

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



ICICI Securities

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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Authorised 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).

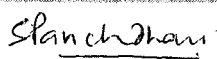
PERSONNEL AND OTHER MATTERS

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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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

Sanchit Kumar
Authorised Signatory

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

S.R. Batliboi & Co.
Chartered Accountants

Vijay Maniar
Vijay Maniar
Partner

Membership No.: 36738
Mumbai
22 April 2009

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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

Madhabi 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	-
		<u>(139.86)</u>	<u>1,337.93</u>
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

SR Batliboi & Co.

S.R. Batliboi & Co.
Chartered Accountants

Per Vijay Maniar
Partner
Membership No: 36738



K. V. Kamath *Madhabi Puri Buch*

K. V. KAMATH
Chairman

MADHABI PURI BUCH
Managing Director & CEO

A. Murugappan
A. MURUGAPPAN
Executive Director

Anup Bagchi
ANUP BAGCHI
Executive Director

Raju Nanwani
RAJU NANWANI
Company Secretary

Charanjit Attra
CHARANJIT ATTRA
CFO & Head - Operations

Mumbai, April 22, 2009

ICICI SECURITIES LIMITED

Sanjivhan
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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
	1,621.74	(2,351.34)
Cash generated from operations	2,120.54	298.50
Payment of taxes (net)	(518.47)	(963.72)
Prior period item	-	(9.12)
Net cash from operating activities	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.
S.R. Batliboi & Co.
Chartered Accountants

K. V. Kamath
K. V. KAMATH
Chairman

Madhabi Puri Buch
MADHABI PURI BUCH
Managing Director & CEO

Vijay Maniar
Per Vijay Maniar
Partner
Membership No: 36738



A. Murugappan
A. MURUGAPPAN
Executive Director

Raju Nanwani
RAJU NANWANI
Company Secretary

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Anup Bagchi
ANUP BAGCHI
Executive Director

Charanjit Attra
CHARANJIT ATTRA
CFO & Head - Operations

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(Rupees in million)

	As at March 31, 2009	As at March 31, 2008 (Unaudited)
SCHEDULE "A" - SHARE CAPITAL :		
Authorized:		
750,000,000 (March 31, 2008 : 500,000,000 of Rs. 2/- each) equity shares of Rs 2/- each	1,500.00	1,000.00
10,000,000 (March 31, 2008 NIL) 13.75% Cumulative non-convertible redeemable preference shares of Rs. 100/- each	1,000.00	-
	<u>2,500.00</u>	<u>1,000.00</u>
Issued:		
305,353,500 (March 31, 2008 : 305,353,500 of Rs. 2 each) equity shares of Rs 2/- each	610.71	610.71
5,000,000 (March 31, 2008 : NIL) 13.75% Cumulative non-convertible redeemable preference shares of Rs. 100/- each. These shares are redeemable on 18 December, 2013.	500.00	-
	<u>1,110.71</u>	<u>610.71</u>
Subscribed & Paid-up:		
305,353,500 (March 31, 2008 : 305,353,500 of Rs. 2 each) equity shares of Rs 2/- each fully paid	610.71	610.71
5,000,000 (as at March 31, 2008 NIL) 13.75% Cumulative non-convertible redeemable preference shares of Rs. 100/- each fully paid	500.00	-
TOTAL	<u>1,110.71</u>	<u>610.71</u>

Note:

All the above, 305,353,500 equity shares of Rs.2/- each are held by ICICI Bank Limited (holding company) and 5,000,000 Cumulative non-convertible redeemable preference shares are held by ICICI Home Finance Company Limited (Fellow Subsidiary).

SCHEDULE "B"-RESERVES AND SURPLUS:

(Rupees in million)

	Balance as on April 1, 2008	Additions / transfer during the year	Deductions / transfers during the year	Balance As at March 31, 2009
Securities premium account	262.50	-	18.50	244.00
General reserve (note 2)	251.66	29.00	260.87	10.79
Translation reserve	(31.15)	59.86	-	28.71
Profit and loss account (Debit Balance)	368.69	(139.86)	323.56	(94.73)
Investors contingency fund	10.00	3.56	-	13.56
TOTAL	<u>861.70</u>			<u>202.33</u>

- Share issue expenses amounting to Rs.18.50 million have been written off from Securities Premium Account.
- Stock options settled in cash amounting to Rs.260.87 million, as per the 'Employee Stock Option Scheme' are adjusted from General reserve account.

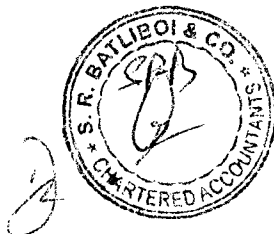
SCHEDULE "C" - UNSECURED LOANS:

Cash Credit facility	-	514.08
Unsecured Debentures (Repayable within one year Rs.2,070 million, Previous year Rs.3,170 million)	2,070.00	3,170.00
Commercial Paper (Repayable within one year Rs.2,221.60 million) Previous year Rs.797.77 million)	2,221.60	797.77
TOTAL	<u>4,291.60</u>	<u>4,481.85</u>

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SCHEDULE "D" - FIXED ASSETS:

(Rupees in million)

	Gross Block (at Cost)				Accumulated Depreciation				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 Unaudited
TANGIBLE										
Office equipment	87.35	52.42	112.86	26.91	15.81	13.29	22.76	6.34	20.57	71.54
Computers	331.45	43.23	196.72	177.96	228.07	26.31	118.58	135.80	42.16	103.38
Telecom equipment	1.17	-	(0.26)	1.43	0.21	0.27	(0.08)	0.56	0.87	0.96
Lease hold improvements	89.93	91.15	(1.21)	182.29	14.86	43.86	2.35	56.37	125.92	75.07
Furniture & fixtures	122.47	13.71	39.93	96.25	31.75	18.29	17.60	32.44	63.81	90.72
Vehicles	2.98	18.54	1.93	19.59	0.23	2.95	0.16	3.02	16.57	2.75
INTANGIBLE										
Software	257.68	96.90	(0.12)	354.70	181.00	39.31	(0.09)	220.40	134.30	76.68
CMA membership right	-	17.10	-	17.10	-	2.29	0.23	2.06	15.04	-
Intangible - goodwill	-	138.44	-	138.44	-	16.92	(1.76)	18.68	119.76	-
Total	893.03	471.49	349.85	1,014.67	471.93	163.49	159.75	475.67	539.00	421.10
Capital work-in-progress	15.16	90.29	63.36	42.09	-	-	-	-	42.09	15.16
Sub-Total	908.19	561.78	413.21	1,056.76	471.93	163.49	159.75	475.67	581.09	436.26

