



## 3RD ANNUAL REPORT AND ACCOUNTS 1999-2000

### **Directors**

Chairman	K.V. Kamath Lalita D. Gupte S.H. Bhojani Sanjiv Kerkar
Managing Director	Shikha Sharma

### **Executive**

Company Secretary	Rajesh S. Chawathe
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### **Auditors**

N.M. Raiji & Co.  
S.B. Billimoria & Co.  
Chartered Accountants

### **Registered Office**

ICICI Towers,  
Bandra-Kurla Complex  
Mumbai 400 051

# directors' report



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

## FINANCIAL PERFORMANCE

During the year under review, your Company earned an income of Rs. 241.91 million. The profit before tax amounted to Rs. 61.22 million after taking into account depreciation of Rs. 37.94 million on fixed assets. The profit after tax was Rs. 51.31 million.

During the year, the Board approved two interim dividends aggregating to Rs. 0.60 per equity share. The Directors do not recommend any final dividend for the year ended March 31, 2000. The disposable profit of Rs. 54.03 million (Rs. 72.11 million during the previous year) has been appropriated as under:

	(Rs. in million)	
	Year ended March 31, 2000	Year ended March 31, 1999
To Statutory Reserve [in terms of Section 45-IC of the RBI Act, 1934 as amended by the RBI (Amendment) Act, 1997]	10.26	14.43
To General Reserve	—	—
Dividend for the year ended March 31, 2000		
- On equity shares at the rate of 6%	30.00	50.00
- Corporate dividend tax	3.80	5.00
Balance carried forward to next year	9.97	2.68

## BUSINESS STRATEGY

Your Company continued to serve as the focal point for marketing, distribution and servicing of the retail asset products of ICICI. During the year under review, the product range expanded to include Consumer Durable Loans, Personal Loans, Commercial Vehicle loans and Dealer and Developer Financing.

During the year under review, your Company also funded six Initial Public Offerings.

Your Company also entered into an arrangement with ICICI Bank Limited to market its credit cards, launched in January 2000, and has been instrumental in issuing more than 10,500 cards in the first three months of operation.

During the year, your Company established state-of-the-art Call Centres at four locations across the country to enhance the level of service provided to ICICI customers. The Call Centres currently cater to the customers of ICICI Bank, Credit Cards and ICICI and will soon service all products of the ICICI group companies.

During the year under review, your Company incorporated ICICI Home Finance Company Limited (ICICI Home Finance), as its 100 per cent subsidiary for housing finance business. Subsequently, your Company transferred its entire shareholding aggregating to Rs. 7,000 in ICICI Home Finance to ICICI Limited. ICICI Home Finance ceased to be a subsidiary of your Company with effect from November 22, 1999.

## OPERATIONAL REVIEW

The Company's disbursements in respect of past commitments of leasing and hire purchase were Rs. 16.53 million and Rs. 42.58 million respectively.

The Company earned fees aggregating Rs. 37.16 million for marketing, distribution and servicing of the retail asset products of ICICI.

The Company also disbursed Rs. 4,130 million towards funding of 6 Initial Public Offerings.

## RESOURCES

The Authorized Share Capital was 150,000,000 Equity Shares of Rs. 10 each amounting to Rs. 1,500 million. Of this, 50,000,000 Equity Shares of Rs. 10 each amounting to Rs. 500 million have been issued, subscribed and paid up. ICICI Limited and its nominees hold the entire paid-up equity capital of the

Company. In addition, the Company also enjoys a line of credit facility to the extent of Rs. 5,000 million from ICICI Limited.

As on March 31, 2000, the capital adequacy ratio defined as the ratio of total capital to risk-weighted assets was 87%.

## PUBLIC DEPOSITS

Since inception, your Company has not accepted any deposit from the public within the meaning of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

## 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.

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

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, is not applicable and hence not given.

## SHIFTING OF REGISTERED OFFICE

During the year under review, the Registered Office of the Company was shifted from 1, Cenotaph Road, Teynampet, Chennai 600 018 to ICICI Towers, Bandra-Kurla Complex, Mumbai 400 051 with effect from February 15, 2000.

