

8TH ANNUAL REPORT AND ACCOUNTS 2000-2001
Directors

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

Auditors

M/s. 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 Eighth Annual Report of the Company with the audited Statement of Accounts for the year ended March 31, 2001.

Financial Results

	(Rupees million)	
	Year ended March 31, 2001	Year ended March 31, 2000
Gross Income	3054.30	2999.69
Profit before Interest, Depreciation and Tax	2566.43	2531.61
Depreciation	48.74	52.61
Interest	1609.69	1447.20
Profit before tax	908.00	1031.80
Provision for tax	370.00	311.00
Profit after tax	538.00	720.80

Profit after tax declined in 2000-2001 due to a higher tax rate, lower issuance in the Equity markets, and a highly volatile interest rate environment. Nevertheless, your Company generated an after tax return on net worth of 20.6%, a notable accomplishment in a difficult market environment.

Business Environment

The Indian economy failed to sustain the recovery witnessed in the last quarter of 1999-2000. The GDP growth in 2000-2001 is estimated to be around 6%, with a slowdown evident in the last two quarters. Industrial momentum weakened in the face of low demand. While exports showed considerable growth till February, the salutary impact on the trade balance was negated by a sharp rise in the oil import bill.

The year 2000-2001 was marked by high volatility in interest rate markets. The year began on a positive note with the Reserve Bank of India (RBI) reducing the key Bank Rate and CRR by 100 basis points each. The ten-year benchmark yield fell to 10.26% at the first auction of government securities for the year. However, as the year progressed, yields firmed up with every auction, due to a large supply of government paper. The steady depreciation of the spot rupee because of importers' demand, rise in oil prices and portfolio outflows had an adverse impact on market sentiment. In its efforts to prevent currency depreciation, RBI hiked the Bank Rate and CRR in July and tightened rupee liquidity. This led to a sharp drop in trading volumes, as market participants turned cautious. The market sentiment changed for the better following inflow of liquidity through India Millennium Deposit, which alleviated the pressure on the rupee as well. Progressively favourable domestic and global monetary conditions led to a strong rally in bond prices after October. RBI, sensing a favourable environment and prudent fiscal management, once again reduced the benchmark rates in February and March. During the year, the I-Sec Sovereign Bond Index (I-BEX) yielded total returns of 13.4% and principal returns of 2.3%.

The secondary markets in equity also witnessed wide fluctuations and the valuations across all sectors, in particular, the "new economy" sector saw major corrections during the year. The BSE Sensex moved from a high of 5541 in the beginning of April 2000, and closed the year at 3604, after touching a low of 3540 in March 2001. The recent investigations into defence deals and securities transactions have further dampened market sentiments. The I-Sec Information Technology Index lost 70% during the year.

Overall Performance

Your Company continued to retain its position at the forefront of investment banking in India, with one of its best performances in its existence of eight years.

Performance Highlights

- Gross Income increased from Rs. 2.99 billion in 1999-2000 to Rs. 3.05 billion in 2000-2001.
- Net worth increased from Rs. 2.55 billion in 1999-2000 to Rs. 2.73 billion in 2000-2001.
- After tax return on net worth at 20.6%.

Division Wise Performance
Debt Business

Your Company retained its premier position in all segments of the fixed income markets during the financial year. It surpassed all bidding and success commitments to RBI as a primary dealer. The total turnover achieved by your Company in government securities and treasury bills was Rs. 495 billion, higher by 24% from a year ago. This is estimated to be one of the highest among the primary dealers. The non-SLR desk of the debt group continued to be a market leader and maintained the high profitability standards achieved in previous years. In capital markets, your Company helped a broad array of business entities in raising debt capital of over Rs. 164 billion during the year. The interest rate swaps desk, one of the most reputed market-making participants in the nascent market, significantly improved its turnover during the year.

Looking ahead, deregulation and innovation are likely to be the hallmarks of the debt markets. Your Company will continue to tap the ever-expanding opportunities and pursue the philosophy of excellence.

Equities Business

The strength in the primary market in the previous fiscal reversed during the year following movements in the secondary markets. While the number of IPOs during the year was double that of the last year, the amount of money raised in the primary market remained sluggish at Rs. 24.74 billion, compared with Rs. 25.39 billion during the previous year.

During the year, your Company executed its first share buy back transaction and earned the distinction of being a book-runner for the first public issue of a private sector telecom operator. Your Company consolidated its position by investing in high calibre research professionals and building on its capital markets execution and placement capabilities. Your Company has a robust pipeline of companies in all leading sectors such as Life Sciences, Telecom, Information Technology and Media.

