

S.R. BATLIBOI & CO.
Chartered Accountants

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Auditor's Report

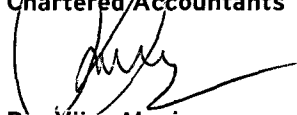
To
The Board of Directors of ICICI Securities Limited

In terms of Notice No.20090421-7 dated 21 April 2009 issued by Bombay Stock Exchange Limited ('the Exchange') we have audited the attached Balance Sheet of ICICI Securities Limited ('the Company') as at 31 March 2009 and the Profit and Loss Account for the year ended on that date, annexed thereto we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of account and records as specified in Rule 15 of the Securities Contracts (Regulation) Rules, 1957 have been kept so far as appears from our examination of such books.
- c. The member has complied with the requirements of the Exchange, so far as they relate to maintenance of accounts and was regular in submitting the required accounting information to the Exchange.
- d. The Balance Sheet and the Profit & Loss Account referred to in this report are in agreement with the books of account.
- e. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit & Loss Account read together with the notes thereon give a true and fair view insofar as it relates to the Balance Sheet, of the state of affairs of ICICI Securities Limited, and in so far as it relates to the Profit and Loss Account, of the profit of ICICI Securities Limited for the year ended on that date.



S.R. Batliboi & Co.
Chartered Accountants



Per Vijay Maniar
Partner

Membership No: 36738
Place: Mumbai
Date: 22 April 2009



14th Annual Report and Accounts 2008-2009

Chairman**Chairperson****Managing Director & CEO****Executive Director****Executive Director****Company Secretary****DIRECTORS**

K. V. Kamath (upto April 22, 2009)

Chanda Kochhar (w.e.f. April 22, 2009)

Uday Chitale

Narendra Murkumbi

Ketan Patel

Sonjoy Chatterjee

Pravir Vohra

Madhabi Puri Buch

Anup Bagchi

A. Murugappan

EXECUTIVES

Charanjit Attra

Subir Saha

Vaijayanti Naik

Raju Nanwani

AUDITORS

S. R. Batliboi & Company

Chartered Accountants

REGISTERED OFFICE

ICICI Centre, H. T. Parekh Marg

Churchgate, Mumbai 400 020

CORPORATE OFFICE

ICICI Securities Limited

Shree Sawan Knowledge Park

Plot No. D-507, T.T.C. Industrial Area

MIDC, Turbhe

Navi Mumbai - 400705

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Authorized Signatories

Director's Report

to the members,

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

INDUSTRY OVERVIEW

Equities

The 'sub prime' crisis in the US led to a series of extraordinary events, affecting many asset classes, including equities, debt, commodities and real estate. After five years of unprecedented growth, the global financial markets witnessed a downturn.

The global slow down also affected Indian equities, both institutional and retail.

Against this backdrop, fiscal 2009 was a challenging year for the institutional equities business in India. Daily institutional cash-market volumes (FII + domestic) fell to a low of Rs. 600.38 billion in February 2009 from their peak of Rs. 2,823.43 billion in October 2007. Risk aversion visible in the last quarter of fiscal 2008 continued into fiscal 2009, especially among foreign institutional investors (FIIs). Assets under management of many FIIs declined due to fall in prices of stocks held by them as well as redemptions by their investors. Hedge funds, which formed 40-50% of FII volumes in fiscal 2008, were particularly affected by redemptions and de-leveraging by financial institutions that were providing debt finance to these funds.

In fiscal 2009, FII outflow was Rs. 479.41 billion vis-à-vis a record inflow of Rs. 515.95 billion in fiscal 2008. Indian insurance companies, on the other hand, became significant incremental buyers of equities in the market in fiscal 2009. Indian Mutual Funds bought Rs. 66.25 billion overall in fiscal 2009.

Despite a fall in FII investments, number of FIIs and sub-accounts registered with the Securities and Exchange Board of India (SEBI) grew by 316 and 1,051 to 1,635 and 5,015 respectively. The Indian market (Nifty) outperformed by delivering negative returns of 36.2% versus negative return of 48.4% delivered by the MSCI Emerging Market Index in fiscal 2009. This, we believe, will likely lead to higher participation in Indian equities, once the global financial situation stabilises.

