



4TH ANNUAL REPORT AND ACCOUNTS 1998-99

Directors

Subhash Dhavale
R. Venkataraghavan
R. Krishnan

Auditors

S.B. Billimoria & Co.
Chartered Accountants

Registered Office

ICICI Towers
Bandra-Kurla Complex
Mumbai 400 051
India

directors' report

To the Members

Your Directors have pleasure in presenting the Fourth Annual Report of the Company together with the Audited Statement of Accounts for the year ended March 31, 1999.

Financial Results

The year marked the commencement of commercial operations. The brief summary of the financial results for the year under review are as follows:

Year ended March 31,	<i>(Rupees)</i>	
	1999	1998
Gross Income	10,789,037	—
Profit/ (Loss) before interest & tax	10,519,875	<i>(1,300)</i>
Interest	8,988,597	—
Profit/(Loss) before tax	1,531,278	<i>(1,300)</i>
Provision for tax	161,000	—
Profit/(Loss) after tax	1,370,278	<i>(1,300)</i>

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 on March 31, 1999.

Holding Company

Your Company ceased to be a subsidiary of Mafatlal Industries Limited with effect from January 5, 1999, subsequent to the transfer of the entire shareholding to ICICI Limited and ICICI Securities and Finance Company Limited. Consequent to this change in shareholding, your Company has become a subsidiary of ICICI Limited.

Name and Registered Office

As the Members are aware, the name of your Company has been changed to ICICI Real Estate Company Limited effective March 31, 1999 and the Registered Office has been shifted to ICICI Towers, Bandra-Kurla Complex, Mumbai 400 051, effective April 1, 1999.

Business

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 free-hold 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.

Accordingly, your Company has already purchased a property in Mumbai and after converting it into a Business Service Centre has let out the same for an initial period of 152 weeks.

Directors

Shri Amol M. Rane and Shri Shekhar R. Vaidya resigned as Directors of the Company with effect from September 7, 1998. Shri B.K. Ghiya and Shri J.A. Patel resigned as Directors of the Company with effect from January 15, 1999.

The Company places on record its appreciation of the valuable services rendered by them during their tenure as Directors of the Company.

Your Board has appointed effective December 31, 1998, Shri Subhash Dhavale, Chief Operating Officer, ICICI Securities and Finance Company Limited, Shri R. Krishnan, Senior Vice President, ICICI Limited, and Smt. Vinika Rao, Vice President, ICICI Limited as Directors of your Company. Subsequently, Smt. Vinika Rao resigned as Director of the Company with effect from February 5, 1999.

Your Board has also appointed effective March 31, 1999, Shri R. Venkataraghavan, General Manager, ICICI Limited as Director of your Company.

Shri Subhash Dhavale, Shri R. Krishnan and Shri R. Venkataraghavan cease to be Directors at the forthcoming Annual General Meeting and are eligible for 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.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgoings

The Company has not commenced any manufacturing activities and therefore, there is no information to submit in respect of conservation of energy and technology absorption.

The Company has no foreign exchange earnings and outgoings during the year ended on March 31, 1999.

Auditors and Auditors' Report

As the Members are aware, M/s. A.H. Desai & Associates resigned as Statutory Auditors of the Company with effect from March 15, 1999, in view of their pre-occupation with other work. Your Directors wish to place on record their appreciation for the services rendered by M/s. A.H. Desai & Associates.

M/s. S.B. Billimoria & Co. were appointed as Statutory Auditors of the Company for auditing the accounts for the year ending March 31, 1999 and hold office until the conclusion of the Fourth Annual General Meeting.

M/s. S.B. Billimoria & Co. have expressed their willingness to continue as Auditors, if re-appointed at the Annual General Meeting. In accordance with the provisions of the Companies Act, 1956, a resolution for their re-appointment is proposed at the forthcoming Annual General Meeting.

The observations contained in the Auditors' Report are self-explanatory and therefore, no comments are called for separately.

Acknowledgements

The Company is grateful for the guidance, advice, support and co-operation received from the management of ICICI and its Group companies.