## DIRECTORS

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

Shri Sanjiv Kerkar, who has been appointed as an additional Director effective July 26, 1999 holds office only up to the date of the Third Annual General Meeting of the Company as provided under Article 135 of the Articles of Association of the Company, but is eligible for appointment.

## AUDITORS AND AUDITORS' REPORT

M/s. S.B. Billimoria & Co, and M/s N.M. Rajji & Co., Chartered Accountants, Mumbai, the Joint Auditors, will retire at the ensuing Annual General Meeting. The Board has recommended their appointment as Joint 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, comments are not called for separately.

## ACKNOWLEDGEMENTS

Your Company is grateful to the Reserve Bank of India for their co-operation and advice during the year under review. The Company is also grateful to its clients and bankers for the unstinted support received during the aforesaid period.

The Company would like to express its gratitude for the unstinted support and guidance received from ICICI, the parent organization, as also from other ICICI group companies.

The Directors would also like to place on record their appreciation for the professionalism, dedication and excellent teamwork shown by the employees of the Company.

For and on behalf of the Board

K. V. KAMATH  
Chairman

Mumbai, April 20, 2000

# auditors' report

## To the Members of ICICI Personal Financial Services Limited

We have audited the attached Balance Sheet of ICICI PERSONAL FINANCIAL SERVICES LIMITED as at March 31, 2000 and the Profit and Loss Account for the year ended on that date.

- (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 appears from our examination of the books;
  - (c) 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;

(d) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes forming part of the accounts give the information required under the Companies Act, 1956, in the manner so required and also 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. RAJI & CO.  
*Chartered Accountants*

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

J.M. GANDHI  
*Partner*

S.J. MERCHANT  
*Partner*

*Mumbai, April 20, 2000*

## 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 assets. Physical verification of the fixed assets has been carried out by the management during the year. No discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. The Company has taken loan from its Holding Company, which is also a party listed in the register maintained under Section 301 of the Companies Act, 1956. The rate of interest and terms of this loan are not, prima facie, prejudicial to the interest of the Company.
4. The Company has not given 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.
5. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of fixed assets.
6. There are no transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, as aggregating during the year to Rs. 50,000 or more in respect of such parties.
7. The Company being a "Non-Banking Financial Company" (NBFC), Section 58A of the Companies Act, 1956 is not applicable to it. During the year, the Company did not accept any deposit from the public falling under the purview of the Non-Banking Financial Companies (Reserve Bank) Directions, 1977 as also the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
8. In our opinion, the Company has an internal audit system, which is broadly commensurate with the size and nature of its business.
9. The Provident Fund dues are deposited with the appropriate authority by the Holding Company on behalf of the Company or by the Company itself.
10. Dues directly paid by the Company have been regularly deposited. We have been informed that dues paid by the Holding Company are also regularly deposited with the appropriate authority and there are no arrears of such dues as at the Balance Sheet date.
11. There were no undisputed amounts payable in respect of income tax, sales tax and customs duty outstanding as at March 31, 2000 for a period of more than six months from the date they became payable.
12. According to the information and explanations given to us and the records of the Company examined by us, no personal expenses have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
13. Having regard to the nature of service activities:
  - (a) a system for allocating man-hours to the relative jobs is not considered necessary.
  - (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 in respect of allocation of expenses.
14. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
15. The clauses (iii) to (vi), (ix), (xii), (xiv), (xvi) and (xx) of 4A, 4B(ii), 4C(ii) and (iii), and (iv) of 4D of the Manufacturing and Other Companies (Auditor's Report) Order, 1988 are not applicable to the Company.

