



ICICI Knowledge Park

2ND REPORT AND ACCOUNTS FOR THE PERIOD OCTOBER 1, 1999 TO MARCH 31, 2000

Directors

Chairman N. Vaghul
A.S. Ganguly
M. Narasimham
R.A. Mashelkar
Sheela Bhide
Rakesh Khurana
A.J.V. Jayachander
S.K. Maheshwari

Auditors

M/s. S.B. Billimoria & Co.
Chartered Accountants
7th floor, Lingapur House
Amrutha Estates
Himagathnagar
Hyderabad - 500 029

Registered Office

L.B. Bhavan, 4th floor
6-3-550, Somajigude
Opp. Medinova
Hyderabad - 500 082

directors' report



To the Members

Your Directors have pleasure in presenting the Second Report of the Company together with the audited Statement of Accounts for the period October 1, 1999 to March 31, 2000.

Financial Performance

ICICI Knowledge Park (The Park), a wholly-owned subsidiary of ICICI Ltd., is located at Hyderabad. The Park was incorporated under Section 25 of the Companies Act, 1956 to provide a platform for knowledge-based development and the promotion of scientific research. The Park will apply its profits, if any, in promoting these objectives.

No Income and Expenditure Account has been prepared for the period as the Company has not yet commenced commercial operations.

The Company has been allotted 200 acres of land free of cost, by the Government of Andhra Pradesh.

ICICI Limited has provided Rs. 0.3 million towards the Company's equity capital. In addition, ICICI Limited has also approved financial assistance amounting to Rs. 269.7 million to the Park.

Activities

Indian scientists have played a key role in knowledge-driven industries the world over, as a result of which India is fast becoming the preferred source for knowledge workers. ICICI Knowledge Park has sought to serve as a gateway to access this vast knowledge base. The Park has world class infrastructure and support facilities including uninterrupted power supply and fibre-optic networks for high speed data transfer and provides an environment conducive to cutting-edge research. Facilities in the form of ready-to-use modular laboratories would be leased to those desirous of doing business driven research in the areas of life science (bio-technology and pharmaceuticals), chemical science (speciality chemicals and new materials), and communication science (information technology and telecommunications).

M/s Chandavarkar & Thacker were the architects for the project which was constructed by Larsen & Toubro Ltd. on an EPC basis.

A key feature of the Park is the proposed creation of a web-based knowledge network - the first of its kind in the country - linking research institutions & academia to industry, thereby facilitating collaborative research and knowledge sharing. This network aims to provide the lessees of The Park, seamless access to the knowledge resources available with scientific and research organizations in India and abroad, which would actively assist the process of research. The facilities include online access to libraries and databases across the member institutions and a proprietary search-engine that would enable access to the combined resources to the network. The Park is being assisted by the Council of Scientific and Industrial Research (CSIR) in developing the network and ensuring the participation of member institutions. The Network has grown to comprise 20 organizations at present, as compared to the 15 organizations that were members at the outset. A common platform for electronic interface is being implemented to facilitate online interactions among the various participants of the Network.

Status

The first phase of the Park comprising an area covering eight acres and a saleable area of 35,000 sq. ft. was inaugurated by Shri N. Chandrababu Naidu, Chief Minister of Andhra Pradesh, on October 28, 1999.

The first customer of the Park - Mediacorp Technologies located at Hyderabad - has already been signed up, and at present, the Park is being marketed to domestic as well as international companies including contract research organizations and small enterprises promoted by scientist-entrepreneurs.

The Park expects to start regular functioning by end of May, 2000 when the first client would move in. The process of recruitment of a dedicated staff for the Park is in progress, and pending their appointment, the project management, marketing, development of the knowledge network for the Park is being done by a team of officers from ICICI Ltd.

Directors

ICICI Ltd has withdrawn the nomination of Shri Ananda Mukerji with effect from March 17, 2000 and nominated Shri A.J.V. Jayachander and Shri S.K. Maheshwari as Directors, with effect from March 17, 2000.

In terms of the provisions of the Articles of Association of the Company, Shri N. Vaghul and Dr. Ashok S. Ganguly would retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Particulars of Employees

Your Company did not employ any person during the year and therefore the statement pursuant to Section 217(2A) of the Companies Act, 1956 has not been annexed.

