

CONSOLIDATED FINANCIAL STATEMENTS OF ICICI SECURITIES LIMITED AND ITS SUBSIDIARIES

auditors' report

to the members of ICICI Securities Limited and Subsidiaries (Group)

We have audited the attached consolidated Balance Sheet of ICICI SECURITIES LIMITED and subsidiaries (Group) as at March 31, 2004 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.

We report that:

1. 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;
2. 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;
3. 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, in so far as they are applicable to the Company;

4. the consolidation has been carried out as per Accounting Standard - 21 'Consolidated Financial Statements', issued by the Institute of the Chartered Accountants of India;
5. in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give a true and fair view :
 - (i) in the case of the Balance Sheet, of the state of affairs of the group as at March 31, 2004;
 - (ii) in the case of the Profit and Loss Account, of the Profit of the group for the year ended on that date; and
 - (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner
Membership No.: 37924

Mumbai, April 22, 2004

balance sheet profit and loss account



as at March 31, 2004

for the year ended March 31, 2004

i-SEC

Schedule	(Rs. in '000s)	March 31, 2003	Schedule	(Rs. in '000s)	March 31, 2003
SOURCES OF FUNDS			INCOME FROM OPERATIONS		
1. Shareholders' Funds			(a) Income from Services M	602,010	288,100
A. Share Capital A	2,030,030	2,030,030	(b) Interest Income N	1,134,110	1,307,720
B. Reserves & Surplus B	2,212,840	1,595,710	(c) Profit on Securities (Net) O	1,390,980	1,229,250
	4,242,870	3,625,740	(d) Other Income P	484,350	379,480
				3,611,450	3,204,550
2. Loan Funds			Less : Operating Expenditure		
A. Secured Loans C	175,000	8,000,000	(a) Financial Charges and		
B. Unsecured Loans D	18,671,340	10,398,620	Operating Expenses Q	750,850	956,250
	23,089,210	22,024,360		2,860,600	2,248,300
APPLICATION OF FUNDS			EXPENDITURE		
1. Fixed Assets E			Less : Administrative Expenditure		
Gross Block	216,820	228,440	(a) Payments to and		
Less: Depreciation	109,330	113,130	Provisions for		
Net Block	107,490	115,310	Employees R	315,420	247,750
2. Investments F	—	1,753,920	(b) Establishment		
3. Deferred Tax Asset	3,840	1,970	Expenses S	420,790	403,540
4. Current Assets, Loans & Advances			(c) Depreciation	15,530	17,070
A. Current Assets				751,740	668,360
(a) Interest Accrued G	428,180	471,180	Profit before Taxation & Extraordinary items	2,108,860	1,579,940
(b) Securities held as			Interest tax reversal of earlier years	108,700	—
Stock-in-Trade H	22,287,810	19,016,780	Profit before Taxation	2,217,560	1,579,940
(c) Sundry Debtors I	329,440	219,160	Less: Provision for Taxation	573,000	494,000
(d) Cash & Bank Balances J	465,170	211,780	Deferred Tax Adjustment	(1,870)	4,130
B. Loans & Advances K	267,780	697,020	Profit After Taxation	1,646,430	1,081,810
	23,778,380	20,615,920	Brought forward from previous years	265,390	202,920
Less : Current Liabilities & Provisions: L			Amount available for appropriations	1,911,820	1,284,730
A. Current Liabilities	792,400	453,740	Transfer to Special Reserve	287,800	205,890
B. Provisions	8,100	9,020	Transfer to General Reserve	143,900	102,940
NET CURRENT ASSETS	22,977,880	20,153,160	Interim Dividend	908,440	710,510
	23,089,210	22,024,360	Tax on Dividend	116,390	—
			Balance carried to Balance Sheet	455,290	265,390
Notes forming part of the Accounts and Accounting Policies T			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
Membership No.: 37924

