ICICI Bank Limited
Registered Office: 'Landmark', Race Course Circle, Vadodara 390 007
Corporate Office: ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051
Tel.: (022) 2653 1414 Fax: (022) 2653 1122
Contact Person: Mr. Jyotin Mehta; E-mail: investor@icicibank.com; Website: www.icicibank.com
(We were originally incorporated in Vadodara as ICICI Banking Corporation Limited on January 5, 1994 and subsequently renamed as ICICI Bank Limited on September 10, 1999)

Public Issue of Unsecured Bonds aggregating Rs. 6,000 crores to be raised in one or more tranches (hereinafter referred to as the "Issue")

NOTE: The Bonds offered herein are unsecured in nature.

GENERAL RISKS: Investors are advised to read the Risk Factors carefully before taking an investment decision in the Issue. For taking an investment decision, the investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Bonds have not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of the investors is invited to the Risk Factors on pages [●] to [●] of the Draft Shelf Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY: The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft Shelf Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Draft Shelf Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Shelf Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Lead Manager had filed a Draft Shelf Prospectus for PUBLIC ISSUE OF UNSECURED BONDS AGGREGATING RS. 6,000 CRORES TO BE RAISED IN ONE OR MORE TRANCHES HAVING AN OVER SUBSCRIPTION OPTION). SEBI's observation letter dated _____ on the captioned Issue has been received. The various tranches of the captioned Issue shall open for subscription within a period of 365 days from the date of the observation letter stated above. This is the ______ tranche comprising of Rs. __ crore.

CREDIT RATING:

FOR LOWER TIER II BONDS

CARE "CARE AAA" - This rating indicates investment is of best credit quality, offering highest safety of timely servicing of debt obligations. Such instruments carry minimal credit risk.

ICRA "LAAA" - This rating indicates highest-credit-quality. The rated instrument carries the lowest credit risk.

FOR UPPER TIER II BONDS

CARE "CARE AAA" - This rating indicates investment is of best credit quality, offering highest safety of timely servicing of debt obligations. Such instruments carry minimal credit risk.
CRISIL "AAA/Stable" - This rating indicates highest degree of safety with regard to timely payment of interest and principal on the instrument.

FOR TIER I PERPETUAL BONDS:

CARE “CARE AAA” - This rating indicates investment is of best credit quality, offering highest safety of timely servicing of debt obligations. Such instruments carry minimal credit risk.
CRISIL “AAA/Stable” - This rating indicates highest degree of safety with regard to timely payment of interest and principal on the instrument.
The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal or suspension at any time by the assigning rating agency and each should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agencies have a right to suspend, withdraw the rating at any time on the basis of new information, etc. Please refer to page no. 4 for details.

INFRASTRUCTURE BONDS

CARE “CARE AAA” - This rating indicates investment is of best credit quality, offering highest safety of timely servicing of debt obligations. Such instruments carry minimal credit risk.

ICRA “LAAA” - This rating indicates highest-credit-quality. The rated instrument carries the lowest credit risk.

LISTING: The Bonds offered through this Draft Shelf Prospectus are proposed to be listed on the National Stock Exchange of India Limited (“**NSE**”) and/or Bombay Stock Exchange Limited (“**BSE**”). Applications for in principle listing approvals have been made to the NSE on [●], 2006 and to the BSE on [●], 2006. The BSE and NSE has given their in-principle approvals vide letters dated [●] and [●], respectively.

<table>
<tr><th>LEAD MANAGER TO THE ISSUE</th><th>REGISTRARS TO THE ISSUE</th></tr>
<tr><td>JM MORGAN STANLEY
JM Morgan Stanley Private Limited
141 Maker Chambers III
Nariman Point, Mumbai 400 021
Tel.: (022) 6630 3030Fax: (022) 2204 7185
Email: icicibond@jmmorganstanley.com
Website: www.jmmorganstanley.com
Contact Person: Ms. Naina Sharma</td><td></td></tr>
<tr><td colspan="2">**ISSUE SCHEDULE**</td></tr>
<tr><td>**ISSUE OPENS ON: [●], 2006**</td><td>**ISSUE CLOSES ON: [●], 2006**</td></tr>
</table>

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Certain Definitions

ICICI Limited, ICICI Personal Financial Services Limited and ICICI Capital Services Limited amalgamated with and into ICICI Bank Limited, effective date being March 30, 2002 for accounting purposes under Indian GAAP. In this Draft Shelf Prospectus, all references to "ICICI Bank", the "Company", the "Bank", "we", "our" and "us" are, as the context requires, to ICICI Bank Limited on an unconsolidated basis subsequent to the amalgamation, to ICICI Bank Limited on an unconsolidated basis prior to the amalgamation, or to both. References to specific data applicable to particular subsidiaries, joint ventures, associates and other consolidated entities are made by reference to the name of that particular company or entity. References to "ICICI" are to ICICI Limited on an unconsolidated basis prior to the amalgamation. References to "ICICI Personal Financial Services" are to ICICI Personal Financial Services Limited. References to "ICICI Capital Services" are to ICICI Capital Services Limited. References to the "amalgamation" are to the amalgamation of ICICI, ICICI Personal Financial Services and ICICI Capital Services with and into ICICI Bank. References to the "Scheme of Amalgamation" are to the Scheme of Amalgamation of ICICI, ICICI Personal Financial Services and ICICI Capital Services with ICICI Bank.

In the financial statements contained in this Draft Shelf Prospectus and the notes thereto, all references to "the Bank" are, as the context requires, to ICICI Bank Limited on an unconsolidated basis subsequent to the amalgamation, to ICICI Bank Limited on an unconsolidated basis prior to the amalgamation, or to both. All references to "the Group" are to ICICI Bank, its subsidiaries, joint ventures and associates on a consolidated basis.

Issue Related Terms

Term	Description
ADR	American Depositary Receipts
ADS	American Depositary Shares representing two Equity Shares
Articles/Articles of Association	Our Articles of Association
Auditors	Our statutory auditors, S.R. Batliboi & Co., Chartered Accountants
Board of Directors/ Board	Our Board of Directors or a Committee thereof
Bondholder/Debentureholder	The holder of the Bonds
Bond	Unsecured Bonds issued under this Draft Shelf Prospectus which may either be perpetual or redeemable in nature
BSE	The Bombay Stock Exchange Limited
Corporate Office	ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 as amended from time to time
Depository Participant	A depository participant as defined under the Depositories Act
ECS	Electronic Clearing Service
ESOS	The Employee Stock Option Scheme as approved and adopted by our shareholders in January 2000 and as amended from time to time
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time and regulations framed thereunder
FERA	Foreign Exchange Regulation Act, 1973, now repealed
FII	Foreign Institutional Investors GDP

Term	Description
Guidelines	Annual Policy Statement for the year 2004-2005 Issue of Long Term Bonds by Banks issued by RBI through circular DBOD.No.BP.BC.90/21/.01.002/2003-04 dated June 11, 2004 and Guidelines for Issue of Capital Funds issued by RBI through "Master Circular – Prudential Norms on Capital Adequacy" DBOD.No.BP.BC.13/21.01.2002/2006-2007 dated July 1, 2006
Gross Domestic Product	Gross Domestic Product
HUF	Hindu Undivided Family
ICICI	The erstwhile ICICI Limited
ICICI Brokerage	ICICI Brokerage Services Limited
ICICI Capital	The erstwhile ICICI Capital Services Limited
3i Infotech	3i Infotech Limited (formerly ICICI Infotech Limited)
ICICI Investment	ICICI Investment Management Company Limited
ICICI Lombard	ICICI Lombard General Insurance Company Limited
ICICI PFS	The erstwhile ICICI Personal Financial Services Limited
ICICI Prudential Life	ICICI Prudential Life Insurance Company Limited
ICICI Securities	ICICI Securities Limited
ICICI Venture	ICICI Venture Funds Management Company Limited
Issue	This Issue of Bonds through a Public Issue aggregating Rs. [●] crore with a right to retain oversubscription
I.T.	Income Tax
I.T. Act	The Income-tax Act, 1961 as amended from time to time
Memorandum	Our Memorandum of Association
NCD	Non Convertible Debentures
NEFT	National Electronic Fund Transfer
NRI/ Non Resident Indian	A person resident outside India, as defined in FEMA, and who is a citizen of India or a Person of Indian origin, as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
NSE	National Stock Exchange of India Limited
Prudential ICICI AMC	Prudential ICICI Asset Management Company Limited
Prudential ICICI Trust	Prudential ICICI Trust Limited
PFI	Public Financial Institution
RBI	The Reserve Bank of India
Registered Office	Our registered office, being 'Landmark', Race Course Circle, Vadodara 390 007
RTGS	Real Time Gross Settlement
ROC	Registrar of Companies, Gujarat at Ahmedabad.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time)
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time
Trustees	Trustees for the Bond holders

Technical and Industry Terms

Term	Description
ATM	Automated Teller Machine
CRAR	Capital To Risk Assets Ratio
CRR	Cash Reserve Ratio
DRR	Debenture Redemption Reserve
DRT	Debt Recovery Tribunal
FCNR Account	Foreign Currency Non Resident Account
LIBOR	London Inter Bank Offer Rate
IRR	Internal Rate of Return
NPA	Non-Performing Asset(s)
NRE Account	Non Resident External Account
Securitisation Act/ SARFAESI	The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended from time to time
SLR or Statutory Liquidity Ration	Statutory Liquidity Ratio prescribed by RBI under the Banking Regulation Act
YTM	Yield to Maturity

Conventional/General Terms

Term	Description
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
Banking Regulation Act	The Banking Regulation Act, 1949, as amended from time to time
CDSL	Central Depository Services (India) Limited
Companies Act or the Act	The Companies Act, 1956, as amended from time to time
EGM	Extraordinary General Meeting
EPS	Earnings per Equity Share
Financial Year/fiscal/FY	The 12 months ended March 31 of a particular year
Indian GAAP	Generally accepted accounting principles in India
NABARD	National Bank of Agriculture & Rural Development
NCDEX	National Commodities and Derivatives Exchange Limited
NSDL	National Securities Depository Limited
Securities Act	United States Securities Act of 1933, as amended from time to time
SIDBI	Small Industries Development Bank of India
TDS	Tax Deduction at Source
US GAAP	Generally accepted accounting principles in the United States

CERTAIN CONVENTIONS; USE OF INDUSTRY AND MARKET DATA

Unless stated otherwise, the financial data in this Draft Shelf Prospectus is derived from our restated financial statements prepared in accordance with the SEBI Guidelines included in this Draft Shelf Prospectus or our audited financial statements. Our fiscal year commences on April 1 and ends on March 31 of the next year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year. In this Draft Shelf Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding.

Defined terms and the respective definitions are set forth in the section titled "Definitions and Abbreviations" on page [●] of this Draft Shelf Prospectus. In the section titled "Main Provisions of Articles of Association of ICICI Bank Limited", defined terms have the meaning given to such terms in the Articles of Association of the ICICI Bank Limited.

Market and industry data used in this Draft Shelf Prospectus has been obtained or derived from industry publications and sources. These publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured and accordingly, no investment decisions should be made based on such information. Although we believe industry data used in this Draft Shelf Prospectus is reliable, it has not been verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

Further, the extent to which the market and industry data presented in this Draft Shelf Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

We have included statements in this Draft Shelf Prospectus, that contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions that are “forward-looking statements”.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- General economic and business conditions in India and other countries;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in Indian or international interest rates;
- Changes in laws and regulations that apply to banks in India;
- Changes in political conditions in India; and
- Changes in the foreign exchange control regulations in India.

For further discussion of factors that could cause our actual results to differ, see the section titled “Risk Factors” on page [●] of this Draft Shelf Prospectus. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither us nor the Lead Manager has any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

SECTION II- RISK FACTORS

The investors are advised to carefully consider the risks described below, in addition to the other information contained in this Draft Shelf Prospectus before making an investment in our Bonds. The occurrence of any of the following events could have a material adverse effect on our business, results of operations and financial conditions and prospects.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned therein.

Internal Risks and Risks Related To Our Business

These Bonds are unsecured and RBI prescribes certain restrictions in relation to the terms of these Bonds

All Bonds being issued under this Draft Shelf Prospectus are unsecured which means that they are not secured by any of our assets. The claims of investors in Bonds which are being issued for inclusion in Tier I Capital shall be subordinate to the claims of all creditors. The claims of the investors in Bonds being issued for inclusion in Upper Tier II capital shall be subordinate to the claims of all creditors except investors in instruments forming part of Tier I capital.

We shall not be liable to pay either interest or principal, even at maturity in the case of Bonds forming part of Upper Tier II capital, if our capital adequacy ratio is below the minimum regulatory requirement prescribed by RBI or if the impact of such payment results in our capital to risk assets ratio (CRAR) falling below or remaining below the minimum regulatory requirement prescribed by RBI. Also, when the impact of such interest payment may result in net loss or increase the net loss to us, we shall pay the interest only after prior approval of RBI and provided our CRAR remains above the regulatory requirement for the same. However, the interest amount due and remaining unpaid in relation to such Bonds may be allowed to be paid in later years subject to compliance with the above requirement. Currently, our CRAR as of March 31, 2006 is 13.35% and the prescribed minimum regulatory requirement is 9%.

Further, in the case of Bonds being issued for inclusion in Tier I Capital, we shall not be liable to pay interest if our capital adequacy ratio is below the minimum regulatory requirement prescribed by RBI or if the impact of such payment results in our CRAR falling below or remaining below the minimum regulatory requirement prescribed by the RBI. Also, when the impact of such interest payment may result in net loss or increase the net loss to us, we shall pay the interest only after prior approval of RBI and provided our CRAR remains above the regulatory requirement for the same. Additionally, if interest is not paid in certain years or periods, we are not permitted to pay cumulative interest for these Bonds for such past years or periods.

In relation to Bonds forming part of Tier I capital and Upper Tier II capital, we may exercise the call option for these Bonds only after the Bonds have been issued for at least ten years. Further, the exercise of the call option requires the prior approval of the RBI, with such approval being subject to several conditions including a review of the Bank's CRAR both at the time of exercise of the call option and after the exercise of the call option. Thus investors may not be able to withdraw their investments in Bonds forming part of Tier I capital and Upper Tier II capital.

Further, the step-up option for these Bonds i.e., the increase in interest rate of the Bonds can be exercised only once during the lifetime of the Bonds and in conjunction with the call option. Further, in the event that we choose to exercise the step-up option, we cannot increase the interest rate by more than 1% p.a.

These Bonds are being issued under various guidelines issued by the RBI. The RBI may change these guidelines in the future and we may not be able to pay the interests provided herein or we may be forced to redeem such Bonds or take such other action in relation to these Bonds as may be required under applicable law.

We have appointed a Trustee to protect the interest of all the investors. In the event of default/liquidation, the Bondholders may proceed against us in terms of the mechanism given under the section "Trustees for the Bondholders" on page [●] of this Draft Shelf Prospectus. For further details, please see "Terms of the Issue" on page [●] of the Draft Shelf Prospectus for further details.

Some of the Bonds shall be unsecured and perpetual in nature and we cannot assure of any returns on these Bonds

The Bonds being issued by us which shall form part of Tier I capital are perpetual in nature. These Bonds shall be unsecured, i.e. they are not backed by any of our assets. Whilst we shall endeavour to provide the desired rate of return on these Bonds, we may be unable to provide such returns if we do not meet the CRAR requirements required under the Guidelines. Currently, our CRAR as of March 31, 2006 is 13.35% and the prescribed minimum regulatory requirement is 9%.

The claim of the investors in the Bonds being issued for inclusion in Tier I capital shall be subordinated to the claims of all other creditors. Therefore, in the event that ICICI Bank is wound up or in any other instance whereby we may be required to repay our creditors, investors in the Bonds being issued for inclusion in Tier I capital shall be made payments, if at all, only after other creditors of the Bank have been repaid their moneys. Further, in the event that we become bankrupt and we are unable to pay the Bond Holders, the Bond Holders shall not have recourse to any security for the repayment of their principal and/or interest.

We will not create or maintain a Debenture Redemption Reserve (DRR) for the Bonds issued under this Draft Shelf Prospectus

The Department of Company Affairs General Circular No.9/2002 No.6/3/2001-CL.V dated April 18, 2002 specifies that "No DRR is required for debentures issued by All India Financial Institutions (AIFIs) regulated by Reserve Bank of India and Banking Companies for both public as well as privately placed debentures. Therefore we will not be maintaining debenture redemption reserve in respect of the Bonds issued herein and the Bondholders may find it difficult to enforce their interests in the event of a default.

Our business is particularly vulnerable to interest rate risk and volatility in interest rates could adversely affect our net interest margin, the value of our fixed income portfolio, our income from treasury operations and our financial performance.

As a result of certain reserve requirements of the Reserve Bank of India, we are more structurally exposed to interest rate risk than banks in many other countries. See "Regulations and Policies – Legal Reserve Requirements" on page [●]. These requirements result in our maintaining a large portfolio of fixed income Government of India securities, and we could be materially or adversely impacted by a rise in interest rates, especially if the rise were sudden or sharp. These requirements also have a negative impact on our net interest income and net interest margin because we earn interest on a portion of our assets at rates that are generally less favourable than those typically received on our other interest-earning assets. If our cost of funds does not decline at the same time or to the same extent as the yield on our interest-earning assets, or if the yield on our interest-earning assets does not increase at the same time or to the same extent as our cost of funds, our net interest income and net interest margin would be adversely impacted. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page [●]. We are also exposed to interest rate risk through our treasury operations and our subsidiary ICICI Securities, which is a primary dealer in government of India securities. A rise in interest rates or greater interest rate volatility could adversely affect our income from treasury operations or the value of our fixed income securities portfolio.

A large proportion of ICICI's loans consisted of project finance assistance, a substantial portion of which is particularly vulnerable to completion and other risks.

Long-term project finance assistance constituted a significant proportion of ICICI's asset portfolio and, despite the growth of our retail loan portfolio, continues to be a significant proportion of our loan portfolio. Project finance loans represented 9.7% of our advances at year-end fiscal 2006 and approximately 14.9% of our advances at year-end fiscal 2005. Our advances to projects under implementation represented 3.9% of our advances at year-end fiscal 2006. The viability of these projects depends upon a number of factors, including market demand, government policies and the overall economic environment in India and the international markets. These projects are particularly vulnerable to a variety of risks, including completion risk and counterparty risk, which could adversely impact their ability to generate revenues. We cannot be sure that these projects will perform as anticipated. Over the last several years, we experienced a high level of impaired loans in our project finance loan portfolio as a result of the downturn in certain global commodity markets and increased competition in India. Future project finance losses or high levels of non-performing assets could have a materially adverse effect on our profitability and the quality of our loan portfolio.

We have high concentration of loans to certain customers and to certain sectors and if a substantial portion of these loans were to become non-performing, the quality of our loan portfolio could be adversely affected.

Our loan portfolio and non-performing asset portfolio have a high concentration in certain customers and sectors. At year-end fiscal 2006, our exposure to our largest borrower accounted for approximately 13.0% of our total capital funds (comprising Tier-1 and Tier-2 capital as defined in the Reserve Bank of India guidelines. See "Regulations and Policies – Reserve Bank of India Regulations – Capital Adequacy Requirements" on page [●]. The exposure to the largest borrower group at year-end fiscal 2006 accounted for approximately 22.2% of our total capital funds. At that date, the five largest industry sectors in our loan portfolio were services, iron and steel, crude petroleum & refining, chemicals, and roads, ports, railways & telecom and these sectors constituted 15.7% our total advances. In respect of 13 industries representing 16.3% of our total advances, the top five borrowers in each industry represented 50.0% or more of our advances to that industry. See "Asset Composition and Classification" on page [●]. In the past, certain of these borrowers and sectors have been adversely affected by economic conditions in varying degrees. Credit losses due to financial difficulties of these borrowers and sectors in the future could adversely affect our business and our financial performance.

If we are not able to control the level of non-performing assets in our portfolio, our business will suffer.

At year-end fiscal 2006, our net non-performing assets were Rs. 1,075 crores, representing 0.71% of our net customer assets, compared to Rs. 1,983 crores representing 2.03% of our net customer assets at year-end fiscal 2005. We have experienced rapid growth in our retail loan portfolio. Various factors, including a rise in unemployment, prolonged recessionary conditions, a sharp and sustained rise in interest rates, developments in the Indian economy, movements in global commodity markets and exchange rates and global competition could cause an increase in the level of non-performing assets on account of these retail loans and have a material adverse impact on the quality of our loan portfolio. In addition, under the directed lending norms of the Reserve Bank of India, we are required to extend 50.0% of our residual net bank credit (excluding the advances of ICICI at year-end fiscal 2002) to certain eligible sectors, which are categorized as "priority sectors". See "Asset Composition and Classification – Directed Lending" on page . We may experience a significant increase in non-performing assets in our directed lending portfolio, particularly loans to the agriculture sector and small-scale industries, where we are less able to control the portfolio quality and where economic difficulties are likely to affect our borrowers more severely. We may not be able to control or reduce the level of non-performing assets in our project and corporate finance portfolio. We may not be successful in our efforts to improve collections and foreclose on existing non-performing assets. At year-end fiscal 2006, we also had investments of Rs. 2,122 crores in security receipts arising out of the sale of non-performing assets by us to Asset Reconstruction Company (India) Limited. See "Asset Composition and Classification" on page . There can be no assurance that Asset Reconstruction Company (India) Limited will be able to recover these assets and redeem our investments in security receipts and that there will be no reduction in the value of these investments. If we are not able to control or reduce the level of non-performing assets, the overall quality of our loan portfolio may deteriorate and our business and future financial performance could be adversely affected.

The failure of our restructured loans to perform as expected or a significant increase in the level of restructured loans in our portfolio could affect our business.

Our net standard assets of Rs. 150,932 crores at year-end fiscal 2006 included net restructured standard loans of Rs. 5,316 crores (3.50% of net customer assets), compared to Rs. 6,263 crores (6.40% of net customer assets) at year-end fiscal 2005. Our borrowers' need to restructure their loans can be attributed to several factors, including increased competition arising from economic liberalisation in India, variable industrial growth, a sharp decline in commodity prices, the high level of debt in the financing of projects and capital structures of companies in India and the high interest rates in the Indian economy during the period in which a large number of projects contracted their borrowings. These factors reduced profitability for certain of our borrowers and also resulted in the restructuring of certain Indian companies in sectors including iron and steel, textiles and cement. The failure of these borrowers to perform as expected or a significant increase in the level of restructured loans in our portfolio could adversely affect our business and our future financial performance.

Our funding is primarily short-term and if depositors do not roll over deposited funds upon maturity, our business could be adversely affected.

Most of our incremental funding requirements, including replacement of maturing liabilities of ICICI (which generally had longer maturities), are met through short-term funding sources, primarily in the form of deposits including inter-bank deposits. Our customer deposits generally have a maturity of less than one year. However, a large portion of our assets, primarily the assets of ICICI and our home loan portfolio, have medium or long-term maturities, creating the potential for funding mismatches. High volumes of deposit withdrawals or failure of a substantial number of our depositors to roll over deposited funds upon maturity or to replace deposited funds with fresh deposits, could have an adverse effect on our liquidity position, our business and our future financial performance.

Banking is a heavily regulated industry and material changes in the regulations which govern us could cause our business to suffer.

Banks in India are subject to detailed supervision and regulation by the RBI. In addition, banks are subject generally to changes in Indian law, as well as to changes in regulation and government policies and accounting principles. The laws and regulations governing the banking sector could change in the future and any such changes could adversely affect our business and our future financial performance, by requiring a restructuring of our activities, increasing costs or otherwise. The directed lending norms of the RBI require that every bank should extend 40.0% of its net bank credit to certain eligible sectors, such as agriculture, small-scale industries and housing finance up to certain limits, which are categorised as "priority sectors". Since the directed lending norms were not applicable to ICICI, the RBI directed us to maintain 50.0% of our net bank credit on the residual portion of our advances (i.e. the portion of our total advances excluding advances of ICICI at year-end fiscal 2002) in the form of priority sector loans until such time as our aggregate priority sector advances reach a level of 40.0% of our total net bank credit. We may experience a significant increase in non-performing loans in our directed lending portfolio, particularly loans to the agriculture sector and small-scale industries, since economic difficulties are likely to affect those borrowers more severely and we would be less able to control the quality of this portfolio. In its mid-term review of the annual policy statement for fiscal 2005 the RBI increased the risk weight from 50% to 75% in case of housing loans and from 100% to 125% in case of consumer credit (including personal loans and credit cards) as a temporary counter-cyclical measure.. In July 2005, the RBI increased the risk weight from 100% to 125% on commercial real estate and capital market exposure. In September 2005, the RBI replaced the existing system of granting authorisations for opening individual branches with a system of giving aggregated approvals covering both branches and existing non-branch channels like ATMs, on an annual basis. In October 2005, in its mid-term review of the annual policy statement for fiscal 2005, the RBI increased the requirement of general provisioning for standard advances from 0.25% to 0.40% except direct advances to agriculture and SME sectors. In February 2006, the RBI issued its final guidelines on securitisation of standard assets under which we are in respect of transactions from February 1, 2006 required to maintain higher capital for credit enhancement and also amortize the profit on securitisation over the life of the related loans. This will adversely impact our capital adequacy and net interest income. In April 2006, the RBI increased the requirement of general provisioning for certain categories of advances from 0.40% to 1.00% and also increased the risk weight on exposures to commercial real estate from 125.0% to 150.0%. Pursuant to the recent amendment to the Reserve Bank of India Act, no interest in payable on Cash Reserve Ratio balances, on which interest was hitherto paid by RBI. Any change in the directed lending norms may result in our inability to meet the priority sector lending requirements as well as require us to increase our lending to relatively riskier segments and may result in an increase in non-performing assets in the directed lending portfolio. Future changes in laws and regulations and failure or the apparent failure to address any regulatory changes or enforcement initiatives could have an adverse impact on our business, harm our reputation, subject us to penalties, fines, disciplinary actions or suspensions of any kind, or increase our litigation risk.

There are a number of restrictions under the Banking Regulation Act, which impede our operating flexibility. These include the following:

- The forms of business in which we and our subsidiaries may engage are specified and regulated by the Banking Regulation Act. Pursuant to the provisions of Section 8 of Banking Regulation Act, we cannot directly or indirectly deal in the buying, selling or bartering of goods by ourselves or for others, except in connection with the realisation of security given to us or held by us, or in connection with bills of exchange received for collection or negotiation, or in connection with the administration of estates as executor, trustee or otherwise, or in connection with any business specified under Section 6(1)(o) of the Banking Regulation Act. Goods for this purpose means every kind of movable property, other than actionable claims, stocks, shares, money, bullion and specie and all instruments referred to in Section 6(1)(a) of Banking Regulation Act. Unlike a company incorporated under the Act which may amend the objects clause of its Memorandum of Association to commence a new business activity, banking companies may only carry on business activities permitted by Section 6 of the Banking Regulation Act or specifically permitted by the RBI. This may restrict our ability to pursue profitable business opportunities as they arise.

- Section 19 of the Banking Regulation Act restricts the opening of subsidiaries by banks, which may prevent us from exploiting emerging business opportunities. Similarly, Section 23 of the Banking Regulation Act contains certain restrictions on banking companies regarding the opening of new places of business and transfers of existing places of business, which may hamper our operational flexibility.

- Section 25 of the Banking Regulation Act requires each banking company to maintain assets in India equivalent to not less than 75% of its demand and time liabilities in India, which in turn may restrict us from building overseas asset portfolios and exploiting overseas business opportunities.

- We are required to obtain approval of the RBI for the appointment and remuneration of our Chairman, Managing Director and other wholetime directors. The RBI has powers to remove managerial and other persons from office, and to appoint additional directors. We are also required to obtain approval of the RBI for the creation of floating charges for our borrowings, thereby hampering leverage. The Banking Regulation Act also contains provisions regarding production of documents and availability of records for inspection.

- A compromise or arrangement between us and our creditors or any class of them or between us and our shareholders or any class of them or any modification in such arrangement or compromise will not be sanctioned by any High Court unless such compromise or arrangement or modification, as the case may be, is certified by the RBI in writing as not being incapable of being implemented and as not being detrimental to the interests of our depositors. Our amalgamation with any other banking company will require the sanction of the RBI and shall be in accordance with the provisions of the Banking Regulation Act. The provisions for winding- up of banking companies as specified in the Banking Regulation Act are at variance with the provisions of the Act. Section 45 of the Banking Regulation Act gives RBI the power to apply to the Central Government for suspension of the business of a banking company and to prepare a scheme of reconstitution of the banking company or for the amalgamation of the banking company with any other banking institution. Further, the Government of India has powers to acquire the undertakings of banking companies in certain cases.

- We are required to prepare our balance sheet and profit and loss account in the forms set out in the Third Schedule to the Banking Regulation Act or as near thereto and subject to and in accordance with the other provisions of the Banking Regulation Act read with the Act. Subject to and on account of laws governing banking companies, the financial disclosures in the offer document may not be available on a continuous basis.

For more information, please see “Regulation and Policies on page [●] of this Draft Shelf Prospectus .

At year-end fiscal 2006, we had contingent liabilities of Rs. 395,034 crores. A determination against us in respect of disputed tax assessments of Rs. 2,970.0 crores may adversely impact our financial performance.

At year-end fiscal 2006, we had contingent liabilities of Rs. 395,034 crores, which included Rs. 386,055 crores on account of items such as guarantees issued, acceptances, letters of credit, forward contracts and other derivatives which are normal for the banking business. Our contingent liabilities included Rs. 2,970 crores demanded in additional taxes by the Government of India’s tax authorities in excess of our provisions. See “Outstanding Litigation or Defaults” on page . We have appealed all of these demands. While we expect that no additional liability will arise out of these disputed demands, there can be no assurance that these matters will be settled in our favour or that no further liability will arise out of these demands. Any additional tax liability may adversely impact our financial performance.

We are involved in various litigations and any final judgment awarding material damages against us could have a material adverse impact on our future financial performance

We are often involved in litigations for a variety of reasons, which generally arise because we seek to recover our dues from borrowers or because customers seek claims against us. At year-end fiscal 2006, there were 54 litigations (not including tax claims) against us, involving a claim of Rs. 0.1 crore and more, in the aggregate amount of approximately Rs. 9,554 crore (to the extent quantifiable and including amounts claimed jointly and severally from us and other parties), and approximately 771 litigations (not including tax claims) against us, involving an amount of less than Rs. 0.1 crore, in an aggregate amount of approximately Rs. 11 crore (to the extent quantifiable and including amounts claimed jointly and severally from us and other parties), which together aggregate to approximately 825 litigations (not including tax claims) having an aggregate amount of approximately Rs. 9,565 crore (to the extent quantifiable and including amounts claimed jointly and severally from us and other parties). At year-end fiscal 2006, there were two litigations in which monetary claims are sought against our Directors in an aggregate amount of Rs. 5,631 crore (to the extent quantifiable). For details of these litigations, please see "Outstanding Litigation or Defaults" on page [●]. For details of regulatory actions against us, our subsidiaries and other group companies, please see "Outstanding Litigation and Material Developments" on page . The majority of these cases arise in the normal course and we believe, based on the facts of the cases and consultation with our counsel, that these cases generally do not involve the risk of a material adverse impact on our financial performance. Where we assess that there is a probable risk of loss, it is our policy to make provisions for the loss. However, we do not make provisions or disclosures in our financial statements where our assessment is that the risk is insignificant. We cannot guarantee that the judgments in any of the litigation in which we are involved would be favourable to us and if our assessment of the risk changes, our view on provisions will also change.

Our inability to grow further or succeed in retail products and services may adversely affect our business.

We are a relatively new entrant in the retail loan business and have achieved significant growth in this sector. See "Asset Composition and Classification" on page [●] of this Draft Shelf Prospectus. While we anticipate continued significant demand in this area, we cannot assure you that our retail portfolio will continue to grow as expected. Our inability to grow further or succeed in retail products and services may adversely affect our business, our future financial performance, See also"– If we are not able to control or reduce the level of impaired loans in our portfolio, our business will suffer" on page [●],"– There is operational risk associated with our industry which, when realized, may have an adverse impact on our results" on page [●]and"– We depend on the accuracy and completeness of information about customers and counterparties" on page [●].

If we are not able to integrate any future acquisitions, our business could be disrupted.

We may seek opportunities for growth through future acquisitions. Any future acquisitions may involve a number of risks, including deterioration of asset quality, diversion of our management's attention required to integrate the acquired business and the failure to retain key acquired personnel and clients, leverage synergies or rationalise operations , some or all of which could have an adverse effect on our business.

Our inability to succeed in our new business areas or to manage the new challenges and risks that we face, may have a material adverse impact on our future financial performance.

Our subsidiaries ICICI Prudential Life Insurance Company and ICICI Lombard General Insurance Company provide a wide range of insurance products and services. Recently, we have also pursued an international expansion strategy establishing subsidiaries or opening branches or representative offices in various countries. This international expansion strategy exposes us to a new variety of regulatory and business challenges and risks, including cross-cultural risk. The skills required for this business could be different from those required for our Indian business and we may not be able to attract the required talented professionals. Our inability to manage these new challenges and risks, our failure to raise the substantial capital required for our international expansion or our insurance business or any adverse developments concerning our joint venture partners in the insurance business, may have a material adverse effect on our business, our reputation, our future financial performance.

Certain of our subsidiaries have incurred losses, which may adversely affect our results of operation.

(Rs. in crore)

Subsidiary	**Year ended March 31,**		
	2004	**2005**	**2006**
ICICI Securities Inc.	-	-	-
ICICI Securities Holding Inc.	-	(1.33)	-
ICICI Prudential Life Insurance Company Limited	(221.57)	(211.62)	(187.9)
ICICI Bank UK Limited	(9.89)	- -	
ICICI Bank Canada	(3.49)	(26.92)	(25.4)

Although these losses can be primarily attributed to initial set-up and start-up costs and, particularly in the insurance industry, to a high level of operating expenses and reserving requirements in the initial years of expansion, any further losses in these subsidiaries may adversely affect our business, our future financial performance. In addition, certain venture capital and private equity and trust funds in which we are the sole or majority unit-holder or contributory have also incurred losses which are not significant in the context of our overall operations.

Pursuant to changes in Indian Accounting Standards or even otherwise we may change our accounting policies in the future and it might not always be possible to determine the effect on Profit and Loss account of these changes in each of the accounting years preceding the change.

In such cases our profit/ loss for the preceding years might not be strictly comparable with the profit/ loss for the period for which such accounting policy changes are being made. Effective April 1, 2004, we have accounted for unrealized gains on rupee derivatives (net of provisions) as compared to our earlier policy of ignoring the unrealized gains. As a result profit after tax for fiscal 2005 was higher by Rs. 30 crore. In fiscal 2006, we aligned our accounting policy for subvention income with our accounting for direct marketing agency/associate expenses. Accordingly subvention income has been accounted for in the period in which it is received instead of over the period of the loan. The change in profit after tax for year-ended fiscal 2006, as a result of this change in this policy, was not significant. Future changes in accounting standards or policies may affect our financial performance.

We are exposed to fluctuations in foreign exchange rates.

As a financial intermediary we are exposed to exchange rate risk. See "Risk Management – Quantitative and Qualitative Disclosures About Market Risk – Exchange Rate Risk" on page [●]. Adverse movements and volatility in foreign exchange rates may adversely affect our borrowers, the quality of our exposure to our borrowers, our business and our future financial performance.

Significant security breaches in our computer system and network infrastructure and frauds could adversely impact our business.

Our business operations are based on a high volume of transactions. Although we take adequate measures to safeguard against system related and other frauds, there can be no assurance that we would be able to prevent frauds. Our reputation could be adversely affected by significant frauds committed by employees, customers or outsiders. We seek to protect our computer systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems caused by our increased use of the Internet. Computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and network infrastructure. We employ security systems, including firewalls and password encryption, designed to minimise the risk of security breaches. Although we intend to continue to implement security technology and establish operational procedures to prevent break-ins, damage and failures, there can be no assurance that these security measures will be successful. A significant failure in security measures could have a material adverse effect on our business and our future financial performance.

System failures could adversely impact our business.

Given the increasing share of retail products and services and transaction banking services in our total business, the importance of systems technology to our business has increased significantly. Our principal delivery channels include ATMs, call centers and the Internet. Any failure in our systems, particularly for retail products and services and transaction banking, could significantly affect our operations and the quality of customer service and could result in business and financial losses.

There is operational and compliance risk associated with our industry which, when realized, may have an adverse impact on our results and may result in regulatory action.

We, like all financial institutions, are exposed to many types of operational risk, including the risk of fraud or other misconduct by employees or outsiders, unauthorized transactions by employees or operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems. We use direct marketing associates for marketing our retail credit products. We also outsource some functions to other agencies. Given our high volume of transactions, certain errors may be repeated or compounded before they are discovered and successfully rectified. In addition, our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect. We may also be subject to regulatory action in the event our process controls are deemed inadequate by regulatory authorities. We may also be subject to disruptions of our operating systems, arising from events that are wholly or partially beyond our control (including, for example, computer viruses or electrical or telecommunication outages), which may give rise to a deterioration in customer service and to loss or liability to us. We are further exposed to the risk that external vendors may be unable to fulfill their contractual obligations to us (or will be subject to the same risk of fraud or operational errors by their respective employees as are we), and to the risk that its (or its vendors') business continuity and data security systems prove not to be sufficiently adequate. We also face the risk that the design of our controls and procedures prove inadequate, or are circumvented, thereby causing delays in detection or errors in information. Although we maintain a system of controls designed to keep operational risk at appropriate levels, like all banks we have suffered losses from operational risk and there can be no assurance that we will not suffer losses from operational risks in the future that may be material in amount. For a discussion of how operational risk is managed see "Risk Management – Operational Risk" on page [●].

We are subject to credit, market and liquidity risk which may have an adverse effect on our credit ratings and our cost of funds.

To the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures in particular market environments or against particular types of risk. Our balance sheet growth will be dependent upon economic conditions, as well as upon our determination to securitize, sell, purchase or syndicate particular loans or loan portfolios. Our trading revenues and interest rate risk are dependent upon our ability to properly identify, and mark to market, changes in the value of financial instruments caused by changes in market prices or rates. Our earnings are dependent upon the effectiveness of our management of migrations in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses. To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. The successful management of credit, market and operational risk is an important consideration in managing our liquidity risk because it affects the evaluation of our credit ratings by rating agencies. Rating agencies may reduce or indicate their intention to reduce the ratings at any time. The rating agencies can also decide to withdraw their ratings altogether, which may have the same effect as a reduction in our ratings. Any reduction in our ratings may increase our borrowing costs, limit our access to capital markets and adversely affect our ability to sell or market our products, engage in business transactions, particularly longer-term and derivatives transactions, or retain our customers. This, in turn, could reduce our liquidity and negatively impact our operating results and financial condition. For more information relating to our ratings, see "Risk Management– Liquidity Risk" on page [●].

We depend on the accuracy and completeness of information about customers and counterparties.

In deciding whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information furnished to us by or on behalf of customers and counterparties, including financial statements and other financial information. We may also rely on certain representations as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors. For example, in deciding whether to extend credit, we may assume that a customer's audited financial statements conform with generally accepted accounting principles and present fairly, in all material respects, the financial condition, results of operations and cash flows of the customer. Our financial condition and results of operations could be negatively affected by relying on financial statements that do not comply with generally accepted accounting principles or other information that is materially misleading.

Any inability to attract and retain talented professionals may Impact our business.

Attracting and retaining talented professionals is a key element of our strategy and we believe it to be a significant source of competitive advantage. An inability to attract and retain talented professionals or the resignation or loss of key management personnel may have an adverse impact on our business and future financial performance.

No monitoring agency has been appointed for the Issue.

Banks and Financial Institutions are appointed as agencies for monitoring the utilisation of issue proceeds in case of companies. As we are a bank, appointment of a separate monitoring agency is not deemed necessary. Moreover, monitoring of utilisation of issue proceeds is necessary in case the funds are raised for specific projects. We are raising funds for our normal business operations pursuant to applicable regulations and not for any specific projects.

EXTERNAL RISK FACTORS

Our business is very competitive and our growth strategy depends on our ability to compete effectively.

We face intense competition from Indian and foreign commercial banks in all our products and services. Foreign banks also operate in India through non-banking finance companies. Further liberalization of the Indian financial sector, could lead to a greater presence or new entries of foreign banks offering a wider range of products and services, which would significantly toughen our competitive environment. In addition, the Indian financial sector may experience further consolidation, resulting in fewer banks and financial institutions, some of which may have greater resources than us. The Government of India has indicated its support for consolidation among government-owned banks. The RBI has announced a roadmap for the presence of foreign banks in India that would, after a review in 2009, allow foreign banks to acquire up to 74.0% shareholding in an Indian private sector bank. See "Competition" on page [●]. Due to competitive pressures, we may be unable to successfully execute our growth strategy and offer products and services at reasonable returns and this may adversely impact our business.

A slowdown in economic growth in India could cause our business to suffer.

Any slowdown in the Indian economy or volatility of global commodity prices, in particular oil and steel prices, could adversely affect our borrowers and contractual counterparties. Because of the importance of our commercial banking operations for retail customers and the increasing importance of our agricultural loan portfolio to our business, any slowdown in the growth of the housing, automobile and agricultural sectors could adversely impact our business, including our ability to grow our asset portfolio, the quality of our assets and our future our financial performance.

A significant increase in the price of crude oil could adversely affect the Indian economy, which could adversely affect our business.

India imports approximately 70.0% of its requirements of crude oil, which constituted approximately 31.3% of total imports in fiscal 2006. The sharp increase in global crude oil prices during fiscal 2001 adversely affected the Indian economy in terms of volatile interest and exchange rates. This adversely affected the overall state of liquidity in the banking system leading to intervention by the Reserve Bank of India. Over the last year, there has been a sharp increase in global crude oil prices which has been due to both increased demand and pressure on production and refinery capacity. The full burden of the oil price increase has not yet been passed to Indian consumers and has been largely absorbed by the Government and Government-owned oil marketing companies. Sustained high levels, further increases or volatility of oil prices and the pass-through of recent increases to Indian consumers could have a material negative impact on the Indian economy and the Indian banking and financial system in particular, including through a rise in inflation and market interest rates and a higher trade deficit.

This could adversely affect our business including our liquidity, our ability to grow, the quality of our assets and our future financial performance.

A significant change in the Government of India's economic liberalization and deregulation policies could adversely affect our business

Our assets and customers are predominantly located in India. The Government of India has traditionally exercised and continues to exercise a dominant influence over many aspects of the economy. Government policies could adversely affect business and economic conditions in India and our future financial performance.

Financial difficulty and other problems in certain financial institutions in India could adversely affect our business.

As an Indian bank, we are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect our business, our future financial performance.

As the Indian financial system operates within an emerging market, it faces risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme. For example, in April 2003, unsubstantiated rumours, believed to have originated in Gujarat, a state in India, alleged that we were facing liquidity problems. Although our liquidity position was sound, we witnessed higher than normal deposit withdrawals on account of these unsubstantiated rumours for several days in April 2003. We successfully controlled the situation in this instance, but any failure to control such situations in the future could result in high volumes of deposit withdrawals which would adversely impact our liquidity position.

Notes

(i) Our name was changed from ICICI Banking Corporation Limited to ICICI Bank Limited on September 10, 1999. The change of name was effected on account of us being widely known by the name "ICICI Bank".

(ii) The RBI conducts regular inspections of banking companies under the Banking Regulation Act. Our overseas branches are also inspected by the respective regulators on a regular basis. The reports of RBI and the regulators of our overseas branches are strictly confidential. We are in dialogue with RBI and the regulators of our overseas branches in respect of observations made by them in their report for previous years. According to guidelines issued by RBI and regulators of our overseas branches, banks are required to maintain secrecy of the contents of such inspection reports and all the disclosures in this Draft Shelf Prospectus are on the basis of our management and audit reports.

(iii) The book value per equity share of Rs. 10 each computed from our unconsolidated financial statements was Rs. 248.6 at March 31, 2006 and Rs. 168.6 at March 31, 2005.

(iv) Our net worth (excluding preference share capital of Rs.350 crores) as on March 31, 2006 was Rs. 22,117 crores which is net of Rs. 89 crores of unamortised expenses.

(v) We have entered into certain related party transactions. See Related Party Transactions on page [●] of this Draft Shelf Prospectus.

(vi) You may contact the Lead Manager for any complaints pertaining to the Issue.

(vii) The financial statements included in the Draft Shelf Prospectus are prepared for the domestic Indian market on an unconsolidated and consolidated basis and in accordance with Indian GAAP, the Indian Companies Act, 1956 and SEBI Guidelines.

SECTION III - INTRODUCTION

SUMMARY

You should read the following summary together with the risk factors and the more detailed information about us and our financial results included elsewhere in this Draft Shelf Prospectus.

Overview

We are a leading Indian private sector commercial bank offering a variety of products and services. We were incorporated in India in 1994. In 2002, ICICI, a non-bank financial institution, and two of its subsidiaries, ICICI Personal Financial Services and ICICI Capital Services, were amalgamated with us. As of March 31, 2006 we were the largest private sector bank in India and the second largest bank in India in terms of assets, with total assets of Rs. 251,389 crores. We are the most valuable bank in India in terms of market capitalisation.

Our commercial banking operations span the corporate and the retail sector. We offer a suite of products and services for both our corporate and retail customers. We offer a range of retail credit and deposit products and services to retail customers. The implementation of our retail strategy and the growth in our commercial banking operations for retail customers has had a significant impact on our business and operations in recent years. At March 31, 2006, retail finance represented 62.9% of our total loans and advances compared to 60.9% at year-end fiscal 2005 and 51.0% at year-end fiscal 2004. We have approximately 1.7 crore retail customer accounts as on March 31, 2006. Our corporate customers include India's leading companies as well as growth-oriented small and middle market businesses, and the products and services offered to them include loan and deposit products and fee and commission-based products and services. Through our treasury operations, we manage our balance sheet and strive to optimize profits from our trading portfolio by taking advantage of market opportunities. We believe that the international markets present a major growth opportunity and have, therefore, expanded to countries other than India to serve our customers' cross border needs and offer our commercial banking products to international customers.

At March 31, 2006 our principal network consisted of 563 branches, 51 extension counters in 396 cities and 2,200 automated teller machines, or ATMs across several Indian states. We offer our customers a choice of delivery channels, and we use technology to differentiate our products and services from those of our competitors. We remain focused on changes in customer needs and technological advances to remain at the forefront of electronic banking in India, and seek to deliver high quality and effective services.

Strategy

Our objective is to enhance our position as a provider of banking and other financial services in India and to leverage our competencies in financial services and technology to develop an international business franchise. The key elements of our business strategy are to:

Focus on Quality Growth Opportunities: We believe that the Indian retail financial services market is likely to continue to experience sustained growth. With upward migration of household income levels, affordability and availability of retail finance and acceptance of use of credit to finance purchases, retail credit has emerged as a rapidly growing opportunity for banks that have the necessary skills and infrastructure to succeed in this business. We have capitalized on the growing retail opportunity in India and believe that we have emerged as a market leader in retail credit. From fiscal 2003, we have achieved significant growth in our commercial banking operations for retail customers. Our retail loan portfolio grew by approximately 69.1% during fiscal 2005 and 64.0% during fiscal 2006. We aim to focus on quality growth opportunities by building on our leadership position in retail credit and focusing on leveraging our corporate relationships to increase our market share in non-fund-based working capital products and fee-based services. We aim to provide comprehensive and integrated services, and to increase the cross-selling of our products and services and maximize the value of our corporate relationships through the effective use of technology, speedy response times, quality service and the provision of products and services designed to meet specific customer needs.

Build an International Presence: We believe that the international markets present a major growth opportunity. We have therefore expanded to countries other than India to cater to our customers' cross border needs and offer our commercial banking products in select international markets, and aim to develop an international presence.

Build a Rural Banking Franchise: Our rural banking strategy seeks to adopt a holistic approach to the financial services needs of various segments of the rural population, by delivering a comprehensive product suite encompassing credit, transaction banking, deposit, investment and insurance, through a range of channels. Our rural delivery channels include branches, internet kiosks, franchisees and micro-finance institution partners.

Strengthen Our Insurance and Asset Management Businesses: We believe that the insurance and asset management sectors have significant growth potential. We believe that our subsidiaries, ICICI Prudential Life Insurance Company Limited, ICICI Lombard General Insurance Company Limited and Prudential ICICI Asset Management Company have built a platform for continued growth, high market share and profitability in the medium term based on extensive distribution efforts, brand recall and portfolio, underwriting and portfolio management capabilities. According to statistics published by the Insurance Regulatory & Development Authority, ICICI Prudential Life Insurance Company had a market share of approximately 30% in the private sector (based on the weighted received premium) during fiscal 2006. ICICI Lombard General Insurance had a market share of 29% among the private sector general insurance companies in India during fiscal 2006. Prudential ICICI Asset Management Company had a market share of about 11.6% in assets under management of the mutual fund industry at May 31, 2006. We seek to leverage the synergies we have with our insurance and asset management subsidiaries.

Emphasize Conservative Risk Management Practices and Enhance Asset Quality: We believe that conservative credit risk management policies and procedures are critical to maintain competitive advantages in our business, and we continue to build on our credit risk management tools, and aim to mitigate credit risk by adopting various measures.

Use Technology for Competitive Advantage: We seek to be at the forefront of technology usage in the financial services sector. Technology is a strategic tool for our business operations to gain competitive advantage and to improve overall productivity and efficiency of the organisation.

Attract and Retain Talented Professionals: We have been successful in building a team of talented professionals with relevant experience. We believe a key to our success will be our ability to continue to maintain and grow a pool of strong and experienced professionals. We intend to continuously develop our management and organizational structure to allow us to respond effectively to changes in the business environment and enhance our overall performance.

THE ISSUE

We are offering, for public subscription, the following unsecured Bonds aggregating Rs. 6,000 crores, to be raised through one or more tranches (including an over subscription option). Prior to the launch of each tranche, we shall decide the quantum of each tranche, the instruments to be offered and the terms thereof.

1 Rate-Choice Bonds
2 Bonds-Forever Bonds
3 Pension Bonds
4 Zero Coupon Bonds
5 Infrastructure Bonds
6 Tax Saving Bonds

The above bonds are collectively referred to in this Draft Shelf Prospectus as "Bonds".

The Bank may issue more types of Bonds after obtaining necessary approvals, if any. The exact nature and terms and conditions of the instruments being offered in each tranche shall be disclosed in the prospectus for each tranche.

This is the ____ tranche of Rs. __ crore, with a right to retain oversubscription up to Rs.____ crore, out of the total amount aggregating Rs. 6,000 crore to be raised in one or more tranches. The balance of Rs. ___ crore, along with any shortfall in the target amount of Rs. _____ crore of this tranche and the previous tranches, if any, may be raised in one or more tranches having in future within the stipulated period of 365 days from the date of SEBI's observation letter dated ____.

Particulars of the Bonds

The salient features of the Bonds offered in this Draft Shelf Prospectus have been provided below. For the detailed particulars, please see the section "Terms of the Bonds and the Issue" on page [●] of the Draft Shelf Prospectus.

1. Rate Choice Bonds

These Bonds shall have fixed or floating interest rate initially, as per the choice of the Bondholder. After the expiry of [●] years, the Bondholder shall have an option to switch from fixed to floating interest rate or vice versa. These Bonds are designed to help an individual choose between earning a fixed rate of interest or a floating rate of interest. The interest shall be payable on an annual/semi annual/quarterly/monthly basis.

The investors can avail of any/all of the following options of the Rate Choice Bond as described in the table below:

(Rs.)

	Option A	**Option B**	**Option C**
	Tier I	Upper Tier II	Tier II
Face Value/Issue Price	[●]	[●]	[●]
Tenure	Perpetual	15 years or more	5 years or more
Call Option	Yes/No	Yes/No	No
Step up Option	Yes/No	Yes/No	No
Interest (%)*	[●]	[●]	[●]
Minimum Application	1 bond	1 bond	1 bond
Yield to investor (%) **	[●]	[●]	[●]

* Subject to TDS as per the prevailing tax laws. The interest could be fixed or floating (linked to a suitable benchmark). The payment of interest could be annual, semi-annual, quarterly or monthly.
** Please read "Terms and Conditions of the Bonds" for details.

Please refer to the section "Statement of Tax Benefits" on page [●] of the Draft Shelf Prospectus for tax benefits.

2. Bonds Forever Bonds

These Bonds shall have a fixed or floating interest rate payable on an annual/semi annual/quarterly/monthly basis.

The Bondholder can avail of any/all of the following options of the Bonds Forever Bond as described in the table below:

(Rs.)

	Option A	**Option B**	**Option C**	**Option D**
	Tier I	Upper Tier II	Tier II	Infrastructure Bonds***
Face Value/Issue Price	[●]	[●]	[●]	[●]
Tenure	Perpetual	15 years or more	5 years or more	[●] years
Call Option	Yes/No	Yes/No	No	No
Step up Option	Yes/No	Yes/No	No	No
Interest (%)*	[●]	[●]	[●]	[●]
Minimum Application	1 bond	1 bond	1 bond	1 bond
Yield to investor (%) **	[●]	[●]	[●]	[●]

* Subject to TDS as per the prevailing tax laws. The interest could be fixed or floating (linked to a suitable benchmark). The payment of interest could be annual, semi-annual, quarterly or monthly.
** Please read "Terms and Conditions of the Bonds" for details
*** These Bonds shall be issued subject to compliance with DBOD No. BP.BC 90/21.01.02/2003-2004 dated June 11 2004 issued by RBI in relation to such bonds. In this case, there shall be no put/call option. The minimum tenure shall be 5 years.

Please refer to the section "Statement of Tax Benefits" on page [●] of the Draft Shelf Prospectus for tax benefits.

3. Pension Bonds

In these Bonds, the Bondholder may opt either for a floating or fixed rate of interest but shall draw a fixed Equated Monthly Installment ("EMI") after [●] years till the principal and interest are exhausted. In case, the Bondholder opts for a floating rate option, the number of EMIs may be adjusted based on the changes in the floating rate of interest. This Bond enables a Bondholder to earn periodic monthly payments after the expiry of certain number of years.

The Bondholder can avail of any/all of the following options of the Pension Bond as described in the table below:

(Rs.)

	Option A	**Option B**
	Upper Tier II	Tier II
Face Value/Issue Price	[●]	[●]
Tenure	15 years or more	5 years or more
Call Option	Yes/No	No
Step up Option	Yes/No	No
Interest (%)*	[●]	[●]
Minimum Application	1 bond	1 bond
Number of EMIs***	[●]	[●]
Amount per EMI (Rs.)	[●]	[●]
Yield to investor (%) **	[●]	[●]

* Subject to TDS as per the prevailing tax laws. The interest could be fixed or floating (linked to a suitable benchmark)
** Please read "Terms and Conditions of the Bonds" for details
*** Fixed number of EMIs for fixed interest rate option. Variable number of EMIs for those investors opting for the floating interest rate option

Please refer to the section "Statement of Tax Benefits" on page [●] of the Draft Shelf Prospectus for tax benefits.

4. Zero Coupon Bonds

ICICI Bank may file an application for approval for issue of Zero Coupon Bonds to Central Board of Direct Taxes (CBDT) in accordance with and subject to the guidelines for notification of Zero Coupon Bonds under Rule 8B of the Income-tax Rules, 1962. The tax benefits on these Bonds will be available to the Bondholders only on issue of such Zero Coupon Bonds for which the approval from CBDT is obtained. Please refer to the section “Tax Benefits” on page [●] of the Draft Shelf Prospectus for tax benefits.

In these Bonds no interest shall be paid to the Bondholder. Instead, these Bonds shall be issued at a discount and redeemed at face value. The principal amount and the cumulative interest shall be paid together at the time of redemption.

(Rs.)

Issue Price	[●]
Face Value	[●]
Tenure	10 years or more
Call Option	No
Minimum Application	1 bond
Yield to investor (%) *	[●]

* Please read “Terms and Conditions” of the Bonds for details

5. Infrastructure Bonds

In these Bonds, the Bondholder may opt either for periodic payment of interest offered under Bonds issued under Option A or for Bonds offered under Option B which shall be in the nature of Deep Discount Bonds (DDB) and wherein periodic interest shall not be payable.

The Bondholder can avail of any/all of the following options of the Infrastructure Bond as described in the table below:

	Option A **	**Option B****
Issue Price	[●]	[●]
Face Value	[●]	[●]
Interest (%)*	[●]	DDB (YTM [●] %) ***
Tenure	5 years or more	5 years or more
Call Option	No	No
Minimum Application	1 bond	1 bond
Yield to investor (%) *	[●]	[●]

* Subject to TDS as per the prevailing tax laws. Payment of interest could be annual, semi-annual, quarterly or monthly.
** These Bonds shall be issued subject to compliance with DBOD No. BP.BC 90/21.01.02/2003-2004 dated June 11 2004 issued by RBI in relation to such bonds. In this case, there shall be no put/call option. The minimum tenure shall be 5 years.
*** If the Bond is in the nature of a Deep Discount Bond (DDB), no periodic interest shall be payable

Please refer to the section “Statement of Tax Benefits” on page [●] of the Draft Shelf Prospectus for tax benefits.

6. Tax Saving Bonds

ICICI Bank may file an application to the CBDT under section 80C(2)(xix) of the I. T Act for the approval of the Bonds to be issued as Tax Saving Bonds in accordance with and subject to the provisions contained therein. The benefit of deduction under section 80C(2)(xix) of the I. T Act will be available to the Bondholder only on such issue of Bonds for which the approval from CBDT is obtained. Please refer to the section "Tax Benefits" on page [●] of the Draft Shelf Prospectus for tax benefits.

The Bonds issued under option B will be in the nature Deep Discount Bond where no periodic interest will be payable.

The investor may choose any/all of the following options in respect of the Tax Saving Bond:

	Option A	**Option B**
Tax benefit Under	Section 80 C	Section 80 C
Issue Price	[●]	[●]
Face Value	[●]	[●]
Interest (%)*	[●]	DDB (YTM [●] %)
Tenure	5 years or more	5 years or more
Call Option	No	No
Minimum Application	1 bond	1 bond
Yield to investor (%) **	[●]	[●]

* Subject to TDS as per the prevailing tax laws. Payment of interest could be annual, semi-annual, quarterly or monthly.
** Please read "Terms and Conditions of the Bonds" for details.
The Yield has been calculated considering deduction of [●] % available to the eligible investors and assuming that a surcharge of [●]% of tax is payable in case of all the options

SELECTED FINANCIAL INFORMATION

Our financial and other data for the fiscal years 2001, 2002, 2003, 2004 and 2005 included in this Draft Shelf Prospectus have been derived from our unconsolidated financial statements prepared in accordance with Indian GAAP, guidelines issued by the RBI from time to time and practices generally prevailing in the banking industry in India. The financial statements for fiscal 2001 and 2002 were audited by S. B. Billimoria and Co., Chartered Accountants, for fiscal 2003 jointly by N. M. Raiji and Co., Chartered Accountants and S. R. Batliboi and Co., Chartered Accountants and for fiscal 2004 and 2005 by S. R. Batliboi and Co., Chartered Accountants. You should read the following discussion and analysis of our selected financial and operating data with the more detailed information contained in our audited financial statements. The following discussion is based on our audited financial statements and accompanying notes prepared in accordance with Indian GAAP.

The amalgamation was accounted for using the purchase method of accounting. The effective date of the amalgamation was May 3, 2002. However, the date of the amalgamation for accounting purposes under Indian GAAP was the Appointed Date under the Scheme of Amalgamation approved by the High Courts of Bombay and Gujarat and the RBI, which was March 30, 2002. Accordingly, our profit and loss account (hereinafter referred to as income statement) for fiscal 2002 includes the results of operations of ICICI, ICICI Personal Financial Services and ICICI Capital Services for only two days i.e. March 30 and 31, 2002, although our balance sheet for fiscal 2002 reflects the full impact of the amalgamation. As a result of the above, the income statement for fiscal 2003 is not comparable with the income statements for fiscal 2002 and prior years. The balance sheets at year-end fiscal 2001 and year-end fiscal 2002 are also not comparable, as the fiscal 2002 balance sheet reflects the amalgamation which is not reflected in the fiscal 2001 balance sheet. The balance sheets at year-end fiscal 2002 and year-end fiscal 2003 are, however, comparable.

In fiscal 2001, we acquired Bank of Madura. The effective as well as appointed date of the merger of Bank of Madura with us was March 10, 2001. Accordingly, our income statement for fiscal 2001 included the results of operations of Bank of Madura for only 21 days. Our income statement for fiscal 2002 is therefore not comparable with the income statement for fiscal 2001.

OPERATING RESULTS DATA

(Rs. in crore)

		For the year ended March 31,				
		2002	**2003**	**2004**	**2005**	**2006**
(A)	**Interest Earned**					
	- Interest/discount on advances/bills (1)	771.67	6,016.24	6,073.85	6,752.83	9,684.95
	- Income on investments (2)	1,233.80	2,910.44	2,540.09	2,229.44	3,692.76
	- Interest on balances with RBI and other inter-bank funds	122.62	235.57	210.64	232.01	335.46
	- Others	23.84	205.81	177.81	195.62	71.32
	Total (A)	**2,151.93**	**9,368.06**	**9,002.39**	**9,409.90**	**13,784.49**
(B)	**Interest Expended**					
	- Interest on deposits	1,388.92	2,479.71	3,023.02	3,252.07	5,836.68
	- Interest on Reserve Bank of India / inter-bank borrowings	47.84	183.37	229.37	252.77	925.42
	- Others [including interest on borrowing on erstwhile ICICI Limited] (3)	122.16	5,280.92	3,762.86	3,066.05	2,835.35
	Total (B)	**1,558.92**	**7,944.00**	**7,015.25**	**6,570.89**	**9,597.45**
(C)	**Net Interest Income (C) = (A) - (B)**	593.01	1,424.06	1,987.14	2,839.01	4,187.04
(D)	**Other Income**					
	- Commission, exchange and brokerage (4)	229.79	791.79	1,071.80	1,921.00	3,001.95
	- Profit/ (Loss) on sale of investments (net)	305.71	492.33	1,224.63	546.14	749.75
	- Profit/ (Loss) on foreign exchange transactions (net) (including premium amortisation)	37.30	10.24	192.63	314.64	473.08
	- Profit/ (Loss) on revaluation of investments (net)	(14.60)	0.11	-	(0.10)	(53.48)
	- Lease Income	10.69	537.42	421.07	407.76	360.64

	- Profit on sale of shares of ICICI Bank Limited held by erstwhile ICICI Limited	-	1,191.05	-	-	-
	- Miscellaneous Income (5)	5.77	135.88	154.79	226.70	451.20

(Rs. in crore)

		For the year ended March 31,				
		2002	**2003**	**2004**	**2005**	**2006**
	Total other income (D)	**574.66**	**3,158.82**	**3,064.92**	**3,416.14**	**4,983.14**
(E)	**Total Income (C) + (D)**	**1,167.67**	**4,582.88**	**5,052.06**	**6,255.15**	**9,170.18**
	Less: Operating Expenses (6)	611.08	1,697.22	2,292.72	3,002.16	4,202.89
	Less: Depreciation on leased assets	11.50	314.47	278.51	296.99	276.62
	Operating profit before provisions	545.09	2,571.19	2,480.83	2,956.00	4,690.67
	Less: Provision and contingencies (7)	286.79	1,365.01	843.73	950.80	2,150.60
	Net profit for the year/ period	258.30	1,206.18	1,637.10	2,005.20	2,540.07
	Dividend per Share of Rs. 10 (Rs.)	2.00	7.50	7.50	8.50	8.50
	Dividend tax per Share of Rs. 10 (Rs.)	0.20	0.96	0.96	1.19	2.08

Adjustments as per SEBI Guidelines

(Rs. in crore)

		For the year ended March 31,				
		2002	**2003**	**2004**	**2005**	**2006**
Profit for the period		**258.30**	**1,206.18**	**1,637.10**	**2,005.20**	**2,540.07**
Add/(Less) :-						
(1)	Adjustment for change in rates of depreciation on premises and other fixed assets [Refer Note 8(a)]	(6.43)	-	-	-	-
(2)	Adjustment for change in methodology for ascertaining carrying cost of investments, accounting for repurchase transactions and review of useful life of ATMs [Refer Note 8(b]	-	(16.12)	-	-	-
(3)	Adjustment for change in accounting policy relating to Unrealised gains on rupee derivatives (net of provisions) [Refer Note 9]	-	-	-	(46.73)	-
(4)	Tax effect for the above adjustments	2.30	5.92	-	17.10	-
Adjusted profit after tax		**254.17**	**1,195.98**	**1,637.10**	**1,975.57**	**2,540.07**

Notes: Operating results data

1 Income from loans represents interest on rupee and foreign currency loans and advances (including bills) & hire purchase activity and gains on sell-down of loans.
2 Interest income from investments represents primarily amounts earned on SLR investments, debentures, bonds, dividend income from equity and other investments in companies other than subsidiaries.
3 Interest expense 'others' includes primarily interest expense on deposits taken over from erstwhile ICICI Limited, Commercial Paper bonds and debentures, subordinated debt and bills rediscounted and borrowings outside India.
4 Commission, exchange and brokerage includes primarily income from commissions on guarantees, letters of credit, cash management services, loan processing fees, credit and debit card activities and demat. It also includes commission on bills for collection and bills purchased / discounted.
5 Miscellaneous income for year ended March 31, 2003, 2004, 2005 & 2006 includes primarily dividend income from subsidiaries/ affiliates.
6 Operating expenses includes primarily employee expenses, establishment, depreciation on fixed assets and other general office expenses.
7 Provisions and contingencies includes provisions/ write offs as per RBI guidelines, additional depreciation /write-back of depreciation on investments, provision for taxes (net of deferred tax), tax on interest income imposed by Indian Law.

8 (a) With effect from April 1, 2001, arising from the merger of ICICI Limited with the Bank, the useful lives of certain categories of fixed assets were reviewed to align the depreciation rates followed by ICICI Limited and the Bank.
Accordingly, the Bank changed its rates of depreciation on certain categories of fixed assets.
(b) Effective April 1, 2002, the Bank has changed the methodology for ascertaining the carrying cost of fixed income bearing securities from Weighted Average method to First-In-First-Out Method.
Effective April 1, 2002 , the Bank has accounted for repurchase transactions as a sale and a forward purchase or purchase and a forward sale transaction as against borrowing or lending transaction.
The Bank depreciated Automated Teller Machines (ATMs) over its useful life estimated at six years or over lease period for ATMs taken on lease. Effective April 1, 2002, the Bank revised the useful lives of the ATM's to eight years based on an evaluation done by management.

9 Effective April 1, 2004 the bank have accounted for unrealised gains on rupee derivatives (net of provisions) as compared to its earlier policy of ignoring the unrealised gains.

10 Effective April 1, 2005, the bank has aligned its accounting policy for subvention income with its accounting policy for direct marketing agency/associate expenses. Accordingly, subvention income has been accounted for in the period in which it is received instead of over the period of the loan.the impact of the change is not significant.

11 Effective April 1, 2004 the commissions paid to direct marketing agents (DMAs) of auto loans, net of subvention income received from them, is recorded upfront in the profit and loss account. For disbursements made till March 31, 2004, the gross commissions paid to direct marketing agents (DMAs) of auto loans were recorded upfront in the profit and loss account and subvention income received from them is being amortised over the life of the loan. The impact of the change is not significant.

12 It has not been possible to determine the effect on profits if changes in accounting policies stated above had been made in each of the accounting years preceding the change and accordingly adjustments to profits for those items have not been made.

13 Consequent upon Accounting Standard 22 on "Accounting for Taxes on Income" becoming mandatory effective April 1, 2001, the deferred tax effect of timing differences arising during the year ended March 31, 2002 has been recognised in the Profit and Loss Account for the period.

14 Figures of the previous year (FY 2005) have been regrouped to confirm to the current period presentation.
For other notes to accounts please refer to Auditors' Report under Part II of the Prospectus.

BALANCE SHEET DATA

(Rs. in crore)

	For the year ended March 31,				
	2002	**2003**	**2004**	**2005**	**2006**
ASSETS					
Cash in Hand and Balance with RBI	1,774.47	4,886.14	5,408.00	6,344.90	8,934.37
Balance with Banks and Money at call and short notice	11,011.88	1,602.86	3,062.64	6,585.07	8,105.85
Investments [net of provisions]					
- Government and other approved securities	22,792.78	25,583.03	29,917.80	34,481.80	51,074.50
- Debentures & Bonds	6,436.36	5,689.92	5,549.10	2,854.03	1,804.03
- Others	6,661.94	4,189.35	7,968.62	13,151.52	18,668.87
Advances [net of provision] (1)	47,034.87	53,279.41	62,647.63	91,405.15	146,163.11
Fixed Assets	4,239.34	4,060.73	4,056.41	4,038.04	3,980.71
Others Assets (2)	4,158.28	7,520.52	6,618.67	8,798.90	12,657.51
Total assets	**104,109.92**	**106,811.96**	**125,228.87**	**167,659.41**	**251,388.95**
LIABILITIES AND CAPITAL					
Deposits					
- Demand Deposits	2,736.15	3,689.44	7,259.06	12,836.90	16,573.48
- Saving Deposits	2,497.00	3,793.21	8,372.03	11,391.82	20,936.98
- Term Deposits	26,851.96	40,686.65	52,477.49	75,590.06	127,572.71
Borrowings (3)	49,218.66	34,302.42	30,740.24	33,544.49	38,521.91
Unsecured Redeemable Debenture/Bonds (Subordinated Debt) (4)	9,751.31	9,749.53	9,105.86	8,208.90	10,144.38
Other Liabilities & Provisions (5)	6,456.27	7,307.40	8,913.63	13,187.26	15,083.50
Preference Share Capital Suspense (6)	350.00	-	-	-	-
Preference Share Capital (6)	-	350.00	350.00	350.00	350.00
Equity Capital (7)	613.03	612.66	616.40	736.76	889.83

Equity Share Capital Suspense	-	-	-	0.02	-
Reserves and Surplus (8)					
- Statutory Reserves	249.43	551.43	960.73	1,462.73	2,098.74
- Debenture Redemption Reserve	10.00	-	-	-	-

(Rs. in crore)

	For the year ended March 31,				
	2002	**2003**	**2004**	**2005**	**2006**
- Special Reserve	1,094.00	1,144.00	1,169.00	1,194.00	1,469.00
- Capital Reserves	-	200.00	465.00	485.00	553.00
- Share Premium (net of share issue expenses) (9)	804.54	802.16	852.33	3,989.24	11,817.56
- Foreign currency translation reserve	-	-	-	-	0.40
- Investment Fluctuation Reserve	27.34	127.34	730.34	516.00	-
- Revenue & Other Reserves	3,430.67	3,490.67	3,163.67	3,978.01	5,084.01
- Balance in Profit & Loss Account	19.56	5.05	53.09	188.22	293.45
Total liabilities and capital	**104,109.92**	**106,811.96**	**125,228.87**	**167,659.41**	**251,388.95**

(Rs. in crore)

	As on March 31,				
	2002	**2003**	**2004**	**2005**	**2006**
Contingent Liabilities					
i) Claim against Bank not acknowledged as debts	1,023.26	2,025.15	2,501.79	2,746.45	2,977.72
ii) Liability for partly paid investments	261.52	180.49	124.14	16.84	16.85
iii) Liability on account of outstanding forward exchange contracts	15,254.59	25,103.05	55,704.38	71,484.87	91,831.50
iv) Guarantees given on behalf of constituents	9,351.60	10,634.83	12,029.00	15,641.30	19,102.76
v) Acceptances, endorsements & other obligations	1,739.11	4,325.19	6,514.20	7,411.57	10,686.75
vi) Currency Swaps	2,041.47	2,901.32	4,448.48	11,295.70	17,242.29
vii) Interest rate Swaps	7,854.16	41,354.47	117,764.08	151,921.83	247,192.01
viii) Other items for which Bank is contingently liable	1,920.88	2,914.01	3,855.83	7,635.17	5,983.79
Total contingent liabilities	**39,446.59**	**89,438.51**	**202,941.90**	**268,153.73**	**395,033.67**
Bills for collection	**1,323.42**	**1,336.78**	**1,510.94**	**2,392.09**	**4,338.46**

Notes: Balance sheet data

1 Includes rupee / foreign currency loans, assistance by way of securitisation, loans under retail finance operations and receivable under finance lease.
2 Includes primarily interest accrued but not due at period end, advances paid for capital assets, advance taxes paid, deposits for utilities outstanding fees and other income, exchange fluctuation suspense with Government of India, inter office adjustments [net] and non-banking assets acquired in satisfaction of claims and deferred tax asset.
3 Borrowings includes call borrowings and refinance from RBI, banks and other financial institutions, deposits taken over from erstwhile ICICI Limited, bonds and debentures, commercial paper and borrowings outside India from multilateral and bilateral credit agencies, international banks, institutions and consortiums.
4 Represents unsecured borrowings eligible for inclusion in Tier-II capital for capital adequacy purposes.
5 Other liabilities primarily includes bills payable, interest accrued but not due, creditors for expenses, unclaimed refunds, brokerage and interest, deferred tax liability , proposed dividend, dividend tax thereon, inter-office adjustments [net], prudential provision on standard assets as per RBI norms and security deposits from clients.
6 As on March 31, 2002, preference share capital suspense represents face value of 350 preference shares to be issued to preference shareholders of ICICI Limited on amalgamation redeemable at par on April 20, 2018. The notification from Ministry of Finance has currently exempted the Bank from the restriction of section 12(1) of the Banking Regulation Act, 1949, which prohibits issue of preference shares by banks.

These shares were subsequently issued on June 11, 2002.

7 As on March 31, 2002 equity capital includes Rs. 392.67 crore to be allotted to the equity shareholders of erstwhile ICICI Limited, consequent to its merger with the Bank, effective March 30, 2002.Subsequently these shares have been issued on June 11,2002.

8 Reserves and surplus at March 31, 2002 include Rs. 4,300.82 crore on amalgamation with erstwhile ICICI Limited, erstwhile ICICI Personal Financial Services Limited and erstwhile ICICI Capital Services Limited.

9 Includes :
Share issue expense amounting to Rs. 52.81 crore, written-off from the share premium amount as per the object of the issue vide prospectus dated April 12, 2004. Share issue expense amounting to Rs. 87.41 crore, written-off from the share premium amount as per the object of the issue vide prospectus dated December 8, 2005.

10 Figures of the previous year (FY 2005) have been regrouped to confirm to the current period presentation.

For other notes to accounts please refer to Auditors' Report under Part II of the Prospectus.

FIXED & FLOATING RATE ASSETS AND LIABILITIES

As on March 31, 2006 *(Rs. in crores)*

	Fixed	Floating	Total
Deposits, borrowings (including sub-debt)	202,609	11,141	213,750
Advances and investments	151,402	66,308	217,710

FINANCIAL RATIOS

(Rs. in crores except percentage data)

	2002	2003	2004	2005	2006
Financial Ratios (1)					
Average Interest Earning Assets (2)	22,239.21	90,516.50	97,969.21	115,324.33	170,681.00
Interest Income (3)	2,151.93	9,238.91	8,902.55	9,329.04	13,599.03
Average Interest Bearing Liabilities	20,737.25	89,161.82	98,965.62	113,825.10	165,87300
Total interest expense (4)	1,558.92	7,944.00	7,015.25	6,570.89	9,597.45
Average Net worth	1,454.92	6,589.13	7,471.94	11,227.31	15,452.33
Average total Assets	23,392.63	105,027.56	113835.59	139,604.26	197,301.71
Net Profit after tax	258.30	1,206.18	1,637.10	2,005.20	2,540.07
Net Interest Income	593.01	1,294.91	1,887.30	2,758.15	4,001.58
Net Interest Margin (%) (5)	2.67%	1.43%	1.9%	2.4%	2.3%
Gross Yield (%) (6)	9.68%	10.21%	9.09%	8.09%	7.97%
Average Cost of Loan Funds (%) (7)	7.52%	8.91%	7.09%	5.77%	5.79%
Yield Spread (%) (8)	2.16%	1.30%	2.00%	2.32%	2.18%
Return on Average Assets (%) (9)	1.10%	1.15%	1.44%	1.44%	1.29%
Average Net Worth to Average Total Assets (%) (10)	6.22%	6.27%	6.56%	8.04%	7.83%

Notes:

1. Averages data has been computed on a daily average basis, except for the year ended March 31, 2003, 2004, 2005 & 2006. Where
averages of portfolios of erstwhile ICICI Limited, ICICI Capital Services Limited and ICICI Personal Financial Services Limited have been computed on a monthly basis. Average Share Capital & Reserves for the year March 2004, March 2005 & March 2006 is
average of opening and closing balances.
2. Interest-earning assets consist of loans & advances (including non-performing loans and advances), investments (excluding dividend-
earning assets), call money lent, term deposits with banks in India, RBI balance and deposit placed with SIDBI & NABARD.

3. Interest income (excluding dividend), consists of income from the interest-earning assets, as defined above. Interest income is presented without deducting interest tax, if any.
4. Total interest expense does not include interest tax.
5. Net interest margin represents net interest income divided by average interest earning assets.
6. Gross yield equals interest income divided by average interest earning assets.
7. Average cost of loan funds is the total interest expense (including interest tax) divided by average interest-bearing liabilities.
8. Yield spread represents the difference between gross yield and average cost of loan funds.
9. Return on average assets represents profit after tax for the year divided by average total assets.
10. Average net worth does not include preference capital.
11. Average daily balances of earlier years have not been regrouped or reclassed based on current year's reclassification.

CAPITAL ADEQUACY

We are subject to the capital adequacy requirements of RBI, which requires a minimum total capital adequacy ratio of 9 per cent, of which at least 4.5 per cent must be Tier I capital. Tier I capital comprises paid-up capital and free reserves. Our Management seeks to maintain capital adequacy comfortably above the minimum requirement of RBI.
The table below gives capital adequacy ratio for ICICI Bank for the periods indicated:

	As on March 31,				
(%)	**2002**	**2003**	**2004**	**2005**	**2006**
Total capital adequacy	11.44	11.10	10.36	11.78	13.35
-Of which Tier I	7.47	7.05	6.09	7.59	9.20

ICICI had outstanding preference share capital of Rs. 350 crore, representing 350, 0.001% preference shares of Rs. 1,00,00,000 each issued under the scheme of amalgamation of erstwhile ITC Classic Finance with ICICI Limited. These preference shares are redeemable in the year 2018. RBI vide letter dated April 21, 1999, permitted ICICI Limited to include the "grant element" of such preference shares in Tier I capital subject to the creation of a corpus to be invested in Government of India securities of equivalent maturity. ICICI had created a corpus of Rs. 46.51 crore on May 3, 1999 and invested the amount in Government of India securities. Consequent to the merger of ICICI with us, these preference shares have now been transferred to us, as permitted by the Government notification exempting us from the provisions of Section 12(1)(ii) of the Banking Regulation Act, 1949 for a specified period. Accordingly, the grant element of this preference share capital has now been included in our Tier-I capital. At March 31, 2002, Tier I capital includes "grant element" of Rs. 234.26 crore out of the face value of Rs. 350 crore of these non-cumulative preference shares. Grant element" means the face vale of the preference shares less the corpus of government securities earmarked against the same.

SPECIFIC DISCLOSURES

	(Rs. in crore)
Share Capital	**As on March 31, 2006**
Equity Share Capital	889.83
Share capital suspense (net)	-
Preference Share Capital (1) & (2)	350.00
Securities Premium Account (3) & (4)	11,817.56

Notes

1 The notification from Ministry of Finance has currently exempted the Bank from the restriction of section 12(1) of theBanking Regulation Act, 1949, which prohibits issue of preference shares by banks.

2 350 preference shares of ICICI bank alloted as fully paid preference shares to prefernce shareholders of erstwhile ICICI limited on amalgamation,redeemable at par on April 20, 2018.

3 Includes :

(a) Rs. 4894 crore(net of share premium in arrears of Rs.9.24 crore) pursuant to public issue vide prospectus dated December 8, 2005.

(b) Rs.2213.46 crore pursuant to issue of ADS vide prospectus dated December 6, 2006.
(c) Rs.735.71 crore on the exercise of the green shoe option vide prospectus dated December 8, 2005.
(d) Rs.72.56 crore on exercise of employee stock options.

4 Represents share issue expenses amounting to Rs. 87.41 crore,written-off from the share premium account as per the object of the issue.

ACCOUNTING RATIOS

	2002	2003	2004	2005	2006
Basic Earning Per Share (Rs.)	11.61	19.68	26.66	27.55	32.49
Book Value per share (Rs.)	101.92	113.10	127.27	168.63	248.56
Return on Average Net worth (%)	17.75	18.31	21.81	17.86	16.44
Interest service coverage ratio	1.37	1.36	1.39	1.51	1.48

Computation of 'Debt-Equity ratio'

	March 31, 2006
Debt Equity Ratio (1) and (2)	1.28
Interest Service Coverage Ratio (ISCR) (3)	1.48

(1) **Formula for calculation of Debt/Equity Ratio :-**

$$\text{Debt/Equity Ratio} = \frac{\text{Long term debt (after reducing current maturities i.e. amount maturing within one year)}}{\text{Total Equity}}$$

(2) Total equity as on March 31, 2006 includes preference share capital of Rs. 350 crore.

(3) **Formula for calculation of ISCR :-**

$$\frac{\text{Net Profit After Tax + Interest Expense + Provisions for Doubtful debts + Other Non-Cash Charges}}{\text{Interest Expense}}$$

SERVICING BEHAVIOUR

There has been no default in meeting statutory dues, institutional dues and dues towards payment of interest or principal on due dates to holders of Debentures, Bonds, Fixed Deposits and Preference Shares.

ACCOUNTING POLICIES

The accounts are prepared in accordance with accounting principles generally accepted in India. The detailed Accounting Policies are disclosed under the "Auditors' Report" in Part II of this Prospectus .

There has been no change in such accounting policies save as stated in the Auditors' Report as mentioned in Part II of the Prospectus .

GENERAL INFORMATION

Our Registered Office

ICICI Bank Limited
'Landmark',
Race Course Circle
Vadodara 390 007
Tel: 91-265-2339923/4/5
Fax: 91-265-2339926 / 2341661
Registration Number: 04-21012 of 1993-1994

Our Company is registered at the Registrar of Companies, Ahmedabad situated at RoC Bhavan, Opposite Rupal Park, Near Ankur Bus Stand, Naranpura, Ahmedabad 380013.

Board of Directors

1. Mr. Narayanan Vaghul, Chairman
2. Mr. Sridar Iyengar
3. Mr. Ram Kishore Joshi
4. Mr. Lakshmi Niwas Mittal
5. Mr. Narendra Murkumbi
6. Mr. Anupam Pradip Puri
7. Mr. Vinod Rai
8. Mr. Mahendra Kumar Sharma
9. Mr. Priya Mohan Sinha
10. Prof. Marti Gurunath Subrahmanyam
11. Mr. T.S. Vijayan
12. Mr. V. Prem Watsa
13. Mr. Kundapur Vaman Kamath, Managing Director & CEO
14. Ms. Lalita Dileep Gupte, Joint Managing Director
15. Ms. Kalpana Morparia, Joint Managing Director
16. Ms. Chanda Kochhar, Deputy Managing Director
17. Dr. Nachiket Mor, Deputy Managing Director

For further details of our Chairperson, our Managing Director and whole time Directors, refer to the section titled "Our Management" on page [•] of this Draft Shelf Prospectus.

Company Secretary and Compliance Officer

Mr. Jyotin Mehta
General Manager and Company Secretary
ICICI Bank Limited
ICICI Bank Towers
Bandra-Kurla Complex
Mumbai 400 051
Tel: 91-22-2653 1414
Fax: 91-22-2653 1122
E-mail: jyotin.mehta@icicibank.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of application forms, delay in receipt of letters of allotment/bond certificates, etc.

Issue Management Team

Lead Manager to the Issue

JM Morgan Stanley Private Limited
141 Maker Chambers III
Nariman Point,
Mumbai 400 021.
Tel: (91 22) 6630 3030
Fax: (91 22) 2204 7185
Email: icicibond@jmmorganstanley.com
Contact Person: Ms Naina Sharma

(We may appoint additional lead managers for each tranche and such names shall be disclosed at the time of the tranche. However, the number of Lead managers would not exceed eight.)

Legal Advisor to the Issue

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Peninsula Chambers, Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai 400 013
Tel: 91-22-24964455
Fax: 91-22-24963666

Solicitors & Advocates

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Peninsula Chambers, Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai 400 013
Tel: 91-22-24964455
Fax: 91-22-24963666

(We may appoint additional Solicitors & Advocates to the Issue for each tranche. Such names shall be disclosed at the time of each tranche.)

Advisors to the Issue

(We may appoint the Advisors to the Issue for each tranche. Such names shall be disclosed at the time of each tranche.)

Co-Managers to the Issue

(We may appoint Co-managers for each tranche. However, the number of Co-managers would not exceed six. Names of such co-managers shall be disclosed at the time of each tranche.)

Marketing Co-Ordinator

(We may appoint the Marketing Coordinator for each tranche and disclose details in relation to them)

Registrar to the Issue

(We would appoint the Registrar for each tranche. Details in relation to the registrar shall be disclosed at the time of each tranche.)

Statutory Auditors

S. R. Batliboi & Co.
Chartered Accountants
6th Floor, Express Towers
Nariman Point,
Mumbai 400 021
Tel: 91-22-2287 6485
Tel: 91-22-2287 6401

Issue Programme

The Issue will open for subscription at the commencement of banking hours and close at the close of banking hours on the dates indicated below or earlier or on such extended date (subject to a maximum of 21 working days) as may be decided at the discretion of the Committee of Directors of ICICI Bank, subject to necessary approvals:

ISSUE OPENS ON: [●]
ISSUE CLOSES ON: [●]

Credit Rating

We have obtained credit rating for an amount of Rs. 2,000 crore for Bonds to be issued for inclusion in Tier II capital, Rs. 4,000 crore for Bonds to be issued for inclusion in Upper Tier II capital, Rs. 1,000 crore for Bonds to be issued for inclusion in Tier I capital and Rs. 1,000 crore for Infrastructure Bonds from the following agencies:

For Tier I Perpetual Bonds:

The Credit Analysis & Research Limited (CARE) has assigned a rating of "CARE AAA" (Pronounced as "CARE triple A") to these Bonds. This rating indicates investment is of best credit quality, offering highest safety of timely servicing of debt obligations. Such instruments carry minimal credit risk. Debt services payments are protected by stable cash flows with good margin. While the underlying assumptions may change, such changes as can be visualised are most unlikely to impair the strong position of such instruments.

CRISIL has assigned a rating of "AAA/Stable" (pronounced "Triple A rating with stable outlook") to the captioned Debt Programme. This rating indicates highest degree of safety with regard to timely payment of interest and principal on the instrument.

For Upper Tier II Bonds:

The Credit Analysis & Research Limited (CARE) has assigned a rating of "CARE AAA" (Pronounced as "CARE triple A") to these Bonds. This rating indicates investment is of best credit quality, offering highest safety of timely servicing of debt obligations. Such instruments carry minimal credit risk.. Debt services payments are protected by stable cash flows with good margin. While the underlying assumptions may change, such changes as can be visualised are most unlikely to impair the strong position of such instruments.

CRISIL has assigned a rating of "AAA/Stable" (pronounced "Triple A rating with stable outlook") to the captioned Debt Programme. This rating indicates highest degree of safety with regard to timely payment of interest and principal on the instrument.

For Tier II Bonds:

The Credit Analysis & Research Limited (CARE) has assigned a rating of "CARE AAA" (Pronounced as "CARE triple A") to these Bonds. This rating indicates investment is of best credit quality, offering highest safety of timely servicing of debt obligations. Such instruments carry minimal credit risk. Debt services payments are protected by stable cash flows with good margin. While the underlying assumptions may change, such changes as can be visualised are most unlikely to impair the strong position of such instruments.

ICRA Limited (ICRA) has assigned a rating of "LAAA" (Pronounced L triple A) to these Bonds. This rating indicates highest-credit-quality. The rated instrument carries the lowest credit risk. . Risk factors are negligible. There may be circumstances adversely affecting the degree of safety but such circumstances, as may be visualised, are not likely to affect the timely payment of principal and interest as per terms.

Infrastructure Bonds

CARE "CARE AAA" - This rating indicates investment is of best credit quality, offering highest safety of timely servicing of debt obligations. Such instruments carry minimal credit risk.

ICRA "LAAA" - This rating indicates highest-credit-quality. The rated instrument carries the lowest credit risk.

Necessary co-operation would be given to the credit rating agencies in providing true and adequate information till the debt obligations in respect of the Bonds are outstanding.
Credit Rating of all listed Bonds and debentures issued by us and ICICI during the last five years have been disclosed under the head "Previous Debenture/Bond Issue" on page [●] of this Draft Shelf Prospectus.

Please note that the rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal or suspension at any time in the future by the assigning rating agency on the basis of new information, etc. Each rating should be evaluated independently of any other rating.

Domestic Ratings

Our Lower Tier II bonds are rated AAA by two Indian credit rating agencies, ICRA Limited and Credit Analysis & Research Limited since the inception of the bonds programme. Our Upper Tier II bonds and proposed innovative perpetual debt instruments forming part of Tier I capital are rated AAA by two Indian credit rating agencies, CRISIL Limited and Credit Analysis & Research Limited. Our term deposits rated AAA by ICRA Limited and Credit Analysis & Research Limited. Our Infrastructure Bonds are rated AAA by two Indian credit rating agencies, ICRA Limited and Credit Analysis & Research Limited. Our certificate of deposits rated A1+ by ICRA Limited and PR1+ by Credit Analysis & Research Limited.

Issue Name	Deemed Date of Allotment	Credit Rating - 1	Credit Rating - 2
February 2003	April 3, 2003	ICRA "LAAA"	CARE "CARE AAA"
March 2003	April 30, 2003	ICRA "LAAA"	CARE "CARE AAA"
August 2003	October 9, 2003	ICRA "LAAA"	CARE "CARE AAA"
October 2003	December 15	ICRA "LAAA"	CARE "CARE AAA"
December 2003	February 5, 2004	ICRA "LAAA"	CARE "CARE AAA"
January 2005	March 11, 2005	ICRA "LAAA"	CARE "CARE AAA"
February 2005	April 8, 2005	ICRA "LAAA"	CARE "CARE AAA"
March 2005	April 30, 2005	ICRA "LAAA"	CARE "CARE AAA"

International Ratings

Our long-term foreign currency borrowings are rated Baa2 by Moody's Investors Service, BB+ by Standard and Poor's and BBB by Japan Credit Rating Agency Limited (JCRA). Our short-term foreign currency ratings are Ba2/ Not Prime by Moody's Investors Service and B by Standard and Poor's. The outlook from Standard and Poor's is positive while the outlook from both Moody's and JCRA is stable

Issue Name	Deemed Date of Allotment	Credit Rating - 1	Credit Rating - 2
October, 2003	October 22, 2003	Moody's: Baa3	S&P:BB
August 2004	August 18, 2004	Moody's: Baa3	S&P:BB+

Rights of Bondholders

1. The Bonds shall not, except as provided in the Act, confer upon the holders thereof any rights or privileges available to our members including the right to receive Notices or Annual Reports of, or to attend and/or vote, at our General Meeting. However, if any resolution affecting the rights attached to the Bonds is to be placed before the shareholders, the said resolution will first be placed before the concerned registered Bondholders for their consideration. In terms of section 219(2) of the Act, holders of Bonds shall be entitled to a copy of the Balance Sheet on a specific request made to us.
2. The rights, privileges and conditions attached to the Bonds may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Bonds or with the sanction of special resolution passed at a meeting of the concerned Bondholders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the Bonds, if the same are not acceptable to us.
3. The registered Bondholder or in case of joint-holders, the one whose name stands first in the Register of Bondholders shall be entitled to vote in respect of such Bonds, either in person or by proxy, at any meeting of the concerned Bondholders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights shall be in proportion to the outstanding nominal value of Bonds held by him/her on every resolution placed before such meeting of the Bondholders. The quorum for such meetings shall be at least five Bondholders present in person.
4. The Bonds are subject to the provisions of the Act, the Memorandum and Articles, the terms of this Draft Shelf Prospectus and Application Form. Over and above such terms and conditions, the Bonds shall also be subject to other terms and conditions as may be incorporated in the Trustee Agreement/ Letters of Allotment/ Bond Certificates, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Bonds.
5. Save as otherwise provided in this Draft Shelf Prospectus, the provisions contained in Annexure C and/or Annexure D to the Companies (Central Government's) General Rules and Forms, 1956 as prevailing and to the extent applicable, will apply to any meeting of the Bondholders, in relation to matters not otherwise provided for in terms of the Issue of the Bonds.
6. A register of Bondholders will be maintained in accordance with section 152 of the Act and all interest and principal sums becoming due and payable in respect of the Bonds will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Bondholders.
7. The Bondholders will be entitled to their Bonds free from equities and/or cross claims by us against the original or any intermediate holders thereof.
8. Bonds can be rolled over only with the positive consent of the Bondholders.

Underwriting

The Issue of Bonds has not been underwritten.

Trustee for the Bondholders

We would appoint the Trustee for each tranche. The names and other details of the trustees shall be disclosed at the time of each tranche. For further details in relation to the rights and duties of the trustee, please see page [●] of this Draft Shelf Prospectus.

Statement of Inter Se Allocation of Responsibilities amongst the Lead Managers

We shall disclose the inter se allocation at the time of each tranche.

CAPITAL STRUCTURE

(Rs. in crore)

(As on March 31, 2006)			Aggregate Value
1.	**SHARE CAPITAL**		
A)	**Authorised Capital**		
	100,00,00,000	Equity Shares of Rs. 10/- each	1,000.00
	5,50,00,000	Preference Shares of Rs. 100/- each	550
	350	Preference Shares of Rs. 1,00,00,000/- each	350
B)	**Issued, Subscribed and Paid Up Equity Share Capital**		
	73,67,16,094	Equity Shares of Rs 10/- each	736.72
		Less: Call unpaid	0.03
		Add: Forfeited (67,323) equity shares	0.04
		Add: Issued 153,107,807 equity shares of Rs 10/-each[1]	153.10
		Share capital suspense (net)	-
		Total	889.83
C)	**Issued, Subscribed and Paid Up Preference Share Capital[2]**		
	350	Preference Shares of Rs. 1,00,00,000/- each	350.00
D)	**Total (A+B+C)**		**1,239.83**
2.	**DEPOSITS AND BORROWINGS**		
A)	**Deposits**		165,083.17
	Total (A)		**165,083.17**
B)	**Borrowings**		
(i)	**Borrowings in India**		
	Unsecured Redeemable Debentures/ Bonds (Subordinated for Tier-II capital)		10,144.38
	Loans and Advances from the Government of India		281.36
	Debentures and Bonds (Guaranteed by the Government of India)		1,481.50
	Other Debentures and Bonds		7,684.96
	From Banks and Financial Institutions		7,374.26
	Deposits taken over from erstwhile ICICI Limited		138.84
	Application money pending allotment		-
	Total (B) (i)		**27,105.30**
(ii)	**Borrowings outside India**		
	From multilateral/ bilateral credit agencies (guaranteed by Government of India equivalent of Rs. 1,917.68 crore)		2,382.06
	From international banks, institutions and consortiums		12,377.65
	by way of bonds and notes		6,801.28
	Total (B) (ii)		**21,560.99**
(iii)	**Borrowings from the current offering**		**(xx)**
Total Borrowings (B) (i), (ii) and (iii)			**48,666.29**
Total Deposits and Borrowings (A) and (B)			**213,749.46**

Notes:

1 **Includes:**

(a) 9,66,81382 equity shares issued to the equity shareholders vide prospectus dated December 8, 2005.
(b) 3,72,37,460 underlying equity shares consequent to the issue of 1,86,18,730 American Depository Shares (ADS) in December 6,2005.
(c) 1,42,85,714 equity shares consequent upon exercise green shoe option vide prospectus dated December 8,2005.
(d) 49,03,251 equity shares issued on exercise of employee stock options.

