ICICI Securities i-SEC

ICICI SECURITIES AND FINANCE COMPANY LIMITED

9TH ANNUAL REPORT AND ACCOUNTS 2001-2002

Directors
K.V. Kamath, *Chairman*
Lalita D. Gupte
Kalpana Morparia
S. Mukherji
Devdatt Shah, *Managing Director & CEO*

Auditors
N.M. Raiji & Co.
Chartered Accountants

Registered Office
41/44, Minoo Desai Marg
Colaba, Mumbai 400 005

directors' report

to the members

Your Directors have pleasure in presenting the Ninth Annual Report of ICICI Securities and Finance Company Limited (the Company), with the audited Statement of Accounts for the year ended March 31, 2002.

FINANCIAL RESULTS (Rupees million)

	2001-2002	2000-2001
Gross Income	**3788.05**	*3044.28*
Profit before Interest, Depreciation and Tax	**3161.54**	*2566.43*
Depreciation	**13.44**	*48.74*
Interest	**1271.93**	*1609.69*
Profit before tax	**1876.17**	*908.00*
Provision for tax	**597.26**	*370.00*
Profit after tax	**1278.91**	*538.00*

The Profit after tax for the year ended March 31, 2002 jumped by 137.7% to Rs. 1278.91 million. After taking into account the balance of Rs. 51.03 million brought forward from the previous year, the profit available for appropriation is Rs. 1329.94 million.

BUSINESS ENVIRONMENT

As the continued downturn in the technology sector and overall equity markets pulled down growth rates in almost all the major economic regions during the year, the global economy witnessed a rare synchronous downturn. The domestic economy, which was already witnessing a downward trend at the beginning of the year, reeled further with slowdown being most pronounced in the industrial and export sectors. However, services and agriculture sectors performed well. As the latter managed to achieve one of the best performances of the last few years, the economy witnessed some signs of demand revival towards the end of third quarter of the fiscal year. The Central Statistical Organisation expects the Indian economy to close the financial year with a growth of 5.4% on the back of this agriculture-led resurgence.

Barring some event-driven spikes, the trend in interest rates was steadily downward. During the year, in face of economic slowdown and benign inflation, the Reserve Bank of India (RBI) maintained its softer rate bias and reduced the benchmark Bank Rate by 50 basis points in October. The repo rate was cut by a total of 100 basis points. Apart from reducing short-term rates, RBI maintained comfortable liquidity conditions through reduction in the Cash Reserve Ratio. Globally also, central banks maintained easy monetary stance, with the U.S. Federal Reserve leading the charge and cutting the overnight target rate by 475 basis points. Except in the immediate aftermath of the September 11 attacks in the United States of America (U.S), domestic forex markets mostly remained consistent. Though the rupee depreciated by a sizeable 4.8% during the year, this depreciation was driven almost entirely by the central bank, which intervened on an unprecedented scale and added US$ 11 billion to its forex reserves.

Favourable domestic and global monetary conditions prompted an almost uninterrupted rally in bond markets. The ten-year benchmark gilt yield dropped more than 300 basis points during the year. The I-Sec Sovereign Bond Index (I-BEX) fetched a principal return of 17.2% and total return of 27.4% during this period.

In the new status, the fixed income markets are sure to take a big leap forward, with trading in new and complex products like STRIPS likely to be allowed over the course of the year.

On the other hand, fund-raising by way of equity from the primary markets remained weak during the year. This was further affected by dampened sentiments in the secondary markets, as volumes contracted on the back of the meltdown in technology stocks and due to the impact of the September 11 terrorist attack in the U.S. During the year, there were only six issues raising Rs. 10.8 billion of equity from the markets, compared to Rs. 24.7 billion raised in the previous year. However, the current year is expected to see a significant increase in fund raising from the equity markets. The Government put into effect its privatisation program with some early successes such as the privatisation of BALCO, ITDC Hotels, CMC, VSNL and IBP. This trend is expected to continue as the Government has set a target of Rs. 150 billion from privatisation receipts. M&A activity in sectors such as Telecom, Cement, Information Technology, Pharmaceuticals and Banking are expected to increase.

OVERALL PERFORMANCE

The Company continues to retain its position at the forefront of investment banking in India, with its best performance having been recorded during the financial year 2001-2002 of its nine years of existence.

PERFORMANCE HIGHLIGHTS

– Gross Income increased from Rs. 3044.28 million in 2000-2001 to Rs. 3788.05 million in 2001-2002, an increase of 24.4%.

– After tax Profit increase from Rs. 538 million in 2000-2001 to Rs. 1278.91 million in 2001-2002, an increase of 137.7%.

– Net worth increased from Rs. 2688.08 million in 2000-2001 to Rs. 3191.88 million in 2001-2002, an increase of 19%.

– After tax return on net worth at 43.5%.

DIVISION WISE PERFORMANCE

Fixed Income

During the financial year 2001-2002, the Company excelled in all segments of the domestic fixed income markets, once again demonstrating its leadership position. In the Primary Dealership business, it surpassed all the bidding and success commitments made to RBI. The Company achieved a total turnover of Rs. 943.5 billion, 91% higher than a year ago. This is one of the highest among the Primary Dealers. The non-SLR business maintained its market leadership in turnover and established new profitability standards. The interest rate swaps segment not only maintained its high market standing but also broke new grounds by dealing in innovative benchmarks, thereby re-confirming its pioneer status. In debt capital markets, the Company helped various business entities mobilise over Rs. 160 billion. Going forward, the Company will continue to pursue excellence in the new areas, apart from maintaining its premier position in the existing fields.

Investment Banking

The Company addresses the critical financial requirements of Companies, Governments and Institutional Investors, advising on corporate strategy, capital structure and capital raising.

The strategy of the Company is to provide "One Team" in servicing the diverse and complex client needs in a fully integrated and seamless manner. To provide a platform for delivering the firm to the clients, the Company has built a team of client bankers responsible for building and maintaining relationships.

The Company has put in place a client banking group consisting of a team of bankers with the responsibility for client relationship management for investment banking products and services. This structure, widely used in investment banks, would increase the focus of the Company in strengthening the partnerships with the clients. The Company has also invested by recruiting senior resources to strengthen the Investment Banking team. A senior client banker has also been located in New York to service Indian clients looking to access capital markets in the U.S. and opportunities for growth through acquisitions.

In financial year 2001-2002, the Company was well received in the marketplace and has emerged as the leading investment banker for raising equity and debt capital in the Indian markets.

M&A Advisory

In order to provide greater focus and exceptional quality to clients, the Company has built a team of senior M&A bankers. The Company has strengthened its market share in M&A Advisory. In the recent INDATA compilation of league tables, the Company was ranked 4th in terms of deal value in 2001 as against 8th in 2000.

The Company acted as the advisor to a leading hospitality company in the acquisition of the properties of ITDC Hotels, extending its successful track record as buy side advisors in privatisation transactions. The Company also acted as the advisor to Life Insurance Corporation of India on their acquisition of a large stake of Corporation Bank.

Over the last year, the Government put into effect its privatisation program with some early successes such as the privatisation of BALCO, ITDC Hotels, CMC, VSNL and IBP. The Company expects this trend to continue as the Government has set a target of Rs.150 billion from privatisation receipts. The Company believes that there will be increased M&A activity in sectors such as Telecom, Cement, Information Technology, Pharmaceuticals and Banking.

It is the strategic imperative of the Company to continue to build market share in the M&A Advisory and Equities business. The above re-organisation of the Investment Bank will facilitate this objective.

Equities

The Company continued to maintain its premier position, having been the lead manager in the two largest issues in the current year that accounted for over 90% of all the funds raised. During the year, the Company also worked on four open offers, including the public offer by a large Oil Public Sector Undertaking to the shareholders of another Oil major, which is one of the largest open offer in India. The Company was able to continue its track record in delisting transactions and all the three transactions handled by it reached the 90% benchmark in the first Open Offer. The Company expects that the current year would see a significant increase in fund raising from the equity markets and is well positioned to take advantage of the boom in the primary market in the current year.

Risk Management

As a financial services company, the Company is committed to ensure that effective risk management policies and practices are incorporated as fundamental aspects of all its business operations. The Corporate Risk Management Group of the Company has a comprehensive risk management policy in place, with respect to market risk, credit risk and operations risk, which seeks to reduce the adverse effects of the risks generated by its activities. The group continuously develops and enhances its risk and control procedures in order to better identify and monitor risks, and proactively take appropriate actions to mitigate the same. The Company has also constituted an internal Risk Management Committee comprising of the Managing Director & CEO and senior executives from cross-functional areas. The Committee is responsible for managing the liquidity and interest rate risk profile of the assets and liabilities of the Company. The Committee also evaluates and adopts various practices with respect to Risk and Asset Liability Management.

