

## ICICI REAL ESTATE COMPANY LIMITED

### 6TH ANNUAL REPORT AND ACCOUNTS 2000-2001

#### Directors

Subhash Dhavale  
R. Venkataraghavan  
Avinash Kelkar  
R. Krishnan

#### Auditors

S.B. Billimoria & Co.  
Chartered Accountants

#### Registered Office

ICICI Towers  
Bandra-Kurla Complex  
Mumbai 400 051

## directors' report

### To the Members

Your Directors have pleasure in presenting the Sixth Annual Report of the Company with the audited Statement of Accounts for the year ended March 31, 2001.

#### FINANCIAL RESULTS

The summary of the financial results for the year under review are as follows:

	(Rupees)	
	Year ended March 31, 2001	2000
Gross Income	29,661,522	29,685,658
Profit before tax	3,183,085	8,133,934
Provision for Tax	—	1,000,000
Profit after tax	3,183,085	7,133,934

#### DIVIDEND

Considering the long-term interest of the Members and as a matter of prudence, it is proposed to plough back profits to build up resources. Your Directors therefore, do not recommend payment of dividend for the year ended March 31, 2001.

#### OPERATIONAL REVIEW

As the Members are aware, the Company has decided to enter the real estate business and proposes to undertake one or more of the activities involving preparation of building sites for construction, re-construction, erecting, altering, improving, enlarging, developing, decorating, furnishing and maintaining of the same and to purchase for development, investment or for resale of lands, houses, buildings, structures and other properties like flats, shops, etc., of any tenure and any interest therein and purchase, sell and deal in freehold and leasehold land and to make advances upon the security of lands, houses, structures and other property or any interest therein and to purchase, sell, lease, hire, exchange or otherwise deal in land and house property and other property whether real or personal and to turn the same into account as may seem expedient.

As you are aware, your Company had purchased a property in Mumbai in financial year 1998-99 and after converting it into a Business Service Centre has let it out for an initial period of 152 weeks.

#### PUBLIC DEPOSITS

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

#### DIRECTORS

Smt. Subhashree Dutta, who was on the Board since August 13, 1999 tendered her resignation from the Board effective August 9, 2000. The Board accepted with regret the resignation of Smt. Subhashree Dutta and placed on record its appreciation of the valuable services rendered by her during her tenure.

The Board had appointed Shri Avinash Kelkar as an Additional Director of the Company effective August 9, 2000. He will hold office upto the date of the ensuing Annual General Meeting as provided in the Articles of Association of the Company, but is eligible for appointment.

Shri R. Venkataraghavan would retire at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

#### AUDITORS

The Auditors, M/s. S. B. Billimoria & Co., Chartered Accountants, Mumbai, will retire at the ensuing Annual General Meeting. The Board at its Meeting held on April 23, 2001 has proposed their appointment as the Auditors to audit the accounts of the Company for the financial year ending March 31, 2002. You are requested to consider their appointment.

#### FOREIGN EXCHANGE EARNING AND EXPENDITURE

There was no income or expenditure in foreign currency during the period under review.

#### PERSONNEL AND OTHER MATTERS

There are no employees within the purview of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

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 Board of Directors) Rules, 1988, are not applicable and hence not given.

#### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm :

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith 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 Company would like to express its gratitude for the unstinted support and guidance received from ICICI Limited, the parent organisation and also from other Group companies.

For and on behalf of the Board

SUBHASH DHAVALE  
DIRECTOR

Mumbai, April 23, 2001

# auditors' report



to the members of ICICI Real Estate Company Limited

We have audited the attached Balance Sheet of ICICI Real Estate Company Limited as at March 31, 2001 and the Profit and Loss Account for the year ended on that date 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 it appears from our examination of the books;
  - (c) the Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
  - (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;

- (e) on the basis of written representations given by the Directors to the Company, taken on record by the board, 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 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 loss for the year ended on that date.

