

## ICICI TRUSTEESHIP SERVICES LIMITED

### 5TH ANNUAL REPORT AND ACCOUNTS 2003-2004

#### Directors

Sanjiv Kerkar, *Chairman*  
Girish Mehta  
N. D. Shah  
S. D. Israni

#### Auditors

C. C. Chokshi & Co.  
Chartered Accountants

#### Registered Office

ICICI Bank Towers  
Bandra-Kurla Complex  
Mumbai - 400 051

## directors' report

### to the members,

Your Directors have pleasure in presenting the Fifth Annual Report of the Company with the audited statement of accounts for the year ended March 31, 2004.

#### FINANCIAL HIGHLIGHTS

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

	Fiscal 2004	(Rupees) Fiscal 2003
Gross Income	348,058	392,155
Profit Before Tax	313,566	356,180
Provision for tax	120,000	131,000
Profit After Tax	193,566	225,180
Transfer to Reserves	196,500	225,180

Your Directors do not recommend payment of dividend for fiscal 2004.

#### OPERATIONAL REVIEW

The main object of the Company is to act as trustee of mutual funds, offshore funds, pension funds, provident funds, venture capital funds, insurance funds, collective or private investment schemes, employee welfare or compensation schemes etc., and to devise various schemes for dealing with or in connection with aforesaid purposes including raising funds in any manner in India or abroad and to deploy funds so raised and earn reasonable returns on their investments and to act as trustees generally for any purpose and to acquire, hold, manage, dispose of all or any securities or money market instruments or property or assets and receivables or financial assets or any other assets or property.

The Company continues to act as the trustee of ICICI Securities Fund, ICICI Venture Capital Fund, ICICI Eco-net Fund, ICICI Emerging Sectors Trust, ICICI Property Trust, and certain beneficiaries of specified endowment policy "ICICI Pru Save 'n' Protect" issued by ICICI Prudential Life Insurance Company Limited. The Company also continues to act as the trustee of a trust formed by RPG Cables Limited and erstwhile ICICI Limited for securitisation of the receivables from Bharat Sanchar Nigam Limited. In terms of the Scheme of Amalgamation of ICICI Limited, ICICI Capital Services Limited and ICICI Personal Financial Services Limited (Transferor Companies) with ICICI Bank Limited (Transferee Company), the Company is holding the shares pledged in favour of one or more Transferor Companies in trust for the benefit of persons for whose benefit the pledge had been created.

#### PUBLIC DEPOSITS

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

#### DIRECTORS

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

#### AUDITORS

C. C. Chokshi & Co., Chartered Accountants, Mumbai, will retire as the statutory auditors of the Company at the ensuing Annual General Meeting. The Board at its Meeting held on April 22, 2004 has proposed their appointment as the auditors to audit the accounts of the Company for fiscal 2005. 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

Since your Company does not have any employees, provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable.

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 that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 of the Company for that period;
- 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
- the Directors had prepared the annual accounts on a going concern basis.

#### ACKNOWLEDGEMENTS

Your Company is grateful to the Securities and Exchange Board of India for its support and advice during the period under review.

The Company would also like to express its gratitude for the support and guidance received from ICICI Bank, the holding Company and also from other group companies.

For and on behalf of the Board

SANJIV KERKAR  
*Chairman*

Mumbai, April 22, 2004

# auditors' report



## to the Members of ICICI Trusteeship Services Limited

1. We have audited the attached Balance Sheet of ICICI Trusteeship Services Limited as at March 31, 2004 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government 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.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - i) 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;
  - ii) 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;
  - iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet and Profit and Loss account comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- v) On the basis of the written representations received from the directors as on March 31, 2004 and taken on record by the board of directors, we report that none of the directors is disqualified as on March 31, 2004 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the significant accounting policies and notes to accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2004; and
  - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