SUBSIDIARY COMPANIES

The Company has one subsidiary in India, namely ICICI Brokerage Services Limited. As required under Section 212 of the Companies Act, 1956, the audited statements of accounts for the financial year 2001-2002, together with the Reports of the Directors and Auditors for the year ended March 31, 2002 of ICICI Brokerage Services Limited is attached herewith.

In addition, the Company also has two subsidiaries in the U.S., namely, ICICI Securities Holdings, Inc. and ICICI Securities, Inc. The audited statements of accounts for the year 2001-2002 as prepared under the Companies Act, 1956, together with the Reports of the Directors and Auditors for the year ended March 31, 2002 of these subsidiaries are attached herewith to comply with the requirements of Section 212 of the Companies Act, 1956.

DIVIDEND

During the year, the Company declared four interim dividend aggregating 36%. Your Directors are pleased to recommend a total of interim dividend(s) of 36% as final dividend for the year.

CHANGE OF OWNERSHIP

With a view to emerging as the first Universal Bank in India, ICICI Limited, the holding company of the Company merged with ICICI Bank Limited. Consequently the shares held by ICICI Limited would now be held by ICICI Bank Limited. At present ICICI Limited holds 99.92% of the share capital of the Company, which will be held by ICICI Bank Limited post merger.

PUBLIC DEPOSITS

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

DIRECTORS

In terms of the provisions of the Articles of Association of the Company, Lalita D. Gupte will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers herself for re-appointment.

AUDITORS

The Auditors, M/s. N. M. Raiji & Co., Chartered Accountants, Mumbai, will retire at the ensuing Annual General Meeting. The Board at its Meeting held on April 23, 2002 has proposed their re-appointment as Auditors of the Company for the financial year 2002-2003. You are requested to consider their re-appointment.

FOREIGN EXCHANGE EARNING AND EXPENDITURE

During the financial year 2001-2002, expenditure in foreign currencies amounted to Rs. 6.79 million and earnings in foreign currencies amounted to Rs. 0.19 million.

PERSONNEL AND OTHER MATTERS

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

Since the Company does not own any manufacturing facility, the disclosure of information relating to conservation of energy and technology absorption to be disclosed in terms of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable and hence not given.

CORPORATE PHILOSOPHY AND COMPLIANCE

The Company firmly believes that corporate governance and compliance practices are of paramount importance in order to maintain the trust and confidence of the stakeholders, clients, the good reputation of the Company and the unquestioned integrity of all personnel involved in the Company. To ensure transparency, fairness and objectivity in an organisation's functioning, the Company has proactively adopted best practices with regard to corporate governance and compliance, which are ahead of regulatory requirements. 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' interest over proprietary interest, maintenance of confidentiality of client information and prevention of insider trading.

AUDIT COMMITTEE

Pursuant to Section 292A of the Companies (Amendment) Act, 2000, the Company has a committee of the Board as Audit Committee comprising of S. Mukherji as Chairman and Kalpana Morparia and Devdatt Shah as members. During the year, the Committee met twice to review the half-yearly and annual accounts, to discuss the audit findings and recommendations of the internal and statutory auditors and to review the internal control systems of the Company.

HUMAN RESOURCES

A team of 143 people comprising of enthusiastic and talented professionals spread over four locations is the biggest contributor to the success of the Company.

Knowledge organisations constantly compete in two markets: the market for key customers and the market for key employees. The Company has developed this dual perspective and understands how it affects corporate profitability.

With a work environment that combines intellectual challenge, empowerment and freedom, the Company attracts and retains the best talent in the industry.

The Company continuously endeavours to raise the levels of competency and capabilities of its people by providing the necessary learning inputs through a variety of training programs, workshops, and seminars.

Critical intangible factors like image, know-how, personal chemistry and individual competence are valued and strategies are designed to manage them.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

1. that in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
2. that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and;
4. that the Directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors thank the clients for the confidence in the Company, which has enabled the Company to reach new heights.

Your Directors thank the Company's bankers, lenders, the Government of India, the Securities and Exchange Board of India, the Reserve Bank of India and other statutory authorities for their continued support to the Company.

Your Directors would like to express their gratitude for the unstinted support and guidance received from ICICI Limited and other group companies and its shareholders.

Your Directors would also like to express their sincere thanks and appreciation to all the employees for their commendable teamwork, professionalism and contribution during the year.

For and on behalf of the Board

K.V. KAMATH
Chairman

Mumbai, April 23, 2002

auditors' report

to the members of ICICI Securities and Finance Company Limited

We have audited the attached Balance Sheet of ICICI SECURITIES AND FINANCE COMPANY LIMITED as at March 31, 2002 and the annexed Profit and Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

(1) As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.

(2) Further to our comments in the Annexure referred to in paragraph (1) above:

(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 as required by law have been kept by the Company so far as appears from our examination of the books;

(c) the Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account of the Company;

(d) in our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and are in agreement with the books of account;

(e) On the basis of written representations received from the directors, we report that none of the directors is disqualified as on March 31, 2002 from being appointed as a Director u/s 274(1)(g) of the Companies Act, 1956.

(f) in our opinion, to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2002; and

(ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner

Mumbai, April 23, 2002

annexure

to the auditors' report

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. Fixed Assets, other than assets given on lease, have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. The securities held as stock-in-trade and in custody of the Company have been physically verified by the management at reasonable intervals. For securities with the custodian and depository participants, statements from them have been obtained on a regular basis.
4. The procedures of physical verification of securities followed by the management are reasonable and adequate in relation to the size of the Company.
5. No material discrepancies have been noticed on physical reconciliation of stock in custody of the Company, and with the custodian and depository participants as compared to the book stock.
6. In our opinion, the valuation of stock-in-trade is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The Company has taken loans from the Companies listed in the register maintained under Section 301 of the Companies Act, 1956. The rate of interest and other terms and conditions of such loans are, prima facie, not prejudicial to the interest of the Company. The Company has not taken any loans, secured or unsecured, from companies under the same management as defined under Section 370(1B) of the Companies Act, 1956.
8. The Company has granted loans to the Companies listed in the register maintained under Section 301 of the Companies Act, 1956. The rate of interest and other terms and conditions of such loans are, prima facie, not prejudicial to the interest of the Company. The Company has not granted any loans, secured or unsecured, to the companies under the same management as defined under Section 370(1B) of the Companies Act, 1956.
9. Certain loans and advances are treated as Non-Performing Assets, for which provision has been made as per the policy followed by the Company. Except for such Non-Performing Assets, the parties to whom loans or advances in the nature of loans have been given by the Company are generally repaying the principal amounts as stipulated and are regular in the payment of interest.
10. The Company has an adequate internal control procedure commensurate with the size of the Company and the nature of its business in respect of purchase of assets and purchase and sale of securities.
11. In our opinion, and according to the information and explanations given to us, services provided and purchase and sale of securities in pursuance of contracts or arrangements listed in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in respect of each party, have been made at prices which are reasonable, having regard to the prevailing market prices for such services/securities and nature of transactions.
12. The Company being a "Non-Banking Financial Company" (NBFC), Section 58A of the Companies Act, 1956 is not applicable to the Company. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by Reserve Bank of India for NBFCs.
13. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
14. As per the records of the Company, during the year provident fund dues have been regularly deposited with the appropriate authorities. As informed to us, the Employees' State Insurance Act is not applicable to the Company.
15. As per the records of the Company and according to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding as at March 31, 2002 for a period of more than six months from the date they became payable.
16. During the course of our examination of the books of account and according to the information and explanations given to us, no personal expenses of employees or Directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
17. The Company is not an industrial company and hence the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 is not applicable to the Company.
18. In respect of services activities:
    (a) the system of allocating man-hours utilised to the relative jobs, is not yet formalised;
    (b) there is a reasonable system of authorisation at proper levels and adequate system of internal control commensurate with the size of the Company and nature of its business.
19. In respect of the loans and advances granted on the basis of security by way of pledge of shares, debentures and other securities, the Company has maintained adequate documents and records.
20. Proper records have been maintained for the transactions relating to trading in shares, securities, debentures and other investments and entries therein have been made generally on a timely basis. Investments are held in the name of the Company. Securities held by the Company as "Stock-in-trade" are generally sent for transfer in the name of the Company unless they are held with the intention of selling prior to transfer. All securities are held in the name of the Company.

