

ICICI VENTURE FUNDS MANAGEMENT COMPANY LIMITED

16TH ANNUAL REPORT AND ACCOUNTS 2003-2004

Directors

K. V. Kamath, *Chairman*
 Balu Doraisamy
 Gopal Srinivasan
 Kalpana Morparia
 Lalita D. Gupte
 Dr. Nachiket Mor
 R. Rajamani
 Renuka Ramnath, Managing Director & CEO

Auditors

S. B. Billimoria & Co.
 Chartered Accountants
 Bangalore

Registered Office

III Floor, Raheja Plaza
 17, Commissariat Road
 Bangalore - 560 025

Regional Office

Stanrose House
 Ground Floor
 Appasaheb Marathe Marg
 Prabhadevi
 Mumbai - 400 025

directors' report

to the members

Your Directors have pleasure in presenting the Sixteenth Annual Report on the business and operations of your Company together with the Statement of Accounts for the year ended March 31, 2004.

1. FINANCIAL HIGHLIGHTS

	(Rupees in million)	
	Fiscal 2004	Fiscal 2003
Profit before taxation	313.9	185.7
Provision for Income Tax	52.5	65.2
Provision for Deferred Tax	1.7	(4.5)
Profit after taxation	259.7	125.0
Balance of Profit & Loss Account brought forward from the previous year	22.0	25.2
Disposable Profits	<u>281.7</u>	<u>150.2</u>
Appropriations :		
Statutory Reserve	52.0	25.0
General Reserve	26.0	12.5
Proposed Dividend	—	—
Interim Dividend	148.4	90.6
Corporate tax on Dividend	19.0	—
Balance Carried forward to next year	36.3	22.1
	<u>281.7</u>	<u>150.2</u>

Analysis of Financial Performance

During fiscal 2004, the assets of the existing Funds under management of your Company increased by 14%. The year was also the first full year of operation of the Rs. 7.5 billion India Advantage Fund (IAF). Consequently, your Company received higher management fee income in fiscal 2004. The financial year witnessed the revival of the equities market. Your Company utilised the opportunities presented by this renewed buoyancy in the secondary markets and successfully managed the exits of the Funds, resulting in higher performance fees for your Company. As a result, fee income from management of the Funds grew by 41% over last year to Rs. 439.6 million.

During the year under review, your Company also revived its securities trading activities and took advantage of the improved sentiments in the securities market. Consequently, the revenues from trading operations for the year stood at Rs. 575.6 million.

Despite an increase in the scale of its operations on account of growth in assets under management in fiscal 2004, the operating expenses, excluding depreciation, increased marginally to Rs. 149.2 million from Rs. 145.1 million for the previous year. Expenses on account of trading activities stood at Rs. 592.0 million. As there was no major capital expenditure during the year, the depreciation charges were stable at Rs. 12.1 million as against Rs. 12.4 million during the previous year.

Consequent to higher growth in income, the profit before tax of your Company for the year under review increased by 69% to Rs. 313.9 million as against Rs. 185.7 million for the previous year. After providing for tax including deferred tax for the current year, your Company's profit after tax more than doubled to Rs. 259.7 million, as compared to Rs. 125.0 million for the previous year. The Earnings per Share of your Company is Rs. 83.1 per share.

Profit available for disposal, after taking into account the profit of Rs. 22.0 million brought forward from the previous year is Rs. 281.7 million. Transfers to Statutory Reserve and General Reserve were Rs. 52.0 million and Rs. 26.0 million respectively.

Dividend

Your Directors are pleased to inform you that, during fiscal 2004, your Company has declared and paid four interim dividends amounting to Rs. 148.4 million, resulting in an aggregate dividend rate of 475%. Your Company also paid Rs. 19.0 million towards corporate tax on dividend. Your Directors recommend the same as final dividend for fiscal 2004.

Capital Reduction

Given the nature of the business of your Company, your Directors believe that the surplus funds available with your Company are in excess of the requirements of your Company. As these funds are representative of the reserves created by your Company, your Company has, during the year, initiated steps to reduce the capital of your Company and return the surplus funds to the Members.

2. OPERATIONAL REVIEW

Year in Retrospect

In fiscal 2004, your Company augmented its total funds under management by raising more resources in the IAF and established a strong footprint on the investments side. With a proactive secondary market strategy supported by a buoyant equity market, your Company exited from many of the listed investments from earlier Funds. Your Company's management team continued to add significant value across the 'Funds' portfolio in fiscal 2004.

India Advantage Fund

The IAF was originally set up to raise Rs. 7.5 billion, is now slated to close for subscriptions with commitments in excess of Rs. 10.0 billion on May 1, 2004. Its investors include some of the largest banks and institutions in India, overseas institutional investors and overseas high net-worth individuals. The IAF is now India's largest private equity fund. The Fund has been in active investment mode since February, 2003 and has invested in some of the most notable transactions in India. The Fund has concluded investments in leading companies in the entertainment industry, textiles, pharmaceuticals, retail and the printing and publishing space. During the year, the Fund also established a strong presence in real estate having concluded three transactions and executed India's first mezzanine transaction for financing an acquisition. Today, the IAF is seen as one of the most preferred private equity investors for enterprises and promoters.

Your Company also concluded India's first private sector leveraged buyout successfully establishing its ability to structure and execute complex transactions quickly.

Portfolio Strategy

As of March 31, 2004, your Company was Manager / Advisor to the following Funds:

Sl. No.	Fund	(Rs. in million)
1.	ICICI Equity Fund	5,410
2.	ICICI Econet Internet & Technology Fund	1,000
3.	ICICI Emerging Sectors Fund	5,200
4.	ICICI Strategic Investments Fund	6,200
5.	VECAUS I (R)	1,325
6.	India Advantage Fund I & II	6,438
7.	TCW / ICICI Offshore Funds	2,274
	Total	<u>27,847</u>
	(1 USD = Rs. 45)	

Fiscal 2004 was a year of consolidating your Company's position in respect of the past portfolio, adding value and providing support to portfolio companies to reach the desired scale of operations and provide Funds with an exit, wherever possible.

