



# auditors' report



TO THE MEMBERS OF ICICI LIMITED

We have audited the attached Balance Sheet of ICICI Limited as at March 31, 1999 and the annexed Revenue Account for the year ended on that date and report that:

- (1) As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4) of the Companies Act, 1956, we enclose 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 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 and Revenue Account dealt with by this report are in agreement with the books of account of the Company;
  - (d) in our opinion, the Balance Sheet and Revenue 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;
  - (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 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 March 31, 1999; and
    - (ii) in the case of the Revenue Account, of the profit for the year ended on that date.

For S.B. BILLIMORIA & CO.  
*Chartered Accountants*

For N.M. RAIJI & CO.  
*Chartered Accountants*

S.J. MERCHANT  
*Partner*

A.R. GANDHI  
*Partner*

*Mumbai, April 28, 1999*

# annexure

## to the Auditors' Report

### 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. The Company has a programme of physically verifying all fixed assets, other than leased assets, in a year, which, according to us, is reasonable. The said fixed assets have been accordingly verified by the management. No material discrepancies have been noticed on such physical verification. In respect of the leased assets, the verification is by periodic physical check at client location and obtaining confirmations from lessees; the frequency of physical check is determined based on asset values. The above procedure is considered reasonable, taking into account the constraints in arranging for physical verification of the assets located at the premises of the various lessees. In respect of leased assets of erstwhile Anagram Finance Limited no physical verification was conducted during the year.
2. None of the fixed assets have been revalued during the year.
3. As per the information furnished, the Company has in the normal course of its business granted loans, secured or unsecured to companies, firms or other parties listed in the register maintained pursuant to provisions of Section 301 of the Companies Act, 1956. The rate of interest and other terms are prima facie not prejudicial to the interest of the Company. We have been further informed that there are no companies under the same management within the meaning of Section 370(1-B) of the Act.
4. As per the information furnished, the Company has in the normal course of its business taken unsecured loans from companies, firms or other parties listed in the register maintained pursuant to provisions of Section 301 of the Companies Act, 1956. We have been further informed that there are no companies under the same management within the meaning of Section 370(1-B) of the Act.
5. The parties to whom loans and advances in the nature of loans have been granted by the Company, are generally repaying the principal amounts as stipulated and are also generally regular in the payment of interest. In cases, where instalments of principal and/or interest are not received, it is the practice of the Company to review the operations of the borrower and on the basis of such review, to take such steps as are considered reasonable in the circumstances, having regard to the overall objectives of the Company. Normally, these steps consist of rephasing the loan amortization schedule and, in some cases, financial restructuring towards final recovery or resorting to legal remedies for recovery.  
The Company has also granted loans to employees, who are repaying the principal amounts as stipulated and are also regular in the payment of interest.
6. In our opinion and according to the information and explanations given to us there are adequate internal control procedures (other than in respect of the operations of erstwhile Anagram Finance Limited), which are commensurate with the size of the Company and the nature of its business with regard to the purchase of plant and machinery, equipment and other assets, including leased assets.
7. The provisions of Section 58A of the Companies Act, 1956 are not applicable to the Company. Further, Reserve Bank of India has exempted the Company from compliance with the provisions of the Non-Banking Financial Companies (Reserve Bank) Directions, 1977 subject to certain conditions which have been complied with.
8. In our opinion, the Company has an internal audit system, which is broadly commensurate with the size of the Company and the nature of its business.
9. As per the records of the Company, the provident fund dues have been regularly deposited with the appropriate authorities during the year.
10. As per the records of the Company and the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Sales tax and Customs duty are outstanding as at the last day of the year for a period of more than six months from the date they became payable.
11. As per the records of the Company and the information and explanations given to us, no personal expenses have been charged to Revenue Account other than those payable under contractual obligations or in accordance with generally accepted business practice.
12. In relation to the service activities of the Company, there exists a reasonable internal control system commensurate with the size of the Company and the nature of its business.
13. Adequate documents and records are generally maintained in cases where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.
14. In respect of the investments and dealings by the Company in shares, securities, debentures and other money market instruments etc., proper records have been maintained of the transactions and contracts and timely entries have been made therein; all the shares, securities, debentures and other investments are held in the name of the Company except for securities held as stock-in-trade and such investments acquired upon amalgamation and to the extent of exemptions granted under Section 49 of the Companies Act, 1956.

For S.B. BILLIMORIA & CO.  
*Chartered Accountants*

S.J. MERCHANT  
*Partner*

*Mumbai, April 28, 1999*

For N.M. RAJI & CO.  
*Chartered Accountants*

A.R. GANDHI  
*Partner*

# balance sheet

**ICICI** as at March 31, 1999

Schedule No. (Rupees in million) March 31, 1998

## I. SOURCES OF FUNDS

### (1) Shareholders' Funds:

A. Share Capital .....	I	<b>18,627.5</b>	11,132.7
B. Reserves and Surplus .....	II	<b>46,550.9</b>	41,921.7
			<u>53,054.4</u>
		<b>65,178.4</b>	

### (2) Loan Funds:

#### Unsecured Loans:

A. Rupee Loans .....	III	<b>376,373.8</b>	272,534.9
B. Foreign Currency Loans .....		<b>100,211.7</b>	101,950.6
			<u>374,485.5</u>
		<b>476,585.5</b>	
		<b>541,763.9</b>	<u>427,539.9</u>

## II. APPLICATION OF FUNDS

(1) Investments .....	IV	<b>82,901.8</b>	73,300.0
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(2) Loans and Other Credit Facilities .....	V	<b>363,173.5</b>	289,083.6
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### (3) Current Assets, Loans and Advances:

A. Current Assets –	VI		
(a) Interest Accrued on Loans .....		<b>6,644.0</b>	6,092.9
(b) Other Accrued and Outstanding Income .....		<b>7,650.8</b>	4,542.6
(c) Bills Receivable .....		<b>511.5</b>	58.5
(d) Securities held as Stock-in-trade .....		<b>16,163.2</b>	1,545.4
(e) Stock on Hire under Hire Purchase Agreements .....		<b>2,436.4</b>	1,774.2
(f) Sundry Debtors .....		<b>1,215.7</b>	587.5
(g) Other Current Assets .....		—	24.5
(h) Cash and Bank Balances and Deposits .....		<b>39,610.9</b>	27,585.6
		<b>74,232.5</b>	42,211.2
B. Loans and Advances .....		<b>24,797.5</b>	20,431.9
		<b>99,030.0</b>	62,643.1

Less:

#### Current Liabilities and Provisions:

A. Current Liabilities .....	VII	<b>33,128.5</b>	22,135.7
B. Provisions .....		<b>10,574.7</b>	9,525.9
		<b>43,703.2</b>	31,661.6

Net Current Assets and Advances .....		<b>55,326.8</b>	30,981.5
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(4) Fixed Assets .....	VIII	<b>37,167.9</b>	31,119.3
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(5) Miscellaneous Expenditure .....	IX	<b>3,193.9</b>	3,055.5
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		<b>541,763.9</b>	427,539.9
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Notes Forming Part of the Accounts .....	XIII		
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Significant Accounting Policies .....	XIV		
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Per our Report attached

For S.B. BILLIMORIA & CO.  
Chartered Accountants

For N.M. RAIJI & CO.  
Chartered Accountants

S.J. MERCHANT  
Partner

A.R. GANDHI  
Partner

V. SRINIVASAN  
General Manager  
& Company Secretary

SHALINI S. SHAH  
General Manager

For and on behalf of the Board

N. VAGHUL  
Chairman  
K.V. KAMATH  
Managing Director & CEO  
LALITA D. GUPTA  
Joint Managing Director & COO  
S.H. BHOJANI  
Deputy Managing Director

April 26, 1999

Mumbai  
April 28, 1999

# revenue account

for the year ended March 31, 1999

	Schedule No.	(Rupees in million)	1997-98
<b>Net Income from Operations:</b>	X		
<b>(A) Income from Operations —</b>			
(a) From Loans and Other Credit Facilities .....		47,461.3	37,810.2
(b) From Investments .....		9,549.6	7,906.4
(c) From Leasing and Other Operations .....		15,326.0	10,693.9
		<b>72,336.9</b>	<b>56,410.5</b>
<b>(B) Profit on Sale of Investments (net) .....</b>		<b>444.2</b>	<b>1,396.4</b>
		<b>72,781.1</b>	<b>57,806.9</b>
<b>Less:</b>			
(a) Interest and Commitment Charges on Loan Funds .....		50,791.3	38,476.3
(b) Expenses on Loan Funds and Revaluation Loss/(Gain) on Foreign Currency Loans .....		152.5	374.8
(c) Discount/Premium and Expenses on Loan Funds written off .....		805.1	609.2
(net of Rs. 474.0 million appropriated from Contingency Reserve - See Note 4)			
(d) Provision for Interest-tax .....		1,050.0	845.0
(e) Depreciation on Assets given on lease .....		3,548.3	2,856.2
(f) Technical Service Charges/Management Fees on assets given on lease		33.9	47.4
(g) Bad and Doubtful Debts (Net of write back Rs. 823.6 million)[See Note 2(iii)]			
Bad Debts written off .....		1,031.0	1,080.3
Provision for Doubtful Debts .....		1,290.1	1,082.8
General provision against Sub-standard Assets .....		1,314.4	—
		<b>3,635.5</b>	<b>2,163.1</b>
		<b>60,016.6</b>	<b>45,372.0</b>
		<b>12,764.5</b>	<b>12,434.9</b>
<b>Expenditure:</b>	XI		
(a) Payments to and Provisions for Employees .....		633.6	548.7
(b) Establishment and Other Expenses .....		1,347.2	1,028.2
(c) Depreciation (other than on assets given on lease) .....		276.2	181.2
		<b>2,257.0</b>	<b>1,758.1</b>
<b>Profit from Operations .....</b>		<b>10,507.5</b>	<b>10,676.8</b>
<b>Add: Other Income .....</b>	XII	<b>450.9</b>	<b>1,136.4</b>
		<b>10,958.4</b>	<b>11,813.2</b>
<b>Less: Provision against Standard Assets .....</b>		<b>1,100.0</b>	<b>—</b>
Provision against Bad and Doubtful Debts and Other Assets .....		397.8	3,106.8
General provision against Sub-standard Assets .....		—	1,849.6
(See Note 2) .....		1,497.8	4,956.4
<b>Less: Appropriated from Allocation in terms of Section 36(1)(vii) of the</b>			
Income-tax Act, 1961 .....		—	214.1
Appropriated from Reserve for Loan Loss .....		—	54.0
Appropriated from General Reserve (Special Reserve component) .....		—	2,800.0
Appropriated from Capital Reserve .....		290.0	—
Appropriated from Special Reserve in terms of Section 36(1)(viii) of			
the Income-tax Act, 1961 .....		1,207.8	1,888.3
		<b>1,497.8</b>	<b>4,956.4</b>
		<b>—</b>	<b>—</b>
<b>Profit before Taxation .....</b>		<b>10,958.4</b>	<b>11,813.2</b>
Taxation .....		950.0	950.0
<b>Profit after Taxation .....</b>		<b>10,008.4</b>	<b>10,863.2</b>
Adjustments for change in accounting policies relating to earlier years (See Note 3) .....		558.6	(54.5)
Taxation of earlier years .....		271.9	29.3
<b>Profit for the Year .....</b>		<b>10,838.9</b>	<b>10,838.0</b>
<b>Add: Balance brought forward from previous year .....</b>		<b>531.5</b>	<b>352.5</b>
<b>Disposable Profit .....</b>		<b>11,370.4</b>	<b>11,190.5</b>
<b>Appropriations:</b>			
Capital Reserve .....		444.3	1,396.4
Capital Redemption Reserve .....		160.0	750.0
Contingency Reserve .....		—	140.0
Special Reserve - in terms of Section 36(1)(viii) of the Income-tax Act, 1961 .....		3,400.0	2,600.0
Deferred Tax Credit Reserve .....		800.0	550.0
General Reserve .....		2,250.0	2,250.0
Dividend			
— On Equity Shares (Proposed) .....		2,931.0	2,879.7
— On Preference Shares .....		703.2	92.9
(including Corporate Dividend tax Rs.354.3 million, Previous Year — Rs.270.2 million)			
		<b>3,634.2</b>	<b>2,972.6</b>
Balance carried to Balance Sheet .....		681.9	531.5
		<b>11,370.4</b>	<b>11,190.5</b>
<b>Notes Forming Part of the Accounts .....</b>	XIII		
<b>Significant Accounting Policies .....</b>	XIV		

Per our Report attached

For S.B. BILLIMORIA & CO.  
Chartered Accountants

For N.M. RAJI & CO.  
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S.J. MERCHANT  
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For and on behalf of the Board

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Managing Director & CEO

LALITA D. GUPTA  
Joint Managing Director & COO

S.H. BHOJANI  
Deputy Managing Director

Mumbai  
April 28, 1999

April 26, 1999

# schedules

**ICICI** forming part of the Accounts

(Rupees in million) March 31, 1998

## I. Share Capital:

Authorized:

600,000,000 Equity Shares of Rs. 10 each .....	<b>6,000.0</b>	6,000.0
1,000,000,000 Preference Shares of Rs.10 each .....	<b>10,000.0</b>	10,000.0
350 Preference Shares of Rs. 10,000,000 each .....	<b>3,500.0</b>	—

**19,500.0** 16,000.0

A. Issued, Subscribed and Paid-up:

478,445,852 Equity Shares of Rs.10 each fully paid-up .....	<b>4,784.4</b>	4,759.9
Less: Calls in arrears .....	<b>0.1</b>	2.3

**4,784.3** 4,757.6

Preference Shares of Rs.10 each fully paid-up redeemable at par.