Retail participation in equity and equity-related investments had gained strength in fiscal 2008. However, the share of retail in NSE turnover, i.e. excluding FIIs, domestic institutions and proprietary turnover, that peaked at nearly 70% in the third quarter of fiscal 2008, has stabilised at 50-55% in fiscal 2009, mirroring impact of the global crisis on the Indian economy and, thereby, on retail investors. In fiscal 2009, the retail players were affected not just by the lower proportion of volumes by retail participants but also by the significant reduction in absolute volumes. Further, delivery volumes, as a percentage of cash segment, fell to 21% from 35%. Thus, the overall broking industry was affected by lower volumes as well as lower yields on turnover.

Corporate Finance

The global credit crisis and downturn in global financial markets also made a significant impact on the Indian markets. Total issuance of domestic equity and equity-linked instruments by Indian corporates declined 86% to Rs. 144.00 billion in fiscal 2009 as against Rs. 1,040.00 billion in fiscal 2008.

The domestic IPO/FPO market was also affected, with only 21 issues mobilising Rs. 20.00 billion in fiscal 2009 compared with

90 issues garnering Rs. 522.00 billion in fiscal 2008 (Source: Prime Database). Companies raised Rs. 122.00 billion from 22 equity rights issues in fiscal 2009 as against Rs. 260.00 billion from 27 equity rights issues in fiscal 2008. Due to reduced risk appetite among global investors, there were few overseas offerings. Total funds raised through international offerings of GDRs, ADRs and FCCBs stood at US\$ 213.0 million in fiscal 2009, aggregating 1.6% of funds raised in fiscal 2008 (Source: Prime Database). There were only two 'Qualified Institutional Placements' during the year, with total issuance of Rs. 1.90 billion compared with 38 issuances of Rs. 257.70 billion in the previous year.

In line with the bearish market conditions, there was significant activity in the buyback, delisting and open offers – 46 buyback offers were made, with an offer amount of Rs. 42.00 billion in fiscal 2009 as against 10 offers with an offer amount of Rs. 20.00 billion in fiscal 2008. Further, there were 25 de-listing offers in fiscal 2009 as against 23 in fiscal 2008; however, the offer amount declined 57% to Rs. 9.20 billion. 112 open offers worth Rs. 138.00 billion were made in fiscal 2009 as against 119 open offers worth Rs. 149.00 billion in fiscal 2008.

FINANCIAL HIGHLIGHTS

(Rs. in million)

	Fiscal 2008	Fiscal 2009
Gross income	7,490.0	5,182.1
Profit before tax	2,327.2	67.3
Provision for tax	820.3	23.1
Profit after tax	1,506.9	44.2

Profit after tax for the year ended March 31, 2009 decreased to Rs. 44.2 million from Rs. 1,506.9 million in the previous year, primarily due to overall decrease in income by Rs. 2,307.9 million.

After taking into account the balance of Rs. 635.1 million (previous year: Rs. 408.9 million) brought forward from previous year, profit available for appropriation is Rs. 679.3 million (previous year: Rs. 1,906.7 million), of which Rs. 20.0 million (previous year: Rs. 149.8 million) has been transferred to General Reserve.

DIVIDEND

During the year, the Company declared two interim dividends on the equity share capital, aggregating 39.31% and amounting to Rs. 240.1 million. The Directors are pleased to recommend the aggregate of interim dividends at Rs. 240.1 million as final dividend for the year.

The Company had, on December 19, 2008, issued 5,000,000, 13.75% Non-Convertible Cumulative Redeemable Preference Shares to ICICI Home Finance Company Limited. The Directors are pleased to recommend a dividend @ 13.75% per annum for the period from December 19, 2008 to March 31, 2009 amounting to Rs. 19.4 million.

OPERATIONAL REVIEW

Equities

Business conditions for the industry were weak through the year. FIIs generated gross business of US\$ 231.02 billion (Source: SEBI) in fiscal 2009 compared with US\$ 351.85 billion in fiscal 2008. Mutual Funds generated gross business of US\$ 55.32 billion in fiscal 2009 compared with US\$ 81.41 billion in fiscal 2008. Volumes

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Director's Report

in the derivatives markets also dropped significantly.