For S.B. BILLIMORIA & CO.  
Chartered Accountants

SANJIV N. SHAH  
Partner

Mumbai, April 23, 2001

## annexure to the auditors' report

### referred to in paragraph (1) of our report of even date

1. The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed asset. Physical verification of the fixed asset has been carried out by the management during the year. No significant discrepancies were revealed on such verification.
2. The fixed asset has not been revalued during the year.
3. The Company has not taken or granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 and/or to the companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956.
4. There were no undisputed amounts payable in respect of income tax, sales tax and customs duty outstanding as at March 31, 2001 for a period of more than six months from the date they became payable.
5. As per the records of the Company and the information and explanations given to us, no personal expenses have been charged to the Profit and Loss Account.
6. The Company is not a sick industrial company within the meaning of clause (o) of sub section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For S.B. BILLIMORIA & CO.  
Chartered Accountants

SANJIV N. SHAH  
Partner

Mumbai, April 23, 2001



# balance sheet

# profit and loss account

as on March 31, 2001

for the year ended March 31, 2001

	Schedule	(Rupees)	March 31, 2000		Schedule	(Rupees)	March 31, 2000
<b>Sources of Funds</b>				<b>Income</b>			
Share Capital	1	20	20	Business Service Charges		26,225,960	26,225,960
Reserves and Surplus:	2	5,656,111	8,500,262	Interest on Debentures (Gross: TDS Rs. 757,900 P. Y. Rs. 643,696)		3,435,562	3,454,438
<b>Loan Funds</b>				Interest (Gross: TDS Rs. Nil: P. Y. Rs. Nil)		—	5,260
Unsecured Loans	3	314,800,000	314,800,000			29,661,522	29,685,658
		<u>320,456,131</u>	<u>323,300,282</u>	<b>Expenditure</b>			
<b>Application of Funds</b>				Interest Charges		20,938,000	21,367,228
Fixed Assets	4	287,702,352	—	Bank Charges		94	358
Investments	5	26,000,000	324,596,715	Rates & Taxes		324,230	130,499
Current Assets, Loans and Advances:				Software Expenses		300,000	—
Current Assets	6	3,041,224	2,571,689	Depreciation	4	4,867,127	—
Loans and Advances	7	22,268,005	40,554,843	Insurance		—	13,753
		<u>25,309,229</u>	<u>43,126,532</u>	Auditors' Remuneration:			
<b>Less:</b>				Audit Fees		11,000	11,000
Current Liabilities & Provisions	8	18,568,620	44,438,771	Tax Audit Fees		10,500	10,500
Net Current Assets/(Liabilities)		6,740,609	(1,312,239)	Certification Fees		15,750	15,750
Miscellaneous Expenditure (to the extent not written off or adjusted):				Professional Tax		9,100	—
Preliminary Expenses		13,170	15,806	Preliminary Expenses Written Off		2,636	2,636
		<u>320,456,131</u>	<u>323,300,282</u>	Profit Before Tax		26,478,437	21,551,724
Notes Forming Part of the Accounts	9			<b>Less: Provision for Taxation</b>		<b>3,183,085</b>	<b>8,133,934</b>
				Profit After Tax		3,183,085	7,133,934
				<b>Less: Prior Period Adjustment (Refer Note 2)</b>	4	<b>6,027,236</b>	<b>(2,844,151)</b>
				(Loss)/Profit for the year		<b>(2,844,151)</b>	<b>7,133,934</b>
				Add: Balance brought forward from previous year		<b>8,500,262</b>	<b>1,366,328</b>
				Balance carried to Balance Sheet		<u>5,656,111</u>	<u>8,500,262</u>
				<b>Appropriations:</b>			
				Special Reserve		861,000	—
				Balance carried to Balance Sheet		<u>4,795,111</u>	<u>8,500,262</u>
						<u>5,656,111</u>	<u>8,500,262</u>

Per our Report attached  
For S.B. BILLIMORIA & CO.  
Chartered Accountants  
SANJIV N. SHAH  
Partner

Mumbai, April 23, 2001

For ICICI Real Estate Company Limited

SUBHASH DHAVALE R. VENKATARAGHAVAN  
Director Director  
R. KRISHNAN AVINASH KELKAR  
Director Director