2 With respect to preference share capital of the Bank representing 350 preference shares of Rs.1 crore each issued to preference shareholders by erstwhile ICICI Limited on merger with ICICI Bank the Ministry of Finance has by notification F. No. 13/3/2002-BOA dated April 17, 2002, currently exempted us from the restriction of Section 12(1) of the Banking Regulation Act, which prohibits issue of preference shares by banks.

3. Our authorised capital has been sub-divided into 100 crore equity shares of Rs. 10 each, 5.5 crore preference shares of Rs.100 each and 350 preference shares of Rs. 1 crore each with the approval of our shareholders at the Annual General Meeting held on August 20, 2005.

Notes to Capital Structure

1. Share capital history of ICICI Bank:

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
January 27, 1994	700	10.00	10.00	Signatories to the Memorandum of Association.
April 28, 1994	150,000,000	10.00	10.00	Promoter's contribution.
June 7, 1997	15,000,000	10.00	35.00	Promoter's contribution.
March 31, 2000	31,818,180	10.00	239.91	ADR Issue.
April 17, 2001	23,539,800	10.00	10.00	Issue of shares to shareholders of Bank of Madura upon merger with ICICI Bank in ratio of 2:1
June 11, 2002	392,672,724	10.00	10.00	Issue of shares to shareholders of ICICI upon amalgamation with ICICI Bank in the ratio of 1:2
December 11, 2002	3,000	10.00	105.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 30, 2003	970	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 30, 2003	600	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 22, 2003	11,550	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
July 22, 2003	16,950	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 5, 2003	3,000	10.00	105.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 5, 2003	29,000	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 5, 2003	29,680	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 26, 2003	9,110	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 26, 2003	7,550	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 1, 2003	43,020	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 1, 2003	31,950	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 1, 2003	375	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 8, 2003	9,670	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 8, 2003	28,100	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 8, 2003	925	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 8, 2003	1,250	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
September 15, 2003	18,180	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 15, 2003	7,450	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 22, 2003	15,670	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 22, 2003	38,445	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 22, 2003	10,000	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 22, 2003	5,000	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 22, 2003	2,500	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 29, 2003	40,720	10.00	120.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 29, 2003	24,900	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 29, 2003	4,125	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 29, 2003	375	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 6, 2003	18,750	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 6, 2003	34,850	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
October 6, 2003	4,000	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 6, 2003	1,975	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 13, 2003	3,000	10.00	105.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 13, 2003	163,864	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 13, 2003	48,450	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 13, 2003	34,124	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 13, 2003	19,625	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 13, 2003	1,000	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 13, 2003	17,711	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 20, 2003	61,715	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 20, 2003	41,555	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 20, 2003	40,100	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 20, 2003	10,837	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
October 20, 2003	2,900	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 20, 2003	9,750	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 27, 2003	21,820	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 27, 2003	10,400	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 27, 2003	5,350	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 27, 2003	4,474	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 27, 2003	3,350	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 27, 2003	4,939	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 3, 2003	24,376	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 3, 2003	10,500	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 3, 2003	6,625	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 3, 2003	6,625	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 3, 2003	500	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
November 3, 2003	10,525	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 10, 2003	6,000	10.00	105.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 10, 2003	55,043	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 10, 2003	21,150	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 10, 2003	40,960	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 10, 2003	51,849	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 10, 2003	22,200	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 10, 2003	32,525	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 17, 2003	46,440	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 17, 2003	19,600	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 17, 2003	15,565	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 17, 2003	10,803	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 17, 2003	21,950	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
November 17, 2003	13,425	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 24, 2003	21,330	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 24, 2003	31,600	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 24, 2003	30,350	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 24, 2003	10,524	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 24, 2003	65,000	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 24, 2003	6,550	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 1, 2003	18,130	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 1, 2003	51,280	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 1, 2003	16,250	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 1, 2003	5,625	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 1, 2003	12,450	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 1, 2003	9,020	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
December 8, 2003	33,312	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 8, 2003	13,650	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 8, 2003	44,050	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 8, 2003	46,445	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 8, 2003	21,250	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 8, 2003	79,425	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 15, 2003	10,940	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 15, 2003	3,500	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 15, 2003	39,875	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 15, 2003	7,893	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 15, 2003	27,150	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 15, 2003	14,925	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 15, 2003	1,000	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
December 22, 2003	27,350	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 22, 2003	18,400	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 22, 2003	13,575	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 22, 2003	15,794	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 22, 2003	13,300	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 22, 2003	31,525	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 22, 2003	5,500	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 29, 2003	16,800	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 29, 2003	5,600	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 29, 2003	11,125	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 29, 2003	5,455	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 29, 2003	4,310	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 29, 2003	27,940	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
December 29, 2003	2,750	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 5, 2004	28,980	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 5, 2004	24,480	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 5, 2004	47,450	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 5, 2004	103,232	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 5, 2004	66,140	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 5, 2004	140,725	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 5, 2004	18,650	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 13, 2004	28,870	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 13, 2004	39,950	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 13, 2004	49,075	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 13, 2004	22,466	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 13, 2004	7,400	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
January 13, 2004	46,536	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 13, 2004	21,750	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 19, 2004	13,930	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 19, 2004	350	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 19, 2004	16,475	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 19, 2004	15,487	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 19, 2004	29,900	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 19, 2004	14,985	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 19, 2004	10,750	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 27, 2004	14,846	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 27, 2004	8,200	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 27, 2004	15,500	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 27, 2004	5,337	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
January 27, 2004	1,500	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 27, 2004	11,230	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 27, 2004	200	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
February 2, 2004	6,390	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
February 2, 2004	2,000	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
February 2, 2004	1,875	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
February 2, 2004	375	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
February 2, 2004	17,000	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
February 2, 2004	9,830	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
February 9, 2004	5,280	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
February 9, 2004	4,465	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
February 9, 2004	3,000	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
February 9, 2004	14,349	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
February 9, 2004	5,750	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
February 9, 2004	35,160	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
February 9, 2004	11,300	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
February 16, 2004	13,510	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
February 16, 2004	5,000	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
February 16, 2004	8,740	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
February 16, 2004	15,399	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
February 16, 2004	45,750	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
February 16, 2004	26,845	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
February 16, 2004	21,750	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
March 2, 2004*	-13,103	10.00	-	Forfeiture of equity shares for non payment of allotment/call money
March 5, 2004	7,510	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
March 5, 2004	5,700	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
March 5, 2004	11,100	10.00	164.00	Allotment of shares issued on

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				exercise of options, under the Employee Stock Option Scheme 2000
March 5, 2004	15,550	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
March 5, 2004	11,500	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
March 5, 2004	39,869	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
March 5, 2004	10,625	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
March 8, 2004	3,980	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
March 8, 2004	400	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
March 8, 2004	1,525	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
March 8, 2004	9,245	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
March 8, 2004	1,975	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
March 8, 2004	250	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
April 21, 2004	100,157,271	10.00	280.00	Fully paid shares under public issue – April 2004
April 21, 2004	8,771,300	10.00	280.00	Partly paid equity shares of face value of Rs. 10/- each, on which Rs. 150 paid up (Rs. 5/- towards share capital and Rs. 145/- towards share premium) issued under the public issue. The balance amount of Rs. 130/- (Rs. 5/- towards share capital

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				and Rs. 125/- towards share premium) payable on Call
April 27, 2004	73,328	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
April 27, 2004	93,137	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
April 27, 2004	3,120	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
April 27, 2004	1,600	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
April 27, 2004	3,287	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
April 27, 2004	2,500	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
April 27, 2004	7,200	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
April 27, 2004	2,750	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 4, 2004	90,370	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 4, 2004	54,270	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 4, 2004	149,750	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 4, 2004	6,750	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 4, 2004	19,624	10.00	170.00	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000
May 4, 2004	17,500	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 4, 2004	23,875	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 4, 2004	5,600	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 10, 2004	85,475	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 10, 2004	60,075	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 10, 2004	113,150	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 10, 2004	14,325	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 10, 2004	36,040	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 10, 2004	11,000	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 10, 2004	16,305	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 10, 2004	625	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 17, 2004	54,365	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 17, 2004	66,600	10.00	120.50	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000
May 17, 2004	75,510	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 17, 2004	34,075	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 17, 2004	15,768	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 17, 2004	1,000	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 24, 2004	6,992,187	10.00	280.00	Fully paid equity shares of face value of Rs. 10/- each issued under the Green Shoe Option of public issue
May 25, 2004	5,235	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 25, 2004	10,800	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 25, 2004	25,940	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 25, 2004	24,725	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 25, 2004	5,688	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 25, 2004	5,850	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 31, 2004	14,015	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 31, 2004	5,825	10.00	120.50	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000
May 31, 2004	21,140	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 31, 2004	4,375	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 31, 2004	2,058	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
May 31, 2004	8,000	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 7, 2004	12,265	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 7, 2004	15,450	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 7, 2004	28,460	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 7, 2004	15,550	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 7, 2004	2,750	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 7, 2004	2,000	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 7, 2004	800	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 14, 2004	4,545	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 14, 2004	14,100	10.00	120.50	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000
June 14, 2004	18,140	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 14, 2004	4,750	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 14, 2004	3,425	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 14, 2004	1,500	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 21, 2004	17,525	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 21, 2004	28,050	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 21, 2004	32,800	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 21, 2004	31,250	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 21, 2004	2,763	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 21, 2004	1,830	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 28, 2004	5,995	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 28, 2004	34,125	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 28, 2004	17,130	10.00	132.05	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000
June 28, 2004	7,125	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 28, 2004	8,991	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
June 28, 2004	1,250	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 6, 2004	5,405	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 6, 2004	11,750	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 6, 2004	16,280	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 6, 2004	700	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 6, 2004	2,450	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 6, 2004	500	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 12, 2004	3,350	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 12, 2004	8,675	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 12, 2004	7,100	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 12, 2004	5,750	10.00	164.00	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000
July 12, 2004	2,340	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 12, 2004	2,350	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 12, 2004	825	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 19, 2004	4,510	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 19, 2004	3,250	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 19, 2004	12,730	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 19, 2004	625	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 19, 2004	375	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 19, 2004	325	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 26, 2004	5,440	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 26, 2004	3,000	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 26, 2004	12,690	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 26, 2004	3,500	10.00	164.00	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000
July 26, 2004	2,100	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
July 26, 2004	1,250	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 2, 2004	5,865	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 2, 2004	8,850	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 2, 2004	9,160	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 2, 2004	4,000	10.00	157.03	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 2, 2004	8,750	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 2, 2004	700	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 2, 2004	17,500	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 2, 2004	14,500	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 9, 2004	7,350	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 9, 2004	16,475	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 9, 2004	38,430	10.00	132.05	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000
August 9, 2004	3,000	10.00	157.03	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 9, 2004	7,475	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 9, 2004	18,573	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 9, 2004	7,975	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 16, 2004	20,755	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 16, 2004	4,850	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 16, 2004	56,250	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 16, 2004	5,000	10.00	157.03	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 16, 2004	1,650	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 16, 2004	11,413	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 16, 2004	5,510	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 23, 2004	18,900	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 23, 2004	22,775	10.00	120.50	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000
August 23, 2004	20,460	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 23, 2004	12,525	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 23, 2004	14,163	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 23, 2004	4,500	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 23, 2004	3,575	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 30, 2004	21,983	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 30, 2004	50,845	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 30, 2004	66,490	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 30, 2004	13,105	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 30, 2004	11,888	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 30, 2004	5,000	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
August 30, 2004	8,850	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 3, 2004	5,000	10.00	120.35	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000
September 3, 2004	30,680	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 3, 2004	10,530	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 3, 2004	5,425	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 3, 2004	6,563	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 3, 2004	1,200	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 21, 2004	8,205	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 21, 2004	4,125	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 21, 2004	14,080	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 21, 2004	10,125	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 21, 2004	9,820	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 21, 2004	50	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 27, 2004	10,412	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 27, 2004	3,725	10.00	120.50	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000
September 27, 2004	5,810	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 27, 2004	16,625	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 27, 2004	18,587	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 27, 2004	2,500	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
September 27, 2004	1,000	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 4, 2004	6,345	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 4, 2004	920	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 4, 2004	8,120	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 4, 2004	2,500	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 4, 2004	5,045	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 4, 2004	600	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 4, 2004	2,500	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 11, 2004	11,505	10.00	120.35	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000
October 11, 2004	3,950	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 11, 2004	12,490	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 11, 2004	8,425	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 11, 2004	4,550	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 11, 2004	1,500	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 11, 2004	15,250	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 18, 2004	2,870	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 18, 2004	11,500	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 18, 2004	15,440	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 18, 2004	10,000	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 18, 2004	5,125	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 18, 2004	6,000	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 18, 2004	7,500	10.00	171.90	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000
October 25, 2004	1,075	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 25, 2004	300	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 25, 2004	10,870	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 25, 2004	1,000	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 25, 2004	2,278	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
October 25, 2004	3,500	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 1, 2004	9,345	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 1, 2004	4,500	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 1, 2004	8,230	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 1, 2004	11,050	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 1, 2004	13,354	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 1, 2004	6,600	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 8, 2004	12,555	10.00	120.35	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000
November 8, 2004	21,305	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 8, 2004	29,930	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 8, 2004	31,775	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 8, 2004	38,289	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 8, 2004	31,500	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 8, 2004	36,475	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 8, 2004	1,200	10.00	222.40	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 8, 2004	6,000	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 16, 2004	10,530	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 16, 2004	10,500	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 16, 2004	10,930	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 16, 2004	10,900	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 16, 2004	17,550	10.00	170.00	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000
November 16, 2004	4,000	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 16, 2004	24,950	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 16, 2004	7,500	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 22, 2004	21,210	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 22, 2004	32,625	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 22, 2004	66,970	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 22, 2004	14,270	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 22, 2004	25,263	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 22, 2004	9,800	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 22, 2004	15,400	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 22, 2004	11,450	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 29, 2004	6,420	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 29, 2004	4,459	10.00	120.50	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000
November 29, 2004	9,260	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 29, 2004	15,307	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 29, 2004	11,400	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 29, 2004	1,500	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 29, 2004	14,950	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
November 29, 2004	1,250	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 6, 2004	10,875	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 6, 2004	18,741	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 6, 2004	5,950	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 6, 2004	1,000	10.00	157.03	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 6, 2004	24,950	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 6, 2004	20,123	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 6, 2004	9,200	10.00	171.10	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000
December 6, 2004	16,650	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 6, 2004	7,850	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 13, 2004	9,575	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 13, 2004	10,950	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 13, 2004	29,020	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 13, 2004	11,585	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 13, 2004	19,418	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 13, 2004	5,000	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 13, 2004	5,500	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 13, 2004	12,800	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 20, 2004	1,015	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 20, 2004	900	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 20, 2004	38,870	10.00	132.05	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000
December 20, 2004	16,365	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 20, 2004	8,968	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 20, 2004	5,000	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 20, 2004	8,000	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 20, 2004	14,250	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 27, 2004	12,395	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 27, 2004	7,825	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 27, 2004	23,060	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 27, 2004	8,400	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 27, 2004	26,625	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 27, 2004	6,200	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 27, 2004	15,250	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
December 27, 2004	5,500	10.00	266.80	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000
January 3, 2005	1,950	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 3, 2005	3,450	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 3, 2005	11,400	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 3, 2005	10,550	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 3, 2005	7,125	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 3, 2005	4,975	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 3, 2005	14,475	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 3, 2005	15,750	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 10, 2005	3,270	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 10, 2005	800	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 10, 2005	7,140	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 10, 2005	3,750	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 10, 2005	7,325	10.00	170.00	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000
January 10, 2005	10,000	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 10, 2005	9,650	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 10, 2005	3,750	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 17, 2005	6,835	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 17, 2005	4,000	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 17, 2005	7,220	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 17, 2005	1,100	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 17, 2005	2,088	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 17, 2005	2,500	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 17, 2005	2,850	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 17, 2005	1,950	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 24, 2005	7,900	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 24, 2005	10,785	10.00	120.50	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000
January 24, 2005	17,150	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 24, 2005	18,750	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 24, 2005	1,125	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 24, 2005	6,000	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 24, 2005	4,250	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 31, 2005	6,375	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 31, 2005	300	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 31, 2005	3,800	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
January 31, 2005	2,500	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000
February 7, 2005	4,255	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 7, 2005	5,030	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 7, 2005	5,791	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 7, 2005	10,000	10.00	165.80	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000.
February 7, 2005	2,000	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 7, 2005	10,000	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 14, 2005	15,000	10.00	105.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 14, 2005	6,615	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 14, 2005	800	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 14, 2005	18,910	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 14, 2005	2,250	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 14, 2005	11,100	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 14, 2005	3,750	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 14, 2005	15,500	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 21, 2005	4,700	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 21, 2005	7,000	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 21, 2005	11,280	10.00	132.05	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000.
February 21, 2005	5,625	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 21, 2005	2,875	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 21, 2005	1,000	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 21, 2005	5,250	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 28, 2005	7,025	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 28, 2005	200	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 28, 2005	2,570	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 28, 2005	8,400	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 28, 2005	2,938	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 28, 2005	1,500	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
February 28, 2005	2,825	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 7, 2005	6,405	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 7, 2005	8,750	10.00	120.50	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000.
March 7, 2005	4,050	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 7, 2005	4,975	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 7, 2005	2,700	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 7, 2005	11,000	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 14, 2005	8,805	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 14, 2005	22,500	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 14, 2005	5,280	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 14, 2005	13,125	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 14, 2005	1,250	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 14, 2005	2,250	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 14, 2005	5,350	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 14, 2005	700	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 21, 2005	2,430	10.00	120.35	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000.
March 21, 2005	4,250	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 21, 2005	12,240	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 21, 2005	5,100	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 21, 2005	1,000	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 21, 2005	9,000	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 21, 2005	1,275	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 21, 2005	8,475	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 28, 2005	7,735	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 28, 2005	81,375	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 28, 2005	6,980	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 28, 2005	6,900	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 28, 2005	25,650	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 28, 2005	2,500	10.00	171.10	Allotment of shares issued on exercise of options, under the

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Employee Stock Option Scheme 2000.
March 28, 2005	13,150	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 28, 2005	14,100	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 28, 2005*	-54,220	10.00	-	Forfeiture of equity shares for non payment of allotment/call money
March 31, 2005	73,170	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 31, 2005	60,075	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 31, 2005	2,160	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 31, 2005	3,050	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 31, 2005	3,713	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 31, 2005	2,500	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 31, 2005	770	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
March 31, 2005	400	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 4, 2005	47,330	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 4, 2005	44,550	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				2000.
April 4, 2005	3,410	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 4, 2005	1,590	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 4, 2005	4,500	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 4, 2005	3,625	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 11, 2005	72,927	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 11, 2005	90,160	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 11, 2005	7,200	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 11, 2005	4,250	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 11, 2005	2,013	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 11, 2005	300	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 11, 2005	4,800	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 11, 2005	9,250	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 18, 2005	52,563	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				2000.
April 18, 2005	64,550	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 18, 2005	8,840	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 18, 2005	1,250	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 18, 2005	6,385	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 18, 2005	2,500	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 18, 2005	5,100	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 25, 2005	33,685	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 25, 2005	12,650	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 25, 2005	37,190	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 25, 2005	8,900	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 25, 2005	2,000	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
April 25, 2005	500	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 2, 2005	13,012	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				2000.
May 2, 2005	4,875	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 2, 2005	91,205	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 2, 2005	2,500	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 2, 2005	1,000	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 2, 2005	250	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 2, 2005	1,250	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 2, 2005	2,650	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 9, 2005	85,115	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 9, 2005	89,925	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 9, 2005	200,440	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 9, 2005	1,525	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 9, 2005	8,313	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 9, 2005	3,200	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				2000.
May 9, 2005	5,450	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 9, 2005	68,330	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 16, 2005	27,100	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 16, 2005	48,688	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 16, 2005	79,840	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 16, 2005	12,425	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 16, 2005	3,513	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 16, 2005	2,350	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 16, 2005	20,450	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 23, 2005	31,515	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 23, 2005	49,325	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 23, 2005	80,265	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 23, 2005	3,050	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				2000.
May 23, 2005	3,300	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 23, 2005	500	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 23, 2005	21,555	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 30, 2005	22,075	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 30, 2005	16,250	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 30, 2005	31,615	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 30, 2005	1,000	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 30, 2005	900	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 30, 2005	5,000	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 30, 2005	2,000	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 30, 2005	1,500	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
May 30, 2005	11,505	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 6, 2005	10,315	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				2000.
June 6, 2005	14,975	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 6, 2005	38,215	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 6, 2005	3,000	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 6, 2005	2,500	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 6, 2005	7,750	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 13, 2005	17,240	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 13, 2005	31,050	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 13, 2005	30,615	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 13, 2005	1,250	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 13, 2005	3,075	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 13, 2005	500	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 13, 2005	24,350	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 13, 2005	23,675	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				2000.
June 20, 2005	76,055	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 20, 2005	48,100	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 20, 2005	114,285	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 20, 2005	9,600	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 20, 2005	8,850	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 20, 2005	18,275	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 20, 2005	24,900	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 20, 2005	24,350	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 20, 2005	15,735	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 27, 2005	29,225	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 27, 2005	61,750	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 27, 2005	37,290	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 27, 2005	200	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				2000.
June 27, 2005	2,375	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 27, 2005	3,225	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 27, 2005	17,850	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
June 27, 2005	14,990	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 4, 2005	25,100	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 4, 2005	45,950	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 4, 2005	34,450	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 4, 2005	2,000	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 4, 2005	12,125	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 4, 2005	100	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 4, 2005	2,000	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 4, 2005	6,600	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 4, 2005	15,400	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				2000.
July 11, 2005	49,025	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 11, 2005	32,150	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 11, 2005	79,425	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 11, 2005	8,860	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 11, 2005	6,025	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 11, 2005	10,625	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 11, 2005	29,244	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 18, 2005	30900	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 18, 2005	74600	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 18, 2005	46420	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 18, 2005	7467	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 18, 2005	1400	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 18, 2005	5250	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				2000.
July 18, 2005	29000	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 18, 2005	19925	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 25, 2005	12,841	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 25, 2005	42,440	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 25, 2005	59,525	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 25, 2005	13,500	10.00	157.03	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 25, 2005	1,875	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 25, 2005	3,900	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 25, 2005	1,570	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 25, 2005	2,875	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
July 25, 2005	32,771	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 2, 2005	39,730	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 2, 2005	50,210	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				2000.
August 2, 2005	89,130	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 2, 2005	6,000	10.00	157.03	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 2, 2005	11,550	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 2, 2005	5,050	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 2, 2005	5,690	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 2, 2005	4,500	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 2, 2005	3,200	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 2, 2005	26,630	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 5, 2005	22,855	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 5, 2005	105,625	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 5, 2005	57,155	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 5, 2005	3,750	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 5, 2005	5,288	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				2000.
August 5, 2005	1,500	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 5, 2005	7,700	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 5, 2005	4,800	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 5, 2005	10,570	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 22, 2005	29,839	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 22, 2005	27,650	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 22, 2005	39,845	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 22, 2005	2,500	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 22, 2005	7,475	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 22, 2005	1,750	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 22, 2005	8,850	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 22, 2005	27,185	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 29, 2005	13,425	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				2000.
August 29, 2005	3,750	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 29, 2005	16,690	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 29, 2005	100	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 29, 2005	3,750	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
August 29, 2005	16,175	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 5, 2005	10,120	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 5, 2005	11,040	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 5, 2005	1,041	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 5, 2005	6,545	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 12, 2005	4,000	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 12, 2005	15,725	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 12, 2005	1,250	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 12, 2005	875	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				2000.
September 12, 2005	6,163	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 19, 2005	19,465	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 19, 2005	12,050	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 19, 2005	79,100	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 19, 2005	2,500	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 19, 2005	4,840	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 19, 2005	7,500	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 19, 2005	4,375	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 19, 2005	30,845	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 26, 2005	18,340	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 26, 2005	14,250	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 26, 2005	30,450	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 26, 2005	1,000	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				2000.
September 26, 2005	8,330	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 26, 2005	4,500	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 26, 2005	8,700	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 26, 2005	13,300	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 26, 2005	20,550	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 30, 2005	7,880	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 30, 2005	21,750	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 30, 2005	41,065	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 30, 2005	19,875	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 30, 2005	1,100	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 30, 2005	16,075	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
September 30, 2005	12,825	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
October 7, 2005	5,800	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				2000.
October 7, 2005	6,755	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
October 7, 2005	650	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
October 7, 2005	3,000	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
October 7, 2005	50	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
October 7, 2005	5,000	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
October 7, 2005	21,175	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
October 10, 2005	8,993	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
October 10, 2005	4,125	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
October 10, 2005	33,605	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
October 10, 2005	1,000	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
October 10, 2005	2,500	10.00	171.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
October 10, 2005	1,000	10.00	171.90	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
October 10, 2005	1,100	10.00	266.80	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				2000.
October 10, 2005	10,586	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
October 17, 2005	4,900	10.00	120.35	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
October 17, 2005	5,875	10.00	120.50	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
October 17, 2005	3,495	10.00	132.05	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
October 17, 2005	1,100	10.00	164.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
October 17, 2005	50	10.00	170.00	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.
October 17, 2005	4,920	10.00	300.10	Allotment of shares issued on exercise of options, under the Employee Stock Option Scheme 2000.

Date of Allotment	No.of Equity	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
October 24, 2005	2,000	10	120.35	Allotment of shares under ESOS.
October 24, 2005	11,290	10	132.05	Allotment of shares under ESOS.
October 24, 2005	1,250	10	266.80	Allotment of shares under ESOS.
October 24, 2005	6,950	10	300.10	Allotment of shares under ESOS.
November 17, 2005	9,384	10	120.35	Allotment of shares under ESOS.
November 17, 2005	210	10	120.50	Allotment of shares under ESOS.
November 17, 2005	8,495	10	132.05	Allotment of shares under ESOS.
November 17, 2005	130	10	164.00	Allotment of shares under ESOS.
November 17, 2005	4,665	10	170.00	Allotment of shares under ESOS.
November 17, 2005	5,375	10	171.90	Allotment of shares under ESOS.
November 17, 2005	250	10	266.80	Allotment of shares under ESOS.
November 17, 2005	7,250	10	300.10	Allotment of shares under ESOS
December 16, 2005	66,275,828	10	525.00	Allotment of shares under Public issue to QIB's & Non Institutional

Date of Allotment	No.of Equity	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
				Investors
December 16, 2005	12,988,820	10	498.75	Allotment of shares under Public issue to existing retail shareholders and retail bidders
December 16, 2005	15,905,240	10	498.75	Allotment of partly paid equity shares under Public issue (Balance amount payable on allotment)
December 16, 2005	37,237,460	10	US$26.75	Allotment of ADS under Public issue
December 20, 2005	1,511,494	10	525.00	Allotment of shares under Public issue to QIB
December 26, 2005	11,325	10	120.35	Allotment of shares under ESOS.
December 26, 2005	9,920	10	120.50	Allotment of shares under ESOS.
December 26, 2005	21,332	10	132.05	Allotment of shares under ESOS.
December 26, 2005	11,125	10	164.00	Allotment of shares under ESOS.
December 26, 2005	6,525	10	170.00	Allotment of shares under ESOS.
December 26, 2005	3,000	10	171.10	Allotment of shares under ESOS.
December 26, 2005	12,400	10	171.90	Allotment of shares under ESOS.
December 26, 2005	11,750	10	266.80	Allotment of shares under ESOS.
December 26, 2005	32,750	10	300.10	Allotment of shares under ESOS.
December 31, 2005	2,610	10	120.35	Allotment of shares under ESOS.
December 31, 2005	5,600	10	120.50	Allotment of shares under ESOS.
December 31, 2005	1,660	10	132.05	Allotment of shares under ESOS.
December 31, 2005	3,750	10	171.10	Allotment of shares under ESOS.
December 31, 2005	1,500	10	171.90	Allotment of shares under ESOS.
December 31, 2005	9,125	10	300.10	Allotment of shares under ESOS.
January 9, 2006	11,875	10	120.35	Allotment of shares under ESOS.
January 9, 2006	625	10	120.50	Allotment of shares under ESOS.
January 9, 2006	20,850	10	132.05	Allotment of shares under ESOS.
January 9, 2006	200	10	164.00	Allotment of shares under ESOS.
January 9, 2006	2,650	10	170.00	Allotment of shares under ESOS.
January 9, 2006	2,000	10	266.80	Allotment of shares under ESOS.
January 9, 2006	12,564	10	300.10	Allotment of shares under ESOS.
January 21, 2006	14,285,714	10	525.00	Allotment under Green Shoe Option in the public offering of equity shares in December 2005.
January 23, 2006	5,606	10	120.35	Allotment of shares under ESOS.
January 23, 2006	3,875	10	120.50	Allotment of shares under ESOS.
January 23, 2006	22,995	10	132.05	Allotment of shares under ESOS.
January 23, 2006	2,520	10	164.00	Allotment of shares under ESOS.
January 23, 2006	1,040	10	170.00	Allotment of shares under ESOS.
January 23, 2006	750	10	171.90	Allotment of shares under ESOS.
January 23, 2006	1,500	10	266.80	Allotment of shares under ESOS.

Date of Allotment	No.of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
January 23, 2006	6,650	10	300.10	Allotment of shares under ESOS.
January 30, 2006	3,680	10	120.35	Allotment of shares under ESOS.
January 30, 2006	7,000	10	120.50	Allotment of shares under ESOS.
January 30, 2006	4,750	10	132.05	Allotment of shares under ESOS.
January 30, 2006	5,950	10	300.10	Allotment of shares under ESOS.
February 6, 2006	2,425	10	120.35	Allotment of shares under ESOS.
February 6, 2006	750	10	120.50	Allotment of shares under ESOS.
February 6, 2006	5,160	10	132.05	Allotment of shares under ESOS.
February 6, 2006	1,850	10	170.00	Allotment of shares under ESOS.
February 6, 2006	1,300	10	171.10	Allotment of shares under ESOS.
February 6, 2006	800	10	171.90	Allotment of shares under ESOS.
February 6, 2006	12,785	10	300.10	Allotment of shares under ESOS.
February 13, 2006	2,895	10	120.35	Allotment of shares under ESOS.
February 13, 2006	18,140	10	120.50	Allotment of shares under ESOS
February 13, 2006	8,760	10	132.05	Allotment of shares under ESOS
February 13, 2006	5,000	10	164.00	Allotment of shares under ESOS
February 13, 2006	6,100	10	170.00	Allotment of shares under ESOS
February 13, 2006	1,250	10	171.10	Allotment of shares under ESOS
February 13, 2006	4,700	10	266.80	Allotment of shares under ESOS
February 13, 2006	8,265	10	300.10	Allotment of shares under ESOS
February 20, 2006	362	10	120.35	Allotment of shares under ESOS.
February 20, 2006	2,500	10	120.50	Allotment of shares under ESOS.
February 20, 2006	6,965	10	132.05	Allotment of shares under ESOS.
February 20, 2006	1,976	10	170.00	Allotment of shares under ESOS.
February 20, 2006	4,000	10	171.90	Allotment of shares under ESOS.
February 20, 2006	6,350	10	300.10	Allotment of shares under ESOS.
February 27, 2006	1,750	10	120.35	Allotment of shares under ESOS.
February 27, 2006	3,700	10	120.50	Allotment of shares under ESOS.
February 27, 2006	4,455	10	132.05	Allotment of shares under ESOS.
February 27, 2006	2,500	10	164.00	Allotment of shares under ESOS.
February 27, 2006	400	10	170.00	Allotment of shares under ESOS.
February 27, 2006	2,900	10	171.10	Allotment of shares under ESOS.
February 27, 2006	2,975	10	300.10	Allotment of shares under ESOS.
March 6, 2006	1,025	10	120.35	Allotment of shares under ESOS.
March 6, 2006	900	10	120.50	Allotment of shares under ESOS.
March 6, 2006	7,115	10	132.05	Allotment of shares under ESOS.
March 6, 2006	2,900	10	171.10	Allotment of shares under ESOS.
March 6, 2006	200	10	266.80	Allotment of shares under ESOS.
March 6, 2006	8,375	10	300.10	Allotment of shares under ESOS.
March 13, 2006	1,000	10	120.50	Allotment of shares under ESOS.

Date of Allotment	No.of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
March 13, 2006	12,950	10	132.05	Allotment of shares under ESOS.
March 13, 2006	4,725	10	170.00	Allotment of shares under ESOS.
March 13, 2006	5,000	10	171.90	Allotment of shares under ESOS.
March 13, 2006	6,690	10	300.10	Allotment of shares under ESOS.
March 20, 2006	20,570	10	120.35	Allotment of shares under ESOS.
March 20, 2006	1,500	10	120.50	Allotment of shares under ESOS.
March 20, 2006	4,470	10	132.05	Allotment of shares under ESOS.
March 20, 2006	2,825	10	164.00	Allotment of shares under ESOS.
March 20, 2006	1,950	10	170.00	Allotment of shares under ESOS.
March 20, 2006	350	10	171.90	Allotment of shares under ESOS.
March 20, 2006	19,834	10	300.10	Allotment of shares under ESOS.
March 27, 2006	7,650	10	120.35	Allotment of shares under ESOS.
March 27, 2006	10,600	10	120.50	Allotment of shares under ESOS.
March 27, 2006	30,135	10	132.05	Allotment of shares under ESOS.
March 27, 2006	550	10	164.00	Allotment of shares under ESOS.
March 27, 2006	1,850	10	170.00	Allotment of shares under ESOS.
March 27, 2006	1,000	10	171.90	Allotment of shares under ESOS.
March 27, 2006	600	10	266.80	Allotment of shares under ESOS.
March 27, 2006	3,050	10	300.10	Allotment of shares under ESOS.
March 31, 2006	1,746	10	120.35	Allotment of shares under ESOS.
March 31, 2006	5,025	10	132.05	Allotment of shares under ESOS.
March 31, 2006	1,875	10	164.00	Allotment of shares under ESOS.
March 31, 2006	1,700	10	171.10	Allotment of shares under ESOS.
March 31, 2006	750	10	266.80	Allotment of shares under ESOS.
March 31, 2006	3,925	10	300.10	Allotment of shares under ESOS.
April 10, 2006	2,425	10	120.35	Allotment of shares under ESOS.
April 10, 2006	4,000	10	120.50	Allotment of shares under ESOS.
April 10, 2006	4,278	10	132.05	Allotment of shares under ESOS.
April 10, 2006	600	10	164.00	Allotment of shares under ESOS.
April 10, 2006	2,500	10	171.10	Allotment of shares under ESOS.
April 10, 2006	2,500	10	171.90	Allotment of shares under ESOS.
April 10, 2006	4,435	10	266.80	Allotment of shares under ESOS.
April 10, 2006	5,495	10	300.10	Allotment of shares under ESOS.
April 17, 2006	680	10	120.35	Allotment of shares under ESOS.
April 17, 2006	6,125	10	132.05	Allotment of shares under ESOS.
April 17, 2006	2,500	10	170.00	Allotment of shares under ESOS.
April 17, 2006	1,850	10	266.80	Allotment of shares under ESOS.
April 17, 2006	3,795	10	300.10	Allotment of shares under ESOS.
April 24, 2006	21,200	10	132.05	Allotment of shares under ESOS.
April 24, 2006	5,015	10	266.80	Allotment of shares under ESOS.
April 24, 2006	4,750	10	300.10	Allotment of shares under ESOS.

Date of Allotment	No.of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
May 2, 2006	227,313	10	132.05	Allotment of shares under ESOS.
May 2, 2006	2,500	10	171.90	Allotment of shares under ESOS.
May 2, 2006	3,450	10	266.80	Allotment of shares under ESOS.
May 2, 2006	4,250	10	300.10	Allotment of shares under ESOS.
May 8, 2006	7,280	10	120.35	Allotment of shares under ESOS.
May 8, 2006	113,840	10	120.50	Allotment of shares under ESOS.
May 8, 2006	431,265	10	132.05	Allotment of shares under ESOS.
May 8, 2006	2,500	10	164.00	Allotment of shares under ESOS.
May 8, 2006	9,205	10	170.00	Allotment of shares under ESOS.
May 8, 2006	750	10	171.10	Allotment of shares under ESOS.
May 8, 2006	2,500	10	171.90	Allotment of shares under ESOS.
May 8, 2006	4,750	10	266.80	Allotment of shares under ESOS.
May 8, 2006	80,010	10	300.10	Allotment of shares under ESOS.
May 8, 2006	17,470	10	359.95	Allotment of shares under ESOS.
May 15, 2006	11,645	10	120.35	Allotment of shares under ESOS.
May 15, 2006	15,500	10	120.50	Allotment of shares under ESOS.
May 15, 2006	310,910	10	132.05	Allotment of shares under ESOS.
May 15, 2006	10,700	10	164.00	Allotment of shares under ESOS.
May 15, 2006	5,675	10	170.00	Allotment of shares under ESOS.
May 15, 2006	8,000	10	171.10	Allotment of shares under ESOS.
May 15, 2006	4,750	10	171.90	Allotment of shares under ESOS.
May 15, 2006	11,625	10	266.80	Allotment of shares under ESOS.
May 15, 2006	72,565	10	300.10	Allotment of shares under ESOS.
May 15, 2006	19,620	10	359.95	Allotment of shares under ESOS.
May 22, 2006	5,525	10	120.35	Allotment of shares under ESOS.
May 22, 2006	9,075	10	120.50	Allotment of shares under ESOS.
May 22, 2006	193,190	10	132.05	Allotment of shares under ESOS.
May 22, 2006	4,825	10	170.00	Allotment of shares under ESOS.
May 22, 2006	1,000	10	171.90	Allotment of shares under ESOS.
May 22, 2006	6,250	10	266.80	Allotment of shares under ESOS.
May 22, 2006	61,145	10	300.10	Allotment of shares under ESOS.
May 22, 2006	18,253	10	359.95	Allotment of shares under ESOS.
May 29, 2006	750	10	120.35	Allotment of shares under ESOS.
May 29, 2006	1,000	10	120.50	Allotment of shares under ESOS.
May 29, 2006	24,000	10	132.05	Allotment of shares under ESOS.
May 29, 2006	7,000	10	170.00	Allotment of shares under ESOS.
May 29, 2006	300	10	171.90	Allotment of shares under ESOS.
May 29, 2006	14,075	10	300.10	Allotment of shares under ESOS.
May 29, 2006	2,200	10	359.95	Allotment of shares under ESOS.
June 5, 2006	1,250	10	120.35	Allotment of shares under ESOS.
June 5, 2006	3,750	10	120.50	Allotment of shares under ESOS.

Date of Allotment	No.of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Payment
June 5, 2006	27,050	10	132.05	Allotment of shares under ESOS.
June 5, 2006	1,700	10	171.90	Allotment of shares under ESOS.
June 5, 2006	16,000	10	266.80	Allotment of shares under ESOS.
June 5, 2006	12,000	10	300.10	Allotment of shares under ESOS.
June 5, 2006	2,160	10	359.95	Allotment of shares under ESOS.
June 12, 2006	2,650	10	120.35	Allotment of shares under ESOS.
June 12, 2006	63,190	10	132.05	Allotment of shares under ESOS.
June 12, 2006	900	10	170.00	Allotment of shares under ESOS.
June 12, 2006	145	10	171.90	Allotment of shares under ESOS.
June 12, 2006	3,500	10	266.80	Allotment of shares under ESOS.
June 12, 2006	13,585	10	300.10	Allotment of shares under ESOS.
June 12, 2006	500	10	359.95	Allotment of shares under ESOS.

** Date of forfeiture*

2. Prior to the amalgamation, ICICI was our promoter. There are now no identifiable promoters, hence the details regarding the shareholding of the promoters and details of the transactions by them in our securities are not applicable.

3. The following tables set forth, for the dates indicated, our top 10 shareholders and their holdings.

   a. At July 22 , 2006

	Name of the Shareholder	Shares held	% Shareholding
1	Deutsche Bank Trust Company Americas as depositary form ADS holders	238,604,478	26.75
2	Life Insurance Corporation of India	70,916,235	7.95
3	Allamanda Investments Pte. Ltd	66,234,627	7.42
4	Crown Capital Limited	44,029,260	4.94
5	Bajaj Auto Limited	40,829,181	4.58
6	Government of Singapore	20,538,096	2.30
7	Copthall Mauritius Investment Ltd	19,883,937	2.23
8	The New India Assurance Company Limited	15,246,338	1.71
9	Morgan Stanley and Co Intnl Ltd A/C Morgan Stanley Dean Witter Mauritius Co Ltd	15,005,040	1.68
10	The Growth Fund of America Inc	14,230,000	1.60

Note: Deutsche Bank Trust Company Americas holds the equity shares represented by 100.68 million ADSs outstanding, as depositary on behalf of the holders of the ADSs. The ADSs are listed on the New York Stock Exchange. The depositary has the right to vote on the equity shares represented by the ADSs as directed by our Board of Directors. Under the Banking Regulation Act, no person holding shares in a banking company can exercise more than 10.0% of the total voting power. This means that Deutsche Bank Trust Company Americas (as depositary), which owned approximately 26.76% of our equity shares as of June 3, 2006, can only vote 10.0% of our equity shares. Except as stated above, no shareholder has differential voting rights.

b. At July 15, 2006

	Name of the Shareholder	Shares held	% Shareholding
1	Deutsche Bank Trust Company Americas as depositary form ADS holders	238,604,478	26.75
2	Life Insurance Corporation of India	70,916,235	7.95
3	Allamanda Investments Pte. Ltd	66,234,627	7.42
4	Crown Capital Limited	44,029,260	4.94
5	Bajaj Auto Limited	40,829,173	4.58
6	Government of Singapore	20,538,096	2.30
7	Copthall Mauritius Investment Ltd	20,494,537	2.30
8	Morgan Stanley and Co Intnl Ltd A/C Morgan Stanley Dean Witter Mauritius Co Ltd	15,479,740	1.74
9	The New India Assurance Company Limited	15,246,338	1.71
10	The Growth Fund of America Inc	14,230,000	1.60

c. At July 24, 2004

	Name of the Shareholder	Shares held	% Shareholding
1	Deutsche Bank Trust Company Americas	159,882,118	21.78
2	Life Insurance Corporation of India	74,053,303	10.09
3	Allamanda Investments Pte. Ltd.	66,234,627	9.02
4	HWIC Asia Fund	33,965,361	4.63
5	Government of Singapore	31,075,420	4.23
6	Bajaj Auto Limited	24,957,373	3.40
7	The New India Assurance Company Limited	19,496,338	2.66
8	M & G Investment Management Limited A/c The Prudential Assurance Co Ltd	17,084,104	2.33
9	Janus Worldwide Fund	13,142,029	1.79
10	Emerging Markets Growth Fund INC	11,414,990	1.56

4. The following table sets forth, at July 22, 2006, certain information regarding the total ownership of our equity shares.

Particulars	Shares	%
Deutsche Bank Trust Company Americas (Depositary for ADS holders)	238,604,478	26.75
FIIs, NRIs, Foreign Banks, Foreign Companies, OCBs, Foreign National	400,405,404	44.88
Insurance Companies	112,449,338	12.61
Bodies Corporate	59,301,506	6.65
Banks and Financial Institutions	34,11,631	0.38
Mutual Funds & UTI	19,725,459	2.21

Individuals	58,176,323	6.52
Total	**892,074,139**	**100.00**

Relationship with the Government of India

We operate as an autonomous commercial enterprise, making decisions and pursuing strategies that are designed to maximise shareholder value. Prior to the amalgamation, ICICI was our promoter. We now have no identifiable promoters. The Indian Government has never directly held any of our or ICICI's shares. Reflecting the dominant role of the Indian government in the Indian economy and pursuant to the nationalisation of Indian insurance companies, which were among ICICI's largest shareholders, in the 1950s and the 1960s, ICICI's principal shareholders were Government-controlled. They included the Life Insurance Corporation of India, the General Insurance Corporation of India, Government-owned general insurance companies and the Unit Trust of India. Consequent to the amalgamation of ICICI with us, these Government-controlled shareholders have received our shares in exchange for their shareholding in ICICI. To the best of our knowledge, there is no shareholders' agreement or voting trust relating to the ownership of the shares held by the Government-controlled shareholders.

None of the Directors have, either directly or indirectly, undertaken transactions in our shares in the last six months preceding the date on which the Draft Shelf Prospectus is filed with SEBI except as stated below:

Date of Transaction[1]	**Transferor**	**Shares**	**Price**	**Mode**
February 10, 2006	Ms. Lalita Gupte	6,400	Market Sale	Electronic

1 *Information received from the depositories on the dates mentioned*

6. **Employee Stock Option Scheme**

We have since fiscal 2000 instituted ESOS to enable our employees, including wholetime Directors and employees deputed to other companies, to participate in our future growth and financial success. ICICI had also granted stock options to its wholetime Directors and employees. As per the ESOS, as amended till date, the maximum number of options granted to any employee in a financial year is limited to 0.05% of our issued equity shares at the time of the grant, and the aggregate of all such options is limited to 5.0% of our issued Equity Shares on the date of the grant. In accordance with the Scheme of Amalgamation, Directors and employees of ICICI and its subsidiaries and affiliate companies have received stock options in us equal to half the number of their outstanding unexercised stock options in ICICI. The exercise price of these ICICI Bank options is twice the exercise price for the ICICI stock options. All other terms and conditions are similar to those applicable under ESOS.

The following table sets forth, the particulars of options granted under ESOS at June 30, 2006

a.	Options granted	40,206,155
b.	Exercise Price	The closing market price on thestock exchange, which records the highest trading volume on the date of grant. (1)
c.	Options vested	22,456,812
d.	Options exercised	14,823,040
e.	Total number of Equity Shares arising as a result of exercise of options	14,823,040
f.	Options forfeited / lapsed	4,000,115
g.	Extinguishment or modification of options	Nil
h.	Money realised by exercise of options (Rs.)	2,289,210,071
i.	Total number of options in force	21,383,000
j.	Person-wise details of options granted to	
	(i) Directors and key managerial employees	Details as below
	(ii) Any other employee who has received a grant in a year of options amounting to 5% or more of options granted during that year	None
	(iii) Identified employees who are granted	

	options, during any one year equal to or exceeding 1% of our issued equity shares (excluding outstanding warrants and conversions) at the time of grant	None
k.	Vesting schedule	The options granted for fiscal 2003 and earlier years vest annually in a graded manner over a three-year period, with 20.0%, 30.0% and 50.0% of the grants vesting each year, commencing not earlier than 12 months from the date of grant. Options granted for fiscal 2004 and subsequent years vest in a graded manner over a four-year period with 20.0%, 20.0%, 30.0% and 30.0% of grants vesting each year, commencing from the end of 12 months from the date of grant.

(1) The price for options granted by ICICI Bank on or after June 30, 2003, but before July 22, 2004 is equal to the average of the high and low market price of the equity shares in the two week period preceding the date of grant of the options, on the stock exchange which recorded the highest trading volume during the two week period. The price of options granted on or after July 22, 2004 is equal to the closing price on the stock exchange which recorded the highest trading volume preceding the date of grant of options

The following table sets forth details of options granted to senior managerial personnel at June 30, 2006 and our shares held by them at June 17, 2006.

Name	Position	Stock options	Shares held[1] granted	Options Outstanding
Mr. K. V. Kamath	*Managing Director & Chief Executive Officer*	1,275,000	164,500	1,090,000
Ms. Lalita D. Gupte	*Joint Managing Director*	960,000	112,487	802,500 \
Ms. Kalpana Morparia	*Joint Managing Director*	805,000	21,190	785,000
Ms. Chanda Kochhar	*Deputy Managing Director*	630,000	176,425	402,500
Dr. Nachiket Mor	*Deputy Managing Director*	627,000	40,000	360,000
Mr. Bhargav Dasgupta	*Senior General Manager*	323,475	10,675	286,900
Mr. K. Ramkumar	*Senior General Manager*	255,000	0	222,000
Ms. Madhabi Puri-Buch	*Senior General Manager*	354,900	1,411	297,450
Mr. Nagesh Pinge[2]	*Senior General Manager*	242,500	35,553	181,300
Mr. Pravir Vohra	*Senior General Manager*	179,500	21,000	135,500
Ms. Ramni Nirula	*Senior General Manager*	322,000	69,800	211,000
Mr. Sanjiv Kerkar	*Senior General Manager*	248,000	37,289	208,000
Mr. V. Vaidyanathan	*Senior General Manager*	334,900	38,460	211,250
Ms. Vishakha Mulye	*Senior General Manager*	285,975	36,555	234,920

(1) As per records of our Registrar.
(2) Mr. Nagesh Pinge has decided to leave ICICI Bank to explore other professional opportunities.

7. We have not entered into any standby, buy-back or similar arrangements for these Bonds.

8. We may, at our discretion, raise a bridge loan against the proceeds of the Issue.

9. We have not issued any shares or debentures or agreed to issue any shares or debentures for consideration other than cash other than that mentioned elsewhere in the Draft Shelf Prospectus, within the two years preceding the date of this Draft Shelf Prospectus.

10. At any given time there shall be only one denomination for our equity shares and we shall comply with such disclosure and accounting norms as specified by SEBI from time to time.

11. In the event of oversubscription in a tranche issue, the basis of allotment shall be decided on a proportionate manner in consultation with the NSE as per the procedure laid out in para ‘Basis of Allotment’ on page [●] of the Draft Shelf Prospectus.

12. The number of our shareholders as on June 30, 2006 was 501,191.

MATERIAL DEVELOPMENTS

To our knowledge, there have not arisen, since the date of the last financial statements disclosed in this Draft Shelf Prospectus, any circumstances that materially adversely affect or are likely to affect adversely our profitability or the value of our assets or our ability to pay our liabilities within the next twelve months.

We will ensure that the Bondholders are informed of material developments until as the grant of listing and trading permission by the Stock Exchanges.

However the following developments have taken place :-

a) The Board of Directors at its meeting held on July 22, 2006 approved the audited accounts of ICICI Bank for three months ended June 30, 2006. A summary of the same is as follows:

AUDITED FINANCIAL RESULTS

(Rs. in crore)

Sr. No.	Particulars		Three months period ended June 30, 2006
1.	Interest earned (a)+(b)+(c)+(d)		5,038.63
	a)	Interest/discount on advances/bills	3,437.18
	b)	Income on investments	1,342.47
	c)	Interest on balances with Reserve Bank of India and other interbank funds	245.91
	d)	Others	13.07
2.	Other income 1,277.56		
	A)	**TOTAL INCOME (1) + (2)**	**6,316.19**
3.	Interest expended		3,563.35
4.	Operating expenses (e) + (f) + (g)		1,521.48
	e)	Payments to and provisions for employees	356.76
	f)	Direct marketing agency expenses	390.84
	g)	Other operating expenses	773.88
	B)	**TOTAL EXPENDITURE (3) + (4) (excluding provisions and contingencies)**	**5,084.83**
5.	**OPERATING PROFIT (A-B) (Profit before provisions and contingencies)**		**1,231.36**
6.	Other provisions and contingencies		482.78
7.	Provision for taxes		
	a) Current period tax		167.08
	b) Deferred tax adjustment		(38.51)
8.	**Net profit (5-6-7)**		**620.01**
9.	Paid-up equity share capital (face value Rs. 10/-)		891.92
10.	Reserves excluding revaluation reserves		21,878.76
11.	Analytical ratios		
	(i) Percentage of shares held by Government of India		..
	(ii) Capital adequacy ratio		12.46%
	(iii) Earnings per share for the period (not annualised for quarter/period) (in Rs.) (basic)		6.96
	(iv) Earnings per share for the period (not annualised for quarter/period) (in Rs.) (diluted)		6.90
12.	Aggregate of non-promoter shareholding		
	·	No. of shares	891,895,485
	·	Percentage of shareholding	100
13.	Deposits 183,006.49		
14.	Advances 147,184.15		
15.	Total assets 266,265.18		

Notes

1. The financials have been prepared in accordance with Accounting Standard (“AS”) 25 on “Interim Financial Reporting”.

2. The accounts for the quarter ended June 30, 2006 have been audited by M/s. BSR & Co., Chartered Accountants who are proposed to be appointed as Statutory Auditors of the Bank at the forthcoming Annual General Meeting, their appointment having been approved by Reserve Bank of India.

3. During the quarter ended June 30, 2006, the Bank allotted 2,071,584 equity shares pursuant to exercise of employee stock options.

4. Status of equity investors' complaints / grievances for the quarter ended June 30, 2006.

Opening balance	Additions	Disposals	Closing balance
5	2,786	2,782	9

Of the above 2,786 complaints received, 2,613 complaints relate to public issue in December 2005 and out of 9 pending complaints, 5 have since been resolved.

5. Provision for current period tax includes Rs. 11.14 crore towards provision for fringe benefit tax for the quarter ended June 30, 2006.

6. Till the year ended March 31, 2006, the Bank deducted direct marketing agency expenses on automobile loans from the interest income. For the quarter ended June 30, 2006, the Bank has reported all direct marketing agency expenses, on automobile loans and other retail loans, separately under "Operating expenses". This does not impact the Bank's profit for the period. Previous period / year figures have been regrouped accordingly.

7. Previous period / year figures have been regrouped / reclassified where necessary to conform to current period classification.

8. The above financial results have been taken on record by the Board of Directors at its meeting held on July 22, 2006.

OBJECTS OF THE ISSUE

To meet the enhanced demand for financial assistance, we need to augument our resources. We meet our financing requirements through borrowings (including Private Placement/Public Issue of Bonds), deposits, equity and equity-linked offerings in the domestic and international markets, from loan repayments and interest payments and through internally generated funds. These resources are used for our various financing activities, replacement of maturing debt and general corporate purposes. Hence it is not possible to project activity-wise break-up of the disbursement of funds raised.

The present issue of Bonds is being made pursuant to applicable regulations and inter alia for augmenting our Tier I and Tier II capital, for strengthening our capital adequacy ratio and for enhancing our long term resources in compliance with the Guidelines. The resources raised through this Issue, including over subscription retained, if any, would be utilised for our business operations and to meet the demand for financing. The expenses of the present issue would also be met from the proceeds of this Issue.

The main object clause of our Memorandum of Association. enables us to undertake the activities for which the funds are being raised through the present Issue and also the activities which we have been carrying on till date.

Estimated Issue Expenses

The same shall be updated and provided for each tranche.

Brokerage

The same shall be updated and provided for each tranche.

STATEMENT OF TAX BENEFITS

We have been advised by the head of Taxation Group vide letter dated July 18, 2006 that under the current tax laws, the following tax benefits interalia, will be available to ICICI Bank and the Bondholders as mentioned below. The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with the amendments or enactments thereto. A Bondholder is advised to consider in his own case the tax implications in respect of subscription to the Bonds after consulting his tax advisor as alternate views are possible and we are absolved of any liability to the bondholder for placing reliance upon the contents of this material.

A. INCOME TAX

I. To Us

1. Our taxable income would not include dividend income in accordance with and subject to the provisions of Section 10(34) read with Section 115-O of the Income-tax Act, 1961 (the I.T. Act). As per the provisions of section 14A of the I.T. Act, no deduction is allowed in respect of any expenditure incurred in relation to such dividend income to be computed in accordance with such method as may be prescribed subject to and in accordance with the provisions contained therein.

2. The capital gains arising on transfer of long-term capital assets, being equity shares in a company or units of equity oriented mutual fund on sale on which securities transaction tax is paid, is exempt under Section 10(38) of the I.T. Act whereas short-term capital gains is subject to a concessional rate of tax under Section 111A of the I.T. Act at the rate of 10% (plus applicable surcharge and education cess) subject to and in accordance with the provisions contained therein.

3. The transfer of long-term capital assets, being equity shares in a company or units of equity oriented mutual fund on which securities transaction tax has been paid are treated as stock-in-trade, the income thereon is subject to tax as business profits and rebate towards such securities transaction tax can be claimed from the income tax payable by the Bank in accordance with and subject to the provisions of Section 88E of the I.T. Act.

4. The capital gains arising on transfer of listed securities or units or Zero Coupon Bonds (ZCBs) issued in accordance with the specified scheme, where no securities transactions tax is applicable, long-term capital gains, if any, would be charged to tax at the concessional rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits or at 10% (plus applicable surcharge and education cess) without indexation benefits in accordance with and subject to the provisions of Section 48 read with section 112 of the I.T. Act.

5. Under Section 36(1)(vii) of the I.T. Act, any bad debts or part thereof written off as irrecoverable, would be allowed as a deduction from our total income in accordance with and subject to the provisions contained therein.

6. Under Section 36(1)(viia) of the I.T. Act, and subject to the conditions specified therein, deduction in respect of any provision for bad and doubtful debts made by us is allowed at 7.5% of the total income (computed before making any deduction under this Section and Chapter VIA) and 10% of the aggregate average advances made by our rural branches.

7. Under the provisions of Section 36(1)(viii) of the I.T. Act, we, being a financial corporation are allowed deduction at 40% of the profits derived from the business of providing long-term finance computed in the manner specified under the Section and carried to a Special Reserve account created and maintained by us. The deduction is allowed subject to the aggregate of the amounts transferred to the Special Reserve Account for this purpose from time to time not exceeding twice our paid-up share capital and general reserves. The amount withdrawn from such a Special Reserve Account would be chargeable to income tax in the year of withdrawal, in accordance with the provisions of Section 41(4A) of the I.T. Act.

8. Under Section 43D of the I.T. Act, interest on certain categories of bad and doubtful debts as specified in Rule 6EA of the Income-tax Rules, 1962, shall be chargeable to tax only in the year of receipt or credit to our Profit and Loss Account, whichever is earlier.

9. As per Section 54EC of the I.T. Act, subject to the conditions specified therein, tax on capital gains arising from the transfer of a long-term capital asset is exempt from tax, provided that the Bank has at any time within a period of six months after the date of the transfer, invested the whole of the capital gains in any specified long-term asset for the purposes of Section 54EC of the I.T. Act. If only a portion of capital gains is so invested, then the exemption is available proportionately.

10. As per the provisions of Section 80LA of the I.T. Act income from an offshore banking unit (OBU) in a special economic zone, shall, subject to the fulfillment of the conditions specified in Section 80LA of the I.T. Act, be entitled to 100% deduction of its income for a period of 5 consecutive years beginning with the year in which permission under Banking Regulation Act, 1949 is obtained, that is, upto March 31, 2008 for our OBU in SEEPZ, Mumbai and 50% deduction for a period of 5 consecutive years thereafter in accordance with and subject to the conditions prescribed therein.

II To Our Bondholders

A. Resident Bondholders

1. The tax treatment of Bonds issued under option B of Infrastructure Bonds and under Option B of Tax Saving Bonds will be in accordance with and subject to the conditions in the CBDT circular no. 4/2004 dated May 13, 2004, 2/2002 dated February 15, 2002 & clarification F. No.149/235/2001-TPL issued in May 2002 which are given in brief as under:

    (a) Every bondholder will have to offer to tax the difference between the market valuation made in accordance with the guidelines issued by RBI as on two successive valuation dates (i.e. March 31 each financial year) as interest income (where the bonds are held as investment) or business income (where the bonds are held as trading asset). For this purpose, market values of different instruments declared by the RBI or by the Primary Dealers Association of India jointly with the Fixed Income Money Market and Derivatives Association of India may be referred to.

    In a case where the bond is acquired during the year, the difference between the market value as on the valuation date and the acquisition cost, will be taxed as interest or business income, as the case may be.

    (b) On transfer of bond before maturity, the difference between the sale price and the cost will be taxable as short-term capital gains or business income, as the case may be. For computing such gains, the cost of the bonds will be taken to be the cost of acquisition plus the income offered to tax in the earlier years as explained in clause (a) above.

    (c) In case of redemption by original subscriber, the difference between the redemption price and the value as on the last valuation date immediately preceding the maturity date will be taxed as interest or business income, as the case may be.

    In case of redemption by an intermediate purchaser, the difference between the redemption price and cost of bond will be taxable as interest or business income, as the case may be. For this purposes, the cost of the bond will be taken to be the cost of acquisition plus the income offered to tax in the earlier years by such intermediate purchaser as explained in clause (a) above.

    (d) A non-corporate investor holding DDBs upto an aggregate face value of Rs.1 lac may opt to offer income for tax in accordance with earlier Central Board of Direct Taxes (CBDT) clarification dated March 12, 1996. The clarification states that the difference between the redemption price and subscription price would be treated as interest income assessable under the I.T. Act in the year of maturity. It further states that on transfer of bonds before maturity, the difference between the sale price and issue price will be treated as capital loss/gains if held by the assessee as investments or as trading profit/loss if the assessee dealt in purchase of sale of bonds, securities, etc.

(e) The difference between the issue price and redemption price, will be subject to tax deduction at source under section 193 of the I.T. Act in the year of maturity.

2. The Bank may file an application for approval for issue of Zero Coupon Bonds (ZCBs) to the CBDT in accordance with and subject to the guidelines for notification of ZCBs under Rule 8B of the Income-tax Rules, 1962. The tax benefits for ZCBs given below will be available to the bondholders only on such issue of ZCBs for which the approval from CBDT is obtained.

   The income on maturity or redemption of such approved ZCBs held as investments will be treated as capital gains liable to tax subject to and in accordance with the provisions of section 2(42A) read with section 2(48) of the I.T. Act.

3. The Bank may file an application to the CBDT under section 80C(2)(xix) of the I.T. Act for the approval of the bonds to be issued under Tax Saving Bond in accordance with and subject to the provisions contained therein. The benefit of deduction under section 80C(2)(xix) of the I.T. Act given below will be available to the bondholders only on such issue of bonds for which the approval from CBDT is obtained.

   As per the provisions of Section 80C read with section 80CCE of the I.T. Act, subscription to such approved bonds would entitle individuals and HUFs to an exemption upto Rs.1,00,000. If aggregate investment of a lower amount is made, tax deduction would be available subject to fulfillment of prescribed conditions.

   To avail of benefit under Section 80C, such investment needs to be held for a period of at least three years. In case such approved bonds are sold or otherwise transferred by the bondholder at any time within a period of three years from the date of acquisition, the amount of deduction allowed in respect of these bonds shall be deemed to be taxable income in the hands of the bondholder for the assessment year relevant to the previous year in which the bonds are sold or otherwise transferred and shall be added to the amount of income chargeable to tax of the assessee with which he is chargeable for such assessment year in accordance with and subject to the provisions of Section 80C(6) of the I.T. Act.
   .

4. Under the provisions of Section 112 of the I.T. Act, taxable long-term capital gains, if any, on sale of listed securities or units or approved ZCBs would be charged to tax at the rate of 10% (plus applicable surcharge and education cess @ 2%) in accordance with and subject to the provision of section 48 of the I.T. Act. In case of individuals and HUFs where the total taxable income as reduced by long-term capital gain, is below the basic exemption limit, the long-term capital gain will be reduced to the extent of the short fall and only the balance long-term capital gain will be subjected to the flat rate of income-tax in accordance with the proviso to sub-section (1) of Section 112 of the I.T. Act read with CBDT Circular 721 dated September 13, 1995. Short-term capital gains on the transfer of bonds, where bonds are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with the prevailing provisions of the I.T. Act.

5. No Income tax is deductible at source under the present provisions of the I.T. Act on interest on bonds in respect of the following:

   (a) In case the payment of interest on bonds to resident individual bondholder in the aggregate during the financial year does not exceed Rs.2,500;

   (b) When the Assessing Officer issues a Certificate on an application by a Bondholder on satisfaction that the total income of the Bondholder justifies no deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act;

   (c) When the resident Bondholder (not being a company or a firm) submits a declaration in the prescribed declaration Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the previous year in which such income is to be included in computing his total income will be nil as per the provisions of section 197A of the I.T. Act.

Under section 197A(1B) of the I.T. Act, Form 15G cannot be submitted nor considered for exemption from deduction from tax at source if the aggregate of income of the nature referred to in the said section, viz. dividend, interest, etc as prescribed therein, credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to tax. To illustrate, the maximum amount of income not chargeable to tax in case of individuals and HUFs is Rs.1,00,000 and Rs.1,35,000 for women assesses for FY 2006-07.

Senior citizens, who are 65 or more years of age at any time during the financial year, can submit a self-declaration in the prescribed Form 15H for non deduction of tax at source in accordance with the provisions of section 197A even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum limit i.e. Rs. 1,85,000 for FY 2006-2007.

Tax will be deducted at a lower rate where the Assessing Officer on application by any bondholder issues a certificate for such lower deduction of tax as per the provisions of Section 197(1) of the I.T. Act.

In all other situations, tax would be deducted at source on each payment as per prevailing provisions of the I.T. Act. In case of ZCBs, no tax is deductible at source on income paid in respect of ZCBs in accordance with and subject to the provisions of section 194A(3)(x) of the I.T. Act.

B To the Non Resident Indians

1. For the tax treatment of Bonds issued under option B of Infrastructure Bonds and under Option B of Tax Saving Bonds, please refer to the tax implications given in point 1 above under the head 'A. Resident Bondholders'.

2. For the tax treatment of Zero Coupon Bonds, please refer to the tax implications given in point 2 above under the head 'A. Resident Bondholders'.

3. For the availability of deduction under Section 80C(2)(xix) of the I.T. Act on subscription to the approved bonds under Tax Saving Bond, please refer to the tax implications given in point 3 above under the head 'A. Resident Bondholders'.

4. For the tax implications on capital gains, please refer to the tax implications given in point 4 above under the head 'A. Resident Bondholders'.

5. A non-resident Indian has an option to be governed by the provisions of Chapter XII-A of the I.T. Act, according to which :

   a) Under Section 115E of the I.T. Act, income from bonds acquired out of convertible foreign exchange will be taxable at 20% (plus applicable surcharge and education cess @ 2%), while income from long term capital gains on transfer of Bonds of the company acquired out of convertible foreign exchange shall be taxed at the rate of 10% (plus surcharge and education cess as applicable). Short-term capital gains are however, taxable at the normal rates of tax. Cost indexation benefits and deduction under section 80C will not be available in such cases.

   b) Under section 115F of the I.T. Act, subject to the conditions and to the extent specified therein, long term capital gains arising to a non-resident Indian from transfer of bonds of the company acquired out of convertible foreign exchange shall be exempt from capital gain tax if the net consideration is invested within six months of the date of transfer of the asset in any specified asset or in any saving certificates referred to in clause (4B) of the section 10 of the I.T. Act or specified assets as defined in Section 115C(f) of the I.T. Act.

   c) Under Section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return on income under section 139(1) of the I.T. Act, if his total income consists only of, investment income and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of chapter XVII-B of the I.T. Act.

d) Under section 115H of the I.T. Act, where a non-resident Indian becomes assessable as resident in India in any previous year in respect of total income of any subsequent years, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable, to the effect that the provisions of chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in the Company) derived from any foreign exchange assets as defined therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion into money of such assets.

e) Section 115I of the I.T. Act, gives an option to the non-resident Indian either to be assessed as per the normal provisions applicable to a resident Indian, or, to be assessed under the special provisions of Chapter XII-A of the I.T. Act.

5. Tax will be deducted at source on interest or capital gains, as the case maybe, at the rates as per prevailing I.T. Act, 1961, or Double Taxation Avoidance Agreement, whichever is lower, subject to submission of relevant documents and fulfillment of conditions as may be amended from time to time. Alternatively, to ensure non-deduction or lower deduction of tax at source, as the case may be, the bondholder should furnish a certificate under section 197(1) or 195(3) of the I.T. Act, from the Assessing Officer, This certificate can be obtained by all applicants (including companies and firms).

C. To the Other Eligible Institutions

1. Investment in the Bonds by religious/charitable trusts will qualify as eligible investments under Section 11(5)(viii) of the I.T. Act subject to and in accordance with the provisions contained therein, the issuer company being a financial corporation eligible for deduction under section 36(1)(viii) of the I.T. Act.

2. All notified mutual funds set up by public sector banks or financial institutions or authorised by the Securities and Exchange Board of India will be exempt from income tax on all their income, including income from investment in Bonds under the provisions of Section 10(23D) of the I.T. Act subject to and in accordance with the provisions contained therein.

B. WEALTH-TAX

Wealth-tax is not levied on investment in bonds of the Company under Section 2(ea) of the Wealth-tax Act, 1957.

C. GIFT-TAX

Gift-tax is not levied on gift of bonds of the Company in the hands of the donor as well as the donee because the provisions of the Gift-tax Act, 1958 have ceased to apply in respect of gifts made on or after October 1, 1998.

SECTION IV – ABOUT US

INDIAN FINANCIAL SECTOR

The information in this section has been extracted from publicly available documents from various sources, including officially prepared materials from the Government of India and its various ministries and the Reserve Bank of India, and has not been prepared or independently verified by us. This is the latest available information to our knowledge at July 13, 2006.

Introduction

The Reserve Bank of India, the central banking and monetary authority of India, is the central regulatory and supervisory authority for the Indian financial system. A variety of financial intermediaries in the public and private sectors participate in India's financial sector, including the following:

- commercial banks;
- long-term lending institutions;
- non-bank finance companies, including housing finance companies;
- other specialized financial institutions, and state-level financial institutions;
- insurance companies; and
- mutual funds.

Until the early 1990s, the Indian financial system was strictly controlled. Interest rates were administered, formal and informal parameters governed asset allocation, and strict controls limited entry into and expansion within the financial sector. The Government of India's economic reform programme, which began in 1991, encompassed the financial sector. The first phase of the reform process began with the implementation of the recommendations of the Committee on the Financial System, the Narasimham Committee I. The second phase of the reform process began in 1999. See ''—Banking Sector Reform—Committee on Banking Sector Reform (Narasimham Committee II)'' on page [●].

This discussion presents an overview of the role and activities of the Reserve Bank of India and of each of the major participants in the Indian financial system, with a focus on the commercial banks. This is followed by a brief summary of the banking reform process along with the recommendations of various committees that have played a key role in the reform process. A brief discussion on the impact of the liberalisation process on long-term lending institutions and commercial banks is then presented. Finally, reforms in the non-banking financial sector are briefly reviewed.

Reserve Bank of India

The Reserve Bank of India, established in 1935, is the central banking and monetary authority in India. The Reserve Bank of India manages the country's money supply and foreign exchange and also serves as a bank for the Government of India and for the country's commercial banks. In addition to these traditional central banking roles, the Reserve Bank of India undertakes certain developmental and promotional roles.

The Reserve Bank of India issues guidelines on exposure limits, income recognition, asset classification, provisioning for non-performing and restructured assets, investment valuation and capital adequacy for commercial banks, long-term lending institutions and non-bank finance companies. The Reserve Bank of India requires these institutions to furnish information relating to their businesses to it on a regular basis. For further discussion regarding the Reserve Bank of India's role as the regulatory and supervisory authority of India's financial system and its impact on us, see ''Regulations and Policies'' on page [●].

Commercial Banks

Commercial banks in India have traditionally focused only on meeting the short-term financial needs of industry, trade and agriculture. In December 2005, there were 259 scheduled commercial banks in the country, with a network of 68,363 branches serving approximately Rs. 19.24 trillion in deposit accounts. Scheduled commercial banks are banks that are listed in the schedule to the Reserve Bank of India Act, 1934, and are further categorized as public sector banks, private sector banks and foreign banks. Scheduled commercial banks have a presence throughout India, with approximately 69.3% of bank branches located in rural or semi-urban areas of the country. A large number of these branches belong to the public sector banks.

Public Sector Banks

Public sector banks make up the largest category in the Indian banking system. They include the State Bank of India and its seven associate banks, 19 nationalized banks and 173 regional rural banks. Excluding the regional rural banks, the remaining public sector banks have 47,463 branches, and accounted for 71.3% of the outstanding gross bank credit and 73.1% of the aggregate deposits of the scheduled commercial banks at year-end fiscal 2005. The public sector banks' large network of branches enables them to fund themselves out of low cost deposits.

The State Bank of India is the largest bank in India. In December 2005, the State Bank of India and its seven associate banks had 13,768 branches. They accounted for 24.3% of aggregate deposits and 23.4% of outstanding gross bank credit of all scheduled commercial banks.

Regional rural banks were established from 1976 to 1987 by the central government, state governments and sponsoring commercial banks jointly with a view to develop the rural economy. Regional rural banks provide credit to small farmers, artisans, small entrepreneurs and agricultural labourers. The National Bank for Agriculture and Rural Development is responsible for regulating and supervising the functions of the regional rural banks. In 1986 the Kelkar Committee made comprehensive recommendations covering both the organizational and operational aspects of regional rural banks. Several of these were incorporated as amendments to the Regional Rural Banking Act, 1976 such as: (a) enhancement of authorized capital of regional rural banks from Rs. 0.1 crore to Rs. 0.5 crore and paid-up share capital from Rs. 0.25 crore to Rs. 0.1 crore; (b) appointment of Chairman of regional rural banks by the concerned sponsor bank in consultation with the National Bank for Agriculture and Rural Development; (c) provision of assistance to regional rural banks in greater measure by sponsor banks in training regional rural bank staff and giving financial assistance to regional rural banks in the first five years of their existence; (d) provision for amalgamation of regional rural banks in consultation with all the concerned parties; and (e) empowering the sponsor banks to monitor the progress of regional rural banks and also to arrange for their inspection and internal audit. As part of a comprehensive restructuring programme, recapitalisation of the regional rural banks was initiated in the fiscal 1995, a process which continued till fiscal 2000 and covered 187 regional rural banks with aggregate financial support of Rs. 2,188 crore. Simultaneously, prudential norms on income-recognition, asset classification and provisioning for loan-losses following customary banking benchmarks were introduced.

In December 2005, there were 173 regional rural banks with 14,391 branches, accounting for 3.3% of aggregate deposits and 2.7% of gross bank credit outstanding of scheduled commercial banks.

Private Sector Banks

After the first phase of bank nationalization was completed in 1969, public sector banks made up the largest portion of Indian banking. The focus on public sector banks was maintained throughout the 1970s and 1980s. In addition, existing private sector banks which showed signs of an eventual default were merged with state-owned banks. In July 1993, as part of the banking reform process and as a measure to induce competition in the banking sector, the Reserve Bank of India permitted entry of the private sector into the banking system. This resulted in the introduction of private sector banks, including us. These banks are collectively known as the ''new'' private sector banks. At the end of June 2005, there were nine "new" private sector banks. A merger between two of these banks, Centurion Bank and Bank of Punjab, has come into effect from October 1, 2005. In addition, 21 private sector banks existing prior to July 1993 were operating in December 2005.

For the nine month period ended December 31, 2005, private sector banks accounted for approximately 18.3% of aggregate deposits and 19.4% of gross bank credit outstanding of the scheduled commercial banks. Their network of 6,276 branches accounted for 9.2% of the total branch network of scheduled commercial banks in the country. At year-end fiscal 2006, we accounted for approximately 7.4% of aggregate deposits and 10.7% of non-food credit outstanding of the scheduled commercial banks.

Foreign Banks

In December 2005, there were 29 foreign banks with 233 branches operating in India. Foreign banks accounted for 5.3% of aggregate deposits and 6.6% of outstanding gross bank credit of scheduled commercial banks for the nine month period ended December 31, 2005. As part of the liberalization process, the Reserve Bank of India has permitted foreign banks to operate more freely, subject to requirements largely similar to those imposed on domestic banks. The primary activity of most foreign banks in India has been in the corporate segment.

However, some of the larger foreign banks have made consumer financing a larger part of their portfolios. These banks offer products such as automobile finance, home loans, credit cards and household consumer finance. Foreign banks operate in India through branches of the parent bank. Certain foreign banks also have wholly owned non-bank finance company subsidiaries for both corporate and retail lending. In a circular dated July 6, 2004, the Reserve Bank of India stipulated that banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeded 5.0% of the investee bank's equity capital. This also applies to holdings of foreign banks with a presence in India, in Indian banks.

The Reserve Bank of India issued a notification on "Roadmap for presence of foreign banks in India" on February 28, 2005, announcing the following measures with respect to the presence of foreign banks:

- During the first phase (up to March 2009), foreign banks will be allowed to establish a presence by setting up wholly-owned subsidiaries or by converting existing branches into wholly-owned subsidiaries.
- In addition, during the first phase, foreign banks would be allowed to acquire a controlling stake in a phased manner only in private sector banks that are identified by the Reserve Bank of India for restructuring.
- For new and existing foreign banks, it has been proposed to go beyond the existing World Trade Organization commitment of allowing increases of 12 branches per year. A more liberal policy will be followed for under-banked areas.

During the second phase (from April 2009 onwards), after a review of the first phase, foreign banks would be allowed to acquire up to 74.0% in private sector banks in India. The Hongkong and Shanghai Banking Corporation currently has a 12.2% stake in UTI Bank, a new private sector bank. Certain foreign banks have also proposed to acquire equity stakes in non-bank finance companies.

Cooperative Banks

Cooperative banks cater to the financing needs of agriculture, small industry and self-employed businessmen in urban and semi-urban areas of India. The state land development banks and the primary land development banks provide long-term credit for agriculture. In the light of liquidity and insolvency problems experienced by some cooperative banks in fiscal 2001, the Reserve Bank of India undertook several interim measures, pending formal legislative changes, including measures related to lending against shares, borrowings in the call market and term deposits placed with other urban cooperative banks. Presently the Reserve Bank of India is responsible for supervision and regulation of urban cooperative banks, and the National Bank for Agriculture and Rural Development for state cooperative banks and district central cooperative banks. The Banking Regulation (Amendment) and Miscellaneous Provisions Act, 2004 provides for the regulation of all cooperative banks by the Reserve Bank of India. See also "— Recent Structural Reforms – Proposed Amendments to the Banking Regulation Act" on page [●]. In its Annual Policy Statement for fiscal 2005, the Reserve Bank of India announced that it proposed to consider issuance of fresh licenses to urban cooperative banks only after a comprehensive policy on urban cooperative banks was in place, including an appropriate legal and regulatory framework for the sector. In the mid-term review of the annual policy statement for fiscal 2005, the Reserve Bank of India announced that a vision document for the future role of urban cooperative banks was being evolved to ensure depositors' interests and avoid contagion while providing useful service to local communities. With respect to structural issues, the Reserve Bank of India has stated that it would be encouraging growth of strong and viable entities within this sector through consolidation. A task force appointed by the Government of India to examine the reforms required in the cooperative banking system submitted its report in December 2004. It recommended several structural, regulatory and operational reforms for cooperative banks, including the provision of financial assistance by the government for revitalizing this sector. In the Union Budget for fiscal 2006, the Finance Minister accepted the recommendations of the Task Force in principle and proposed to call state governments for consultation and begin to implement the recommendations in the states willing to do so. In its Annual Policy Statement for fiscal 2006, the Reserve Bank of India has stated that it is in the process of preparing a medium-term framework for urban cooperative banks.

Long-Term Lending Institutions

The long-term lending institutions were established to provide medium-term and long-term financial assistance to various industries for setting up new projects and for the expansion and modernization of existing facilities. These institutions provided fund-based and non-fund-based assistance to industry in the form of loans, underwriting, direct subscription to shares, debentures and guarantees. The primary long-term lending institutions included Industrial Development Bank of India (now a bank), IFCI Limited, Industrial Investment Bank of India as well as ICICI prior to the amalgamation.

The long-term lending institutions were expected to play a critical role in Indian industrial growth and, accordingly, had access to concessional government funding. However, in recent years, the operating environment of the long-term lending institutions has changed substantially. Although the initial role of these institutions was largely limited to providing a channel for government funding to industry, the reform process required them to expand the scope of their business activities, including into:

- fee-based activities like investment banking and advisory services; and
- short-term lending activity including making corporate finance and working capital loans.

Pursuant to the recommendations of the Narasimham Committee II and the Khan Working Group, a working group created in 1999 to harmonize the role and operations of long-term lending institutions and banks, the Reserve Bank of India, in its mid-term review of monetary and credit policy for fiscal 2000, announced that long-term lending institutions would have the option of transforming themselves into banks subject to compliance with the prudential norms as applicable to banks. In April 2001, the Reserve Bank of India issued guidelines on several operational and regulatory issues which were required to be addressed in evolving the path for transition of a long-term lending institution into a universal bank. See "— Recent Structural Reforms – Universal Banking Guidelines" on page [●]. In April 2002, ICICI merged with us. The Industrial Development Bank (Transfer of Undertaking and Repeal) Act, 2003 converted the Industrial Development Bank of India into a banking company incorporated under the Companies Act, 1956 on September 27, 2004, with exemptions from certain statutory and regulatory norms applicable to banks, including an exemption for a period of five years from the statutory liquidity ratio. IDBI Bank Limited, a new private sector bank that was a subsidiary of the Industrial Development Bank of India, was merged with the Industrial Development Bank of India in April 2005.

Non-Bank Finance Companies

There are over 10,000 non-bank finance companies in India, mostly in the private sector. All non-bank finance companies are required to register with the Reserve Bank of India. The non-bank finance companies may be categorized into entities which take public deposits and those which do not. The companies which take public deposits are subject to strict supervision and capital adequacy requirements of the Reserve Bank of India. ICICI Securities Limited, our subsidiary, is a non-bank finance company, which does not accept public deposits. The primary activities of the non-bank finance companies are consumer credit, including automobile finance, home finance and consumer durable products finance, wholesale finance products such as bill discounting for small and medium-sized companies, and fee-based services such as investment banking and underwriting. In 2003, Kotak Mahindra Finance Limited, a large non-bank finance company was granted a banking license by the Reserve Bank of India and converted itself into Kotak Mahindra Bank.

Over the past few years, certain non-bank finance companies have defaulted to investors and depositors, and consequently actions (including bankruptcy proceedings) have been initiated against them, many of which are currently pending. See also " Reforms of the Non-Bank Finance Companies" on page [●].

Housing Finance Companies

Housing finance companies form a distinct sub-group of the non-bank finance companies. As a result of the various incentives given by the government for investing in the housing sector in recent years, the scope of this business has grown substantially. Until recently, Housing Development Finance Corporation Limited was the premier institution providing housing finance in India. In recent years, several other players including banks have entered the housing finance industry. We are a major housing finance provider and also have a housing finance subsidiary, ICICI Home Finance Company Limited. The National Housing Bank and the Housing and Urban Development Corporation Limited are the two government-controlled financial institutions created to improve the availability of housing finance in India. The National Housing Bank Act provides for securitization of housing loans, foreclosure of mortgages and setting up of the Mortgage Credit Guarantee Scheme.

Other Financial Institutions

Specialized Financial Institutions

In addition to the long-term lending institutions, there are various specialized financial institutions which cater to the specific needs of different sectors. They include the National Bank for Agricultural and Rural Development, Export Import Bank of India, Small Industries Development Bank of India, Risk Capital and Technology Finance Corporation Limited, Tourism Finance Corporation of India Limited, National Housing Bank, Power Finance Corporation Limited and the Infrastructure Development Finance Corporation Limited.

State Level Financial Institutions

State financial corporations operate at the state level and form an integral part of the institutional financing system. State financial corporations were set up to finance and promote small and medium-sized enterprises. The state financial institutions are expected to achieve balanced regional socio-economic growth by generating employment opportunities and widening the ownership base of industry. At the state level, there are also state industrial development corporations, which provide finance primarily to medium-sized and large-sized enterprises.

Insurance Companies

Currently, there are 31 insurance companies in India, of which 15 are life insurance companies, 15 are general insurance companies and one is a re-insurance company. Of the 15 life insurance companies, 14 are in the private sector and one is in the public sector. Among the general insurance companies, nine are in the private sector and six are in the public sector including Export Credit Guarantee Corporation of India Limited and Agriculture Insurance Company of India Limited. The re-insurance company, General Insurance Corporation of India, is in the public sector. Life Insurance Corporation of India, General Insurance Corporation of India and public sector general insurance companies also provide long-term financial assistance to the industrial sector. We have joint ventures in each of the life insurance and the general insurance sectors. Our life insurance joint venture, ICICI Prudential Life Insurance Company Limited and our general insurance joint venture, ICICI Lombard General Insurance Company Limited, are both major players in their respective segments. During fiscal 2005, the gross premiums underwritten by all general insurance companies and the total new premiums of all life insurance companies amounted to Rs. 18,100 crore and Rs. 25340 crore respectively. First year premium underwritten in the life insurance sector recorded a growth of 40.6% to reach Rs. 35,900 crore in fiscal 2006 with the private sector’s retail market share (on weighted premium basis) increasing from 25.4% in fiscal 2005 to 34.2% in fiscal 2006. Gross premium in the non-life insurance sector (excluding Export Credit Guarantee Corporation of India Limited) grew by 16.2% to Rs. 20,380 crore in fiscal 2006 with the private sector’s market share increasing from 20.3% in fiscal 2005 to 26.6% in fiscal 2006

The insurance sector in India is regulated by the Insurance Regulatory and Development Authority. In December 1999, the Indian Parliament passed the Insurance Regulatory and Development Authority Act, 1999. This Act opened up the Indian insurance sector for foreign and private investors. This Act allows foreign equity participation in new insurance companies of up to 26.0%. The new company should have a minimum paid up equity capital of Rs. 100 crore to carry on the business of life insurance or general insurance or Rs. 200 crore to carry on exclusively the business of reinsurance.

In its monetary and credit policy for fiscal 2001, the Reserve Bank of India issued guidelines governing the entry of banks and financial institutions into the insurance business. The guidelines permit banks and financial institutions to enter the business of insurance underwriting through joint ventures provided they meet stipulated criteria relating to their net worth, capital adequacy ratio, profitability track record, level of impaired loans and the performance of their existing subsidiary companies.

The promoters of insurance companies have to divest in a phased manner their shareholding in excess of 26.0% (or such other percentage as may be prescribed), after a period of 10 years from the date of commencement of business or within such period as may be prescribed by the Government of India. The Government of India, while presenting its budget for fiscal 2005, proposed an increase in the limit on foreign equity participation in private sector insurance companies from 26.0% to 49.0%. However, this requires an amendment to the Insurance Regulatory and Development Authority Act 1999 and has not been implemented as yet.

Mutual Funds

At the end of June 2006, there were 29 mutual funds in India with total assets under management of Rs. 2,65,530 crore . From 1963 to 1987, Unit Trust of India was the only mutual fund operating in the country. It was set up in 1963 at the initiative of the government and the Reserve Bank of India. From 1987 onwards, several other public sector mutual funds entered this sector. These mutual funds were established by public sector banks, the Life Insurance Corporation of India and General Insurance Corporation of India. The mutual funds industry was opened up to the private sector in 1993. The industry is regulated by the SEBI (Mutual Fund) Regulation, 1996. At the end of June 2006, there were 24 private sector mutual funds with a 79.5% market share in terms of total assets under management. Prudential ICICI Asset Management Company had a market share of about 11.3% in assets under management of the mutual fund industry at June 30, 2005.

In 2001, Unit Trust of India, with a high level of investment in equity securities, started to face difficulties in meeting redemption and assured return obligations due to a significant decline in the market value of its securities portfolio. In response, the Government of India implemented a package of reform measures for Unit Trust of India, including guaranteeing redemption and assured return obligations to the unit holders, subject to restrictions on the maximum permissible redemption amount. As part of the reforms, Unit Trust of India was divided into two mutual funds structured in accordance with the regulations of the Securities and Exchange Board of India, one comprising assured return schemes and the other comprising net asset value based schemes.

Impact of Liberalization on the Indian Financial Sector

Until 1991, the financial sector in India was heavily controlled and commercial banks and long-term lending institutions, the two dominant financial intermediaries, had mutually exclusive roles and objectives and operated in a largely stable environment, with little or no competition. Long-term lending institutions were focused on the achievement of the Government's various socio-economic objectives, including balanced industrial growth and employment creation, especially in areas requiring development. Long-term lending institutions were extended access to long-term funds at subsidized rates through loans and equity from the Government and from funds guaranteed by the Government originating from commercial banks in India and foreign currency resources originating from multilateral and bilateral agencies.

The focus of the commercial banks was primarily to mobilize household savings through demand and time deposits and to use these deposits to meet the short-term financial needs of borrowers in industry, trade and agriculture. In addition, the commercial banks provided a range of banking services to individuals and business entities.

However, since 1991, there have been comprehensive changes in the Indian financial system. Various financial sector reforms, implemented since 1991, have transformed the operating environment of the banks and long-term lending institutions. In particular, the deregulation of interest rates, emergence of a liberalized domestic capital market, and entry of new private sector banks, along with the broadening of long-term lending institutions' product portfolios, have progressively intensified the competition between banks and long-term lending institutions. The Reserve Bank of India has permitted the transformation of long-term lending institutions into banks subject to compliance with the prudential norms applicable to banks.

Banking Sector Reform

Most large banks in India were nationalized in 1969 and thereafter were subject to a high degree of control until reform began in 1991. In addition to controlling interest rates and entry into the banking sector, these regulations also channeled lending into priority sectors. Banks were required to fund the public sector through the mandatory acquisition of low interest-bearing government securities or statutory liquidity ratio bonds to fulfill statutory liquidity requirements. As a result, bank profitability was low, non-performing assets were comparatively high, capital adequacy was diminished, and operational flexibility was hindered.

Committee on the Financial System (Narasimham Committee I)

The Committee on the Financial System (The Narasimham Committee I) was set up in August 1991 to recommend measures for reforming the financial sector. Many of the recommendations made by the committee, which addressed organizational issues, accounting practices and operating procedures, were implemented by the Government of India. The major recommendations that were implemented included the following:

- with fiscal stabilization and the government increasingly resorting to market borrowing to raise resources, the statutory liquidity ratio or the proportion of the banks' net demand and time liabilities that were required to be invested in government securities was reduced from 38.5% in the pre-reform period to 25.0% in October 1997;
- similarly, the cash reserve ratio or the proportion of the bank's net demand and time liabilities that were required to be deposited with the Reserve Bank of India was reduced from 15.0% in the pre-reform period to 4.5%. In a circular dated September 11, 2004, the Reserve Bank of India has raised the cash reserve ratio to 4.75% with effect from September 18, 2004 and 5.0% with effect from October 2, 2004;
- special tribunals were created to resolve bad debt problems;
- most of the restrictions on interest rates for deposits were removed. Commercial banks were allowed to set their own level of interest rates for all deposits except savings bank deposits; and
- substantial capital infusion to several state-owned banks was approved in order to bring their capital adequacy closer to internationally accepted standards. By the end of fiscal 2002, aggregate recapitalization amounted to Rs. 21,750 crore. The stronger public sector banks were given permission to issue equity to further increase capital.

Committee on Banking Sector Reform (Narasimham Committee II)

The second Committee on Banking Sector Reform (Narasimham Committee II) submitted its report in April 1998. The major recommendations of the committee were in respect of capital adequacy requirements, asset classification and provisioning, risk management and merger policies. The Reserve Bank of India accepted and began implementing many of these recommendations in October 1998.

Recent Structural Reforms

Proposed Amendments to the Banking Regulation Act

Legislation seeking to amend the Banking Regulation Act has been introduced in the Indian Parliament. As presently drafted, the main amendments propose to:

- permit banking companies to issue preference shares that will not carry any voting rights;
- make prior approval of the Reserve Bank of India mandatory for the acquisition of more than 5.0% of a banking company's paid up capital or voting rights by any individual or firm or group;
- remove the minimum statutory liquidity ratio requirement of 25.0%, giving the Reserve Bank of India discretion to reduce the statutory liquidity ratio to less than 25.0%. See also "Regulations and Policies – Legal Reserve Requirements – Statutory Liquidity Ratio" on page [●]; and
- remove the limit of 10.0% on the maximum voting power exercisable by a shareholder in a banking company.

Legislative Framework for Recovery of Debts due to Banks

In fiscal 2003, the Indian Parliament passed the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. This Act provides that a secured creditor may, in respect of loans classified as non-performing in accordance with the Reserve Bank of India guidelines, give notice in writing to the borrower requiring it to discharge its liabilities within 60 days, failing which the secured creditor may take possession of the assets constituting the security for the loan, and exercise management rights in relation thereto, including the right to sell or otherwise dispose of the assets. This Act also provides for the setting up of asset reconstruction companies regulated by the Reserve Bank of India to acquire assets from banks and financial institutions. The Reserve Bank of India has issued guidelines for asset reconstruction companies in respect of their establishment, registration and licensing by the Reserve Bank of India, and operations. Asset Reconstruction Company (India) Limited, set up by us, Industrial Development Bank of India, State Bank of India and certain other banks and institutions, has received registration from the Reserve Bank of India and commenced operation in August 2003. Foreign direct investment is now permitted in the equity capital of asset reconstruction companies and investment by Foreign Institutional Investors registered with SEBI is permitted in security receipts issued by asset reconstruction companies, subject to certain conditions and restrictions.

Several petitions challenging the constitutional validity of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 were filed before the Supreme Court. The Supreme Court, in April 2004, upheld the constitutionality of the Act, other than the requirement originally included in the Act that the borrower deposit 75.0% of the dues with the debt recovery tribunal as a pre-condition for appeal by the borrower against the enforcement measures. In November 2004, the Government of India issued an ordinance amending the Securitisation Act. The Parliament has subsequently passed this ordinance as an Act. This Act, as amended, now provides that a borrower may make an objection or representation to a secured creditor after a notice is issued by the secured creditor to the borrower under the Act demanding payment of dues. The secured creditor has to give reasons to the borrower for not accepting the objection or representation. The Act also introduces a deposit requirement for borrowers if they wish to appeal the decision of the debt recovery tribunal. Further, the Act permits a lender to take over the business of a borrower under the Securitisation Act under certain circumstances (unlike the earlier provisions under which only assets could be taken over). See "Regulations and Policies – Reserve Bank of India Regulations – Regulations relating to Sale of Assets to Asset Reconstruction Companies." on page [●]

Earlier, following the recommendations of the Narasimham Committee, the Recovery of Debts due to Banks and Financial Institutions Act, 1993 was enacted. This legislation provides for the establishment of a tribunal for speedy resolution of litigation and recovery of debts owed to banks or financial institutions. The Act creates tribunals before which the banks or the financial institutions can file a suit for recovery of the amounts due to them. However, if a scheme of reconstruction is pending before the Board for Industrial and Financial Reconstruction, under the Sick Industrial Companies (Special Provision) Act, 1985, no proceeding for recovery can be initiated or continued before the tribunals. This protection from creditor action ceases if the secured creditor takes action under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act. While presenting its budget for fiscal 2002, the Government of India announced measures for the setting up of more debt recovery tribunals and the eventual repeal of the Sick Industrial Companies (Special Provision) Act, 1985. To date, however, this Act has not been repealed.

