

Directors

Chairman	K.V. Kamath Lalita D. Gupte S.H. Bhojani
Managing Director	Devdatt Shah

Executives

Chief Operating Officer	Subhash Dhavale
Senior Vice Presidents	Amit Tandon Swapna Bhargava Zarin Daruwala Meher Baburaj
Vice President	Nitin Jain

Auditors

M/s. N.M. Raiji & Co.
Chartered Accountants

Registered Office

III Floor, ICICI Tower
NBCC Place
Bisham Pitamah Marg
New Delhi 110 003

Corporate Office

41/44, Minoo Desai Marg
Colaba, Mumbai 400 005

Other Offices

No.1, Cenotaph Road
Teynampet, Chennai 600 018

2B, Gorky Terrace,
(Off Lower Circular Road)
Calcutta 700 017

directors' report

To the Members

Your Directors are pleased to present the Seventh Annual Report of the Company with the Audited Statement of Accounts for the year ended March 31, 2000.

Financial Results

The financial results for the year under review are as follows:

	Year ended March 31, 2000	(Rupees million) Year ended March 31, 1999
Gross Income	2999.69	1924.87
Profit before Interest, Depreciation & Tax	2531.61	1458.57
Depreciation	52.61	75.22
Interest	1447.20	1099.68
Profit before tax	1031.80	283.67
Provision for Tax	311.00	85.00
Profit after tax	720.80	198.67

Business Environment

The Indian economy showed clear signs of recovery during 1999-2000 with GDP growth estimated to be close to 6%. Industrial activity picked up after a long slowdown. The index of industrial production grew 7.9% in the first eleven months of the year. The manufacturing sector index grew 8.8% during this period. External trade also increased, with export growth at 11%. Imports increased at 10.4% during this period. Incremental credit deposit ratio, which was in the range of 34% - 46% during the last three years, jumped to 63%.

The year was good for the interest rate markets. WPI inflation averaged 3% during the year. Despite liquidity being tight during the year, expectations of reduction in administered rates led to a rally in the bond markets. The I-SEC Sovereign Bond Index (I-BEX) yielded total returns of 16.8% and principal returns of 4.3%. The corporate bond market received a fillip from tax incentives for mutual funds. Spreads of AAA paper narrowed from 180 basis points at the beginning of the year to 75-90 basis points.

The equity markets also saw a sharp revival. The benchmark BSE Sensex touched a high of 6150 on 14th February, 2000 compared with 3686 at the beginning of the fiscal year. The rise in technology and media stocks was even more dramatic. The I-SEC Information Technology Index grew 147% during the year. A revival in the secondary market stimulated the primary market. During the year 1999-2000, the total amount raised through the primary market, from IPOs, was Rs. 25.39 billion compared with Rs. 3.79 billion during 1998-1999.

Overall Performance

Having just completed its seventh year with its best ever performance, your Company is now at the forefront of investment banking in India.

Performance highlights:

- Earnings increased 56% to Rs. 2.9 billion
- Net profit was up 263% from Rs. 198 million in 1998-1999 to Rs. 720 million in 1999-2000
- Net worth was up from Rs. 2.3 billion in 1998-1999 to Rs. 2.5 billion in 1999-2000
- After tax return on average net worth was 30.3%

The division wise performance is as follows:

Debt Business

Your Company maintained leadership in all segments of the fixed income markets during 1999-2000. The Company exceeded all bidding and success commitments to RBI as a primary dealer. The total turnover achieved by your Company in government securities and treasury bills was Rs. 399 billion. This is estimated to be the one of the highest among market participants in India. Trading activity in bonds, debentures, CPs and CDs continued to generate increased profits for your Company. In debt placements, your company helped Public Sector Undertakings, Financial Institutions and Corporates to raise over Rs.120 billion during the year. Your Company was the first Primary Dealer to commence activity in interest rate derivative products such as interest rate swaps and forward rate agreements following their introduction by RBI in July 1999 and is currently among the few players providing two-way quotes. Your Company was ranked second at the league tables

A gradual deregulation in fixed income markets and a recovery in economic activity unfold new opportunities for your Company to excel and record an even better performance.

Equities Business:

The Primary market recovered significantly during the year, led essentially by the IT sector. During the second half of the year, keen interest was evinced in IPOs from the media and entertainment sectors as well. High initial expectations of a similar investor response for IPOs of pharmaceutical companies were belied due to subdued investor sentiment towards pharmaceutical stocks in the secondary market.

In equities business, your Company's performance has been robust. Your Company executed ten public issues and two rights issues, which helped mobilize an aggregate amount of Rs. 16.24 billion, twice the FY1999 figure of Rs. 7.02 billion. These issues covered information technology, media, banking and pharmaceutical sectors.

Corporate Finance Business:

During 1999-2000, your Company's corporate finance business was focussed on advising clients on industry consolidation. Your Company was involved in mergers and acquisitions, financial restructurings and private equity placements. Notable transactions during the year were buy-side advisory for a leading FMCG company for take-over of a PSU food company under the divestment programme, a private equity placement for an information technology company and sell-side advisory for a manufacturing company. Your Company continued to work closely with clients, assisting them in enhancing shareholder value through innovative strategies. Your Company believes that opportunities in corporate finance and advisory business will increase. Your Company will leverage its strengths and resources to achieve leadership in this business.

Subsidiary Companies:

As required under Section 212 of the Companies Act, 1956, the audited statement of accounts, along with the report of Board of Directors of ICICI Brokerage and Auditors report thereon for the year ended 31st March, 2000, is annexed.

Dividend

In September 1999, the Board declared a first interim dividend of 9%. At its meetings held in December 1999 and March 2000, the Board further declared a second interim dividend of 3% and a third interim dividend of 10% respectively.

Your Directors are happy to recommend a total dividend of 22% for the year, including interim dividend.

Public Deposits

As on March 31, 2000, the Company had no unclaimed or unpaid deposits which are due for repayment/renewal as per the provisions of the Non-Banking Financial Companies (Reserve Bank) Directions, 1997.