Corporate Finance Business

Your Company's corporate finance business continued to grow with strengthened client relationships, which provided the platform for notable advisory mandates. During the year, your Company advised a leading metal industry company on takeover of a PSU under the divestment program, advised a multinational company on its creation of a joint venture to more closely align its Indian business portfolio with its global parent and acted as an advisor for inducting private equity investment into India's first private sector telecom service provider. Your Company is also advising Indian corporates on cross-border acquisitions intended to leverage their competitive advantages and grow their businesses beyond domestic boundaries into the global arena.

directors' report

Subsidiary Companies

In order to assist, provide corporate clients and institutional investors with investment banking services in the United States of America (the U.S.), your Company set up two subsidiaries namely, ICICI Securities Holdings, Inc. and ICICI Securities, Inc. in the U.S. ICICI Securities, Inc. has become a registered broker-dealer with the National Association of Securities Dealers, Inc., empowering it to engage in a variety of securities transactions in the U.S. market. The other subsidiary of the Company include ICICI Brokerage Services Limited (IBSL). The audited statements of accounts of the Company's subsidiaries, together with the Reports of the Directors and Auditors for the year ended March 31, 2001, are attached, as required under Section 212 of the Companies Act, 1956.

Dividend

In May 2000, the Directors declared a first interim dividend of 5%. The Board further declared in March 2001, a second interim dividend of 10%.

Your Directors are pleased to recommend a total dividend of 15% for the year, including interim dividends.

Registered Office

The Registered Office of the company is being shifted from the State of New Delhi to the State of Maharashtra in terms of an order dated April 25, 2001, issued by the Company Law Board, Northern Region Bench, New Delhi. The new registered office of the company will be situated at 41/44, Minoo Desai Marg, Colaba, Mumbai - 400 005.

Public Deposits

During the year under review, your Company did not accept or renew any Public Deposit within the meaning of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

Directors

Mr. S. H. Bhojani, Director, resigned with effect from April 21, 2001. The Board places on record its appreciation of the valuable contribution made by him during his tenure on the Board.

Ms. Kalpana Morparia and Mr. S. Mukherji were appointed as Additional Directors of the Company with effect from April 27, 2001. In terms of section 260 of the Companies Act, 1956, they hold office as Additional Directors only upto the forthcoming Annual General Meeting of the Company and being eligible, offer themselves for appointment.

In terms of the provisions of the Articles of Association of the Company, Mr. K. V. Kamath will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Auditors

The Auditors, M/s. N. M. Rajji & Co., Chartered Accountants, Mumbai, will retire at the ensuing Annual General Meeting. The Board at its Meeting held on April 27, 2001, has proposed their appointment as the Auditors to audit the accounts of the Company for the financial year ending on March 31, 2002. You are requested to consider their appointment.

Foreign Exchange Earnings and Expenditure

During 2000-2001, expenditure in foreign currencies amounted to Rs. 6.03 million and earnings in foreign currencies amounted to Rs. 4.61 million.

Since your Company does not own any manufacturing facility, the disclosure of information on other matters required 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 the Board of Directors) Rules, 1988, are not applicable and hence not given.

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.

Corporate Governance

Your Company is practising the principles of good Corporate Governance, which has been one of the core values of the ICICI group. Corporate Governance is not just restricted to ensuring compliance with regulatory requirements but also meeting the higher standards of transparency, accountability and integrity in respect of all its transactions. Your Company has constituted an Audit Committee comprising of Ms. Kalpana Morparia, Mr. S. Mukherji, and Mr. Devdatt Shah which discharges the functions under Section 292A of the Companies Act, 1956.

Directors' Responsibility Statement

The Directors confirm :

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. that the Directors had selected such accounting policies and applied them consistently and made judgments 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 or loss 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

The Directors thank the clients for their confidence in your Company, which has enabled it to touch new heights.

The Directors thank bankers, lenders, the Government of India, RBI, the Securities and Exchange Board of India, the Stock Exchange, Mumbai and the National Stock Exchange for their continued support to the Company.

The Directors thank ICICI Limited and its subsidiary companies for the support received from them.

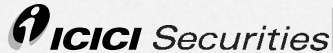
Finally, your Directors record their sincere thanks and appreciation to all the employees for their commendable teamwork, commitment and contribution during the year.

For and on behalf of the Board

K.V. KAMATH
Chairman

Mumbai, April 27, 2001

auditors' report



to the members of ICICI Securities and Finance Company Limited

i-SEC

We have audited the attached Balance Sheet of ICICI SECURITIES AND FINANCE COMPANY LIMITED as at March 31, 2001 and the annexed Profit and Loss Account for the year ended on that date and report that:

- (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) As per the information and explanations provided to us none of the Directors of the Company are disqualified from being appointed as 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, 2001 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 27, 2001

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, 2001 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 utilized to the relative jobs, is not yet formalized;
 - (b) there is a reasonable system of authorization 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 27, 2001

