




auditors' report

 **to the members of ICICI LIMITED**

We have audited the attached Balance Sheet of ICICI Limited as at March 31, 2001 and the Revenue Account for the year ended on that date annexed thereto and report that:-

- (1) As required by the Manufacturing and Other Companies (Auditor's 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 purposes 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 Revenue 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 Revenue 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;
 - (e) according to the information and explanations given to us and on the basis of written representations from the directors of the Company, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2001 from being appointed as a director under Section 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 Revenue Account, of the profit of the Company for the year ended on that date.

For S. B. BILLIMORIA & CO
Chartered Accountants

For N. M. RAIJI & CO.
Chartered Accountants

SANJIV N. SHAH
Partner

A. R. GANDHI
Partner

Mumbai, May 3, 2001

annexure to the auditors' report

Referred to in paragraph 1 of our Report of even date

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The Company has a programme of physically verifying all fixed assets, other than leased assets, in a year, which, according to us, is reasonable. The said fixed assets have been accordingly verified by the management. No material discrepancies have been noticed on such physical verification. In respect of the leased assets, the verification is by periodic physical check at the lessees location and by obtaining confirmations from lessees; the frequency of physical check is determined based on asset values. The above procedure is considered reasonable, taking into account the constraints in arranging for physical verification of the assets located at the premises of the various lessees.
2. None of the fixed assets have been revalued during the year.
3. As per the information furnished, the Company has in the normal course of its business granted loans, secured or unsecured to companies, firms or other parties listed in the register maintained pursuant to provisions of Section 301 of the Companies Act, 1956. The rate of interest and other terms are prima facie not prejudicial to the interest of the Company. We have been further informed that there are no companies under the same management within the meaning of Section 370(1-B) of the Companies Act, 1956.
4. As per the information furnished, the Company has in the normal course of its business taken unsecured loans from companies, firms or other parties listed in the register maintained pursuant to provisions of Section 301 of the Companies Act, 1956. We have been further informed that there are no companies under the same management within the meaning of Section 370(1-B) of the Companies Act, 1956.
5. The parties to whom loans and advances in the nature of loans have been granted by the Company, are generally repaying the principal amounts as stipulated and are also generally regular in the payment of interest. In cases, where instalments of principal and/or interest are not received, it is the practice of the Company to review the operations of the borrower and on the basis of such review, to take such steps, as are considered reasonable in the circumstances, having regard to the overall objectives of the Company. Normally, these steps consist of rephasing the loan amortization schedule and, in some cases, financial restructuring towards final recovery or resorting to legal remedies for recovery. The Company has also granted loans to employees, who are repaying the principal amounts as stipulated and are also regular in the payment of interest.
6. In our opinion and according to the information and explanations given to us there are adequate internal control procedures which are commensurate with the size of the Company and the nature of its business with regard to purchase of plant and machinery, equipment and other assets, including leased assets.
7. The provisions of Section 58A of the Companies Act, 1956 are not applicable to the Company. The Reserve Bank of India has exempted the Company from compliance with the provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 subject to certain conditions which have been complied with.
8. In our opinion, the Company has an internal audit system, which is broadly commensurate with the size of the Company and the nature of its business.
9. As per the records of the Company, the provident fund dues have been regularly deposited with the appropriate authorities during the year.
10. As per the records of the Company and the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Sales tax and Custom duty are outstanding as at March 31, 2001 for a period of more than six months from the date they became payable.
11. As per the records of the Company and the information and explanations given to us, no personal expenses have been charged to Revenue Account other than those payable under contractual obligations or in accordance with generally accepted business practice.
12. In relation to the service activities of the Company, there exists a reasonable internal control system commensurate with the size of the Company and the nature of its business.
13. Adequate documents and records are generally maintained in cases, where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.
14. In respect of the investments and dealings by the Company in shares, securities, debentures and other Money Market instruments etc., proper records have been maintained of the transactions and contracts and timely entries have been made therein; all the shares, securities, debentures and other investments are held in the name of the Company except for securities held as stock-in-trade and such investments acquired upon amalgamation and to the extent of exemptions granted under Section 49 of the Companies Act, 1956.

For S. B. BILLIMORIA & CO
Chartered Accountants

SANJIV N. SHAH
Partner

Mumbai, May 3, 2001

For N. M. RAIJI & CO.
Chartered Accountants

A. R. GANDHI
Partner

balance sheet

ICICI as at March 31, 2001

Schedule No.