No. of Shares	Rate	Date of Redemption		
83,200,000	9.3%	November 17, 2002 .....	<b>832.0</b>	832.0
160,750,000	9.5%	November 17, 2004 .....	<b>1,607.5</b>	1,607.5
15,103,000	10.5%	April 1, 2003 .....	<b>151.0</b>	151.0
26,070,000	11%	April 1, 2003 .....	<b>260.7</b>	260.7
107,660,000	10%	July 1, 2001 .....	<b>1,076.6</b>	—
50,000,000	9.25%	July 23, 1999 .....	<b>500.0</b>	—
32,000,000	10%	August 31, 2001 .....	<b>320.0</b>	—
105,000,000	10.5%	August 17, 2003 .....	<b>1,050.0</b>	—
20,000,000	9.5%	August 17, 2000 .....	<b>200.0</b>	—
11,000,000	10.5%	September 28, 2003 .....	<b>110.0</b>	—
20,000,000	10.75%	September 28, 2004 .....	<b>200.0</b>	—
3,000,000	10%	November 17, 2001 .....	<b>30.0</b>	—
50,100,000	10.6%	November 17, 2003 .....	<b>501.0</b>	—
15,000,000	10.55%	December 2, 2003 .....	<b>150.0</b>	—
5,000,000	10.1%	December 2, 2001 .....	<b>50.0</b>	—
25,000,000	10.6%	December 2, 2003 .....	<b>250.0</b>	—
50,000,000	10.75%	January 2, 2004 .....	<b>500.0</b>	—
25,000,000	10.2%	December 29, 2001 .....	<b>250.0</b>	—
40,000,000	10.8%	December 29, 2005 .....	<b>400.0</b>	—
1,500,000	10.1%	January 19, 2002 .....	<b>15.0</b>	—
1,000,000	10%	January 19, 2002 .....	<b>10.0</b>	—
3,000,000	10.5%	May 1, 2004 .....	<b>30.0</b>	—
2,000,000	10.1%	March 8, 2002 .....	<b>20.0</b>	—
75,000,000	9.6%	April 22, 2000 .....	<b>750.0</b>	—
39,532,500	10%	April 30, 2004 .....	<b>395.3</b>	—
33,000,000	10%	March 31, 2004 .....	<b>330.0</b>	—

**9,989.1** 2,851.2

350 0.001% Preference Shares of Rs.10,000,000 each  
fully paid-up redeemable at par on April 20, 2018. ....

**3,500.0** —

Of the above –

- (i) 6,750,000 Equity Shares are allotted as fully paid-up by way of bonus shares by capitalization of General Reserve;
- (ii) 188,003,743 Equity Shares are allotted as fully paid up by conversion of Debentures/Loans into Equity Shares (including 9,798,327 Equity Shares on conversion of loans of erstwhile SCICI Ltd.);
- (iii) 95,700,000 Equity Shares are allotted as fully paid-up, represented by Global Depository Receipts through an International Offering in US dollars;
- (iv) 69,184,024 Equity Shares are allotted as fully paid-up towards consideration for amalgamation of erstwhile SCICI Ltd. with the Company;
- (v) 2,395,205 Equity Shares are allotted as fully paid-up towards consideration for amalgamation of erstwhile ITC Classic Finance Ltd. with the Company.

B. Share Capital Suspense:

(Shares to be issued on amalgamation)

Equity Share Capital .....	<b>16.6</b>	23.9
Preference Share Capital .....	<b>337.5</b>	—

**354.1** 23.9

C. Advance against Issue of Preference Shares .....

— 3,500.0

**18,627.5** 11,132.7

# schedules

forming part of the Accounts

Continued

(Rs. in million)

## II. Reserves and Surplus:

	<i>Balance at March 31, 1998</i>	<b>Additions/ Adjustments on Amalgamation</b>	<b>Additions/ Transfers during the year</b>	<b>Deductions/ Transfers during the year</b>	<b>Balance at March 31, 1999</b>
Capital Reserve .....	5,481.4	—	444.3	601.0	5,324.7
Capital Redemption Reserve .....	900.0	50.0	160.0	—	1,110.0
Share Premium .....	12,890.2	—	11.6	24.3*	12,877.5
Investment Allowance Reserve .....	6.1	10.5	—	—	16.6
Deferred Tax Credit Reserve .....	4,387.5	—	800.0	—	5,187.5
Contingency Reserve .....	474.0	—	—	474.0	—
Special Reserve created in terms of Section 36(1)(viii) of the Income-tax Act, 1961 upto Assessment year 1997-98 .....	4,310.5	—	—	1,207.8	3,102.7
Special Reserve created and maintained in terms of Section 36(1)(viii) of the Income-tax Act, 1961 .	2,600.0	—	3,400.0	—	6,000.0
Amalgamation Reserve .....	598.6	(909.6)	311.0**	—	—
General Reserve .....	9,741.9	258.1	2,250.0	—	12,250.0
Revenue Account .....	531.5	—	150.4	—	681.9
	<u>41,921.7</u>	<u>(591.0)</u>	<u>7,527.3</u>	<u>2,307.1</u>	<u>46,550.9</u>
<i>Previous Year</i>	<u>39,002.1</u>	<u>(420.3)</u>	<u>8,305.3</u>	<u>4,965.4</u>	<u>41,921.7</u>

\* Share issue expenses written off.

\*\* Adjusted against Capital Reserve.

March 31, 1998

## III. Unsecured Loans:

### A. Rupee Loans —

(a) Loans and Advances from the Government of India .....	9,715.0	10,385.6
(b) Debentures and Bonds guaranteed by the Government of India .....	26,625.0	29,170.3
(c) Tax free Bonds .....	1,300.0	1,300.0
(d) Regular Interest Bonds redeemed on July 16, 1998 .....	—	4,506.7
(e) Convertible Debentures convertible into equity shares by July 18, 1999 at par/premium not exceeding Rs. 5 per share to be decided by the Company .....	518.0	518.0
(f) Regular Interest Bonds redeemable on January 13, 2001 .....	6,905.9	6,905.9
(g) Non-convertible portion of partly convertible notes redeemable by December 15, 2002 (net of allotment/call money in arrears Rs.15.3 million) .	3,993.9	3,995.1
(h) Borrowings under private placement of bonds carrying maturity of one to ten years from the date of placement (net of unamortized discount Rs.1,363.8 million) .....	204,641.6	131,276.4
(i) Bonds issued under multiple option/safety bonds series:		
– Regular Interest Bonds .....	35,473.4	21,093.8
– Deep Discount Bonds (net of unamortized discount Rs.232,406.1 million)	14,805.6	9,046.2
– Bonds with premium warrants (amount accrued on warrants Rs.298.5 million)	880.8	756.8
– Index Bonds (net of unamortized discount Rs. 140.4 million—See Note 5)	68.4	61.8
– Encash Bonds .....	1,132.3	199.8
– Capital Gains Bonds .....	1,328.9	1,327.4
– Tax Saving Bonds (net of unamortized discount Rs.492.8 million) .....	8,516.3	1,946.8
– Easy Instalment Bond (net of uncalled liabilities Rs.28.3 million) .....	9.4	—
	<u>62,215.1</u>	<u>34,432.6</u>
(j) Loans from Banks and Financial Institutions .....	16,330.0	18,982.9
(k) Deposits (net of unamortized discount Rs.533.0 million) [Including Fixed Deposits Rs. 2,880.2 million] .....	37,270.9	30,852.1
(l) Application Money received towards Bonds pending allotment .....	6,858.4	209.3
	<u>376,373.8</u>	<u>272,534.9</u>

# schedules

B. Foreign Currency Loans –		
(a) From Multilateral/Bilateral Credit Agencies (guaranteed by the Government of India equivalent of Rs. 20,492.3 million) .	<b>21,808.7</b>	20,002.6
(b) From International Banks, Institutions and Consortiums (guaranteed by the Government of India equivalent of Rs. 181.8 million) ....	<b>40,448.9</b>	42,453.0
(c) 2.5% (Net) US\$ Convertible Bonds—convertible at premium into Equity Shares on or after April 1, 1994 at the option of the bondholder(s) or redeemable at par on April 3, 2000 unless redeemed earlier at the option of the Company on or after April 1, 1997 as per the terms and conditions of the Issue of Bonds .....	<b>8,486.0</b>	7,899.0
(d) 7.125% US \$ Bonds issued at discount redeemable at par on February 7, 2003 .....	<b>5,176.5</b>	5,924.2
(e) Floating Rate Notes redeemable on October 9, 2002 .....	<b>5,855.3</b>	5,924.2
(f) 3.5% (Net) US\$ Convertible Bonds—convertible at premium into equity shares on or after January 2, 1994 at the option of Bondholders unless redeemed earlier at a premium on April 1, 1999 at the option of bondholder(s) or redeemed at par after April 1, 1999 at the option of the Company as per terms and conditions of the issue of Bonds. ....	<b>4,226.5</b>	3,949.5
(g) 8% Notes redeemable on July 30, 2001 .....	<b>6,148.1</b>	5,924.3
(h) Floating Rate Notes redeemable at par on March 26, 2007, unless redeemed earlier at the option of the Company on or after March 26, 2002 as per terms and conditions of the issue of Notes. ....	<b>2,970.1</b>	3,949.5
(i) 7.55% Medium Term Notes redeemable at par on August 15, 2007 .....	<b>5,091.6</b>	5,924.3
	<b>100,211.7</b>	101,950.6
	<b>476,585.5</b>	374,485.5
<b>IV. Investments (at cost less provision as applicable):</b>		
A. Assistance to Industrial Concerns –		
(a) Equity Shares (Fully paid Rs.13,426.0 million; Partly paid Rs. 90.7 million) .....	<b>13,516.7</b>	13,374.4
(b) Preference Shares (Fully paid Rs. 3,088.0 million; Partly paid Rs. 175.7 million) .....	<b>3,263.7</b>	2,541.8
(c) Debentures (Fully paid Rs. 47,605.3 million; Partly paid Rs. 9,166.3 million) .....	<b>56,771.6</b>	48,785.1
	<b>73,552.0</b>	64,701.3
B. Other Investments (Fully paid unless otherwise stated) –		
(a) Equity Shares .....	<b>3,019.7</b>	3,162.3
(b) Preference Shares .....	<b>2.4</b>	—
(c) Contribution towards initial capital of Unit Trust of India, Securities and Exchange Board of India, Gujarat Venture Finance Trust and Tamil Nadu Urban Development Fund .....	<b>80.2</b>	26.3
(d) Debentures .....	<b>150.8</b>	148.8
(e) Government Securities .....	<b>1.0</b>	1.0
(f) Venture Capital Units .....	<b>991.1</b>	1,007.7
(g) Units of Mutual Funds .....	<b>909.1</b>	924.5
	<b>5,154.3</b>	5,270.6
C. Investment in Equity Shares of Subsidiary Companies (Fully paid) .....	<b>4,195.5</b>	3,328.1
	<b>82,901.8</b>	73,300.0
Quoted .....	<b>21,207.5</b>	23,763.9
Unquoted .....	<b>61,694.3</b>	49,536.1
Market/Break-up value of Quoted Investments (See Note 9) .....	<b>14,412.9</b>	21,864.1



# schedules

forming part of the Accounts

Continued

(Rupees in million) March 31, 1998

<b>V. Loans and Other Credit Facilities:</b>		
(Considered good—after providing for bad and doubtful loans to the satisfaction of Auditors)		
A. Loans		
(a) Rupee Loans .....	265,457.9	201,382.3
(b) Foreign Currency Loans .....	88,557.6	92,054.2
	<b>354,015.5</b>	293,436.5
Less: Provisions made .....	8,553.4	6,218.9
	<b>345,462.1</b>	287,217.6
B. Assistance by way of Securitization (net of Unmatured Finance Charges Rs. 9,480.9 million)	17,109.2	1,866.0
C. Loans under Retail Finance Operations	602.2	—
	<b>363,173.5</b>	289,083.6
Whereof:		
(i) Secured by Assets .....	356,051.6	281,347.8
(ii) Guaranteed by Banks, Insurance Companies and Central/State Governments .....	1,116.4	1,380.2
(iii) Against Promissory Notes and Usance Bills accepted/guaranteed by Banks .....	3,595.0	4,476.4
(iv) Unsecured .....	2,410.5	1,879.2
[including Rs. 1,313.3 million (Previous Year - Rs. 1,163.7 million) against corporate guarantees and Rs. 0.3 million (Previous Year - Rs.0.3 million) against personal guarantees of directors of borrowing companies pending execution of mortgage]		
<b>VI. Current Assets, Loans and Advances:</b>		
A. Current Assets –		
(a) Interest Accrued on Loans .....	6,644.0	6,092.9
(b) Other Accrued and Outstanding Income (dividend, interest on investments etc.– unsecured, considered good) .....	7,650.8	4,542.6
(c) Bills Receivable * .....	1,129.3	579.9
Less: Provision for doubtful Bills Receivable .....	617.8	521.4
	511.5	58.5
(d) Securities held as Stock-in-trade (at cost or market/fair value whichever is less):		
(i) Government Securities .....	6,124.7	525.3
(ii) Bonds (Includes investment in ICICI Bonds Rs. 3,962.5 million) .....	5,523.8	527.2
(iii) Commercial Paper .....	4,509.0	225.8
(iv) Units of Mutual Funds .....	5.6	15.3
(v) Certificate of Deposits .....	—	227.9
(vi) Equity Shares .....	0.1	23.9
	16,163.2	1,545.4
(e) Stock on Hire under Hire Purchase Agreements * .....	2,616.2	2,109.0
Less: Provision for doubtful Stock on Hire .....	179.8	334.8
	2,436.4	1,774.2
(f) Sundry Debtors: *		
(i) Debts outstanding for more than six months .....	1,686.9	505.8
(ii) Other Debts .....	1,380.0	723.8
	3,066.9	1,229.6
Less: Provision for doubtful debts .....	1,851.2	642.1
Considered Good .....	1,215.7	587.5
(g) Other Current Assets .....	—	24.5
(h) Cash and Bank Balances and Deposits:		
(i) Cash and Cheques on hand .....	1,239.9	1,990.0
(ii) With Scheduled Banks in Current Accounts (including exchange adjustments) .....	5,327.0	6,222.5
(iii) With Scheduled Banks towards Unclaimed Dividends (per contra) .....	60.6	41.8
(iv) With Scheduled Banks in Fixed and Call Deposits .....	32,759.9	20,514.6
(v) Remittance in transit .....	223.5	1.1
	39,610.9	28,770.0
Less: Overdraft balance .....	—	1,184.4
	<b>39,610.9</b>	27,585.6
* (Unsecured, except Rs. 569.8 million which are secured) .....	<b>74,232.5</b>	42,211.2