The fall in institutional volumes affected the institutional equities business and revenues were approximately 53% lower than in fiscal 2008. The derivatives business segment, which witnessed approximately 40% drop in revenues, was also affected by the global financial crisis, with proprietary desks of many global financial institutions (key clients) closing their trading books. However, increased hedging activity among domestic funds helped the business to some extent.

The research team delivered commendable work. As of end-fiscal 2009, the institutional research team covered 110 rated stocks. Number of analysts rated by key institutions in their internal polls increased substantially. Many new research products were introduced in the derivatives department. The Company is one of the leading institutional brokers, with excellent relationships with over 250 institutions. The eighth 'India Unlimited' Global investors' conference held in Singapore witnessed excellent response from investors. Further, the research team held a financial services conference in London in fiscal 2009.

ICICIdirect.com, the online broking arm of the Company, primarily has a retail client base. It offers one of the largest and most robust platforms for online trading and provides a wide range of products that includes equities, mutual funds, IPOs, insurance (both life insurance as well as general insurance) and loans (home and personal).

The rise in risk aversion among customers as well as uncertainties about long-term investments led to a change in the trading pattern by way of a shift from the Cash segment to the Futures & Options segment. This had a marginal impact on revenues as the Futures & Options segment attracts lower yields as against the cash segment. However, several strategies such as Active Trader Service (ATS) that was launched in fiscal 2009 as a part of our offline segment managed to limit the impact. ATS added to daily volumes of the offline segment, hitherto not fully utilised by us. It was a step in the right direction and proved fruitful in tough times. ICICIdirect.com has a strong 25-member research team covering 21 sectors. The team maintains coverage of 170 stocks. Strong research support with regular updates after an initial ramp up has ensured customer satisfaction and loyalty. Overall, we improved our market share.

The Company has the largest customer account base of ~1.8million and one of the largest pan-India distribution networks of over 250 owned centres and 830 sub-brokers at present. This has led to expansion in our points of presence, thereby enabling us to undertake cross-selling of financial products. Although centres added to the cost base of the Company in the current downturn in the markets, rationalisation has helped contain it.

Corporate Finance

We continued to consolidate our position as one of the leaders in the domestic equity capital markets. Some of the key capital market transactions lead managed by the Company during the year included issuances with innovative product structures. We also managed the largest open offer in the Indian capital markets.

During the year, the Company advised on multiple advisory transactions as well.

Risk Management

As a financial services company, risk management forms the core of our various business operations. The Corporate Risk Management Group is committed to framing effective risk management policies, addressing both market and credit risks.

The group has developed comprehensive risk-management policies, which seek to continuously enhance its risk management and control procedures to better identify and monitor risks and proactively take appropriate action to mitigate the same. The Company has constituted an internal Risk Management Committee comprising the Managing Director & CEO and Senior Executives from cross-functional areas. The Committee debates on various aspects of risk management and, among other things, decides the risk-related policies for its various businesses, ensures compliance with regulatory guidelines on risk management and compliance with all the prudential and exposure limits sanctioned by the Board of Directors.

OUTLOOK

Equities

The year ahead brings with it a demanding environment. Tight cost control will be one of the key drivers of profitability.

Unlike fiscal 2009, when FILs were net sellers, the coming year is expected to see some reversal in this trend. And, as in fiscal 2009, we expect Indian insurance companies to be big buyers of Indian equities in the coming year.

We remain confident about the potential of the Indian economy and the stability of its corporate sector. We believe that India, as an emerging market, will continue to display the big gap in growth vis-à-vis the developed world and even peers. Asset valuations have substantially contracted since January 2008, while inflation and interest rates are heading south. This, along with a reasonably good return on capital and current low valuations, in our opinion, presents an attractive opportunity for long-term investors.

Over the years, the Company has emerged as a key domestic institutional broking house, which provides insightful research and reasonable corporate access. The Company remains confident about further deepening and broadening client relationships across geographies as well as improving its market position in the year ahead – both institutional and retail.