Auditors

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

Acknowledgements

The Company is grateful for the guidance, advice, support and co-operation received from the Government of Andhra Pradesh. The Company would like to express its gratitude for the unstinted support and guidance received from ICICI, the parent organization as also from other ICICI group companies.

For and on behalf of the Board

N. VAGHUL
Chairman

Mumbai, April 24, 2000

auditors' report

To the Members of ICICI Knowledge Park

We have audited the attached Balance Sheet of ICICI KNOWLEDGE PARK as at March 31, 2000 and report as follows:

- 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 is in agreement with the books of account;
- d. in our opinion, the Balance Sheet dealt with by this report is in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
- e. in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet gives the information required by the Companies Act, 1956 in the manner so required and gives a true and fair view of the state of affairs of the Company as at March 31, 2000.

For S.B. BILLIMORIA & CO.
Chartered Accountants

P. R. RAMESH
Partner

Hyderabad, April 24, 2000

balance sheet

SOURCES OF FUNDS

Shareholders' Funds

| | | | | | |
|-------------------------|---|----------|---------|----------|---------|
| a) Capital | A | 300,000 | | 300,000 | |
| b) Reserves and Surplus | B | <u>1</u> | 300,001 | <u>1</u> | 300,001 |

Loan Funds

| | | | | | |
|--------------------|---|-------------|--------------------|----------|----------------|
| a) Secured loans | C | 269,700,000 | — | — | |
| b) Unsecured loans | | <u>—</u> | 269,700,000 | <u>—</u> | — |
| Total | | | <u>270,000,001</u> | | <u>300,001</u> |

APPLICATION OF FUNDS

Fixed Assets

| | | | | | |
|--------------------|---|--------------|---------|----------|---|
| Gross block | D | 127,719 | | 1 | |
| Less: Depreciation | | <u>2,512</u> | | <u>—</u> | |
| Net Block | | | 125,207 | | 1 |

Capital Work-in-progress

| | | | | | |
|---|--|--------------------|-------------|--------------------|-------------|
| (Refer Note 4 of Schedule H) | | | | | |
| Pre-operative Expenses pending allocation | | 11,487,594 | | 5,448,079 | |
| Value of Capital Jobs | | <u>225,900,113</u> | 237,387,707 | <u>144,896,668</u> | 150,344,747 |

Investment

| | | | | | |
|--|--|--|---|--|---|
| | | | — | | — |
|--|--|--|---|--|---|

Current Assets, Loans & Advances

| | | | | | |
|-------------------------|---|------------------|--|----------|--|
| a) Cash & Bank balances | E | 89,280,128 | | 300,000 | |
| b) Loans & Advances | | 3,861,947 | | 300,000 | |
| c) Other Current Assets | | <u>1,133,565</u> | | <u>—</u> | |
| | | 94,275,640 | | 600,000 | |

Less:

Current Liabilities and Provisions

| | | | | | |
|---------------------|---|-------------------|------------|--------------------|---------------|
| Current Liabilities | F | <u>67,760,515</u> | 26,515,125 | <u>153,888,475</u> | (153,288,475) |
|---------------------|---|-------------------|------------|--------------------|---------------|

Miscellaneous Expenditure

| | | | | | |
|---|---|--|-----------|--|-----------|
| (to the extent not written off or adjusted) | G | | 5,971,962 | | 3,243,728 |
| (Refer Note 5 of Schedule H) | | | | | |

| | | | | | |
|-------|--|--|--------------------|--|----------------|
| Total | | | <u>270,000,001</u> | | <u>300,001</u> |
|-------|--|--|--------------------|--|----------------|

Contingent Liabilities and Notes

| | | | | | |
|--|---|--|--|--|--|
| | H | | | | |
|--|---|--|--|--|--|

As per our Report attached

On behalf of the Board

For S.B. BILLIMORIA & CO.
Chartered Accountants

P. R. RAMESH
Partner

N. Vaghul
Chairman

Dr. A.S. Ganguly
Director

S.K. Maheshwari
Director

A.J.V. Jayachander
Director

Hyderabad, April 24, 2000

schedules

forming part of Balance Sheet

(Rupees) September 30,
1999

A. SHARE CAPITAL

Authorized

30,000 Equity Shares of Rs. 10 each

300,000 300,000

Issued, Subscribed & Paid-up

30,000 Equity Shares of Rs. 10 each

300,000 300,000

300,000 300,000

300,000 300,000

NOTE : Of the above, 29,300 shares are held by ICICI Limited (holding company) and the remaining 700 shares by its nominees.