(Rupees in million)

March 31, 2000

I. SOURCES OF FUNDS

(1) Shareholders' Funds:

A. Share Capital	I	11,348.4	20,907.2
B. Reserves and Surplus	II	71,878.6	72,394.7
			83,227.0

(2) Loan Funds:

Unsecured Loans:	III		
A. Rupee Loans		497,341.4	415,309.0
B. Foreign Currency Loans		101,008.2	93,504.0
			598,349.6
			681,576.6

II. APPLICATION OF FUNDS

(1) Investments IV **111,516.4** 105,598.0

(2) Loans and Other Credit Facilities V **492,547.7** 408,496.2

(3) Current Assets, Loans and Advances:

A. Current Assets –	VI		
(a) Interest Accrued on Loans		7,374.3	6,988.6
(b) Other Accrued and Outstanding Income		11,104.0	9,507.9
(c) Bills Receivable		—	104.9
(d) Securities held as Stock-in-trade		9,179.6	17,679.4
(e) Stock on Hire under Hire Purchase Agreements		312.4	801.9
(f) Repossessed Stock		8.3	26.0
(g) Sundry Debtors		599.7	1,035.9
(h) Cash and Bank Balances and Deposits		27,061.2	35,325.6
		55,639.5	71,470.2
B. Loans and Advances		20,185.8	19,888.1
		75,825.3	91,358.3

Less:

Current Liabilities and Provisions:

A. Current Liabilities	VII	40,230.7	40,283.7
B. Provisions		12,330.0	11,497.0
		52,560.7	51,780.7

Net Current Assets and Advances **23,264.6** 39,577.6

(4) Fixed Assets VIII **51,104.1** 44,986.9

(5) Miscellaneous Expenditure IX **3,143.8** 3,456.2

681,576.6 602,114.9

Notes Forming Part of the Accounts XIII

Significant Accounting Policies XIV

Per our Report attached

For S.B. BILLIMORIA & CO
Chartered Accountants

For N.M. RAJI & CO.
Chartered Accountants

SANJIV N. SHAH
Partner

A.R. GANDHI
Partner

For and on behalf of the Board

N. VAGHUL
Chairman
KALPANA MORPARIA
Executive Director
SHALINI S. SHAH
General Manager

K.V. KAMATH
Managing Director & CEO
S. MUKHERJI
Executive Director
JYOTIN MEHTA
General Manager & Company Secretary

LALITA D. GUPTA
Joint Managing Director & COO

Mumbai
May 3, 2001

revenue account

for the year ended March 31, 2001

	Schedule No.	(Rupees in million)	1999-2000
Net Income from Operations	X		
(A) Income from Operations –			
(a) From Loans and Other Credit Facilities		60,579.4	51,906.6
(b) From Investments		11,626.6	12,067.0
(c) From Leasing and Other Operations		16,155.7	17,200.7
		88,361.7	81,174.3
(B) Profit on Sale of Investments (net)		3,437.8	2,934.3
		91,799.5	84,108.6
<i>Less:</i>			
(a) Interest and Commitment Charges on Loan Funds		63,767.8	57,852.3
(b) Expenses on Loan Funds		217.8	116.0
(c) Discount/Premium and Expenses on Loan Funds written off		968.5	837.7
(d) Provision for Interest-tax		—	1,120.0
(e) Depreciation on assets given on lease		3,496.3	3,669.2
(f) Expenses relating to Retail Business		617.5	189.1
(g) Bad and Doubtful Debts		5,426.3	4,517.5
(h) Provision against Restructured Assets		436.3	—
(i) Provision against Standard assets		220.0	100.0
		75,150.5	68,401.8
		16,649.0	15,706.8
Expenditure	XI		
(a) Payments to and Provisions for Employees		990.4	728.4
(b) Establishment and Other Expenses		2,455.8	1,941.5
(c) Depreciation (other than on assets given on lease)		478.4	314.7
		3,924.6	2,984.6
		12,724.4	12,722.2
Other Income	XII		
Profit before additional provision/write-offs for Bad and Doubtful Debts		1,181.0	555.3
<i>Less</i> : Additional provision/write-offs for Bad and Doubtful Debts [See Note 2(a)]		—	—
Profit before Taxation		13,905.4	13,277.5
Taxation		8,132.7	—
Profit after Taxation		5,772.7	13,277.5
Adjustments for change in accounting policies relating to earlier years		400.0	1,220.0
Taxation of earlier years (See Note 3)		—	405.4
Profit for the Period		(824.3)	36.7
<i>Add</i> : Balance brought forward from previous year		4,548.4	12,499.6
Disposable Profit		917.6	681.9
Appropriations/(Withdrawals) :		5,466.0	13,181.5
Special Reserve in terms of Section 36(1)(viii) of the Income-tax Act, 1961 written back on completion of assessments		—	(3,102.7)
Investment Allowance Reserve written back		—	(16.6)
Capital Reserve		—	2,934.3
Capital Redemption Reserve		—	750.0
Debenture Redemption Reserve		100.0	—
Special Reserve in terms of Section 36(1)(viii) of the Income-tax Act, 1961		700.0	3,200.0
Deferred Tax Credit Reserve		(900.0)	1,200.0
General Reserve		500.0	2,250.0
Dividend (including corporate dividend-tax Rs. 460.4 million, Previous Year Rs. 563.5 million)		—	3,182.8
— On Equity Shares (Interim)		—	777.3
— On Equity Shares (Proposed)		4,760.0	1,088.8
— On Preference Shares		177.2	—
		4,937.2	5,048.9
Balance carried to Balance Sheet		128.8	917.6
		5,466.0	13,181.5
Notes Forming Part of the Accounts	XIII		
Significant Accounting Policies	XIV		