Corporate Finance

We expect fund-raising activity to gain momentum once the markets stabilise. In fiscal 2009, we had a leading position in consolidation products such as buy-back, delisting and open offers and shall endeavour to maintain our position. Further, we expect to retain our position in retail debt issuances. In the current year, our focus will be on sectors that are ready for consolidation-driven activity. Infrastructure and financial services sectors also continue to draw investor interest. We expect domestic consolidation, divestments and restructuring to be key themes for fiscal 2010. Private equity will be the favoured route for raising funds for companies. Convertible instruments are likely to be the preferred mode of investment by private equity firms in public companies. The recent events in the global markets have caused a paradigm shift in valuation perceptions and deals will need to reflect this shift to be successful.

SUBSIDIARY COMPANIES

The Company has two subsidiaries in the US, namely ICICI Securities Holdings, Inc. (ISHI) and ICICI Securities, Inc. (I-Sec, Inc.). As required under Section 212 of the Companies Act, 1956, the audited statements of accounts for the year ending March 31, 2009 together with the reports of the directors and auditors for the year ended March 31, 2009 of these subsidiaries are attached.

In July 2008, ISHI launched Financial Planning and Investment



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Director's Report

Advisory services by merging with itself the business of Global Investment Management, Inc., a New Jersey-based company registered with the Securities and Exchange Commission (SEC) as a Registered Investment Advisor (RIA). As a result, ISHI expanded its Wealth Management offerings to US investors.

ISHI's conservative approach to manage client portfolios based on risk diversification, rigorous due diligence and discipline helped effectively manage client relationships.

I-Sec, Inc. is registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA).

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

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

CORPORATE SOCIAL RESPONSIBILITY

The Company's mission is to empower and enable marginalised children in our society. In fiscal 2009, the Company continued to support three NGOs in their endeavour to provide education and healthcare to underprivileged children.

PUBLIC DEPOSITS

During the year, the Company did not accept any deposits under Section 58A of the Companies Act, 1956.

INCREASE IN AUTHORISED SHARE CAPITAL

During the year, the Authorised Share Capital of the Company was increased to Rs. 2,500.0 million from Rs. 1,000.0 million, consisting of 750,000,000 equity shares of Rs 2 each and 10,000,000 preference shares of Rs 100 each.

FUND RAISING

During the year, the Company allotted 5,000,000, 13.75% Non Convertible Cumulative Redeemable Preference Shares of Rs. 100 each to ICICI Home Finance Company Limited.

Whilst the raising of funds through public issue as well as issue of shares by the Company on a private-placement basis prior to such public issue was approved by the Board of Directors and members of the Company last year, it was considered appropriate to defer the plan, given the turbulent market conditions.

ACHIEVEMENTS DURING THE YEAR

ICICIdirect.com was adjudged the 'Best E-Brokerage House 2008' at the Outlook Money NDTV Profit Awards function held on October 15, 2008. The Company has won the award for four consecutive years since the institution of the award.

ICICIdirect, the Neighbourhood Financial Superstore, was adjudged the 'Service Retailer of the Year' at the prestigious Franchise India Star Retailer Awards, 2008. Notably, the Company

has won this award not just in financial services, but also across all service categories. The Franchise India Star Retailer Awards are given for excellence in retailing, retail supply and pioneering efforts by individuals and organisations in modern retail across different categories.

During the year, the Company also inaugurated its branch in Muscat, the capital of the Sultanate of Oman. The Company has received a licence from the Capital Market Authority (CMA) to undertake business activities under the licence of 'investment advice' in the Sultanate of Oman and is the first Indian financial-services firm to set up a branch in Oman under the licence given by the CMA. The Company plans to offer broking and other investment products in Oman.

DIRECTORS

During the year, A. Murugappan and Anup Bagchi were appointed on the Board of the Company as Directors. Kalpana Morparia and Nitin Jain resigned from the Board on October 15, 2008 and November 17, 2008 respectively. S. Mukherji retired as the Managing Director & CEO of the Company during the year. K. V. Kamath tendered his resignation as the Chairman and Director of the Board effective April 22, 2009. The Board places on record its appreciation for the valuable services rendered by them.

