

ICICI REALTY LIMITED

6TH ANNUAL REPORT AND ACCOUNTS 2000-2001

Directors

Subhash Dhavale
R. Venkataraghavan
Avinash Kelkar
R. Krishnan

Auditors

S.B. Billimoria & Co.
Chartered Accountants

Registered Office

ICICI Towers
Bandra-Kurla Complex
Mumbai 400 051

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.

FINANCIAL RESULTS

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

	(Rupees)	
	Year ended March 31,	
	2001	2000
Gross Income	11,264,400	5,262,461
Profit before tax	6,081,708	5,213,790
Provision for Tax	15,000	1,530,000
Profit after tax	6,066,708	3,683,790

DIVIDEND

Considering the long-term interest of 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 March 31, 2001.

OPERATIONAL REVIEW

As the Members are aware, the Company has decided to enter the real estate business and proposes to undertake one or more of the 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 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 financial year 1998-99. Your Company has entered into a leave and license agreement in respect of the same for a period of three years starting from January 2000.

PUBLIC DEPOSITS

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

DIRECTORS

Smt. Subhashree Dutta, who was on the Board since August 13, 1999 tendered her resignation from the Board effective August 9, 2000. The Board accepted with regret the resignation of Smt. Subhashree Dutta and placed on record its appreciation of the valuable services rendered by her during her tenure.

The Board had appointed Shri Avinash Kelkar as an Additional Director of the Company effective August 9, 2000. He will hold office up to the date of the ensuing Annual General Meeting as provided in the Articles of Association of the Company, but is eligible for appointment.

Shri R. Venkataraghavan would retire at the ensuing Annual General Meeting and, being eligible, offer himself for re-appointment.

AUDITORS

The Auditors, M/s. S. B. Billimoria & Co., Chartered Accountants, Mumbai, will retire at the ensuing Annual General Meeting. The Board at its Meeting held on April 23, 2001, has proposed their appointment as joint 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

There was no income or expenditure in foreign currency during the period under review.

PERSONNEL AND OTHER MATTERS

There are no employees within the purview of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

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 judgements 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

The Company would like to express its gratitude for the unstinted support and guidance received from ICICI Limited, the parent organisation and also from other Group companies.

For and on behalf of the Board

SUBHASH DHAVALE
Director

Mumbai, April 23, 2001

auditors' report



to the members of ICICI Realty Limited

We have audited the attached Balance Sheet of ICICI Realty Limited as at March 31, 2001 and the Profit and Loss 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 (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 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 it appears from our examination of the books;
 - (c) the Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (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) on the basis of written representations given by the Directors to the Company, taken on record by the Board, none of the Directors is disqualified as on March 31, 2001 from being appointed as a Director under Section 274(1)(g) of the Companies Act, 1956;
- (f) in our opinion, 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:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2001; and
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

For S.B. BILLIMORIA & CO.
Chartered Accountants

SANJIV N. SHAH
Partner

Mumbai, April 23, 2001

annexure to the auditors' report

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

1. The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed asset. Physical verification of the fixed asset has been carried out by the management during the year. No significant discrepancies were revealed on such verification.
2. The fixed asset has not been revalued during the year.
3. The Company has not taken or granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 and/or to the companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956.
4. There were no undisputed amounts payable in respect of income tax, sales tax and customs duty outstanding as at March 31, 2001 for a period of more than six months from the date they became payable.

5. As per the records of the Company and the information and explanations given to us, no personal expenses have been charged to the Profit and Loss Account.
6. 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.