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner

Mumbai, April 23, 2002

balance sheet

as at March 31, 2002

	Schedule		(Rs. in '000s)	March 31, 2001
SOURCES OF FUNDS				
1. Shareholders' Funds				
A. Share Capital	A	**2,030,030**		*2,030,030*
B. Reserves and Surplus	B	**1,161,850**		*701,510*
			3,191,880	*2,731,540*
2. Loan Funds				
A. Secured Loans	C		**11,258,300**	*4,552,400*
B. Unsecured Loans	D		**6,077,220**	*8,365,440*
			20,527,400	*15,649,380*
APPLICATION OF FUNDS				
1. Fixed Assets	E			
Gross Block		**218,470**		*222,210*
Less: Depreciation		**111,390**		*109,150*
		107,080		113,060
Capital Work-in-Progress		**70**		—
Net Block			**107,150**	*113,060*
2. Investments	F		**526,430**	*514,080*
3. Deferred Tax Asset			**7,200**	—
4. Current Assets, Loans and Advances				
A. Current Assets -				
(a) Interest Accrued	G	**679,620**		*331,530*
(b) Securities held as Stock-in-Trade	H	**18,859,430**		*11,327,330*
(c) Sundry Debtors	I	**26,490**		*625,580*
(d) Cash and Bank Balances	J	**13,420**		*15,600*
B. Loans and Advances	K	**2,293,990**		*4,407,270*
		21,872,950		*16,707,310*
Less: **Current Liabilities and Provisions:**	L			
A. Current Liabilities		**295,740**		*525,180*
B. Provisions		**1,690,590**		*1,203,350*
Net Current Assets			**19,886,620**	*14,978,780*
5. Miscellaneous Expenditure (To the extent not written off or adjusted)				
Deferred Revenue Expenditure			**—**	*43,460*
			20,527,400	*15,649,380*
Notes forming part of the Accounts and Accounting Policies	T			

profit and loss account

for the year ended March 31, 2002

	Schedule		(Rs. in '000s)	March 31, 2001
Income from Operations				
(a) Income from Services	M	**100,120**		*259,130*
(b) Interest Income	N	**1,669,060**		*2,101,090*
(c) Profit/(Loss) on Securities	O	**1,615,410**		*617,790*
(d) Other Income	P	**403,460**		*66,270*
			3,788,050	*3,044,280*
Less: Operating Expenditure				
(a) Financial Charges and Operating Expenses	Q	**1,349,200**		*1,735,070*
(b) Depreciation – On Assets leased out		**—**		*34,680*
			1,349,200	*1,769,750*
			2,438,850	*1,274,530*
Expenditure				
Less: Administrative Expenditure				
(a) Payments to and Provisions for Employees	R	**228,510**		*111,030*
(b) Establishment and other Expenses	S	**320,730**		*241,440*
(c) Depreciation – On other owned Assets		**13,440**		*14,060*
			562,680	*366,530*
Profit Before Taxation			**1,876,170**	*908,000*
Less: Provision for Taxation (Including tax for earlier years Rs. 84,680 thousand)			**617,680**	*370,000*
Deferred Tax Adjustment			**(20,420)**	—
Profit After Taxation			**1,278,910**	*538,000*
Brought forward from previous years			**51,030**	*9,070*
Amount available for appropriations			**1,329,940**	*547,070*
Transfer to Special Reserve			**255,780**	*107,600*
Transfer to General Reserve			**127,890**	*26,900*
Interim Dividend			**730,810**	*304,500*
Tax on Dividend			**74,540**	*57,040*
Balance carried to Balance Sheet			**140,920**	*51,030*
Notes forming part of the Accounts and Accounting Policies	T			

Per our Report attached
For N.M. RAIJI & CO.
Chartered Accountants

J.M. GANDHI
Partner

Mumbai, April 23, 2002

ABHIJEET GUIN
Vice President & Head - Financials

POYNI BHATT
Senior Vice President & Company Secretary

For and on behalf of the Board

K.V. KAMATH
Chairman

LALITA D. GUPTE
Director

DEVDATT SHAH
Managing Director & CEO

	(Rs. in '000s)	March 31, 2001
A. SHARE CAPITAL		
Authorized:		
500,000,000 Equity Shares of Rs.10 each	**5,000,000**	*5,000,000*
Issued, Subscribed and Paid Up:		
203,002,800 Equity Shares of Rs.10 each	**2,030,030**	*2,030,030*

Notes :

1. Of the above, 202,833,200 (2001 - 202,833,200) Equity Shares of Rs.10 each are held by ICICI Limited - (the Holding Company) and its nominees.
2. As per the scheme of Amalgamation approved by the High Courts, the Holding Company ICICI Limited is being merged with ICICI Bank. However, the effective date of merger will be crystalised on getting approval from Reserve Bank of India. If the merger is effective before March 31, 2002, ICICI Bank will be the Holding Company instead of ICICI Limited

B. RESERVES AND SURPLUS **(Rs. in '000s)**

	Balance as on April 1, 2001	**Additions/Transfers during the year**	**Deductions/Transfers during the year**	**Balance as on March 31, 2002**	*Balance as on March 31, 2001*
Share Premium Account	*112,800*	**—**	**—**	**112,800**	*112,800*
Deferred Tax Credit Reserve	*15,210*	**—**	**(15,210)**	**—**	*15,210*
General Reserve	*259,120*	**129,880**	**—**	**389,000**	*259,120*
Special Reserve (maintained under Section 45 IC of the RBI Act, 1935)	*263,350*	**255,780**	**—**	**519,130**	*263,350*
Profit and Loss Account	*51,030*			**140,920**	*51,030*
Total	701,510			**1,161,850**	*701,510*

C. SECURED LOANS		
Borrowings from Reserve Bank of India (Secured by Government Securities of face value Rs. 11,271,500 thousand; Previous year Rs. 4,821,100 thousand)	**10,663,900**	*4,552,400*
Repo Borrowings (Secured by Underlying Security)	**594,400**	—
Total	**11,258,300**	*4,552,400*
D. UNSECURED LOANS		
Short Term Loans	**1,368,500**	*2,130,360*
Term Loans from Institutions issued as Tier III Capital	**500,000**	*500,000*
Inter-Corporate Borrowings	**625,000**	*2,861,580*
Money at Call and Short Notice		
– From Banks	**830,000**	*323,000*
– From Others	**10,000**	*1,960,300*
Commercial Paper Borrowings	**1,527,580**	***590,200***
Floating Rate Debenture (Redeemable at par by May 2002)	**768,000**	—
8.50% Debentures 2002 (Redeemable at par by April 2002)	**100,000**	—
7.95% Debentures 2002 (Redeemable at par by April 2002)	**5,640**	—
8.15% Debentures 2002 (Redeemable at par by April 2002)	**45,000**	—
7.86% Debentures 2002 (Redeemable at par by April 2002)	**250,000**	—
8.45% Debentures 2002 (Redeemable at par by April 2002)	**47,500**	—
Total	**6,077,220**	*8,365,440*

Unsecured loans include an amount of Rs. 500,000 thousand (previous year Rs. 500,000 thousand) from ICICI Limited - the holding company.

E. FIXED ASSETS **(Rs. in '000s)**

	Gross Block (at Cost)				Accumulated Depreciation			Net Block	
	April 1, 2001	**Additions**	**Sale/Adj.**	**March 31, 2002**	**Additions**	**Sale/Adj.**	**March 31, 2002**	**March 31, 2002**	*March 31, 2001*
Freehold Land	*57,230*	**—**	**—**	**57,230**	**—**	**—**	**—**	**57,230**	*57,230*
Building	*10,050*	**—**	**—**	**10,050**	**410**	**—**	**2,320**	**7,730**	*8,140*
Improvements to Leasehold Property	*20,500*	**—**	**—**	**20,500**	**2,480**	**—**	**15,520**	**4,980**	*7,460*
Plant and Machinery /									
Electrical Installation	*14,660*	**10**	**8,690**	**5,980**	**930**	**5,420**	**3,460**	**2,520**	*6,710*
Office Equipment	*28,610*	**4,870**	**5,870**	**27,610**	**2,100**	**3,910**	**13,410**	**14,200**	*13,390*
Computers	*68,290*	**5,460**	**440**	**73,310**	**5,830**	**350**	**61,530**	**11,780**	*12,240*
Furniture and Fixtures	*19,300*	**2,940**	**1,210**	**21,030**	**1,390**	**850**	**13,200**	**7,830**	*6,640*
Vehicles	*3,570*	**—**	**810**	**2,750**	**300**	**670**	**1,950**	**810**	*1,250*
Total	*222,210*	**13,280**	**17,020**	**218,470**	**13,440**	**11,200**	**111,390**	**107,080**	*113,060*
Previous Year	*224,220*	*9,650*	*11,660*	*222,210*	*14,060*	*9,480*	*109,150*	*113,060*	

F. INVESTMENTS - LONG TERM
(At Cost, Quoted unless otherwise stated) **(Rs. in '000s)**

Name of the Company	Quantity in thousands	Face Value per Unit (Rs.)	**March 31, 2002**	*March 31, 2001*
Equity Shares - Unquoted and fully paid-up				
ICICI Properties Limited	Nil (0.1)	—	**—**	—
ICICI Real Estate Company Limited	Nil (0.0)	—	**—**	—
ICICI Realty Limited	Nil (1.0)	—	**—**	*10*
In Equity Shares of Subsidiary Company				
Unquoted and fully paid-up				
– ICICI Brokerage Services Limited	4,501 (4,501)	10	**45,010**	*45,010*
– ICICI Securities Holding Inc.	1,100 (1,100)	*	**50,610**	*50,610*
Bonds				
Nirma Limited 2001	Nil (1,600)	100	**—**	*143,310*
ICICI Limited 2002	500 (Nil)	100	**430,810**	—
IDBI Limited 2001	Nil (500)	100	**—**	*46,500*
IDBI Limited 2001	Nil (1,000)	100	**—**	*95,540*
IDBI Limited 2002	Nil (1,500)	100	**—**	*133,100*
Total			**526,430**	*514,080*

Notes:

1. The aggregate cost and market value of the quoted Investments as at March 31, 2002 is Rs. 430,810 thousand and Rs. 430,800 thousand respectively (previous year - Rs. 418,450 thousand and Rs. 447,420 thousand respectively).
2. The aggregate cost of unquoted Investments as at March 31, 2002 is Rs. 95,620 thousand (previous year - Rs. 95,620 thousand).