* Fixed assets sale/ adjustments includes effect of foreign currency translation amounting to Rs.12.32 million

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SCHEDULE "E" - INVESTMENTS - LONG TERM:
(AT COST, QUOTED UNLESS OTHERWISE STATED)

(Rupees in million)

Name of the Company	Quantity in thousands	Face Value per unit	As at March 31, 2009	As at March 31, 2008 (Unaudited)
In Equity Shares				
Bombay Stock Exchange Ltd (unquoted)	22.828 (0.001)	Rs. 1	0.00	0.00
ICICI West Bengal Infrastructure Development Corporation (unquoted)	0.001 (0.001)	Rs. 10	0.00	0.00
Tata Motors Limited (quoted)	4,411.76 (Nil)	Rs. 10	1,500.00	-
In Mutual Funds (Investors Contingency Fund):				
JM Mutual Fund	0.41 (0.41)		0.00	0.00
IDFC Mutual Fund	0.64 (0.64)		0.01	0.01
Birla Sun Life Asset Management Company Limited	0.01 (0.01)		0.00	0.00
DSP Liquid Fund - Growth	226.10 (226.10)		3.77	3.77
ICICI Prudential Liquid Plan - Growth	400.95 (400.95)		6.98	6.98
TOTAL			1,510.76	10.76

Note:

Aggregate amount of quoted investments (Market Value Rs.796.76 million, Previous year Rs.Nil)	1,500.00	-
Aggregate amount of unquoted investments (Rs. 0.00 million indicates values are lower than Rs.10 thousand)	10.76	10.76

SCHEDULE "F" - INTEREST ACCRUED:

On stock-in-trade	-	2.53
On fixed deposits	49.06	155.62
TOTAL	49.06	158.15

Schedule "G" - SECURITIES HELD AS STOCK IN TRADE :

(at cost or market value whichever is lower)
(Quoted unless otherwise stated)

Equity Shares (Quoted)	0.90	17.63
Mutual Fund (Unquoted)	1.77	25.07
Non-Convertible Debentures		
9.80% LIC Housing Finance Ltd 22-10-2017	-	2.03
Bond		
9.35% PNB 05-03-2023 Tier II call 05-03-2018	-	217.25
TOTAL	2.67	261.98

- The aggregate carrying value and market value of quoted securities as at March 31, 2009 is Rs.0.92 million (previous year - Rs. 236.92 million and Rs. 237.72 million respectively).
- The above include securities on the company's account due to trading errors on behalf of the customers.

(Rupees in million)

	As at March 31, 2009	As at March 31, 2008 (Unaudited)
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SCHEDULE "H" - SUNDRY DEBTORS (Unsecured):

(A) Receivables outstanding for a period exceeding six months: **Certified True Copy**

Considered good	100.36	76.81
Considered doubtful	185.16	49.69

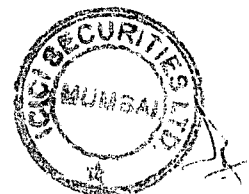
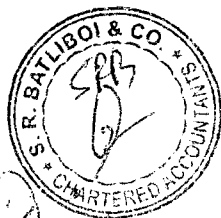
(B) Receivables outstanding for a period not exceeding six months:

Considered good	834.50	2,169.63
Considered doubtful	2.84	30.00
	1,122.86	2,326.13

Less: Provision for doubtful debts	(188.00)	(79.69)
TOTAL	934.86	2,246.44

Included in sundry debtors (net of provisions) are:
Dues from Companies under same management

- ICICI Bank Limited Rs.48.54 million (Previous year - Rs.11.91 million) and maximum outstanding during the year Rs.57.84 million (Previous year - Rs. 47.65 million)
- ICICI Securities Primary Dealership Limited Rs.14.73 million (Previous year - Rs.3.95 million) and maximum outstanding during the year Rs. 19.99 million (Previous year - Rs.27.11 million)
- ICICI Prudential Life Insurance Co. Limited Rs. 1.03 million (Previous year - Rs.6.00 million) and maximum outstanding during the year Rs. 59.31 million (Previous year - Rs.6.90 million)
- ICICI Lombard General Insurance Co. Limited Rs. 2.51 million (Previous year - Rs.1.48 million) and maximum outstanding during the year Rs.5.59 million (Previous year - Rs.46.63 million)
- ICICI Prudential Asset Management Co. Limited Rs.1.77 million (Previous year - Rs.7.79 million) and maximum outstanding during the year Rs. 7.79 million (Previous year - Rs.7.79 million)
- ICICI Home Finance Company Limited Rs.1.47 million (Previous year - Rs. Nil) and maximum outstanding during the year Rs. 3.16 million (previous year - Rs.0.02 million)



(Rupees in million)

	As at March 31, 2009	As at March 31, 2008 (Unaudited)
SCHEDULE "I" - CASH AND BANK BALANCES:		
Bal. in curr. a/c with Scheduled Banks		
Cash & cheques on hand	15.16	24.83
In Current accounts with banks		
i) In India with scheduled banks	296.99	952.16
ii) Outside India	87.29	102.85
Fixed deposits with scheduled banks	170.00	0.24
	569.44	1,080.08
Fixed deposits with banks (under lien)		
i) In India with scheduled banks	1,436.20	4,082.25
ii) Outside India	1.98	-
TOTAL	2,007.62	5,162.33

Fixed deposits under lien with stock exchanges amounted to Rs.1,064.80 million (Previous year : Rs.2,463.50 million) and kept as collateral security towards bank guarantees issued amounted to Rs.373.38 million (Previous year : Rs.1,615.29 million) and others Rs.Nil (Previous year Rs.3.46 million)

SCHEDULE "J" - LOANS AND ADVANCES:**Advances :**

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

Deposit with stock exchanges	664.86	48.99
Security deposit for leased premises	366.21	324.99
Other advances and deposits	771.53	494.87
Share application money	-	44.95
Advance tax (net of provisions Rs.1,756.38 million previous year Rs.1,767.93 million)	812.47	327.03
TOTAL	2,615.07	1,240.83

Included in loans and advances are:

Dues from Companies under same management

ICICI Bank Limited Rs Nil (Previous year - Rs.1.50 million) and maximum outstanding during the year Rs.1.50 million (Previous year - Rs. 1.50 million)

ICICI Lombard General Insurance Company Limited, Rs.6.78 million (Previous year - Rs.5.00 million) and maximum outstanding during the year Rs.40.88 million (Previous year - Rs.5.00 million)

Advance to Directors Rs.7.10 million (Previous year -Rs. Nil) and maximum outstanding during the year is Rs 7.10 million (Previous year - Nil)