Mumbai, April 22, 2004

ABHIJEET GUIN
Vice President & Head - Financials

ANDERSON POLLOCK
Company Secretary

For and on behalf of the Board

K. V. KAMATH
Chairman

LALITA D. GUPTA
Director

S. MUKHERJI
Managing Director & CEO

schedules

forming part of the Accounts

	(Rs. in '000s)	March 31, 2003		(Rs. in '000s)	March 31, 2003
SCHEDULE "A" - SHARE CAPITAL			SCHEDULE "D" - UNSECURED LOANS		
Authorized :			Subordinated Bonds issued as Tier III Capital	250,000	750,000
50,00,00,000 Equity Shares of Rs 10 each	<u>5,000,000</u>	<u>5,000,000</u>	Inter-Corporate Borrowings	105,000	380,700
Issued :			Money at Call and Short Notice		
20,30,02,800 Equity Shares of Rs 10 each	<u>2,030,030</u>	<u>2,030,030</u>	- From Banks	9,930,900	3,440,000
Subscribed & Paid Up :			- From Others	1,712,300	1,386,700
20,30,02,800 Equity Shares of Rs 10 each	<u>2,030,030</u>	<u>2,030,030</u>	Commercial Paper Borrowings	742,800	2,270,717
Notes :			FCNRB Borrowing	309,340	—
Of the above, 20,28,33,200 (Previous year - 20,28,33,200) Equity Shares of Rs. 10 each are held by ICICI Bank Limited. (the holding company) and its nominees.			4.65% Debentures 2004 (Redeemable at par by April 2004)	231,500	—
SCHEDULE "B"- RESERVES AND SURPLUS			4.50% Debentures 2004 (Redeemable at par by April 2004)	422,500	—
	(Rs. in '000s)		4.30% Debentures 2004 (Redeemable at par by April 2004)	49,000	—
			4.35% Debentures 2004 (Redeemable at par by May 2004)	142,500	—
			4.60% Debentures 2004 (Redeemable at par by May 2004)	127,500	—
			4.50% Debentures 2004 (Redeemable at par by May 2004)	80,500	—
			Floating Rate Debentures (Redeemable at par by April 2004)	3,000,000	—
			Floating Rate Debentures (Redeemable at par by May 2004)	111,000	—
			Floating Rate Debentures (Redeemable at par by June 2004)	1,456,500	—
			7.00% Debentures 2003 (Redeemable at par by April 2003)	—	110,000
			Floating Rate Debenture (Redeemable at par by April 2003)	—	500,000
			Floating Rate Debenture (Redeemable at par by May 2003)	—	295,000
			Floating Rate Debenture (Redeemable at par by June 2003)	—	340,500
			6.05% Debentures 2003 (Redeemable at par by April 2003)	—	100,000
			6.10% Debentures 2003 (Redeemable at par by April 2003)	—	250,000
			6.00% Debentures 2003 (Redeemable at par by June 2003)	—	200,000
			7.55% Debentures 2003 (Redeemable at par by May 2003)	—	295,000
			6.25% Debentures 2003 (Redeemable at par by April 2003)	—	70,000
			7.75% Debentures 2003 (Redeemable at par by April 2003)	—	10,000
			Total	<u>18,671,340</u>	<u>10,398,617</u>
			Unsecured loans include an amount of Nil (Previous year Rs. 500,000 thousand) from ICICI Bank Limited. - the Holding company.		
SCHEDULE "E" - FIXED ASSETS					
	(Rs. in '000s)				
	March 31, 2003		March 31, 2003		
	(Rs. in '000s)		(Rs. in '000s)		
Borrowings from Reserve Bank of India (Secured by Government Securities of face value Rs. NIL; Previous year Rs. 8,050,000 thousand)	—	8,000,000			
Cash Credit facility	175,000	—			
Total	<u>175,000</u>	<u>8,000,000</u>			

schedules



forming part of the Accounts

Continued **i-SEC**

Schedule	(Rs. in '000s)	March 31, 2003	Schedule	(Rs. in '000s)	March 31, 2003
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SCHEDULE "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, 2004	March 31, 2003
Units			—	1,753,920
Total			—	1,753,920

Notes :

- The aggregate cost of unquoted Investments as at March 31, 2004 is Rs. NIL (Previous year - Rs.1,753,920 million)

(Rs. in '000s)			March 31, 2003
SCHEDULE "G" - INTEREST ACCRUED			
On Stock-in-Trade	419,710		442,410
On Loans & Advances	8,470		28,770
Total	428,180		471,180

SCHEDULE "H" - SECURITIES HELD AS STOCK IN TRADE

Government of India Securities & Deemed Government of India Securities	15,010,040	13,789,000
Treasury Bills	191,070	1,198,740
Floating Rate Bonds	250,000	—
Fixed Rate Bonds	3,997,120	2,460,980
Zero Coupon Bonds	—	6,480
Debentures	1,943,530	1,384,760
Debentures (Unquoted)	138,150	138,150
Equity	57,920	76,820
Units	838,130	100,000
Total	22,425,960	19,154,930
Less : Provision against Non-performing Assets / Bad debts written off	138,150	138,150
Grand Total	22,287,810	19,016,780

Notes:

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.

