintained its high level of performance in the area of corporate debt origination through its debt capital market division, with total deal volumes exceeding Rs. 547.00 billion and gaining significant revenue share in the domestic market. The fixed income segment also achieved its highest ever fee income from this activity. The Company has been ranked among top two in prime league tables for the past four years, including the current financial year. Highlights of the year include the issue of Rs. 73.00 billion of IIFCL tax free bonds (largest bond issue ever in India), Rs. 41.00 billion of Power Finance Corporation bond issue and corporate deals such as JSW Steel Limited, UltraTech Cement Limited, Bharati Shipyard Limited, Deepak Fertilisers, Indian Oil Corporation Limited and the only municipal bond issue of the year, Greater Visakhapatnam Municipal Corporation.

Portfolio Management Services

We have been managing the funds belonging to the Coal Mines Provident Fund Organisation, under the Ministry of Coal on a discretionary basis since December 2006. During the current financial year, the Company was appointed as Advisor to HCL Technologies Limited for its provident fund and to West Bengal State Electricity Distribution Company Limited for its pension and gratuity funds.

Overall, gross Assets under Management (AUM; on discretionary basis) was at Rs. 382.32 billion as of March 31, 2009. The Company is proactively targeting new clients to increase its presence in this line of business.

Risk Management

As a financial services company, risk management forms the core of its various business operations. The Corporate Risk Management Group (CRMG) is committed to framing effective and contemporary risk management policies, addressing market and credit risk. The group has developed comprehensive risk management policies, which seek to minimise risks generated by the activities of the organisation. The group develops and maintains models to assess market risks, which are constantly updated to capture the dynamic nature of the markets and thus, participates in the evaluation and introduction of new products and business activities. The group also advises the fixed income division by acting as an investment advisor on possible rating migration and thereby enables the Company to effectively protect its capital from possible defaults and rating revisions. CRMG closely monitors the financial profiles of counterparties (private and public sector companies, banks and institutions and others) through in-depth analysis, regular incisive interactions with the companies and rating agencies to provide proactive recommendations to the fixed income division.

The Company has an internal Risk Management Committee comprising the MD & CEO and senior executives from cross-functional areas. The Committee debates on various aspects of risk management and among other things, decides risk and investment policies for its various businesses and ensures compliance with regulatory guidelines on risk management as well as with all the prudential and exposure limits sanctioned by the Board of Directors.

OUTLOOK

In the year ahead, the unprecedented size of the government borrowing programme poses challenges for the domestic bond market and the monetary transmission mechanism. RBI, conscious of these challenges, has taken a step in the right direction by announcing a target for OMO buy-back in the first half of fiscal 2010. Inflation is likely to remain under control until October 2009, allowing for headroom to monetise a part of the fiscal deficit. On the rates front, RBI appears to be nearing the end of its easing process, though one may not rule out further rate cut of 25-50 bps, before moving to a neutral bias. Domestic growth may decelerate further in the first half of fiscal 2010 but could recover in the second half if the global economy picks up towards Q4 of CY2009. Globally, the Fed is likely to continue to pursue aggressive

quantitative easing in an attempt to kick-start the US economy. The prospects of a US recovery would depend on the success of the private-public partnership in buying legacy assets from bank balance sheets, thus re-establishing the channels of credit. Improved risk appetite and aggressive quantitative easing by the Fed may allow rupee to appreciate next fiscal. However, there is likelihood of event risks such as election-related uncertainty and possible ratings downgrade. Bond yields are likely to firm up in the face of high borrowing requirement but the central bank action may limit the rise.

BUY-BACK OF SHARES

During the year, the Company bought back 576 fully paid equity shares of Rs. 100,000 each. The paid-up equity share capital of the Company after the buy-back stands reduced to Rs. 1,563.4 million.

PUBLIC DEPOSITS

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

DIRECTORS

Nitin Jain resigned from the Board effective August 12, 2008. B. Prasanna was appointed as an Additional Director, effective June 28, 2008 and was appointed as Director in the Annual General Meeting of the Company held on July 17, 2008. Later, he was appointed as the Managing Director & CEO of the Company, effective August 12, 2008. During the year, Subir Saha, A. Murugappan and Vishakha Mulye were also appointed as Directors by the shareholders of the Company. Sundaram G. H. was appointed as an Additional Director effective January 15, 2009.

In terms of Section 260 of the Companies Act, 1956, Sundaram G. H. holds office as an Additional Director upto the forthcoming Annual General Meeting of the Company, but is eligible for appointment as Director.

In terms of the provisions of the Articles of Association of the Company, Subir Saha, Director and Uday Chitale, Director, will retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer themselves for re-appointment.

AUDITORS

The 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, 2009 has proposed their re-appointment as Auditors to audit the accounts of the Company for the financial year ending on March 31, 2010. S. R. Batliboi & Co, the retiring Auditors, have indicated their willingness to be re-appointed. You are requested to consider their re-appointment.

FOREIGN EXCHANGE EARNING AND EXPENDITURE

During fiscal 2009, expenditure in foreign currencies amounted to Rs. 1.7 million (previous year Rs. 0.4 million) and earnings in foreign currencies were nil (previous year Rs. 10.1 million).

PERSONNEL AND OTHER MATTERS

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report.

Since the Company does not own any manufacturing facility, 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.

AUDIT COMMITTEE

The Audit Committee comprises Uday Chitale, S. Mukherji, B. Prasanna and Vishakha Mulye as its members. Uday Chitale, an Independent Director, is the Chairman of the Audit Committee. During the year, Nitin Jain ceased to be a member of the Committee on resignation as a Director. The Committee met to review the accounts, internal control systems and significant accounting policies of the Company and to discuss the audit findings and recommendations of the internal and statutory auditors.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000, the Directors of the Company confirm-

1. that the applicable accounting standards have been followed in preparation of final accounts and that there are 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, 2009 and of the profit of the Company for the period ended on that date;

directors' report

3. that proper and sufficient care has been taken 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; and
4. that the annual accounts have been prepared on a going concern basis.

CORPORATE PHILOSOPHY AND COMPLIANCE

The Company firmly believes that corporate governance and compliance practices are of paramount importance to maintain the trust and confidence of stakeholders, clients, good reputation of the Company and the unquestioned integrity of all personnel involved in the Company. To ensure transparency, fairness and objectivity in an organisation's functioning, the Company has proactively adopted best practices as regards corporate governance and compliance. The Company's policy on compliance with external regulatory requirements is backed by stringent internal policies and principles to ensure, *inter alia*, priority to clients' interests over proprietary interest, maintenance of confidentiality of client information and prevention of insider trading.

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, lenders, Government of India, Securities and Exchange Board of India, Reserve Bank of India and other statutory authorities for their continued support to the Company.

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

The 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

April 15, 2009

S. MUKHERJI
Chairman

auditors' report

to the members of ICICI Securities Primary Dealership Limited

1. We have audited the attached Balance Sheet of ICICI Securities Primary Dealership Limited (the Company) as at March 31, 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.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') issued by the Central Government of India in terms of sub-Section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. 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 those books;
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act.
- v. On the basis of the written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.
- vi. 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 Act, 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 March 31, 2009;
 - b) in the case of the Profit and Loss Account, of the profit 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 15, 2009

annexure to the auditors' report

Annexure referred to in paragraph 3 of our report of even date

Re: ICICI Securities Primary Dealership Limited

- (i) (a) The fixed assets of the Company comprise leased fixed assets and other fixed assets. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets, except leased assets, were physically verified by the management in the year in accordance with a planned program of verifying them which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The securities held as stock in trade and in custody of the Company have been physically verified by the management at reasonable intervals. The securities held as stock in trade in dematerialized form with the custodian are verified with the confirmation statement received from them on a regular basis. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures of verification of securities held as stock in trade followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of securities held as stock in trade and no discrepancies were noticed on comparing the statement from custodian with book records.
- (iii) As informed, the Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under Section 301 of the Act and hence clause 4 (iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of securities held as stock in trade and fixed assets and for sale of securities held as stock in trade and rendering services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The provision of clause (viii) of the Order is not applicable to the Company in the year under audit and hence not reported upon.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, wealth-tax, service tax and other material statutory dues applicable to it.
We have been informed that the provisions of investor education and protection fund, employees' state insurance, sales tax, customs duty, excise duty and cess are not applicable to the Company in the current year.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, wealth-tax, service tax and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
We have been informed that the provisions of investor education and protection fund, employees' state insurance, sales tax, customs duty, excise duty and cess are not applicable to the Company in the current year.
- (c) According to the records of the Company, the dues outstanding of income-tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of expenses under Sec 14A and Sec 73 of the income Tax Act, 1961.	11.96 5.73	AY 1998-99 AY 2006-07	ITAT CIT (A)

According to the information and explanation given to us, there are no dues of wealth tax, service tax, sales-tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

annexure to the auditors' report

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) Based on our examination of documents and records, we are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of Government Securities.

According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.

(xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name.

(xv) According to 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) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act.

(xix) The Company did not have any outstanding secured debentures during the year.