# schedules

B. Loans and Advances (Recoverable in cash or in kind or for value to be received – Considered good) –		
(a) Loans to Subsidiary Companies .....	<b>2,112.7</b>	2,651.7
(b) Loans to Staff (See Note 11) .....	<b>605.5</b>	498.0
(c) Advance Tax and Tax Deducted at Source .....	<b>11,025.8</b>	8,611.7
(d) Advances and Deposits as Short-term Investments	<b>2,686.3</b>	2,363.1
Less: Provision for doubtful Advances and Deposits	<b>412.4</b>	517.9
	<b>2,273.9</b>	1,845.2
(e) Other Advances and Deposits	<b>7,020.2</b>	2,726.9
Less : Provisions for doubtful Advances and Deposits	<b>65.5</b>	—
	<b>6,954.7</b>	2,726.9
(f) Application money paid for Shares .....	<b>57.8</b>	270.6
(g) Difference in Exchange Suspense [See Note 10(a)] .....	—	2,027.2
(h) Exchange Fluctuation Suspense with Government of India [See Note 10(b)]	<b>1,571.5</b>	1,556.4
(i) Swap Suspense (net ) [See Note 10(c)] .....	<b>162.0</b>	240.1
(j) Amount Recoverable from Subsidiary Companies .....	<b>33.6</b>	4.1
(Unsecured, except Loans to Staff Rs. 538.9 million which are secured) .....		
	<b>24,797.5</b>	20,431.9
	<b>99,030.0</b>	62,643.1

## VII. Current Liabilities and Provisions:

A. Current Liabilities –		
(a) Received for disbursements under Special Programmes/ Grants/Schemes net of disbursements effected .....	<b>2,151.4</b>	2,069.7
(b) Sundry Creditors .....	<b>7,510.9</b>	4,496.5
(c) Security Deposits from Clients .....	<b>4,144.7</b>	3,142.7
(d) Income Received in Advance .....	<b>515.1</b>	559.0
(e) Unclaimed Dividends (deposited with bank per contra) .....	<b>60.6</b>	41.8
(f) Other Liabilities .....	<b>636.6</b>	624.6
(g) Amounts payable to Subsidiary Companies .....	<b>35.2</b>	9.2
(h) Interest accrued but not due on Loan Funds –		
(i) Rupee Loans .....	<b>15,840.6</b>	9,312.1
(ii) Foreign Currency Loans .....	<b>1,906.4</b>	1,444.9
	<b>17,747.0</b>	10,757.0
(i) Premium on Bonds .....	<b>12.7</b>	56.5
(j) ERAS Exchange Fluctuation Account (net) [See Note 10(d)] .....	<b>314.3</b>	378.7
	<b>33,128.5</b>	22,135.7
B. Provisions –		
(a) Provision against standard assets .....	<b>1,100.0</b>	—
(b) Taxation .....	<b>6,422.3</b>	6,646.2
(c) Proposed Dividend (Including Corporate Dividend tax) .....	<b>3,052.4</b>	2,879.7
	<b>10,574.7</b>	9,525.9
	<b>43,703.2</b>	31,661.6

# schedules

forming part of the Accounts

Continued

(Rupees in million)

## VIII. Fixed Assets:

	Gross Block at Cost				Depreciation			Net Block	
	March 31, 1998	Additions on Amalgamation	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	March 31, 1999	For the Year	To-date	March 31, 1999	March 31, 1998
Assets given on Lease:									
Buildings	2.0	—	—	—	2.0	—	0.7	1.3	1.4
Plant and Machinery	32,029.3	1,016.5	5,396.2	572.1	37,869.9	2,719.9	12,841.1	25,028.8	21,940.7
Office Equipment	838.3	35.9	0.1	84.1	790.2	53.0	592.3	197.9	244.2
Furniture and Fixtures	16.8	—	—	—	16.8	—	16.5	0.3	0.3
Vehicles	124.0	1,771.6	0.2	100.4	1,795.4	556.5	1,544.9	250.5	23.0
Rolling Stock	2,571.2	—	—	—	2,571.2	110.7	317.0	2,254.2	2,362.5
Ships	210.0	—	1,484.9	—	1,694.9	51.9	122.1	1,572.8	142.2
Aircraft	280.1	—	290.9	—	571.0	56.3	159.1	411.9	177.3
	36,071.7	2,824.0	7,172.3	756.6	45,311.4	3,548.3	15,593.7	29,717.7	24,891.6
Capital advances								1,357.8	1,863.9
								31,075.5	26,755.5
Freehold Land	207.4	2.7	—	2.7	207.4	—	—	207.4	207.4
Leasehold Land	65.8	—	873.3	—	939.1	—	—	939.1	65.8
Buildings #	2,640.5	188.7	1,989.6	242.1	4,576.7	183.0	460.0	4,116.7	2,348.9
Furniture and Fixtures	117.3	52.6	84.1	74.4	179.6	21.2	69.6	110.0	58.5
Office Equipment	478.3	89.7	158.6	169.9	556.7	69.0	327.9	228.8	153.5
Vehicles	29.5	8.9	6.0	22.1	22.3	3.0	10.7	11.6	13.1
	3,538.8	342.6	3,111.6	511.2	6,481.8	276.2	868.2	5,613.6	2,847.2
Building under Construction								478.8	1,516.6
	39,610.5	3,166.6	10,283.9	1,267.8	51,793.2	3,824.5	16,461.9	37,167.9	31,119.3
Previous Year	28,987.3	4,294.7	8,638.0	2,309.5	39,610.5	3,037.4	11,871.7	31,119.3	

# (i) Include Buildings on Leasehold Land

– Gross Block Rs.3,040.6 million, Net Block Rs. 2,859.7 million, as at March 31, 1999.

(ii) See Note 12

March 31, 1998

## IX. Miscellaneous Expenditure:

(To the extent not written off or adjusted)

(a) Discount and Expenses on Loan Funds .....	2,918.1	2,957.9
(b) Deferred Revenue Expenditure .....	275.8	—
(c) Exchange Translation Difference [See Note 10(e)] .....	—	97.6
	<b>3,193.9</b>	<b>3,055.5</b>

1997-98

## X. Net Income from Operations :

(A) Income from Operations –		
(a) From Loans and Other Credit Facilities –		
(i) Interest and Other Charges on Rupee Loans and Other Credit Facilities	38,875.0	29,826.3
(ii) Interest and Other Charges on Foreign Currency Loans .....	8,586.3	7,983.9
	47,461.3	37,810.2
(b) From Investments –		
(i) Dividends (includes Rs.142.6 million from Subsidiary Companies Previous Year - Rs.150.1 million) .....	611.5	654.3
(ii) Interest and Other Charges on Debentures * .....	8,938.1	7,252.1
	9,549.6	7,906.4
(c) From Leasing and Other Operations –		
(i) Leasing .....	7,168.0	6,632.2
(ii) Hire Purchase .....	610.0	415.6
(iii) Securities, Deposits and Advances* (See Note 18) .....	4,437.8	1,968.4
(iv) Commission and Fees .....	3,110.2	1,677.7
	15,326.0	10,693.9
	<b>72,336.9</b>	<b>56,410.5</b>
(B) Profit on Sale of Investments (net) (See Note 19) .....	444.2	1,396.4
Carried over .....	<b>72,781.1</b>	<b>57,806.9</b>

(\* Aggregate tax deducted at source Rs. 559.4 million, Previous Year – Rs. 635.9 million)

# schedules

**ICICI** forming part of the Accounts

Continued

(Rupees in million) 1997-98

	<i>Brought over</i> .....	<b>72,781.1</b>	57,806.9
<i>Less:</i>			
(a)	Interest and Commitment Charges on Loan Funds:		
(i)	Rupee Loans [net of Swap interest received Rs. Nil; ( <i>Previous Year – Rs. 13.6 million</i> )] [net of interest capitalized Rs. 174.9 million ( <i>Previous Year Rs. Nil</i> ) See Note 3] .....	<b>44,707.6</b>	32,613.6
(ii)	Foreign Currency Loans [net of Swap interest received Rs. 2,257.4 million; ( <i>Previous Year – Rs.548.0 million</i> )] .....	<b>6,083.7</b>	5,862.7
		<b>50,791.3</b>	38,476.3
(b)	Expenses on Loan Funds and Revaluation Loss/(Gain) on Foreign Currency Loans:		
(i)	Expenses on Loan Funds .....	<b>98.0</b>	103.8
(ii)	Revaluation Loss/(Gain) (net) on Foreign Currency Loans .....	<b>54.5</b>	271.0
		<b>152.5</b>	374.8
(c)	Discount/Premium and Expenses on Loan Funds written off [Net of pro-rata premium on Bonds Rs. 43.8 million; ( <i>Previous Year – Rs. 43.8 million</i> )] ..	<b>805.1</b>	609.2
(d)	Provision for Interest-tax .....	<b>1,050.0</b>	845.0
(e)	Depreciation on Assets given on lease (See Note 20) .....	<b>3,548.3</b>	2,856.2
(f)	Technical Service Charges/Management Fees on Assets given on lease ...	<b>33.9</b>	47.4
(g)	Bad and Doubtful Debts (Net of write back Rs. 823.6 million)[See Note 2(iii)]		
	Bad Debts written off .....	<b>1,031.0</b>	1,080.3
	Provision for Doubtful Debts .....	<b>1,290.1</b>	1,082.8
	General provision against Sub-standard Assets .....	<b>1,314.4</b>	—
		<b>3,635.5</b>	2,163.1
		<b>60,016.6</b>	45,372.0
		<b>12,764.5</b>	12,434.9
<b>XI. Expenditure:</b>			
(a)	Payments to and Provisions for Employees –		
(i)	Salaries, Wages and Bonus .....	<b>511.3</b>	428.5
(ii)	Contribution to Provident and Other Funds .....	<b>72.4</b>	68.0
(iii)	Staff Welfare Expenses .....	<b>49.9</b>	52.2
		<b>633.6</b>	548.7
(b)	Establishment and Other Expenses –		
(i)	Rent .....	<b>122.1</b>	121.0
(ii)	Insurance .....	<b>7.2</b>	11.4
(iii)	Travelling and Conveyance .....	<b>122.7</b>	99.3
(iv)	Maintenance to Building .....	<b>8.0</b>	12.7
(v)	Electricity and Power Consumption .....	<b>48.3</b>	32.0
(vi)	Rates and Taxes [Including Provision for Wealth-tax Rs.5.0 million; ( <i>Previous Year – Rs.15.0 million</i> )] .....	<b>67.0</b>	27.7
(vii)	Communication Expenses .....	<b>154.9</b>	105.6
(viii)	Computer Expenses .....	<b>83.1</b>	21.3
(ix)	Interest .....	<b>12.9</b>	34.6
(x)	Directors' Fees .....	<b>0.2</b>	0.1
(xi)	Auditors' Remuneration (See Note 22) .....	<b>5.4</b>	3.0
(xii)	Miscellaneous Expenses .....	<b>705.0</b>	559.3
(xiii)	Loss on Sale of Fixed Assets (net) .....	<b>3.5</b>	—
(xiv)	Donations .....	<b>6.9</b>	0.2
		<b>1,347.2</b>	1,028.2
(c)	Depreciation (other than on Assets given on lease) .....	<b>276.2</b>	181.2
		<b>2,257.0</b>	1,758.1
<b>XII. Other Income:</b>			
(a)	Rent and Other Charges .....	<b>86.1</b>	71.8
(b)	Miscellaneous Receipts .....	<b>36.7</b>	152.2
(c)	Other Interest .....	<b>328.1</b>	232.0
(d)	Profit on Sale of Fixed Assets (net) .....	<b>—</b>	680.4
		<b>450.9</b>	1,136.4

### XIII. Notes Forming Part of the Accounts:

1. (i) Anagram Finance Limited (AFL) has been amalgamated with the Company on and from March 31, 1999 with effect from April 1, 1998 in terms of the scheme of Amalgamation ("Scheme") sanctioned by the High Court of Judicature at Bombay and High Court of Gujarat vide their Orders dated September 29, 1998 and September 16, 1998 respectively, certified true copies thereof received by us on March 26, 1999 and March 31, 1999 respectively. Accordingly, the undertaking and the entire business, all the properties, assets, rights and powers of AFL have been transferred to and vested in the Company and all the debts, liabilities, duties and obligations of AFL have been transferred to the Company. The amalgamation which is in the nature of a merger has resulted in the transfer of assets, liabilities and the issue of shares as consideration therefor at the following summarized values:
 