For C.C. CHOKSHI & CO.  
*Chartered Accountants*

P. R. BARPANDE  
*Partner*  
Membership No. : 15291

Mumbai, April 22, 2004

## annexure to the auditors' report

### (Referred to in paragraph 3 of our report of even date)

1. The nature of the Company's business/activities during the year is such that clauses (i) to (viii), (ix b), (x) to (xx) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
2. According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues, including Income-Tax and Service Tax with the appropriate authorities during the year.
3. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For C.C. CHOKSHI & CO.  
*Chartered Accountants*

P. R. BARPANDE  
*Partner*  
Membership No. : 15291

Mumbai, April 22, 2004

# balance sheet

# profit and loss account

as at March 31, 2004

for the year ended March 31, 2004

		Schedule	Rupees	March 31, 2003			Schedule	Rupees	March 31, 2003
<b>SOURCES OF FUNDS :</b>					<b>INCOME</b>				
<b>Shareholders' Funds :</b>					Trusteeship fees ( <i>gross</i> )				
Share Capital	1		500,000	500,000				300,100	390,100
Reserves & Surplus	2		635,635	439,135					
			<b>1,135,635</b>	939,135					
Corpus fund (Refer Note No.1)			<b>11,000</b>	11,000				46,828	1,255
<b>TOTAL</b>			<b>1,146,635</b>	950,135				<b>1,130</b>	800
<b>APPLICATION OF FUNDS :</b>					Dividend ( <i>gross</i> )				
<b>Investments</b>	3		<b>200</b>	200				<b>348,058</b>	392,155
<b>Current Assets, Loans and Advances :</b>					<b>EXPENDITURE</b>				
<b>A Current Assets</b>					Auditors' Remuneration				
Cash and Bank Balances	4		1,271,457	861,404				10,800	11,814
Sundry Debtors (unsecured and considered good)								4,000	5,000
- Debts outstanding for a period exceeding six months			-	-				2,500	2,500
- Other Debts			-	48,856				14,529	14,529
<b>B Loans and Advances</b>	5		246,951	294,822				2,663	-
			1,518,408	1,205,082				-	2,132
<i>Less : Current Liabilities and</i>					<b>Profit Before Tax</b>				
<b>Provisions</b>								313,566	356,180
Current Liabilities	6		135,502	22,118				120,000	131,000
Provisions	7		2,51,000	262,087				193,566	225,180
			386,502	284,205				2,934	-
<b>Net Current Assets</b>			<b>1,131,906</b>	920,877				439,135	213,955
<b>Miscellaneous Expenditure</b>	8		<b>14,529</b>	29,058				<b>635,635</b>	439,135
(to the extent not written off or adjusted)									
<b>TOTAL</b>			<b>1,146,635</b>	950,135					
<b>Accounting Policies &amp; Notes to Accounts</b>					<b>Accounting Policies &amp; Notes to Accounts</b>				
	9						9		