Corporate Debt Restructuring Forum

To put in place an institutional mechanism for the restructuring of corporate debt, the Reserve Bank of India has devised a corporate debt restructuring system. The objective of this framework is to ensure a timely and transparent mechanism for the restructuring of corporate debts of viable entities facing problems, outside the purview of the Board of Industrial and Financial Rehabilitation, debt recovery tribunals and other legal proceedings. In particular, this framework aims to preserve viable corporates that are affected by certain internal and external factors and minimize the losses to the creditors and other stakeholders through an orderly and coordinated restructuring programme. The corporate debt restructuring system is a non-statutory mechanism and a voluntary system based on debtor-creditor and inter-creditor agreements.

Universal Banking Guidelines

Universal banking in the Indian context means the transformation of long-term lending institutions into banks. Pursuant to the recommendations of the Narasimham Committee II and the Khan Working Group, the Reserve Bank of India, in its mid-term review of monetary and credit policy for fiscal 2000, announced that long-term lending institutions would have the option of transforming themselves into banks subject to compliance with the prudential norms as applicable to banks. If a long-term lending institution chose to exercise the option available to it and formally decided to convert itself into a universal bank, it could formulate a plan for the transition path and a strategy for smooth conversion into a universal bank over a specified time frame. In April 2001, the Reserve Bank of India issued guidelines on several operational and regulatory issues which were required to be addressed in evolving the path for transition of a long-term lending institution into a universal bank.

Pension Reforms

Currently, there are three categories of pension schemes in India: pension schemes for government employees, pension schemes for employees in the organized sector and voluntary pension schemes. In case of pension schemes for government employees, the government pays its employees a defined periodic benefit upon their retirement. Further, the contribution towards the pension scheme is funded solely by the government and not matched by a contribution from the employees. The Employees Provident Fund, established in 1952, is a mandatory programme for employees of certain establishments. It is a contributory programme that provides for periodic contributions of 10% to 12% of the basic salary by both the employer and the employees. The contribution is invested in prescribed securities and the accumulated balance in the fund (including the accretion thereto) is paid to the employee as a lump sum on retirement. Besides these, there are voluntary pension schemes administered by the government (the Public Provident Fund to which contribution may be made up to a maximum of Rs. 70,000 or offered by insurance companies, where the contribution may be made on a voluntary basis. Such voluntary contributions are often driven by tax benefits offered under the scheme.

In 1998, the government commissioned the Old Age Social and Income Security (OASIS) project and nominated an expert committee to suggest changes to the existing policy framework. The committee submitted its report in January 2000, recommending a system for private sector management of pension funds to provide market-linked returns. It also recommended the establishment of a separate pensions regulatory authority to regulate the pensions system. Subsequently, in the budget for fiscal 2001, the government announced that a high level committee would be formulated to design a contribution-based pension scheme for new government recruits. The government also requested the Insurance Regulatory and Development Authority to draw up a roadmap for implementing the OASIS Report. The Insurance Regulatory and Development Authority submitted its report in October 2001. The report suggested that pension fund managers should constitute a separate legal entity to conduct their pension business. In August 2003, the government announced that it would be mandatory for its new employees (excluding defence personnel) to join a new defined contribution pension scheme where both the government and the employee would make monthly contributions of 10% of the employee's salary. The government also announced that a Pension Fund Development and Regulatory Authority would be set up to regulate the pension industry. The government constituted the interim Pension Fund Development and Regulatory Authority on October 11, 2003. In December 2003, the government announced that the new pension scheme would be applicable to all new recruits to Indian Government service (excluding defence personnel) from January 1, 2004. Further, on December 30, 2004, the government promulgated an ordinance establishing the statutory regulatory body, Pension Fund Regulatory and Development Authority (PFRDA) to undertake promotional, developmental and regulatory functions with respect to the pension sector. In March 2005, the Government tabled the Pension Fund and Development Authority Bill in Parliament. The Union Budget for fiscal 2006 has recognized the opportunities for foreign direct investment in the pension sector and it has also announced that the government would issue guidelines for such investment.

Credit Policy Measures

As part of its effort to continue bank reform, the Reserve Bank of India has announced a series of measures in its monetary and credit policy statements aimed at deregulating and strengthening the financial system.

Annual Policy Statement for Fiscal 2005

In its annual policy statement for fiscal 2005 announced in May 2004, the Reserve Bank of India kept the bank rate and reverse repo rate (the annualized interest earned by the lender in a repurchase transaction between a bank and the Reserve Bank of India) unchanged at 6.0% and 4.5% respectively and introduced the following key measures:

- banks were permitted to raise long-term bonds with a minimum maturity of five years to the extent of their exposure of residual maturity of more than five years to the infrastructure sector;
- the scope of definition of infrastructure lending was expanded to include construction relating to projects involving agro-processing and supply of inputs to agriculture, construction of preservation and storage facilities for processed agro-products and construction of educational institutions and hospitals;
- measures were announced to facilitate the flow of credit to agricultural and related sectors by including loans for storage facilities and securitized agricultural loans as priority sector advances;
- resident individuals were permitted to remit freely up to US$ 25,000 per calendar year, for any current or capital account transaction or a combination of these. Indian corporates and partnership firms are allowed to invest up to 100.0% of their net worth overseas;
- banks were permitted, under exceptional circumstances, with the approval of their Boards, to consider enhancement of the exposure to the borrower up to a maximum of 5.0% of capital funds, subject to the borrower consenting to the bank making appropriate disclosures in its annual report; and
- a graded higher provisioning requirement according to the age of non-performing assets, which are included under "doubtful for more than three years' category, was introduced with effect from March 31, 2005. See "Regulations and Policies – RBI Regulations – Asset Classification and Provisioning" on page [●].

Mid-term Review of the Annual Policy Statement for Fiscal 2005

In the mid-term review of the annual policy statement announced in October 2004, the Reserve Bank of India raised the reverse repo rate by 25 basis points to 4.75% with effect from October 27, 2004. The bank rate, however, was kept unchanged at 6.0%. The following measures were also introduced:

- ceiling on non resident external deposit rates were raised to LIBOR/SWAP rates of US Dollar of corresponding maturities plus 50 basis points from the existing level of USD LIBOR/SWAP rates; and
- as a temporary counter-cyclical measure, the risk weight was increased from 50.0% to 75.0% in the case of housing loans and from 100.0% to 125.0% in the case of consumer credit including personal loans and credit cards.

Annual Policy Statement for Fiscal 2006

In its annual policy statement for fiscal 2006 announced in April 2005, the Reserve Bank of India:

- raised the reverse repo rate by 25 basis points to 5.0% and reduced the spread between the reverse repo and the repo rate to 100 basis points from 125 basis points;
- proposed to issue guidelines for voluntary mergers between private sector banks and non-banking finance companies (see "Regulations and Policies – Reserve Bank of India Regulations" on page [●]); and
- propopsed that in consultation with banks, primary dealers and the Government, the permitted structures of primary dealer business would be expanded to include banks which fulfil certain minimum criteria; and
- urged banks to refocus on deposit mobilization and to empower depositors. It also proposed to set up an independent Banking Codes and Standards Board of India in order to (i) ensure a comprehensive code of conduct for fair treatment of customers; (ii) issue guidelines prescribing card issuing banks to ensure transparency and disclosure of information; and (iii) widen the authority of the Banking Ombudsman to cover individual grievances relating to non-adherence to the fair practices code evolved by Indian Banks Association.

Mid-Term Review of the Annual Policy Statement for Fiscal 2006

In its mid-term review announced in October 2005, the Reserve Bank of India has raised the reverse repo rate by 25 basis points to 5.25% with effect from October 26, 2005. The bank rate remained unchanged at 6.0%. The following measures were also proposed:

- aggregate capital market exposure of a bank would be limited to 40.0% of its net worth on a standalone and consolidated basis and the consolidated direct capital market exposure would be limited to 20.0% of the consolidated net worth; and
- the requirement of general provisioning on standard advances would be increased from 0.25% to 0.40%, except on direct advances to the agriculture and small and medium enterprise sectors.

Third Quarter Review of Annual Policy Statement for Fiscal 2006

In its third quarter review of the annual policy statement announced in January 2006, the Reserve Bank of India has raised the reverse repo rate by 25 basis points to 5.50% with effect from 24th January 2006. The bank rate remained unchanged at 6.0%.

Annual Policy Statement for Fiscal 2007

In its annual policy statement for fiscal 2007 announced in April 2006, the Reserve Bank of India:

- raised the requirement of general provisioning on standard advances to specific sectors like residential housing loans beyond Rs 0.20 crore and commercial real estate loans from 0.40% to 1.0%, except on direct advances to the agriculture and small and medium enterprise sectors;
- Increased the risk weight on commercial real estate exposure from 125.0% to 150.0%;
- Proposed to include banks' total exposure to venture capital funds as a part of capital market exposure with a risk weight of 150.0%; and
- ceiling on non resident external deposit rates were raised to LIBOR/SWAP rates of US Dollar of corresponding maturities plus 100 basis points from the existing level of 75 basis points above LIBOR/SWAP rates.

In a notification dated June 08, 2006 the Reserve Bank of India raised the reverse repo rate by 25 basis points to 5.75% with immediate effect. The bank rate remained unchanged at 6.0%. The overall macroeconomic and monetary conditions were cited as the reason behind the rise.

Reforms of the Non-Bank Finance Companies

Standards relating to income recognition, provisioning and capital adequacy were prescribed for non-bank finance companies in June 1994. Registered non-bank finance companies were required to achieve a minimum capital adequacy of 6.0% by year-end fiscal 1995 and 8.0% by year-end fiscal 1996 and to obtain a minimum credit rating. To encourage companies complying with the regulatory framework, the Reserve Bank of India announced in July 1996 certain liberalization measures under which non-bank finance companies registered with it and complying with the prudential norms and credit rating requirements were granted freedom from the ceiling on interest rates on deposits and amount of deposits. Other measures introduced include requiring non-bank finance companies to maintain a certain percentage of liquid assets and to create a reserve fund. The percentage of liquid assets to be maintained by non-bank finance companies has been revised uniformly upwards and since April 1999, 15.0% of public deposits must be maintained. From January 1, 2000 the requirement should not be less than 10.0% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank, the aggregate of which shall not be less than 15.0%. of the "public deposit" outstanding at the close of business on the last working day of the second preceding quarter. The maximum rate of interest that non-bank finance companies could pay on their public deposits was reduced from 12.5% per annum to 11.0% per annum effective March 4, 2003.

Efforts have also been made to integrate non-bank finance companies into the mainstream financial sector. The first phase of this integration covered measures relating to registrations and standards. The focus of supervision has now shifted to non-bank finance companies accepting public deposits. This is because companies accepting public deposits are required to comply with all the directions relating to public deposits, prudential norms and liquid assets. A task force on non-bank finance companies set up by the Government of India submitted its report in October 1998, and recommended several steps to rationalize the regulation of non-bank finance companies. Accepting these recommendations, the Reserve Bank of India issued new guidelines for non-bank finance companies, which were as follows:

- a minimum net owned fund of Rs. 0.25 crore is mandatory before existing non-bank finance companies may accept public deposits;
- a minimum investment grade rating is compulsory for loan and investment companies accepting public deposits, even if they have the minimum net owned funds;
- permission to accept public deposits was also linked to the level of capital to risk assets ratio. Different capital to risk assets ratio levels for non-bank finance companies with different ratings were specified; and
- non-bank finance companies were advised to restrict their investments in real estate to 10.0% of their net owned funds.

In the monetary and credit policy for fiscal 2000, the Reserve Bank of India stipulated a minimum capital base of Rs. 0.20 crore for all new non-bank finance companies. In the Government of India's budget for fiscal 2002, the procedures for foreign direct investment in non-bank finance companies were substantially liberalized.

During fiscal 2003, the Reserve Bank of India introduced a number of measures to enhance the regulatory and supervisory standards of non-bank finance companies, especially in order to bring them at par with commercial banks, in select operations, over a period of time. Other regulatory measures adopted and subsequently revised in November 2004 included aligning interest rates in this sector with the rates prevalent in the rest of the economy, tightening prudential norms and harmonizing supervisory directions with the requirements of the Companies Act, procedural changes in nomination facilities, issuance of a Know Your Customer policy and allowing non-bank finance companies to take up insurance agency business.

BUSINESS

Overview

We are a private sector commercial bank and, together with our subsidiaries, offer products and services in the areas of commercial banking to retail and corporate customers (both domestic and international), treasury and investment banking and other products like insurance. We were incorporated in India in 1994. We were the surviving entity in an all-stock amalgamation of ICICI, a long-term financial institution and two of its subsidiaries, ICICI Personal Financial Services and ICICI Capital Services, with us, which was effective March 30, 2002 for accounting purposes under Indian GAAP. As of March 31, 2006 we were the largest private sector bank in India and the second largest bank in India in terms of assets, with total assets of Rs.251,389 crores. We are the most valuable bank in India in terms of market capitalisation.

Our commercial banking operations for retail customers consist of retail lending and deposits, private banking, distribution of third party investment products and other fee-based products and services, as well as issuance of unsecured redeemable bonds. We provide a range of commercial banking products and services to India's leading corporations, growth-oriented middle market companies and small and medium enterprises, including loan products, fee and commission-based products and services, deposits and foreign exchange and derivatives products. We also offer project finance, agricultural and rural banking products. Our treasury operations include maintenance and management of regulatory reserves, proprietary trading in equity and fixed income, a range of products and services for corporate customers, such as forward contracts and interest rate and currency swaps, and foreign exchange products and services.

We believe that the international markets present a major growth opportunity and have, therefore, expanded the range of our commercial banking products for international customers. We currently have subsidiaries in the United Kingdom, Canada and Russia, branches in Singapore, Hong Kong, Bahrain, Dubai and Sri Lanka and representative offices in the United States, China, United Arab Emirates, Bangladesh and South Africa. Our United Kingdom subsidiary has a branch in Belgium. During fiscal 2006, we acquired Investment Credit Bank, a Russian bank with total assets of approximately US$ 4.4 million at year-end fiscal 2005. The value of this transaction is not material to our overall results.

Our subsidiary, ICICI Securities, offers investment banking services including corporate advisory services, primary dealership in government securities and equity underwriting and brokerage. Our venture capital and private equity fund management subsidiary ICICI Venture Funds Management Company provides venture capital funding to start-up companies and private equity to a range of companies. Our subsidiaries ICICI Prudential Life Insurance Company and ICICI Lombard General Insurance Company provide a wide range of life and general insurance products and services respectively to retail and corporate customers. We have an asset management joint venture with Prudential plc of the United Kingdom through Prudential ICICI Asset Management Company and Prudential ICICI Trust. During fiscal 2006, we acquired an additional 6% of the share capital of the joint venture from Prudential, which increased our shareholding in the joint venture to 51%. We cross-sell the products of our insurance companies and asset management company to our corporate and retail customers.

We deliver our products and services through a variety of channels, ranging from bank branches and ATMs to call centers and the Internet. At March 31, 2006 we had a network of 563 branches and 51 extension counters in 396 cities and 2,200 ATMs across several Indian states.

History

ICICI was formed in 1955 at the initiative of the World Bank, the Government of India and Indian industry representatives. The principal objective was to create a development financial institution for providing medium-term and long-term project financing to Indian businesses. Until the late 1980s, ICICI primarily focused its activities on project finance, providing long-term funds to a variety of industrial projects. With the liberalization of the financial sector in India in the 1990s, ICICI transformed its business from a development financial institution offering only project finance to a diversified financial services provider that, along with its subsidiaries and other group companies, offered a wide variety of products and services. As India's economy became more market-oriented and integrated with the world economy, ICICI capitalized on the new opportunities to provide a wider range of financial products and services to a broader spectrum of clients. ICICI

Bank was incorporated in 1994 as a part of the ICICI group. ICICI Bank's initial equity capital was contributed for 75.0% by ICICI and for 25.0% by SCICI Limited, a diversified finance and shipping finance lender of which ICICI owned 19.9% at December 1996. Pursuant to the merger of SCICI into ICICI, ICICI Bank became a wholly-owned subsidiary of ICICI. Effective March 10, 2001, ICICI Bank acquired Bank of Madura, an old private sector bank, in an all-stock merger.

The issue of universal banking, which in the Indian context means conversion of long-term lending institutions such as ICICI into commercial banks, had been discussed at length over the past few years. Conversion into a bank offered ICICI the ability to accept low-cost demand deposits and offer a wider range of products and services, and greater opportunities for earning non-fund based income in the form of banking fees and commissions. ICICI Bank also considered various strategic alternatives in the context of the emerging competitive scenario in the Indian banking industry. ICICI Bank identified a large capital base and size and scale of operations as key success factors in the Indian banking industry. In view of the benefits of transformation into a bank and the Reserve Bank of India's pronouncements on universal banking, ICICI and ICICI Bank decided to merge.

At the time of the merger, both ICICI Bank and ICICI were publicly listed in India and on the New York Stock Exchange. The amalgamation was approved by each of the boards of directors of ICICI, ICICI Personal Financial Services, ICICI Capital Services and ICICI Bank at the respective board meetings held on October 25, 2001. The amalgamation was approved by ICICI Bank's and ICICI's shareholders at their extraordinary general meetings held on January 25, 2002 and January 30, 2002, respectively. The amalgamation was sanctioned by the High Court of Gujarat at Ahmedabad on March 7, 2002 and by the High Court of Judicature at Bombay on April 11, 2002. The amalgamation was approved by the Reserve Bank of India on April 26, 2002. The amalgamation became effective on May 3, 2002 and the date of the amalgamation for accounting purposes under Indian GAAP was March 30, 2002.

Strategy

Our objective is to enhance our position as a premier provider of banking and other financial services in India and to leverage our competencies in financial services and technology to develop an international business franchise. The key elements of our business strategy are to:

- focus on quality growth opportunities by:
  - maintaining and enhancing our strong retail franchise;
  - maintaining and enhancing our strong corporate franchise;
  - building an international presence;
  - building a rural banking franchise; and
  - strengthening our insurance and asset management businesses.
- emphasize conservative risk management practices and enhance asset quality;
- use technology for competitive advantage; and
- attract and retain talented professionals.

Focus on Profitable, Quality Growth Opportunities by:

Maintaining and Enhancing our Strong Retail Franchise

We believe that the Indian retail financial services market is likely to continue to experience sustained growth. At year-end fiscal 2006, the Indian banking sector's total retail credit outstanding, according to our estimates, was approximately between 11 and 12% of India's GDP, which was relatively lower than its peer group countries such as Thailand, Indonesia, Malaysia and South Korea. With upward migration of household income levels, affordability and availability of retail finance and acceptance of use of credit to finance purchases, retail credit has emerged as a rapidly growing opportunity for banks that have the necessary skills and infrastructure to succeed in this business. We have capitalized on the growing retail opportunity in India and believe that we have emerged as a market leader in retail credit. The key dimensions of our retail strategy are a wide range of products, parity pricing, customer convenience, wide distribution, strong processes, prudent risk management and customer focus. We are also focusing on growth in our retail deposit base to diversify our funding towards more stable and lower cost funding sources. We earn fee income from our commercial banking services to retail customers, including retail loan processing fees, credit card and debit card fees, and retail transaction fees. Cross selling of the entire range of credit and investment products and banking services to our customers is a key aspect of our retail strategy. We also securitize a portion of the retail assets originated by us.

We have integrated our strategy with regard to small enterprises with our strategy for retail products and services. Our focus is on meeting the working capital requirements, deposit accounts and other banking products and services of small enterprises, including those of selected suppliers of our existing corporate clients. We are also involved in financing based on a cluster or community based approach,that is, financing of small enterprises that have a homogeneous profile such as apparel manufacturers and manufacturers of pharmaceuticals.

Maintaining and Enhancing our Strong Corporate Franchise

Our commercial banking services to large and medium corporate customers will continue to focus on leveraging our strong corporate relationships and increased capital base to increase our market share in non-fund based working capital products, transaction banking and other fee-based services. Our corporate lending activities will continue to focus on structured finance, corporate finance and working capital lending to highly rated corporations. The Government policy focus on infrastructure development, including resolution of certain issues through legislation, and the repositioning and emerging global competitiveness of the Indian industry offer growth opportunities in the area of project financing. We believe that a number of Indian companies in both the public and private sector have significant investment plans for setting up infrastructure facilities as well as industrial production capacities. We will continue to focus on structuring and syndication of financing for large projects by leveraging our expertise in project financing, and on actively managing our project finance portfolio to reduce portfolio concentration and to manage portfolio risk. We view ourselves not only as a provider of project finance but also as an arranger and facilitator, creating appropriate financing structures that may serve as financing and investment vehicles for a wider range of market participants. We aim to increase the cross selling of our products and services and maximize the value of our corporate relationships through the effective use of technology, speedy response times, quality service and the provision of products and services designed to meet specific customer needs.

Building an International Presence

We believe that the international markets present a major growth opportunity and have therefore expanded the range of our commercial banking products in international markets. Our initial strategy for growth in international markets is based on leveraging home country links for international expansion by capturing market share in select international markets. The focus areas are supporting Indian companies in raising corporate and project finance overseas for their investments in India and abroad (including financing of overseas acquisitions by Indian companies), trade finance and personal financial services (including remittance and deposit products) for non-resident Indians and international alliances to support domestic businesses. We are also building an international private banking franchise and leveraging our technological capabilities and relative cost efficiencies in international markets. We have entered into alliances with existing banks in various markets, to leverage our complementary capabilities, primarily the banks' existing physical distribution network in the overseas markets and our India-linked products and services for the Indian community. We have entered into alliances with Lloyds TSB in the United Kingdom, Bank of Montreal in Canada, DBS Bank in Singapore, Emirates Bank in the United Arab Emirates and Wells Fargo and BBVA in the United States. We aim to expand our offering to include local banking to non-resident Indians as well as to the broader local market.

Building a Rural Banking Franchise

We believe that the rural markets are the next horizon of growth for the Indian economy and for us. We have formulated a comprehensive strategy for rural, micro-banking and agri-business, encompassing products and channels, with the twin objectives of meeting the needs of the rural economy while building a sustainable business model. We offer a comprehensive suite of products for all customer segments operating in the rural areas – corporates, small and medium enterprises and finally the individual farmers and traders. Our primary credit products for the rural retail segment are micro-finance loans, farmer financing, working capital financing for agri-enterprises, farm equipment financing, commodity based financing and jewel loans. Other financial services like savings, investment and insurance customised for the rural segment complete our offering. We have adopted an integrated approach to agricultural financing by addressing the entire value chain from production to consumption with a deep sectoral focus. We are exploring all the business opportunities in the integration of the value chain, including the creation of rural infrastructure like cold storage facilities and warehouses.

Our channel strategy envisages multiple channels targeting specific segments of the rural population. We have developed a "no white spaces" strategy to comprehensively cover an identified rural geography with only a limited number of branches. This involves setting up a ICICI Bank touch point within 10 kilometers from any customer, using a combination of branch and non-branch channels, aimed at fulfilling the financial needs of all rural customer segments - farmers, agri traders, processors and non-agri customers. It involves establishing hybrid low-cost distribution network such as corporate and micro-finance institutions linkages, appointing franchisees and rural marketing agents, setting up branches at strategic locations and leveraging the distribution strength of other banks.

Strengthening Our Insurance and Asset Management Businesses

Following the deregulation of the insurance sector in India, private sector companies were allowed to enter the insurance business. According to a study by Swiss Re, India's total insurance premium as a percentage of GDP was 3.2% in 2004 which was relatively lower than countries such as the United Kingdom, Singapore and Malaysia. We have a joint venture partnership with Prudential plc of the United Kingdom for the life insurance business. We have a 74.0% interest in this joint venture. This joint venture company, ICICI Prudential Life Insurance Company Limited commenced business operations in December 2000 and is the largest private sector life insurance company in India, with a retail market share of approximately 30% in the private sector (based on weighted received premium) during fiscal 2006. In the non-life insurance sector, we have a joint venture with Fairfax Financial Holdings, through its subsidiary Lombard Canada Limited. We have a 74.0% interest in this joint venture. The joint venture company, ICICI Lombard General Insurance Company Limited, obtained the license to conduct general insurance business in August 2001 and is the largest private sector general insurance company in India, with a market share of approximately 29% in the private sector during fiscal 2006. The key dimensions of our strategy for growth in the insurance business are innovative products, a wide distribution network, a prudent portfolio mix and sound risk management practices. In addition, we are focused on leveraging our corporate and retail customer base for cross selling insurance products.

The mutual fund sector in India is relatively under-penetrated with total assets under management of about Rs. 231,862 crore constituting only about 11% of total bank deposits. We have a joint venture partnership with Prudential plc of the United Kingdom for the asset management business. We have a 51.0% interest in this joint venture. This joint venture company, Prudential ICICI Asset Management Company manages the largest mutual fund in India, with total assets of approximately Rs. 30,000 crore and a market share of approximately 11.3% at June 30, 2006.

Emphasize Conservative Risk Management Practices and Enhance Asset Quality

We believe that conservative risk management policies, processes and controls are critical for long-term sustainable competitive advantages in our business. Our Risk Management Group is an independent, centralized group responsible for establishing and implementing company-wide risk management policies, with an increasing focus on enhancing asset quality. An independent, centralized Compliance and Audit Group and a Middle Office Group monitor adherence to regulations, policies and procedures. We continue to build on our credit risk management procedures, credit evaluation and rating methodology, credit risk pricing models, proprietary analytics and monitoring and control mechanisms. We seek to control credit risk in the retail loan portfolio, the small enterprises loan portfolio and the agricultural financing portfolio through carefully designed approval criteria and credit controls and efficient collection and recovery systems. We have placed emphasis on recruiting experienced retail credit professionals to staff our retail credit approval function. We have also established standards and investigative verification procedures for selection of our marketing and processing agents. We seek to lower the credit risk profile of the project and corporate loan portfolio through the use of financing structures based on a security interest in the cash flows generated from the business of the borrower and increased collateral, including additional security in the form of liquid assets, such as investment securities and readily marketable real property. We are also trying to mitigate project risk through the allocation of risk to various project counterparties, such as construction contractors, operations and maintenance contractors and raw material and fuel suppliers, by entering into rigorous project contracts with those counterparties. We expect to enter new product markets only after conducting detailed risk analysis and pilot testing programs.

Use Technology for Competitive Advantage

We seek to be at the forefront of technology usage in the financial services sector. Information technology is a strategic tool for our business operations to gain a competitive advantage and to improve overall productivity and efficiency of the organization. All of our technology initiatives are aimed at enhancing value, offering customer convenience and improving service levels while optimizing costs. We expect to continue with our policy of making investments in technology to achieve a significant competitive advantage. The key objectives behind our information technology strategy continue to be:

- building a cost-efficient distribution network to accelerate the development of our retail franchise;
- enhancing cross selling and client segmenting capability by using analytical tools and efficient data storage and retrieval systems;
- improving credit risk and market risk management;
- improving product and client profitability analysis; and
- leveraging our technology competencies and cost efficiencies in international markets.

Attract and Retain Talented Professionals

We believe a key to our success will be our ability to continue to maintain and grow a pool of strong and experienced professionals. We have been successful in building a team of talented professionals with relevant experience, including experts in credit evaluation, risk management, retail consumer products, treasury, technology and marketing. Recruitment is a key management activity and we continue to attract graduates from the premier Indian business schools as well as employees with other professional qualifications. Recruitment and assimilation of talented professionals from other organizations is a key element of our strategy. We believe we have created the right balance of performance bonuses, stock options and other economic incentives for our employees so that they will be challenged to develop business, achieve profitability targets and control risk. We intend to continuously re-engineer our management and organizational structure to allow us to respond effectively to changes in the business environment and enhance our overall profitability.

Overview of our Operations

We offer products and services in the areas of commercial banking to corporate and retail customers, both domestic and international. We also undertake treasury operations and offer treasury related products and services to our customers. Our subsidiaries are engaged primarily in insurance, asset management, investment banking and venture capital and private equity fund management.

Commercial Banking Products and Services for Retail Customers

Our commercial banking operations for retail customers consist of retail lending and deposits, credit cards, depositary share accounts, distribution of third party investment and insurance products, other fee-based products and services and issuance of unsecured redeemable bonds.

Retail Lending Activities

We offer a range of retail asset products, including home loans, automobile loans, commercial vehicle loans, two wheeler loans, personal loans, credit cards, loans against time deposits and loans against shares. We also fund dealers who sell automobiles, two wheelers, consumer durables and commercial vehicles. We have capitalised on the growing retail opportunity in India and believe that we have emerged as a market leader in retail credit, with an outstanding retail finance portfolio of Rs. 92,198 crore at March 31, 2006. Our principal retail credit products are:

Home Finance

Our home finance business involves giving long-term housing loans to individuals and corporations and construction finance to builders. These loans are secured by a mortgage of the property financed. These loans are extended for maturities generally ranging from five to 20 years and a large proportion of these loans are at floating rates of interest. This reduces the interest rate risk that we assume, since our funding is generally of shorter maturity.

Automobile Finance

Automobile finance generally involves the provision of retail consumer credit for an average maturity of three to five years to acquire specified new and used automobiles. Automobile loans are secured by a charge on the purchased automobile. We have a strong external distribution network and a strong in-house team to manage the distribution network which has been instrumental in achieving this leadership position. We also have strong relationships with automobile manufacturers and are a "preferred financier" with several automobile manufacturers in India.

Commercial Business

We fund commercial vehicles, utility vehicles and construction and farm equipment sold through manufacturer-authorised dealers. The finance is generally for a maximum term of five to seven years through loans, hire purchase agreements or a lease.

Personal Loans

Personal loans are unsecured loans provided to customers who use these funds for various purposes such as higher education, medical expenses, social events and holidays.

Credit Cards

We have a credit card base of over 0.50 crore cards as on March 31, 2006. As the Indian economy develops, we expect that the retail market will seek short-term credit for personal uses, and our offering of credit cards will facilitate further extension of our retail credit business. We also expect that as credit usage increases, we will be able to leverage our customer relationships to cross-sell additional retail and consumer-oriented products and services.

Dealer Funding

We fund dealers who sell automobiles, two wheelers, consumer durables and commercial vehicles. These loans are generally given for a short term.

For details of the composition of our outstanding retail finance portfolio, see "Asset Composition and Classification" on page [●].

Lending to Small Enterprises

We are seeking to extend our reach to the growing small enterprises sector without the accompanying high credit risks, which are normally associated with advances to small enterprises. We provide supply chain financing, including financing of selected customers of our corporate clients. We also provide financing on a cluster-based approach, that is, financing of small enterprises that have a homogeneous profile such as apparel manufacturers and manufacturers of pharmaceuticals.

Retail Deposits

Our retail deposit products include the following:

- time deposits including:
  - recurring deposits, which are periodic deposits of a fixed amount over a fixed term that accrue interest at a fixed rate and may be withdrawn before maturity by paying penalties; and
  - certificates of deposit;
- savings accounts, which are demand deposits that accrue interest at a fixed rate set by the RBI (currently 3.5% per annum) and upon which cheques can be drawn; and
- current accounts, which are non-interest bearing demand deposits.

In addition to deposits from Indian residents, we accept time and savings deposits from non-resident Indians, foreign nationals of Indian origin and foreign nationals working in India. These deposits are accepted on a repatriable and a non-repatriable basis and are maintained in rupees and select foreign currencies. See also "-Commercial Banking Products and Services for International Customers" on page [●]. For a description of the RBI's regulations applicable to deposits in India and required deposit insurance, see "Regulations and Policies - Regulations Relating to Deposits" and "Regulations and Policies — Deposit Insurance" on page [●].

Following a strategy focused on customer profiles and product segmentation, we offer differentiated liability products to various categories of customers depending on their age group, such as Young Star Accounts for children below the age of 18 years, Student Banking Services for students, Salary Accounts for salaried employees and Senior Citizens Account for individuals above the age of 60 years. We have also microsegmented various categories of customers to offer targeted products, like Private Banking for high net worth individuals, Defence Banking Services for defence personnel, Special Savings Accounts for trusts and Roaming Current Account for businesses.

See also "Business - Funding" on page [●].

Bond Issues

We have issued a variety of unsecured redeemable bonds to the Indian public. These bonds, which are not insured by any authority, are designed to address various investor needs, such as the need for regular income, liquidity and tax saving. During fiscal 2005, we raised Rs. 1,627 crore through these bond issuances. We had about 0.24 crore bondholder accounts at March 31, 2006. While deposits will continue to be our primary source of funding, we may conduct other similar bond issues in the domestic market or the international markets in the future.

Other Fee-Based Products and Services

Mutual Fund Sales

We have entered into arrangements with select mutual funds to distribute their products through our distribution network, for which we earn up-front and trailing commissions.

Depositary Share Accounts

SEBI has made it mandatory for the 10 largest stock exchanges of the country to settle securities transactions in a dematerialised mode. We are a depository participant of the NSDL and CDSL and offer depositary share accounts.

Government of India Relief Bond Sales

We have been permitted by the RBI to sell Government of India Relief Bonds. This includes the receipt of applications for Relief Bonds, the issue of Relief Bonds in the form of bond ledger accounts and the servicing of bondholders. Relief Bonds are sold across all of our branches. We seek to capitalise on this opportunity by effectively distributing Relief Bonds through our distribution network and earning fee income in the process.

Bureau de Change

We launched "bureau de change" in April 2001 with an objective to cater to all travel-related foreign exchange needs, including business travel and leisure travel. Bureau de change is offered in nearly 215 branches. As an authorised foreign exchange dealer, we offer services, such as providing internationally valid travellers cheques issued by Thomas Cook and American Express in all major currencies. Apart from travellers cheques, we also provide major foreign currencies at competitive rates.

Web Broking

ICICI Web Trade Limited provides web-broking services. This service involves the online integration of a customer's depositary share accounts and bank accounts with us and securities brokerage accounts with ICICI Web Trade. This service has assisted us in our efforts to acquire new customers and low-cost savings deposits, as each e-brokering customer is required to open a bank account. ICICI Web Trade currently has over 963,000 customer accounts.

Insurance Policy Referral and Lead Generation

We have contractual arrangements with ICICI Prudential Life Insurance Company and ICICI Lombard General Insurance Company for generating leads from our banking customers for the life and general insurance products of ICICI Prudential Life Insurance and ICICI Lombard General Insurance Company respectively and referring these leads to these companies. The insurance policy is issued by the specific companies and we do not underwrite any insurance risks on our own balance sheet. We collect fees for generating leads and providing referrals.

Distribution of equity offerings

We distribute public offerings of equity shares by companies through our distribution network.

Online Bill Payment

We have tied up with leading telecommunication companies, utility providers like telephone, electricity ,water , government institutes for payment of taxes and insurance companies for online bill payment . On the online shopping area we have tied up with various portals for online shopping of goods and services for the Internet banking customers. Currently, we have tied up with over 100 service providers like MTNL, Reliance Energy, Hutch, BSNL for utility bill payments and 95 online shopping portals like IRCTC, Air Deccan, rediff.com. ICICIBank.com offers various other services like fund transfer facilty to top up prepaid mobile, card to card transfer and online money order to its customers.

Commercial Banking Products and Services for Corporate Customers

We provide a range of commercial banking products and services to India's leading corporations and growth-oriented middle market companies, including loan products, fee and commission-based products and services, deposits and foreign exchange and derivatives products. We serve our corporate clients through corporate relationship groups such as the Corporate Banking Group, the Financial Institutions Group and the Government Banking Group and product groups such as the Product and Technology Group, the Structured Products Group, the Project Finance Group and the Global Markets Group. The Rural, Micro-banking and Agri-business Group manages our rural and agricultural banking operations

Corporate Loan Portfolio

Our corporate loan portfolio consists of project and corporate finance, working capital financing and agricultural financing. Our corporate loan portfolio primarily consists of term loans for project and corporate finance, and working capital credit facilities. For details on our loan portfolio, see "– Asset Composition and Classification" on page [●]. For a description of our credit rating and approval system, see "Risk Management – Credit Risk – Credit Risk Assessment Procedures for Corporate Loans" on Page [●].

Project and Corporate Finance

Our project finance business consists principally of extending medium-term and long-term rupee loans to the manufacturing and infrastructure sectors. Project and corporate finance is provided generally through term loans repayable over a period of typically between one and ten years. We also provide financing by way of investment in marketable instruments such as fixed rate and floating rate debentures. We generally have a security interest and first charge on the fixed assets of the borrower. Our Structured Products Group focuses specifically on the application of securitisation techniques to credit enhance our traditional lending products. We have played a leading role in the growth and development of the securitisation market in India. We are also focusing on selling down our loans to better utilise capital, manage portfolio concentrations and provide additional flexibility and liquidity.

Working Capital Finance

Our working capital financing consists mainly of cash credit facilities and bill discounting. Under the cash credit facility, a line of credit is provided up to a pre-established amount based on the borrower's projected level of inventories, receivables and cash deficits. Up to this pre-established amount, disbursements are made based on the actual level of inventories and receivables. The facility is generally given for a period of up to 12 months, with a review after that period. Our cash credit facility is generally fully secured with full recourse to the borrower. In most cases, we have a first charge on the borrower's current assets, which normally are inventory and receivables. Bill discounting involves the financing of short-term trade receivables through negotiable instruments. These negotiable instruments can then be discounted with other banks if required, providing us with required liquidity.

Agricultural Finance

Under the Reserve Bank of India's directed lending norms, we are required to lend 18.0% of our net bank credit on the residual portion of our advances (i.e., our total advances excluding the advances of ICICI at year-end fiscal 2002) to the agricultural sector. Our agricultural lending portfolio includes loans to farmers and to co-operatives and companies in eligible sectors such as seeds, poultry and fisheries as well as micro-finance loans to borrowers in rural areas. For details of our directed lending portfolio, refer "Loan Portfolio – Directed Lending" on page [●].

Fee and Commission-Based Activities

Letters of Credit and Guarantees

We provide letter of credit facilities to our customers both for meeting their working capital needs as well as for capital equipment purchases. Lines of credit for letters of credit are approved as part of a working capital loan package provided to a borrower. These facilities, like cash credit facilities, are generally given for a period up to 12 months, with review after that period. We provide guarantees, which can be drawn down any number of times up to the committed amount of the facility. We issue guarantees on behalf of our borrowers in favour of corporations and Government authorities domestically and internationally where guarantees may be in favour of local banks. Guarantees are generally issued for the purpose of bid bonds, guaranteeing the performance of our borrowers under a contract as security for advance payments made to our borrowers by project authorities and for deferral of and exemption from the payment of import duties granted to our borrowers by the Government against fulfillment of certain export obligations by our borrowers. The term of these guarantees is generally up to 36 months though in specific cases, the term could be higher. In addition, as a part of our project financing activity, we issue guarantees to foreign lenders, export credit agencies and domestic lenders on behalf of our clients.

Other Fee-Based Activities

We also offer cash management services (such as collection, payment and remittance services), escrow, trust and retention account facilities, online payment facilities, custodial services and tax collection services on behalf of the Government of India and the governments of Indian states. Under cash management services, we offer our corporate clients custom-made collection, payment and remittance services allowing them to reduce the time period between collections and remittances, thereby streamlining their cash flows. Our cash management products include physical cheque-based clearing in locations where settlement systems are not uniform, electronic clearing services, central pooling of country-wide collections, dividend and interest remittance services and Internet-based payment products. We also act as bankers to corporates for their dividend pay out to their shareholders, as also for interest pay out to the company's investors and depositors which results in interest-free float balances for us. We also offer custodial services to clients. At year-end fiscal 2005, total assets held in custody on behalf of our clients (mainly foreign institutional investors, offshore funds, overseas corporate bodies and depositary banks for GDR investors) was Rs. 94,570 crore. As a registered depositary participant of National Securities Depository Limited and Central Depository Services (India) Limited, the two securities depositaries operating in India, we also provide electronic depositary facilities to investors. Further, we generate fee income from our syndication and securitisation activities.

Corporate Deposits

We take deposits from our corporate clients with terms ranging from 15 days (seven days in respect of deposits over Rs. 0.15 crore with effect from April 19, 2001) to 10 years but predominantly from 15 days to one year. The RBI regulates the term of deposits in India, but not the interest rates, with some minor exceptions. Banks are not permitted to pay interest for periods less than seven days. Also, pursuant to the current regulations, we are permitted to vary the interest rates on our corporate deposits based upon the size range of the deposit so long as the rates offered are the same for every customer of a deposit of a certain size range on a given day. Our deposit products for corporations include:

- current accounts — non-interest-bearing demand deposits;
- time deposits — fixed term deposits that accrue interest at a fixed rate and may be withdrawn before maturity by paying penalties; and
- certificates of deposit — a type of time deposit.

We also act as a banker to the market offerings of select companies on account of raising of equity or debt, buy back of equity and takeovers. These companies are required to maintain the subscription funds with the bankers to the offering until the allotment of shares/buy back of shares and the refund of excess subscription is completed. This process generally takes about 15 to 30 days, resulting in short-term deposits with us. We act as a banker to corporates for their dividend payout to their shareholders and interest payout to investors and depositors, which results in mobilising interest-free, float balances to us.

Commercial Banking Products and Services for International Customers

Many of the commercial banking products that we offer to international customers, such as trade finance and letters of credit, are similar to the products offered to our corporate customers in India. Some of the products and services that are unique to international customers are:

- Money2India: a Internet-based wire transfer remittance facility. According to Reserve Bank of India data, the aggregate private transfers to and from India during fiscal 2005 were US$ 20.4 billion. For easy transfer of funds to India, we offer a suite of online as well as offline money transfer products featured on our website www.money2India.com. These speedy, cost effective and convenient products enable non-resident Indians to send money to any bank at over 1,760 locations in India. In fiscal 2005, the total inward remittances through this service were Rs. 13,146 crore, translating into a market share of approximately 15%.
- TradeWay: an Internet-based documentary collection product to provide correspondent banks access to real-time on-line information on the status of their export bills collections routed through us.
- Remittance Tracker: an Internet-based application that allows a correspondent bank to query on the status of their payment instructions and also to get various information reports online.
- Offshore banking deposits: multi-currency deposit products in US dollar, pound sterling and euro.
- Foreign currency non-resident deposits: foreign currency deposits offered in four main currencies – US dollar, pound sterling, euro and yen.
- Non-resident external fixed deposits: deposits maintained in Indian rupees.
- Non-resident external savings account: savings accounts maintained in Indian rupees.
- Non-resident ordinary savings accounts and non-resident ordinary fixed deposits.

We offer foreign currency loans to Indian corporates that wish to raise debt in offshore markets under the External Commercial Borrowings guidelines of the Reserve Bank of India. We offer bilateral facilities and also arrange the financing from the offshore syndicated loan market. Foreign currency credit is arranged through commercial loans, syndicated loans, bonds and floating rate notes, lines of credit from foreign banks and financial institutions, and loans from export credit agencies. These loans are typically denominated in US dollars and their maturity varies from three to seven years.

We currently have subsidiaries in the United Kingdom, Canada and Russia, branches in Singapore, Hong Kong, Bahrain, Dubai and Sri Lanka and representative offices in the United States, China, United Arab Emirates, Bangladesh and South Africa. We have applied for a branch license in the United States. Our subsidiaries in the United Kingdom and Canada offer local banking products and services in those countries. In Canada and the United Kingdom, we have also launched direct banking offerings using the Internet as the access channel.

Delivery Channels

We deliver our products and services through a variety of distribution outlets, ranging from traditional bank branches to ATMs, call centres, franchisees and the Internet. We believe that currently, more than 70.0% of our retail customer-induced banking transactions take place through non-branch channels.

At March 31, 2006 we had a network of 563 branches and 51 extension counters in 396 centres across several Indian states. Extension counters are small offices primarily within office buildings or on factory premises that provide commercial banking services. Our branch locations are largely leased rather than owned. Our back office operations are centralised at regional processing centres, enabling us to create a more efficient branch network. As a part of its branch licencing conditions, the RBI has stipulated that at least 25.0% of our branches must be located in semi-urban and rural areas. The following table sets forth, at the date indicated, the number of branches and extension counters broken down by area.

	At March 31, 2006	
	Number of branches and extension counters	**% of total**
Metropolitan/urban	366	65.01%
Semi-urban/rural	197	34.99%
Total	**563**	**100.0%**

We have direct marketing agents or associates who deliver our retail credit products. These agencies help us achieve deeper penetration by offering door-step service to the customer. We make all credit and risk management decisions pertaining to any customer and no agency can extend credit to any customer without our approval. These agencies receive a fee based on the volume of business originated through them. At March 31, 2006, we offered one or more retail credit products in about 1,190 centres.

At March 31, 2006, we had 2,200 ATMs, of which 698 were located at our branches and extension counters. Through our website www.icicibank.com, we offer our customers online access to account information and payment and fund transfer facilities. We provide Internet banking services to our corporate clients through ICICI e-business, a finance portal which is the single point web-based interface for all our corporate clients. We provide telephone banking services through our call center. At March 31, 2006, our call center had 3,371 service workstations pan India. We offer mobile phone banking services to our customers using any cellular telephone service operator in India.

Treasury

Through our treasury operations, we seek to manage our balance sheet including the maintenance of required regulatory reserves and to optimise profits from our trading portfolio by taking advantage of market movments. Our securities portfolio includes securities held for the purpose of trading and also as part of the regulatory requirements. Our treasury operations include a range of products and services for corporate customers, such as forward contracts, interest rate and currency swaps, foreign currency options and foreign exchange products and services.

General

Under the Reserve Bank of India's statutory liquidity ratio requirement, we are required to maintain a minimum of 25.0% of our demand and time liabilities by way of approved securities, such as Government of India securities and state government securities. We maintain the statutory liquidity ratio through a portfolio of Government of India securities that we actively manage to optimise the yield and benefit from price movements. Under the Reserve Bank of India's cash reserve ratio requirements, we are currently required to maintain a minimum of 5.0% of our net demand and time liabilities in a current account with the Reserve Bank of India. The RBI has clarified by way of their circular no. RBI/2006-07/80 DBOD.No.BP.BC.23/21.01.002/2006-2007 dated July 21, 2006 that amounts raised by us through innovative perpetual debt instruments shall not be reckoned as liability for the calculation of net demand and time liabilities for the purpose of reserve requirements and as such will not attract CRR/SLR requirements.

However, amounts raised by us through issuiance of bonds for inclusion in Upper Tier II capital and subordinated debt shall be reckoned as liability for the calculation of net demand and time liabilities for the purpose of reserve requirements and as such will attract CRR/SLR requirements

Following the enactment of the Reserve Bank of India (Amendment) Act 2006, the floor and ceiling rates on the cash reserve ratio were removed. In a guideline dated June 22, 2006, the Reserve Bank of India announced that the cash reserve ratio requirement would be maintained at 5.0% till further notice. The interest that the Reserve Bank of India paid on cash reserves above 3.0% and up to 5.0% has been discontinued. The funds collected by us from this Issue pending finalization of allotment of Bonds issued for inclusion in Upper Tier 2 instruments shall be taken into account for the purpose of calculating reserve requirements.

For further discussion of these regulatory reserves, see "Regulations and Policies — Legal Reserve Requirements." on page [●].

Our treasury undertakes liquidity management by seeking to maintain an optimum level of liquidity and complying with the cash reserve ratio. The objective is to ensure the smooth functioning of all our branches and at the same time avoid the holding of excessive cash. Our treasury maintains a balance between interest-earning liquid assets and cash to optimise earnings. The treasury undertakes reserve management by maintaining statutory reserves, including the cash reserve ratio and the statutory liquidity ratio.

Our domestic treasury engages in domestic and foreign exchange operations from a centralised trading floor in Mumbai. As part of our treasury activities, we also maintain proprietary trading portfolios in domestic debt and equity securities and trade in foreign currencies. Our board approves our treasury investment policy and asset liability management policy which govern the management of market risk of our treasury portfolio.

At year-end fiscal 2006, 69.43% of our government securities portfolio was in the Held to Maturity category. We have a limited equity portfolio because the Reserve Bank of India restricts investments by a bank in equity securities to 5.0% of its total outstanding domestic loan portfolio as on March 31 of the previous year. A significant portion of ICICI's investments in equity securities was related to projects financed by it. The Reserve Bank of India has permitted us to exclude these investments for determining compliance with the restriction on investments by banks in equity securities, for a period of five years from the amalgamation. In addition, the Reserve Bank of India also approves the exclusion, on a case by case basis, of equity investments acquired by conversion of loans under restructuring schemes approved by the Corporate Debt Restructuring Forum. The Reserve Bank of India has also announced that it will permit banks to have a higher level of capital market exposure subject to specific approval of the Reserve Bank of India on fulfillment of certain criteria. See also "Regulations and Policies - Regulations relating to Investments and Capital Market Exposure Limits" on page [●]. To ensure compliance with the Securities and Exchange Board of India's insider trading regulations, all dealings in our equity investments in listed companies are undertaken by the equity and corporate bonds dealing desks of our treasury, which are segregated from our other business groups as well as the other groups and desks in the treasury, and which do not have access to unpublished price sensitive information about these companies that may be available to us as lenders.

We deal in several major foreign currencies and take deposits from non-resident Indians in four major foreign currencies. We also manage onshore accounts in foreign currencies. We control market risk and credit risk on our foreign exchange trading portfolio through an internal model which sets counterparty limits, stop-loss limits and limits on the loss of the entire foreign exchange trading operations and exception reporting.

Customer Foreign Exchange

We provide customer specific products and services and risk hedging solutions in several currencies to meet the trade and service-related requirements of our corporate clients. The products and services offered include:

- spot foreign exchange for the conversion of foreign currencies without any value restrictions;
- forward foreign exchange for hedging future receivables and payables, without any value restriction, up to a maximum period of three years; and
- foreign exchange and interest rate derivatives for hedging long-term exposures.

We earn commissions on these products and services from our corporate customers.

Forward Contracts, Interest Rate Swaps and Currency Swaps

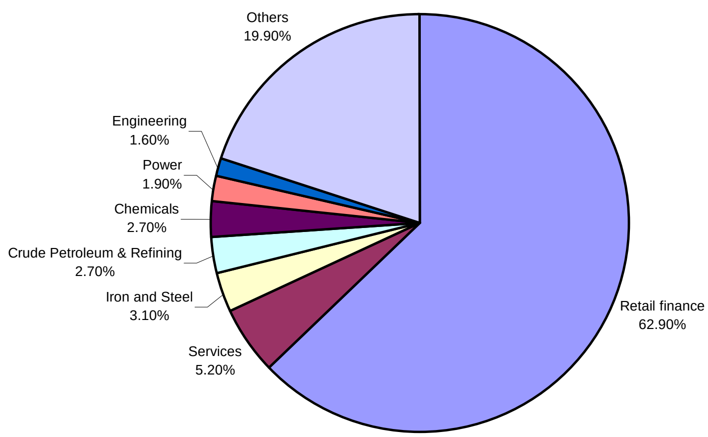
We provide forward contracts to our customers for hedging their short-term exchange rate risk on foreign currency denominated receivables and payables. We generally provide this facility for a term of up to six months and occasionally up to 12 months. We also offer interest rate and currency swaps to our customers for hedging their medium and long-term risks due to interest rate and currency exchange rate movements. We offer these swaps for a period ranging from three to 10 years. Our customers pay a commission for this product that is included in the price of the product and is dependent upon market conditions. We also hedge our own exchange rate risk related to our foreign currency trading portfolio with products from banking counterparties. Our risk management products are currently limited to foreign currency forward transactions and currency and interest rate swaps for selected approved clients. We believe, however, that the demand for risk management products will grow, and we are building the capabilities to grow these products. We are focusing particularly on setting up sophisticated infrastructure and internal control procedures that are critical to these products.

Asset Composition and Classification

We follow a policy of portfolio diversification and evaluate our total financing in a particular sector in light of our forecasts of growth and profitability for that sector. We identified retail finance as an area with potential for growth and sought to increase our financing to retail finance. We believe that retail finance offers significant risk diversification benefits as the credit risk is spread over a large number of relatively small individual loans. The growth of our retail finance portfolio has been the principal driver of our portfolio diversification strategy. Our loans and advances to retail finance constituted 62.9% of our total loans and advances at year-end fiscal 2006 compared to 60.9% at year-end fiscal 2005 and 51.0% at year-end fiscal 2004.

Our Risk Management Audit Group monitors all major sectors of the economy and specifically follows sectors to which we have loans outstanding. We seek to respond to any economic weakness in an industrial segment by restricting new exposures to that segment and any growth in an industrial segment by increasing new exposures to that segment, resulting in active portfolio management.

The following diagram represents the composition of advances at March 31, 2006:



The following table sets forth, at the dates indicated, the composition of our gross advances (net of write-offs):

(in crores, except percentages)

	At March 31,								
	2004			2005			2006		
Industry	**Total advances**	**% of total advances**	**Total advances to top 5 companies as a % of industry advances**	**Total advances**	**% of total advances**	**Total advances to top 5 companies as a % of industry advances**	**Total advances**	**% of total advances**	**Total advances to top companies as a % of industry advances**
Retail finance	33,506.24	51.0	-	56,651.96	60.9	-	92,908.31	62.9	-
Services	2,424.90	3.7	34.1	2,686.92	2.9	26.8	7,728.93	5.2	40.3
Iron & steel	4,933.10	7.5	75.8	4,743.09	5.1	63.0	4,528.60	3.1	66.9

Crude petroleum/ refining	1,971.96	3.0	97.3	4,286.04	4.6	96.0	4,050.94	2.7	97.0
Chemicals	3,357.84	5.1	29.3	2,803.15	3.0	33.4	3,950.67	2.7	49.9
Road/port/ railways/ telecom	2,796.05	4.3	69.4	3,554.15	3.8	62.3	2,990.70	2.0	78.2
Power	2,376.06	3.6	80.2	1,775.48	1.9	68.3	2,741.32	1.9	80.3
Engineering	2,399.68	3.7	61.0	1,717.36	1.8	57.6	2,302.54	1.6	70.5
Metal & metal products	1,566.02	2.4	72.2	1,743.21	1.9	72.4	2,037.04	1.4	71.8
Food processing	121.61	0.2	100.0	680.59	0.7	50.5	1,191.51	0.8	52.7
Cotton textiles	1,172.86	1.8	36.5	1,132.95	1.2	45.3	936.11	0.6	66.8
Automobiles	898.09	1.4	72.8	707.83	0.8	39.1	894.20	0.6	45.3
Cement	1,258.61	1.9	56.5	1,007.56	1.1	73.5	709.33	0.5	82.9
Shipping	379.13	0.6	71.1	476.56	0.5	76.6	747.06	0.5	83.9
Paper & paper products	685.42	1.0	67.4	542.95	0.6	78.1	639.70	0.4	76.2
Sugar	558.06	0.8	45.7	453.91	0.5	50.0	591.51	0.4	62.8
Beverages	-	0.0	0.0	100.22	0.1	100.0	579.40	0.4	99.0
Other textiles	487.67	0.7	52.4	421.09	0.5	53.9	411.29	0.3	42.2
Other industries	4,801.33	7.3		7,559.57	8.1		17,686.15	12.0	
Total	**65,694.63**	**100.0%**		**93,044.59**	**100.0%**		**1,47,625.31**	**100.0%**	

Our loans and advances at year-end fiscal 2006 increased by 58.7% compared to year-end fiscal 2005. Retail finance constituted 62.9% of total advance at year-end fiscal 2006 compared to 60.9% at year-end fiscal 2005 and 51.0% at year-end fiscal 2004. Our advances to the iron & steel sector as a percentage of total advances decreased to 3.1% at year-end fiscal 2006 compared to 5.1% at year-end fiscal 2005 and 7.5% at year-end fiscal 2004. Our advances to the services sector increased to 5.2% at year-end fiscal 2006 compared to 2.9% at year-end fiscal 2005 and 3.7% at year-end fiscal 2005.Our advances to the crude, petroleum and refining as a percentage of total advances was 2.7% at year-end fiscal 2006 compared to 4.6% at year-end fiscal 2005 and 3.0% at year-end fiscal 2004.

The following table sets forth, at the dates indicated, the composition of our gross (gross of provisions) outstanding retail finance portfolio.

(in crore)

	At March 31		
	2004	**2005**	**2006**
Home loans	16,648.00	28,476.23	45,483.90
Automobile loans	7,018.50	10,286.20	18,873.80
Commercial business	4,960.58	8,558.54	12,049.07
Two-wheeler loans	977.21	1,241.53	2,097.72
Personal loans	978.59	2,494.89	5,898.40
Credit cards	1,045.05	2,063.74	3,544.50
Loans against securities & others	1,878.31	3,530.83	4,960.92
Total retail finance portfolio	33,506.24	56,651.96	92,908.31

Pursuant to the guidelines of the Reserve Bank of India, our credit exposure to individual borrowers must not exceed 15.0% of our capital funds, comprising Tier 1 and Tier 2 capital calculated pursuant to the guidelines of the Reserve Bank of India. Credit exposure to individual borrowers may exceed 15.0% of a bank's capital funds by an additional 5.0% (i.e. up to 20.0%) provided the additional credit exposure is on account of infrastructure financing. Our exposure to a group of companies under the same management control must not exceed 40.0% of our capital funds unless the exposure is in respect of an infrastructure project. In that case, the exposure to a group of companies under the same management control may be up to 50.0% of our capital funds. With effect from June 1, 2004, banks may, in exceptional circumstances, with the approval of their boards, enhance the exposure by 5.0% of capital funds (i.e., 20.0% of capital funds for an individual borrower and 45.0% of capital funds for a group of companies under same management), making appropriate disclosures in their annual reports. Exposure for funded facilities is calculated as the total committed credit and investment sanctions or the outstanding funded amount, whichever is higher (for term loans, as undisbursed commitments plus the outstanding amount). Exposure for non-funded facilities is calculated as 100.0% of the committed amount or the outstanding non-funded amount whichever is higher. At year-end fiscal 2006, we were in compliance with these guidelines.

The following tables set forth, at the date indicated below, our top 10 borrower exposures as a % of the total capital funds.

No.	Borrower Industry	At March 31, 2006 As % of total capital
1	Crude petroleum/refining	13.01
2	Crude petroleum/refining	12.60
3	Engineering	11.90
4	Engineering	10.06
5	Services	9.96
6	Crude petroleum/refining	8.47
7	Services	8.35
8	Metal & metal products	8.07
9	Iron & steel	7.55
10	Iron & steel	7.43

Directed Lending

The Reserve Bank of India requires banks to lend to certain sectors of the economy. Such directed lending comprises priority sector lending, export credit and housing finance.

Priority Sector Lending

The Reserve Bank of India guidelines require banks to lend 40.0% of their net bank credit (total domestic loans less marketable debt instruments and certain exemptions permitted by the Reserve Bank of India from time to time) to certain specified sectors called priority sectors. Priority sectors include small-scale industries, the agricultural sector, food and agri-based industries, small businesses and housing finance up to certain limits. Out of the 40.0%, banks are required to lend a minimum of 18.0% of their net bank credit to the agriculture sector and the balance to certain specified sectors, including small scale industries (defined as manufacturing, processing and services businesses with a limit on investment in plant and machinery of Rs. 1 crore), small businesses, including retail merchants, professional and other self employed persons and road and water transport operators, housing loans up to certain limits and to specified state financial corporations and state industrial development corporations.

In its letter dated April 26, 2002 granting its approval for the amalgamation, the Reserve Bank of India stipulated that since ICICI's loans transferred to us were not subject to the priority sector lending requirement, we are required to maintain priority sector lending of 50.0% of our net bank credit on the residual portion of our advances (i.e. the portion of our total advances excluding advances of ICICI at year-end fiscal, 2002, henceforth referred to as residual net bank credit). This additional 10.0% priority sector lending requirement will apply until such time as our aggregate priority sector advances reach a level of 40.0% of our total net bank credit. The RBI's existing instructions on sub-targets under priority sector lending and eligibility of certain types of investments/ funds for qualification as priority sector advances apply to us.

We are required to comply with the priority sector lending requirements on the last reporting Friday (alternate Fridays are designated by the Reserve Bank of India as "reporting Fridays") of each fiscal year. Any shortfall in the amount required to be lent to the priority sectors may be required to be deposited with Government sponsored Indian development banks like the National Bank for Agriculture and Rural Development and the Small Industries Development Bank of India. These deposits have a maturity of up to five years and carry interest rates lower than market rates.

The following table sets forth, for the periods indicated, our priority sector loans, classified by the type of borrower, as at the last reporting Friday of fiscal 2006.

(in crores, except percentages)

	March 31, 2006	At % of residual net bank credit at March 31, 2006
Small scale industries(1)	351.35	0.4%
Others including housing loans and small businesses	28,219.92	32.4
Agricultural sector (2)	14,658.21	16.8
Total	**43,229.48**	**49.7**

(1) Small scale industries are defined as manufacturing, processing and services businesses with a limit of Rs. 1 crore on investment in plant and machinery.

(2) Includes direct agriculture Rs. 10,110.86 crores constituting 11.6% of our residual net bank credit against the requirement of 13.5%.

Export Credit

As part of directed lending, the Reserve Bank of India also requires banks to make loans to exporters at concessional rates of interest. Export credit is provided for pre-shipment and post-shipment requirements of exporter borrowers in rupees and foreign currencies. At the end of any fiscal year, 12.0% of a bank's net bank credit is required to be in the form of export credit. This requirement is in addition to the priority sector lending requirement but credits extended to exporters that are small scale industries or small businesses may also meet part of the priority sector lending requirement. The Reserve Bank of India provides export refinancing for an eligible portion of total outstanding export loans at the bank rate prevailing in India from time to time. At year-end fiscal 2006 (last reporting Friday for March 2006), our export credit was Rs. 1,154.30 crore, constituting 1.3% of our residual net bank credit.

Housing Finance

The Reserve Bank of India requires banks to lend up to 3.0% of their incremental deposits in the previous fiscal year for housing finance. This can be in the form of home loans to individuals or investments in the debentures and bonds of the National Housing Bank and housing development institutions recognised by the Government of India. Our housing finance lending in fiscal 2006 was significantly higher than the requirement of 3.0% of incremental deposits. Housing finance also qualifies as priority sector lending. At March 31, 2006, our housing finance advances qualifying as priority sector advances were Rs.23,427 crore.

Classification of Assets

We classify our assets in accordance with the RBI guidelines. Under these guidelines, an asset is classified as non-performing if any amount of interest or principal remains overdue for more than 90 days (180 days until fiscal 2003), in respect of term loans. In respect of overdraft or cash credit, an asset is classified as non-performing if the account remains out of order for a period of 90 days (180 days until fiscal 2003) and in respect of bills, if the account remains overdue for more than 90 days (180 days until fiscal 2003). (See "Regulation and Policies" on page ●)

Asset Classification

Assets are classified as described below:

Standard assets	Assets that do not disclose any problems or which do not carry more than normal risk attached to the business are classified as standard assets.
Sub-standard assets	Sub-standard assets comprise assets that are non-performing for a period not exceeding 12 months. (18 months until fiscal 2003)
Doubtful assets	Doubtful assets comprise assets that are non-performing for more than 12 months. (18 months until fiscal 2003)
Loss assets	Loss assets comprise assets (i) the losses for which are identified or (ii) that are considered uncollectible.

Our non-performing assets include loans and advances as well as credit substitutes, which are funded credit exposures. In compliance with regulations governing the presentation of financial information by banks, we report only non-performing loans and advances in our financial statements.

Restructured Assets

The RBI has separate guidelines for restructured assets. A fully secured standard asset can be restructured by reschedulement of principal repayments and/or the interest element, but must be separately disclosed as a restructured asset. The amount of sacrifice, if any, in the element of interest, measured in present value terms, is either written off or provision is made to the extent of the sacrifice involved. Similar guidelines apply to sub-standard assets. The sub-standard accounts which have been subjected to restructuring, whether in respect of principal installment or interest amount are eligible to be upgraded to the standard category only after the specified period, i.e., a period of one year after the date when first payment of interest or of principal, whichever is earlier, falls due, subject to satisfactory performance during the period. (See "Regulations and Policies" on page ●.)

Provisioning and Write-Offs

The Reserve Bank of India guidelines on provisioning and write-offs are as follows:

Standard assets	A provision of 0.40% is made on all standard assets (0.25% direct advances to agricultural and SME sectors).
Sub-standard assets	A provision of 10% is made on all sub-standard assets. An additional provision of 10 % is made on sub-standard assets which are ab-initio unsecured.
Doubtful assets	A 100% provision/write-off is made on the unsecured portion of the doubtful asset. Until year-end fiscal 2004, a 20% to 50% provision was made on the secured portion as follows: Up to one year: 20% provision; One to three years: 30% provision; and More than three years: 50% provision. Effective quarter ended June 30, 2004, a 100% provision is made on assets classified as doubtful for more than three years on or after April 1, 2004. In respect of assets classified as doubtful for more than three years up to March 31, 2004, 60% to 100% provision on such secured asset is made as follows: By March 31, 2005: 60% provision; By March 31, 2006: 75% provision; and By March 31, 2007: 100% provision.
Loss assets	The entire asset is written off / provided for.
Restructured Assets	A provision equal to the difference between the present values of future interest income reckoned based on the current BPLR as on the date of restructuring plus the appropriate term premium and credit risk premium for the borrower category on the date of restructuring and the interest charged as per the restructuring package discounted by the current BPLR as on the date of restructuring plus appropriate term premium and credit risk premium as on the date of restructuring.

Our policy

In respect of corporate assets, until fiscal 2004 we adopted an accelerated provisioning policy whereby provisions aggregating 50.0% of the secured portion of corporate non-performing assets were made over a three-year period instead of a five-and-a-half year period prescribed by the Reserve Bank of India. Effective quarter ended June 30, 2004, we provide for corporate non-performing assets in line with revised Reserve Bank of India guidelines applicable from March 31, 2005 requiring 100% provision over a five-year period. Loss assets and the unsecured portion of doubtful assets are fully provided for or written off. Additional provisions are made against non-performing assets if considered necessary by the management. Non-performing assets acquired from ICICI in the amalgamation were fair valued and additional provisions were recorded to reflect the fair valuation. We make specific provisions/write-offs against retail non-performing loans in accordance with the Reserve Bank of India guidelines and currently make additional floating provisions against retail non-performing loans such that all incremental retail non-performing loans (other than home loans) are fully provided for / written off over a period over a period of 180 days and non-performing home loans over a period of two years. Out of the floating provisions made till September 30, 2005, Rs. 169 crore was written back in the quarter ended December 31, 2005 pursuant to a reassessment of the provisioning requirement on our overall portfolio. We do not distinguish between provisions and write-offs while assessing the adequacy of our loan loss coverage, as both provisions and write-offs represent a reduction of the principal amount of a non-performing asset. In compliance with regulations governing the presentation of financial information by banks, we report non-performing assets net of cumulative write-offs in our financial statements. The Bank also makes additional floating provision against retail non-performing loans and additional provision against specific corporate NPAs.

A provision equal to the difference between the present values of future interest income reckoned based on the current BPLR as on the date of restructuring plus the appropriate term premium and credit risk premium for the borrower category on the date of restructuring and the interest charged as per the restructuring package discounted by the current BPLR as on the date of restructuring plus appropriate term premium and credit risk premium as on the date of restructuring.

The following table sets forth, at the dates indicated, data regarding our gross asset (net of write-offs and interest accrued) classification.

(in Rs. crores, except percentages)

	At March 31,									
	2002		**2003**		**2004**		**2005**		**2006**(1)	
Standard	55,198	91.2%	63,050	91.5%	70,598	94.6%	96,408	96.6%	1,51,281	98.5%
of which:										
Restructured assets	5,043	8.3%	9,287	13.4%	7,545	10.1%	6,562	6.6%	5,546	3.6%
Non-performing assets	5,325	8.8%	5,839	8.5%	4,014	5.4%	3,437	3.4%	2,273	1.5%
Of which:										
Sub-standard	1,908	3.2%	1,869	2.7%	1,493	2.0%	1,020	1.0%	1,071	0.7%
Doubtful assets	3,411	5.6%	3,940	5.7%	2,487	3.3%	2,368	2.3%	1,105	0.7%
Loss assets	06	-	30	0.1%	34	0.1%	49	0.1%	97	0.1%
Total Loan Assets	60,523	100.0%	68,889	100.0%	74,612	100.0%	99,845	100.0%	1,53,554	100.0%

(1) Excludes preference shares

The following table sets forth, at the dates indicated, data regarding our non-performance assets, or NPAs.

(in Rs. crores, except percentages)

At	**Gross NPA**(1)	**Net NPA**	**Net customer assets**	**% of Net NPA to Net customer assets**
March 31, 2002(2)	5,325(4)	2,721	57,526	4.73
March 31, 2003	5,839	3,151	64,051	4.92
March 31, 2004	4,014	2,037	71,002	2.87
March 31, 2005	3,437	1,983	97,894	2.03
March 31, 2006(3)	2,273	1,075	1,52,007	0.71

(1) Net of write-offs and interest suspense.

(2) Includes additions to non-performing loans to the extent of Rs. 4,512 crores taken over from ICICI.

(3) Excludes preference shares

The ratio of net non-performing assets to net customer assets decreased to 0.71% at year-end fiscal 2006 compared to 2.03% at year-end fiscal 2005. The ratio of net non-performing advances (net non-performing assets excluding credit substitutes) to net advances was 0.72%. At March 31, 2006, the gross non-performing assets (net of write-offs and interest suspense) were Rs. 2,273 cores compared to Rs. 3,437 crores at March 31, 2005. Including technical write-offs, the gross non-performing assets at March 31, 2006 were Rs. 2,963 cores compared to Rs. 5,140 crores at March 31, 2005. The coverage ratio (i.e. total provisions and write-offs made against non-performing assets as a percentage of gross non-performing assets) at March 31, 2006 was 63.7% compared to 61.4% at March 31, 2005.

In the past few years, the Indian economy has been impacted by negative trends in the global marketplace, particularly in the commodities markets, and recessionary conditions in various economies, which have impaired the operating environment for the industrial sector in India. The manufacturing sector has also been impacted by several other factors, including increased competition arising from economic liberalisation in India and volatility in industrial growth and commodity prices. This has led to stress on the operating performance of Indian companies and an increase in the level of non-performing assets in the Indian financial system, including ICICI and us.

Certain Indian companies are coming to terms with this new competitive reality through a process of restructuring and repositioning, including rationalisation of capital structures and production capacities. To create an institutional mechanism for the restructuring of corporate debt, the Reserve Bank of India has devised a corporate debt restructuring system. The objective of this framework is to ensure a timely and transparent mechanism for the restructuring of corporate debts of viable entities facing problems. The operation of this system has led to the approval of restructuring programmes for a large number of companies, which has resulted in increased level of restructured assets in the Indian financial system, including our restructured assets. Our net restructured standard assets decreased from Rs. 6,263 crores at year-end fiscal 2005 and to Rs.5,316 crores at March 31, 2006. The restructured assets continue to be classified as such until they complete one year of satisfactory performance.

Non-Performing Asset Strategy

In respect of unviable non-performing assets, where the companies have lost viability, we adopted an aggressive approach aimed at out-of-court settlements, enforcing collateral and driving consolidation. Our focus was on time value of recovery and a pragmatic approach towards settlements. The strong collateral against our loan assets has been the critical factor towards the success of our recovery efforts. In addition, we continually focused on proactive management of accounts under watch. Our strategy constituted a proactive approach towards identification, aimed at early stage solutions to incipient problems.

The Securitisation Act has strengthened the ability of lenders to resolve non-performing assets by granting them greater rights as to enforcement of security and recovery of dues from corporate borrowers. Petitions challenging the constitutional validity of this legislation are currently pending before the Supreme Court of India. There can be no assurance that the legislation in its current form will be upheld by the Supreme Court of India or that it will have a favourable impact on our efforts to resolve non-performing assets. The Securitisation Act and guidelines issued by the Reserve Bank of India have permitted the setting up of asset reconstruction companies to acquire financial assets by banks and financial institutions. The Reserve Bank of India has issued guidelines to banks on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank may sell financial assets to an asset reconstruction company provided the asset is a non-performing asset. (See "Regulations and Policies - Regulations relating to Sale of Assets to Asset Reconstruction Companies"). We sold Rs.479 crores of our net non-performing assets during fiscal 2006 and Rs.1,328 crores of our net non-performing assets during fiscal 2005 and Rs.1,251 crores of our net non-performing assets during fiscal 2004 to Asset Reconstruction Company (India) Limited, a reconstruction company registered with the Reserve Bank of India.

We monitor migration of the credit ratings of our borrowers to enable us to take proactive remedial measures to prevent loans from becoming non-performing. We review the industry outlook and analyse the impact of changes in the regulatory and fiscal environment. Our periodic review system helps us to monitor the health of accounts and to take prompt remedial measures. In respect of our retail loans, we adopt a standardised collection process to ensure prompt action for follow-up on overdues and recovery of defaulted amounts.

The following table sets forth, at the dates indicated, classification of gross non-performing assets by industry sector.

(in crores, except percentages)

	At March 31, 2004		At March 31, 2005		At March 31, 2006	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
Chemicals (including fertilisers & pesticides)	849	20.9	402	11.6	199	8.7
Textiles	426	10.5	324	9.4	126	5.5
Services – others	83	2.0	67	1.9	81	3.5
Agriculture	22	0.5	27	0.8	80	3.5

Automobile (including trucks)	69	1.7	68	2.0	74	3.2
Electronics	102	2.5	141	4.1	39	1.7
Food processing	99	2.4	72	2.1	34	1.5
Iron and steel	166	4.1	67	1.9	19	0.8
Engineering	214	5.3	142	4.1	14	0.6
Paper and paper products	60	1.5	35	1.0	5	0.2
Other metal & metal products	198	4.9	38	1.1	4	0.2
Services – finance	84	2.1	77	2.2	1	0.1
Power	620	15.3	737	21.3	-	-
Road/port/railways- Other Infra	-	-	214	6.2	-	-
Cement	154	3.8	20	0.6	-	-
Other Industries (including retail portfolio)	918	22.5	1030	29.7	1619	70.5
Total	**4,064**	**100.0**	**3,461**	**100.0**	**2,295**	**100.0**
Interest suspense	(50)	-	(24)	-	(22)	
Gross NPAs	4,014		3,437		2,273	

The net non-performing assets in the retail portfolio at March 31, 2006 were 0.77% of net retail assets.

The largest proportion of our non-performing loans constituted loans to the chemicals (including fertilisers and pesticides), and textiles industries.

Chemicals: Increasing competition in the global chemical industry has resulted in significant structural changes, with players opting for increased focus on core competencies through corporate restructuring and consolidation or spin-off to attain leadership position in their core businesses. These trends in the global chemical industry environment have significantly affected the Indian chemical industry. The tariff rationalisation and other policy measures effected by the government of India since 1991 have made the domestic chemical industry vulnerable to movements in international prices, with viability being closely linked to cost of production and capacity utilization.

Textiles: Over the last few years, the textiles sector was adversely affected by the impact of erratic monsoons on cotton production, competitive pressures from other low cost textile producing countries and the unorganised sector within domestic market. Further, industry profitability was affected by duty cuts resulting in price declines in the domestic market.

The following table shows the 10 largest net non-performing assets at March 31, 2006

(in crores)

Borrower	Industry Segment	Gross Principal	Net Outstanding(1)
Borrower A	Automobile	71.50	49.32
Borrower B	Services-others	55.43	48.47
Borrower C	Chemicals (including fertilisers & pesticides)	51.05	40.84
Borrower D	Chemicals (including fertilisers & pesticides)	184.78	40.47
Borrower E	Textiles	59.34	38.30
Borrower F	Textiles	19.77	17.79
Borrower G	Services-others	19.21	15.24
Borrower H	Food processing	15.26	13.73
Borrower I	Other industries	9.87	8.82
Borrower J	Chemicals (including fertilisers & pesticides)	9.70	8.73

(1) Net of cumulative provisions and write-offs.

Competition

We face competition in all our principal areas of business from Indian and foreign commercial banks, housing finance companies, mutual funds and investment banks. We are the largest private sector bank in India and the second largest bank among all banks in the country, in terms of total assets, with total assets of Rs. 251,389 crore at March 31, 2006. We seek to gain competitive advantage over our competitors by offering innovative products and services, use of technology, building customer relationships and developing a team of highly motivated and skilled employees. We evaluate our competitive position separately in respect of our products and services for retail and corporate customers.

Retail products and services

In the retail markets, competition is primarily from foreign and Indian commercial banks and housing finance companies. Foreign banks have product and delivery capabilities but are likely to focus on limited customer segments and geographical locations since they have a smaller branch network than Indian commercial banks. Foreign banks in aggregate had only 233 branches in India at December 31, 2005. Indian commercial banks have wide distribution networks but relatively less strong technology and marketing capabilities. We seek to compete in this market through a full product portfolio, effective distribution channels, which include agents, robust credit processes and collection mechanisms, experienced professionals and superior technology.

Commercial banks attract the majority of retail bank deposits, historically the preferred retail savings product in India. We have sought to capitalise on our corporate relationships to gain individual customer accounts through payroll management products and will continue to pursue a multi-channel distribution strategy utilising physical branches, ATMs, telephone banking call centres and the Internet to reach customers. Further, following a strategy focused on customer profiles and product segmentation, we offer differentiated liability products to customers of various ages and income profiles. Mutual funds are another source of competition to us. Mutual funds offer tax advantages and have the capacity to earn competitive returns and hence, have increasingly become a viable alternative to bank deposits.

Corporate products and services

In products and services for corporate customers, we face strong competition primarily from public sector banks, foreign banks and other new private sector banks. Our principal competition in these products and services comes from public sector banks, which have built extensive branch networks that have enabled them to raise low-cost deposits and, as a result, price their loans and fee-based services very competitively. Their wide geographical reach facilitates the delivery of banking products to their corporate customers located in most parts of the country. We have been able, however, to compete effectively because of our efficient service and prompt turnaround times that we believe are significantly faster than public sector banks. We seek to compete with the large branch networks of the public sector banks through our multi-channel distribution approach and technology-driven delivery capabilities.

Traditionally, foreign banks have been active in providing trade finance, fee-based services and other short-term financing products to top tier Indian corporations. We effectively compete with foreign banks in cross-border trade finance as a result of our wider geographical reach relative to foreign banks and our customised trade financing solutions. We have established strong fee-based cash management services and compete with foreign banks due to our technological edge and competitive pricing strategies.

Other new private sector banks also compete in the corporate banking market on the basis of efficiency, service delivery and technology. However, we believe our size, capital base, strong corporate relationships, wider geographical reach and ability to use technology to provide innovative, value-added products and services provide us with a competitive edge.

In project finance, ICICI's primary competitors were established long-term lending institutions. In recent years, Indian and foreign commercial banks have sought to expand their presence in this market. We believe that we have a competitive advantage due to our strong market reputation and expertise in risk evaluation and mitigation. We believe that our in-depth sector specific knowledge and capabilities in understanding risks, policy related issues as well as our advisory, structuring and syndication has allowed us to gain credibility with project sponsors, overseas lenders and policy makers.

Other business areas

Our international strategy is focused on India-linked opportunities in the initial stages. In our international operations, we face competition from Indian public sector banks with overseas operations, foreign banks with products and services targeted at non-resident Indians and Indian businesses and other service providers like remittance services. We are seeking to position ourselves as an Indian bank offering globally-benchmarked products and services with an extensive distribution network in India to gain competitive advantage. We seek to leverage our technology capabilities developed in our domestic businesses to offer convenience and efficient services to our international customers. We also seek to leverage our strong relationships with Indian corporates in our international business.

Our insurance and asset management joint ventures face competition from existing dominant public sector players as well as new private sector players. We believe that the key competitive strength of our insurance joint ventures is the combination of our experience in the Indian financial services industry with the global experience and skills of our joint venture partners. We believe that ICICI Prudential Life Insurance, ICICI Lombard General Insurance and Prudential ICICI Asset Management have built strong product, distribution and risk management capabilities, achieving market leadership positions in their respective businesses. ICICI Prudential Life Insurance had a retail market share of 30% in the private sector (based on weighted premium) in fiscal 2006. ICICI Lombard General Insurance had a market share of 29% among the private sector general insurance companies during fiscal 2006. Prudential ICICI Asset Management Company was the largest mutual fund at June 30, 2006 with a market share of about 11%.

Funding

Our funding operations are designed to ensure stability of funding, minimise funding costs and effectively manage liquidity. Subsequent to the amalgamation, our primary source of funding is deposits raised from both retail and corporate customers. We also raise funds through short-term rupee borrowings and public issuance of bonds. As a financial institution, ICICI was not allowed to raise banking deposits and so its primary sources of funding, prior to the amalgamation, were rupee borrowings from a wide range of institutional investors, and retail bonds. ICICI also obtained funds through foreign currency borrowings from multilateral institutions like the Asian Development Bank and the World Bank, which were guaranteed by the government of India, as well as through commercial foreign currency borrowings. We continue to raise foreign currency commercial borrowings for our operations in India, to the extent permitted under the Reserve Bank of India's regulations, and for our international operations.

The composition of our liabilities has changed significantly pursuant to the amalgamation. Our deposits constituted 65.7% of our total liabilities at year-end fiscal 2006 and 59.5% of our total liabilities at year-end fiscal 2005 and 54.4% at year-end fiscal 2004. Borrowings (including subordinated debt) constituted 19.4% of our total liabilities at year-end fiscal 2006, 24.9% of our total liabilities at year-end fiscal 2005 and 31.8% at year-end fiscal 2004. Our borrowings (including subordinated debt) were Rs. 48,666 crore at year-end fiscal 2006compared to Rs. 41,753 crore at year-end fiscal 2005 and Rs. 39,846 crore at year-end fiscal 2004. At year-end fiscal 2002, ICICI's borrowings transferred to us pursuant to the amalgamation were Rs. 58,210 crore, which declined to Rs. 19,348 crore at year-end fiscal 2005 and Rs. 15,411 crore at September 30, 2005.

Our deposits were Rs. 1,65,083 crore at year-end fiscal 2006 compared to Rs. 99,819 crore at year-end fiscal 2005 and Rs. 68,109 crore at year-end fiscal 2004. This significant growth in deposits was achieved primarily through increased focus on retail and corporate customers by offering a wide range of products designed to meet varied individual and corporate needs and leveraging on our network of branches, extension counters and ATMs.

The following table sets forth, at the dates indicated, our outstanding deposits and the percentage composition by each category of deposits.

(in Rs. crore, except percentages)

	March 31, 2004		March 31, 2005		March 31, 2006	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**
Current account deposits	7,259	10.7%	12,837	12.9%	16,573	10.0%
Savings deposits	8,372	12.3%	11,392	11.4%	20,937	12.7%
Time deposits	52,478	77.0%	75,590	75.7%	127,573	77.3%

Total deposits	68,109	100.0%	99,819	100.0%	165,083	100.0%

Time deposits at March 31, 2006 included current and savings account linked deposits of approximately Rs. 10,062 crore which were 6.10% of total deposits. Time deposits at year-end fiscal 2005 included current and savings linked account deposits of approximately Rs. 11,445 crore and at year-end fiscal 2004 included current and savings account linked deposits of approximately Rs. 10,042 crore.

The following table sets forth, for the periods indicated, the average daily balance and average cost of deposits by type of deposit.

(in Rs. crore, except percentages)

	Year ended March 31, 2005		2006		2004	
	Amount	**Cost(1)**	**Amount**	**Cost**	**Amount**	**Cost**
Interest-bearing deposits:						
Savings deposits	5,221	2.6%	9,264	2.4%	14,879	2.7%
Time deposits	45,564	6.3%	55,775	5.4%	89,642	6.1%
Non-interest-bearing						
Deposits:						
Current account deposits	5,211	-	7,851	-	12,086	-
Total deposits	**55,996**	**5.4%**	**72,890**	**4.5%**	**1,16,607**	**5.0%**

(1) Represents interest expense divided by the average balance.

Our average deposits for the year-end fiscal 2006 were Rs. 1,16,607 crore at an average cost of 5.0% compared to average deposits of Rs. 72,890 crore at an average cost of 4.5% for fiscal 2005. Our average time deposits for the year-end fiscal 2006 were Rs. 89,642 crore at an average cost of 6.1% compared to average time deposits of Rs. 55,775 crore at an average cost of 5.4% in fiscal 2005. The average cost of deposits increased primarily due to systemic rise in interest rates in India since the second half of fiscal 2005.

The following table sets forth the maturity profile of deposits by type of deposit at March 31, 2006.

(Rs. in crore)

	Up to one year	After one year and	After three years	Total within three year
Interest-bearing deposits:				
Saving deposits	1,100	19,837	-	**20,937**
Time deposits	106,626	17,308	3,639	**127,573**
Non-interest-bearing deposits:				
Current account deposits	1,657	14,916	-	**16,573**
Total deposits	**109,383**	**52,061**	**3,639**	**165,083**

The following table sets forth, for the periods indicated, average outstanding rupee borrowings based on quarterly balance sheets and by category of borrowing and the percentage composition by category of borrowing. The average cost (interest expense divided by average of quarterly balances) for each category of borrowings is provided in the footnotes.

(in Rs. crores, except percentages)

	Year-ended March 31, 2006(1)	
	Amount	**% of total**
SLR bonds(2)	1,482	5.16
Borrowings from Indian Government (3)	342	1.19
Other borrowings(4) (5)	26,867	93.64
Total	**28,690**	**100.00**

(1) For fiscal 2006 average balances are the average of quarterly balances outstanding at the end of June, September, December and March.

(2) With an average cost of 11.60 % in fiscal 2006.

(3) With an average cost of 11.33% in fiscal 2006.

(4) With an average cost of 11.63% in fiscal 2006.

(5) Includes publicly and privately placed bonds, borrowings from institutions and wholesale deposits such as inter-corporate deposits, certificate of deposits and call borrowings. Does not include fixed deposits.

The following table sets forth, for the periods indicated, average outstanding volume of foreign currency borrowings based on quarterly balance sheets by source and the percentage composition by source. The average cost (interest expense divided by average of quarterly balances) for each source of borrowing is provided in the footnotes.

(in Rs. crore, except percentages)

	March 31, 2005		March 31, 2006 (1)	
	Amount	**% of total**	**Amount**	**% of total**
Commercial borrowings(2)	8,578	77.3	15,912.02	86.99
Multilateral borrowings(3)	2,525	22.7	2380.48	13.01
Total	**11,103**	**100.0**	**18292.51**	**100**

(1) For fiscal 2006 the average balances are the average of quarterly balances outstanding at the end of June, September, December and March.

(2) With an average cost of 4.41% in fiscal 2006.

(3) With an average cost of 4.05% in fiscal 2006.

At March 31, 2006, our outstanding subordinated debt was Rs. 10,144 crore of which Rs. 8,363 crore is classified as Tier-2 capital in the computation of the capital adequacy ratio. Under the Reserve Bank of India's capital adequacy requirements, we are required to maintain a minimum ratio of capital to risk adjusted assets and off-balance sheet items of 9.0% effective March 31, 2000, at least half of which must be Tier-1 capital. Total subordinated debt classified as Tier-2 capital cannot exceed 50.0% of Tier-1 capital.

The following table sets forth our 25 largest borrowings at March 31, 2006.

Sr. No.	Category	Outstanding balance (Rs. in crore)	Interest Rate (%)	Tenor
1	Borrowing A	2,231	5.00	5 years 9 months
2	Borrowing B	2,000	8.80	10 years
3	Borrowing C	1,340	0.26	1 year
4	Borrowing D	1,338	4.75	5 years
5	Borrowing E	1,338	5.00	5 years
6	Borrowing F	900	5.75	3 years & 1 month
7	Borrowing G	797	6.70-6.75	3 years - 7 years
8	Borrowing H	790	6.00-7.25	5 years - 10 years
9	Borrowing I	781	4.56	5 years
10	Borrowing J	736	5.41	5 years
11	Borrowing K	600	10.00	11 years
12	Borrowing L	584	4.53	3 months
13	Borrowing M	560	5.07	18 years & 8 months
14	Borrowing N	543	5.50	3 years - 5 years
15	Borrowing O	540	6.00 -7.25	5 years - 10 years
16	Borrowing P	520	7.55	10 Years
17	Borrowing Q	543	5.50	3 years - 5 years
18	Borrowing R	540	6.00 - 7.25	5 years - 10 years
19	Borrowing S	500	8.75	1 years
20	Borrowing T	460	6.45	3 years
21	Borrowing U	451	6.90 -7.25	3 years - 5 years & 4 months
22	Borrowing V	448	5.28	6 months
23	Borrowing W	448	5.35	6 months

24	Borrowing X	446	4.94	5 years
25	Borrowing Y	446	5.17	6 months
	Total	**19,881**		

1. Any tranche of a public issue or a private placement of bonds is as considered a single borrowing.

The 25 largest borrowings at March 31, 2006 constituted 40.85% of our total borrowings and unsecured redeemable debentures and bonds (including subordinated debt) at that date.

Developmental Activities

ICICI had sought to broaden the scope of its activities by examining all sectors of the economy and by introducing new concepts, new instruments and, in some cases, new institutions in response to perceived needs. In this regard, ICICI's developmental activities encompassed such diverse areas as technology financing, science parks, rural development, vocational training and skill development for handicapped, education of the underprivileged and health care for the weaker sections of society. ICICI had also been a pioneer in setting up specialised institutions in certain key sectors, singly or jointly with other institutions, banks and governments, including Housing Development Finance Corporation Limited, National Stock Exchange, The Credit Rating Information Services of India Limited and the OTC Exchange of India. We have, along with other institutions, set up the National Commodity & Derivatives Exchange Limited which has received accreditation from the Forward Markets Commission, the regulator for commodity exchanges, and is a national level commodity exchange. Further, following the enactment of the Securitisation Act, which has created a facilitative environment for resolution of distressed debt in India, we have, together with other institutions, set up the Asset Reconstruction Company (India) Limited, which has been registered with the RBI as an asset reconstruction company. We have also invested in the Credit Information Bureau of India Limited which is the first national credit bureau in India. While we have varying levels of shareholding in the above mentioned entities, organisations and institutions, ranging from no equity holding to up to 30.0% equity holding, on account of our being a banking company and the development role played in establishment or setting up of such entities, organisations and institutions, we are not promoters or sponsors of such entities, organisations and institutions.

Risk Management

As a financial intermediary, we are exposed to risks that are particular to our lending, transaction banking and trading businesses and the environment within which we operate. Our goal in risk management is to ensure that we understand, measure and monitor the various risks that arise and that the organization adheres strictly to the policies and procedures which are established to address these risks.

We are primarily exposed to credit risk, market risk, liquidity risk, operational risk and legal risk. We have two centralised groups, the Risk Management Group and the Compliance and Audit Group with a mandate to identify, assess and monitor all of our principal risks in accordance with well-defined policies and procedures. The Risk Management Group reports to the Chief Financial Officer and Treasurer and through her to the Joint Managing Director. The Compliance and Audit Group reports directly to the Joint Managing Director and to the Managing Director & CEO in respect of internal audit of other groups that report to the Joint Managing Director. The internal audit function is also responsible to the Audit Committee of our board of directors. Both the groups are independent of the business units and coordinate with representatives of the business units to implement our risk management methodologies. Committees of the board of directors have been constituted to oversee the various risk management activities. The Audit Committee provides direction to and also monitors the quality of the internal audit function. The Risk Committee reviews risk management policies in relation to various risks including portfolio, liquidity, interest rate, investment policies and strategy, and regulatory and compliance issues in relation thereto. The Credit Committee reviews developments in key sectors and our exposure to these sectors as well as to large borrower accounts. The Asset Liability Management Committee is responsible for managing the balance sheet and reviewing the asset-liability position to manage our liquidity and market risk exposure. For a discussion of these and other committees, see "Management" on Page [●].

The Risk Management Group is further organised into the Credit Risk Management Group, Market Risk Management Group, Retail Risk Management Group and Operational Risk Management Group. The Risk Management Group has a separate team for risk management in respect of small and medium enterprises. The

Compliance and Audit Group is further organised into the Compliance and Anti-Money Laundering Group and the Internal Audit Group.

The Risk Management Group is also responsible for assessing risks pertaining to international operations, including review of policies and setting sovereign and counterparty limits.

Credit Risk

Our credit policy is approved by our Board of Directors. In our lending operations, we are principally exposed to credit risk. Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any financial contract with us, principally the failure to make required payments on loans due to us. We currently measure, monitor and manage credit risk for each borrower and also at the portfolio level. We have a structured and standardised credit approval process, which includes a well-established procedure of comprehensive credit appraisal.

Credit Risk Assessment Procedures for Corporate Loans

In order to assess the credit risk associated with any financing proposal, we assess a variety of risks relating to the borrower and the relevant industry. We evaluate borrower risk by considering:

- the financial position of the borrower by analyzing the quality of its financial statements, its past financial performance, its financial flexibility in terms of ability to raise capital and its cash flow adequacy;
- the borrower's relative market position and operating efficiency; and
- the quality of management by analyzing their track record, payment record and financial conservatism.

We evaluate industry risk by considering:

- certain industry characteristics, such as the importance of the industry to the economy, its growth outlook, cyclicality and government policies relating to the industry;
- the competitiveness of the industry; and
- certain industry financials, including return on capital employed, operating margins and earnings stability.

After conducting an analysis of a specific borrower's risk, the Credit Risk Management Group assigns a credit rating to the borrower. We have a scale of 10 ratings ranging from AAA to B, an additional default rating of D and short-term ratings from S1 to S8. Credit rating is a critical input for the credit approval process. We determine the desired credit risk spread over our cost of funds by considering the borrower's credit rating and the default pattern corresponding to the credit rating. Every proposal for a financing facility is prepared by the relevant business unit and reviewed by the appropriate industry specialists in the Credit Risk Management Group before being submitted for approval to the appropriate approval authority. The approval process for non-fund facilities is similar to that for fund-based facilities. The credit rating for every borrower is reviewed at least annually. We also review the ratings of all borrowers in a particular industry upon the occurrence of any significant event impacting that industry.

Working capital loans are generally approved for a period of 12 months. At the end of the 12 month validity period, we review the loan arrangement and the credit rating of the borrower and take a decision on continuation of the arrangement and changes in the loan covenants as may be necessary.

Project Finance Procedures

We have a strong framework for the appraisal and execution of project finance transactions. We believe that this framework creates optimal risk identification, allocation and mitigation, and helps minimise residual risk.

The project finance approval process begins with a detailed evaluation of technical, commercial, financial, marketing and management factors and the sponsor's financial strength and experience. Once this review is completed, an appraisal memorandum is prepared for credit approval purposes. As part of the appraisal process, a risk matrix is generated, which identifies each of the project risks, mitigating factors and residual risks associated with the project. The appraisal memorandum analyses the risk matrix and establishes the viability of the project. Typical risk mitigating factors include the commitment of stand-by funds from the sponsors to meet any cost over-runs and a conservative collateral position. After credit approval, a letter of intent is issued to the borrower, which outlines the principal financial terms of the proposed facility, sponsor obligations, conditions precedent to disbursement, undertakings from and covenants on the borrower. After completion of all formalities by the borrower, a loan agreement is entered into with the borrower.

In addition to the above, in the case of structured project finance in areas such as infrastructure and oil, gas and petrochemicals, as a part of the due diligence process, we appoint consultants, wherever considered necessary, to advise the lenders, including technical advisors, business analysts, legal counsel and insurance consultants. These consultants are typically internationally recognised and experienced in their respective fields. Risk mitigating factors in these financings generally also include creation of debt service reserves and channeling project revenues through a trust and retention account.