(xx) The Company has not raised any money through a public issue.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given 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 S. R. BATLIBOI & CO.
Chartered Accountants

per VIJAY MANIAR
Partner

Membership No.: 36738

Mumbai, April 15, 2009

balance sheet

profit and loss account

as at March 31, 2009

for the year ended March 31, 2009

		(Rs. in 000's)				(Rs. in 000's)	
	Schedule	March 31, 2009	March 31, 2008		Schedule	March 31, 2009	March 31, 2008
SOURCES OF FUNDS				Income from Operations			
1. Shareholders' Funds				(a) Income from Services	L	283,250.00	509,250.00
A. Share Capital	A	1,563,400.00	1,621,000.00	(b) Interest Income	M	3,089,500.00	2,660,500.00
B. Reserves & Surplus	B	3,701,230.00	3,091,420.00	(c) Profit/(Loss) on Securities (Net)	N	3,880,260.00	1,962,660.00
		5,264,630.00	4,712,420.00	(d) Other Income	O	36,940.00	39,950.00
						7,289,950.00	5,172,360.00
2. Loan Funds				Less: Operating Expenditure			
A. Secured Loans	C	5,338,530.00	3,139,050.00	(a) Financial Charges and			
B. Unsecured Loans	D	17,387,360.00	14,130,050.00	Operating Expenses	P	2,393,470.00	2,481,330.00
		22,725,890.00	17,269,100.00			4,896,480.00	2,691,030.00
		27,990,520.00	21,981,520.00	Expenditure			
APPLICATION OF FUNDS				Less: Administrative Expenditure			
1. Fixed Assets	E			(a) Payments to and	Q	534,620.00	416,310.00
Gross Block		317,020.00	328,170.00	Provisions for Employees	R	172,080.00	147,660.00
Less: Accumulated depreciation/ amortisation		285,250.00	288,770.00	(b) Establishment and Other			
Net Block		31,770.00	39,400.00	Expenses	E	13,090.00	19,630.00
Capital Work-in-progress including capital advances		—	3,920.00	(c) Depreciation		719,790.00	583,600.00
		31,770.00	43,320.00	Profit before Taxation		4,176,690.00	2,107,430.00
2. Deferred Tax Asset	S (B) (1)	30,890.00	52,590.00	Less: Provision for current			
3. Current Assets, Loans & Advances				income-tax		1,432,000.00	744,000.00
A. Current Assets -				Deferred tax		21,700.00	(35,520.00)
(a) Interest Accrued	F	234,350.00	255,360.00	Fringe Benefit tax		1,750.00	2,100.00
(b) Securities held as Stock-in-Trade	G	24,587,660.00	19,999,500.00	Profit After Taxation		2,721,240.00	1,396,850.00
(c) Sundry Debtors	H	8,249,860.00	819,890.00	Brought forward from previous year		444,720.00	263,460.00
(d) Cash & Bank Balances	I	305,880.00	370,220.00	Amount available for appropriations		3,165,960.00	1,660,310.00
B. Loans & Advances	J	1,621,580.00	2,591,950.00	Transfer to Special Reserve		544,250.00	279,370.00
		34,999,330.00	24,036,920.00	Transfer to General Reserve		272,120.00	139,690.00
Less: Current Liabilities & Provisions:	K			Proposed Dividend		54,720.00	—
(a) Current Liabilities		6,940,340.00	2,079,140.00	Utilised towards Buyback of Shares		311,250.00	—
(b) Provisions		131,130.00	72,170.00	Interim Dividend		1,300,500.00	680,820.00
NET CURRENT ASSETS		27,927,860.00	21,885,610.00	Corporate Dividend Tax		230,320.00	115,710.00
		27,990,520.00	21,981,520.00	Balance carried to Balance Sheet		452,800.00	444,720.00
Notes to Accounts	S			Earnings per share (Basic & Diluted) (Not annualised)	S (B) (13)	170,899.96	86,172.12
				(Face value Rs. 1,00,000/- per share)			
				Notes to Accounts	S		

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

For S. R. BATLIBOI & CO.
Chartered Accountants

per VIJAY MANIAR
Partner
Membership No. 36738

Mumbai, April 15, 2009

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

For and on behalf of the Board

S. MUKHERJI
Chairman

B. PRASANNA
Managing Director & CEO

ABHIJEET GUIN
Senior Vice President & CFO

ANGARIKA BAVISKAR
Company Secretary

schedules

	March 31, 2009	(Rs. in 000's) March 31 2008
SCHEDULE "A" — SHARE CAPITAL		
Authorized: 50,000 (Previous year 50,000) Equity Shares of Rs. 1,00,000 each	<u>5,000,000.00</u>	<u>5,000,000.00</u>
Issued: 15,634 (Previous year 16,210) Equity Shares of Rs. 1,00,000 each	<u>1,563,400.00</u>	<u>1,621,000.00</u>
Subscribed & Paid Up: 15,634 (Previous year 16,210) Equity Shares of Rs. 1,00,000 each fully paid	<u>1,563,400.00</u>	<u>1,621,000.00</u>

Notes:

Of the above, 15,634 (Previous year 16,210) Equity Shares of Rs.100,000 each fully paid are held by ICICI Bank Limited (the Holding company) and its nominees. The Company bought back 576 (Previous year- Nil) Equity Shares at Rs.1,013,000 per share aggregating to Rs. 583,488 thousands (Previous year Rs. Nil).

SCHEDULE "B" — RESERVES AND SURPLUS

	(Rs. in 000's)				
	Balance as at April 1, 2008	Additions/transfer during the year	Deductions/transfers during the year	Balance as at Mar 31, 2009	Balance as at Mar 31, 2008
General Reserve	272,240.00	272,120.00	272,240.00	272,120.00	272,240.00
Special Reserve (maintained under Section 45 IC of the RBI Act, 1935)	1,965,430.00	544,250.00	—	2,509,680.00	1,965,430.00
Capital Redemption Reserve	409,030.00	57,600.00	—	466,630.00	409,030.00
Profit and Loss Account	444,720.00	2,721,240.00	2,713,160.00	452,800.00	444,720.00
TOTAL	<u>3,091,420.00</u>			<u>3,701,230.00</u>	<u>3,091,420.00</u>

General Reserve aggregating to Rs. 272,240.00 thousands utilised towards buy-back of shares.

SCHEDULE "C" — SECURED LOANS

	March 31, 2009	(Rs. in 000's) March 31, 2008
Collateralised Borrowings (Secured by pledge of Govt. securities of Face Value Rs.5,417,400.00 thousands) (Previous year Rs.4,806,000.00 thousands)	5,338,530.00	3,139,050.00
Total	<u>5,338,530.00</u>	<u>3,139,050.00</u>

SCHEDULE "D" — UNSECURED LOANS (Continued)

	March 31, 2009	(Rs. in 000's) March 31, 2008
Commercial Paper Borrowings	1,988,360.00	996,050.00
Floating Rate Debentures (Redeemable at par by April 2009)	100,000.00	—
Floating Rate Debentures (Redeemable at par by June 2008)	—	2,284,000.00
10.15% Debentures 2008 (Redeemable at par by April 2008)	—	150,000.00
11.05% Debentures 2008 (Redeemable at par by April 2008)	—	1,000,000.00
8.50% Debentures 2008 (Redeemable at par by April 2008)	—	1,000,000.00
6.50% Debentures 2009 (Redeemable at par by June 2009)	500,000.00	—
6.75% Debentures 2009 (Redeemable at par by April 2009)	419,000.00	—
7.05% Debentures 2009 (Redeemable at par by April 2009)	419,000.00	—
Floating Rate Debentures (Redeemable at par by June 2009)	2,051,000.00	—
Total	<u>17,387,360.00</u>	<u>14,130,050.00</u>

SCHEDULE "D" — UNSECURED LOANS

	March 31, 2009	(Rs. in 000's) March 31, 2008
Subordinated Bonds issued as Tier III Capital (Due within one year Rs. 700,000.00 thousands) (Previous year Rs. 600,000.00 thousands)	800,000.00	1,400,000.00
Subordinated Bonds issued as Tier II Capital (Due within one year Rs.Nil) (Previous year Rs.Nil)	500,000.00	500,000.00
Inter-Corporate Borrowings (Due within one year Rs. 360,000.00 thousands) (Previous year Rs. Nil)	360,000.00	—
Money at Call, Short Notice and term — From Banks	10,250,000.00	6,800,000.00

schedules

forming part of the Accounts

Continued

SCHEDULE "E" — FIXED ASSETS

	Gross Block (at Cost)				Accumulated Depreciation				(Rs. in 000's) 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
	TANGIBLE									
Plant & Machinery/Electrical Installation	5,510.00	—	—	5,510.00	1,050.00	550.00	—	1,600.00	3,910.00	4,460.00
Office Equipment	28,710.00	220.00	4,020.00	24,910.00	14,050.00	2,370.00	3,880.00	12,540.00	12,370.00	14,660.00
Computers	49,760.00	1,420.00	10,940.00	40,240.00	43,330.00	4,370.00	10,910.00	36,790.00	3,450.00	6,430.00
Furniture & Fixtures	10,290.00	—	20.00	10,270.00	3,110.00	1,430.00	20.00	4,520.00	5,750.00	7,180.00
Vehicles	4,990.00	—	2,140.00	2,850.00	3,130.00	770.00	1,060.00	2,840.00	10.00	1,860.00
INTANGIBLE										
Software	18,910.00	5,220.00	890.00	23,240.00	14,100.00	3,600.00	740.00	16,960.00	6,280.00	4,810.00
Total	118,170.00	6,860.00	18,010.00	107,020.00	78,770.00	13,090.00	16,610.00	75,250.00	31,770.00	39,400.00
Assets Given on lease (Plant & Machinery)	210,000.00	—	—	210,000.00	210,000.00	—	—	210,000.00	—	—
Total	328,170.00	—	—	317,020.00	288,770.00	13,090.00	16,610.00	285,250.00	31,770.00	39,400.00
Previous Year	328,870.00	7,290.00	7,990.00	328,170.00	273,670.00	19,630.00	4,530.00	288,770.00	39,400.00	