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

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

J.M. GANDHI  
*Partner*

S.J. MERCHANT  
*Partner*

*Mumbai, April 20, 2000*

# balance sheet profit and loss account



as at March 31, 2000

for the year ended March 31, 2000

	Schedule	(Rupees in million)	March 31, 1999	Schedule	(Rupees in million)	March 31, 1999
<b>SOURCES OF FUNDS</b>				<b>INCOME</b>		
<b>Shareholders' Funds</b>				Income from Operations I <b>239.74</b> 352.63		
Share Capital	A	<b>500.00</b>	500.00	Other Income J	<b>2.17</b>	5.12
Reserves and Surplus	B	<b>63.12</b>	45.61		<b>241.91</b>	357.75
		<b>563.12</b>	545.61	<b>EXPENDITURE</b>		
<b>Loan Funds</b>				Staff Expenses K	<b>31.43</b>	19.95
Unsecured Loan	C	—	617.50	Establishment Expenses L	<b>0.05</b>	19.71
		<b>563.12</b>	1,163.11	Other Expenses M	<b>10.76</b>	26.63
				Diminution in value of Investments	<b>0.90</b>	—
<b>APPLICATION OF FUNDS</b>				Financial Charges N	<b>78.74</b>	177.83
<b>Fixed Assets</b>				Bad-debts written off	<b>15.21</b>	—
Gross Block	D	<b>412.30</b>	354.59	Depreciation		
Less: Depreciation		<b>97.82</b>	47.06	- against assets given on lease	<b>57.64</b>	43.35
Net Block		<b>314.48</b>	307.53	- Less: Lease equalization	<b>19.70</b>	14.72
Others		<b>34.71</b>	43.06			
		<b>349.19</b>	350.59	- against own assets	<b>3.44</b>	2.51
<b>Investments</b>	E	<b>99.10</b>	—	Preliminary and Pre-operative expenses written off	<b>2.22</b>	2.20
<b>Current Assets, Loans and Advances</b>	F	<b>212.31</b>	1,062.69		<b>180.69</b>	277.46
Less: Current Liabilities and Provisions	G	<b>105.14</b>	260.05	Profit before Tax	<b>61.22</b>	80.29
Net Current Assets		<b>107.17</b>	802.64	Less: Provision for Taxation	<b>8.00</b>	8.18
<b>Miscellaneous Expenditure</b>				Profit after Tax	<b>53.22</b>	72.11
(to the extent not written off or adjusted)				Less: Prior year adjustments O	<b>1.91</b>	—
Preliminary & Pre-operative expenses	H	<b>7.66</b>	9.88	Profit for the period	<b>51.31</b>	72.11
		<b>563.12</b>	1,163.11	Add: Balance brought forward from previous year	<b>2.72</b>	0.04
<b>Notes forming part of the Accounts and Accounting Policies</b>	P			Amount Available for Appropriations	<b>54.03</b>	72.15
<b>Balance Sheet Abstract and Company Profile</b>	Q			<b>APPROPRIATIONS</b>		
				Statutory Reserve	<b>10.26</b>	14.43
				Interim Dividend	<b>30.00</b>	—
				Final Dividend	—	50.00
				Tax on Dividend	<b>3.80</b>	5.00
				Surplus - Carried to Balance Sheet	<b>9.97</b>	2.72
					<b>54.03</b>	72.15
				<b>Notes forming part of the Accounts and Accounting Policies</b>		
				<b>Balance Sheet Abstract and Company Profile</b>		

As per our Report attached

For N.M. RAJI & CO.  
Chartered Accountants

J.M. GANDHI  
Partner

For S.B. BILLIMORIA & CO.  
Chartered Accountants

S.J. MERCHANT  
Partner

For and on behalf of the Board

K.V. KAMATH  
Chairman

LALITA D. GUPTA  
Director

S.H. BHOJANI  
Director

SANJIV KERKAR  
Director

R.S. CHAWATHE  
Company Secretary

SHIKHA SHARMA  
Managing Director

Mumbai, April 20, 2000

# schedules

forming part of the Accounts

(Rupees in million)

March 31,  
1999

## A. SHARE CAPITAL

### Authorized

150,000,000 Equity Shares of Rs.10 each

1,500.00 1,500.00

### Issued, Subscribed and Paid-up

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

500.00 500.00

All the above equity shares are held by ICICI Limited – the Holding Company and its nominees.

## B. RESERVES AND SURPLUS

	Balance as at April 1, 1999	Additions/ Transfers during the year	Balance as at March 31, 2000
Statutory Reserve	22.29	10.26	32.55
General Reserve	20.60	—	20.60
Surplus in Profit and Loss Account	2.72	7.25	9.97
	<u>45.61</u>	<u>17.51</u>	<u>63.12</u>
As at March 31, 1999	28.50	17.11	45.61

## C. UNSECURED LOAN

Loans from Holding Company

— 617.50  
— 617.50

## D. FIXED ASSETS

(Rupees in million)