Chanda D. Kochhar, Ketan Patel and Narendra Murkumbi were appointed as Additional Directors, effective October 15, 2008 and Madhabi Puri Buch and Pravir Vohra were appointed as Additional Directors, effective February 17, 2009. Chanda D. Kochhar was nominated as the Director by ICICI Bank Limited effective November 20, 2008. Madhabi Puri Buch was appointed as the Managing Director & CEO of the Company during the year, subject to approval of the Central Government. Chanda D. Kochhar was appointed as the Chairperson of the Board of Directors of the Company, effective April 22, 2009.

In terms of Section 260 of the Companies Act, 1956, Ketan Patel, Narendra Murkumbi, Madhabi Puri Buch and Pravir Vohra hold office as Additional Directors up to the forthcoming Annual General Meeting of the Company, and are eligible for appointment as Directors.

In terms of the provisions of the Articles of Association of the Company, A. Murugappan and Uday Chitale, Directors, 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 22, 2009, has proposed their re-appointment as Auditors to audit the accounts of the Company for the year ending 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 EARNINGS AND EXPENDITURE

During fiscal 2009, expenditure in foreign currencies amounted to Rs. 118.7 million (previous year: Rs. 41.8 million) and earnings in foreign currencies amounted to Rs. 149.3 million (previous year: Rs. 35.5 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)

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 **ICICI Securities**

ICICI SECURITIES LIMITED

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Director's Report

Rules, 1975, as amended, 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 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 is not applicable and, hence, not given.

AUDIT COMMITTEE

The Audit Committee comprises Uday Chitale, Pravir Vohra and Anup Bagchi as its members. Uday Chitale, an Independent Director, is the Chairman of Audit Committee. The Committee meets to review the accounts and discuss the audit findings and recommendations of the internal and statutory auditors.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company confirm-

- that the applicable accounting standards have been followed in the preparation of the annual accounts and that there are no material departures;
- that such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the profit of the Company for the period ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records 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
- 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 its stakeholders and the reputation of the Company. To ensure transparency, fairness and objectivity in the organisation's functioning and unquestioned integrity of all personnel involved, 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 SEBI, National Stock Exchange of India Limited, Bombay Stock Exchange Limited, National Securities Depository Limited, Central Depository Services (India) Limited and other statutory authorities, its bankers and lenders for their continued support to the Company.

The Directors express their gratitude for the support and guidance received from the shareholders, ICICI Bank Limited and other group companies and also express their warm appreciation to all employees for commendable teamwork, professionalism and contribution during the year. The Directors also express their sincere thanks to the clients and customers of the Company for their unstinted support.

For and on behalf of the Board

K. V. KAMATH

Chairman

April 22, 2009

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ICICI SECURITIES LIMITED

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Authorised Signatories

S.R. BATLIBOI & Co.

Chartered Accountants

6th Floor, Express Towers
Nariman Point
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Tel : +91 22 6657 9200

Fax: +91 22 2287 6401

Auditor's Report**The Board of Directors
ICICI Securities Limited**

1. We have audited the attached consolidated balance sheet of ICICI Securities Limited ('the Company') and its subsidiaries (collectively 'the Group') as at 31 March 2009, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Group's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the 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. We report that the consolidated financial statements have been prepared by the Group's management in accordance with the requirements of Accounting Standards (AS) 21, consolidated financial statements, notified pursuant to the Companies (Accounting Standards) Rules, 2006
4. Without qualifying our opinion, we draw attention to note (B)(13) of schedule R of the financial statements regarding excess managerial remuneration paid by the Company without prior approval of the central government for which requisite applications have been made.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated balance sheet, of the state affairs of the Company and its subsidiaries as at 31st March 2009;
 - (b) in the case of the consolidated profit and loss account, of the loss for the year ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

*S.R. Batliboi & Co.*S.R. Batliboi & Co.
Chartered Accountants*[Signature]*
Jai Vijay Maniar
PartnerMembership No.: 36738
Mumbai
22 April 2009**Certified True Copy****ICICI SECURITIES LIMITED***[Signature]*
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ICICI SECURITIES LIMITED (Consolidated)

BALANCE SHEET AS AT MARCH 31, 2009

(Rupees in million)