SCHEDULE "F" — INTEREST ACCRUED

	(Rs. in 000's)	
	March 31, 2009	March 31, 2008
On Stock-in-Trade	222,540.00	234,260.00
On Others	11,810.00	21,100.00
Total	234,350.00	255,360.00

SCHEDULE "G" — SECURITIES HELD AS STOCK IN TRADE

(at lower of cost or market value categorywise) (Quoted unless otherwise stated)	Total Face Value Rs. in 000's	(Rs. in 000's)	
		March 31, 2009	March 31, 2008
Government of India Securities & Deemed Government of India Securities			
7.99% Government of India 2017	Nil (1,971,400)	—	1,977,320.00
8.03% Government of India FCI SPL Bonds 2024	Nil (4,500)	—	4,170.00
8.15% Government of India FCI Special Bonds 2022	Nil (60,000)	—	56,690.00
8.20% Government of India 2022	Nil (350,000)	—	349,480.00
8.35% Government of India 2022	Nil (150,000)	—	151,800.00
7.95% Oil Market Co Government of India 2025	Nil (100,000)	—	91,940.00
12.25% Government of India 2010	Nil (2,100,000)	—	2,298,250.00
5.87% Government of India 2010	Nil (350,000)	—	340,170.00
8.43% Madhya Pradesh SDL 2017	Nil (98,700)	—	99,590.00
11.50% Andhra Pradesh SDL 2008	Nil (250,000)	—	254,000.00
11.50% Bihar SDL 2008	Nil (250,000)	—	254,000.00
11.50% Orissa SDL 2008	Nil (77,300)	—	78,540.00
11.50% Uttar Pradesh SDL 2008	Nil (695,456)	—	706,590.00
12.15% Haryana SDL 2008	Nil (213,000)	—	213,450.00
12.15% Himachal Pradesh SDL 2008	Nil (45,000)	—	45,090.00
12.15% Maharashtra SDL 2008	Nil (47,200)	—	47,300.00
12.15% Rajasthan SDL 2008	Nil (50,000)	—	50,110.00
7.87% West Bengal SDL 2018	Nil (12,830)	—	12,480.00
8.45% Andhra Pradesh SDL 2018	Nil (601,500)	—	608,130.00
8.58% Jammu And Kashmir SDL 2017	Nil (3,840)	—	3,900.00
10.25% Government of India 30-05-2021	110,000 (Nil)	131,320.00	—
7.27% Government of India 03-09-2013	1,050,000 (Nil)	1,070,110.00	—
12.40% Government of India 20-08-2013	150,000 (Nil)	177,410.00	—
12.60% Government of India 23-11-2018	200,000 (Nil)	266,620.00	—
6.05% Government of India 02-02-2019	847,000 (Nil)	789,560.00	—
6.72% Government of India 24-02-2014	610,600 (Nil)	606,230.00	—
7.00% Oil Goi Spl Bonds 09-09-2012	1,035,000 (Nil)	1,034,600.00	—
7.40% Government Stock 03-05-2012	350,000 (Nil)	360,750.00	—
9.00% Government Stock 24-05-2013	150,000 (Nil)	157,050.00	—
7.46% Government Stock 28-08-2017	500,000 (Nil)	508,440.00	—
7.76% Karnataka SDL 02-03-2019	500 (Nil)	480.00	—

SCHEDULE "G" — SECURITIES HELD AS STOCK IN TRADE (Continued)

(at lower of cost or market value categorywise) (Quoted unless otherwise stated)	Total Face Value Rs. in 000's	(Rs. in 000's)	
		March 31, 2009	March 31, 2008
7.77% Madhya Pradesh SDL 02-03-2019	500,000 (Nil)	491,160.00	—
7.77% Tamil Nadu SDL 19-05-2015	300 (Nil)	300.00	—
7.80% Haryana SDL 02-03-2019	300,000 (Nil)	294,870.00	—
7.98% Jammu And Kashmir SDL 02-03-2019	390,000 (Nil)	388,630.00	—
8.47% Arunachal Pradesh SDL 25-03-2019	500 (Nil)	510.00	—
8.47% Jharkhand SDL 25-03-2019	400 (Nil)	400.00	—
8.47% Meghalaya SDL 25-03-2019	33,000 (Nil)	33,590.00	—
8.57% Uttar Pradesh SDL 12-03-2019	433,700 (Nil)	445,470.00	—
8.59% Uttar Pradesh SDL 18-03-2019	23,340 (Nil)	24,070.00	—
		6,781,570.00	7,643,000.00
Treasury Bills			
182 Day Treasury Bill 04-04-2008	Nil (3,000)	—	3,000.00
182 Day Treasury Bill 04-09-2009	250,000 (Nil)	245,000.00	—
182 Day Treasury Bill 22-08-2009	642,300 (Nil)	630,540.00	—
364 Day Treasury Bill 01-01-2010	9,250 (Nil)	8,920.00	—
364 Day Treasury Bill 20-11-2009	140,000 (Nil)	135,840.00	—
364 Day Treasury Bill 25-03-2010	15,625 (Nil)	14,910.00	—
91 Day Treasury Bill 01-05-2009	3,700,000 (Nil)	3,685,430.00	—
91 Day Treasury Bill 08-05-2009	573,725 (Nil)	570,950.00	—
91 Day Treasury Bill 15-05-2009	631,500 (Nil)	627,890.00	—
91 Day Treasury Bill 24-04-2009	1,518,100 (Nil)	1,513,460.00	—
		7,432,940.00	3,000.00
Commercial Papers & Certificates of Deposit			
ABN Amro Bank 21-10-2008 CD	Nil (250,000)	—	235,560.00
Allahabad Bank 09-02-2009 CD	Nil (250,000)	—	228,220.00
Canara Bank 23-03-2009 CD	Nil (250,000)	—	228,340.00
Canara Bank 26-03-2009 CD	Nil (250,000)	—	228,040.00
ICICI Bank Limited 10-03-2009 CD	Nil (750,000)	—	680,980.00
ICICI Bank Limited 17-02-2009 CD	Nil (250,000)	—	228,240.00
ICICI Bank Limited 27-02-2009 CD	Nil (250,000)	—	227,180.00
IDBI Limited 02-03-2009 CD	Nil (500,000)	—	455,550.00
IDBI Limited 10-03-2009 CD	Nil (500,000)	—	454,700.00
IDBI Limited 26-02-2009 CD	Nil (500,000)	—	454,480.00
IDBI Limited 26-03-2009 CD	Nil (500,000)	—	455,540.00
Indian Bank 17-03-2009 CD	Nil (750,000)	—	684,130.00
Oriental Bank of Commerce 25-03-2009 CD	Nil (1,000,000)	—	911,370.00
Punjab National Bank 05-03-2009 CD	Nil (250,000)	—	228,200.00
Punjab National Bank 06-01-2009 CD	Nil (1,000,000)	—	924,060.00
Punjab National Bank 10-03-2009 CD	Nil (250,000)	—	228,770.00
Punjab National Bank 24-02-2009 CD	Nil (1,000,000)	—	909,420.00
State Bank of Bikaner & Jaipur 26-11-2008 CD	Nil (250,000)	—	234,570.00

