



5TH ANNUAL REPORT AND ACCOUNTS 1999-2000

Directors

Subhash Dhavale
R. Venkataraghavan
R. Krishnan
Subhashree Dutta

Auditors

S.B. Billimoria & Co.
Chartered Accountants

Registered Office

ICICI Towers
Bandra-Kurla Complex
Mumbai 400 051

ICICI REAL ESTATE COMPANY LIMITED

directors' report

To the Members

Your Directors have pleasure in presenting the Fifth Annual Report of the Company together with the Audited Statement of Accounts for the year ended March 31, 2000.

Financial Results

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

Year ended March 31	2000	1999
Gross Income	29,685,658	10,789,037
Profit/(Loss) before interest & tax	29,501,162	10,519,875
Interest	21,367,228	8,988,597
Profit/(Loss) before tax	8,133,934	1,531,278
Provision for tax	1,000,000	161,000
Profit/(Loss) after tax	7,133,934	1,370,278

Dividend

Considering the long-term interest of the Members and as a matter of prudence, it is proposed to plough back profits to build up resources. Your Directors, therefore, do not recommend payment of dividend for the year ended on March 31, 2000.

Business

As the Members are aware, the Company has decided to enter the real estate business and proposes to undertake one or more of activities involving preparation of building sites for construction, re-construction, erecting, altering, improving, enlarging, developing, decorating, furnishing and maintaining of the same and to purchase for development, investment or for resale of lands, houses, buildings, structures and other properties like flats, shops, etc., of any tenure and any interest therein and purchase, sell and deal in freehold and leasehold land and to make advances upon the security of lands, houses, structures and other property or any interest therein and to purchase, sell, lease, hire, exchange or otherwise deal in land and house property and other property whether real or personal and to turn the same into account as may seem expedient.

As you are aware, your Company had purchased a property in Mumbai in the financial year 1998-99 and after converting the same into a Business Service Centre has let it out for an initial period of 152 weeks.

auditors' report

To the Members of ICICI Real Estate Company Limited

We have audited the attached Balance Sheet of ICICI REAL ESTATE COMPANY LIMITED as on March 31, 2000 and the Profit and Loss Account of the Company for the year ended on that date and we report that:

- 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.
- 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.
- The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, in so far as they are applicable to the Company.
- In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2000; and
 - In the case of Profit and Loss Account, of the profit for the year ended on that date.
- As required by Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government we further report that:

Directors

Smt. Subhashree Dutta, who has been appointed as an Additional Director of the Company effective August 13, 1999, holds office only up to date of the ensuing Annual General Meeting of the Company as provided in the Articles of Association of the Company, but is eligible for appointment.

In terms of the provisions of the Articles of Association of the Company, Shri R. Krishnan would retire at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Particulars of Employees

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

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

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

The Company has no foreign exchange earnings and outgoings during the year ended on March 31, 2000.

Auditors and Auditors' Report

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

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

Acknowledgements

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

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

For and on behalf of the Board,

SUBHASH DHAVALÉ
Director

Mumbai, April 24, 2000

- The Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the registers maintained under Section 301 and Section 370 (1-B) of the Companies Act, 1956. However the Company has taken unsecured loan from its Holding Company, the rate of interest and other terms and conditions of which are not prejudicial to the interest of the Company.
- No personal expenses have been charged to the Profit and Loss Account.
- The Company is not a sick industrial company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- Proper records have been maintained relating to investments and the acquisition of property and timely entries have been made therein. The investments are in the name of the Company.
- Except for the above sub-clauses, the other sub-clauses of clause 4 of the order are not applicable to the Company.

For S.B. BILLIMORIA & CO.
Chartered Accountants

Mumbai, April 24, 2000

S.J. MERCHANT
Partner

balance sheet profit and loss account



as on March 31, 2000

for the year ended March 31, 2000

Schedule	(Rupees)	March 31, 1999	Schedule	(Rupees)	March 31, 1999	
Sources of Funds			Income			
Share Capital	1	20	20	Business Service Charges	26,225,960	8,069,525
Reserves and Surplus:				Interest on Debentures	3,454,438	2,675,512
Profit and Loss Account		8,500,262	1,366,328	(Gross: TDS Rs. 643,696 P.Y. Rs. 315,698)	5,260	44,000
Unsecured Loans and Advances	2	314,800,000	314,800,000	Interest (Gross: TDS Rs. Nil: P.Y. Rs. Nil)	29,685,658	10,789,037
		<u>323,300,282</u>	<u>316,166,348</u>			
Application of Funds			Expenditure			
Investments	3	324,596,715	324,596,715	Interest Charges	21,367,228	5,253,232
Current Assets, Loans and Advances:				Rates & Taxes	130,499	—
Current Assets	4	2,571,689	209,433	Insurance	13,753	—
Loans and Advances	5	40,554,843	60,103,733	Front end Fees	—	3,735,365
		<u>43,126,532</u>	<u>60,313,166</u>	Legal & Professional Charges	—	250,000
Less:				Auditors' Remuneration:		
Current Liabilities & Provisions	6	44,438,771	68,761,975	Audit Fees	11,000	11,000
Net Current Liabilities		(1,312,239)	(8,448,809)	Tax Audit Fees	10,500	—
Miscellaneous Expenditure (to the extent not written off or adjusted):				Certification Fees	15,750	—
Preliminary Expenses		15,806	18,442	Office Expenses	358	260
		<u>323,300,282</u>	<u>316,166,348</u>	Preliminary Expenses Written Off	2,636	7,902
Significant Accounting Policies	7				<u>21,551,724</u>	<u>9,257,759</u>
				Profit Before Tax	8,133,934	1,531,278
				Less: Provision for Taxation	1,000,000	161,000
				Profit After Tax	7,133,934	1,370,278
				Add: Balance brought forward from previous year	1,366,328	(3,950)
				Balance carried to Balance Sheet	<u>8,500,262</u>	<u>1,366,328</u>

