

Directors

N. Vaghul
A.J.V. Jayachander
Couldip Basanta Lala
Kapil Dev Joory

Administrators

International Financial Services Ltd.
3rd Floor, Les Cascades
Edith Cavell Street
Port Louis
Mauritius

Auditors

Horwath Mauritius
Public Accountants
Port Louis
Mauritius

Registered Office

3rd Floor, Les Cascades
Edith Cavell Street
Port Louis
Mauritius

directors' report

To the Members

The Directors have pleasure in submitting their Report to the members together with the financial statements for the year ended 31 March, 2000.

STATE OF AFFAIRS

The Company's net profit for the year ended 31 March, 2000 was USD 4,264 and is set out on page F136.

ACTIVITIES

The activities of the Company have not changed since last year. The Company is an Investment and Fund Management company.

DIVIDEND

A Dividend of USD 42,000 is proposed for the year ended 31 March, 2000.

DIRECTORS

The Directors who were in office during the year ended 31 March, 2000 are listed below:

Narayan Vaghul
A J V Jayachander
Couldip Basanta Lala
Kapil Dev Joory

AUDITORS

The Auditors, M/s Horwath Mauritius, Public Accountants, have indicated their willingness to continue in office, and a resolution for their re-appointment will be proposed at the next Annual General Meeting.

By Order of the Board

Secretary
International Financial Services Limited
3rd Floor, Les Cascades
Edith Cavell Street
Port Louis
Mauritius

Date: 18 April, 2000

auditors' report

To the Members of ICICI International Limited

We have audited the financial statements of ICICI INTERNATIONAL LIMITED set out on pages F136 to F137 which have been prepared on the basis of the accounting policies set out on page F137.

Respective responsibilities of Directors and Auditors

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1984. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Mauritius Guidelines on Auditing and International Standards on Auditing.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company as at 31 March, 2000 and of its profit, changes in equity, and cash flows for the year then ended and have been properly prepared in accordance with International Accounting Standards and applicable provisions of the Companies Act, 1984.

HORWATH MAURITIUS
Public Accountants

PER O. SEWRAZ (FCCA)
Signing Partner

Port Louis
Mauritius

Date: 18 April, 2000

balance sheet profit and loss account



as at March 31, 2000

for the Income Statement ended March 31, 2000

	Note	(USD)	March 31, 1999	(USD)	March 31, 1999
ASSETS					
Non-current Assets					
Investments in Associate	2	300,000	300,000		
Loan to related company	3	250,000	—		
		<u>550,000</u>	<u>300,000</u>		
Current Assets					
Accounts Receivable	4	2,628	2,716		
Cash at Bank		7,412	289,806		
		<u>10,040</u>	<u>292,522</u>		
Total Assets		<u><u>560,040</u></u>	<u><u>592,522</u></u>		
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued Capital	5	400,000	400,000		
Accumulated Profit		35,870	31,606		
Contingency Reserve		—	120,000		
		<u>435,870</u>	<u>551,606</u>		
Current Liabilities					
Accounts payable	6	44,170	40,916		
Provision for Contingencies		80,000	—		
		<u>124,170</u>	<u>40,916</u>		
Total Equity and Liabilities		<u><u>560,040</u></u>	<u><u>592,522</u></u>		
REVENUE					
Management Fee				625,050	625,476
Interest Income				10,270	12,660
				<u>635,320</u>	<u>638,136</u>
EXPENDITURE					
Advisory Fees				618,000	464,000
Licence Fees				1,500	1,500
Administration & Professional Fees				6,967	5,561
Audit Fees				2,200	1,870
Bank Charges				389	792
Provision for Contingencies				80,000	—
				<u>709,056</u>	<u>473,723</u>
TRANSFER FROM/(TO) CONTINGENCY RESERVE				120,000	(120,000)
NET PROFIT BEFORE DIVIDEND				46,264	44,413
PROPOSED DIVIDEND				(42,000)	(40,000)
RETAINED PROFIT FOR THE YEAR				<u>4,264</u>	<u>4,413</u>

