

ICICI - WEST BENGAL INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

6TH ANNUAL REPORT AND ACCOUNTS 2000-2001

Directors

A.S Ganguly, *Chairman*
N. Vaghul
D.P. Patra
Debasis Sengupta, *Managing Director*
Arnab Basu
Alok Agarwal
Atri Bhattacharya

Auditors

M/s. Ray & Ray
Chartered Accountants

Registered Office

2B Gorky Terrace
Kolkata 700 017

directors' report

to the members

Your Directors have pleasure in presenting the Sixth Annual Report of the Company with the audited Statement of Accounts for the year ended March 31, 2001.

OPERATIONAL REVIEW

During the year, the company has made some progress on the various projects under conception and development. While individual projects have not been moving at the desired speed, your Company is making all efforts to expedite them.

As informed earlier, your Company has been actively working with the Asian Development Bank (ADB) on their initiative for developing the South Asian Growth Quadrangle (SAGQ). The first major initiative of ADB in India for this region is the North South Economic Corridor Project of West Bengal. ADB had given a Project Preparation Technical Assistance grant of USD 1 million to study the overall feasibility of the project in May 1999 and your Company was appointed the Executing Agency for the same by the state government. With support from your Company, the international consultants successfully completed the study during the year. Based on their report, ADB is considering a loan for a USD 250 mn. priority project for upgrading the existing NH34. Your Company has been named a member of the North South Economic Development Corridor Project Board and is being considered for developing a high priority PPP project for the Islampur – Raigunj Cut-off.

In June 2000, the Standing Committee of the Cabinet on Industries considered and awarded a few projects to your Company for development. The status of some of these projects is as under:

Your Company has been working with the Transport Department for reclamation of North Canal System around Kolkata. This canal when reclaimed would help connect River Hoogly at Kolkata to River Raimangal bordering India and Bangladesh and would be used widely for goods and passenger transportation and tourism. Your company has completed the draft Detailed Project Report jointly with British Waterways and West Bengal Transport Infrastructure Development Corporation Ltd. (WB TIDC) and submitted the same to the government for its comments.

Your Company was mandated by the Food Processing Department to establish the feasibility and identify a suitable promoter for setting up a Floriculture Complex in North Bengal. Your company submitted the pre-feasibility report in June 1999. Efforts are now on to get the selected land transferred to the project so that the task of identifying a suitable promoter for the project can be started.

The other mandated projects have seen slow progress.

Your company had been mandated by WB TIDC to advice on setting up a commercially viable complex on pile caps on river Hoogly under Vidyasagar Setu. Your Company recommended setting up of a 'Millenium Convention Centre' at this picturesque location and submitted a concept plan. This report was appreciated and WB TIDC mandated your Company to select a suitable B.O.T. operator for the project. Your Company floated its first BOT tender document to short-listed companies. The Chief Minister of West Bengal laid the foundation stone for the project in February 2001.

During the year, your Company took up the preparation of pre-feasibility reports for setting up of a Gems and Jewellery Park and Toy Park in Salt Lake. These reports have been completed and submitted to WBIDC. The Gems and Jewellery Park has been allotted the required land and WBIDC is proceeding with their implementation. Your Company has given offers to WBIDC for providing Project Management Services for the two Parks.

Other projects under development include:

- a) Commercial Utilisation of Calcutta State Transport Corporation's surplus

land: Negotiations are on with the corporation to develop their surplus land on a joint venture basis with private promoter(s).

- b) 5 km Bypass on State Highway 1 at Amtola for PWD Department: Your company has given a proposal to PWD for developing this project on a B.O.T. basis.

In addition to the above, your Company has rendered extensive support to West Bengal Industrial Development Corporation and the government for promotion of industry and infrastructure in the state by helping organise various seminars and conferences and making presentations to visiting foreign and Indian dignitaries.

Your Company has also taken up two assignments on behalf of ICICI Limited. The Company is advising Coal India Limited on Financial Restructuring of Bharat Coking Coal Limited and on structuring two green field open cast mining projects under Central Coalfields Limited.

The financial results of the Company have been below expectations. For the 12-month period ending March 31, 2001, your company earned a profit after tax of Rs 0.53 mn. on a turnover of Rs 6.6 mn. which is lower than last year's profit after tax of Rs. 1.97 mn. on a turnover of Rs. 10.18 mn.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposit under Section 58-A of the Companies Act, 1956.