As per our attached Report of  
even date

For C. C. CHOKSHI & CO.  
Chartered Accountants

P.R.BARPANDE  
Partner

Mumbai, April 22, 2004

For and on behalf of the Board

GIRISH MEHTA  
Director

N. D. SHAH  
Director

Mumbai, April 22, 2004

As per our attached Report of  
even date

For C. C. CHOKSHI & CO.  
Chartered Accountants

P.R.BARPANDE  
Partner

Mumbai, April 22, 2004

For and on behalf of the Board

GIRISH MEHTA  
Director

N. D. SHAH  
Director

Mumbai, April 22, 2004

# schedules

**ICICI** Trusteeship Services

forming part of the Accounts

Continued

	Rupees	March 31, 2003	Rupees	March 31, 2003
<b>SCHEDULE 1</b>				
<b>SHARE CAPITAL</b>				
<b>Authorised :</b>				
1,000,000 Equity Shares of Rs.10 each	10,000,000	10,000,000		
	<u>10,000,000</u>	<u>10,000,000</u>		
<b>Issued, Subscribed &amp; Paid up</b>				
50,000 Equity Shares of Rs.10 each fully paid up	500,000	500,000		
	<u>500,000</u>	<u>500,000</u>		
All the above Equity Shares are held by ICICI Bank Limited (the holding company) & its nominees.				
<b>SCHEDULE 2</b>				
<b>RESERVES &amp; SURPLUS</b>				
Surplus in Profit and Loss Account	635,635	439,135		
	<u>635,635</u>	<u>439,135</u>		
<b>SCHEDULE 3</b>				
<b>INVESTMENTS (at cost)</b>				
<b>Long Term Investments (unquoted)</b>				
<b>In equity shares (fully paid)</b>				
ICICI Venture Funds Management Co. Limited 20 equity shares of Rs. 10 each	200	200		
	<u>200</u>	<u>200</u>		
<b>SCHEDULE 4</b>				
<b>CASH AND BANK BALANCES</b>				
Bank Balances with Scheduled Banks (Refer Note No.1)				
- in Current Account	524,697	150,149		
- in Savings Account	10,808	10,439		
- in Deposit account (including interest accrued:Rs. 35,952, Previous year:Rs. 816)	735,952	700,816		
	<u>1,271,457</u>	<u>861,404</u>		
<b>SCHEDULE 5</b>				
<b>LOANS AND ADVANCES</b>				
<b>(Unsecured and considered good)</b>				
Advance Payment of Income Tax, etc.	246,951	294,822		
	<u>246,951</u>	<u>294,822</u>		
<b>SCHEDULE 6</b>				
<b>CURRENT LIABILITIES</b>				
Sundry Creditors :				
(i) Total outstanding dues of Small Scale Industrial Undertakings	-	-		
(ii) Total outstanding dues of creditors other than Small Scale Industrial Undertakings	135,502	22,118		
	<u>135,502</u>	<u>22,118</u>		
<b>SCHEDULE 7</b>				
<b>PROVISIONS</b>				
Provision for taxation	251,000	262,087		
	<u>251,000</u>	<u>262,087</u>		
<b>SCHEDULE 8</b>				
<b>MISCELLANEOUS EXPENDITURE</b>				
(To the extent not written off or adjusted)				
Preliminary Expenses	29,058	43,587		
Less : 1/5 written off for the year	14,529	14,529		
	<u>14,529</u>	<u>29,058</u>		
<b>SCHEDULE 9</b>				
<b>ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>				
<b>SIGNIFICANT ACCOUNTING POLICIES</b>				
<b>1. Basis of preparation of financial statements:</b>				
The accompanying financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles and the provisions of the Companies Act, 1956 and the applicable Accounting Standards issued by the Institute of Chartered Accountants of India.				
<b>2. Use of Estimates:</b>				
The preparation of the financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materialise.				
<b>3. Revenue Recognition:</b>				
Income from Trusteeship Fees is accounted / accrued on the basis of the understanding / agreements with the concerned parties.				
<b>4. Income Taxes:</b>				
Tax expense represents the aggregate of the current tax and deferred tax. The deferred tax is computed in accordance with the requirements of the Accounting Standard AS- 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.				
<b>5. Preliminary expenses:</b>				
Preliminary Expenses towards the incorporation of the company are treated as miscellaneous expenditure and will be written off to the Profit and Loss Account over a period of 5 years from the year in which the company commences operations.				
<b>6. Investments:</b>				
Investments classified as long-term investments are stated at cost. Provision is made to recognise a decline if any, other than temporary in the value of investments.				
<b>7. Contingent liabilities:</b>				
These, if any, are disclosed in the Notes to Accounts. Provision is made in the accounts in respect of those contingencies, which are likely to materialise into liabilities after the year-end till the finalisation of accounts and have material effect on the position stated in the Balance Sheet.				
<b>8. Borrowing costs:</b>				
Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.				
<b>Notes to Accounts</b>				
<b>1.</b> The company in the earlier years, in terms of the Indenture of Trust, received Rs.1,000 as corpus fund from ICICI Prudential Life Insurance Company Limited and Rs.10,000 from erstwhile ICICI Limited (ICICI), for setting up ICICI Securities Fund, which had been deposited in the bank account and is included under " Schedule 4-Cash and Bank Balances ".				
<b>2. Auditors' remuneration</b>				
(i) Statutory audit fees (including service tax Rs.800, Previous year Rs. 500)	10,800	10,500		
(ii) Certification Fees	-	1,050		
(iii) Expenses Reimbursed	-	264		
	<u>10,800</u>	<u>11,814</u>		
<b>3.</b> Current Liabilities include a sum of Rs. 105,931 (Previous year Rs.4, 927) payable to ICICI Bank Limited (holding company) towards reimbursement of expenses paid by ICICI Bank Limited on behalf of the Company.				
<b>4.</b> Tax expense for the year is on the basis of current tax since there are no timing differences resulting into tax expense/tax saving on the deferred tax basis.				
<b>5.</b> Earning per share is calculated as follows :				
a. Net Profit after Tax	193,566	225,180		
b. Weighted average number of Equity Shares outstanding Basic and Diluted (Number)	50,000	15,762		
c. Nominal value of equity share (Rupees)	10	10		
d. Earning per share – basic and diluted	3.87	14.29		
<b>6.</b> The amounts in the Balance Sheet and Profit and Loss Account are rounded off to the nearest Rupee.				
<b>7.</b> Figures of the previous year have been regrouped/rearranged and reclassified, wherever necessary, to correspond with those of the current year.				