A significant achievement reflective of your Company's continuous support, was that most of the portfolio companies saw significant improvement in performance and several achieved higher profitability. Your Company's fund managers played a key role in guiding portfolio companies to ensure improved revenues, and better access to financial, human and strategic resources. Your Company continued in its efforts to ensure high corporate governance standards in each of its portfolio companies. As a result, it has managed to enhance the value to its entire portfolio significantly.

The Company is also continuously engaged in proactively identifying exit opportunities for portfolio companies. This is enabled by a very strong network of intermediary, corporates, and other private equity investors.

During the year, your Company has also dedicated a senior resource to focus on executing effective secondary market exit strategies, including negotiated sales. Your Company's fund managers continuously explore possibilities of cash flow based exits, trade sales to competition, sale to other financial investors, and public floats. As a result, the Funds managed by your Company successfully exited from 82 investments aggregating to Rs. 1.6 billion. One portfolio company in the media sector had a highly successful IPO in the current year and another significant company in the retail sector is heading for an IPO in the next year.

During the year, your Company also made substantial progress with two institutional investors on venture capital investments, thereby reiterating its focus on investing in potent early-stage inventors. During the year, one of the Funds managed by your Company made an investment in a US drug discovery company that has developed a unique proprietary platform for discovery of small molecules for cancer therapy. The Fund invested US\$ 2.0 million and your Company, along with the investee company is syndicating an additional US\$ 4.0 million, to conclude a US\$ 6.0 million Series D preference round.

Your Company had also earlier hosted its first investee entrepreneur conference titled, "The Power of I" with an intention to forge close relationships between investee companies and your Company in fiscal 2004. Continuing the tradition, your Company hosted the second annual conference titled "The Power of People" in the pristine environment of the Indian School of Business (ISB). The keynote speaker was Mr. Kevin Freiberg, a noted speaker, leading management consultant and author of the best selling book, NUTS!. The feedback received was unanimously positive and the conference helped unleash hidden energies and potential in portfolio companies.

Future Outlook

The economy continues to show positive trends, with many companies posting year-over-year increase in profits and given the positive sales forecasts for the coming year. Significant private equity activity is being witnessed in several manufacturing and services sectors and your Company is working on a sizeable pipeline. It is expected that in keeping with the trend in the past, your Company will continue to do pioneering transactions, in terms of sector, product and structure.

Your Board believes that your Company has built a very strong platform during the current year. The IAF, owing to its broad based investment thesis, has imprinted your Company's name in the buyout, real estate, mezzanine and expansion capital areas very firmly. It is expected that in the coming years, your Company will be able to spawn each of these areas into separate Funds.

During the last financial year, initial steps were taken for raising money from overseas investors and for developing strong practice in select domains, to build the international practice for your Company. Developing a strong international face is the next logical step as it will diversify the investor base, give your Company an opportunity to participate in attractive investment opportunities, assist your Company in adding value to investee companies and create more exit opportunities, through both strategic and trade sales. Your Board is keen to make your Company a preferred gateway for overseas investors to India and has all the necessary ingredients to achieve that.

3. PUBLIC DEPOSITS

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

4. DIRECTORS

H. N. Sinor, who was on the Board of your Company, tendered his resignation effective July 23, 2003. The Board accepted with regret the resignation of H. N. Sinor and placed on record its gratitude for the valuable services rendered by him.

In terms of the Articles of Association of your Company, Gopal Srinivasan and K. V. Kamath, Directors of your Company would retire at the forthcoming Annual General Meeting of your Company and, being eligible, offer themselves for re-appointment.

directors' report



Continued

5. AUDITORS

M/s. S. B. Billimoria & Co. Chartered Accountants, Bangalore, retire at the ensuing Annual General Meeting. The Board at its meeting held on April 23, 2004 has proposed their appointment as Auditors to audit the accounts of your Company for fiscal 2005. You are requested to consider their appointment.

6. FOREIGN EXCHANGE EARNING AND EXPENDITURE

The Foreign Exchange Earnings during the year under review amounted to Rs. 6.4 million. Expenditure in foreign currency amounted to Rs. 12.1 million.

7. PERSONNEL AND OTHER MATTERS

Information required to be disclosed in accordance with Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, forming part of the Directors' Report for fiscal 2004 is enclosed as an Annexure to this Report.

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 have not been given.

8. AUDIT COMMITTEE

Your Company has also constituted an Audit Committee though not mandatory under the provisions of the Companies Act, 1956. The Audit Committee comprising R. Rajamani, Kalpana Morparia, Gopal Srinivasan and Lalita D. Gupte (alternate to any of the other members) will discharge the functions under Section 292A of the Companies Act, 1956.

9. 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, if any;

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.

10. ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the dedication and hard work put in by the employees of the Company. The relationship with the shareholders, government, regulatory authorities and clients remained excellent. Your Directors are grateful for the support extended by them and look forward to receiving their continued support and commitment. Your Directors also wish to thank the investors in the Funds managed and advised by the Company for their continued support to the Company.

For and on behalf of the Board of Directors

Mumbai, April 23, 2004

K. V. KAMATH
Chairman

auditors' report

to the members of ICICI Venture Funds Management Company Limited

We have audited the attached Balance Sheet of ICICI VENTURE FUNDS MANAGEMENT COMPANY LIMITED as at March 31, 2004, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance 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 the Management as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we give 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.