Particulars	Gross Block - at cost			Depreciation				Net Block		
	As at April 1, 1999	Acquired during the year	Deduction during the period	As at March 31, 2000	As at April 1, 1999	For the period	Adj.	Upto March 31, 2000	As at March 31, 2000	As at March 31, 1999
Furniture and fixtures	0.31	—	0.31	—	0.27	—	0.27	—	—	0.04
Office equipment	8.82	28.86	8.82	28.86	2.76	3.44	3.81	2.39	26.47	6.06
	9.13	28.86	9.13	28.86	3.03	3.44	4.08	2.39	26.47	6.10
Assets given on lease – Plant & Machinery	345.46	37.98	—	383.44	44.03	57.64	6.24	95.43	288.01	301.43
Total	<u>354.59</u>	<u>66.84</u>	<u>9.13</u>	<u>412.30</u>	<u>47.06</u>	<u>61.08</u>	<u>10.32</u>	<u>97.82</u>	<u>314.48</u>	<u>307.53</u>
As at March 31, 1999	175.61	178.98	—	354.59	1.20	45.86	—	47.06		
Lease adjustment									27.91	14.96
Capital work in progress									6.80	28.10
									<u>34.71</u>	<u>43.06</u>
									<u>349.19</u>	<u>350.59</u>

## E. CURRENT INVESTMENTS (Quoted at cost)

	Quantity	Face Value Rs.		
In units of Mutual Funds				
Prudential ICICI Gilt Fund-Treasury Plan	7,750,382	10.00	80.00	—
Alliance Government Securities Fund-Short Term	19,494	1,000.00	20.00	—
Less: Diminution in value			0.90	—
			<u>99.10</u>	<u>—</u>

# schedules

## F. CURRENT ASSETS, LOANS AND ADVANCES

### (a) Current Assets

Stock on Hire	95.98	941.48
Interest and lease rentals accrued	0.89	1.28
Sundry Debtors (Unsecured - Considered good)		
more than six months	2.60	11.74
others	69.12	30.57
		<u>42.31</u>
	71.72	
Sundry Deposits	0.03	0.03
Cash and bank balances:		
Cash and Cheques on hand	—	0.25
Current Accounts with Scheduled Banks	13.30	33.40
Fixed Deposit with Scheduled Banks	0.11*	0.11
		<u>33.76</u>
	13.41	
	<u>182.03</u>	<u>1,018.86</u>

\* Punjab National Bank and Bank of Baroda have lien over fixed deposit receipts of Rs. 1,00,000 and Rs. 10,000 respectively, against Bank Guarantees.

### (b) Loans and Advances

(Unsecured - Considered good unless otherwise stated)

Advances recoverable in cash or in kind or for value to be received

For Stock on Hire	0.32	30.39
Others	6.14	0.24
		<u>30.63</u>
Loan to Staff	—	0.66
Advance payments of tax and tax deducted at source	23.82	12.54
		<u>43.83</u>
	30.28	
	<u>212.31</u>	<u>1,062.69</u>

## G. CURRENT LIABILITIES AND PROVISIONS

### (a) Liabilities

Sundry Creditors	57.78	33.30
Unmatured Finance charges	13.45	72.51
Income received in advance	8.89	11.80
Other Liabilities:		
- against collection of Securitized Assets	2.17	67.95
Security Deposit	0.55	—
Interest accrued but not due	—	6.48
		<u>192.04</u>
	82.84	

### (b) Provisions

Provision for Taxation	22.30	13.01
Provision for Dividend	—	50.00
Provision for tax on Proposed Dividend	—	5.00
		<u>68.01</u>
	22.30	
	<u>105.14</u>	<u>260.05</u>

## H. MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

Preliminary Expenses	3.38	3.84
Pre-operative Expenses	4.28	6.04
	<u>7.66</u>	<u>9.88</u>

# schedules

forming part of the Accounts

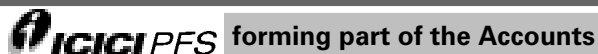
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(Rupees in million)