DIRECTORS

Shri A.K. Bal, who was on the Board since July 15, 2000 tendered his resignation from the Board effective January 15, 2001. The Board accepted with regret the resignation of Shri A.K. Bal and placed on record its appreciation of the valuable services rendered by him during his tenure.

Shri S. K. Maheshwari, who was on the Board since December 15, 1995 tendered his resignation from the Board effective October 14, 2000. The Board accepted with regret the resignation of Shri S.K. Maheshwari and placed on record its appreciation of the valuable services rendered by him during his tenure.

Shri S. Khasnobis who was on the Board since May 4, 1998 tendered his resignation from the Board effective January 15, 2001. The Board accepted with regret the resignation of Shri S. Khasnobis and placed on record its appreciation of the valuable services rendered by him during his tenure.

The Board has appointed Shri Arnab Basu as an additional Director of the Company effective October 14, 2000.

The Board has appointed Shri Alok Agarwal as a Director of the Company effective January 15, 2001 and Shri Atri Bhattacharya was appointed as a Director of the Company on January 15, 2001 in place of Shri A.K. Bal.

The present term of appointment of Dr. Debasis Sengupta as the Managing Director of the Company expires on May 3, 2001. In the Meeting held on April 18, 2001, the Board has extended his term by one year.

In terms of the provisions of the Articles of Association of the Company, Shri D.P. Patra would retire at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

AUDITORS

The Auditors, M/s. Ray & Ray, Chartered Accountants, Kolkata, will retire at the ensuing Annual General Meeting. The Board at its Meeting held on April 18, 2001 has proposed their appointment as Statutory Auditors to audit the accounts of the Company for the financial year ending March 31, 2002. You are requested to consider their appointment.

FOREIGN EXCHANGE EARNING AND EXPENDITURE

During 2000-2001, expenditure in foreign currencies amounted to Rs. 165,680 on account of foreign travel. During the same period, the Company did not have any earnings in foreign currency.

PERSONNEL AND OTHER MATTERS

The company does not employ any person falling under the purview of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended.

Since your Company does not own any manufacturing facility, the disclosure of information on other matters required to be disclosed in terms of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable and hence not given.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm:

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the

Company at the end of the financial year and of the profit or loss of the Company for that period;

3. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and;
4. that the Directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors are grateful for the unstinted support and guidance received from ICICI Ltd and West Bengal Industrial Development Corporation Ltd, the promoter-shareholders of your Corporation, as well as the Government of West Bengal and look forward to receiving their continued support and advice.

The Directors would also like to express their sincere thanks and appreciation to all the employees for their commendable teamwork, exemplary professionalism and enthusiastic contribution during the year. Finally, the Directors wish to express their gratitude to the Members for their continued support.

For and on behalf of the Board

D. SENGUPTA
Managing Director

Kolkata, April 18, 2001

auditors' report

to the members of ICICI-West Bengal Infrastructure Development Corporation Limited

We have audited the attached Balance Sheet of ICICI-WEST BENGAL INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED as at March 31, 2001 and relative Profit and Loss Account for the year on that date, both of which we have signed under reference to this report and are in agreement with the books of accounts.

We report as follows:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government and on the basis of such checks as we considered appropriate and according to information and explanations given to us, we enclose in the ANNEXURE a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
 - 2.1 In our opinion the Profit and Loss Account and Balance Sheet of the Company have been compiled in accordance with the accounting standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956.

- 2.2 In our opinion we have obtained all the information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account together with the notes attached thereon / attached thereto, give respectively a true and fair view of the state of affairs of the Company as at March 31, 2001 and its profit for the year ended on that date.
- 2.3 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.
- 2.4 In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the books.

For RAY & RAY
Chartered Accountants

B. K. GHOSH
Partner

Kolkata, 18 April, 2001

annexure to the auditors' report

(referred to in paragraph 1 of our report of even date)

1. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets
(b) The said assets have been physically verified during the year by the management and no material discrepancies between the book records and the physical inventory have been noticed.
2. The Company has not revalued the fixed assets during the year.
3. This being a service company, items (iii), (iv),(v),(vi),(xii),(xiv),(xvi) and (xx) of the clause (A) to paragraph 4 of the aforesaid Order are not applicable.
4. The Company has not taken any loans secured or unsecured from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956
5. The Company has granted loans to its holding company. The rate of interest and other terms and conditions of such loans are, prima facie, not prejudicial to the interest of the Company.
6. The party to whom loans have been given by the Company is repaying the principal amounts as stipulated and is also regular in payments of the interest.
7. In our opinion there is an adequate internal control procedure commensurate with size and nature of the Company's business for the purchase of equipment and similar assets.
8. The Company has not purchased goods and materials and sold goods, services aggregating Rs. 50,000 or more in value from/to any of the parties listed in the register maintained under Section 301 of the Companies Act, 1956.
9. The Company has not accepted any deposits from the public.
10. In our opinion the Company's present internal audit system is commensurate with its size and nature of the business.
11. The Provident Fund Act and Employees State Insurance Act are not applicable to this Company.
12. There are no amounts outstanding in respect of undisputed Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty as on March 31, 2001 which were due for more than six months from the date they became payable.
13. During the course of our examination of the books of accounts carried out in accordance with the generally accepted auditing practices, we did not come across any personal expenses which have been charged to Profit and Loss Account, other than those paid under contractual obligations and / or in accordance with generally accepted business practices, nor have we been informed of any such case by the management.
14. The Company has a reasonable system of allocating man-hours to the relative jobs commensurate with its size and nature of its business.

For RAY & RAY
Chartered Accountants

B. K. GHOSH
Partner

Kolkata, 18 April, 2001

balance sheet profit and loss account



as at March 31, 2001

for the year ended March 31, 2001

	Schedule	Rupees	March 31, 2000		Schedule	Rupees	March 31, 2000
I. SOURCES OF FUNDS				Net Income from Operations			
Shareholders' Funds				Income From Management Services		5,643,200	<i>9,117,803</i>
Share Capital	1	10,007,000	<i>10,007,000</i>	Interest Income	10	1,003,993	<i>1,067,099</i>
Reserves and Surplus	2	2,656,020	<i>2,126,543</i>	Total		6,647,193	<i>10,184,902</i>
Total		12,663,020	<i>12,133,543</i>	Expenditure			
II. APPLICATION OF FUNDS				Payments to and Provisions for Employees	11	1,247,545	<i>101,628</i>
Fixed Assets	3			Establishment and Other Expenses	12	4,051,879	<i>6,683,718</i>
Gross Block		1,613,381	<i>1,495,683</i>	Depreciation		413,292	<i>330,303</i>
Less: Depreciation		800,240	<i>386,948</i>	(Note 6 on Schedule 13)			
Net Block		813,141	<i>1,108,735</i>	Total		5,712,716	<i>7,115,649</i>
Current Assets, Loans and Advances				Profit from Operations		934,477	<i>3,069,253</i>
Current Assets				Other Income		10,000	<i>4,250</i>
Project Development Expenses		740,384	<i>293,238</i>	Profit before Taxation		944,477	<i>3,073,503</i>
Sundry Debtors	4	3,255,807	<i>798,637</i>	Provision for Taxation		415,000	<i>1,100,000</i>
Cash and Bank Balances	5	1,011,416	<i>4,931,160</i>	Profit after Taxation		529,477	<i>1,973,503</i>
Other Current Assets	6	173,196	<i>133,578</i>	Balance brought forward from previous year		2,126,543	<i>153,040</i>
Loans and Advances	7	9,058,063	<i>7,438,884</i>	Balance carried to Balance sheet		2,656,020	<i>2,126,543</i>
		14,238,866	<i>13,595,497</i>	Notes on Accounts	13		
<i>Less: Current Liabilities and Provisions</i>	8						
A. Current Liabilities		1,073,327	<i>1,715,523</i>				
B. Provisions		1,600,343	<i>1,185,343</i>				
Net Current Assets		11,565,196	<i>10,694,631</i>				
Miscellaneous Expenditure	9	284,683	<i>330,177</i>				
Total		12,663,020	<i>12,133,543</i>				
Notes on Accounts	13						

The Schedules referred to above and notes thereon form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

The Schedules referred to above and notes thereon form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our report of even date.

