



3RD ANNUAL REPORT AND ACCOUNTS 1998-99

Directors

Chairman K. Mohandas, IAS
K. Bharathan
C.S. Damle
Dr. G.C. Gopala Pillai
Suneet K. Maheshwari
Neeta Mukerji (Smt.)
R. Vedasagar

Chief Executive Officer Sarath Chandran

Auditors

M/s. Mohan & Mohan Associates
Chartered Accountants
A-21, Jawahar Nagar,
Thiruvananthapuram 695 041

Registered Office

KINFRA HOUSE
TC 14/1026, Vellayambala
Thiruvananthapuram 695 041
Kerala, India

Administrative Office

TC 2/3598, Lakshmi Nivas, Pattom
Thiruvananthapuram 695 004
Kerala, India

directors' report

To the Members

Your Directors are pleased to present the Third Annual Report of the Company with the Audited statement of Accounts for the year ended March 31, 1999.

FINANCIAL RESULTS

Your directors are pleased to report that your Company earned an income of Rs. 45.01 lakhs from operations for the year ended 31st March, 1999. The brief summaries of the financial results of your Company are as under:

	March 31, 1999	March 31, 1998
Profit before Depreciation and Tax	6.58	4.96
Depreciation	1.18	0.69
Profit before Tax	5.84	4.28
Less: Provision for Tax	2.04	0.07
Profit after Tax	3.79	4.20
Appropriations	0.59	(3.61)
Balance carried to Balance Sheet	4.38	0.59

Your Company ICICI KINFRA LIMITED has completed its third year of operations, after its incorporation on 1st January, 1996. Your Company's corporate office at Thiruvananthapuram started functioning by mid 1996 and financial year 1998-99 is the second full financial year in operation. The Company by its natural mandate has initiated infrastructure project development through private participation. The Company during the year was to take up at least one project through this route and demonstrate success. Your Directors are happy to inform you that your Company has structured the first BOT bridge project for the State during the financial year 1998-99. In order to propagate the advantage of private sector participation and to explore its application in newer areas, your Company conducted two major workshops with local bodies during the year focusing on urban infrastructure. This was received well and the Company has received encouraging response from corporations and large municipalities for undertaking projects with private participation.

Your Company has been able to build a good pipeline of projects to be developed. The Company was able to make substantial progress by making inroads into the core infrastructure areas like transportation, inland waterways and tourism by identifying the projects for development. Your Company, during financial year 1998-99 has undertaken project development and also rendered advisory services. During the current financial year your Company has structured a 0.5 Km long bridge project across the navigational canal at Cochin which is awaiting technical and commercial bids in April 1999. This project happens to be the first BOT project for the state and has attracted leading construction companies of the country.

The Company has a wide range of projects under development in core infrastructure areas such as transportation, power, tourism and urban infrastructure.

VISION AND BUSINESS STRATEGY FOR THE FUTURE

- Identify infrastructure projects in the state
- Develop/assist state agencies in the development of projects for private sector participation
- Take up sponsor's role by participation in equity in these projects making them both attractive and bankable projects
- Become a project development agency which develops projects at the state level for private participation and takes up promotional equity in these projects.

In line with its vision your Company plans to undertake select projects for private participation in consultation with the Government of Kerala.

DIVIDEND

Your Directors do not recommend payment of dividend for the current year.

DIRECTORS

There have not been any changes among the directors.

AUDITORS

M/s. Mohan & Mohan Associates, Chartered Accountants, Thiruvananthapuram are the Auditors of the Company; they retire at the ensuing Annual General Meeting and are eligible for re-appointment.