	(Rs. in million)
— Assets .....	8,550.8
— Non-refundable interest free advance .....	1,250.0
— Liabilities .....	9,887.6
	(86.8)
— Consideration for amalgamation	
To Equity Shareholders	
(1,657,062 equity shares in the ratio of one	
equity share of ICICI for every fifteen shares of AFL) .....	16.6
To Preference Shareholders .....	497.5
	(514.1)
Adjustment for cancellation of ICICI's holdings in AFL .....	9.9
Deficit arising out of the merger .....	591.0
- (ii) Pending completion of the relevant formalities of transfer of certain assets and liabilities acquired pursuant to the Scheme, such assets and liabilities remain in the name of AFL.
2. (i) In terms of an indemnity agreement, the promoters of AFL have agreed to indemnify the company in respect of likely losses occurring on account of certain retail car and truck financing for a sum not exceeding Rs. 1,000.0 million. Further, having regard to the nature of the business, debts outstanding on the date of merger amounting to Rs. 500.0 million have been considered as unrealizable. Provision in respect of these debts of Rs. 290.0 million is made considering the aforesaid indemnity agreement and after adjusting contingency provision amounting to Rs. 210.0 million as on March 31, 1998 in the books of AFL by appropriation from Capital Reserve.
- (ii) The Company has decided, as a matter of prudence, to make a general provision of 0.25 per cent against standard assets. The provision as on March 31, 1999 works out to Rs. 1,100.0 million. Considering that such provision is made for the first time and is over and above the provision required in terms of RBI guidelines, the sum being provided is appropriated from the Special Reserve created in terms of Section 36(1) (viii) of the Income-tax Act, 1961. A further sum of Rs.107.8 million towards write-off of debts relating to earlier years is also appropriated from Special Reserve.
- (iii) As on March 31, 1998, cumulative provision for sub-standard assets through appropriation from Special Reserve under Section 36 (1)(viii) of the Income-tax Act, 1961 amounted to Rs.1,849.6 million. Of this, Rs. 692.8 million has been used towards provision requirements in respect of sub-standard assets which have become doubtful during the year. Sub-standard assets in respect of which there were provisions to the extent of Rs.95.7 million, have become standard. After adjustments in respect of these, the net provision for sub-standard assets amounted to Rs.1,061.1 million. An incremental provision of Rs.1,314.4 million has been made by way of a charge to Revenue (included in Bad and Doubtful Debts Rs. 3,635.5 million) in respect of further assets becoming sub-standard during the year resulting in a cumulative provision of Rs. 2,375.5 million for sub-standard assets on March 31, 1999.
3. The Company has capitalized interest on funds used for constructing new office premises with retrospective effect from the date of commencement of project payments. The interest capitalized, assumes that the entire cost is met out of borrowed funds and determined at the average annual interest of Rupee borrowing, aggregates Rs. 790.5 million upto March 31, 1999. Of this interest, Rs. 558.6 million (net of depreciation and Income-tax of Rs. 0.1 million and Rs. 56.9 million respectively) pertains to the period upto March 31, 1998. As a result of this change, profit after taxation is higher by Rs. 155.8 million and the surplus carried to Balance Sheet is higher by Rs. 714.4 million.
4. Contingency Reserve was created in respect of liabilities against redemption premium on put option available to holders of 3.5% Euro Convertible Bonds. The put option exercised by the bondholders after the year end has resulted into a total liability of Rs.561.9 million. Taking into consideration balance in Contingency Reserve of Rs. 474.0 million as on March 31, 1998, additional liability of Rs. 87.9 million has been charged to Revenue.
5. The Index bonds carry a detachable warrant entitling bondholders to receive an amount linked to the BSE Sensitive Index (Sensex) per terms of the issue. The liability of the Company arising out of changes in the Sensex has been hedged by earmarking its investments of an equivalent amount in UTI Index Equity Fund which itself carries Sensex related value.
6. In accordance with Order No. 46/39/99/CI-III dated April 26, 1999 issued by the Company Law Board, details of Company-wise Investments, where the market value in case of quoted investments and cost in case of unquoted investment in any particular company exceeds Rs. 40.0 million and of investments in Subsidiary Companies have been disclosed in the Annexure to the Schedule IV forming part of the Accounts.

# schedules

7. The Company is advised that its activity of investing surplus funds (Treasury operations) including buying/selling of securities does not constitute trading activity and as such details of purchases, opening and closing stock and turnover in respect of the aforesaid activity are not required to be furnished.
8. Certain banks/fixed deposit accounts of erstwhile Anagram Finance Limited are subject to reconciliation/confirmation. The impact on the accounts of such non-reconciliation is not expected to be material.
9. In the absence of quotations of listed companies, paid-up value aggregating Rs. 29.3 million in case of shares of companies which have yet to complete one full year of production, and estimated break-up value aggregating Rs. 581.8 million in case of shares of other companies, which are listed but not quoted (whose aggregate book value is Rs. 440.7 million) and redemption value aggregating Rs. 2,834.8 million in case of debentures (whose aggregate book value is Rs. 2,553.6 million) are adopted as market value for disclosure purposes.
10. (a) Difference in Exchange (net) aggregating Rs. Nil (1997-98 – Rs. 2,027.2 million), on account of translation of balances in foreign currencies with banks was held in "Difference in Exchange Suspense Account" pending adjustment on remittance by the banks.  
 (b) Exchange Fluctuation aggregating Rs. 1,571.5 million (1997-98 – Rs.1,556.4 million), which arises on account of Rupee-tying Agreements with Government of India, is held in "Exchange Fluctuation Suspense with Government Account" pending adjustment on receipt of payments from the Government at maturity of repayments to foreign lenders.  
 (c) Swap Suspense (net) aggregating Rs. 162.0 million (1997-98 – Rs. 240.1 million), which arises on account of conversion of foreign currency swaps, is held in "Swap Suspense Account" and will be fully reversed at conclusion of swap transactions with swap counterparties.  
 (d) Under the Exchange Risk Administration Scheme (ERAS), the Government of India has agreed to extend support to the Fund, when it is in deficit and recoup its contribution in the event of surpluses. The Company has a claim on Exchange Risk Administration Fund (ERAF) maintained by Industrial Development Bank of India (IDBI) to the extent of the deficit represented by the ERAS Exchange Fluctuation Account provided there is a positive balance in ERAF Account. If the balance in ERAF is insufficient, the claim will be on Government of India through IDBI.  
 (e) Exchange Translation Difference of Rs. 97.6 million (1997-98 – Rs. 298.7 million) arising out of repayment/translation of Euro Dollar Loan III has been charged to Revenue Account.
11. "Loans to Staff" includes Rs. 8.7 million (1997-98 – Rs. 8.6 million) due from Directors and an Officer of the Company [Maximum amount outstanding during the year Rs. 8.9 million. (1997-98 – Rs. 8.9 million)].
12. The Company holds 344 shares (1997-98 – 218 shares) of the face value of Rs. 0.01 million. (1997-98 – Rs. 0.01 million) in co-operative housing societies and in a private limited company in respect of ownership flats, cost of which is included in "Buildings".
13. Possible future liability in respect of:
  - (a) Commitments to a subsidiary company—Rs. 3,878.6 million. (1997-98 – Rs. 2,149.6 million).
  - (b) Commitment towards Forward Exchange Contracts—Rs. 3,701.9 million. (1997-98 – Rs. 10,080.5 million).
  - (c) Tax demand that may arise on further appeals preferred by the Income-tax Department—Rs. 660.3 million (1997-98 – Rs. 305.7 million)
14. Uncalled liability on shares partly paid and held as Investments—Rs. 156.8 million. (1997-98 – Rs.168.2 million).
15. Estimated amount of contracts remaining to be executed on capital account and not provided for, in respect of lease contracts—Rs.179.6 million (1997-98 – Rs.286.4 million) and other contracts Rs. 294.7 million (1997-98 – Rs. 649.8 million).
16. Contingent Liabilities on account of:
 

	(Rupees in million)	
	1998-99	1997-98
(a) Guarantees issued .....	43,884.4	45,618.7
(b) Capital issues underwritten .....	Nil	107.5
(c) Outstanding Letters of Credit .....	3,187.0	5,447.9
17. Provision is not considered necessary for:
  - (a) Assessed Sales-tax demands of Rs. 215.8 million (1997-98 – Rs.104.6 million) for Sales tax on the transfer of right to use any goods for any purpose under various state Sales-tax laws, being disputed in appeal and for which the Company has been assessed favourably for some years in some states. Besides, these demands, if held payable, are recoverable from the concerned lessees, in accordance with the respective lease agreements. The Company has also filed writ petitions in the Supreme Court challenging the levy of such Sales-tax.
  - (b) Deferred Sales-tax liability of Rs. 1.2 million (1997-98 – Rs. 1.2 million) being disputed and in appeal for erstwhile Anagram Finance Limited in respect of which other judicial/appellate decisions supporting the stand of Company are available.
  - (c) Income-tax demands of Rs. 3,122.1 million (1997-98 – Rs.1,800.2 million) for earlier assessment years disputed in appeal by the Company including Rs. 335.6 million (1997-98 – Rs. 815.1 million) in respect of which the Company has favourable appellate decisions in its own case in earlier years and Rs. 2,785.7 million (1997-98 – Rs. 852.9 million) in respect of which other judicial/appellate decisions supporting the stand of the Company are available. Based on the past assessment, the provision for taxation as made is considered adequate.

# schedules

## forming part of the Accounts

Continued

18.	Income from Securities, Deposits and Advances includes:		
	(a) Commitment charges Rs. 215.0 million received/ receivable from promoters of AFL in terms of the Scheme.		
	(b) Interest income Rs. 2,776.9 million (1997-98 – Rs.1,472.5 million), profit (net) on sale of short term investments Rs. 24.5 million (1997-98 – Rs. 62.9 million) profit on repurchase of foreign currency bonds earlier issued Rs. 449.1 million and gains arising on foreign currency transactions Rs. 488.0 million (1997-98 – Rs. 94.1 million) and is net of interest paid on Bond application money Rs. 116.5 million (1997-98 – Rs. 112.4 million).		
19.	Profit on Sale of Investments (net) is after provision/writing down of investments to the extent of Rs. 1,147.8 million (1997-98 – Rs. 755.3 million) and includes credit of Rs. 65.9 million (1997-98 – Rs. 20.9 million) towards investment write down / provision no longer required.		
20.	Depreciation on assets given on lease is net of lease equalization credit Rs. 1,151.3 million (1997-98 – Rs.1,092.5 million).		
21.	The method of computing Profit/Loss on outstanding Forward Exchange Contracts varies from the method prescribed in the mandatory Accounting Standard (AS-11) issued by the Institute of Chartered Accountants of India which requires the difference between the contracted forward rates and the exchange rates prevailing on the dates of transaction to be recognized evenly over the contract period. The method adopted is based on Foreign Exchange Dealers' Association of India (FEDAI) guidelines as required by Reserve Bank of India. Consequently the profit for the year is higher by Rs. 47.0 million.		
		(Rupees in million)	
		1998-99	1997-98
22.	Auditors' Remuneration:		
	Fees .....	2.0	1.6
	Tax Audit & Certification [Including Rs.1.0 million (1997-98 - Rs.1.0 million) in connection with certification work for Offer Document for public issues considered as deferred expenses] .....	4.3	2.3
	Expenses .....	0.1	0.1
		<u>6.4</u>	<u>4.0</u>
23.	Managerial Remuneration to whole-time Directors:		
	Salaries .....	12.8	5.1
	Company's contribution to Provident and Other Funds .....	1.0	0.8
	Perquisites .....	1.3	0.7
	(Previous year includes remuneration to wholetime directors of erstwhile ITCCF Limited)		
24.	Particulars of Dividend remitted in Foreign Currencies:		
	Number of non-resident shareholders .....	9	9
	Number of shares held by them .....	96,381,350	96,381,400
	Dividend relating to the year .....	1997-98	1996-97
	Net amount remitted .....	530.1	281.5
25.	C.I.F. Value of Imports:		
	- Assets given on Lease .....	Nil	430.3
	- Other Assets .....	Nil	138.9
26.	Expenditure in Foreign Currencies on:		
	Interest (net of swap interest received) .....	5,355.5	5,501.7
	Foreign Currency Borrowings .....	3.9	56.0
	[including deferred to future years Rs. Nil ; (Previous Year Rs.52.1 million)]		
	Other matters .....	76.3	32.1
27.	Earnings in Foreign Currencies:		
	Interest (Net) .....	1,202.6	762.0
	Other matters .....	189.9	133.7
28.	Consequent on the merger of erstwhile Anagram Finance Limited with the Company, current year figures are not comparable with those of the previous year. Figures for the previous year have been regrouped, wherever considered necessary.		

## XIV. Significant Accounting Policies:

The accounts are prepared in accordance with accounting principles generally accepted in India and the guidelines issued by Reserve Bank of India (RBI), wherever applicable. The Company follows the accrual method of accounting and historical cost convention.

### 1. Revenue Recognition -

- (a) Interest and other dues are accounted on accrual basis except in respect of non-performing assets, income against which is recognized on cash basis.
- (b) Income from Hire purchase operations is accrued in a manner so as to provide a fixed rate of return on outstanding investments.
- (c) Discount on bills discounted/rediscounted is recognized over the tenure of the bills.

### 2. Investments -

- (a) Long-term Investments are carried at cost less provision for diminution, other than temporary. Current investments, considered as 'Securities held as Stock-in-trade' are carried at the lower of cost or market/fair value.
- (b) Underwriting commission, front-end fees and commitment fees earned in respect of long term investments are adjusted towards the cost of shares/debentures. Front-end fees on Debentures in the nature of Rupee Loans is recognized as income.
- (c) Surplus on sale of investments is credited to the Revenue Account net of loss on sale of investments and amounts written down/ provided for in respect of investments. The net surplus is appropriated to Capital Reserve.

### 3. Provision for Doubtful Debts and Write-off of Bad Debts -

Debts considered fully or partially irrecoverable are written off/ provided for. Sums recovered against debts earlier written off and write-offs/provisions no longer considered necessary in the context of the current status of the borrower are written back. An additional provision of 0.25% on standard assets is being made out of balance in Special Reserve under Section 36(1) (viii) of the Income-tax Act, 1961, which is in any case available and permitted to be utilized against losses that may be identified in future.