Per our Report attached

For S.B. BILLIMORIA & CO
Chartered Accountants

For N.M. RAJI & CO.
Chartered Accountants

SANJIV N. SHAH
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Executive Director
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General Manager

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Managing Director & CEO
S. MUKHERJI
Executive Director
JYOTIN MEHTA
General Manager & Company Secretary

LALITA D. GUPTA
Joint Managing Director & COO

Mumbai
May 3, 2001

schedules

ICICI forming part of the Accounts

(Rupees in million) March 31, 2000

I. Share Capital:

Authorized:		
1,600,000,000 Equity Shares of Rs. 10 each	16,000.0	16,000.0
5,000,000,000 Preference Shares of Rs.10 each	50,000.0	50,000.0
350 Preference Shares of Rs. 10,000,000 each	3,500.0	3,500.0
		<u>69,500.0</u>
Issued, Subscribed and Paid-up:		
785,344,448 Equity Shares of Rs.10 each, fully paid-up	7,853.5	7,853.1
(Previous year – 785,311,548 Equity Shares of Rs. 10 each, fully paid-up)		
Less: Calls in arrears	5.1	22.5
		<u>7,848.4</u>
		<u>7,830.6</u>

Preference Shares of Rs.10 each fully paid-up redeemed during the year

Number of Shares	Rate	Date of Redemption as per original terms		
83,200,000	9.30%	November 17, 2002	—	832.0
160,750,000	9.50%	November 17, 2004	—	1,607.5
15,103,000	10.50%	April 1, 2003	—	151.0
26,070,000	11.00%	April 1, 2003	—	260.7
107,660,000	10.00%	July 1, 2001	—	1,076.6
32,000,000	10.00%	August 31, 2001	—	320.0
105,000,000	10.50%	August 17, 2003	—	1,050.0
20,000,000	9.50%	August 17, 2000	—	200.0
11,000,000	10.50%	September 28, 2003	—	110.0
20,000,000	10.75%	September 28, 2004	—	200.0
3,000,000	10.00%	November 17, 2001	—	30.0
50,100,000	10.60%	November 17, 2003	—	501.0
15,000,000	10.55%	December 2, 2003	—	150.0
5,000,000	10.10%	December 2, 2001	—	50.0
25,000,000	10.60%	December 2, 2003	—	250.0
50,000,000	10.75%	January 2, 2004	—	500.0
25,000,000	10.20%	December 29, 2001	—	250.0
40,000,000	10.80%	December 29, 2005	—	400.0
1,500,000	10.10%	January 19, 2002	—	15.0
1,000,000	10.00%	January 19, 2002	—	10.0
3,000,000	10.50%	May 1, 2004	—	30.0
2,000,000	10.10%	March 8, 2002	—	20.0
75,000,000	9.60%	April 22, 2000	—	750.0
39,532,500	10.00%	April 30, 2004	—	395.3
33,000,000	10.00%	March 31, 2004	—	330.0
2,500,000	13.25%	September 2, 2002	—	25.0
500,000	13.25%	September 19, 2002	—	5.0
5,500,000	13.25%	September 29, 2002	—	55.0
250,000	13.25%	October 21, 2002	—	2.5
			—	<u>9,576.6</u>

350 nos. of 0.001% Preference Shares of Rs.10,000,000 each,

fully paid-up, redeemable at par on April 20, 2018.