Further to our comments in the Annexure referred to above, we report that:

- (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, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

- (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
- (e) 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 under Section 274 (1)(g) of the Companies Act, 1956;
- (f) In our opinion and 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 in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2004;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For S. B. BILLIMORIA & CO.
Chartered Accountants

V. BALAJI
Partner

Bangalore, April 23, 2004

Membership No. 203685

annexure to auditors' report

S(Referred to in our report of even date)

1. The provisions of clauses i (c), ii (a) to (c), iii (b) to (d), viii, ix (b), x, xii, xiii, xv, xviii, xix and xx of paragraphs 4 and 5 of the Companies (Auditor's Report) Order, 2003 are not applicable for the current year.
2. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the Management in accordance with a programme of verification, the frequency whereof is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
3. The Company has not taken/granted any loans, secured or unsecured from/to companies, firms or other parties in the register maintained under Section 301 of the Companies Act, 1956.
4. 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 the nature of its business for the purchase of fixed assets.
5. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956:
 - (a) To the best of our knowledge and belief, and according to the information and explanations given to us, the transactions that needed to be entered into the register have been so entered.
 - (b) According to the information and explanations given to us, there were no transactions in excess of Rs. 5 lakhs in respect of any party.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
8. According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities during the year.
9. According to the information and explanations given to us, and the records of the Company examined by us, the Company has not defaulted in (re) payment of dues to financial institutions and banks.
10. In respect of its investment in shares, securities and other investments:
 - (a) The Company has maintained proper records of transactions and contracts in respect of its dealing in shares, securities, debentures and other investments.
 - (b) The aforesaid securities have been held by the Company in its own name.
11. To the best of our knowledge and belief, and according to the information and explanations given to us, the term loans availed by the Company were prima facie, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.
12. According to information and explanations given to us and the records examined by us, the Company has not raised funds on a short-term basis. Based on the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on long-term basis have, prima facie been used for long-term investment, other than temporary deployment pending application.
13. 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 S. B. BILLIMORIA & CO.
Chartered Accountants

V. BALAJI
Partner

Bangalore, April 23, 2004

Membership No. 203685

schedules

forming part of the Accounts

(Rs. in '000s)

March 31, 2003

SCHEDULE I

SHARE CAPITAL

Authorised

20,000,000 Equity Shares of Rs. 10 each

200,000.00

200,000.00

Issued, Subscribed and Paid-up

3,125,000 Equity Shares of Rs.10 each

31,250.00

31,250.00

(Previous Year - 3,125,000 Equity Shares of Rs.10 each)

31,250.00

31,250.00

Out of 3,125,000 Equity Shares issued by the Company, 3,124,890 Equity Shares (Previous Year - 3,124,890) are held by ICICI Bank Limited (the holding company) (of the above, 125,000 shares have been issued as fully paid, pursuant to a contract without payment being received in cash)

**Additions/
(deletions)
during the Year**

**As at
March 31, 2004**

**As at
March 31, 2003**

SCHEDULE II

RESERVES AND SURPLUS

Statutory Reserve

51,946.07

209,956.37

158,010.30

General Reserve

25,973.04

86,797.85

60,824.81

Amalgamation Reserve

—

47,944.01

47,944.01

Surplus in Profit and Loss Account

36,349.87

36,349.87

21,994.69

(21,994.69)

92,274.29

381,048.10

288,773.81

SCHEDULE III

SECURED LOAN

6.22% Loan from ICICI Bank Limited

634.14

(Secured by hypothecation of Vehicles)

(Amount repayable within one year - Rs. 170.00)

(Previous Year - Nil)

6.24% Loan from ICICI Bank Limited

2,025.45

(Secured by hypothecation of Vehicles)

(Amount repayable within one year - Rs. 380.00)

(Previous Year - Nil)

6.28% Loan from ICICI Bank Limited

766.61

(Secured by hypothecation of Vehicles)

(Amount repayable within one year - Rs. 140.00)

(Previous Year - Nil)

6.56% Loan from ICICI Bank Limited

1,647.14

(Secured by hypothecation of Vehicles)

(Amount repayable within one year - Rs. 290.00)

(Previous Year - Nil)

5,073.34

SCHEDULE IV

UNSECURED LOAN

Interest-free loan from ICICI Bank Limited

2,000.00

8,000.00

(Amount repayable within one year - Rs. 2000.00)

(Previous Year - Rs. 6000.00)

2,000.00

8,000.00

schedules



forming part of the Accounts

Continued

(Rs. in '000s)

March 31, 2003

SCHEDULE V FIXED ASSETS

	(Rs. in '000s)										
	Gross Block					Depreciation			Lease	Net Block	
	As at April 1, 2003	Addi- tions	Deduc- tions	As at March 31, 2004	Upto March 31, 2003	For the Year	Depre- ciation Adjustment	Upto March 31, 2004	Adjustment Account upto March 31, 2004	As at March 31, 2004	As at April, 1 2003
ASSETS ON LEASE											
Vehicles	1,200.00	—	—	1,200.00	1,196.53	1.39	—	1,197.92	—	2.08	3.47
Plant & Machinery	90,037.84	—	—	90,037.84	19,042.04	4,767.02	—	23,809.06	8,056.68	58,172.10	64,434.51
Sub Total - A	91,237.84	—	—	91,237.84	20,238.57	4,768.41	—	25,006.98	8,056.68	58,174.18	64,437.98
As at March 31, 2003				91,237.84				20,238.57	6,561.29	64,437.98	
OTHER ASSETS											
Building *	22,781.90	—	—	22,781.90	6,968.98	792.81	—	7,761.78	—	15,020.12	15,812.92
Equipment	20,206.83	285.23	—	20,492.06	7,823.84	1,758.21	—	9,582.06	—	10,910.00	12,382.99
Computers	15,672.80	2,014.91	—	17,687.71	11,240.21	2,447.85	—	13,688.05	—	3,999.66	4,432.60
Furniture & Fixtures	16,623.20	1,013.84	—	17,637.04	6,644.40	1,859.25	—	8,503.65	—	9,133.39	9,978.79
Vehicles	1,361.28	7,635.13	—	8,996.41	761.08	434.21	—	1,195.29	—	7,801.12	600.20
Sub Total - B	76,646.01	10,949.11	—	87,595.12	33,438.51	7,292.33	—	40,730.83	—	46,864.29	43,207.50
As at March 31, 2003				76,646.01				33,438.51		43,207.50	
CAPITAL WORK IN PROGRESS - C	—	4,658.97	—	4,658.97	—	—	—	—	—	4,658.97	—
GRAND TOTAL - (A)+(B)+(C)	167,883.85	15,608.08	—	183,491.93	53,677.08	12,060.74	—	65,737.81	8,056.68	109,697.44	107,645.48
As at March 31, 2003				167,883.85				53,677.08	6,561.29	107,645.48	