Personnel & Other Matters

The statutory information regarding employees, as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, is attached to this Report.

During 1999-2000, foreign currency earnings were Rs. 10.61 million and expenditure in foreign currency amounted to Rs. 0.96 million.

The requirements of disclosure, in terms of Section 217(1) (e) of the Companies Act, 1956, of steps taken with regard to conservation of energy and technology absorption, do not apply to your Company. Since the Company does not own any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 are not applicable.

Directors

There has been no change in the Board of Directors during the year.

directors' report



i-SEC

In terms of the provisions of the Articles of Association of the Company, Ms. Lalita D. Gupte will retire at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Auditors

M/s. N.M. Rajji & 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.

Business Outlook

Looking ahead, we believe there are significant opportunities in equities and corporate finance. A client-focused strategy and team orientation of employees should further strengthen your company's performance. Your Company strives to be partners with its clients in creating value for their shareholders. We march into the new millennium with a new zest, buttressed by our past performance, getting ready to translate rhetoric into reality.

Acknowledgements

The Directors thank the clients for the confidence reposed in your Company, making it possible to peak new heights of achievement.

The Directors thank bankers, lenders, the Government of India, Reserve Bank of India, the Securities and Exchange Board of India, the Stock Exchange Mumbai (BSE) and the National Stock Exchange (NSE) for their support.

The Directors thank ICICI Limited and its subsidiary companies for the support received from them.

Finally, your Directors record their appreciation of your Company's employees, who, through their dedication and commitment, helped your Company achieve excellent performance during the year 1999-2000.

On behalf of the Board

K.V. KAMATH
Chairman

Mumbai, April 20, 2000

auditors' report

To the Members of ICICI Securities and Finance Company Limited

We have audited the attached Balance Sheet of ICICI SECURITIES AND FINANCE COMPANY LIMITED as at March 31, 2000 and the annexed Profit and Loss Account for the year ended on that date and report that:

- (1) As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) 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 purpose 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 Profit and Loss 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 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 and are in agreement with the books of account;
- (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, 2000; and
 - (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner

Mumbai, April 20, 2000

annexure to the auditors' report

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. Fixed Assets, other than assets given on lease, have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. The securities held as stock-in-trade and in custody of the Company have been physically verified by the management at reasonable intervals. For securities with the custodian and depository participants, statements from them have been obtained on a regular basis.
4. The procedures of physical verification of securities followed by the management are reasonable and adequate in relation to the size of the Company.
5. No material discrepancies have been noticed on physical reconciliation of stock in custody of the Company, and with the custodian and depository participants as compared to the book stock.
6. In our opinion, the valuation of stock-in-trade is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The Company has taken loans from the Companies listed in the register maintained under Section 301 of the Companies Act, 1956. The rate of interest and other terms and conditions of such loans are, prima facie, not prejudicial to the interest of the Company. The Company has not taken any loans, secured or unsecured, from companies under the same management as defined under Section 370(1B) of the Companies Act, 1956.
8. The Company has granted loans to the Companies listed in the register maintained under Section 301 of the Companies Act, 1956. The rate of interest and other terms and conditions of such loans are, prima facie, not prejudicial to the interest of the Company. The Company has not granted any loans, secured or unsecured, to the companies under the same management as defined under Section 370(1B) of the Companies Act, 1956.
9. Certain loans and advances are treated as Non-performing assets, for which provision has been made as per the policy followed by the Company and in respect of certain other loans and advances there were delays in recovery of principal/interest on due dates. Except for the above, the parties to whom loans or advances in the nature of loans have been given by the Company are generally repaying the principal amounts as stipulated and are regular in the payment of interest.
10. The Company has an adequate internal control procedure commensurate with the size of the Company and the nature of its business in respect of purchase of assets and purchase and sale of securities.
11. In our opinion, and according to the information and explanations given to us, services provided and purchase and sale of securities in pursuance of contracts or arrangements listed in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in respect of each party, have been made at prices which are reasonable, having regard to the prevailing market prices for such services/securities and nature of transactions.
12. The Company being a "Non-Banking Financial Company" (NBFC), Section 58A of the Companies Act, 1956 is not applicable to the Company. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by Reserve Bank of India for NBFCs.
13. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
14. As per the records of the Company, during the year provident fund dues have been regularly deposited with the appropriate authorities. As informed to us, the Employees' State Insurance Act is not applicable to the Company.
15. As per the records of the Company and according to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding as at March 31, 2000 for a period of more than six months from the date they became payable.
16. During the course of our examination of the books of account and according to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
17. The Company is not an industrial company and hence the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 is not applicable to the Company.
18. In respect of service activities:
 - (a) the system of allocating man-hours utilized to the relative jobs, is not yet formalized;
 - (b) there is a reasonable system of authorization at proper levels and adequate system of internal control commensurate with the size of the Company and nature of its business.
19. In respect of the loans and advances granted on the basis of security by way of pledge of shares, debentures and other securities, the Company has maintained adequate documents and records.
20. Proper records have been maintained for the transactions relating to trading in shares, securities, debentures and other investments and entries therein have been made generally on a timely basis. Investments are held in the name of the Company. Securities held by the Company as "Stock-in-trade" are generally sent for transfer in the name of the Company unless they are held with the intention of selling prior to transfer. Except for securities under objection, securities are held in the name of the Company.