3,500.0 3,500.0

Of the above –

- (i) 6,750,000 Equity Shares are allotted as fully paid-up by way of bonus shares by capitalization of General Reserve;
- (ii) 222,534,943 Equity Shares are allotted as fully paid-up by conversion of Debentures/Loans into Equity Shares (including 9,798,327 Equity Shares on conversion of loans of erstwhile SCICI Limited);
- (iii) 69,184,024 Equity Shares are allotted as fully paid-up towards consideration for amalgamation of erstwhile SCICI Limited with the Company;
- (iv) 2,395,205 Equity Shares are allotted as fully paid-up towards consideration for amalgamation of erstwhile ITC Classic Finance Limited with the Company;
- (v) 1,657,061 Equity Shares are allotted as fully paid-up towards consideration for amalgamation of erstwhile Anagram Finance Limited with the Company;
- (vi) 256,414,285 (including 95,700,000 Equity Shares represented by Global Depository Receipts which were converted into American Depository Shares) Equity Shares are allotted as fully paid-up, represented by American Depository Shares through an International offering in US Dollars

11,348.4 20,907.2

The Company has granted an option to certain employees for 5,246,250 shares under Employees Stock Option Scheme at the ruling market price at the time of granting of the option. Out of the above, 32,900 shares have been allotted on exercise of the options during the year ended March 31, 2001.

schedules

forming part of the Accounts

Continued

(Rs. in million)

II. Reserves and Surplus:

	<i>Balance at March 31, 2000</i>	Additions/ Transfers during the year	Deductions/ Transfers during the year	Balance at March 31, 2001
Capital Reserve	8,259.0	—	—	8,259.0
Capital Redemption Reserve	1,860.0	9,576.7*	—	11,436.7
Share Premium	31,270.6	117.4	244.7**	31,143.3@
Debenture Redemption Reserve	—	100.0	—	100.0
Deferred Tax Credit Reserve	6,387.5	—	900.0	5,487.5
Special Reserve created and maintained in terms of Section 36(1)(viii) of the Income-tax Act, 1961	9,200.0	700.0	—	9,900.0
General Reserve	14,500.0	500.0	9,576.7*	5,423.3
Revenue Account	917.6	—	788.8	128.8
	<u>72,394.7</u>	<u>10,994.1</u>	<u>11,510.2</u>	<u>71,878.6</u>
<i>Previous Year</i>	<u>46,550.9</u>	<u>29,696.3</u>	<u>3,852.5</u>	<u>72,394.7</u>

* Represents Capital Redemption Reserve created out of General Reserve pursuant to redemption of Preference Shares during the year.

** Share Issue expenses written off Rs. 5.4 million (previous year Rs. 733.2 million) and unamortized expenses on bonds of Rs. 239.3 million (Previous year Rs. Nil) written-off on exercise of call option. (See Note 1)

@ Net of Share Premium in Arrears Rs. 33.2 million (Previous year Rs. 148.1 million).

March 31, 2000

III. Unsecured Loans:

A. Rupee Loans			
(a)	Loans and Advances from the Government of India	7,734.8	8,568.7
(b)	Debentures and Bonds guaranteed by the Government of India	21,652.8	24,072.0
(c)	Tax free Bonds	800.0	800.0
(d)	Non-convertible portion of partly convertible notes redeemable by December 15, 2002 (net of allotment/call money in arrears of Rs. 4.8 million); (Previous Year Rs. 12.3 million)	2,667.8	3,996.9
(e)	Borrowings under private placement of bonds carrying maturity of one to thirty years from the date of placement (net of unamortized discount on Deep Discount bonds of Rs. 6,756.3 million); (Previous Year – Rs. 2,942.3 million)	243,089.0	202,314.0
(f)	Bonds issued under multiple option / Safety Bonds series:		
–	Regular Interest Bonds	43,868.1	52,850.5
–	Deep Discount Bonds (net of unamortized discount of Rs. 158,025.7 million); (Previous Year – Rs.234,321.9 million)	18,138.5	18,040.0
–	Bonds with premium warrants (Principal amount of Rs.582.3 million redeemed on July 15, 1999 as per terms of the Scheme)	434.9	375.0
–	Index Bonds (net of unamortized discount of Rs. 121.8 million); (Previous Year – Rs. 132.8 million) (See Note 4)	79.8	75.9
–	Encash Bonds	1,789.3	1,808.9
–	Tax Saving Bonds (net of unamortized discount of Rs. 4,449.0 million); (Previous Year – Rs. 2,128.2 million)	47,588.8	24,989.4
–	Easy Instalment Bond (net of calls in arrears of Rs. 9.6 million); (Previous Year – Rs. 11.2 million)	22.9	26.5
–	Pension Bonds (including interest accrued but not due Rs. 0.3 million); (Previous Year – Rs. Nil)	24.5	—
		111,946.8	98,166.2
(g)	Loans from Banks and Financial Institutions	35,165.1	20,719.8
(h)	Deposits (net of unamortized discount of Rs.98.2 million); (Previous Year - Rs. 588.3 million); [(Including Fixed Deposit Rs. 6,071.9 million); (Previous Year – Rs. 1,649.3 million)]	68,177.1	50,242.8
(i)	Commercial paper (net of unamortized discount Rs.33.7 million); (Previous Year – Rs. Nil)	1,058.8	—
(j)	Application Money received towards bonds pending allotment	5,049.2	6,428.6
		<u>497,341.4</u>	<u>415,309.0</u>