balance sheet

profit and loss account

as at March 31, 2001

for the year ended March 31, 2001

as at March 31, 2001			for the year ended March 31, 2001				
	Schedule	(Rupees in million)	March 31, 2000		(Rupees in million)	March 31, 2000	
SOURCES OF FUNDS				Income from Operations			
1. Shareholders' Funds				(a) Income from Services	M	151.67	163.31
A. Share Capital	A	2,030.03	2,030.03	(b) Interest Income	N	2,101.09	2,060.70
B. Reserves and Surplus	B	701.51	525.04	(c) Profit/(Loss) on Securities	O	617.79	356.27
				(d) Other Income	P	183.75	414.38
		2,731.54	2,555.07			3,054.30	2,994.66
2. Loan Funds				<i>Less: Operating Expenditure</i>			
A. Secured Loans	C	4,552.40	10,012.40	(a) Financial Charges and Operating Expenses	Q	1,745.09	1,608.98
B. Unsecured Loans	D	8,365.44	8,895.75	(b) Depreciation			
				– On Assets leased out		34.68	35.00
		15,649.38	21,463.22			1,779.77	1,643.98
APPLICATION OF FUNDS				<i>Expenditure</i>		1,274.53	1,350.68
1. Fixed Assets	E			<i>Less: Administrative Expenditure</i>			
Gross Block		432.21	434.22	(a) Payments to and Provisions for Employees	R	112.68	79.83
<i>Less: Depreciation</i>		319.15	279.89	(b) Establishment Expenses	S	239.79	221.44
<i>Add/(Less): Lease Adjustment</i>		—	7.51	(c) Depreciation			
Net Block		113.06	161.84	– On other owned Assets		14.06	17.61
						366.53	318.88
		113.06	161.84	Profit Before Taxation		908.00	1,031.80
2. Investments	F	514.08	229.63	<i>Less: Provision for Taxation</i>		370.00	311.00
3. Current Assets, Loans and Advances				Profit After Taxation		538.00	720.80
A. Current Assets -				Brought forward from previous years		9.07	0.92
(a) Interest Accrued	G	331.53	564.51	Amount available for appropriations		547.07	721.72
(b) Securities held as Stock-in-Trade	H	11,327.33	15,212.88	Transfer to Special Reserve		107.60	144.34
(c) Sundry Debtors	I	625.58	55.85	Transfer to General Reserve		26.90	72.17
(d) Cash & Bank Balances	J	15.52	13.06	Interim Dividend		304.50	446.61
B. Loans and Advances	K	4,407.27	6,377.83	Tax on Dividend		57.04	49.53
				Balance carried to Balance Sheet		51.03	9.07
		16,707.23	22,224.13				
<i>Less: Current Liabilities and Provisions:</i>	L			Notes forming part of the Accounts and Accounting Policies	T		
A. Current Liabilities		525.10	399.99				
B. Provisions		1,203.35	810.33				
Net Current Assets		14,978.78	21,013.81				
4. Miscellaneous Expenditure							
(To the extent not written off or adjusted)							
Deferred Revenue Expenditure		43.46	57.93				
		15,649.38	21,463.22				

Notes forming part of the Accounts and Accounting Policies T

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

J.M. GANDHI
Partner

Mumbai, April 27, 2001

ABHIJEET GUIN
Assistant Vice President

POYNI BHATT
Company Secretary

For and on behalf of the Board

K.V. KAMATH
Chairman

LALITA D. GUPTA
Director

DEV DATT SHAH
Managing Director & CEO

schedules

(Rupees in million)

March 31, 2000

A. SHARE CAPITAL

Authorized:

500,000,000 Equity Shares of Rs.10 each

5,000.00

5,000.00

Issued:

203,002,800 Equity Shares of Rs.10 each

2,030.03

2,030.03

Subscribed & Paid Up:

203,002,800 Equity Shares of Rs.10 each

2,030.03

2,030.03

Of the above, 202,833,200 (2000 -202,833,200) Equity Shares of Rs.10 each are held by ICICI Limited - (the Holding Company) and its nominees

B. RESERVES AND SURPLUS

(Rupees in million)

	<i>Balance as on April 1, 2000</i>	Additions/Transfers during the year	Deductions/Transfers during the year	Balance as on March 31, 2001	<i>Balance as on March 31, 2000</i>
Share Premium Account	112.80	—	—	112.80	112.80
Deferred Tax Credit Reserve	46.06	—	30.85	15.21	46.06
General Reserve	201.37	58.00	—	259.12	201.37
Special Reserve (maintained under Section 45 IC of the RBI Act, 1935)	155.74	107.60	—	263.35	155.74
Profit and Loss Account	9.07			51.03	9.07
Total				701.51	<u>525.04</u>

C. SECURED LOANS

Borrowings from Reserve Bank of India
(Secured by Government Securities of face
value Rs. 4,821.10 million; Previous year Rs. 10,787.60 million)

4,552.40

10,012.40

4,552.40

10,012.40

D. UNSECURED LOANS

Short Term Loans

2,130.36

2,413.29

From Banks

Other Term Loans from Institutions

—

500.00

Term Loans from Institutions issued as Tier III Capital

500.00

—

Inter-Corporate Borrowings

2,861.58

4,477.46

Money at Call and Short Notice

– From Banks

323.00

—

– From Others

1,960.30

1,405.00

Commercial Paper Borrowings

590.20

—

13.25% Debentures 2000

(Redeemable at par on or before 4th November, 2000)

—

100.00

Total

8,365.44

8,895.75

Unsecured loans include an amount of Rs 500 million (previous year Rs. 1,354.40 million) from ICICI Limited - the holding company.

schedules

forming part of the Accounts

Continued

E. FIXED ASSETS

(Rupees in million)