Our project finance credits are generally fully secured and have full recourse to the borrower. In most cases, we have a security interest and first lien on all the fixed assets and a second lien on all the current assets of the borrower. Security interests typically include property, plant and equipment as well as other tangible assets of the borrower, both present and future. Our borrowers are required to maintain comprehensive insurance on their assets where we are recognised as payee in the event of loss. In some cases, we also take additional collateral in the form of corporate or personal guarantees from one or more sponsors of the project and a pledge of the sponsors' equity holding in the project company. In certain industry segments, we also take security interest in relevant project contracts such as concession agreements, off-take agreements and construction contracts as part of the security package. In limited cases, loans are also guaranteed by commercial banks and, in the past, have also been guaranteed by Indian state governments or the Government of India.

It is our current practice to normally disburse funds after the entire project funding is committed and all necessary contractual arrangements have been entered into. Funds are disbursed in tranches to pay for approved project costs as the project progresses. When we appoint technical and market consultants, they are required to monitor the project's progress and certify all disbursements. We also require the borrower to submit periodic reports on project implementation, including orders for machinery and equipment as well as expenses incurred. Project completion is contingent upon satisfactory operation of the project for a certain minimum period and, in certain cases, the establishment of debt service reserves. We continue to monitor the credit exposure until our loans are fully repaid.

Corporate Finance Procedures

As part of the corporate loan approval procedures, we carry out a detailed analysis of funding requirements, including normal capital expenses, long-term working capital requirements and temporary imbalances in liquidity. Our funding of long-term core working capital requirements is assessed on the basis, among other things, of the borrower's present and proposed level of inventory and receivables. In case of corporate loans for other funding requirements, We undertake a detailed review of those requirements and an analysis of cash flows. A substantial portion of our corporate finance loans are secured by a lien over appropriate assets of the borrower.

The focus of our structured corporate finance products is on cash flow based financing. We have a set of distinct approval procedures to evaluate and mitigate the risks associated with such products. These procedures include:

- carrying out a detailed analysis of cash flows to accurately forecast the amounts that will be paid and the timing of the payments based on an exhaustive analysis of historical data;
- conducting due diligence on the underlying business systems, including a detailed evaluation of the servicing and collection procedures and the underlying contractual arrangements; and
- paying particular attention to the legal, accounting and tax issues that may impact any structure.

Our analysis enables us to identify risks in these transactions. To mitigate risks, we use various credit enhancement techniques, such as over-collateralization, cash collateralization, creation of escrow accounts and debt service reserves and performance guarantees. The residual risk is typically managed by complete or partial recourse to the borrowing company whose credit risk is evaluated as described above. We also have a monitoring framework to enable continuous review of the performance of such transactions.

Working Capital Finance Procedures

We carry out a detailed analysis of our borrowers' working capital requirements. Credit limits are established in accordance with the approval authorization approved by our board of directors. Once credit limits are approved, we calculate the amounts that can be lent on the basis of monthly statements provided by the borrower and the margins stipulated. Quarterly information statements are also obtained from borrowers to monitor the performance on a regular basis where considered appropriate. Monthly cash flow statements are obtained where considered necessary. Any irregularity in the conduct of the account is reported to the appropriate authority on a monthly basis. Credit limits are reviewed on a periodic basis.

Working capital facilities are primarily secured by inventories and receivables. Additionally, in certain cases, these credit facilities are secured by personal guarantees of directors, or subordinated security interests in the tangible assets of the borrower including plant and machinery.

Credit Monitoring Procedures for Corporate Loans

The Credit Middle Office Group monitors compliance with the terms and conditions for credit facilities prior to disbursement. It also reviews the completeness of documentation, creation of security and insurance policies for assets financed. All borrower accounts are reviewed at least once a year.

Retail Loan Procedures

Our customers for retail loans are typically middle and high-income, salaried or self-employed individuals, and, in some cases, partnerships and corporations. Except for personal loans and credit cards, we require a contribution from the borrower and our loans are secured by the asset financed.

Our retail credit product operations are sub-divided into various product lines. Each product line is further sub-divided into separate sales and credit groups. The Risk Management Group, which is independent of the business groups, approves all new retail products and product policies and credit approval authorizations. All products and policies require the approval of the Retail Credit Forum ("RCF") comprising of senior executives. All credit approval authorizations require the approval of our board of directors.

We use direct marketing associates as well as our own branch network and employees for marketing retail credit products. However, credit approval authority lies only with our credit officers who are distinct from the business teams. The delegation of credit approval authority is linked, among other factors, to the size of the credit and the authority delegated to credit officers varies across different products.

Our credit officers evaluate credit proposals on the basis of the product policy approved by the RCF and the risk assessment criteria defined by the Risk Management Group. These criteria vary across product segments but typically include factors such as the borrower's income, the loan-to-value ratio, demographic parameters and certain stability factors. In case of credit cards, in order to limit the scope of individual discretion, we have implemented a credit-scoring program that is an automated credit approval system that assigns a credit score to each applicant based on certain demographic attributes like income, educational background and age. The credit score then forms the basis of loan evaluation. External agencies such as field investigation agencies and credit processing agencies are used to facilitate a comprehensive due diligence process including visits to offices and homes in the case of loans to individual borrowers. Before disbursements are made, the credit officer checks a centralised delinquent database and reviews the borrower's profile. We avail the services of certain private agencies operating in India to check applications before disbursement as a formal national credit bureau has only recently become operational in India. A centralised retail credit team undertakes review and audit of credit quality and processes across each credit approval team.

We have established centralised operations to manage operating risk in the various back office processes of our retail loan business except for a few operations which are decentralised to improve turnaround time for customers.

We have a collections unit structured along various product lines and geographical locations, to manage delinquency levels. The collections unit operates under the guidelines of a standardised recovery process. We also make use of external collection agencies to aid us in collection efforts, including collateral repossession in accounts that are overdue for more than 90 days. External agencies for collections are governed by standardised process guidelines.

A fraud prevention and control department has been set up to manage levels of fraud, primarily through fraud prevention in the form of forensic audits and also through recovery of fraud losses. The fraud control department is aided by specialised agencies involved in verification of income documents. The fraud control department also evaluates the various external agencies involved in the retail finance operations, including direct marketing associates, external verification associates and collection agencies.

Small Enterprises Loan Procedures

The Small and Medium Enterprises Group finances dealers and vendors of companies by implementing structures to enhance the base credit quality of the vendor / dealer, that involve an analysis of the base credit quality of the vendor / dealer pool and an analysis of the linkages that exist between the vendor / dealer and the company.

The group is also involved in financing based on a cluster-based approach, that is, financing of small enterprises that have a homogeneous profile such as apparel manufacturers and manufacturers of pharmaceuticals. The risk assessment of such cluster involves identification of appropriate credit norms for target market, use of scoring models for enterprises that satisfy these norms and applying pre-determined exposure limits to enterprises that are awarded a minimum required score in the scoring model. The assessment also involves setting up of portfolio control norms, individual borrower approval norms and stringent exit triggers to be followed while financing such clusters or communities.

Credit Approval Authorities

Our credit approval authorisation framework is laid down by our Board of Directors. We have established several levels of credit approval authorities for our corporate banking activities - the Credit Committee of the board of directors, the Committee of Directors, the Committee of Executives (Credit) and the Regional Committee (Credit). Retail Credit Forums, Small Enterprise Group Forums and Agri Credit Forums have been created for approval of retail loans, credit facilities to small enterprises and agri-based enterprises, respectively.

The Credit Committee has the power to approve all financial assistance. Our board of directors has delegated the authority to the Committee of Directors, consisting of our wholetime directors, to the Committee of Executives (Credit), to the Regional Committee (Credit), Retail Credit Forums, Small Enterprise Group Forums and Agri Credit Forums, all consisting of our designated executives, and to individual executives in the case of retail, small enterprise, agricultural loans and loans against securities, to approve financial assistance within certain individual and group exposure limits set by our Board of Directors.

The following table sets forth the composition and the approval authority of these committees / forums at May 31, 2006.

Committee / Forum
Composition - Approval Authority

Composition	**Approval Authority**	
Credit Committee of the board of directors	Chaired by an independent director and consisting of a majority of independent directors.	• All approvals to borrowers (excluding agriculture sector, auto dealers and small enterprise borrowers) in the following categories: – Borrowers rated below BBB; – New borrowers rated BBB with exposure exceeding Rs. 50 crore; – Existing borrowers rated BBB with additional exposure exceeding 10% of the existing exposure or Rs. 10 crore, whichever is higher; – New borrowers rated A- and above, with exposure exceeding Rs. 500 crore; or

		– Existing borrowers rated A- and above with existing exposure above Rs. 500 crore, where proposed incremental exposure exceeds Rs. 100 crore. • Credit / investment proposals for subsidiaries / companies using "ICICI" as a part of their name. • Proposals exceeding 15% of capital funds for a single borrower (20% in case of infrastructure) and 40% of capital funds for a borrower group (50% in case of infrastructure). This is subject to a pre-approval of the exposure limit on the borrower / borrower group from the Board of Directors.. • Credit / investment proposal relating to a borrower rated A or below which is in default to us for a period in excess of 60 days. • Approvals to companies identified by the Credit Committee where the company or the borrower group requires close monitoring.
Committee of Directors (Lending)	Consisting of all five wholetime directors.	• All approvals above the prescribed authority of lower authorities, other than specific categories of proposals that require approval of the Credit Committee. • The Committee of Directors is empowered to approve all program sanctions. Powers to approve individual proposals within the approved program norms has been delegated to certain individuals. These powers can be exercised either singly or jointly by such individuals subject to the limits specified in the credit authorization approved by the board of directors.
Committee of Executives (Credit)	Consisting of designated executives as members or permanent invitees, including representatives of Risk Management Group and Compliance and Audit Group	• Approval authority linked to the rating of the borrower. Limits range between Rs. 40 crore for a BBB rated borrower to Rs. 500 crore for a AAA rated borrower. For borrowers in agriculture sector rated BB, limits up to Rs. 1o crore can be approved by the Committee of Executives (Credit).
Regional Committee (Credit)	Consisting of designated executives as members or permanent invitees, including representatives of Risk Management Group and Compliance and Audit Group	• Approval authority linked to the rating of the borrower. Limits range between Rs. 30 crore for a A rated borrower to Rs. 350 crore for a AAA rated borrower. Approvals to borrowers rated below A can be given only if the borrower is from agriculture sector. For these borrowers with credit rating of BB to A-, limits of Rs. 5 crore to Rs. 20 crore can be approved by the Regional Committee (Credit).
Small Enterprise Group Forum 1	Consisting of Head Retail Products Distribution Group / Head Small Enterprises Group, one member of Committee of Executives (Credit) and official from Small Enterprises Group Policy and Risk as members and representative of Risk Management Group as permanent invitee.	• Approval authority up to Rs. 20 crore provided the proposal meets the minimum criteria as stipulated by the Committee of Directors.
Small Enterprise Group Forum 2	Consisting of designated executives.	• Approval authority up to Rs. 10 crore provided the proposal meets the minimum criteria as stipulated by

		the Committee of Directors.
Small Enterprise Group Forum 3	Consisting of designated executives.	Approval authority up to Rs. 5 crore provided the proposal meets the minimum criteria as stipulated by the Committee of Directors.
Small Enterprise Group Forum 4	Consisting of designated executives.	• Approval authority up to Rs. 1 crore provided the proposal meets the minimum criteria as stipulated by the Committee of Directors.
Agri Credit Forum 1	Consisting of Executive Director, Head Rural Micro-banking and Agri-business Group and Head Credit-Rural Micro-banking and Agri-business Group as members and representative of Risk Management Group as a permanent invitee.	• Approval authority ranging between Rs.1 crore to 50 crore for various products / programs.
Agri Credit Forum 2	Consisting of designated executives including representative of Risk Management Group as a permanent invitee.	• Approval authority ranging between Rs.0.50 crore to 30 crore for various products / programs
Retail Credit Forum 1	Consisting of Executive Director, Head – Retail Products and Distribution Group and Head - Risk Management Group.	• Full approval authority for all retail loans. In respect of corporate exposures on retail products, limits up to Rs. 25 crore to Rs. 100 crore for various products like vehicle loans, consumer durable loans, builder financing and corporate credit cards.
Retail Credit Forum 2	Consisting of Executive Director, representative of Risk Management Group and other designated executives.	• Approval authority for all retail credit products with varying limits for each product subject to a maximum of Rs. 25 crore. • In all cases, subject to adherence to limits on ICICI Bank's capital funds(1) imposed by Reserve Bank of India as mentioned above.

(1) Capital funds consist of Tier 1 and Tier 2 capital, as defined in the Reserve Bank of India regulations. See "Regulation and Policies - Reserve Bank of India".

All new loans must be approved by the above committees / forums in accordance with their respective powers. In respect of retail, small enterprise, agriculture based enterprises and loan against securities, powers have been delegated to individual executives subject to certain criteria and limits. Certain designated executives are also authorised to approve:

- ad-hoc/additional working capital facilities not exceeding the lower of 10.0% of existing approved facilities and Rs. 2 crore;
- ad-hoc credit limits / settlement limits on Foreign Banks upto maximum amount of Rs. 2.5 crore /Rs. 10 crore per bank respectively;
- temporary accommodation facilities not exceeding Rs. 5 crore;
- intra-day limits not exceeding Rs.1000 crore; and
- facilities fully secured by deposits, cash margin, letters of credit of approved banks or approved sovereign debt instruments not exceeding Rs. 500 crore.

Market Risk

Market risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates and other asset prices. The prime source of market risk for us is the interest rate risk we are exposed to as a financial intermediary. In addition to interest rate risk, we are exposed to other elements of market risk such as liquidity or funding risk, price risk on trading portfolios, and exchange rate risk on foreign currency positions.

Market Risk Management Procedures

Our Board of Directors reviews and approves the policies for the management of market risk. The board has delegated the responsibility for market risk management on the banking book to the Asset Liability Management Committee and for the trading book to the Committee of Directors, within the broad parameters laid down by policies approved by the board. The Asset Liability Management Committee is responsible for managing interest rate risk on the banking book and liquidity risks reflected in the balance sheet. The Committee of Directors is responsible for formulating policies and risk controls for the trading book.

The Asset Liability Management Committee is chaired by the Joint Managing Director. The Deputy Managing Director and Executive Directors are the other members of the Committee. The Committee generally meets on a monthly basis and reviews the interest rate and liquidity gap positions on the banking book, formulates a view on interest rates, sets deposit and benchmark lending rates, reviews the business profile and its impact on asset liability management and determines the asset liability management strategy, as deemed fit, in light of the current and expected business environment. The Structural Rate Risk Management Group and Balance Sheet Management Group are responsible for managing interest rate risk and liquidity risk, under the supervision of the Asset Liability Management Committee, on a day to day basis.

The Risk Management Group recommends changes in risk policies and controls and the processes and methodologies for quantifying and assessing market risks. Risk limits including position limits and stop loss limits for the trading book are monitored on a daily basis by the Treasury Middle Office Group and reviewed periodically.

Interest Rate Risk

Since our balance sheet consists predominantly of rupee assets and liabilities, movements in domestic interest rates constitute the main source of interest rate risk. The value of our portfolio of traded and other debt securities is negatively impacted by an increase in interest rates, while our net interest income is generally positively impacted by an increase in interest rates. Exposure to fluctuations in interest rates is measured primarily by way of gap analysis, providing a static view of the maturity and re-pricing characteristics of balance sheet positions. An interest rate gap report is prepared by classifying all assets and liabilities into various time period categories according to contracted maturities or anticipated re-pricing date. The difference in the amount of assets and liabilities maturing or being re-priced in any time period category, would then give an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. We prepare interest rate risk reports on a fortnightly basis. These reports are submitted to the Reserve Bank of India on a monthly basis. Interest rate risk is further monitored through interest rate risk limits approved by the Asset Liability Management Committee.

Our core business is deposit taking and lending in both rupees and foreign currencies, as permitted by the Reserve Bank of India. These activities expose us to interest rate risk. As the rupee market is significantly different from the international currency markets, gap positions in these markets differ significantly.

Our primary source of funding is deposits and to a smaller extent, borrowings. In the rupee market, most of our deposit taking is at fixed rates of interest for fixed periods, except for savings deposits and current deposits, which do not have any specified maturity and can be withdrawn on demand. We usually borrow for a fixed period with a one-time repayment on maturity, with some borrowings having European call/put options, exercisable only on specified dates, attached to them. However, we have a mix of floating and fixed interest rate assets. Our loans generally are repaid more gradually, with principal repayments being made over the life of the loan. Our housing loans at March 31, 2006 were primarily floating rate loans where the rates are reset every quarter. Until December 31, 2003, we followed a four-tier prime rate structure, namely, a short-term prime rate for one-year loans or loans that re-price at the end of one year, a medium-term prime rate for one to three year loans, a long-term prime rate for loans with maturities greater than three years and a prime rate for cash credit products. Effective January 1, 2004, we have moved to a single benchmark prime rate structure for all loans other than specific categories of loans advised by the Indian Banks' Association (which include, among others, loans to individuals for acquiring residential properties, loans for purchase of consumer durables, non-priority sector personal loans and loans to individuals against shares, debentures, bonds and other securities), with lending rates comprising the benchmark prime rate, term premia and transaction-specific credit and other charges. Interest rates on loans outstanding at December 31, 2003 continue to be based on the four-tier prime rate structure. We seek to eliminate interest rate risk on undisbursed commitments by fixing interest rates on rupee loans at the time of loan disbursement.

In contrast to our rupee loans, a large proportion of our foreign currency loans are floating rate loans. These loans are generally funded with floating rate foreign currency funds. Our fixed rate foreign currency loans are generally funded with fixed rate foreign currency funds. We generally convert all our foreign currency borrowings and deposits into floating rate dollar liabilities through the use of interest rate and currency swaps with leading international banks. The foreign currency gaps are generally significantly lower than rupee gaps, representing a considerably lower exposure to fluctuations in foreign currency interest rates.

We use the duration of our Government securities portfolio as a key variable for interest rate risk management. We increase or decrease the duration of government securities portfolio to increase or decrease our interest rate risk exposure. In addition, we also use interest rate derivatives to manage asset and liability positions. We are an active participant in the interest rate swap market and are one of the largest counterparties in India.

The following table sets forth our asset-liability gap position at March 31, 2006.

(Rs. in crore)

Maturity buckets	**<1 year**	**1 to 3 years**	**3 to 5 years**	**> 5 years**	**Not sensitive**	**Total**
Inflows						
Loans & advances	98,989	29,344	8,389	9,411	30	146,163
Investments	33,788	14,657	3,131	6,955	13,016	71,547
Cash/ Reserve Bank of India balances	3,417	0	0	0	5,517	8,934
Balances with banks, call and term money	5,037	215	1,637	45	1,172	8,106
Fixed assets	239	604	523	-264	2,879	3,981
Others	2,096	417	340	51	9,754	12,658
Total inflows	**143,566**	**45,237**	**14,020**	**16,198**	**32,368**	**251,389**
Outflows						
Capital					1,240	1,240
Reserves & surplus					21,316	21,316
Deposits	131,346	8,328	1,374	2,241	21,794	165,083
Borrowings	15,406	8,237	6,487	7,143	1,249	38,522
Others (including subordinated debt)	729	1,692	528	6,904	15,375	25,228
Total outflows	**147,481**	**18,257**	**8,389**	**16,288**	**60,974**	**251,389**
Total gap before risk management positions	-3,915	26,980	5,631	-90	-28,606	0
Risk management position	-762	1,177	12	-427	0	0
Total gap after risk management positions	-4,677	28,157	5,643	-517	-28,606	0

(1) Includes balances in current accounts with banks, money at call and short notice, term deposits and other placements.
(2) Includes leased assets.
(3) The maturity profile has been computed based on relevant asset-liability management guidelines of the Reserve Bank of India and policies approved by our Asset-Liability Management Committee.
(4) In computing the information of maturity profile, certain estimates and assumptions have been made by us.

Price Risk (Banking Book)

The following table sets forth, using the balance sheet at March 31, 2006 as the base, one possible prediction of the impact of adverse changes in interest rates on net interest income for the year ending March 31, 2007, assuming a parallel shift in the yield curve.

(Rs. in crore)

				At March 31, 2006
			Change in interest rate (in basis points)	
	(100)	**(50)**	**50**	**100**
Rupee portfolio	(150)	(75)	75	150
Foreign currency portfolio	(45)	(23)	23	45
Total	**(195)**	**(98)**	**98**	**195**

Based on our asset and liability position at March 31, 2006 the sensitivity model shows that net interest income from the banking book for the year ending March 31, 2006 would increase by Rs. 195 crores if interest rates increased by 100 basis points. Conversely, the sensitivity model shows that if interest rates decreased by 100 basis points, net interest income for the year ending March 31, 2006 would fall by an equivalent amount of Rs.195 crores.

Sensitivity analysis, which is based upon a static interest rate risk profile of assets and liabilities, is used for risk management purposes only and the model above assumes that during the course of the year no other changes are made in the respective portfolios. Actual changes in net interest income will vary from the model.

Price Risk (Trading book)

The following tables sets forth, using the fixed income portfolio at March 31, 2006 as the base, one possible prediction of the impact of changes in interest rates on the value of our rupee fixed income trading portfolio the year ending March 31, 2007, assuming a parallel shift in the yield curve.

(Rs. in crore)

		At March 31, 2006			
		Change in interest rate (in basis points)			
	Portfolio Size	**(100)**	**(50)**	**50**	**100**
Government of India securities [(1)]	114	8	4	(4)	(8)

(1) Excludes Government Securities in Liquidity Adjustment Facility with RBI amounting to Rs. 4000 crore.

At March 31, 2006, the total value of our rupee fixed income trading portfolio was Rs. 114 crore. The sensitivity model shows that if interest rates increase by 100 basis points, the value of the trading portfolio would fall by Rs. 8 crore. Conversely, if interest rates fell by 100 basis points, under the model, the value of this portfolio would rise by Rs. 8 crore.

As noted above, sensitivity analysis is used for risk management purposes only and the model used above assumes that during the course of the year no other changes are made in the respective portfolios. Actual changes in the value of the fixed income portfolio will vary from the model above.

We revalue our trading portfolio on a daily basis and recognise aggregate re-valuation losses in our profit and loss account. The asset liability management policy stipulates an interest rate risk limit which seeks to cap the risk on account of the mark-to-market impact on the mark-to-market book and the earnings at risk on the banking book, based on a sensitivity analysis of a 100 basis points parallel and immediate shift in interest rates.

In addition, the Risk Management Group stipulates risk limits including position limits and stop loss limits for the trading book. These limits are monitored on a daily basis and reviewed periodically. In addition to risk limits, we also have risk monitoring tools such as Value-at-Risk models for measuring market risk in our trading portfolio.

The following table sets forth, for the period indicated, our fixed and floating rate assets and liabilities:

As on March 31, 2006 *(Rs. in crores)*

	Fixed	**Floating**	**Total**
Deposits, borrowings (including sub-debt)	202,609	11,141	213,750
Advances and investments	151,402	66,308	217,710

Equity Risk

We assume equity risk both as part of our investment book and our trading book. On the investment book, investments in equity shares and preference shares are essentially long-term in nature. Nearly all the investment in equity securities have been driven by our project financing activities. The decision to invest in equity shares during project financing activities has been a conscious decision to participate in the equity of the company with the intention of realizing capital gains arising from the expected increases in market prices, and is separate from the lending decision.

Exchange Rate Risk

We offer foreign currency hedge instruments like swaps, forwards, and currency options to banks and corporate customers. We actively use cross currency swaps, forwards, and options to hedge against exchange risks arising out of these transactions. Trading activities in the foreign currency markets expose us to exchange rate risks. This risk is mitigated by setting counterparty limits, stipulating daily and cumulative stop-loss limits, and engaging in exception reporting.

The Reserve Bank of India has authorised the dealing of foreign currency-rupee options by banks for hedging foreign currency exposures including hedging of balance sheet exposures. We have been offering such products to corporate clients and other inter-bank counterparties and are one of the largest participants in the currency options market accounting for a significant share of daily trading volume. All the options are maintained within the specified limits.

Foreign currency cash balances are generally maintained abroad in currencies matching with the underlying borrowings. In addition, there is an open foreign exchange position limit to minimise exchange rate risk.

Liquidity Risk

Liquidity risk arises in the funding of lending, trading and investment activities and in the management of trading positions. It includes both the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price. The goal of liquidity management is to be able, even under adverse conditions, to meet all liability repayments on time and fund all investment opportunities.

We maintain diverse sources of liquidity to facilitate flexibility in meeting funding requirements. Incremental operations are principally funded by accepting deposits from retail and corporate depositors. The deposits are augmented by borrowings in the short-term inter-bank market and through the issuance of bonds. Loan maturities and sale of investments also provide liquidity. Most of the funds raised are used to extend loans or purchase securities. Generally, deposits are of a shorter average maturity than loans or investments.

Most of our incremental funding requirements, including replacement of maturing liabilities of ICICI which generally had longer maturities, are met through short-term funding sources, primarily in the form of deposits including inter-bank deposits. However, a large portion of our assets, primarily the assets of ICICI and our home loan portfolio, have medium or long-term maturities, creating a potential for funding mismatches. We actively monitor our liquidity position and attempt to maintain adequate liquidity at all times to meet all requirements of all depositors and bondholders, while also meeting the requirement of lending groups. From time to time, we may buy back some of our outstanding bonds at our discretion in the open market or in privately negotiated transactions depending on market conditions, interest rates and other factors. We seek to establish a continuous information flow and an active dialogue between the funding and borrowing divisions of the organization to enable optimal liquidity management. A separate group is responsible for liquidity management.

Another source of liquidity risk is the put options written by us on the loans that we have securitised. These options are binding on us and require us to purchase, upon request of the holders, securities issued in such securitisation transactions. The options seek to provide liquidity to the security holders. If exercised, we will be obligated to purchase the securities at the pre-determined exercise price.

Under the Reserve Bank of India’s statutory liquidity ratio requirement, we are required to maintain 25.0% of our total demand and time liabilities by way of approved securities, such as Government of India securities and state government securities. We maintain the statutory liquidity ratio through a portfolio of Government of India securities that we actively manage to optimise the yield and benefit from price movements. Under the Reserve Bank of India’s cash reserve ratio requirements, we are currently required to maintain 5.0% of our demand and time liabilities in a current account with the Reserve Bank of India.

We also have recourse to the liquidity adjustment facility and the refinance window, which are short-term funding arrangements provided by the Reserve Bank of India. We maintain a substantial portfolio of liquid high quality securities that may be sold on an immediate basis to meet our liquidity needs.

We also have the option of managing liquidity by borrowing in the inter-bank market on a short-term basis. The overnight market which is a significant part of the inter-bank market, is susceptible to volatile interest rates. These interest rates on certain occasions, have touched historical highs of 100.0% and above. To curtail reliance on such volatile funding, our liquidity management policy has stipulated daily limits for borrowing and lending in this market. The limit on daily borrowing is more stringent than the limit set by the Reserve Bank of India. ICICI Securities, like us, relies for a certain proportion of its funding on the inter-bank market for overnight money and is therefore also exposed to similar risk of volatile interest rates.

We are required to submit gap analysis on a monthly basis to the Reserve Bank of India. Pursuant to the Reserve Bank of India guidelines, the liquidity gap (if negative) must not exceed 20.0% of outflows in the 1-14 day and the 15-28 day time category. We prepare fortnightly maturity gap analysis to review our liquidity position. Static gap analysis is also supplemented by a dynamic analysis for the short-term, to enable the liability raising units to have a fair estimate of the short-term funding requirements. In addition, we also monitor certain liquidity ratios on a fortnightly basis.

Our Bonds forming part of our Tier II capital are rated AAA by two Indian credit rating agencies, ICRA Limited and Credit Analysis & Research Limited. Our Bonds forming part of our Upper Tier II capital and proposed innovative perpetual debt instruments forming part of Tier I capital are rated AAA by two Indian credit rating agencies, CRISIL Limited and Credit Analysis & Research Limited. Our term deposits are rated AAA by ICRA Limited and Credit Analysis & Research Limited. Our certificate of deposits rated A1+ by ICRA Limited and PR1+ by Credit Analysis & Research Limited. Our long-term foreign currency borrowings are rated Baa2 by Moody's Investors Service, BB+ by Standard and Poor's and BBB by Japan Credit Rating Agency Limited (JCRA). Our short-term foreign currency ratings are Ba2/ Not Prime by Moody's Investors Service and B by Standard and Poor's. The outlook from Standard and Poor's is positive while the outlook from both Moody's and JCRA is stable

In April 2003, unsubstantiated rumours, believed to have originated in Gujarat, alleged that we were facing liquidity problems, although our liquidity position was sound. We witnessed higher than normal deposit withdrawals during the period April 11 to 13, 2003, on account of these unsubstantiated rumours. We successfully controlled the situation, but if such situations were to arise in the future, any failure to control such situations could result in large deposit withdrawals, which would adversely impact our liquidity position.

Operational Risk

We are exposed to many types of operational risk. Operational risk is the risk of loss that can result from a variety of factors, including failure to obtain proper internal authorizations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors or for external causes. Our operational risk management policy aims at minimising losses and customer dissatisfaction due to failure in processes, focusing on flaws in products and their design that can expose the Bank to losses due to fraud etc, analysing the impact of failures in technology/systems and develop mitigants to minimise the impact and developing plans for external shocks that can adversely impact the continuity in the Bank's operations. Our approach to operational risk management is designed to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back–up procedures and undertaking regular contingency planning.

Operational Controls and Procedures in Branches

We have operating manuals detailing the procedures for the processing of various banking transactions and the operation of the application software. Amendments to these manuals are implemented through circulars sent to all offices.

We have a scheme of delegation of financial powers that sets out the monetary limit for each employee with respect to the processing of transactions in a customer's account. Withdrawals from customer accounts are controlled by dual authorization. Senior officers have been delegated power to authorise larger withdrawals. Our operating system validates the check number and balance before permitting withdrawals. Cash transactions over Rs. 0.1 crore are subject to special scrutiny to avoid money laundering. Our banking software has multiple security features to protect the integrity of applications and data.

Operational Controls and Procedures for Internet Banking

In order to open an Internet banking account, the customer must provide us with documentation to prove the customer's identity, such as a copy of the customer's passport, a photograph and specimen signature of the customer. After verification of this documentation, we open the Internet banking account and issue the customer a user ID and password to access his account online.

Operational Controls and Procedures in Regional Processing Centers & Central Processing Centers

To improve customer service at our physical locations, we handle transaction processing centrally by taking away such operations from branches. We have centralised operations at regional processing centers located at 15 cities in the country. These regional processing centers process clearing checks and inter-branch transactions, make inter-city check collections, and engage in back-office activities for account opening, standing instructions and auto-renewal of deposits.

In Mumbai, we have centralised transaction processing on a nation-wide basis for transactions like the issue of ATM cards and PIN mailers, reconciliation of ATM transactions, monitoring of ATM functioning, issue of passwords to Internet banking customers, depositing postdated checks received from retail loan customers and credit card transaction processing. Centralised processing has been extended to the issuance of personalised check books, back-office activities of non-resident Indian accounts, opening of new bank accounts for customers who seek web brokering services and recovery of service charges for accounts for holding shares in book-entry form.

Operational Controls and Procedures in Treasury

We use technology to monitor risk limits and exposures. Our front office, back office and accounting and reconciliation functions are fully segregated in both the domestic treasury and foreign exchange treasury. The respective middle offices use various risk monitoring tools such as counterparty limits, position limits, exposure limits and individual dealer limits. Procedures for reporting breaches in limits are also in place.

Our front office treasury operations for rupee transactions consist of operations in fixed income securities, equity securities and inter-bank money markets. Our dealers analyse the market conditions and take views on price movements. Thereafter, they strike deals in conformity with various limits relating to counterparties, securities and brokers. The deals are then forwarded to the back office for settlement.

Trade strategies are discussed frequently and decisions are taken based on market forecasts, information and liquidity considerations. Trading operations are conducted in conformity with the code of conduct prescribed by internal and regulatory guidelines.

The Treasury Middle Office Group monitors counterparty limits, evaluates the mark-to-market impact on various positions taken by dealers and monitors market risk exposure of the investment portfolio and adherence to various market risk limits.

Our back office undertakes the settlement of funds and securities. The back office has procedures and controls for minimizing operational risks, including procedures with respect to deal confirmations with counterparties, verifying the authenticity of counterparty checks and securities, ensuring receipt of contract notes from brokers, monitoring receipt of interest and principal amounts on due dates, ensuring transfer of title in the case of purchases of securities, reconciling actual security holdings with the holdings pursuant to the records and reports any irregularity or shortcoming observed.

Anti-money Laundering Controls

The Indian Parliament has enacted the Prevention of Money Laundering Act (PMLA), 2002 to deal with the Money Laundering in India. The Government of India has subsequently amended the PMLA to remove certain shortcomings existing in the earlier version and the same has been notified in the Official Gazette for implementation with effect from July 1, 2005.The Government of India has also notified the Rules for implementation of the PMLA.

The Reserve Bank of India (RBI) has issued detailed guidelines to Banks on Know Your Customer (KYC) and Anti-Money Laundering (AML) in November 2004. RBI's guidelines of November 2004 supersede all instructions issued by RBI on KYC and AML and are based on the Recommendations of the Financial Action Task Force (FATF) and the paper issued on Customer Due Diligence (CDD) for Banks by the Basel Committee on Banking Supervision. Banks are required to comply with this guideline by December 31, 2005. In August 2005, the RBI has simplified the KYC procedure for opening accounts for those persons who intend to keep balances not exceeding rupees fifty thousand (Rs. 50,000) in all their accounts taken together and the total credit in all the accounts taken together is not expected to exceed rupees one lakh (Rs. 1,00,000) in a year in order to ensure that the implementation of the KYC guidelines do not result in the denial of the banking services to the financially/socially disadvantaged. The RBI has also issued the guidelines on the obligations of the banks under PMLA on February 15, 2006.

Our Board of Directors has already approved a Group AML Policy, which establishes the standards of AML compliance. The Group AML Policy is applicable to all activities of ICICI Bank including its Strategic Business Units (SBUs) in India and abroad. The AML regulatory requirements for overseas units are provided separately. The AML standards of the Bank are primarily based on two pillars, namely, KYC and Monitoring/Reporting of Suspicious Transactions (MSTR). The Group AML Policy specifies a risk-based approach in implementing the AML framework. The SBUs are required to undertake risk profiling of various customer segments and products, and classify them into high, medium and low-risk categories. The AML framework seeks to institute a process of customer identification and verification depending on the nature/status of the customer and the kind of transactions that are contemplated to take place. In respect of unusual or suspicious transactions or when the customer moves from a low-risk to high-risk profile, appropriate enhanced due-diligence measures are required to be adopted. The Group AML Policy also provides for reports of suspicious transactions to be submitted to the Regulatory / Law Enforcement Authorities. The Audit Committee of the Board of Directors supervises the implementation of the AML framework. A Money Laundering Reporting Officer has been designated for monitoring day-to-day implementation of the AML Policy and Procedures. ICICI Bank’s Committee of Directors has also approved a Customer Acceptance Policy, product/customer specific KYC procedures and appropriate transaction monitoring procedures. Suitable training programmes are conducted for the employees.

Global risk management framework

We have adopted a global risk management framework for our international banking operations, including overseas branches, offshore banking units and subsidiaries. Under this framework, our credit, investment, asset liability management and anti-money laundering policies apply to all our overseas branches and offshore banking units, with modifications to meet local regulatory or business requirements. These modifications may be made only with the approval of our board of directors. All overseas banking subsidiaries are required to adopt risk management policy frameworks to be approved by their board of directors or an appropriate committee of their board of directors, based on applicable laws and regulations as well as our corporate governance and risk management framework. The overseas banking subsidiaries are required to adopt a process for formulation of policies which involves seeking the guidance and recommendations of the related groups in ICICI Bank.

The Compliance and Audit Group plays an oversight role in respect of regulatory compliance. Key risk indicators pertaining to our international banking operations are presented to the Risk Committee of our board of directors on a quarterly basis.

Audit

The Internal Audit Group, which is part of the Compliance and Audit Group, undertakes a comprehensive audit of all business groups and other functions, in accordance with a risk-based audit plan. This plan allocates audit resources based on an assessment of the operational risks in the various businesses. The audit plan for every fiscal year is approved by the Audit Committee of our board of directors.

The Internal Audit Group also has a dedicated team responsible for information technology security audits. The annual audit plan covers various components of information technology including applications, databases, networks and operating systems.

The Reserve Bank of India requires banks to have a process of concurrent audits at branches handling large volumes, to cover a minimum of 50.0% of business volumes. ICICI Bank has a process of concurrent audits, using external accounting firms. Concurrent audits are also carried out at centralised and regional processing centers operations to ensure existence of and adherence to internal controls.

The Internal Audit Group has formed a separate International Banking Audit Group for audit of international branches, representative offices and subsidiaries.

Legal Risk

The uncertainty of the enforceability of the obligations of our customers and counter-parties, including the foreclosure on collateral, creates legal risk. Changes in laws and regulations could adversely affect us. Legal risk is higher in new areas of business where the law is often untested by the courts. We seek to minimise legal risk by using stringent legal documentation, employing procedures designed to ensure that transactions are properly authorised and consulting internal and external legal advisors.

Derivative Instruments Risk

We enter into interest rate and currency derivative transactions primarily for the purpose of hedging interest rate and foreign exchange mismatches and also engage in trading of derivative instruments on our own account. We provide derivative services to selected major corporate customers and other domestic and international financial institutions, including foreign currency forward transactions and foreign currency and interest rate swaps. Our derivative transactions are subject to counterparty risk to the extent particular obligors are unable to make payment on contracts when due.

Risk management in key subsidiaries

ICICI Securities provides investment banking services, including corporate advisory, fixed income and equity services, to corporate customers. All investment banking mandates, including underwriting commitments, are approved by the Commitments Committee comprising the Managing Director and CEO and relevant group heads, of ICICI Securities. ICICI Securities is a primary dealer and has government of India securities as a significant proportion of its portfolio. It has a corporate risk management group for managing principally the credit and market risks arising out of the various activities of the company.

ICICI Prudential Life Insurance believes it has a well-developed framework for assessing and managing risks. Investment Risk: ICICI Prudential has a prudent investment strategy to optimize risk adjusted returns. Its Asset-Liability Management (ALM) framework is designed to cushion and mitigate the investment related risks of assets. The Assets under Management for the linked portfolio, in respect of which there is minimal asset-liability mismatch risk, amounts to over 84% of the policyholders' funds. As part of ALM of non-linked portfolio, the Company has hedged the single premium non-participating portfolio by duration matching, rebalanced monthly. On the participating portfolio, the ICICI Prudential's asset allocation strategy, which includes investments in Equities, is designed to achieve the twin objectives of managing base guarantees and maximizing returns. The equity portfolio is benchmarked against BSE 100. In addition, there are exposure limits to companies, groups and industries.

Operational Risks: The Management of ICICI Prudential assesses and rates the various operational risks and prepares a mitigation plan. Internal Audit performs risk-based audit and reports the findings to the Audit Committee.

Prudential ICICI Asset Management Company is acting as an investment manager to Prudential ICICI Mutual Fund, which is mainly exposed to the risk of fund management, operation, customer service, sales and marketing. These risks are managed by segregation of front office and back office in the asset management company, independent verification of data inputs, establishment of committee for investment, valuation and audit, development of a second line for key position and establishment of a risk management function as mandated by SEBI. The progress report on risk management is periodically reviewed by the Audit Committee, and is also placed before the Board of Directors of the Company. Confirmation on compliance of the regulatory requirements related to risk management is periodically filed with SEBI.

ICICI Lombard General Insurance is principally exposed to risks arising out of the nature of business underwritten and credit risk on its investment portfolio. In respect of business risk, ICICI Lombard General Insurance seeks to diversify its insurance portfolio across industry sectors and geographical regions. It focuses on product segments that have historically experienced low loss ratios. It also has the ability to reduce the risk retained on its own balance sheet by re-insuring a part of the risks underwritten. Its investments are governed by the investment policy approved by its board of directors within the norms stipulated by the Insurance Regulatory and Development Authority. The Investment Committee oversees the implementation of this policy and reviews it periodically. Exposure to any single entity is normally restricted to 5.0% of the portfolio and to any industry to 10.0% of the portfolio. Investments in debt instruments are generally restricted to instruments with a domestic credit rating of AA or higher.

Technology

We continue to endeavor to be at the forefront of usage of technology in the financial services sector. We strive to use information technology as a strategic tool for our business operations, to gain a competitive advantage and to improve our overall productivity and efficiency. Our technology initiatives are aimed at enhancing value, offering customers enhanced convenience and improved service while optimizing costs. Our focus on technology emphasises:

Electronic and online channels to:
- offer easy access to our products and services;
- reduce distribution and transaction costs;
- reach new target customers;
- enhance existing customer relationships; and
- reduce time to market.

Application of information systems to:
- manage our large scale of operations efficiently;
- effectively market to our target customers;
- monitor and control risks;
- identify, assess and capitalise on market opportunities; and
- assist in offering improved products to customers.

We also seek to leverage our domestic technology capabilities in our international operations.

Technology Organization

While we have dedicated technology groups for our products and services for retail and corporate customers, our enterprise-wide technology initiatives are coordinated by the Technology Management Group. The retail and corporate technology groups review the individual requirements of the various business groups while the technology management group aggregates the requirements of various business groups to ensure enterprise-wide consistency.

Banking Application Software

We use a banking application software that is flexible and scaleable and allows us to effectively and efficiently serve our growing customer base. Our upgraded core banking software is enabled with multi-currency features. A central stand-in server provides services all days of the week, throughout the year, to delivery channels. The server stores the latest customer account balances, which are continuously streamed from the core-banking database. We have a data center in Mumbai for centralised data base management, data storage and retrieval.

Electronic and Online Channels

We use a combination of physical and electronic delivery channels to maximise customer choice and convenience, which has helped the differentiation of our products in the marketplace. Our branch banking software is flexible and scaleable and integrates well with its electronic delivery channels. Our ATMs are sourced from some of the world’s leading vendors. These ATMs work with the branch banking software. At March 31, 2006 we had 2,200 ATMs across India. We were one of the first banks to offer online banking facilities to our customers. We now offer a number of online banking services to our customers for both corporate and retail products and services. Our telephone banking call centers employ approximately 3,183 phone banking officers, across two locations, at Mumbai and Hyderabad, which are operational round the clock. These telephone banking call centers use an Interactive Voice Response System. The call centers are based on the latest technology and provide an integrated customer database that allows the call agents to get a complete overview of the customer’s relationship with us. The database enables customer segmentation and assists the call agent in identifying cross-selling opportunities.

We offer mobile banking services in India in line with our strategy to offer multi-channel access to our customers. This service has now been extended to all mobile telephone service providers across India and non-resident Indian customers.

High-Speed Electronic Communications Infrastructure

We have a nationwide data communications network linking all our channels and offices. The network design is based on a mix of dedicated leased lines and satellite links to provide for reach and redundancy, which is imperative in a vast country like India. The communications network is monitored 24 hours a day using advanced network management software. We are moving towards multi protocol label switching (MPLS) as an alternative to lease lines, thus ensuring redundancy.

Operations relating to Commercial Banking for Corporate Customers

We have successfully centralised our corporate banking back office operations and rolled out a business process management solution to automate our activities in the areas of trade services and general banking operations. Through integration of the workflow system with the imaging and document management system, we have achieved substantial savings and practically eliminated the use of paper for these processes.

We have centralised the systems of the treasuries of all our international branches and subsidiaries. As a result, the processing of transactions as well as the applications used for deal entry are now centrally located and maintained out of India.

Customer Relationship Management

We have implemented a customer relationship management solution for automation of customer handling in all key retail products. The solution helps in tracking and timely resolution of various customer queries and issues. The solution has been deployed at the telephone banking call centers as well as a large number of branches. (AM Note: Inclusion of Code of Bank's Commitment to Customers, issued by the RBI.)

Data Warehousing and Data Mining

We have a data warehouse for customer data aggregation. This data warehouse also provides a platform for data mining initiatives. We have implemented an Enterprise Application Integration initiative across our retail and corporate products and services, to link various products, delivery and channel systems. This initiative underpins our multi-channel customer service strategy and seeks to deliver customer related information consistently across access points. It is also aimed to provide us with the valuable information to compile a unified customer view and creates various opportunities associated with cross-selling other financial products.

Data center and disaster recovery system

While our primary data center is located in Mumbai, a separate disaster recovery data center has been set up in another city and is connected to the main data center in Mumbai. The disaster recovery data center can host critical banking applications in the event of a disaster at the primary site.

Employees

At March 31, 2006, we had 25,384 employees, of whom 11,163 employees were professionals in business management, accountancy, engineering, law, computer science or economics. Management believes that it has good relationship with its staff.

We rely extensively on our human capital and continue to attract the best graduates from the premier business schools of the country. We dedicate a significant amount of senior management time to ensure that employees remain highly motivated and perceive the organisation as a place where opportunities abound, innovation is fuelled, teamwork is valued and success is rewarded. Employee compensation is clearly tied to performance and we encourage the involvement of all our employees in our overall performance and profitability through profit sharing incentive schemes based largely on the financial results and other quantitative and qualitative factors. A performance management system has been implemented to assist management in career development and succession planning. We have an employee stock option scheme to encourage and retain high performing employees. Up to 5.0% of our equity share capital can be issued as stock options under this scheme. The stock option entitles eligible employees to apply for equity shares. The Board Governance and Remuneration

Committee determines the eligibility of each employee based on an evaluation of the employee including employee's work performance, technical knowledge and leadership qualities.

We have a training centre at Khandala, near Mumbai which conducts a series of training programmes designed to meet the changing skill requirements of our employees. These training programmes include orientation sessions for new employees and management development programmes for mid-level and senior executives. The training centre regularly offers courses conducted by faculty, both national and international, drawn from industry, academia and from our own employees. Training programmes are also conducted for developing functional as well as managerial skills. We also depute our employees to various specialised training programmes held in India and abroad.

In July 2003, we offered an Early Retirement Option to our employees. All employees who were 40 years of age and had completed seven years of service with us (including periods of service with Bank of Madura, ICICI, ICICI Personal Financial Services and ICICI Capital Services which were amalgamated with and into us) as of July 31, 2003 were eligible for the Early Retirement Option. Out of approximately 2,350 eligible employees, 1,495 employees exercised the Option. The total cost of the Early Retirement Option including these provisions was Rs. 191 crore, which is being amortised over a period of five years in line with the Reserve Bank of India's approval.

Properties

Our registered office is located at Landmark, Race Course Circle, Vadodara 390 007, Gujarat, India. Our corporate headquarters are located at ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051, Maharashtra, India.

We had a principal network consisting of 563 branches, 51 extension counters and 2,200 ATMs at March 31, 2006. These facilities are located throughout India. 40 of these facilities are located on properties owned by us, while the remaining facilities are located on leased properties. In addition to the branches, extension counters and ATMs, We have 18 controlling/administrative offices including the registered office at Vadodara and the corporate headquarters at Mumbai, 22 regional processing centers in various cities and three central processing center at Mumbai. We also have one offshore banking unit each at Mumbai, Singapore, Hong Kong and Bahrain. We have 858 apartments for our employees. We also provide residential and holiday home facilities to employees at subsidised rates.

REGULATIONS AND POLICIES

The main legislation governing commercial banks in India is the Banking Regulation Act. Other important laws include the RBI Act, the Negotiable Instruments Act and the Banker's Books Evidence Act. Additionally, the RBI, from time to time, issues guidelines to be followed by the bank. Compliance with all regulatory requirements is evaluated with respect to financial statements under Indian GAAP.

RBI Regulations

Commercial banks in India are required under the Banking Regulation Act to obtain a license from the RBI to carry on banking business in India. Before granting the license, the RBI must be satisfied that certain conditions are complied with, including (i) that the bank has the ability to pay its present and future depositors in full as their claims accrue; (ii) that the affairs of the bank will not be or are not likely to be conducted in a manner detrimental to the interests of present or future depositors; (iii) that the bank has adequate capital and earnings prospects; and (iv) that the public interest will be served if such license is granted to the bank. The RBI can cancel the license if the bank fails to meet the above conditions or if the bank ceases to carry on banking operations in India.

We, being licensed as a banking company, are regulated and supervised by the RBI. The RBI requires us to furnish statements, information and certain details relating to our business. It has issued guidelines for commercial banks on recognition of income, classification of assets, valuation of investments, maintenance of capital adequacy and provisioning for impaired assets. The RBI has set up a Board for Financial Supervision, under the chairmanship of the Governor of the RBI. The appointment of the auditors of banks is subject to the approval of the RBI. The RBI can direct a special audit in the interest of the depositors or in the public interest.

Regulations relating to the Opening of Branches, Extension Counters (ECs) and ATMs:

The opening of branches by banks is governed by the provisions of Section 23 of the Banking Regulation Act. In terms of these provisions, banks are required to obtain licenses from the RBI to open new branches. Permission is granted based on factors such as the financial condition and history of the company, its management, adequacy of capital structure and earning prospects and the public interest. The RBI may cancel the license for violations of the conditions under which it was granted. Under the banking license granted to us by the RBI, we are required to have at least 25.0% of our branches located in rural and semi-urban areas. A rural area is defined as a centre with a population of less than 10,000. A semi-urban area is defined as a centre with a population of greater than 10,000 but less than 100,000. Population criteria will be as per latest census report figures of the centre (revenue unit and not locality).

In September 2005, RBI, with the objective of liberalising and rationalising the branch authorisation policy, has put in place a framework for a branch authorisation policy which would be consistent with the medium term corporate strategy of banks and public interest. As per this framework, the existing system of granting authorisations for opening individual branches from time to time, would be replaced by a system of giving aggregated approvals, on an annual basis, through a consultative and interactive process. Banks' branch expansion strategies and plans over the medium term would be discussed by the RBI with individual banks. The medium term framework and the specific proposals would cover the opening, closing and shifting of all categories of branches including the ATMs. Normally, the authorisations/approvals, given on an annual basis would be valid for one year, from the date of communication.

Under the new policy framework, the RBI would be considering the relevant factors in addition to the factors mentioned in the above paragraph such as, nature and scope of banking facilities being provided to normal customers, need to induce enhanced competition among banks, and the Regulatory comfort.

For this purpose, a "branch" would include a full-fledged branch, a satellite office, an extension counter, an off-site ATM, administrative office, controlling office, service branch (back office or processing centre) and credit card centre. A call centre will not be treated as a branch. A call centre is one where only accounts or product information is provided to the customer through tele-banking facility and no banking transaction is undertaken through such centres.

Capital Adequacy Requirements

We are subject to the capital adequacy requirements of the RBI, which, based on the guidelines of the Basel Committee on Banking Regulations and Supervisory Practices, 1998, require every scheduled commercial bank to maintain a minimum ratio of capital to risk weighted assets (including off balance sheet items)of 9.0%.

The total capital of a banking company is classified into Tier 1 and Tier 2 capital. Tier 1 capital, the core capital, provides the most permanent and readily available support against unexpected losses. It comprises paid-up capital and reserves consisting of any statutory reserves, free reserves and capital reserve pursuant to the Indian I.T. Act as reduced by equity investments in subsidiaries, intangible assets and losses in the current period and those brought forward from the previous period. In fiscal 2003, the RBI issued a guideline requiring a bank's deferred tax asset to be treated as an intangible asset and deducted from its Tier 1 capital.

Tier 2 capital consists of undisclosed reserves, revaluation reserves (at a discount of 55.0%), general provisions and loss reserves (allowed up to a maximum of 1.25% of risk weighted assets), hybrid debt capital instruments (which combine certain features of both equity and debt securities) and subordinated debt. Any subordinated debt is subject to progressive discounts each year for inclusion in Tier 2 capital and total subordinated debt considered as Tier 2 capital can not exceed 50.0% of Tier 1 capital. Tier 2 capital can not exceed Tier 1 capital.

Risk adjusted assets and off-balance sheet items considered for determining the capital adequacy ratio are the risk weighted total of specified funded and non-funded exposures. Degrees of credit risk expressed as percentage weighting are assigned to various balance sheet asset items and conversion factors to off-balance sheet items. The value of each item is multiplied by the relevant weight or conversion factor to produce risk-adjusted values of assets and off-balance-sheet items. Standby letters of credit/ guarantees and documentary credits are treated as similar to funded exposure and are subject to similar risk weight. All foreign exchange and gold open position limits of the bank carry a 100.0% risk weight. Capital requirements have also been prescribed for open positions in gold. In December 2004, the Reserve Bank of India increased the risk weights on housing loans from 50.0% to 75.0% and on consumer credit including personal loans and credit card receivables from 100.0% to 125.0% as a temporary counter-cyclical measure given the rapid growth of these segments. In July 2005, the Reserve Bank of India increased the risk weights on capital market exposure and exposure to commercial real estate from 100.0% to 125.0%.

In its annual policy statement for fiscal 2007, the Reserve Bank of India further increased the risk weight on capital market exposures and exposure to commercial real estate from 125.0% to 150.0%. Banks were also required to include their total venture capital exposure as part of their capital market exposures and assigned a 150.0% risk weight. The Reserve Bank of India issued its final guidelines on œSecuritisation of Standard Assets□ on February 1, 2006. The guidelines define true sale, criteria to be met by special purpose vehicles (SPVs) set up from securitisation, policy on provision of credit enhancement facilities, liquidity facilities, underwriting facilities and provision of services. The guidelines also cover capital requirement on securitization, prudential norms for investment in securities issued by SPV, accounting treatment of the securitization transactions and disclosure requirements.

Effective March 31, 2001, banks and financial institutions were required to assign a risk weight of 2.5% in respect of the entire investment portfolio to cover market risk, over and above the existing risk weights for credit risk in non-government and non-approved securities. In fiscal 2002, with a view to the building up of adequate reserves to guard against any possible reversal of the interest rate environment in the future due to unexpected developments, the RBI advised banks to build up an investment fluctuation reserve of a minimum of 5.0% of the bank's investment portfolio within a period of five years, by fiscal 2006. This reserve has to be computed with respect to investments in held for trading and available for sale categories. Investment fluctuation reserve is included in Tier 2 capital. Further, in April 2005, it has been decided by RBI that banks which have maintained capital of at least 9 per cent of the risk weighted assets for both credit risk and market risks for investments under Held For Trading (HFT) & Available For Sale (AFS) categories, open gold position limit, open foreign exchange position limit, trading positions in derivatives and derivatives entered into for hedging trading book exposures may treat the balance in excess of 5 per cent of securities included under HFT and AFS categories, in the IFR, as Tier I capital. Banks satisfying the above criteria may also transfer the amount in excess of the said 5 per cent in the IFR to Statutory Reserve. In October 2005, the Reserve Bank of India has specified that banks that have maintained capital for both credit risk and market risk for both held for trading and available for sale category at year-end fiscal 2006 would be permitted to treat the entire balance in the investment fluctuation reserve as Tier 1 capital.

In June 2004, the RBI issued guidelines on capital for market risk. The guidelines prescribe the method of computation of risk-weighted assets in respect of market risk. The aggregate risk weighted assets are required to be taken into account for determining the capital adequacy ratio. Banks were required to maintain a capital charge for market risk in respect of their trading book exposure (including derivatives) by year-end fiscal 2005 and securities included under available for sale category by year-end fiscal 2006.

In February 2005, the Reserve Bank of India issued draft guidelines for the implementation of the revised capital adequacy framework of the Basel Committee. These draft guidelines specify that all banks in India will adopt the standardised approach for credit risk and the basic indicator approach for operational risk with effect from March 31, 2007. With a view to ensuring smooth transition to the revised Framework and with a view to providing opportunity to banks to streamline their systems and strategies, banks in India are required to commence a parallel run of the revised Framework with effect from April 1, 2006. After adequate expertise has been developed, both at the banks and at the supervisory levels, some banks may be allowed to migrate to the internal ratings based approach after obtaining the approval of the Reserve Bank of India. The guidelines also prescribe a 75.0% risk weight for retail credit exposures, differential risk weights for other credit exposures linked to their credit rating, and a capital charge for operational risk based on a factor of 15.0% of the sum of a bank's net interest income and non-interest income (excluding extraordinary income).

Enhancement of banks' capital raising options for capital adequacy purposes

The Reserve Bank of India (RBI) issued a circular on "Enhancement of banks' capital raising options for capital adequacy purposes" dated January 25, 2006, with a view to provide banks in India additional options for raising capital funds, to meet both the increasing business requirements as well as the Basel II requirements within the existing framework. As per these guidelines, banks can augment their capital funds by issue of the following instruments:

a. Innovative Perpetual Debt Instruments (IPDI) eligible for inclusion as Tier I capital;
b. Debt capital instruments eligible for inclusion as upper Tier II capital;
c. Perpetual non- cumulative preference shares eligible for inclusion as Tier I capital - subject to laws in force from time to time and;
d. Redeemable cumulative preference shares eligible for inclusion as Tier II capital - subject to laws in force from time to time.

RBI has issued detailed guidelines for items (a) and (b), and has also indicated that detailed guidelines regarding items (c) and (d) will be issued separately in due course.

Loan Loss Provisions and Non-Performing Assets

In April 1992, the RBI issued formal guidelines on income recognition, asset classification, provisioning norms and valuation of investments applicable to banks, which are revised from time to time. These guidelines are applied for recognition of impaired loan assets and for provisioning of the same under Indian GAAP.
The principal features of these RBI guidelines, which have been implemented with respect to our loans, debentures, lease assets, hire purchases and bills are set forth below.

Asset Classification

Until year-end fiscal 2003, an impaired asset (also called non-performing assets pursuant to the RBI guidelines) was an asset in respect of which any amount of interest or principal was overdue for more than two quarters. In particular, an advance was an impaired asset where:

- interest and/or instalment of principal remained overdue for a period of more than 180 days in respect of a term loan;
- the account remained "out-of-order" for a period of more than 180 days in respect of an overdraft or cash credit;
- the bill remained overdue for a period of more than 180 days in case of bills purchased and discounted;
- interest and/or principal remained overdue for two harvest seasons but for a period not exceeding two half years in the case of an advance granted for agricultural purposes; and
- any amount to be received remained overdue for a period of more than 180 days in respect of other accounts.

Effective fiscal 2004, banks are now required to classify an asset as non-performing when principal or interest has remained overdue for more than 90 days. Interest in respect of non-performing assets is not recognised unless collected.

In line with the RBI master circular on income recognition, asset classification and provisioning pertaining to advances portfolio of banks, issued in July 2004 for banks, non-performing assets are classified as follows:

Sub-Standard Assets. Assets that are non-performing assets for a period not exceeding 18 months (12 months effective year-end fiscal 2005). In such cases, the current net worth of the borrower / guarantor or the current market value of the security charged is not enough to ensure recovery of dues to the banks in full. Such an asset has well-defined credit weaknesses that jeopardise the liquidation of the debt and are characterised by the distinct possibility that the bank will sustain some loss, if deficiencies are not corrected.

Doubtful Assets. Assets that are non-performing assets for more than 18 months (12 months effective year-end fiscal 2005) are classified as doubtful assets. A loan classified as doubtful has all the weaknesses inherent in assets that are classified as sub-standard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently known facts, conditions and values, highly questionable and improbable.

Loss Assets. Assets on which losses have been identified by the bank or internal or external auditors or the RBI inspection but the amount has not been written off fully.

There are separate guidelines for projects under implementation, which are based on the achievement of financial closure and the date of approval of the project financing.

The RBI also has separate guidelines for restructured loans. A fully secured restructured standard asset can be restructured by reschedulement of principal repayment and/ or the interest element, but must be separately disclosed as a restructured asset. The amount of sacrifice, if any, in the element of interest, measured in present value terms, is either written off or provision is made to the extent of the sacrifice involved. Similar guidelines are applicable to sub-standard assets. The sub-standard accounts which have been subjected to restructuring, whether in respect of principal instalment or interest amount, by whatever modality, are eligible to be upgraded to the standard category only after the specified period, i.e., a period of one year after the date when first payment of interest or of principal, whichever is earlier, falls due, subject to satisfactory performance during the period. To put in place an institutional mechanism for the restructuring of corporate debt, the RBI has devised a corporate debt restructuring (CDR) system.

Provisioning and Write-Offs

Provisions are based on guidelines specific to the classification of the assets. The following guidelines apply to the various asset classifications:

- *Standard Assets.* A general provision of 0.25% is required (0.40% in the case of direct advance to the agriculture and small and medium enterprise sectors). In its annual policy statement for fiscal 2007, the Reserve Bank of India has increased the general provisioning on standard advances in specific sectors from 0.40% to 1.00%. These provisions are eligible for inclusion in Tier II Capital for capital adequacy purposes up to the permitted extent.

- Sub-Standard Assets. A general provision of 10.0% is required. However, the 'unsecured exposures', which are identified as 'substandard' would attract an additional provision of 10 per cent, i.e., a total of 20 per cent on the outstanding balance.

- *Doubtful Assets.* A 100.0% write-off is required to be taken against the unsecured portion of the doubtful asset and charged against income. The value assigned to the collateral securing a loan is the amount reflected on the borrower's books or the realisable value determined by third party appraisers. Till year-end fiscal 2004, in cases where there was a secured portion of the asset, depending upon the period for which the asset remained doubtful, a 20.0% to 50.0% provision was required to be taken against the secured asset as follows:

    - Up to one year: 20.0% provision
    - One to three years: 30.0% provision
    - More than three years: 50.0% provision

In July 2004, the RBI introduced additional provisioning requirements for non-performing assets classified as 'doubtful for more than three years'. Effective year-end fiscal 2005, 100.0% provision will have to be made for the secured portion of assets classified as doubtful for more than three years on or after April 1, 2004. For the secured portion of assets classified as doubtful for more than three years at March 31, 2004, a provision of 60.0% will have to be made by year-end fiscal 2005, 75.0% by year-end fiscal 2006 and 100.0% by year-end fiscal 2007.

- *Loss Assets.* The entire asset is required to be written off or provided for.

- *Restructured Assets.* A provision is made equal to the net present value of the reduction in the rate of interest on the loan over its maturity.

While the provisions indicated above are mandatory, a higher provision in a loan amount is required if considered necessary by the management. In June 2006, the Reserve Bank of India issued prudential norms on creation and utilization of floating provisions (provisions which are not made in respect of specific non-performing assets or are made in excess of regulatory requirement for provisions for standard assets). The norms state that floating provisions can be used only for contingencies under extraordinary circumstances for making specific provisions in impaired accounts after obtaining approval from the board of directors and with the prior permission of the Reserve Bank of India. Floating provisions for advances and investments would be held separately and cannot be reversed by credit to the profit and loss account. Until utilization of such provisions, they can be netted off from gross non performing assets to arrive at disclosure of net non performing assets, or, can alternatively be treated as part of Tier II capital within the overall ceiling of 1.25% of total risk-weighted assets. Further, floating provisions would not include specific voluntary provisions made by banks for advances at rates which are higher then the stipulated rates.

Regulations relating to Making Loans

The provisions of the Banking Regulation Act govern the making of loans by banks in India. The RBI issues directions covering the loan activities of banks. Some of the major guidelines of RBI, which are now in effect, are as follows:

- The RBI has prescribed norms for bank lending to non-bank financial companies and financing of public sector disinvestment.

- Banks are free to determine their own lending rates but each bank must declare its prime lending rate as approved by its board of directors. Banks are required to declare a benchmark prime lending rate based on various parameters including cost of funds, operating expenses, capital charge and profit margin. Each bank should also indicate the maximum spread over the prime-lending rate for all credit exposures other than retail loans. The interest charged by banks on advances up to Rs. 200,000 to any one entity (other than certain permitted types of loans including loans to individuals for acquiring residential property, loans for purchase of consumer durables and other non-priority sector personal loans) must not exceed the prime lending rate. Banks are also given freedom to lend at a rate below the prime lending rate in respect of creditworthy borrowers and exposures. Interest rates for certain categories of advances are regulated by the RBI.

- In terms of section 20(1) of the Banking Regulation Act, a banking company is prohibited from entering into any commitment for granting any loans or advances to or on behalf of any of its directors, or any firm in which any of its directors is interested as partner, manager, employee or guarantor, or any company (not being a subsidiary of the banking company or a company registered under section 25 of the Act, or a government company) of which, or the subsidiary or the holding company of which any of the directors of the bank is a director, managing agent, manager, employee or guarantor or in which he holds substantial interest, or any individual in respect of whom any of its directors is a partner or guarantor. There are certain exemptions in this regard as the explanation to the section provides that 'loans or advances' shall not include any transaction which RBI may specify by general or special order as not being a loan or advance for the purpose of such section. ICICI Bank is in compliance with these requirements.

There are guidelines on loans against equity shares in respect of amount, margin requirement and purpose.

In June 2005, the guidelines issued by RBI require the Banks to have a Board mandated policy in respect of their real estate exposure. The policy is required to include exposure limits, collaterals to be considered, margins to be kept, sanctioning authority / level, sector to be financed, etc., though the actual limits / margins may vary from bank to bank depending upon the individual bank's portfolio size, risk appetite and risk containing abilities, etc. Further, the RBI has permitted the banks in June 2005, to extend financial assistance to Indian companies for acquisition of equity in overseas joint ventures/wholly owned subsidiaries or in other overseas companies, new or existing, as strategic investment.

Regulations relating to Sale of Assets to Asset Reconstruction Companies

The Securitisation Act provides for sale of financial assets by banks and financial institutions to asset reconstruction companies. RBI has issued guidelines to banks on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank may sell financial assets to an asset reconstruction company provided the asset is a non-performing asset. A bank may sell a standard asset only if the borrower has a consortium or multiple banking arrangement, at least 75.0% by value of the total loans to the borrower are classified as non-performing and at least 75.0% by value of the banks and financial institutions in the consortium or multiple banking arrangement agree to the sale. The banks selling financial assets should ensure that there is no known liability devolving on them and that they do not assume any operational, legal or any other type of risks relating to the financial assets sold. Further, banks may not sell financial assets at a contingent price with an agreement to bear a part of the shortfall on ultimate realisation. However, banks may sell specific financial assets with an agreement to share in any surplus realised by the asset reconstruction company in the future. While each bank is required to make its own assessment of the value offered in the sale before accepting or rejecting an offer for purchase of financial assets by an asset reconstruction company, in consortium or multiple banking arrangements where more than 75.0% by value of the banks or financial institutions accept the offer, the remaining banks or financial institutions are obliged to accept the offer. Consideration for the sale may be in the form of cash, bonds or debentures or security receipts or pass through certificates issued by the asset reconstruction company or trusts set up by it to acquire the financial assets.

Securitisation of Standard Assets

RBI issued its final guidelines on “Securitisation of Standard Assets” on February 1, 2006. The guidelines define true sale, criteria to be met by special purpose vehicles (SPVs) set up from securitisation, policy on provision of credit enhancement facilities, liquidity facilities, underwriting facilities and provision of services. The guidelines also cover capital requirement on securitization, prudential norms for investment in securities issued by SPV, accounting treatment of the securitization transactions and disclosure requirements.

Until December 31, 2005, the Bank was recognizing profit on securitization of loans at the time of completion of sale, as per the guidance note on accounting for securitisation issued by Institute of Chartered Accountants of India. The RBI guidelines now specify that any loss arising on account of the sale should be reflected in the income statement for the period during which the sale is effected and any profit/premium arising on account of sale should be amortised over the life of the securities issued by the SPV. Hence, from February 1, 2006, the Bank will amortise the profit earned on all new securitisation deals over the life of the securities issued in accordance with the above guidelines. The Bank will also maintain capital on securitization transactions in accordance with these guidelines for all new securitization deals.

These guidelines come into force with immediate effect. RBI would take a view on the treatment for the securitization transactions undertaken in the prior period on a case-by-case basis with the objective of ensuring adherence to basic principles of prudence.

Regulations on Sale/Purchase of Non-Performing Assets

In order to increase the options available to banks for resolving their non performing assets and to develop a healthy secondary market for non-performing assets, where securitisation companies and reconstruction companies are not involved, RBI has issued guidelines in July 2005 to banks on purchase / sale of Non-Performing Assets. These guidelines require banks to ensure that the purchase/sale of non-performing assets by banks should be in accordance with the Board approved policy. While laying down the policy, the Board is required to ensure that the bank has adequate skills to purchase non performing financial assets and deal with them in an efficient manner which will result in value addition to the bank. The guidelines also cover the aspects related to pricing & valuation and observance of prudential norms relating to capital adequacy, exposure norms and asset classification in respect of these transactions.

Directed Lending

Priority Sector Lending

The RBI requires commercial banks to lend a certain percentage of their net bank credit to specific sectors (the priority sectors), such as agriculture, small-scale industry, small businesses and housing finance. Total priority sector advances should be 40.0% of net bank credit with agricultural advances required to be 18.0% of net bank credit and advances to weaker sections required to be 10.0% of net bank credit, and 1.0% of the previous year's net bank credit required to be lent under the Differential Rate of Interest scheme. Any shortfall in the amount required to be lent to the priority sectors may be required to be deposited with the National Bank for Agriculture and the Rural Development. These deposits can be for a period of one year or five years.

Prior to the amalgamation, the advances of ICICI were not subject to the requirement applicable to banks in respect of priority sector lending. Pursuant to the terms of the RBI's approval of the amalgamation, we are required to maintain a total of 50.0% of our net bank credit on the residual portion of its advances (i.e., the portion of its total advances excluding advances of ICICI at year-end fiscal 2002) in the form of priority sector advances. This additional requirement of 10.0% by way of priority sector advances will apply until such time as the aggregate priority sector advances reach a level of 40.0% of our total net bank credit.

Export Credit

The RBI also requires commercial banks to make loans to exporters at concessional rates of interest. This enables exporters to have access to an internationally competitive financing option. Pursuant to existing guidelines, 12.0% of a bank's net bank credit is required to be in the form of export credit. We provide export credit for pre-shipment and post-shipment requirements of exporter borrowers in rupees and foreign currencies.

Credit flow to SME Sector

The RBI has issued guidelines in August 2005 for setting up of credit to SME sector. Banks are also advised to initiate necessary steps to rationalize the cost of loans to SME sector by adopting a transparent rating system with cost of credit being linked to the credit rating of enterprise. In addition the guidelines also cover the operational aspects associated with credit flow to SME sector.

Credit Exposure Limits

As a prudent measure aimed at better risk management and avoidance of concentration of credit risk, the RBI has prescribed credit exposure limits for banks and long-term lending institutions in respect of their lending to individual borrowers and to all companies in a single group (or sponsor group).

The limits currently set by the RBI are as follows:

- Exposure ceiling for a single borrower is 15.0% of capital funds and group exposure limit is 40.0% of capital funds. In case of financing for infrastructure projects, the exposure limit to a single borrower is extendable by another 5.0%, i.e., up to 20.0% of capital funds and the group exposure limit is extendable by another 10.0%, i.e., up to 50.0% of capital funds. Banks may, in exceptional circumstances, with the approval of their board of directors, consider enhancement of the exposure to a borrower up to a maximum of further 5.0% of capital funds, subject to the borrower consenting to the banks making appropriate disclosures in their annual reports.

- Capital funds for the purpose of exposure would be as defined under capital adequacy norms (Tier 1 and Tier 2) as per the published accounts as on March 31 of the previous year. (Addition to the capital during the year to be included)

- Non-fund based exposures are calculated at 100.0% and in addition, banks include forward contracts in foreign exchange and other derivative products, like currency swaps and options, at their replacement cost value in determining individual or group borrower exposure ceilings, effective April 1, 2003.

To ensure that exposures are evenly spread, the RBI requires banks to fix internal limits of exposure to specific sectors. These limits are subject to periodical review by the banks. We have fixed a ceiling of 15.0% of total exposure in respect of exposure to any one industry (other than retail loans) and monitor the same accordingly.

Regulations relating to Investments and Capital Market Exposure Limits

As per extant regulatory guidelines the bank's aggregate exposure to the capital markets covering direct investment by a bank in equity shares, convertible bonds and debentures and units of equity oriented mutual funds; advances against shares to individuals for investment in equity shares (including IPOs/ESOPs), bonds and debentures, units of equity-oriented mutual funds etc and secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers; should not exceed 5 per cent of their total outstanding advances (including Commercial Paper) as on March 31 of the previous year. This ceiling of 5 per cent prescribed for investment in shares would apply to total exposure including both fund based and non-fund based to capital market in all forms. Within this overall ceiling, banks investment in shares, convertible bonds and debentures and units of equity oriented mutual funds should not exceed 20 percent of its networth. The banks are required to adhere to this ceiling on an ongoing basis. In its mid-term review of its annual policy statement for fiscal 2006, the Reserve Bank of India proposed to restrict a bank's capital market exposure 40.0% of its net worth (both standalone and consolidated) and the consolidated direct capital market exposure to 20.0% of the consolidated networth. Pursuant to the terms of the Reserve Bank of India's approval for the amalgamation, ICICI's project finance related investments are excluded from the computation of these limits for a period of five years from the amalgamation. In addition, the Reserve Bank of India has approved the exclusion of specific equity investments acquired by conversion of debt under restructuring schemes approved by the Corporate Debt Restructuring Forum.

In November 2003, RBI issued guidelines on investments by banks in non-SLR securities issued by companies, banks, financial institutions, central and state government sponsored institutions and special purpose vehicles. These guidelines apply to primary market subscriptions and secondary market purchases. Pursuant to these guidelines, banks are prohibited from investing in non-SLR securities with an original maturity of less than one year, other than commercial paper and certificates of deposits. Banks are also prohibited from investing in unrated securities and unlisted securities and shares of All-India Financial Institutions. A bank's investment in unlisted non-SLR securities may not exceed 10.0% of its total investment in non-SLR securities as at the end of the preceding fiscal year. These guidelines will not apply to investments in security receipts issued by securitisation or reconstruction companies registered with RBI and asset backed securities and mortgage backed securities with a minimum investment grade credit rating.

In July 2004, the RBI imposed a ceiling 10.0% of capital funds (Tier 1 plus Tier 2 capital) on investments by banks and financial institutions in equity shares, preference shares eligible for capital status, subordinated debt instruments, hybrid debt capital instruments and any other instrument approved as in the nature of capital, issued by other banks and financial institutions. Investments in the instruments which are not deducted from Tier I capital of the investing bank or financial institution, will attract 100.0% risk weight for credit risk for capital adequacy purposes.
Further, banks and financial institutions cannot acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's or financial institution's holding exceeds 5.0% of the investee bank's equity capital. Banks with investments in excess of the prescribed limits were required to apply to the RBI with a roadmap for reduction of the exposure.

Consolidated Supervision Guidelines

In fiscal 2003, the RBI issued guidelines for consolidated accounting and consolidated supervision for banks. These guidelines became effective April 1, 2003. The principal features of these guidelines are:

Consolidated Financial Statements. Banks are required to prepare consolidated financial statements intended for public disclosure.

Consolidated Prudential Returns. Banks are required to submit to the RBI, consolidated prudential returns reporting their compliance with various prudential norms on a consolidated basis, excluding insurance subsidiaries. Compliance on a consolidated basis is required in respect of the following main prudential norms:

- Single borrower exposure limit of 15.0% of capital funds (20.0% of capital funds provided the additional exposure of up to 5.0% is for the purpose of financing infrastructure projects);
- Borrower group exposure limit of 40.0% of capital funds (50.0% of capital funds provided the additional exposure of up to 10.0% is for the purpose of financing infrastructure projects);
- Deduction from Tier 1 capital of the bank, of any shortfall in capital adequacy of a subsidiary for which

capital adequacy norms are specified; and

- Consolidated capital market exposure limit of 2.0% of consolidated advances and 10.0% of consolidated net worth.

We are in compliance with these guidelines, except for the consolidated capital market exposure limits. We have submitted to the RBI that the limit of 2.0% of consolidated advances and 10.0% of consolidated net worth effectively reduces the standalone capital market exposure limit of 5.0% of advances and 20.0% of net worth. On a consolidated basis, we have exceeded the exposure limits in respect of one borrower group exposure and three single borrower exposures. The RBI has granted approval for exceeding the norms in these cases on a standalone basis.

In its mid-term review of its annual policy statement for fiscal 2006, the Reserve Bank of India has proposed to restrict a bank's capital market exposure 40.0% of its net worth (both standalone and consolidated) and the consolidated direct capital market exposure to 20.0% of the consolidated networth. Pursuant to the terms of the Reserve Bank of India's approval for the amalgamation, ICICI's project finance related investments are excluded from the computation of these limits for a period of five years from the amalgamation. In addition, the Reserve Bank of India has approved the exclusion of specific equity investments acquired by conversion of debt under restructuring schemes approved by the Corporate Debt Restructuring Forum.

In June 2004, the RBI published the report of a working group on monitoring of financial conglomerates, which proposed the following framework:

- identification of financial conglomerates that would be subjected to focused regulatory oversight;
- monitoring intra-group transactions and exposures and large exposures of the group to outside counter parties;
- identifying a designated entity within each group that would collate data in respect of all other group entities and furnish the same to its regulator; and
- formalising a mechanism for inter-regulatory exchange of information.

The proposed framework covers entities under the jurisdiction of the RBI, the Securities and Exchange Board of India, the Insurance Regulatory and Development Authority and the National Housing Bank and would in due course be extended to entities regulated by the proposed Pension Fund Regulatory and Development Authority. The RBI has identified us and our related entities as a financial conglomerate with us as the designated entity responsible for reporting to the RBI.

With a view to monitoring intra-group transactions and exposures, a pilot process was initiated by RBI to obtain information from the designated entities of each Financial Conglomerate by the principal regulators. Such information was analysed and discussed amongst the principal regulators and a system for exchange of information among them has been put in place. In order to appropriately focus on monitoring of the process, in consultation with Chairman, SEBI and Chairman, IRDA, it is proposed in the Annual Policy Statement of RBI for the Year 2005-06, to hold a half-yearly discussion with the CEO of the designated entity, which would be convened by the lead regulator with other regulators, on the basis of available information for review and addressing concerns, if any.

Banks' Investment Classification and Valuation Norms

As per the extant RBI guidelines, a bank's investment portfolio is typically classified into:

a) SLR investments and
b) Non-SLR investments

SLR investments include Central Govt. dated securities, State Govt. dated securities, Treasury Bills and Other Approved securities.

Non-SLR investments include PSU bonds, debentures, PTCs, commercial papers/ notes, certificates of deposit, preference shares, equity shares, units of mutual funds, units of venture funds, security receipts, etc.

As per the extant RBI guidelines, investments are classified into three groups:

Classification	Definition
Held To Maturity	Acquired with the intent to hold till maturity *
Held for Trading	Bought and held primarily for purposes of selling them in the near term;
	Reflect active and frequent buying & selling; and
	Generally are used with the objective of generating profits on short-term differences in price
Available For Sale	Not classified as either Held for Trading or Held To Maturity category

*As per RBI guidelines, profit on sale of investments in this category should be first taken to Profit & Loss Account and thereafter be appropriated to the "Capital Reserve Account". Loss on sale will be recognised in the Profit & Loss Account.

Securities of any one type may be classified simultaneously in one or more category/ ies depending on the investment decision. Such decision as to whether a security is of 'Held for Trading' or 'Available For Sale' or 'Held To Maturity' category, shall be recorded formally at the point of time the investment decision is taken. However, in the balance sheet, the investment shall be disclosed as per the six classifications viz. a) Government securities, b) Other approved securities, c) Shares, d) Debentures & Bonds, e) Subsidiaries/ joint ventures and f) Others (CP, Mutual Fund Units, etc).

The investments included under 'Held to Maturity' should not exceed 25 per cent of the bank's total investments. For the purpose of the above limit, 'Held to Maturity' category shall exclude the investments as have been specified in the RBI guidelines viz. a) Re-capitalisation bonds received from the Government of India towards their re-capitalisation requirements and held in the investment portfolio. This will not include the re-capitalisation bonds of other banks acquired for investment purposes. b) Investment in subsidiaries and joint ventures. (A joint venture would be one in which the bank, along with its subsidiaries, holds more than 25% of the equity.) c) Investments in debentures/ bonds, which are deemed to be in the nature of an advance. Debentures/ bonds must be treated in the nature of an advance when:

- The debenture/bond is issued as part of the proposal for project finance and the tenure of the debenture is for a period of three years and above

or

- The debenture/bond is issued as part of the proposal for working capital finance and the tenure of the debenture/ bond is less than a period of one year

and

- the bank has a significant stake i.e.10% or more in the issue

and

- the issue is part of a private placement, i.e. the borrower has approached the bank/FI and not part of a public issue where the bank/FI has subscribed in response to an invitation.

The Bank may shift investments to/from Held to Maturity category with the approval of the Board once a year. Such shifting will normally be allowed at the beginning of the accounting year. No further shifting to/ from this category will be done during the remaining part of that accounting year.

Following the RBI circular dated September 2, 2004, the Bank may exceed the present limit of 25% of total investments under HTM category provided:

i) the excess comprises only SLR securities
ii) the total SLR securities held in the HTM category is not more than 25% of the DTL as on the last Friday of the second preceding fortnight.

Also, no fresh non-SLR securities are permitted to be included in the HTM category.

The Bank may shift investments to Available for Sale category from Held for Trading category with the approval of the Board in case Securities acquired in held for trading category are held for more than 90 days.

Transfer of scrips from one category to another, under all circumstances, should be done at the acquisition cost/ book value/ market value on the date of transfer, whichever is the least, and the depreciation, if any, on such transfer should be fully provided for.

Limit on Transactions through Individual Brokers

Guidelines issued by the RBI require banks to empanel brokers for transactions in debt securities. The RBI has stipulated that not more than 5.0% of the total transactions through empanelled brokers can be transacted through one broker. If for any reason this limit is breached, reasons should be recorded and the Board should be informed of the position, post facto.

Prohibition on Short-Selling

The RBI does not permit short selling of securities by banks. RBI has permitted banks to sell Government of India securities already contracted for purchase provided the purchase contract is confirmed and the contract is guaranteed by Clearing Corporation of India Limited or the security is contracted for purchase from the RBI. In a guideline dated February 28, 2006, the Reserve Bank of India introduced intra-day short selling in Central Government securities as a measure to develop the Central Government securities market. In its Annual Policy Statement for the fiscal 2007 announced on April 18, 2006, the Reserve Bank of India proposed to introduce a 'when issued' (WI) market in government securities in order to further strengthen the debt management framework.

Regulations relating to Deposits

The RBI has permitted banks to independently determine rates of interest offered on term deposits. However, banks are not permitted to pay interest on current account deposits. Further, banks may only pay interest of up to 3.5% per annum on savings deposits. In respect of savings and time deposits accepted from employees, we are permitted by the RBI to pay an additional interest of 1.0% over the interest payable on deposits from the public.

Until October 31, 2004, Domestic time deposits had a minimum maturity of 15 days (seven days in respect of deposits over Rs. 15 lakh with effect from April 19, 2001) and a maximum maturity of 10 years. However, effective November 1, 2004, in order to provide uniformity in the tenor of term deposits, banks have been permitted by Reserve bank of India to reduce the minimum tenor of domestic/ NRO term deposits even below Rs. 15 lakh from 15 days to 7 days. Time deposits from non-resident Indians denominated in foreign currency have a minimum maturity of one year and a maximum maturity of three years. Starting April 1998, the RBI has permitted banks the flexibility to offer varying rates of interests on domestic deposits of the same maturity subject to the following conditions:

- Time deposits are of Rs. 15 lakh and above; and
- Interest on deposits is paid in accordance with the schedule of interest rates disclosed in advance by the bank and not pursuant to negotiation between the depositor and the bank.

We stipulate a minimum balance of Rs. 10,000 for a non-resident rupee savings deposit. Interest rates on non-resident rupee term deposits of one to three years maturity are not permitted to exceed the LIBOR/SWAP rates for US dollar of corresponding maturity. Interest rates on non-resident rupee savings deposits are not permitted to exceed the LIBOR/SWAP rate for six months maturity on US dollar deposits and are fixed quarterly on the basis of the LIBOR/SWAP rate of US dollar on the last working day of the preceding quarter.

In respect of the claims of the deceased depositors the banks are advised by RBI in June 2005 to undertake a comprehensive review of their extant systems and procedures relating to settlement of claims of their deceased constituents (i.e., depositors / locker-hirers / depositors of safe-custody articles) with a view to evolving a simplified policy / procedures for the purpose, with the approval of their Board, taking into account the applicable statutory/regulatory provisions.

On November 17, 2005 the Reserve Bank of India revised the interest rate on non-resident rupee term deposits of one to three years to LIBOR/SWAP rate plus 75 basis points. The interest rate on non-resident savings deposits will be at rate applicable to domestic savings deposits.

Regulations relating to Knowing the Customer and Anti-Money Laundering

The RBI has issued a notification dated November 29, 2004 wherein it has prescribed guidelines for Know Your Customer (KYC) procedures and Anti Money Laundering (AML). The Indian Parliament has enacted the Prevention of Money Laundering Act (PMLA), 2002 to deal with the money laundering in India. The Government of India has recently amended the PMLA and the same has been notified in the Official Gazette for implementation with effect from July 1, 2005. The Government of India has also notified the Rules for implementation of the PMLA. The PMLA seeks to prevent money laundering and to provide for confiscation of property derived from, or involved in, money laundering and for incidental and connected matters. The highlights of the such legislation include:

Customer Acceptance Policy:

Banks should develop a clear Customer Acceptance Policy laying down explicit criteria for acceptance of customers and define the parameters for risk perception of the customers. A profile of the Customers is to be prepared based on the risk categorisation of the customer and banks are advised to apply enhanced due diligence for high-risk customers.

Customer Identification Procedures:

Banks should undertake customer identification procedures while establishing a banking relationship; carrying out a financial transaction or when the bank has a doubt about the authenticity/veracity or the adequacy of the previously obtained customer identification data. Banks need to obtain sufficient information necessary to establish the identity of each new customer and the purpose of the intended nature of banking relationship.

Monitoring of transactions:

Banks are advised to undertake the monitoring of transactions depending on the risk sensitivity of the account. Banks should pay special attention to all complex, unusually large transactions and all unusual patterns, which have no apparent economic or visible lawful purpose. In particular, bank may prescribe threshold limits for a particular category of accounts and pay particular attention to the transactions, which exceed these limits.

Other Guidelines:

- Concurrent/ Internal Auditors should specifically check and verify the application of KYC procedures at the branches and comment on the lapses observed in this regard
- Banks must have an ongoing employee-training programme so that the members of the staff are adequately trained in KYC procedures.
- Banks should prepare specific literature / pamphlets so as to educate the customer of the objectives of the KYC programme
- Banks should apply KYC procedures to the existing accounts also in a time bound manner
- The Guidelines are applicable to branches and majority owned subsidiaries located abroad
- Banks may appoint senior management officer to be designated as Principal Officer for monitoring and reporting of all transactions and sharing of information as required under the law

In August 2005, the RBI has simplified the KYC procedure for opening accounts for those persons who intend to keep balances not exceeding rupees fifty thousand (Rs. 50,000/-) in all their accounts taken together and the total credit in all the accounts taken together is not expected to exceed rupees one lakh (Rs. 1,00,000/-) in a year in order to ensure that the implementation of the KYC guidelines do not result in the denial of the banking services to the financially/socially disadvantaged.

By way of a circular dated January 18, 2006, SEBI has also issued guidelines which apply to us and include provisions relating to the monitoring and recording transactions above certain amounts, reporting suspicious transactions. In addition the applicable exchange control regulations (including the FEMA and the Foreign Contributions Regulation Act) restrict inflow and outflow of foreign exchange, prescribe reporting mechanisms for transactions in foreign exchange and require authorized dealers to report identified suspicious transactions to the Reserve Bank of India. In December 2004, the Indian Parliament has passed the Unlawful Activities (Prevention) Amendment Ordinance Act, 2004 incorporating the provisions considered necessary to deal with various facets of terrorism. The Narcotic Drugs and Psychotropic Substances Act, 1985 is also in force in India and deals with drug related proceeds of crime.

Regulations on Asset Liability Management

At present, the RBI's regulations for asset liability management require banks to draw up asset-liability gap statements for the Bank. Also it requires Banks to draw gap statements for 4 major foreign currencies. These gap statements are prepared by scheduling all assets and liabilities according to the stated and anticipated re-pricing date, or maturity date. These statements have to be submitted to the RBI on a monthly basis. The RBI has advised banks to actively monitor the difference in the amount of assets and liabilities maturing or being re-priced in a particular period and place internal prudential limits on the gaps in each time period, as a risk control mechanism. Additionally, the RBI has asked banks to manage their asset-liability structure such that the negative liquidity gap in the 1-14 day and 15-28 day time periods does not exceed 20.0% of cash outflows in these time periods. In respect of other time periods, up to one year, RBI has directed banks to lay down internal norms in respect of negative liquidity gaps.

In April 2006, the Reserve Bank of India issued draft guidelines on improvements to banks' Asset Liability Management Framework which proposes that banks should shift from the Traditional Gap Analysis (TGA) to the Duration Gap Analysis (DGA) of interest rate risks. Banks have also been advised to adopt a more granular approach to measurement of liquidity risk by splitting the 1-14 day time period into 1-7 and 8-14 day time periods. The prudential limit for negative mismatch for the 1-7 day time period has been set at a maximum of 20.0% of the cash outflows in that period.

Foreign Currency Dealership

The RBI has granted us a full-fledged authorised dealers' license to deal in foreign exchange through our designated branches. Under this license, we have been granted permission to:

- engage in foreign exchange transactions in all currencies;
- open and maintain foreign currency accounts abroad;
- raise foreign currency and rupee denominated deposits from non resident Indians;
- grant foreign currency loans to on-shore and off-shore corporations;
- open documentary credits;
- grant import and export loans;
- handle collection of bills, funds transfer services;
- issue guarantees; and
- enter into derivative transactions and risk management activities that are incidental to its normal functions authorised under its organisational documents.

Our foreign exchange operations are subject to the guidelines specified by the RBI in the control manual. As an authorised dealer, we are required to enrol as a member of the Foreign Exchange Dealers Association of India, which prescribes the rules relating to foreign exchange business in India.

Authorised dealers are required to determine their limits on open positions and maturity gaps in accordance with the RBI's guidelines and these limits are approved by the RBI. Further, we are permitted to hedge foreign currency loan exposures of Indian corporations and schemes of mutual funds in the form of interest rate swaps, currency swaps and forward rate agreements, subject to certain conditions.

Ownership Restrictions

The government of India regulates foreign ownership in Indian banks. The total foreign ownership in a private sector bank, like ours, cannot exceed 74.0% of the paid-up capital and shares held by foreign institutional investors under portfolio investment schemes through stock exchanges cannot exceed 49.0% of the paid-up capital.

The RBI's acknowledgment is required for the acquisition or transfer of a bank's shares which will take the aggregate holding (both direct and indirect, beneficial or otherwise) of an individual or a group to equivalent of 5.0% or more of its total paid up capital. RBI, while granting acknowledgment, may take into account all matters that it considers relevant to the application, including ensuring that shareholders whose aggregate holdings are above specified thresholds meet fitness and propriety tests. In determining whether the acquirer or transferee is fit and proper to be a shareholder, RBI may take into account various factors including, but not limited to the acquirer or transferee's integrity, reputation and track record in financial matters and compliance with tax laws, proceedings of a serious disciplinary or criminal nature against the acquirer or transferee and the source of funds for the investment.

While granting acknowledgment for acquisition or transfer of shares that takes the acquirer's shareholding to 10.0% or more and up to 30.0% of a private sector bank's paid-up capital, RBI may consider additional factors, including but not limited to:

- the source and stability of funds for the acquisition and ability to access financial markets as a source of continuing financial support for the bank,
- the business record and experience of the applicant including any experience of acquisition of companies,
- the extent to which the acquirer's corporate structure is in consonance with effective supervision and regulation of its operations; and
- in case the applicant is a financial entity, whether the applicant is a widely held entity, publicly listed and a well established regulated financial entity in good standing in the financial community.

While granting acknowledgment for acquisition or transfer of shares that takes the acquirer's shareholding to 30.0% or more of a private sector bank's paid-up capital, RBI may consider additional factors, including but not limited to whether or not the acquisition is in the public interest and shareholder agreements and their impact on the control and management of the bank's operations.

The Reserve Bank of India has issued in February 2005, Guidelines on Ownership and Governance in private sector banks. These guidelines also deal with 'fit and proper' criteria for appointment of directors, well-diversified ownership and control, minimum capital and ceiling on Foreign Direct Investment.

The RBI has discretionary powers to approve the voluntary amalgamation of two banking companies under the provisions of Section 44A of the Banking Regulation Act, 1949. Section 44A of the Banking Regulation Act, 1949 requires that the draft scheme of amalgamation has to be approved by the shareholders of each banking company by a resolution passed by a majority in number representing two-thirds in value of the shareholders, present in person or by proxy at a meeting called for the purpose. Section 44A also requires that after the scheme of amalgamation is approved by the requisite majority of shareholders in accordance with the provisions of the Section, it shall be submitted to the RBI for sanction. Section 45 of the Banking Regulation Act also gives the RBI the power to apply to the central government for suspension of the business of a banking company and to prepare a scheme of amalgamation of the banking company with any other banking instituion. The RBI has also issued guidelines in May 2005, with respect to merger/amalgamation of the Private Sector banks, laying down the process of merger proposal, determination of swap ratios, disclosures, the stages at which Boards will get involved in the merger process and norms of buying / selling of shares by the promoters before and during the process of merger etc.

Restrictions on Payment of Dividends

a) Eligibility criteria for declaration of dividend
   As per the guidelines of RBI issued in May 2005, only those banks, which comply with the following minimum prudential requirements, would be eligible to declare dividends (No special dispensation is available from RBI in case any bank does not meet the eligibility criteria as mentioned below):
   - CRAR of at least 9 % for preceding two completed years and the accounting year for which it proposes to declare dividend & Net NPA less than 7 %. (However, if any bank does not meet the above CRAR norm, but is having a CRAR of at least 9 % for the accounting year for which it proposes to declare dividend, it would be eligible to declare dividend provided its Net NPA ratio is less than 5%.)
   - Compliance with the provisions of Sections 15 and 17 of the Banking Regulation Act, 1949 & other prevailing regulations/ guidelines issued by RBI, including creating adequate provisions for impairment of assets and staff retirement benefits, transfer of profits to Statutory Reserves etc.
   - The proposed dividend should be payable out of the current year's profit.
   - The Reserve Bank should not have placed any explicit restrictions on the bank for declaration of dividends.

b) Quantum of dividend payable
   Banks, which fulfil the eligibility criteria as mentioned above, may declare and pay dividends, subject to the following other conditions stipulated by RBI:
   - The dividend payout ratio shall not exceed 40 % and shall be as per the matrix prescribed by RBI. (Dividend payout ratio shall be calculated as a percentage of 'dividend payable in a year' (excluding dividend tax) to 'net profit during the year'.)
   - In case the profit for the relevant period includes any extra-ordinary profits/ income, the payout ratio shall be computed after excluding such extra-ordinary items for reckoning compliance with the

prudential payout ratio.

- The financial statements pertaining to the financial year for which the bank is declaring a dividend should be free of any qualifications by the statutory auditors, which have an adverse bearing on the profit during that year. In case of any qualification to that effect, the net profit should be suitably adjusted while computing the dividend payout ratio.
- For 2004-05 if the Investment Fluctuation Reserve is less than 4% of securities included in the HFT & AFS categories, the dividend payout ratio shall be computed with respect to the Net Profit as adjusted by the guidelines of RBI in this regard.
- The Reserve Bank will not entertain any application for a higher dividend payout ratio than the one for which the banks qualify.