For N. M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner

Mumbai, April 20, 2000

balance sheet profit and loss account

ICICI Securities

as at March 31, 2000

for the year ended March 31, 2000

i-SEC

Schedule			(Rupees in million)	March 31, 1999	Schedule			(Rupees in million)	March 31, 1999
SOURCES OF FUNDS					Income from Operations				
1. Shareholders' Funds					(a) Income from Services	M	163.31	110.14	
A. Share Capital	A	2,030.03	2,030.03	(b) Interest Income	N	2,060.70	1,523.53		
B. Reserves & Surplus	B	525.04	300.38	(c) Profit/(Loss) on Securities	O	356.27	214.98		
				(d) Other Income	P	419.41	76.22		
		2,555.07	2,330.41						
2. Loan Funds						2,999.69	1,924.87		
A. Secured Loans	C	10,012.40	5,423.00	Less: Operating Expenditure					
B. Unsecured Loans	D	8,895.75	6,538.56	(a) Financial Charges and Operating Expenses	Q	1,574.42	1,229.60		
		21,463.22	14,291.97	(b) Interest Tax		35.50	25.00		
				(c) Depreciation					
				– On Assets leased out		35.00	51.61		
						1,644.92	1,306.21		
						1,354.77	618.66		
APPLICATION OF FUNDS					Expenditure				
1. Fixed Assets	E			Less: Administrative Expenditure					
Gross Block		434.22	449.39	(a) Payments to and Provisions for Employees	R	69.63	64.35		
Less: Depreciation		279.89	239.42	(b) Establishment Expenses	S	235.16	246.25		
Add/(Less): Lease Adjustment		7.51	11.66	(c) Depreciation					
				– On other owned Assets		17.61	23.61		
Net Block		161.84	221.63	(d) Other Expenses	T	0.57	0.78		
Capital Work-in-Progress (Including Capital Advances)		—	0.09						
		161.84	221.72			322.97	334.99		
2. Investments	F	229.63	146.52			1,031.80	283.67		
3. Current Assets, Loans & Advances				Profit Before Taxation		1,031.80	283.67		
A. Current Assets -				Less: Provision for Taxation (Including Tax for earlier years Rs. 12.00 million)		311.00	85.00		
(a) Interest Accrued	G	564.51	285.51	Profit After Taxation		720.80	198.67		
(b) Securities held as Stock-in-Trade	H	15,212.88	9,293.19	Brought forward from previous years		0.92	(141.69)		
(c) Sundry Debtors	I	55.85	685.35						
(d) Cash & Bank Balances	J	13.06	18.47	Amount available for appropriations		721.72	56.98		
B. Loans & Advances	K	6,377.83	4,252.32	Transfer to Special Reserve		144.34	11.40		
		22,224.13	14,534.83	Transfer to General Reserve		72.17	—		
Less: Current Liabilities & Provisions:	L			Proposed Dividend		—	40.60		
A. Current Liabilities		399.99	200.66	Interim Dividend		446.61	—		
B. Provisions		810.33	482.86	Tax on Dividend (Including Tax for earlier year Rs. 0.41 million)		49.53	4.06		
Net Current Assets		21,013.81	13,851.31	Balance carried to Balance Sheet		9.07	0.92		
4. Miscellaneous Expenditure									
(To the extent not written off or adjusted)									
Deferred Revenue Expenditure		57.94	72.42						
		21,463.22	14,291.97						
Notes forming part of the Accounts and Accounting Policies	U			Notes forming part of the Accounts and Accounting Policies	U				

Per our Report attached
For N.M. RAJI & CO.
Chartered Accountants

J.M. GANDHI
Partner

Mumbai, April 20, 2000

SANDEEPKUMAR SARAWGI
Financial Controller

For and on behalf of the Board

K.V. KAMATH
Chairman

LALITA D. GUPTA
Director

DEV DATT SHAH
Managing Director

schedules

forming part of the Accounts

(Rupees in million)

March 31, 1999

A. SHARE CAPITAL:

Authorized:

50,00,00,000 Equity Shares of Rs.10 each

5,000.00

5,000.00

Issued:

20,30,02,800 Equity Shares of Rs.10 each

2,030.03

2,030.03

Subscribed & Paid Up:

20,30,02,800 Equity Shares of Rs.10 each

2,030.03

2,030.03

Of the above, 20,28,33,200 (1999 -20,28,33,200) Equity Shares of Rs.10/- each are held by ICICI Ltd. - (the Holding Company) and its nominees

B. RESERVES & SURPLUS:

(Rupees in million)

	Balance as on April 1, 1999	Additions/Transfers during the year	Deductions/Transfers during the year	Balance as on March 31, 2000	Balance as on March 31, 1999
Share Premium Account	112.80	—	—	112.80	112.80
Debenture Redemption Reserve	5.00	—	5.00	—	5.00
Deferred Tax Credit Reserve	53.82	—	7.76	46.06	53.82
General Reserve	116.44	84.93	—	201.37	116.44
Special Reserve (maintained under Section 45IC of the RBI Act, 1935)	11.40	144.34	—	155.74	11.40
Profit and Loss Account	—	—	—	9.07	0.92
Total				525.04	300.38
Previous Year				300.38	146.36

C. SECURED LOANS:

Borrowings from Reserve Bank of India
(Secured by Government Securities of face
value Rs. 10,787.60 million; Previous year Rs. 5,470 million)

10,012.40

5,423.00

10,012.40

5,423.00

D. UNSECURED LOANS:

Short Term Loans
– From Institutions
– From Others

2,577.30

500.00

1,120.39

2,643.56

Inter-corporate Borrowings

3,798.06

2,295.00

Money at Call and Short Notice

– From Banks/Primary Dealers

—

1,000.00

– From Mutual Funds

300.00

—

– From Institutions

1,000.00

—

13.25% Debentures 2000

(Redeemable at par on or before 4th November, 2000)

100.00

100.00

Total

8,895.75

6,538.56

Of the above loans, Rs. Nil (previous year - Rs. 3,878.56 million) are covered by the line of credit sanctioned by ICICI Ltd. – the holding company. Unsecured loans include an amount of Rs. 1,354.4 million (previous year - Rs. 500 million) from ICICI Ltd. – the holding company.