SCHEDULE "K" - CURRENT LIABILITIES AND PROVISIONS:**(A) CURRENT LIABILITIES**

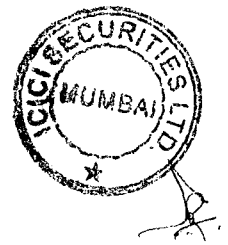
Interest accrued but not due	6.21	54.09
Sundry creditors	1,329.99	2,705.88
Other liabilities	297.43	722.63
TOTAL (A)	2,133.63	3,482.60

(B) PROVISIONS:

Provision for employee benefits	36.96	82.86
TOTAL (B)	36.96	82.86

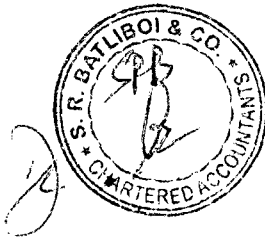
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(Rupees in million)

	For the Year ended March 31, 2009	For the year ended March 31, 2008 (Unaudited)
SCHEDULE "L" - PROFIT ON SECURITIES (NET):		
Profit on stock in trade	166.69	47.34
Net gain/(loss) from derivatives	-	0.01
TOTAL	166.69	47.35
SCHEDULE "M" - INTEREST INCOME:		
Interest on securities held as stock in trade (TDS Rs. Nil, Previous year Rs. 20.36 million)	14.93	86.28
Interest on fixed deposit/application money (TDS Rs. 56.65 million, Previous year Rs. 47.76 million)	269.97	0.75
Interest on other loans and advances	20.91	228.21
TOTAL	305.81	315.24
SCHEDULE "N" - PAYMENTS TO AND PROVISIONS FOR EMPLOYEES:		
Salaries, wages and incentive	1,413.23	1,408.24
Contribution to provident and other funds	55.20	115.52
Staff welfare expenses	114.42	76.91
TOTAL	1,582.85	1,600.67
SCHEDULE "O" - OPERATING EXPENSES:		
Procurement expenses	189.98	372.99
Turnover fees	3.15	9.20
Transaction charges	5.05	-
Custodial and depository charges	334.10	582.58
Clients assistance charges	71.32	171.89
Call centre charges	91.84	88.06
Franking charges	111.28	221.27
Rating agency fees	3.29	2.22
Stamp duty	2.75	3.38
Other operating expenses	18.40	14.12
TOTAL	831.16	1,465.71



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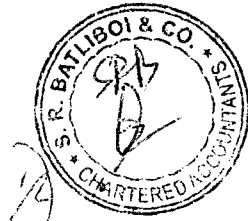


(Rupees in million)

	For the Year ended March 31, 2009	For the year ended March 31, 2008 (Unaudited)
SCHEDULE "P" - ESTABLISHMENT EXPENSES: (net of recoveries)		
Rent and amenities	910.06	653.39
insurance	5.47	3.45
Business promotion, travelling and conveyance expenses	153.66	167.82
Repairs, maintenance and upkeep	146.78	183.49
Rates and taxes	19.73	38.52
Electricity expenses	87.12	61.22
Profit/(loss) on sale of fixed assets	13.71	6.85
Communication expenses	255.25	188.66
Printing and stationery	52.81	60.74
Subscription and periodicals	82.17	41.04
Professional fees	164.76	80.95
Advertisement expenses	123.15	139.29
Auditors' remuneration	9.22	2.47
Donations	22.17	1.71
Miscellaneous expenses	54.03	45.10
TOTAL	2,100.09	1,674.70

SCHEDULE "Q" - FINANCIAL CHARGES

Interest on fixed loans	537.43	367.06
Guarantee commission	14.76	29.21
Bank charges	24.00	12.89
Total	576.19	409.16



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Schedule "R"

SIGNIFICANT ACCOUNTING POLICIES AND CONSOLIDATED NOTES FORMING PART OF THE ACCOUNTS

Overview

ICICI Securities Limited ("the Company"), together with its subsidiaries (collectively called 'the Group'), is a public company engaged in the business of broking (institutional and retail), merchant banking & advisory services.

Reserve Bank of India (RBI) had, vide its circular dated July 4, 2006, prohibited a Primary Dealer (PD) from having a subsidiary. Accordingly, ICICI Securities Primary Dealership Limited, the then holding company of the Company, was required to restructure the ownership of its subsidiaries. Accordingly, in May 2007, ICICI Securities Primary Dealership Limited and ICICI Trusteeship Services (ICICI Equity Fund) transferred their respective holdings in the Company to ICICI Bank Limited. As a result, the Company became a 100% subsidiary of ICICI Bank Limited.

During May 2007, the Company also acquired the holdings of ICICI Securities Primary Dealership Limited in ICICI Securities Holding Inc. and with this acquisition; the Company has a subsidiary - ICICI Securities Holdings Inc. and a step-down subsidiary - ICICI Securities Inc.

As a part of RBI approved restructuring plan of ICICI Securities Primary Dealership Limited, the merchant banking business of ICICI Securities Primary Dealership Limited was to be carried on by the Company. Accordingly, the Company, on July 9, 2007, obtained the merchant banking license from the Securities & Exchange Board of India (SEBI).

Basis of preparation

The accounting and reporting policies of the Group used in the preparation of these consolidated financial statements confirm to the notified accounting standards issued by Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956. The consolidated financial statements have been prepared on historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Group and except where otherwise stated, are consistent with those used in the previous year.

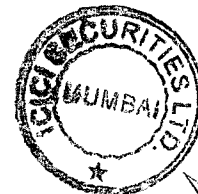
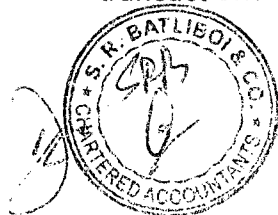
The Company consolidates entities in which it holds, directly or indirectly, more than 50% of the voting rights or where it exercises control. Entities where the Company holds 20% to 50% of the voting rights and /or has the ability to exercise significant influence are accounted for under the equity method, and the pro rata share of their income (loss) is included in income. Assets, liabilities, income and expenditure of the jointly controlled entities are consolidated using the proportionate consolidation method. Under the proportionate consolidation method the Company's share of each of the assets, liabilities, income and expenses of a jointly controlled entity is reported as separate line items in the it's financial statements. The Company does not consolidate entities where the control is intended to be temporary. All significant intercompany accounts and transactions are eliminated on consolidation.

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The consolidated financial results include results of ICICI Securities Limited and its subsidiaries ICICI Securities Holdings Inc. and ICICI Securities Inc. The financial results of the subsidiaries have been consolidated considering the operations as non integral foreign operations.