## schedules

forming part of the Accounts

	(Rupees) March 31, 2000				(Rupees) March 31, 2000				
<b>1. Share Capital</b>									
Authorized –					Less: Provision for Depreciation (Prior period)	6,027,236			—
100,000 Equity Shares of Rs.10 each					less: Provision for Depreciation	4,867,127			—
		1,000,000	1,000,000		Net Block	287,702,352			—
		<u>1,000,000</u>	<u>1,000,000</u>		<b>5. Investments</b>				
Issued, Subscribed and Paid up –					(Long Term – At Cost)				
2 Equity Shares of Rs.10 each fully paid up,		20	20		In Property	298,596,715	298,596,715		
(Of the above, 1 Equity Share of					Less: Transferred to Fixed Assets	(298,596,715)			—
Rs. 10 is held by ICICI Limited (Holding									298,596,715
Company) and the other Equity Share is					260 13.25% Unsecured Bonds of				
held by a subsidiary of ICICI Limited)					Rs. 100,000 each of ICICI Ltd. (unquoted)	26,000,000	26,000,000		
						<u>26,000,000</u>	<u>324,596,715</u>		
<b>2. Reserves &amp; Surplus</b>	Balance as at	Additions	Deductions/	Balance as at	<b>6. Current Assets</b>				
	April 1, 2000		Transfers	March 31,	Balances with Scheduled Banks -				
	(Rs.)	(Rs.)	during	2001	in Current Account	3,041,224	2,571,689		
			the period			<u>3,041,224</u>	<u>2,571,689</u>		
			(Rs.)	(Rs.)	<b>7. Loans and Advances</b>				
Special Reserve	—	861,000	—	861,000	Interest Paid in Advance	16,636,851	37,574,851		
Profit and Loss Account	8,500,262	(2,844,151)	(861,000)	4,795,111	Interest Receivable	1,236,425	1,245,863		
	<u>8,500,262</u>	<u>(1,983,151)</u>	<u>(861,000)</u>	<u>5,656,111</u>	Advance Tax	2,067,294	979,394		
Previous year	1,366,328	7,133,934	—	8,500,262	Other Recoverables	2,327,435	754,735		
						<u>22,268,005</u>	<u>40,554,843</u>		
<b>3. Unsecured Loans and Advances:</b>					<b>8. Current Liabilities &amp; Provisions</b>				
From ICICI Ltd. (Holding Company)		288,800,000	288,800,000		Current Liabilities –				
Deposits - Others		26,000,000	26,000,000		Advance Lease Rentals Received	16,139,055	42,365,015		
		<u>314,800,000</u>	<u>314,800,000</u>		Payable to ICICI Ltd.	1,257,565	900,234		
<b>4. Fixed Assets</b>					Sundry Creditors	11,000	10,500		
<b>Gross Block</b>					Other Liability	—	2,022		
Building-Freehold Land					Provisions –				
(transferred from investments)		298,596,715	—		Provision for Taxation	1,161,000	1,161,000		
		<u>298,596,715</u>	<u>—</u>			<u>18,568,620</u>	<u>44,438,771</u>		

**9. Notes forming part of the accounts**

**1 Significant Accounting Policies**

**a. Method of Accounting**

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

**b. Revenue Recognition**

Rental Income is accounted for on accrual basis.

**c. Fixed Assets and Depreciation**

i) Fixed assets are carried at cost less accumulated depreciation.

ii) Depreciation is provided on pro-rata basis using Straight Line method at the rates specified in Schedule XIV to the Companies Act, 1956.

**d. Investments**

Long term investments are valued at cost less permanent diminution, if any.

**e. Miscellaneous Expenditure**

Preliminary Expenses incurred are amortized over a period of 10 years.

2. Prior period adjustment represents proportionate depreciation charge for the period January 5, 1999 to March 31, 2000 on the building being reclassified from investments to fixed assets.

**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.   0 8 5 3 8 2 State Code  1  1  
 Balance Sheet Date  3  1  0  3  2  0  0  1  
Date Month Year

**2. Capital Raised during the Year**

(Amount in Rupees)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

**3. Position of Mobilization and Deployment of Funds**

(Amount in Rupees)

Total Liabilities

3  3  9  0  2  4  7  5  1

Total Assets

3  3  9  0  2  4  7  5  1

**Sources of Funds**

Paid-up Capital

2  0

Secured Loans

N I L

Reserves & Surplus

5  6  5  6  1  1  1

Unsecured Loans

3  1  4  8  0  0  0  0  0

**Application of Funds**

Net Fixed Assets

2  8  7  7  0  2  3  5  2

Net Current Assets and Advances

6  7  4  0  6  0  9

Loans and Investments

2  6  0  0  0  0  0  0

Miscellaneous Expenditure

1  3  1  7  0

**4. Performance of Company**

(Amount in Rupees)

Turnover (Gross Income)

2  9  6  6  1  5  2  2

Profit before Tax

3  1  8  3  0  8  5

Earnings per Share in Rupees

1  5  9  1  5  4  2  .  5  2

Total Expenditure

2  6  4  7  8  4  3  7

Profit after Tax

3  1  8  3  0  8  5

Dividend Rate %

N I L

**5. Generic Names of Principal Products/Services of the Company**

Product Description

Item Code No.

Investment in Property  NIL

For and on behalf of the Board

SUBHASH DHAVALA  
Director

R. VENKATARAGHAVAN  
Director

R. KRISHNAN  
Director

AVINASH KELKAR  
Director