SCHEDULE "I" - SUNDRY DEBTORS (Unsecured)

(A) Receivables outstanding for a period exceeding six months			
Considered Doubtful	6,070		1,470
(B) Receivables outstanding for a period not exceeding six months			
Considered good	111,210		13,610
Considered doubtful	1,960		1,600
Trade Receivables	218,230		205,550
	337,470		222,230
Less : Provision for Doubtful Debts	8,030		3,070
Total	329,440		219,160

SCHEDULE "J" - CASH AND BANK BALANCES

Cash & Cheques on hand	20	100
In Current Accounts with Scheduled Banks	212,070	49,140
In Current Accounts with Reserve Bank of India	21,080	10,040
Fixed Deposits with Scheduled Banks (Under lien with Stock Exchanges Rs.91,000 thousand, Previous year Rs.133,000 thousand)	232,000	152,500
Total	465,170	211,780

SCHEDULE "K" - LOANS AND ADVANCES

(Unsecured and considered good unless otherwise stated)

Advances

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

Security Deposit for Leased Premises	90	122,560
Other Advances and Deposits	64,650	61,880
Application Money for Securities	—	500,010
Deposit with stock exchanges	136,440	18,940
Advance Tax (net of Provisions)	66,600	(6,370)
Total	267,780	697,020

SCHEDULE "L" - CURRENT LIABILITIES AND PROVISIONS

(A) Current Liabilities

Interest Accrued but not due	24,680	32,500
Sundry Creditors	389,310	148,300
Sundry Creditors For Expenses	69,840	123,370
Other Liabilities	308,170	148,950
Unclaimed Dividends	400	620
Total (A)	792,400	453,740

(B) Provisions

Retirement Benefits	8,100	9,020
Total (B)	8,100	9,020

SCHEDULE "M" - INCOME FROM SERVICES

Issue Management Fees	69,830	20,560
Financial Advisory Services	134,870	73,420
Syndication Fees	53,800	36,490
Underwriting Commission	10,980	3,100
Brokerage & Commission	332,530	154,530
Total	602,010	288,100

SCHEDULE "N" - INTEREST INCOME

Interest on Securities Held as Stock in Trade	1,004,990	1,123,470
Income on Discounted Instruments	—	25,510
- Investments	39,950	102,090
- Stock In Trade	37,790	13,550
Interest on Repo and Call Lendings	10,180	36,810
Interest on Deposits for Leased Premises	24,840	—
Interest on Income Tax Refund	16,360	6,290
Interest on Other Loans and Advances	1,134,110	1,307,720
Total	1,134,110	1,307,720

schedules

forming part of the Accounts

Continued

(Rs. in '000s) March 31,
2003

SCHEDULE "O" - PROFIT ON SECURITIES (NET)

Profit on Sale of Investments	68,720	1,090
Profit on Stock In Trade	1,112,060	1,198,270
Net Gain/(Loss) from Derivatives	210,200	29,890
Total	1,390,980	1,229,250

SCHEDULE "P" - OTHER INCOME

Dividend Income from Mutual Funds / Companies	465,350	350,600
Recovery Against Bad Debts Written Off	18,060	27,500
Miscellaneous Income	940	1,380
Total	484,350	379,480

SCHEDULE "Q" - FINANCIAL CHARGES AND OPERATING EXPENSES

Interest on Fixed Loans and Debentures	269,610	410,030
Interest on Borrowings from Reserve Bank of India	1,460	34,540
Interest on Repo and Call Borrowings	359,730	428,020
Procurement Expenses	34,200	24,180
Guarantee Commission	890	480
Rating Agency Fees	3,150	3,120
Turnover Fees	20	10
Transaction Charges	23,240	9,880
Brokerage and Stamp Duty	47,380	35,990
Bank Charges	3,600	2,880
Custodial Services	1,880	2,670
Doubtful Debts Written off / Provided	7,810	13,966
Less : Opening Provision	2,120	9,516
	5,690	4,450
Total	750,850	956,250