The Company is also grateful to its client and bankers for the support received during the year.

For and on behalf of the Board,

Mumbai, April 24, 1999

SUBHASH DHAVALE
Director

auditors' report



To the Members of ICICI Real Estate Company Limited

We have audited the attached Balance Sheet of ICICI REAL ESTATE COMPANY LIMITED (formerly Samata Manufacturing & Trading Private Limited) as on March 31, 1999 and the Profit and Loss Account of the Company for the year ended on that date and 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 purposes 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. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
4. 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.
5. In our opinion, and 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:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 1999; and
 - (b) In the case of Profit and Loss Account, of the profit for the year ended on that date.
6. As required by Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government we further report that:
 - i. The Company has not granted/taken any loans, secured or

unsecured, to/from companies, firms or other parties listed in the registers maintained under Section 301 and Section 370 (1-B) of the Companies Act, 1956. However the Company has taken unsecured loan from its holding company, the rate of interest and other terms and conditions of which are not prejudicial to the interest of the Company.

- ii. No personal expenses have been charged to the Profit and Loss Account.
- iii. 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.
- iv. Proper records have been maintained and timely entries have been made therein, pertaining to the transactions relating to investments and the acquisition of property in the form of investments. The investments are in the name of the Company.
- v. Except for the above sub-clauses, the other sub-clauses of clause 4 of the order are not applicable to the Company.

For S.B. BILLIMORIA & CO.
Chartered Accountants

Mumbai, April 24, 1999

S.J. MERCHANT
Partner

balance sheet

profit and loss account

as on March 31, 1999

for the year ended March 31, 1999

	Schedule	(Rupees)	March 31, 1998		Schedule	(Rupees)	March 31, 1998
Sources of Funds				Income			
Share Capital	1	20	20	Business Service Charges		8,069,525	—
Reserves and Surplus:				Interest (TDS Rs. 315,698)		2,675,512	—
Profit and Loss Account		1,366,328	—	Miscellaneous Income		44,000	—
Unsecured Loans and Advances	2	314,800,000	10,000			10,789,037	—
		<u>316,166,348</u>	<u>10,020</u>				
Application of Funds				Expenditure			
Investments	3	324,596,715	—	Interest Charges		5,253,232	—
Current Assets, Loans and Advances:				Front End Fees		3,735,365	—
Cash & Bank Balances	4	209,433	7,726	Legal & Professional Charges		250,000	—
Loans and Advances	5	60,103,733	—	Filing & Registration Fees		200	200
		<u>60,313,166</u>	<u>7,726</u>	Auditors' Remuneration		11,000	1,000
Less:				Bank Charges		60	100
Current Liabilities & Provisions	6	68,761,975	28,000	Preliminary Expenses Written Off		7,902	—
Net Current Assets/(Liabilities)		(8,448,809)	(20,274)	Provision for Taxation		161,000	—
Miscellaneous Expenditure (to the extent not written off or adjusted):						9,418,759	1,300
Preliminary Expenses		18,442	26,344	Profit/(Loss) for the year		1,370,278	(1,300)
Profit and Loss Account		—	3,950	Balance Brought forward from previous year		(3,950)	(2,650)
		<u>316,166,348</u>	<u>10,020</u>	Balance carried to Balance Sheet		1,366,328	(3,950)
Significant Accounting Policies	7						