	Gross Block (at Cost)				Accumulated Depreciation				Net Block	
	April 1, 2000	Additions	Sale/Adj.	March 31, 2001	April 1, 2000	Additions	Sale/Adj.	March 31, 2001	March 31, 2001	March 31, 2000
Freehold Land	57.23	—	—	57.23	—	—	—	—	57.23	57.23
Building	10.05	—	—	10.05	1.48	0.43	—	1.91	8.14	8.57
Improvements to Leasehold Property	20.50	—	—	20.50	10.56	2.48	—	13.04	7.46	9.94
Plant & Machinery /										
Electrical Installation	14.16	0.50	—	14.66	6.91	1.04	—	7.95	6.71	7.25
Office Equipment	28.61	0.38	0.38	28.61	13.22	2.17	0.17	15.22	13.39	15.39
Computers	70.76	8.54	11.01	68.29	59.09	6.04	9.08	56.05	12.24	11.67
Furniture and Fixtures	19.07	0.23	—	19.30	11.20	1.46	—	12.66	6.64	7.87
Vehicles	3.84	—	0.27	3.57	2.11	0.44	0.23	2.32	1.25	1.73
Sub-Total	224.22	9.65	11.66	222.21	104.57	14.06	9.48	109.15	113.06	119.65
Assets Given On Lease (Plant & Machinery)	210.00	—	—	210.00	175.32	34.68	—	210.00	0.00	34.68
Add/(Less) : Lease Adjustment								—	—	7.51
Total	434.22	9.65	11.66	432.21	279.89	48.74	9.48	319.15	113.06	161.84
Previous Year	449.39	2.84	18.01	434.22	239.42	52.61	12.14	279.89	161.84	

F. INVESTMENTS - LONG TERM

(At Cost, Quoted unless otherwise stated)

(Rupees in million)

Name of the Company	Quantity	Face Value per Unit (Rs.)	March 31, 2001	March 31, 2000
Equity Shares - Unquoted and fully paid-up				
ICICI Properties Limited	100 (100)	10.00	0.00	0.00
ICICI Real Estate Company Limited	1(1)	10.00	0.00	0.00
ICICI Realty Limited	1,000 (1,000)	10.00	0.01	0.01
ICICI Web Trade Limited	Nil (100)	—	—	0.00
In Equity Shares of Subsidiary Company Unquoted and fully paid up				
– ICICI Brokerage Services Limited	4,500,700 (4,500,700)	10.00	45.01	45.01
– ICICI Securities Holding Inc.	1,100,000 (Nil)	*	50.61	—
Bonds/Units				
Nirma Limited 2000	Nil (200)	500,000.00	—	84.61
Nirma Limited 2001	1,600,000 (Nil)	100.00	143.31	—
IDBI Limited 07/08/2001	500,000 (Nil)	100.00	46.50	—
IDBI Limited 07/02/2002	1,500,000 (Nil)	100.00	133.10	—
IDBI Limited 30/08/2001	1,000,000 (Nil)	100.00	95.54	—
Birla Income Plus (Growth II)	Nil (2,834,467)	—	—	50.00
Prudential ICICI Income Plan (Growth)	Nil (4,016,064)	—	—	50.00
Total			514.08	229.63

Notes:

- The aggregate cost and market value of the quoted Investments as at March 31, 2001 is Rs. 418.46 million and Rs. 447.42 million respectively (previous year - Rs. 184.61 million and Rs. 183.25 million respectively).
- The aggregate cost of unquoted Investments as at March 31, 2001 is Rs. 95.63 million (previous year - Rs. 45.02 million).

* Face value of US Dollar 1.00 per unit.

G. INTEREST ACCRUED

(Rupees in million)

March 31, 2000

On Investments	14.62	8.45
On Stock-in-Trade	315.31	539.30
On Loans & Advances	1.60	16.76
Total	331.53	564.51