SCHEDULE "R" - PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

Salaries, Wages and Incentive	296,360	231,120
to Contribution to Provident and other Funds	12,110	9,340
Staff Welfare Expenses	6,950	7,290
Total	315,420	247,750

SCHEDULE "S" - ESTABLISHMENT AND OTHER EXPENSES

Rent and Amenities	232,970	231,570
Insurance	3,060	3,000
Travelling, Conveyance and Motor Car Expenses	46,530	35,300
Business Promotion Expenses	28,820	23,870
Repairs, Maintenance And Upkeep	19,320	19,800
Rates and Taxes	1,160	970
Electricity Expenses	9,910	9,180
Profit / (loss) on Sale of Fixed Assets	370	1,090
Communication Expenses	16,660	13,080
Printing and Stationery	10,130	6,570
Subscription and Periodicals	21,840	18,980
Professional Fees	9,880	8,680
Advertisement Expenses	10	70
Auditors' Remuneration	1,900	2,210
Miscellaneous Expenses	18,230	29,170
Total	420,790	403,540

SCHEDULE "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) Basis of Consolidation

The consolidated financial statements include results of ICICI Securities Limited and its subsidiaries which are more than 50% owned and controlled. As per requirement of Accounting Standard 21 the consolidation is on a line to line basis, all material inter-company accounts and transactions are eliminated at the time of consolidation.

(iii) Revenue Recognition

In case of non-fund based activities such as issue management, loan syndication, financial advisory services etc., the revenue is recognized 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.

Income from Brokerage activities is recognized as income on the trade date of the transaction. Related expenditure incurred for procuring business is accounted for as procurement expenses.

(iv) 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 are 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.

(v) Repurchase and Resale Transactions (Repo)

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

The difference between the sale price of the security offered under repo and its book value are shown under Current Assets / Liabilities in the Balance Sheet, as the case may be. In case, the sale price is lower than the book value the same is provided as loss on Security. In case, the sale price is higher than the book value, the differential gain is not recognised. Securities under repo/reverse repo are marked to market.

(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.

schedules

(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 leased assets and improvement to leasehold property is provided on written down method at the rate prescribed in Schedule XIV of the Companies Act, 1956.

Membership Rights of Stock Exchanges is treated as an asset and the value paid to acquire such rights is amortised over a period of 10 years.

(viii) Sundry debtors and creditors

Amounts receivable from and payable to clients for broking transactions are recognised on trade date basis and disclosed separately as sundry debtors and creditors.

(ix) 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.

(x) Provision for doubtful Loans and Advances

The policy of provisioning against Non Performing Loans and Advances has been decided by the management considering prudential norms prescribed by the 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.

(xi) 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.

(xii) 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.

(xiii) 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 contribution is made to LIC.

(xiv) Derivatives

- (a) Gains are recognized only on settlement / expiry of the derivative instruments.
- (b) All open positions are marked to market and the unrealized gains / loss are netted off on a scrip wise basis. Mark-to-market gains, if any, are not recognised.
- (c) Debit/ credit balance on open position are shown as current assets / current liabilities, as the case may be.

2. Contingent Liabilities

- (a) Income tax matters disputed by the Company Rs. 128,800 thousand (Previous year - Rs. 110,960 thousand).

3. Notional Principal outstanding on account of Swaps / Forward Rate Agreements / Currency Swaps Rs. 384,765,890 thousand (Previous year - Rs. 161,846,230 thousand).

4. 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 other transactions with related parties: -

(Rs. in '000s)

Name of the related Party	Type of Transactions	Amount
ICICI Bank Limited - The Holding Company	Establishment Expenses Dividend paid Procurement Expenses Interest expense Fee Income Brokerage Income Interest Income Guarantee Commission	103,500 907,680 1,290 7,510 500 5,660 7,420 370
ICICI Lombard General Insurance Co. Limited - Subsidiary of ICICI Bank Ltd	Establishment Expenses	2,130

The procedure for consolidation of Account is as per Accounting Standard - 21 in case of subsidiary companies. The list of subsidiary companies is given below.

- a. ICICI Securities Holdings Inc.
- b. ICICI Securities Inc

The company does not have any associate companies.