Per our Report attached

For ICICI Real Estate Company Limited

For S.B. BILLIMORIA & CO.
Chartered Accountants

S. J. MERCHANT
Partner

SUBHASH DHAVALA
Director

R. VENKATARAGHAVAN
Director

R. KRISHNAN
Director

Mumbai, April 24, 1999

schedules

forming part of the Accounts

	(Rupees)	March 31, 1998	(Rupees)	March 31, 1998
1. Share Capital:				
Authorized –				
100,000 Equity Shares of Rs.10 each	1,000,000	1,000,000		
	<u>1,000,000</u>	<u>1,000,000</u>		
Issued, Subscribed and Paid-up –				
2 Equity Shares of Rs.10 each fully paid-up, Of the above 1 (1998-N/L) Equity Share of Rs. 10 each is held by ICICI Ltd. (Holding Co.) and the other 1 (1998-N/L) Equity Share is held by a subsidiary of ICICI Ltd.	20	20		
	<u>20</u>	<u>20</u>		
2. Unsecured Loans and Advances:				
From ICICI Ltd. (Holding Company)	288,800,000	—		
Deposits	26,000,000	—		
From Directors	—	10,000		
	<u>314,800,000</u>	<u>10,000</u>		
3. Investments:				
(Long Term – At Cost)				
1. Investment in Property	298,596,715	—		
2. Investment in Debentures of ICICI Ltd. Face Value Rs. 26,000,000 (market value Rs. 26,000,000)	26,000,000	—		
	<u>324,596,715</u>	<u>—</u>		
4. Cash and Bank Balances:				
Cash Balance on Hand	1,560	760		
Bank Balance	207,873	6,966		
	<u>209,433</u>	<u>7,726</u>		
5. Loans and Advances:				
Interest Paid in Advance	58,942,079	—		
Interest Income Receivable	717,315	—		
Amount Recoverable	128,641	—		
Advance Income Tax and Tax Deducted at Source	315,698	—		
	<u>60,103,733</u>	<u>—</u>		
6. Current Liabilities & Provisions:				
Current Liabilities –				
Advance Lease Rentals Received	68,590,975	—		
Sundry Creditors	10,000	28,000		
Provisions –				
Provision for Taxation	161,000	—		
	<u>68,761,975</u>	<u>28,000</u>		
7. Significant Accounting Policies:				
1. Method of Accounting:				
The Accounts are prepared in accordance with accounting principles generally accepted in India. The Company follows the accrual method of accounting.				
2. Revenue Recognition:				
Rental Income is accounted on an accrual basis.				
3. Investments:				
The properties acquired with the intention of long term holding are considered as Investments. The acquisition cost includes other costs incidental to the acquisition.				
4. Miscellaneous Expenditure:				
Preliminary Expenditure incurred are amortized over a period of 10 years.				

1. Registration Details

Registration No.

		0	8	5	3	8	2
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 State Code

1	1
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 Balance Sheet Date

3	1
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0	3
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9	9
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Date Month Year

2. Capital Raised during the Year

(Amount in Rupees)

Public Issue

						N	I	L
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Bonus Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Rights Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Private Placement

						N	I	L
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3. Position of Mobilization and Deployment of Funds

(Amount in Rupees)

Total Liabilities

3	8	4	9	2	8	3	2	3	.	0	0
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Total Assets

3	8	4	9	2	8	3	2	3	.	0	0
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Sources of Funds

Paid-up Capital

				2	0	.	0	0
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Reserves & Surplus

1	3	6	6	3	2	8	.	0	0
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Secured Loans

						N	I	L
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Unsecured Loans

3	1	4	8	0	0	0	0	0	.	0	0
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Application of Funds

Net Fixed Assets

						N	I	L
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Investments

3	2	4	5	9	6	7	1	5	.	0	0
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Net Current Assets and Advances

(8	4	4	8	8	0	9	.	0	0)
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Miscellaneous Expenditure

	1	8	4	4	2	.	0	0
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4. Performance of Company

(Amount in Rupees)

Turnover (Gross Income)

1	0	7	8	9	0	3	7	.	0	0
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Total Expenditure

9	2	5	7	7	5	9	.	0	0
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Profit before Tax

1	5	3	1	2	7	8	.	0	0
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Profit after Tax

1	3	7	0	2	7	8	.	0	0
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Earnings per Share in Rupees

	6	8	5	1	3	9	.	0
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Dividend Rate %

						N	I	L
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5. Generic Names of Principal Products/Services of the Company

Product Description

Item Code No.