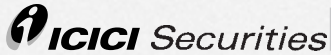
schedules

forming part of the Accounts

Continued

	Total Face Value (in Rupees thousands)	(Rupees in million)	March 31, 2000	Total Face Value (in Rupees thousands)	(Rupees in million)	March 31, 2000
Debentures						
10.75% ILFS 2001	Nil (31000)	—	31.00			
10.85% Indian Rayon & Industries Ltd 2006	50000 (Nil)	48.61	—			
10.85% Reliance Industries Ltd 2005	50000 (Nil)	49.13	—			
10.90% Reliance Industries Ltd 2004	100000 (Nil)	98.99	—			
11.15% GE Capital Services India Ltd 2001	100000 (Nil)	99.81	—			
11.22% Hindalco Industries Ltd 2008	50000 (Nil)	49.56	—			
11.25% Lakshmi General Finance Ltd 2003	50000 (50000)	49.37	49.25			
11.30% HDFC Ltd 2003	50000 (Nil)	49.94	—			
11.45% HDFC Ltd 2006	50000 (Nil)	49.76	—			
11.65% Nirma Ltd 2001	50000 (Nil)	50.14	—			
11.75% Citibank N. A. 2006	Nil (50000)	—	45.15			
11.75% EID Parry 2006	50000 (Nil)	49.95	—			
11.75% GESCO Ltd 2006	60000 (Nil)	60.29	—			
11.75% GESCO Ltd 2010	Nil (70000)	—	68.30			
12.00% Indian Hotels 2005	50000 (Nil)	50.79	—			
12.10% Reliance Industries Ltd 2005	100000 (Nil)	101.82	—			
13.05% HSBC 2009	Nil (50000)	—	47.46			
13.50% Prism Cement Ltd 2004	3105 (3105)	1.64	2.07			
14.50% Larsen & Toubro Ltd 2002	50000 (Nil)	51.96	—			
14.75% Telco Ltd 2008	Nil (100000)	—	103.82			
15.00% Cosmo Films Ltd 2001	Nil (1419)	—	0.47			
15.00% Madhusudan Industries Ltd 2001	Nil (1750)	—	0.75			
15.5625% Indian Petrochemical Corporation Ltd 2002	100 (100)	0.03	0.07			
17.00% Kesoram Industries Ltd 2001	20000 (20000)	3.26	9.86			
17.00% Kotak Mahindra Finance Company Ltd 2001	Nil (1000)	—	1.00			
17.25% Ashok Leyland Finance Ltd 2000	Nil (100000)	—	99.75			
		865.05	458.95			
Debentures (Unquoted)						
12.50% Arvind Mills Ltd 2000	4092 (8556)	3.69	2.60			
14.00% Nucent Finance Ltd 2004	Nil (64738)	—	56.97			
15.00% Pal Peugot Ltd 2004	16160 (16160)	12.17	12.17			
16.00% Rama Newsprint & Papers Ltd 2004	122751 (122751)	87.23	87.23			
17.50% Grapco Granites Ltd 1998	20000 (20000)	18.25	18.25			
17.50% Grapco Granites Ltd 2000	15000 (15000)	13.10	13.10			
17.50% Grapco Mining Ltd 1995	10000 (10000)	9.31	9.31			
18.00% Parasrampuriah Synthetics Ltd 1999	20000 (20000)	17.62	17.62			
19.50% Grapco Granites Ltd 1998	20000 (20000)	18.92	18.92			
20.00% Das Lagerwey 1996	30000 (30000)	30.00	30.00			
20.00% Veena Textiles Ltd 1996	15000 (15000)	14.50	14.50			
22.00% GTV Spinners Ltd 1996	4529 (4529)	4.28	4.28			
		229.07	284.95			
Equity						
Bharat Forge Ltd	1500 (1500)	12.29	21.79			
Bhushan Steel Ltd	7828 (7992)	14.56	19.18			
Biochem Synergy Ltd	635 (635)	—	0.03			
Dataline & Research Techno Ltd	Nil (1)	—	—			
Eveready Industries India Ltd	5059 (5059)	10.32	33.34			
Hughes Tele.Com (India) Ltd	124541 (Nil)	105.86	—			
India Containers Ltd	934 (934)	—	0.09			
Indian Seamless Metaltube Ltd	1000 (4000)	1.17	1.20			
Inland Printers Ltd	7992 (7992)	1.20	4.80			
Jocil Ind Ltd	2371 (2371)	11.38	9.25			
Kallam Spinning Mills Ltd	4634 (4634)	0.81	0.81			
Lanco Industries Ltd	Nil (1)	—	—			
Nucent Finance Limited	1 (1)	—	—			
Parakaram Tehcnofab Ltd	1910 (1910)	0.19	1.59			
Parasrampuriah Synthetics Ltd	1246 (1246)	0.01	0.01			
Parasrampuriah Synthetics Ltd	905 (905)	0.07	0.07			
Rama Newsprint Ltd	10 (6782)	0.01	5.97			
Shri Renuga Textiles Ltd	1000 (1000)	3.10	3.10			
South Indian Bank Ltd	3808 (5740)	8.03	9.27			
Sun Pharmaceutical Industries Ltd	19 (192)	0.09	0.96			
Sunshield Chemicals Ltd	2 (2)	—	—			
Tata Investment Corp Ltd	768 (768)	6.53	7.14			
Unipon Industries Ltd	2177 (2177)	0.48	0.44			
Usha Beltron Ltd	625 (1250)	3.85	17.00			
Usha Martin Infotech Ltd	625 (Nil)	1.44	—			
Vickers System Ltd	1 (0.73)	—	—			
		181.39	136.04			
Equity - Unquoted						
Aldrich Pharmaceuticals Ltd	2400 (2400)	—	0.24			
Hiralal Print Works Ltd	1935 (1935)	—	0.15			
IAEC Industries Ltd	1500 (1500)	—	0.15			
Incowax Ltd	Nil (588)	—	0.06			
Mahindra Sona Ltd	1158 (1158)	1.16	1.51			
Mil Industries Ltd	350 (350)	0.21	0.21			
Orissa Lamp Ltd	7215 (7215)	—	0.72			
Ring Plus Aqua Ltd	2258 (2258)	3.84	3.84			
		5.21	6.88			
Units						
Grindlays Super Saver Income Fund—Growth	137741 (Nil)	150.00	—			
Sun F&C Money Value Fund Growth	76453 (Nil)	100.00	—			
Templeton India Income Fund Growth Plan 1	60976 (Nil)	100.00	—			
Zurich Ind High Interest Fund Reg Growth	62854 (Nil)	100.00	—			
		450.00	—			
Total		11,553.45	15,495.23			
<i>Less: Provision against Non-performing Assets / Bad debts written off</i>						
		226.12	282.35			
Grand Total		11,327.33	15,212.88			
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, 2001 is Rs. 10,869.17 million and Rs.10,882.11 million respectively (previous year Rs. 15,203.40 million and Rs.15,254.95 million respectively).					
I. SUNDRY DEBTORS (Unsecured):						
(A) Receivables outstanding for a period exceeding six months						
Considered Good		—	1.61			
Considered Doubtful		2.10	8.88			
(B) Other Receivables						
Considered Good		625.58	54.24			
		627.68	64.73			
<i>Less: Provision for Doubtful Debts</i>		2.10	8.88			
Total		625.58	55.85			
J. CASH AND BANK BALANCES						
Cash and Cheques on hand		0.06	0.05			
In Current Accounts with Scheduled Banks		9.69	10.12			
In Current Accounts with Reserve Bank of India		5.77	2.89			
Total		15.52	13.06			
K. LOANS & ADVANCES						
(Unsecured and considered good, unless otherwise stated)						
(A) Loans						
Inter-corporate Deposits *		10.00	1,204.25			
Certificate of Deposits		—	45.64			
Commercial Paper		—	316.14			
Repo Lendings #		—	308.07			
Call Money Lent		2,457.50	2,405.00			
Total (A)		2,467.50	4,279.10			