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B. Foreign Currency Loans –		
(a) From Multilateral/Bilateral Credit Agencies (guaranteed by the Government of India, equivalent of Rs.20,723.2 million); (Previous Year Rs. 20,284.8 million)	21,472.7	21,243.5
(b) From International Banks, Institutions and Consortiums	52,225.5	37,896.7
(c) 2.5% (Net) US\$ Convertible Bonds - redeemed at par on April 3, 2000	—	8,724.0
(d) 7.125% US \$ Bonds issued at discount redeemable at par on February 7, 2003	5,594.4	5,321.6
(e) Floating Rate Notes repayable on October 9, 2002	6,340.3	5,932.3
(f) 3.5% (Net) US\$ Convertible Bonds redeemable at par at the option of the Company on or before April 1, 2004 unless converted earlier at premium into Equity Shares at the option of the bondholder(s)	18.6	17.5
(g) 8% Notes redeemable on July 30, 2001	6,755.3	6,320.5
(h) Floating Rate Notes in US \$ redeemable at par on March 26, 2007, unless redeemed earlier at the option of the Company on or after March 26, 2002 as per terms and conditions of the issue of Notes.	3,170.2	2,966.2
(i) 7.55% Medium Term Notes redeemable at par on August 15, 2007	5,431.2	5,081.7
	101,008.2	93,504.0
	598,349.6	508,813.0
IV. Investments		
(a) Equity Shares (Fully paid Rs.23,142.6 million; Partly paid Rs. 88.9 million); (Previous Year – Fully paid Rs. 17,632.1 million; Partly paid Rs. 88.9 million)	23,231.5	17,721.0
(b) Preference Shares (Fully paid Rs. 7,701.3 million; Partly paid Rs. 46.7 million); (Previous Year – Fully paid Rs. 7,198.9 million; Partly paid Rs. 46.7 million)	7,748.0	7,245.6
(c) Debentures (Fully paid Rs. 59,032.4 million; Partly paid Rs. 11,313.6 million); (Previous Year – Fully paid Rs. 62,871.3 million; Partly paid Rs. 12,865.3 million)	69,803.0	75,736.6
(d) Contribution towards initial capital of Unit Trust of India, Securities and Exchange Board of India, Gujarat Venture Finance Trust and Tamil Nadu Urban Development Fund	244.0	80.1
(e) Government Securities (including Rs. 1,073.1 million earmarked against redemption of Preference Shares in terms of RBI circular)	2,689.2	560.4
(f) Venture Capital Units (Fully paid Rs. 4,145.0 million; Partly paid Rs. 44.0 million) (Previous Year fully paid-up)	4,189.0	935.3
(g) Units of Mutual Funds	2,829.4	2,851.5
(h) Investment in Pass-Through Certificates represented by equity shares	643.9	—
(i) Investment in Equity Shares of Subsidiary Companies	6,705.2	4,505.9
	118,083.2	109,636.4
Less : Provisions	6,566.8	4,038.4
	111,516.4	105,598.0
Quoted	18,276.8	14,921.0
Unquoted	93,239.6	90,677.0
Market/Break-up value of Quoted Investments (See Note 7)	27,366.6	40,054.1