5. Segmental Disclosures

Internally evaluation of performance is based on two business segments - "Investment & Trading" and "Advisory & Transaction Services". These have been considered as a Primary reportable segment. The Company does not have any secondary reportable segment.

Following are the disclosures for the two identified segments. This being a finance company, interest and finance costs is allocated to each segment.

Segment wise Revenue, Results and Capital Employed for the year ended March 31, 2004

	March 31, 2004	March 31, 2003
Segment Revenue		
Investment and Trading	2,963,420	2,876,420
Advisory and Transaction Services	611,910	296,710
	3,575,330	3,173,130
Segment Results		
Investment and Trading	2,289,300	1,958,840
Advisory and Transaction Services	535,180	258,040
	2,824,480	2,216,880
Unallocable expenditure net off unallocable income	715,620	636,940
Profit before Taxation & Extraordinary items	2,108,860	1,579,940
Interest tax reversal of earlier years	108,700	—
Profit before tax	2,217,560	1,579,940
Less: Tax expense	571,130	498,130
Profit after tax	1,646,430	1,081,810
Segment Assets		
Investment and Trading	22,778,090	21,921,320
Advisory and Transaction Services	803,370	248,740
Unallocable assets	308,240	317,020
	23,889,700	22,487,080
Segment Liabilities		
Investment and Trading	(18,989,830)	(18,565,470)
Advisory and Transaction Services	(370,240)	(49,360)
Unallocable liabilities	(286,760)	(246,510)
	(19,646,830)	(18,816,340)
Cost of acquisition of Segment Assets		
Investment and Trading	—	—
Advisory and Transaction Services	130	250
	130	250

6. For the purpose of comparison, figures for the corresponding period of 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.RAJI & CO. Chartered Accountants	For and on behalf of the Board K. V. KAMATH Chairman	ABHIJEET GUIN Vice President & Head - Financials
J. M. GANDHI Partner Membership No.: 37924	LALITA D. GUPTA Director	S. MUKHERJI Managing Director & CEO
Mumbai, April 22, 2004	ANDERSON POLLOCK Company Secretary	

cash flow statements

for the year ended March 31, 2004

(Rs. in '000s) March 31, 2003

A. Cash Flow From Operating Activities

Profit Before Tax	2,108,860	1,579,940
- (Profit)/Loss on Sale of Fixed Assets	370	1,090
- Depreciation	15,530	17,070
- Provision for Wealth Tax	100	100
- Exchange adjustments	(4,470)	(1,300)
- Bad and Doubtful Debts (Net)	5,690	4,450
Operating Profit before Changes in Operating Assets and Liabilities	2,126,080	1,601,350
Adjustments for net change in Operating Assets and Liabilities		
- Current Assets excluding Cash & Cash Equivalents	(3,338,310)	(105,010)
- Loans and advances relating to Operations	502,210	(200,390)
- Current Liabilities relating to Operations	332,050	115,260
	(2,504,050)	(190,150)
Cash generated from Operations	(377,970)	1,411,200
Payment of Taxes (Net)	(569,230)	(347,570)
Net Cash from Operating Activities	(947,200)	1,063,630

B. Cash Flow From Investment Activities

- (Purchase) / Sale of Investments	1,753,920	(1,323,110)
- (Purchase) / Sale of Fixed Assets	(8,070)	(17,200)
Net cash used in Investment Activities	1,748,850	(1,340,310)

C. Cash Flow From Financing Activities

- Increase/ (Decrease) in Borrowings	(3,002,780)	108,740
- Proceeds from Issue of Debentures	3,450,500	954,360
- Dividends & Dividend Tax paid	(992,970)	(710,510)
Net Cash used in Financing Activities	(545,250)	352,590
Net Change in Cash & Cash Equivalents	253,390	75,900
Cash & Cash Equivalents at the beginning of the Period	211,780	135,880
Cash & Cash Equivalents at the end of the Period	465,170	211,780

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

J. M. GANDHI
Partner
Membership No.: 37924

Mumbai, April 22, 2004

ABHIJEET GUIN
Vice President & Head - Financials

ANDERSON POLLOCK
Company Secretary

For and on behalf of the Board

K. V. KAMATH
Chairman

LALITA D. GUPTA
Director

S. MUKHERJI
Managing Director & CEO