Use of Estimates

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

A Statement of significant accounting policies

1 Revenue recognition

- a. Brokerage income in relation to stock broking activity is recognised on a trade date basis.
- b. Revenue from issue management, debt syndication, financial advisory services etc., is recognised based on the stage of completion of assignments and terms of agreement with the client.
- c. Fee income in relation to public issues/other securities is recognised based on mobilization and intimation received from clients/intermediaries.
- d. Gains/ losses on dealing in securities are recognised on a trade date basis.
- e. Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- f. Revenue from dividends is recognised when the shareholder's right to receive the payment is established.

2 Investments and stock-in-trade

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

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

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



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investment and restrictions, if any, on distribution or sale of the investee company.

3 Fixed assets and depreciation

Fixed assets are carried at cost less accumulated depreciation. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Depreciation is charged over the estimated useful life of the asset on straight line basis. The rates of depreciation for fixed assets, which are not lower than the rates prescribed in Schedule XIV of the Companies Act, 1956, are given below:-

Asset	Holding Company	Subsidiaries
	Depreciation Rate	Depreciation Rate
Leasehold Improvements	Over the lease period	Lease period or 10% whichever is lower
Plant and machinery like air conditioners, photo-copying machines, etc.	10.00%	33.33%
Computers	16.21%	33.33%
Furniture and fixtures	15.00%	14.29%
Motor vehicles	20.00%	20.00%
Computer software	25.00%	33.33%
Intangible assets	20.00%	20.00%

- Depreciation on leased assets and leasehold improvements is recognised on a straight-line basis using rates determined with reference to the lease period.
- Assets purchased/sold during the year are depreciated on a pro-rata basis for the actual number of days the asset has been put to use.
- Items costing up to Rs.5,000 are depreciated fully over a period of 12 months from the date of purchase.

4. Foreign exchange transactions

Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction. Foreign currency income and expenditure items of integral foreign operations are translated at monthly average rates. Exchange differences arising on the settlement or restatement of monetary items of integral foreign operations are recognised as exchange gain/loss in the Profit and Loss Account.

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Monetary foreign currency assets and liabilities of domestic and integral foreign operations are translated at closing rate. Non monetary foreign currency assets and liabilities of domestic and integral foreign operations are reported at historical cost.

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Income and expenditure of non-integral foreign operations are translated at quarterly average rates. Both monetary and non-monetary foreign currency assets and liabilities of non-integral foreign operations are translated at closing exchange rates at the balance sheet date and the resultant profits/losses from exchange differences are accumulated in the foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operations.

5. Accounting for customer acquisition costs

Customer acquisition costs like commission paid to direct sales agents is amortised for over a period of three years on a straight line basis.

6. Accounting for derivative transactions

The Group enters into derivative contracts such as equity index/ stock futures, equity index/stock options.

Derivative contracts entered into for trading purposes are marked to market and the resulting loss is accounted for in the profit and loss account. Gains are recognised only on settlement/expiry of the derivative contract.

Receivables/payables on the open positions are reported as current assets/current liabilities.

7. Employee stock option scheme 2007 ("the scheme")

The scheme provides for the grant of equity shares of the Company to its employees. The Scheme provides that employees are granted an option to acquire equity shares of the Company that vests in a graded manner. The options may be exercised within a specified period. The Company follows the intrinsic value method to account for its stock-based employee's compensation plans. Compensation cost is measured by excess, if any, of the fair market price of the underlying stock over the exercise price on the grant date.

8. Staff retirement and other benefits

Gratuity

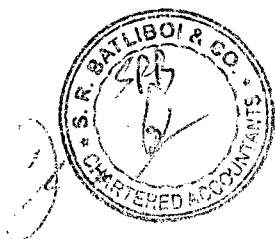
The Company pays gratuity to its employees who retire or resign after a minimum period of five years of continuous service and in the case of employees at overseas location as per rules in force in the respective countries. The Company makes contributions to the ICICI Securities Employees Gratuity Fund for the settlement of the gratuity liability.

The Company accounts for the gratuity liability as per an actuarial by an actuary appointed by the Company. In accordance with the gratuity fund's rules, actuarial valuation of gratuity liability is calculated based on certain assumptions regarding rate of interest, staff mortality and staff attrition as per the projected unit credit method.

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Income and expenditure of non-integral foreign operations are translated at quarterly average rates. Both monetary and non-monetary foreign currency assets and liabilities of non-integral foreign operations are translated at closing exchange rates at the balance sheet date and the resultant profits/losses from exchange differences are accumulated in the foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operations.

5. Accounting for customer acquisition costs

Customer acquisition costs like commission paid to direct sales agents is amortised for over a period of three years on a straight line basis.

6. Accounting for derivative transactions

The Group enters into derivative contracts such as equity index/ stock futures, equity index/stock options.

Derivative contracts entered into for trading purposes are marked to market and the resulting loss is accounted for in the profit and loss account. Gains are recognised only on settlement/expiry of the derivative contract.

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Gratuity

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The Company accounts for the gratuity liability as per an actuarial by an actuary appointed by the Company. In accordance with the gratuity fund's rules, actuarial valuation of gratuity liability is calculated based on certain assumptions regarding rate of interest, staff mortality and staff attrition as per the projected unit credit method.



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Provident Fund

The Company is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as a part of retirement benefits to its employees. The contributions during the year are charged to the profit and loss account.

Compensated Absence

The Company provides for compensated absences', based on actuarial valuation as at the balance sheet date conducted by an independent actuary as per the projected unit credit method made at the end of each financial year.

Gain/loss on account of the actuarial valuation report are charged to the profit and loss account.

9. Income Taxes

Income tax expense is the aggregate amount of current tax, deferred tax and fringe benefit tax borne by the Group. The tax expense is the aggregate of amounts of tax expense appearing in the separate financial statements of the Company and its subsidiaries. The income tax provision is determined in accordance with the provisions of the Income Tax Act, 1961, and in respect of foreign subsidiaries, in accordance with the local tax rates of the United States of America. Deferred tax adjustments comprise of changes in the deferred tax assets or liabilities during the year.

Deferred tax assets and liabilities are recognised on a prudent basis for the future tax consequences of timing differences arising between the carrying values of assets and liabilities and their respective tax basis and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in the deferred tax assets and liabilities is recognised in the profit and loss account.

Deferred tax assets are recognised and reassessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation, tax losses and carry forward capital losses, only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realised against future profits.

In accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, Minimum Alternate Tax ("MAT") credit is recognised as an asset to the extent there is convincing evidence that the company will pay normal income tax in future. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period by way of a credit to the profit and loss account and shown as MAT credit entitlement.