schedules

forming part of the Accounts

Continued

(Rupees in million) March 31, 2000

V. Loans and Other Credit Facilities:		
(Considered good)		
A. Loans		
(a) Rupee Loans (includes loans to subsidiaries Rs. 5,287.6 million; Previous Year – Rs. 2,727.2 million)	391,088.4	314,940.3
(b) Foreign Currency Loans	84,746.7	89,905.3
	475,835.1	404,845.6
B. Assistance by way of Securitization (net of Unmatured Finance Charges Rs. 2,442.6 million); (Previous Year – Rs. 2,301.2 million)		
	9,359.5	9,834.9
C. Loans under Retail Finance Operations		
	20,395.2	4,537.4
	505,589.8	419,217.9
Less: Provisions	13,042.1	10,721.7
	492,547.7	408,496.2
Whereof:		
(1) Secured by:		
(i) Assets	427,094.4	358,667.2
(ii) Guaranteed by Banks, Insurance Companies and Central/State Governments	647.2	796.2
(iii) Against Promissory Notes and Usance Bills accepted/guaranteed by Banks	3,974.0	3,228.1
(iv) Securitization	9,359.5	9,834.9
	441,075.1	372,526.4
(2) Unsecured:		
(i) Against corporate guarantees	3,052.7	1,442.2
(ii) Loans to subsidiaries	5,287.6	2,727.2
(iii) Others	43,132.3	31,800.4
	51,472.6	35,969.8
VI. Current Assets, Loans and Advances:		
A. Current Assets		
(a) Interest Accrued on Loans (includes Rs. 21.2 million accrued but not due on loans to subsidiaries)	7,374.3	6,988.6
(b) Other Accrued and Outstanding Income (dividend, interest on investments etc. – unsecured, considered good) (including amount receivable from subsidiaries - Rs. 30.7 million)	11,104.0	9,507.9
(c) Bills Receivable *	—	724.6
Less: Provision for doubtful Bills Receivable	—	619.7
	—	104.9
(d) Securities held as Stock-in-trade:		
(i) Government Securities	1,080.4	7,149.6
(ii) Bonds	5,867.6	10,008.3
(iii) Units of Mutual Funds	1,509.5	6.0
(iv) Equity Shares	722.1	515.5
	9,179.6	17,679.4
(e) Stock on Hire under Hire Purchase Agreements *		
	395.0	885.7
Less: Provision for doubtful Stock on Hire	82.6	83.8
	312.4	801.9
(f) Repossessed Stock		
	8.3	26.0
(g) Sundry Debtors *		
(i) Debts outstanding for more than six months	1,118.7	2,102.6
(ii) Other Debts	569.7	967.3
	1,688.4	3,069.9
Less: Provision for doubtful debts	1,088.7	2,034.0
Considered Good	599.7	1,035.9
(h) Cash and Bank Balances and Deposits:		
(i) Cash and Cheques on hand	1,674.5	460.5
(ii) With Scheduled Banks in Current Accounts (including exchange adjustments)	5,703.4	11,408.1
(iii) With Scheduled Banks towards Unclaimed Dividends (per contra)	53.7	1,035.5
(iv) With Scheduled Banks in Fixed and Call Deposits	11,365.7	2,961.2
(v) With Banks abroad in Fixed, Call and other accounts	8,150.0	19,278.2
(vi) Remittance in transit	113.9	182.1
	27,061.2	35,325.6
	55,639.5	71,470.2

* Unsecured, except Rs. 493.5 million which are secured (Previous Year – Rs. 702.6 million)

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B. Loans and Advances (Recoverable in cash or in kind or for value to be received – Considered good)		
(a) Loans to Staff (See Note 9)	627.6	497.6
(b) Advance Tax and Tax Deducted at Source	12,827.7	12,224.8
(c) Advances and Deposits as Short-term Investments	306.4	2,073.2
Less: Write-offs and Provision for Deposits	26.1	417.0
	280.3	1,656.2
(d) Other Advances and Deposits	2,295.3	2,571.2
(e) Application money paid for Shares/Bonds	2,524.8	1,393.4
(f) Exchange Fluctuation Suspense with Government of India [See Note 8(a)]	1,379.1	1,299.3
(g) Amount Recoverable from Subsidiary Companies	251.0	245.6
(Unsecured, except Loans to Staff of Rs. 554.7 million which are secured); (Previous Year – Rs. 587.1 million)	20,185.8	19,888.1
	75,825.3	91,358.3

VII. Current Liabilities and Provisions:

A. Current Liabilities –		
(a) Received for disbursements under Special Programmes/ Grants/Schemes net of disbursements effected	2,298.0	2,410.6
(b) Sundry Creditors	9,941.6	7,566.6
(c) Security Deposits from Clients	3,926.0	3,725.6
(d) Liabilities under Ready Forward Transactions	—	2,664.8
(e) Income Received in Advance (includes amount received from subsidiary Rs.16.7 million)	954.7	805.6
(f) Unclaimed Dividends (deposited with bank per contra)	53.7	1,035.5
(g) Other Liabilities	414.4	831.5
(h) Amounts payable to Subsidiary Companies	40.1	34.8
(i) Interest accrued but not due on Loan Funds –		
(i) Rupee Loans	19,559.9	18,025.7
(ii) Foreign Currency Loans	2,085.5	2,240.3
	21,645.4	20,266.0
(j) Swap Suspense [See Note 8 (b)]	379.6	644.4
(k) ERAS Exchange Fluctuation Account (net) [See Note 8(c)]	577.2	298.3
	40,230.7	40,283.7
B. Provisions –		
(a) Provision against standard assets	1,420.0	1,200.0
(b) Taxation	6,150.0	6,652.4
(c) Interim Dividend Payable (Including Corporate Dividend Tax)	—	2,867.3
(d) Proposed Dividend (Including Corporate Dividend Tax)	4,760.0	777.3
	12,330.0	11,497.0
	52,560.7	51,780.7

schedules

forming part of the Accounts

Continued

(Rupees in million)