For RAY & RAY
Chartered Accountants

For and on behalf of the Board

B. K. GHOSH
Partner

D.P. PATRA
Director

D. SENGUPTA
Managing Director

Kolkata, April 18, 2001

schedules

forming part of the Accounts

(Rupees)

March 31,
2000

Schedule - 1: Share Capital

Authorized:

10,000,000 (2000 - 10,000,000) Equity Shares of Rs. 10 each

100,000,000

100,000,000

Issued, Subscribed & Paid up:

1,000,700 (2000 - 1,000,700) Equity Shares of Rs. 10 each

10,007,000

10,007,000

Notes:

Of the above, 760,000 (2000 - 760,000) Equity Shares of Rs. 10 each are held by ICICI Ltd. (the Holding Company)

Schedule - 2: Reserves and Surplus

Profit and Loss Account (as per Annexed Account)

2,656,020

2,126,543

Schedule - 3: Fixed Assets

(Rupees)

Items	Gross Block (At Cost)				Depreciation				Net Block	
	April 1, 2000	Additions	Adjustment	March 31, 2001	April 1, 2000	For the Year	Adjustment	March 31, 2001	March 31, 2001	March 31, 2000
Office Equipment	222,353	—	—	222,353	17,950	28,634	1,448	45,136	177,217	204,403
Computers	1,273,330	105,400	39,550	1,339,180	368,998	363,100	12,233	719,865	619,315	904,332
Furniture	—	51,848	—	51,848	—	35,239	—	35,239	16,609	—
Total	1,495,683	157,248	39,550	1,613,381	386,948	426,973	13,681	800,240	813,141	1,108,735
Year ended 31st March, 2000	367,395	1,128,288	—	1,495,683	56,645	330,303	—	386,948	1,108,735	

Note: Adjustments in "Computers" are in respect of computer software expenses which have been transferred to Establishment & Other Expenses and charged off in the Profit and Loss Account

Schedule - 4: Sundry Debtors

Unsecured - Considered Good

Debts exceeding six months

Other Debts

661,250

778,837

2,594,557

19,800

Total

3,255,807

798,637

Schedule - 5: Cash and Bank Balances

Cash and Cheques in hand

3,566

90,389

Balances with Scheduled Bank

In Current account

In Deposit accounts

—

78,045

1,007,850

4,762,726

Total

1,011,416

4,931,160

Schedule - 6: Other Current Assets

Unsecured - Considered Good

Interest on Other deposits

Total

173,196

133,578

173,196

133,578

Schedule - 7: Loans and Advances

Unsecured and considered good

Loans and advances recoverable in cash or in kind or for value to be received

Deposits

Income Tax Payments

(includes Tax Deducted at source Rs. 802,812; 2000: Rs. 543,066)

7,300,000

6,095,566

29,401

229,402

1,728,662

1,113,916

Total

9,058,063

7,438,884

schedules



forming part of the Accounts

Continued

(Rupees) March 31, 2000

Schedule - 8: Current Liabilities & Provisions

A) Current Liabilities		
Sundry Creditors (Refer Notes 3 and 4 on Schedule 13)	662,907	1,649,585
Book overdraft with scheduled bank	234,563	—
Other Liabilities	175,857	65,938
	<u>1,073,327</u>	<u>1,715,532</u>
B) Provisions - Taxation	1,600,343	1,185,343
Total (A+B)	2,673,670	2,900,866

Schedule - 9: Miscellaneous Expenditure

(To the extent not amortized or adjusted)		
Preliminary and Pre-operative Expenses	330,177	377,606
Less: Amortised during the Period	45,494	47,429
Total (Net)	284,683	330,177

Schedule - 10: Interest Income

On Bank Deposits (Gross)	312,699	317,952
(Tax Deducted at Source Rs. 72,813; 1999-2000 Rs. 69,053)		
On Intercompany Deposits (Gross)	691,294	749,147
(Tax Deducted at Source Rs. 153,793; 1999-2000 Rs. 195,791)		
Total	1,003,993	1,067,099

Schedule - 11:

Payment to and Provisions for Employees

Salary	1,170,148	—
Staff welfare	77,397	101,628
Total	1,247,545	101,628

Schedule - 12:

Establishment and other Expenses

Advertisement and Business Promotion	152,456	258,323
Computer Software Charges	75,050	—
Bad Debts Written Off	450,000	—
Service Tax	188,105	410,485
Rent	40,000	458,178
Travelling and Conveyance	1,338,009	2,443,937
Repairs and Maintenance - Others	101,067	132,652
Rates and Taxes	8,320	2,500
Communication Expenses	217,077	353,052
Professional Charges	766,781	2,027,436
Printing and Stationery	407,289	163,213
Preliminary and Pre-operative Expenses Written -Off	45,494	47,429
Office Maintenance	75,037	36,430
Miscellaneous Expenses (Note 7 on Schedule 13)	187,194	350,083
Total	4,051,879	6,683,718

Schedule - 13: Notes on Accounts

1. Significant Accounting Policies

a) Basis of Accounting

The financial statements are prepared under historical cost conventions and in accordance with the generally accepted accounting principles and applicable statutory provisions, practices and standards prevailing in India.