### 4. Fixed Assets and Depreciation -

- (a) Fixed Assets are carried at cost (including interest capitalized) less accumulated depreciation. In respect of assets given on lease, accumulated depreciation is adjusted for balance in "Accumulated Lease Equalization Account", created in terms of Guidance Note issued by the Institute of Chartered Accountants of India.
- (b) Depreciation on assets given on lease is provided on Straight Line Method at the higher of the rates determined with reference to the primary period of the lease and the rates prescribed in Schedule XIV of the Companies Act, 1956.  
Adjustment towards lease equalization, based on principal recovery portion of lease rentals is made as prescribed by the aforesaid guidance note.
- (c) Depreciation on all other assets is provided on Written Down Value Method at the rates prescribed in Schedule XIV to the Companies Act, 1956 except that depreciation in respect of a building on leasehold land is determined with reference to residual period of lease.
- (d) Depreciation is provided on pro-rata basis from the date on which assets have been put to use/given on lease and up to the date on which assets have been disposed of/leases terminated.

### 5. Foreign Currency Transactions -

- (a) Incomes, expenses and remittances in Foreign Currency are accounted at the exchange rate as on the transaction date. Foreign Currency asset and liability balances are translated at closing exchange rates.
- (b) Based on guidelines issued by Foreign Exchange Dealers' Association of India, profit/ loss on outstanding Forward Exchange Contracts is computed by comparing the contracted rate with the forward rate for maturity equivalent, as on Balance Sheet date, for the unexpired period of the original contract.

### 6. Retirement and Other Benefits -

The Company has various retirement benefits such as Superannuation Fund (covered by a scheme with Life Insurance Corporation of India), Provident Fund and Gratuity Fund recognized by Income-tax Authorities. The Provident Fund and Gratuity Funds are administered through Trustees. The Company's contributions (actuarially determined at year end in the case of Gratuity) to these funds are charged to revenue. Provision for leave encashment is based on year end actuarial valuation.

### 7. Miscellaneous Expenditure -

- (a) Discount and expenses on loan funds are amortized over the average tenure of the loan.
- (b) Expenditure for which payment has been made or a liability incurred, the benefit of which is expected over a subsequent period(s) is treated as Deferred Revenue Expenditure and amortized over the period(s) during which the benefit is estimated to arise.

### 8. Share Issue Expenses -

Expenses on issue of shares are adjusted against Share Premium.



## Annexure to Schedule IV forming part of the accounts

Details of Investment including securities held as stock-in-trade as at March 31, 1999  
(Refer Schedule XIII, Note 6)

(Rupees in million)

Sr. No.	Name of the Company	Type of Investments	Number	Face Value	Book Value	Book Value March 31, 1998
<b>A : Assistance to Industrial Concerns and Other Investments</b>						
1	Afcons Infrastructure Ltd.	Equity	5,400,000	10.00	195.5	195.5
		Debenture	375,000	100.00	37.5	37.5
		Debenture	500,000	100.00	50.0	50.0
		Debenture	1,000,000	100.00	100.0	100.0
2	Akai Impex Ltd. (Partly paid @ Rs.71.90)	Debenture	1,224,000	100.00	88.0	0.0
3	Alpine Biotech Ltd.	Equity	3,181,621	10.00	52.6	52.6
4	Andhra Sugars Ltd.	Debenture	3,300,000	250.00	825.0	925.0
5	Ansysco Ltd.	Equity	12,320,000	10.00	123.2	95.7
6	Apollo Tyres Ltd. (Partly paid @ Rs.130.00)	Debenture	3,010,000	131.30	391.3	0.0
		Com. Paper		10,000,000.00	49.8	0.0
7	APR Ltd.	Equity	177,950	10.00	8.90	8.90
		Debenture	1,219,512	100.00	122.0	122.0
		Debenture	1,829,268	100.00	182.9	182.9
8	Arvind Clothing Ltd.	Equity	3,622,500	10.00	144.9	0.0
9	Arvind Fashions Ltd.	Equity	2,800,000	10.00	266.0	0.0
10	Arvind Mills Ltd.	Equity	294,453	10.00	51.7	77.6
		Debenture		0.00	0.0	645.0
		Debenture	7,500,000	50.00	375.0	750.0
11	Associated Cement Companies Ltd.	Com. Paper		50,000,000.00	447.9	0.0
12	Atash Industries (India) Ltd.	Debenture	500,000	100.00	50.0	50.0
13	Balaji Distilleries Ltd.	Equity	438,500	10.00	55.1	55.3
		Preference	10,000,000	10.00	100.0	100.0
14	Balaji Hotels & Enterprises Ltd. (Partly paid @Rs.990.00)	Equity	12,00,000	10.00	74.8	74.8
		Debenture	500,000	1,000.00	495.0	450.0
15	Balaji Industrial Corporation Ltd.	Preference	10,000,000	10.00	100.0	100.0
16	Bank of Baroda	Bonds		75,000,000.00	75.0	0.0
17	Bank of India	Equity	11,700	10.00	0.5	0.4
		Bonds		50,000,000.00	50.0	0.0
18	BASF India Ltd.	Com. Paper		10,000,000.00	99.7	0.0
19	Bharat Earth Movers Ltd.	Equity		0.00	0.0	0.5
		Debenture	2,803,255	30.00	74.6	61.8
		Debenture	260,000	30.00	7.0	5.7
		Debenture	4,100	30.00	0.1	0.1
20	Bhushan Steel & Strips Ltd.	Equity	4,234,200	10.00	482.8	482.8
21	Birla Global Finance Ltd.	Debenture	300,000	1,000.00	300.0	0.0
22	Birla VXL India Ltd.	Equity	22,040	10.00	0.6	0.6
		Preference	1,000,000	100.00	100.0	100.0
		Preference	1,000,000	100.00	88.5	0.0
23	Bombay Dyeing & Mfg. Co. Ltd.	Com. Paper		10,000,000.00	49.9	0.0
24	BPL Cellular Holding Ltd.	Debenture	36	50,000,000.00	1,800.0	1,800.0
25	BPL Display Devices Ltd.	Equity	1,329,570	10.00	0.0	0.0
		Debenture	1,772,000	100.00	159.0	132.8
		Debenture	786,000	100.00	78.6	78.6
26	BPL Engineering Ltd.	Equity	350,000	10.00	28.4	31.5
		Debenture	1,000,000	100.00	100.0	100.0
27	BPL Ltd.	Equity	3,400	10.00	0.4	80.5
		Com. Paper		50,000,000.00	49.9	0.0
28	BPL Mobile Communications Ltd.	Debenture	1,000,000	100.00	97.5	97.5
		Debenture	1,000,000	100.00	100.0	100.0
29	Central Bank of India	Bonds		200,000,000.00	200.0	0.0
30	Century Enka Ltd.	Equity	105,000	10.00	21.0	0.0
		Debenture	175,000	300.00	52.5	52.5
		Debenture	1,000,000	60.00	60.0	81.2
		Debenture	35,000	300.00	10.5	10.5
31	CESC Ltd. (Partly paid @ Rs. 5.00)	Equity	74,662	10.00	0.8	0.0
		Equity	74,662	10.00	0.1	0.1
		Debenture	41,440	100.00	4.1	4.1
		Debenture	33,222	100.00	3.3	3.3

Details of Investment including securities held as stock-in-trade as at March 31, 1999  
 (Refer Schedule XIII, Note 6)

(Rupees in million)

Sr. No.	Name of the Company	Type of Investments	Number	Face Value	Book Value	Book Value March 31, 1998
		Debenture	100,000	65.00	6.5	10.0
		Debenture	300,000	100.00	26.0	26.0
		Debenture	10,723	280.00	3.0	3.8
		Debenture	200,000	100.00	17.3	17.3
32	Chambal Ferts. & Chem. Ltd.	Equity	4,408,830	10.00	43.2	123.6
		Debenture	0	0.00	0.0	142.5
33	Chemisor Drugs Ltd.	Debenture	2,000,000	100.00	200.0	0.0
34	Coal India Ltd.	Bonds		100,000,000.00	107.5	0.0
35	Coastal Papers Ltd.	Equity	50,000	10.00	1.0	1.0
		Preference	490,000	100.00	39.0	0.0
36	Consolidated Fibres & Chemicals Ltd.	Equity	8,506,900	10.00	85.1	0.0
37	Core Emballage Ltd.	Debenture	1,250,000	100.00	125.0	125.0
38	Core Health Care Ltd.	Debenture	3,000,000	100.00	300.0	300.0
39	Countrywide Finance Ltd.	Com. Paper		10,000,000.00	149.7	0.0
40	Credit Rating & Info. Services of India Ltd.	Equity	795,000	10.00	11.0	11.0
41	Dabur India Limited	Com. Paper		10,000,000.00	79.9	0.0
42	Deepak Fertilisers & Petrochemicals Ltd.	Equity	597,075	10.00	11.9	11.9
		Debenture		0.00	0.0	17.9
		Debenture	3,153,695	68.29	215.4	235.4
43	Discount & Finance House of India Ltd.	Equity	450,000	100.00	45.0	45.0
44	DLF Cement Ltd.	Equity	2,070,200	10.00	20.5	20.5
		Debenture	414,040	35.00	13.9	13.8
		Debenture	150,000	1,000.00	150.0	150.0
		Debenture	100,000	1,000.00	100.0	100.0
45	Dynamatic Technologies Ltd.	Debenture	325,000	66.77	21.7	32.1
		Debenture	360,000	65.50	23.6	36.0
46	EID Parry (India) Ltd.	Equity	10,604	10.00	2.4	2.4
		Com. Paper		5,000,000.00	99.0	0.0
47	Elbee Services Ltd.	Preference	100,000	100.00	10.0	10.0
		Preference	400,000	100.00	40.0	40.0
48	Electrex (India) Ltd.	Debenture	950,000	100.00	95.0	95.0
49	Enjay Hotels Ltd.	Debenture	1,700,000	100.00	168.2	168.2
		Debenture	400,000	100.00	40.0	40.0
50	Essar Oil Ltd.	Equity	16,842,000	10.00	715.8	715.8
		Debenture	2,631,500	105.00	276.3	276.3
		Debenture	5,789,500	105.00	594.8	591.9
51	Essar Shipping Ltd.	Equity	1,436,688	10.00	41.7	41.7
		Preference	300,000	100.00	30.0	30.0
	(Partly paid @ Rs. 91.49)	Debenture	23,500,000	100.00	2,150.0	0.0
52	Eveready Industries India Ltd.	Equity	1,122,733	10.00	284.6	316.2
		Debenture	0	0.00	0.0	500.0
53	Excel Glasses Ltd.	Equity	774,446	10.00	52.5	52.5
		Preference	236,000	100.00	23.6	0.0
54	Exide Industries Ltd.	Com. Paper		10,000,000.00	99.7	0.0
55	Federal Bank Ltd.	Equity	4,730,450	10.00	499.9	499.9
	(Partly paid @ Rs.5.00)	Equity	1,950	10.00	0.3	0.0
56	Ferro Alloys Corporation Ltd.	Equity	1,702,668	10.00	15.3	17.0
		Debenture	705,225	84.73	59.8	59.8
		Debenture	281,352	100.00	28.1	28.1
		Debenture	264,416	100.00	26.4	26.4
57	Finolex Cables Ltd.	Com. Paper		10,000,000.00	99.7	0.0
58	Flex Engineering Ltd.	Debenture	2,434,065	200.00	387.7	387.7
59	Flex Industries Ltd.	Equity	10,507	10.00	0.8	0.0
		Debenture	1,300,000	100.00	132.5	0.0
		Debenture	1,501	380.00	0.6	0.0
60	Gas Authority of India Ltd.	Equity	1,500,000	10.00	90.0	0.0
61	GE Capital Services India Ltd.	Com. Paper		10,000,000.00	49.7	0.0
		Debenture		300,000,000.00	299.8	0.0
		Bonds		10,000,000.00	34.4	0.0
62	Goodlass Nerolac Paints Ltd.	Com. Paper		10,000,000.00	49.9	0.0
63	Gontermann-Peipers (India) Ltd.	Debenture	24,903	100.00	2.5	2.5
		Debenture	1,472,238	100.00	147.2	147.2

## Annexure to Schedule IV forming part of the accounts

Continued

Details of Investment including securities held as stock-in-trade as at March 31, 1999  
(Refer Schedule XIII, Note 6)

(Rupees in million)