* Face value of USD 1.00 per unit.

G. INTEREST ACCRUED

	(Rs. in '000s)	*March 31, 2001*
On Investments	**40,330**	*14,620*
On Stock-in-Trade	**611,330**	*315,310*
On Loans and Advances	**27,960**	*1,600*
Total	**679,620**	*331,530*

	Total Face Value (in Rupees thousands)	(Rs. in '000s)	March 31, 2001
H. SECURITIES HELD AS STOCK-IN-TRADE :			
(at lower of cost or market value)			
(Quoted unless otherwise stated)			
Government of India Securities and Deemed Government of India Securities			
8.25% Government of India 2005	30 (9,000)	**30**	8,410
9.39% Government of India 2011	926,500 (Nil)	**1,027,030**	—
9.40% Government of India 2012	150,000 (Nil)	**167,100**	—
9.50% Government of India 2008	Nil (100,000)	**—**	96,500
9.81% Government of India 2013	1,300,000 (Nil)	**1,483,950**	—
9.85% Government of India 2015	1,335,000 (Nil)	**1,538,590**	—
9.90% Government of India 2005	150,000 (Nil)	**162,450**	—
10.18% Government of India 2026	175,000 (Nil)	**206,760**	—
10.20% Government of India 2005	Nil (20)	**—**	20
10.25% Government of India 2021	197,600 (Nil)	**233,460**	—
10.70% Government of India 2020	Nil (1,900)	**—**	1,860
10.71% Government of India 2016	600,000 (Nil)	**727,800**	—
10.85% Government of India 2001	Nil (250,000)	**—**	250,000
10.95% Government of India 2011	Nil (513,500)	**—**	522,490
11.00% Government of India 2002	100 (Nil)	**100**	—
11.00% Government of India 2006	130,900 (Nil)	**150,210**	—
11.03% Government of India 2012	Nil (198,770)	**—**	201,750
11.10% Government of India 2003	2,209,780 (100,825)	**2,305,910**	103,590
11.15% Government of India 2002	800 (350,000)	**810**	356,130
11.19% Government of India 2005	50,000 (Nil)	**56,430**	—
11.30% Government of India 2010	Nil (454,800)	**—**	477,540
11.40% Government of India 2008	800,000 (340,300)	**967,200**	360,720
11.43% Government of India 2015	Nil (828,610)	**—**	843,110
11.50% Government of India 2004	Nil (250,000)	**—**	261,250
11.50% Government of India 2011	2,150,000 (Nil)	**2,690,730**	—
11.50% Government of India 2011	Nil (100,000)	**—**	104,250
11.55% Government of India 2001	Nil (500,000)	**—**	500,000
11.55% Government of India 2002	Nil (92,500)	**—**	94,580
11.68% Government of India 2002	Nil (250,000)	**—**	255,000
11.75% Government of India 2001	Nil (271,100)	**—**	271,640
11.78% Government of India 2003	39,300 (Nil)	**41,850**	—
11.99% Government of India 2009	1,050,000 (Nil)	**1,302,000**	—
12.25% Government of India 2008	Nil (153,550)	**—**	165,830
12.25% Government of India 2010	Nil (411,780)	**—**	444,720
12.29% Government of India 2010	Nil (950,000)	**—**	1,026,000
12.50% Government of India 2004	960,000 (Nil)	**1,060,800**	—
12.60% Government of India 2018	Nil (43,000)	**—**	47,520
12.69% Government of India 2002	Nil (200,000)	**—**	204,500
13.80% Government of India 2002	24,810 (Nil)	**25,080**	—
10.82% Government of Karnataka 2011	Nil (986)	**—**	970
11.57% Government of Karnataka 2010	Nil (470)	**—**	470
11.75% Government of Kerala 2010	Nil (23,000)	**—**	23,370
12.00% Government of Maharashtra 2011	Nil (6,640)	**—**	6,800
		14,148,290	6,629,020
Treasury Bills			
91 Day Treasury Bills 18-06-2001	Nil (11,225)	**—**	10,980
182 Day Treasury Bills 07-06-2001	Nil (9,475)	**—**	9,040
182 Day Treasury Bills 13-09-2001	Nil (13,800)	**—**	13,190
364 Day Treasury Bills 07-02-2002	Nil (13,625)	**—**	12,440
		—	45,650
Zero Coupon Bonds			
ICICI Limited 2001	Nil (70,000)	**—**	63,270
ICICI Limited 2001	Nil (100,000)	**—**	94,300
		—	157,570
Fixed Rate Bonds			
8.90% Neyveli Lignite Corporation Limited 2009	100,000 (Nil)	**98,420**	—
9.20% Powergrid Corporation Limited 2006	50,000 (Nil)	**49,760**	—
9.25% Power Finance Corporation Limited 2012	334,700 (Nil)	**331,340**	—
9.70% Canara Bank 2007	5,000 (Nil)	**5,030**	—
9.70% Powergrid Corporation Limited 2006	50,000 (Nil)	**50,000**	—
9.70% Powergrid Corporation Limited 2007	50,000 (Nil)	**50,000**	—
9.70% Powergrid Corporation Limited 2008	50,000 (Nil)	**50,000**	—
9.70% Powergrid Corporation Limited 2009	50,000 (Nil)	**50,000**	—