ACKNOWLEDGEMENT

The Board wishes to acknowledge the support and advice extended by Sri M. Mohan Kumar IAS, Chief Secretary to the Government of Kerala and other officials of Government of Kerala, Sri Babu Rajeevan IAS, Chairman, Cochin Port Trust, Sri K. Balachandran, Chairman, Greater Cochin Development Authority, Sri K.C. Koshy, Chief Engineer, Cochin Port Trust, Dr. P. V. Chandramohan, Project Manager, Goshree Island Development Authority, Worshipful Mayors of Cochin and Calicut and Sri Bains and Sri Veermani, Directors of Thiruvananthapuram Airport. The Board is also grateful to ICICI, KINFRA, KSIDC, Department of Finance, Department of Industries, Department of Tourism, Department of Irrigation, KFC, KWA, PWD, Local Administration Department and Local bodies, GCDA, Cochin Port Trust, AAI & MPEDA for their continued support.

For and on behalf of the Board

K. MOHANDAS, IAS
Chairman

Thiruvananthapuram
April 12, 1999

auditors' report



To the Members of ICICI Kinfra Limited

We have audited the attached Balance Sheet of ICICI KINFRA Limited as at March 31, 1999 and the Profit and Loss Account for the period ended on that date and report that:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we give 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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet and the Profit and Loss Account dealt by this report are in agreement with the books of account.

- d. In our opinion, the Profit & Loss Account and Balance Sheet are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211.
- e. In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read with the notes appearing thereon 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 31st March, 1999.
 - ii. In the case of the Profit and Loss Account, of the profit of the Company for the financial year ended that date.

For MOHAN & MOHAN ASSOCIATES
Chartered Accountants

R. SURESH MOHAN
Partner

Thiruvananthapuram, April 12, 1999

annexure

To the Auditor's Report

TO THE MEMBERS OF ICICI KINFRA LIMITED, THIRUVANANTHAPURAM ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1999

(Referred to in paragraph (1) of our Report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. We are informed that all the fixed assets have been physically verified by the Management at reasonable intervals and that no material discrepancies have been noted on such verification.
2. The fixed assets of the Company have not been revalued during the period.
3. The Company has not taken any loans secured or unsecured from Companies listed in the Register maintained under Section 301 of the Companies Act, 1956 and from any companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
4. The Company has not granted any loans, secured or unsecured to Companies, Firms or Other Parties listed in the Register maintained under Section 301 of the Companies Act, 1956 and to any companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
5. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures laid down in the Company commensurate with the size and nature of its business for the purchase of Equipment and Other Assets.
6. According to the information and explanations given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts and arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956, aggregating during the period to Rs. 50,000/- or more in respect of each party.

7. As far as we have been able to ascertain, the Company has not accepted during the period any deposits from the public and therefore the directives issued by the Reserve Bank of India and the provisions of Section 58 A of the Companies Act, 1956 and the rules framed thereunder are not applicable.
8. We are informed that the provisions of Provident Fund Scheme and Employees' State Insurance Scheme are not applicable to the Company during the period under audit.
9. There were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty which have remained outstanding as at 31st March, 1999, for a period of more than 6 (six) months from the date they became payable.
10. According to the information and explanations given to us, and the records examined by us, no personal expenses of employees or Directors have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
11. We are informed that provisions of any special statute applicable to chit funds, nidhi, mutual benefit society do not apply to the Company.
12. The sub-clauses (iv), (v), (vi), (xii), (xiv), (xv), (xvi) and (xx) of clause 4(A) of the Order are not applicable to the Company during the period under audit.