VIII. Fixed Assets:

	Gross Block at Cost			Depreciation		Net Block		
	March 31, 2000	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	March 31, 2001	For the Year	To-date	March 31, 2001	March 31, 2000
Assets given on Lease:								
Buildings	2.0	—	—	2.0	—	0.7	1.3	1.3
Plant and Machinery *	40,784.4	7,065.1	2,002.4	45,847.1	2,813.4	15,187.1	30,660.0	26,438.0
Office Equipment	923.7	468.1	82.7	1,309.1	77.2	620.1	689.0	304.4
Vehicles	281.3	431.9	129.0	584.2	44.5	57.9	526.3	144.9
Rolling Stock	7,059.2	—	—	7,059.2	417.1	1,008.1	6,051.1	6,468.2
Ships *	2,000.2	95.0	2.7	2,092.5	113.8	314.4	1,778.1	1,799.5
Aircraft	335.9	—	45.0	290.9	30.3	63.7	227.2	259.7
	51,386.7	8,060.1	2,261.8	57,185.0	3,496.3	17,252.0**	39,933.0	35,416.0
Capital advances							770.8	895.8
							40,703.8	36,311.8
Less : Provisions made							17.8	222.0
							40,686.0	36,089.8
Freehold Land	317.7	173.1	3.3	487.5	—	5.0	482.5	310.3
Leasehold Land	931.7	2.0	0.4	933.3	13.1	39.5	893.8	912.7
Buildings #	3,927.0	827.9	26.9	4,728.0	90.2	284.7	4,443.3	3,736.7
Improvement to Leasehold Premises	272.1	13.8	—	285.9	16.5	29.6	256.3	270.8
Safety Centres/Call Centres	88.9	102.0	4.9	186.0	19.2	21.6	164.4	85.8
Plant & Machinery	686.7	29.9	1.3	715.3	37.3	89.7	625.6	631.3
Furniture & Fixtures	422.9	75.1	17.7	480.3	38.0	123.4	356.9	327.0
Office Equipment	371.5	53.1	28.2	396.4	18.8	64.2	332.2	313.6
Computers & Software	1,115.2	686.4	160.6	1,641.0	242.1	496.9	1,144.1	796.5
Vehicles	25.5	2.4	5.1	22.8	2.3	7.1	15.7	18.5
Ships	—	277.7	—	277.7	0.9	0.9	276.8	—
	8,159.2	2,243.4	248.4	10,154.2@	478.4	1,162.6	8,991.6@	7,403.2
Work-in-Progress							1,426.5@	1,493.9
	59,545.9	10,303.5	2,510.2	67,339.2	3,974.7	18,414.6	51,104.1	44,986.9
Previous Year	51,793.2	11,871.3	4,118.6	59,545.9	3,983.9	16,726.7	44,986.9	—

* Additions include exchange difference of Rs. 95.4 million (1999-2000 – Rs. 5.0 million)

** Net of lease equalization Rs. 6,924.0 million (1999-2000 – Rs. 4,810.4 million).

(i) Include Buildings on Leasehold Land – Gross Block Rs. 2,333.4 million, Net Block Rs. 2,226.1 million, as at March 31, 2001.
(ii) See Note 10

@ Includes assets held for sale-Gross Block Rs. 844.7 million, Net Block Rs. 823.1 million, as at March 31, 2001.