	Total Face Value (in Rupees thousands)	(Rs. in '000s)	March 31, 2001
9.70% Powergrid Corporation Limited 2010	50,000 (Nil)	**49,980**	—
9.70% Powergrid Corporation Limited 2011	50,000 (Nil)	**49,540**	—
9.70% Powergrid Corporation Limited 2012	50,000 (Nil)	**49,040**	—
9.70% Powergrid Corporation Limited 2013	50,000 (Nil)	**48,680**	—
9.70% Powergrid Corporation Limited 2014	50,000 (Nil)	**47,630**	—
9.70% Powergrid Corporation Limited 2015	50,000 (Nil)	**47,200**	—
9.70% Powergrid Corporation Limited 2016	50,000 (Nil)	**46,750**	—
9.70% Powergrid Corporation Limited 2017	50,000 (Nil)	**46,140**	—
9.90% Bharat Petroleum Corporation Limited 2008	150,000 (Nil)	**152,880**	—
9.95% Bharat Petroleum Corporation Limited 2008	200,000 (Nil)	**204,160**	—
10.00% HUDCO 2012	90,000 (Nil)	**87,300**	—
10.00% National Thermal Power Corp Limited 2007	36,600 (Nil)	**36,600**	—
10.00% National Thermal Power Corp Limited 2008	36,600 (Nil)	**36,600**	—
10.00% National Thermal Power Corp Limited 2009	30,000 (Nil)	**30,000**	—
10.00% Steel Authority of India Limited 2003	80,000 (Nil)	**79,900**	—
10.40% Bharat Sanchar Nigam Limited 2006	50,000 (Nil)	**51,080**	—
10.80% Infrastructure Development 2006	50,000 (Nil)	**52,440**	—
10.80% State Bank of India 2005	Nil (350,000)	**—**	345,350
11.10% IRFC 2006	Nil (150,000)	**—**	147,930
11.35% Central Bank of India 2005	Nil (40,000)	**—**	38,880
11.55% State Bank of India 2006	100,000 (Nil)	**106,880**	—
11.75% ICICI Limited 2002	5,100 (10,000)	**4,460**	9,730
11.90% Export Import Bank of India 2004	Nil (50,000)	**—**	51,010
11.90% State Bank of India 2008	Nil (50,000)	**—**	50,140
11.95% Bank of India 2007	Nil (11,100)	**—**	11,100
12.00% Bharat Petroleum Corporation Limited 2006	150,000 (Nil)	**159,940**	—
12.00% HUDCO 2011	Nil (32,400)	**—**	32,400
12.00% HUDCO 2011	Nil (150,000)	**—**	150,000
12.00% ICICI Limited 2005	Nil (50,000)	**—**	50,040
12.00% IDBI Limited 2002	Nil (50,000)	**—**	50,300
12.00% IDBI Limited 2002	Nil (50,000)	**—**	50,440
12.00% IDBI Limited 2003	Nil (50,000)	**—**	50,210
12.00% Punjab National Bank 2007	Nil (30,000)	**—**	30,320
12.75% ICICI Limited 21-01-2003	Nil (100,000)	**—**	102,060
13.00% ICICI Limited 2001	Nil (20,000)	**—**	19,670
13.00% IDBI Limited 2004	Nil (50,000)	**—**	51,880
13.00% Larsen & Toubro Limited 2002	Nil (50,000)	**—**	50,950
13.00% Punjab & Sind Bank 2003	Nil (10,000)	**—**	10,040
13.25% ICICI Limited 2002	Nil (100,000)	**—**	102,820
13.50% Nirma Limited 2001	Nil (50,000)	**—**	50,740
13.60% ICICI Limited 2001	Nil (30,000)	**—**	30,220
13.75% ICICI Limited 2003	50,000 (Nil)	**52,780**	—
13.75% ICICI Limited 2003	50,000 (Nil)	**52,460**	—
14.00% IDBI Limited 2005	Nil (50,000)	**—**	50,000
14.20% Bank of India 2006	Nil (95,100)	**—**	103,340
14.25% IRFC 2004	Nil (226,195)	**—**	235,220
14.30% Bank of Baroda 2009	Nil (146,500)	**—**	163,960
14.35% ICICI Limited 2002	Nil (100,000)	**—**	103,100
14.50% National Aluminium Co Limited 2005	Nil (20,000)	**—**	20,000
14.80% IDBI Limited 2003	Nil (50,000)	**—**	53,110
15.50% ICICI Limited 2002	Nil (100,000)	**—**	105,160
15.50% TVS Suzuki Limited 2004	Nil (40,000)	**—**	42,910
16.00% ICICI Limited 2003	Nil (100,000)	**—**	112,630
16.00% ICICI Limited 2003	Nil (70,000)	**—**	78,670
16.00% ICICI Limited 2003	Nil (50,000)	**—**	58,420
16.00% ICICI Limited 2003	150,000 (150,000)	**166,510**	168,660
16.00% ICICI Limited 2003	Nil (50,000)	**—**	56,200
16.00% ICICI Limited 2003	50,000 (50,000)	**55,600**	56,280
16.00% IFCI Limited 2001	Nil (5,000)	**—**	5,000
16.25% ICICI Limited 2002	Nil (38,920)	**—**	40,420
16.50% IRFC 2003	Nil (50,000)	**—**	51,180
		2,399,100	2,990,490
Debentures			
8.34% BSES Limited 2007	250,000 (Nil)	**242,800**	—
8.85% Grasim Industries Limited 2008	150,000 (Nil)	**147,090**	—
9.00% LIC Housing Finance Limited 2007	50,000 (Nil)	**49,020**	—
9.25% LIC Housing Finance Limited 2009	50,000 (Nil)	**48,340**	—
9.60% Gujarat Ambuja Cements Limited 2008	100,000 (Nil)	**98,340**	—
9.60% Reliance Industries Limited 2006	50,000 (Nil)	**49,940**	—
9.70% Grasim Industries Limited 2008	100,000 (Nil)	**101,080**	—
9.75% Hindalco Industries Limited 2008	250,000 (Nil)	**254,770**	—

	Total Face Value (in Rupees thousands)	(Rs. in '000s)	March 31, 2001
9.75% ICICI Bank Limited 2007	100,000 (Nil)	**98,020**	—
9.90% Reliance Industries Limited 2006	50,000 (Nil)	**50,530**	—
10.10% Grasim Industries Limited 2006	50,000 (Nil)	**51,200**	—
10.75% Grasim Industries Limited 2005	50,000 (Nil)	**52,210**	—
10.85% Indian Rayon & Industries Limited 2006	Nil (50,000)	**—**	48,610
10.85% Reliance Industries Limited 2005	Nil (50,000)	**—**	49,130
10.90% Reliance Industries Limited 2004	Nil (100,000)	**—**	98,990
11.15% GE Capital Services India Limited 2001	Nil (100,000)	**—**	99,810
11.22% Hindalco Industries Limited 2008	250,000 (50,000)	**265,930**	49,560
11.25% Lakshmi General Finance Limited 2003	Nil (50,000)	**—**	49,370
11.30% HDFC Limited 2003	Nil (50,000)	**—**	49,940
11.45% HDFC Limited 2006	Nil (50,000)	**—**	49,760
11.65% Nirma Limited 2001	Nil (50,000)	**—**	50,140
11.75% EID Parry 2006	Nil (50,000)	**—**	49,950
11.75% GESCO 2001	Nil (10,000)	**—**	10,040
11.75% GESCO 2002	10,000 (10,000)	**10,050**	10,050
11.75% GESCO 2003	10,000 (10,000)	**10,050**	10,050
11.75% GESCO 2004	10,000 (10,000)	**10,050**	10,050
11.75% GESCO 2005	10,000 (10,000)	**10,050**	10,050
11.75% GESCO 2006	10,000 (10,000)	**10,050**	10,050
12.00% Indian Hotels 2005	Nil (50,000)	**—**	50,790
12.10% Reliance Industries Limited 2005	Nil (100,000)	**—**	101,820
13.00% Reliance Petro Limited 2004	50,000 (Nil)	**53,810**	—
13.20% Indian Rayon & Industries Limited 2003	50,000 (Nil)	**53,120**	—
13.50% Prism Cement Limited 2004	1,553 (2,329)	**870**	1,640
14.50% Larsen & Toubro Limited 2002	Nil (50,000)	**—**	51,960
15.5625% Indian Petrochemical Corporation Limited 2002	Nil (100)	**—**	30
17.00% Kesoram Industries Limited 2001	Nil (20,000)	**—**	3,260
		1,667,320	865,050
Debentures (Unquoted)			
10.00% Rama Newsprint & Papers Limited 2004	90,835 (122,751)	**79,080**	87,232
12.50% Arvind Mills Limited 2000	4,092 (4,092)	**3,690**	3,690
15.00% Pal Peugeot Limited 2004	16,160 (16,160)	**12,170**	12,168
17.50% Grapco Granites Limited 1998	20,000 (20,000)	**18,250**	18,245
17.50% Grapco Granites Limited 2000	15,000 (15,000)	**13,100**	13,101
17.50% Grapco Mining Limited 1995	10,000 (10,000)	**9,310**	9,310
18.00% Parasrampuria Synthetics Limited 1999	20,000 (20,000)	**17,620**	17,624
19.50% Grapco Granites Limited 1998	20,000 (20,000)	**18,920**	18,923
20.00% Das Lagerwey 1996	30,000 (30,000)	**30,000**	30,000
20.00% Veena Textiles Limited 1996	15,000 (15,000)	**14,300**	14,500
22.00% GTV Spinners Limited 1996	4,529 (4,529)	**4,480**	4,282
		220,920	229,074
Equity			
Bharat Forge Limited	1,500 (1,500)	**16,020**	12,290
Bharat Forge Utilities Limited	750 (Nil)	**—**	—
Bhushan Steel Limited	7,828 (7,828)	**12,130**	14,560
Biochem Synergy Limited	635 (635)	**—**	—
Eveready Industries India Limited	5,059 (5,059)	**5,520**	10,320
Hughes Tele.Com (India) Limited	121,782 (124,541)	**85,250**	105,860
India Containers Limited	934 (934)	**—**	—
Indian Seamless Metaltube Limited	1,000 (1,000)	**1,040**	1,170
Inland Printers Limited	7,992 (7,992)	**—**	1,200
Jocil Ind Limited	2,371 (2,371)	**—**	11,380
Kallam Spinning Mills Limited	4,634 (4,634)	**—**	810
Nucent Finance Limited	1 (1)	**—**	—
Parakaram Technofab Limited	1,910 (1,910)	**—**	190
Parasrampuria Synthetics Limited	1,246 (1,246)	**10**	10
Parasrampuria Synthetics Limited	905 (905)	**—**	70
Rama Newsprint Limited	10 (10)	**—**	10
Shri Renuga Textiles Limited	1,000 (1,000)	**—**	3,100
South Indian Bank Limited	3,081 (3,808)	**13,250**	8,030
Sun Pharmaceutical Industries Limited	19 (19)	**90**	90
Sunshield Chemicals Limited	2 (2)	**—**	—
Tata Investment Corp Limited	768 (768)	**6,590**	6,530
Unipon Industries Limited	2,177 (2,177)	**—**	480
Usha Beltron Limited	625 (625)	**3,340**	3,850
Usha Martin Infotech Limited	625 (625)	**1,250**	1,440
Vickers System Limited	1 (1)	**—**	—
		144,490	181,390