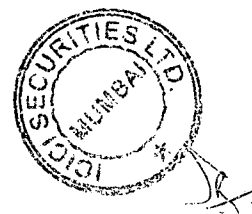
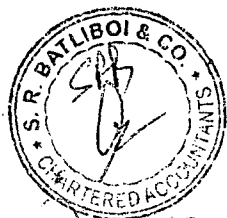
10. Impairment of Assets

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Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment is recognised by debiting the profit and loss account and is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

11. Provisions, contingent liabilities and contingent assets

A provision is recognised when an enterprise has a present obligation as a result of a past event and 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 determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet dates and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to the effect is made in the financial statements. In case of remote possibility neither provision nor disclosure is made in the financial statements. The Company does not account for or disclose contingent assets, if any.

12. Earnings per share ("EPS")

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

13. Lease transactions

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

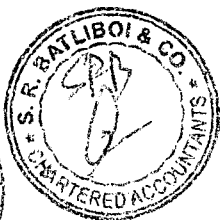
14. Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with the banks and short term investments with an original maturity of three months or less.

15. Segment reporting

The group has prepared its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements. The segments are identified based on the nature of services provided by the Group.

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B Other Notes to accounts

1 Acquisition of Global Investment Management Inc.

During the year, ICICI Securities Holding Inc. acquired the investment advisory business of Global Investment Management, Inc., ("GIM") a registered investment adviser and a New Jersey corporation with office at Princeton, New Jersey, USA engaged in investment advisory activities. The final purchase consideration as stated in the agreement, determined on the basis of Asset Under Management (AUM) of US\$ 117,409 thousand (Rs.5,954,958 thousand) as on March 31, 2009 is US\$ 2,588 thousand (Rs.131,246 thousand). An amount of US\$ 1,719 thousand (Rs.87,193 thousand), equal to 40% percent of the estimated purchase price has been paid towards the purchase consideration, the balance will be paid over two installments, payable at the end of first year and second year after the closing as specified in the agreement. Excess of the consideration paid over the fair values assigned to assets amounting to US\$ 2,730 thousand (Rs.138,440 thousand) acquired has been recognised as Intangible assets (goodwill). Intangible asset (goodwill) is being amortized over a period of five years.

2 Earnings per share

Basic and diluted earnings per equity share are computed in accordance with Accounting Standard 20, "Earnings per Share". Basic earnings per share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. The diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

The computation of earnings per share is given below:-

	Year ended March 31,2009	Year ended March 31, 2008
Basic & Diluted		
Weighted average no. of equity shares outstanding	305.35	282.90
Net profit after tax, before preference dividend (Rs. in million)	(139.86)	-
Preference dividend and tax on dividend (Rs. in million)	22.70	-
Net profit/ (loss) after tax and preference dividend (Rs. in million)	(162.56)	1328.81
Basic/diluted earnings per share (Rs.)	(0.53)	4.70
Nominal value per share (Rs.)	2.00	2.00

3 Related Party Disclosures

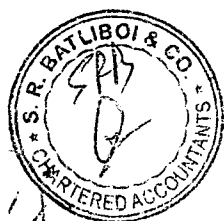
As per the accounting standard on related party disclosures (AS18) as notified by the Companies Accounting Standard Rules 2006, the related parties of the company are as follows:

A. Related party where control exists irrespective whether transactions have occurred or not

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Holding Company: ICICI Bank Limited

B. Other related parties where transactions have occurred during the year

ICICI Securities Primary Dealership Limited.; ICICI Prudential Life Insurance Company Limited.; ICICI Lombard General Insurance Company Limited.; ICICI Prudential Asset Management Company Limited.; ICICI Prudential Trust Limited.; ICICI Venture Funds Management Company; ICICI Home Finance Limited.;

Key Management Personnel

- Mr. Subrata Mukherji --- Managing Director & CEO (upto 31st January, 2009)
- Ms. Madhabi Puri-Buch --- Managing Director & CEO (w.e.f. 1st February, 2009)
- Mr. Anup Bagchi --- Executive Director
- Mr. A Murugappan --- Executive Director

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

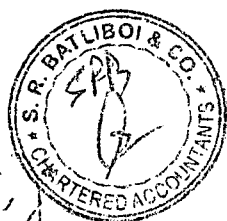
(Rs. in million)

Nature of Transaction	Holding Company		Fellow Subsidiary Company	
	2009	2008	2009	2008
Accrued interest	11.64	80.83	-	-
Accrued interest on purchases	-	0.84	-	-
ICICI Prudential Life Insurance Company Limited			-	8.67
ICICI Securities Primary Dealership Limited			0.16	6.12
Others			-	0.38
Accrued interest on sales	-	1.54	-	-
ICICI Lombard General Insurance Company Limited			-	0.68
ICICI Prudential Life Insurance Company Limited			0.31	2.92
ICICI Prudential Asset Management Company Limited			-	0.66
ICICI Securities Primary Dealership Limited			-	19.57
Bank balance	292.58	435.14	-	-
Capital work in progress	-	-	-	-
ICICI Securities Primary Dealership Limited			-	3.03
Deal value of purchase of investments	-	101.76	-	-
ICICI Securities Primary Dealership Limited			100.00	1,575.91
Prudential ICICI Asset Management Company Limited			-	199.74
Other			-	144.08

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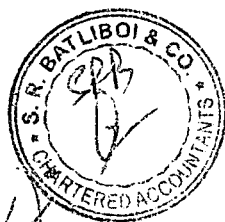
Nature of Transaction	Holding Company		Fellow Subsidiary Company	
	2009	2008	2009	2008
Deal value of sale of investments	-	151.69	-	-
<i>ICICI Lombard General Insurance Company Limited</i>			-	499.95
<i>ICICI Securities Primary Dealership Limited</i>			-	2,009.30
<i>ICICI Prudential Life Insurance Company Limited</i>			52.16	203.08
<i>Others</i>			-	101.71
Deposits			-	-
<i>ICICI Lombard General Insurance Company Limited.</i>			34.10	-
Dividend paid/proposed	240.07	958.81		
<i>ICICI Home Finance Company Limited</i>			19.40	-
Establishment and other expenses	242.37	145.08	-	-
<i>ICICI Lombard General Insurance Company Limited</i>			38.79	31.24
<i>ICICI Securities Primary Dealership Limited</i>			(41.16)	(26.66)
<i>ICICI Venture Funds Management Company Limited</i>				28.49
<i>ICICI Home Finance Company Limited</i>			1.67	
<i>Others</i>			5.53	2.46
Financial charges and operating expenses	604.13	1003.41	-	-
<i>ICICI Home Finance Company Limited</i>			8.00	
<i>ICICI Lombard General Insurance Company Limited</i>			-	0.42
<i>ICICI Prudential Life Insurance Company Limited</i>			-	1.90
Fixed assets purchases	96.19	10.57	-	-
<i>ICICI Securities Primary Dealership Limited.</i>			3.03	-
Fixed deposits	1,210.79	2,632.05	-	-
Income from services (Commission & fees)	60.86	131.12	-	-
<i>ICICI Home Finance Company Limited</i>			25.82	-
<i>ICICI Prudential Life Insurance Company Limited</i>			158.42	84.37
<i>ICICI Securities Primary Dealership Limited</i>			2.86	43.34
<i>Prudential ICICI Asset Management Company Limited.</i>			24.37	48.64
<i>Others</i>			22.51	6.54
Interest income	184.35	88.04	-	-
Issue of preference share capital	-	-	-	-
<i>ICICI Home Finance Company Limited</i>			500.00	-
Loans & advances	-	1.50	-	-
<i>ICICI Lombard General Insurance Company Limited.</i>			6.78	0.50