Sr. No.	Name of the Company	Type of Investments	Number	Face Value	Book Value	Book Value March 31, 1998
64	Government Securities	Govt. Sec.		6,109,300,000.00	6,178.6	525.3
65	Grasim Industries Ltd.	Com. Paper		50,000,000.00	547.7	0.0
66	GSL (India) Ltd.	Debenture	2,000,000	100.00	200.0	196.0
67	Gujarat Chemical Port Terminal Ltd. (P.P. @ Rs.93.33)	Debenture	15,000,000	100.00	1,400.0	0.0
68	Gujarat Industries Power Co. Ltd.	Equity	2,024,864	10.00	50.2	52.6
		Debenture	32,870	100.00	3.3	3.3
		Debenture	4,720	100.00	0.5	0.5
		Debenture	0	0.00	0.0	182.0
		Debenture	0	0.00	0.0	68.4
		Debenture	3,149,599	45.00	122.0	111.7
69	Gujarat Optical Communications Ltd.	Debenture	400,000	100.00	40.0	40.0
		Debenture	600,000	100.00	60.0	60.0
70	Gujarat Propack Ltd.	Debenture	600,000	100.00	60.0	60.0
71	Gujarat Telephone Cables Ltd.	Equity	1,200	10.00	0.0	0.0
		Debenture	2,000,000	77.78	155.6	183.2
		Debenture	575,000	55.00	31.6	42.5
72	HEG Ltd. (Partly paid @ Rs.93.33)	Debenture	3,000,000	100.00	280.0	280.0
	(Partly paid @ Rs. 99.33)	Debenture	1,500,000	100.00	140.0	140.0
73	Hind Lever Chemicals Ltd.	Equity	189,400	10.00	87.1	0.0
74	Hindustan Motors Ltd.	Debenture	1,500,000	100.00	148.4	148.4
		Debenture	0	0.00	0.0	0.4
	(Partly paid @ Rs. 92.82)	Debenture	1,131,000	100.00	105.0	0.0
	(Partly paid @ Rs. 93.04)	Debenture	25,000	100.00	2.3	0.0
75	Hindustan Petroleum Corp. Ltd.	Equity	751,200	10.00	255.4	191.6
76	Hindustan Construction Company Ltd.	Equity	500,000	10.00	22.5	22.5
		Debenture	500,000	155.00	77.0	77.0
		Debenture	1,086,950	155.00	157.9	150.0
77	Housing Development Finance Corp. Ltd.	Equity	112,878	100.00	111.1	165.8
78	ICI India Ltd.	Com. Paper		10,000,000.00	88.7	0.0
79	ICICI Mutual Fund-(Power Core Sector)	Units	35,000,000	10.00	341.8	341.8
80	ICICI Mutual Fund (Premier Growth Scheme)	Units	30,000,000	10.00	300.0	300.0
81	Indfos Industries Ltd.	Equity	750,000	10.00	61.1	67.8
82	Infrastructure Development Finance Co. Ltd.	Equity	60,000,000	10.00	600.0	600.0
83	India Foils Ltd.	Debenture	50,000	19.66	1.0	1.8
	(Partly paid @ Rs. 93.96)	Debenture	5,250,000	100.00	493.3	0.0
84	India Infrastructure Devp. Ltd. (P.P. @Rs.4,350,000)	Debenture	170	5,000,000.00	739.5	0.0
85	Indian Acrylics Ltd.	Equity	5,995,900	10.00	60.0	60.0
		Debenture	1,077,040	50.00	53.9	64.6
86	Indian Express Newspapers Ltd.	Debenture	4,000,000	100.00	400.0	400.0
87	Indian Petrochemical Corporation Ltd.	Com. Paper		50,000,000.00	298.0	50.0
88	Indian Seamless Steels & Alloys Ltd.	Preference	609,000	100.00	60.9	0.0
89	Indo Gulf Corporation Ltd. (Partly paid @Rs.800.00)	Debenture	500,000	1,000.00	400.0	0.0
90	Industrial Development Bank of India	Equity	1,694,700	10.00	220.3	220.3
		Bonds	0	0.00	0.0	200.5
91	Industrial Finance Corporation of India Ltd.	Equity	4,800	10.00	0.2	0.0
		Bonds		100,000,000	106.0	0.0
92	Ion Exchange India Ltd.	Equity	951,952	10.00	173.7	193.0
		Debenture	6,284	100.00	0.6	0.6
		Debenture	0	0.00	0.0	1.5
93	IPCA Laboratories Ltd.	Com. Paper		10,000,000.00	99.3	0.0
94	IRB Infrastructure Ltd. (Partly paid @ Rs.812.50)	Debenture	80,000	1,000.00	65.0	0.0
95	Iridium India Telecom Ltd.	Equity	15,715,500	10.00	157.2	157.2
		Debenture	143,750	1,000.00	143.8	143.8
96	Ispat Industries Ltd.	Equity	45,712,008	10.00	703.9	72.7
		Debenture	598,757	40.00	23.8	46.7
		Debenture		0.00	0.0	531.3
		Debenture	9,100,000	100.00	910.0	0.0
		Debenture		0.00	0.0	100.0
97	Ispat Metallics India Ltd.	Debenture	2,000,000	100.00	200.0	0.0
98	Ispat Profiles Ltd.	Equity	8,354,150	10.00	167.9	223.1
		Debenture	3,110,000	80.00	248.8	309.8

Details of Investment including securities held as stock-in-trade as at March 31, 1999  
 (Refer Schedule XIII, Note 6)

(Rupees in million)

Sr. No.	Name of the Company	Type of Investments	Number	Face Value	Book Value	Book Value March 31, 1998
		Debenture	383,303	46.74	17.9	38.3
		Debenture	347,715	66.66	23.2	34.8
99	J.K. Udaipur Udyog Ltd.	Equity	3,741,100	10.00	104.2	111.1
		Debenture	3,885,000	100.00	388.5	388.5
		Debenture	29,000	90.00	2.6	2.6
		Debenture	509,450	90.00	44.7	44.7
		Debenture	0	0.00	0.0	85.5
		Debenture	145	1,000,000.00	145.0	0.0
100	J.K. Synthetics Ltd.	Equity	1,590,253	10.00	0.0	2.5
		Preference	50,000	100.00	0.0	0.0
		Debenture	69,051	180.00	12.4	12.4
		Debenture	7,151	30.00	0.2	0.2
		Debenture	1,809,537	100.00	181.0	0.0
101	Jaiprakash Hydro Power Co. Ltd. (PP @ Rs.57.54)	Debenture	11,500,000	100.00	661.7	0.0
102	Jaiprakash Industries Ltd.	Equity	9,500,000	10.00	198.8	198.8
103	Jayaswals Neco Ltd.	Equity	560,000	10.00	72.0	45.0
		Debenture	100	1,000,000.00	100.0	100.0
		Debenture	1,505	100,000.00	150.5	150.5
104	Jaypee Industries Ltd.	Debenture	1,800,000	100.00	180.0	180.0
		Debenture	1,000,000	100.00	100.0	100.0
		Debenture	10,000,000	100.00	1,000.0	803.6
105	Jaysynth Dyestuff India Ltd.	Equity	1,430,000	10.00	56.7	59.3
		Debenture	873,000	100.00	87.3	104.8
		Debenture	177,000	100.00	17.7	21.2
106	Jeypore Sugar Company Ltd.	Debenture	700,000	94.80	65.6	70.0
107	Jindal Iron & Steel Company Ltd.	Equity	2,488,780	10.00	243.9	243.9
		Debenture	572,419	500.00	286.2	286.2
108	Jindal Strips Ltd.	Debenture	50,000	33.33	1.7	3.3
		Debenture	10,000,000	88.00	878.4	989.5
109	Jindal Tractabel Power Co. Ltd. (Partly paid @ Rs. 12,500,000.00)	Debenture	100	10,000,000.00	1,000.0	950.0
		Debenture	16	18,750,000.00	200.0	100.0
		Debenture	10	10,000,000.00	100.0	100.0
110	Jindal Vijayanagar Steel Ltd.	Equity	32,500,000	10.00	325.0	325.0
		Debenture	71,428,570	20.00	1,328.7	1,252.2
		Debenture	12,500,000	20.00	245.0	245.0
		Debenture	3,750,000	20.00	75.0	75.0
	(Partly paid @ Rs. 86.96)	Debenture	2,700,000	100.00	234.8	0.0
111	JK Corp Ltd. (Partly paid @ Rs. 80269.30) (Partly paid @ Rs. 58073.17)	Equity	1,331,295	10.00	179.7	179.7
		Debenture	1,775	100,000.00	142.5	0.0
		Debenture	4,100	100,000.00	238.1	0.0
112	Jord Engineers India Ltd.	Equity	999,900	10.00	30.0	30.0
		Debenture	450,000	100.00	45.0	45.0
		Debenture	340,000	76.47	26.0	34.0
113	K.G. Denim Ltd.	Preference	1,000,000	100.00	100.0	100.0
114	Kale Consultants Ltd.	Equity	715,000	10.00	50.1	50.1
115	Kalyani Seamless Tubes Ltd.	Equity	900,000	10.00	24.3	33.1
		Preference	25,000,000	10.00	250.0	250.0
116	Kalyani Steels Ltd.	Equity	49,004	10.00	7.1	7.1
		Debenture	100,000	66.67	6.7	10.0
		Debenture	1,000,000	70.00	70.0	90.0
117	Kesoram Industries Ltd.	Equity	1,546,744	10.00	90.4	90.4
		Preference	100,000	100.00	9.8	9.8
		Preference	1,500,000	100.00	148.4	148.4
		Debenture	25,000	100.00	2.5	2.5
		Debenture	302,918	100.00	25.1	25.1
118	Kitti Steels Ltd.	Equity	816,300	10.00	8.0	8.0
		Debenture	450,000	100.00	44.5	44.5
		Debenture	1,000,000	100.00	96.0	96.0
119	Larsen & Toubro Ltd.	Equity	763,795	10.00	56.0	111.9
		Debenture	5,500,000	100.00	550.0	550.0
		Debenture	4,500,000	100.00	450.0	450.0

**Annexure to Schedule IV forming part of the accounts**
*Continued*

 Details of Investment including securities held as stock-in-trade as at March 31, 1999  
 (Refer Schedule XIII, Note 6)

(Rupees in million)

Sr. No.	Name of the Company	Type of Investments	Number	Face Value	Book Value	Book Value March 31, 1998
		Com. Paper		10,000,000.00	198.3	49.9
		Bonds		10,000,000	10.3	0.0
120	LIC Housing Finance Ltd.	Equity	5,016,387	10.00	73.0	120.2
121	Lloyd Metals & Engineers Ltd.	Preference	2,300,000	100.00	230.0	0.0
122	Lloyds Steel Indus. Ltd. (Partly paid @ Rs. 58.33)	Equity	12,499,997	10.00	341.3	341.3
		Debenture	2,400,000	100.00	140.0	0.0
123	Madhusudhan Ceramics Ind. Ltd.	Debenture	800,000	100.00	80.0	80.0
124	Madras Cement Ltd.	Com. Paper		10,000,000.00	259.1	0.0
125	Madras Refineries Ltd.	Equity	1,908,300	10.00	151.9	150.0
126	Mafatlal Industries Ltd.	Equity	47,532	100.00	17.3	36.5
		Debenture	40,000	1,700.00	67.8	66.6
		Debenture	0	0.00	0.0	89.9
		Debenture	20,000	1,700.00	34.0	34.0
127	Mahanagar Telephone Nigam Ltd.	Bonds		200,000,000.00	200.8	0.0
128	Maharashtra Jeevan Pradhikaran	Debenture	500	1,00,000.00	50.0	50.0
129	Mangalam Cement Ltd.	Preference	5,000,000	10.00	48.8	0.0
130	Mangalam Timber Products Ltd.	Equity	86,000	10.00	0.2	0.5
		Debenture	512,585	100.00	51.3	51.3
131	Mardia Chemicals Ltd.	Equity	3,131,800	10.00	325.7	414.6
		Debenture	1,250,000	100.00	125.0	125.0
		Debenture	2,500,000	100.00	250.0	250.0
		Debenture	2,500,000	100.00	250.0	250.0
132	Modern Denim Ltd.	Preference	5,000	100.00	0.4	0.5
		Preference	200,000	100.00	18.0	20.0
		Preference	4,920	100.00	0.4	0.5
		Debenture	4,881	25.00	0.1	0.1
		Debenture	100,000	100.00	9.6	9.6
		Debenture	500,000	100.00	50.0	50.0
133	Modern Syntex India Ltd.	Equity	5,146,012	10.00	136.2	151.3
		Preference	250,000	100.00	22.5	25.0
		Debenture	500,000	100.00	50.0	50.0
134	Modern Terry Towels Limited	Preference	300,000	100.00	27.1	30.0
		Preference	5,000	100.00	0.4	0.4
		Debenture	7,449	25.00	0.2	0.2
		Debenture	5,000	66.66	0.3	0.3
		Debenture	500,000	100.00	50.0	50.0
135	Modern Threads (India) Ltd.	Equity	1,174,402	10.00	41.9	46.6
		Debenture	500,000	100.00	50.0	50.0
136	Murudeshwar Ceramics Ltd.	Equity	1,808,263	10.00	135.2	137.5
		Debenture	375,000	120.00	44.4	43.2
		Debenture	911	120.00	0.1	0.1
137	Mysore Cements Ltd.	Preference	2,000,000	100.00	200.0	200.0
138	N.R. Agarwal Industries Ltd.	Debenture	600,000	80.00	48.0	60.0
139	Nagarjuna Fertilizers & Chemicals Ltd.	Equity	3,966,676	10.00	43.4	13.8
		Debenture	0	0.00	0.0	20.3
140	Nandi Highway Developers Ltd. (PP @ Rs.31.88)	Debenture	4,800,000	100.00	153.0	0.0
141	Nath Pulp & Paper Mills Ltd.	Equity	1,207,281	10.00	21.9	47.0
		Debenture	410,950	100.00	41.1	41.1
142	NIIT Ltd.	Com. Paper		10,000,000.00	149.5	0.0
143	Nhava Sheva International Ltd. (PP@Rs.750,000,000)	Debenture	1	2,300,000,000.00	750.0	0.0
144	Nitco Tiles Ltd.	Equity	3,666,667	10.00	110.0	0.0
145	North Eastern Development Finance Corpn. Ltd.	Equity	10,000,001	10.00	100.0	100.0
146	Oil Country Tubular Ltd.	Debenture	1,130,019	100.00	113.0	113.0
		Debenture	229,626	100.00	23.0	23.0
147	Oswal Chems. & Ferts. Ltd.	Equity	6,500,000	10.00	216.7	250.0
148	PAL-Peugeot Ltd.	Equity	12,300,400	10.00	0.0	75.5
		Debenture	8,093,200	40.00	315.4	315.4
		Debenture	1,731,500	40.00	54.5	54.5
		Debenture	2,418,600	40.00	96.7	96.7
		Debenture	865,800	40.00	27.3	27.3

Details of Investment including securities held as stock-in-trade as at March 31, 1999  
(Refer Schedule XIII, Note 6)