	Total Face Value (in Rupees thousands)	(Rs. in '000s)	March 31, 2001
Equity – Unquoted			
Aldrich Pharmaceuticals Limited	2,400 (2,400)	**—**	—
Hiralal Print Works Limited	1,935 (1,935)	**—**	—
IAEC Industries Limited	1,500 (1,500)	**—**	—
Mahindra Sona Limited	1,158 (1,158)	**—**	1,160
MIL Industries Limited	350 (350)	**—**	210
Orissa Lamp Limited	7,215 (7,215)	**—**	—
Ring Plus Aqua Limited	2,258 (2,258)	**—**	3,840
		—	5,210
Units			
Grindlays Super Saver Income Fund-Growth	Nil (137,741)	**—**	150,000
Sun F&C Money Value Fund Growth	Nil (76,453)	**—**	100,000
HDFC Liquid Fund Dividend Option	500,017 (Nil)	**500,230**	—
Templeton India Income Fund Growth Plan	Nil (60,976)	**—**	100,000
Zurich Ind High Interest Fund Reg Growth	Nil (62,854)	**—**	100,000
		500,230	450,000
Total		**19,080,350**	11,553,454
Less : Provision against Non-performing Assets / Bad debts written off		**220,920**	226,120
Grand Total		**18,859,430**	11,327,334

Notes :

1. Certain Debentures which have defaulted for payment on maturity date have been written off. However, the same have been continued to be disclosed as Stock-in-trade to reflect existence of the claim on the Issuer/ Seller.
2. The aggregate carrying value and market value of quoted securities as at March 31, 2002 is Rs. 18,359,190 thousand and Rs. 18,369,490 thousand respectively (previous year -Rs. 10,869,170 thousand and Rs. 10,882,110 thousand respectively).

	(Rs. in '000s)	March 31, 2001
I. SUNDRY DEBTORS (Unsecured):		
(A) Receivables outstanding for a period exceeding six months		
Considered Doubtful	**3,240**	*2,100*
(B) Other Receivables		
Considered Good	**26,490**	*625,580*
	29,730	*627,680*
Less: Provision for Doubtful Debts	**3,240**	*2,100*
Total	**26,490**	*625,580*

* Debtors include an amount of Rs. 1,880 thousand respectively receivable from Subsidiary Companies (Previous year – Nil)

	(Rs. in '000s)	March 31, 2001
J. CASH AND BANK BALANCES		
Cash and Cheques on hand	**90**	*140*
In Current Accounts with Scheduled Banks	**3,550**	*9,690*
In Current Accounts with Reserve Bank of India	**9,780**	*5,770*
Total	**13,420**	*15,600*
K. LOANS AND ADVANCES (Unsecured and considered good, unless otherwise stated)		
(A) Loans		
Inter-corporate Deposits*	**—**	*10,000*
Call Money Lent	**—**	*2,457,500*
Total (A)	**—**	*2,467,500*
(B) Advances (Recoverable in Cash or in Kind or for value to be received)		
Advance Income and Other Tax	**1,809,110**	*1,316,140*
Security Deposit for Leased Premises	**227,980**	*318,880*
Other Advances and Deposits *	**59,490**	*54,750*
Application Money for Securities	**200,000**	*250,000*
	2,296,580	*1,939,770*
Less : Provision for Doubtful Advances	**2,590**	*—*
Total (B)	**2,293,990**	*1,939,770*
Total (A)+(B)	**2,293,990**	*4,407,270*

* Advances include an amount of Rs. 4,410 thousand respectively receivable from Subsidiary Companies (Previous year Rs. 3,070 thousand)

L. CURRENT LIABILITIES AND PROVISIONS

	(Rs. in '000s)	March 31, 2001
(A) Current Liabilities		
Interest Accrued but not due	**77,320**	*126,230*
Sundry Creditors	**61,450**	*268,640*
Sundry Creditors for Expenses	**46,510**	*26,410*
Other Liabilities	**110,300**	*103,820*
Unclaimed Dividends	**160**	*80*
Total (A)	**295,740**	*525,180*
(B) Provisions		
Income and Other Taxes	**1,680,840**	*1,184,650*
Retirement Benefits	**9,750**	*18,700*
Total (B)	**1,690,590**	*1,203,350*

M. INCOME FROM SERVICES

	(Rs. in '000s)	March 31, 2001
Issue Management Fees	**9,300**	*28,640*
Financial Advisory Services	**21,210**	*52,250*
Syndication Fees	**41,840**	*60,850*
Underwriting Commission	**2,530**	*9,930*
Brokerage and Commission	**25,240**	*107,460*
Total	**100,120**	*259,130*

N. INTEREST INCOME

	(Rs. in '000s)	March 31, 2001
Interest on Securities		
– Stock-in-Trade	**1,325,540**	*1,265,810*
Income on Discounted Instruments		
– Investments	**104,830**	*25,510*
– Stock-in-Trade	**55,760**	*205,490*
Interest on Repo and Call Lendings	**85,320**	*365,500*
Interest on Inter-Corporate Deposits	**41,230**	*174,680*
Interest on Deposits for Leased Premises	**41,750**	*54,340*
Interest on Other Loans and Advances	**14,630**	*9,760*
Total	**1,669,060**	*2,101,090*

O. PROFIT/(LOSS) ON SECURITIES

		(Rs. in '000s)	March 31, 2001
Profit on Sale of Investments		**2,520**	*1,330*
Profit on Commercial Papers and Certificates of Deposit		**—**	*570*
Profit on Stock-in-Trade			
Sale of Securities	**546,669,210**		*266,096,190*
Less: Purchases	**552,583,210**		*261,538,520*
	(5,914,000)		*4,557,670*
Add/Less: Increase/(Decrease) in Closing Stock	**7,526,890**		*(3,941,780)*
Profit on Stock-in-trade		**1,612,890**	*615,890*
Total		**1,615,410**	*617,790*

P. OTHER INCOME

		(Rs. in '000s)	March 31, 2001
Lease Rentals	**—**		*40,610*
Less: Lease Equalization	**—**		*7,510*
		—	*33,100*
Dividend Income		**335,450**	*22,050*
Recovery against Bad Debts written off		**31,920**	*20,040*
Miscellaneous Income		**1,430**	*1,100*
Net Gain/(Loss) from Swaps/FRAs		**34,660**	*(10,020)*
Total		**403,460**	*66,270*

Q. FINANCIAL CHARGES AND OPERATING EXPENSES

		(Rs. in '000s)	March 31, 2001
Interest on Fixed Rate Loans and Debentures		**799,250**	*716,040*
Interest on Borrowings from Reserve Bank of India		**111,340**	*333,840*
Interest on Repo and Call Borrowings		**361,340**	*559,810*
Procurement Expenses		**32,450**	*82,960*
Guarantee Commission		**—**	*210*
Rating Agency Fees		**3,680**	*2,360*
Brokerage and Stamp Duty		**29,560**	*18,040*
Bank Charges		**2,610**	*2,640*
Sub-Underwriting Commission		**—**	*3,310*
Transaction Charges		**460**	*—*
Custodial Services		**750**	*1,570*
Doubtful Debts written off / provided	**10,598**		*31,220*
Less: Opening Provision	**2,838**		*18,630*
		7,760	*12,590*
Lease Syndication Fees		**—**	*1,700*
Total		**1,349,200**	*1,735,070*

R. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

	(Rs. in '000s)	March 31, 2001
Salaries, Wages and Incentive	**215,580**	*102,230*
Contribution to Provident and other Funds	**6,810**	*5,900*
Staff Welfare Expenses	**6,120**	*2,900*
Total	**228,510**	*111,030*

S. ESTABLISHMENT AND OTHER EXPENSES

	(Rs. in '000s)	March 31, 2001
Rent and Amenities	**150,280**	*141,170*
Insurance	**1,050**	*2,200*
Travelling, Conveyance and Motor Car Expenses	**29,000**	*22,480*
Repairs, Maintenance and Upkeep	**18,740**	*11,870*
Rates and Taxes	**570**	*390*
Electricity Expenses	**8,900**	*5,220*
Communication Expenses	**12,760**	*11,140*
Printing and Stationery	**4,200**	*3,980*
Loss on Sale of Fixed Assets	**5,450**	*1,190*
Deferred Revenue Expenditure Written Off	**43,460**	*14,490*
Subscription and Periodicals	**10,960**	*8,850*
Professional Fees	**9,030**	*1,100*
Advertisement Expenses	**3,230**	*4,610*
Auditors' Remuneration	**690**	*790*
Miscellaneous Expenses	**22,410**	*11,960*
Total	**320,730**	*241,440*

T. NOTES FORMING PART OF THE ACCOUNTS AND ACCOUNTING POLICIES

1. Significant Accounting Policies:

(i) Method of Accounting

The accounts are prepared in accordance with accounting principles generally accepted in India. The Company follows accrual method of accounting.