Subsidiaries and Other Investments

We require the prior permission of RBI to incorporate a subsidiary. We are required to maintain an "arms' length" relationship in respect of our subsidiaries and in respect of mutual funds sponsored by us in regard to business parameters such as taking undue advantage in borrowing/lending funds, transferring/ selling/buying of securities at rates other than market rates, giving special consideration for securities transactions, in supporting/financing the subsidiary and financing our clients through them when they themselves are not able or are not permitted to do so. We and our subsidiaries have to observe the prudential norms stipulated by RBI, from time to time, in respect of our underwriting commitments. Pursuant to such prudential norms, our underwriting or the underwriting commitment of our subsidiaries under any single obligation shall not exceed 15% of an issue. We also require the prior specific approval of RBI to participate in the equity of financial services ventures including stock exchanges and depositories notwithstanding the fact that such investments may be within the ceiling (lower of 30.0% of the paid up capital of the investee company and 30.0% of the investing bank's own paid up capital and reserves) prescribed under section 19(2) of the Banking Regulation Act. Further investment by us in a subsidiary, financial services company, financial institution cannot exceed 10.0% of our paid-up capital and reserves and our aggregate investments in all such companies and financial institutions put together cannot exceed 20.0% of our paid-up capital and reserves.

Deposit Insurance

Demand and time deposits of up to Rs. 100,000 accepted by Indian banks have to be mandatorily insured with the Deposit Insurance and Credit Guarantee Corporation, a wholly-owned subsidiary of the RBI. Banks are required to pay the insurance premium for the eligible amount to the Deposit Insurance and Credit Guarantee Corporation on a semi-annual basis. The cost of the insurance premium cannot be passed on to the customer.

Statutes Governing Foreign Exchange and Cross-Border Business Transactions

The foreign exchange and cross border transactions undertaken by banks are subject to the provisions of FEMA. All branches should monitor all non-resident accounts to prevent money laundering.

The reserve Bank of India has issued revised guidelines on external commercial borrowings (ECB) in August 2005. As per these guidelines, ECB for investment in real sector -industrial sector, especially infrastructure sector-in India, are under Automatic Route, i.e. do not require RBI/Government approval. Other ECBs could be made under the Approval Route i.e. with the RBI/Government approval. In addition to the modes of the ECB the guidelines also cover the specific purpose for which the ECB could be made, the process to be observed with respect to compliance with Know Your Customer norms, permissible amounts & maturity and the all-in-all cost ceilings in respect of the borrowings made.

In March 2006, in view of enhanced stability in India's external and financial sectors and increased integration of the financial sector in the global economy, Reserve Bank of India formed a Committee to set out a roadmap towards capital account convertibility. The Committee is expected to submit its report in July 2006.

Legal Reserve Requirements

Cash Reserve Ratio

A banking company such as ours is required to maintain a specified percentage of its net demand and time liabilities, excluding inter-bank deposits, by way of cash reserve with itself and by way of balance in current account with the RBI. The cash reserve ratio can be a minimum of 3.0% and a maximum of 20.0% pursuant to section 42 of the RBI Act. On September 11, 2004, the RBI announced an increase in the cash reserve ratio from 4.5% to 4.75% effective September 18, 2004 and 5.0% effective October 2, 2004.

The following liabilities are excluded from the calculation of the demand and time liabilities to determine the cash reserve ratio:

- inter-bank liabilities;
- liabilities to primary dealers; and
- refinancing from the RBI and other institutions permitted to offer refinancing to banks.

The RBI pays no interest on the cash reserves up to 3.0% of the demand and time liabilities and effective September 18, 2004, paid an interest on the balance at 3.5% per annum. Prior to that date, the rate of interest paid was the bank rate (currently 6.0%). Following the enactment of the Reserve Bank of India (Amendment) Bill 2006, the floor and ceiling rates on the cash reserve ratio were removed. In a guideline dated June 22, 2006, the Reserve Bank of India announced that the cash reserve ratio requirement would be maintained at 5.0% till further notice. The interest that the Reserve Bank of India paid on cash reserves above 3.0% and up to 5.0% has been discontinued.

The cash reserve ratio has to be maintained on an average basis for a fortnightly period and should not be below 70.0% of the required cash reserve ratio on any day of the fortnight.

Statutory Liquidity Ratio

In addition to the cash reserve ratio, a banking company such as ours is required to maintain a specified percentage of its net demand and time liabilities by way of liquid assets like cash, gold or approved unencumbered securities. The percentage of this liquidity ratio is fixed by the RBI from time to time, and it can be a minimum of 25.0% and a maximum of 40.0% pursuant to section 24 of the Banking Regulation Act. At present, the RBI requires banking companies to maintain a liquidity ratio of 25.0%. The Banking Regulation (Amendment) and Miscellaneous Provisions Bill, 2003 recently introduced in the Indian Parliament proposes to amend section 24 of the Banking Regulation Act to remove the minimum Statutory Liquidity Ratio stipulation, thereby giving the RBI the freedom to fix the Statutory Liquidity Ratio below this level.

Requirements of the Banking Regulation Act

Prohibited Business

The Banking Regulation Act specifies the business activities in which a bank may engage. Banks are prohibited from engaging in business activities other than the specified activities.

Reserve Fund

Any bank incorporated in India is required to create a reserve fund to which it must transfer not less than 25.0% of the profits of each year before dividends. If there is an appropriation from this account, the bank is required to report the same to the RBI within 21 days, explaining the circumstances leading to such appropriation. The government of India may, on the recommendation of the RBI, exempt a bank from requirements relating to its reserve fund.

Payment of Dividend

Pursuant to the provisions of the Banking Regulation Act, a bank can pay dividends on its shares only after all its capitalised expenses (including preliminary expenses, share selling commission, brokerage, amounts of losses and any other item of expenditure not represented by tangible assets) have been completely written off. The Indian government may exempt banks from this provision by issuing a notification on the recommendation of the RBI. We have been exempted from this provision in respect of expenses relating to the Early Retirement Option offered by us in fiscal 2004. We have obtained permission from the RBI to write off these expenses over a five-year period in our Indian GAAP accounts. Further, the payment of the dividend by banks is subject to the eligibility criteria specified by RBI from time to time.

Restriction on Share Capital and Voting Rights

Banks can issue only ordinary shares. The Banking Regulation Act specifies that no shareholder in a banking company can exercise voting rights on poll in excess of 10.0% of total voting rights of all the shareholders of the banking company.

Only banks incorporated before January 15, 1937 can issue preferential shares. Prior to the amalgamation, ICICI had preference share capital of Rs. 350 crore. The government of India, on the recommendation of the RBI, has granted an exemption to us which allows the inclusion of preference capital in our capital structure for a period of five years, though we have been incorporated after January 15, 1937.

Legislation recently introduced in the Indian Parliament proposes to amend the Banking Regulation Act to remove the limit of 10.0% on the maximum voting power exercisable by an shareholder in a banking company and allow banks to issue redeemable and non-redeemable preference shares.

Restrictions on Investments in a Single Company

No bank may hold shares in any company exceeding 30.0% of the paid up share capital of that company or 30.0% of its own paid up share capital and reserves, whichever is less.

Regulatory Reporting and Examination Procedures

The RBI is empowered under the Banking Regulation Act to inspect a bank. The RBI monitors prudential parameters at quarterly intervals. To this end and to enable off-site monitoring and surveillance by the RBI, banks are required to report to the RBI on aspects such as:

- assets, liabilities and off-balance sheet exposures;
- the risk weighting of these exposures, the capital base and the capital adequacy ratio;
- the unaudited operating results for each quarter;
- asset quality;
- concentration of exposures;
- connected and related lending and the profile of ownership, control and management; and
- other prudential parameters.

The RBI also conducts periodical on-site inspections on matters relating to the bank's portfolio, risk management systems, internal controls, credit allocation and regulatory compliance, at intervals ranging from one to three years. We have been and at present also, are, subject to the on-site inspection by the RBI at yearly intervals. The inspection report, along with the report on actions taken by us, has to be placed before the Board of Directors. On approval by the Board of Directors, we are required to submit the report on actions taken by us to the RBI. The RBI also discusses the report with the management team including the Managing Director & CEO.

The RBI also conducts on-site supervision of selected branches of ours with respect to their general operations and foreign exchange related transactions.

Appointment and Remuneration of the Chairman, Managing Director and Other Directors

We are required to obtain prior approval of the RBI before we appoint our chairman and managing director and any other wholetime directors and fix their remuneration. The RBI is empowered to remove an appointee to the posts of chairman, managing director and wholetime directors on the grounds of public interest, interest of depositors or to ensure proper management. Further, the RBI may order meetings of the Board of Directors to discuss any matter in relation to us, appoint observers to such meetings and in general may make such changes to the management as it may deem necessary and may also order the convening of a general meeting of our shareholders to elect new directors. We cannot appoint as a director any person who is a director of another banking company. In July 2004, the RBI issued guidelines on 'fit and proper' criteria for directors of banks. Accordingly private sector banks should undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria. Banks should obtain necessary information and declaration from the proposed / existing directors for that purpose.

Issue of Bonus Shares

We would require the prior permission of RBI and our shareholders' approval to issue bonus shares.

Penalties

The RBI may impose penalties on banks and its employees in case of infringement of regulations under the Banking Regulation Act. The penalty may be a fixed amount or may be related to the amount involved in any contravention of the regulations. The penalty may also include imprisonment. A press release is issued by the RBI giving details of the circumstances under which the penalty is imposed on the bank along with the communication on the imposition of penalty in public domain. Further, the penalty should also be disclosed in the "Notes on Accounts" to the balance sheet in the concerned bank's next Annual Report

Assets to be Maintained in India

Every bank is required to ensure that its assets in India (including import-export bills drawn in India and RBI approved securities, even if the bills and the securities are held outside India) are not less than 75.0% of its demand and time liabilities in India.

Restriction on Creation of Floating Charge

Prior approval of the RBI is required for creating floating charge on our undertaking or property. Currently, all our borrowings including Bonds are unsecured.

Secrecy Obligations

Our obligations relating to maintaining secrecy arise out of common law principles governing our relationship with our customers. We cannot disclose any information to third parties except under clearly defined circumstances. The following are the exceptions to this general rule:

- where disclosure is required to be made under any law;
- where there is an obligation to disclose to the public;
- where we need to disclose information in our interest; and
- where disclosure is made with the express or implied consent of the customer.

We are required to comply with the above in furnishing any information to any parties. We are also required to disclose information if ordered to do so by a court. The RBI may, in the public interest, publish the information obtained from the bank. Under the provisions of the Banker's Books Evidence Act, a copy of any entry in a bankers' book, such as ledgers, day books, cash books and account books certified by an officer of the bank may be treated as prima facie evidence of the transaction in any legal proceedings.

Regulations governing Offshore Banking Units

The government and RBI have permitted banks to set up Offshore Banking Units in Special Economic Zones, which are specially delineated duty free enclaves deemed to be foreign territory for the purpose of trade operations, duties and tariffs. We have an Offshore Banking Unit located in the Santacruz Electronic Exports Promotion Zone, Mumbai. The key regulations applicable to Offshore Bank Units include, but are not limited to, the following:

- No separate assigned capital is required. However, the parent bank is required to provide a minimum of US$10 million to its Offshore Banking Unit.
- Offshore Banking Units are exempt from cash reserve ratio requirements.
- RBI may exempt a bank's Offshore Banking Unit from statutory liquidity ratio requirements on specific application by the bank.
- An Offshore Banking Unit may not enter into any transactions in foreign exchange with residents in India, unless such a person is eligible to enter into or undertake such transactions under FEMA.
- All prudential norms applicable to overseas branches of Indian banks apply to Offshore Banking Units.
- Offshore Banking Units are required to adopt liquidity and interest rate risk management policies prescribed by RBI in respect of overseas branches of Indian banks as well as within the overall risk management and asset and liability management framework of the bank subject to monitoring by the bank's board of directors at prescribed intervals,

- Further the Bank's Board would be required to set comprehensive overnight limits for each currency for these branches, which would be separate from the open position limit of the parent bank;

- Offshore Banking Units may raise funds in convertible foreign currency as deposits and borrowings from non-residents including non-resident Indians but excluding overseas corporate bodies.
- Offshore Banking Units may operate and maintain balance sheets only in foreign currency.
- The loans and advances of Offshore Banking Units would not be reckoned as net bank credit for computing priority sector lending obligations.
- Offshore Banking Units must follow the Know Your Customer guidelines and must be able to establish the identity and address of the participants in a transaction, the legal capacity of the participants and the identity of the beneficial owner of the funds.

The Special Economic Zone (SEZ) Act 2005 permitted OBUs to additionally undertake the following activities,

Regulations and Guidelines of the Securities and Exchange Board of India

SEBI was established to protect the interests of public investors in securities and to promote the development of, and to regulate, the Indian securities market. We are subject to SEBI regulations for our capital issuances, as well as our underwriting, custodial, depositary participant, investment banking, registrar and transfer agents, broking and debenture trusteeship activities. These regulations provide for our registration with the SEBI for each of these activities, functions and responsibilities. We are required to adhere to a code of conduct applicable for these activities.

Public Financial Institution Status

ICICI was a public financial institution under the Indian Companies Act, 1913. The special status of public financial institutions is also recognised under other statutes including the Indian I.T. Act, 1961, Sick Industrial Companies (Special Provisions) Act, 1985 and Recovery of Debts Due to Banks and Financial Institutions Act, 1993. We are not a public financial institution. As a public financial institution, ICICI was entitled to certain benefits under various statutes. These benefits included the following:

- For income tax purposes, ICICI's deposits and Bonds were prescribed modes for investing and depositing surplus money by charitable and religious trusts. Since we are a scheduled bank, our deposits and Bonds are also prescribed modes for investment by religious and charitable trusts.
- The government of India had permitted non-government provident, superannuation and gratuity funds to invest up to 40.0% of their annual accretion of funds in Bonds and securities issued by public financial institutions. Further, the trustees of these funds could at their discretion invest an additional 20.0% of such accretions in these Bonds and securities. These funds can invest up to only 10.0% of their annual accretion in Bonds and securities issued by private sector banks, such as us.
- Indian law provides that a public financial institution cannot, except as provided by law or practice, divulge any information relating to, or to the affairs of, its customers. We have similar obligations relating to maintaining secrecy arising out of common law principles governing our relationship with our customers.
- The Recovery of Debts Due to Banks and Financial Institutions Act, 1993 provides for establishment of debt recovery tribunals for recovery of debts due to any bank or public financial institution or to a consortium of banks and public financial institutions. Under this Act, the procedures for recoveries of debt were simplified and time frames were fixed for speedy disposal of cases. Upon establishment of the debt recovery tribunal, no court or other authority can exercise jurisdiction in relation to matters covered by this Act, except the higher courts in India in certain circumstances. This Act applies to banks as well as public financial institutions and therefore applies to us.

ICICI's cessation as a public financial institution would have constituted an event of default under certain of ICICI's loan agreements related to its foreign currency borrowings. Prior to the amalgamation becoming effective, such event of default was waived by the respective lenders pursuant to the terms of such foreign currency borrowing agreements.

Special Status of Banks in India

The special status of banks is recognised under various statutes including the Sick Industrial Companies Act, 1985, Recovery of Debts Due to Banks and Financial Institutions Act, 1993, and the Securitisation Act. As a bank, we are entitled to certain benefits under various statutes including the following:

- The Recovery of Debts Due to Banks and Financial Institutions Act, 1993 provides for establishment of

Debt Recovery Tribunals for expeditious adjudication and recovery of debts due to any bank or Public Financial Institution or to a consortium of banks and Public Financial Institutions. Under this Act, the procedures for recoveries of debt have been simplified and time frames been fixed for speedy disposal of cases. Upon establishment of the Debt Recovery Tribunal, no court or other authority can exercise jurisdiction in relation to matters covered by this Act, except the higher courts in India in certain circumstances.

- The Sick Industrial Companies Act, 1985, provides for reference of sick industrial companies, to the Board for Industrial and Financial Reconstruction. Under the Act, other than the Board of Directors of a company, a scheduled bank (where it has an interest in the sick industrial company by any financial assistance or obligation, rendered by it or undertaken by it) may refer the company to the BIFR.
- The Securitisation Act focuses on improving the rights of banks and financial institutions and other specified secured creditors as well as asset reconstruction companies by providing that such secured creditors can take over management control of a borrower company upon default and/or sell assets without the intervention of courts, in accordance with the provisions of the Securitisation Act.

Income Tax Benefits

As a banking company, we are entitled to certain tax benefits under the Indian I.T. Act including the following:

- We are allowed a deduction of up to 40.0% of our taxable business income derived from the business of long-term financing (defined as loans and advances extended for a period of not less than five years) which is transferred to a special reserve, provided that the total amount of this reserve does not exceed two times the paid-up share capital and general reserves. We are entitled to this benefit because we are a financial corporation. Effective fiscal 1998, if a special reserve is created, it must be maintained and if it is utilised, it is treated as taxable income in the year in which it is utilised.
- We are entitled to a tax deduction on the provisioning towards bad and doubtful debts equal to 7.5% of our total business income, computed before making any deductions permitted pursuant to the Indian I.T. Act, to the extent of 10.0% of the aggregate average advances made by its rural branches computed in the manner prescribed.
- Subject to application for and receipt of certain approvals, we believe that we are eligible to issue Bonds approved in accordance with and subject to the provisions of section 80C(2)(xix) the Indian I.T. Act and also, we are eligible to issue Zero Coupon Bonds in accordance with and subject to the guidelines for notification of ZCBs under Rule 8B of the Income-tax Rules, 1962. The subscription to such Bonds by certain categories of investors is a prescribed mode of investing under Section 11(5)(viii) of the I.T. Act subject to and in accordance with the provisions contained therein. The Bank may file an application for approval for issue of bonds eligible for section 80C(2)(xix) deduction benefit and/or issue of ZCBs to the Central Board of Direct Taxes (CBDT) in accordance with and subject to the income-tax laws. The tax benefits will be available to the bondholders only on such issue of eligible bonds so notified under section 80C(2)(xix) offered under under Tax Saving Bond and/or notified ZCBs offered under Zero Coupon Bonds, for which the approval from CBDT is obtained by us.
- For income tax purposes, our deposits and Bonds are prescribed modes of investing and depositing surplus money by charitable and religious trusts.

Please refer to the section “Statement of Tax Benefits” on page [●] of the Draft Shelf Prospectus for details.

Regulations governing Insurance Companies

ICICI Prudential Life Insurance Company and ICICI Lombard General Insurance Company, the subsidiaries of ICICI Bank offering life insurance and non-life insurance respectively, are subject to the provisions of the Insurance Act, 1938 and the various regulations prescribed by the Insurance Regulatory and Development Authority. These regulations regulate and govern, among other things, registration as an insurance company, investment, licensing of insurance agents, advertising, sale and distribution of insurance products and services and protection of policyholders’ interests. In May 2002, the Indian parliament approved the Insurance (Amendment) Act 2002, which facilitates the appointment of corporate agents by insurance companies and prohibits intermediaries and brokers from operating as surrogate insurance agents.

Regulations governing International Operations

Our international operations are governed by regulations in the countries in which we have a presence.

Overseas Banking Subsidiaries

Our wholly-owned subsidiary in the United Kingdom, ICICI Bank UK Limited is authorised by the Financial Services Authority, which granted our application under Part IV of the Financial Services and Markets Act, 2000 on August 8, 2003.

Our wholly-owned subsidiary in Canada, ICICI Bank Canada was granted Letters Patent of Incorporation on September 12, 2003, and an Order to Commence and Carry On Business, on November 25, 2003 by the Office of the Superintendent of Financial Institutions, which is the regulatory authority for all banks in Canada pursuant to the Bank Act of Canada. In addition, on September 24, 2003, the Canada Deposit Insurance Corporation admitted ICICI Bank Canada to its membership, giving it the ability to mobilize retail deposits across Canada.

ICICI Bank Limited acquired 100% of Investment Credit Bank Limited Liability Company's (ICB) share capital on May 18, 2005, which was registered by the Central Bank of the Russian Federation (CBR) and the Regional Tax Authority on July 4, 2005. ICB was incorporated by the CBR under Federal Law on Banks and Banking Activities on May 27, 1998 and licensed by CBR to carry out full scope of banking transactions in Russian and foreign currencies with legal entities and individuals. In addition, ICB was admitted to Individuals' Deposit Insurance System by Deposit Insurance Agency under Federal Law on Insuring of Individuals' Deposits on October 1, 2004. This Subsidiary is now known as ICICI Bank Eurasia

Offshore Branches

In Singapore, we have an offshore branch that is regulated by the Monetary Authority of Singapore. The Branch is allowed to accept only foreign currency deposits from non-bank residents of Singapore whose initial deposit is not less than US$100,000. The outstanding deposits shall not be less than this sum at all times except on termination of the account or withdrawal of all deposits standing to the credit of the depositor. It may accept fixed deposits from non-residents of Singapore but in respect of S$ fixed deposits, the initial deposit shall not be less than S$250,000. The Branch is allowed to maintain an overall negative adjusted capital fund not exceeding US$500m.

In Bahrain, we have an offshore branch, regulated by the Bahrain Monetary Agency. The branch is permitted to transact banking business with approved financial institutions within Bahrain and individuals or institutions outside Bahrain. It is also permitted to offer banking services to non-resident Indians in Bahrain.

In India, we have an offshore branch, regulated by the Reserve Bank of India. The branch is permitted to transact wholesale banking business in India (within specified exposure limit of 25% of the balance sheet size) and in Special Economic Zones (SEZs) in India. It is also permitted to offer banking services to non-resident Indians.

In Hong Kong, we have a full commercial branch, regulated by Hong Kong Monetary Authority. The ICICI Bank Hong Kong Branch offers Retail and Corporate banking services and Trade Finance.

In Sri Lanka, we have a full commercial branch, regulated by Central Bank of Sri Lanka. The ICICI Bank Sri Lanka Branch offers retail and corporate banking services, trade finance, remittances, investment advisory services, syndications and treasury services.

We have received approval to set up a branch in Dubai International Finance Centre in the United Arab Emirates primarily to arrange credit or deals in investments with respect to wealth management services.

Representative Offices

Our representative office in New York in the United States is licensed and regulated by the State of New York Banking Department and the Federal Reserve Board.

Our representative office in Dubai in the United Arab Emirates is regulated by the Central Bank of the United Arab Emirates.

Our representative office in Shanghai in China is regulated by the China Banking Regulatory Commission.

Our representative office in Bangladesh is licensed and regulated by the Bangladesh Bank and the Board of Investments of Bangladesh.

Our representative office in South Africa is governed by the South African Reserve Bank and by the Financial Services Board.

We have recently received regulatory approval to set up Representative Offices in Thailand, Indonesia and Nairobi, Kenya and are in the process of opening these offices.

CERTAIN CORPORATE MATTERS

Our Main Objects

Our main objects as contained in our Memorandum of Association are:

1. To establish and carry on business of banking in any part of India or outside India.
2. To carry on the business of accepting, for the purpose of lending or investment, of deposits of money repayable on demand or otherwise and withdrawable by cheque, draft, order or otherwise.
3. To borrow, raise or take up money, lend or advance money with or without interest either upon or without security.
4. To draw, make, execute, issue, endorse, negotiate, accept, discount, buy, sell, collect and deal in bills of exchange, hundies, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, bonds, mortgage-backed securities, letters of credit or obligations, certificates, scrips and other instruments and securities whether transferable or negotiable or mercantile or not.
5. To grant and issue letters of credit, traveller’s cheques and circular notes, buy, sell and deal in bullion and specie.
6. To receive all kinds of bonds, scrips or valuables on deposit or for safe custody or otherwise, provide safe deposit vaults, collect and transmit money, negotiable instruments and all securities.
7. To buy, acquire, issue on commission, deal, sell, dispose of, exchange, convert, underwrite, subscribe, participate, invest in and hold whether on its own account or on behalf of any person, body corporate, company, society, firm or association of persons whether incorporated or not, shares, stocks, funds, debentures, debenture stocks, units, promissory notes, bills of exchange, bonds, warrants, participation certificates or participation units, other money market or capital market instruments, obligations and securities and investments of all kinds issued or guaranteed by any government, state, dominion, sovereign body, commission, public body or authority, supreme, local or municipal or company or body, whether incorporated or not or by any person or association.

7A. To securitise, purchase, acquire, invest in, transfer, sell, dispose of or trade in any financial asset whatsoever, receivables, debts, whether unsecured or secured by mortgage of immoveables or charge on movables or otherwise, securitised debts, asset or mortgaged backed securities or mortgage backed securitised debts and to manage, service or collect the same and to appoint managing, servicing or collection agent therefor and to issue certificates or other instruments in respect thereof to public or private investors and to guarantee and insure the due payment, fulfillment and performance of obligations in respect thereof or in connection therewith and to promote, establish, undertake, organise, manage, hold or dispose of any special purpose entity, body corporate or vehicle for carrying on all or any such activities.

8. To act as foreign exchange dealer and to buy, sell or otherwise deal in all kinds of foreign currencies including foreign bank notes, foreign currency options, forward covers, swaps of all kinds and to transact for itself or on behalf of any person, body corporate, company, society, firm or association of persons whether incorporated or not, all transactions in foreign currencies.
9. To carry on the activities of bill discounting, rediscounting bills, marketing, factoring, dealing in commercial paper, treasury bills, certificate of deposits and other financial instruments.
10. To act as agents for any Government or local authority or any other person or persons, carry on agency business of any description including clearing and forwarding of goods, give receipts and discharges and otherwise act as an attorney on behalf of customers, but excluding the business of a managing agent or secretary and treasurer of a company.
11. To contract for public and private loans and advances and negotiate and issue the same.

12. To form, constitute, promote, act as managing and issuing agents, brokers, sub-brokers, prepare projects and feasibility reports for and on behalf of any company, association, society, firm, individual and body corporate.

13. To carry on and transact every kind of guarantee and indemnity business.

14. To undertake and execute trusts and the administration of estates as executor or trustee.

15. To act as registrar and transfer agents and registrar to the issue, issue agents and paying agents.

16. To provide custodial and depository services and to do all such things as may be advised, permitted or required for this purpose.

17. To effect, insure, guarantee, underwrite, participate in managing and carrying out of any issue, public or private, of state, municipal or other loans or of shares, stock, debentures or debenture stock of any company, corporation or association and the lending of money for the purpose of any such issue.

18. To provide credit, charge, debit, saving, investment or other facilities to any person or persons (whether individuals, firms, companies, bodies, corporate or other entities), whether in the private or public sector by issuance of credit, charge, debit, stored value, prepaid, smart or other cards whether private label, co-branded, affinity or otherwise and to establish and maintain card acceptance network (including physical, electronic, computer or automated machines network) and make payments or provide settlement service to the merchants or issuing banks on accout of usage by the cardholders of the credit, charge, debit, stored value, prepaid, smart or other cards whether private label, co-branded, affinity or otherwise.

19. To provide or assist in obtaining, directly or indirectly, advice or services in various fields such as management, finance, investment, technology, administration, commerce, law, economics, labour, human resources development, industry, public relations, statistics, science, computers, accountancy, taxation, fund management, foreign exchange dealings, quality control, processing, strategic planning and valuation.

20. To do any other form of business which the Government of India may specify as a form of business in which it is lawful for a banking company to engage.

20A. To carry on the business of assisting industrial, infrastructure and commercial enterprises :

in general by

i. assisting in the creation, expansion and modernisation of such enterprises;
ii. encouraging and promoting the participation of capital, both internal and external in such enterprises; and in particular by
iii. providing finance in the form of long, medium or short term loans or equity participations;
iv. sponsoring and underwriting new issues of shares and securities;
v. guaranteeing loans from other investment sources;
vi. making funds available for re-investment by revolving investments as rapidly as prudent;
vii. performing and undertaking activities pertaining to leasing, giving on hire or hire-purchase, bill marketing, factoring and related fields.

20B. To lend money, with or without interest, (with or without security) for any maturity, in any form whatsoever including by way of loans, advances, instalment credit, trade finance, hire or otherwise to any person or persons (whether individuals, firms, companies, bodies corporate, Government, State, Sovereign, public body or authority, supreme, local or otherwise or other entities), whether in the private or public sector, for any purpose whatsoever, including agriculture, industry, infrastructure, export-import, housing, consumer or others.

20C. To lend money, with or without interest, (with or without security) for any maturity, in any form whatsoever, to any person or persons (whether individuals, firms, companies, bodies corporate, Government, State, Sovereign, public body or authority, supreme, local or otherwise or other entities), whether in the private or public sector, for:

i. Purchasing or acquiring any freehold or leasehold lands, estate or interest in any land or property,
ii. Taking demise for any term or terms of years of any land or property or
iii. Constructions, erection, purchase, extension, alteration, renovation, development or repair any house or building or any form of real estate or any part or portion thereof.

20D. To provide financial assistance to any person or persons (whether individuals, firms, companies, bodies corporate, Government, State, Sovereign, public body or authority, supreme, local or otherwise or other entities), whether in the private or public sector for any purpose whatsoever by means of leasing, giving on hire or hire-purchase, lending, selling, reselling, or otherwise disposing of all forms of immoveable and moveable properties and assets of any kind, nature or use, whatsoever and for the purpose, purchasing or otherwise acquiring dominion over the same, whether new or used.

20E. To purchase, acquire, sell, dispose of, deal or trade in bullion and specie and/or to issue, subscribe to, acquire, purchase, sell, dispose of, deal or trade in derivative financial instruments including futures, forwards options, swaps, caps, collars, floors, swap options, bond options or other derivative instruments whether traded on any market or exchange or otherwise, for proprietary trading activities or for any person or persons (whether individuals, firms, companies, bodies corporate, Government, State, Sovereign, public body or authority, supreme, local or otherwise or other entities), whether in the private or public sector.

20F. To promote, organise, manage or undertake the activities of insurance intermediaries including insurance or reinsurance brokers, consultants, surveyors, loss assessors, loss control engineers, risk managers, actuarial analyst and to promote organise, manage or undertake, marketing, trading, distribution or servicing of insurance and assurance products of all kinds, whether life or general; financial, investment or other products including (without limitation) securities, stocks, shares, debentures, bonds, units, certificates or services offered by the Company and/or by any person, firm, company, body corporate, mutual fund, Government, State, public body or authority, supreme, municipal, local or otherwise, through the Company.s branches, or offices.

20G. To promote, organise or manage funds or investments on a discretionary or non-discretionary basis on behalf of any person or persons (whether individual, firms, companies bodies, corporate, public body or authority, supreme, local or otherwise, trusts, pension funds, offshore funds, charities, other associations or other entities), whether in the private or public sector.

20H. To act as Trustee of any deeds, constituting or securing any debentures, debenture stock, or other securities or obligations and to undertake and execute any other trusts, and also to undertake the office of or exercise the powers of executor, administrator, receiver, treasurer, custodian and trust corporation.

20I. To provide financial services, advisory and counselling services and facilities of every description capable of being provided by share and stock brokers, share and stock jobbers, share dealers, investment fund managers and to arrange and sponsor public and private issues or placement of shares and loan capital and to negotiate and underwrite such issues.

The main objects clause and the objects incidental or ancillary to the main objects of our Memorandum of Association enable us to undertake our existing activities and the activities for which the funds are being raised through this Issue.

For details of the capital raised by us, see "Capital Structure" on page [●].

History and Major Events

We were incorporated in 1994 as a part of the ICICI group. Our initial equity capital was contributed 75.0% by ICICI and 25.0% by SCICI Limited, a diversified finance and shipping finance lender of which ICICI owned 19.9% at December 1996. Pursuant to the merger of SCICI into ICICI, we became a wholly owned subsidiary of ICICI.

The chronology of events since we were incorporated in 1994 is as follows:

Change of name

Our name was changed from ICICI Banking Corporation Limited to ICICI Bank Limited on September 10, 1999. The change of name was effected on account of our being widely known by the name "ICICI Bank".

Merger of Bank of Madura

Bank of Madura was merged with us effective March 10, 2001. The share exchange ratio fixed for the transaction was two of our equity shares of Rs. 10 each for every equity share of Bank of Madura of Rs. 10 each.

Amalgamation of ICICI

ICICI, ICICI Capital Services and ICICI Personal Financial Services amalgamated with us with effect from May 3, 2002. The Appointed Date for the merger specified in the Scheme of Amalgamation, which was the date of the amalgamation for accounting purposes under Indian GAAP, was March 30, 2002. The amalgamation was approved by the High Court of Judicature at Bombay vide its order dated April 11, 2002 and by the High Court of Gujarat at Ahmedabad vide its order dated March 7, 2002. The share exchange ratio was one of our equity shares of Rs. 10 each for every two equity shares of ICICI of Rs. 10 each.

Board of Directors and Management

The Board of Directors consisting of 17 members at June 10, 2006 is responsible for the management of our business. Our Articles of Association provide for a minimum of three directors and a maximum of 21, excluding the Government Director (appointed by the Government of India under the terms of its loan and guarantee facilities to us) and the Debenture Director (who may be appointed by trustees for our debenture issuances). The Government Director and the Debenture Director are not liable to retire by rotation. The Government Director may be removed from office only by the President of India. The Debenture Director may be removed from office only as provided in the relevant trust deed. Mr. Vinod Rai, Additional Secretary, Ministry of Finance, is the Government Director. There is currently no Debenture Director.

Mr. N. Vaghul is the non-executive Chairman of our Board of Directors. Mr. Vaghul was Chairman and Managing Director of ICICI from 1985 to 1992, executive Chairman from 1992 to 1996 and non-executive Chairman from 1996 to 2002. He has been previously Chairman and Managing Director of Bank of India from 1981 to 1984, and has also been Chairman of the Indian Banks' Association. The Board of Directors, at its Meeting held on April 30, 2005 has re-appointed Mr. Vaghul as Chairman on expiry of his term on May 2, 2005 for a period up to April 30, 2009. His appointment has been approved by Reserve Bank of India.

The Board of Directors has five wholetime Directors. The following table sets forth the names, designations and tenure of appointment of our wholetime Directors.

Name	Designation	Date of appointment	Tenure of appointment
K. V. Kamath	*Managing Director & CEO*	May 3, 2002	Till April 30, 2009
Lalita D. Gupte	*Joint Managing Director*	May 3, 2002	Till October 31, 2006
Kalpana Morparia	*Joint Managing Director*	May 3, 2002	Till May 31, 2007
Chanda D. Kochhar	*Deputy Managing Director*	April 1, 2001	Till March31, 2011*
Nachiket Mor	*Deputy Managing Director*	April 1, 2001	Till March 31, 2011*

Ms. Lalita D. Gupte is responsible for our international business. Ms. Kalpana Morparia is responsible for the Corporate Centre. Ms. Chanda D. Kochhar is responsible for our commercial banking operations for corporate and retail customers and Dr. Nachiket Mor is responsible for our rural and agricultural banking, government banking, social initiatives, structural rate risk management and proprietary trading. In order to comply with the Companies Act, and the Articles of Association, Ms. Lalita D. Gupte and Ms. Kalpana Morparia will be liable to retire by rotation if at any time the number of non-rotational Directors exceeds one-third of the total number of Directors. If they are re-appointed as Directors immediately on retirement by rotation, they will continue to hold their offices and the retirement by rotation and re-appointment shall not be deemed to constitute a break in their appointment.

Stock Market Data

Stock Market Data of Our Equity Shares

The following table sets forth, for the periods indicated, the high and low of daily closing prices of our Equity Shares on the BSE.

Period	High (Rs.)	Low (Rs.)	Average(1) (Rs.)
FY2001	260.00	110.60	179.85
FY2002	184.40	71.45	116.76
FY2003	161.80	110.90	137.61

Period	High (Rs.)	Low (Rs.)	Average(1) (Rs.)
FY2004	342.75	120.80	211.97
April 2004	319.15	287.30	300.16
May 2004	314.85	230.55	274.82
June 2004	272.15	236.50	258.07
July 2004	266.80	234.65	250.01
August 2004	278.95	264.50	272.65
September 2004	295.25	262.15	274.85
October 2004	299.00	286.05	291.86
November 2004	340.20	296.20	319.76
December 2004	373.90	339.90	362.11
January 2005	374.35	337.75	352.09
February 2005	382.95	360.20	372.36
March 2005	413.05	382.40	393.51
April 2005	424.55	360.20	398.50
May 2005	402.70	361.50	388.95
June 2005	432.55	392.25	412.61
July 2005	536.00	421.30	455.22
August 2005	533.30	471.75	497.09
September 2005	600.35	481.75	543.15
October 2005	593.30	480.65	519.55
November 2005	545.65	497.15	523.33
December 2005	587.80	529.95	562.92
January 2006	619.35	559.25	589.19
February 2006	627.95	570.60	597.53
March 2006	620.20	589.30	602.15
April 2006	621.60	561.60	586.09
May 2006	661.30	536.10	604.62
June 2006	553.00	440.00	500.45

(1) Average of the daily closing share price for the period.

The following table sets-forth, for the period indicated, the number of Equity Shares traded on the days high and low prices of our Equity Shares was recorded on BSE for the last six months preceding the date of this Draft Shelf Prospectus..

Month	High Date	Number of shares traded	Low Date	Number of shares traded
January, 2006	January 27, 2006	1,096,964	January 18, 2006	4,48,183
February, 2006	February 02, 2006	1,442,716	February 03, 2006	2,73,222
March, 2006	March 02, 2006	689,840	March 31, 2006	559,948
April, 2006	April 05, 2006	301,987	April 25, 2006	241,380
May, 2006	May 10, 2006	468,051	May 31, 2006	362,610
June 2006	June 2, 2006	208,045	June 13, 2006	152,063

The following table sets-forth, for the period indicated, total volume of Equity Shares traded on the BSE during the six months preceding the date of this Draft Shelf Prospectus.

Month	Number of shares traded [1]
January 2006	18,658,449
February 2006	8,692,876
March 2006	5,224,096
April 2006	4,357,315
May 2006	6,774,705
June 2006	5,410,615

(1) Volumes are only for the general segment (scrip code 532174) and does not include volumes for the FII segment of BSE (scrip code 632174)

* Source: BSE

The Equity Shares of the Bank are actively traded on the BSE and the NSE. The ADSs of the Bank are traded on the New York Stock Exchange where they are listed.

Details of other Listings

The following US dollar denominated bond issue made by ICICI in August 1997 has been listed on the Luxembourg Stock Exchange:

- US$ 150.0 million 7.55% Medium Term Notes due August 15, 2007

- The following US dollar denominated Euro Bond Issue by ICICI Bank in October 2003 has been listed on the Singapore Stock Exchange:

- US$ 300.0 million 4.75% Fixed Rate Notes due October 22, 2008

The following US dollar denominated Medium Term Notes issued by our Singapore branch in August 2004 have been listed on the Luxembourg Stock Exchange:

- US$ 300 million 5.00% Fixed Rate Notes issued by the Singapore Branch under the Medium- Term Notes Programme due August 18, 2009

Promise vs. Performance

We have not made any projections in the offer document of any of our previous capital issues during the last five years. The funds raised from these capital issues have been utilised as mentioned in the respective Prospectuses.

Servicing Behaviour

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

SUBSIDIARIES AND GROUP COMPANIES

We have 16 subsidiaries - ICICI Securities Limited, ICICI Brokerage Services Limited, ICICI Securities Holdings Inc., ICICI Securities Inc., ICICI Prudential Life Insurance Company Limited, ICICI Lombard General Insurance Company Limited, ICICI Venture Funds Management Company Limited, ICICI Home Finance Company Limited, ICICI Bank UK Limited, ICICI Bank Canada, ICICI International Limited, ICICI Trusteeship Services Limited, ICICI Investment Management Company Limited, ICICI Bank Eurasia Limited Liability Company, Prudential ICICI Asset Management Company Limited and Prudential ICICI Trust Limited. In addition, we are the sponsors or co-sponsors of Prudential ICICI Mutual Fund, the asset management company of which is Prudential ICICI Asset Management Company Limited and the trustee of which is Prudential ICICI Trust Limited, and ICICI Securities Fund, the asset management company of which is ICICI Investment Management Company Limited and the trustee of which is ICICI Trusteeship Services Limited. None of our subsidiaries has equity shares listed on any stock exchange.

We also own the entire or majority of the units and/or have made entire or majority of the contributions in certain trust funds, private equity funds and venture capital funds, namely, ICICI Property Trust, ICICI Eco-net Internet & Technology Fund, ICICI Emerging Sectors Fund, ICICI Strategic Investments Fund and ICICI Equity Fund. Such trust funds, private equity funds and venture capital funds and/or their investee companies are not our subsidiaries under the Act or group companies under the SEBI Guidelines. These trust funds, private equity funds and venture capital funds are treated as associates under Indian GAAP.

ICICI had equity holdings in certain companies (namely 3i Infotech Limited, formerly called ICICI Infotech Limited, ICICI OneSource Limited, ICICI Web Trade Limited, ICICI KINFRA Limited, ICICI West Bengal Infrastructure Development Corporation Limited and ICICI Knowledge Park) which, due to the role of ICICI in their establishment and also pursuant to trademark license agreements between ICICI and such companies, are permitted (along with their subsidiaries, if any) to use "ICICI" in their name. 3i Infotech Limited listed its equity shares on the NSE and the BSE on the April 23, 2005 after making an initial public offering of shares. Pursuant to a request by 3i Infotech we agreed to be named as one of its promoters in its prospectus filed with SEBI for the initial public offering of its equity shares. As a result of the same 3i Infotech is a group company within the meaning of the SEBI Guidelines. ICICI OneSource Limited, ICICI Webtrade Limited, ICICI KINFRA Limited, ICICI West Bengal Infrastructure Development Corporation Limited and ICICI Knowledge Park do not have any equity shares listed on any stock exchange. The above-mentioned entities are not consolidated under Indian GAAP.ICICI OneSource Limited and its subsidiaries carry out IT-enabled outsourcing activities like inbound/outbound call processing, transaction processing, outbound telemarketing, inbound customer care and back office transaction processing, collections, billing, remittances, investment and business research and financial analytics. They service clients from the banking, financial services, insurance, telecommunications and media sectors. ICICI Web Trade Limited is registered with SEBI as a stock broker and portfolio manager and is a member of BSE on the equity segment, a member of NSE on the equity and derivatives segments and a dealer of the Over the Counter Exchange of India Limited (OTCEI). It provides internet based broking services through its website www.icicidirect.com. It also provides these services over the telephone through a facility called CallNTrade. ICICI Comm Trade Limited, a subsidiary of ICICI Web Trade Limited, has been established to provide web and telephone based broking services in the commodities and commodity derivatives market and is a member of the National Commodities and Derivatives Exchange Limited. ICICI KINFRA Limited was established to develop infrastructure projects in Kerala. ICICI West Bengal Infrastructure Development Corporation Limited was established to develop infrastructure projects in West Bengal. ICICI Knowledge Park was established with the object of providing world class infrastructure to corporates for research and emerging technology related activities.

Currently, we directly hold equity shares in ICICI OneSource Limited, 3i Infotech Limited and ICICI Web Trade Limited to the extent of 18.8%, 11.9% and 0.002% respectively and have no direct equity shareholding in ICICI KINFRA Limited, ICICI West Bengal Infrastructure Development Corporation Limited and ICICI Knowledge Park. All of these companies are professionally managed companies under the supervision of their respective board or directors. These companies are not our related parties for accounting purposes under Indian GAAP and we exercise no control over these companies other than to the extent of our shareholding, if any, in such companies or in terms of the trademark licensing agreements entered into with them. Separately, there may be independent commercial transactions in the ordinary course of business between one or more of these companies and us. We do not enjoy any other special rights or privileges vis-à-vis any of these companies, other than those available to us in terms of the trademark licensing agreements entered into with the aforesaid companies and additionally in case of ICICI OneSource, in terms of a shareholder agreement amongst us, ICICI OneSource and other key shareholders the provisions of which are also reflected in its Articles of Association.

Our rights under the trademark licensing agreements allow us to terminate the use of 'ICICI' if our holding falls below such levels as we determine and/or upon serving of notice of a certain period.

1. ICICI Securities Limited (formerly ICICI Securities and Finance Company Limited)

ICICI Securities was incorporated on February 22, 1993. ICICI Securities has three main business lines - corporate advisory and mergers and acquisitions, fixed income and equities. ICICI Securities is a merchant banker, underwriter and portfolio manager registered with the SEBI. ICICI Securities has an equity research team, which identifies investment opportunities and provides investment advice to clients. ICICI Securities is registered with the Reserve Bank of India as a primary dealer in Government of India securities. It is actively involved in money market operations, and trading in debt securities. We own 99.90% of the share capital of ICICI Securities. ICICI Securities has been adjudged as the "Best Bond House" in India by both Asiamoney and Finance Asia during 2004 and 2005. According to Bloomberg, it ranked second in mergers and acquisitions in fiscal 2005. It was adjudged as the 'Top regional and domestic brokerage house in Asia-2005' by The Asset magazine.

The following table sets forth, for the periods indicated, a summary of the financial performance of ICICI Securities

(Rs. in crore)

Particulars	**For the year ended March 31**			
	2003	**2004**	**2005**	**2006**
Total Income	305.32	321.15	182.33	405.94
Expenditure	155.96	130.92	97.87	191.88
PBT	149.36	190.23	84.46	214.06
PAT	102.94	143.90	56.40	147.68
Share Capital	203.00	203.00	203.00	165.88
Reserves	148.08	189.50	216.05	244.88
Face value per share (Rs.)	10.0	10.0	10.0	10.0
Book value per share (Rs.)	17.3	19.3	20.6	24.76
Earnings per share - basic & diluted (Rs.)	5.1	7.1	2.8	8.01

***Note**: Reserves as disclosed above are after deducting miscellaneous expenditure not written off or adjusted*

Board of Directors
Mr. K.V. Kamath (Chairman)
Ms. Lalita D. Gupte
Ms. Kalpana Morporia
Mr. Nachiket Mor
Mr. S. Mukherji (MD & CEO)
Mr. Uday Chitale

2. ICICI Brokerage Services Limited ("ICICI Brokerage")

ICICI Brokerage Services Ltd. was incorporated on March 9, 1995ICICI Brokerage is a wholly-owned subsidiary of ICICI Securities. It is a member of the NSE and BSE. ICICI Brokerage provides broking services primarily, to institutional investor clients.

The following table sets forth, for the periods indicated, a summary of the financial performance of ICICI Brokerage:

(Rs. in crore)

Particulars	**For the year ended March 31**			
	2003	**2004**	**2005**	**2006**
Total Income	13.52	37.60	46.86	71.27
Expenditure	4.64	7.73	33.10	38.75
PBT	8.88	29.87	13.76	32.52
PAT	5.48	19.08	8.44	21.09
Share Capital	4.50	4.50	4.50	4.50
Reserves	14.41	33.48	41.92	44.03
Face value per share (Rs.)	10.0	10.0	10.0	10.0
Book value per share (Rs.)	42.0	84.4	103.2	107.82

Earnings per share Basic & Diluted (Rs.)	12.2	42.4	18.8	46.87

Note:*Reserves as disclosed above are after deducting miscellaneous expenditure not written off or adjusted.*

Board of Directors

Mr. S. Mukherji (Chairman)
Mr. Nitin Jain
Mr. Devesh Kumar
Mr. Paresh Shah
Mr. T.S. Baskaran

3. ICICI Securities Holdings Inc.

ICICI Securities Holdings Inc. was incorporated in the United States on June 12, 2002 and is a wholly-owned subsidiary of ICICI Securities Limited. ICICI Securities Holdings Inc. was incorporated to render corporate advisory services for cross border transactions.

The following table sets forth, for the periods indicated, a summary of the financial performance of ICICI Securities Holdings Inc.

(Rs. in crore)

Particulars	**For the year ended March 31**			
	2003	**2004**	**2005**	**2006**
Total Income	3.06	268	2.31	3.51
Expenditure	2.76	263	3.64	3.20
PBT	0.30	0.05	(1.33)	0.31
PAT	0.30	0.05	(1.33)	1.73
Share Capital	7.50	7.50	7.50	52.23
Reserves	(0.71)	(0.81)	(2.11)	(0.36)
Face value per share (US$)	1.0	1.0	1.0	1.0
Book value per share (Rs.)	42.4	41.8	33.7	44.3
Earnings Per share Basic & Diluted (Rs.)	1.9	0.3	(8.4)	0.6

Note:*Reserves as disclosed above are after deducting miscellaneous expenditure not written off or adjusted.*

Board of Directors

Mr. Sripat Pandey,
Mr. Joseph H, Brosco
Mr. Nitin Jain

4. ICICI Securities Inc.

ICICI Securities Inc. was incorporated on June 13, 2000 in the United States to provide brokerage, research and investment banking services to investors who wish to invest in the Indian financial markets. ICICI Securities Inc. is a wholly-owned subsidiary of ICICI Securities Holdings Inc. ICICI Securities Inc. is registered with the United States Securities Exchange Commission and is a member of the National Association of Securities Dealers in the United States. ICICI Securities Inc. is permitted to deal in securities market transactions in the United States and provide research and investment advice to institutional investors based in the United States.

The following table sets forth, for the periods indicated, a summary of the financial performance of ICICI Securities Inc.

(Rs. in crore)

Particulars	**For the year ended March 31**			
	2003	**2004**	**2005**	**2006**
Total Income	1.00	3.53	4.37	28.84
Expenditure	1.55	1.92	4.26	21.46
PBT	(0.55)	1.61	0.11	7.39
PAT	(0.55)	1.61	0.11	4.35

Share Capital	4.83	4.83	4.83	49.12
Reserves	(2.20)	(0.88)	(0.78)	2.43
Face value per share (US$)	1.0	1.0	1.0	1.0
Book value per share (Rs.)	25.0	37.6	38.6	46.7
Earnings Per share Basic & Diluted (Rs.)	(5.2)	15.3	1.0	16.4

Note:*Reserves as disclosed above are after deducting miscellaneous expenditure not written off or adjusted*

Board of Directors

Mr. Sripat Pandey (President)
Mr Devesh Kumar
Mr Nitin Jain
Mr. J. Niranjan
Mr. Subir Saha
Mr. Madhav Kalyan
Mr. Gopakumar P.

5. ICICI Prudential Life Insurance Company Limited ("ICICI Prudential Life Insurance")

ICICI Prudential Life Insurance Company Limited was incorporated on July 20, 2000. ICICI Prudential Life Insurance is a 74:26 joint venture between us and Prudential plc of the United Kingdom.. ICICI Prudential Life Insurance is registered with the Insurance Regulatory and Development Authority. ICICI Prudential Life Insurance offers a wide range of life insurance and pension products. ICICI Prudential Life Insurance commenced operations in December 2000, becoming one of the first few private sector players in life insurance. Since then ICICI Prudential Life Insurance has registered significant growth. ICICI Prudential Life Insurance has written over 20 lakhs policies and has established its position as a clear leader amongst the private life insurers in India, with a market share of 30%. In the private sector (based on weighted received premium); and over 10% of the total market during fiscal 2006. It currently has 256 branches at 207 locations across the country and an agent network of over 83,000 agents.

The following table sets forth, for the periods indicated, a summary of the financial performance of _ ICICI Prudential Life Insurance:

(Rs. in crore)

Particulars	**For the year ended March 31**			
	2003	**2004**	**2005**	**2006**
Total Income	454.47	1067.08	2,480.79	5,698.21
Expenditure	601.65	1290.98	2,703.20	5,901.54
PBT	(147.18)	(223.90)	(222.41)	(203.33)
PAT	(147.18)	(221.57)	(211.62)	(187.88)
Share Capital	425.00	675.00	925.00	1,185.00
Reserves	(253.58)	(474.03)	(682.51)	(929.52)
Face value per share (Rs.)	10.0	10.0	10.0	10.0
Book value per share (Rs.)	4.0	3.0	2.6	2.8
Earnings per share Basic & Diluted (Rs.)	(0.5)	(0.4)	(0.3)	(1.8)

Board of Directors

Mr. K. V. Kamath (Chairman)
Mr. Mark Norbom
Ms. Lalita D. Gupte
Ms. Kalpana Morparia
Ms. Chanda Kochhar
Mr. Huynh Thanh Phong
Mr. M. P. Modi
Mr. R. Narayanan
Ms. Shikha Sharma (Managing Director)
Mr. N. S. Kannan (Executive Director)

6. ICICI Lombard General Insurance *Company Limited* *(ICICI Lombard General Insurance)*

ICICI Lombard General Insurance Company Limited was incorporated on October 30, 2000. ICICI Lombard General Insurance is a 74:26 joint venture between us and Fairfax Financial Holdings Limited of Canada. ICICI Lombard General Insurance is registered with the Insurance Regulatory and Development Authority. ICICI Lombard General Insurance offers a wide range of general insurance products for both corporate and retail customers. ICICI Lombard General Insurance commenced operations in August 2001. ICICI Lombard General Insurance achieved financial breakeven in fiscal 2003 and an underwriting profit in fiscal 2004. It has written over 2,318,000 policies till March 31, 2006 and has established its position as a clear market leader amongst the private general insurers in India, with a market share of over 29% among the private sector general insurance companies during fiscal 2006. It has a network of over 5,000 agents.

The following table sets forth, for the periods indicated, a summary of the financial performance of ICICI Lombard General Insurance.

(Rs. in crore)

Particulars	**For the year ended March 31**			
	2003	**2004**	**2005**	**2006**
Total Income	59.54	206.33	356.31	742.40
Expenditure	55.35	164.09	302.44	687.87
PBT	4.19	42.24	53.87	54.53
PAT	3.30	31.78	48.35	50.31
Share Capital	110.00	220.00	220.00	245.00
Reserves	(6.38)	9.25	36.06	171.78
Face value per share (Rs.)	10.0	10.0	10.0	10.0
Book value per share (Rs.)	9.4	10.4	11.6	17.0
Earnings per share Basic & Diluted (Rs.)	0.3	1.8	2.2	2.3

Note: *Reserves as disclosed above are after deducting miscellaneous expenditure expenditure not written off or adjusted.*

Board of Directors

Mr. K. V. Kamath (Chairman)
Ms. Lalita D. Gupte
Mr. H. N. Sinor
Mr. James Dowd
Mr. Chandran Ratnaswami
Ms. Kalpana Morparia
Mr. S. Mukherji
Mr. Dileep Chokshi
Mr. R. Athappan
Mr. B.V. Bhargava
Mr. Sandeep Bakhshi (Managing Director & CEO)

7. ICICI Venture Funds Management Company Limited ("ICICI Venture")

ICICI Venture Funds Management Company Limited was incorporated on January 5, 1988. ICICI Venture (formerly TDICI Limited) is a venture capital company and was founded in 1988 as a joint venture between ICICI and The Unit Trust of India. Subsequently, ICICI bought out Unit Trust of India's stake in 1998 and ICICI Venture became a subsidiary of ICICI. Pursuant to amalgamation, ICICI Bank holds entire share capital of ICICI Venture. ICICI Venture currently oversees nine domestic and offshore funds and has funds under management of approximately Rs. 7,800 crore. ICICI Venture launched India Advantage Fund I & II in February 2003. This fund has a corpus of Rs. 1,100 crore and has closed 20 transactions till date. In fiscal 2005, ICICI Venture signed a 50:50 joint venture with Tishman Speyer Properties for pursuing development of commercial, residential and retail properties throughout India. ICICI Venture launched India Advantage Fund III & IV (real estate funds) during the fiscal 2005 which have commitment of approximately Rs. 2,400 crore. ICICI Venture has launched India Advantage Fund V & VI during fiscal 2006 with a target commitment of Rs. 3,300 crore (Rs. 4,500 crore including green shoe option).

The following table sets forth, for the periods indicated, a summary of the financial performance of ICICI Venture.:

(Rs. in crore)

Particulars	For the year ended March 31			
	2003	2004	2005	2006
Total Income	35.66	106.76	74.58	114.60
Expenditure	17.09	75.37	24.47	39.99
PBT	18.57	31.39	50.11	74.61
PAT	12.50	25.97	32.40	50.30
Share Capital	3.13	3.13	2.34	1.00
Reserves	28.88	38.10	34.31	19.57
Face value per share (Rs.)	10.0	10.0	10.0	10.0
Book value per share (Rs.)	102.3	131.7	156.6	205.7
Earnings per share Basic & Diluted (Rs.)	40.0	83.1	113.3	250.4

Note:*Reserves as disclosed above are after deducting miscellaneous expenditure not written off or adjusted*

Board of Directors

Mr. K. V. Kamath (Chairman)
Ms. Lalita D. Gupte
Ms. Kalpana Morparia
Dr. Nachiket Mor
Mr. Gopal Srinivasan
Mr. Balu Doraisamy
Ms. Renuka Ramnath (Managing Director & CEO)

8. Prudential ICICI Asset Management Company Limited, the asset management company of Prudential ICICI Mutual Fund

Prudential ICICI Asset Management Company Limited, a company registered under the Companies Act, 1956 was originally incorported on June 22, 1993,as ICICI Asset Management Company Limited by ICICI as its wholly-owned subsidiary, to act as the Investment Manager of the ICICI Mutual. Consequent to a joint venture agreement dated June 29, 1994 entered into between ICICI and Morgan Guaranty International Finance Corporation (MGIFC), a subsidiary of JP Morgan of USA, MGIFC was issued and allotted shares aggregating 40.0% of the equity capital of ICICI Asset Management Company. The management of ICICI Asset Management Company reviewed its long-term business strategy and decided to further strengthen its commitment to the individual investor segment. As a part of this plan, MGIFC and ICICI agreed to restructure their partnership. As a part of the restructuring plan, MGIFC divested its entire holdings to ICICI and the Board of ICICI Asset Management Company approved the induction of Prudential plc of UK as the new joint venture partner. Pursuant to the Amendatory Agreement for transfer of shares dated May 27, 2005 entered into between us and Prudential plc., we increased our shareholding in the company to 51% effective August 26, 2005, and it became our subsidiary.

Prudential ICICI Asset Management Company Limited is the Investment Manager for the 29 schemes of Prudential ICICI Mutual Fund –“Prudential ICICI Fixed Maturity Plan”, “Prudential ICICI Gilt Fund”, “Prudential ICICI Income Plan”, “Prudential ICICI Advisor Series”, “Prudential ICICI Balanced Fund”, “Prudential ICICI Blended Plan”, “Prudential ICICI Child Care Plan-Gift Plan”, “Prudential ICICI Child Care Plan-Study Plan”, “Prudential ICICI Discovery Fund”, “Prudential ICICI Dynamic Plan”, “Prudential ICICI Emerging Star Fund”, “Prudential ICICI Flexible Income Plan”, “Prudential ICICI FMCG”, “Prudential ICICI Growth Plan”, “Prudential ICICI Income Multiplier Fund”, “Prudential ICICI Index Fund”, “Prudential ICICI Infrastructure Fund”, “Prudential ICICI Liquid Plan”, “Prudential ICICI Long Term Floater”, “Prudential ICICI MIP”, “Prudential ICICI Power”, “Prudential ICICI Short Term Plan”, “Prudential ICICI Sweep Plan”, “Prudential ICICI Tax Plan”, “Prudential ICICI Technology Fund”, “Sensex Prudential ICICI Exchange Traded Fund”, “Prudential ICICI Fusion Fund”, “Prudential ICICI Floating Rate Plan”, and “Prudential ICICI Services Industries Fund”. Prudential ICICI Asset Management Company Limited is also registered with SEBI under SEBI (Portfolio Managers) Rules, 1993. Prudential ICICI Mutual Fund is the largest private sector mutual fund with assets under management of over Rs. 30,090 crore as on June 30, 2006.

The following table sets forth, for the periods indicated, a summary of the financial performance of Prudential ICICI Asset Management Company.

(Rs. in crore)

Particulars	For the year ended March 31		
	2004	2005	2006
Total Income	99.73	102.04	141.49
Expenditure	59.27	75.68	94.06
PBT	40.46	26.36	47.43
PAT	27.28	17.17	31.13
Share Capital	18.52	18.52	18.02
Reserves	61.63	57.65	39.14
Face value per share (Rs.)	10.0	10.0	10.0
Book value per share (Rs.)	43.3	41.1	31.5
Earnings per share Basic & Diluted (Rs.)	14.7	9.3	16.8

Reserves as disclosed above are after deducting miscellaneous expenditure not written off or adjusted.

Board of Directors

Mr. K.V. Kamath (Chairman)
Mr. Mark Norbom
Mr. Ajay Srinivasan
Ms. Shikha Sharma
Ms. Kalpana Morparia
Mr. Dadi Engineer
Mr. K.S. Mehta
Mr. B.R. Gupta
Dr. (Ms.) Swati A. Piramal
Mr. Pankaj Razdan (Managing Director)

9. Prudential ICICI Trust Limited (Prudential ICICI Trust), the trustee of Prudential ICICI Mutual Fund

Prudential ICICI Trust Limited, a company registered under the Companies Act was originally incorporated on June 22, 1993 as ICICI Trust Limited by ICICI as its wholly-owned subsidiary, to act as Trustee of ICICI Mutual Fund. Subsequently this company became a joint venture between ICICI and Prudential plc of UK. Pursuant to the Amendatory Agreement for transfer of shares dated May 27, 2005 entered into between us and Prudential plc., we increased our shareholding in the company to 51%, effective August 26, 2005, and it became our subsidiary.

The following table sets forth, for the periods indicated, a summary of the financial performance of Prudential ICICI Trust.

(Rs. in crore)

Particulars	For the year ended March 31		
	2004	2005	2006
Total Income	0.40	0.36	0.44
Expenditure	0.27	0.23	0.34
PBT	0.13	0.13	0.10
PAT	0.09	0.09	0.07
Share Capital	0.10	0.10	0.10
Reserves	0.67	0.71	0.72
Face value per share (Rs.)	10.0	10.0	10.0
Book value per share (Rs.)	77.0	81.0	82.0
Earnings Per share Basic & Diluted (Rs.)	9.1	8.9	6.9

Note: *Reserves as disclosed above are after deducting miscellaneous expenditure to the extent not written off or adjusted.*

Board of Directors

Mr. E. B. Desai
Mr. D. J. Balaji Rao
Mr. M. S. Parthasarathy
Mr. Nagesh Pinge
Mr. S. P. Subhedar

10. ICICI Home Finance Company Limited ("ICICI Home Finance")

ICICI Home Finance Company Limited was incorporated on May 28, 1999. ICICI Home Finance is our wholly owned subsidiary engaged in marketing, distribution and servicing of home loan products of ICICI Bank. During fiscal 2006, our subsidiary ICICI Distribution Finance Private Limited merged with ICICI Home Finance Company Limited.

The following table sets forth, for the periods indicated, a summary of the financial performance of ICICI Home Finance.

(Rs. in crore)

Particulars	For the year ended March 31			
	2003	**2004**	**2005**	**2006**
Total Income	197.83	146.29	239.88	313.47
Expenditure	157.24	135.76	226.12	292.93
PBT	40.59	10.53	13.76	20.54
PAT	28.65	9.85	10.01	12.29
Share Capital	155.00	155.00	155.00	298.75
Reserves	13.65	24.48	35.61	52.66
Face value per share (Rs.)	10.0	10.0	10.0	10.0
Book value per share (Rs.)	11.2	12.1	12.5	11.9
Earnings per share Diluted (Rs.)	1.9	0.6	0.7	0.7

Note:*Reserves as disclosed above are after deducting miscellaneous expenditure not written off or adjusted.*

Board of Directors

Ms. Chanda Kochhar (Chairperson)
Dr. Nachiket Mor
Ms. Madhabi Puri Buch
Mr. V. Vaidyanathan
Mr. K. Ramkumar
Mr. Prashant Purker
Mr. Rajiv Sabharwal

11. ICICI Trusteeship Services Limited ("ICICI Trusteeship")

ICICI Trusteeship was incorporated on April 29, 1999 as a wholly-owned subsidiary of ICICI. The main object of ICICI Trusteeship is to act as trustee of mutual funds, off-shore 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 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 following table sets forth, for the periods indicated, a summary of the financial performance of ICICI Trusteeship.

(Rs. in crore)

Particulars	For the year ended March 31			
	2003	**2004**	**2005**	**2006**
Total Income	392,155	348,058	309,968	329,011
Expenditure	35,975	34,492	52,229	23,820
PBT	356,180	313,566	257,739	305,191
PAT	225,180	193,566	163,739	200,191

Share Capital	500,000	500,000	500,000	500,000
Reserves	410,077	621,106	807,286	1,007,477
Face value per share	10.0	10.0	10.0	10.0
Book value per share	18.2	22.4	26.1	30.3
Earnings per share Basic & Diluted (Rs.)	14.3	3.9	3.3	4.1

***Note**: Reserves as disclosed above are after deducting miscellaneous expenditure not written off or adjusted.*

Board of Directors

Mr. Sanjiv Kerkar (Chairman)
Mr. Girish Mehta
Mr. N. D. Shah
Dr. S. D. Israni

12. ICICI Investment Management Company Limited ("ICICI Investment Management")

ICICI Investment Management Company Limited was incorporated on March 9, 2000. The main object of ICICI Investment Management is to carry on the business of management of mutual funds, unit trusts, offshore funds, pension funds, provident funds, venture capital funds, insurance funds, and to act as managers, consultants, advisors, administrators, attorneys, agents, or representatives these entities and to act as financial advisors and investment advisors.

The following table sets forth, for the periods indicated, a summary of the financial performance of ICICI Investment Management.

(Rs. in crore)

Particulars	**For the year ended March 31**			
	2003	**2004**	**2005**	**2006**
Total Income	1.09	0.75	0.73	0.75
Expenditure	0.28	0.33	0.38	0.28
PBT	0.81	0.42	0.35	0.47
PAT	0.52	0.30	0.21	0.32
Share Capital	10.00	10.00	10.00	10.00
Reserves	1.24	1.56	1.80	2.11
Face value per share (Rs.)	10.0	10.0	10.0	10.0
Book value per share (Rs.)	11.2	11.6	11.8	12.1
Earnings per share Basic & Diluted (Rs.)	0.5	0.3	0.2	0.3

***Note:** Reserves as disclosed above are after deducting miscellaneous expenditure not written off or adjusted.*

Board of Directors

Ms. Kalpana Morparia (Chairperson)
Mr. A. J. Advani
Mr. Chandrashekhar Lal
Mr. Ashish Dalal

13. ICICI Bank UK Limited ("ICICI Bank UK")

ICICI Bank UK Limited was incorporated on February 11, 2003. ICICI Bank UK Limited is our wholly-owned subsidiary and is authorised and regulated by the Financial Services Authority in the UK. It commenced operations in June 2003. ICICI Bank UK seeks to provide banking products and services to corporate and retail customers, primarily based in the United Kingdom, with trading or personal links to India. ICICI Bank UK has two offices in central London and four additional Branches in Southall, Wembley, Manchester and Leicester and a branch at Antwerp in Belgium. ICICI Bank UK also offers online deposit accounts using the Internet as the access channel for individual UK residents

The following table sets forth, for the periods indicated, a summary of the financial performance of ICICI Bank UK Limited.

(US$ in thousands)

Particulars	For the Period from February 11, 2003 to March 31, 2004 (unaudited)	For the Period ended March 31, 2005 (unaudited)	For the Period ended March 31, 2006 (unaudited)
Total Income	1,552	22,913	89,960
Expenditure	3,799	20,073	65,665
PBT	(2,247)	2,840	21,295
PAT	(2,247)	2,270	14,525
Share Capital	50,000	150,000	185,000
Reserves	(2,247)	23	10,423
Face value per share (Rs.)	44.0	44.0	44.0
Book value per share (Rs.)	42.0	44.0	47.5
Earnings per share Basic & Diluted (Rs.)	(3.0)	1.8	4.4

Reserves as disclosed above are after deducting miscellaneous expenditure not written off or adjusted.

Note: *During current financial year, the board has declared a dividend on preference shares amounting to USD 4,125 thousand. Reserves as disclosed above are after deducting miscellaneous expenditure not written off or adjusted.*

Board of Directors

Mr. K. V. Kamath
Ms. Lalita D. Gupte
Mr. Sonjoy Chatterjee
Mr. Bhargav Dasgupta
Mr. W. Michael T. Fowle
Mr. Richard M. J. Orgill
Dr. M. L. Kaul
Mr. Martin Errington

14. ICICI Bank Canada

ICICI Bank Canada was incorporated on September 12, 2003. ICICI Bank Canada is our wholly-owned subsidiary and has been authorised by the Office of the Superintendent of Financial Institutions in Canada. In addition, the Canada Deposit Insurance Corporation has admitted ICICI Bank Canada to its membership, giving it the ability to accept retail deposits in Canada. ICICI Bank Canada seeks to provide banking and investment products and services in Canada, focusing on customer segments with strong India linkages. ICICI Bank Canada has two branches in Toronto and a branch each in Brampton, Scarborough and Vancouver. ICICI Bank Canada has also launched a direct banking offering in Canada using the Internet as the access channel.

The following table sets forth, for the periods indicated, a summary of the financial performance of ICICI Bank Canada**.**

(Canadian Dollars in thousands)

Particulars	For the year ended March 31		
	2004 (Unaudited)	2005 (Unaudited)	2006 (Unaudited)
Total Income	289	3,148	26,871
Expenditure	1,621	13,270	36,556
PBT	(1,332)	(10,122)	(9,685)
PAT	(930)	(7,173)	(6,843)
Share Capital	25,000	32,000	92,000
Reserves	(930)	(8,102)	(14,945)

Face value per share (Rs.)	37.5	37.5	37.5
Book value per share (Rs.)	35.2	23.7	25.5
Earnings per share Basic & Diluted (Rs.)	(2.3)	(16.8)	(4.6)

Board of Directors

Mr. K. V. Kamath (Chairman)
Ms. Lalita D. Gupte
Mr. Bhargav Dasgupta
Mr. Madan Bhayana
Mr. Robert G. Long
Senator David P. Smith
Mr. John Thompson
Mr. Hari Panday (President & CEO)

15. ICICI Bank Eurasia Limited Liability Company

ICICI Bank Eurasia Limited Liability Company (formerly Investment Credit Bank Limited Liability Company) is our wholly-owned subsidiary and is regulated by the Central Bank of Russian Federation in Russia. We acquired the entire shareholding of this company in May 2005. The Russian Deposit Insurance agency has admitted ICICI Bank Eurasia to its membership giving it the ability to mobilise retail deposits across Moscow and Kaluga regions. ICICI Bank Eurasia seeks to offer a full range of personal and commercial financial services through its corporate and branch offices.

The following table sets forth, for the periods indicated, a summary of the financial performance of ICICI Bank Eurasia Limited Liability Company.

(RUB in thousands)

Particulars	**Period from May 19,2005 to March 31, 2006 (Unaudited)**
Total Income	96,571
Expenditure	84,780
PBT	11,791
PAT	8,843
Share Capital	313,100
Reserves	156,924
Face value per share (Rs.)	1.5
Book value per share (Rs.)	2.41
Earnings per share Basic & Diluted (Rs.)	0.04

Board of Directors:

Mr. K.V. Kamath
Ms. Lalita D. Gupte
Mr. Bhargav Dasgupta
Mr. Sanjay Kumar Maheshka

16. ICICI International Limited ("ICICI International")

ICICI International Limited (formerly TDICI Investment Management Company) was originally incorporated on January 18, 1996 as a wholly-owned subsidiary of ICICI Venture in Mauritius to carry on the business of offshore fund management. Subsequently, ICICI Venture transferred its entire shareholding to ICICI. Pursuant to the amalgamation, ICICI International has become our wholly owned subsidiary. ICICI and TCW (Trust Company of the West, USA) had jointly set up an asset management company named "TCW/ICICI Investment Partners, L.L.C." to pursue investment management opportunities in the private equity business. TCW/ICICI Investment Partners, L.L.C. is domiciled in Mauritius and has a share capital of US$ 600,000. Pursuant to the amalgamation, we hold 50.0% of the share capital of TCW/ICICI Investment Partners, L.L.C. through ICICI International. The balance 50.0% of the share capital of TCW/ICICI Investment Partners is held by TCW.

The following table sets forth, for the periods indicated, a summary of the financial performance of ICICI International Limited.

(US$)

Particulars	For the year ended March 31			
	2003	**2004**	**2005**	**2006**
Total Income	333,996	160,698	106,125	6,622
Expenditure	333,720	160,698	106,039	20,324
PBT	276	-	86	(13,702)
PAT	276	-	86	(13,702)
Share Capital	400,000	400,000	400,000	900,000
Reserves	129,092	129,092	129,178	115,476
Face value per share (Rs.)	440.2	440.2	440.2	440.2
Book value per share (Rs.)	582.5	582.5	582.5	503.3
Earnings per share Basic & Diluted (Rs.)	-	-	-	(14.85)

Note: *Reserves as disclosed above are after deducting miscellaneous expenditure not written off or adjusted*

Board of Directors

Ms. Renuka Ramnath
Mr. Suresh Kumar
Mr. Couldip Basanta Lala
Mr. Kapil Dev Joory

17. 3i Infotech Limited

3i Infotech Limited (formerly known as ICICI Infotech Limited) was incorporated on October 11, 1993 as a wholly-owned subsidiary of ICICI Limited. 3i Infotech is a provider of information technology products and services. 3i Infotech has five subsidiaries 3i Infotech Inc (USA), 3i Infotech Pte (Singapore), 3i Infotech SDN BHD (Malaysia), 3i Infotech (UK) Limited (UK) and 3i Infotech (Thailand) Limited (Thailand). At June 30, 2006 we held 11.9% of the equity share capital of 3i Infotech.

A summary of the financial performance of the 3i Infotech Limited (consolidated) is as follows:
3i Infotech Ltd. (consolidated)
Summary of financial Performance

(Rs. in crore)

Particulars	For the year ended March 31			
	2003	**2004**	**2005**	**2006**
Total Income	234.56	232.04	292.04	424.05
Expenditure	231.66	247.69	270.77	366.08
PBT	2.90	(15.65)	21.27	57.97
PAT	7.49	(11.82)	32.11	57.66
Share Capital	180.98	180.98	181.00	153.05
Reserves	11.83	8.32	7.79	214.83
Face value per Equity share (Rs.)	5.0	5.0	10.0	10.0
Book value per Equity share (Rs.)	6.9	6.3	12.5	50.50
Earnings per share-Diluted (Rs.)	(0.2)	(3.7)	6.8	9.1

Board of Directors

Mr. Hoshang Sinor (Chairman)
Mr. V. Srinivasan (Managin Director and Chief Executive Officer)
Mr. Manoj Kunkalienkar,
Mr. Hari Padmanabhan, Executive Director
Mr. Suresh Kumar
Ms. Madhabi Puri Buch
Mr. Vincent Addonisio

Mr. Bruce Kogut
Mr. Santhanakrishnan
Mr. Samir Kumar Mitter

OUR MANAGEMENT

Board of Directors details as on June 30, 2006

Name, Description, Address & Business	Age (years)	Qualifications	Particulars of other Directorship(s)
Mr. Narayanan Vaghul **Chairman** ICICI Bank Limited ICICI Bank Towers 10th Floor No.93, Santhome High Road Chennai 600 028 **Development Banker**	69	B.Com. (Hons), C.A.I.I.B.	**Chairman** Asset Reconstruction Company (India) Ltd GIVE Foundation Himatsingka Seide Limited ICICI Knowledge Park Mahindra World City Developers Limited (formerly Mahindra Industrial Park Limited) Pratham India Education Initiative **Director** Air India Limited Air India Air Transport Services Limited Air India Engineering Services Limited Apollo Hospitals Enterprise Limited Azim Premji Foundation Hemogenomics Private Limited Mahindra & Mahindra Limited Mittal Steel Company NV Mittal Steel Caribbean Nicholas Piramal India Limited Wipro Limited
Mr. Sridar Iyengar 85 Fair Oaks Lane Atherton CA 94027, USA **Business Advisor**	58	**B.** Com, F.C.A.	**Director** American India Foundation Foundation for Democratic Reforms in India Inc. Infosys Technologies Limited Mango Analytics Inc. Progeon Limited Rediff.com India Limited Rediff Holdings Inc. TiE Inc.
Mr. Ram Kishore Joshi **Chairman-cum-Managing Director** General Insurance Corpn. of India Suraksha, 6th Floor 170, J. Tata Road Churchgate Mumbai 400 020	59	BE (Mech.)	**Chairman-cum-Managing Director** General Insurance Corporation of India **Chairman** GIC Asset Management Company Limited GIC Housing Finance Limited Loss Prevention Association of India Limited **Director**
Company Executive			Andhra Pradesh Paper Mills Limited Deposit Insurance and Credit Guarantee Corporation Export Credit Guarantee Corporation of India Limited Indian Register of Shipping Kenindia Assurance Company Limited

Name, Description, Address & Business	Age (years)	Qualifications	Particulars of other Directorship(s)
			Life Insurance Corporation of India The New India Assurance Company Limited
Mr. Lakshmi Niwas Mittal **Chairman & CEO** Mittal Steel Berkeley Square House 7th Floor Berkeley Square London W1J 6DA U.K. **Industrialist**	55	B.Com.	**(Magna-cum-Laude)** St. Xavier's Calcutta **Director** **Artha Limited** Galmatias Limited LNM Capital Limited LNM Internet Ventures Limited Lucre Limited Mittal Steel Company N.V. Mittal Steel Company Limited Mittal Steel South Africa Limited Mittal Steel USA Inc. Nestor Limited Nuav Limited ONGC Mittal Energy Limited ONGC Mittal Energy Services Limited Pratham UK Limited Tommyfield Limited President Ispat Inland U.L.C
Mr. Narendra Murkumbi **Managing Director** Shree Renuka Sugars Limited Devchand House, 7th Floor Shiv Sagar Estate Dr. Annie Besant Road Worli Mumbai 400 018 **Company Executive**	36	BE (Electronics) PGDM	**Managing Director** Shree Renuka Sugars Limited **Director** Murkumbi Bioagro Private Limited Murkumbi Industries Private Limited Renuka Commodities DMCC
Mr. Anupam Pradip Puri 17 East, 16 Street New York 10003, USA **Management Consultant**	60	BA (Eco.) St. Stephen's College, Delhi University BA (M.Phil.) Oxford University	**Director** Dr. Reddy's Laboratories Limited Godrej Consumer Products Limited NY Mahindra & Mahindra Limited Tech Mahindra Limited (formerly Mahindra-British Telecom Limited)

Name, Description, Address & Business	Age (years)	Qualifications	Particulars of other Directorship(s)
Mr. Vinod Rai **Additional Secretary (FS)** **Ministry of Finance** Department of Economic Affairs (Banking Division) Government of India Jeevan Deep Parliament Street New Delhi 400 001 **Government Service**	58	B.A. (Eco. - Hons.) M.A. (Eco.) MPA (Harvard IAS (72-Kerala)	**Director** Bank of Baroda IDBI Limited Indian Infrastructure Finance Co. Ltd. Infrastructure Development Finance Co. Ltd. Small Industries Development Bank of India
Mr. Mahendra Kumar Sharma **Vice-Chairman** Hindustan Lever Limited Hindustan Lever House 165/166, Backbay Reclamation Mumbai 400 020 **Business Executive**	59	B.A. (Hons.) LL.B, PGDM	**Vice-Chairman** Hindustan Lever Limited **Director** Hind Lever Trust Limited Levers Associated Trust Limited Unilever India Exports Limited (formerly Indexport Limited) Unilever Nepal Ltd (formerly Nepal Lever Ltd)
Mr. Priya Mohan Sinha B-787 Sushant Lok Phase I GURGAON 122 002 Haryana **Professional Manager**	65	B.A.	**Chairman** Bata India Limited **Director** Azim Premji Foundation Indian Oil Corporation Limited Lafarge India Private Limited Wipro Limited
Prof. Marti Gurunath Subrahmanyam **Professor** Stern School of Business New York University 44 West 4th Street Suite 9-190, NEW YORK NY 10012-1126, U.S.A. **Professor**	59	B.Tech. PGDBA, Ph.D.	**Director** Infosys Technologies Limited International Schools of Business Mgt. Ltd. Nomura Asset Management (U.S.A.), Inc. Supply Chainge Inc. The Animi Offshore Fund Limited The Animi Offshore Concentrated Risk Fund Usha Communication Inc. Director – Board of Governors National Institute of Securities Market Director – Advisory Board Metahelix Life Sciences Private Limited Microcredit Foundation of India

Name, Description, Address & Business	Age (years)	Qualifications	Particulars of other Directorship(s)
Mr. T.S. Vijayan **Chairman** Life Insurance Corporation of India Central Office "Yogakshema" 7th Floor West Wing Jeevan Bima Marg Mumbai 400 021 **Company Executive**	53	B.Sc, DIM	**Chairman** Life Insurance Corporation of India **Deputy Chairman** LIC International B.S.C (C), Bahrain **Director** General Insurance Corporation of India LIC HFL Care Homes Limited Saudi Indian Insurance Company, Riyadh
Mr. V. Prem Watsa **Chairman & CEO** Fairfax Financial Holdings Limited 95, Wellington Street West Suite 800 Toronto Ontario M5J 2N7 Canada	55	Bachelor of Technology in Chemical Engineering (IIT, Madras), MBA (University of Western Ontario, Chartered Financial Analyst	**Chairman & CEO** Fairfax Financial Holdings Limited **Chairman** 4129768 Canada Inc. Crum & Foster Holdings Corp. Northbridge Financial Corporation TIG Holdings, Inc. **President** 1109519 Ontario Limited 810679 Ontario Limited FFHL Share Option 1 Corp. The Sixty Two Investment Company Limited **Vice-President** FFHL Group Limited **Vice-President & Secretary** Hamblin Watsa Investment Counsel Limited **Director** Hudson Insurance Company Lindsey Morden Acquisitions Lindsey Morden Group Inc. Odyssey Re Holdings Corp. The Sixty Four Foundation The Sixty Three Foundation
Mr. Kundapur Vaman Kamath **Managing Director & CEO** ICICI Bank Limited ICICI Bank Towers Bandra-Kurla Complex Mumbai 400 051 **Company Executive**	58	B.E. PGDBA	**Chairman** ICICI Bank Canada ICICI Bank Eurasia Limited Liability Co. (formerly Investment Credit Bank Ltd. Liability Company) ICICI Bank UK Limited ICICI Lombard General Insurance Co. Ltd. ICICI Prudential Life Insurance Co. Ltd. ICICI Securities Limited ICICI Venture Funds Mgt. Co. Ltd. Prudential ICICI Asset Mgt Co. Ltd. Director Indian Institute of Management, Ahmedabad Visa Intl. Asia Pacific Regional Board **Director - Board of Governors** Indian Institute of Information Technology **Member – Governing Board** Indian School of Business

Name, Description, Address & Business	Age (years)	Qualifications	Particulars of other Directorship(s)
Ms. Lalita Dileep Gupte **Joint Managing Director** ICICI Bank Limited ICICI Bank Towers Bandra-Kurla Complex Mumbai 400 051 **Company Executive**	57	B.A. (Hons.), MMS	**Director** ICICI Bank Canada ICICI Bank Eurasia Ltd. Liability Company (formerly Investment Credit Bank Ltd. Liability Company) ICICI Bank UK Limited ICICI Lombard General Insurance Co. Ltd. ICICI Prudential Life Insurance Co. Ltd. ICICI Securities. Limited ICICI Venture Funds Mgt. Co. Ltd.
Ms. Kalpana Morparia **Joint Managing Director** **ICICI Bank Limited** ICICI Bank Towers Bandra-Kurla Complex Mumbai 400 051 **Company Executive**	57	B.Sc., LLB	**Chairperson** ICICI Investment Mgt. Co. Ltd. **Director** ICICI Lombard General Insurance Co. Ltd. ICICI Prudential Life Insurance Co. Ltd. ICICI Securities Limited ICICI Venture Funds Management Co. Lt. Prudential ICICI Asset Mgt. Co. Ltd.
Ms. Chanda Kochhar **Deputy Managing Director** ICICI Bank Limited ICICI Bank Towers Bandra-Kurla Complex Mumbai 400 051 **Company Executive**	44	MMS, ICWA	**Chairperson** ICICI Home Finance Company Limited **Director** ICICI Prudential Life Insurance Co. Ltd.
Dr. Nachiket Mor **Deputy Managing Director** ICICI Bank Limited ICICI Bank Towers Bandra-Kurla Complex Mumbai 400 051 **Company Executive**	42	B.Sc. (Physics) PGDM (Finance) Ph.D (Financial Economics) Yale World Fellow	**Director** Care, USA ICICI Home Finance Company Limited ICICI Knowledge Park ICICI Securities Limited ICICI Venture Funds Management Co. Ltd. Pratham India Education Initiative

(1) In terms of Section 20(1) of the Banking Regulation Act, a banking company is prohibited from entering into any commitment for granting any loans or advances to or on behalf of any of its directors, or any firm in which any of its directors is interested as partner, manager, employee or guarantor, or any company (not being a subsidiary of the banking company or a company registered under Section 25 of the Companies Act, 1956, or a Government company) of which, or the subsidiary or the holding company of which any of the directors of the bank is a director, managing agent, manager, employee or guarantor or in which he holds substantial interest, or any individual in respect of whom any of its directors is a partner or guarantor.There are certain exemptions in this regard as the explanation to the section provides that 'loans or advances' shall not include any transaction which the Reserve Bank of India may specify by general or special order as not being a loan or advance for the purpose of such section. We are in compliance with these requirements.

Key Managerial Personnel

The following table sets-forth certain details of our senior management.

Name	Age (yrs)	Date of joining (dd/mm/yyyy)	Designation	Qualifications	Details of previous employment	Work experience (years)	Compensation (FY 2006)(1)
K.V. Kamath	58	May 1, 1996	Managing Director & CEO	B.E (Mech.), PGDBA	Advisor to the Chairman, Bakrie Group, Indonesia	35	24,057,781
Lalita D. Gupte	57	June 15, 1971	Joint Managing Director	B.A. (Hons.) MMS	-	35	18,263,764
Kalpana Morparia	56	November 5, 1975	Joint Managing Director	B.Sc., LLB	Legal Asst., Malubhai Jamiatram & Madon	31	13,163,539
Chanda Kochhar	44	April 17, 1984	Deputy Managing Director	B.A., MMS, ICWAI	—	22	11,031,983
Nachiket Mor	42	May 4, 1987	Deputy Managing Director	B.Sc., PGDM, Ph.D, Yale World Fellow	—	19	9,417,013
Bhargav Dasgupta	39	May 18, 1992	Senior General Manager	BE, PGDM	PGDM Trainee Engineer – TELCO	16	6,881,874
K. Ramkumar	44	July 2, 2001	Senior General Manager	B.Sc, PGDPM & IR	General Manager (HR), ICI India Limited	21	7219,981
Madhabi Puri Buch	40	January 1, 1997	Senior General Manager	B.A., PGDM, DPR(U.K.)	Research Director, ORGMARG	17	7,454,338
Nagesh Pinge	47	April 6, 1998	Senior General Manager	B.Com, BGL, ACA	Director – Anik Financial	21	7,568,137
Pravir Vohra	51	January 28, 2000	Senior General Manager	MA, CAIIB	Vice President – Times Bank	31	6,884,145
Ramni Nirula	53	December 1, 1975	Senior General Manager	B.A., MBA	—	30	7,437,326
Sanjiv Kerkar	55	November 26, 1996	Senior General Manager	B.Tech (Chem), MFM	Director-Operations, Asian Finance and Investment Corp. Ltd.	31	9,587,953
V. Vaidyanathan	38	March 6, 2000	Senior General Manager	MBA	Citibank N.A.	16	8,572,241
Vishakha Mulye	37	March 1, 1993	Chief Financial Officer & Treasurer	B. Com, CA	Officer – Deutsche Bank	13	6130,531

(1) As per Section 217(2A) of the Companies Act. Includes aggregate leave travel allowance availed during the year:

(2) All the above employees are on our rolls as permanent employees unless otherwise specified.

(3) The senior management includes those employees who have become our employees pursuant to the amalgamation. The details of previous employment of these employees relate to that of prior to joining the ICICI.

(4) Mr. Nagesh Pinge has decided to leave ICICI Bank to explore other professional opportunities.

Remuneration of the Directors

As per the requirements of listing agreements, the Members at their Annual General Meeting held on August 20, 2005 approved the payment of sitting fees up to Rs.20,000/- to each of the non-wholetime directors (except the nominee of the Government of India) for attending each Meeting of the Board or any Committee thereof. At present, the fees payable for attending each meeting of the Board and Committee thereof is Rs. 20,000/-. The Directors are to be paid travelling, hotel and other expenses for attending meetings of the Board/Committee. If any Director is required to perform extra services or is called upon to go out of station for any of the purposes of ICICI Bank, ICICI Bank may remunerate such Director either by way of a fixed sum or otherwise as may be determined by the Board of Directors and such remuneration may be either in addition to or in substitution of his remuneration mentioned above.

The Board at its Meeting held on March 23, 2001 appointed Ms. Chanda D. Kochhar and Dr. Nachiket Mor as Executive Directors of ICICI Bank with effect from April 1, 2001 for a period upto March 31, 2006. The Members at their Annual General Meeting held on June 11, 2001 approved their appointments. Further, the Board at its Meeting held on April 30, 2005 re-appointed them as wholetime Directors (designated as Executive Directors) for a further period of five years i.e. from April 1, 2006 to March 31, 2011, subject to the approval of the Members and RBI. The Members approved the re-appointments of Ms. Chanda D. Kochhar and Dr. Nachiket Mor at their Annual General Meeting held on August 20, 2005. Reserve Bank of India videThe Board of Directors, at its Meeting held on April 26, 2002 appointed Mr. K.V. Kamath, as Managing Director & CEO and Ms. Lalita D. Gupte as Joint Managing Director, for the period from May 3, 2002 till the dates on which their respective terms as wholetime Directors of ICICI would have expired. The Board had approved the re-appointment of Ms. Lalita D. Gupte on the expiry of her current term on June 23, 2004, subject to the approval of RBI and the Members of ICICI Bank. The Members at their Meeting held on March 12, 2004, approved the said re-appointment. RBI vide its letter dated April 7, 2004 also approved the said re-appointment. Further, the Board at its Meeting held on April 30, 2005 re-appointed Mr. K.V. Kamath as Managing Director & CEO for a period from May 1, 2006 to April 30, 2009, subject to the approval of the Members and RBI. The Members at their Annual General Meeting held on August 20, 2005, approved the said re-appointment. Reserve Bank of India vide its letter dated January 23, 2006 approved his re-appointment.

The Board also appointed Ms. Kalpana Morparia and Mr. S. Mukherji as Additional Directors and appointed them as Executive Directors for the period from May 3, 2002 till the dates on which their respective terms as whole-time Directors of ICICI would have expired. Mr. S. Mukherji has ceased to be a Director effective February 1, 2004 consequent upon his appointment as Managing Director & CEO of ICICI Securities. Ms. Kalpana Morparia was re-designated as Deputy Managing Director with effect from February 1, 2004 and the same was intimated to the Reserve Bank of India vide letter dated February 4, 2004. Further, the Board at its Meeting held on April 30, 2005 re-appointed Ms. Kalpana Morparia as wholetime Director (designated as Deputy Managing Director) for a period from May 1, 2006 to May 31, 2007, subject to the approval of the Members and RBI. The Members at their Annual General Meeting held on August 20, 2005, approved the said re-appointment. Reserve Bank of India vide its letter dated January 23, 2006 approved her re-appointment. The Board at its Meeting held on April 29, 2006 elevated her as Joint Managing Director.

The Board of Directors, at its Meeting held on April 30, 2004 revised the salary range payable to the wholetime Directors, subject to the approval of the Members. The Members, approved the same at their Annual General Meeting held on September 20, 2004. The Board of Directors, at its Meeting held on April 30, 2005 has approved the re-appointments of the wholetime Directors on expiry of their current tenures, subject to the approval of the Members and Reserve Bank of India. The Members at their Annual General Meeting held on August 20, 2005, approved the said re-appointments on the same terms (including remuneration) as approved by the Members from time to time and as detailed herein above.

The Board or any Committee thereof may fix within the range stated below, the salary payable to the wholetime Directors. The terms of the appointment, tenure and remuneration of each of the above mentioned wholetime Director are detailed below :

Salary and Tenure

The range of salary and the tenure are given below:

Name and Designation	Salary per month (Rs.)	Tenure up to
Mr. K. V. Kamath - Managing Director & CEO	600,000-1,050,000	April 30, 2006
Ms. Lalita D. Gupte - Joint Managing Director	400,000-900,000	October 31, 2006
Ms. Kalpana Morparia - Joint Managing Director	300,000-900,000	May 31, 2007
Ms. Chanda D. Kochhar - Deputy Managing Director	200,000-500,000	March 31, 2011*
Dr. Nachiket Mor	200,000-500,000	March 31, 2011*

Deputy Managing Director

* Reserve Bank of India vide its letter dated January 23, 2006 approved their re-appointment for the period upto March 31, 2009

Changes in Key Managerial Personnel In The Last Three Years

Following are the changes in the key managerial personnel in the last three years:

- Mr. Devdatt Shah, Senior General Manager resigned from the services of ICICI Bank effective January 1, 2003.
- Mr. Ananda Mukerji, Senior General Manager ceased to be an employee of ICICI Bank with effect from April 1, 2003 consequent to his appointment as Managing Director and Chief Executive Officer of ICICI Onesource Limited.
- Mr. H. N. Sinor, Joint Managing Director, completed his term as Joint Managing Director on May 31, 2003 and retired from the services of ICICI Bank with effect from June 1, 2003.
- Mr. S. Mukherji, Executive Director stepped down from the Board of Directors pursuant to his appointment as Managing Director & CEO of ICICI Securities Limited with effect from February 1, 2004.
- Mr. A. Karati, Senior General Manager, retired from the services of ICICI Bank with effect from April 1, 2004.

- Mr. N.S. Kannan, Chief Financial Officer & Treasurer ceased to be an employee of ICICI Bank with effect from August 1, 2005 consequent to his appointment as Executive Director of ICICI Prudential Life Insurance Company Limited.
- Mr. M.N. Gopinath, Senior General Manager, has opted for early retirement from ICICI Bank effective September 1, 2005.
- Mr Balaji Swaminathan, Senior General Manager has resigned from the services of ICICI Bank effective November 30, 2005.
- Mr. P.H. Ravikumar who was deputed to National Commodity & Derivative Exchange has resigned from the services of ICICI Bank effective February 1, 2006.

Corporate Governance

Our corporate governance policies recognise the accountability of the Board and the importance of making the Board transparent to all its constituents, including employees, customers, investors and the regulatory authorities, and to demonstrate that the shareholders are the ultimate beneficiaries of our economic activities.

Our corporate governance framework is based on an effective independent board, the separation of the board's supervisory role from the executive management and the constitution of board committees, generally comprising a majority of independent directors and chaired by an independent director, to oversee critical areas and functions of executive management.

Our corporate governance philosophy encompasses not only regulatory and legal requirements, such as the terms of listing agreements with stock exchanges, but also several voluntary practices aimed at a high level of business ethics, effective supervision and enhancement of value for all shareholders.

Our Board's role, functions, responsibility and accountability are clearly defined. In addition to its primary role of monitoring corporate performance, the functions of the Board include:

- approving corporate philosophy and mission;
- participating in the formulation of strategic and business plans;
- reviewing and approving financial plans and budgets;
- monitoring corporate performance against strategic and business plans, including overseeing operations;
- ensuring ethical behavior and compliance with laws and regulations;
- reviewing and approving borrowing limits;
- formulating exposure limits; and
- keeping shareholders informed regarding plans, strategies and performance.