Per our Report attached

For ICICI Real Estate Company Limited

For S.B. BILLIMORIA & CO.
Chartered Accountants

SUBHASH DHAVALA
Director

R. VENKATARAGHAVAN
Director

S. J. MERCHANT
Partner

R. KRISHNAN
Director

S. DUTTA
Director

Mumbai, April 24, 2000

schedules

forming part of the Accounts

	(Rupees)	March 31, 1999	(Rupees)	March 31, 1999
1. Share Capital:				
Authorized – 100,000 Equity Shares of Rs.10 each	1,000,000	1,000,000		
	<u>1,000,000</u>	<u>1,000,000</u>		
Issued, Subscribed and Paid up – 2 Equity Shares of Rs.10 each fully paid up, (Of the above, 1 Equity Share of Rs. 10 is held by ICICI Limited (Holding Company) and the other Equity Share is held by a subsidiary of ICICI Limited)	20	20		
	<u>20</u>	<u>20</u>		
2. Unsecured Loans and Advances:				
From ICICI Ltd. (Holding Company)	288,800,000	288,800,000		
Deposits - Others	26,000,000	26,000,000		
	<u>314,800,000</u>	<u>314,800,000</u>		
3. Investments:				
(Long Term – At Cost)				
In Property	298,596,715	298,596,715		
260 13.25% Unsecured Bonds of Rs. 100,000 each of ICICI Ltd. (unquoted)	26,000,000	26,000,000		
	<u>324,596,715</u>	<u>324,596,715</u>		
4. Current Assets:				
Cash on Hand	—	1,560		
Balances with Scheduled Banks - in Current Account	2,571,689	207,873		
	<u>2,571,689</u>	<u>207,873</u>		
5. Loans and Advances:				
Interest Paid in Advance	37,574,851	58,942,079		
Interest Receivable	1,245,863	717,315		
Advance Tax	979,394	315,698		
Other Recoverables	754,735	128,641		
	<u>40,554,843</u>	<u>60,103,733</u>		
6. Current Liabilities & Provisions:				
Current Liabilities –				
Advance Lease Rentals Received	42,365,015	68,590,975		
Payable to ICICI Ltd.	885,234	—		
Sundry Creditors	27,522	10,000		
Provisions –				
Provision for Taxation	1,161,000	161,000		
	<u>44,438,771</u>	<u>68,761,975</u>		
7. Significant Accounting Policies:				
1. Method of Accounting:				
The Accounts are prepared in accordance with accounting principles generally accepted in India. The Company follows the accrual method of accounting.				
2. Revenue Recognition:				
Rental Income is accounted on an accrual basis.				
3. Investments:				
The properties acquired with the intention of long term holding are considered as Investments. Acquisition cost includes costs incidental to the acquisition.				
4. Miscellaneous Expenditure:				
Preliminary Expenses incurred are amortized over a period of 10 years.				

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

1. Registration Details

Registration No.
 Balance Sheet Date
 Date Month Year State Code

2. Capital Raised during the Year

(Amount in Rupees)

Public Issue

Rights Issue

Bonus Issue

Private Placement

3. Position of Mobilization and Deployment of Funds

(Amount in Rupees)

Total Liabilities

Sources of Funds

Paid-up Capital

Secured Loans

Application of Funds

Net Fixed Assets

Net Current Assets and Advances

Total Assets

Reserves & Surplus

Unsecured Loans

Loans and Investments

Miscellaneous Expenditure

4. Performance of Company

(Amount in Rupees)

Turnover (Gross Income)

Profit before Tax

Earnings per Share in Rupees

Total Expenditure

Profit after Tax

Dividend Rate %

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

Product Description

Item Code No.

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

S. J. MERCHANT
 Partner

Mumbai, April 24, 2000

For ICICI Real Estate Company Limited

SUBHASH DHAVALA
 Director

R. KRISHNAN
 Director

R. VENKATARAGHAVAN
 Director

S. DUTTA
 Director