(ii) Revenue Recognition

In case of non-fund based activities such as issue management, loan syndication, financial advisory services etc., the revenue is recognised based on the stage of completion of assignments and the bills raised for the recovery of fees.

Interest income is accounted on an accrual basis except that no interest income is recognized on Non Performing /Doubtful assets, considering prudential norms for income recognition issued by Reserve Bank of India for Non-Banking Financial Companies. Interest income on such assets is recognised when the amount is received and appropriated towards interest.

Lease transactions are treated as a finance lease and lease rental income is recognised on the basis of "Guidance Note on Accounting for Leases" issued by The Institute of Chartered Accountants of India for such transactions.

(iii) Stock-in-trade and Investments

(a) The securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and shown as current assets. Other securities acquired with the intention of long-term holding are considered as 'Investments'.

(b) In respect of investments, brokerage and stamp duty payable are considered to arrive at the cost. However, in respect of securities held as stock-in-trade, brokerage and stamp duty are written off as revenue expenditure. Commission earned in respect of securities held as stock-in-trade and investments acquired from the primary market and on devolvement is adjusted from the cost of acquisition.

(c) The securities held as stock-in-trade under current assets are valued at cost or market/fair value, whichever is lower. In case of investments transferred to Stock-in-trade, carrying amount on the date of transfer is considered as cost. In case of unquoted shares fair value is taken at break-up value of shares as per the latest audited Balance Sheet of the concerned company. In case of debt instruments, fair value is worked out on the basis of yield to maturity rate selected considering quotes where available and credit profile of the issuer.

(d) The Investments are shown in Balance Sheet at cost. In case of quoted investments, provision for diminution in value of investments is made, if such diminution is of a permanent nature in the opinion of management.

(iv) Interest Rate Swaps (IRS)/ Forward Rate Agreements (FRA)

Assets and liabilities in respect of notional principal amount of IRS and FRA is nullified. Gains or losses in respect of interest rate swaps are accounted on due dates as per the terms of the contract and the net amount is shown in the Profit and Loss Account.

(v) Repurchase and Resale Transactions (Repo)

As a Primary Dealer, Reserve Bank of India has permitted the Company to enter into Repo transactions. Such transactions are treated as secured borrowing/lending transactions and accordingly disclosed in the financial statements. The difference between purchase and sale consideration is treated as interest and is accounted as income or expenditure, as the case may be, over the period of the contract.

(vi) Zero Coupon Instruments

The difference between the acquisition price and maturity value of zero coupon instruments are treated as interest and is recognised as income over the remaining life of the instrument.

(vii) Fixed Assets and Depreciation

Fixed assets are stated at historical cost.

Expenditure incurred on plumbing, flooring and other civil works at leased premises prior to its occupation by the company have been capitalized as "Improvement to Leasehold Property".

Depreciation on value of improvements to leasehold property is provided on straight line method at the rate determined, considering the period of lease or at the rate prescribed in Schedule XIV of the Companies Act, 1956, whichever is higher.

Depreciation on fixed assets other than the leased assets and improvement to leasehold property is provided on written down value method at the rate prescribed in Schedule XIV of the Companies Act, 1956. Additionally, an asset whose written down value falls below Rs. 5,000 is fully depreciated for the remaining balance.

(viii) Deferred Tax

The tax effects of significant temporary differences are reflected through a Deferred Tax Asset /Liability, which has been reflected in the Balance Sheet and the corresponding effect of the same is given in the Profit and Loss Account.

(ix) Provision for Doubtful Loans and Advances

The policy of provisioning against Non Performing Loans and Advances has been decided by the management considering prudential norms issued by the Reserve Bank of India for Non Banking Financial Companies except that amounts recovered subsequent to the Balance Sheet date have not been considered for provisioning. As per the policy adopted, the provision against sub standard assets are fixed on a conservative basis, taking into account management's perception of the higher risk associated with the business of the company. Certain Non Performing Loans and Advances are considered as loss assets and full provision has been made against such assets.

(x) Miscellaneous Expenditure

Lease rentals and other revenue expenditure incurred on leased premises prior to occupation of the premises are amortized over the balance period of the lease, starting from the date of occupation of leased premises. The management has decided to charge off the balance in Deferred Revenue Expenditure as of March 31, 2002 and not carry it forward further.

(xi) Foreign Currency Transactions

Expenses and income are recorded at the exchange rate prevailing on the date of transaction. Assets and liabilities at the Balance Sheet date are restated at the exchange rate prevailing on the Balance Sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of assets and liabilities are dealt with in the Profit and Loss Account.

(xii) Retirement Benefits

Provident Fund contribution is paid to the Provident Fund Commissioners' fund while gratuity is covered under schemes with Life Insurance Corporation (LIC) and yearly contribution is made to LIC. Liability for leave encashment is estimated by the management and provided for.

2. Deferred Tax

In compliance with Accounting Standard 22 (Accounting for Taxes on Income), the Company has worked out deferred tax liability as at April 1, 2001 amounting to Rs. 13,220 thousand. This Liability has been created out of deferred tax credit reserve as on March 31, 2001. As a result of this, the balance in deferred tax credit reserve of Rs. 1,990 thousand is transferred to General Reserve. Further for the current year deferred tax liability is fully reversed and a deferred tax asset is created to the extent of Rs. 7,200 thousand. As a result the profit after tax is higher to the extent of Rs. 20,420 thousand.

The break-up of deferred tax assets into major components is as follows:

	(Rs. in '000s)
Deferred Tax Assets	
Depreciation	**3,570**
Provision for Debtors NPA and Advances	**3,500**
Preliminary Expenses	**130**
	7,200

3. Contingent Liabilities

(a) Income tax and interest tax matters disputed by the Company Rs. Nil (Previous year – Rs. 90,610 thousand).

(b) Outstanding counter guarantees for subsidiary company as at March 31, 2002 is Rs. 43,500 thousand (Previous year – Rs. 158,500 thousand).

4. The management has decided to charge off the balance of Deferred Revenue Expenditure as of March 31, 2002. On account of this, Deferred Revenue Expenditure Written Off is higher by Rs. 28,970 thousand and the profit for the year is lower to that extent.

5. Commercial Paper issued of face value Rs. 250,000 thousand re-purchased by the company has been kept for re-issue (Previous year – Nil).

6. Notional Principal outstanding on account of Swaps Rs. 50,550,000 thousand (previous year- Rs. 15,700,000 thousand).

(Rs. in '000s)

		2001-2002	2000-2001
7.	**Auditors' Remuneration**		
	(a) Audit Fees	**590**	*370*
	(b) Tax Audit and Certification Fees	**90**	*420*
	(c) Out of pocket expenses	**10**	—
		690	*790*
8.	Expenditure in foreign currency (Travelling and Other expenses)	**6,790**	*6,030*
9.	Earnings in foreign currency (Fees towards Advisory Services)	**190**	*4,610*

10. QUANTITATIVE DETAILS OF SECURITIES HELD AS STOCK IN TRADE

(a) OPENING AND CLOSING STOCK

Category	**Opening Stock**		**Closing Stock**	
	Face Value (Rs. in '000s)	Value (Rs. in '000s)	Face Value (Rs. in '000s)	Value (Rs. in '000s)
Government securities	6,400,751 (10,001,884)	6,629,020 (10,206,900)	12,249,820 (6,400,751)	14,148,290 (6,629,020)
Treasury bills	48,125 (2,119,775)	45,650 (1,982,180)	— (48,125)	— (45,650)
Equity shares	186,406 (74,494)	186,600 (142,910)	183,670 (186,406)	144,490 (186,600)
Debentures	1,160,737 (825,108)	1,094,120 (743,900)	1,898,721 (1,160,737)	1,888,240 (1,094,120)
Others	3,388,238 (2,577,125)	3,598,060 (2,419,340)	2,877,917 (3,050,215)	2,899,330 (3,598,060)
Total	**11,184,257** **(15,598,386)**	**11,553,450** **(15,495,230)**	**17,210,128** **(10,846,234)**	**19,080,340** **(11,553,450)**

(b) PURCHASES AND SALES

Category	**Purchases**		**Sales**	
	Face Value (Rs. in '000s)	Value (Rs. in '000s)	Face Value (Rs. in '000s)	Value (Rs. in '000s)
Government Securities	430,686,605 (196,819,427)	471,857,440 (202,584,410)	424,837,536 (200,420,560)	466,088,120 (206,687,630)
Treasury bills	45,570,300 (43,195,325)	43,529,670 (40,665,530)	45,618,425 (45,266,975)	43,594,170 (42,629,500)
Equity shares	750 (150,699)	10 (191,140)	3,486 (38,787)	5,540 (92,770)
Debentures	12,050,000 (5,824,092)	12,501,850 (5,845,960)	11,312,016 (5,488,463)	11,752,130 (5,525,200)
Others	23,164,560 (8,954,875)	24,694,240 (12,251,480)	23,674,881 (8,481,785)	25,229,250 (11,161,090)
Total	**511,472,215** **(254,944,418)**	**552,583,210** **(261,538,520)**	**505,446,344** **(259,696,570)**	**546,669,210** **(266,096,190)**

Note : Figures in parenthesis pertain to previous year.