B. RESERVES AND SURPLUS

Capital Reserve

1 1

1 1

NOTE : The Company has been allotted 200 acres of land, free of cost. In accordance with AS-12 (Accounting for Government grants) the land has been capitalized at a nominal value of Re.1 (One Rupee only). The Capital reserve reflects the corresponding credit.

C. SECURED LOANS

Interest free loans from ICICI Limited

200,000,000 —

69,700,000 —

269,700,000 —

These loans are secured by:

- a first mortgage of all IKPL's immovable property, both present and future and,
- a first charge by way of hypothecation of all IKPL's movables, save and except book debts.

D. FIXED ASSETS

| Particulars | Gross Block - at cost | | | | Depreciation | | | Net Block | |
|-------------------------------|----------------------------|-----------------------------|------------------------------|-------------------------------|----------------------------|-----------------------------|----------------------|----------------------|--------------------------|
| | Opening balance on 1.10.99 | Additions during the period | Deductions during the period | Cost or book value as on 2000 | Opening balance on 1.10.99 | Depreciation for the period | As on March 31, 2000 | As on March 31, 2000 | As on September 30, 1999 |
| Freehold land | 1 | — | — | 1 | — | — | — | 1 | 1 |
| Office equipment | — | 26,722 | — | 26,722 | — | 1,202 | 1,202 | 25,520 | — |
| Furniture & fittings | — | 100,996 | — | 100,996 | — | 1,310 | 1,310 | 99,686 | — |
| Total | 1 | 127,718 | — | 127,719 | — | 2,512 | 2,512 | 125,207 | 1 |
| Capital Work in Progress | | | | | | | | 237,387,707 | 150,344,747 |
| Grand Total | 1 | 127,718 | — | 127,719 | — | 2,512 | 2,512 | 237,512,914 | 150,344,748 |
| Previous Year (on 30.09.1999) | — | 1 | — | 1 | — | — | — | 150,344,748 | — |

E. CURRENT ASSETS AND LOANS & ADVANCES

1. Bank balances with Scheduled banks

In fixed Deposit with ICICI Banking Corporation
In Current account

89,280,128 —

— 300,000

89,280,128 300,000

2. Loans & Advances

Deposits
Prepaid expenses

3,393,859 300,000

468,088 —

3,861,947 300,000

3. Other current assets

Interest accrued on fixed deposits
Tax Deducted at Source (On Interest received)