To enable our Board of Directors to discharge these responsibilities effectively, executive management gives detailed reports on our performance on a quarterly basis.

Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. These board committees meet regularly. The constitution and main functions of the various committees are given below.

Audit Committee

The Audit Committee comprises three independent directors – Mr. Sridar Iyengar, who is a Chartered Accountant, Mr. Narendra Murkumbi and Mr. M.K. Sharma. Mr. Sridar Iyengar is the Chairman of the Committee.

The Audit Committee provides direction to the audit function and monitors the quality of internal and statutory audit. The responsibilities of the Audit Committee include overseeing the financial reporting process to ensure fairness, sufficiency and credibility of financial statements, recommendation of appointment and removal of central and branch statutory auditors and chief internal auditor and fixation of their remuneration, approval of payment to statutory auditors for other services rendered by them, review of functioning of Whistle Blower Policy, review of the quarterly and annual financial statements before submission to Board, review of the adequacy of internal control systems and the internal audit function, review of compliance with the inspection and audit reports and reports of statutory auditors, review of the findings of internal investigations, review of statement of significant related party transactions, review of management letters/letter of internal control weaknesses issued by statutory auditors, discussion on the scope of audit with external auditors and examination of reasons for substantial defaults, if any, in payment to stakeholders. The Committee provides direction to the internal audit function and monitors the quality of internal and statutory audit. The Committee is also empowered to appoint/oversee the work of any registered public accounting firm, establish procedures for receipt and treatment of complaints received regarding accounting and auditing matters, engage independent counsel as also provide for appropriate funding for compensation to be paid to any firm/advisors.

Board Governance & Remuneration Committee

The Board Governance & Remuneration Committee comprises five independent directors - Mr. N. Vaghul, Mr. Anupam Puri, Mr. M K. Sharma, Mr. P. M. Sinha and Prof. Marti G Subrahmanyam. Mr. N. Vaghul is the Chairman of the Committee.

The functions of the Committee include recommendation of appointments to the Board, evaluation of the performance of the Managing Director & CEO and wholetime Directors on pre-determined parameters, recommendation to the Board of the remuneration (including performance bonus and perquisites) to wholetime Directors, approval of the policy for and quantum of bonus payable to the members of the staff, framing of guidelines for the Employees Stock Option Scheme and recommendation of grant of ICICI Bank stock options to the employees and wholetime Directors of ICICI Bank and its subsidiary companies.

Credit Committee

The Credit Committee comprises five directors – Mr. N. Vaghul, Mr. Narendra Murkumbi , Mr. M. K. Sharma, Mr. P. M. Sinha and Mr. K. V. Kamath. The majority of the members of the Committee are independent directors. Mr. N. Vaghul is the Chairman of the Committee.

The functions of this Committee include review of developments in key industrial sectors and approval of credit proposals in accordance with the authorisation approved by the Board. The functions of Committee also include review of our business strategy in the agri-business and small enterprises segments and review of the quality of the agricultural lending and small enterprises finance credit portfolio.

Fraud Monitoring Committee

The Fraud Monitoring Committee comprises five directors - Mr. M.K. Sharma, Mr. Narendra Murkumbi , Mr. K.V. Kamath, Ms. Kalpana Morparia and Ms. Chanda D. Kochhar. Mr. M.K. Sharma is the Chairman of the Committee.

The Committee monitors and reviews all the frauds involving Rs.one crore and above.

Risk Committee

The Risk Committee comprises five directors – Mr. N. Vaghul, Mr. Sridar Iyengar, Prof. Marti G. Subrahmanyam, Mr. V. Prem Watsa and Mr. K. V. Kamath. The majority of the members of the Committee are independent directors. Mr. N. Vaghul is the Chairman of the Committee.

Share Transfer & Shareholders'/Investors' Grievance Committee

The Share Transfer & Shareholders'/Investors' Grievance Committee comprises four directors – Mr. M.K. Sharma, Mr. Narendra Murkumbi, Ms. Kalpana Morparia and Ms. Chanda D. Kochhar. Mr. M.K. Sharma, an independent director, is the Chairman of the Committee.

The functions and powers of the Share Transfer & Shareholders'/Investors' Grievance Committee include approval and rejection of transfer or transmission of equity and preference shares, bonds, debentures and securities, issue of duplicate certificates, allotment of shares and securities issued from time to time, including those under stock options, review and redressal of shareholders' and investors' complaints, delegation of authority for opening and operation of bank accounts for payment of interest, dividend and redemption of securities and the listing of securities on stock exchanges.

Agriculture & Small Enterprises Business Committee

The Board of Directors at its Meeting held on October 13, 2005 decided to dissolve the Agriculture & Small Enterprises Business Committee ***o***f the Bank and vest its powers with the Credit Committee. Both the Committees had common Members except Mr. P.M. Sinha. The Board at the said Meeting appointed Mr. P.M. Sinha as a Member of the Credit Committee.

Business Strategy Committee
As the Bank's budget and other strategic issues were being reviewed directly by the Board at its annual offsite Meeting convened for this purpose, the Business Strategy Committee was dissolved with effect from April 29, 2006.

Committee of Directors

The Committee of Directors comprises all five wholetime Directors. Mr. K.V. Kamath, Managing Director & CEO is the Chairman of the Committee.

The powers of the Committee include credit approvals as per authorisation approved by the Board, approvals in respect of borrowing and treasury operations and premises and property related matters and review of performance against targets for various business groups.

Asset Liability Management Committee

The Asset Liability Management Committee comprises the Joint Managing Director and Deputy Managing Directors . Ms. Lalita D. Gupte, Joint Managing Director is the Chairperson of the Committee.

The functions of the Committee include management of our balance sheet, review of our asset-liability profile with a view to manage the market risk exposure assumed by us and deciding our deposit rates and prime lending rate.

Changes in our Board of Directors and Auditors during the last four years

Changes in Directors
The changes that took place in the Board of Directors since April 2001 are as follows:

		Effective
From April 2002 to March 2003		
Mr. B. V. Bhargava	Ceased	April 26, 2002
Mr. R. Rajamani	Appointed	April 26, 2002
Mr. R. Seshasayee	Appointed	May 3, 2002
Mr. D. Sengupta	Appointed	May 3, 2002
Prof. Marti G. Subrahmanyam	Appointed	May 3, 2002
Mr. Lakshmi N. Mittal	Appointed	May 3, 2002
Mr. Anupam Puri	Appointed	May 3, 2002
Ms. Kalpana Morparia	Nominated	May 3, 2002
Mr. S. Mukherji	Ceased	May 3, 2002
Mr. S. K. Purkayastha	Ceased	May 3, 2002
Mr. D. Sengupta	Nominated	June 30, 2002
Mr. S. K. Purkayastha	Ceased	July 19, 2002
Mr. D. C. Gupta	Nominated	July 19, 2002

		Effective
Mr. D. C. Gupta	Ceased	October 31, 2002
Ms. Vineeta Rai	Nominated	October 31, 2002
Ms. Vineeta Rai	Appointed	January 3, 2003
Mr. Vinod Rai	Appointed	January 3, 2003
Mr. P. C. Ghosh		January 31, 2003
Mr. M. K. Sharma		January 31, 2003
From April 2003 to March 2004		
Mr. H. N. Sinor	Retired	June 1, 2003
Mr. R. Seshasayee	Ceased	October 31, 2003
Mr. S.B. Mathur	Appointed	January 29, 2004
Mr. V. Prem Watsa	Appointed	January 29, 2004
Mr. S. Mukherji	Ceased	February 1, 2004
From April 2004 to March 2005		
Dr. Satish C. Jha	Retired	September 20, 2004
Mr. S. B. Mathur	Ceased	March 4, 2005
From April 2005 to March 2006		
Mr. Sridar Iyengar	Appointed	April 30, 2005
Mr. T.S. Vijayan	Appointed	April 30, 2005
Mr. P.C. Ghosh	Ceased	May 6, 2005
Mr. Uday Chitale	Retired	August 21, 2005
Mr. R. K. Joshi	Appointed	October 13, 2005
Mr. Narendra Murkumbi	Appointed	January 20, 2006
Mr. Somesh Sathe	Retired	January 29, 2006

Mr. H. N. Sinor completed his term as Joint Managing Director on May 31, 2003 and retired with effect from June 1, 2003. Mr. S. Mukherji, who was appointed as Executive Director effective May 3, 2002 has ceased to be a member of the Board effective February 1, 2004, consequent to his appointment as Managing Director & CEO of ICICI Securities, subsidiary of ICICI Bank.

The Board at its Meeting held on March 23, 2001 appointed Ms. Chanda D. Kochhar and Dr. Nachiket Mor as Executive Directors of ICICI Bank with effect from April 1, 2001 for a period upto March 31, 2006. The Members at their Annual General Meeting held on June 11, 2001 approved their appointments. Further, the Board at its Meeting held on April 30, 2005 re-appointed them as wholetime Directors (designated as Executive Directors) for a further period of five years i.e. from April 1, 2006 to March 31, 2011, subject to the approval of the Members and Reserve Bank of India. The Members approved the re-appointments of Ms. Chanda D. Kochhar and Dr. Nachiket Mor at their Annual General Meeting held on August 20, 2005. Reserve Bank of India *vide* its letter dated January 23, 2006 approved their re-appointments upto March 31, 2009.

The Board at its Meeting held on April 26, 2002 appointed Mr. K. V. Kamath as the Managing Director & Chief Executive Officer of ICICI Bank with effect from May 3, 2002 for a period upto April 30, 2006. Further, the Board at its Meeting held on April 30, 2005 re-appointed him as Managing Director & CEO for a period from May 1, 2006 to April 30, 2009, subject to the approval of the Members and the Reserve Bank of India. The Members approved the re-appointment of Mr. K.V. Kamath at their Annual General Meeting held on August 20, 2005. Reserve Bank of India *vide* its letter dated January 23, 2006 approved his re-appointment.

The Board at its Meeting held on April 26, 2002 appointed Ms. Lalita D. Gupte as the Joint Managing Director with effect from May 3, 2002 for a period upto June 23, 2004. The Board at its Meeting held on January 29, 2004 re-appointed Ms. Lalita D. Gupte as Joint Managing Director of the Bank upto October 31, 2006 on completion of her term on June 23, 2004, subject to the approval of the Reserve Bank of India and our

Members. The Members approved the re-appointment of Ms. Lalita D. Gupte at the Extraordinary General Meeting held on March 12, 2004. Reserve Bank of India *vide* its letter dated April 7, 2004 also approved her re-appointment.

The Board at its Meeting held on April 26, 2002 appointed Ms. Kalpana Morparia as Executive Director of ICICI Bank with effect from May 3, 2002 for a period upto April 30, 2006. The Board of Directors, at its Meeting held on January 29, 2004, elevated Ms. Kalpana Morparia to the position of Deputy Managing Director effective February 1, 2004. Further, the Board at its Meeting held on April 30, 2005 re-appointed her as wholetime Director (designated as Deputy Managing Director) for a period from May 1, 2006 to May 31, 2007, subject to the approval of the Members and Reserve Bank of India. The Members approved the re-appointment of Ms. Kalpana Morparia at their Annual General Meeting held on August 20, 2005. Reserve Bank of India *vide* its letter dated January 23, 2006 approved her re-appointment.

Mr. K. V. Kamath, Ms. Lalita D. Gupte, Ms. Kalpana Morparia, Ms. Chanda D. Kochhar and Dr. Nachiket Mor are not liable to retire by rotation. However, in order to comply with the provisions of the Companies Act, 1956, and the Articles of Association, Ms. Lalita D. Gupte and Ms. Kalpana Morparia shall be liable to retire by rotation, if at any time the number of non-rotational Directors exceeds one-third of the total number of Directors. If Ms. Lalita D. Gupte and Ms. Kalpana Morparia are re-appointed as Directors immediately on retirement by rotation, they shall continue to hold their offices of Joint Managing Director and Deputy Managing Director, respectively, and the retirement by rotation and re-appointment shall not be deemed to constitute a break in their appointment.

The Government of India nominated Mr. S.K. Purkayastha effective May 3, 2002 and withdrew his nomination and nominated Mr. D.C. Gupta in his place effective from July 19, 2002. Subsequently, Ms. Vineeta Rai was nominated by the Government of India effective October 31, 2002 in place of Mr. D.C. Gupta. The Government of India withdrew the nomination of Ms. Vineeta Rai and nominated Mr. Vinod Rai in her place effective January 3, 2003.

Changes in Auditors

The Members at their Eighth Annual General Meeting held on September 16, 2002 appointed N. M. Raiji & Co. and S. R. Batliboi & Co., both Chartered Accountants, in place of retiring auditors S.B. Billimoria & Co., Chartered Accountants, to audit the accounts for fiscal 2003.

Reserve Bank of India *vide* its letter dated July 4, 2003 and the Members of ICICI Bank, at their Ninth Annual General Meeting held on August 25, 2003 approved the appointment of S. R. Batliboi & Co., Chartered Accountants as Auditors to audit our accounts for fiscal 2004. Reserve Bank of India *vide* its letter dated May 31, 2004 and the Members of ICICI Bank at their Tenth Annual General Meeting held on September 20, 2004 approved the appointment of S.R. Batliboi & Co., Chartered Accountants as Auditors to audit the accounts for fiscal 2005. Reserve Bank of India *vide* its letter dated May 31, 2005 and the Members of ICICI Bank, at their Eleventh Annual General Meeting held on August 20, 2005 approved the appointment of S.R. Batliboi & Co., Chartered Accountants as Auditors to audit the accounts for fiscal 2006.

S.R. Batliboi has retired at our AGM dated July 22, 2006 since they have been statutory auditors of the Bank for the last four years, which is the maximum term of appointment of auditors permitted by Reserve Bank of India. Reserve Bank of India *vide* its letter dated April 26, 2006 approved the appointment of BSR & Co., Chartered Accountants as Auditors to audit the accounts for fiscal 2007. The appointment have been approved by the Members at their Annual General Meeting to be held on July 22, 2006.

Interest of Directors and Key Managerial Personnel

Except as stated in "Related Party Transactions" on page [●] and to the extent of their shareholding in us, the Directors and Key Managerial Personnel do not have any other interest in our business other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of the Equity Shares held by them in ICICI Bank, if any, and options granted to them under the ESOS (for details of options granted to management, see "Capital Structure" on page ●).

Except as stated otherwise in this Draft Shelf Prospectus, we have not entered into any contract, agreement or arrangement during the preceding two years from the date of this Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of such contracts, agreements or arrangements or are proposed to be made to them.

RELATED PARTY TRANSACTIONS

The Bank has transactions with its related parties comprising of subsidiaries, associates joint ventures and key management personnel. The following represents the significant transactions between the Bank and its related parties.

Insurance services

During the year ended March 31, 2006, the Bank paid insurance premium to insurance joint ventures amounting to Rs. 82.96 crore (March 31, 2005: Rs. 31.54 crore). During the year ended March 31, 2006 the Bank received claims from insurance joint ventures amounting to Rs. 1.68 crore (March 31, 2005: Rs. 0.84 crore).

Fees and commission

During the year ended March 31, 2006, the Bank received fees from its subsidiaries and joint ventures amounting to Rs. 228.05 crore (March 31, 2005: Rs. 27.98 crore) and commission of Rs.0.99 crore (March 31, 2005: Rs. 0.53 crore) on account of guarantees and letters of credit issued for subsidiaries.

Lease of premises and facilities

During the year ended March 31, 2006, the Bank charged an aggregate amount of Rs. 44.37 crore (March 31, 2005: Rs. 43.28 crore) for lease of premises, facilities and other administrative costs to subsidiaries and joint ventures.

Sale/Purchase of housing loan portfolio

During the year ended March 31, 2006, the Bank sold housing loan portfolio to its subsidiary amounting to Rs. 3,771.10 crore (March 31, 2005: Rs. 305.97 crore). During the year ended March 31, 2006, the Bank purchased housing portfolio from its subsidiary amounting to Rs. 1,830.77 crore (March 31, 2005: Rs. Nil)

Secondment of employees

During the year ended March 31, 2006, the Bank received Rs. 0.30 crore (March 31, 2005: Rs. 0.84 crore) from subsidiaries and joint ventures for secondment of employees.

Purchase of investments

During the year ended March 31, 2006, the Bank purchased certain investments from its subsidiaries and joint ventures amounting to Rs. 1,525.55 crore (March 31, 2005: Rs. 3,244.01 crore) and from its associates amounting to Rs. Nil (March 31, 2005: Rs. 82.00 crore).

Sale of investments

During the year ended March 31, 2006, the Bank sold certain investments to its subsidiaries and joint ventures amounting to Rs. 675.77 crore (March 31, 2005: Rs. 2,266.85 crore) and to its associates amounting to Rs. 154.50 crore (March 31, 2005: Rs. Nil). On the sales made to subsidiaries and joint ventures, the Bank accounted for a gain of Rs. 1.67 crore (March 31, 2005: Loss of Rs. 1.24 crore) and on the sale made to associates, the Bank accounted for a gain of Rs. 1.01 crore (March 31, 2005: Rs. Nil).

Redemption/Buyback and Conversion of investments

During the year ended March 31, 2006, certain investments in subsidiaries and joint ventures in preference shares were converted to equity shares amounting to Rs. Nil (March 31, 2005: Rs. 25.00 crore). Consideration of Rs. 107.89 crore (March 31, 2005: Rs. 10.69 crore) was received on account of buyback/capital reduction of equity shares by subsidiaries and a gain amounting to Rs. 62.06 crore (March 31, 2005: Rs. 6.74 crore) was accounted in the books. Units in associates amounting to Rs. 116.23 crore (March 31, 2005: Rs. 236.28 crore) were redeemed during the year and a gain of Rs. Nil (March 31, 2005: Rs. 1.98 crore) was accounted on redemption.

Reimbursement of expenses

During the year ended March 31, 2006, the Bank reimbursed expenses to its subsidiaries amounting to Rs. 339.78 crore (March 31, 2005: Rs. 259.60 crore).

Brokerage paid

During the year ended March 31, 2006, the Bank paid brokerage to its subsidiary amounting to Rs. 1.36 crore (March 31, 2005: Rs. 0.91 crore).

Custodial charges received

During the year ended March 31, 2006, the Bank received custodial charges from its subsidiaries and joint ventures amounting to Rs. 1.58 crore (March 31, 2005: 0.57 crore) and associates amounting to Rs 0.54 crore (March 31, 2005: Rs. 0.22 crore).

Interest paid

During the year ended March 31, 2006, the Bank paid interest to its subsidiaries and joint ventures amounting to Rs. 38.42 crore (March 31, 2005: Rs. 25.57 crore) and to its associates amounting to Rs. Nil (March 31, 2005: Rs. 0.11 crore).

Interest received

During the year ended March 31, 2006, the Bank received interest from its subsidiaries and joint ventures amounting to Rs. 61.36 crore (March 31, 2005: Rs. 37.67 crore) and from its key management personnel[1] Rs. 0.05 crore (March 31, 2005: Rs. 0.03 crore).

Other Income

During the year ended March 31, 2006, the Bank has accounted gain/loss on derivative transactions entered into with subsidiaries and joint ventures amounting to Rs. 24.53 crore (March 31, 2005: Gain of Rs. 46.23 crore).

Dividend received

During the year ended March 31, 2006, the Bank received dividend from its subsidiaries and joint ventures amounting to Rs. 163.56 crore(March 31, 2005: Rs. 71.45 crore) and from its associates amounting to Rs. 180.82 crore (March 31, 2005: Rs. 122.18 crore).

Dividend paid

During the year ended March 31, 2006, the Bank paid dividend to its key management personnel[1] amounting to Rs. 0.32 crore (March 31, 2005 : Rs. 0.16 crore).

Remuneration to whole-time directors

Remuneration paid to the whole-time directors of the Bank during the year ended March 31, 2006 was Rs. 7.59 crore (March 31, 2005: Rs. 6.05 crore).

Letter of Comfort

The Bank has issued letters of comfort on behalf of its foreign subsidiaries namely, ICICI Bank UK Limited and ICICI Bank Canada Limited. The details of the same are given in the table below.

On behalf of	To	Purpose
ICICI Bank UK Limited	Financial Services Authority, UK ("FSA")	To financially support ICICI Bank UK Limited to ensure that it meets all of its financial obligations as they fall due.
ICICI Bank Canada	Office of the Superintendent of Financial	To infuse additional capital should ICICI Bank Canada's Institutions, Canada ("OSFI") capital fall below the minimum requirement and provide ICICI Bank Canada ongoing financial, managerial and operational support.
ICICI Bank Canada	Canada Deposit Insurance Corporation ("CDIC")	To comply with the Bank Act and the CDIC regulations or by-laws there under and to indemnify CDIC against all losses, damages, reasonable costs and expenses arising from failure of ICICI Bank Canada in performing the same.

Related party balances

TThe balances payable to/ receivable from subsidiaries/ joint ventures/ associates/ key management personnel included in the balance sheet as on March 31, 2006 are given below.

Rupees in crore

Items	Subsidiaries / Joint ventures	Associates	Key management personnel [1]	Total
Deposits with ICICI Bank	873.48	27.49	2.50	903.47
Deposits of ICICI Bank[2]	1,133.97	..	..	1,133.97
Call/ Term money borrowed	..	..	..	..
Advances	163.19	..	1.54	164.73
Investments of ICICI Bank	2,926.32	1,422.85	..	4,349.17
Investments of related parties in ICICI Bank	44.75	..	0.43	45.18
Receivables	66.60	0.20	..	66.80
Payables	77.92	..	..	77.92
Repo	..	..	..	..
Reverse repo	..	..	..	..
Guarantees[3]	363.40	..	..	363.40
Letters of comfort[4]	3,005.96	..	..	3,005.96
Swaps/forward contracts	14,840.41	..	..	14,840.41
Participation certificate	232.00	.. ..	232.00	

1. Whole-time directors and relatives.
2. Includes call money lent.
3. Includes letter of undertaking.
4. Excludes letter of comfort issued on behalf of foreign subsidiaries, details of which are given separately.

The maximum balance payable to/ receivable from subsidiaries/ joint ventures/ associates/ key management personnel during the year ended March 31, 2006 is given below.

Rupees in crore

Items	**Subsidiaries / Joint ventures**	**Associates**	**Key management personnel [1]**	**Total**
Deposits with ICICI Bank	1,133.17	216.02	4.61	1,353.80
Deposits of ICICI Bank2	1,222.39	..	..	1,222.39
Call/ Term money borrowed	749.03	..	..	749.03
Advances	224.58	..	2.12	226.70
Investments of ICICI Bank	2,996.03	1,472.68	..	4,468.71
Investments of related parties in ICICI Bank	54.71	..	0.44	55.15
Receivables	79.84	0.41	..	80.25
Payables	306.00	0.05	..	306.05
Repo	40.03	..	..	40.03
Reverse repo	224.47	..	..	224.47
Guarantees3	519.63	..	..	519.63
Letters of comfort4	3,081.57	..	..	3,081.57
Swaps/forward contracts	20,773.97	..	..	20,773.97
Participation certificate	232.00	..	..	232.00

1. Whole-time directors and relatives.
2. Includes call money lent.
3. Includes letter of undertaking.
4. Excludes letter of comfort issued on behalf of foreign subsidiaries, details of which are given separately.

The balances payable to/ receivable from subsidiaries/ joint ventures/ associates/ key management personnel included in the balance sheet as on March 31, 2005 are given below.

Rupees in crore

Items	**Subsidiaries / Joint ventures**	**Associates**	**Key management personnel [1]**	**Total**
Deposits with ICICI Bank	659.36	0.03	3.71	663.10
Deposits of ICICI Bank2	979.89	..	..	979.89
Call/ Term money borrowed	45.92	..	..	45.92
Advances	32.29	..	1.91	34.20
Investments of ICICI Bank	2,073.41	1,447.05	..	3,520.46
Investments of related parties in ICICI Bank	0.16	..	0.23	0.39
Receivables	20.24	..	..	20.24
Payables	88.53	..	..	88.53
Repo	..	..	..	..
Reverse repo	224.47	..	..	224.47
Guarantees3	492.83	..	..	492.83
Letters of comfort4	2,131.83	..	..	2,131.83
Swaps/forward contracts	11,813.71	..	..	11,813.71
Participation certificate	89.66	..	..	89.66

1. Whole-time directors and relatives.
2. Includes call money lent.
3. Includes letter of undertaking.
4. Excludes letter of comfort issued on behalf of foreign subsidiaries, details of which are given separately.

The maximum balance payable to/ receivable from subsidiaries/ joint ventures/ associates/ key management personnel during the year ended March 31, 2005 is given below.

Rupees in crore

Items	**Subsidiaries / Joint ventures**	**Associates**	**Key management personnel** [1]	**Total**
Deposits with ICICI Bank	1,935.22	240.55	19.61	2,195.38
Deposits of ICICI Bank2	979.89	..	..	979.89
Call/ Term money borrowed	350.00	..	..	350.00
Advances	243.56	..	1.91	245.47
Investments of ICICI Bank	4,020.46	3,339.90	..	7,360.36
Investments of related parties in ICICI Bank	1.66	..	0.23	1.89
Receivables	20.24	..	..	20.24
Payables	176.21	..	..	176.21
Repo	12.88	..	..	12.88
Reverse repo	224.47	..	..	224.47
Guarantees3	492.83	..	..	492.83
Letters of comfort4	2,131.83	..	..	2,131.83
Swaps/forward contracts	23,090.52	..	..	23,090.52
Participation certificate	89.66	..	..	89.66

1. Whole-time directors and relatives.
2. Includes call money lent.
3. Includes letter of undertaking.
4. Excludes letter of comfort issued on behalf of foreign subsidiaries, details of which are given separately.

Subsidiaries and joint ventures

ICICI Venture Funds Management Company Limited, ICICI Securities Limited, ICICI Brokerage Services Limited, ICICI International Limited, ICICI Trusteeship Services Limited, ICICI Home Finance Company Limited, ICICI Investment Management Company Limited, ICICI Securities Holdings Inc., ICICI Securities Inc., ICICI Bank UK Limited, ICICI Bank Canada, ICICI Prudential Life Insurance Company Limited, ICICI Distribution Finance Private Limited (ICICI Distribution Finance Private Limited has merged with ICICI Home Finance Company Limited effective August 11, 2005), ICICI Lombard General Insurance Company Limited, Prudential ICICI Asset Management Company Limited, Prudential ICICI Trust Limited, Investment Credit Bank Limited Liability Company and TSI Ventures Private Limited.

Associates

ICICI Equity Fund, ICICI Eco-net Internet and Technology Fund, ICICI Emerging Sectors Fund, ICICI Strategic Investments Fund, ICICI Property Trust and TCW/ICICI Investment Partners L.L.C.

DIVIDEND POLICY

We have paid dividends consistently for every fiscal year from fiscal 1996, the second year of our operations, to fiscal 2005. For fiscal 2005, we declared a dividend, excluding dividend tax, of Rs. 8.50 per equity share (including a special dividend of Re. 1.00 per equity share) aggregating to Rs. 630 crore. We paid the dividend in August 2005.

The following table sets forth, for the periods indicated, the dividend per equity share and the total amount of dividend paid out by us on equity shares for the fiscal year, each exclusive of dividend tax.

Dividend paid for the fiscal year	Dividend per equity share	Total amount of dividend paid (in crore)
2001	Rs. 2.00	Rs. 44
2002	Rs. 2.00	Rs. 44
2003	Rs. 7.50	Rs. 460
2004	Rs. 7.50	Rs. 551
2005	Rs. 8.50	Rs. 629

Future dividends will depend upon our revenues, cash flow, fiscal condition and other factors. Pursuant to guidelines issued by the SEBI in February 2000, dividend declared is payable on all equity shares outstanding on the record date for the purpose of payment of dividend, irrespective of the date of issuance of the equity shares.

Before paying any dividend on our shares, we are required under the Banking Regulation Act to write off all capitalised expenses (including preliminary expenses, organisation expenses, share-selling commission, brokerage, amounts of losses incurred or any other item of expenditure not represented by tangible assets). Before declaring dividends, we are required to transfer at least 20.0% of the balance of profits of each year before payment of dividend to a reserve fund. The Government of India may, however, on the recommendation of RBI, exempt us from such a requirement. We require prior approval of RBI to pay a dividend of more than 25.0% of the par value of our shares. We also require prior approval from RBI to pay an interim dividend. See also “Regulations and Policies - Restrictions on Payment of Dividends” on page [●].

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Auditors' Report

The Board of Directors
ICICI Bank Limited
ICICI Towers
Bandra Kurla Complex
Mumbai 400 051.

Dear Sirs,

We are engaged to report on the financial information of ICICI Bank Limited ('ICICI Bank' or the 'Bank') annexed to this report, which has been prepared in accordance with Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (the 'Guidelines') issued by the Securities and Exchange Board of India ('SEBI') on January 19, 2000, in pursuance of section 11 of the Securities and Exchange Board of India Act, 1992, to the extent they are not inconsistent with the Banking Regulation Act, 1949. The preparation and presentation of this financial information is the responsibility of the Bank's management. This financial information is proposed to be included in the offer document of the Bank in connection with its proposed public issue of "Unsecured Bonds in nature of Debentures".

A. For our examination, we have placed reliance on the following:

i) The financial statements of ICICI Bank for the year ended March 31, 2004, for the year ended March 31, 2005 and for the year ended March 31, 2006, which have been audited and reported upon by us, vide our reports dated April 30, 2004, April 30, 2005 and April 29, 2006, respectively.

ii) The financial statements of ICICI Bank for the year ended March 31, 2003, which have been audited and reported upon by us, jointly with M/s. N. M. Raiji & Co., Chartered Accountants, vide our joint audit report dated April 25, 2003.

iii) The financial statements of ICICI Bank for the financial years ended March 31, 2002, which have been audited and reported upon by M/s. S. B. Billimoria & Co., Chartered Accountants.

iv) The financial statements of below mentioned subsidiaries for the each of the two financial years ended March 31, 2006:

Name of subsidiaries
1. ICICI Securities Ltd.
2. ICICI Brokerage Services Ltd.
3. ICICI Securities Holding Inc.
4. ICICI Securities Inc.
5. ICICI Home Finance Company Limited

v) The financial statements of the below mentioned subsidiaries of ICICI Bank which have been audited and reported upon by other auditors, the names of which and the period of their audits are mentioned thereagainst.

Name of the Subsidiary	Name of Auditors and period
1. ICICI Securities Limited (formerly ICICI Securities & Finance Company Limited)	M/s. N. M. Raiji & Co., for each of the three financial years ended March 31, 2004.
2. ICICI Brokerage Services Limited	M/s. N. M. Raiji & Co., for each of the three financial years ended March 31, 2004.
3. ICICI Home Finance Limited	M/s. N. M. Raiji & Co., for each of the three financial years ended March 31, 2004.
4. ICICI Securities Holdings Inc.	M/s. N.M. Raiji & Co., for each of the three financial years ended March 31, 2004.
5. ICICI Securities Inc.	M/s. N.M. Raiji & Co., for each of the three financial years ended March 31, 2004.
6. ICICI International Limited, Mauritius (Formerly TDICI Investment Management Co.)	M/s. Horwath Mauritius, for each of the five financial years ended March 31, 2006.
7. ICICI Trusteeship Services Limited	M/s. C. C. Chokshi & Co., for each of the five financial years ended March 31, 2006.
8. ICICI Investment Management Company Limited	M/s. S. B. Billimoria & Co., for each of the five financial years ended March 31, 2005.
9. ICICI Prudential Life Insurance Company Limited	M/s. Bharat S. Raut & Co. for the financial year ended March 31, 2002 and M/s. Bharat S. Raut & Co. and M/s. S. R. Batliboi & Co., for each of the three financial year ended March 31, 2005 and M/s. S. R. Batliboi & Co. and M/s. Haribhakti & Co., for the year ended March 31, 2006.
10. ICICI Lombard General Insurance Company Limited	M/s. Bharat S. Raut & Co., for each of the two financial years ended March 31, 2003 and M/s. BSR & Co. and M/s. Lodha & Co., for each of the three financial year ended March 31, 2006.
11. ICICI Venture Funds Management Company Limited (formerly TDICI Limited)	M/s. S. B. Billimoria & Co., for each of the five financial years ended March 31, 2006.
12. ICICI Bank UK Limited	M/s. KPMG for the period from February 11, 2003 to March 31, 2004 and for each of the two financial years ended March 31, 2006.
13. Prudential ICICI Asset Management Company Limited	M/s. BSR & Co., for the financial year ended March 31, 2006.
14. Prudential ICICI Trust Limited	M/s. N. M. Raiji & Co., for the financial year ended March 31, 2006.

vi) The unaudited financial statements of ICICI Bank Canada for the period from February 11, 2003 to March 31, 2004 and for each of the two financial years ended March 31, 2006.

vii) The unaudited financial statements of ICICI Bank Eurasia Limited Liability Company (formerly known as Investment Credit Bank Limited Liability Company) having assets of Rs. 3,946.9- million as at March 31, 2006 and revenue of Rs. 156 million and profit of Rs.12.46 million for period from May 19, 2005 to March 31, 2006.

B. We have performed such tests and procedures, which in our opinion were necessary for the examination. These procedures comprised comparison of the attached financial information with the Bank's audited financial statements and/or unaudited statements compiled by the Bank's management and relied upon by us.

Our audit of the financial statements, referred to in paragraph A(i), A(ii), A(iv) and A(v)(9) of this report, comprise such audit tests and procedures as were deemed necessary for the purpose of expressing an opinion or joint audit opinion, as the case may be, on such financial statements taken as a whole. For none of the periods or entities referred to in paragraph A(iii), A(v), A(vi) and A(vii) above, did we perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions and accordingly, we express no opinion thereon.

C. In accordance with the requirements of clause B of Part II of Schedule II to the Companies Act, 1956 and the said Guidelines, we report as follows:

a. (i) The adjusted profits of ICICI Bank (as per the clause B of Part II of Schedule II mentioned above) for each of the five financial years ended March 31, 2006 are as set out in Part I of Annexure A, enclosed.

(ii) M/s. S.B. Billimoria & Co., Chartered Accountants, vide their Report dated August 29, 2002, attached herewith, have confirmed that the adjusted profits of ICICI Bank for the financial year ended March 31, 2002 and the assets and liabilities as at March 31, 2002 are as set out in Part I and Part II of Annexure A, and that these adjusted profits read together with the notes appearing under the Statement of Profits and Statement of Assets and Liabilities, along with accounting policies followed, have been arrived at after charging all expenses and making adjustments and regroupings and are, in their opinion, appropriate. For the purpose of our report, we have relied on their report and adjusted profits of ICICI Bank for the financial year ended March 31, 2002 as set out in Part I of Annexure A of their report. These are incorporated in Part I of Annexure A in our report. *These adjusted profits are without making any adjustment as referred in paragraph C (a) (iv).*

(iii) M/s. N. M. Raiji & Co., Chartered Accountants, jointly with us, have confirmed, vide joint report dated July 24, 2003, attached herewith, that the adjusted profits of ICICI Bank for the financial year ended March 31, 2003 and the assets and liabilities as at March 31, 2003, are as set out in Part I and Part II of Annexure A, and that these adjusted profits read together with the notes appearing under the Statement of Profits and Statement of Assets and Liabilities, along with accounting policies followed, have been arrived at after charging all expenses and making adjustments and regroupings and are, in their opinion, appropriate. For the purpose of our report, we have relied on the joint report and adjusted profits of ICICI Bank for the financial year ended March 31, 2003 as set out in Part I of Annexure A of the joint report. These are incorporated in Part I of Annexure A in our report. *These adjusted profits are without making any adjustment as referred in paragraph C (a) (iv).*

(iv) *As mentioned in notes appearing under the Statement of Profits and Statement of Assets and Liabilities of Annexure A, it has not been possible for the management to determine the effect on profits, if changes in accounting policies as stated in Part I of Annexure A had been made in each of the accounting years preceding the change and accordingly, adjustments to profits for those items have been made prospectively from the year of change.*

(v) *Subject to our comment in paragraph C (a) (iv) above, the effect whereof is not ascertainable*, we confirm that the adjusted profits for the each of the three financial year ended March 31, 2006 and the assets and liabilities as at March 31, 2006 are as set out in Part I and Part II of Annexure A, enclosed, and that these adjusted profits read together with the notes appearing under the Statement of Profits and Statement of Assets and Liabilities, along with accounting policies followed, have been arrived at after charging all expenses and making adjustments and regroupings and are, in our opinion, appropriate.

(vi) The dividends (subject to deduction of tax at source where applicable) declared by ICICI Bank for the five financial years ended March 31, 2006 are as set out in Part III of Annexure A enclosed.

(vii) The Cash Flow Statements of ICICI Bank for the each of the five financial years ended March 31, 2006 are as set out in Part IV of Annexure A enclosed.

(viii) The Capitalization Statement as at March 31, 2006 of ICICI Bank is as set out in Part V of Annexure A.

(ix) The Statement of Unsecured Borrowings of the Bank for the each of the five financial years ended March 31, 2006 are as set out in Part VI of the Annexure A enclosed. The Unsecured Borrowings of the Bank comprises of Borrowing as reported in Schedule 4 and Subordinated Debts as reported in Schedule 5 of the financial statements of the Bank for each of the five financial years ended March 31, 2006.

b. The Statement of Tax Shelter of the Bank for each of the three financial years ended March 31, 2006 as prepared by the management of the Bank is as set out in Part VII of the Annexure A. The preparation and presentation of this Statement is responsibility of the Bank's Management. This Statement of Tax Shelter reconciles the Bank's book profits and its taxable profits for each of the three financial years ended March 31, 2006. The reconciling items included in this Statement of Tax Shelter are reflective of management's estimates and judgment exercised and tax laws prevalent at the time of finalisation of respective financial statements. These items have not been updated to reflect any subsequent changes in tax law and additional information/facts obtained by the Bank. We have reviewed the Statement of Tax Shelter of the Bank for the each of the three financial years ended March 31, 2006 and report that we have not come across any observation on the Statement of Tax Shelter for each of the three financial years ended March 31, 2006.

c. (i) The profits/losses of the subsidiaries of ICICI Bank for each of the periods/years ended March 31, 2006 and the assets and liabilities of each subsidiary company of ICICI Bank as at March 31, 2006 are set out in Part I and Part II, respectively, of Annexure B to Q, enclosed for each subsidiary.

(ii) M/s. S.B. Billimoria & Co., Chartered Accountants, vide their Report dated August 29, 2002, enclosed herewith, have confirmed that the profits/losses of each of the subsidiaries relating to the period/year for which the financial statements ended March 31, 2002 are drawn up, as aforesaid, read together with the notes appearing under the Statement of Profits and Statement of Assets and Liabilities, along with accounting policies followed, have been arrived at after charging all expenses and after making such adjustments and regroupings, as are appropriate, based on the reports of auditors on the aforesaid financial statements of the subsidiary companies. For the purpose of our report, we have relied on their report and profits/loss of each of the subsidiaries relating to the period/year for which the financial statements ended March 31, 2002 as set out in their report. These are incorporated in Part I of Annexure B to Q, where ever applicable, in our report. *These profits/losses are without making any adjustment as referred in paragraph C (c) (vi).*

(iii) For the purpose of the said M/s. S.B. Billimoria & Co.'s report, the Bank had informed them that on an interpretation of provisions of Section 4 of the Companies Act, 1956, the below mentioned entities would not constitute subsidiaries of ICICI Bank and accordingly the profits/losses and assets and liabilities of the below mentioned entities have not been included in their report.

1. ICICI Web Trade Limited
2. ICICI Property Trust
3. ICICI Properties Private Limited
4. ICICI Real Estate Company Private Limited
5. ICICI Realty Private Limited
6. ICICI West Bengal Infrastructure Development Corporation Limited
7. ICICI KINFRA Limited
8. ICICI Knowledge Park
9. ICICI Technology Incubator Fund
10. ICICI Econet Internet and Technology Fund
11. ICICI Information Technology Fund
12. ICICI Equity Fund

(iv) M/s. N. M. Raiji & Co., Chartered Accountants, jointly with us, have confirmed, vide joint report dated July 24, 2003, attached herewith, that the profits/losses relating to the period/year ended March 31, 2003 of each of the subsidiaries (except for ICICI Bank UK Ltd.) are drawn up, as aforesaid, read together with the notes appearing under the Statement of Profits and Statement of Assets and Liabilities, along with accounting policies followed, have been arrived at after charging all expenses and after making such adjustments and regroupings, as are appropriate, based on the reports of auditors on the aforesaid financial statements of the subsidiary companies. For the purpose of our report, we have relied on joint report and profits/loss of each of the subsidiaries (except for ICICI Bank UK Ltd.) relating to the period/year ended March 31, 2003 as set out in their report. These are incorporated in Part I of Annexure B to Q, where ever applicable, in our report. *These profits/losses are without making any adjustment as referred in paragraph C (c) (vi).*

(v) For the purpose of the said joint report of M/s. N. M. Raiji & Co., Chartered Accountants, and ourselves, the Bank had informed us that on an interpretation of provisions of Section 4 of the

Companies Act, 1956, the below mentioned entities would not constitute subsidiaries of ICICI Bank and accordingly the profits/losses and assets and liabilities of the below mentioned entities have not been included in their report.

1. ICICI One Source Limited
2. 3i Infotech Limited formerly known as 'ICICI Infotech Ltd.'.

(vi) *As mentioned in notes appearing under the Statement of Profits and Statement of Assets and Liabilities to Annexures B, C, D, J, K and L, it has not been possible for the management to determine the effect on profits, if changes in accounting policies as stated in Part I of Annexure B, C, D, J, K and L had been made in each of the accounting years preceding the change and accordingly, adjustments to profits for those items have been made prospectively from the year of change.*

(vii) *Subject to our comment in paragraph C (c) (vi) above, the effect whereof is not ascertainable,* we report that the profits of the following subsidiary companies for the period/year ended March 31, 2004 and for the period/year ended March 31, 2005 and for the period/year ended March 31, 2006 and the assets and liabilities as at March 31, 2006 read together with the notes appearing under the Statement of Profits and Statement of Assets and Liabilities, along with accounting policies followed, have been arrived at after charging all expenses and making adjustments and regroupings and are appropriate, based on the reports of the auditors on the accounts of respective subsidiary companies:

1. ICICI Securities Limited (Formerly ICICI Securities & Finance Company Limited) (Annexure B)
2. ICICI Brokerage Services Limited (Annexure C)
3. ICICI Home Finance Limited (Annexure D)
4. ICICI Securities Holdings Inc. (Annexure E)

5. ICICI Securities Inc. (Annexure F)
6. ICICI International Limited, Mauritius (Annexure G)
7. ICICI Trusteeship Services Limited (Annexure H)
8. ICICI Prudential Life Insurance Company Limited (Annexure J)
9. ICICI Lombard General Insurance Company Limited (Annexure K)
10. ICICI Venture Funds Management Company Limited (Annexure L)
11. ICICI Bank UK Limited (Annexure M)
12. ICICI Investment Management Company Limited (Annexure Q)

(viii) The financial statements of the ICICI Bank Canada (Annexure I) have not been audited for the period ended March 31, 2004 and for each of the two financial years ended March 31, 2006 by their auditors. We report that the unaudited profits for the period ended March 31, 2004 and for each of the two financial years ended March 31, 2006 and the unaudited assets and liabilities as at March 31, 2006 read together with the unaudited notes appearing under the Statement of Profits and Statement of Assets and Liabilities, along with accounting policies followed, have been arrived at, after charging all expenses and making such adjustments, as deemed appropriate by the management of the Bank.

(ix) We report that the profits of Prudential ICICI Asset Management Company Limited (Annexure O) and Prudential ICICI Trust Limited (Annexure P) for the year ended March 31, 2006 and the assets and liabilities as at March 31, 2006 read together with the notes appearing under the Statement of Profits and Statement of Assets and Liabilities, along with accounting policies followed, have been arrived at after charging all expenses and making adjustments and regroupings and are appropriate, based on the report of the auditor on the accounts of subsidiary company.

(x) We report that the un-audited profits of ICICI Bank Eurasia Limited Liability Company (Annexure N) for the period ended March 31, 2006 and the unaudited assets and liabilities as at March 31, 2006 read together with the unaudited notes appearing under the Statement of Profits and Statement of Assets and Liabilities, along with accounting policies followed, have been arrived at after charging all expenses and making adjustments and regroupings, as deemed appropriate by the management of the Bank.

d. For the purpose of this report, the Bank has informed us that on an interpretation of provisions of Section 4 of the Companies Act, 1956, the below mentioned entities would not constitute subsidiaries of ICICI Bank and accordingly the profits/losses and assets and liabilities of the below mentioned entities have not been included in this report.

1. ICICI Web Trade Limited
2. ICICI Property Trust
3. ICICI Properties Private Limited
4. ICICI Real Estate Company Private Limited
5. ICICI Realty Private Limited
6. ICICI West Bengal Infrastructure Development Corporation Limited
7. ICICI KINFRA Limited
8. ICICI Knowledge Park
9. ICICI Technology Incubator Fund
10. ICICI Econet Internet and Technology Fund
11. ICICI Information Technology Fund
12. ICICI Equity Fund
13. ICICI One Source Limited
14. 3i Infotech Limited formerly known as 'ICICI Infotech Limited'.

e. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us or by other firms of chartered accountants nor should this report be construed as a new opinion on any of the financial statements referred to herein.

f. This report has been issued solely in connection with the proposed public issue of "Unsecured Bonds in nature of Debentures" covered by the Prospectus, and it is not to be used, circulated, quoted or otherwise referred to for any other purpose.

For
S. R. Batliboi & Co.
Chartered Accountants

Per Viren H. Mehta
a Partner
Membership No.: 048749
Mumbai, June 29, 2006

Attachment 1: Auditor's Report of M/s. S.B. Billimoria & Co., Chartered Accountants, dated August 29, 2002.

Attachment 2: Auditor's Report of M/s. N.M.Raiji & Co., Chartered Accountants and M/s. S.R. Batliboi & Co., Chartered Accountants, dated July 24, 2003.

AUDITORS' REPORT

The Board of Directors
ICICI Bank Limited
ICICI Towers
Bandra-Kurla Complex
Bandra (East), Mumbai - 400 051.

Dear Sirs,

We have examined the audited accounts of ICICI Bank Limited ('the Bank') for the five financial years ended March 31, 2002.

The accounts of ICICI Bank for the four financial years ended on March 31, 2002 have been audited and reported upon by us. Further, accounts of the below mentioned subsidiaries of ICICI Bank have also been audited and reported upon by us:

1. ICICI Venture Funds Management Company Limited (formerly TDICI Limited)
2. ICICI Home Finance Limited (Jointly with M/s. N.M. Raiji & Co. up to financial year ended March 31, 2001)
3. ICICI Investment Management Company Limited

For our examination, we have accepted relevant accounts and statements in respect of:

(i) ICICI Bank Ltd. for the financial year ended March 31, 1998 which have been audited and reported upon by Lodha & Company, Chartered Accountants.

(ii) The below mentioned subsidiaries of ICICI Bank Limited (for the period of five years from the date of incorporation/ date of becoming a subsidiary) which have been audited and reported by the auditors mentioned thereagainst.

	Name of the Subsidiary Companies	**Name of the Auditors**
1.	ICICI Securities and Finance Company Limited	M/s. N. M. Raiji & Co.
2.	ICICI Brokerage Services Limited	M/s. N. M. Raiji & Co.
3.	ICICI Securities Holdings Inc.	M/s. Grant Thronton LLP upto March 31, 2001 and M/s. N. M. Raiji & Co. thereafter
4.	ICICI Securities Inc.	M/s. Grant Thronton LLP upto March 31, 2001 and M/s. N. M. Raiji & Co. thereafter
5.	ICICI International Limited	M/s. Horwath Mauritius
6.	ICICI Trusteeship Services Limited	M/s. C. C. Chokshi & Co.
7.	ICICI Lombard General Insurance Company Limited	M/s. Bharat S. Raut & Co.
8.	ICICI Prudential Life Insurance Company Limited	M/s. Bharat S. Raut & Co.
9.	ICICI Home Finance Limited	M/s. N. M. Raiji & Co. (for the year ended March 31, 2002)

In accordance with the requirements of clause B of Part II of Schedule II to the Companies Act, 1956, we report as follows:

(i) The profits of ICICI Bank for each of the five financial years ended March 31, 2002 and the assets and liabilities as at March 31, 2002 are as set out in Part I and Part II of Annexure A enclosed. These profits read together with the notes appearing under the Statement of Profits and Statement of Assets and Liabilities along with accounting policies followed have been arrived at after charging all expenses and making adjustments and regrouping as are, in our opinion, appropriate.

(ii) The dividends (subject to deduction of tax at source where applicable) declared by ICICI Bank for the five financial years ended March 31, 2002 are as set out in Part III of Annexure A enclosed.

(iii) The profit/losses of each subsidiary company of ICICI Bank for period/years ended March 31, 2002 and the assets and liabilities of each subsidiary company of ICICI Bank as at March 31, 2002 are as set out in Part I and Part II respectively of Annexures B to L enclosed for each Subsidiary Company.

(iv) These profits/losses relating to the periods for which the accounts are drawn up, as aforesaid, read together with the notes appearing under the Statement of Profits and Accounting Policies followed have been arrived at, after charging all expenses and after making such adjustments and regroupings, as are appropriate, based on the reports of auditors on the aforesaid accounts of the subsidiary companies.

(v) In reporting the Consolidated financial statements of ICICI Bank Limited and its subsidiaries ('the Group') for the year ended March 31, 2002 prepared in accordance with Accounting Standard 21 – 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India, the results of the following entities were included:

1. ICICI Web Trade Limited
2. ICICI Property Trust
3. ICICI Properties Private Limited
4. ICICI Real Estate Company Private Limited
5. ICICI Realty Private Limited
6. ICICI West Bengal Infrastructure Development Corporation Limited
7. ICICI KINFRA Limited
8. ICICI Knowledge Park
9. ICICI Technology Incubator Fund
10. ICICI Econet Internet and Technology Fund
11. ICICI Information Technology Fund
12. ICICI Equity Fund

For the purpose of this Report, the Bank has informed us that on an interpretation of provisions of Section 4 of the Companies Act, 1956 the above mentioned entities would not constitute subsidiaries of ICICI Bank and accordingly the profit/losses and assets and liabilities of the above mentioned entities have not been included in the report.

For S. B. BILLIMORIA & CO.
Chartered Accountants

P. R. Ramesh
Partner
Mumbai,
August 29, 2002

N. M. Raiji & Co.
Chartered Accountants
Universal Insurance Building
6th Floor, Sir P. M. Road
Fort, Mumbai - 400 001.

S. R. Batliboi & Co.
Chartered Accountants
Vaswani Mansion,
Dinsha Vachha Road,
Churchgate,
Mumbai - 400 020.

AUDITORS' REPORT

The Board of Directors
ICICI Bank Limited
ICICI Towers
Bandra-Kurla Complex
Bandra (East)
Mumbai - 400 051.

Dear Sirs,

We have examined the financial information of ICICI Bank Limited ('ICICI Bank' or 'the Bank') which has been prepared in accordance with Part II of Schedule II to the Companies Act, 1956 (the 'Act') and Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 (the 'Guidelines') issued by the Securities and Exchange Board of India ('SEBI') on January 19, 2000 in pursuance of section 11 of the Securities and Exchange Board of India Act, 1992 and annexed to this report. The preparation and presentation of this financial information is the responsibility of the Bank's management. This financial information is proposed to be included in the offer document of the Bank in connection with its proposed public issue of "Unsecured Redeemable Bonds in the nature of Debentures."

A. For our examination, we have placed reliance on the following:
   i) The financial statements of ICICI Bank for the year ended March 31, 2003, which have been audited and reported upon jointly by us.
   ii) The financial statements of ICICI Bank for the four financial years ended March 31, 2002, which have been audited and reported upon by M/s. S. B. Billimoria & Co., Chartered Accountants.
   iii) The financial statements of the below mentioned subsidiaries of ICICI Bank (for the period of five years ending March 31, 2003 from the date of their incorporation or the date of their becoming a subsidiary) which have been audited and reported upon by their auditors, the names of which are mentioned thereagainst.

	Name of the Subsidiary Companies	**Name of Auditors**
1.	ICICI Securities Limited (formally ICICI Securities & Finance Company Limited)	M/s. N. M. Raiji & Co
2.	ICICI Brokerage Services Limited	M/s. N. M. Raiji & Co.
3.	ICICI Home Finance Limited	M/s. S. B. Billimoria & Co and M/s. N. M. Raiji & Co. up to the financial year ended March 31, 2001 and M/s. N. M. Raiji & Co. for subsequent years.
4.	ICICI Securities Holdings Inc.	M/s. Grant Thronton upto the financial year ended March 31, 2001 and M/s. N.M. Raiji & Co. for subsequent years.
5.	ICICI Securities Inc.	M/s. Grant Thronton upto the financial year ended March 31, 2001 and M/s. N.M. Raiji & Co. for subsequent years.
6.	ICICI International Limited, Mauritius (Formerly TDICI Investment Management Co.)	M/s. Horwath Mauritius, Public Accountants
7.	ICICI Trusteeship Services Limited	M/s. C. C. Chokshi & Co.
8.	ICICI Investment Management Company Limited	M/s. V. P. Thakkar & Co. upto financial year ended March 31,2001 and M/s. S. B. Billimoria & Co. for subsequent years
9.	ICICI Prudential Life Insurance Company Limited	M/s. Bharat S. Raut & Co. upto financial year ended March 31, 2002 and M/s. M/s. Bharat S. Raut & Co. and M/s. S. R. Batliboi & Co. for subsequent year.
10.	ICICI Lombard General Insurance Company Limited	M/s. Bharat S. Raut & Co.

11. ICICI Venture Funds Management Company Limited M/s. S. B. Billimoria & Co.
(formally TDICI Limited)

B. We have performed such other test and procedures, which, in our opinion, were necessary for the examination. These procedures, which include comparison of the attached financial information with the Bank's audited financial statements.

Our audit of the financial statements for the period referred to in paragraph A (i) of this report comprises audit tests and procedures deemed necessary for the purpose of expressing an opinion on such financial statements taken as a whole. For none of the period referred to in paragraph A (ii) and A (iii), did we perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions such as those enumerated above and accordingly, we express no opinion thereon.

C. In accordance with the requirements of clause B of Part II of Schedule II to the Companies Act, 1956 and the said Guidelines, we report as follows:

a. (i) The profits of ICICI Bank for each of the five financial years ended March 31, 2003 are as set out in Part I of Annexure A, enclosed.

(ii) M/s. S.B. Billimoria & Co., Chartered Accountants, vide their Report dated August 29, 2002, attached herewith have confirmed that the profits of ICICI Bank for each of the four financial years ended March 31, 2002 and the assets and liabilities as at March 31, 2002 are as set out in Part I and Part II of Annexure A, and that these profits read together with the notes appearing under the Statement of Profits and Statement of Assets and Liabilities, along with accounting policies followed, have been arrived at after charging all expenses and making adjustments and regroupings and are, in their opinion, appropriate.

(iii) *As mentioned in notes appearing under the Statement of Profits and Statement of Assets and Liabilities to Annexure A, it has not been possible for the management to determine the effect on profits, if changes in accounting policies as stated in Part I of Annexure A had been made in each of the accounting years preceding the change and accordingly, adjustments to profits for those items have been made only in the year of change.*

(iv) *Subject to our comment in paragraph C (a) (iii) above* we confirm that the profits for the year ended March 31, 2003 and the assets and liabilities as at March 31, 2003 are as set out in Part I and Part II of Annexure A, enclosed, and that these profits read together with the notes appearing under the Statement of Profits and Statement of Assets and Liabilities, along with accounting policies followed have been arrived at after charging all expenses and making adjustments and regroupings and are, in our opinion, appropriate.

(v) The dividends (subject to deduction of tax at source where applicable) declared by ICICI Bank for the five financial years ended March 31, 2003 are as set out in Part III of Annexure A enclosed.

b. (i) The profits/losses of each subsidiary company of ICICI Bank for periods/years ended March 31, 2003 and the assets and liabilities of each subsidiary company of ICICI Bank as at March 31, 2003 are as set out in Part I and Part II respectively of Annexure B to L enclosed for each Subsidiary Company.

(ii) M/s. S.B. Billimoria & Co., Chartered Accountants, vide their Report dated August 29, 2002, enclosed herewith, have confirmed that the profits/losses relating to the periods for which the financial statements of each of the subsidiaries are drawn up, as aforesaid, read together with the notes appearing under the Statement of Profits and Accounting Policies followed have been arrived at, after charging all expenses and after making such adjustments and regroupings, as are appropriate, based on the reports of auditors on the aforesaid financial statements of the subsidiary companies.

(iii) For the purpose of the said Report, the Bank had informed M/s. S.B. Billimoria & Co. that on an interpretation of provisions of Section 4 of the Companies Act, 1956, the below mentioned entities would not constitute subsidiaries of ICICI Bank and accordingly the profits/losses and assets and liabilities of the below mentioned entities have not been included in their report.

1. ICICI Web Trade Limited
2. ICICI Property Trust
3. ICICI Properties Private Limited
4. ICICI Real Estate Company Private Limited
5. ICICI Realty Private Limited
6. ICICI West Bengal Infrastructure Development Corporation Limited

7. ICICI KINFRA Limited
8. ICICI Knowledge Park
9. ICICI Technology Incubator Fund
10. ICICI Econet Internet and Technology Fund
11. ICICI Information Technology Fund
12. ICICI Equity Fund

Similarly, for the purpose of this Report, the Bank had informed us that on an interpretation of provisions of Section 4 of the Companies Act, 1956, the below mentioned entities in addition to the above mentioned entities would not constitute subsidiaries of ICICI Bank and accordingly the profits/losses and assets and liabilities of the below mentioned entities have not been included in this report.

1. ICICI One Source Limited
2. ICICI Infotech Limited.

(iv) *As mentioned in notes appearing under the Statement of Profits and Statement of Assets and Liabilities to Annexure B, C, D, J and L, it has not been possible for the management to determine the effect on profits, if changes in accounting policies as stated in Part I of Annexure B, C, D, J and L had been made in each of the accounting years preceding the change and accordingly, adjustments to profits for those items have been made only in the year of change.*

(v) *Subject to our comment in paragraph C (b) (iv) above,* we report that the profits for the year ended March 31, 2003 and the assets and liabilities as at March 31, 2003 read together with the notes appearing under the Statement of Profits and Statement of Assets and Liabilities, along with accounting policies followed, have been arrived at after charging all expenses and making adjustments and regroupings and are appropriate, based on the reports of auditor on the accounts of following subsidiary companies:

1. ICICI Securities Limited (Formally ICICI Securities & Finance Company Limited (Annexure B)
2. ICICI Brokerage Services Limited (Annexure C)
3. ICICI Home Finance Limited (Annexure D).
4. ICICI Securities Holdings Inc. (Annexure E)
5. ICICI Securities Inc. (Annexure F)
6. ICICI International Limited, Mauritius (Formerly TDICI Investment Management Co.) (Annexure G)
7. ICICI Trusteeship Services Limited (Annexure H)
8. ICICI Investment Management Company Limited (Annexure I)
9. ICICI Prudential Life Insurance Company Limited (Annexure J)
10. ICICI Lombard General Insurance Company Limited (Annexure K)
11. ICICI Venture Funds Management Company Limited (formally TDICI Limited) (Annexure L)

For **N. M. Raiji & Co.**
Chartered Accountants

For **S. R. Batliboi & Co.**
Chartered Accountants

Jayesh M. Gandhi
Partner

per **Viren H. Mehta**
a Partner

Mumbai, July 24, 2003

Enclosed : Auditor's Report of M/s. S. B. Billimoria & Co., Chartered Accountants, dated August 29, 2002.

ANNEXURES TO THE AUDITORS' REPORT

Annexure A - Statement of Accounts of ICICI BANK LIMITED

Part I - STATEMENT OF PROFITS

(Rs. in crore)

	For the year ended March 31,				
	2002	**2003**	**2004**	**2005**	**2006**
Interest Income					
Interest / discount on advances / bills	771.67	6,016.24	6,073.85	6,752.83	9,684.95
Income on investments	1,233.80	2,910.44	2,540.09	2,229.44	3,692.76
Interest on balances with Reserve Bank of India and other inter-bank funds	122.62	235.57	210.64	232.01	335.46
Others	23.84	205.81	177.81	195.62	71.32
Total interest income (A)	**2,151.93**	**9,368.06**	**9,002.39**	**9,409.90**	**13,784.49**
Other income					
Commission, exchange and brokerage	229.79	791.79	1,071.80	1,921.00	3,001.95
Profit / (loss) on sale of investments (net)	305.71	492.33	1,224.63	546.14	749.75
Profit / (loss) on revaluation of investments (net)	(14.60)	0.11	-	(0.10)	(53.48)
Profit / (loss) on exchange transactions (net)	37.30	10.24	192.63	314.64	473.08
Profit on sale of shares of ICICI Bank Limited held by erstwhile ICICI Limited	-	1,191.05	-	-	-
Miscellaneous income	16.46	673.30	575.86	634.46	811.84
Total other income (B)	**574.66**	**3,158.82**	**3,064.92**	**3,416.14**	**4,983.14**
Total income (C)=(A) +(B)	**2,726.59**	**12,526.88**	**12,067.31**	**12,826.04**	**18,767.63**
Interest expended					
Interest on deposits	1,388.92	2,479.71	3,023.02	3,252.07	5,836.68
Interest on Reserve Bank of India / inter-bank borrowings	47.84	183.37	229.37	252.77	925.42
Others (including interest on borrowings of erstwhile ICICI Limited)	122.16	5,280.92	3,762.86	3,066.05	2,835.35
Total Interest expended (D)	**1,558.92**	**7,944.00**	**7,015.25**	**6,570.89**	**9,597.45**
Operating expenses					
Employee expenses	147.18	403.02	546.06	737.41	1,082.29
Depreciation on fixed assets (incl. Lease Assets)	64.09	505.94	539.44	590.36	623.79
Establishment and other expenses	411.31	1,102.73	1,485.73	1,971.38	2,773.43
Total operating expenses (E)	**622.58**	**2,011.69**	**2,571.23**	**3,299.15**	**4,479.51**
Total expenses (F)=(D)+(E)	**2,181.50**	**9,955.69**	**9,586.48**	**9,870.04**	**14,076.96**
Net income before provisions (C)-(F)	**545.09**	**2,571.19**	**2,480.83**	**2,956.00**	**4,690.67**
Less :					
Provision for taxes (net of deferred tax) 1	31.50	(425.79)	265.11	522.00	556.53
Provision for non-performing assets (net) and prudential provision on standard assets	268.29	1,474.98	459.12	(121.36)	794.73
Other provisions [including additional depreciation / (write-back of depreciation) on investments]	(13.00)	315.82	119.50	550.16	799.34
Total provisions	**286.79**	**1,365.01**	**843.73**	**950.80**	**2,150.60**
Net profit after tax	**258.30**	**1,206.18**	**1,637.10**	**2,005.20**	**2,540.07**

Adjustments as per SEBI Guidelines

(Rs. in crore)

		For the year ended March 31,				
		2002	**2003**	**2004**	**2005**	**2006**
Profit for the period		258.30	1,206.18	1,637.10	2,005.20	2,540.07
Add/(Less) :-						
1)	Adjustment for change in rates of depreciation on premises and other fixed assets (1)	(6.43)	-	-	-	-
2)	Adjustment for change in methodology for ascertaining carrying cost of investments, accounting for repurchase transactions and review of useful life of ATMs (2)	-	(16.12)	-	-	-
3)	Adjustment for change in accounting policy relating to Unrealised gains on rupee derivatives (3)	-	-	-	(46.73)	-
4)	Tax effect for the above adjustments	2.30	5.92	-	17.10	-
Adjusted profit after tax		**254.17**	**1,195.98**	**1,637.10**	**1,975.57**	**2,540.07**

Notes to 'Statement of Profits'

(1) Includes income tax, wealth tax and fringe benefit tax.
(2) Figures for year ended March 31, 2004 have been regrouped to conform to the current period presentation.

Notes to 'Adjustments as per SEBI guidelines'

(1) With effect from April 1, 2001, arising from the merger of ICICI Limited with the Bank, the useful lives of certain categories of fixed assets were reviewed to align the depreciation rates followed by ICICI Limited and the Bank. Accordingly, the Bank changed its rates of depreciation on certain categories of fixed assets. This is a change in an accounting estimate.

(2) Effective April 1, 2002, the Bank has changed the methodology for ascertaining the carrying cost of fixed income bearing securities from weighted average method to first-in-first-out method. Since there are a large number of transactions in the securities portfolio the impact of the change in each of the years preceding the accounting year cannot be ascertained.
Effective April 1, 2002, the Bank has accounted for repurchase transactions as a sale and a forward purchase or purchase and a forward sale transaction as against borrowing or lending transaction. Since there are a large number of transactions in the securities portfolio the impact of the change in each of the years preceding the accounting year cannot be ascertained.
Effective April 1, 2002, the Bank depreciated Automated Teller Machines (ATMs) over its useful life estimated at six years or over lease period for ATMs taken on lease. Effective April 1, 2002, the Bank revised the useful lives of the ATM's to eight years based on an evaluation done by management. This is a change in an accounting estimate.

(3) Effective April 1, 2004 the bank have accounted for unrealised gains on rupee derivatives (net of provisions) as compared to its earlier policy of ignoring the unrealised gains.

(4) Effective April 1, 2004 the commissions paid to direct marketing agents (DMAs) of auto loans,net of subvention income received from them is recorded upfront in the profit and loss account. For disbursements made till March 31, 2004, the gross commissions paid to direct marketing agents (DMAs) of auto loans were recorded upfront in the profit and loss account and subvention income received from them is being amortised over the life of the loan.The impact of the change is not significant.

(5) Effective April 1, 2005,the bank has aligned it's accounting policy for subvention income with its accounting policy for direct marketing agency/associate expenses.Accordingly subvention income has been accounted for in the period in which it is received instead of over the period of the loan.

(6) It has not been possible to determine the effect on profits if changes in accounting policies stated above had been made in each of the accounting years preceding the change and accordingly adjustments to profits for those items have not been made.

(7) Consequent upon Accounting Standard 22 on Accounting for Taxes on Income becoming mandatory effective April 1, 2001, the deferred tax effect of timing differences arising during the year ended March 31, 2002 has been recognised in the Profit and Loss Account for the period.

Part II - STATEMENT OF ASSETS AND LIABILITIES

(Rs. in crore)

	As on March 31, 2006
Assets:	
Cash in Hand (including foreign currency notes)	1,208.82
Balance with RBI in current accounts	7,725.55
Balance with Banks and Money at Call and Short Notice	
I. In India	
i) Balances with banks	
a) in Current Accounts	440.29
b) in Other Deposit Accounts	618.56
ii) Money at call & short notice	
a) with banks	650.00
b) with other institutions	0.30
Total in India(I)	**1,709.15**
II. Outside India	
i) in Current Accounts	731.89
ii) in Other Deposit Accounts	4,861.49
iii) Money at call & short notice	803.32
Total outside India(II)	**6,396.70**
Total balances with banks and money at call and short notice(I+II)	**8,105.85**
Investments (net of provisions)	
I. Investments in India	
i) Government securities	51,074.44
ii) Other approved securities	0.06
iii) Shares (includes equity and preference shares)	2,057.85
iv) Debentures and Bonds	1,804.03
v) Subsidiaries and/or joint ventures	1,669.17
vi) Others (Commercial papers,Mutual Fund Units, etc.)	10,430.89
Total investments in India	**67,036.44**
II. Investments outside India	4,510.96
Total investments (net of provisions)	**71,547.40**
Advances (net of provisions)	
I. In India	133,639.18
II. Outside India	12,523.93
Total advances (net of provisions)	**146,163.11**
Fixed Assets (incl. lease assets)	3,980.71
Others Assets	12,657.51
Total Assets	**251,388.95**
Liabilities and capital	
Demand Deposits	
- From Banks	422.40
- From Others	16,151.08
Saving Bank Deposits	20,936.98
Term Deposits	
- From Banks	10,708.04
- From Others	116,864.67
Total deposits	165,083.17
Borrowings	

(Rs. in crore)

	As on March 31, 2006
I. In India	
i) Reserve Bank of India	-
ii) Other banks	3,937.02
iii) Other institutions and agencies	
a) From Government of India	281.36

b) From Financial Institutions	3,437.24
(iv) Borrowings in the form of :-	
a) Deposits taken over from erstwhile ICICI Limited	138.84
b) Bonds & Debentures (excluding subordinated debt) :-	
1) Debentures & Bonds guaranteed by the Government of India	1,481.50
2) Borrowings under private placement of bonds carrying maturity of one to thirty years from the date of placement	1,617.95
3) Bonds Issued under multiple option/safety bonds series	6,067.01
Total borrowing in India	**16,960.92**
II. Outside India	21,560.99
Total borrowing	38,521.91
Other Liabilities & Provisions	15,083.50
Unsecured Redeemable Debenture/Bonds (Subordinated for Tier-II capital)	10,144.38
Total Liabilities	**228,832.96**
SHARE CAPITAL :	
Issued, Subscribed and Paid up (net of calls unpaid)[Refer note (1) (a) to (d)]	889.83
Preference Share Capital [Refer note (2) and (3)]	350.00
350 Shares of Rs. 1,00,00,000/- each	
Total Share capital	**1,239.83**
RESERVES AND SURPLUS :	
Statutory Reserves	2,098.74
Special Reserve	1,469.00
Share Premium (net of share issue expenses)[Refer note (4) and (5)]	11,817.56
Investment Fluctuation Reserve	-
Capital Reserves	553.00
Foreign currency translation reserves	0.40
Revenue & other reserves	5,084.01
Balance in profit & loss account	293.45
Total reserves and surplus	21,316.16
Total Libilities, share capital and reserves	251,388.95

NOTES

(1) Includes:-
- (a) 96,681,382 equity shares of Rs.10 each fully paid up vide prospectus dated December 8, 2005.
- (b) 37,237,460 equity shares of Rs.10 each fully paid-up consequent on issue of 18,618,730 American Depository Shares(ADS) vide prospectus dated December 6, 2005.
- (c) 14,285,714 equity shares of Rs.10 each fully paid up consequent on greenn shoe option vide prospectus dated December 8, 2005.
- (d) 4,903,251 equity shares of Rs.10 each fully paid up on exercise of employee stock options.

(2) 350 preference shares of ICICI bank alloted as fully paid preference shares to preference share holders of erstwhile ICICI limited on amalgamation,redeemable at par on April 20, 2018.

(3) For these preference shares, the notification from Ministry of Finance has currently exempted the Bank from the restriction of section 12(1) of the Banking Regulation Act, 1949, which prohibits issue of preference shares by banks.

(4) Share issue expenses amounting to Rs.87.41 crore written off from the share premium account as per the object of the issue.

(5) Includes:
- (a) Rs.4,984 crore (net of share premium in arrears of Rs.9.24 crore pursuant to public issue vide prospectus dated December 8, 2005.
- (b) Rs. 2,213.46 crore on issue of ADS vide prospectus dated December 6, 2005.
- (c) Rs 735.71 crore on the exercise of green shoe option vide prospectus dated December 8, 2005
- (d) Rs. 72.56 crore on exercise of employee stock options.

(Rs. in crore)

	As on March 31, 2006
i) Claim against Bank not acknowledged as debts	2,977.72

ii)	Liability for partly paid investments	16.85
iii)	Liability on account of outstanding forward exchange contracts	91,831.50
iv)	Guarantees given on behalf of constituents in India	19,102.76
v)	Acceptances, endorsements & other obligations	10,686.75
vi)	Currency Swaps	17,242.29
vii)	Interest rate Swaps	247,192.01
viii)	Other items for which Bank is contingently liable	5,983.79
Total contingent liabilities		**395,033.67**
Bills for collection		**4,338.46**

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

OVERVIEW

ICICI Bank Limited ("ICICI Bank" or "the Bank"), incorporated in Vadodara, India is a publicly held bank engaged in providing a wide range of banking and financial services including commercial banking and treasury operations. ICICI Bank is a banking company governed by the Banking Regulation Act, 1949.

Basis of preparation

The accounting and reporting policies of ICICI Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles ("GAAP") in India, the guidelines issued by Reserve Bank of India ("RBI") from time to time and practices generally prevalent within the banking industry in India. The Bank follows the accrual method of accounting, except where otherwise stated, and the historical cost convention.

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

Equity issue

During the year ended March 31, 2006, the Bank raised equity capital amounting to Rs. 8,000.61 crore. The expenses of the issue amounting to Rs. 87.41 crore have been charged to the share premium account. The details of the equity capital raised are given in the table below.

Rupees in crore except per share data

Details **equity shares**	**No. of** **share premium**	**Amount of** **proceeds**	**Aggregate**
Fully paid equity shares of Rs. 10 each at a premium of Rs. 515 per share	67,787,322	3,491.05	3,558.83
Fully paid equity shares of Rs. 10 each at a premium of Rs. 488.75 per share[1]	28,894,060	1,412.20	1,441.09
18,618,730 American Depository Share ("ADS") at a price of US$ 26.75 per share [2]	37,237,460	2,213.46	2,250.69
Fully paid equity shares of Rs. 10 each issued by exercise of the green shoe option	14,285,714	735.71	750.00
Total 148,204,556	**7,852.42**	**8,000.61**	

1. Unpaid calls of Rs.0.03 crore (Unpaid share premium Rs. 9.24 crore).
2. Includes green shoe option of 2,428,530 ADSs.

The Bank had also made an issue of 115,920,758 equity shares (including 6,992,187 equity shares issued by exercise of green shoe option) of Rs.10 each at a premium of Rs. 270 per share aggregating Rs. 3,245.78 crore. under the prospectus dated April 12, 2004. The expenses of the issue were charged to the share premium account, in accordance with the objects of the issue stated in the prospectus.

ICICI Bank had sponsored an American Depositary Shares (ADSs) Offering which opened for participation on March 7, 2005 and closed on March 11, 2005. In terms of the Offering, 20,685,750 ADSs representing 41,371,500 equity shares had been sold at a price of US$ 21.1 per ADS. The gross proceeds from the ADS Offering were approximately US$ 43.67 crore. (Rs.1,909.96 crore). This did not result in any issuance of equity shares by the Bank.

A. SIGNIFICANT ACCOUNTING POLICIES

1. Revenue recognition

a) Interest income is recognised in the profit and loss account as it accrues except in the case of non-performing assets ("NPAs") where it is recognised, upon realisation, as per the prudential norms of RBI.

b) Commissions paid to direct marketing agents ("DMAs") for auto loans are recorded upfront in the profit and loss account net of subvention income received from them.

c) Income from hire purchase operations is accrued by applying the implicit interest rate on outstanding balances.

d) Income from leases is calculated by applying the interest rate implicit in the lease to the net investment outstanding on the lease over the primary lease period. Leases effective from April 1, 2001 are accounted as advances at an amount equal to the net investment in the lease. The lease rentals are apportioned between principal and finance income based on a pattern reflecting a constant periodic return on the net investment of outstanding in respect of finance lease. The principal amount is recognised as repayment of advances and the finance income is reported as interest income.

e) Income on discounted instruments is recognised over the tenure of the instrument on a constant yield basis.

f) Dividend is accounted on an accrual basis when the right to receive the dividend is established.

g) All other fee income is recognised upfront on its becoming due.

h) Net income arising from sell-down of loan assets is recognised upfront in interest income. With effect from February 1, 2006, net income arising from securitisation of loan assets is amortised over the life of securities issued or to be issued by the special purpose vehicle/special purpose entity to which the assets are sold.

i) Guarantee commission is recognised over the period of the guarantee.

2. Investments

Investments are valued in accordance with the extant RBI guidelines on investment classification and valuation as given below.

a) All investments are categorised into 'Held to Maturity', 'Available for Sale' and 'Held for Trading'. Reclassifications, if any, in any category are accounted for as per RBI guidelines. Under each category, the investments are further classified under (a) government securities (b) other approved securities (c) shares (d) bonds and debentures, (e) subsidiaries and joint ventures and (f) others.

b) 'Held to Maturity' securities are carried at their acquisition cost or at amortised cost, if acquired at a premium over the face value. A provision is made for other than temporary diminution.

c) 'Available for Sale' and 'Held for Trading' securities are valued periodically as per RBI guidelines. The market/fair value for the purpose of periodical valuation of quoted investments included in the 'Available for Sale' and 'Held for Trading' categories is the market price of the scrip as available from the trades/quotes on the stock exchanges, SGL account transactions, price list of RBI or prices declared by Primary Dealers Association of India jointly with Fixed Income Money Market and Derivatives Association ("FIMMDA"), periodically.

The market/fair value of unquoted SLR securities included in the 'Available for Sale' and 'Held for Trading' categories is as per the rates published by FIMMDA.

The valuation of non-SLR securities, other than those quoted on the stock exchanges, wherever linked to the Yield-to-Maturity ("YTM") rates, is computed with a mark-up (reflecting associated credit risk) over the YTM rates for government securities published by FIMMDA.

Unquoted equity shares are valued at the book value, if the latest balance sheet is available or at Re. 1.

Securities are valued scrip-wise and depreciation/appreciation aggregated for each category. Net appreciation, if any, in each basket, being unrealised, is ignored, while net depreciation is provided for.

d) Costs including brokerage and commission pertaining to investments, paid at the time of acquisition, are charged to the profit and loss account.

e) Broken period interest on debt instruments is treated as a revenue item.

f) Investments in subsidiaries/joint ventures are categorised as 'Held to Maturity' in accordance with RBI guidelines.

g) Profit on sale of investments in the 'Held to Maturity' category is credited to the profit and loss account and is thereafter appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve.

h) At the end of each reporting period, security receipts issued by the asset reconstruction company are valued in accordance with the guidelines applicable to non-SLR instruments prescribed by RBI from time to time. Accordingly, in case where the security receipts issued by the asset reconstruction company are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Bank reckons the Net Asset Value ("NAV"), obtained from the asset reconstruction company from time to time, for valuation of such investments at each reporting year end.

i) The Bank follows trade date method for accounting of its investments.

3. Provisions/Write-offs on loans and other credit facilities

a) All credit exposures are classified as per RBI guidelines, into performing and non-performing assets ("NPAs"). Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Provisions are made for sub-standard and doubtful assets at rates for prescribed by RBI. Loss assets and unsecured portion of doubtful assets are provided/written off as per the extant RBI guidelines. The Bank also makes additional floating provision against non-performing retail loans and additional provision against specific corporate NPAs.

b) For restructured/rescheduled assets, provision is made in accordance with the guidelines issued by RBI, which requires the present value of the interest sacrifice be provided at the time of restructuring.

c) In the case of loan accounts classified as NPAs (other than those subjected to restructuring), the account is reclassified as "standard" account if arrears of interest and principal are fully paid by the borrower.

In respect of non-performing loan accounts subjected to restructuring, the account is upgraded to standard only after the specified period i.e., a period of one year after the date when first payment of interest or of principal, whichever is earlier, falls due, subject to satisfactory performance during the period.

d) Amounts recovered against other debts written off in earlier years and provisions no longer considered necessary in the context of the current status of the borrower are recognised in the profit and loss account.

e) In addition to the specific provision on NPAs, the Bank maintains a general provision on performing loans. The general provision covers the requirements of the RBI guidelines.

f) In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country). The countries are categorised into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made on exposures exceeding 90 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 90 days, 25% of the normal provision requirement is held. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposure.

4. Transfer and servicing of financial assets

The Bank transfers commercial and consumer loans through securitisation transactions. The transferred loans are de-recognised and gains/losses are recorded only if the Bank surrenders the rights to benefits specified in the loan contract. Recourse and servicing obligations are reduced from proceeds of the sale. Retained beneficial interests in the loans is measured by allocating the carrying value of the loans between the assets sold and the retained interest, based on the relative fair value at the date of the securitisation.

During the year RBI has issued guidelines on accounting for securitisation of standard assets. In accordance with these guidelines, with effect from February 1, 2006, the Bank accounts for any loss arising on sale immediately at the time of sale and the profit/premium arising on account of sale is amortised over the life of the securities issued or to be issued by the special purpose vehicle/special purpose entity to which the assets are sold.

5. Fixed assets and depreciation

a) Premises and other fixed assets are carried at cost less accumulated depreciation. Depreciation is charged over the estimated useful life of a fixed asset on a straight-line basis. The rates of depreciation for fixed assets, which are not lower than the rates prescribed in schedule XIV of the Companies Act, 1956, are given below.

Asset	**Depreciation Rate**
Premises owned by the Bank	1.63%
Improvements to leasehold premises	1.63% or over the lease period, whichever is higher
ATMs	12.50%
Plant and machinery like air conditioners, xerox machines, etc.	10.00%
Computers	33.33%
EDC Terminals	16.67%
Furniture and fixtures	15.00%
Motor vehicles	20.00%
Others (including Software and system development expenses)	25.00%

b) Depreciation on leased assets is made on a straight-line basis at the higher of the rates determined with reference to the primary period of lease and the rates specified in Schedule XIV to the Companies Act, 1956.

c) Assets purchased/sold during the year are depreciated on the basis of actual number of days the asset has been put to use.

d) Items costing less than Rs. 5,000/- are depreciated fully over a period of 12 months from the date of purchase.

6. Foreign currency transactions

a) Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction, income and expenditure items of integral foreign operations (representative offices) are translated at weekly average closing rate, and income and expenditure of non-integral foreign operations (foreign branches and offshore banking units) are translated at quarterly average closing rate.

b) Monetary foreign currency assets and liabilities of domestic and integral foreign operations are translated at closing exchange rates notified by Foreign Exchange Dealers' Association of India ("FEDAI") at the balance sheet date and the resulting profits/losses are included in the profit and loss account.

c) Both monetary and non-monetary foreign currency assets and liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the balance sheet date and the resulting profits/losses from exchange differences are accumulated in the foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operations.

d) Outstanding forward exchange contracts are revalued at the exchange rates notified by FEDAI for specified maturities and at interpolated rates for contracts of in-between maturities. The resultant gains or losses are recognised in the profit and loss account.

e) Contingent liabilities on account of guarantees, endorsements and other obligations are stated at the exchange rates notified by FEDAI at the balance sheet date.

7. Accounting for derivative contracts

The Bank enters into derivative contracts such as foreign currency options, interest rate and currency swaps and cross currency interest rate swaps to hedge on-balance sheet/off-balance sheet assets and liabilities or for trading purposes.

The swap contracts entered to hedge on-balance sheet assets and liabilities are structured in such a way that they bear an opposite and offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments is correlated with the movement of underlying assets and accounted pursuant to the principles of hedge accounting.
Foreign currency and rupee derivatives, which are entered for trading purposes, are marked to market and the resulting gain/loss, (net of provisions, if any) is recorded in the profit and loss account.

8. **Employee Stock Option Scheme ("ESOS")**

The Bank has formulated an Employees Stock Option Scheme. The Scheme provides that employees are granted an option to acquire equity shares of the Bank that vests in a graded manner. The options may be exercised within a specified period. The Bank follows the intrinsic value method for computing the compensation cost, if any, for all options granted. The grant price of the Bank's stock option is the last closing price on the stock exchange on the day preceding the date of grant of stock options and accordingly there is no compensation cost under the intrinsic value method.

9. **Staff retirement benefits**

ICICI Bank is required to pay gratuity to employees who retire or resign after at least five years of continuous service. ICICI Bank makes contributions to three separate gratuity funds, for employees inducted from ICICI, employees inducted from Bank of Madura and employees of ICICI Bank other than employees inducted from ICICI and Bank of Madura.

The gratuity funds for employees inducted from ICICI and Bank of Madura are separate gratuity funds managed by ICICI Prudential Life Insurance Company. Actuarial valuation of the gratuity liability is determined by an actuary appointed by ICICI Prudential Life Insurance Company. The investments of the funds are made according to rules prescribed by the Government of India. The accounts of the funds are audited by independent auditors.

The gratuity fund for employees of ICICI Bank other than employees inducted from ICICI and Bank of Madura is administered by the Life Insurance Corporation of India. In accordance with the gratuity fund's rules, actuarial valuation of gratuity liability is calculated based on certain assumptions regarding rate of interest, salary growth, mortality and staff turnover.

ICICI Bank contributes 15.0% of the total annual salary of each employee to a superannuation fund for ICICI Bank employees. ICICI Bank's employees get an option on retirement or resignation to receive one-third of the total balance and a monthly pension based on the remaining two-third balance. In the event of death of an employee, his or her beneficiary receives the remaining accumulated balance of 66.7%. ICICI Bank also gives a cash option to its employees, allowing them to receive the amount contributed by ICICI Bank in their monthly salary during their employment.

Till March 31, 2005, the superannuation fund was administered by the Life Insurance Corporation of India. Subsequent to March 31, 2005, the fund is being administered by Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited. Employees have the option to retain the existing balance with Life Insurance Corporation of India or seek a transfer to ICICI Prudential Insurance Company.
ICICI Bank is statutorily required to maintain a provident fund as a part of its retirement benefits to its employees. There are separate provident funds for employees inducted from Bank of Madura (other than those employees who have opted for pensions), and for other employees of ICICI Bank. These funds are managed by in-house trustees. Each employee contributes 12.0% of his or her basic salary (10.0% for clerks and sub-staff of Bank of Madura) and ICICI Bank contributes an equal amount to the funds. The investments of the funds are made according to rules prescribed by the Government of India. The accounts of the funds are audited by independent auditors.

10. **Income taxes**

Income tax expense is the aggregate amount of current tax, deferred tax and fringe benefit tax charge. Current year taxes are determined in accordance with the Income-tax Act, 1961. Deferred tax adjustments comprise of changes in the deferred tax assets or liabilities during the period.
Deferred tax assets and liabilities are recognised on a prudent basis for the future tax consequences of timing differences arising between the carrying values of assets and liabilities and their respective tax basis, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted prior to the balance sheet date. The impact of changes in the deferred tax assets and liabilities is recognised in the profit and loss account.
Deferred tax assets are recognised and reassessed at each reporting date, based upon management's judgement as to whether realisation is considered certain. Deferred tax assets are recognised on carry

forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax asset can be realised against future profits.

11. Impairment of assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

12. Accounting for contingencies

The Bank estimates the probability of any loss that might be incurred on outcome of contingencies on the basis of information available up to the date on which the financial statements are prepared. A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements. In case of remote possibility neither provision nor disclosure is made in the financial statements.

13. Earnings Per Share ("EPS")

Basic and diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period, except where the results are anti-dilutive.

14. Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

B. NOTES FORMING PART OF THE ACCOUNTS

The following additional disclosures have been made taking into account RBI guidelines in this regard.

1. Capital adequacy ratio

The capital to risk weighted assets ratio (CRAR) as assessed by the Bank on the basis of the financial statements and guidelines issued by RBI is given in the table below.

Rupees in crore

	As on March 31, 2006	As on March 31, 2005
Tier I capital	19,181.53	10,246.32]
Tier II capital	8,661.09	5,656.61
Total capital	27,842.62	15,902.93
Total risk weighted assets	208,593.59	135,016.81
CRAR (%)	13.35%	11.78%
CRAR – Tier I capital (%)	9.20%	7.59%
CRAR – Tier II capital (%)	4.15%	4.19%
Amount of subordinated debt raised as Tier II capital during the year	3,973.00	450.00

2. Business/information ratios

The business/information ratios for the year ended March 31, 2006, and March 31, 2005 are given in the table below.

		Year ended March 31, 2006	Year ended March 31, 2005
(i)	Interest income to working funds[1]	7.03%	6.94%
(ii)	Non-interest income to working funds[1]	2.54%	2.52%
(iii)	Operating profit to working funds[1]	2.39%	2.18%
(iv)	Return on assets[2]	1.30%	1.48%
(v)	Profit per employee (Rs. in crore)	.10	.11

1. For the purpose of computing the ratios, working funds represent the average of total assets as reported to RBI under Section 27 of the Banking Regulation Act, 1949.
2. For the purpose of computing the ratio, assets represent average total assets as reported to RBI in Form X under Section 27 of the banking Regulation Act, 1949.

(vi)	Business per employee (average deposits plus average advances)	9.05	8.80

3. Information about business and geographical segments

- Consumer and Commercial Banking comprising the retail and corporate banking operations of the Bank.
- Investment Banking comprising the treasury activities of the Bank.

Inter-segment transactions are generally based on transfer pricing measures as determined by management. Income, expenses, assets and liabilities are either specifically identified with individual segments or are allocated to segments on a systematic basis.

Based on such allocations, segmental balance sheet as on March 31, 2006 and March 31, 2005 and segmental profit & loss account for the year ended March 31, 2006 and for the year ended March 31, 2005 have been prepared.

Rupees in crore

		Consumer and Commercial Banking		Investment Banking		Total	
	Particulars	**For the year ended**		**For the year ended**		**For the year ended**	
	March 31, 2006	**March 31, 2005**	**March 31, 2006**	**March 31, 2005**	**March 31, 2006**	**March 31, 2005**	
1.	Revenue	14,886.89	10,643.69	4,972.50	3,092.62	19,859.39	13,736.31
2.	Less:Inter-segment revenue		(1,091.76)	(910.27)			
3.	Total revenue (1)–(2)		..	..	..	18,767.63	12,826.04
4.	Operating profit (i.e. Profit before unallocated expenses, and tax)	3,387.05	1,976.07	1,342.02	1,018.33	4,729.07	2,994.40
5.	Unallocated expenses		38.40	38.40			
6.	Provisions (net)	732.02	81.41	862.05	347.39	1,594.07	428.80
7.	**Profit before tax**	**2,655.03**	**1,894.66**	**479.97**	**670.94**	**3,096.60**	**2,527.20**
8.	Income tax expenses (net of deferred tax credit)		556.53	522.00			
9.	**Net profit(7)-(8)**					**2,540.07**	**2,005.20**
10.	Segment assets	164,383.89	105,1,48.63	83,930.13	59,704.51	248,314.02	164,853.14
11.	Unallocated assets		3,074.93	2,806.27			
12.	**Total assets (10)+(11)**					**251,388.95**	**167,659.41**
13.	Segment liabilities	192,320.67	129,193.24	59,068.28	38,466.17	251,388.95	167,659.41
14.	Unallocated liabilities		..	..			
15.	**Total liabilities (13)+(14)**					**251,388.95**	**167,659.41**

Geographical segments

The Bank reports its operations under the following geographical segments.

- Domestic Operations comprises branches having operations in India.

- Foreign Operations comprises branches having operations outside India and offshore banking unit having operations in India.

Based on above segments the assets and revenue of the Bank for the year ended March 31, 2006 have been prepared.

Rupees in crore

Sr. No.	Particulars	Domestic Operations	Foreign Operations	Total
1.	Revenue	17,813.17	954.47	18,767.64
2.	Assets	229,574.49	21,814.46	251,388.95

Hitherto the business operations of the Bank were largely concentrated in India. The assets and income from foreign operations were not significant to the overall operations of the Bank and have accordingly not been disclosed for earlier comparative year.

4. Earnings Per Share

The Bank reports basic and diluted earnings per equity share in accordance with Accounting Standard 20, "Earnings per Share". Basic earnings per share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

The computation of earnings per share is given below.

Rupees in crore except per share data

	Year ended March 31, 2006	Year ended March 31, 2005
Basic		
Weighted average no. of equity shares outstanding	781,693,773	72,772,8042
Net profit	2,540.07	2,005.20
Basic earnings per share (Rs.)	32.49	27.55
Diluted		
Weighted average no. of equity shares outstanding	789,963,635	733,720,485
Net profit	2,540.07	2,005.20
Diluted earnings per share (Rs.)	32.15	27.33
Nominal value per share (Rs.)	10.00	10.00

The dilutive impact is mainly due to options granted to employees by the Bank.

5. Maturity pattern

- In compiling the information of maturity pattern (refer 5. (a) and (b) below), certain estimates and assumptions have been made by the management.
- Assets and liabilities in foreign currency exclude off-balance sheet assets and liabilities.

a) The maturity pattern of assets and liabilities of the Bank as on March 31, 2006 is given below.

Rupees in crore.

Maturity buckets	Loans & advances[1]	Investment securities[1]	Deposits[1]	Borrowings[1]	Foreign currency assets	Foreign currency liabilities
1 to 14 days	7,545.02	10,398.34	14,907.14	3,123.70	4,167.95	3,784.71
15 to 28 days	886.52	4,499.36	6,919.33	1,004.94	1,145.43	1,864.68
29 days to 3 months	7,523.13	8,197.61	25,547.35	5,380.43	3,736.56	5,927.05
3 to 6 months	8,985.95	6,451.05	23,169.34	4,666.14	3,262.81	2,841.59
6 months to 1 year	14,506.60	9,326.78	38,840.28	5,316.02	2,991.90	5,717.55
1 to 3 years	59,157.55	14,260.75	52,060.47	7,264.68	3,773.45	4,305.44
3 to 5 years	16,587.84	4,103.03	1,400.21	9,498.18	4,147.74	6,754.75
Above 5 years	30,970.50	14,310.47	2,239.05	2,267.82	4,959.63	1,276.54
Total	**146,163.11**	**71,547.39**	**165,083.17**	**38,521.91**	**28,185.47**	**32,472.31**

1. Includes foreign currency balances.

b) The maturity pattern of assets and liabilities of the Bank as on March 31, 2005 is given below.

Rupees in crore.

Maturity buckets	Loans & advances[1]	Investment securities[1]	Deposits[1]	Borrowings[1]	Foreign currency assets	Foreign currency liabilities
1 to 14 days	6,051.83	7,628.34	5,426.22	400.80	2,285.74	919.38
15 to 28 days	806.91	2,040.31	3,268.38	1,231.15	660.79	1,202.36
29 days to 3 months	6,570.97	4,875.10	13,297.00	3,126.45	3,116.24	3,185.39
3 to 6 months	5,032.05	4,730.27	15,924.29	3,249.14	1,785.17	1,856.82
6 months to 1 year	8,408.82	6,043.19	19,540.75	5,698.68	1,383.07	2,945.02
1 to 3 years	29,428.21	11,398.68	39,882.67	11,114.34	3,019.12	3,024.24
3 to 5 years	9,452.45	2,761.84	1,508.75	5,332.36	1,932.63	4,007.59
Above 5 years	25,653.91	11,009.62	970.72	3,391.58	2,891.51	1,622.90
Total	**91,405.15**	**50,487.35**	**99,818.78**	**33,544.50**	**17,074.27**	**18,763.70**

1. Includes foreign currency balances.

6. Related party transactions

The Bank has transactions with its related parties comprising of subsidiaries, associates joint ventures and key management personnel. The following represents the significant transactions between the Bank and its related parties.

Insurance services

During the year ended March 31, 2006, the Bank paid insurance premium to insurance joint ventures amounting to Rs. 82.96 crore (March 31, 2005: Rs. 31.54 crore). During the year ended March 31, 2006 the Bank received claims from insurance joint ventures amounting to Rs. 1.68 crore (March 31, 2005: Rs. 0.84 crore).

Fees and commission

During the year ended March 31, 2006, the Bank received fees from its subsidiaries and joint ventures amounting to Rs. 228.05 crore (March 31, 2005: Rs. 27.98 crore) and commission of Rs.0.99 crore (March 31, 2005: Rs. 0.53 crore) on account of guarantees and letters of credit issued for subsidiaries.

Lease of premises and facilities

During the year ended March 31, 2006, the Bank charged an aggregate amount of Rs. 44.37 crore (March 31, 2005: Rs. 43.28 crore) for lease of premises, facilities and other administrative costs to subsidiaries and joint ventures.

