

### **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

Your Directors are pleased to present to the members the Third Annual Report together with the Audited Financial Statements of the Company.

ICICI International Limited acquitted itself quite creditably during the financial year 1998-99. Gross revenues during the year under review were USD 638,136, up 62 per cent from USD 394,928 in the previous year. Reflecting the nature of the Company's business, fee income at USD 625,476 had the strongest influence on the revenue growth. Income from liquid asset portfolio was marginally lower at USD 12,660 during 1998-99 as compared to USD 12,763 in the previous year.

The gross expenditure of USD 473,723 was 43 per cent higher than the gross expenditure recorded in the previous year. The advisory fees of USD 464,000 paid to ICICI Venture Funds Management accounted for about 98% of the total expenses.

Reflecting the improved financial performance, the net profit during the year was higher at USD 164,413. Earnings per share too was higher at USD 4.11 per ordinary share (face value USD 10) compared to USD 1.58 in the previous year.

As a prudent financial measure, the Board has created a contingency reserve of USD 120,000. The dividend for the financial year has also been stepped up from 90 cents per share to USD 1 per share. The aggregate dividend of USD 40,000 would be paid to the shareholders after obtaining the approval of the members in a general meeting. The Board is also pleased to report that consequent to the purchase of the Company's shares by ICICI, the name of the Company was changed during the year from TDICI Investment Management Company to ICICI International Limited.

Going forward, we believe that the Company has built considerable expertise in

offshore investments. It is felt the Company could utilise this strength to advantage in meeting the growing funding requirements of Indian corporates planning to establish an overseas presence.

### DIRECTORS

The Directors who were in office during the year ended 31 March are :

N. Vaghul	(Appointed 19 October, 1995)
A.J.V. Jayachander	(Appointed 2 May, 1997)
Couldip Basanta Lala	(Appointed 19 October, 1995)
Kapil Dev Joory	(Appointed 19 October, 1995)

### AUDITORS

The Auditors, Horwath Mauritius, 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 : 21 April, 1999

# auditors' report

## To the Members of ICICI International Limited

We have audited the financial statements of ICICI INTERNATIONAL LIMITED set out on pages 130 to 131 which have been prepared on the basis of the accounting policies set out on page .

### 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, 1999 and of its profit, changes in equity, and cash flow for the year then ended and have been properly prepared in accordance with International Accounting Standards and applicable provision of the Companies Act 1984.

HORWATH MAURITIUS  
Public Accountants

PER K.S. SEWRAZ (FCCA)  
Signing Partner

Port Louis  
Mauritius

Date : 21 April, 1999

A member of Horwath International

# balance sheet profit and loss account



as at March 31, 1999

for the period ended March 31, 1999

	Note	(USD)	March 31, 1998	Note	(USD)	March 31, 1998	
<b>ASSETS</b>				<b>REVENUE</b>			
<b>Non-current Assets</b>				Management Fee			
Investments in Associate	2	<u>300,000</u>	300,000		<u>625,476</u>	382,165	
<b>Current Assets</b>				Interest Income			
Accounts Receivable	3	<u>2,716</u>	2,735		<u>12,660</u>	12,763	
Cash at Bank		<u>289,806</u>	168,993		<u>638,136</u>	394,928	
		<u>292,522</u>	171,728	<b>EXPENDITURE</b>			
<b>Total Assets</b>		<u><u>592,522</u></u>	<u>471,728</u>	Advisory Fees	<u>464,000</u>	300,000	
<b>EQUITY AND LIABILITIES</b>				Marketing Expenses	—	18,400	
<b>Capital and Reserves</b>				Licence Fees	<u>1,500</u>	1,500	
Issued Capital	4	<u>400,000</u>	400,000	Administration & Professional Fees	<u>5,561</u>	4,197	
Accumulated Profit		<u>31,606</u>	27,193	Audit Fees	<u>1,870</u>	1,000	
Contingency Reserve		<u>120,000</u>	—	Bank Charges	<u>792</u>	399	
		<u>551,606</u>	427,193	Preliminary Expenses written off	—	6,239	
<b>Current Liabilities</b>					<u>473,723</u>	331,735	
Accounts payable	5	<u>40,916</u>	44,535	<b>NET PROFIT FOR THE YEAR</b>			
<b>Total Equity and Liabilities</b>		<u><u>592,522</u></u>	<u>471,728</u>		<u>164,413</u>	63,193	
				<b>CONTINGENCIES RESERVE</b>			
					<u>120,000</u>	—	
				<b>NET PROFIT BEFORE DIVIDEND</b>			
					<u>44,413</u>	63,193	
				<b>PROPOSED DIVIDEND</b>			
					<u>(40,000)</u>	(36,000)	
				<b>RETAINED PROFIT</b>			
					<u>4,413</u>	27,193	

Approved by the Board of Directors on 21 April, 1999

COULDIP BASANTA LALA  
Director

KAPIL DEV JOORY  
Director

## statement of changes in equity

for the year ended March 31, 1999

	SHARE CAPITAL	CONTINGENCY RESERVE	ACCUMULATED PROFIT	TOTAL
	USD		USD	USD
Balance as at 31 March, 1997	400,000	—	—	400,000
Net Profit for the year	—	—	63,193	63,193
Dividend	—	—	(36,000)	(36,000)
Balance as at 31 March, 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
<b>Balance as at 31 March, 1999</b>	<u><u>400,000</u></u>	<u><u>120,000</u></u>	<u><u>31,606</u></u>	<u><u>551,606</u></u>

The notes on page 131 form an integral part of these financial statements.

# cash flow statement

for the year ended March 31, 1999

	1999 USD	1998 USD		1999 USD	1998 USD
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net profit before taxation	164,413	63,193	Purchase of Shares	—	(300,000)
Adjustment for: Preliminary Expenses	—	6,239	Net cash used in investing activities	—	(300,000)
Operating profit before working capital changes	164,413	69,432	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Decrease/(increase) in Accounts receivable	19	10,625	Dividends paid	(36,000)	—
Decrease/(increase) in Accounts payable	(7,619)	8,035	Net cash used in financing activities	(36,000)	—
Net cash from operating activities	156,813	88,092	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	120,813	(211,908)
			<b>CASH AND CASH EQUIVALENTS AT 1 APRIL, 1998</b>	168,993	380,901
			<b>CASH AND CASH EQUIVALENTS AT 31 MARCH, 1999</b>	289,806	168,993

## notes

to the financial statements for the year ended March 31, 1999

### 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	300,000	50	300,000	3,00,000

#### (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. Accounts Receivable

	1999 USD	1998 USD
Prepayment and accrued Interest	2,716	2,735

### 4. Share Capital

1999  
USD

1998  
USD

#### Authorized

50,000 Ordinary shares of US\$ 10 each

500,000

500,000

#### Issued and fully paid

40,000 Ordinary shares of US\$ 10 each

400,000

400,000

### 5. Accounts Payable

Accrued Expenses

916

8,535

Proposed Dividend (@ 10% on the paid-up capital of USD 400,000)

40,000

36,000

40,916

44,535

### 6. Change of Name

With effect from 15 September, 1998 the Company's name has been changed from TDICI Investment Management Company to ICICI International Limited.

### 7. 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 131 form an integral part of these financial statements.