Short term loans and inter-corporate borrowings due within one year Rs. 6,885.75 million (previous year Rs.5828.56 million).

schedules

E. FIXED ASSETS

(Rupees in million)

	Gross Block (at Cost)				Accumulated Depreciation				Net Block	
	April 1, 1999	Additions	Sale/Adj.	March 31, 2000	April 1, 1999	Additions	Sale/Adj.	March 31, 2000	March 31, 2000	March 31, 1999
Freehold Land	57.23	—	—	57.23	—	—	—	—	57.23	57.23
Building	10.05	—	—	10.05	1.03	0.45	—	1.48	8.57	9.02
Improvements to Leasehold Property	20.50	—	—	20.50	8.07	2.49	—	10.56	9.94	12.43
Plant & Machinery/										
Electrical Installation	14.88	—	0.72	14.16	6.09	1.22	0.40	6.91	7.25	8.79
Office Equipment	29.45	1.55	2.39	28.61	12.03	2.54	1.35	13.22	15.39	17.42
Computers	83.06	1.21	13.51	70.76	60.09	8.46	9.46	59.09	11.67	22.97
Furniture & Fixtures	20.40	0.05	1.38	19.07	10.28	1.84	0.92	11.20	7.87	10.12
Vehicles	3.82	0.03	0.01	3.84	1.51	0.61	0.01	2.11	1.73	2.31
Sub-Total	239.39	2.84	18.01	224.22	99.10	17.61	12.14	104.57	119.65	140.29
Assets given on Lease (Plant & Machinery)	210.00	—	—	210.00	140.32	35.00	—	175.32	34.68	69.68
Add/(Less): Lease Adjustment	—	—	—	—	—	—	—	—	7.51	11.66
Total	449.39	2.84	18.01	434.22	239.42	52.61	12.14	279.89	161.84	221.63
Previous Year	574.48	7.63	132.72	449.39	248.97	75.20	84.75	239.42	221.63	

F. INVESTMENTS - LONG TERM

(At Cost, Quoted unless otherwise stated)

Name of the Company	Quantity	Face Value per Unit (Rs.)	March 31, 2000	March 31, 1999
Equity Shares - Unquoted and fully paid-up				
ICICI Properties Ltd.	100 (100)	10.00	0.00	0.00
ICICI Real Estate Company Ltd.	1(1)	10.00	0.00	0.00
ICICI Realty Ltd.	1,000 (1,000)	10.00	0.01	0.01
ICICI Web Trade Ltd.	100 (Nil)	10.00	0.00	—
In Equity Shares of Subsidiary Company				
Unquoted and fully paid-up				
— ICICI Brokerage Services Ltd.	4,500,700 (4,500,700)	10.00	45.01	45.01
Bonds				
14.50 % ICICI Ltd. 18-03-2000	(Nil) 1,000	100,000.00	—	101.50
— Nirma Ltd. 01-12-2000	200 (Nil)	500,000.00	84.61	—
Units				
Birla Income Plus (Growth-II)	2,834,467 (Nil)	10.00	50.00	—
— Prudential ICICI Income Plan (Growth)	4,016,064 (Nil)	10.00	50.00	—
Total			<u>229.63</u>	<u>146.52</u>

Notes:

- The aggregate cost and market value of the quoted Investments as at March 31, 2000 is Rs. 184.61 million and Rs. 183.25 million respectively (previous year - Rs. 101.50 million and Rs. 101.50 million respectively).
- The aggregate cost of unquoted Investments as at March 31, 2000 is Rs. 45.02 million (previous year - Rs. 45.02 million).

G. INTEREST ACCRUED:

(Rupees in million)

March 31, 1999

On Investments	8.45	1.19
On Stock-in-Trade	539.30	280.53
On Loans & Advances	16.76	3.79
Total	<u>564.51</u>	<u>285.51</u>