11. Related Party Disclosures

The Company being a finance company the transactions in the normal course of business have not been disclosed. The following are the details of transactions with related parties: -

(Rs. in '000s)

Name of the related Party	**Type of Transactions**	**Amount**
ICICI Limited – The Holding Company	Establishment Expenses	13,440
	Dividend paid	730,200
	Procurement Expenses	5,990
ICICI Bank Limited – – Refer Note 2, Schedule A	Procurement Expenses	2,190
	Fee Income	610
ICICI Infotech Services Limited – Subsidiary of ICICI Limited	Establishment Expenses	7,360
ICICI Brokerage Services Limited – Subsidiary Company	Brokerage Expenses	100
ICICI Securities Inc. – Subsidiary Company	Fee Income	1,840
ICICI Prudential Life Insurance Co. Limited – Subsidiary of ICICI Limited	Fee Income	100
ICICI Capital Services Limited – Subsidiary of ICICI Limited	Fee Income	120

In addition to the above there are no related party transactions with ICICI Securities Holdings Inc, which is a subsidiary of the Company.

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

Signatures to Schedules A to T

Per our Report attached
For N.M. RAIJI & CO.
Chartered Accountants

J.M. GANDHI
Partner

Mumbai, April 23, 2002

For and on behalf of the Board

K.V. KAMATH
Chairman

LALITA D. GUPTE
Director

ABHIJEET GUIN
Vice President & Head - Financials

POYNI BHATT
Senior Vice President & Company Secretary

DEVDATT SHAH
Managing Director & CEO

Statement pursuant to Part IV, Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile

1. Registration Details

Registration No. 52238

State Code 55

Balance Sheet Date 31 (Date) 03 (Month) 2002 (Year)

2. Capital Raised during the Year

(Amount in Rupees thousand)

Public Issue	Bonus Issue
NIL	NIL
Rights Issue	Private Placement
NIL	NIL

3. Position of Mobilisation and Deployment of Funds

(Amount in Rupees thousand)

Total Liabilities and Shareholders' Funds	Total Assets
20527400	20527400

Sources of Funds

Paid-up Capital	Reserves and Surplus
2030030	1161850
Secured Loans	Unsecured Loans
11258300	6077220

Application of Funds

Fixed Assets	Investments
107150	526430
Net Current Assets	Miscellaneous Expenditure
19886620	NIL

4. Performance of the Company

(Amount in Rupees thousand)

Turnover	Total Expenditure
3788050	1911880
Profit before Tax	Profit after Tax
1876170	1278910
Earnings per Share in Rupees	Dividend Rate %
6.30	36%

5. Generic Names of Three Principal Services of the Company

(As per monetary terms)

Item Code No. : Not Applicable

Product Description : Securities Investment and Trading
Investment Banking activities and Corporate Finance

For and on behalf of the Board

K.V. KAMATH
Chairman

LALITA D. GUPTE
Director

ABHIJEET GUIN
Vice President & Head - Financials

POYNI BHATT
Senior Vice President & Company Secretary

DEVDATT SHAH
Managing Director & CEO

Mumbai, April 23, 2002

cash flow statement

ICICI Securities **for year ended March 31, 2002** I-SEC

(Rs. in '000s)

			March 31, 2002	March 31, 2001
A.	**Cash Flow From Operating Activities**			
	Profit Before Tax	**1,876,170**		*908,000*
	– (Profit)/Loss on Sale of Fixed Assets	**5,450**		*1,190*
	– Depreciation	**13,440**		*41,230*
	– Deferred Revenue Expenses Written off	**43,460**		*14,480*
	– Provision for Wealth Tax	**100**		*100*
	– Bad and Doubtful Debts (Net)	**7,760**		*12,590*
	Operating Profit before Changes in Operating Assets and Liabilities		**1,946,380**	*977,590*
	Adjustments for net change in Operating Assets and Liabilities			
	– Current Assets excluding Cash and Cash equivalents	**(7,281,110)**		*3,563,290*
	– Loans and advances relating to Operations	**2,606,250**		*2,364,990*
	– Current Liabilities relating to Operations	**(246,150)**		*112,500*
			(4,921,010)	*6,040,780*
	Cash generated from Operations		**(2,974,630)**	*7,018,370*
	Payment of Taxes		**(568,680)**	*(394,430)*
	Net Cash from Operating Activities		**(3,543,310)**	*6,623,950*
B.	**Cash Flow From Investment Activities**			
	– Acquisition of Equity Investments in Subsidiary Companies		**—**	*50,610*
	– Purchase of Investments		**(12,350)**	*(335,060)*
	– Purchase of Fixed Assets	**(13,350)**	**—**	*(9,650)*
	– Sale of Fixed Assets	**370**	**(12,970)**	*1,000*
	Net cash used in Investment Activities		**(25,320)**	*(293,100)*
C.	**Cash Flow From Financing Activities**			
	– Borrowings (net of repayments)		**3,201,540**	*(5,890,310)*
	– Proceeds from Issue of Debentures		**1,216,140**	*(100,000)*
	– Payment of Dividends (including Dividend Tax)		**(851,230)**	*(338,000)*
			3,566,450	*(6,328,310)*
	Net Cash used in Financing Activities			
	Net Change in Cash and Cash Equivalents		**(2,180)**	*2,540*
	Cash and Cash Equivalents at the beginning of the Year		**15,600**	*13,060*
	Cash and Cash Equivalents at the end of the Year		**13,420**	*15,600*

Per our Report attached
For N.M. RAIJI & CO.
Chartered Accountants

J.M. GANDHI
Partner

Mumbai, April 23, 2002

ABHIJEET GUIN
Vice President &
Head - Financials

POYNI BHATT
Senior Vice President &
Company Secretary

For and on behalf of the Board

K.V. KAMATH
Chairman

LALITA D. GUPTE
Director

DEVDATT SHAH
Managing Director &
CEO

statement pursuant to section 212

of the Companies Act, 1956, relating to subsidiary companies

(Rs. in '000s)

Sr. No.		Name of the Subsidiary Company	ICICI Brokerage Services Limited	ICICI Securities Holdings Inc.	ICICI Securities Inc.
1.		The financial year of the Subsidiary Company ended on	March 31, 2002	March 31, 2002	March 31, 2002
2.	(a)	Number of Equity Shares held by ICICI Securities and Finance Company Limited and/or its nominees in the Subsidiary as on March 31, 2002	4,500,700 Equity Shares of Rs. 10 each Fully Paid-up	1,100,000 Equity Shares of US$ 1.00 per unit Fully Paid up	1,050,000 Equity Shares of US $ 1.00 per unit Fully Paid up held by ICICI Securities Holdings Inc.
	(b)	Extent of interest of ICICI Securities and Finance Company Limited in the capital of the Subsidiary	100%	100%	100%
3.		Net aggregate amount of Profits/Losses of the Subsidiary so far as it concerns the Members of ICICI Securities and Finance Company Limited is not dealt with in the Accounts of ICICI Securities and Finance Company Limited			
	(a)	Profits of the Subsidiary for the financial year ended on March 31, 2002	10,990	180	(14,190)
	(b)	Profits for the previous financial years of the Subsidiary since it became a subsidiary of ICICI Securities and Finance Company Limited	78,240	(9,440)	(3,380)
4.		Net aggregate amount of Profits/Losses of the Subsidiary so far as dealt with or provisions made for those losses in the Accounts of ICICI Securities and Finance Company Limited			
	(a)	Profits of the Subsidiary for the financial year ended on March 31, 2002	Nil	Nil	Nil
	(b)	Profits for the previous financial years of the Subsidiary since it became a subsidiary of ICICI Securities and Finance Company Limited	2,250	Nil	Nil

For and on behalf of the Board

K.V. KAMATH
Chairman

LALITA D. GUPTE
Director

ABHIJEET GUIN
Vice President &
Head - Financials

POYNI BHATT
Senior Vice-President &
Company Secretary

DEVDATT SHAH
Managing Director &
CEO

Mumbai, April 23, 2002