For S.B. BILLIMORIA & CO.
Chartered Accountants

SANJIV N. SHAH
Partner

Mumbai, April 23, 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
Sources of Funds				Income			
Share Capital	1	25,000	25,000	Rent			
Reserves and Surplus	2	3,838,383	3,746,979	(Gross: TDS Rs.2,491,312 Previous year Rs. 1,135,827)		11,264,400	5,162,850
Unsecured Loans from ICICI Ltd. (Holding Company)		285,415,347	294,188,435	Interest		—	99,611
		<u>289,278,730</u>	<u>297,960,414</u>	(Gross: Previous year TDS Rs. 21,915)		<u>11,264,400</u>	<u>5,262,461</u>
Application of Funds				Expenditure			
Fixed Assets	3	285,223,407	—	Insurance		—	13,753
Investments	4	—	296,023,900	Rates and Taxes		9,769	—
Current Assets, Loans and Advances:				Software Expenses		300,000	—
Current Assets	5	105,202	1,886,766	Depreciation		4,825,190	—
Loans and Advances	6	5,509,706	2,037,795	Professional Tax		9,100	6,784
		<u>5,614,908</u>	<u>3,924,561</u>	Auditors' Remuneration:			
Less: Current Liabilities & Provisions	7	1,566,500	1,996,346	Audit Fees		11,000	11,000
		<u>4,048,408</u>	<u>1,928,215</u>	Tax audit Fees		10,500	—
Net Current Assets				Certification Fees		15,750	15,750
Miscellaneous Expenditure (to the extent not written off or adjusted):				Preliminary Expenses written off		1,384	1,384
Preliminary Expenses		6,915	8,299			<u>5,182,693</u>	<u>48,671</u>
		<u>289,278,730</u>	<u>297,960,414</u>	Profit Before Tax		6,081,707	5,213,790
Notes forming part of the Accounts	8			Less: Provision for Tax		15,000	1,530,000
				Profit After Tax		6,066,707	3,683,790
				Less: Prior Period Adjustment (Refer Note 2)	3	5,975,303	—
				Profit for the year		91,404	3,683,790
				Add: Balance brought forward from previous year		3,746,979	63,189
				Balance Carried to Balance Sheet		<u>3,838,383</u>	<u>3,746,979</u>
				Appropriations:			
				Special Reserve		3,327,000	—
				Balance carried to Balance Sheet		511,383	3,746,979
						<u>3,838,383</u>	<u>3,746,979</u>
				Notes forming part of the Account	8		

Per our Report attached

For S.B. BILLIMORIA & CO.
Chartered Accountants

SANJV N. SHAH
Partner

Mumbai, April 23, 2001

SUBHASH DHAVALÉ
Director

R. VENKATARAGHAVAN
Director

R. KRISHNAN
Director

AVINASH KELKAR
Director

schedules

forming part of the Accounts

		(Rupees)	March 31, 2000		(Rupees)	March 31, 2000
1. Share Capital				4. Investments		
Authorized –				(Long Term – At Cost)		
50,000 Equity Shares of Rs.10 each		500,000	500,000	In Property		296,023,900
Issued, Subscribed and Paid up –				Less: Transferred to Fixed Assets		(296,023,900)
2,500 Equity Shares of Rs.10 each		25,000	25,000			—
Fully Paid-up. [Of the above, 1,000						<u>296,023,900</u>
Equity Shares of Rs. 10 each are held				5. Current Assets		
by ICICI Ltd. (Holding Company) and				Balance with Scheduled Banks-		
the other 1,500 Equity Shares are held				in Current Account		105,202
by the subsidiaries of ICICI Limited]		25,000	25,000			<u>105,202</u>
				6. Loans and Advances		
2. Reserves & Surplus	Balance	Additions	Deductions/	Balance as at		
	as at		Transfers	March 31,		
	April 1, 2000		during	2001		
	(Rs.)	(Rs.)	the period	(Rs.)		
Special Reserve	—	3,327,000	—	3,327,000		
Profit and Loss Account	3,746,979	91,404	(3,327,000)	511,383		
	<u>3,746,979</u>	<u>3,418,404</u>	<u>(3,327,000)</u>	<u>3,838,383</u>		
Previous year	63,189	3,683,790	—	3,746,979		
3. Fixed Assets				7. Current Liabilities & Provisions		
Gross Block				Current Liabilities		
Building-Freehold Land				Sundry Creditors		21,500
(transferred from Investment)		296,023,900	—	Payable to ICICI Limited		—
Less: Provision for Depreciation (Prior period)		5,975,303	—	Other liability		—
Less: Provision for Depreciation		4,825,190	—			1,444
		<u>285,223,407</u>	<u>—</u>	Provisions:		
				Provision for Taxation		1,545,000
						<u>1,566,500</u>
						<u>1,996,346</u>