Approved by the Board of Directors on 18 April, 2000

COULDIP BASANTA LALA
Director

KAPIL DEV JOORY
Director

statement of changes in equity

for the year ended March 31, 2000

	SHARE CAPITAL	CONTINGENCY RESERVE	ACCUMULATED PROFIT	TOTAL
	USD	USD	USD	USD
Balance as at April 1, 1998	400,000	—	27,193	427,193
Net Profit for the year	—	—	44,413	44,413
Dividend	—	—	(40,000)	(40,000)
Contingency Reserve	—	120,000	—	120,000
Balance as at March 31, 1999	<u>400,000</u>	<u>120,000</u>	<u>31,606</u>	<u>551,606</u>
Contingency Reserve - released to Income statement	—	(120,000)	—	(120,000)
Dividend	—	—	(42,000)	(42,000)
Net Profit for the year	—	—	46,264	46,264
Balance as at March 31, 2000	<u><u>400,000</u></u>	<u><u>—</u></u>	<u><u>35,870</u></u>	<u><u>435,870</u></u>

cash flow statement

for the year ended March 31, 2000

	2000 USD	1999 USD		2000 USD	1999 USD
CASH FLOW FROM OPERATING ACTIVITIES			CASH FLOW FROM FINANCING ACTIVITIES		
Net profit for the year	46,264	44,413	Loan to related party	(250,000)	—
Decrease in accounts receivable	88	19	Dividends paid	(40,000)	(36,000)
Increase/(Decrease) in accounts payable	1,254	(7,619)	Net cash used in financing activities	(290,000)	(36,000)
Release (from)/to Contingency Reserve	(120,000)	120,000	NET (DECREASE)/INCREASE IN CASH	(282,394)	120,813
Adjustment: Provision for contingencies	80,000	—	CASH AT BEGINNING OF THE YEAR	289,806	168,993
Net cash from operating activities	<u>7,606</u>	<u>156,813</u>	CASH AT END OF THE YEAR	<u>7,412</u>	<u>289,806</u>

notes

to the financial statements for the year ended March 31, 2000

1. ACCOUNTING POLICIES

(a) Basis of Presentation

The financial statements are prepared in accordance with the historical cost convention and are in conformity with the International Accounting Standards. The accrual basis of accounting has been followed. The financial statements have been prepared in US Dollars which is considered to be the Company's principal operating currency. The accounting policies applied by the Company are consistent with those applied in the previous year.

(b) Revenue Recognition

Interest income and fee income are recognized on an accrual basis.

(c) Basis of Valuation

Investments in associates and joint ventures are recorded at Directors' valuation.

2. Investments

(a) Unquoted Securities

	No. of Shares	% Holding	Cost USD	Directors' Valuation USD
TCW/ICICI Investment Partners	<u>300,000</u>	50	<u>300,000</u>	<u>3,00,000</u>

(b) Investment which exceeds 10% of the issued share capital is:

Name of Company	Description	Proportion held
TCW/ICICI Investment Partners	Ordinary Shares	50%

3. Loan to related Company

This is an interest free loan given to ICICI Global Opportunities Fund L.L.C., repayable in lump sum, after a period of one year from the date of disbursement.

4. Accounts Receivable

	2000 USD	1999 USD
Pre-payment and accrued Interest	<u>2,628</u>	<u>2,716</u>

5. Share Capital

Authorized

50,00,000 Ordinary shares of US\$ 10 each

50,000,000 50,000,000

Issued and fully paid

40,00,000 Ordinary shares of US\$ 10 each

400,000 400,000

6. Accounts Payable

Accrued Expenses	2,170	916
Proposed Dividend	<u>42,000</u>	<u>40,000</u>
	<u>44,170</u>	<u>40,916</u>

7. Taxation

Under applicable laws, the Company is liable to income tax in Mauritius at elective rates of up to 35%. The Company has elected to pay tax at an effective rate of 1%. However, in the absence of taxable profits for the year under review, no tax provision has been made.

8. Information on the Company

- | | |
|---|---|
| a) Legal form of enterprise | : Limited Liability Company |
| b) Domicile and country of incorporation | : Mauritius |
| c) Address of the Registered Office and the principal place of business | : 3rd Floor, Les Cascades
Edith Cavell Street
Port Louis, Mauritius |
| d) Nature of operations and principal activities | : Investment and Fund Management Company |
| e) Name of the parent enterprise | : ICICI Limited |

The notes on page form an integral part of these financial statements