schedules



forming part of the Accounts

Continued

i-SEC

	(Rupees in million)	March 31, 2000
(B) Advances		
(Recoverable in Cash or in Kind or for value to be received)		
Advance Income and Other Tax	1,316.14	921.71
Security Deposit for Leased Premises	318.88	410.19
Other Advances and Deposits *	54.75	56.70
Application Money for Securities	250.00	710.13
Total (B)	1,939.77	2,098.73
Total (A)+(B)	4,407.27	6,377.83

* Inter-corporate Deposits and Advances include an amount of Rs. Nil and Rs. 3.07 million respectively receivable from Subsidiary Company (Previous year Rs. 365.04 million and Rs. 0.25 million respectively).

Amount due from Directors and Officers of the Company is Rs. Nil (Previous year Rs. 0.22 million)

#Repo Lendings are secured by Treasury Bills of Rs. Nil (Secured by transfer of Government Securities-Previous year Rs. 300 million.)

L. CURRENT LIABILITIES & PROVISIONS

(A) Current Liabilities		
Interest Accrued but not due	126.23	173.82
Sundry Creditors	268.64	110.99
Sundry Creditors for Expenses	26.41	26.81
Other Liabilities	103.82	88.37
Total (A)	525.10	399.99
(B) Provisions		
Income and Other Taxes	1,184.65	791.00
Interim Dividend Payable	—	0.17
Retirement Benefits	18.70	19.16
Total (B)	1,203.35	810.33

M. INCOME FROM SERVICES

Issue Management Fees	28.64	27.82
Financial Advisory Services	52.25	52.28
Syndication Fees	60.85	66.05
Underwriting Commission	9.93	17.16
Total	151.67	163.31

N. INTEREST INCOME

Interest on Securities		
– Investments	—	14.79
– Stock-in-Trade	1,265.81	1,416.17
Income on Discounted Instruments		
– Investments	25.51	8.45
– Stock-in-Trade	205.49	275.11
Interest on Repo and Call Lendings	365.50	89.31
Interest on Inter-Corporate Deposits	174.68	149.43
Interest on Deposits for Leased Premises	54.34	65.19
Interest on Other Loans & Advances	9.76	18.13
Interest on Income Tax Refund	—	24.12
Total	2,101.09	2,060.70

Aggregate Tax deducted at source
Rs. 116.16 million (Previous year Rs. 100.18 million)

O. PROFIT/(LOSS) ON SECURITIES

Profit on Sale of Investments	1.33	48.20
Profit on Commercial Papers and Certificates of Deposit	0.57	1.92
Profit on Stock-in-Trade		
Sale of Securities	266,096.19	214,843.28
Less: Purchases	261,538.52	220,515.13
	4,557.67	(5,671.85)
Add/Less: Increase/(Decrease) in Closing Stock	(3,941.78)	5,978.00
	615.89	306.15
Total	617.79	356.27

P. OTHER INCOME

Lease Rentals	40.61	40.95
Less: Lease Equalization	7.51	4.15
	33.10	36.80
Brokerage & Commission	107.46	28.64
Dividend Income	22.05	320.53
Recovery against Bad Debts written off	20.04	27.52
Miscellaneous Income	1.10	0.89
Total	183.75	414.38