schedules

ICICI Securities

forming part of the Accounts

Continued **i-SEC**

	Total Face Value (in Rupees thousands)	(Rupees in million)	March 31, 1999		Total Face Value (in Rupees thousands)	(Rupees in million)	March 31, 1999
14.75% Telco Ltd. 2008	100000 (50000)	103.82	50.70	Units			
15.00% Cosmo Films Ltd. 2001	1419 (1419)	0.47	0.75	Boinanza '95 Units	Nil (1500)	-	1.01
15.00% Madhusudan Industries Ltd. 2001	1750 (1750)	0.75	1.00	Canbonus	30 (80)	-	-
15.5625% Indian Petrochemicals Corporation Ltd. 2002	100 (100)	0.07	0.10	Candouble	3 (3)	-	-
17.00% Kesoram Industries Ltd. 2001	20000 (50000)	9.86	41.16	Cantriple	10 (10)	0.01	0.01
17.00% Kotak Mahindra Finance Company Ltd. 2001	1000 (1000)	1.00	1.00	Magnum Multiplier	146 (1072)	0.15	1.07
17.25% Ashok Leyland Finance Ltd. 2000	100000 (100000)	99.75	92.44	Mastergain 92	841 (3360)	0.90	3.26
18.00% Gujarat Industries Power Ltd. 2003	Nil (115074)	—	121.64	Mastergrowth	20 (129)	0.03	0.15
Tata Iron And Steel Co. 1999 SPNS	Nil (1148)	—	0.54	Masterplus	95 (3180)	0.22	5.01
		461.55	494.13			1.31	10.51
				Total		15,496.54	9,518.54
Debentures (Unquoted)				Less : Provision against Non-performing Assets / Bad debts written off		283.66	225.35
14.00% Nucent Finance Ltd. 2004	64738 (64738)	56.97	41.11				
15.00% Pal Peugeot Ltd. 2004	16160 (16160)	12.17	12.17	Grand Total		15,212.88	9,293.19
16.00% Rama Newsprint & Papers Ltd. 2004	122751 (122751)	87.23	87.23				
17.50% Grapco Granites Ltd. 1998	20000 (20000)	18.25	18.25	Notes:			
17.50% Grapco Granites Ltd. 2000	15000 (15000)	13.10	13.10	1. Certain Debentures which have defaulted for payment on maturity date and certain securities which are under objection have been written off. However, the same have been continued to be disclosed as stock-in-trade to reflect the existence of the claim on the Issuer/Seller.			
17.50% Grapco Mining Ltd. 1995	10000 (10000)	9.31	9.31	2. The aggregate market value of quoted securities as at March 31, 2000 is Rs.15,254.95 million (previous year Rs. 9,288.30 million).			
18.00% Parasrampuriah Synthetics Ltd. 1999	20000 (20000)	17.62	17.62				
19.50% Grapco Granites Ltd. 1998	20000 (20000)	18.92	18.92				
20.00% Das Lagerwey 1996	30000 (30000)	30.00	30.00				
20.00% Veena Textiles Ltd. 1996	15000 (15000)	14.50	14.50				
22.00% GTV Spinners Ltd. 1996	4529 (4529)	4.28	4.28				
		282.35	266.49				
Equity							
Bharat Forge Ltd.	1500 (1500)	21.79	11.71				
Bhushan Steel Ltd.	7992 (8042)	19.18	15.12	I. SUNDRY DEBTORS (Unsecured):			
Biochem Synergy Ltd.	635 (635)	0.03	0.03	(A) Receivables outstanding for a period exceeding six months:			
Bulls Power Systems Ltd.	Nil (4)	—	—	Considered Good	1.61	1.87	
Ceekay Daikin Ltd.	Nil (1000)	—	1.55	Considered Doubtful	8.88	—	
Corporation Bank Ltd.	Nil (1)	—	0.01	(B) Other Receivables:			
Dataline & Research Techno Ltd.	1 (Nil)	—	—	Considered Good	54.24	683.48	
Eveready Industries India Ltd.	5059 (5059)	33.34	28.99		64.73	685.35	
India Containers Ltd.	934 (934)	0.09	1.91	Less: Provision for Doubtful Debts	8.88	—	
Inland Printers Ltd.	7992 (7992)	4.80	12.20	Total	55.85	685.35	
Jocil Industries Ltd.	2371 (2371)	9.25	13.49	J. CASH & BANK BALANCES:			
Kallam Spinning Mills Ltd.	4634 (4634)	0.81	0.70	Cash & Cheques on hand	0.05	0.06	
Kalyani Seamless Ltd.	4000 (4000)	1.20	1.52	In Current Accounts with Scheduled Banks	10.12	14.82	
Kitply Industries Ltd.	Nil (82)	—	0.08	In Current Accounts with Reserve Bank of India	2.89	3.59	
Lanco Industries Ltd.	1 (1)	—	—	Total	13.06	18.47	
Lloyds Metals & Engineering Ltd.	Nil (28)	—	0.01	K. LOANS & ADVANCES:			
Mangalore Refinery & Petrochemicals Ltd.	Nil (20)	—	0.02	(Unsecured and considered good unless otherwise stated)			
MIL Industries Ltd.	350 (350)	0.21	0.21	(A) Loans:			
Narmada Cement Ltd.	Nil (23000)	—	55.20	Intercompany Deposits *	1,204.25	565.70	
Nucent Finance Limited (Previously held as Pressman Ltd.)	1 (1)	—	—	Certificate of Deposits	45.64	—	
Orissa Lamp Ltd.	7215 (7215)	0.72	1.26	Commercial Paper	316.14	870.62	
Pal Peugeot Ltd.	Nil (47)	—	0.01	Repo Lendings #	308.07	—	
Parakaram Tehcnofab Ltd.	1910 (1910)	1.59	0.48	Call Money Lent	2,405.00	1,602.50	
Parasrampuriah Synthetics Ltd.	1246 (1246)	0.01	0.01	Total (A)	4,279.10	3,038.82	
Parasrampuriah Synthetics Ltd.	905 (905)	0.07	0.09				
Rama Newsprint Ltd.	6782 (10000)	5.97	2.75				
Shri Renuga Textiles Ltd.	1000 (1000)	3.10	1.00				
South Indian Bank Ltd.	5740 (5740)	9.27	9.21				
Sun Pharmaceutical Industries Ltd.	192 (100)	0.96	1.50				
Sunshield Chemicals Ltd.	2 (2)	—	—				
Tata Investment Corp Ltd.	768 (768)	7.14	8.06				
Tata Iron & Steel Co. Ltd.	Nil (1)	—	0.01				
Unipon Industries Ltd.	2177 (2177)	0.44	0.33				
Usha Beltron Ltd.	1250 (1250)	17.00	11.06				
Vickers System Ltd.	1 (1)	—	—				
		136.97	178.52				
Equity - Unquoted							
Aldrich Pharmaceuticals Ltd.	2400 (2400)	0.24	4.27				
Arvind Cotspin Ltd.	Nil (3000)	—	5.70				
Hiralal Print Works Ltd.	1935 (1935)	0.15	1.51				
IAEC Industries Ltd.	1500 (1500)	0.15	3.05				
Incowax Ltd.	588 (588)	0.06	1.65				
Mahindra Sona Ltd.	1158 (1158)	1.51	1.16				
Ring Plus Aqua Ltd. (Previously held as Ring Gears India Ltd.)	2258 (2258)	3.84	4.41				
		5.95	21.75				