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

(Amount in Rupees)

**1. Registration details**

Registration number 

0	1	1	9	6	8	3
---	---	---	---	---	---	---

State code 

1	1
---	---

Balance sheet date 

3	1
---	---

 Date

0	3
---	---

 Month

2	0	0	4
---	---	---	---

 Year

**2. Capital raised during the Period**

Public issue 

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

Bonus issue 

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

Rights issue 

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

Private placement 

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

**3. Position of mobilisation and Deployment of funds**

Total liabilities 

		1	5	3	3	1	3	7
--	--	---	---	---	---	---	---	---

Total assets 

		1	5	3	3	1	3	7
--	--	---	---	---	---	---	---	---

**Sources of Funds**

Paid-up capital 

		5	0	0	0	0	0
--	--	---	---	---	---	---	---

Reserves and surplus 

		6	3	5	6	3	5
--	--	---	---	---	---	---	---

Secured loans 

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

Unsecured loans 

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

**Application of Funds**

Fixed assets 

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

Investments 

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

Net current assets 

		1	1	3	1	9	0	6
--	--	---	---	---	---	---	---	---

Miscellaneous expenditure 

				1	4	5	2	9
--	--	--	--	---	---	---	---	---

Accumulated Losses 

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

**4. Performance of the Company**

Turnover (Gross Income) 

		3	4	8	0	5	8
--	--	---	---	---	---	---	---

Total expenditure 

		3	4	4	9	2
--	--	---	---	---	---	---

Profit before tax 

		3	1	3	5	6	6
--	--	---	---	---	---	---	---

Profit after tax 

		1	9	3	5	6	6
--	--	---	---	---	---	---	---

Earnings per share in Rs. (Refer note No. 5) 

		3	.	8	7
--	--	---	---	---	---

Dividend rate % 

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

**5. Generic names of principal Products/Services of the Company**

Trustees for Funds 

							N	.	A
--	--	--	--	--	--	--	---	---	---

 Item Code

Signature to Schedules 1 to 9  
As per our attached report of even date  
For C. C. Chokshi & Co.  
Chartered Accountants

For and on behalf of the Board

P.R. BARPANDE  
Partner

GIRISH MEHTA  
Director

N. D. SHAH  
Director

Mumbai, April 22, 2004

Mumbai, April 22, 2004