Sale/Purchase of housing loan portfolio

During the year ended March 31, 2006, the Bank sold housing loan portfolio to its subsidiary amounting to Rs. 3,771.10 crore (March 31, 2005: Rs. 305.97 crore). During the year ended March 31, 2006, the Bank purchased housing portfolio from its subsidiary amounting to Rs. 1,830.77 crore (March 31, 2005: Rs. Nil)

Secondment of employees

During the year ended March 31, 2006, the Bank received Rs. 0.30 crore (March 31, 2005: Rs. 0.84 crore) from subsidiaries and joint ventures for secondment of employees.

Purchase of investments

During the year ended March 31, 2006, the Bank purchased certain investments from its subsidiaries and joint ventures amounting to Rs. 1,525.55 crore (March 31, 2005: Rs. 3,244.01 crore) and from its associates amounting to Rs. Nil (March 31, 2005: Rs. 82.00 crore).

Sale of investments

During the year ended March 31, 2006, the Bank sold certain investments to its subsidiaries and joint ventures amounting to Rs. 675.77 crore (March 31, 2005: Rs. 2,266.85 crore) and to its associates amounting to Rs. 154.50 crore (March 31, 2005: Rs. Nil). On the sales made to subsidiaries and joint ventures, the Bank accounted for a gain of Rs. 1.67 crore (March 31, 2005: Loss of Rs. 1.24 crore) and on the sale made to associates, the Bank accounted for a gain of Rs. 1.01 crore (March 31, 2005: Rs. Nil).

Redemption/Buyback and Conversion of investments

During the year ended March 31, 2006, certain investments in subsidiaries and joint ventures in preference shares were converted to equity shares amounting to Rs. Nil (March 31, 2005: Rs. 25.00 crore). Consideration of Rs. 107.89 crore (March 31, 2005: Rs. 10.69 crore) was received on account of buyback/capital reduction of equity shares by subsidiaries and a gain amounting to Rs. 62.06 crore (March 31, 2005: Rs. 6.74 crore) was accounted in the books. Units in associates amounting to Rs. 116.23 crore (March 31, 2005: Rs. 236.28 crore) were redeemed during the year and a gain of Rs. Nil (March 31, 2005: Rs. 1.98 crore) was accounted on redemption.

Reimbursement of expenses

During the year ended March 31, 2006, the Bank reimbursed expenses to its subsidiaries amounting to Rs. 339.78 crore (March 31, 2005: Rs. 259.60 crore).

Brokerage paid

During the year ended March 31, 2006, the Bank paid brokerage to its subsidiary amounting to Rs. 1.36 crore (March 31, 2005: Rs. 0.91 crore).

Custodial charges received

During the year ended March 31, 2006, the Bank received custodial charges from its subsidiaries and joint ventures amounting to Rs. 1.58 crore (March 31, 2005: 0.57 crore) and associates amounting to Rs 0.54 crore (March 31, 2005: Rs. 0.22 crore).

Interest paid

During the year ended March 31, 2006, the Bank paid interest to its subsidiaries and joint ventures amounting to Rs. 38.42 crore (March 31, 2005: Rs. 25.57 crore) and to its associates amounting to Rs. Nil (March 31, 2005: Rs. 0.11 crore).

Interest received

During the year ended March 31, 2006, the Bank received interest from its subsidiaries and joint ventures amounting to Rs. 61.36 crore (March 31, 2005: Rs. 37.67 crore) and from its key management personnel[1] Rs. 0.05 crore (March 31, 2005: Rs. 0.03 crore).

Other Income

During the year ended March 31, 2006, the Bank has accounted gain/loss on derivative transactions entered into with subsidiaries and joint ventures amounting to Rs. 24.53 crore (March 31, 2005: Gain of Rs. 46.23 crore).

Dividend received

During the year ended March 31, 2006, the Bank received dividend from its subsidiaries and joint ventures amounting to Rs. 163.56 crore(March 31, 2005: Rs. 71.45 crore) and from its associates amounting to Rs. 180.82 crore (March 31, 2005: Rs. 122.18 crore).

Dividend paid

During the year ended March 31, 2006, the Bank paid dividend to its key management personnel[1] amounting to Rs. 0.32 crore (March 31, 2005 : Rs. 0.16 crore).

Remuneration to whole-time directors

Remuneration paid to the whole-time directors of the Bank during the year ended March 31, 2006 was Rs. 7.59 crore (March 31, 2005: Rs. 6.05 crore).

Letter of Comfort

The Bank has issued letters of comfort on behalf of its foreign subsidiaries namely, ICICI Bank UK Limited and ICICI Bank Canada Limited. The details of the same are given in the table below.

On behalf of	To	Purpose
ICICI Bank UK Limited	Financial Services Authority, UK ("FSA")	To financially support ICICI Bank UK Limited to ensure that it meets all of its financial obligations as they fall due.
ICICI Bank Canada	Office of the Superintendent of Financial Institutions, Canada ("OSFI")	To infuse additional capital should ICICI Bank Canada's Institutions, Canada ("OSFI") capital fall below the minimum requirement and provide ICICI Bank Canada ongoing financial, managerial and operational support.
ICICI Bank Canada	Canada Deposit Insurance Corporation ("CDIC")	To comply with the Bank Act and the CDIC regulations or by-laws there under and to indemnify CDIC against all losses, damages, reasonable costs and expenses arising from failure of ICICI Bank Canada in performing the same.

Related party balances

The balances payable to/ receivable from subsidiaries/ joint ventures/ associates/ key management personnel included in the balance sheet as on March 31, 2006 are given below.

Rupees in crore

Items	Subsidiaries / Joint ventures	Associates	Key management personnel [1]	Total
Deposits with ICICI Bank	873.48	27.49	2.50	903.47
Deposits of ICICI Bank2	1,133.97	..	..	1,133.97
Call/ Term money borrowed	..	..	..	..
Advances	163.19		1.54	164.73
Investments of ICICI Bank	2,926.32	1,422.85	..	4,349.17
Investments of related parties in ICICI Bank	44.75	..	0.43	45.18
Receivables	66.60	0.20	..	66.80
Payables	77.92	..	..	77.92
Repo	..	..	..	..
Reverse repo	..	..	..	..
Guarantees3	363.40	..	..	363.40
Letters of comfort4	3,005.96	..	..	3,005.96
Swaps/forward contracts	14,840.41	..	..	14,840.41
Participation certificate	232.00	..	..	232.00

1. Whole-time directors and relatives.
2. Includes call money lent.
3. Includes letter of undertaking.
4. Excludes letter of comfort issued on behalf of foreign subsidiaries, details of which are given separately.

The maximum balance payable to/ receivable from subsidiaries/ joint ventures/ associates/ key management personnel during the year ended March 31, 2006 is given below.

Rupees in crore

Items	Subsidiaries / Joint ventures	Associates	Key management personnel [1]	Total
Deposits with ICICI Bank	1,133.17	216.02	4.61	1,353.80
Deposits of ICICI Bank2	1,222.39	..	..	1,222.39
Call/ Term money borrowed	749.03	..	..	749.03
Advances	224.58	..	2.12	226.70
Investments of ICICI Bank	2,996.03	1,472.68	..	4,468.71
Investments of related parties in ICICI Bank	54.71	..	0.44	55.15
Receivables	79.84	0.41	..	80.25
Payables	306.00	0.05	..	306.05
Repo	40.03	..	..	40.03
Reverse repo	224.47	..	..	224.47
Guarantees3	519.63	..	..	519.63
Letters of comfort4	3,081.57	..	..	3,081.57
Swaps/forward contracts	20,773.97	..	..	20,773.97
Participation certificate	232.00	..	..	232.00

1. Whole-time directors and relatives.
2. Includes call money lent.
3. Includes letter of undertaking.
4. Excludes letter of comfort issued on behalf of foreign subsidiaries, details of which are given separately.

The balances payable to/ receivable from subsidiaries/ joint ventures/ associates/ key management personnel included in the balance sheet as on March 31, 2005 are given below.

Rupees in crore

Items	Subsidiaries / Joint ventures	Associates	Key management personnel [1]	Total
Deposits with ICICI Bank	659.36	0.03	3.71	663.10
Deposits of ICICI Bank2	979.89	..	..	979.89
Call/ Term money borrowed	45.92	..	..	45.92
Advances	32.29	..	1.91	34.20
Investments of ICICI Bank	2,073.41	1,447.05	..	3,520.46
Investments of related parties in ICICI Bank	0.16	..	0.23	0.39
Receivables	20.24	..	..	20.24
Payables	88.53	..	..	88.53
Repo	..	..	..	..
Reverse repo	224.47	..	..	224.47
Guarantees3	492.83	..	..	492.83
Letters of comfort4	2,131.83	..	..	2,131.83
Swaps/forward contracts	11,813.71	..	..	11,813.71
Participation certificate	89.66	..	..	89.66

1. Whole-time directors and relatives.
2. Includes call money lent.
3. Includes letter of undertaking.
4. Excludes letter of comfort issued on behalf of foreign subsidiaries, details of which are given separately.

The maximum balance payable to/ receivable from subsidiaries/ joint ventures/ associates/ key management personnel during the year ended March 31, 2005 is given below.

Rupees in crore

Items	Subsidiaries / Joint ventures	Associates	Key management personnel [1]	Total
Deposits with ICICI Bank	1,935.22	240.55	19.61	2,195.38
Deposits of ICICI Bank2	979.89	..	..	979.89
Call/ Term money borrowed	350.00	..	..	350.00
Advances	243.56	..	1.91	245.47
Investments of ICICI Bank	4,020.46	3,339.90	..	7,360.36
Investments of related parties in ICICI Bank	1.66	..	0.23	1.89
Receivables	20.24	..	..	20.24
Payables	176.21	..	..	176.21
Repo	12.88	..	..	12.88
Reverse repo	224.47	..	..	224.47
Guarantees3	492.83	..	..	492.83
Letters of comfort4	2,131.83	..	..	2,131.83
Swaps/forward contracts	23,090.52	..	..	23,090.52
Participation certificate	89.66	..	..	89.66

1. Whole-time directors and relatives.
2. Includes call money lent.
3. Includes letter of undertaking.
4. Excludes letter of comfort issued on behalf of foreign subsidiaries, details of which are given separately.

Subsidiaries and joint ventures

ICICI Venture Funds Management Company Limited, ICICI Securities Limited, ICICI Brokerage Services Limited, ICICI International Limited, ICICI Trusteeship Services Limited, ICICI Home Finance Company Limited, ICICI Investment Management Company Limited, ICICI Securities Holdings Inc., ICICI Securities Inc., ICICI Bank UK Limited, ICICI Bank Canada, ICICI Prudential Life Insurance Company Limited, ICICI Distribution Finance Private Limited (ICICI Distribution Finance Private Limited has merged with ICICI Home Finance Company Limited effective August 11, 2005), ICICI Lombard General Insurance Company Limited, Prudential ICICI Asset Management Company Limited, Prudential ICICI Trust Limited, Investment Credit Bank Limited Liability Company and TSI Ventures Private Limited.

Associates
ICICI Equity Fund, ICICI Eco-net Internet and Technology Fund, ICICI Emerging Sectors Fund, ICICI Strategic Investments Fund, ICICI Property Trust and TCW/ICICI Investment Partners L.L.C.

7. Securitisation

The Bank sells loans through securitisation or direct assignment. The information on securitisation activity of the Bank as an originator for the year ended March 31, 2006 and March 31, 2005 is given in the table below.

Rupees in crore

	Year ended March 31, 2006	**Year ended March 31, 2005**
Total number of loan assets securitised	909,130	942,567
Total book value of loan assets securitised	9,485.62	16,007.12
Sale consideration received for the securitised assets	10,285.66	16,341.22
Net gain on account of securitisation	403.24	397.61

The information on securitisation activity of the Bank as an originator as on March 31, 2006 and March 31, 2005 is given in the table below.

Rupees in crore

	Year ended March 31, 2006	**Year ended March 31, 2005**
Outstanding credit enhancement	1,636.92	723.43
Outstanding liquidity facility	264.04	..
Outstanding servicing liability	69.56	26.07
Outstanding subordinate contributions	836.98	1,771.27

8. Employee Stock Option Scheme

In terms of the ESOS, as amended, the maximum number of options granted to any eligible employee in a financial year shall not exceed 0.05% of the issued equity shares of the Bank at the time of grant of the options and aggregate of all such options granted to the eligible employees shall not exceed 5% of the aggregate number of the issued equity shares of the Bank on the date(s) of the grant of options.

In terms of the Scheme, 17,362,584 options (March 31, 2005: 18,215,335 options) granted to eligible employees were outstanding at March 31, 2006.

A summary of the status of the Bank's stock option plan is given below.

Stock Option Share Outstanding	**Year ended March 31, 2006**	**Year ended March 31, 2005**
Outstanding at the beginning of the year	18,215,335	15,964,982
Add: Granted during the year	4,981,780	7,554,500
Less : Forfeited/lapsed during the year	931,280	846,496
Exercised during the year	4,903,251	4,457,651[1]
Outstanding at the end of the year	17,362,584	18,215,335

1. Excludes options exercised but not allotted.

9. Preference shares

Certain government securities amounting to Rs. 200.11 crore (March 31, 2005: Rs. 195.23 crore) have been earmarked against redemption of preference share capital, which falls due for redemption on April 20, 2018, as per the original issue terms.

10. Transfer to Investment Fluctuation Reserve ("IFR")

An amount of Rs. 214.34 crore being the excess balance in Investment Fluctuation Reserve (IFR) account over the regulatory requirement was transferred to general reserve account during the year ended March 31, 2005. RBI has subsequently instructed that this amount should be retained in IFR account itself. Accordingly, the said amount was transferred back to IFR account from the general reserve account in the first quarter of the year ended March 31, 2006, making IFR account balance Rs. 730.34 crore.

RBI required banks to create Investment Fluctuation Reserve aggregating to 5% of their investments in fixed income securities (in AFS and Trading Book) over a five-year period starting from March 31, 2002. Accordingly a further amount of Rs. 590.00 crore was transferred to IFR during the year ended March 31, 2006, making the IFR account balance Rs. 1,320.34 crore. RBI has vide its circular DBOD.No.BP.BC.38/21.04.141/2005-06 dated October 10, 2005 permitted banks that have maintained capital of at least 9% of the risk weighted assets for both credit risk and market risk for both held for trading and available for sale categories of investments as on March 31, 2006, to transfer the balance in the IFR 'below the line' in the Profit and Loss Appropriation Account to Statutory Reserve, General Reserve or balance of Profit & Loss Account.

Pursuant to the above, the entire IFR account balance of Rs. 1,320.34 crore has been transferred from IFR to Revenue and other Reserves.

11. Subordinated debt

a) During the year ended March 31, 2006, the Bank raised subordinate debt amounting to Rs. 3,973.00 crore through private placement of bonds. The details of these bonds are given below.

Rupees in crore

Particulars	Date of Issue	Coupon Rate (%)	Tenure	Amount
Tranche 3 Option I	March 31, 2006	8.83% Annual	10 years nad 15 days	250.00
Tranche 2 Option I	March 25, 2006	8.80% Annual	9 years 11 months and 19 days	2,000.00
Tranche 1 Option I	March 14, 2006	8.55% Annual	10 years and 1 month	250.00
Total				**2,500.00**

Rupees in crore

Particulars	Date of Issue	Coupon Rate (%)	Tenure	Amount
Option I	February 14, 2006	8.15% Annual	10 years	119.00
Option II	February 14, 2006	8.25% Annual	15 years	37.00
Total				**156.00**

Rupees in crore

Particulars	Date of Issue	Coupon Rate (%)	Tenure	Amount
Option II	December 30, 2005	7.60% (semi-annually)	10 years	101.00
Option III	December 30, 2005	7.75% (semi-annually)	12 years	102.00
Option IV	December 30, 2005	7.80% (semi-annually)	15 years	89.00
Total				**292.00**

Rupees in crore

Particulars	Date of Issue	Coupon Rate (%)	Tenure	Amount
Option I	September 28, 2005	1 Yr INBMK [1] + 0.50% (To be reset semi- annually)	5 years and 7 months	225.00
Option II	September 28, 2005	7.50	10 years	275.00
Total				**500.00**

1. *INBMK – Indian Benchmark*

Rupees in crore

Particulars	Date of Issue	Coupon Rate (%)	Tenure	Amount
Option I	June 29, 2005	1 Yr INBMK[1] + 0.50 % (To be reset semi- annually)	5 years and 10 months	110.00
Option II 10 months	June 29, 2005	7.25	5 years and	77.00
Option III	June 29, 2005	7.45	10 years	338.00
Total				**525.00**

1. *INBMK – Indian Benchmark*

b) During the year ended March 31, 2005, the Bank raised subordinate debt amounting to Rs. 450.00 crore through private placement of bonds. The details of these bonds are given below.

Rupees in crore

Particulars	Date of Issue	Coupon Rate (%)	Tenure	Amount
Option I	February 28, 2005	1 Yr INBMK[1] + 0.60% To be reset semi-annually)	5 years and 3 months	265.00
Option II	February 28, 2005	7.00	5 years and 3 months	35.00
Option III	February 28, 2005	7.10	7 years and 3 months	55.00
Option IV	February 28, 2005	7.20	10 years and 3 months	95.00
Total				**450.00**

1. INBMK – Indian Benchmark

12. Investments

The details of investments and the movement of provisions held towards depreciation of investments of the Bank as on March 31, 2006 and March 31, 2005 is given below.

Rupees in crore

Particulars		**As on March 31, 2006**	**As on March 31, 2005**
(1)	**Value of Investments**		
(i)	Gross value of investments		
	(a) In India	67,532.48	49,662.77
	(b) Outside India	4,521.55	1,512.43
(ii)	Provisions for depreciation and fair value provision		
	(a) In India	496.05	686.95
	(b) Outside India	10.59	0.90
(iii)	Net value of investments		
	(a) In India	67,036.43	48,975.82
	(b) Outside India	4,510.96	1,511.53
(2)	**Movement of provisions held towards depreciation on investments**		
(i)	Opening balance	607.91	1,047.08
(ii)	Add: Provisions made during the year (including utilisation of fair value provision)	69.23	(94.91)
(iii)	Less: Write-off/ write-back of excess provisions during the year	(170.50)	(344.26)
(iv)	Closing balance	506.64	607.91

13. Investments in equity shares and equity like instruments

The details of the investments made by the Bank in equity and equity like instruments is given below.

Rupees in crore

Particulars	**As on March 31, 2006**	**As on March 31, 2005**
Equity shares[1]	1,445.31	923.14
Convertible debentures	58.38	58.50
Units of equity oriented mutual funds	20.06	25.27
Investment in venture capital funds	1,614.99	1,176.16
Others (loans against collateral, advances to brokers)[2]	1,295.60	668.36
Total	**4,434.34**	**2,851.43**

1. Includes advance application money pending allotment of Rs. 256.06 crore (March 31, 2005: Rs. 82.13 crore).
2. Includes unutilised limits sanctioned to brokers and individuals against shares amounting to Rs. 364.85 crore (March 31, 2005: Rs. 349.52 crore).

14. Investment in non-SLR securities

i) Issuer composition of non-SLR investments

a) The issuer composition of non-SLR investments of the Bank as on March 31, 2006 is given below.

Rupees in crore

No.	Issuer	Amount of private placement (a)	Extent investment grade' securities (b)	Extent of 'below 'unrated' securities[2] (c)	Extent of 'unlisted' securities[2] (d)	Extent of
1	PSUs	287.56	27.75	3.21	0.05	3.26
2	FIs	191.82	92.03	..	9.13	9.13
3	Banks	2,237.34	708.72	..	..	5.00
4	Private corporates	4,335.12	1,736.76	..	1,725.65	1,587.93
5	Subsidiaries/ Joint ventures	2,860.70	270.48	..	15.00	15.00
6	Others	11,064.75	2,989.15	2,342.21	0.03	..
7	Provision held towards depreciation	(504.39)	..	..	..	..
	Total	**20,472.90**	**5,824.89**	**2,345.42**	**1,749.86**	**1,620.32**

1. Amounts reported under columns (a), (b), (c), and (d) above are not mutually exclusive.
2. This excludes investments, amounting to Rs. 255.48 crore, in preference shares of subsidiaries, namely ICICI Bank UK Limited and ICICI Bank Canada and Rs. 3,264.42 crore invested by overseas branches / offshore banking unit.

b) The issuer composition of non-SLR investments of the Bank as on March 31, 2005 is given below.

Rupees in crore

No.	Issuer	Amount of private placement (a)	Extent investment grade' securities (b)	Extent of 'below 'unrated' securities[2] (c)	Extent of 'unlisted' securities[2] (d)	Extent of
1	PSUs	625.00	462.05	..	2.05	293.36
2	FIs326.43	34.23	..	10.13	10.13	
3	Banks	468.45	241.98	..	..	5.31
4	Private corporates	4,521.09	3,055.32	20.00	3,136.21	2,967.74
5	Subsidiaries/ Joint ventures	2,066.70	266.13	..	15.00	15.00
6	Others	8,685.64	2,782.13	2,335.90	0.03	..
7	Provision held towards depreciation	(687.75)	..	..	..	..
	Total	**16,005.56**	**6,841.84**	**2,355.90**	**3,163.42**	**3,291.54**

1. Amounts reported under columns (a), (b), (c), and (d) above are not mutually exclusive.
2. This excludes investments, amounting to Rs. 255.13 crore, in preference shares of subsidiaries, namely ICICI Bank UK Limited and ICICI Bank Canada and Rs. 718.96 crore invested by overseas branches / offshore banking unit.

ii) Non-performing non-SLR investments

The movement in gross non-performing non-SLR investments of the Bank as on March 31, 2006, and March 31, 2005 are given below.

Rupees in crore

Particulars	Year ended March 31, 2006	Year ended March 31, 2005
Opening balance	887.73	1,233.47
Additions during the year	215.80	157.03
Reduction during the year	843.94	502.73
Closing balance	259.59	887.73
Total provisions held	**150.93**	**316.67**

15. Repurchase transactions

The details of securities sold and purchased under repos and reverse repos during the year ended March 31, 2006, and March 31, 2005 are given below.

		Minimum outstanding balance during the period	Maximum outstanding balance during the period	Daily average outstanding balance during the period
Year ended March 31, 2006				
Securities sold under repurchase transaction	..	4,313.43	1,529.60	1,000.00
Securities purchased under reverse repurchase transaction	..	3,360.87	121.49	..
Year ended March 31, 2005				
Securities sold under repurchase transaction	..	3,484.20	968.36	1,307.63
Securities purchased under reverse repurchase transaction	..	1,452.00	58.67	..

Note: The above figures do not include securities sold and purchased under Liquidity Adjustment Facility (''LAF") of RBI.
The above figures are for Indian branches only.

16. Lending to sensitive sectors

The Bank has lending to sectors, which are sensitive to asset price fluctuations. The sensitive sectors include capital market, real estate and commodities.
The net position of lending to capital market and commodities sector is given in the table below.

Rupees in crore

	As on March 31, 2006	As on March 31, 2005
Capital market sector		
i) Investments made in equity shares	1,445.31	923.14
ii) Investments in bonds / convertible debentures	58.38	58.50
iii) Investments in units of equity–oriented mutual funds	20.06	25.27
iv) Advances against share to individuals for investment in equity shares (including IPOs /ESOPS), bonds and debentures, units of equity oriented mutual funds[1]	547.01	156.32
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	748.59	512.04
Total[2]	**2,819.35**	**1,675.27**
vi) Of (v) above, the total finance extended to stockbrokers for margin trading	..	..

Rupees in crore

	As on	As on

	March 31, 2006	March 31, 2005
Commodities sector	2,984.94	1,006.10

1. Represents loans to Non-Banking Financial Companies (“NBFCs”), brokers and individuals against pledge of shares and includes an amount of Rs. 10.27 crore as on March 31, 2006 (March 31, 2005: Rs. 14.10 crore) pertaining to guarantee issued to a corporate for the issue of non-convertible debentures, the proceeds of which have been utilised for acquisition of shares by the corporate.
2. The total does not include exposure in unregistered Venture Capital funds amounting to Rs. 1,614.99 crore as of March 31, 2006 (March 31, 2005: Rs. 1,176.16 crore) which forms a part of capital market sector.

The net position of lending to real estate sector is given in the table below.

Rupees in crore

	As on March 31, 2006	As on March 31, 2005
Real estate sector		
I Direct exposure	50,151.48	32,293.06
i) Residential mortgages, of which	43,166.85	27,488.37
- Upto Rs. 0.15 crore	26,379.65	16,641.31
ii) Commercial real estate[1]	6,984.60	4,561.84
iii) Investments in mortgage backed securities (MBS) and other securitised exposures	0.03	242.85
- a. Residential	0.03	242.85
- b. Commercial real estate	..	..
II Indirect exposure	3,013.58	5,261.99
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	3,013.58	5,261.99
Total 53,165.06	**37,555.05**	

1. Commercial real estate exposure includes loans given to land and building developers for construction, corporates for their real estate requirements and to individuals for non-residential premises.

17. Credit exposure

a) As on March 31, 2006, the Bank had no single borrower exposure above 15% and no group borrower exposure above 40% of capital funds.

b) As on March 31, 2005 the Bank had taken single borrower exposure above 15% with the approval of the Board of Directors in the cases given below.

Name of Borrower	As on March 31, 2005 % to capital funds
Bharat Heavy Electricals Limited	19.50%
Essar Oil Limited	17.46%
Asset Reconstruction Co. of India Limited (“ARCIL”) [1]	16.73%
Larsen & Toubro Limited	16.20%

1. Includes exposure to security receipts issued by ARCIL.

18. Risk category-wise country-wise exposure

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table. The country exposure (net) of the Bank in respect of United Kingdom is 1.11% of the total funded assets. As the net funded exposure to United Kingdom exceeds 1%, the Bank has made a provision of Rs. 6.36 crore on country exposure during the year ended March 31, 2006.

Rupees in crore

Risk category	Exposure (net) as on March 31, 2006	Exposure (net) as on March 31, 2005
Insignificant	11,875.55	5,434.98
Low	4,468.94	1,140.84
Moderate	2,437.29	459.21
High	335.77	..
Very High	..	..
Restricted	44.71	..
Off-Credit	22.31	65.62
Total	**19,184.57**	**7,100.65**
- of which funded	13,891.50	3,888.57

19. Advances

The details of movement of gross NPAs, net NPAs and provisions are given in the table below.

Rupees in crore

Particulars			Year ended March 31, 2006	Year ended March 31, 2005
(i)	**Net NPAs (funded) to Net Advances (%)**		0.72%	1.65%
(ii)	**Movement of NPAs (Gross)**			
	(a)	Opening balance	2,770.43	3,047.59
	(b)	Additions during the year[1]	1,020.23	1,115.79
	(c)	Reductions during the year[1]	(1,568.07)	(1,392.95)
	(e)	Closing balance [2]	2,222.59	2,770.43
(iii)	**Movement of Net NPAs**			
	(a)	Opening balance	1,505.27	1,372.40
	(b)	Additions during the year[1]	703.50	1,121.63
	(c)	Reductions during the year[1]	(1.156.09)	(988.76)
	(e)	Closing balance	1,052.68	1,505.27
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**			
	(a)	Opening balance [3]	1,236.85	1,625.01[4]
	(b)	Provisions made during the year (including utilisation of fair value provisions)	560.12	1,800.21
	(c)	Write-off/ write-back of excess provisions	(654.22)	(2,188.37)
	(d)	**Closing balance [3]**	**1,142.75**	**1,236.85**

1. Excludes cases added to and deleted from NPAs in the same year with such gross loans amounting to Rs. 171.47 crore (March 31, 2005: Rs. 1,375.99 crore) and such net loans amounting to Rs. 146.32 crore (March 31, 2005: Rs. 954.07 crore).
2. Includes suspended interest and claims received from ECGC/DICGC of Rs. 27.16 crore (March 31, 2005: Rs. 28.37 crore) on working capital loan.
3. Excludes technical write-off amounting to Rs. 658.67 crore (March 31, 2005: Rs. 1,576.36 crore) and suspended interest and claims received from ECGC/DICGC of Rs. 27.16 crore (March 31, 2005: Rs. 28.37 crore).
4. Includes utilisation of fair value provisions.

20. Financial assets transferred during the year to Securitisation Company (SC) / Reconstruction Company (RC)

The Bank has transferred certain assets to an asset reconstruction company (ARC) in terms of the guidelines issued by RBI governing such transfer. For the purpose of the valuation of the underlying security receipts issued by the ARCIL, the security receipts were valued at their respective NAVs as advised by the ARCIL. The details of the assets transferred for the years ended March 31, 2006 and March 31, 2005 are given in the table below.

Rupees in crore

		Year ended March 31, 2006	Year ended March 31, 2005
A	No. of accounts	15	82
B	Aggregate value (net of provisions) of accounts sold to SC/RC	479.40	1,327.93
C	Aggregate consideration	406.63	1,086.23
D	Additional consideration realised in respect of accounts transferred in earlier years [1]	..	..
E	Aggregate gain/(loss) over net book value	(72.77)	(241.70)

1. During the year ended March 31, 2006, ARCIL fully redeemed security receipts of four trusts and partly redeemed security receipts of two trusts. The Bank realised Rs. 9.57 crore over the gross book value in respect of these trusts.

21. Provisions on standard asset

The provision on standard assets held by the Bank in accordance with RBI guidelines was Rs. 563.83 crore at March 31, 2006 (March 31, 2005: Rs. 224.81 crore)

22. Information in respect of restructured assets

a) Details of loan assets subjected to restructuring is given below.

Rupees in crore

Particulars	Year ended March 31, 2006	Year ended March 31, 2005
(i) Total amount of loan assets subjected to restructuring, rescheduling, renegotiation;	413.94	2,019.65
of which under CDR [(i) = (ii)+(iii)+(iv)]	407.70	1,806.01
(ii) The amount of standard assets subjected to restructuring, rescheduling, renegotiation;	405.55	1,945.53
of which under CDR	405.55	1,750.14
(iii) The amount of sub-standard assets subjected to restructuring, rescheduling, renegotiation;	6.24	55.87
of which under CDR	..	55.87
(iv) The amount of doubtful assets subjected to restructuring, rescheduling, renegotiation;	2.15	18.25
of which under CDR	2.15	..

Above details exclude cases that were approved by CDR Forum and disclosed in the earlier years by the Bank and in which certain terms and conditions have been modified by CDR Forum during the current year. The above table includes cases that were restructured and disclosed in earlier years by the Bank and subsequently referred to and admitted under the CDR scheme during the current year.

b) The gross amounts (net of write-offs) of restructuring under the CDR schemes during the year are given below.

Rupees in crore

Loan category	**Year ended March 31, 2006**		**Year ended March 31, 2005**		
	No.Amount	**Interest Sacrifice**	**No.**	**Amount**	**Interest Sacrifice**
Standard	2405.55	5.07	17	1,750.14	78.80
Sub-standard	....	..	3	55.87	..
Doubtful	12.15	..	..	..	..
Total	**3407.70**	**5.07**	**20**	**1,806.01**	**78.80**

Above details exclude cases that were approved by CDR Forum and disclosed in the earlier years by the Bank and in which certain terms and conditions have been modified by CDR Forum during the current year. The above table includes cases that were restructured and disclosed in earlier years by the Bank and subsequently referred to and admitted under the CDR scheme during the current year.

During the year ended March 31, 2006, there has been no debt restructuring for small and medium enterprises.

b) The Bank has restructured borrower accounts in standard, sub-standard and doubtful categories. The gross amounts (net of write-off) of asset restructured during the year are given below.

Rupees in crore

Loan category	**Year ended March 31, 2006**		**Year ended March 31, 2005**		
	No.Amount	**Interest Sacrifice**	**No.**	**Amount**	**Interest Sacrifice**
Standard	....	..	16	1,574.52	68.58
Sub-standard	16.24	..	3	55.87	..
Doubtful	12.15	..	5	18.25	..
Total	**28.39**	**..**	**24**	**1,648.64**	**68.58**

The above details include accounts restructured under the Corporate Debt Restructuring "CDR" scheme during the year, other than cases that were restructured and disclosed in earlier years by the Bank and subsequently referred to and admitted under the CDR scheme during the current year.

23. Details of non-performing assets sold, excluding those sold to SC/RC

The Bank has sold certain cases of non-performing assets in terms of the guidelines issued by RBI circular no. DBOD.NO.BP.BC.16/21.04.048/2005-06 dated July 13, 2005 on such sale. The details of assets sold are given below.

Rupees in crore

Particulars		**Year ended March 31, 2006**
1.	No. of borrower accounts sold	366
2.	Aggregate outstanding (Gross)	1,438.41
3.	Aggregate consideration received	222.32

24. Fixed Assets

Fixed assets include softwares acquired by the Bank. The movement in software assets is given below.

Rupees in crore

	Year ended March 31, 2006	Year ended March 31, 2005
At cost as on March 31st of preceding year	242.26	205.77
Additions during the year	43.01	36.49
Deductions during the year	..	..
Depreciation to date (202.63)	(139.65)	
Net block	**82.64**	**102.61**

25. Assets under lease

25.1 Assets under operating lease

The details of future rentals payable on operating leases are given below.

Rupees in crore

Period	As on March 31, 2006	As on March 31, 2005
Not later than one year	12.67	23.44
Later than one year and not later than five years	60.59	99.95
Later than five years	0.20	31.12
Total	**73.46**	**154.51**

25.2 Assets under finance lease

The details of finance leases are given below.

Rupees in crore

Period	As on March 31, 2006	As on March 31, 2005
Total of future minimum lease payments	81.71	110.55
Present value of lease payments	69.51	91.36
Unmatured finance charges	12.20	19.19
Maturity profile of total of future minimum lease payments		
- Not later than one year	23.24	29.33
- Later than one year and not later than five years	58.47	80.45
- Later than five years ..	0.77	
Total	**81.71**	**110.55**

25.3 The maturity profile of present value of lease payments is given below.

The details of maturity profile of present value of finance lease payments are given below.

Rupees in crore

Period	As on March 31, 2006	As on March 31, 2005
Not later than one year	17.67	22.28
Later than one year and not later than five years	51.84	68.33
Later than five years	..	0.75
Total	**69.51**	**91.36**

26. Early Retirement Option ("ERO")

The Bank had implemented an Early Retirement Option Scheme 2003 for its employees in July 2003. All employees who had completed 40 years of age and seven years of service with the Bank (including period of service with entities amalgamated with the Bank) were eligible for the ERO.

The ex-gratia payments under ERO and termination benefits and leave encashment in excess of the provision made (net of tax benefits), aggregating to Rs. 191.00 crore is being amortised over a period of five years commencing August 1, 2003 (the date of retirement of employees exercising the Option being July 31, 2003).

On account of the above ERO scheme, an amount of Rs. 38.40 crore (March 31, 2005: Rs. 38.40 crore) has been charged to revenue being the proportionate amount amortised for the year ended March 31, 2006.

27. Provisions for income tax

The provision for income tax (including deferred tax and fringe benefit tax) for the year ended March 31, 2006 and March 31, 2005 amounted to Rs. 553.53 crore and Rs. 519.00 crore respectively.

28. Deferred Tax

As on March 31, 2006, the Bank has recorded net deferred tax asset of Rs. 164.28 crore (March 31, 2005: Rs. 14.87 crore), which has been included in Other Assets. The break-up of deferred tax assets and liabilities into major items is given below.

Rupees in crore

Particulars	As on March 31, 2006	As on March 31, 2005
Deferred tax asset		
Provision for bad and doubtful debts	650.15	699.08
Capital loss	95.00	..
Others	88.07	91.72
	833.22	**790.80**
Less: Deferred tax liability		
Depreciation on fixed assets	669.72	753.77
Others	..	22.16
	669.72	**775.93**
Add: Deferred tax asset pertaining to foreign branches	**0.78**	**..**
Total net deferred tax asset/ (liability)	**164.28**	**14.87**

During the year ended March 31, 2006, the Bank has created a deferred tax asset on carry forward capital losses based on its firm plans that sufficient future taxable capital gains will be available against which the loss can be set off.

29. Other Assets

29.1 Exchange fluctuation

Exchange fluctuation aggregating Rs. 2.50 crore (March 31, 2005: Rs. 24.47 crore), which arises on account of rupee-tying agreements with the Government of India, is held in "Rupee Determine Exchange Fluctuation Account" pending adjustment at maturity on receipt of payments from the Government for repayments to foreign lenders.

29.2 Swap suspense (net)

Swap suspense (net) aggregating Rs. 7.16 crore (debit) (March 31, 2005: Rs. 79.47 crore (debit)), which arises out of conversion of foreign currency swaps, is held in "Swap suspense account" and will be reversed at conclusion of swap transactions with swap counter-parties.

30. Derivatives

ICICI Bank is a major participant in the financial derivatives market. The Bank deals in derivatives for balance sheet management and market making purposes whereby the Bank offers derivative products to its customers, enabling them to hedge their risks.

Dealing in derivatives is carried out by identified groups in the treasury of the Bank based on purpose of transaction. Derivative transactions are entered into by the treasury front office. Treasury middle office conducts an independent check of the transactions entered into by the front office and also undertakes activities such as confirmation, settlement, accounting, risk monitoring and reporting and ensures compliance with various internal and regulatory guidelines.

The market making and the proprietary trading activities in derivatives are governed by the investment policy of the Bank, which lays down the position limits, stop loss limits as well as other risk limits. The Risk Management Group ("RMG") lays down the methodology for computation and monitoring of risk. The Risk Committee of the Board ("RCB") reviews the Bank's risk management policy in relation to various risks (portfolio, liquidity, interest rate, off-balance sheet and operational risks), investment policies and compliance issues in relation thereto. The RCB comprises of independent directors and the Managing Director and CEO.

Risk monitoring of the derivatives portfolio is done on a daily basis. The Bank measures and monitors risk using Value at Risk ("VAR") approach and the relevant greeks for options. Risk reporting on derivatives forms an integral part of the management information system and the marked to market position and the VAR of the derivatives portfolio is reported on a daily basis.

The use of derivatives for hedging purpose is governed by the hedge policy approved by Asset Liability Management Committee ("ALCO"). Subject to prevailing RBI guidelines, the Bank deals in derivatives for hedging fixed rate, floating rate or foreign currency assets/ liabilities. Transactions for hedging and market making purposes are recorded separately. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of the transaction itself. The effectiveness is assessed at the time of inception of the hedge and periodically thereafter. During the year the Bank changed its method for testing hedge effectiveness from the price value of basis point ("PVBP") or duration method to the marked to market method. Due to this change certain derivative contracts which were hitherto accounted for as hedges, became ineffective and were accordingly accounted for as trading.

Hedge derivative transactions are accounted for pursuant to the principles of hedge accounting. Derivatives for market making purpose are marked to market and the resulting gain/ loss is recorded in the profit and loss account. Premia on options are accounted for at the expiry of the options. The Bank makes provisions on the outstanding positions in trading derivatives for possible adverse movements in underlying. Derivative transactions are covered under International Swap Dealers Association (''ISDA'') master agreements with the respective counterparties. The credit exposure on account of derivative transactions is computed as per RBI guidelines and is marked against the credit limits approved for the respective counterparties.

Rupees in crore

Sr. No.	Particular		Currency derivatives [1]	Interest rate derivatives [2]
			As on March 31, 2006	
1	**Derivatives (Notional principal amount)**			
	a)	For hedging	..	4,125.22
	b)	For trading	42,858.04	217,451.04
2	**Marked to market positions [3]**			
	a)	Asset (+)	215.03	196.32
	b)	Liability (-)	..	..
3	**Credit exposure**		2,145.88	2,817.08
4	**Likely impact of one percentage change in interest rate (100*PV01)**			
	a)	on hedging derivatives [4]	..	(123.08)
	b)	on trading derivatives	108.70	90.09
5	**Maximum and minimum of 100*PV01 observed during the year**			
	a)	on hedging[4]		
		Maximum	..	83.84
		Minimum	(7.44)	(123.08)
	b)	on trading		
		Maximum	111.98	109.75
		Minimum	63.28	(143.91)

1. Options & Cross Currency Interest Rate Swaps are included in currency derivatives.
2. Foreign currency Interest Rate Swaps, Forward Rate Agreements and swaptions are included in interest rate derivatives.
3. For trading portfolio.
4. The swap contracts entered for hedging purpose would have an opposite and offsetting impact with the underlying on-balance sheet items.

Rupees in crore

Sr. No.	Particular		Currency derivatives [1]	Interest rate derivatives [2]
			As on March 31, 2006	
1	**Derivatives (Notional principal amount)**			
	a)	For hedging	808.31	10,642.86
	b)	For trading	27,432.56	133,568.91
2	**Marked to market positions 3**			
	a)	Asset (+)	44.20	56.47
	b)	Liability (-)	..	..
3	**Credit exposure**		**937.39**	**1,812.44**
4	**Likely impact of one percentage change in interest rate (100*PV01)**			
	a)	on hedging derivatives 4	(7.94)	(2.21)
	b)	on trading derivatives	88.07	(53.45)
5	**Maximum and minimum of 100*PV01 observed during the year**			
	a)	on hedging4		
		Maximum	(3.82)	0.28
		Minimum	(10.15)	(167.51)
	b)	on trading		
		Maximum	128.06	18.08
		Minimum	15.66	(108.13)

1. Options & Cross Currency Interest Rate Swaps are included in currency derivatives.
2. Foreign currency Interest Rate Swaps, Forward Rate Agreements and swaptions are included in interest rate derivatives.
3. For trading portfolio.
4. The swap contracts entered for hedging purpose would have an opposite and offsetting impact with the underlying on-balance sheet items.

The notional principal amount of credit derivatives outstanding at March 31, 2006 was Rs. 2,351.44 crore (March 31, 2005: Rs. 393.71 crore).

The notional principal amount of forex contracts classified as hedging amounted to Rs.16,504.14 crore (March 31, 2005 : Rs. 6,034.01 crore). The notional principal amount of forex contracts classified as trading amounted to Rs. 75,327.36 crore (March 31, 2005 : Rs. 60,930.41 crore).

The net overnight open position at March 31, 2006 is Rs. 45.78 crore (March 31, 2005: Rs. 19.07 crore).

31. Forward rate agreement ("FRA")/ Interest rate swaps ("IRS")

The notional principal amount of Rupee IRS contracts at March 31, 2006 is Rs. Nil for hedging contracts (March 31, 2005: Rs. 5,110.00 crore) and Rs. 187,002.56 crorefor trading contracts (March 31, 2005: Rs. 111,430.20 crore).

The fair value represents the estimated replacement cost of swap contracts at balance sheet date. At March 31, 2006 the fair value of trading rupee interest rate swap contracts is Rs. 92.24 crore (March 31, 2005: Rs. 33.36 crore).

Associated credit risk is the loss that the Bank would incur in case all the counter-parties to these swaps fail to fulfil their contractual obligations. At March 31, 2006, the associated credit risk on trading rupee interest rate swap contracts is Rs. 1,675.44 crore (March 31, 2005: Rs. 986.53 crore).

Market risk is monitored as the loss that would be incurred by the Bank for a 100 basis points change in the interest rates. At March 31, 2006 the market risk on trading rupee interest rate swap contracts amounts to Rs. 119.23 crore (March 31, 2005: Rs. 13.78 crore).

Credit risk concentration is measured as the highest net receivable under swap contracts from a particular counter-party. At March 31, 2006 there is a credit risk concentration of Rs. 47.64 crore (March 31, 2005: Rs. 27.46 crore) under rupee interest rate swap contracts, with ICICI Securities. As per the prevailing market practice, the Bank does not insist on collateral from the counter-parties in these contracts.

The details of the forward rate agreements/interest rate swaps are given below.

Rupees in crore

Particulars	**As on March 31, 2006**	**As on March 31, 2005**
i) The notional principal of rupee swap agreements [1]	187,002.56	116,540.20
ii) Losses which would be incurred if all counter-parties failed to fulfil their obligations under the agreements 1,	675.44	986.53
iii) Collateral required by the Bank upon entering into swaps	..	..
iv) Concentration of credit risk arising from the rupee swaps	47.64	27.46
v) The fair value of rupee trading swap book [2]	92.24	33.36

1. Notional principal of swap agreements includes both hedge and trading portfolio.
2. Fair value represents clean mark-to-market.

32. Exchange Traded Interest Rate Derivatives

The detail of exchange traded interest rate derivatives is given below.

Rupees in crore

S. No.	Particulars	As on March 31, 2006
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	
a)	Euro dollar futures	13,357.73
b)	Treasury note futures – 10 year	1,349.60
c)	Treasury note futures – 5 year	331.94
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31, 2006 (instrument-wise)	
a)	Euro dollar futures	..
b)	Treasury note futures – 10 year	151.69
c)	Treasury note futures – 5 year	..
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	N.A
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	N.A

Note: All the transactions in exchange traded derivatives have been entered into by foreign branches for trading portfolio.

Rupees in crore

S. No.	Particulars	As on March 31, 2006
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	
a)	Euro dollar futures	7,340.41
b)	Treasury note futures – 10 year	15.31
c)	Treasury note futures – 5 year	122.49
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March 2005 (instrument-wise)	
a)	Euro dollar futures	..
b)	Treasury note futures – 10 year	6.56
c)	Treasury note futures – 5 year	..
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	N.A
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	N.A

Note: All the transactions in exchange traded derivatives have been entered into by foreign branches for trading portfolio.

33. Subvention income

The Bank has aligned its accounting policy for subvention income with its accounting policy for direct marketing agency/associate expenses. Accordingly, subvention income has been accounted for in the period in which it is received instead of over the period of the loan. As a result of the change in policy, the impact on profit after tax for the year ended March 31, 2006 is not expected to be significant.

34. Provision

RBI has increased the requirement of general provisioning on standard loans (excluding loans to agriculture sector and small and medium enterprises) to 0.40% compared to 0.25% earlier. In accordance with the revised guidelines on general provisioning on standard loans, the Bank has made general provision of Rs. 339.02 crore during the year ended March 31, 2006. The Bank has reassessed its provision requirement on performing loans and non-performing loans on a portfolio basis during the year ended March 31, 2006. Based on this reassessment, the Bank has written back an amount of Rs. 169.22 crore from its existing provisions against non-performing loans, which were in excess of regulatory requirements.

35. Penalties imposed by RBI

The RBI had imposed penalties (ranging from Rs.0.05 crore to Rs.0.20 crore) on certain banks including ICICI Bank on January 23, 2006 under Section 47A(1)(b) of the Banking Regulation Act, 1949. A penalty of Rs.0.05 crore(March 31, 2005: Rs. Nil) had been imposed on the Bank citing contravention of RBI instructions relating to opening of accounts, monitoring of transactions for adherence to Know Your Customer ("KYC")/Anti Money Laundering ("AML") norms, and non-adherence to normal banking practices.

36. Comparative figures

Figures of the previous period/year have been regrouped to conform to the current year presentation.

Part III of Annexure A

ICICI BANK LIMITED - DIVIDEND DATA

(Rs. in crore)

	For the Year ended March 31,				
	2002	**2003**	**2004**	**2005**	**2006**
On Equity Shares					
Number of equity shares (Face value of Rs. 10/- each)	220,358,680	613,034,404	616,391,905	736,716,094	889,823,901
Number of equity shares deemed issued on merger of erstwhile Bank of Madura (Face value of Rs. 10/- each)	-	-	-	-	-
Number of equity shares deemed issued on merger of erstwhile ICICI Limited, erstwhile ICICI Personal Financial Services Limited and erstwhile ICICI Capital Services Limited (Face value of Rs. 10/- each)	392,672,724	-	-	-	-
Number of equity shares representing application money received on exercise of employee stock options (Face value of Rs. 10/- each)	-	-	-	22,470	-
Dividend Rate (Note 1 & 2)	20%	75%	75%	85%	85%
Amount of dividend (Rupees in crore) (Notes 3 & 4)	44.07	459.85	550.74	629.19	756.35
Amount of dividend tax (Rupees in crore) (Note 5)	4.50	58.92	71.98	88.25	106.08
Amount of total dividend (Rupees in crore)	**48.57**	**518.77**	**622.72**	**717.44**	**862.43**

NOTE

(1) On a pro rata basis wherever applicable.

(2) Represents interim dividend for year ended March 31, 2002.

(3) For the year ended March 31, 2004 amount of dividend includes Rs. 6.75 crore of dividend on Green Shoe Options and Employee stock options exercised subsequent to March 31, 2004 till September 4, 2004.

(4) Includes dividend paid on employee stock options exercised subsequent to March 31 till the book closure date.

Part IV of Annexure A

ICICI BANK LIMITED - CASH FLOW

(Rs. in crore)

	For the Year ended March 31,				
	2002	**2003**	**2004**	**2005**	**2006**
On Equity Shares					
Cash flow from operating activities					
Net profit before taxes	289.80	780.39	1,902.22	2,527.20	3,096.61
Adjustments for:					
Depreciation and amortisation	64.09	505.94	926.85	942.45	902.12
Net (appreciation) / depreciation on investments	(15.70)	309.43	98.71	541.65	830.14
Provision in respect of non-performing assets (including prudential provision on standard assets)	268.29	1,474.98	459.12	(121.36)	794.72
Provision for contingencies & others	2.70	6.39	20.79	8.60	22.68
Income from subsidiaries	-	(109.42)	(126.17)	(188.08)	(338.69)
(Profit) / Loss on sale of fixed assets	0.06	6.50	1.91	2.08	(7.12)
	609.24	**2,974.21**	**3,283.43**	**3,712.54**	**5,300.46**
Adjustments for:					
(Increase) / decrease in Investments	(15,312.79)	5,530.51	(4,726.90)	(4,313.39)	(14,101.92)
(Increase) / decrease in Advances	2,303.33	(7,457.88)	(9,089.98)	(28,794.98)	(55,211.29)
Increase / (decrease) in Borrowings	(1,470.41)	(3,651.96)	1,140.15	5,416.91	6,547.61
Increase / (decrease) in Deposits	15,706.90	16,084.19	19,939.28	31,710.19	65,264.39
(Increase) / decrease in Other assets	(507.07)	(2,450.01)	(791.46)	(2,073.50)	(3,670.42)
Increase / (decrease) in Other liabilities and provisions	1,039.53	326.66	1,415.43	4,322.68	1,386.15
	1,759.49	**8,381.51**	**7,886.52**	**6,267.91**	**214.50**
Refund / (payment) of direct taxes	(127.53)	(643.82)	(853.12)	(848.74)	(862.03)
Net cash generated from operating activities (A)	**2,241.20**	**10,711.90**	**10,316.83**	**9,131.71**	**4,652.93**
Cash flow from investing activities					
Investments in subsidiaries and/or joint ventures (including application money)	-	(173.94)	(641.52)	(643.04)	(850.92)
Income received on such investments	-	109.42	126.17	188.07	338.69
Purchase of fixed assets	(24.41)	(451.69)	(483.83)	(379.53)	(547.40)
Proceeds from sale of fixed assets	0.73	10.21	33.79	26.29	94.28
(Purchase) / Sale of held to maturity securities	-	(5,237.22)	(1,171.53)	(2,637.04)	(6,928.63)
Net cash generated from investing activities (B)	**(23.68)**	**(5,743.22)**	**(2,136.92)**	**(3,445.25)**	**(7,893.98)**
Cash flow from financing activities					
Proceeds from issue of share capital (other than ESOPs)	-	-	-	3,192.29	7,903.94
Amount received on exercise of stock options	-	0.03	53.90	64.99	77.44
Repayment of bonds (including subordinated debt)	228.53	(11,266.06)	(5,733.41)	(3,861.69)	86.96
Dividend and dividend tax paid	(97.13)	-	(518.76)	(622.72)	(717.44)
Net cash generated from financing activities (C)	**131.40**	**(11,266.03)**	**(6,198.27)**	**(1,227.13)**	**7,350.90**
Effect of exchange fluctuation on translation reserve (D)	**-**	**-**	**-**	**-**	**0.40**
Cash and cash equivalents on amalgamation (E)	**6,843.74**	**-**	**-**	**-**	**-**
Net increase / (decrease) in cash and cash equivalents (A) + (B) + (C) + (D) + (E)	**9,192.66**	**(6,297.35)**	**1,981.64**	**4,459.33**	**4,110.25**
Cash and cash equivalents - Opening	**3,593.69**	**12,786.35**	**6,489.00**	**8,470.64**	**12,929.97**
Cash and cash equivalents - Closing	**12,786.35**	**6,489.00**	**8,470.64**	**12,929.97**	**17,040.22**

Part V of Annexure A

ICICI BANK Limited - Capitalisation Statement

(Rs. in crore)

	For the Year ended March 31, 2006
Borrowings (1)	
Short - Term Debt (2)	19,907.45
Long Term Debt (3)	28,758.84
Total Debts (A)	**48,666.29**
SHAREHOLDERS' FUNDS :	
Share Capital (4)	1,239.83
Reserves (5 and 6)	21,316.16
Less :Unamortised Deferred Revenue expenditure (7)	88.60
Total Shareholders' Funds (B)	**22,467.39**
Total Capitalisation (A) + (B)	**71,133.68**

NOTES

1. Borrowings do not include deposits.
2. Short-term debt is debt maturing within the next one year from the date of above statement [includes bonds in the nature of subordinated debt (excluded from Tier-II capital) of Rs. 416.22 crore].
3. Includes Rs.9,728.16 crore of unsecured redeemable debentures and bonds in the nature of subordinated debt eligible for inclusion inTier-II capital.
4. Includes :
   a) preference share capital of Rs. 350 crore.
   b) 96,681,382 equity shares of Rs. 10 each issued vide prospectus dated December 8, 2005
   c) 4,903,251 equity shares of Rs. 10 each fully paidup on exercise of employee stock options
   d) 37,237,460 equity shares of Rs. 10 each fully paidup consequent on issue of 18,618,730 ADS in December 2005
   (e) 14,285,714 equity shares of rs.10 each fully paid up consequent on green shoe option vide prospectus dated december 8,2005.
5. Net of share issue expenses amounting to Rs. 87.41 crore
6. Includes :
   (a) Rs.4,894 crore(net of share premium in arrears of Rs.9.24 crore pursuant to public issue vide prospectus dated December 8, 2005.
   (b) Rs. 2,213.46 crore on issue of ADS vide prospectus dated December 6, 2005
   (c) Rs.735.71 crore on the exercise of green shoe option vide prospectus dated December 8, 2005.
   (d) Rs.72.56 crore on exercise of employee stock options.
7. Unamortised expenses on account of the early retirement option scheme offered to the employees.
8. Long-term Debt / Equity Ratio.**1.28**

Part VI of Annexure A

ICICI BANK LIMITED - STATEMENT OF UNSECURED BORROWINGS

(Rs. in crore)

	As on March 31,				
	2002	**2003**	**2004**	**2005**	**2006**
I. Borrowings in India					
i) Reserve Bank of India	140.89	-	-	-	-
ii) Other banks	2,687.60	2,446.91	1,656.88	2,077.93	3,937.02
iii) Other institutions and agencies					
a) From Government of India	600.94	521.04	441.14	361.25	281.36
b) From financial institutions	1,388.26	2,565.85	4,053.10	4,518.56	3,437.24
iv) Borrowings in the form of					
a) Deposits taken over from erstwhile ICICI Limited	4,250.76	506.28	309.84	207.05	138.84
b) Commercial paper	549.53	-	-	-	-
c) Bonds & debentures (excluding subordinated debt)					
1) Debentures & bonds guaranteed by the Government of India	1,824.00	1,481.50	1,481.50	1,481.50	1,481.50
2) Tax free bonds	80.00	80.00	-	-	-
3) Non-convertible portion of partly convertible notes.	133.19	-	-	-	-
4) Borrowings under private placement of bonds carrying maturity of 1 to 30 years from the date of placement	17,909.68	9,133.91	4,815.06	3,094.81	1,617.95
5) Bonds issued under multiple option/ safety bonds series	11,840.47	10,551.36	10,208.58	7,516.81	6,067.01
d) Application money pending allotment	537.45	1,123.89	-	616.09	-
Total borrowings in India	41,942.77	28,410.74	22,966.10	19,874.00	16,960.92
II. Borrowings Outside India	7,275.89	5,891.68	7,774.14	13,670.49	21,560.99
III. Unsecured redeemable debentures/bonds (Subordinated debt included in Tier II Capital)	9,751.31	9,749.53	9,105.86	8,208.90	10,144.38
Total borrowings including subordinated debt	**58,969.97**	**44,051.95**	**39,846.10**	**41,753.39**	**48,666.29**

Part VII of Annexure A

ICICI BANK LIMITED - STATEMENT OF TAX SHELTER

(Rs. in crores)

Year ended March 31, 2004	**Year ended March 31, 2005**	**Year ended March 31, 2006**	
Tax at marginal rate on Income	681.6	923.7	1,042.3
Adjustments			
Difference in book and tax Depreciation	49.6	180.0	235.2
Bad Debts written off through provision/Reserve	124.2	(1,384.0)	(145.4)
Special Reserve under Section 36(1)(viii)	0.0	0.0	(250.0)
Surplus on sale of Property/assets	1.9	2.1	(7.1)
Dividend, exempt income , other income	(287.7)	(324.0)	(485.0)
Dividend exempt under Section 80M	0.0	0.0	0.0
Capital Gains on sale of shares	(401.3)	(394.0)	(596.2)
F/Value write back	(866.4)	(251.0)	0.0
Other Adjustments	115.2	172.8	71.6
Net Adjustments	(1,264.5)	(1,998.1)	(1,177.0)
Tax (Savings)/outgo thereon - other than Capital gains	(453.7)	(731.1)	(396.2)
Capital Gains on sale of shares	21.1	20.5	9.6
Tax (Savings)/outgo thereon	(432.5)	(710.7)	(386.5)
Add / (Less) : Deferred tax & other tax provisions	13.7	306.0	(102.3)
Total Income Tax	262.7	519.0	553.5
Wealth Tax	2.4	3.0	3.0
Interest Tax	0.0	0.0	**0.0**
Total Taxation	265.1	522.0	556.5
Notes			
Adjusted profit before taxation	1,899.8	2,524.2	3,096.6
Rates of tax - other than capital gains	35.88%	36.59%	33.66%
Long Term capital gains	10.25%	10.46%	11.22%

Annexure B - Statement of Accounts of ICICI SECURITIES LIMITED (formerly ICICI Securities and Finance Company Limited)

Part I - STATEMENT OF PROFITS

(Rs. in crores)

	For the year ended March 31,				
	2002	**2003**	**2004**	**2005**	**2006**
Income from operations					
Income from services	10.01	14.43	26.65	56.48	115.29
Interest income		166.91	129.89	112.39	166.52
Profit/(loss) on securities	161.54	123.18	133.72	22.79	105.62
Other income	***40.35***	***37.82***	***48.39***	***4.66***	***18.51***
	378.81	**305.32**	**321.15**	**182.33**	**405.94**
Less: Financial charges and operating expenses	134.92	93.36	71.18	61.07	135.24
Total income from operations	**243.89**	**211.96**	**249.97**	**121.26**	**270.70**
Expenditure:					
Payment to and provisions for employees	**22**.85	23.12	29.92	16.94	35.05
Establishment and other expenses	32.07	37.95	39.31	18.53	20.00
Interest tax	-	-	-	-	-
Depreciation Assets leased out	-	-	-	-	-
Depreciation: On other owned assets	1.35	1.53	1.39	1.33	1.59
Total expenditure	**56.27**	**62.60**	**70.62**	**36.80**	**56.64**
Profit/(loss) before taxation & extraordinary items	187.62	149.36	179.35	84.46	214.06
Interest tax reversal of earlier years	-	-	10.87	-	-
Profit/(loss) before taxation	**187.62**	**149.36**	**190.22**	**84.46**	**214.06**
Less: Provision for taxation	61.77	46.00	46.50	27.98	67.16
Fringe benefit tax	-	-	-	-	0.57
Deferred tax adjustment	(2.04)	0.42	(0.18)	0.08	(1.35)
Profit after taxation	**127.89**	**102.94**	**143.90**	**56.40**	**147.68**
Extent of interests of so far as it concerns members of erstwhile ICICI Ltd upto March 29, 2002 and ICICI Bank thereafter, the holding company, in the capital of the Subsidiary	99.92%	99.92%	99.92%	99.92%	99.90%
Amount of profit so far as it concerns the members of erstwhile ICICI Ltd. upto March 29, 2002 and ICICI Bank therafter, theholding company.	127.79	102.86	143.78	56.35	147.53

Notes:

1. Provision for taxation for the year ended March 31, 2002 includes Rs. 8.47 crores pertaining to earlier years. The effect on earlier years, however, cannot be determined.
2. The management decided to charge off the balance of deferred revenue expenditure as of March 31, 2002. On account of this, deferred revenue expenditure written off in that year is higher by Rs. 2.90 crores and the profit for the year is lower to that extent. The effect on earlier years, however, cannot be determined.
3. Consequent upon Accounting Standard 22 'Accounting for Taxes on Income' becoming mandatory effective April 1, 2001, the deferred tax on timing differences has been recognised during the year ended March 31, 2002.

4. The management decided to capitalise expenditure incurred on software from the year ended March 31, 2003. As a result of this change, profit for the year is higher by Rs. 0.45 crores. The effect of the same for the years ended March 31, 2002 has not been determined and consequently, no adjustments have been carried out in the 'Statement of Profits' shown above.
5. From the year ended March 31, 2005, the Company has started recognising gains on all open IRS positions. However, there is no impact on the profits for the year ended March 31, 2005 since the Company does not have mark-to-market gains on open IRS positions as at March 31, 2005. The effect on the earlier years, however, cannot be determined.

Part II - STATEMENT OF ASSETS AND LIABILITIES

(Rs. in crores)

		As on March 31, 2006
Assets:		
Fixed assets, net of depreciation		4.67
Investments		56.73
Interest accrued		26.96
Securities held as stock-in-trade		1,046.29
Sundry debtors		195.48
Cash and bank balances		265.67
Other Current Assets		5.75
Loans and advances		38.93
Deferred tax asset		1.75
Total assets (a)		**1,642.23**
Liabilities:		
Loan funds		300.34
Unsecured loans		714.25
Current liabilities and provisions		
Current liabilities		216.13
Provisions		0.75
Total liabilities (b)		**1,231.47**
Net worth (a)-(b)		**410.76**
Represented by		
Share Capital:		
165,884,100 equity shares of Rs10/- each fully paid-up of the above 165,724,500 equity shares of Rs.10/- each are held by ICICI Bank Ltd.(the holding company)		165.88
Reserves & Surplus:		
Share premium account		11.28
General reserve 14.77		
Special reserve (maintained under section 45-1C of the RBI Act, 1934)		142.09
Capital redemption reserve		37.12
Profit and loss account		39.62
Total reserves and surplus		410.76
Networth 410.76		
Net assets so far as it concerns the members of ICICI Bank Ltd, the holding company and its nominees	(99.90%)	**410.35**

Notes:

1. On September 29, 2005 the Company bought back 37,118,700 equity shares at Rs. 20.64 per share at a premium of Rs. 10.64 per share aggregating to Rs. 76.61 crores in accordance with Private Limited and Unlisted Public Limited Company (Buyback of Securities) Rules 1999.
   In accordance with Section 77AA of the Companies Act 1956, the company has transferred to capital redemption reserve a sum of Rs. 37.12 crores equivalent to the nominal value of equity shares bought back. The number of shares outstanding post buy-back is 165,884,100.

Contingent Liabilities:

1. Income tax matters disputed by the Company is Rs. 36.44 crores.
2. The notional principal amount of IRS, which are valued on 'marked-to-market' basis as at March 31, 2006, aggregates to Rs. 65,579.30 crores and the fair value of these IRS as at March 31, 2006 is Rs. 9.48 crores.
3. Repo sale aggregating to Rs. 645.03 crore was outstanding as at March 31, 2006.
4. Fixed deposits under lien with ICICI Bank Ltd. Rs. 36.01 crore as at March 31, 2006.
5. Outstanding counter gaurantee for subsidiary company as at March 31, 2006 is Rs. 5.00 crores.
6. Outstanding bank guarantees taken by the company as at March 31, 2006 is Rs. 0.04 crores.

I. SIGNIFICANT ACCOUNTING POLICIES:

1. Method of Accounting

The Financial statements are prepared under the historical cost convention on the accrual basis ofaccounting and in accordance with the accounting standards issued by the Institute of Chartered Accountants of India and referred to in Section 211 (3C) of the Companies act, 1956.

2. Revenue Recognition

(a) Revenue from issue management, loan syndication, financial advisory services etc., is recognized based on the stage of completion of assignments and terms of agreement with the client.
(b) Gains and losses on dealing with securities are recognized on trade date.
(c) Interest income is accounted on an accrual basis except for non performing / doubtful assets, interest in respect of which is recognized, considering prudential norms for income recognition issued by Reserve Bank of India (RBI) for Non-Banking Financial Companies on a cash basis

3. Stock-in-trade

(a) The securities acquired with the intention of holding for short-term and trading are classified as stock-in-trade.
(b) The securities held as stock-in-trade are valued at lower of cost arrived at on weighted average basis or market/ fair value, computed category-wise. In case of investments transferred to stock-in-trade, carrying amount on the date of transfer is considered as cost. Commission earned in respect of securities acquired upon devolvement is reduced from the cost of acquisition. Fair value of unquoted shares is taken at break-up value of shares as per the latest audited balance sheet of the concerned company. In case of debt instruments, fair value is worked out on the basis of yield to maturity rate selected considering quotes, where available and credit profile of the issuer and market related spreads over the government securities
(c) Discounted instruments like Commercial paper/ Certificates of Deposit / treasury bills/ zero coupon instruments are valued at carrying cost or market price whichever is lower. The difference between the acquisition cost and the redemption value of discounted instruments is apportioned on a straight line basis for the period of holding and recognized as Interest income
(d) Units of mutual fund are valued at lower of cost and net asset value.

4. Investments

(a) The securities acquired with the intention of holding till maturity or for a longer period are classified as investments.
(b) Investments are carried at cost arrived at on weighted average basis. Commissions earned in respect of securities acquired upon devolvement are reduced from the cost of acquisition. Appropriate provision is made for other than temporary diminution in the value of investments

5. Repurchase and Resale Transactions (Repo)

Repo transactions are treated as purchase and sale of the securities as per RBI guidelines and accordingly disclosed in the financial statements. The difference between purchase and sale consideration is treated as interest income or expenditure, as the case may be, over the period of the contract.
The difference between the sale price of the security offered under repo and its book value are shown under current assets / liabilities in the balance sheet, as the case may be. In case, the sale price is lower than the

book value the same is provided as loss on security. In case, the sale price is higher than the book value, the differential gain is not recognised. Securities under repo/reverse repo are marked to market.

6. Assets and Depreciation

(a) Fixed assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for intended use.
(b) Depreciation on fixed assets is provided on written down value method at the rate and in the manner prescribed in Schedule XIV of the Companies Act, 1956.
(c) The carrying amounts are reviewed at each balance sheet date when required to asses whether they are recorded in excess of their recoverable amounts and when carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

7. Deferred Tax

Tax expense comprises both current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

8. Provision for Doubtful Loans and Advances

The policy of provisioning against non performing loans and advances has been decided by the management considering prudential norms prescribed by the RBI for Non Banking Financial Companies except that amounts recovered subsequent to the balance sheet date have not been considered for provisioning. As per the policy adopted, the provision against sub standard assets are fixed on a conservative basis, taking into account management's perception of the higher risk associated with the business of the Company. Certain non performing loans and advances are considered as loss assets and full provision has been made against such assets.

9. Foreign Currency Transactions

Expenses and income are recorded at the exchange rate prevailing on the date of transaction. Assets and liabilities at the balance sheet date are restated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of assets and liabilities are dealt with in the profit and loss account.

10. Retirement Benefits

Retirement benefits to employees comprise gratuity and provident fund. The Company's employees are covered under the Employees' Gratuity Scheme & contribution is made to Life Insurance Corporation of India (LIC). The provision for gratuity has been made as per the acturial valuation at the year end. Contributions for provident fund is accounted on accrual basis and deposited with a Provident Fund Commissioner.

11. Derivatives Transactions

(a) All open positions are marked to market except hedge swaps which are accounted for on accrual basis.
(b) Gains are recognized only on settlement/expiry of the derivative instruments except for Interest Rate derivatives where mark-to-market gains are recognized.
(c) Receivables/payables on open position are disclosed as current assets/current liabilities, as the case may be.

12. **Segment Reporting**

Segment information is disclosed in the consolidated financial statement and hence not furnished in the separate financial statement.

13. **Earnings per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

14. **Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Annexure C - Statement of Accounts of ICICI BROKERAGE SERVICES LIMITED

Part I - STATEMENT OF PROFITS

(Rs. in crores)

For the year ended March 31,	**2002**	**2003**	**2004**	**2005**	**2006**
Income from operations:					
Brokerage income	8.79	12.77	31.17	47.13	69.35
Interest income	0.67	0.86	0.99	1.20	1.98
Other income	0.17	0.14	0.07	0.12	0.13
Profit/(loss) on securities	(0.05)	(0.25)	5.37	(1.59)	(0.19)
	9.58	13.52	37.60	46.86	71.27
Less: Financial charges & operating expenses	6.51	3.16	6.29	11.00	12.47
Total income from operations	**3.07**	**10.36**	**31.31**	**35.86**	**58.80**
Expenditure:					
Payments to and provisions for employees	0.09	0.15	0.10	9.47	14.86
Establishment and other expenses	1.15	1.17	1.19	12.50	10.63
Depreciation	0.18	0.16	0.15	0.13	0.79
Total expenditure	**1.42**	**1.48**	**1.44**	**22.10**	**26.28**
Profit/(loss) before taxation	**1.65**	**8.88**	**29.87**	**13.76**	**32.52**
Less: Provision for taxation	0.53	3.40	10.80	5.33	11.00
Fringe benefit tax	-	-	-	-	0.27
Deferred tax adjustment	0.02	-	(0.01)	(0.01)	0.16
Profit/(loss) after taxation	**1.10**	**5.48**	**19.08**	**8.44**	**21.09**
Extent of interest so far as it concerns members of ICICI Securities Limited, the holding company, in the capital of the subsidiary.	100%	100%	100%	100%	100%
Extent of interest so far as it concerns members of ICICI Ltd. upto March 29, 2002 and ICICI Bank thereafter, the holding company, in the capital of ICICI Securities Limited, the subsidiary company.	99.92%	99.92%	99.92%	99.92%	99.90%
	99.92%	99.92%	99.92%	99.92%	99.90%
Amount of profit so far as it concerns the members of ICICI Ltd. upto March 29, 2002 and ICICI Bank thereafter, the holding company.	**1.10**	**5.48**	**19.06**	**8.43**	**21.07**

1. Consequent upon Accounting Standard 22 ‘Accounting for Taxes on Income’ becoming mandatory effective April 1, 2001, the deferred tax on timing differences has been recognised during the year ended March 31, 2002.
2. The management decided to capitalise expenditure incurred on software from March 2003. As a result of this change, profit for the year is higher by Rs. 0.01 crores. The effect of the same the year ended March 31, 2002 has not been determined and consequently, no adjustments have been carried out in the “Statement of Profits” shown above.

Part II - STATEMENT OF ASSETS AND LIABILITIES

(Rs. in crores)

		As on March 31, 2006
Assets :		
Cash and bank balances		36.08
Securities held as Stock-in-trade		-
Interest accrued		0.69
Loans and advances		18.79
Sundry debtors		108.29
Fixed assets		2.73
Total Assets (a)		**166.58**
Less: Liabilities		
Current liabilities and provisions		109.80
Deferred tax liability		0.25
Secured loans 8.00		
Total Liabilities (b)		**118.05**
Net worth (a)-(b)		**48.53**
Represented by		
Share Capital:		
4,500,700 equity shares of Rs 10/- each fully paid up.		
The entire share capital of the company is held by ICICI Securities Limited (the holding company) and its nominees		4.50
Reserves And Surplus		44.03
Networth		**48.53**
Net Assets so far as it concerns the members of ICICI Securities Limited, the holding company	(100.0%)	48.53
Net Assets so far as it concerns the members of ICICI Bank, the holding company of ICICI Securities Limited, the subsidiary company	(99.90%)	
Resultant interest so far as it concerns, the members of ICICI Bank, in the net assets of ICICI Brokerage Services Limited	(99.90%)	48.48
		48.48

Notes:

1. **Contingent liabilities**
   Income tax matters disputed by the Company as at March 31, 2006 is Rs. 5.01 crores (March 31, 2005 : Rs. 6.87 crores).
2. **Retirement benefits**
   At present, there is no liability towards retirement benefits.
3. **Capital commitments**
   Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 1.84 crores (March 31, 2005: Rs 0.68 crores).

4. Fixed deposits

Fixed deposits under lien with stock exchanges Rs. 6.61 crores (March 31, 2005: Rs.3.60 crores) and collateral security towards bank guarantees issued Rs. 19.17 crores (March 31, 2005: Rs.18.32 crores).

SIGNIFICANT ACCOUNTING POLICIES

1. Method of Accounting

The Financial statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with the accounting standards issued by the Institute of Chartered Accountants of India and referred to in Section 211 (3C) of the Companies act, 1956.

2. Revenue Recognition

(a) Brokerage income in relation to stock broking activity is recognized on the trade date of transaction. Amounts receivable from and payable to clients for broking transactions are disclosed separately as Trades executed but not settled. Brokerage income in relation to public issues/ other securities is recognized based on mobilization and intimation received from clients/intermediaries.

(b) Gains/ losses on dealing in securities are recognized on trade date.

3. Stock-in-trade

(a) The securities acquired with the intention of short-term holding and trading is classified as stock-in-trade.

(b) The securities held as stock-in-trade under current assets are valued at lower of cost arrived at on weighted average basis or market/fair value, computed category-wise.

4. Investments

(a) The securities acquired with the intention of holding till maturity or for a longer period are classified as investments.

(b) The Investments are shown in balance sheet at cost on a weighted average basis. Appropriate provision is made for other than temporary diminution in the value of investments.

5. Derivatives

(a) All open positions are marked to market.

(b) Gains are recognized only on settlement/expiry of the derivative instruments.

(c) Receivables/ Payables on open position are disclosed as current assets/current liabilities, as the case may be.

6. Fixed Assets and Depreciation/ Amortisation

(a) Fixed assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for intended use.

(b) Depreciation on fixed assets other than membership rights of The Stock Exchange, Mumbai (BSE), is provided on written down value method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

(c) BSE membership right is amortized over a period of 10 years.

The Carrying amounts are reviewed at each balance sheet date when required to assess whether they are recorded in excess of their recoverable amounts and when carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

(d) The Carrying amounts are reviewed at each balance sheet date when required to assess whether they are recorded in excess of their recoverable amounts and when carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

7. Deferred Tax

Tax expense comprises both current and deferred taxes. Current income- tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

8. Foreign Currency Transactions

Expenses and income are recorded at the exchange rate prevailing on the date of transaction. Assets and liabilities at the balance sheet date are restated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of assets and liabilities are dealt with in the profit and loss account.

9. Segment Reporting

Segment information is disclosed in the consolidated financial statement and hence not furnished in the separate financial statement.

10. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

11. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Annexure D - Statement of Accounts of ICICI HOME FINANCE COMPANY LIMITED

Part I - STATEMENT OF PROFITS

(Rs. in crores)

For the year ended March 31,	**2002**	**2003**	**2004**	**2005**	**2006**
Income:					
Income from operations	176.76	195.30	140.04	231.48	288.11
Other income	15.45	2.53	6.25	8.40	25.36
Total income	**192.21**	**197.83**	**146.29**	**239.88**	**313.47**
Expenses:					
Interest and other financial charges	129.25	146.54	109.38	169.06	219.20
Staff expenses	12.45	0.57	15.79	24.36	52.23
Establishment and other expenses	35.88	3.07	193.68	237.96	283.73
Depreciation	0.40	0.43	1.53	1.53	0.98
Provision for contingencies	-	-	17.73	20.99	(0.40)
Provision and write off against non performing assets	1.42	3.65	1.72	5.61	7.17
Provision for standard assets	-	2.80	3.33	(0.18)	3.55
Preliminary expenses written off	0.18	0.18	0.18	0.18	0.94
				179.**58**	**157.24**
	343.34	**459.51**	**567.40**		
Less: Expenses recovered	-	-	207.58	233.39	274.47
Total expenses	**179.58**	**157.24**	**135.76**	**226.12**	**292.93**
Profit before tax	**12.63**	**40.59**	**10.53**	**13.76**	**20.54**
Less: Provision for taxation	2.32	21.15	8.71	10.99	0.05
Fringe benefit tax	-	-	-	-	1.00
Deferred tax	0.74	(9.21)	(8.02)	(7.24)	7.20
Profit after tax	**9.57**	**28.65**	**9.84**	**10.01**	**12.29**
Extent of interest so far as it concerns members of erstwhile ICICI Ltd upto March 29, 2002 and ICICI Bank thereafter, the Holding Company, in the capital of the subsidiary	100%	100%	100%	100%	100%
Amount of profit so far as it concerns the members of erstwhile ICICI Ltd. upto March 29, 2002 and ICICI Bank the Holding company thereafter.	**9.57**	**28.65**	**9.84**	**10.01**	**12.29**

Notes:

1. Consequent upon Accounting Standard 22 'Accounting for Taxes on Income' becoming mandatory effective April 1, 2001, the Deferred Tax on timing differences has been recognised during the year ended March 31, 2002.
2. During the year, the Company has written off its preliminary expenses in the books of account compared to earlier policy of amortisation over the period of 10 years. Had the Company continued to follow the same policy, the charge to the Profit & Loss Account for the current year would have been lower by Rs. 7,594,116 and Miscellaneous Expenditure (to the extent not written off) would corresponding have been higher by Rs..0.76 crore.The effect of the same for each of the year ended March 31, 2002, 2003, 2004 and 2005 has not been determined and consequently , no adjustments have been carried out in the statement of profits shown above.
3. Expenses for the year ended March 31, 2002 and 2003 are reported net off amounts recovered from ICICI Bank.
4. Interest expenses includes Rs. 5.18 crore (March 31, 2005 – Rs. 0.55 crore) being (gain)/ loss booked on the interest rate swaps (IRS). The notional principal of hedge IRS as on March 31, 2006 is Rs. 925.00 crore (March 31, 2005: Rs. 660.00 crore).

Part II - STATEMENT OF ASSETS AND LIABILITIES

(Rs. in crores)

	As on March 31, 2006
Assets:	
1. Fixed assets	1.48
2. Investments	17.18
3. Loans & other credit facilities	3806.35
4. Current assets, loans & advances	
A. Current assets	
– Interest accrued	23.64
– Cash & bank balance	33.29
B. Loans & advances	177.74
5. Deferred tax asset	21.48
Total Assets (a)	**4081.16**
Liabilities:	
6. Unsecured loan	3591.54
7. Current liabilities and provisions	138.22
Total Liabilities (b)	**3729.76**
Net worth (a-b)	**351.40**
Represented by	
Share capital:	
283,750,000 equity shares of Rs 10/- each fully paid-up	283.75
(All the above shares are held by ICICI Bank limited the holding company and its nominees). (Refer note 2)	
15,000,000 0.01% fully convertible cumulative preference shares of Rs. 10/- each fully paid-up	15.00
(All the above shares are held by ICICI Bank limited the holding company and its nominees). (Refer note 3)	
Reserves and surplus:	
General reserves	10.64
Surplus in profit and loss account	4.82
Special reserve created and maintained in terms of section 36(1)(viii) of the Income Tax Act, 1961.	37.19
	351.40
Net assets so far as it concerns the members of ICICI Bank, the holding company and its nominees. (100%)	**351.40**

Notes:

1. Commitment towards part disbursement of sanctions amounted to Rs. 1.33 crore at March 31, 2006 (March 31, 2005: Rs. 3.36 crore).
2. During the period ended March 31, 2005, the ICICI Home Finance Company Limited (Company) has issued 43,750,000 equity shares of Rs.10/- each, to the equity shareholders of ICICI Distribution Finance Private Ltd (IDFL) on account of the amalgamation of IDFL into the Company. ICICI Distribution Finance Private Limited has been amalgamated with the Company vide the order dated June 30, 2005 of the Bombay High Court, effective August 11, 2005. The profit of IDFL for the year ended March 31, 2005 amounting to Rs. 1.61 crore, which has been taken over by the Company, has been included in the Profit and Loss account of the Company.
3. The preference shares were issued in two tranches. The first tranch of preference shares for Rs.25.00 crore was allotted on December 28, 2001 and are convertible into equity shares at the option of the preference shareholder after completion of one year but before completion of three years from the date of allotment in the ratio of 1: 1. However, the said preference shares shall be compulsorily and automatically convertible into one fully paid-up equity share of Rs. 10 each for every one preference share of Rs.10 held on December 27, 2004. Accordingly, the said Preference shares have been converted into one fully paid-up equity share for every one preference share of Rs.10 on December 27, 2004. The second tranche of

preference shares for Rs.15.00 crores was allotted on March 14, 2002 and are convertible into equity shares at the option of the preference shareholder after completion of one year but before completion of seven years from the date of allotment in the ratio of 1:1. However, the said preference shares shall be compulsorily and automatically convertible into one fully paid-up equity Share of Rs. 10 each for every one preference share of Rs.10 held on March 14, 2009.

4. Home Loans given by the company are secured by the underlying property.
5. Contingent liability:-
   (a) Income Tax matters in appeals Rs. 1.53 crore.
   (b) Difference between the cash collateral and expenses provided for the future cost in respect of securitisation is Nil.(Mar'05 – Rs. 6.71 crore).
6. Provision for Servicing expenses of loans securitised is done upfront by the Company. At each Balance sheet date, the Company assesses the liability of servicing of securitised pool and differential amounts are written back in the books of account. The provision of the delinquencies and conversion risk as well as provision for prepayment risk on the loan portfolio sold by the Company is also made upfront and reduced from the gross capital gains on the securitisation transaction. At each balance sheet date, the Company assesses the delinquencies, prepayment and conversion risk of securitised pool and differential amounts are written back/ provided in the books of account.
7. Loans and other credit facilities includes:
   (a) Rs. 41.28 crore (March 31, 2005: Rs. 45.06 crore) subordinated interest in the underlying trust property of housing loans of Mortgage Backed Securitisation trust series VI & VII.

SIGNIFICANT ACCOUNTING POLICIES:

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India, the directions issued by the National Housing Bank (NHB) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

1. Revenue Recognition

Interest income/ fees on housing loan is accounted for on accrual basis, other than interest on non-performing assets and charges for delayed payments and cheque bouncing, if any, which is accounted for on cash basis. Dividend is accounted on an accrual basis when the right to receive the dividend is established.

2. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and net realisable value. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise other than temporary decline in the value of the investments.

Costs such as brokerage, commission etc., pertaining to investments, paid at the time of acquisition, are included in investment cost.

3. Preliminary and Share Issue Expenses

During the year, the Company has written off its preliminary expenses in the books of account compared to earlier policy of amortisation over the period of 10 years. Had the Company continued to follow the same policy, the charge to the Profit & Loss Account for the current year would have been lower by Rs. 7,594,116 and Miscellaneous Expenditure (to the extent not written off) would corresponding have been higher by Rs. 7,594,116.

4. Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
The carrying amounts are reviewed at each balance sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

5. Depreciation

Depreciation on assets is charged on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956, except in case of computer software where depreciation is provided @ 20% per annum which is higher than the depreciation rate for Computers prescribed in Schedule XIV of the Companies Act, 1956.

6. Provisions/ write-offs on loans and other credit facilities

Loans and other credit facilities are classified as per the NHB guidelines, into performing and non-performing assets. Further non-performing assets classified into sub-standard, doubtful and loss assets based on criteria stipulated by NHB. Additional provisions are made against specific non-performing assets over above what is stated above, if in the opinion of the management, increased provisions are necessary.

The Company maintains general provisions to cover potential credit losses which are inherent in any loan portfolio but not identified. For standard assets, additional general provisions are determined having regard to overall portfolio quality, asset growth, economic conditions and other risk factors.

7. Accounting for Swaps

The Company enters into derivative contracts such as interest rate swaps to hedge on balance sheet assets and liabilities. The swap contracts entered to hedge on balance sheet assets and liabilities are structured such that they bear an opposite and offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments are correlated with the movements of the underlying assets and liabilities and accounted pursuant to the principles of hedge accounting whereby interest differential received/ paid adjusted from/ to interest expenses. The related amount receivable from and payable to the swap counter parties is included in the other assets or other liabilities in the balance sheet.

9. Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceed its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

10. Provision

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

11. Retirement Benefits

Retirement benefits in the form of Provident Fund and Pension Schemes are charged to the Profit & Loss account of the year when the contributions to the respective funds are due. Gratuity liability under the Payment of Gratuity Act and provision for leave encashment is accrued and provided for on the basis of actuarial valuation made at the end of each financial year.

12. Transfer and servicing of Financial Assets

The Company transfers loans to a bankruptcy remote special purpose vehicles through a securitization transactions. The transferred loans are derecognized from the books of the Company and gains / losses are recorded only if the Company surrender the rights to benefits specified in the loan contract. Credit provisions and servicing obligations are debited separately to the Profit & Loss account. Retained beneficial interest in the loan is evaluated by allocating the carrying values of the loans between the assets sold and retained interest, based on the relative fair value measured at the end of each reporting period. The resultant gains/ losses if any are recorded in to the Profit and Loss account.

13. Income Tax

Tax expense comprises both current, deferred and fringe benefit taxes. Current income- tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income -tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Annexure E - Statement of Accounts of ICICI SECURITIES HOLDINGS, INC.

Part I - STATEMENT OF PROFITS

(Rs.in thousands)

	For the year ended March 31,				
	2002	**2003**	**2004**	**2005**	**2006**
Income from operations					
Income from Services	-	16,062.64	12,934.12	6,892.41	885.46
Interest income	-	28.10	104.93	-	-
Other income	20,046.60	14,547.30	13,808.67	16,179.37	34,245.11
Less: Financial charges and operating expenses	131.27	1,093.59	184.86	1,099.44	132.98
Total income from operations	**19,915.33**	**29,544.45**	**26,662.86**	**21,972.34**	**34,997.59**
Expenditure:					
Payments to and provisions for employees	9,979.92	14,324.31	15,206.58	22,676.35	19,616.40
Establishment and other expenses	9,643.57	11,998.02	10,746.68	12,543.56	12,170.31
Depreciation - On other owned assets	112.01	162.48	171.38	114.01	112.43
Total expenditure	**19,735.50**	**26,484.81**	**26,124.64**	**35,333.92**	**31,899.14**
Profit/(loss) before taxation	**179.83**	**3,059.64**	**538.22**	**(13,361.58)**	**3,098.45**
Less: Provision for taxation	-	-	-	-	(14,192.03)
Profit/(loss) after taxation	179.83	3,059.64	538.22	(13,361.58)	17,290.48
Extent of interest so far as it concerns members of ICICI Securities Limited, the holding company, in the Capital of the Subsidiary	100%	100%	100%	100%	100%
Extent of interest so far as it concerns members of ICICI Ltd. upto March 29, 2002, and ICICI Bank thereafter the holding company, in the capital of ICICI Securities Limited, the subsidiary company	99.92%	99.92%	99.92%	99.92%	99.90%
Resultant interest so far as it concerns members of ICICI Ltd, upto March 29, 2002 and ICICI Bank the holding company thereafter, in the capital of ICICI Securities Holding Inc.	99.92%	99.92%	99.92%	99.92%	99.90%
Amount of profit/loss so far as it concerns the members of erstwhile ICICI Ltd. upto March 29, 2002 and ICICI Bank thereafter, the holding company.	**179.69**	**3,057.19**	**537.79**	**(13,350.89)**	**17,273.19**

Note:
ICICI *Securities Holding Inc. was incorporated as a wholly owned subsidiary of ICICI Securities on June 12, 2000.*

Part II - STATEMENT OF ASSETS AND LIABILITIES

(Rs. in thousands)

	As on March 31, 2006
Assets:	
Cash and cash equivalents	14,347.49
Loans and Advances	16,739.63
Fixed Assets	200.28
Investments	491,212.05
Total assets	**522,499.45**
Less: Liabilities	
Current Liabilities and Provisions	3,794.98
Net worth	**518,704.47**
Represented by	
Share Capital:	
Common Stock USD 1 par value; 11,700,000 shares	522,280.50
Reserves & Surplus:	
Profit and Loss Account	(1,576.25)
Translation Reserve	(1,999.78)
Networth	**518,704.47**
Net Assets so far as it concerns the members of ICICI Bank the holding company and its nominees (99.90%)	**518,185.77**

Notes:

1. The Company is a wholly owned subsidiary of ICICI Securities Limited.
2. Deferred Tax asset resulting from accumulated losses have not been accounted because of uncertainty of availability of sufficient future taxable income.
3. For the purpose of conversion of the local currency (USD) into Indian Currency (Indian Rupees) the exchange rate applied as per para 4 of the significant accounting policies.

SIGNIFICANT ACCOUNTING POLICIES:

1. Method of Accounting

The Financial statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with the accounting standards issued by the Institute of Chartered Accountants of India and referred to in Section 211 (3C) of the Companies act, 1956.

2. Revenue Recognition

Revenue from issue management, loan syndication, financial advisory services etc., is recognized based on the stage of completion of assignments and terms of agreement with the client.

3. Investments

(a) Securities acquired with the intention of holding till maturity or for a longer period are classified as investments.

(b) Investments are carried at cost arrived at on wiehted average basis. Commissions earned in respect of securities acquired upon devolvement are reduced from the cost of acquistion. Appropriate provision is made for other than temporary diminution in the value of investments.

4. **Conversion to Indian Rupees**

All income and expense items are converted at the average rate of exchange applicable for the year. All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of the year-end translation is being debited/credited to translation reserve.

The Equity Share Capital and Investments in subsidiary is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation at the year-end are transferred to Translation Reserve account and the said account is being treated as "Reserves and Surplus"

5. **Fixed Assets and Depreciation**

Fixed assets are stated at historical cost.

Depreciation on fixed assets is provided on straight line method at the rates which are equal or higher than the rates prescribed in Schedule XIV of the Companies Act, 1956. Such rates are fixed after considering applicable laws in the United States of America and management estimation of the useful life of the asset.

Depreciation of Assets	Estimate Life
Office Equipment & Computers	3 Years
Furniture & Fixtures	7 Years

6. **Income Tax**

Tax expense comprises both current and deferred taxes. Current income- tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised

7. **Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

8. **Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Annexure F - Statement of Accounts of ICICI SECURITIES INC.

Part I - STATEMENT OF PROFITS

(Rs.in thousands)

For the year ended March 31,	**2002**	**2003**	**2004**	**2005**	**2006**
Income from operations:					
Income from services	6,994.02	9,841.49	35,312.59	43,319.15	272,858.96
Interest income	854.18	194.87	22.54	97.58	1,991.16
Other income	-	-	-	246.53	13,579.82
	7,848.20	10,036.36	35,335.13	43,633.26	288,429.94
Less: Financial charges and operating expenses	29.51	-	345.83	16,110.41	138,219.44
Total income from operations	**7,818.69**	**10,036.36**	**34,989.30**	**27,552.85**	**150,210.50**
Expenditure:					
Less:Administrative expenditure					
- Establishment and other expenses, Employee costs and Depreciation	22,011.05	15,525.58	18,877.42	26,522.62	76,352.24
	22,011.05	**15,525.58**	**18,877.42**	**26,522.62**	**76,352.24**
Profit/(loss) before taxation	**(14,192.36)**	**(5,489.22)**	**16,111.88**	**1,030.23**	**73,858.26**
Less: Provision for taxation	-		-	-	30,397.79
Profit/(loss) after taxation	**(14,192.36)**	**(5,489.22)**	**16,111.88**	**1,030.23**	**43,460.47**
Extent of interest so far as it concerns members of ICICI Securities Holdings Inc., the holding company, in the capital of the subsidiary	100%	100%	100%	100%	100%
Extent of interest so far as it concerns members of ICICI Ltd upto March 29, 2002, and ICICI Bank thereafter the holding company, in the capital of ICICI Securities Limited, the subsidiary company	99.92%	99.92%	99.92%	99.92%	99.90%
Extent of interest so far as it concerns members of ICICI Ltd upto March 29, 2002, and ICICI Bank thereafter the holding company, in the capital of ICICI Securities Limited, the subsidiary company	99.92%	99.92%	99.92%	99.92%	99.90%
Amount of profit so far as it concerns the members of erstwhile ICICI Ltd. upto March 29, 2002 and ICICI Bank thereafter, the holding company	(14,181.01)	(5,484.83)	16,098.99	1,029.41	43,417.01

Note :
ICICI Securities Inc. was incorporated as a wholly owned subsidiary of ICICI Securities Holding Inc. on June 13, 2000.

Part II - STATEMENT OF ASSETS AND LIABILITIES

(Rs. in thousands)

		As on March 31, 2006
Assets:		
Fixed assets		448.68
Cash and Bank Balances		64,831.49
Interest Accrued		116.99
Loans and Advances		10,842.77
Securities held as Stock-in-trade		902,997.96
Sundry Debtors		12,833.19
Total assets (a)		**992,071.08**
Liabilities:		
Current Liabilities and Provisions		141,962.44
Unsecured loans		334,612.50
Total Liabilities (b)		**476,574.94**
Net worth (a)-(b)		**515,496.14**
Represented by :		
Share Capital:		
Common Stock USD 1 par value; 11,050,000 shares authorized		491,212.05
		491,212.05
Reserves And Surplus:		
Profit and Loss Account		21,329.38
Translation Reserve		2,954.71
Networth		**515,496.14**
Net Assets so far as it concerns the members of ICICI Bank Ltd. the holding company and its nominees	(99.90%)	**514,980.61**

Notes:

1. The Company is a wholly owned subsidiary of ICICI Securities Holdings Inc.
2. Deferred Tax asset resulting from accumulated losses have not been accounted because of uncertainty of availability of sufficient future taxable income.
3. For the purpose of conversion of the local currency (USD) into Indian Currency (Indian Rupees) the exchange rate applied as per para 3 of the accounting policies.

SIGNIFICANT ACCOUNTING POLICIES:

1. Method of Accounting

The Financial statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with the accounting standards issued by the Institute of Chartered Accountants of India and referred to in Section 211 (3C) of the Companies act, 1956.

2. Revenue Recognition

Revenue from issue management, loan syndication, financial advisory services etc., is recognized based on the stage of completion of assignments and terms of agreement with the client.

3. **Conversion to Indian Rupees**

All income and expense items are converted at the average rate of exchange applicable for the year. All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of the year-end translation is being debited/credited to translation reserve.

The Equity Share Capital is carried forward at the rate of exchange prevailing on the transaction date. The resulting exchange difference on account of translation at the year-end are transferred to Translation Reserve account and the said account is being treated as "Reserves and Surplus"

4. **Income Tax**

Tax expense comprises both current and deferred taxes. Current income- tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised

5. **Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

6. **Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

7. **Stock-in-trade**

i. The securities acquired with the intention of holding for short-term and trading are classified as stock-in-trade.
ii. The securities held as stock-in-trade are valued at lower of cost or market/ fair value
iii. Discounted instruments like Commercial paper/ Certificates of Deposit / treasury bills/ zero coupon instruments are valued at carrying cost or market price whichever is lower.
iv. Units of mutual fund are valued at lower of cost and net asset value.