* Building acquired on long lease

March 31, 2003

SCHEDULE VI INVESTMENTS (At Cost)

Less : Provision for diminution in value of Investments

Total	328,322.39	271,484.37
	1,600.00	2,118.65
	326,722.39	269,365.72

NOTES TO SCHEDULE VI

Particulars	As at March 31, 2004			As at March 31, 2003		
	Quantity	Face value Rs. (per unit)	At Cost (Rs. in '000s)	Quantity	Face value Rs. (per unit)	At Cost (Rs. in '000s)
NON TRADE INVESTMENTS						
I Long-term (Quoted)						
Creative Eye Limited	200,000	5	5,500.00	200,000	5	5,500.00
Equity Shares of Rs. 5 each fully paid { (Shares purchased/acquired during the Year - Nil) (Previous Year - Nil) } { (Shares sold during the Year - Nil) (Previous Year - Nil) }						
Total - (I)			5,500.00			5,500.00
II Long-term (Unquoted)						
1 Industrial Development Bank of India 11.5 % IDBI Bonds 2010 (Fifty Fifth Series)	—	—	9.00	—	—	9.00
2 ICICI Venture Value Fund Trust Units of Rs. 100 fully paid { (Units purchased/acquired during the Year - 12,000) (Previous Year - Nil) } { (Units sold during the Year - Nil) (Previous Year - Nil) }	12,000.00	100.00	1,200.00	—	—	—

schedules

forming part of the Accounts

Continued

		(Rs. in '000s)			March 31, 2003		
Particulars	As at March 31, 2004			As at March 31, 2003			
	Quantity	Face value Rs. (per unit)	At Cost (Rs. in '000s)	Quantity	Face value Rs. (per unit)	At Cost (Rs. in '000s)	
3	Prudential ICICI Asset Management Company Ltd. Equity Shares of Rs. 10 each fully paid {(Shares purchased/acquired during the Year - Nil) (Previous Year - 2,796,688)}	2,796,688	10.00	33,868.59	2,796,688	10	33,700.09
4	Prudential ICICI Trust Ltd. Equity Shares of Rs. 10 each fully paid {(Shares purchased/acquired during the Year - Nil) (Previous Year - 15,206)}	15,206	10.00	200.96	15,206	10	199.96
	Total - (II)			35,278.55			33,909.05
III	Share Application Money						
1	Power Trading Corporation Limited Share Application Money	—	—	20,000.00	—	—	—
2	Oil & Natural Gas Corporation Limited Share Application Money	—	—	19,950.00	—	—	—
	Total - (III)			39,950.00			—
IV	Current Investments (Quoted)						
1	Television Eighteen India Ltd. Equity Shares of Rs. 10 each fully paid {(Shares purchased/acquired during the Year - Nil) (Previous Year - Nil)}	—	—	—	4,100	10	738.00
2	The Arvind Mills Ltd. {(Shares purchased/acquired during the Year-1,31,204) (Previous Year - 1,31,204 Warrants)}	131,204	10.00	1,968.06	131,204	10	196.81
	Total - (IV)			1,968.06			934.81
V	Current Investments (Unquoted)						
1	Units of Prudential ICICI Liquid Plan - Growth	—	—	—	3,798,838	10	56,378.17
2	Units of Reliance Fixed Maturity Plan	2,000,000	10	20,000.00	—	—	—
3	Units of Birla Cash Plus - Growth	5,980,168	10	101,201.19	—	—	—
4	Units of Templeton Floating Rate Income Fund - Growth	—	—	—	2,000,000	10	20,000.00
5	Units of Templeton India Liquid Plan - Growth	—	—	—	600,689	10	8,615.93
6	Units of J M High Liquidity Fund - Growth	—	—	—	2,472,311	10	40,727.96
7	Units of Zurich India Mutual Fund - Growth	—	—	—	1,126,565	10	13,300.00
8	Units of Templeton India Treasury Mgt. Account - Growth	—	—	—	1,046	1,000	1,500.00
9	Units of H.D.F.C. Liquid Fund - Growth	—	—	—	868,306	10	10,395.18
10	Units of Reliance Liquid Fund - Treasury Plan - Growth	—	—	—	711,607	10	10,000.00
11	Units of Reliance Liquid Fund-Treasury Plan-Bonus Growth	—	—	—	962,570	10	10,000.00
12	Units of Grindlays Cash Fund - Growth	849,830	10	9,861.44	947,088	10	10,607.57
13	Units of Chola Triple Ace - Bonus - Growth	—	—	—	1,178,984	10	13,333.33
14	Units of Chola Liquid Fund - Growth	—	—	—	612,416	10	7,378.64
15	Units of Sundaram Money Fund - Growth	5,113,786	10	67,748.97	280,787	10	3,500.00
16	Units of IL&FS Bond Fund - Bonus - Growth	—	—	—	482,693	10	5,000.00
17	Units of IL&FS Liquid Fund - Growth	472,091	10	5,496.00	929,673	10	10,305.80
18	Units of HSBC Cash Fund - Growth	—	—	—	1,009,793	10	10,097.93
19	Units of Kotak Mahindra Liquid Institutional Plan - Growth	1,348,717	10	16,999.95	—	—	—
20	Units of TATA Income Fund - Bonus Plan	967,614	10	10,000.00	—	—	—
21	Units of Principal Liquid Plan - Growth	1,157,150	10	14,318.23	—	—	—
	Total - (V)			245,625.78			231,140.51
	Total - {(I) + (II) + (III) + (IV) + (V)}			328,322.39			271,484.37
SUMMARY				Current Year			Previous Year
Aggregate Value of Investments :							
Quoted (Net)				5,868.06			4,316.16
Unquoted				320,854.32			265,049.57