Q. FINANCIAL CHARGES & OPERATING EXPENSES

Interest on Fixed Rate Loans & Debentures	716.04	636.67
Interest on Borrowings from RBI	333.84	433.59
Interest on Repo & Call Borrowings	559.81	376.94
Interest tax	—	35.50
Procurement Expenses	82.96	26.62
Guarantee Commission	0.21	1.36
Rating Agency Fees	2.36	1.58
Brokerage and Stamp Duty	18.04	16.12
Bank Charges	2.64	3.76
Sub-Underwriting Commission	3.31	—
Custodial Services	1.57	0.48
Doubtful Debts written off / provided	21.47	75.60
Less: Opening Provision	8.88	—
	12.59	75.60
Lease Syndication Fees	1.70	1.70
Net Loss/(Gain) From Swaps	10.02	(0.94)
Total	1,745.09	1,608.98

R. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

Salaries, Wages and Incentive	91.47	56.57
Contribution to Provident and other Funds	5.90	6.11
Staff Welfare Expenses	15.31	17.15
Total	112.68	79.83

schedules

forming part of the Accounts

Continued

(Rupees in million) March 31, 2000

S. ESTABLISHMENT EXPENSES

Rent and Amenities	139.52	137.61
Insurance	2.20	1.55
Travelling, Conveyance and Motor Car Expenses	22.48	18.09
Repairs, Maintenance And Upkeep	11.87	9.46
Rates and Taxes	0.39	0.20
Electricity Expenses	5.22	5.00
Communication Expenses	11.14	10.29
Printing And Stationery	3.98	6.17
Loss on Sale of Fixed Assets	1.19	(4.09)
Deferred Revenue Expenditure Written Off	14.49	14.49
Subscription and Periodicals	8.85	6.27
Professional Fees	1.10	3.16
Advertisement Expenses	4.61	2.27
Auditors' Remuneration	0.79	0.57
Miscellaneous Expenses	11.96	10.40
Total	239.79	221.44

T. NOTE 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 recognised 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

Assets and liabilities in respect of principal amount of interest rate swaps 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, the Company has been permitted by the Reserve Bank of India 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 capitalised as "Improvement to Leasehold Property".

Depreciation on leased assets is provided on straight line method at the rate determined, considering primary period of lease or at the rate prescribed in Schedule XIV of the Companies Act, 1956, whichever is higher.

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.5000 is fully depreciated for the remaining balance.

(viii) Deferred Tax Credit Reserve

Deferred Tax Credit Reserve is created for the additional benefit accrued on account of higher depreciation/deduction allowed as per the Income-tax Act, 1961, and consequential reduction in tax liability.

(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

schedules

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 amortised over the balance period of the lease, starting from the sale of occupation or leased premises.

(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 superannuation and gratuity are 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. Contingent liabilities:

- (a) Income tax and interest tax matters disputed by the Company Rs.90.61 million (previous years – Rs. 62.54 million).
 - (b) Gross exposure on account of Interest Rate Swaps as at March 31, 2001 is Rs.15,700 Million (previous year – Rs. 1,300 Million).
 - (c) Outstanding counter guarantees for subsidiary company as at March 31, 2001 is Rs. 158.50 million (previous year – Rs. 278.50 Million).
3. Deferred Revenue Expenditure as at the balance sheet date consists of balance amount of expenses on leased premises.
4. Deferred tax credit reserve to the extent of Rs. 30.85 million is not required any longer and directly transferred to General Reserve.

	(Rs. in million)	
2000-2001		1999-2000

5. Auditors' remuneration:

(a) Audit Fees	0.37	0.35
(b) Tax Audit & Certification Fees	0.42	0.21
(c) Out of pocket expenses	—	0.01
	0.79	0.57

6. Expenditure in foreign currency

(Travelling & Other expenses) 6.03 0.96

7. Earnings in foreign currency 4.61 10.61
(Fees towards Advisory Services)

8. Provision for Taxation includes provision for Wealth Tax Rs. 0.10 million (previous years - Rs. 0.10 million).

9. Quantitative details of Securities held as Stock-in-trade

(A) Opening and Closing stock

Category	Opening Stock		Closing Stock	
	Face Value (in Rs. 000)	Value (in Rs. million)	Face Value (in Rs. 000)	Value (in Rs. million)
Government Securities	10,001,884 (5,648,640)	10,206.90 (5,713.78)	6,400,751 (10,001,884)	6,629.02 (10,206.90)
Treasury bills	2,119,775 (390,000)	1,982.18 (363.46)	48,125 (2,119,775)	45.65 (1,982.18)
Equity shares	74,494 (104,853)	142.91 (200.28)	186,406 (74,495)	186.60 (142.91)
Debentures	825,108 (842,768)	743.90 (760.62)	1,160,737 (825,108)	1,094.12 (743.90)
Others	2,577,125 (2,652,259)	2,419.34 (2,480.40)	3,050,215 (2,577,125)	3,598.06 (2,419.34)
Total	15,598,386 (9,638,519)	15,495.23 (9,518.54)	10,846,234 (15,598,386)	11,553.45 (15,495.23)