schedules

AICICI Securities
Primary Dealership Limited

forming part of the Accounts

Continued

	Total Face Value Rs. in 000's	(Rs. in 000's)		Total Face Value Rs. in 000's	(Rs. in 000's)		
		March 31, 2009	March 31, 2008		March 31, 2009	March 31, 2008	
Uco Bank 12-03-2009 CD	Nil (250,000)	—	228,520.00	11.65% HDFC Limited 09-09-2010	100,000 (Nil)	104,200.00	—
Uco Bank 26-03-2009 CD	Nil (250,000)	—	227,770.00	9.90% HDFC 04-09-2009	250,000 (Nil)	250,680.00	—
Allahabad Bank 04-01-2010 CD	500,000 (Nil)	473,590.00	—	9.90% HDFC 19-12-2013	300,000 (Nil)	305,370.00	—
Bank of Baroda 26-02-2010 CD	1,000,000 (Nil)	940,990.00	—	8.75% Oriental Bank of Commerce 12-02-2024 Call-12-02-2019	10,000 (Nil)	9,000.00	—
Canara Bank 12-02-2010 CD	250,000 (Nil)	235,420.00	—	9.85% HDFC Bank Ltd 17-03-2024 Call 17-03-2019	94,000 (Nil)	96,810.00	—
Canara Bank 15-09-2009 CD	500,000 (Nil)	484,640.00	—	9.95% ICICI Bank Ltd 26-03-2024 Call 26-03-2019	250,000 (Nil)	246,580.00	—
Canara Bank 23-02-2010 CD	600,000 (Nil)	564,290.00	—				
IDBI Bank Limited 24-03-2010 CD	1,000,000 (Nil)	926,290.00	—			3,660,310.00	2,781,320.00
Oriental Bank of Commerce 04-01-2010 CD	500,000 (Nil)	474,340.00	—	Debentures (Unquoted)			
Punjab National Bank 12-02-2010 CD	300,000 (Nil)	282,050.00	—	17.50% Grapco Granites Ltd 1998	20,000 (20,000)	18,250.00	18,250.00
Punjab National Bank 14-09-2009 CD	1,000,000 (Nil)	967,190.00	—	17.50% Grapco Granites Ltd 2000	15,000 (15,000)	13,100.00	13,100.00
Punjab National Bank 17-03-2010 CD	500,000 (Nil)	464,690.00	—	17.50% Grapco Mining Ltd 1995	10,000 (10,000)	9,310.00	9,310.00
State Bank of Hyderabad 15-09-2009 CD	500,000 (Nil)	484,440.00	—	18.00% Parasrampuriah Synthetics Ltd 1999	20,000 (20,000)	17,620.00	17,620.00
State Bank of Mysore 26-02-2010 CD	250,000 (Nil)	235,690.00	—	19.50% Grapco Granites Ltd 1998	20,000 (20,000)	18,920.00	18,920.00
ICICI Home Finance Company 23-11-2009 CP	100,000 (Nil)	94,000.00	—	20.00% Das Lagerwey 1996	30,000 (30,000)	30,000.00	30,000.00
		6,627,620.00	8,453,640.00	22.00% GTV Spinners Ltd 1996	4,529 (4,529)	4,480.00	4,480.00
						111,680.00	111,680.00
Bonds & Debentures				Preference Shares (Unquoted) (Face Value Rs.10)			
9.83% Shriram Transport Finance Co Ltd 18-01-2009	Nil (440,000)	—	40.00	8.00% Clearing Corp of India 26-03-2013 Pref Eq	50,000 (Nil)	50,000.00	—
8.00% Exim Bank 27-09-2009 P/C 27-09-2008 A	Nil (150,000)	—	148,510.00			50,000.00	—
8.95% IDFC 07-01-2013	Nil (50,000)	—	49,000.00	Equity (Face Value Rs.10 unless specified otherwise)			
9.01% Power Finance Corporation 15-02-2011	Nil (250,000)	—	246,500.00	Aldrich Pharmaceuticals Limited	2,400 (2,400)	—	—
9.07% Rural Electrification Corp 28-02-2018	Nil (307,000)	—	298,940.00	Andhra Bank Limited	500 (200)	2,260.00	1,470.00
9.40% Power Finance Corp Ltd 25-03-2013	Nil (426,000)	—	424,950.00	Bharat Forge Co. Limited - Fv Rs. 2	19 (19)	920.00	2,500.00
FRB (5.179%) Cifco 10-06-2008 (P/C 10-06-2007)	Nil (150,000)	—	146,340.00	Biochem Synergy Limited	635 (635)	—	—
FRB (7.799%) LIC Hsg Fin Ltd 11-08-2012 P/C11-08-10	Nil (100,000)	—	97,180.00	Sunshield Chemicals Limited	*(*)	—	—
FRB (10.85%) Mukand Ltd 15-12-2011	150,000 (200,000)	74,990.00	202,070.00	Unipon Industries Limited	*(*)	—	—
9.00% Canara Bank 09-01-2018	Nil (8,000)	—	7,750.00	Hiralal Print Works	1,935 (1,935)	—	—
9.35% Punjab National Bank 05-03-2023 Tier I Call 05-03-2018	Nil (15,000)	—	14,520.00	laec Industries Limited	1,500 (1,500)	—	—
9.35% State Bank of Hyderabad 19-03-2023 Call 19-03-2018	Nil (100,000)	—	96,800.00	India Containers Limited	934 (934)	—	—
9.78% State Bank of Bikaner & Jaipur 15-10-2022 Call 15-10-2017	Nil (12,000)	—	11,880.00	Inland Printers Limited	7,992 (7,992)	—	—
9.85% State Bank of Bikaner & Jaipur Perpetual Call 20-03-2018	Nil (10,000)	—	10,000.00	Kallam Spinning Mills Limited	4,634 (4,634)	4,860.00	8,180.00
9.90% Syndicate Bank Perpetual Call 25-03-2018	Nil (50,000)	—	50,000.00	Knoll Pharmaceuticals Limited	*(*)	—	—
0% NABARD 01-01-2018 Zcb	Nil (179,200)	—	73,500.00	Lanco Industries Limited	*(*)	—	—
8.40% HDFC 13-11-2009	Nil (100,000)	—	98,380.00	Maruti Udyog Limited	15 (15)	2,340.00	2,480.00
9.10% IDFC 08-02-2018	Nil (269,000)	—	262,030.00	Mil Industries Limited	350 (350)	—	—
9.50% HDFC 10-12-2017	Nil (96,000)	—	95,980.00	Nucent Finance Limited	1 (1)	—	—
9.51% Mah & Mah Fin 12-11-2010 Call 12-11-2007	Nil (250,000)	—	247,510.00	Orissa Lamp Limited	7,215 (7,215)	—	—
9.80% LIC Housing Finance Ltd 22-10-2017	Nil (44,000)	—	44,730.00	Otis Elevator Company (India) Limited	*(*)	—	—
9.18% State Bank of Travancore 08-01-2018	Nil (158,000)	—	154,680.00	Parakaram Tehcnofab Limited	1,910 (1,910)	—	—
9.80% ICICI Bank Limited 10-02-2013 Tier II	Nil (30)	—	30.00	Parasrampuriah Synthetics Limited	1,246 (1,246)	10.00	10.00
10.75% Power Finance Corp Ltd 15-07-2011	100,000 (Nil)	105,100.00	—	Parasrampuriah Synthetics Limited	905 (905)	—	—
10.90% REC Ltd 30-09-2013	106,000 (Nil)	112,830.00	—	Philips India Limited	*(*)	—	—
11.10% Power Finance Corp Ltd 15-09-2013	200,000 (Nil)	214,230.00	—	Rayban Sun Optics India Limited	*(*)	—	—
11.15% Power Finance Corp Ltd 15-09-2011	250,000 (Nil)	264,620.00	—	Reckitt & Cleman India Limited	*(*)	—	—
11.25% Power Finance Corp Ltd 28-11-2018	86,000 (Nil)	97,130.00	—	State Bank of India	Nil (25)	—	4,000.00
11.40% Power Finance Corp Ltd 28-11-2013	101,000 (Nil)	109,480.00	—	Subex Systems Limited	*(*)	—	—
11.75% REC Ltd 03-11-2011	50,000 (Nil)	53,710.00	—	Sunshield Chemicals Limited	2 (2)	—	—
8.55% Power Finance Corp Ltd 07-09-2011	250,000 (Nil)	251,850.00	—	Whirlpool India Limited	*(*)	—	—
9.20% Powergrid Corporation of Ind Ltd 12-03-2013	50,000 (Nil)	50,730.00	—	Widia India Limited	*(*)	—	—
9.20% Powergrid Corporation of Ind Ltd 12-03-2014	50,000 (Nil)	50,940.00	—	Industrial Finance Corporation Limited	Nil (420)	—	1,850.00
9.20% Powergrid Corporation of Ind Ltd 12-03-2015	50,000 (Nil)	50,910.00	—	Cadbury India Limited	*(*)	—	—
9.20% Powergrid Corporation of Ind Ltd 12-03-2016	50,000 (Nil)	50,450.00	—	Dataline & Research Techno	*(*)	—	—
9.20% Powergrid Corporation of Ind Ltd 12-03-2017	50,000 (Nil)	50,310.00	—	Ismt Limited	1,250 (1,250)	2,490.00	6,930.00
9.20% Powergrid Corporation of Ind Ltd 12-03-2018	50,000 (Nil)	50,490.00	—	Knoll Pharmaceuticals Limited	*(*)	—	—
9.55% Power Finance Corp Ltd 09-06-2011	100,000 (Nil)	102,370.00	—	Lanco Industries Limited	*(*)	—	—
FRB (4.982%) LIC Hsg Fin Ltd 11-08-2012 P/C11-08-10	100,000 (Nil)	95,780.00	—	Otis Elevator Company (I) .	*(*)	—	—
FRB Power Finance Corp Ltd 29-05-2011 (Mibor+215 Bps)	900,000 (Nil)	861,750.00	—	Philips India Limited	*(*)	—	—
				Rayban Sun Optics India Limited	*(*)	—	—