- Investments have been classified as Long-term and Current Investments in accordance with Accounting Standard 13 issued by the Institute of Chartered Accountants of India.
- Purchases of units of Mutual Funds held as Investments - 80,209,437 units amounting to Rs. 11,26,750.00. (Previous Year - 37,907,277 units amounting to Rs. 4,95,940.00)
- Sales of units of Mutual Funds held as Investments - 80,303,792 units amounting to Rs. 11,26,270.00. (Previous Year - 39,681,674 units amounting to Rs. 5,26,710.00)
- Market Value of Quoted Investments Rs. 8,250.00. (Previous Year - Rs. 205.00)

schedules

forming part of the Accounts

Continued

	(Rs. in '000s)	March 31, 2003		(Rs. in '000s)	March 31, 2003
4. Estimated amount of contracts remaining to be executed on capital account not provided for (Net of advances, if any) - Rs. 37,840.00. (Previous Year - Nil).			High Court, Karnataka. The Company proposes to reduce the paid up capital by canceling 2,125,000 equity shares of Rs 10 each and cancel the General Reserve of Rs. 60,770.00, Amalgamation Reserve of Rs. 47,940.00 and surplus in Profit & Loss account of Rs. 22,030.00. The aforesaid petition is pending confirmation by the High Court.		
5. Income Tax demands (Net of tax provision already created) for which appeals are being preferred - Nil (Previous Year - Rs.3, 570.00).					
6. Dividend Income comprises of the following:					
	2003-2004	<i>2002-2003</i>	15. (a) Opening stock of Securities held as Stock-in-trade - Nil (Previous Year -Nil).		
Dividend from Non-trade Investments	—	—	(b) Purchase of Securities held as Stock-in-trade - 34,258,096 Nos amounting to Rs. 5,92,450.91. (Previous Year -Nil).		
- Current Investments	320.00	—	(c) Sales of Securities held as Stock-in-trade - 34,245,296 units amounting to Rs. 3,87,449.41 (Previous Year -Nil).		
- Long - term Investments	14,140.00	<i>50.00</i>	(d) Closing Stock of Securities held as Stock-in-trade - 12,800 units amounting to Rs. 446.40. (Previous Year -Nil) This comprises of 7000 shares Vijaya Bank Limited, valued at Rs. 166.40 and 5800 shares of Indraprastha Gas Limited, valued at Rs.280.00.		
Dividend from Securities held as Stock-in-trade	1,88,203.52	—	16. Transactions with related parties are disclosed as per Accounting Standard 18 "Related Party Disclosures", issued by the Institute of Chartered Accountants of India.		
Total	202,663.52	<i>50.00</i>			
7. Staff Expenses include provision towards unutilised leave salary - Rs. 2,620.00 (Previous Year - Rs.870.00).					
8. The Company has complied with the Prudential norms prescribed by the Reserve Bank of India in respect of Income Recognition, Provision for Bad and Doubtful Debts and other Non Performing Assets.					
9. In accordance with Section 45-IC of the Reserve Bank of India (Amendment) Act, 1997, twenty percent of the profit after taxation in the current year has been transferred to a Statutory Reserve.					
10. The Company has obtained the Central Government's permission under Section 211 to use "Rupees in Million" (up to at least second place of decimal) as the monetary unit in the Annual Accounts.					
11. Miscellaneous expenses include Rs.5,000.00 (Previous Year - Rs. 5,450.00), being the Company's share of various common overhead expenses incurred by ICICI Bank Limited, the holding company.					
12. Staff Expenses include Managerial Remuneration to Managing Director amounting to Rs. 7,420.00 (Previous Year - Rs 5,760.00). Details are given below :					
	2003-2004	<i>2002-2003</i>			
Salary & Allowances	6,150.00	<i>4,890.00</i>			
Company's contribution to Provident Fund	260.00	<i>290.00</i>			
Company's contribution to Gratuity	180.00	<i>120.00</i>			
Company's contribution to Superannuation Fund	330.00	<i>360.00</i>			
Perquisites	500.00	<i>100.00</i>			
Total	7,420.00	<i>5,760.00</i>			
13. Provision for tax of Rs. 54,200.00 during the year (Previous Year - Rs. 60,700) includes provision for deferred tax amounting to Rs. 1,700.00 [Previous Year - Rs. (4,450.00)].					
The net deferred tax liability comprises the tax impact arising from timing differences on account of:					
	2003-2004	<i>2002-2003</i>			
Net Depreciation difference	70,600.00	<i>70,300.00</i>			
Brought forward Capital loss	—	<i>(6,860.00)</i>			
Provision for Contingencies	(10,000.00)	<i>(10,000.00)</i>			
Provision for doubtful debts and advances	(130.00)	<i>(670.00)</i>			
Provision for Diminution in Value of Investments	(1,600.00)	<i>(2,120.00)</i>			
Accrued expenses	(5,700.00)	<i>(2,680.00)</i>			
	53,170.00	<i>47,970.00</i>			
Net deferred tax liability on above	18,990.14	<i>17,294.71</i>			
14. Pursuant to resolution for reduction of capital passed at the Extraordinary General Meeting of the Company held on November 11, 2003, the Company has filed a petition under Section 100 of the Companies Act, 1956, in the					

(Rs. in '000s)