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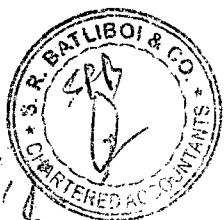
Nature of Transaction	Holding Company		Fellow Subsidiary Company	
	2009	2008	2009	2008
Non convertible debenture issued	-	-	-	-
<i>ICICI Lombard General Insurance Company Limited.</i>			-	250.00
<i>ICICI Prudential Life Insurance Company Limited</i>			-	750.00
Non convertible debenture redeemed	-	-	-	-
<i>ICICI Lombard General Insurance Company Limited.</i>			-	250.00
<i>ICICI Prudential Life Insurance Company Limited</i>			-	750.00
Payables	346.73	325.14	-	-
<i>ICICI Lombard General Insurance Company Limited.</i>			6.76	2.89
<i>ICICI Securities Primary Dealership Limited</i>			-	2.93
Receivables	49.54	41.91	-	-
<i>ICICI Lombard General Insurance Company Limited</i>			2.51	4.46
<i>ICICI Prudential Life Insurance Company Limited</i>			1.03	6.00
<i>ICICI Securities Primary Dealership Limited</i>			14.73	3.95
<i>Prudential ICICI Asset Management Company Limited.</i>			1.77	7.79
<i>ICICI Home Finance Company Limited</i>			1.47	-
Accrued income	0.06	-	-	-
<i>ICICI Lombard General Insurance Company Limited</i>			1.63	-
<i>ICICI Prudential Life Insurance Company Limited</i>			3.03	-
<i>Prudential ICICI Asset Management Company Limited</i>			0.82	-
<i>ICICI Home Finance Company Limited</i>			0.71	-
Share capital	610.71	610.71	-	-
Staff expenses	53.31	88.70	-	-
<i>ICICI Securities Primary Dealership Limited</i>			(5.31)	2.28

Key Management Personnel

The compensation for the year ending March 31, 2009 to S.Mukherji, former Managing Director & CEO, Madhabi Puri Buch, Managing Director & CEO, Anup Bagchi, Executive Director and A Murugappan, Executive Director was Rs.16.49 million (previous year Rs.6.50 million), Rs.1.73 million (previous year Rs. Nil), Rs.12.11 million (previous year Rs.0.91 million) and Rs.19.50 million (previous year Rs.2.48 million) respectively. The compensation paid includes contribution to Provident Fund. The Company also paid cash in lieu of cancellation of vested options to S. Mukherji of Rs 48 million and A Murugappan of Rs. 40 million during the year 2008-2009.

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The outstanding employee stock options (Face value of Rs. 2 each) allotted to S. Mukherji – former Managing Director & CEO and A. Murugappan -Executive Director was 1,200,000 (previous year 1,500,000) and 1,000,000 (previous year 1,250,000) respectively.

During the year, the Company has given advance to Madhabi Puri-Buch, Managing Director & CEO of Rs.7.10 million (previous year Rs.Nil).

4 Employee benefits (AS 15 Revised 120(b))

The following table summarizes the components of net expenses for retirement benefits recognised in the profit and loss account and the amounts recognised in the balance sheet.

Particulars	(Rs. in million)	
	Year ended March 31, 2009	Year ended March 31, 2008
	Gratuity	Gratuity
Opening obligations	105.22	14.90
Service cost	45.63	16.09
Interest cost	12.86	1.24
Actuarial (gain) / loss	(73.93)	6.27
Past service cost	-	49.29
Liabilities assumed on acquisition / (settled on divestiture)	10.98	17.93
Benefits paid	(15.62)	(0.50)
Total Obligation	85.14	105.22
Defined benefit obligation liability	85.14	105.22
Opening plans assets, at fair value	67.49	2.87
Expected return on plan assets	6.13	0.21
Actuarial gain / (loss)	(13.61)	(1.83)
Contributions by employer		48.81
Assets acquired on acquisition / (settled on divestiture)	10.99	17.93
Benefits paid	(15.62)	(0.50)
Plan assets	55.38	67.49
Fair value of plan assets at the end of the period	55.38	67.48
Present value of the defined benefit obligations at the end of the period	(85.14)	(105.22)
Un-recognised Past Service Cost	9.80	12.87

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Particulars	Year ended March 31, 2009	Year ended March 31, 2008
	Gratuity	Gratuity
Asset / (liability)	(19.96)	(24.87)
Cost for the period		
Service cost	45.63	16.09
Interest cost	12.86	1.24
Expected return on plan assets	(6.14)	(0.21)
Actuarial (gain) / loss	(60.32)	8.09
Past service cost	3.07	36.42
Net cost	(4.89)	61.63
Investment details of plan assets		
Insurer managed funds	80%	100%
Others	20%	
Assumptions		
Interest rate	7.00%	8.57%
Salary escalation rate	7.00%	10.00%
Estimated rate of return on plan assets	8.00%	8.00%

The Company expects to contribute Rs. 40 million to Gratuity in 2009-2010.

(Rs. in million)

Particulars	Year ended		
	March 31, 2009	March 31, 2008	March 31, 2007
Defined benefit obligation	85.14	105.21	14.89
Plan assets	55.38	67.48	2.87
Surplus/(deficit)	(29.76)	(37.72)	(12.03)
Experience adjustments on plan liabilities	(33.88)	10.15	(1.60)
Experience adjustments on plan assets	(13.61)	(1.83)	0.50

5 Employee stock option scheme ("the scheme")

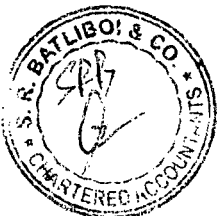
The Company has provided share based payment scheme to its employees. For the year ended March 31, 2009, the following scheme was in operation. The details of the scheme are given in the table below.