	Total Face Value Rs. in 000's	March 31, 2009	(Rs. in 000's) March 31, 2008		March 31, 2009	(Rs. in 000's) March 31, 2008		
Whirlpool India Limited	*(*)	—	—	SCHEDULE "I" — CASH AND BANK BALANCES				
Widia India Limited	*(*)	—	—		Cash & Cheques on hand	30.00	40,170.00	
House of Pearl Fashions Limited	Nil (165)	—	2,270.00		In Current Accounts with Scheduled Banks	1,980.00	23,520.00	
Royal Orchid Hotels Limited	Nil (755)	—	6,930.00		In Current Accounts with Reserve Bank of India	5,070.00	56,140.00	
Technocraft Industries (India) Limited	Nil (700)	—	3,620.00		Fixed Deposits with Scheduled Banks	—	390.00	
Alok Textile Industries Limited	Nil (400)	—	2,290.00			7,080.00	120,220.00	
Jaiprakash Associates Limited	Nil (105)	—	2,380.00		Fixed Deposits with Scheduled Banks (Under Lien)	298,800.00	250,000.00	
Man Industries (I) Limited	Nil (175)	—	4,330.00		(Under lien with ICICI Bank Rs.100,000.00 thousands and HDFC Bank Rs.198,800.00 thousands (previous year Rs.250,000.00 thousands and Rs.Nil respectively)			
Oriental Bank of Commerce	Nil (215)	—	3,810.00		Total	305,880.00	370,220.00	
Patni Computer Systems Limited	Nil (25)	—	2,780.00		SCHEDULE "J" — LOANS AND ADVANCES			
Raymonds Limited.	Nil (150)	—	4,540.00			Secured and considered good		
Reliance Communications Limited	Nil (25)	—	2,550.00			Collateralised Lendings	—	1,471,080.00
Reliance Industries Limited .	Nil (75)	—	17,000.00			Total (A)	—	1,471,080.00
Tech Mahindra Limited	Nil (80)	—	5,640.00			Unsecured and considered good		
Ultratech Cemco Limited	Nil (62)	—	4,860.00			(Recoverable in cash or in kind or for value to be received)		
Zylog Systems Limited	Nil (158)	—	2,900.00			Advances and Deposits	594,920.00	517,780.00
Oil And Natural Gas Corp. .	Nil (30)	—	2,940.00			Application Money for Securities	910,000.00	410,000.00
Jocil Ind Limited	2,371 (2,371)	17,840.00	17,780.00			Advance Tax (net of Provisions of Rs.6,297,400.00 thousands Previous year - Rs.4,792,070.00 thousands)	116,660.00	193,090.00
		30,720.00	114,040.00			Total (B)	1,621,580.00	1,120,870.00
Equity Unquoted (Face Value Rs.10 unless specified otherwise)				Total (A) + (B)		1,621,580.00	2,591,950.00	
Shri Renuga Textiles Limited	1,000 (1,000)	4,500.00	4,500.00	Included in loans and advances are:				
		4,500.00	4,500.00	Dues from Companies under same management within the meaning of section 370 (1B)				
Units of Mutual Funds				ICICI Lombard General Insurance Company Limited Rs.Nil (Previous year - Rs.1,140.00 thousands). Max. balance Rs. 1,140.00 thousands (Previous year - Rs. 1,140.00 thousands)				
Principal Cash Mngt Fd-Liq Opt-Inst Pre Pl Gr	Nil (791,998)	—	1,000,000.00	ICICI Securities Holdings Inc. Rs..Nil (Previous year - Rs.90.00 thousands). Max. balance Rs. 90.00 thousands (Previous year - Rs. 90.00 thousands)				
		—	1,000,000.00	ICICI Securities Inc. Rs.Nil (Previous year - Rs.1,690.00 thousands). Max. balance Rs. 1,690.00 thousands (Previous year - Rs. 1,690.00 thousands)				
Total		24,699,340.00	20,111,180.00	ICICI Prudential Life Insurance Company Limited Rs. 90.00 thousands (Previous year - Rs.100.00 thousands). Max. balance Rs. 280.00 thousands (Previous year - Rs. 100.00 thousands)				
Less: Provision against Non-performing Assets/Bad debts written off		111,680.00	111,680.00					
Grand Total		24,587,660.00	19,999,500.00					
* indicates amount below Rs. one thousand.								
Notes:								
1. Certain Debentures which have defaulted for payment on maturity date have been written off. However, the same have been continued to be disclosed as Stock-in-trade to reflect existence of the claim on the Issuer/Seller.								
2. The aggregate carrying value and market value of quoted securities as at March 31, 2009 is Rs.24,533,160.00 thousands and Rs.24,533,160.00 thousands respectively. (previous year Rs.19,977,220.00 thousands and Rs.19,977,220.00 thousands respectively)								
SCHEDULE "H" — SUNDRY DEBTORS (Unsecured)								
(A) Receivables outstanding for a period exceeding six months:								
Considered good		2,160.00	57,080.00	SCHEDULE "K" — CURRENT LIABILITIES AND PROVISIONS				
Considered Doubtful		17,890.00	72,730.00		(A) Current Liabilities:			
(B) Receivables outstanding for a period not exceeding six months:					Interest Accrued but not due	89,440.00	126,680.00	
Considered good		36,260.00	36,900.00		Trades executed but not settled	3,311,280.00	1,436,720.00	
Trades executed but not settled		8,211,440.00	725,910.00		Sundry Creditors for Expenses*	63,710.00	11,080.00	
		8,267,750.00	892,620.00		Other Liabilities	3,475,820.00	504,560.00	
Less: Provision for Doubtful Debts		17,890.00	72,730.00		Unclaimed Dividends	90.00	100.00	
Total		8,249,860.00	819,890.00		Total (A)	6,940,340.00	2,079,140.00	
Included in sundry debtors are:								
(i) Dues from Companies under same management within the meaning of section 370 (1B) ICICI Bank Limited Rs.30,870.00 thousands (Previous year - Rs.61,980.00 thousands)								
(B) Provisions:								
					Proposed Dividend & Corporate Dividend Tax	64,020.00	—	
					Employee Benefits	67,110.00	72,170.00	
					Total (B)	131,130.00	72,170.00	
*Includes amount payable to Micro, Small and Medium Enterprises Rs. Nil (Previous year Rs. Nil) [Refer Schedule S (B) (17)]								

schedules

	(Rs. in 000's)	(Rs. in 000's)
	March 31, 2009	March 31, 2008
SCHEDULE "L" — INCOME FROM SERVICES		
Issue Management Fees	—	158,390.00
Financial Advisory Services	22,640.00	65,610.00
Syndication Fees	251,310.00	129,670.00
Underwriting Commission	9,250.00	21,800.00
Brokerage and Commission	50.00	133,780.00
Total	283,250.00	509,250.00
SCHEDULE "M" — INTEREST INCOME		
Interest On Securities Held As Stock in Trade	2,360,600.00	2,011,500.00
Income On Discounted Instruments — Stock in Trade	488,190.00	312,350.00
Interest On Repo and Call Lendings	148,910.00	72,010.00
Interest On Other Loans and Advances	91,800.00	264,640.00
Total	3,089,500.00	2,660,500.00
SCHEDULE "N" — PROFIT ON SECURITIES (NET)		
Profit on Stock In Trade	4,456,110.00	1,899,700.00
Net Gain/(Loss) from interest rate derivatives	(575,850.00)	62,960.00
Total	3,880,260.00	1,962,660.00
SCHEDULE "O" — OTHER INCOME		
Dividend Income from Mutual Funds/Companies*	2,840.00	18,210.00
Recovery against Bad Debts Written Off	—	14,000.00
Miscellaneous Income	34,100.00	7,650.00
Profit on Sale of Fixed Assets	—	90.00
Total	36,940.00	39,950.00
* Includes an amount of Rs.Nil towards dividend from Subsidiary Companies (Previous year -Rs.Nil)		
SCHEDULE "P" — FINANCIAL CHARGES AND OPERATING EXPENSES		
Interest on Fixed Loans and Debentures	768,010.00	1,053,250.00
Interest on Borrowings from Reserve Bank of India	32,280.00	2,540.00
Interest On Repo and Call Borrowings	1,483,940.00	978,120.00
Procurement Expenses	360.00	201,530.00
Rating Agency Fees	4,420.00	6,450.00
Brokerage, Stamp Duty & Securities Transaction Tax	35,900.00	57,070.00
Bank Charges	2,030.00	3,130.00
Custodial and Depository Charges	63,580.00	42,080.00
Doubtful Debts Written Off/Provided	75,680.00	183,150.00
Less: Opening Provision	72,730.00	45,990.00
	2,950.00	137,160.00
Total	2,393,470.00	2,481,330.00
SCHEDULE "Q" — PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries, Wages and Incentive	518,020.00	326,310.00
Contribution to Provident and other Funds	10,920.00	79,070.00
Staff Welfare Expenses	5,680.00	10,930.00
Total	534,620.00	416,310.00
SCHEDULE "R" — ESTABLISHMENT AND OTHER EXPENSES		
Rent and Amenities	54,130.00	71,250.00
Insurance	280.00	140.00
Business Promotion, Travelling and Conveyance Expenses	10,600.00	15,390.00
Repairs, Maintenance and Upkeep	15,160.00	4,260.00
Rates and Taxes	80.00	50.00
Electricity Expenses	5,460.00	9,800.00
Loss on Sale of Fixed Assets	160.00	—
Communication Expenses	3,550.00	2,860.00
Printing and Stationery	1,870.00	3,270.00
Subscription and Periodicals	20,180.00	16,030.00
Professional Fees - (Refer Schedule S, Note no. 4)	9,860.00	10,070.00
Advertisement Expenses	60.00	70.00
Donations	7,250.00	2,040.00
Miscellaneous Expenses	43,440.00	12,440.00
Total	172,080.00	147,660.00
SCHEDULE "S" — NOTES FORMING PART OF THE ACCOUNTS AND ACCOUNTING POLICIES:		
A. Significant Accounting Policies:		
(i) Basis of Preparation		
The financial statements have been prepared to comply in all material respects in respects with the Notified Accounting Standards by Companies (Accounting Standards) Rules, 2006, the relevant provisions of the Companies Act, 1956 and circulars and guidelines issued by the Reserve Bank of India from time to time to the extent applicable. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. 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. 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 is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.		
(a) Revenue from issue management, loan syndication, financial advisory services is recognized based on the stage of completion of assignments and terms of agreement with the client.		
(b) Gains and losses on dealing with securities are recognized on trade date.		
(c) Interest income is accounted on an accrual basis except for non performing/doubtful assets, interest in respect of which is recognized, considering prudential norms for income recognition issued by Reserve Bank of India (RBI) for Non-Banking Financial Companies on a cash basis.		
(d) Dividend income is recognized when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognized even if the same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of schedule VI of the Companies Act, 1956.		
(iv) Stock-in-trade		
(a) The securities acquired with the intention of holding for short-term and trading are classified as stock-in-trade.		
(b) The securities held as stock-in-trade are valued at lower of cost arrived at on weighted average basis or market/fair value, computed category-wise. Market/fair value is adjusted for appropriate illiquidity discount to the values prescribed by Fixed Income Money Market and Derivatives Association (FIMMDA). In case of investments transferred to stock-in-		

trade, carrying amount on the date of transfer is considered as cost. Commission earned in respect of securities acquired upon devolvement is reduced from the cost of acquisition. Fair value of unquoted shares is taken at break-up value of shares as per the latest audited balance sheet of the concerned company. In case of debt instruments, fair value is worked out on the basis of yield to maturity rate selected considering quotes, where available and credit profile of the issuer and market related spreads over the government securities.