schedules

forming part of the Accounts

Continued

	(Rupees in million)	March 31, 1999		(Rupees in million)	March 31, 1999
(B) Advances:					
(Recoverable in Cash or in Kind or for value to be received)					
Advance Income & Other Tax	921.71	581.16			
Security Deposit for Leased Premises	410.19	473.65			
Other Advances and Deposits *	56.70	58.68			
Application Money for Securities	710.13	100.00			
Total (B)	<u>2,098.73</u>	<u>1,213.49</u>			
Total (A)+(B)	<u>6,377.83</u>	<u>4,252.32</u>			
* Inter-corporate Deposits and Advances include an amount of Rs. 365.04 million and Rs. 0.25 million respectively receivable from Subsidiary Company (Previous year Rs. 55.70 million and Rs. 8.97 million respectively).					
Amount due from Directors & Officers of the Company is Rs. 0.22 million (Previous year Rs. 0.14 million) (maximum Outstanding during the year Rs. 0.23 million; Previous year Rs. 2.42 million).					
#Repo Lendings are secured by transfer of Government Securities of face value Rs. 300 million in the name of the Company.					
L. CURRENT LIABILITIES & PROVISIONS:					
(A) Current Liabilities:					
Interest Accrued but not due	173.82	91.96			
Sundry Creditors	110.99	0.07			
Sundry Creditors for Expenses	26.81	29.15			
Other Liabilities	88.37	79.47			
Total (A)	<u>399.99</u>	<u>200.66</u>			
(B) Provisions:					
Income and Other Taxes	791.00	420.25			
Proposed Dividend	—	40.60			
Interim Dividend Payable	0.17	—			
Retirement Benefits	19.16	22.01			
Total (B)	<u>810.33</u>	<u>482.86</u>			
M. INCOME FROM SERVICES:					
Issue Management Fees	27.82	14.36			
Financial Advisory Services	52.28	44.92			
Syndication Fees	66.05	48.94			
Underwriting Commission	17.16	1.92			
Total	<u>163.31</u>	<u>110.14</u>			
N. INTEREST INCOME:					
Interest on Securities					
– Stock-in-Trade	1,416.17	833.36			
– Investments	14.79	20.05			
Income on Discounted Instruments					
– Investments	8.45	—			
– Stock-in-Trade	275.11	241.87			
Interest on Inter-Corporate Deposits	149.43	185.89			
Interest on Deposits for Leased Premises	65.19	74.53			
Interest on Income Tax Refund	24.12	—			
Interest on Other Loans & Advances	18.13	19.13			
Interest on Repo & Call Lendings	89.31	148.70			
Total	<u>2,060.70</u>	<u>1,523.53</u>			
O. PROFIT/(LOSS) ON SECURITIES:					
Profit on Sale of Investments	48.20	15.50			
Profit on Commercial Papers & Certificate of Deposits	1.92	12.09			
Profit on Stock-in-Trade					
Sale of Securities	214,843.28	122,039.58			
Less: Purchases	220,515.13	127,121.12			
	<u>(5,671.85)</u>	<u>(5,081.54)</u>			
Add/Less: Increase/(Decrease) in Closing Stock	5,978.00	5,268.92			
	<u>306.15</u>	<u>187.39</u>			
Total	<u>356.27</u>	<u>214.98</u>			
P. OTHER INCOME:					
Lease Rentals	40.95	69.86			
Less: Lease Equalization	4.15	13.69			
	<u>36.80</u>	<u>56.17</u>			
Dividend Income on Stock-in-Trade	320.53	7.47			
Brokerage & Commission	28.64	1.79			
Net Gain from Swaps	0.94	1.57			
Recovery against Bad Debts Written Off	27.52	8.22			
Miscellaneous Income	0.89	1.00			
Profit on Sale of Fixed Assets	4.09	—			
Total	<u>419.41</u>	<u>76.22</u>			
Q. FINANCIAL CHARGES & OPERATING EXPENSES:					
Interest on Fixed Rate Loans & Debentures	636.67	790.36			
Interest on Borrowings from RBI	433.59	24.88			
Interest on Repo & Call Borrowings	376.94	280.83			
Bank & Other Interest	—	3.61			
Guarantee Commission	1.36	4.92			
Bank Charges	3.76	3.82			
Brokerage & Stamp Duty	16.12	7.66			
Custodial Services	0.48	1.63			
Procurement Expenses	26.62	3.05			
Doubtful Debts Written Off / Provided	75.60	193.65			
Less: Opening Provision	—	88.01			
	<u>75.60</u>	<u>105.64</u>			
Lease Syndication Fees	1.70	1.70			
Others	1.58	1.50			
Total	<u>1,574.42</u>	<u>1,229.60</u>			
R. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES:					
Salaries, Wages and Incentive	56.57	50.74			
Contribution to Provident and other Funds	6.11	8.26			
Staff Welfare Expenses	6.95	5.35			
Total	<u>69.63</u>	<u>64.35</u>			

Aggregate Tax deducted at source
Rs. 100.18 million (Previous year Rs. 69.42 million)

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(Rupees in million) March 31, 1999

S. ESTABLISHMENT EXPENSES:

Rent & Amenities	147.81	149.15
Insurance	1.55	2.67
Rates & Taxes	0.20	0.31
Travelling, Conveyance and Motor Car Expenses	18.09	14.29
Repairs, Maintenance and Upkeep	9.46	6.95
Communication Expenses	10.29	19.19
Software Expenses	7.96	11.31
Loss on Sale of Fixed Assets	—	0.13
Deferred Revenue Expenditure written off	14.49	14.49
Subscription & Periodicals	4.52	6.81
Legal & Professional Fees	3.16	8.73
Miscellaneous Expenses	17.63	12.22
Total	235.16	246.25

T. OTHER EXPENSES:

Managerial Remuneration	—	0.31
Auditors' Remuneration	0.57	0.47
Total	0.57	0.78

U. NOTE FORMING PART OF THE ACCOUNTS AND ACCOUNTING POLICIES:

1. Significant Accounting Policies:

(i) Method of Accounting

The accounts are prepared in accordance with accounting principles generally accepted in India. The Company follows the accrual method of accounting.

(ii) Revenue Recognition

In the case of non-fund based activities such as issue management, loan syndication, financial advisory services etc., the revenue is recognized based on the stage of completion of assignments and the bills raised for the recovery of fees.

Interest income is accounted on an accrual basis except that no interest income is recognized on Non-Performing/Doubtful assets, considering prudential norms for income recognition issued by Reserve Bank of India for Non-Banking Financial Companies. Interest income on such assets is recognized when the amount is received and appropriated towards interest.

Lease transactions are treated as a finance lease and lease rental income is recognized on the basis of "Guidance Note on Accounting for Leases" issued by The Institute of Chartered Accountants of India for such transactions.

(iii) Stock-in-trade and Investments

- (a) The securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and shown as current assets. Other securities acquired with the intention of long-term holding are considered as 'Investments'.
- (b) In respect of investments, brokerage and stamp duty payable are considered, to arrive at the cost. However, in respect of securities held as stock-in-trade, brokerage and stamp duty are written off as revenue expenditure. Commission earned in respect of securities held as stock-in-trade and investments acquired from the primary market and on devolvement is adjusted from the cost of acquisition.
- (c) The securities held as stock-in-trade under current assets are valued at cost or market/fair value, whichever is lower. In the case of investments transferred to Stock-in-trade, the carrying amount on the date of transfer is considered as cost. In the case of unquoted shares, fair value is taken at break-up value of

shares, as per the latest audited balance sheet of the concerned company. In the case of debt instruments, fair value is worked out on the basis of yield to maturity rate selected considering quotes where available and the credit profile of the issuer.