(Rupees in million)

Sr. No.	Name of the Company	Type of Investments	Number	Face Value	Book Value	Book Value March 31, 1998
149	Panchsheel Paper Mills Ltd.	Equity	50,000	10.00	0.0	0.5
		Debenture	250,000	93.86	23.5	23.5
		Debenture	214,200	100.00	21.2	21.2
150	Patheja Brothers Forging & Stampings Ltd.	Equity	606,000	10.00	86.4	100.0
151	Petronet India Ltd.	Equity	500,000	10.00	5.0	0.0
	(Partly paid @ Rs.6.66)	Equity	9,500,000	10.00	63.3	0.0
152	Phillips Carbon Black Ltd.	Equity	61,686	10.00	1.9	1.9
		Debenture	250,000	70.00	17.5	22.5
		Debenture	1,900,000	70.00	133.0	171.0
		Debenture	700,000	100.00	70.0	70.0
153	Phillips India Ltd.	Com. Paper		10,000,000.00	49.7	0.0
154	Prag Bosimi Synthetics Ltd.	Preference	2,058,000	100.00	205.8	205.8
		Preference	867,000	100.00	85.8	85.8
		Preference	75,000	100.00	7.5	7.5
		Debenture	2,759,000	100.00	275.9	275.9
		Debenture	214,000	100.00	21.4	21.4
155	Pratibha Syntex Ltd.	Debenture	1,750,000	40.00	70.0	70.0
156	Precision Fasteners Ltd.	Debenture	1,000,000	100.00	100.0	100.0
157	Pressman Ltd.	Equity	451,200	10.00	11.5	24.3
		Debenture	452,300	100.00	42.5	39.8
		Debenture	226,150	100.00	17.2	19.9
		Debenture	678,450	100.00	59.7	59.7
158	Prism Cement Ltd.	Equity	3,700,000	10.00	37.0	37.0
		Debenture	370,000	150.00	55.0	55.0
159	Prudential ICICI Asset Management Co. Ltd.	Equity	8,334,400	10.00	100.6	100.6
160	Prudential ICICI Mutual Fund (Income-Dividend)	Units	5,000,000	10.00	49.8	0.0
161	Prudential ICICI Mutual Fund (Liquid Plan)	Units	5,000,000	10.00	50.0	0.0
162	Rama Newsprint & Paper Ltd.	Equity	5,000,000	10.00	50.0	50.0
		Preference	1,000,000	100.00	100.0	0.0
		Preference	2,700,000	100.00	270.0	0.0
163	Ramco Industries Ltd.	Com. Paper		10,000,000.00	49.8	0.0
164	Ranbaxy Laboratories Ltd.	Equity	3,000	10.00	0.2	0.0
		Com. Paper		10,000,000.00	99.5	0.0
165	Real Value Appliances Ltd.	Debenture	500,000	100.00	50.0	50.0
166	Reliance Capital Ltd.	Equity	1,428,000	10.00	178.6	198.4
167	Reliance Industries Ltd.	Equity	779,464	10.00	73.0	71.2
		Debenture	0	0.00	0.0	75.0
		Debenture	45,126	95.00	4.3	4.3
		Debenture	100	10,000,000.00	1,000.0	1,000.0
168	Reliance Petroleum Ltd.	Equity	11,532,200	10.00	206.0	115.8
		Debenture	26,500,000	100.00	2,650.0	3,000.0
		Debenture	7,621,100	40.00	304.8	304.8
169	Reliance Ports & Terminals Ltd.	Debenture	20,000,000	100.00	2,000.0	2,000.0
		Debenture	20,000,000	100.00	2,000.0	2,000.0
		Debenture	45,000,000	100.00	4,500.0	0.0
170	Reliance Utilities & Ports Ltd.	Debenture	65,000,000	100.00	6,500.0	6,500.0
171	RPG Cables Ltd.	Equity	577,466	10.00	96.0	99.9
		Preference	500,000	100.00	50.0	50.0
		Preference	500,000	100.00	50.0	50.0
172	RPG Cellular Services Ltd.	Preference	600,000	100.00	60.0	60.0
173	Sakthi Sugars Ltd.	Equity	370,020	10.00	18.5	18.5
		Preference	0	0.00	0.0	6.0
		Preference	1,000,000	100.00	99.5	99.5
		Debenture	2,500,000	100.00	250.0	0.0
		Debenture	185,010	100.00	18.5	18.5
174	Samcor Glass Ltd.	Equity	5,000,000	10.00	173.0	192.2
175	Samtel Colour Ltd.	Equity	202,000	10.00	2.0	2.0
		Debenture	2,500,000	100.00	239.3	239.3
176	Sanghi Spinners India Ltd.	Equity	4,000,000	10.00	120.1	120.1
177	Secals Ltd.	Equity	64,687	10.00	0.4	0.6
		Preference	0	0.00	0.0	16.1

**Annexure to Schedule IV forming part of the accounts**
*Continued*

 Details of Investment including securities held as stock-in-trade as at March 31, 1999  
 (Refer Schedule XIII, Note 6)

(Rupees in million)

Sr. No.	Name of the Company	Type of Investments	Number	Face Value	Book Value	Book Value March 31, 1998
		Preference	6,500,000	10.00	42.1	0.0
		Preference	2,300,000	10.00	14.9	0.0
		Preference	2,700,000	10.00	17.5	0.0
178	Securities Trading Corpn. of (I) Ltd.	Equity	1,505,400	100.00	152.5	152.5
179	Sesa Industries Ltd.	Debenture	1,000,000	80.00	80.0	100.0
		Debenture	1,000,000	82.00	82.0	90.0
180	Shiva Distilleries Ltd.	Debenture	600,000	100.00	60.0	60.0
181	Shivaji Works Ltd.	Debenture	1,600,000	29.89	47.8	51.1
182	Shree Ambika Sugar Mills Ltd.	Equity	5,000,000	10.00	49.5	0.0
183	Shree Rajasthan Syntex Ltd.	Equity	560,000	10.00	13.7	13.7
		Debenture	112,000	333.30	37.0	54.6
		Debenture	1,000,000	79.09	79.0	99.0
		Debenture	100,000	500.00	25.0	25.0
184	SICOM Ltd.	Equity	607,200	10.00	41.5	48.8
185	Siel Ltd.	Equity	170,860	10.00	2.1	1.5
		Debenture	56,400	100.00	5.6	5.6
		Debenture	5,000,000	100.00	461.3	419.4
		Debenture	9,400	90.00	0.9	0.9
186	Siemens India Ltd.	Com. Paper		10,000,000.00	99.4	0.0
187	Siltap Chemicals Ltd.	Debenture	260,588	225.00	49.0	43.3
188	Sir Shadilal Enterprise Ind. Ltd.	Equity	385,695	10.00	0.8	0.8
189	Siris Ltd.	Equity	66,600	10.00	4.3	0.0
		Debenture	1,500,000	99.88	149.8	0.0
190	Solarson Industries Ltd.	Debenture	400,000	100.00	40.0	28.0
191	South Asia Regional Apex Fund	Units	8,000	5,000.00	40.0	0.0
192	South Indian Bank Ltd.	Equity	4,073,350	10.00	207.4	207.4
193	Spic Electronics & Systems Ltd.	Equity	3,075,388	10.00	30.8	30.8
194	State Bank of India	Equity	594,800	10.00	87.8	109.7
195	Steelco Gujarat Ltd.	Equity	7,272,710	10.00	0.0	72.7
		Preference	7,272,710	10.00	65.5	72.7
		Debenture	520,076	91.33	47.5	47.5
196	Sterlite Industries Ltd.	Equity	1,300	10.00	0.3	0.3
		Debenture		200,000,000.00	250.0	0.0
		Com. Paper		10,000,000.00	498.2	0.0
197	Stock Holding Corpn. of India Ltd.	Equity	3,570,000	10.00	44.6	44.6
198	Sun Pharmaceutical Ltd.	Com. Paper		10,000,000.00	49.9	0.0
199	Supreme Petrochem Ltd.	Equity	1,287,100	10.00	12.7	12.7
		Debenture	1,287,100	15.00	19.2	19.1
		Debenture	1,000,000	100.00	100.0	100.0
200	Syndicate Bank	Bonds		50,000,000.00	50.0	50.0
201	Tamilnadu Urban Development Fund	Units	5,140,000	10.00	51.4	0.0
202	Tata Chemicals Ltd.	Com. Paper		10,000,000.00	49.8	0.0
203	Tata Engineering & Locomotive Company Ltd.	Debenture	0	0.00	0.0	1,562.4
		Com. Paper		50,000,000.00	249.2	0.0
204	Tata Investment Corporation Ltd.	Equity	923,230	10.00	300.0	300.0
205	Tata Iron & Steel Company Ltd.	Equity	2,650	10.00	0.7	0.0
		Debenture	1	50,00,000.00	500.0	0.0
		Debenture	15,000,000	66.67	1,000.0	0.0
206	TCI Industries Ltd.	Equity	35,510	10.00	1.4	4.2
		Debenture	53,000	80.00	4.2	4.2
		Debenture	264,800	80.00	19.9	18.5
		Debenture	542,200	80.00	40.8	38.0
207	The Paper Products Ltd.	Debenture	0	0.00	0.0	34.7
		Debenture	200,000	66.67	13.3	20.0
		Debenture	0	0.00	0.0	26.9
		Debenture	1,500	1,00,000.00	150.0	0.0
208	Tirpur Thirukumaran Textiles Ltd.	Preference	5,000,000	10.00	50.0	0.0
209	Tourism Finance Corpn. of India Ltd.	Equity	4,445,400	10.00	44.5	48.6
210	20th Century MF (Centurian Open Ended Fund)	Units	5,000,000	10.00	47.3	47.3
211	20th Century MF (Quantum Growth Fund)	Units	5,000,000	10.00	41.7	48.8

Details of Investment including securities held as stock-in-trade as at March 31, 1999  
(Refer Schedule XIII, Note 6)

(Rupees in million)

Sr. No.	Name of the Company	Type of Investments	Number	Face Value	Book Value	Book Value March 31, 1998
212	Usha Martin Telekom Ltd.	Debenture	1,530,000	58.95	90.2	120.8
		Debenture	2,000,000	60.02	120.0	160.0
213	UTI Index Equity Fund	Units	3,000,000	10.00	30.0	30.0
214	Uttam Steel Ltd.	Equity	0	10.00	0.0	28.2
		Debenture	3,000,000	100.00	296.9	296.9
		Debenture	0	0.00	0.0	0.1
		Debenture	0	0.00	0.0	1.3
		Debenture	0	0.00	0.0	0.0
		Debenture	250	1,000,000.00	247.4	247.4
		Debenture	100	1,000,000.00	100.0	100.0
		Debenture	45	1,000,000.00	45.0	45.0
		Debenture	2,000,000	100.00	200.0	200.0
215	Uttar Pradesh State Cement Corp. Ltd.	Debenture	7,510	1,000.00	7.5	7.5
		Debenture	40,000	1,000.00	40.0	40.0
216	Varun Shipping Company Ltd.	Equity	1,809,000	10.00	34.4	34.4
		Debenture	1,500,000	33.13	49.7	98.4
		Debenture	500,000	66.67	33.3	33.3
217	Venture Capital Unit Scheme 1989	Units	7,365,000	100.00	758.7	761.9
218	Venture Capital Unit Scheme 1990	Units	1,874,650	100.00	187.5	240.8
219	Videocon Appliances Ltd.	Debenture	5,000,000	70.00	350.0	450.0
220	Videocon International Ltd.	Equity	500	10.00	0.0	0.0
		Debenture	250,000	1,000.00	224.6	224.6
221	Videocon Petroleum Ltd.	Debenture	18,000,000	84.57	1,522.3	1,642.5
222	Western India Shipyard Ltd.	Debenture	2,023,925	60.00	80.4	80.4
		Debenture	1,011,950	60.00	40.5	40.5
223	Wipro Finance Ltd.	Preference	2,500,000	100.00	247.5	247.5
224	W.S. Telesystems Ltd.	Equity	2,590,000	10.00	1.3	25.8
		Debenture	135,000	100.00	13.5	13.5
		Debenture	310,000	100.00	31.0	31.0

**B: Investments in Subsidiary Companies:**

1	ICICI Banking Corporation Ltd.	Equity	122,505,800	10.00	1,503.6	1,503.6
2	ICICI Capital Services Ltd.	Equity	5,000,000	10.00	50.3	0.0
3	ICICI Infotech Services' Ltd.	Equity	2,000,700	10.00	20.0	20.0
4	ICICI International Ltd.	Equity	40,000	362.20	14.5	14.5
5	ICICI Kinfra Ltd.	Equity	228,500	10.00	2.3	1.6
6	ICICI Personal Financial Services Ltd.	Equity	50,000,000	10.00	500.0	500.0
7	ICICI Properties Ltd.	Equity	100	10.00	0.0	0.0
8	ICICI Real Estate Ltd.	Equity	1	10.00	0.0	0.0
9	ICICI Realty Ltd.	Equity	1,000	10.00	0.0	0.0
10	ICICI Securities & Finance Co. Ltd.	Equity	202,832,700	10.00	2,039.4	1,230.4
11	ICICI Venture Funds Management Co. Ltd.	Equity	2,999,880	10.00	58.0	58.0
12	ICICI West Bengal Infrastructure Devp. Corp. Ltd.	Equity	760,000	10.00	7.6	0.0

Per our Report attached

For S.B. BILLIMORIA & CO. For N.M. RAIJI & CO.  
*Chartered Accountants* *Chartered Accountants*

S.J. MERCHANT A.R. GANDHI  
*Partner* *Partner*

Mumbai  
April 28, 1999

V. SRINIVASAN  
*General Manager*  
& *Company Secretary*

SHALINI S. SHAH  
*General Manager*

For and on behalf of the Board

N. VAGHUL  
*Chairman*  
K.V. KAMATH  
*Managing Director & CEO*  
LALITA D. GUPTA  
*Joint Managing Director & COO*  
S.H. BHOJANI  
*Deputy Managing Director*

April 26, 1999



# balance sheet abstract and company's general business profile

as per Part IV, Schedule VI of the Companies Act, 1956

## 1. Registration Details

Registration No. 