- (c) Discounted instruments like Commercial paper/ Certificates of Deposit/ treasury bills/zero coupon instruments are valued at carrying cost or market/fair value whichever is lower. The difference between the acquisition cost and the redemption value of discounted instruments is apportioned on a straight line basis for the period of holding and recognized as Interest income.
 - (d) Units of mutual fund are valued at lower of cost and net asset value.
 - (e) The secondary market short sale transactions in Government securities as permitted by RBI Circular no, RBI/2006-2007/243 IDMD. No./11.01.01(B)/2006-07 are classified under miscellaneous liabilities.
- (v) Investments**
- (a) The securities acquired with the intention of holding till maturity or for a longer period are classified as investments.
 - (b) 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.

(vi) Repurchase and Resale Transactions (Repo)

Repo transactions are treated as purchase and sale of the securities as per RBI guidelines and accordingly disclosed in the financial statements. The difference between purchase and sale consideration is treated as interest income or expenditure, as the case may be, over the period of the contract.

The difference between the sale price of the security offered under repo and its book value are shown under current assets / liabilities in the balance sheet, as the case may be. In case, the sale price is lower than the book value the same is provided as loss on security. In case, the sale price is higher than the book value, the differential gain is not recognised. Securities under repo/ reverse repo are marked to market.

(vii) Fixed Assets and Depreciation

- (a) 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.
- (b) Depreciation on fixed assets is provided using the straight line method as per the useful life of the assets estimated by the management or at the rates specified in Schedule XIV of the Companies Act, 1956 whichever is higher.
- (c) The carrying amounts are reviewed at each balance sheet date when required to assets whether they are recorded in excess of their recoverable amounts and when carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

(viii) Income Taxes

Tax expense comprises of current, deferred taxes and fringe benefit taxes. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. 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 there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. 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 realised.

(ix) Lease

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 recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

(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) Provision for Doubtful Loans and Advances

The policy of provisioning against non performing loans and advances has been decided by the management considering prudential norms prescribed by the RBI for Non Banking Financial Companies except that amounts recovered subsequent to the balance sheet date have not been considered for provisioning. As per the policy adopted, the provision against sub standard assets are fixed on a conservative basis, taking into account management's perception of the higher risk associated with the business of the Company. Certain non performing loans and advances are considered as loss assets and full provision has been made against such assets.

(xii) Foreign Currency Transactions

- (a) **Initial recognition:** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- (b) **Conversion:** Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- (c) **Exchange Differences:** Exchange differences arising on settlement or restatement of monetary items are recognized as exchange gain/ loss in the profit and loss account.

(xiii) Retirement Benefits

- (a) Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.
- (b) The Company's employees are covered under the Employees' Gratuity Scheme & contribution is made to ICICI Prudential Life Insurance Company Limited. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- (c) Compensated absences are provided for on based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- (d) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

(xiv) Derivatives Transactions

- (a) All open positions are marked to market except hedge swaps which are accounted for on accrual basis.
- (b) Gains are recognized only on settlement/expiry of the derivative instruments except for Interest Rate derivatives which are marked-to-market and the resulting gain or loss is accounted for in the profit & loss account.
- (c) Receivables/payables on open position are disclosed as current assets/ current liabilities, as the case may be.

(xv) Segment Reporting

The Company's primary business segments are reflected based on the principal business carried out, i.e. trading in securities.

The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment.

(xvi) Earnings per Share

Basic and Diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xvii) 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.

schedules

B. Other Notes

1. Deferred Tax

The break-up of deferred tax assets into major components as on the balance sheet date is as follows:

Deferred Tax Assets	(Rs. in 000's)	
	March 31, 2009	March 31, 2008
Depreciation on Fixed Assets	2,000.00	3,370.00
Provision for Doubtful Debtors	6,080.00	24,720.00
Provision for Employee Retirement Benefits	22,810.00	24,500.00
	30,890.00	52,590.00

2. Contingent liabilities

- Income tax matters disputed by the Company Rs.231,950.00 thousands (Previous year – Rs.183,130.00 thousands)
- Outstanding Bank Guarantees taken by the company Rs.Nil (Previous Year – Rs.390.00 thousands)
- Outstanding capital commitments as at March 31, 2009 are Rs.5,250.00 thousands (Previous year – Rs.2,020.00 thousands).
- Outstanding credit enhancement through Corporate Guarantee and subscription agreement Rs.Nil (Previous year – Rs.892,000.00 thousands)

	(Rs. in 000's)	
	March 31, 2009	March 31, 2008
	79,300.00	28,170.00
	680.00	820.00
	79,980.00	28,990.00

3. Managerial Remuneration

Salary, perquisites and bonus	79,300.00	28,170.00
Contribution to Provident Fund and other Funds	680.00	820.00
	79,980.00	28,990.00

As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above.

	(Rs. in 000's)	
	March 31, 2009	March 31, 2008
	1,450.00	1,100.00
	900.00	600.00
	60.00	60.00
	2,410.00	1,760.00

4. Auditors' remuneration (included in Professional Fees)

(a) Audit Fees	1,450.00	1,100.00
(b) Tax Audit & Certification Fees	900.00	600.00
(c) Out of pocket expenses	60.00	60.00
	2,410.00	1,760.00

5. Expenditure in foreign currency (on accrual basis)

Professional fees	1,720.00	—
Others	10.00	450.00

6. Receipts in foreign currency (on accrual basis)

(Fees towards Advisory Services)	—	10,120.00
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7. QUANTITATIVE DETAILS OF SECURITIES HELD AS STOCK IN TRADE

(a) OPENING AND CLOSING STOCK

Category	(Rs. in 000's)			
	Opening Stock		Closing Stock	
	Face Value	Value	Face Value	Value
Government Securities	7,430,730.00 (1,760,280.00)	7,643,000.00 (1,782,050.00)	6,684,340.00 (7,430,730.00)	6,781,570.00 (7,643,000.00)
Treasury Bills	3,000.00 (3,599,830.00)	3,000.00 (3,526,640.00)	7,480,500.00 (3,000.00)	7,432,940.00 (3,000.00)
Shares	42,260.00 (69,960.00)	118,540.00 (666,310.00)	88,990.00 (42,260.00)	85,220.00 (118,540.00)
Debentures/Bonds & CPs / CDs	12,614,230.00 (6,347,000.00)	11,234,960.00 (5,570,600.00)	10,697,000.00 (12,614,230.00)	10,287,930.00 (11,234,960.00)
Units	792,000.00 (129,940.00)	1,000,000.00 (150,000.00)	— (792,000.00)	— (1,000,000.00)
Total	20,882,220.00 (11,907,010.00)	19,999,500.00 (11,695,600.00)	24,950,830.00 (20,882,220.00)	24,587,660.00 (19,999,500.00)

(b) PURCHASES AND SALES

(Rs. in 000's)

Category	Purchases		Sales	
	Face Value	Value	Face Value	Value
Government Securities	1,170,038,680.00 (860,463,020.00)	1,210,874,950.00 (858,512,130.00)	1,170,785,070.00 (854,792,570.00)	1,214,828,150.00 (853,658,610.00)
Treasury Bills	144,510,800.00 (118,089,970.00)	141,130,660.00 (114,926,520.00)	137,033,300.00 (121,686,800.00)	133,741,900.00 (118,508,540.00)
Shares	96,570.00 (1,130,230.00)	736,130.00 (31,660,030.00)	49,840.00 (1,157,930.00)	709,930.00 (33,064,900.00)
Debentures/Bonds & CPs/CDs	144,653,000.00 (79,246,840.00)	140,869,760.00 (76,673,450.00)	146,570,230.00 (72,979,610.00)	142,784,360.00 (71,203,800.00)
Units	119,606,320.00 (163,343,700.00)	156,350,930.00 (192,410,210.00)	120,398,320.00 (162,681,640.00)	157,688,930.00 (191,636,310.00)
Total	1,578,905,370.00 (1,222,273,760.00)	1,649,962,430.00 (1,274,182,340.00)	1,574,836,760.00 (1,213,298,550.00)	1,649,753,270.00 (1,268,072,160.00)

Note: Figures in parenthesis pertain to previous year.

8. Derivatives

(Rs. in 000's)

	March 31, 2009	March 31, 2008
Notional Principal amount of IRS Contracts		
a. Hedging Contracts	—	—
b. Trading Contracts	467,446,560.00	1,589,513,970.00
(i) Fair Value of Trading IRS	390,780.00	376,630.00
(ii) Associated Credit Risk on Trading IRS*	390,780.00	376,630.00
(iii) Likely impact of one percentage change in interest rate (100 x PVOI)	293,840.00	1,265,100.00
(iv) Credit Risk Concentration@	2,512,950.00	2,302,740.00
Equity Derivatives – Trading Contracts		
a. Futures Contracts		
Open Quantity in units – Long	35,500	37,950
Short	181,650	109,422
Net Short	146,150	71,472
b. Option Contracts		
Open Quantity in units – Long	36,650	5,500
Short	98,300	10,000
Net Short	61,650	4,500
MTM loss of Trading Derivatives	6,270.00	570.00

* Associated Credit Risk is defined as the loss that the Company would incur in case all the counterparties to these swaps fail to fulfill their contractual obligations.

@ Credit risk concentration is measured as the highest net receivable under swap contracts from top three counterparties.