SI No.	Name of the related party	Nature of relationship	Nature of transaction	2003-2004	2002-2003
1	ICICI Bank Limited	Holding Company	Payment of Rent	13,980.00	10,270.00
			Common Corporate Expenses	5,000.00	5,450.00
			Other Expenses	1,640.00	—
			Dividend Paid	1,48,430.00	90,630.00
			Balance in Current Accounts	72,670.00	16,940.00
			Share Capital	31,240.00	31,240.00
			Loan Funds	7,080.00	8,000.00
			Current Liabilities & Provisions	8,760.00	11,660.00
			Fee Income	—	10,930.00
2	ICICI International Limited	Fellow Subsidiary	Fee Income	6,430.00	15,160.00
			Sundry Debtors	—	6,530.00
			Advances Recoverable	430.00	350.00
3	Prudential ICICI Trust Limited	Fellow Subsidiary	Dividend Received	150.00	—
			Investment in Equity	—	200.00
			Investment outstanding at Balance Sheet date	200.00	200.00
4	ICICI Prudential Life Insurance Company Limited	Fellow Subsidiary	Insurance of Staff	370.00	—
5	Prudential ICICI Asset Management Company Limited	Fellow Subsidiary	Purchase of Securities	50,640.00	—
			Sale of Securities	43,530.00	—
			Dividend Received	21,320.00	—
			Profit on sale of investments	2,610.00	10,430.00
			Purchase of Investments	5,68,630.00	2,50,760.00
			Sale of Investments	6,27,620.00	4,07,860.00
			Investment in Equity	—	33,700.00
			Investment outstanding at Balance Sheet date	33,870.00	90,250.00

schedules



forming part of the Accounts

Continued

			(Rs. in '000s)	March 31, 2003	(Rs. in '000s)	March 31, 2003
6	ICICI Lombard General Insurance Company Limited	Fellow Subsidiary	Insurance of Assets	130.00	90.00	
			Insurance of Staff	620.00	410.00	
			Advances Recoverable	580.00	330.00	
7	ICICI Equity Fund VCF	Other Related Party	Fee Income	1,16,510.00	76,510.00	
8	ICICI Eco-net Internet & Technology Fund	Other Related Party	Fee Income	25,030.00	25,010.00	
9	ICICI Emerging Sector Fund	Other Related Party	Fee Income	1,00,210.00	49,890.00	
10	ICICI Strategic Investment Fund	Other Related Party	Fee Income	60,140.00	770.00	
11	India Advantage Fund	Other Related Party	Fee Income	1,17,130.00	17,980.00	
12	ICICI Information Technology Fund	Other Related Party	Fee Income	—	84,250.00	
13	ICICI Technology Incubator Fund	Other Related Party	Fee Income	—	2,860.00	
14	ICICI Venture Value Fund	Other related Party	Investment in Units of the trust	1,200.00	—	
			Investment outstanding at Balance Sheet date	1,200.00	—	
15	Renuka Ramnath	Key Managerial Personnel	Remuneration to Managing Director	7,420.00	5,760.00	

17. The Company's business is organized into three business segments. These are categorised as Asset Management Services, Trading Activities and others. Financial information on business segments is provided in the table below. The Company operates in only one geographical segment.

Particulars	Asset Management Services	Trading Activities	Others	Total
Fee Income	4,39,606.81	—	—	4,39,606.81
Income from Securities	—	5,75,652.93	34,037.07	6,09,690.00
Others	—	—	17,837.25	17,837.25
Total Revenue	4,39,606.81	5,75,652.93	51,874.32	10,67,134.06
Results:				
Segment Result	3,74,201.60	(16,351.58)	47,105.91	4,04,955.93
Unallocated Corporate Expenses	—	—	—	91,030.16
Net Profit				3,13,925.77
Other Information :				
Segment Assets	—	446.40	3,81,220.00	3,81,666.40
Unallocated Assets	—	—	—	1,45,960.69
Advance Tax & TDS (Net)	—	—	—	3,165.36
Total Assets				5,30,792.45
Segment Liabilities	25,300.00	—	—	25,300.00
Deferred Tax Liability	—	—	—	18,990.14
Shareholder's Funds	—	—	—	4,12,298.10
Unallocated Liabilities	—	—	—	74,204.21
Total Liabilities				5,30,792.45
Depreciation	—	—	4,768.41	4,768.41

18. The figures for the Previous Year have been re-grouped wherever necessary so as to make them comparable with those of the Current Year.

SCHEDULE XV

OPERATIONS & SIGNIFICANT ACCOUNTING POLICIES

The following paragraphs describe the nature of operations, the basis of presentation and the main accounting policies adopted by the Company.

1. Nature of Operations

The Company is a public financial institution and provides venture capital assistance to a wide spectrum of industrial sectors. The assistance is extended through the Venture Funds and the Private Equity Funds managed/ advised by the Company. The accounts of these Funds are maintained separately and do not form part of the Company's financial statements.

2. Basis of Presentation

ICICI Venture Funds Management Company Limited maintains the Books of Account in accordance with Section 209 of the Companies Act, 1956. The accounting and reporting policies of the Company are in conformity with the provisions of the Companies Act, 1956 and the Accounting Standards issued by the Institute of Chartered Accountants of India. The Company's assets and liabilities are principally recorded on the historical cost basis and the accrual method of accounting is followed, except where otherwise noted. The principal accounting policies followed are consistent with those followed in the previous year.

3. Income Recognition

- As Fund Manager, the Company is entitled to an annual management fee and a performance fee, which is contingent on the payouts to the Fund investors. In respect of the Private Equity Funds advised by the Company, the Company is entitled to an advisory fee. The annual management fee, performance fee and the advisory fee are recognized as revenue when they contractually accrue except where the management believes that the collectability is in doubt.
- Dividend income from investment in units of Mutual Fund is recognized on cash basis. Dividend from shares of corporate bodies is accrued when such dividend has been declared by the corporate body in its Annual General Meeting and the Company's right to receive the dividend payment is established.
- Income on securities classified as Stock-in-trade is recognised on trade date.
- Interest is recognised, except where collectability is in doubt, on time proportionate basis taking into account the amount outstanding and the interest rates implicit in the transaction. Revenue recognition on loans placed in non-accrual status is resumed and the suspended income is recognised when the investment becomes contractually current and incomes are actually realised.
- No credit is taken for interest and other dues in respect of (a) decreed debts, (b) where suits have been filed, (c) where loans have been recalled and (d) where accounts are considered bad or doubtful.