	Schedule	As at March 31, 2009	As at March 31, 2008 (Unaudited)
SOURCES OF FUNDS			
1. Shareholders' funds			
A. Share capital	A	1,110.71	610.71
B. Reserves & surplus	B	202.33	861.70
		1,313.04	1,472.41
2. Loan funds			
Unsecured loans	C	4,291.60	4,481.85
		5,604.64	5,954.26
APPLICATION OF FUNDS			
1. Fixed assets	D		
Gross block		1,014.67	893.03
Less: Accumulated depreciation/ amortisation		475.67	471.93
Net Block		539.00	421.10
Capital work-in-progress		42.09	15.16
		581.09	436.26
2. Investments	E	1,510.76	10.76
Deferred tax asset (net)	R(B) (6)	-	2.97
3. Current assets, loans & advances			
A. Current assets :			
(a) Interest accrued	F	49.06	158.15
(b) Securities held as stock-in-trade	G	2.67	261.98
(c) Sundry debtors	H	934.86	2,246.44
(d) Cash & bank balances	I	2,007.62	5,162.33
(e) Other current assets		74.10	-
B. Loans & advances	J	2,615.07	1,240.83
		5,683.38	9,069.73
Less : Current liabilities & provisions:			
A. Current liabilities	K	2,133.63	3,482.60
B. Provisions	K	36.96	82.86
NET CURRENT ASSETS		3,512.79	5,504.27
		5,604.64	5,954.26
Consolidated notes to accounts	R		

The schedules referred to above and consolidated notes to accounts form an integral part of the Balance Sheet

As per our report of even date

For and on behalf of the Board of Directors

S.R. Batliboi & Co.
S.R. Batliboi & Co.
Chartered Accountants

Per Vijay Maniar
Partner
Membership No: 36738



K. V. Kamath
K. V. KAMATH
Chairman

A. Murugappan
A. MURUGAPPAN
Executive Director

Raju Nanwani
RAJU NANWANI
Company Secretary

Madhavi Puri Buch
MADHABI PURI BUCH
Managing Director & CEO

Anup Bagchi
ANUP BAGCHI
Executive Director

Charanjit Attra
CHARANJIT ATTRA
CFO & Head - Operations

Mumbai, April 22, 2009

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ICICI SECURITIES LIMITED (Consolidated)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

(Rupees in million)

		For the Year ended March 31, 2009	For the Year ended March 31, 2008 (Unaudited)
Income from operations			
(a) Brokerage income		3,581.96	5,580.77
(b) Income from services		1,133.79	1,540.48
(e) Profit/(loss) on securities (net)	L	166.69	47.35
(c) Interest income	M	305.81	315.24
(d) Dividend and other income		42.20	29.06
		<u>5,230.45</u>	<u>7,512.90</u>
Expenditure			
(a) Payments to and provisions for employees	N	1,582.85	1,600.67
(b) Operating expenses	O	831.16	1,465.71
(b) Establishment expenses	P	2,100.09	1,674.70
(c) Financial charges	Q	576.19	409.16
(d) Depreciation	D	163.49	143.81
(e) Doubtful debts written off / provided		80.46	60.65
		<u>5,334.24</u>	<u>5,354.70</u>
Profit / (loss) before taxation		(103.79)	2,158.20
Less: Provision for taxation			
(i) Current income-tax / MAT payable		20.60	777.00
Less: MAT credit entitlement		<u>(7.65)</u>	-
(ii) Deferred tax charge		2.97	25.17
(iii) Fringe benefit tax		20.00	18.10
(iv) Wealth tax		0.15	-
Profit/ (loss) after taxation		(139.86)	1,337.93
Prior period items (net of tax Rs. Nil, previous year Rs.7.07mn)		-	9.12
		<u>(139.86)</u>	<u>1,328.81</u>
Brought forward from previous years		368.69	311.42
Amount available for appropriations		228.83	1,640.23
Dividend on preference shares		19.40	-
Interim dividend on equity shares		240.06	958.81
Tax on dividends		44.10	162.95
Transfer to general reserve		20.00	149.78
		<u>(94.73)</u>	<u>368.69</u>
Balance carried to Balance Sheet		(94.73)	368.69
Earnings per share (Basic/diluted)		(0.53)	4.70
(Face value Rs.2/- per share)			