0	0	9	4	5	6
---	---	---	---	---	---

Balance Sheet Date

3	1
---	---

  
Date

0	3
---	---

  
Month

9	9
---	---

  
Year

State Code 

1	1
---	---

## 2. Capital Raised During the year

(Amount Rupees in million)

Public Issue

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

Rights Issue

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

Bonus Issue

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

Private Placement

			7	1	3	7	.	9
--	--	--	---	---	---	---	---	---

## 3. Position of Mobilization and Deployment of Funds

(Amount Rupees in million)

TOTAL LIABILITIES

	5	8	5	4	6	7	.	1
--	---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

		1	8	6	2	7	.	5
--	--	---	---	---	---	---	---	---

Secured Loans

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

Application of Funds

Net Fixed Assets

		3	7	1	6	7	.	9
--	--	---	---	---	---	---	---	---

Net Current Assets and Advances

		5	5	3	2	6	.	8
--	--	---	---	---	---	---	---	---

TOTAL ASSETS

	5	8	5	4	6	7	.	1
--	---	---	---	---	---	---	---	---

Reserves and Surplus

		4	6	5	5	0	.	9
--	--	---	---	---	---	---	---	---

Unsecured Loans

		4	7	6	5	8	5	.	5
--	--	---	---	---	---	---	---	---	---

Loans and Investments

		4	4	6	0	7	5	.	3
--	--	---	---	---	---	---	---	---	---

Miscellaneous Expenditure

			3	1	9	3	.	9
--	--	--	---	---	---	---	---	---

## 4. Performance of Company

(Amount Rupees in million)

Turnover (Gross Income)

		7	3	2	6	9	.	3
--	--	---	---	---	---	---	---	---

Profit before Tax

		1	0	9	5	8	.	4
--	--	---	---	---	---	---	---	---

Earnings per Share in Rupees

1	9	.	4
---	---	---	---

 on weighted average basis

1	8	.	2
---	---	---	---

 on fully diluted basis

\$ Ranging between 9.3% and 10.8% on various series of preference shares.

Total Expenditure

		6	2	3	1	0	.	9
--	--	---	---	---	---	---	---	---

Profit after Tax

		1	0	0	0	8	.	4
--	--	---	---	---	---	---	---	---

Dividend Rate %

5	5
---	---

 on Equity Shares

Preference Shares \$

## 5. Generic Names of Principal Products/Services of the Company

Financial Services

Item code no.

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

Per our Report attached  
For S.B. BILLIMORIA & CO.  
Chartered Accountants

For N.M. RAJI & CO.  
Chartered Accountants

S.J. MERCHANT  
Partner

A.R. GANDHI  
Partner

V. SRINIVASAN  
General Manager  
& Company Secretary

SHALINI S. SHAH  
General Manager

For and on behalf of the Board  
N. VAGHUL  
Chairman  
K.V. KAMATH  
Managing Director & CEO  
LALITA D. GUPTA  
Joint Managing Director & COO  
S.H. BHOJANI  
Deputy Managing Director

April 26, 1999

Mumbai  
April 28, 1999

# cash flow statement

**ICICI** for the year ended March 31, 1999

(Rupees in million)

1997-98

<b>A. Cash Flow from Operating Activities</b>		
Profit before tax (including income-tax, interest-tax and wealth-tax) .....	<b>12,013.4</b>	12,673.2
Adjustments for :		
(Profit)/Loss on Sale of Fixed Assets .....	<b>3.5</b>	(680.4)
Depreciation (including on Assets leased out) .....	<b>3,824.5</b>	3,037.4
Discount/Expenses on loan funds written off .....	<b>805.1</b>	609.1
Revaluation loss on Foreign Currency loans .....	<b>54.5</b>	271.0
Bad and Doubtful Debts (Net) .....	<b>3,635.5</b>	2,163.1
Investments written down (Net) .....	<b>1,081.9</b>	734.4
Exchange Adjustments .....	<b>(9.2)</b>	(9.7)
Operating Profit before Changes in Operating Assets and Liabilities .....	<b>21,409.2</b>	18,798.1
Adjustment for net change in Operating Assets and Liabilities		
Outstanding and Deferred Interest added to Loans .....	<b>(4,057.1)</b>	(1,900.1)
Current Assets excluding Cash and Cash Equivalents .....	<b>(4,106.3)</b>	(1,438.6)
Loans and Advances relating to Operations .....	<b>(156.9)</b>	313.8
Current Liabilities relating to Operations .....	<b>7,650.2</b>	4,338.4
	<b>(670.1)</b>	1,313.5
Cash generated from Operations .....	<b>20,739.1</b>	20,111.6
Payment of Taxes (Includes Rs. 1,500.0 million relating to earlier years) .....	<b>(4,223.0)</b>	(1,632.7)
Net Cash from Operating Activities .....	<b>16,516.1</b>	18,478.9
<b>B. Cash Flow from Lending, Investment and Treasury Activities</b>		
Disbursements net of collections of Loan Principal .....	<b>(67,292.3)</b>	(53,752.1)
Acquisition of Equity Investments in Subsidiary Companies .....	<b>(867.4)</b>	(276.7)
Purchase of Investments (net of redemption/sales at cost) .....	<b>(9,208.9)</b>	(17,369.6)
Purchase of Fixed Assets :		
Leased out .....	<b>(6,328.0)</b>	(4,668.3)
Others .....	<b>(1,823.5)</b>	(1,092.5)
	<b>(8,151.5)</b>	(5,760.8)
Sale of Fixed Assets (including assets leased out) .....	<b>508.2</b>	1,742.1
Net (increase)/decrease in Current Assets relating to Lending, Investment & Treasury Activities .....	<b>(12,567.9)</b>	144.2
Net (increase)/decrease in Advances relating to Lending, Investment & Treasury Activities .....	<b>1,559.9</b>	(1,824.8)
Net increase in Current Liabilities relating to Lending, Investment & Treasury Activities .....	<b>1,789.1</b>	229.7
Net Cash used in Lending, Investment and Treasury Activities .....	<b>(94,230.8)</b>	(76,868.0)
<b>C. Cash Flow from Financing Activities</b>		
Advance against issue of Preference Shares .....	<b>—</b>	3,500.0
Proceeds from Issue of Preference Shares (net of redemption) .....	<b>6,977.9</b>	2,101.2
Proceeds from Issue of Equity Shares .....	<b>0.6</b>	0.1
Premium in respect of the above .....	<b>11.6</b>	0.5
Premium on conversion of advance in terms of scheme of merger with AFL .....	<b>1,250.0</b>	—
Receipt against Calls in arrears on Equity Shares .....	<b>2.2</b>	2.2
Borrowings (net of repayments) .....	<b>87,268.4</b>	63,531.7
Deferred Expenditure against Borrowings .....	<b>(943.5)</b>	(532.7)
Share Issue Expenses adjusted against Share Premium .....	<b>(24.3)</b>	(9.0)
Payment of Dividends .....	<b>(3,461.5)</b>	(2,247.5)
Net increase/(decrease) in Current Liabilities relating to Financing .....	<b>(5,114.8)</b>	131.2
Net Cash from Financing Activities .....	<b>85,966.6</b>	66,477.7
Effect of Exchange Rate Changes in Cash and Cash Equivalents .....	<b>3,541.6</b>	(953.3)
Net Change in Cash and Cash Equivalents .....	<b>11,793.5</b>	7,135.3
Cash & Cash Equivalents at the beginning of the Year .....	<b>27,817.4</b>	20,450.3
Cash & Cash Equivalents at the end of the Year .....	<b>39,610.9</b>	27,585.6

**Note :** (i) Balances as at April 1, 1998 considered for the Cash Flow Statement include balances of the erstwhile Anagram Finance Limited as at that date. Consequent to merger of that Company with the Company current years figures are not comparable with those of the previous year.  
(ii) Figures for the previous year have been regrouped, wherever considered necessary.

For and on behalf of the Board

N. VAGHUL  
Chairman  
K.V. KAMATH  
Managing Director & CEO  
LALITA D. GUPTA  
Joint Managing Director & COO  
S.H. BHOJANI  
Deputy Managing Director

V. SRINIVASAN  
General Manager &  
Company Secretary

SHALINI S. SHAH  
General Manager

Mumbai, May 28, 1999

## Auditors' Certificate

To,  
The Board of Directors,  
ICICI Limited

We have examined the above Cash Flow Statement of ICICI Limited for the year ended March 31, 1999. The statement has been prepared by the Company in accordance with the requirements of the Listing Agreement Clause 32 with stock exchanges and is based on and is in agreement with the corresponding Revenue Account and Balance Sheet of the Company covered by our report dated April 28, 1999.

For S.B. BILLIMORIA & CO.  
Chartered Accountants

S.J. MERCHANT  
Partner  
Mumbai, May 28, 1999

For N.M. RAJJI & CO.  
Chartered Accountants

A.R. GANDHI  
Partner

# section 212

## Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies

Sr. No.	Name of the Subsidiary Company	Financial year of the Subsidiary ended on	Number of Equity Shares held by ICICI and/or its nominees in the Subsidiary as on March 31, 1999	Extent of interest of ICICI in the Capital of the Subsidiary	Net aggregate amount of Profits / Losses of the Subsidiary so far as it concerns the Members of ICICI and is not dealt with in the Accounts of ICICI :		Net aggregate amount of Profits / Losses of the Subsidiary so far as it concerns the Members of ICICI dealt with or provided for in the Accounts of ICICI :	
					for the financial year ended on March 31, 1999	for the previous financial years of the Subsidiary since it became Subsidiary	for the financial year ended on March 31, 1999	for the previous financial years of the Subsidiary since it became a Subsidiary
I.	ICICI Securities and Finance Company Limited	March 31, 1999	202,832,700 Equity Shares of Rs. 10 each fully paid-up.	99.9 %	Rs. 180.5 million	Rs. 20.8 million	Nil	Rs. 46.6 million
II.	ICICI Banking Corporation Limited	March 31, 1999	122,505,800 Equity Shares of Rs. 10 each fully paid-up	74.3 %	Rs. 470.4 million	Rs. 477.3 million	Rs. 119.8 million	Rs. 267.3 million
III.	ICICI Personal Financial Services Limited	March 31, 1999	50,000,000 Equity Shares of Rs. 10 each fully paid-up	100 %	Rs. 72.1 million	Rs. 29.5 million	Rs. 9.8 million	Nil
IV.	ICICI Capital Services Limited	March 31, 1999	5,000,000 Equity Shares of Rs. 10 each fully paid	100 %	Rs. 8.3 million	Rs. 9.6 million	Nil	Nil
V.	ICICI Infotech Services Limited	March 31, 1999	2,000,700 Equity Shares of Rs. 10 each fully paid-up	100 %	Rs. 30.1 million	Rs. 3.4 million	Rs. 4.0 million	Nil
VI.	ICICI Brokerage Services Limited	March 31, 1999	4,500,700 Equity Shares of Rs. 10 each fully paid-up held by ICICI Securities and Finance Company Limited	99.9%	Rs. 6.5 million	Rs. 0.4 million	Nil	Nil
VII.	ICICI Venture Funds Management Company Limited	March 31, 1999	2,999,880 Equity Shares of Rs. 10 each fully paid-up	100 %	Rs. 63.6 million	Rs. 1.2 million	Rs. 7.5 million	Nil
VIII.	ICICI International Limited, Mauritius	March 31, 1999	40,000 Equity Shares of US\$10 each fully paid-up	100 %	Rs. 7.0 million (converted at US\$1=Rs.42.43)	Rs. 0.5 million	Rs. 1.5 million	Nil
IX.	ICICI - KINFRA Limited	March 31, 1999	228,500 Equity Shares of Rs. 10 each, Rs. 7 per share paid-up	76 %	Rs. 0.3 million	Rs. 0.05 million	Nil	Nil
X.	ICICI West Bengal Infrastructure Development Corporation Limited	March 31, 1999	760,000 Equity Shares of Rs. 10 each fully paid up	75.5 %	Rs. 0.004 million	Nil	Nil	Nil
XI.	ICICI Realty Limited	March 31, 1999	*2,500 Equity Shares of Rs. 10 each fully paid	100 %	Rs. 0.02 million	Nil	Nil	Nil
XII.	ICICI Real Estate Company Limited	March 31, 1999	#2 Equity Shares of Rs. 10 each fully paid	100 %	Rs. 0.03 million	Nil	Nil	Nil
XIII.	ICICI Properties Limited	March 31, 1999	•200 Equity Shares of Rs. 10 each fully paid	100 %	Rs. 0.02 million	Nil	Nil	Nil

\* includes 1,000 Equity Shares of Rs. 10 each fully paid up held by ICICI Securities and Finance Company Ltd. and 500 Equity Shares of Rs. 10 each fully paid up held by ICICI Capital Services Limited.

# includes 1 Equity Share of Rs. 10 each fully paid up held by ICICI Securities and Finance Company Limited.

• includes 100 Equity Shares of Rs. 10 each fully paid up held by ICICI Securities and Finance Company Limited.

For and on behalf of the Board

N. VAGHUL

Chairman

K.V. KAMATH

Managing Director & CEO

LALITA D. GUPTA

Joint Managing Director & COO

S.H. BHOJANI

Deputy Managing Director

SHALINI S. SHAH

General Manager

V. SRINIVASAN

General Manager & Company Secretary

Mumbai, April 26, 1999