- (d) The investments are shown in balance sheet at cost. In the case of quoted investments, provision for diminution in value of investments is made, if such diminution is of a permanent nature in the opinion of the management.

(iv) Interest Rate Swaps

Assets and liabilities in respect of principal amount of interest rate swaps is nullified. Gains or losses in respect of interest rate swaps are accounted on due dates as per the terms of the contract and the net amount is shown in the Profit and Loss account.

(v) Repurchase and Resale Transactions (Repo):

As a Primary Dealer, the Company has been permitted by the Reserve Bank of India to enter into Repo transactions. Such transactions are treated as secured borrowing/lending transactions and accordingly disclosed in the financial statements. The difference between purchase and sale consideration is treated as interest and is accounted as income or expenditure, as the case may be, over the period of the contract.

(vi) Zero Coupon Instruments

The difference between the acquisition price and maturity value of zero coupon instruments are treated as interest and is recognized as income over the remaining life of the instrument.

(vii) Fixed Assets and Depreciation

Fixed assets are stated at historical cost.

Expenditure incurred on plumbing, flooring and other civil works at leased premises prior to its occupation by the Company has been capitalized as "Improvement to Leasehold Property".

Depreciation on leased assets is provided on straight line method at the rate determined, considering the primary period of lease or at the rate prescribed in Schedule XIV to the Companies Act, 1956, whichever is higher.

Depreciation on value of improvements to leasehold property is provided on straight line method at the rate determined, considering the period of lease or at the rate prescribed in Schedule XIV to the Companies Act, 1956, whichever is higher.

Depreciation on fixed assets other than the leased assets and improvement to leasehold property is provided on written-down value method at the rate prescribed in Schedule XIV to the Companies Act, 1956. Additionally, an asset whose written-down value falls below Rs. 5000 is fully depreciated for the remaining balance.

(viii) Deferred Tax Credit Reserve

Deferred Tax Credit Reserve is created for the additional benefit accrued on account of higher depreciation/deduction allowed as per the Income-tax Act, 1961, and the consequential reduction in tax liability.

(ix) Provision for Doubtful Loans and Advances

The policy of provisioning against Non-Performing Loans and Advances has been decided by the management considering prudential norms issued by the Reserve Bank of India for Non-Banking Financial Companies except that amounts recovered subsequent to the balance sheet date have not been considered for provisioning. As per the policy adopted, the provision against sub-standard assets are fixed on a conservative basis, taking into account the management's perception of the higher risk associated with the business of the Company. Certain Non-Performing Loans and Advances are considered as loss assets and full provision has been made against such assets.

schedules

forming part of the Accounts

Continued

(x) Miscellaneous Expenditure

Lease rentals and other revenue expenditure incurred on leased premises prior to occupation of the premises are amortized over the balance period of the lease, starting from the sale or occupation of leased premises.

(xi) Foreign Currency Transactions

Expenses and income are recorded at the exchange rate prevailing on the date of transaction. Assets and liabilities at the Balance Sheet date are restated at the exchange rate prevailing on the Balance Sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of assets and liabilities are dealt with in the Profit and Loss account.

(xii) Retirement Benefits

Provident Fund contribution is paid to the Provident Fund Commissioner's fund while superannuation and gratuity are covered under schemes with Life Insurance Corporation (LIC) and yearly contribution is made to LIC. Liability for leave encashment is estimated by the management and provided for.

2. Contingent liabilities:

- Estimated amount of contracts remaining to be executed on capital account and not provided for - Rs. Nil (*Previous Year - Rs. 0.09 million*).
- Income tax and interest tax matters disputed by the Company Rs.62.54 million (*Previous Year - Rs. 53.73 million*).
- Gross exposure on account of Interest Rate Swaps as at March 31, 2000 is Rs.1,300 Million (*Previous Year - Rs. Nil*).
- Outstanding counter guarantees for subsidiary company as at March 31, 2000 is Rs. 278.50 million (*Previous Year - Rs. Nil*).

3. Deferred Revenue Expenditure as at the Balance Sheet date consists of balance amount of expenses on leased premises.

4. Deferred tax credit reserve to the extent of Rs. 7.76 million and Debenture Redemption Reserve of Rs. 5.00 million is not required any longer and therefore transferred to General Reserve, by the management.

(Rs. in million)

5. Managerial Remuneration

	1999-2000	1998-99
Salaries and allowances	—	0.26
Company's contribution to Provident Fund and other Funds	—	0.04
Perquisites (including reimbursements)	—	0.02
Total	—	0.33

6. Auditors' Remuneration:

(a) Audit Fees	0.35	0.30
(b) Tax Audit & Certification Fees	0.21	0.15
(c) Out-of-Pocket Expenses	0.01	0.02
Total	0.57	0.47

7. Expenditure in foreign currency (Travelling & Other expenses) **0.96** 2.59

8. Earnings in foreign currency (Fees towards Advisory Services) **10.61** 7.26

9. Provision for Taxation includes provision for Wealth Tax Rs. 0.10 million (*Previous Year - Rs. 0.12 million*).

10. Quantitative details of Securities held as Stock-in-trade

(A) Opening and Closing stock

Category	Opening Stock		Closing Stock	
	Face Value (in Rs. 000)	Value (in Rs. million)	Face Value (in Rs. 000)	Value (in Rs. million)
Government Securities	5,648,640 (2,674,593)	5,713.78 (2,673.68)	10,001,884 (5,648,640)	10,206.90 (5,713.78)
Treasury bills	390,000 (512,500)	363.46 (484.08)	2,119,775 (390,000)	1,982.18 (363.46)
Equity shares	104,853 (105,567)	200.28 (211.22)	74,495 (104,853)	142.91 (200.28)
Debentures	842,768 (767,260)	760.62 (568.88)	825,108 (842,768)	743.90 (760.62)
Others	2,652,259 (341,386)	2,480.40 (311.76)	2,509,765 (2,652,258)	2,420.65 (2,480.41)
Total	9,638,519 (4,401,306)	9,518.54 (4,249.62)	15,531,027 (9,638,088)	15,496.54 (9,518.55)