(B) Purchases and Sales

Category	Purchases		Sales	
	Face Value (in Rs. 000)	Value (in Rs. million)	Face Value (in Rs. 000)	Value (in Rs. million)
Government Securities	196,819,427 (169,028,785)	202,584.41 (173,826.09)	200,420,560 (164,675,541)	206,687.63 (169,816.90)
Treasury bills	43,195,325 (30,678,275)	40,665.53 (28,543.42)	45,266,975 (28,948,500)	42,629.50 (26,935.74)
Equity shares	150,699 (257)	191.14 (0.00)	38,787 (30,615)	92.77 (93.57)
Debentures	5,824,092 (2,813,829)	5,845.96 (3,004.42)	5,488,463 (2,831,489)	5,525.20 (3,068.23)
Others	8,954,875 (14,723,842)	12,251.48 (15,141.20)	8,481,785 (14,866,366)	11,161.09 (14,928.84)
Total	254,944,418 (217,244,988)	261,538.52 (220,515.13)	259,696,570 (211,352,482)	266,096.19 (214,843.28)

Note: Figures in parenthesis pertain to previous year.

10. Figures for the previous year have been regrouped wherever necessary.

Signatures to Schedules A to T

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

J.M. GANDHI
Partner

Mumbai, April 27, 2001

ABHIJEET GUIN
Assistant Vice President

POYNI BHATT
Company Secretary

For and on behalf of the Board

K.V. KAMATH
Chairman

LALITA D. GUPTA
Director

DEV DATT 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.

5	2	2	3	8
---	---	---	---	---

 State Code

5	5
---	---

 Balance Sheet Date

3	1
---	---

 /

0	3
---	---

 /

2	0	0	1
---	---	---	---

 Date Month Year

2. Capital Raised during the Year

(Amount in Rupees million)

Public Issue

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

Bonus Issue

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

Rights Issue

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

Private Placement

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

3. Position of Mobilization and Deployment of Funds

(Amount in Rupees million)

Total Liabilities and Shareholders' funds

		1	5	6	4	9	.	3	8
--	--	---	---	---	---	---	---	---	---

Total Assets

		1	5	6	4	9	.	3	8
--	--	---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

		2	0	3	0	.	0	3
--	--	---	---	---	---	---	---	---

Reserves & Surplus

		7	0	1	.	5	1
--	--	---	---	---	---	---	---

Secured Loans

		4	5	5	2	.	4	0
--	--	---	---	---	---	---	---	---

Unsecured Loans

		8	3	6	5	.	4	4
--	--	---	---	---	---	---	---	---

Application of Funds

Fixed Assets

		1	1	3	.	0	6
--	--	---	---	---	---	---	---

Investments

		5	1	4	.	0	8
--	--	---	---	---	---	---	---

Net Current Assets

		1	4	9	7	8	.	7	8
--	--	---	---	---	---	---	---	---	---

Miscellaneous Expenditure

		4	3	.	4	6
--	--	---	---	---	---	---

4. Performance of the Company

(Amount in Rupees million)

Turnover

		3	0	5	4	.	3	0
--	--	---	---	---	---	---	---	---

Total Expenditure

		2	1	4	6	.	3	0
--	--	---	---	---	---	---	---	---

Profit before Tax

		9	0	8	.	0	0
--	--	---	---	---	---	---	---

Profit after Tax

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

Earnings per Share in Rupees

		2	.	6	5
--	--	---	---	---	---

Dividend Rate %

		1	5	.	0	0
--	--	---	---	---	---	---

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. GUPTA
 Director

DEV DATT SHAH
 Managing Director & CEO

Mumbai, April 27, 2001

ABHIJEET GUIN
 Assistant Vice President

POYNI BHATT
 Company Secretary

statement pursuant to section 212



of the Companies Act, 1956, relating to subsidiary companies

i-SEC

I. 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, 2001	March 31, 2001	March 31, 2001
2. (a) Number of Equity Shares held by ICICI Securities and Finance Company Limited (ICICI Securities) and/or its nominees in the Subsidiary as on March 31, 2001	4,500,700 Equity Shares of Rs. 10 each Fully Paid-up	1,100,000 Equity Shares of US\$ 1.00 each per unit Fully Paid up held by ICICI Securities	1,050,000 Equity Shares of US \$ 1.00 each per unit Fully Paid up held by ICICI Securities Holdings Inc.
(b) Extent of interest of ICICI Securities and Finance Company Limited (ICICI Securities) 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 is not dealt with in the Accounts of ICICI Securities			
(a) Profits of the Subsidiary for the financial year ended on March 31, 2001	Rs. 27.72 million	Nil	Nil
(b) Profits for the previous financial years of the Subsidiary since it became a subsidiary of ICICI Securities	Rs. 46.05 million	Nil	Nil
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			
(a) Profits of the Subsidiary for the financial year ended on March 31, 2001	Nil	Nil	Nil
(b) Profits for the previous financial years of the Subsidiary since it became a subsidiary of ICICI Securities	Nil	Nil	Nil

For and on behalf of the Board

K.V. KAMATH
Chairman

LALITA D. GUPTA
Director

DEV DATT SHAH
Managing Director & CEO

Mumbai, April 27, 2001

ABHIJEET GUIN
Assistant Vice President

POYNI BHATT
Company Secretary