Particulars of Unhedged Foreign Currency Exposure as at March 31, 2009

Particulars	Amount
Receivables in foreign currency	Rs.Nil (US\$ Nil) [Previous Year Rs.1,780.00 thousands (US\$ 44,386 @ closing rate of US\$ 1 = Rs. 40.12)]

9. Related Party Disclosures

(Rs. in 000's)

Name of the Related Party	Type of Transactions	2008-09	2007-08
ICICI Bank Ltd. – The Holding Company	Income from Services	48,960.00	121,440.00
	Interest Income	42,990.00	180,880.00
	Profit/(Loss) on Interest Rate Swaps	(1,794,950.00)	116,250.00
	Payment of financial charges & operating expenses	15,450.00	173,970.00
	Payment of Establishment & other expenses	17,790.00	51,000.00
	Dividend paid	1,355,220.00	680,820.00
	Bank Balance	820.00	22,780.00
	Fixed Deposits	100,000.00	250,390.00
	Interest Accrued	7,630.00	2,300.00
	Sundry Debtors	30,870.00	61,980.00
	Stock-in-trade	246,580.00	1,136,430.00
	Share Capital	1,563,400.00	1,621,000.00
	Current Liabilities	471,770.00	268,740.00
	Notional Principal amount of Interest Rate Swaps outstanding	51,302,140.00	379,000.00
	Purchase of Investments	5,103,470.00	12,626,910.00
Sale of Investments	6,694,970.00	7,672,560.00	
Sale of Fixed Assets	1,160.00	—	

Name of the Related Party	Type of Transactions	2008-09	2007-08
ICICI Securities Ltd - Fellow Subsidiary	Payment of financial charges & operating expenses	3,130.00	46,170.00
	Payment to and provisions for employees	5,330.00	—
	Payment of Establishment & other expenses	41,910.00	28,940.00
	Current Liabilities	14,690.00	6,460.00
	Purchase of Investments	—	2,557,070.00
	Sale of Investments	100,160.00	1,582,030.00
ICICI Lombard General Insurance Company Ltd. - Fellow Subsidiary	Sale of Fixed Assets	—	3,030.00
	Payment of financial charges & operating expenses	3,310.00	8,800.00
	Payment to and provisions for employees	840.00	1,590.00
	Payment of Establishment & other expenses	280.00	140.00
	Loans and Advances	—	1,140.00
	Unsecured Loans	—	100,000.00
ICICI Prudential Life Insurance Company Ltd. - Fellow Subsidiary	Current Liabilities	—	5,810.00
	Purchase of Investments	918,330.00	—
	Sale of Investments	3,822,250.00	703,380.00
	Payment of financial charges & operating expenses	151,190.00	6,900.00
	Payment to and provisions for employees	450.00	—
	Payment of Establishment & other expenses	—	350.00
ICICI Home Finance Company Ltd. - Fellow Subsidiary	Loans and Advances	90.00	100.00
	Unsecured Loans	700,000.00	200,000.00
	Current Liabilities	5,280.00	5,100.00
	Purchase of Investments	936,290.00	1,494,180.00
	Sale of Investments	5,464,520.00	3,694,170.00
	Income from Services	18,410.00	—
ICICI Foundation for Inclusive Growth - Fellow Subsidiary	Interest Income	540.00	—
	Stock-in-trade	94,000.00	—
ICICI Securities Holdings Inc. - Fellow Subsidiary	Donation	6,990.00	—
	Loans and Advances	—	90.00
ICICI Securities Inc. - Fellow Subsidiary	Loans and Advances	—	1,690.00

Key Management Personnel Disclosures:

The Compensation (including contribution to Provident Fund) for the year ended March 31, 2009 to Nitin Jain, Managing Director & CEO (till June 28, 2008), B. Prasanna, Managing Director & CEO (from June 29, 2008), G. Sundaram, Executive Director and Subir Saha, Director was Rs. 54,950.00 thousands (Previous year Rs. 23,690.00 thousands), Rs. 16,300.00 thousands, Rs. 4,940.00 thousands and Rs. 3,790.00 thousands respectively.

10. Leases

Operating Lease:

Office premises are obtained on operating lease. The lease is renewable on yearly basis and the rent is decided at the time of the renewal. There are no restrictions imposed by lease arrangements. There are no subleases.

(Rs. in 000's)

	2008-2009	2007-2008
Lease payments for the year	53,890.00	69,400.00

11. Composition of investments in non Government securities (Debt) as at March 31, 2009:

(Ref: RBI circular no. IDMD.PDRS.No.03/03.64.00/2003-04)

(Rs. in 000's)

No.	Issuer	Amount*	Extent of private placement**	Extent of 'unlisted securities'
(1)	(2)	(3)	(4)	(5)
1	PSUs	303,830.00	303,830.00	—
2	FIs	2,173,070.00	2,173,070.00	—
		(1,164,750.00)	(1,164,750.00)	—
3	Banks	6,886,010.00	6,886,010.00	—
		(9,021,310.00)	(9,021,310.00)	—
4	Other PDs	—	—	—
5	Private corporates	—	—	—
		(1,048,900.00)	(1,048,860.00)	(40.00)
6	Subsidiaries/Joint ventures	—	—	—
		(—)	(—)	(—)
7	Others	925,020.00	925,020.00	—
		(—)	(—)	(—)
8	Provision held towards depreciation	—	—	—
		(—)	(—)	(—)
Total		10,287,930.00	10,287,930.00	—
		(11,234,960.00)	(11,234,920.00)	(40.00)

Note: Figures in parenthesis pertain to previous year.

All the investments in the above non government securities are rated and are above investment grade securities.

* Represents amounts net of provision for depreciation if any.

** Represents original issue.

12 Repo/Reverse repo transactions:

(Ref: Guidelines for uniform accounting for Repo/Reverse repo transactions dated March 24, 2003)

	(Rs. in 000's)			
	Minimum outstanding	Maximum outstanding	Daily Average outstanding	As at March 31, 2009
Securities sold under repos	1,020,980.00	52,032,150.00	19,230,630.00	26,013,100.00
	(—)	(30,416,280.00)	(13,072,630.00)	(12,744,800.00)
Securities purchased under reverse repos	—	9,324,590.00	1,409,400.00	—
	(—)	(3,952,370.00)	(244,540.00)	(—)

Note: Figures in parenthesis pertain to previous year.

13. Earnings per equity share (EPS)

Particulars	2008-09	2007-08
Basic and Diluted EPS (Rs.)	170,899.96	86,172.12
Nominal Value per share (Rs.)	100,000.00	100,000.00

EPS has been calculated based on the net profit after taxation of Rs. 2,721,240.00 thousands (previous year Rs. 1,396,850.00 thousands) and the weighted average number of equity shares outstanding during the year of 15,923 (previous year 16,210).

Basic and Diluted EPS are same because there were no diluted potential equity shares outstanding during the year.

14. Employee benefits (AS 15 Revised)

The following table summarises the components of net benefit expense recognised in the profit and loss account and the amounts recognised in the balance sheet.

(Rs. in 000's)

Particulars	2008-09 Gratuity	2007-08 Gratuity
Defined benefit obligation liability	Amount in Rs. million	
Opening obligations	72,800.00	20,700.00
Service cost	7,600.00	67,700.00
Interest cost	6,800.00	1,700.00
Actuarial (gain)/loss	(8,600.00)	4,500.00
Liability extinguished on settlement	—	(17,900.00)
Benefits paid	(8,200.00)	(3,900.00)
Obligations	70,400.00	72,800.00
Plans assets at fair value		
Opening plans assets, at fair value	4,300.00	16,400.00
Expected return on plan assets	600.00	1,400.00
Actuarial gain/(loss)	(700.00)	1,900.00
Asset distributed on settlement	—	(17,900.00)
Contributions	10,000.00	6,400.00
Benefits paid	(8,200.00)	(3,900.00)
Plans assets at fair value	6,000.00	4,300.00
Present value of the defined benefit obligations at the end of the period	70,400.00	72,800.00
Less: Fair value of plan assets at the end of the period	(6,000.00)	(4,300.00)
Less: Unrecognised past Service Cost	(2,000.00)	—
Liability/(Asset)	62,400.00	68,500.00
Cost for the period		
Service cost	5,600.00	67,700.00
Interest cost	6,800.00	1,700.00
Expected return on plan assets	(600.00)	(1,400.00)
Actuarial (gain)/loss	(7,900.00)	2,700.00
Net cost	3,900.00	70,700.00
Investment details of plan assets		
Assumptions		
Interest rate	6.85%	8.57%
Salary escalation rate	10.00%	10.00%
Estimated rate of return on plan assets	8.00%	8.00%

15. Disclosure pursuant to RBI circular no. RBI/2008-09/116 DNBS (PD).CC No.125/03.05.002/2008-2009 dated August 1, 2008.

a. Capital to Risk Assets Ratio (CRAR)*

Items	2008-09
i) CRAR (%)	84.96
ii) CRAR - Tier I Capital (%)	78.92
iii) CRAR - Tier II Capital (%)	6.04

* calculated as per RBI circular no.RBI/2006-2007/355 DNBS.PD/CC No.93/03.05.002/2006-07.

schedules

b. Exposure to Real Estate Sector

Category	2008-09
a) Direct exposure	—
(i) Residential Mortgages	
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	—
(ii) Commercial Real Estate	
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	—
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -	—
a. Residential,	—
b. Commercial Real Estate.	—
b) Indirect Exposure	
Fund based – Face Value of Investments in NCDs/FRBs/CPs	850,000.00
Non-fund based – Notional Principal of IRS	5,750,000.00

c. Asset Liability Management

Maturity pattern of certain items of assets and liabilities

	(Rs. in 000's)								
	1 day to 30/31 day (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	—	—	—	—	—	—	—	—	—
Market Borrowings	17,631,290.00	1,393,590.00	2,551,000.00	250,000.00	300,000.00	100,000.00	250,000.00	250,000.00	22,725,890.00
Assets									
Advances	—	—	—	—	—	—	—	—	—
Investments*	24,587,660.00	—	—	—	—	—	—	—	24,587,660.00

*Investments are in the nature of Securities held as Stock in Trade hence are classified in the "one month bucket"

16. Segment Reporting

The Company's primary operations fall under single business segment securities trading and its allied services. Further, all the transactions and the assets of the Company are recorded/located in India. Since the Company's business activity primarily falls within a single business and geographical segment, no additional disclosure is to be provided under AS 17-Segment Reporting, other than those already provided in the financial statements.