March 31, 2000

IX. Miscellaneous Expenditure:

(To the extent not written off or adjusted)

(a) Discount and Expenses on Loan Funds	2,384.4	2,842.5
(b) Deferred Revenue Expenditure	759.4	613.7
	3,143.8	3,456.2

schedules

(Rupees in million)

1999-2000

X. Net Income from Operations:

(A) Income from Operations			
(a) From Loans and Other Credit Facilities –			
(i) Interest and Other Charges on Rupee Loans and Other Credit Facilities	52,861.5		44,621.4
(ii) Interest and Other Charges on Foreign Currency Loans	7,717.9		7,285.2
		60,579.4	<u>51,906.6</u>
(b) From Investments –			
(i) Dividends (includes Rs.673.2 million from Subsidiary Companies Previous Year - Rs.959.3 million)	1,080.8		2,104.7
(ii) Interest and Other Charges on Debentures *	10,545.8		9,962.3
		11,626.6	<u>12,067.0</u>
(c) From Leasing and Other Operations –			
(i) Leasing	8,300.7		7,990.4
(ii) Hire Purchase	78.5		279.3
(iii) Securities, Deposits and Advances* (See Note 16)	2,551.8		5,693.7
(iv) Commission and Fees	5,224.7		3,237.3
		16,155.7	<u>17,200.7</u>
		88,361.7	<u>81,174.3</u>
(B) Profit on Sale of Investments (net) (See Note 17)		3,437.8	<u>2,934.3</u>
		91,799.5	<u>84,108.6</u>
Less:			
(a) Interest and Commitment Charges on Loan Funds:			
(i) Rupee Loans [net of interest capitalized Rs. 1.4 million, (Previous Year – Rs. 1.7 million)]	57,942.9		52,523.9
(ii) Foreign Currency Loans [net of Swap interest received Rs. 5,078.1 million; (Previous Year – Rs.3,903.8 million)]	5,824.9		5,328.4
		63,767.8	<u>57,852.3</u>
(b) Expenses on Loan Funds		217.8	<u>116.0</u>
(c) Discount/Premium and Expenses on Loan Funds written off [Net of pro-rata premium on Bonds Rs. Nil; (Previous Year – Rs. 12.7 million)]		968.5	837.7
(d) Provision for Interest-tax		—	1,120.0
(e) Depreciation on Assets given on lease (See Note 18)		3,496.3	3,669.2
(f) Expenses relating to Retail Business (includes commission Rs. 136.2 million; Previous Year – Rs. 78.3 million)		617.5	189.1
(g) Bad and Doubtful Debts (Net of write back Rs.1,147.4 million; Previous Year Rs. 1,106.4 million)			
Bad Debts written off	7,929.1		2,098.9
Write-back of Specific Provision	(3,938.3)		—
Provision for Doubtful Debts	695.8		1,626.2
General provision against Sub-standard Assets	739.7		792.4
		5,426.3	<u>4,517.5</u>
(h) Provision against Restructured Assets [See Note 2(b)]		436.3	—
(i) Provision against Standard Assets		220.0	100.0
		75,150.5	<u>68,401.8</u>
		16,649.0	<u>15,706.8</u>

schedules

forming part of the Accounts

Continued

(Rupees in million)

1999-2000

XI. Expenditure:

(a) Payments to and Provisions for Employees –		
(i) Salaries, Wages and Bonus	733.5	584.9
(ii) Contribution to Provident and Other Funds	128.1	71.4
(iii) Staff Welfare Expenses	128.8	72.1
		<u>728.4</u>
	990.4	
(b) Establishment and Other Expenses –		
(i) Rent	157.0	117.0
(ii) Insurance	15.3	11.1
(iii) Travelling and Conveyance	169.7	164.0
(iv) Maintenance & Upkeep Charges [Including Maintenance to Building Rs. 42.5 million; (Previous Year - Rs. 14.5 million)]	214.6	144.8
(v) Electricity and Power Consumption	116.5	75.2
(vi) Rates and Taxes [Including Provision for Wealth-tax Rs.11.0 million; (Previous Year – Rs.10.0 million)]	100.7	113.3
(vii) Communication Expenses	265.8	225.6
(viii) Computer Expenses	243.4	159.9
(ix) Printing & Stationery	102.4	80.1
(x) Advertisement	162.2	123.1
(xi) Registrar and transfer agency fees	335.0	227.0
(xii) Professional fees	211.2	189.3
(xiii) Interest	3.9	8.5
(xiv) Directors' Fees	0.6	0.2
(xv) Auditors' Remuneration	9.7	8.5
(xvi) Miscellaneous Expenses	301.6	277.0
(xvii) Loss on Fixed Assets	45.3	10.5
(xviii) Donations	0.9	6.4
		<u>1,941.5</u>
	2,455.8	
(c) Depreciation (other than on Assets given on lease)	478.4	314.7
	3,924.6	<u>2,984.6</u>

XII. Other Income:

(a) Rent and Other Charges	581.5	96.1
(b) Miscellaneous Receipts	77.0	83.1
(c) Other Interest.....	503.5	158.1
(d) Profit on Sale of Fixed Assets	19.0	218.0
	1,181.0	<u>555.3</u>