4. Foreign Exchange Transactions

Transactions in foreign currency, to the extent not covered by forward contracts, are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign currency transactions are recognised as income or expense in the period in which they arise.

Monetary items (other than those relating to fixed assets) are restated at the rates prevailing at the year end. The difference between the year end rate and the exchange rate at the date of the transaction is recognised as income or expense in the profit and loss account.

5. Investments

Long-term investments are carried at cost. Provision for diminution, if any, in the value of long-term investments is made to recognise a decline which is not temporary. The said diminution is determined for each investment individually. Current investments are stated at lower of cost or fair value.

schedules

forming part of the Accounts

Continued

	(Rs. in '000s)	March 31, 2003		(Rs. in '000s)	March 31, 2003
6. Stock-in-trade			9. Employee Benefits		
Units and Securities held for trading purposes are classified as Stock-in-trade. Stock-in-trade is stated at lower of cost or market value.			The Company has a superannuation fund and a gratuity fund maintained and administered by Life Insurance Corporation of India to which transfers are made annually based on advises received from the Life Insurance Corporation of India. Additionally, the Company also makes monthly contributions to the Employees Provident Fund Scheme managed by a trust constituted for the purpose and to the Family Pension Scheme administered by the Central Government. Contributions to retirement benefit schemes are booked under staff expenses. Provision for unutilised leave benefits has been made on the basis of management estimates.		
7. Leasing Business			10. Income Tax		
Lease income is recognized on accrual basis, except where collectability is in doubt. In respect of assets leased, all of which were leased prior to Accounting Standard 19 – Leases, issued by the Institute of Chartered Accountants of India becoming mandatory, the Company has followed the recommendations contained in the guidance note on Accounting for Leases issued by the Institute of Chartered Accountants of India. The corresponding assets are depreciated at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.			Income tax comprises the current tax provision and the net change in the deferred tax asset or liability during the year.		
8. Fixed Assets and Depreciation			Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of the assets and liabilities and their respective tax bases. Deferred tax assets are recognized subject to the management's judgment that realization is virtually certain.		
Fixed Assets are stated at cost less accumulated depreciation. Additions, major renewals and improvements are capitalized, while maintenance and repairs are expensed. Upon disposition, the net book value of assets is relieved and resultant gains and losses are reflected in the Profit and Loss Statement. The basis of depreciation is as follows:			Deferred tax assets and liabilities are measured using enacted tax rates applicable on the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of enactment of the change.		
a) In respect of leased assets (other than vehicles leased to third parties), depreciation is provided on straight-line method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.					
b) In respect of all other assets, depreciation is provided on written-down value method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.					

Signatures to Schedules "I" to "XV", which form an integral part of the Accounts.

As per our report attached
For S.B. Billimoria & Co.
Chartered Accountants

V. Balaji
Partner
Membership No. 203685
Bangalore, April 23, 2004

For and on behalf of the Board
K.V. KAMATH
Chairman
BEENA M. CHOTAI
Chief Financial Officer

Bangalore, April 23, 2004

LALITA D. GUPTA
Director
ANSELM PINTO
Company Secretary

RENUKA RAMNATH
Managing Director & CEO

cash flow statement



for year ended March 31, 2004

	(Rs. in '000s)	March 31, 2003
Cash flows from Operating Activities		
Net Profit Before Taxation	313,925.77	185,652.07
Adjustments for :		
Depreciation	12,060.74	12,355.24
Profit on sale of Investments	(19,581.78)	(14,540.54)
Dividend from Long-term Investments	(14,460.00)	(50.00)
Bad Debts written off	4,781.33	—
Provisions written back (Net)	(1,061.00)	—
Lease equalisation charge	1,495.39	—
Profit on sale of Assets	—	(193.56)
Provision for diminution in value of Investments	—	1,802.13
Operating Profit before working capital changes	297,160.45	185,025.34
Increase in inventories	(446.40)	—
Decrease in Debtors	25,850.00	1,270.00
Increase in other Current Assets	(9,739.86)	27,980.00
Increase in Creditors	3,580.00	(52,940.00)
Cash from Operations	316,404.19	161,335.34
Less : Income taxes paid	(53,650.00)	(66,590.00)
Net Cash from Operating Activities	262,754.19	94,745.34
Cash flows from Investing Activities		
Purchase of Fixed Assets	(15,608.08)	(2,190.00)
Dividend from Long-term Investments	14,460.00	50.00
Sale of Fixed Assets	—	350.00
Purchase of Investments	(1,216,260.00)	(530,030.15)
Sale of Investments	1,179,040.00	747,730.00
Net Cash from Investing Activities	(38,368.08)	215,909.85
Cash flows from Financing Activities		
Proceeds from Long-term Borrowings	5,200.00	—
Payment of Long-term Borrowings	(6,120.00)	(221,670.00)
Payment of Dividend & Tax thereon	(167,460.00)	(90,630.00)
Net Cash from Financing Activities	(168,380.00)	(312,300.00)
Net increase in Cash & Cash Equivalents	56,006.11	(1,644.81)
Cash & Cash Equivalents at the beginning of the year	17,235.19	18,880.00
Cash & Cash Equivalents at the end of the year	73,241.30	17,235.19