(B) Purchases and Sales

Category	Purchases		Sales	
	Face Value (in Rs. 000)	Value (in Rs. million)	Face Value (in Rs. 000)	Value (in Rs. million)
Government Securities	169,028,785 (89,290,471)	173,826.09 (89,285.18)	164,675,541 (86,316,724)	169,816.90 (86,379.46)
Treasury bills	30,678,275 (26,561,200)	28,543.42 (25,261.86)	28,948,500 (26,683,700)	26,935.74 (25,403.37)
Equity shares	257 (188)	0.00 (0.00)	30,615 (883)	93.57 (0.30)
Debentures	2,813,829 (1,069,733)	3,004.42 (1,085.26)	2,831,489 (994,676)	3,068.23 (920.34)
Others	14,723,842 (11,869,639)	15,141.20 (11,488.95)	14,866,366 (9,558,766)	14,928.84 (9,336.11)
Total	217,244,988 (128,791,231)	220,515.13 (127,121.12)	211,352,482 (123,554,749)	214,843.28 (122,039.58)

Note: Figures in parentheses pertain to previous years.

11. Figures for the previous year have been regrouped wherever necessary.

Signatures to Schedules A to U

Per our report attached

For N.M. RAIJI & CO.
Chartered Accountants

J. M. GANDHI
Partner

Mumbai, April 20, 2000

For and on behalf of the Board

K.V. KAMATH
Chairman

LALITA D. GUPTA
Director

SANDEEPKUMAR SARAWGI
Financial Controller

DEV DATT SHAH
Managing Director

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.

5	2	2	3	8
---	---	---	---	---

 State Code

5	5
---	---

 Balance Sheet Date

3	1
---	---

 /

0	3
---	---

 /

2	0	0	0
---	---	---	---

 Date Month Year

2. Capital Raised during the Year

(Amount in Rupees million)

Public Issue

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

Bonus Issue

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

Rights Issue

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

Private Placement

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

3. Position of Mobilization and Deployment of Funds

(Amount in Rupees million)

Total Liabilities and Shareholders' funds

	2	1	4	6	3	.	2	2
--	---	---	---	---	---	---	---	---

Total Assets

	2	1	4	6	3	.	2	2
--	---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

		2	0	3	0	.	0	3
--	--	---	---	---	---	---	---	---

Reserves & Surplus

			5	2	5	.	0	4
--	--	--	---	---	---	---	---	---

Secured Loans

	1	0	0	1	2	.	4	0
--	---	---	---	---	---	---	---	---

Unsecured Loans

		8	8	9	5	.	7	5
--	--	---	---	---	---	---	---	---

Application of Funds

Fixed Assets

			1	6	1	.	8	4
--	--	--	---	---	---	---	---	---

Investments

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

Net Current Assets

	2	1	0	1	3	.	8	1
--	---	---	---	---	---	---	---	---

Miscellaneous Expenditure

				5	7	.	9	4
--	--	--	--	---	---	---	---	---

4. Performance of the Company

(Amount in Rupees million)

Turnover

		2	9	9	9	.	6	9
--	--	---	---	---	---	---	---	---

Total Expenditure

		1	9	6	7	.	8	9
--	--	---	---	---	---	---	---	---

Profit before Tax

		1	0	3	1	.	8	0
--	--	---	---	---	---	---	---	---

Profit after Tax

			7	2	0	.	8	0
--	--	--	---	---	---	---	---	---

Earnings per Share in Rupees

					3	.	5	5
--	--	--	--	--	---	---	---	---

Dividend Rate %

					2	.	2	0
--	--	--	--	--	---	---	---	---

5. Generic Names of Three Principal Services of the Company

(As per monetary terms)

Item Code No. : Not Applicable

Product Description : Securities Investment & Trading
 Investment banking activities and Corporate Finance

For and on behalf of the Board

K.V. KAMATH
Chairman

LALITA D. GUPTA
Director

DEV DATT SHAH
Managing Director

SANDEEPKUMAR SARAWGI
Financial Controller

Mumbai, April 20, 2000

statement pursuant to section 212

of the Companies Act, 1956, relating to Subsidiary Companies

I. Name of the Subsidiary Company:	ICICI Brokerage Services Limited
1. The financial year of the Subsidiary Company ended on	March 31, 2000
2. (a) Number of Equity Shares held by ICICI Securities and Finance Company Limited (I-Sec) and/or its nominees in the Subsidiary as on March 31, 2000	4,500,700 Equity Shares of Rs. 10 each Fully Paid-up
(b) Extent of interest of ICICI Securities and Finance Company Limited (I-Sec) in the Capital of the Subsidiary.	100%
3. Net aggregate amount of Profits/Losses of the Subsidiary so far as it concerns the Members of I-Sec and is not dealt with in the Accounts of I-Sec	
(a) Profits of the Subsidiary for the financial year ended on March 31, 2000	Rs. 46.05 million
(b) Profits for the previous financial years of the Subsidiary since it became a subsidiary of I-Sec	Rs. 7.84 million
4. Net aggregate amount of Profits/Losses of the Subsidiary so far as dealt with or provisions made for those losses in the Accounts of I-Sec	
(a) Profits of the Subsidiary for the financial year ended on March 31, 2000	Nil
(b) Profits for the previous financial years of the Subsidiary since it became a subsidiary of I-Sec.	Nil

For and on behalf of the Board

K.V. KAMATH
Chairman

LALITA D. GUPTA
Director

SANDEEPKUMAR SARAWGI
Financial Controller

DEV DATT SHAH
Managing Director

Mumbai, April 20, 2000