For MOHAN & MOHAN ASSOCIATES
Chartered Accountants

R. SURESH MOHAN
Partner

Thiruvananthapuram, April 12, 1999

balance sheet

profit & loss account

as at March 31, 1999

for the period ended March 31, 1999

	Schedule	(Rupees)	March 31, 1998		Schedule	(Rupees)	March 31, 1998
SOURCES OF FUNDS				Net Income from Operations			
(1) Shareholders' Funds:				A. Income from Operations			
Share Capital	1	3,007,000	2,107,000	(TDS Rs.1,35,775, Previous year Rs. 30,550)		4,501,133	1,947,990
Profit & Loss Account		438,388	58,857	Total Income from Operations		4,501,133	1,947,990
Total		3,445,388	2,165,857	Less: Operating Expenditure			
APPLICATION OF FUNDS				Payments to and Provisions			
(1) Fixed Assets				for Employees	4	733,211	96,197
Gross Block		1,026,665	411,523	Administrative and Other Expenses	5	1,935,343	1,074,340
Less: Depreciation		186,637	68,636	Professional Service Charges		1,107,485	250,000
Net Block	8	840,028	342,887	Preliminary Expenses Written Off	6	67,100	67,094
(2) Current Assets, Loans & Advances	2			Depreciation	8	118,001	68,551
A. Current Assets		3,236,406	1,541,158	Total		3,961,140	1,556,182
B. Loans & Advances		292,376	130,873	Profit from operations		539,993	391,808
		3,528,782	1,672,031	Other Income			
Less: Current Liabilities	3	1,393,074	385,813	Miscellaneous Receipts	7	4,074	36,000
Net Current Assets		2,135,708	1,286,218	Previous years exp. written back		39,826	283,000
(3) Miscellaneous Expenditure				Profit before Taxation		583,893	710,808
(to the extent not written off or adjusted)	6	469,652	536,752	Less: Provision for Taxation		204,362	7,500
Total		3,445,388	2,165,857	Profit after tax		379,531	703,308
Notes forming part of Accounts	9			Profit/(Loss) b/f from previous year		58,857	(644,451)
				Profit carried to Balance Sheet		438,388	58,857
				Notes forming part of Accounts	9		