March 31,  
1999

<b>I. INCOME FROM OPERATIONS</b>		
(1) Income from Financing Operations		
(a) Securitization	54.56	239.03
(b) Factoring	—	3.43
(c) Leasing	79.44	73.29
(d) Hire Purchase	6.89	5.22
(e) IPO Funding	49.18	—
(f) Other Income	1.92	0.24
	<u>191.99</u>	<u>321.21</u>
(2) Income from Services		
(a) Lease Portfolio Management	—	23.64
(b) Brokerage	—	0.38
(c) Service fees	4.15	—
(d) Management fees	37.16	—
	<u>41.31</u>	<u>24.02</u>
(3) Income from Fees		
(a) Front end fees	7.71	7.62
	<u>7.71</u>	<u>7.62</u>
	<u>241.01</u>	<u>352.85</u>
Less: Provision for Interest Tax		0.22
		<u>1.27</u>
		<u>352.63</u>
Total tax deducted at source against Income from Operations - Rs. 1.16 million (previous period Rs. 1.39 million)		
<b>J. OTHER INCOME</b>		
Dividend	2.03	2.50
Profit on Sale of Investments	—	2.56
Interest on Staff Loan	—	0.03
Miscellaneous Income	0.14	0.03
	<u>2.17</u>	<u>5.12</u>
<b>K. STAFF EXPENSES</b>		
Salaries and Other Employee benefits	29.03	18.28
Contribution to Provident and Other Funds	2.40	1.67
	<u>31.43</u>	<u>19.95</u>
<b>L. ESTABLISHMENT EXPENSES</b>		
Rent	—	16.54
Repairs & Maintenance	0.05	2.32
Electricity Charges	—	0.77
Insurance	—	0.08
	<u>0.05</u>	<u>19.71</u>
<b>M. OTHER EXPENSES</b>		
Service Charges	7.70	17.12
Commission	—	0.13
Travel & Conveyance	0.06	3.03
Communication Expenses	0.04	3.59
Printing & Stationery	—	0.82
Seminar Expenses	—	0.06
Professional Fees	2.23	—
Miscellaneous Expenses	0.35	1.66
Sundry Balances written off	0.08	—
Auditors' Remuneration		
Audit Fees	0.10	0.09
Tax Audit Fees	0.06	0.03
Company Law and Other Matters	0.12	0.10
Out of Pocket Expenses	0.02	—
	<u>0.30</u>	<u>0.22</u>
	<u>10.76</u>	<u>26.63</u>
<b>N. FINANCIAL CHARGES</b>		
Interest on Fixed Loans	67.89	177.83
Processing Charges	10.85	—
	<u>78.74</u>	<u>177.83</u>
<b>O. PRIOR PERIOD ADJUSTMENTS</b>		
Depreciation (net of Lease Adjustments)	0.52	—
Lease Rental	0.65	—
Finance Fees on Securitization (lease)	0.32	—
Finance Fees on Securitization (debt)	0.42	—
	<u>1.91</u>	<u>—</u>

# schedules



## P. NOTES FORMING PART OF THE ACCOUNTS AND ACCOUNTING POLICIES

### (a) Notes on the accounts

1. Remuneration to Managing Director – Rs. Nil (previous year – Rs. Nil).  
Per the terms of appointment, the Managing Director draws her remuneration and other benefits from ICICI Limited.
2. Estimated amounts of contracts remaining to be executed on Capital account and not provided for, in respect of lease contracts – Rs. 1.62 million (previous year – Rs. 11.77 million), hire purchase contracts – Rs. 0.32 million (previous year – Rs. 7.53 million) and other contracts – Rs. 2.07 million (previous year – Rs. 0.03 million).
3. Contingent liability – bank guarantees of Rs. 0.11 million (previous year – Rs. 0.11 million).
4. Sales Tax liability on the transfer of right to use any goods for any purpose under the various states Sales Tax Laws, if held payable, are recoverable from the concern lessees, in accordance with the respective lease agreements.
5. The figures of the previous year have been regrouped wherever necessary.
6. During the year the Company has charged depreciation on assets for own use on the straight line method instead of the written down value method hitherto followed. On account of this change, there is no impact on Profit & Loss Account as the Company has sold all these assets during the year.

### (b) Significant Accounting Policies

The accounts are prepared in accordance with the accounting principles generally accepted in India and the directions issued by Reserve Bank of India for NBFCs from time to time, wherever applicable.