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Date of grant	June 29, 2007
Date of board approval	June 28, 2007
Number of options granted	12,912,500
Method of settlement	Equity
Vesting period	1/5 th on June 29, 2008 1/5 th on June 29, 2009 1/5 th on June 29, 2010 1/5 th on June 29, 2011 1/5 th on June 29, 2012
Exercise period	The period commencing from the date of vesting of Options and ending on the tenth anniversary of the date of grant of Options

As per the terms of the scheme, the aggregate of options granted to the eligible employees under the scheme would be capped at such number as would entitle the participants (after conversion of Options into Shares) to 10% of the issued equity share capital of the Company as on the date of grant(s) of Options. Subject to the above limits, lapsed options shall automatically be added back to the pool of options available and would be available for future grant under the Scheme (within the annual/overall issuance limit under the Scheme).

As per the scheme, the exercise price of the Company's options is done on the basis of price determined by an independent valuer. Hence, there is no compensation cost in the year ended March 31, 2009 based on intrinsic value of options. However, if the Company had used the fair value of options based on the Black-Scholes model, compensation cost in year ended March 31, 2009 would have been higher by Rs. 24.30 million. The key assumptions used to estimate the fair value of options granted during the year ended March 31, 2009 are given below.

Risk-free interest rate	8.06%
Expected life	5 years
Expected volatility	30.41
Expected dividend yield	10.82%

On the first vesting date, the Company granted the employees the option to surrender the vested options for cancellation and forfeiture to the Company or hold the options till the exercise price is determined. In lieu of the cancellation, the employees were entitled to receive the settlement in cash which was equivalent to the discounted fair value, in three equal installments. As per the guidance note on accounting for employee share based payments issued by the Institute of Chartered Accountants of India, the cash settlement of vested options is accounted directly in the balance sheet.

Stock options outstanding as on March 31, 2009

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The stock option activity during the year is given in the table below.

Particulars	Number of shares
Outstanding at the beginning of the year	12,318,750
Add: Granted during the year	-
Less: Lapsed during the year	2,337,500
Less: Exercised during the year	2,076,250
Outstanding at the end of the year	7,905,000
Options exercisable	7,905,000

6 Deferred tax

The break-up of deferred tax assets and liabilities is given below:

(Rs. in million)

	As on March 31,2009	As on March 31, 2008
Deferred tax asset		
Provision for debtors	71.87	57.60
Provision for gratuity	6.78	12.82
Provision for leave encashment	5.78	14.23
Preliminary expenses -stamp duty 35DDA	1.39	2.09
Provision for lease rent escalation	4.67	9.83
Unabsorbed depreciation	22.20	
Total deferred tax assets	112.69	96.57
Deferred tax liability		
Depreciation on fixed assets	(3.35)	(18.36)
Amortisation of DSA	(109.34)	(75.24)
Total deferred tax liability	(112.69)	(93.60)
Total net deferred tax asset / (liability)	-	2.97

Deferred tax asset is recognised and carried forward only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be adjusted. Hence the deferred tax asset on carry forward losses has been recognised to the extent of deferred tax liability.

7 Derivative Instruments

Type	Quantity	Rate	Market Value
Future	700	334.05	233,835
Option	-4,200	15.50	-65,100

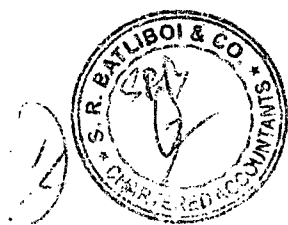
Figures above represents absolute numbers

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8 Lease

Office premises and office equipment are obtained on operating lease. There are no restrictions imposed by lease arrangements. There are no subleases.

(Rs. in million)

Particulars	Year ended March 31, 2009	Year ended March 31, 2008
Lease payments for the year	699.94	550.01
Minimum Lease Payments :		Nil
Not later than one year	745.77	652.68
Later than one year but not later than five years	2,622.47	1,893.67
Later than five years	1,152.56	62.20

9 Segment Disclosures

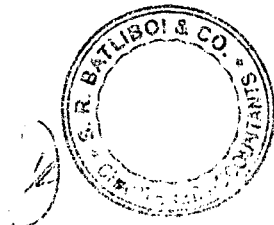
The following business segments considered as primary segments have been reported. The Group does not have any secondary reportable segment.

Investment & Trading, Broking & Commission, Other advisory services.

Following are the disclosures for the three identified segments.

(Rs. in million)

Particulars	Investment & trading	Broking & commission	Advisory services	Total
1 Segment revenue				
a) External	191.83	4,736.08	302.54	5,230.45
	(65.00)	(6,735.01)	(713.00)	(7,513.01)
b) Internal	-	-	-	-
c) Less Inter segment revenue	-	-	-	-
Total Revenue	191.83	4,736.08	302.54	5,230.45
	(65.00)	(6,735.01)	(713.00)	(7,513.01)
2 Segment Results	83.92	(75.99)	(111.72)	(103.79)
	(54.00)	(1,769.31)	(335.00)	(2,158.31)
3 Un-allocable expenses	-	-	-	-
4 Income Tax expenses (net of deferred tax credit)	-	-	-	36.06
	-	-	-	(820.27)
5 Net profit (2) - (3) - (4)	-	-	-	(139.85)
	-	-	-	(1,338.04)
6 Segment Assets	20.33	6,000.96	1,753.94	7,775.23
	(239.37)	(8,667.40)	(599.87)	(9,506.64)
7 Un-allocable assets	-	-	-	-
	-	-	-	-
8 Total Assets (6) + (7)	20.33	6000.96	1,753.94	7,775.23
	(239.37)	(8,667.40)	(599.87)	(9,506.64)
9 Segment Liabilities	0.08	4,909.72	1,529.69	6,439.49



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	(502.45)	(7,377.66)	(77.05)	(7,957.16)
10 Unallocated Liabilities				22.69
				(77.07)
11 Total Liabilities (9) + (10)				6,462.18
				(8,034.23)
12 Cost of Acquisition of segment assets		471.49	-	471.49
		(277.94)	-	(277.94)
13 Depreciation		155.49	8.00	163.49
		(138.81)	(5.00)	(143.81)

10 Revision of accounting estimates

The Group has revised estimates relating to customer acquisition costs w.e.f. April 1, 2008. Pursuant to this change the net profit for the year is higher by Rs 71.82 million (net of provision for current tax).