As per our report attached

For S.B. Billimoria & Co.
Chartered Accountants

V. BALAJI
Partner
Membership No. 203685
Bangalore, April 23, 2004

For and on behalf of the Board

K.V.KAMATH
Chairman

BEENA M. CHOTAI
Chief Financial Officer
Bangalore, April 23, 2004

LALITA D. GUPTA
Director

ANSELM PINTO
Company Secretary

RENUKA RAMNATH
Managing Director & CEO

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

I. Registration Details

Registration Number

0	8	/	1	0	0	9	9
---	---	---	---	---	---	---	---

 State Code

0	8
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

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

Date Month Year

II. Capital Raised during the Year (Amount in Rs. Thousand)

Public Issue

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

 Bonus Issue

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

Rights Issue

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

 Private Placement

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

III. Position of Mobilisation and Deployment of Funds

(Amount in Rs. Thousand)

Total Liabilities

4	3	8	2	9	0	.	0	0
---	---	---	---	---	---	---	---	---

 Total Assets

4	3	8	2	9	0	.	0	0
---	---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

	3	1	2	5	0	.	0	0
--	---	---	---	---	---	---	---	---

 Reserves and Surplus

3	8	0	9	7	0	.	0	0
---	---	---	---	---	---	---	---	---

Secured Loans

		5	0	8	0	.	0	0
--	--	---	---	---	---	---	---	---

 Unsecured Loans

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

Deferred Tax Liability

	1	8	9	9	0	.	0	0
--	---	---	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

1	0	9	7	1	0	.	0	0
---	---	---	---	---	---	---	---	---

 Investments

3	2	6	7	2	0	.	0	0
---	---	---	---	---	---	---	---	---

Net Current Assets

		1	8	6	0	.	0	0
--	--	---	---	---	---	---	---	---

 Miscellaneous Expenditure

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

(to the extent not written-off or adjusted)

Accumulated Losses

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

IV. Performance of Company (Amount in Rs. Thousand)

Turnover/Income

1	0	6	7	5	7	0	.	0	0
---	---	---	---	---	---	---	---	---	---

 Total Expenditure

7	5	3	7	0	0	.	0	0
---	---	---	---	---	---	---	---	---

Profit/Loss Before Tax

3	1	3	8	7	0	.	0	0
---	---	---	---	---	---	---	---	---

 Profit/Loss After Tax

2	5	9	6	7	0	.	0	0
---	---	---	---	---	---	---	---	---

Earning Per Share in Rs.

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

 Dividend Rate %

			4	7	5	.	0	0
--	--	--	---	---	---	---	---	---

V. Generic Names of Principal Products/Services of the Company

(as per monetary terms)

Item Code No.

				N	O	T			A	P	P	L	I	C	A	B	L	E
--	--	--	--	---	---	---	--	--	---	---	---	---	---	---	---	---	---	---

Product Description

F	I	N	A	N	C	I	A	L		S	E	R	V	I	C	E	S
---	---	---	---	---	---	---	---	---	--	---	---	---	---	---	---	---	---

For and on behalf of the Board

K.V. KAMATH
Chairman
BEENA M. CHOTAI
Chief Financial Officer

LALITA D. GUPTA
Director
ANSELM PINTO
Company Secretary

RENUKA RAMNATH
Managing Director & CEO

Bangalore, April 23, 2004

section 217



Statement Pursuant to Section 217 (2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules, 1975, as amended (Forming part of the Directors' Report for the year ended March 31, 2004)

Sl. No.	Name, Qualification and Age (in years)	Designation/ Nature of Duties	Gross Remuneration (in Rs.)	Experi- -ence (Years)	Date of Commencement of Employment	Last Employment / Designation
1	Renuka Ramnath, B.E., PGDM, Advanced Mgmt. Program-Harvard Business School, (42)	Managing Director & Chief Executive Officer	7,213,029	18	April 1, 2002	ICICI Bank Limited, Mumbai - General Manager
2	Sumit Chandwani, B.E. (Industrial Engg.), PGDM (IIMB), (35)	Director - Investments	3,930,165	11	Jane 8, 2000	GE Capital, Mumbai - Vice President - Head Western
3	Bala Deshpande, M.A., MMS, (38)	Director - Investments	3,930,165	14	May 22, 2000	International Best Foods Limited, Mumbai, Marketing Manager
4	Beena M. Chotai, B.Com, A.C.A., (35)	Chief Financial Officer	2,999,679	13	July 12, 1993	Veejay Lakshmi Engg. Works Limited., Coimbatore - Accounts Officer
5	Kishore Gotety, B.Com, ICWA., MMS (Finance), (33)	Director - Investments	4,550,165	12	September 10, 2001	ICICI Securities, Head - Capital Markets & Investment Banking Services
6	K. Ravindra, B.Tech (Mechanical), PGDM (IIMC), (38)	Chief Risk Officer	2,999,719	16	September 01, 2000	ICICI Limited, Hyderabad, Zonal Manager
7	P.M. Devaiah*, B.Com., LLB., LLM, (39)	General Counsel	2,649,318	13	May 1, 2003	BPL Mobile Cellular Limited, Bangalore, Corporate Counsel
8	Shankar Narayanan*, BTech (Civil), MBA, (42)	Director- Investments	3,634,136	18	April 7, 2003	Deutsche Bank Capital Partners (Asia), HongKong, Director
9	Rajesh Agarwal, B.E., (Elect), PGDM (IIMC), (34)	Vice President	3,293,497	10	September 2, 2002	GE Capital India, Private Equity, Gurgaon, Assistant Vice President - Equity Group

NOTES :

- The nature of employment is contractual and the employees are governed by the Company's rules and conditions of service .
- None of the Employees mentioned above is a relative of any Director of the Company.
- Gross Remuneration includes Basic Salary, House Rent Allowance/Rent paid for residential accommodation, Conveyance Allowance, Medical Expenses, Bonus, Leave encashment, Leave Fare Concession, Company's Contribution to Provident Fund and Superannuation Fund.
- Designation, Nature of Duties and Remuneration are as on March 31, 2004.
- Employees on deputation are not included in this report

* remuneration is for part of the year

For and on behalf of Board of Directors

Mumbai, April 23, 2004

K.V. KAMATH
Chairman