#### 1. Revenue Recognition

- (i) Income  
Income from Financing Operations, Services, Fees and other sources are recognized on accrual basis.  
Lease Rentals, Hire charges and other dues are accounted on accrual basis except in respect of non-performing assets, income against which is recognized on cash basis.
- (ii) Expenses  
All expenses are accounted for on accrual basis.

#### 2. Fixed Assets, Depreciation and Lease Equalization

- (i) Fixed assets are carried at cost less accumulated depreciation. In respect of assets given on lease,

accumulated depreciation is adjusted for the balance in "Accumulated Lease Equalization Account", created in terms of Guidance Note issued by The Institute of Chartered Accountants of India.

- (ii) Depreciation on assets given on lease is provided on straight line method at the higher of the rates determined with reference to the primary period of lease and the rates prescribed in Schedule XIV of the Companies Act, 1956.

Adjustment towards lease equalization based on principal recovery portion of lease rentals, is made as prescribed by the Guidance Note on Lease Accounting issued by The Institute of Chartered Accountants of India.

- (iii) Depreciation on assets for own use is provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

#### 3. Stock on Hire

Stock on Hire includes securities receivable assigned in favour of the Company and is carried at gross value of future receivables. The unmaturing income arising towards such future receivables is carried as unmaturing finance charges.

#### 4. Debts Factored

The Debts factored are carried at gross value of the receivable. The unmaturing income arising towards such future receivables is carried as unmaturing finance charges.

#### 5. Investments

Investments, being short-term investments, are carried at lower of cost or net asset value. In case, in the opinion of the management, there is a permanent diminution in the value of investments, provision is made for such diminution.

#### 6. Preliminary Expenses

Preliminary expenses are amortized over ten years in accordance with Section 35-D of the Income Tax Act, 1961.

#### 7. Pre-operative Expenses

Pre-operative expenses are amortized over five years from the date of registration of the Company as a Non-Banking Finance Company (NBFC) i.e. September 10, 1997.

#### 8. Retirement and other benefits

The Company has various retirement benefits such as provident fund and gratuity fund recognized by the income tax authorities. The provident fund and gratuity funds are administered through trustees. The Company's contributions (actuarially determined at year-end in the case of gratuity) to these funds are charged to revenue. Provision for leave encashment is based on year-end actuarial valuation.

As per our Report attached

For N.M. RAJI & CO.  
Chartered Accountants

J.M. GANDHI  
Partner

For S.B. BILLIMORIA & CO.  
Chartered Accountants

S.J. MERCHANT  
Partner

For and on behalf of the Board

K.V. KAMATH  
Chairman

LALITA D. GUPTA  
Director

S.H. BHOJANI  
Director

SANJIV KERKAR  
Director

R.S. CHAWATHE  
Company Secretary

SHIKHA SHARMA  
Managing Director

Mumbai, April 20, 2000



# schedules

## forming part of the Accounts

### Q. Balance Sheet Abstract and Company's General Business Profile

#### 1. Registration Details

Registration No.   
 State Code

Balance Sheet Date   
 Date Month Year

#### 2. Capital Raised during the Year

(Amount in Rupees million)

Public Issue

Rights Issue

Bonus Issue

Private Placement

#### 3. Position of Mobilization and Deployment of Funds

(Amount in Rupees million)

Total Liabilities

Sources of Funds

Paid-up Capital

Secured Loans

Application of Funds

Net Fixed Assets

Net Current Assets

Accumulated Losses

Total Assets

Reserves & Surplus

Unsecured Loans

Investments

Miscellaneous Expenditure

#### 4. Performance of Company

(Amount in Rupees million)

Turnover

Profit (+)/Loss (-) before Tax

Earnings per Share in Rupees

Total Expenditure

Profit/Loss after Tax

Dividend Rate %

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

(As per monetary terms)

Product Description

Item Code No.

Securitization

Not Applicable

Leasing and Hire Purchase

Not Applicable

IPO Funding

Not Applicable

Per our Report attached

For N.M. RAIJI & CO.  
Chartered Accountants  
J.M. GANDHI  
Partner

For S.B. BILLIMORIA & CO. .  
Chartered Accountants  
S.J. MERCHANT  
Partner

For and on behalf of the Board

K.V. KAMATH  
Chairman

R.S. CHAWATHE  
Company Secretary

Mumbai, April 20, 2000