The Company had estimated the useful life of the assets in the block 'Computers' as 3 years. The management reviewed the useful life of the assets and revised its estimates to the rates prescribed under Companies Act, 1956. Had the Company continued to use the earlier basis of providing depreciation, the charge to the profit and loss account after taxation for the current period would have been higher by Rs. 26.21 million.

11 Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs.60.80 million (Previous year – Rs.44.02 million).

12 Contingent liabilities

Income tax matters disputed by the Company are Rs.470.28 million (Previous year – Rs.300.86 million).

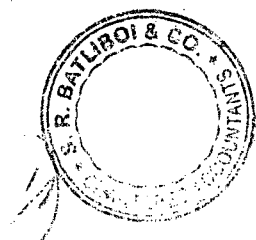
13 Managerial remuneration

The details regarding the managerial remuneration are given in the table below.

	(Rs. in million)	
	Year ended	
	March 31, 2009	March 31, 2008
Salary, perquisites and bonus	*47.68	9.18
Contribution to Provident Fund and other Funds	2.15	0.71
	49.83	9.89

* This amount includes bonus paid for the year 2007-2008 Rs.18.11 million (previous year Rs. Nil).

The Company also paid cash in lieu of cancellation of vested options amounting to Rs. 88 million during the year 2008-2009.



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Sanjiv Kumar
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The Company has incurred managerial remuneration which is in excess of the limits specified by the relevant provisions of the Companies Act, 1956. The Company has made an application to the appropriate regulatory authorities in this regard, for payment of such excess remuneration paid to managerial personnel. The limits specified by the Companies Act, 1956 is Rs. 4.42 million.

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.

As there is no commission payable to the directors, the computation of profits under section 198 and 350 of the Companies act, 1956 has not been disclosed.

14 Additional disclosure

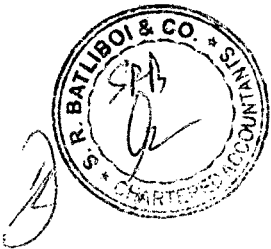
Additional statutory information disclosed in separate financial statements of the parent and subsidiaries having no material bearing on the true and fair view of the consolidated financial statements and the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements.

- 15** Information with regard to other matters specified in paragraphs 4A, 4C and 4D of Part II of Schedule VI of the Companies Act 1956, have been disclosed to the extent applicable to the company for the year ended March 31, 2009.

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Previous year figures are unaudited and are regrouped / reclassified wherever necessary to confirm the current year's classification.

Per our Report attached
S.R. Batliboi & Co
S. R. BATLIBOI & CO.
Chartered Accountants

J

Vijay Maniar
Partner
Membership No.: 36738

Signatures to schedule A to R

For and on behalf of the Board

K. V. Kamath

K. V. Kamath
Chairman

Madhabi Puri Buch

Madhabi Puri Buch
Managing Director & CEO

Anup Bagchi

Anup Bagchi
Executive Director

A Murugappan

A Murugappan
Executive Director

Charanjit Attra

Charanjit Attra
CFO & Head - Operations

Raju Nanwani

Raju Nanwani
Company Secretary



Mumbai, April 22, 2009

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ICICI SECURITIES LIMITED

Sanchoy

Authorised Signatories



CERTIFICATE

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

This is to certify that the consolidated networth of ICICI Securities Limited ('the Company') (clearing member No.103) as at 31 March 2009, as per the statement of computation of consolidated networth ('the Statement') of even date, prepared by the Company, signed by us for identification purpose based on the audited consolidated financial statements for the year ended 31 March 2009, which is annexed hereto, is Rs.287.96 million (Rupees two hundred eighty seven million, nine hundred sixty thousand only).

The accompanying statement of networth is the responsibility of the Company's management. Our responsibility is to verify the factual accuracy of the facts stated in the certificate. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates Issued for Special Purpose issued by the Institute of Chartered Accountant of India.

We further certify that:

- The computation of networth, based on our scrutiny of the audited books of accounts, records and documents maintained by the company and produced before us for verification, is true and correct to the best of our knowledge and as per information provided to our satisfaction.
- Based on our examination of books of accounts, documents and other relevant information and explanations submitted us and to our satisfaction that the Company has not provided Margin trading facility to any of its clients for the year ended 31 March 2009.

This certificate has been prepared solely for the use of the Company in relation to filing its certificate of networth with the Bombay Stock Exchange Limited in accordance with the method of computation prescribed in Annexure 2 and Annexure 3(B) of Notice No. 20090421-7 dated 21 April 2009 and should not be used for any other purpose.



For S.R. Batliboi & Co.
Chartered Accountants



per Viren H. Mehta
a Partner
Membership No: 48749
Place: Mumbai
Date: 03 September 2009

Date: September 03, 2009

Name of the Member : ICICI SECURITIES LIMITED
 (formerly known as ICICI Brokerage Services Limited)
 Clearing member no.103

STATEMENT OF COMPUTATION OF NETWORTH AS AT MARCH 31, 2009

(Reference to BSE Notice No.20090421-7 dated April 21, 2009)

	(Rupees in million)	
1. Capital	1,110.71	
2. Add: Free Reserves (Refer note no.1)	202.33	
	A	1,313.04
Less: non-allowable assets		
3. Fixed assets	311.99	
4. Pledged Securities	-	
5. Non-allowable securities	-	
6. Bad deliveries	-	
7. Doubtful debts and advances* (excluding receivable from associate on account of trades executed but not settled)	120.67	
8. Prepaid expenses, losses (Refer note no.2)	81.46	
9. Intangible assets	269.10	
10. 30% of marketable securities	241.86	
	B	1,025.08
NETWORTH ('A' - 'B')		287.96

*Includes debts/advances overdue for more than three months or given to associates.


Note:

- Free reserves includes securities premium aggregating Rs.244 million.
- Prepaid expenses, losses excludes unamortised expenditure aggregating Rs.212.34 million, net of tax

For ICICI Securities Limited



(Authorised signatory)
 Charanjit Attra
 CFO & Head Operations
 Place: Mumbai
 Date: September 03, 2009

SIGNED FOR IDENTIFICATION BY  S. R. BATLIBOI & COMPANY MUMBAI.
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ICICI Securities Limited

Registered Office & Institutional Services : ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai 400 020, India. Tel (91 22) 2288 2460/70 • Fax (91 22) 2282 6455

Member of National Stock Exchange of India Ltd. & Bombay Stock Exchange Ltd.

Capital Market : NSE Regn. No. INB 230773037, BSE Regn. No. INB 011286854

Futures & Options : NSE Regn. No. INF 230773037, BSE Regn. No. INF 010773035