Consolidated notes to accounts

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The schedules referred to above and consolidated notes to accounts form an integral part of the profit and loss account

As per our report of even date

For and on behalf of the Board of Directors

S.R. Batliboi & Co.
S.R. Batliboi & Co.
Chartered Accountants

Per Vijay Maniar
Partner
Membership No: 36738



Mumbai, April 22, 2009

K. V. Kamath
K. V. KAMATH
Chairman

A. Murugappan
A. MURUGAPPAN
Executive Director

Rajul Nanwani
RAJUL NANWANI
Company Secretary

Madhabi Puri Buch
MADHABI PURI BUCH
Managing Director & CEO

Anup Bagchi
ANUP BAGCHI
Executive Director

Charanjit Attra
CHARANJIT ATTRA
CFO & Head - Operations

Certified True Copy

ICICI SECURITIES LIMITED

Sanchohan
Authorised Signatories

ICICI SECURITIES LIMITED (Consolidated)

Cash flow statement for the year ended March 31, 2009

(Rupees in million)

	For the Year ended March 31, 2009	For the year ended March 31, 2008 (Unaudited)
A Cash flow from Operating Activities		
Profit before tax	(103.79)	2,158.31
- (Profit)/loss on sale of fixed assets	13.71	6.85
- Depreciation	163.49	143.81
- Transfer to investor contingency fund	3.56	-
- Interest expense	537.43	367.06
- Expenses related to issue of share capital	(18.50)	-
- Translation reserve adjustments	59.86	(31.23)
- Exchange adjustments	(4.40)	-
- Bad and doubtful debts (net)	108.31	5.03
Operating profit before changes in operating assets and liabilities	759.67	2,649.83
Payment of employee stock option plan	(260.87)	-
Adjustments for net change in operating assets and liabilities		
- Current assets excluding cash and cash equivalents	1,501.97	(1,611.37)
- Fixed deposits under lien	2,644.07	(2,306.43)
- Fixed deposits having maturity more than 90 days	(170.00)	-
- Loans and advances relating to operations	(888.81)	(376.03)
- Current liabilities relating to operations	(1,465.50)	1,942.49
Cash generated from operations	1,621.74	(2,351.34)
Payment of taxes (net)	2,120.54	298.50
Prior period item	(518.47)	(963.72)
Net cash from operating activities	-	(9.12)
	1,602.07	(674.34)
B Cash Flow From Investment Activities		
- Outflow of cash due to purchase of ICICI Securities Holdings Inc.	-	(343.73)
- (Purchase) / sale of investments (net)	(1,500.01)	(0.16)
- (Purchase) / sale of fixed assets (net)	(322.04)	(201.04)
Net cash used in investment activities	(1,822.05)	(544.93)
C Cash Flow From Financing Activities		
- Increase/ (decrease) in borrowings (net)	(190.25)	2,658.57
- Issue of preference share capital	500.00	528.20
- Interest paid	(489.55)	(320.45)
- Dividends & dividend tax paid	(280.86)	(1,073.01)
Net cash used in financing activities	(460.66)	1,793.31
Net change in cash & cash equivalents	(680.64)	574.03
Cash and cash equivalents at the beginning of the year	1,080.08	506.05
Cash and cash equivalents at the end of the year	399.44	1,080.08

Cash and cash equivalents at the end of the year does not include fixed deposits under lien Rs.1,438.18 million (Previous year Rs.4,082.25 million) and fixed deposits having maturity more than 90 days Rs.170 million (Previous year Rs. Nil)

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

As per our report of even date

For and on behalf of the Board of Directors

S.R. Batliboi & Co.
Chartered Accountants

K. V. KAMATH
Chairman

MADHABI PURI BUCH
Managing Director & CEO

Per Vijay Maniar
Partner
Membership No: 36738

A. MURUGAPPAN
Executive Director

ANUP BAGCHI
Executive Director

RAJU NANWANI
Company Secretary

CHARANJIT ATTRA
CFO & Head - Operations

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ICICI SECURITIES LIMITED

Authorised Signatories

Mumbai, April 22, 2009