- 17.** Based on information available with the Company, there are no suppliers included in sundry creditors who are registered as micro, small or medium enterprise under "The Micro, small and Medium Enterprise Development Act, 2006" as at March 31, 2009.
- 18.** Information with regard to other matters specified in paragraph 4A, 4C and 4D of Part II of the Schedule VI of the Companies Act, 1956 have been disclosed to the extent applicable to the Company for the year ended March 31, 2009.
- 19.** For the purpose of comparison, figures for the previous year have been given, which have been regrouped / reclassified wherever necessary.

Signature to schedules A to S

Per our Report attached.

For S. R. BATLIBOI & CO.
Chartered Accountants

per VIJAY MANIAR
Partner
Membership No. 36738

Mumbai, April 15, 2009

For and on behalf of the Board

S. MUKHERJI
Chairman

ABHIJEET GUIN
Senior Vice President & CFO

B. PRASANNA
Managing Director & CEO

ANGARIKA BAVISKAR
Company Secretary

cash flow statement

for the year ended March 31, 2009

	March 31, 2009	(Rs. in 000's) March 31, 2008
A Cash Flow From Operating Activities		
Profit Before Tax	4,176,690.00	2,107,430.00
– (Profit)/Loss on Sale of Fixed Assets	160.00	(90.00)
– Depreciation	13,090.00	19,630.00
– Provision for Wealth Tax	—	2,890.00
– Provision for Bonus written back	(9,560.00)	—
– Bad and Doubtful Debts (Net)	2,950.00	137,160.00
Operating Profit before Changes in Operating Assets and Liabilities	4,183,330.00	2,267,020.00
Adjustments for net change in Operating Assets and Liabilities		—
– Current Assets excluding Cash and Cash equivalents	(12,000,070.00)	(6,637,680.00)
– Fixed Deposits under Lien	(48,800.00)	551,600.00
– Loans and advances relating to Operations	893,940.00	(518,840.00)
– Current Liabilities relating to Operations	4,865,720.00	(2,150,910.00)
	(6,289,210.00)	(8,755,830.00)
Cash generated from Operations	(2,105,880.00)	(6,488,810.00)
Payment of Taxes (Net)	(1,401,910.00)	(805,300.00)
Net Cash from Operating Activities	(3,507,790.00)	(7,294,110.00)
B Cash Flow From Investment Activities		
– (Acquisition) /Sale of Equity Investments in Subsidiary Companies	—	388,730.00
– Purchase of Fixed Assets	(2,940.00)	(10,250.00)
– Sale of Fixed Assets	1,230.00	530.00
Net cash used in Investment Activities	(1,710.00)	379,010.00
C Cash Flow From Financing Activities		
– Increase/(Decrease) in Borrowings (Net)	7,001,790.00	6,861,080.00
– Issue/(redemption) of Debentures (Net)	(1,545,000.00)	(710,500.00)
– Buy Back	(583,490.00)	—
– Dividends & Dividend Tax paid	(1,476,940.00)	(857,920.00)
Net Cash used in Financing Activities	3,396,360.00	5,292,660.00
Net Change in Cash & Cash Equivalents	(113,140.00)	(1,622,440.00)
Cash and Cash Equivalents at the beginning of the year	120,220.00	1,742,660.00
Cash and Cash Equivalents at the end of the year	7,080.00	120,220.00
Cash and cash equivalents at the end of the year does not include fixed deposits under Lien		
Rs.298,800.00 thousands (Previous year Rs. 250,000.00 thousands)		

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

Per our Report attached.

For S. R. BATLIBOI & CO.
Chartered Accountants

per VIJAY MANIAR
Partner
Membership No. 36738

Mumbai, April 15, 2009

For and on behalf of the Board

S. MUKHERJI
Chairman

ABHIJEET GUIN
Senior Vice President & CFO

B. PRASANNA
Managing Director & CEO

ANGARIKA BAVISKAR
Company Secretary

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
AS PER PART IV OF THE COMPANIES ACT, 1956**

I. Registration details

Registration No.

0	1	3	1	9	0	0
---	---	---	---	---	---	---

 State Code

1	1
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	0	9
---	---	---	---

Date Month Year

II. Capital raised during the Year (Rs. in thousands)

Public Issue

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

 Rights Issue

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

Bonus Issue

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

 Private Placement

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

III. Position of mobilisation and deployment of funds (Rs. in thousands)

Total Liabilities and Shareholder's funds

	3	5	0	6	1	9	9	0
--	---	---	---	---	---	---	---	---

 Total Assets

	3	5	0	6	1	9	9	0
--	---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

		1	5	6	3	4	0	0
--	--	---	---	---	---	---	---	---

 Reserves and Surplus

		3	7	0	1	2	3	0
--	--	---	---	---	---	---	---	---

Secured Loans

		5	3	3	8	5	3	0
--	--	---	---	---	---	---	---	---

 Unsecured Loans

		1	7	3	8	7	3	6	0
--	--	---	---	---	---	---	---	---	---

Application of Funds

Fixed Assets

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

 Investments

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

Net Current Assets

		2	7	9	2	7	8	6	0
--	--	---	---	---	---	---	---	---	---

 Deferred Tax Asset

				3	0	8	9	0
--	--	--	--	---	---	---	---	---

Miscellaneous Expenditure

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

IV. Performance of the Company (Rs. in thousands)

Turnover

		7	2	8	9	9	5	0
--	--	---	---	---	---	---	---	---

 Total Expenditure

		3	1	1	3	2	6	0
--	--	---	---	---	---	---	---	---

Profit Before Tax

		4	1	7	6	6	9	0
--	--	---	---	---	---	---	---	---

 Profit After Tax

		2	7	2	1	2	4	0
--	--	---	---	---	---	---	---	---

Earnings Per Share in Rupees

		1	7	0	8	9	9	.	9	6
--	--	---	---	---	---	---	---	---	---	---

 Dividend Rate %

				8	6	.	5	0
--	--	--	--	---	---	---	---	---

V. Generic names of principal products/services of the Company

(as per monetary terms)
Securities Investment and Trading
Underwriting
Portfolio Management Service

For and on behalf of the Board

S. MUKHERJI
Chairman

B. PRASANNA
Managing Director & CEO

ABHIJEET GUIN
Senior Vice President & CFO

ANGARIKA BAVISKAR
Company Secretary

schedules

Schedule to the Balance Sheet as at March 31, 2009

(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

(Rs. in 000's)

Particulars	Amount outstanding	Amount overdue
Liabilities side:		
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured		
Unsecured	4,847,570.00	—
(Other than falling within the meaning of public deposits)		
(b) Deferred Credits	—	—
(c) Term Loans	—	—
(d) Inter-corporate loans and borrowing	360,250.00	—
(e) Commercial Paper	1,988,360.00	—
(f) Other Loans - CBLO - Secured	5,339,260.00	—
Call Money - Unsecured	10,279,880.00	—
Assets side :		
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		Amount outstanding
(a) Secured		—
(b) Unsecured		1,621,580.00
(3) Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease		—
(b) Operating lease		—
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire		—
(b) Repossessed Assets		—
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed		—
(b) Loans other than (a) above		—
(4) Break-up of Investments		
Current Investments		
1. Quoted		
(i) Shares : (a) Equity		30,720.00
(b) Preference		—
(ii) Debentures and Bonds		10,287,930.00
(iii) Units of mutual funds		—
(iv) Government Securities		14,214,510.00
(v) Others		—
2. Unquoted		
(i) Shares : (a) Equity		4,500.00
(b) Preference		50,000.00
(ii) Debentures and Bonds		—
(iii) Units of mutual funds		—
(iv) Government Securities		—
(v) Others		—
Long Term Investments		
1. Quoted		
(i) Shares : (a) Equity		—
(b) Preference		—
(ii) Debentures and Bonds		—
(iii) Units of mutual funds		—
(iv) Government Securities		—
(v) Others		—
2. Unquoted		
(i) Shares : (a) Equity		—
(b) Preference		—
(ii) Debentures and Bonds		—
(iii) Units of mutual funds		—
(iv) Government Securities		—
(v) Others		—

schedules

(5) Borrower group-wise classification of assets financed as in (2) and (3) above :

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	—	—	—
(b) Companies in the same group	—	90.00	90.00
(c) Other related parties	—	—	—
2. Other than related parties	—	1,621,490.00	1,621,490.00
Total	—	1,621,580.00	1,621,580.00

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	Market Value	Book Value (Net of provisions)
1. Related Parties		
(a) Subsidiaries	—	—
(b) Companies in the same group	340,580.00	340,580.00
(c) Other related parties	—	—
2. Other than related parties	24,253,030.00	24,247,080.00
Total	24,593,610.00	24,587,660.00

(7) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	5,590.00
(b) Other than related parties	12,310.00
(ii) Net Non-Performing Assets	
(a) Related parties	—
(b) Other than related parties	—
(iii) Assets acquired in satisfaction of debt	—

For and on behalf of the Board

S. MUKHERJI
Chairman

B. PRASANNA
Managing Director & CEO

ABHIJEET GUIN
Senior Vice President & CFO

ANGARIKA BAVISKAR
Company Secretary

Mumbai, April 15, 2009