b) Fixed Assets

Fixed Assets are stated at cost. Cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation.

c) Depreciation

(i) Depreciation is provided on written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

(ii) Depreciation on additions/deletions of the fixed assets is provided on pro-rata basis with reference to the date of addition/deletion. Any Profit/Loss arising out of sale/deletion of fixed assets is treated accordingly in Profit and Loss Account.

d) Foreign Currency Transactions

Transactions in foreign currencies are accounted for at equivalent rupees value incurred/earned in foreign currencies.

e) Treatment of Prior period and Extra-ordinary items

(i) Any material items (other than those arising out of over/under estimation in earlier years) that arise as a result of error or omission in preparation of earlier years' financial statements are separately disclosed.

(ii) Any materials gains/losses which arise from the events or transactions which are distinct from ordinary activities of the Company are separately disclosed.

f) Recognition of Income/Expenditure

Both income and expenditure are recognized on accrual and prudent basis except as indicated below:

(i) Income by way of fees from management advisory services is recognised as and when bills are raised.

(ii) Expenses on projects conceived and developed are accumulated and charged to revenue in the year of the billing.

g) Preliminary and pre-operative expenses

Preliminary and preoperative expenses are amortized over a period of ten years from the date of commencement of commercial operations.

- Project Development Expenses represent expenses incurred for management and development of projects against which bills will be raised in stages or on completion as per the related terms of the contract.
- Sundry Creditors include a balance of Rs. 563,883 (Rs.1,447,924) with the Holding Company, ICICI Limited. This balance has been arrived at after adjustment of debit balance of Rs.1,255,945 representing receivables from ICICI Limited against the total credit balance of Rs.1,819,828 in the Advance Received from ICICI Limited Account. Maximum amount due at any time during the year is Rs. 931,159 (Rs. 3,148,032).
- Sundry Creditors does not include any amounts due to small scale and ancillary undertakings.
- The provisions of Gratuity Act, Provident Fund Act and Employees' State Insurance Act are not applicable to the Company.
- Depreciation for Rs 413,292 (Rs. 330,303) is net of Rs. 13,681 (Rs. Nil) being the amount written back in respect of Financial Year 1999-2000.
- Miscellaneous Expenses include Auditors' remuneration:

	2000-2001	1999-2000
	Rs.	Rs.
Audit Fees	20,000	20,000
Other Services – Tax Audit	5,000	5,000
Total	25,000	25,000

- Establishment and Other Expenses include Computer Software Charges amounting to Rs. 39,550 relating to prior period.
- Expenditure in foreign currency (Travelling) is Rs.165,680 (Rs. 493,414).
- Expenses are net of reimbursements.
- Corresponding previous years' figures have been regrouped/rearranged wherever necessary.
- Figures in parenthesis represent the figures of the corresponding previous year.

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

1. Registration Details

Registration No. 7 5 9 8 0
 Balance Sheet Date 3 1 0 3 2 0 0 1
 Date Month Year

2. Capital Raised during the Year

(Amount in Rupees Thousand)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

3. Position of Mobilization and Deployment of Funds

(Amount in Rupees Thousand)

Total Liabilities

1 2 6 6 3

Total Assets

1 2 6 6 3

Sources of Fund

Paid-up Capital

1 0 0 0 7

Reserves and Surplus

2 6 5 6

Secured Loans

N I L

Unsecured Loans

N I L

Application of Funds

Net Fixed Assets

8 1 3

Investments

N I L

Net Current Assets

1 1 5 6 5

Miscellaneous Expenditure

2 8 5

Accumulated Losses

N I L

4. Performance of the Company

(Amount in Rupees Thousand)

Turnover (including interest and other income)

6 6 5 7

Total Expenditure

5 7 1 3

Profit (+)/Loss (-) before Tax

+ 9 4 4

Profit (+)/Loss (-) after Tax

+ 5 2 9

Earnings per Share (Rupees)

0 . 5 3

Dividend Rate (%)

N I L

5. Generic Names of principal products/services of the Company as per monetary terms

Product Description

Infrastructure Development

Item Code (ITC Code)

NIL

Product Description

Management Advisory Services

Item Code (ITC Code)

NIL

Signatures to Schedules 1 to 13

For and on behalf of the Board

D. P. PATRA
Director

D. SENGUPTA
Managing Director

Kolkata, 18 April, 2001