Schedules 1 to 9 hereto form part of Balance Sheet and Profit and Loss Account

As per our Report attached

For MOHAN & MOHAN ASSOCIATES
Chartered Accountants

R. SURESH MOHAN
Partner

Thiruvananthapuram, April 12, 1999

For ICICI KINFRA LIMITED

K. BHARATHAN
Director

DR. G. C. GOPALA PILLAI
Director

C. S. DAMLE
Director

Thiruvananthapuram, April 12, 1999

schedules



forming part of the Balance Sheet and Profit & Loss Account

	(Rupees)	March 31, 1998	(Rupees)	March 31, 1998
1. SHARE CAPITAL				
(1,50,00,000 Equity Shares of Rs. 10 each)	150,00,000	<i>150,00,000</i>		
Issued, Subscribed and Paid-up Capital (3,00,700 Equity Shares of Rs. 10 each) (Of the above, 2,28,500 (<i>previous year 2,28,000</i>) shares are held by The Industrial Credit and Investment Corporation of India Limited (the holding company) or its nominees)	3,007,000	<i>3,007,000</i>		
Less: Calls-in-arrears	NIL	<i>900,000</i>		
	3,007,000	<i>2,107,000</i>		
2. CURRENT ASSETS, LOANS AND ADVANCES				
A. Current Assets				
Sundry Debtors: (Unsecured, considered good) Outstanding for a period less than six months	2,086,875	<i>836,990</i>		
Others	426,675	<i>NIL</i>		
Cash & Bank Balances:				
Cash in hand	6,961	<i>6,897</i>		
Cheque in hand	105,000	<i>NIL</i>		
Balance with Scheduled Bank:				
In Current Account	565,867	<i>61,271</i>		
In Fixed Deposit Account (interest accrued on above Rs. 3,241)	45,028	<i>636,000</i>		
	3,236,406	<i>1,541,158</i>		
B. Loans & Advances				
(Unsecured, considered good) Advances recoverable in cash or in kind or for value to be received	37,552	<i>29,823</i>		
Deposit with Government	43,000	<i>19,000</i>		
Deposit with other parties	45,500	<i>51,500</i>		
Tax deducted at source	166,324	<i>30,550</i>		
	292,376	<i>130,873</i>		
3. CURRENT LIABILITIES				
For Expenses & Services	953,119	<i>204,950</i>		
For Supplies	32,750	<i>833</i>		
Other Liabilities	194,093	<i>172,530</i>		
Provision for Taxation	211,862	<i>7,500</i>		
Tax Deducted at Source	1,250	<i>NIL</i>		
	1,393,074	<i>385,813</i>		
4. PAYMENT TO & PROVISIONS FOR EMPLOYEES				
Service Charges	222,800	<i>76,225</i>		
Staff Welfare Expenses	25,369	<i>6,010</i>		
Remuneration to CEO	485,042	<i>13,962</i>		
	733,211	<i>96,197</i>		
5. ADMINISTRATIVE & OTHER EXPENSES				
Travelling Expenses	666,700	<i>462,895</i>		
Repairs & Maintenance Expenses (Equipment)	3,445	<i>10,680</i>		
Repairs & Maintenance Expenses (Others)	69,996	<i>29,339</i>		
Rent, Electricity & Security Charges	131,909	<i>135,262</i>		
Audit Fees	20,000	<i>20,000</i>		
Bank Charges	1,697	<i>4,654</i>		
Books & Periodicals	19,216	<i>12,895</i>		
Business Promotion & Other Expenses	103,310	<i>44,055</i>		
Filing Fee	840	<i>2,040</i>		
Meeting Expenses	68,907	<i>10,549</i>		
Membership Fees	6,500	<i>6,000</i>		
Rates & Taxes	3,550	<i>NIL</i>		
Tax Audit Fees	7,500	<i>NIL</i>		
Office Expenses	44,260	<i>16,195</i>		
Postage & Telegram	5,595	<i>7,534</i>		
Printing & Stationery	155,310	<i>88,975</i>		
Computer Hire Charges	11,200	<i>NIL</i>		
Local Conveyance	322,717	<i>28,949</i>		
Telephone Charges	264,506	<i>191,818</i>		
Advertisement & Publicity	27,603	<i>2,500</i>		
Miscellaneous Expenses	582	<i>NIL</i>		
	1,935,343	<i>1,074,340</i>		
6. MISCELLANEOUS EXPENDITURE				
Amount as on 31.03.1998	536,752	<i>603,846</i>		
Less: Written off this year	67,100	<i>67,094</i>		
	469,652	<i>536,752</i>		
7. MISCELLANEOUS RECEIPTS				
Interest on Fixed Deposit	3,241	<i>36,000</i>		
Miscellaneous Income	833	<i>NIL</i>		
	4,074	<i>36,000</i>		

8. FIXED ASSETS

Rupees

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at April 1, 1998	Additions during 98-99	As at March 31, 1999	Up to March 31, 1998	Provided during 1998-99	Up to March 31, 1999	As at March 31, 1998	As at March 31, 1999
a. Furniture & Fixtures	398,618	217,740	616,358	67,374	83,272	150,646	331,244	465,712
b. Office Equipment	NIL	214,735	214,735	NIL	18,990	18,990	NIL	195,745
c. Mobile Telephone	10,950	NIL	10,950	896	1,820	2,716	10,054	8,234
d. Computer & Accessories	NIL	182,667	182,667	NIL	13,601	13,601	NIL	169,066
e. Vehicle	1,955	NIL	1,955	366	318	684	1,589	1,271
Total	411,523	615,142	1,026,665	68,636	118,001	186,637	342,887	840,028
Previous Year	1,460	410,063	411,523	85	68,551	68,636	1,375	342,887

schedules

notes forming part of Accounts

9. NOTES FORMING PART OF ACCOUNTS

- The Company's nature of business is consultancy and allied services and hence the provision contained in Part II Schedule VI as to licensed capacities, installed capacities and quantitative particulars of consumption of raw material, etc., are not applicable.
- In the opinion of the Directors, current assets, loans and advances have the value as stated on the balance sheet date if realized in the ordinary course of business.
- Sundry debtors include Rs. 3,90,625 due from M/s. Kerala Industrial Infrastructure Development Corporation (under the Management of Government of Kerala) on account of consultancy service rendered by the Company.
- Claims against the Company not acknowledged as debts : NIL
Expenditure in foreign currency : NIL
CIF value of imports : NIL
- Auditors' remuneration provided during the year consists of the following:

Particulars	As on 31.03.1999	As on 31.03.1998
a) Audit Fee	20,000	20,000
b) Company Law matters	NIL	10,000
c) Tax Audit Fees	7,500	NIL
- Amounts due to Small Scale Industrial Undertaking in excess of Rs. 1 lakh and outstanding for more than 30 days: NIL

SIGNIFICANT ACCOUNTING POLICIES

Accounting Convention: The financial statements have been prepared in accordance with the historical cost convention on the going concern concept.

Method of Accounting: The Company adopts accrual basis in the preparation of the accounts.

Rounding of Figures: Figures are rounded off wherever required.

Fixed Assets: Fixed assets are stated at cost less depreciation. Expenditure which is of capital nature is capitalized at a cost which comprises purchase cost, levies and any directly attributable cost of bringing the assets to working condition for the intended use.

Depreciation: Depreciation has been provided for on written down value method in accordance with the provision of Schedule XIV of the Companies Act, 1956 on assets which have been installed and put to use. Depreciation on addition is provided on pro-rata basis.

Revenue Recognition: Income is recognized on the basis of invoices raised for completed assignment and/or to the portion of the assignment completed.

Others:

No provision has been made in the accounts for provident fund, gratuity and retirement benefits for the employees since no such scheme has been introduced in the Company.

Previous year's figures have been regrouped/recast wherever necessary so as to suit the current year layout.

Contingent Liabilities: All known liabilities have been provided in the accounts except liabilities of a contingent nature, which have been disclosed at the estimated value in the notes on accounts (Rupees NIL).

Preliminary Expenses: Preliminary and pre-operative expenses are amortized over a period of 10 years.

Signatories to Schedules 1 to 9

As per our Report attached

For ICICI KINFRA LIMITED

For MOHAN & MOHAN ASSOCIATES
Chartered Accountants

K. BHARATHAN
Director

R. SURESH MOHAN
Partner

DR. G. C. GOPALA PILLAI
Director

C. S. DAMLE
Director

Thiruvananthapuram, April 12, 1999

Thiruvananthapuram, April 12, 1999

1. Registration Details

Registration No. 0 9 8 4 8
 Balance Sheet Date 3 1 0 3 9 9
Date Month Year State Code 0 9

2. Capital raised during the Year

(Amount in Rupees Thousand)

Public Issue

 N I L

Bonus Issue

 N I L

Rights Issue

 N I L

Private Placement

 N I L

3. Position of Mobilization and Deployment of Funds

(Amount in Rupees Thousand)

Total Liabilities

 4 8 3 8

Total Assets

 4 8 3 8

Sources of Funds

Paid-up Capital

 3 0 0 7

Reserves & Surplus

 4 3 8

Secured Loans

 N I L

Unsecured Loans

 N I L

Application of Funds

Net Fixed Assets

 8 4 0

Investments

 N I L

Net Current Assets

 2 1 3 6

Miscellaneous Expenditure

 4 6 9

4. Performance of the Company

(Amount in Rupees Thousand)

Turnover

 4 5 0 5

Total Expenditure

 3 9 2 1

Profit before Tax

 5 8 4

Profit after Tax

 3 8 0

Earnings per Share in Rupees

 1 . 2 6

Dividend Rate %

 N I L

5. Generic Names of Principal Services of the Company (as per monetary terms)

Item Code No. (ITC Code) : Service
 Product Description : Consultancy Services

As per our Report attached

For ICICI KINFRA LIMITED

 For MOHAN & MOHAN ASSOCIATES
 Chartered Accountants

 K. BHARATHAN
 Director

 R. SURESH MOHAN
 Partner

 DR. G. C. GOPALA PILLAI
 Director

 C. S. DAMLE
 Director

Thiruvananthapuram, April 12, 1999

Thiruvananthapuram, April 12, 1999