362,500 —

771,065 —

1,133,565 —

Total

94,275,640 600,000

schedules

| | | |
|--|----------------------|----------------------|
| F. CURRENT LIABILITIES | | |
| (Other than dues to small scale industries) | | |
| Amount payable to ICICI Limited | 37,913,729 | 153,888,475 |
| Amount payable against Capital Jobs completed | 29,133,065 | — |
| Other liabilities | 713,721 | — |
| Total | <u>67,760,515</u> | <u>153,888,475</u> |
| G. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted) | | |
| (refer note 5, Schedule H) | | |
| Preliminary expenditure | 63,439 | 63,439 |
| Pre-operative expenditure pending allocation | 9,413,362 | 3,180,290 |
| Total | <u>9,476,801</u> | <u>3,243,729</u> |
| Less: Interest earned on Fixed deposits | 3,504,839 | — |
| Grand total | <u>5,971,962</u> | <u>3,243,729</u> |
| H. CONTINGENT LIABILITIES AND NOTES | | |
| 1. No Income and Expenditure Account has been prepared as the Company has not commenced commercial operations . | | |
| 2. The Government of Andhra Pradesh has given the Company 200 acres of freehold land free of cost. In accordance with AS 12- Accounting for Government grants the land has been recorded at a nominal value of Re. 1 (One Rupee Only). The corresponding credit has been given to the capital reserve. | | |
| 3. No provision for taxation is considered in these accounts as the Company has obtained registration under Section 12AA of the Income Tax Act, 1961 and proposes to claim exemption of its Income Under Section 11 of the said Act. | | |
| 4. Capital Work-in-Progress pending allocation is as under: | | |
| a) Pre-operative Expenses | | |
| Architect fees | 8,465,896 | 4,169,428 |
| Land acquisition charges | 1,000 | 1,000 |
| Legal charges | 14,500 | 14,500 |
| Miscellaneous expenses | 73,615 | 47,575 |
| Project Management fees | 1,818,349 | 428,750 |
| Soil Investigation charges | 28,500 | 28,500 |
| Telephone expenses | 18,230 | 16,668 |
| Topographical survey fees | 259,025 | 295,025 |
| Travelling expenses | 808,479 | 446,633 |
| Total | <u>11,487,594</u> | <u>5,448,079</u> |
| b) Value of Capital jobs | <u>225,900,113</u> | <u>144,896,668</u> |
| Grand Total | <u>237,387,707</u> | <u>150,344,747</u> |
| 5. The following indirect Pre-operative expenses are carried forward pending allocation on commencement of commercial operations. | | |
| | From 1.10.99 | <i>From 24.07.98</i> |
| | to 31.03.2000 | <i>to 30.09.1999</i> |
| Opening balance during the period | 3,243,728 | — |
| Preliminary expenses | — | 63,439 |
| Travelling expenses | 224,360 | 367,957 |
| Hotel charges | 314,576 | 241,754 |
| Conveyance | 469,991 | 159,961 |
| Telephone expenses | 199,416 | 62,633 |
| Advertising expenses | 163,800 | 30,777 |
| Stationery expenses | 246,002 | 24,731 |
| Office expenses | 215,702 | 129,556 |
| Rates & taxes | 1,880 | 12,450 |
| Professional charges | 294,920 | 2,141,542 |
| Miscellaneous charges | 28,240 | 7,928 |
| Electricity charges | 2,276,010 | — |
| Security charges | 606,493 | — |
| Depreciation | 2,511 | — |
| Inauguration expenses | 788,425 | — |
| Generator maintenance | 331,194 | — |
| Insurance | 42,553 | — |
| Book Keeping charges | 12,000 | — |
| Audit fees | 15,000 | 1,000 |
| Total | <u>6,233,073</u> | <u>3,243,728</u> |
| GROSS EXPENDITURE | <u>9,476,801</u> | <u>3,243,728</u> |
| Less: Interest on fixed deposits | 3,504,839 | — |
| NET EXPENDITURE | <u>5,971,962</u> | <u>3,243,728</u> |
| 6. Estimated amounts of contracts remaining to be executed on Capital Account and not provided for: Rs. 50.30 lakhs. | | |
| 7. Previous year figures have been regrouped wherever necessary. | | |
| 8. Significant Accounting Policies: | | |
| a) Miscellaneous Expenditure | | |
| Preliminary expenses are being carried forward to be charged to Income & Expenditure Account after commencement of commercial operations. | | |
| Expenditure not directly connected with the setting up of the 'Park' is carried forward to be charged to the Income & Expenditure Account after commencement of commercial operations. | | |
| b) Depreciation | | |
| All assets are depreciated on Written Down Value (WDV) basis in accordance with the rates given in Schedule XIV to the Companies Act, 1956. | | |

**Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile**

1. Registration Details

Registration No. 01 - 29821
 Balance Sheet Date 31 03 2000
Date Month Year State Code 01

2. Capital Raised during the Year

(Amount in Rupees Thousand)

Public Issue

NIL

Rights Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

3. Position of Mobilization and Deployment of Funds

(Amount in Rupees Thousand)

Total Liabilities

2700000

Total Assets

2700000

Sources of Fund

Paid-up Capital

3000

Reserves & Surplus

0.001

Secured Loans

2697000

Unsecured Loans

NIL

Application of Funds

Net Fixed Assets

237513

Investments

NIL

Net Current Assets

26515

Miscellaneous Expenditure

5972

Accumulated Losses

NIL

4. Performance of the Company

(Amount in Rupees Thousand)

Turnover (including interest and other income)

NIL

Total Expenditure

NIL

Profit (+)/Loss (-) before Tax

NIL

Profit (+)/Loss (-) after Tax

NIL

Earnings per Share (Rupees)

NIL

Dividend Rate (%)

NIL

5. Generic Names of principal products/services of the Company as per monetary terms

Product Description: Infrastructure Development
 Item Code (ITC Code): NIL

As per our Report attached

On behalf of the Board

For S.B. BILLIMORIA & CO.
Chartered Accountants

P. R. RAMESH
Partner

N. Vaghul
Chairman

Dr. A.S. Ganguly
Director

S.K. Maheshwari
Director

A.J.V. Jayachander
Director

Hyderabad, April 24, 2000