Investment in Property	NIL
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Per our Report attached

For ICICI Real Estate Company Limited

For S.B. BILLIMORIA & CO.
Chartered Accountants

S.J. MERCHANT
Partner

SUBHASH DHAVALA
Director

R. VENKATARAGHAVAN
Director

R. KRISHNAN
Director

Mumbai, April 24, 1999

**Auditors**

M/s. N.M. Rajji & Co.
M/s. S.B. Billimoria & Co.

Advocates & Solicitors

M/s. Amarchand & Mangaldas & Suresh A. Shroff & Co.
M/s. Khaitan & Co.
M/s. Rangarajan & Prabhakaran
M/s. Khaitan & Khaitan

Registered Office

ICICI Towers, Bandra-Kurla Complex, Mumbai 400 051
Tel : 022-6531414, Fax : 022-6531122
Website : <http://www.icici.com>

Western Regional Office

ICICI Towers, Bandra-Kurla Complex, Mumbai 400 051
Tel : 022-6531414, Fax : 022-6531268/69

Zonal Offices

2-B Gorky Terrace, Calcutta 700 017
Tel : 033-2400713/16/23, Fax : 033-2479054

1, Cenotaph Road, Chennai 600 018
Tel : 044-4364621/22/23/24/25/26/27/28, Fax : 044-4342588

Jeevan Bharati, Tower II, Level 6, 124 Connaught Circus, New Delhi 110 001
Tel : 011-3319611/12/13/14, Fax : 011-3322637

Raheja Towers, 2nd Floor, East Wing, 26-27, M.G. Road, Bangalore 560 001
Tel : 080-5588558/5550050, Fax : 080-5588556

JMC House, 9th & 10th Floor, Opp. Parimal Garden, Ambawadi, Ahmedabad 380 006
Tel : 079-6566301/2/3/4/5/6/7/8/9/10/6463270/6463089/6463090/6463097, Fax : 079-6566302

Cheran Plaza, 1st Floor, 1619, Trichy Road, Coimbatore 641 018
Tel : 0422-300199/300202/300207/301371, Fax : 0422-301373

L.B. Bhavan, 4th Floor, 6-3-550, Somajiguda, Hyderabad 500 082
Tel : 040-3328071, Fax : 040-3328070

'A' Wing, Shangrila Gardens, 3rd Floor, Bund Garden Road, Pune 411 001
Tel : 020-628221-25, Fax : 020-628226

Development Office

C/o NEITCO, Udyog Vikas Bhawan, G.S. Road, Bhangagarh, Guwahati 781 005, Assam
Tel : 0361-563592/564170/563058, Fax : 0361-563592

ICICI Infotech Services Limited

Maratha Mandir Annexe, Dr. A.R. Nair Road, Mumbai Central, Mumbai 400 008
Tel : 022-3006711-20, Fax : 022-3006727

Safety Centres (For all shareholder and bondholder queries)

ICICI Safety Centre, Shop Nos. 36 and 43, Plot No. 72, Shiv Centre, Sector 17, Vashi, Navi Mumbai 400 703
Tel : 022-7621881/7630003

ICICI Safety Centre, Ground Floor, 'B' Wing, No. 50, Ganapathi Plaza, Mirza Ismail Road, Jaipur
Tel : 0141-362729, Fax : 0141-369226

ICICI Safety Centre, Shop No. A/A-1, Ground Floor, Nand Dham Co-op. Hsg. Society, L.T. Road, Borivali (W) Mumbai 400 092
Tel : 022-8068752/8068753/8068754

ICICI Safety Centre, Flat No. 1, Ground Floor, Shangun Palace, 3, Sapru Marg, Lucknow, Uttar Pradesh
Tel : 0522-217029/282591

ICICI Safety Centre, Upper Ground Floor, Shop No. 4, Mall Plaza, The Mall, Ludhiana, Punjab

ICICI Safety Centre, Shop No. 2, Ground Floor, Mahavir Co-operative Housing Society, Hari Niwas, Panchpakadi, Thane (W), Mumbai 400 602, Tel : 022-5344769/5337098/5343777