Annexure G - Statement of Accounts of ICICI INTERNATIONAL LIMITED

Part I - STATEMENT OF PROFITS

(Amount in US$)

For the year ended March 31,	**2002**	**2003**	**2004**	**2005**	**2006**
Income:					
Management fees	944,273	330,302	159,491	103,000	736
Interest income	7,857	3,694	1,207	3,125	5,886
Profit on redemption of shares	-	-	-	-	-
Total Income	**952,130**	**333,996**	**160,698**	**106,125**	**6,622**
Expenditure:					
Advisory fees	815,000	322,300	146,400	95,000	-
License fees	1,500	1,500	1,500	1,500	1,500
Administration & professional fees	7,922	4,610	6,785	4,399	8,549
Audit fees	2,240	2,300	2,300	2,300	2,300
Directors fees	1,063	1,250	1,250	1,250	1,250
Secretarial fees	1,063	1,250	1,250	1,250	1,250
Bank charges	63	300	365	340	475
Provision for investments written off	100	-	-	-	-
General expenses	-	210	848	-	-
SEBI Registration Fees	-	-	-	-	5,000
Total Expenses	**828,951**	**333,720**	**160,698**	**106,039**	**20,324**
Profit/ (loss) from operations	**123,179**	**276**	**-**	**86**	**(13,702)**
Previous year expenses written back (net)	32,462	-	-	-	-
Net profit/(loss)	**155,641**	**276**	**-**	**86**	**(13,702)**
Extent of interest so far as it concerns members of erstwhile ICICI Ltd. upto March 29, 2002 and ICICI Bank thereafter, the holding company, in the capital of the subsidiary	100%	100%	100%	100%	100%
Amount of profit so far as it concerns the members of erstwhile ICICI Ltd. upto March 29, 2002 and ICICI Bank, the holding company thereafter.	**155,641**	**276**	**-**	**86**	**(13,702)**

Note :

The Company became subsidiary of erstwhile ICICI Ltd. with effect from October 21, 1997 & of ICICI Bank with effect from March 29, 2002.

Part II - STATEMENT OF ASSETS AND LIABILITIES

(Amount in US$)

	As on March 31, 2006
Assets:	
Investmentst	300,000
Current assets	723,451
	1023451
Less: Current liabilities	7,975
Networth	**1,015,476**
Represented by	
Share capital:	
90,000 ordinary shares of US $ 10 each. (The entire share capital of the company is held by ICICI Bank Limited, the holding company)	900,000
Reserves and surplus:	
Accumulated profit	115,476
Networth	**1,015,476**
Net assets so far as it concerns the members of ICICI Bank Limited, the holding company (100%)	**1,015,476**

Notes:

I. Taxation

Income tax

The Company is a tax incentive company in Mauritius and under current laws and regulations it is liable to pay income tax on its net income at a rate of 15%. The Company is however entitled to a tax credit equivalent to the higher of actual foreign tax suffered and 80% of Mauritius tax payable in respect of its foreign source income tax thus reducing its maximum effective tax rate to 3%. At March 31, 2006, the Company has accumulated tax loss of USD 27,252 (March 31, 2005: USD 7,664) and therefore no provision for taxation has been made.

The Company has received a certificate from the Mauritian authorities that it is a resident of Mauritius. In the absence of a permanent establishment in India, the Company should not be subject to capital gains tax in India on the sale or redemption of securities.

No Mauritian capital gain tax is payable on profits arising from sale of securities, and any dividends and redemption proceeds paid by the Company to its Shareholders will be exempt in Mauritius from any withholding tax.

Deferred tax

A deferred tax asset has not been recognised in respect of the tax losses carried forward as the directors consider that it is not probable that future taxable profit will be available against which the unused tax losses can be utilised.

II. Reporting currency

The financial statements are presented in US Dollar, which is considered to be the Company's functional currency.

III. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards. The preparation of financial statements in accordance with International Financial Reporting Standards requires the directors to make estimates and assumptions that could affect the reported amounts and disclosures in the financial statements.Actual results could differ from those estimates.

Basis of accounting

The financial statements are prepared under the historical cost convention.

1. Investments

The investment in the joint venture entity, TCW/ICICI Investment Partners, L.L.C. is viewed as a "strategic investment" and has, as a result, been recorded at cost.

Available-for-sale investments are valued at fair value and the resulting temporary unrealised (gains) / losses (including unrealised foreign exchange (gains) / losses on retranslation at the closing rate, if any) are reported as a separate component of equity as "Investment Revaluation Reserve", till the underlying investment is sold or permanently written off, when the total realised (gains) / losses are included in the Income Statement.

2. Foreign currencies

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Monetary gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Such balances are translated at the year-end exchange rates unless hedged by forward exchange contracts, in which case the rates specified in such contracts are used.

3. Deferred tax

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

The principal temporary differences arise from tax losses carried forward. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

4. Income tax

Income taxes currently payable are provided for in accordance with the existing legislation of the various countries in which the Company operates.

5. Receivables

Receivables are stated at original invoice amount less allowance made for doubtful receivables based on a review of all outstanding amounts at the period end. An allowance for doubtful receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables. Bad debts are written off when identified.

6. Share capital

Ordinary shares are classified as equity.

7. Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

8. Revenue recognition

Revenue is recognised on the following basis:

Interest income and management fees are accounted for on an accrual basis unless collectibility is in doubt.

9. Related Parties

Related parties are individuals & companies where the individual or company has the ability , directly or indirectly, to control the other party or exercise significant influence over the other party in making financial & operating decisions.

10. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

11. Financial instruments

Financial instruments carried on the balance sheet include investments, receivables, cash and cash equivalents, and trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

12. Investments

(a) Investments consist of 50% of the issued share capital of TCW/ICICI Investment Partners LLC, a company incorporated in Mauritius. The investments were acquired for USD 300,000.

Particulars	**Deceember 31, 2006**
Directors' valuation (US$)	300,000

(b) Investments which exceeds 10% of the issued share capital are:

Name of Company	**Description**	**Proportion Held**
TCW / ICICI Investment Partners LLC	Ordinary shares	50%

13. Agreements

Administration Agreement

The Company has entered into an agreement with International Financial Services Limited (the "Mauritian Administrator"), a company incorporated under the laws of Mauritius. In consideration of the services to be performed by the Mauritian Administrator, the latter shall be entitled to receive from the Company a fee based on hours worked by the Mauritian Administrator in the performance of its duties.

Annexure H - Statement of Accounts of ICICI TRUSTEESHIP SERVICES LIMITED
Part I - STATEMENT OF PROFITS

(Rs.in crores)

For the year ended March 31,	2002	2003	2004	2005	2006
Income:					
Trusteeship fees	251,100	390,100	300,100	250,100	250,100
Interest income	-	1,255	46,828	58,618	75,875
Dividend	-	800	1,130	1,250	500
Profit on sale of investment	-	-	-	-	2,536
Total income	**251,100**	**392,155**	**348,058**	**309,968**	**329,011**
Expenses:					
Audit fees	6,300	11,814	10,800	28,700	13,334
Director fees	9,000	5,000	4,000	5,000	5,000
Profession tax	4,900	2,500	2,500	2,500	2,500
Preliminary expenses written off	14,529	14,529	14,529	14,529	-
Interest-Others	-	-	2,663	-	868
Other expenses	500	2,132	-	1,500	2,118
Total expenses	**35,229**	**35,975**	**34,492**	**52,229**	**23,820**
Profit before tax	**215,871**	**356,180**	**313,566**	**257,739**	**305,191**
Less: Provision for taxation	80,000	131,000	120,000	94,000	105,000
Profit after tax	**135,871**	**225,180**	**193,566**	**163,739**	**200,191**
Add: Excess provision for income tax of earlier years	-	-	2,934	7,912	-
Net profit	**135,871**	**225,180**	**196,500**	**171,651**	**200,191**
Extent of interest so far as it concerns members of erstwhile ICICI Ltd upto March 29, 2002 and ICICI Bank thereafter, the holding company, in the capital of the subsidiary	100%	100%	**100%**	**100%**	**100%**
Amount of profit so far as it concerns the members of erstwhile ICICI Ltd. upto March 29, 2002 and ICICI Bank, the holding company thereafter.	135,871	225,180	196,500	171,651	**200,191**

Notes

The Company was incorporated on April 29, 1999.

Part II - STATEMENT OF ASSETS AND LIABILITIES

(Rs in crores)

	As on March 31, 2006
Assets:	
Investments **-**	
Current assets, loans & advances:	
Cash & bank balances	1,646,772
Sundry Debtors	-
Loans and advances	342,971
Total assets (a)	**1989,743**
Liabilities:	
Current liabilities and provisions	471,266
Total Liabilities (b)	**471,266**
Net worth (a)-(b)	**1,518,477**
Represented by	
Share capital:	
50,000 equity shares of Rs.10/- each fully paid-up	500,000
All the above equity shares are held by ICICI Bank Limited - the holding company and its nominees	
Reserves and surplus	1,007,477
Corpus fund (refer note 1)	11,000
Less: Miscellaneous expenditure	
(To the extent not written off or adjusted)	-
Netwoth	**1,518,477**
Net assets so far as it concerns the members of ICICI Bank Ltd, the holding company and its nominees.	(100%) 1,518,477

Notes:

1. 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 Ltd. 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 cash and bank balances.
2. Tax expenses for the year is on the basis of current tax since there are no timing differences resulting into tax expenses/tax saving on the deferred tax basis.

SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of preparation of financial statements:**

   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 (ICAI).

2. **Use of Estimates:**

   The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reported period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

3. **Revenue Recognition:**

   Income from trusteeship fees is accounted on accrual basis. Interest income and other dues are accounted on accrual basis. Dividend is accounted on an accrual basis when the right to receive the dividend is established.

4. **Income taxes:**

   Income tax expense represents the aggregate of the current tax and deferred tax charge. Current year taxes are determined in accordance with the Income Tax Act, 1961. Deferred tax is computed in accordance with the requirements of the Accounting Standard 22 on “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India.

5. **Preliminary expense:**

   Preliminary expenses towards the incorporation of the company are treated as miscelleneous expenditure,which is written off to the Profit & Loss Account over a period of 5 years from the year in which the company commenced its operations.The same has been fully written off during the year ended March 31, 2005**.**

6. **Investments:**

   Investments classified as long-term investments are stated at cost. Provision is made to recognize a decline if any, other than temporary in the value of investment.

7. **Contingent liabilities:**

   The company estimates the probability of any loss that might be incurred on outcome of contingencies on the basis of information available up to the date on which the financial statements are prepared. A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements. In case of remote possibility neither provision nor disclosure is made in the financial statements.

Annexure I - Statement of Accounts of ICICI BANK CANADA

Part I - STATEMENT OF PROFITS

(Canadian Dollars in thousands)

	For the year ended March 31,		
	2004 (Unaudited)	**2005 (Unaudited)**	**2006 (Unaudited)**
Income:			
Interest income	279	2,533	23,515
Other income	10	615	3,356
Total Income	**289**	**3,148**	**26,871**
Expenditure:			
Interest expended	2	1,482	15,889
Operating expenses	1,602	11,462	19,248
Provisions and contingencies	17	326	1,419
Total Expenses	**1,621**	**13,270**	**36,556**
Profit/(loss) before tax	**(1,332)**	**(10,122)**	**(9,685)**
Less: Provision for federal capital tax and future income tax benefit	402	2,949	2,842
Profit/(loss) after tax	**(930)**	**(7,173)**	**(6,843)**
Extent of interest so far as it concerns members of ICICI Bank the holding company, in the capital of the subsidiary	100%	100%	100%
Amount of profit so far as it concerns the members of ICICI Bank, the holding company.	(930)	(7,173)	(6,843)

Note:
The Bank is a wholly-owned subsidiary of ICICI Bank Limited (the "Parent"). Office of the Superintendent of Financial Institutions, Canada granted the Bank its Letters Patent of Incorporation on September 12, 2003, and an Order to Commence and Carry on Business (the "Order") on November 25, 2003. The Bank launched its operations on December 19, 2003.

Part II - STATEMENT OF ASSETS AND LIABILITIES

(Canadian Dollars in thousands)

	As on March 31, 2006 (Unaudited)
Assets:	
Cash and deposits with regulated financial institutions	24,384
Loans	629,307
Fixed assets	3,662
Investments	357,127
Other assets	13,290
Total Assets (a)	**1,027,770**
Liabilities:	
Deposits	880,377
Current liabilities and provisions	70,338
Total Liabilities (b)	**950,715**
Net worth (a)-(b)	77,055
Represented by	
(A) Share Capital:	
82,000,000 Common Stock Shares of Canadian Dollar 1 each fully paid-up	82,000
All the above equity shares are held by ICICI Bank Limited, the holding Company.	
10,000,000 Preference shares of Canadian Dollar 1 each fully paid-up	10,000
All the above preference shares are held by ICICI Bank Limited, the holding company.	
(B) Reserves and surplus:	
Profit & loss account	(14,945)
Net ass Net assets so far as it concerns the members of ICICI Bank Ltd.,the holding co. & its members	**77,055**

SIGNIFICANT ACCOUNTING POLICIES
(All figures in the notes to accounts below are in Canadian dollars in thousands)

1. Nature of Operations

Pursuant to the Bank Act, the financial statements of ICICI Bank Canada (the "Bank") have been prepared in accordance with Canadian generally accepted accounting principles (GAAP), except as otherwise specified by the Superintendent of Financial Institutions, Canada (OSFI). Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The Bank is a wholly-owned subsidiary of ICICI Bank Limited (the "Parent"). OSFI granted the Bank its Letters Patent of Incorporation on September 12, 2003, and an Order to Commence and Carry on Business on November 25, 2003. The Bank launched its operations on December 19, 2003.

2. Cash and cash equivalents

The Bank considers cash and cash equivalents to represent cash balances on hand and non-interest bearing deposits with regulated financial institutions due on demand.

3. Securities

Securities are classified, based on management's intentions, as investment account securities or trading account securities.
Investment account securities comprise debt and equity securities, originally purchased with the intention of holding to maturity or for a pre-determined period of time, which may be sold in response to changes in investment objectives arising from changing market conditions or to meet liquidity requirements. Debt securities are carried at amortized cost and equity securities are carried at cost. The straight-line method is used for the amortization of premiums and discounts on debt securities. Interest income is recorded on an accrual basis.

The fair values of securities are based on quoted market values, where available; otherwise, fair values are estimated using quoted market values for similar securities or other third party evidence, as available.
Trading account securities, purchased for resale in the near term, are reported at estimated fair value. No trading account securities were held at the balance sheet date.

4. Loans

Loans are stated net of an allowance for credit losses. Interest income is accounted for on an accrual basis and included in other assets.

Loans are classified as impaired when there is no longer reasonable assurance of the timely collection of the full amount of principal and interest. An allowance for credit losses is maintained at a level that management considers adequate to absorb all identified credit related losses as well as those losses that have been incurred but not yet identified. The allowance for credit losses relates primarily to loans, but also to other credit instruments such as letters of credit, and is either specific or general.During the year ended March 31, 2006, there were no write-offs of loan balances(2005-nil).

A general allowance is provided for losses which management estimates are in the portfolio, not relating to loans specifically identified as impaired and not yet captured by a specific allowance.

Loan (refundable or non-refundable) fees received for term loans, demand loans, mortgages and operating lines of credit are deferred and recognized over the life of the loan. Upon approval of the credit facility, fee income is amortized over the term of the loan or over 12 months for demand loans. Non-refundable loan fees are booked as non-interest income even if the credit facility is not approved.

Commitments for credit related arrangements include unused portion of commercial and personal lines of credit, letters of credit facility to commercial clients, imports bills for collection, and standby letter of guarantee.

5. **Fixed assets**

Fixed assets are carried at cost less accumulated depreciation, which is calculated by applying the straight-line method over the estimated useful life of the asset.

6. **Other assets**

As on March 31, 2006 other assets comprised of future income tax asset of $6,255 (note 11), unamortized prepaid expenses and deposits of $1,462 accrued interest on loans and investments of $4,693, and other assets of $880.

7. **Share capital**

The Bank is authorized to issue an unlimited number of common shares without par value and an unlimited number of non-voting preferred shares without par value.

As on March 31, 2006 the Bank had issued 820 lakhs common shares and 100 lakhsseries A preferred shares to its Parent, and these shares had been fully subscribed. The preferred shares are not redeemable at the option of the Bank, prior to 10 years since their issuance, and bear a fixed non-cumulative cash dividend of 1% per annum. No cash dividend has been paid so far.

8. **Non interest income**

Non-interest income includes loan fees, personal and commercial service charges, safety deposit box rentals, trade finance fees, gains on foreign exchange transactions and capital gain on sale of securities. Income is accounted on accrual basis.

9. **Income taxes**

The Bank uses the asset and liability method of accounting for income taxes whereby income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for book purposes compared with their carrying amounts for tax purposes. Accordingly, a future income tax asset or liability is determined for each temporary difference based on the tax rates that are expected to be in effect when the underlying items of income or expense are expected to be realized. Net future income taxes accumulated as a result of these temporary differences are included in other assets or other liabilities.

A valuation allowance is established to reduce future income tax assets to an amount that is more likely than not to be realized. A future income tax asset of $6,255 has been recorded, net of a valuation allowance of $1,339 using the enacted tax rate of 36.12%.

10. **Foreign currency translation**

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars using the Bank of Canada exchange rates, at the balance sheet date. Revenue and expenses in foreign currencies are translated using an average monthly exchange rate. Realized and unrealized gains and losses resulting from translation are included in the statement of operations.

11. **Guarantee facility**

The Parent has provided a guarantee of $10,000 to Royal Bank of Canada, securing the credit facilities that it may extend to the Bank.

12. **Estimated fair value of financial instruments**

The estimated fair values of assets and liabilities approximate their book values except investment securities and loans where general and specific provision is created based upon management's best estimate.

Annexure J - Statement of Accounts of ICICI PRUDENTIAL LIFE INSURANCE CO. LTD.

Part I - STATEMENT OF PROFITS - SHAREHOLDERS

(Rs.in thousands)

For the year ended March 31,	**2002**	**2003**	**2004**	**2005**	**2006**
Amount transferred to:					
Policyholders' Account (Technical) Participating	927,171	706,428	464,766	-	-
Policyholders' Account (Technical) Non-Participating	124,697	30,027	93,396	3,630	(43,887)
Policyholders' Account (Technical) Annuities Participating	-	175,169	221,272	92,378	-
Policyholders' Account (Technical) Linked	14,769	362,573	1,292,142	1,698,927	2,303,744
Policyholders' Account (Technical) Linked Pension	-	263,484	425,064	630,917	(31,575)
Policyholders' Account (Technical) Annuity Non - participating	2,512				
Total (a)	**1,241,806**	**1,583,784**	**2,367,746**	**2,333,474**	**2,230,794**
Income from investments					
(a) Interest/dividend [Gross]	107,292	62,019	97,455	96,303	165,786
(b) Profit on sale of investments (net)	112,347	57,172	45,941	15,657	34,367
(c) Transfer / gain on revaluation / change in fair value	-	-	89	451	972
Fees for professional services	1,011	1,397	1,098	1,002	-
Other income	58	19	-	53	2,252
Total (b)	**220,708**	**120,607**	**144,583**	**113,466**	**203,377**
Operating Expenses					
Employees' remunerations and welfare benefits	2,974	1,648	2,334	668	1,356
Travel, conveyance and vehicle running expenses	341	49	70	13	40
Sales promotion	692	4,543	10,151	10	-
Rents, rates and taxes	5	-	-	-	-
Legal and professional charges	6,057	22	560	364	2
Sale/write off of fixed assets	-	802	829	-	-
Others	861	1,527	1,851	3,001	4,466
Depreciation	142	47	61	31	8
Total (c)	**11,072**	**8,638**	**15,856**	**4,087**	**5,872**
Profit/(loss) before tax (b-a-c)	**(1,032,170)**	**(1,471,815)**	**(2,239,019)**	**(2,224,095)**	**(2,033,289)**
Less: Provision for taxation					
(a) Current tax expense	-	-	-	-	-
(b) Deferred tax income	(18,811)	-	23,336	107,885	154,500
(c) Fringe benefit tax	-	-	-	-	-
Profit/ (loss) after tax	**(1,050,981)**	**(1,471,815)**	**(2,215,683)**	**(2,116,210)**	**(1,878,789)**
Extent of interest so far as it concerns members of erstwhile ICICI Ltd upto March 29, 2002 and ICICI Bank thereafter, the holding company, in the Capital of the Subsidiary	74%	74%	74%	74%	74%
Amount of profit so far as it concerns the members of erstwhile ICICI Ltd. upto March 29, 2002 and ICICI Bank, the holding company thereafter.	**(777,726)**	**(1,089,143)**	**(1,639,605)**	**(1,565,995)**	**(1,390,304)**

Notes:

1. The Company was incorporated on July 20, 2000.
2. Consequent upon Accounting Standard 22 "Accounting for Taxes on Income" becoming mandatory effective April 1, 2001, the deferred tax on timing differences has been recognised during the year ended March 31, 2002

3. Till the year ended March 31, 2002 the company capitalized all improvements to software applications. However in view of the rapid advancement in technology and faster obsolescence the Company has changed the policy, in year ended March 31, 2003, of capitalization and only significant improvements to software are capitalized with the insignificant improvements being charged off as software expenses. Had the company followed previous year's accounting policy the net deficit for the year ended March 31, 2003 would have been lower by Rs.14.5 lakhs and the net block of fixed assets as at March 31, 2003 would have been higher by Rs.14.5 lakhs. The effect of the same for the year ended March 31, 2002 has not been determined and consequently, no adjustments have been carried out in the "Statement of Profits" shown above.
4. During year ended March 31, 2003 the company has changed its accounting policy for provision of leave encashment from arithmetical basis to actuarial basis. The impact on account of change in accounting policy is an additional liability of Rs.4.8 lakhs. The effect of the same for the year ended March 31, 2002 has not been determined and consequently, no adjustments have been carried out in the "Statement of Profits" shown above.

Part II - STATEMENT OF ASSETS AND LIABILITIES

(Rs in thousands)

	As on March 31, 2006
Assets:	
Investments	16,999,280
Asset held for linked business	70,788,454
Fixed assets (including capital WIP)	610,535
Loans	14,247
Cash & bank balances	2,458,976
Advances & other assets	1,121,070
Deferred tax asset	262,384
Total assets (a)	**92,254,946**
Less:	
Current liabilities & provisions	6,098,004
Policyholders' Funds:	
Policy Liabilities	11,224,766
Funds for future appropriation	1,134,431
Insurance Reserves:	
– Provision for linked liabilities	69,996,288
Credit/(Debit) Fair Value Change Account – Net (Policyholders)	1,246,696
Total liabilities (b)	**89,700,185**
Net worth (a)-(b)	**2,554,761**
Represented by	
Share Capital:	
1,185,000,000 Equity Shares of Rs 10/- each fully paid-up Of the above 876,899,993 Equity Shares of Rs.10/- each are held by ICICI Bank Ltd. (The Holding Company) and 7 shares through its nominees	11,850,000
Employee Stock Option Outstanding	52,363
Reserves and Surplus :	
Profit and loss account – debit balance	(9,527,908)
Credit/(Debit) Fair Value Change Account – Net (Shareholders)	180,306
Networth	**2,554,761**
Net Assets so far as it concerns the members of ICICI Bank, the holding company and its nominees.	(74%) **1,890,523**

Notes:

1. **Contingent Liabilities**
   Contingent Liabilities at March 31, 2006: Rs. 194,558 thousand (March 2005: Rs. Nil)
2. **Actuarial method and assumptions**
   The actuarial liability on both participating and non-participating policies is calculated using the gross premium method, using assumptions for interest, mortality, expense, and inflation, and in the case of participating policies, future bonuses together with allowance for taxation and allocation of profits to shareholders. These assumptions are determined as prudent estimates at the date of valuation with allowances for adverse deviations. No allowance is made for expected lapses or policies expected to convert to paid-ups.
   The interest rates used for valuing the liabilities are in the range of 4.7 % to 10% per annum (Previous year - 4 to 10 % per annum).
   Mortality rates used are based on the published L.I.C. (1994 – 96) Ultimate Mortality Table, adjusted to reflect expected experience and allowances for adverse deviation. Expenses are provided for at long term expected renewal expense levels.
   Unearned premium reserves are held for the unexpired portion of the risk for the general fund liabilities of linked business and riders thereunder and one year renewable group term insurance.

The unit liability in respect of linked business has been taken as the value of the units standing to the credit of policyholders, using the net asset value (NAV) prevailing at the valuation date. The adequacy of charges under unit-linked policies to meet future expenses has been tested and provision made as appropriate. Provision has also been made for the cost of guarantee under unit-linked products that carry a guarantee.

3. Capital Commitments

Estimated amount of contracts remaining to be executed on fixed assets to the extent not provided for (net of advance) as at March 31, 2006 is Rs. 25,426 thousand (March 31, 2005 Rs. 3,596 thousand).

4. Taxation

Deferred tax assets and liabilities are determined as the tax effect of timing differences at the rates in force at the Balance Sheet date. The effect on deferred tax assets and liabilities of the change in tax rates is recognised in the profit and loss account in the year of change. Deferred tax asset are recognised subject to Management's consideration of prudence in respect of their realisability.

Deferred tax Asset as at March 31, 2006 of Rs 262,384 thousands represents asset on carry forward unabsorbed losses (Previous Year: Rs 107,885 thousands).

SIGNIFICANT ACCOUNTING POLICIES

1 Background

ICICI Prudential Life Insurance Company Limited ('the Company') a joint venture between ICICI Bank Limited and Prudential Plc of UK was incorporated on July 20, 2000 as a company under the Companies Act, 1956 ('the Act'). The Company is licensed by the Insurance Regulatory and Development Authority ('IRDA') for carrying life insurance business in India.

The Company's life insurance business comprises individual life and pension and group life, superannuation & gratuity business, including participating, non-participating, annuities, pension, health and linked segments. Some of these policies have riders attached to them such as Accident and Disability Benefit, Level Term, Critical Illness, Waiver of Premium and Major Surgical Assistance. These products are distributed through Agents, banks and brokers.

2 Summary of significant accounting policies

2.1 Basis of preparation

The accompanying financial statements have been prepared under the historical cost convention, on the accrual basis of accounting, in accordance with accounting principles generally accepted in India, in compliance with the accounting standards ('AS') issued by the Institute of Chartered Accountants of India ('ICAI'), to the extent applicable, and in accordance with the provisions of the Insurance Act, 1938, Insurance Regulatory and Development Authority Act, 1999, and the regulations framed thereunder and the Act to the extent applicable, various circulars issued by IRDA and the practices prevailing within the insurance industry in India.

2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities as on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively.

2.3 Revenue recognition

2.3.1 Premium income

Premium is recognised as income when due. Premium on lapsed policies is recognised as income when such policies are reinstated.

For linked business, premium is recognised as income when the associated units are allotted.

2.3.2 Income from Linked Fund

Income from Linked Funds which includes fund management charges, administrative charges, mortality charges, etc are recovered from the linked fund in accordance with terms and conditions of policy and are accounted on accrual basis.

2.3.3 Income earned on investments

Interest income on investments is recognised on accrual basis. Accretion of discount and amortisation of premium relating to debt securities is recognised over the holding/maturity period on a straight-line basis.

Dividend income is recognised when the right to receive dividend is established.

Realised gain / loss on debt securities for other than linked business is the difference between the sale consideration and the amortised cost, which is computed on a weighted average basis, as on the date of sale.

Realised gain / loss on debt securities for linked business is the difference between the sale consideration and the book value, which is computed on weighted average basis, as on the date of sale. Sale consideration for the purpose of realised gain / loss is net of brokerage and taxes, if any, and excludes interest accrued.

Profit or loss on sale of equity shares / mutual fund units includes the accumulated changes in the fair value previously recognised under "Fair Value Change Account".

2.3.4 Income earned on loans

Interest income on loans is recognized on an accrual basis.

2.3.5 Income from operating Leases

Leases where the lessor, effectively retains substantially all the risks and benefits of ownership over the leased term, are classified as operating leases. Operating lease rentals are recognized as an income when due.

2.4 Reinsurance premium

Reinsurance premium ceded is accounted for in accordance with the treaty or in-principle arrangement with the reinsurer. Profit commission on re-insurance ceded is netted off against premium ceded on reinsurance.

2.5 Benefits Paid (Including Claims)

Claims other than maturity claims are accounted for on receipt of intimation. Survival benefit claims are accounted when due. Reinsurance recoveries on claims are accounted for, in the same period as the related claims. Withdrawals under linked policies are accounted in the respective schemes when the associated units are cancelled.

2.6 Acquisition Costs

Acquisition costs are costs that vary, with and are primarily related to the acquisition of new and renewal insurance contracts. Such costs are expensed in the year in which they are incurred.

2.7 Actuarial Liability Valuation

Actuarial liability for life policies in force and for policies in respect of which premium has been discontinued but a liability exists, is determined by the Appointed Actuary using the gross premium method, in accordance with accepted actuarial practice, requirements of IRDA and the stipulations of Actuarial Society of India. The linked policies sold by the Company carry two types of liabilities – unit liability representing the fund value of policies and non-unit liability for future expenses, meeting death claims, income taxes and cost of any guarantees.

2.8 Investments

Investments are recorded at cost on the date of purchase, which includes brokerage and taxes, if any and excludes accrued interest.

2.8.1 Classification

Investments maturing within twelve months from the balance sheet date and investments made with the specific intention to dispose them off within twelve months from the balance sheet date are classified as short-term investments.

Investments other than short-term investments are classified as long-term investments.

2.8.2 Valuation – shareholders' investments and non-linked policyholders' investments

All debt securities are considered as 'held to maturity' and accordingly stated at historical cost, subject to amortisation of premium or accretion of discount in the revenue account or the profit and loss account over the period of maturity/holding on a straight line basis.

Listed equity shares as at the balance sheet date are stated at fair value being the last quoted closing price on the National Stock Exchange ('NSE') (In case of securities not listed on NSE, the last quoted closing price on the Bombay Stock Exchange ('BSE') is used). Mutual fund units as at the balance sheet date are valued at the previous day's net asset values. Equity shares awaiting listing are stated at historical cost subject to provision for diminution, if any, in the value of such investment determined separately for each individual investment.

Unrealised gains/ losses arising due to changes in the fair value of listed equity shares and mutual fund units are taken to "Fair Value Change Account" and carried forward in the balance sheet.

Investment in real estate is valued at historical cost, subject to provision for impairment, if any. Revaluation of investment in real estate is done at least once in every three years.

2.8.3 Valuation - linked business

Securities issued by Government of India are valued at prices obtained from Credit Rating Information Services of India Ltd. ('CRISIL'). Government securities issued by various State Governments of India are valued at historical cost, subject to amortisation of premium or accretion of discount in the revenue account of linked funds over the period of maturity/holding on a straight-line basis. Debt securities other than Government securities are valued on the basis of CRISIL Bond Valuer.

Listed equity shares are valued at fair value, being the last quoted closing price on the NSE (In case of securities not listed on NSE, the last quoted closing price on the BSE is used). Mutual fund units are valued at the previous day's net asset values.

Unrealized gains and losses are recognized in the scheme's revenue account.

2.8.4 Transfer of investments

Transfer of investments from Shareholders' Fund to the Policyholders' Fund is at cost or market price whichever is lower, except for Policyholders' fund where fund size does not exceed Rs. 50 crores. Such transfers are carried out at market price.

Inter fund transfer of investments between unit linked funds is done at market price.

2.9 Loans

Loans are stated at historical cost, subject to provision for impairment.

2.10 Fixed assets, intangibles and impairment

2.10.1 Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes the purchase price and any cost directly attributable to bringing the asset to its working condition for its intended use. Assets costing upto Rs. 20,000 (Rupees twenty thousand) are fully depreciated in the year of acquisition. The rate of depreciation is higher of the managements estimate based on useful life or the rates prescribed under the Act. Depreciation is provided using

Straight-Line Method ('SLM') prorated from the date of acquisition / upto the date of sale, based on estimated useful life for each class of asset, as stated below:

Asset	Estimated useful life
Leasehold improvements	Renewable period of respective leases, subject to a maximum of 9 years.
Communication networks and servers	4 years
Computers and peripheral equipments	3 years
Office equipment	4 years
Furniture and fixtures	4 years

2.10.2 Intangibles

Intangible assets comprising software are stated at cost less amortization. Significant improvements to software are capitalized. Software expenses are amortized using Straight Line Method over a period of 3 years from the date of being put to use.

2.10.3 Impairment of assets

Management periodically assesses, using external and internal sources, whether there is any indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

2.11 Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term are classified as operating leases. Operating lease rentals are recognised as an expense, as applicable, over the lease period.

2.12 Staff benefits

The Company has incorporated a Provident Fund trust. The Company's contribution towards this fund, a defined contribution plan, is at the rate specified in the trust deed and is charged to the revenue account and profit & loss account.

The Company's liability towards gratuity & leave encashment being defined benefit plans, is accounted for on the basis of an independent actuarial valuation done at the year end and is charged to the revenue account and the profit & loss account.

The Company's liability towards leave encashment benefits is accounted for on the basis of an independent actuarial valuation done at the year end and is charged to the revenue account and the profit & loss account.

Superannuation is a defined Contribution Plan. The Company has accrued for superannuation liability based on a percentage of basic salary payable to eligible employees for the period of service.

2.13 Foreign exchange transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the revenue account and the profit and loss account. Current assets and liabilities in foreign currency, if any, are translated at the year-end closing rates. The resulting exchange gain or loss, if any, is reflected in the revenue account and the profit and loss account.

2.14 Segment Reporting Policies

The segmental information has been disclosed based on the primary segment identified under the IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002 ('the Regulations').

There are no reportable geographical segments, since all business is written in India.

Allocation of expenses

Operating expenses relating to insurance business are allocated to specific business segments in the following manner, which is applied on a consistent basis:

Expenses that are directly identifiable to the segment are allocated on actual basis.

Other expenses (including depreciation and amortization), that are not directly identifiable, are allocated on either of the following bases:

- Number of policies;
- Weighted annualised first year premium income;
- Sum assured;
- Total premium income; and
- Medical cases
- Custody charges and other investment management expenses are allocated to policyholders and shareholders on the basis of funds under management.

The method of allocation has been decided based on the nature of the expense and its logical co-relation with various business segments.

2.15 Taxation

Tax expense comprises current income tax, deferred tax & fringe benefit tax. Current Income tax & fringe benefit tax comprises the amount of tax for the period determined in accordance with the Income-tax Act. Deferred tax charge or credit reflect the tax effects of timing differences between the accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, when there is unabsorbed depreciation and carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

Deferred tax assets are reviewed as at each balance sheet date and are appropriately adjusted to reflect the amount that is reasonably or virtually certain to be realised.

2.16 Provisions & Contingencies

The Company creates a provision for claims (other than insurance claims), litigation, assessment, fines, penalties, etc when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.17 Service tax un-utilized credit

Service tax on risk premium has been introduced effective September 10, 2004. Service tax paid on taxable services received is recognized as service tax unutilized credit for future set-off. Corresponding provision is created based on estimated realization of the un-utilized credit.

2.18 Employee Stock Option Scheme ("ESOS")

The Company has formulated an Employee Stock Option Scheme ("the Scheme"). The Scheme provides that eligible employees are granted options to acquire equity shares of the Company that vest in graded manner. The vested options may be exercised within a specified period. The Exercise Price of the option is diluted when there is a subsequent issue of shares at a price lower than the Grant Price. The company has adopted Fair Value method of valuing the options and uses the option pricing model as per Black Scholes formula. The Fair Value of the options is amortised over the vesting period. Incremental fair value of options, arising from modification of exercise price if any, is amortized over the remainder of the vesting period.

2.19 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3. Investments

The investments are effected from the respective funds of the policyholders and shareholders and income thereon has been accounted accordingly.

Annexure K - Statement of Accounts of ICICI LOMBARD GENERAL INSURANCE CO. LTD.

Part I - STATEMENT OF PROFITS

(Rs.in thousands)

For the year ended March 31,	2002	2003	2004	2005	2006
Operating profit/(loss)					
Fire insurance	(571)	(47,099)	383,129	523,534	481,338
Marine insurance	(3)	(14,395)	(70,244)	(81,873)	(120,393)
Miscellaneous insurance	(130,120)	(8,921)	(43,007)	(177,344)	(180,590)
Income from					
Interest & dividend	51,996	88,825	119,904	116,568	146,817
Profit /(loss) on sale of investments (net)	643	27,239	46,251	159,583	221,582
Interest	14	-	-	-	-
Other income	-	479	408	767	30
Total income	**(78,041)**	**46,128**	**436,441**	**541,235**	**548,784**
Expenses:					
Expenses other than those related to insurance business					
Employees' remunerations and welfare benefits	12,595	2,654	2,193	1,915	2,970
Travel, conveyance and vehicle running expenses	3,065	-	-	-	-
Training expenses	1,574	-	-	-	-
Rents, rates and taxes	9,704	-	-	-	-
Legal and professional charges	2,196	-	-	-	-
Others	2,538	63	90	602	546
Preliminary expenses written off	1,558	1,558	4,020	-	-
Share issue expenses	-	-	7,700	-	-
Total expenses	**33,230**	**4,275**	**14,003**	**2,517**	**3,516**
Profit / (loss) before tax	**(111,271)**	**41,853**	**422,438**	**538,718**	**545,268**
Less: Provision for taxation					
(a) Current tax expense	2,750	3,600	111,000	54,500	36,000
(b) Deferred tax income	(29,200)	5,273	(6,400)	750	(21,800)
(c) Fringe benefit tax	-	-	-	-	28,000
Profit/ (loss) after tax	**(84,821)**	**32,980**	**317,838**	**483,468**	**503,068**
Extent of interest so far as it concerns members of erstwhile ICICI Ltd, upto March 29, 2002 and ICICI Bank thereafter, the holding company, in the capital of the subsidiary	74%	74%	74%	74%	74%
Amount of profit so far as it concerns the members of erstwhile ICICI Ltd. upto March 29, 2002 and ICICI Bank, the holding company thereafter.	**(62,768)**	**24,405**	**235,200**	**357,766**	**372,270**

Notes:

1. The company was incorporated on October 30, 2000.
2. During the year ended March 31, 2003, the company had changed its accounting policy relating to recognition of reinsurance commission income. In the earlier year, the Company used to recognise commission income upfront on cession of reinsurance business. Consequent to the change in accounting policy, the commission income, transfer to shareholders account are lower by Rs. 182,500 thousands, operating loss is higher by Rs. 182,500 thousands, profit before taxes is lower by Rs. 182,500 thousands. The effect of the same for the year ended March 31, 2002 has not been determined and consequently, no adjustments have been carried out in the Statement of Profits shown above.
3. During the year ended March 31, 2004, the company has changed its accounting policy for preliminary expenses. Preliminary expenses to the extent not written off have been fully written off as compared to the earlier policy of being amortized over a period of five years, resulting in preliminary expenses to the extent

not written off and profit for the year before tax being lower by Rs. 2,462 thousand. The effect of the same for each of the year ended March 31, , 2002 and 2003 has not been determined and consequently, no adjustments have been carried out in the Statement of Profits shown above.

4. During the year ended March 31, 2004, the company has changed its accounting policy relating to reinsurance commission income. In the previous year, the company recognized commission on reinsurance ceded over the contract period. Had the company continued to follow the accounting policy followed in the previous year, the commission income, transfer to shareholders' account, operating profit, profit before tax would have been lower by Rs. 335,936 thousand and unearned commission would have been higher by Rs. 335,936 thousand. The effect of the same for each of the year ended March 31, 2002 and 2003 has not been determined and consequently, no adjustments have been carried out in the Statement of Profits shown above.
5. During the year ended March 31, 2004, the company has changed its accounting policy for leave encashment. Leave encashment liability has been provided for on the basis of actual leave balance as at the year-end as against the earlier policy of being provided for on the basis of actuarial valuation. The impact of the change is presently not quantifiable, but in the opinion of the management, it is not expected to be material. The effect of the same for each of the year ended March 31, 2002 and 2003 has not been determined and consequently no adjustments have been carried out in the Statement of Profits shown above.
6. During the year ended March 31, 2005, the company has changed its accounting policy relating to depreciation on computer software acquired on or after April 1, 2004. In the previous period, depreciation on computer software was provided @ 20 percent except for expenditure less than Rs. 500,000 which were fully depreciated in the year in which incurred. Had the company continued to follow the accounting policy followed in previous period, the amount transferred to shareholder's account, operating profit, profit before tax and net block of fixed assets would have been lower by Rs. 20,030 thousand and accumulated depreciation would have been higher by Rs. 20,030 thousand. The effect on the earlier years, however cannot be determined.

Part II - STATEMENT OF ASSETS AND LIABILITIES

(Rs in thousands)

		As on March 31, 2006
Assets:		
Investments		9,064,609
Fixed assets		472,987
Deferred tax asset		56,050
Cash and bank balances		1,077,919
Advances and other assets		5,719,302
Total assets		**16,390,867**
Less: Current liabilities & provisions		12,223,070
Networth		**4,167,797**
Represented by:		
Share capital:		
245,000,000 equity shares of Rs.10/- each fully paid-up		2,450,000
Of the above 162,799,300 equity shares of Rs.10/- each are held by ICICI Bank Ltd. (the holding company) and 700 shares through its nominees		
Reserves & Surplus:		
Profit and loss account		1,279,201
Fair value change account		438,596
Networth		**4,167,797**
Net Assets so far as it concerns the members of ICICI Bank Ltd, the holding company and its nominees	(74.00%)	**3,084,170**

Notes:

1. Contingent liabilities at March 31,2006 is Rs. Nil (March 31, 2005: Rs. Nil)
2. The assets of the Company are free from all encumbrances.
3. Estimated amount of commitments pertaining to contracts remaining to be executed on fixed assets (net of advances) is Rs31,382 thousand (March 31, 2005: Rs. 24,296 thousand)
4. Claims, less reinsurance, paid to claimants in / outside India are as under:

(Rs in thousands)

	Year Ended March 31, 2006
In India	3,134,636
Outside India	Nil

The company does not have any liability relating to claims, where the claim payment period exceeds four years. Ageing of claims is as set out below:

(Rs in thousands)

	As on March 31, 2006
More than six months	1,157,147
Others	3,728,835

Claims settled and remaining unpaid for more than six months is Rs. Nil (March 31, 2005: Rs. Nil).

SIGNIFICANT ACCOUNTING POLICIES:

1. Background

ICICI Lombard General Insurance Company Limited ('the Company') was incorporated on October 30, 2000. The company obtained regulatory approval to undertake General Insurance business on August 3, 2001 from the Insurance Regulatory and Development Authority ('IRDA') and has also obtained its certificate of renewal of registration.

2. Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting, and comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India ('ICAI'), and in accordance with the provisions of the Insurance Act, 1938, Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('the Regulations') and orders / directions issued by the IRDA in this behalf , the Companies Act, 1956 to the extent applicable in the manner so required and current practices prevailing within the insurance industry in India.

3. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

4. Revenue recognition

Premium income

Premium earned is recognised as income over the period of risk or the contract period based on 1/365 method, whichever is appropriate on a gross basis net of service tax. Any subsequent revision to premium is recognised over the remaining period of risk or contract period.

Adjustments to premium income arising on cancellation of policies are recognised in the period in which it is cancelled.

Income from reinsurance business

Commission on reinsurance business is recognised as income in the year of ceding the risk.

Profit commission under re-insurance treaties is recognised as income in the period of determination of profits.

Income earned on investments

Interest income on investments is recognised on an accrual basis. Accretion of discount and amortisation of premium relating to debt securities is recognised over the holding/maturity period on a straight-line basis.

Dividend income is recognised when the right to receive dividend is established.

Realised gain / loss on securities, which is the difference between the sale consideration and the carrying value in the books of the Company is recognised on the trade date. In determining the realised gain / loss, cost of securities is arrived at on 'Weighted average cost' basis. However in case of listed equity shares and mutual fund units the profit or loss also includes the accumulated changes in the fair value previously recognised in the Fair Value Change Account in respect of the particular security, which is transferred to the profit and loss account on the trade date.

5. **Premium received in Advance**

This represents premium received during the period, where the risk commences subsequent to the balance sheet date.

6. **Reinsurance premium**

Insurance premium on ceding of the risk is recognised in the period in which the risk commences. Any subsequent revision to premium ceded is recognised in the period of such revision. Adjustment to reinsurance premium arising on cancellation of policies is recognised in the period in which it is cancelled.

7. **Reserve for unexpired risk**

Reserve for unexpired risk is recognised net of reinsurance ceded and represents premium written that is attributable and to be allocated to succeeding accounting periods for risks to be borne by the Company under contractual obligations on a contract period basis or risk period basis, whichever is appropriate. It is calculated on a daily pro-rata basis subject to a minimum of 50% of the premium, written during the twelve months preceding the balance sheet date for fire, marine cargo and miscellaneous business and 100% for marine hull business, in accordance with section 64 V (1) (ii) (b) of the Insurance Act, 1938.

8. **Claims**

Claims incurred comprise claims paid, estimated liability for outstanding claims made following a loss occurrence reported and estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER'). Further, claims incurred also include specific claim settlement costs such as survey / legal fees and other directly attributable costs.

Claims (net of amounts receivable from reinsurers/coinsurers) are recognised on the date of intimation of the loss.

Estimated liability for outstanding claims at balance sheet date is recorded net of claims recoverable from/payable to co-insurers/reinsurers and salvage to the extent there is certainty of realisation. Estimated liability for outstanding claims is determined by management on the basis of ultimate amounts likely to be paid on each claim based on past experience. These estimates are progressively revalidated on availability of further information.

IBNR represents that amount of claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, if any, required for claims IBNER. Estimated liability for claims IBNR and claims IBNER is based on actuarial estimate duly certified by the Appointed Actuary of the Company.

9. **Acquisition Costs**

Acquisition costs are those costs that vary with, and are primarily costs related to the acquisition of new and renewal insurance contracts viz. commission, policy issue expenses, etc. These costs are expensed in the period in which they are incurred.

10. **Premium deficiency**

Premium deficiency is recognised when the sum of expected claim costs and related expenses exceed the reserve for unexpired risks and is computed at a business segment level. The adjustment for premium deficiency would be done at the end of the financial year.

11. **Investments**

Investments are recorded at cost on trade date and include brokerage, transfer charges, stamps etc, if any, and excludes interest accrued up to the date of purchase.

Classification

Investments maturing within 12 months from balance sheet date and investments made with the specific intention to dispose off within twelve months are classified as ‘short term investments’. Investments other than ‘short term investments’ are classified as ‘long term investments’.

Valuation

In accordance with the Regulations, investments are valued as follows:

Debt securities
All debt securities including government securities are considered as ‘held to maturity’ and accordingly stated at historical cost subject to amortization of premium or accretion of discount on a straight line basis over the holding/maturity period.

Equity shares
Listed equity shares as at the balance sheet date are stated at fair value, being the lowest of last quoted closing price on the National Stock Exchange or The Stock Exchange, Mumbai.

Mutual fund units
Mutual fund investments are stated at fair value, being the closing net asset value as at balance sheet date.

In accordance with the Regulations, unrealized gain / loss arising due to changes in fair value of listed equity shares and mutual fund investments are not taken to profit and loss account but are taken to the Fair value change account. This balance in the fair value change account is not available for distribution, pending realisation.

12. Fixed assets and Intangibles

Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes the purchase price and any cost directly attributable to bringing the asset to its working condition for its intended use.

Depreciation on assets added/disposed off during the period is provided on pro rata basis with reference to the month of additions / deductions.

Depreciation is provided on a straight-line basis, pro-rata for the period of use at the rates prescribed in Schedule XIV to the Companies Act, 1956 except in the case set out below where depreciation is provided at a rate higher than those prescribed under Schedule XIV to the Companies Act, 1956.

Depreciation on information technology equipment is provided @ 25 percent.

Intangibles

Intangible assets comprising computer software are stated at cost less amortisation. Computer software including improvements are amortised over a period of five years, being the management’s estimate of the useful life of such intangibles.

All assets including intangibles individually costing less than Rs. 5,000 are fully depreciated/amortised in the period in which acquired.

Impairment of assets

The company assesses at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the impairment loss is charged to profit and loss account. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

13. Retirement benefits

Provident fund

This is a defined contribution scheme and contributions payable to the Regional Provident Fund Authority is provided on the basis of specified percentage of salary and is charged to Profit and Loss account and Revenue account(s).

Gratuity

Gratuity, which is a defined benefit scheme is provided on the basis of actuarial valuation at year-end and is charged to Profit and Loss account and Revenue account(s).

Basis of allocation

Retirement benefit expense is allocated to profit and loss account and revenue account(s) on the basis as explained in paragraph 20.

14. Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the rates prevailing on the date of the transaction. Foreign exchange denominated current assets and liabilities, are translated at the rates prevalent at the date of the Balance Sheet. The resultant gains/ losses are recognized in the Profit and Loss Account and Revenue Account(s).

15. Employee Stock Option Scheme ("ESOS")

The Company has formulated an Employee Stock Option Scheme. The scheme provides that employees are granted an option to acquire equity shares of the Company that vests in a graded manner. The options may be exercised within a specified period. The Company follows the intrinsic method for computing the compensation cost, if any, for all options granted. The difference if any, between the intrinsic value and the grant price, being the compensation cost is amortised over the vesting period of the options.

16. Taxation

Current tax

The company provides for income tax on the basis of estimated taxable income for the current accounting period in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the accounting income as per the company's financial statements and the taxable income for the year. .

Deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

Deferred tax assets are reviewed as at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realised.

Fringe Benefit

Provision for fringe benefit tax is made on the basis of expenses incurred on employees/other expenses asprescribed under the Income Tax Act, 1961.

17. Contingencies

Contingent losses arising from claims other than insurance claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

A disclosure for a contingent liability other than those under policies is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

18. Premium

Premium, less reinsurance, written from business in/outside India is given below:

(Rs. in thousands)

Particulars	For the year ended March 31, 2006
In India	7,337,734
Outside India	987

19. Investments

Value of contracts in relation to investments for:

Purchases where deliveries are pending Rs.61,256 thousand (Previous year Rs. 62,251 thousand); and

Sales where payments are overdue Rs. Nil (Previous year Rs. Nil).

Historical cost of investments that are valued on fair value basis is Rs. 1,903,366 thousand (Previous year Rs. 623,041 thousand).

All investments are made in accordance with the Insurance Act, 1938 and Insurance Regulatory and Development Authority (Investment) Regulations, 2000 and are performing investments.

The investments as at the year end have not been allocated into policyholders and shareholders, as the same are not earmarked separately.

The company does not have any investment property as at March 31, 2006 (previous year: Rs. Nil).

20. Allocation of income and expenses

Investment income has been allocated between revenue account(s) and profit and loss account on the basis of the ratio of average policyholders funds to average shareholders funds respectively, average being the balance at the beginning of the year and that at the end of the year.

Further, investment income across segments within the revenue account(s) has also been allocated on the basis of segment-wise policyholders funds

Allocation of expenses

Operating expenses relating to insurance business are allocated to specific classes of business on the following basis:

Expenses that are directly identifiable to a business class are allocated on actuals.

Other expenses, that are not directly identifiable, are broadly allocated on the basis of gross written premium earned in each business class.

Depreciation expenditure has been allocated on the assessment that the use of assets is proportionate to gross written premium of the respective segments**.**

21. An amount of Rs. 27,787 thousand (Previous year Rs. 16,822 thousand) collected towards Environment Relief fund under Public Liability policies has been disclosed under current liabilities and the same is invested in Government Securities.

Annexure L - Statement of Accounts of ICICI VENTURE FUND MANAGEMENT COMPANY LIMITED

Part I - STATEMENT OF PROFITS

(Rs.in crore)

For the year ended March 31,	**2002**	**2003**	**2004**	**2005**	**2006**
Income:					
Income from operations	18.84	33.82	104.13	67.63	109.41
Profit on sale of investments	1.24	1.45	1.96	2.07	2.78
Provision for doubtful debts, advances & expenses written back	0.15	0.07	0.11	-	-
Profit on sale of asset (net)	-	0.02	-	2.90	-
Other income	0.08	0.30	0.51	1.98	2.41
Total Income	**20.31**	**35.66**	**106.71**	**74.58**	**114.60**
Expenditure:					
Cost of sales of securities held as stock-in-trade	-	-	59.20	1.33	-
Staff expenses	4.55	6.22	6.54	8.46	13.34
Establishment expenses	1.88	2.09	2.83	2.80	3.56
Other expenses	3.59	7.55	5.54	10.40	21.17
Provision for contingencies	-	-	-	-	-
Depreciation	1.34	1.23	1.21	1.48	1.92
Total expenses	**11.36**	**17.09**	**75.32**	**24.47**	**39.99**
Profit before tax	**8.95**	**18.57**	**31.39**	**50.11**	**74.61**
Less: Provision for taxation	3.00	6.52	5.25	18.50	24.50
Fringe benefit tax	-	-	-	-	0.51
Deferred tax	0.37	(0.45)	0.17	(0.79)	(0.70)
Profit after tax	**5.58**	**12.50**	**25.97**	**32.40**	**50.30**
Extent of interest so far as it concerns members of erstwhile ICICI Ltd upto March 29, 2002 and ICICI Bank thereafter, the holding company, in the capital of the subsidiary	99.99%	99.99%	99.99%	99.99%	100%
Amount of profit so far as it concerns the members of erstwhile ICICI Ltd. upto March 29, 2002 and ICICI Bank, the holding company thereafter.	**5.58**	**12.50**	**25.97**	**32.40**	**50.30**

Note:

1. Consequent upon Accounting Standard 22 'Accounting for Taxes on Income becoming mandatory effective April 1, 2001, the deferred tax on timing differences has been recognized during the year ended March 31, 2002.
2. The company has revised method of providing depreciation on premises taken on lease from written down value method to amortising the same on straight line basis over lease period. This change constitutes change in accounting policy. As a result depreciation for the year is higher by Rs 0.30 crores.The effect of the same for each of the year ended March 31, 2002, 2003, 2004 and 2005 has not been determined and consequently, no adjustments have been carried out in the statement of profits shown above.

Part II - STATEMENT OF ASSETS AND LIABILITIES

(Rs in thousands)

		As on March 31, 2006
Assets:		
Fixed assets (net of depreciation)		10.05
Investments		6.27
Current assets & advances		55.49
Total Assets (a)		**71.81**
Liabilities		
Loan funds		1.56
Current liabilities and provisions		49.27
Deferred tax liability		0.41
Total Liabilities (b)		**51.24**
Net worth (a)-(b)		**20.57**
Represented by		
Share capital:		
1,000,000 equity shares of Rs.10/- each fully paid-up (Of the above all the shares have been subscribed by ICICI Bank Ltd. Of the above 999,994 shares have been subscribed by ICICI Bank Limited-the holding company)		1.00
Reserves & surplus:		
Capital redemption reserve		0.78
General reserve		12.00
Surplus in profit & loss account		6.79
Networth		**20.57**
Net Assets so far as it concerns the members of ICICI Bank Ltd., the holding company	(100%)	**20.57**

Note:

1. ICICI Venture Funds Management Company Limited (Company) had filed a petition in High Court of Karnataka for reduction of paid up capital of Rs. 1.34 crores, by canceling 1,343,827 equity shares of Rs. 10 each and cancellation of General Reserve of upto Rs. 20.06 crore. In its order dated August 29, 2005, Karnataka High Court has confirmed reduction of capital, by canceling 1,343,827 equity shares of Rs. 10 each and General Reserve aggregating to Rs. 20.06 crore. Accordingly, the company has reduced paid up capital of Rs. 1.34 crore and General Reserve of Rs. 20.06 crore and returned the same to shareholders.
2. Provision for tax of Rs. 24.31 crore includes a deferred tax asset amounting to Rs. 0.70 crore.

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 accounts 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 stated. The principal accounting policies followed are consistent with those followed in the previous year.

3. Income Recognition

As a 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.

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.

6. **Stock-in-trade**

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.

7. **Leasing Business**

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.

8. **Fixed Assets and Depreciation**

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:

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 assets taken on lease & any improvements thereat, depreciation is provided over the lease period on straight line basis.
c) 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.

9. **Employee Benefits**

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.

10. **Income Tax**

Income tax comprises the current tax provision and the net change in the deferred tax asset or liability during the year.

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.

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.

Annexure M - Statement of Accounts of ICICI Bank UK Limited

Part I - STATEMENT OF PROFITS

(US Dollars in thousands)

For the year ended March 31, **Period from**	**Period from February 11, 2003 To March 31, 2004**	**Year ended March 31, 2005**	**Year ended March 31, 2006**
Income			
Interest income	759	14,501	63,280
Other income	793	8,412	23,680
Total income	**1,552**	**22,913**	**86,960**
Less: Expenditure:			
Interest expended	187	9,447	47,839
Salaries and employee benefits	1,636	4,787	7,762
Other administrative expenses	1,976	5,839	10,064
Total expenditure	**3,799**	**20,073**	**65,665**
Profit before tax	**(2,247)**	**2,840**	**21,295**
Less: Provision for income tax	-	570	6,770
Profit after tax	**(2,247)**	**2,270**	**14,525**
Extent of interest so far as it concerns members of ICICI Bank the holding company, in the capital of the subsidiary.	100%	100%	100%
Amount of profit so far as it concerns the members of ICICI Bank, the holding company. **(for the year numbers before dividend)**	**(2,247)**	**2,270**	**14,525**

PART II - STATEMENT OF ASSETS AND LIABILITIES

(US Dollars in thousands)

	As on March 31, 2006
Assets:	
Cash and cash equivalents	432,390
Fixed assets	3,891
Loans	881,493
Investments	700,814
Other assets	20,628
Total assets (a)	**2,039,216**
Liabilities	
Borrowings	747,418
Deposits	1,053,622
Current liabilities and provisions	42,753
Total liabilities (b)	**1,843,793**
Net worth (a)-(b)	**195,423**
Represented by	
(A) Share Capital :	
100,000,000 Equity Shares of US dollar 1 each fully paid-up	135,000
50,000,000 Preference Shares	50,000

(US Dollars in thousands)

		As on March 31, 2006
All the above equity shares are held by ICICI Bank Limited, the holding company and its nominees.		
(B) Reserves and Surplus :		
Profit & Loss Account		10,423
Networth		**195,423**
Net Assets so far as it concerns the members of ICICI Bank Ltd, the holding company and its nominees.	(100%)	**195,423**

Notes :

1 ICICI Bank UK Limited (ICICI Bank UK) was incorporated on February 11, 2003 as a 100% subsidiary of ICICI Bank Limited for banking operations in the United Kingdom. The Company was incorporated as a private company with the Registrar of Companies for England and Wales.

2 Fees and commissions receivable consist of non-refundable arrangement and other fees earned by the Company on credit facilities granted during the period. In accordance with the accounting policy, these fees have been recognised up-front.

3 As at March 31, 2006, there were deferred tax assets of USD 570,000 in respect of general provision for bad and doubtful debts (March 31,2005: USD 287,000 in respect of general provision for bad & doubtful debts). The Directors have considered it prudent not to recognise these assets based on current profitability levels.

(a) Other commitments

March 31, 2006	(US Dollars in thousands)
Commitments	
Undrawn formal standby facilities, credit lines and other commitments to lend	**71,818**
Contingent liabilities	
Guarantees and letters of credit	**7,680**

(b) Significant concentrations of contingent liabilities and commitments

Approximately 48% (March 31, 2005: 32%) of total contingent liabilities and commitments relate to counter parties in India.

5 Risk management

Through its banking services the company is exposed to a range of risks. The company's goal in risk management is to ensure that it understands, measures and monitors the various risks that arise and that the company adheres to the policies and procedures, which are established to address these issues. As a Bank, the company is primarily exposed to credit risk, interest rate risk, liquidity risk, foreign exchange risk and operational risk. Committees of the Board of Directors have been constituted to oversee risk management. Additionally, the Board of Directors has delegated authority to the Chief Executive Officer, who is assisted by executive management committees and a risk function, which is independent from the company's business operations. In turn, this is supplemented by internal audit.

Major risks

Credit risk

Credit risk arises principally on the lending activities of the company. Credit risk policies are applied by the Executive Credit Committee, which operates within the authority granted to it by the Board Risk and Credit Committee. Country and counterparty limits are established and monitored on a daily basis, with a detailed review at least once a year. Management receives regular reports on the utilisation of these limits.

Interest rate risk

Interest rate risk primarily arises on the mis-matching of the company's assets with its funding. This is monitored daily and is managed by the Asset and Liability Committee.

Price Risk (Trading book)

The Company undertakes proprietory trading activities to enhance earnings. The Trading Book policy statement provides direction to the trading activities of the Bank & covers all positions in financial instruments held by the company for the purpose of trading.

Liquidity risk

Liquidity risk arises on the mis-matching of the residual maturity of the company's assets and funding. This is also monitored daily, and is managed by the Asset and Liability Committee.

Foreign exchange risk

Foreign exchange risk is managed within the treasury function. Policies and procedures are detailed in an operational procedures manual. This incorporates FSA agreed limits where necessary, and other regulatory bodies requirements and best practices. It is subject to periodic review by Internal Audit, and is approved by the Board. Senior management also regularly monitors the positions taken on a daily basis.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal process, people and systems or from external events. The company's operational risk framework is subject to procedural policies and best practice standards, with senior management being responsible for their implementation and maintenance. Adherence to these policies is also subject to periodic review by Internal Audit.

Market risk

The Company uses a value at risk ('VAR') measure as the primary mechanism for controlling market risk. The Bank's trading activities principally comprise trading in foreign exchange derivative financial instruments, which include forwards, swaps and options. Positions in such instruments are reported at fair value.

The company's VAR, calculated on a variance/covariance basis, uses a one-day time horizon and a 99% confidence level.

6 Derivative and exchange rate contracts

The company enters into various financial instruments as principal to manage balance sheet interest rate and foreign exchange rate risk. At the year ended March 31st, 2006, the principal amounts of the instruments were:

(US Dollars in thousands)

March 31, 2006	
Interest rate related contracts:	
Interest rate swaps	321,577
Futures	-
Forward rate agreements bought	-
Exchange rate related contracts	416,852
Credit Default Swap	5,000

Interest related contracts include swaps, futures and forward rate agreements. Exchange rate related contracts include spot, currency swaps, forward and options transactions.

The contract or notional principal amounts of these instruments are not indicative of the amounts at risk, which are smaller amounts payable under the terms of these instruments and upon the basis of the contract or notional principal amount. Derivatives contracts in the non-trading book are used for hedging purposes only and are accounted for on this basis and are executed with bank counter parties for whom volume and settlement limits have been approved. Group limits are approved for connected exposures

SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements:

1. Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the special provisions of Part VII, Chapter II of the Companies Act 1985 relating to banking companies, applicable accounting standards and the British Bankers' Association Statements of Recommended Accounting Practice

2. Cash flow statement

As a wholly-owned subsidiary whose parent produces publicly available accounts, the Company has taken advantage of the exemption available within FRS 1 (revised), "Cash Flow Statements", and does not produce a cash flow statement

3. Loans and advances

Loans and advances are stated at cost after deduction of amounts, which in the opinion of the directors are, required as specific or general provisions. Where loans have been acquired at a premium or discount, these premiums and discounts are amortised through the profit and loss account from the date of acquisition to the date of maturity on a straight-line basis.

Loans are designated as non-performing as soon as management has doubts as to the ultimate collectibility of the principal or interest. Loans are also considered to be non-performing if principal or interest is 90 days overdue. When a loan is designated as non-performing, interest will be suspended and a specific provision raised if required.

Specific provisions

Specific provisions represent the quantification of the actual or expected losses from identified accounts and are deducted from loans and advances on the balance sheet. The amount of the specific provision raised is assessed on a case-by-case basis. The amount of specific provision raised is the Company's conservative estimate of the amount needed to reduce the carrying value of the asset to its expected net realisable value.

General provisions

General provisions augment specific provisions and provide cover for loans which are impaired at the balance sheet date but which will not be identified as such until some time in the future. The general provision is determined by taking into account the structure and risk of the company's loan portfolio. General provisions are deducted from loans and advances in the balance sheet.

4. Foreign currencies

The financial statements are prepared in US Dollars, which represents the currency of the primary economic environment in which the Company operates since a significant proportion of the banking assets and liabilities, revenues and expenses are transacted in US Dollars.

Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at the exchange rates ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account. Income and expenses denominated in foreign currencies are converted into US Dollars at the rate of exchange ruling at the date of the transaction. Forward foreign exchange contracts are valued at the market rates applicable to their respective maturities at the balance sheet date, and the resulting profits or losses included in the profit and loss account for the year.

5. Depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets on a straight-line basis over their estimated useful economic lives as follows:

Leasehold Improvements	Over the Lease Period
Office equipment	6 – 7 years
Furniture, fixtures and fittings	6 – 7 years
Computer hardware and software	3 – 4 years

6. Interest receivable and payable

Interest receivable and payable is accrued over the period of the related loans, securities and deposits.

7. Fees and commissions receivable

Fees and commissions are taken to income once the related service has been provided and the right to receive the associated fees has been established.

8. Debt securities

Debt securities are held for investment purposes and are stated at cost (as adjusted for discounts and premiums) less provision for impairment.

9. Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and for accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 "Deferred Tax". Deferred tax assets are recognised to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

10. Pension costs

During the year, the company made a contribution of USD 78,033 (2005: USD 66,377) to the pension scheme.Out of this amount, USD 4,727 was accrued at the year end (2005: USD 9,303).

11. Leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

12. Off-balance sheet financial derivatives

Off-balance sheet financial derivatives are entered into by the company for hedging purposes to reduce the risks arising on transactions entered into in the normal course of business. The income and expense arising from off-balance sheet financial derivatives entered into for hedging purposes is recognised in the accounts in accordance with the accounting treatment of the underlying transactions or transactions being hedged. All off-balance sheet financial derivatives are held for the period in which the underlying hedge matures. To qualify as a hedge, a derivative must effectively reduce the price or interest rate risk of the asset, liability or anticipated transaction to which it is linked and be designated as a hedge at inception of the derivative contract. Accordingly, changes in the market value of the derivative must be highly correlated with changes in the market value of the underlying hedged item at inception of the hedge and over the life of the hedge contract.

Annexure N - Statement of Accounts of ICICI BANK EURASIA LIMITED LIABILITY COMPANY
(Formerly known as Investment Credit Bank Limited Liability Company)

Part I - STATEMENT OF PROFITS

(RUB in thousands)

	Period from May 19, 2005 to March 31, 2006 (unaudited)
Income:	
Interest income	20,338
Other income	76,233
Total Income	**96,571**
Expenditure:	
Interest expended	1,746
Salaries and employee benefits	44,274
Other administrative expenses	31,007
Less: Provision for loans	7,753
Total Expenditure	**84,780**
Profit before tax	**11,791**
Less: Provision for tax	2,948
Profit after tax	**8,843**
Extent of interest so far as it concerns members of ICICI Bank Ltd., the holding company, in the capital of the subsidiary	100%
Amount of profit so far as it concerns the members of ICICI Bank Ltd., the holding company.	**8,843**

PART II - STATEMENT OF ASSETS AND LIABILITIES

(RUB in thousands)

		As on March 31, 2006 (unaudited)
Assets:		
Cash and cash equivalents		5,106
Balance with banks		856,509
Fixed assets		17,018
Advances		611,584
Investments		897,687
Other assets		63,768
Total assets (a)		**2,451,672**
Liabilities :		
Borrowings		2,084
Deposits		1,978,199
Current liabilities and provisions		1,365
Total liabilities (b)		**1,981,648**
Net worth (a)-(b)		**470,024**
Represented by		
Share capital:		
313,100,000 equity shares of 1 RUB each fully paid-up		313,100
All the above equity shares are held by ICICI Bank Limited, the holding company and its nominees		
Reserves and surplus:		
Share premium		146,480
Capital reserve		1,601
Profit & loss account		8,843
Networth		**470,024**
Net Assets so far as it concerns the members of ICICI Bank Ltd, the holding company.	(100%)	**470,024**

Annexure O - Statement of Accounts of ICICI ASSET MANAGEMENT COMPANY LIMITED

Part I - STATEMENT OF PROFITS

(Rs in thousands)

	Year Ended March 31, 2006
Income:	
Fees from mutual fund and PMS operations	1,383,545
Dividend	16,089
Profit on sale of investment (net)	14,958
Interest & Discount	160
Miscellaneous income	176
Total Income	**1,414,928**
Expenditure:	
Employee costs	333,616
Administrative and other expenses	555,461
Depreciation	51,540
Total Expenditure	**940,617**
Profit before taxation	**474,311**
Provision for current tax	(167,332)
Deferred tax income	13,922
Fringe benefit tax	(9,580)
Wealth tax	(63)
Profit for the period	(311,258)
Extent of interest so far as it concerns members of ICICI Bank Ltd., the holding company, in the capital of the subsidiary.	50.99%
Amount of profit so far as it concerns the members ICICI Bank Ltd., the holding company thereafter.	158,710

Note:

1. The preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

PART II - STATEMENT OF ASSETS AND LIABILITIES

(Rs in thousands)

		As on March 31, 2006
Assets:		
Fixed assets, net of depreciation		83,192
Investments		512,732
Deferred tax asset		35,587
Cash and bank balances		194,755
Loans and advances		189,011
Sundry debtors 170,428		
Total assets (a)		**1,185,705**
Liabilities:		
Current liabilities & provisions		614,134
Total Liabilities (b)		**614,134**
Net worth (a)-(b)		**571,571**
Represented by:		
(A) Share capital :		
18,018,552 equity shares of Rs 10/- each fully paid-up		180,186
Of the above 9,189,362 equity shares of Rs.10/- each are held by ICICI Bank Ltd. (the holding company)		
(B) Reserves and surplus		391,385
Networth		**571,571**
Net assets so far as it concerns the members of ICICI Bank Ltd, the holding company and its nominees.	(50.99%)	**291,444**

SIGNIFICANT ACCOUNTING POLICIES:

1. **Basis of preparation**

   The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 to the extent applicable. The financial statements are presented in Indian rupees rounded of to the nearest thousand.

2. **Use of Estimates**

   The preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

3. **Fixed assets and depreciation**

   Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes all expenses incidental to the acquisition of the fixed assets. Depreciation on fixed assets other than leasehold improvements and software development and licensing costs is provided on written down value method based on the economic lives of the assets as estimated by the management.

   The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as minimum rates. If the management's estimate of the useful life of the fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid Schedule XIV, depreciation is provided at a higher rate based on the management's estimate of the useful life / remaining useful life. Pursuant to this policy depreciation is provided based on the economic lives of assets as estimated by management, which are as follows:

Furniture and fixtures	8 years
Office equipment	5 years
Computers	3 years
Vehicles	4 years

   Leasehold improvements are amortised over the primary period of the lease on straight-line basis.

   Intangible assets comprising of software purchased / developed and licensing costs are depreciated on straight line basis over the useful life of the software up to a maximum of three years commencing from the month in which such software is first utilised.

   Assets costing individually costing rupees five thousand or less are fully depreciated in the year of purchase/ acquisition.

   The company provides pro-rata depreciation from the day the asset is put to use and for any asset sold, till the date of sale.

4. **Impairment of assets**

   The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

5. **Investments**

Investments are classified as long-term or current based on intention of the management at the time of purchase.

Long-term investments are carried at carrying cost less any other than temporary diminution in value, determined separately for each individual investment.

Current investments are valued at the lower of cost or net realisable value. The comparison of cost and net realisable value is done separately in respect of each individual investment.

Purchase and sale of investments are recorded on trade date. The gains/ losses on sale of investments are recognised in the profit and loss account on the trade date. Profit or loss on sale of investments is determined on the basis of first in first out ('FIFO') basis.

6. **Revenue recognition**

Management Fees

Investment management and portfolio management fees (inclusive of service tax) are recognised on an accrual basis in accordance with the respective terms of contract between the company and Prudential ICICI Trust Limited and Portfolio Management Scheme ('PMS') Clients and Securities Exchange Board of India ("SEBI") regulations.

Income on Asset Shield products under PMS is accrued over the term. The unaccrued portion of income is carried forward as a current liability.

Other Income

Interest income is accounted on an accrual basis. Dividend income is recognised when the right to receive dividend is established.

7. **Transactions in foreign currency**

Transactions in foreign currency are recorded at the exchange rate prevailing on the dates of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the profit and loss account of the period.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the profit and loss account.

8. **Retirement benefits**

The company expenses its contribution to the Statutory Provident Fund, a defined contribution scheme, made at 12% of the basic salary of each employee. Benefits in respect of gratuity, a defined benefit scheme, and superannuation, a defined contribution scheme, as applicable to employees of the company are annually funded with the Life Insurance Corporation of India ('LIC'). The Profit and Loss account charge on an annual basis is based on an actuarial valuation determined by the LIC.

9. **Initial public offer expenses**

Expenses relating to initial public offer for no load schemes are charged to profit and loss account in the year in which these are incurred. Similarly, expenses incurred by the company for initial public offers for load schemes in excess of the entry load collected are also charged to the profit and loss account in the year in which such expenses are incurred.

10. **Brokerage and incentives**

Brokerage and incentives paid on the subscriptions raised during the initial offer period of the first three open ended schemes of the Fund offering benefits under Section 54EB of the Income tax Act, 1961 are charged to profit and loss account over the period of 84 months.

Brokerage on Asset Shield products under PMS are amortised over the term. The unamortised portion of the brokerage is carried forward as prepaid expense

All other brokerage and incentive payments are accounted for when incurred.

11. Pru points

The company has accounted for the Pru points (included under administrative and other expenses) compiled by each agent on sales generated by them during the year on an accrual basis.

12. Long-term incentive plan ('LTIP')

The company allocates LTIP cost to the expenses of each accounting period between the date of grant and the exercise date. For the purposes of allocating, LTIP cost is estimated as of the end of each accounting year by multiplying the number of units awarded in the respective plan by the increase in price of the respective LTIP unit and the same is apportioned on a pro rata basis over the life of the plan.

13. Loyalty reward scheme

Loyalty bonus cost is estimated based on the amounts expected to be paid to employees under the scheme. The amount so estimated is apportioned on a pro-rata basis over the life of the scheme.

14. Taxation

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Provision for income tax is recognised on an annual basis under the taxes payable method, based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with Indian income tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the company accepts the said liabilities.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future: however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

15. Fund expenses

Expenses incurred (inclusive of advertisement/brokerage expenses) on behalf of schemes of Prudential ICICI Mutual Fund are debited to the Profit and Loss Account unless considered recoverable from the schemes of the Mutual Fund in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

16. Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as Operating Leases. Operating lease rentals are recognised as an expense over the lease period.

17. Earnings per Share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

18. Contingencies

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Annexure P - Statement of Accounts of PRUDENTIAL ICICI TRUST LIMITED

Part I - STATEMENT OF PROFITS

(Rs in thousands)

	As on March 31, 2006 (unaudited)
Income:	
Income from operations	3,857
Other income	215
Profit on sale of investment (net)	291
Total income	**4,363**
Expenditure:	
Directors Fees	300
Professional Fees	2,420
Other expenses	666
Total expenditure	**3,386**
Profit before taxation	**977**
Provision for current tax	282
Profit after tax	**695**
Extent of interest so far as it concerns members of ICICI Bank Ltd., the holding company, in the capital of the subsidiary	50.80%
Amount of profit so far as it concerns the members of ICICI Bank Ltd., the holding company and its nominees.	353

Part II - Statement of Assets and Liabilities

(Rs in thousands)

		As on March 31, 2006 (unaudited)
Assets:		
Investments		6,447
Loans and advances		4,240
Current Assets		1,530
Total assets		**12,217**
Less:		
Current liabilities & provisions		4,031
Net worth		**8,186**
Represented by		
Share capital:		
100,700 equity shares of Rs 10/- each fully paid-up		1,007
Of the above 51,156 equity shares of Rs.10/- each are held by ICICI Bank Ltd. (the holding company)		
Reserves and surplus:		7,179
Networth 8,186		
Net assets so far as it concerns the members of ICICI Bank Ltd, the holding company and its nominees.	(50.80%)	**4,158**

SIGNIFICANT ACCOUNTING POLICIES:

1. The financial statements are prepared under the historical cost convention, on the accrual basis of accounting, and in accordance with the provisions of the Companies Act, 1956 and generally accepted accounting principles and practices in India.

2. Revenue recognition

   (i) Trusteeship fees are recognised on accrual basis as per the Trusteeship Agreement.
   (ii) Interest income is accounted on accrual basis

3. Preliminary Expenses are being amortised in accordance with Section 35 D of the Income Tax Act, 1961, i.e., written off over a period of 10 years.

4. Investments are stated at cost less any permanent diminution in value.

Annexure Q - Statement of Accounts of ICICI INVESTMENT MANAGEMENT CO. LTD.
Part I - STATEMENT OF PROFITS

(Rs.in thousands)

For the year ended March 31,	2002	2003	2004	2005	2006
Income:					
Interest income	11,179	10,340	7,193	7,271	7,521
Dividend income	73	591	315	1	-
Other income	-	11	-	-	-
Profit on sale of investment	-	-	9	-	3
Total income	**11,252**	**10,942**	**7,517**	**7,272**	**7,524**
Expenditure:					
Professional fees	8,779	-	-	-	-
Establishment and other expenses		2,217	2,727	2,734	2,490
Annual fees – SEBI	-	250	250	750	250
Other expenses	15	12	12	12	12
Auditor's remuneration	53	37	38	63	43
Misc. expenditure w/off	257	257	257	257	-
Interest on income tax		30	50	-	-
Total expenditure	**9,104**	**2,803**	**3,334**	**3,816**	**2,795**
Profit before tax	**2,148**	**8,139**	**4,183**	**3,456**	**4,729**
Less: Provision for current taxation [net]	750	2,897	1,182		1,361
	1,578				
Profit after tax	**1,398**	**5,242**	**3,001**	**2,095**	**3,151**
Extent of interest so far as it concerns members of erstwhile ICICI Ltd upto March 29, 2002 and ICICI Bank thereafter, the holding company, in the capital of the subsidiary.	100%	100%	100%	100%	100%
Amount of profit so far as it concerns the members of erstwhile ICICI Ltd. upto March 29, 2002 and ICICI Bank, the holding company thereafter.	**1,398**	**5,242**	**3,001**	**2,095**	**3,151**

Note:
ICICI Investment Management Company Limited (Company) was incorporated on March 9, 2000.

PART II - STATEMENT OF ASSETS AND LIABILITIES

(Rs in thousands)

	As on March 31, 2006
Assets:	

Investments		14,375
Current Assets		
Interest accrued on fixed deposits		269
Bank balance & deposits		106,927
Other current assets		3,098
Total assets (a)		**124,669**
Liabilities: Current liabilities and provisions		3,549
Total Liabilities (b)		**3549**
Net worth (a)-(b)		**121,120**
Represented by		
Share capital: 10,000,700 equity shares of Rs.10/- each fully paid-up All the above equity shares are held by ICICI Bank Limited, the holding company and its nominees.		100,007
Reserves and surplus:		
Profit & loss account		21,113
Networth		**121,120**
Net assets so far as it concerns the members of ICICI Bank Ltd, the holding company and its nominees.	(100%)	121,120

Note:
There is no deferred tax liability.

SIGNIFICANT ACCOUNTING POLICIES:

1. **Method of accounting**

   The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in India. The Company follows the accrual method of accounting.

2. **Preliminary expenses**

   Preliminary Expenses towards the incorporation of the Company are treated as Miscellaneous Expenditure and are written off to the Profit and Loss Account over a period of five years.The same has been completely written off as on March 31,2005.

3. **Revenue recognition**

   Interest income and other dues are accounted on accrual basis. Dividend is accounted on an accrual basis when the right to receive the dividend is established.

4. **Investments**

   Long term investments are carried at cost less diminution, other than temporary.

ICICI BANK LIMITED
CONSOLIDATED STATEMENT OF PROFITS

(Rs. in crores)

	Year Ended March 31, 2005	Year Ended March 31, 2006
Interest Earned		
Interest / discount on advances / bills	6,981.13	10,114.27
Income on investments	2,392.19	4,060.78
Interest on balances with Reserve Bank of India and other inter-bank funds	233.48	343.32
Others	226.96	95.82
Total (A)	**9,833.76**	**14,614.19**
Other Income		
Commission, exchange and brokerage	2,075.14	3,254.65
Profit / (Loss) on sale of investments (net)	756.03	1,098.87
Profit / (Loss) on revaluation of investments (net)	14.56	(50.45)
Profit / (Loss) on foreign exchange transactions (net) (including premium amortisation)	278.11	445.19
Profit/(Loss) on sale of land, buildings and other assets (net)	(0.92)	5.18
Miscellaneous Income [including lease income]	3,974.71	6,393.46
Total (B)	**7,097.63**	**11,146.90**
Share in affiliates	-	-
TOTAL INCOME (C) = (A) + (B)	**16,931.38**	**25,761.09**
Interest Expended		
Interest on deposits	3,262.28	5,959.02
Interest on Reserve Bank of India / inter-bank borrowings	404.79	1,188.81
Others	3,137.31	2,953.64
Total (D)	**6,804.38**	**10,101.47**
Operating Expenses		
Payments to and provisions for employees	1,090.76	1,711.21
Depreciation on fixed assets [including leased assets]	625.82	667.93
Other operating expenses	5,569.07	8,533.94
Total (E)	**7,285.65**	**10,913.08**
TOTAL EXPENSES (F) = (D) + (E)	**14,090.03**	**21,014.55**
Net Income before provisions (C) - (F)	**2,841.35**	**4,746.54**
Less :		
Provision for taxes (net of deferred tax for nine-month period ended December 31,2005 :Rs.(2.36) crore and for year ended March 31,2005: Rs 313.17 crore)	568.38	699.80
Provision for advances [net]	(88.99)	811.72
Provision for investments (including credit substitutes) (net)	543.32	815.63
Other provisions	8.60	20.36
Total Provisions	**1,031.31**	**2,347.51**
NET PROFIT AFTER TAX AND BEFORE MINORITY INTEREST	**1,810.04**	**2,399.03**
Less : Minority Interest	(42.29)	(21.07)
NET PROFIT	**1,852.33**	**2,420.10**

ICICI BANK LIMITED
CONSOLIDATED BALANCE SHEET

(Rs. in crore)

	As on March 31, 2005	As on March 31,2006
ASSETS		
Cash in Hand	**573.53**	**1,259.99**
Balance with RBI	**5,796.61**	**7,725.95**
Balance with Banks		
I. In India		
(i) Balances with banks		
(a) in Current Accounts	517.67	460.70
(b) in Other Deposit Accounts	954.57	787.00
(ii) Money at call & short notice		
(a) with banks	1,610.00	650.00
(b) with other institutions	190.00	0.30
Total (I)	3,272.24	1,898.00
II. Outside India		
(i) in Current Accounts	755.56	768.57
(ii) in Other Deposit Accounts	876.26	3,877.82
(iii) Money at call & short notice	2,353.50	2,724.77
Total (II)	3,985.32	7,371.16
Balance with Banks Total	**7,257.56**	**9,269.16**
Investments		
I. Investments in India		
i) Government securities	35,986.59	52,797.98
ii) Other approved securities	31.89	35.63
iii) Shares	3,202.79	3,873.82
iv) Debentures and Bonds	3,503.55	2,789.62
v) Others (CPs, Mutual Fund Units, etc.)	10,124.76	16,602.74
Total (I)	52,849.58	76,099.79
II. Investments outside India	1,802.04	7,914.09
Investments Total	**54,651.62**	**84,013.88**
Advances		
I. In India	88,181.04	137,281.59
II. Outside India	8,228.92	18,978.73
Advances Total	**96,409.96**	**156,260.32**
Fixed Assets	**4,178.19**	**4,142.87**
Others Assets	**9,566.19**	**14,557.39**
TOTAL ASSETS	**178,433.66**	**277,229.56**
LIABILITIES		
Deposits		
Demand Deposits		

	As on March 31, 2005	As on March 31,2006
– From Banks	197.66	469.70
– From Others	12,391.42	15,915.85
Saving Deposits	11,659.61	24,257.16
Term Deposits		
– From Banks	6,446.80	10,709.30
– From Others	70,413.14	121,098.98
Deposits Total	**101,108.63**	**172,450.99**
Borrowings		
I. In India		
(i) Reserve Bank of India	-	-
(ii) Other banks	4,741.35	7,313.88
(iii) Other institutions and agencies		
(a) From Government of India	361.25	281.36
(b) From Financial Institutions	5,262.88	3,854.41
Borrowings in the form of		
(a) Deposits taken over from erstwhile ICICI Limited	233.50	189.65
(b) Commercial Paper	98.94	49.70
(c) Bonds & Debentures (excluding subordinated debt)		
(1) Debentures & Bonds guaranteed by the Government of India	1,481.50	1,481.48
(2) Borrowings under private placement of bonds carrying maturity of one to thirty years from the date of placement		
(3) Bonds Issued under multiple option/safety bonds series	7,516.81	6,067.00
(4) Application Money pending allotment	616.09	-
Total (I)	23,407.13	20,855.43
II. Outside India	14,961.89	24,144.50
Borrowings Total	**38,369.02**	**44,999.93**
Other Liabilities & Provisions	**14,497.82**	**18,053.98**
Unsecured Redeemable Debenture/Bonds (Subordinated for Tier II capital)	**8,233.90**	**10,735.83**
Minority Interest	**152.48**	**274.94**
Liabilities on Life Policies in force	**3,447.59**	**8,122.11**
Total Liabilities (excluding Share Capital and Reserves and Surplus)	**165,809.44**	**254,637.78**

		As on March 31, 2005	As on March 31,2006
(A)	**SHARE CAPITAL :**		
(i)	Issued, Subscribed and Paid up equity share capital [refer note (2)]	736.78	889.84
(ii)	Preference Share Capital [refer note (3)]	350.00	350.00
Share Capital Total		**1,086.78**	**1,239.84**
(B)	**RESERVES AND SURPLUS :**		
(i)	Statutory Reserves	1,463.72	2,098.73
(ii)	Special Reserve	1,228.41	1,506.21
(iii)	Capital Reserves	501.32	569.32
(iv)	Share Premium	4,000.51	11,832.51
(v)	Investment Fluctuation Reserve	610.61	251.72
(vi)	Revenue & Other Reserves	3,732.87	5,093.45
(vii)	Foreign currency translation reserve	-	
(viiI)	Balance in Profit & Loss Account	-	-
Reserves and Surplus Total		**11,537.44**	**21,351.94**
Total Share capital and Reserves and Surplus		**12,624.22**	**22,591.78**
TOTAL LIABILITIES		**178,433.66**	**277,229.56**

NOTES :

1 *Other assets include goodwill amounting to Rs.62.40 crore on account of acquisitions*

2 *Includes:-*
4,492,323 equity shares on exercise of employee stock options [March 31, 2005 : 4,457,651 equity shares].

3 *The notification from Ministry of Finance has currently exempted the Bank from the restriction of section 12 (1) of the Banking Regulation Act, 1949, which prohibits issue of preference shares by banks.*

	CONTINGENT LIABILITIES	**As on March 31, 2005**	**As on March 31, 2006**
(i)	Claim against Bank not acknowledged as debts	2,753.27	2,987.91
(ii)	Liability for partly paid investments	16.84	16.85
(iii)	Liability on account of outstanding forward exchange contracts	71,465.31	91,914.92
(iv)	Guarantees given on behalf of constituents	15,759.04	19,144.81
(v)	Acceptances, endorsements & other obligations	7,411.57	11,008.26
(vi)	Currency Swaps	11,283.49	19,790.95
(vii)	Interest rate Swaps	179,339.99	285,226.90
(viii)	Other items for which Bank is contingently liable	8,071.85	6,141.03
TOTAL CONTINGENT LIABILITIES		**296,101.36**	**436,231.63**
Bills for collection		**2,397.20**	**4,346.91**

SCHEDULE 18

Significant accounting policies and notes to accounts

OVERVIEW

ICICI Bank Limited (”ICICI Bank” or ”the Bank”) together with its subsidiaries, joint ventures and associates (collectively, “the Company”) is a diversified financial services group providing a wide range of banking and financial services including retail banking, project and corporate finance, working capital finance, insurance, venture capital and private equity, investment banking, broking and treasury products and services.

The Bank was incorporated in Vadodara, India and is a publicly held banking company governed by the Banking Regulation Act, 1949.

Principles of consolidation

The consolidated financial statements include the financials of ICICI Bank, its subsidiaries, associates and joint ventures.

The Company consolidates subsidiaries in which it holds, directly or indirectly, more than 50% of the voting rights or where it exercises control. Entities where the Company holds 20% to 50% of the voting rights and /or has the ability to exercise significant influence, other than investments of designated venture capital subsidiaries, are accounted for under the equity method of accounting, and the pro-rata share of their income / (loss) is included in profit and loss account. Assets, liabilities, income and expenditure of the jointly controlled entities are consolidated using the proportionate consolidation method. Under the proportionate consolidation method the Company’s share of each of the assets, liabilities, income and expenses of a jointly controlled entity is reported as separate line items in the consolidated financial statements. The total assets at March 31, 2006 and total income for the year ended March 31, 2006 of the entities consolidated by the proportionate consolidation method was Rs. 3.97 crores and Rs.0.37 crores respectively The Company does not consolidate entities where control is intended to be temporary. All significant inter-company accounts and transactions are eliminated on consolidation.

Basis of preparation

The accounting and reporting policies of the Company used in the preparation of these consolidated financial statements reflect general industry practices and conform with the generally accepted accounting principles in India (Indian GAAP) including the extant Accounting Standards (“AS”) issued by Institute of Chartered Accountants of India (“ICAI”), guidelines issued by Reserve Bank of India (”RBI”), Insurance Regulatory and Development Authority (”IRDA”) and National Housing Bank (”NHB”) as applicable to relevant companies.

The Company follows the accrual method of accounting except where otherwise stated and historical cost convention. In case the accounting policies followed by a subsidiary, joint venture or associate are different from those followed by the Bank, the same have been disclosed separately.

The preparation of consolidated financial statements requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the consolidated financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results could differ from these estimates.

The consolidated financial statements include the results of the following entities:

Sr. No	Name of the company	Country/ residence	Relation	Activity	Ownership interest
1	ICICI Securities Limited	India	Subsidiary	Investment banking	99.90%
2	ICICI Brokerage Services Limited	India	Subsidiary	Securities broking	99.90%

Sr. No	Name of the company	Country/ residence	Relation	Activity	Ownership interest
3	ICICI Securities Inc.	USA	Subsidiary	Investment banking & securities broking	99.90%
4	ICICI Securities Holdings Inc.	USA	Subsidiary	Investment banking	99.90%
5	ICICI Venture Funds Management Company Limited	India	Subsidiary	Venture fund management	100.00%
6	ICICI Home Finance Company Limited	India	Subsidiary[1]	Housing finance	100.00%
7	ICICI Trusteeship Services Limited	India	Subsidiary	Trusteeship services	100.00%
8	ICICI Investment Management Company Limited	India	Subsidiary	Investment management	100.00%
9	ICICI International Limited	Mauritius	Subsidiary	Offshore fund management	100.00%
10	ICICI Bank UK Limited	United Kingdom	Subsidiary	Banking	100.00%
11	ICICI Bank Canada	Canada	Subsidiary	Banking	100.00%
12	ICICI Bank Eurasia Limited Liability Company (formerly Investment Credit Bank Limited Liability Company)	Russia	Subsidiary[2]	Banking	100.00%
13	ICICI Property Trust	India	Direct holding	Assets and investments management	100.00%
14	ICICI Eco-net Internet & Technology Fund	India	Direct holding	Venture capital fund	92.03%
15	ICICI Equity Fund	India	Direct holding	Venture capital fund	100.00%
16	ICICI Emerging Sectors Fund	India	Direct holding	Venture capital fund	98.85%
17	ICICI Strategic Investments Fund	India	Direct holding	Venture capital fund	100.00%
18	ICICI Prudential Life Insurance Company Limited	India	Jointly controlled entity[3]	Life insurance	74.00%
19	ICICI Lombard General Insurance Company Limited	India	Jointly controlled entity[3]	General insurance	74.00%
20	Prudential ICICI Asset Management Company Limited	India	Subsidiary[4]	Asset management company for Prudential ICICI Mutual fund	50.99%
21	Prudential ICICI Trust Limited	India	Subsidiary[4]	Trustee company for Prudential ICICI Mutual fund	50.80%
22	TCW/ICICI Investment Partners LLC.	Mauritius	Jointly controlled entity[5]	Asset and fund management company	50.00%
23	TSI Ventures (India) Private Limited	India	Jointly controlled entity[5]	Real estate consultant	50.00%

1. Effective August 11, 2005, ICICI Distribution Finance Private Limited has merged with ICICI Home Finance Company Limited. Consequent to the merger ICICI Distribution Finance Private ceases to be a subsidiary of the Bank.
2. ICICI Bank Eurasia Limited Liability Company (formerly Investment Credit Bank Limited Liability Company) has become a subsidiary of ICICI Bank Limited with effect from May 19, 2005, being the date of its acquisition.
3. *Since the year ended March 31, 2005, the financial statements of these jointly controlled entities have been consolidated as per AS 21 "Consolidated Financial Statements" consequent to the limited revision to AS 27 "Financial Reporting of Interests in Joint Ventures".*
4. *Effective August 26, 2005, Prudential ICICI Asset Management Company Limited and Prudential ICICI Trust Limited have become subsidiaries of the Bank. Therefore, these entities have been fully consolidated instead of the proportionate consolidation method.*
5. *This investment is accounted as per the proportionate consolidation method.*

Pursuant to the resolution passed at the meeting of the Board of Directors of ICICI Venture Funds Management Company Limited (IVFMCL), held on July 21, 2004, IVFMCL has decided not to carry on activities of non-banking financial companies, under Section 45-1A(6)(i) and applied to RBI for cancellation of its non-banking financial company certificate. The RBI vide its order dated December 27, 2004 has, cancelled as surrendered, the certificate of registration granted to IVFMCL. Consequently the statutory reserve, created in pursuance of section 45-IC of the Reserve Bank of India (Amendment) Act, 1997, amounting to Rs. 21.00 crores has been treated as free reserve and have been included as a part of revenue and other reserves.

Equity issue of ICICI Bank Ltd

During the year ended March 31, 2006, the Bank raised equity capital amounting to Rs. 80,00.61 crores. The expenses of the issue amounting to Rs. 87.41 crores have been charged to the share premium account. The details of the equity capital raised are given in the table below.

(Rs in crores except per share data)

Details	No. of equity shares	Amount of share premium	Aggregate proceeds
Fully paid equity shares of Rs. 10 each at a premium of Rs. 515 per share	67,787,322	3,491.05	3,558.83
Fully paid equity shares of Rs. 10 each at a premium of Rs. 488.75 per share[1]	28,894,060	1,412.20	3,491.05 1,441.09
18,618,730 American Depository Share ("ADS") at a price of US$ 26.75 per share [2]	37,237,460	2,213.46	2,250.69
Fully paid equity shares of Rs. 10 each issued by exercise of the green shoe option	14,285,714	735.71	750.00
Total	***148,204,556***	***7,852.42***	***8,000.61***

1. *Unpaid calls of Rs. 0.03 crore (Unpaid share premium Rs. 9.24 crores).*
2. *Includes green shoe option of 2,428,530 ADSs.*

During the year ended March 31, 2005, the Bank issued 115,920,758 equity shares (including 6,992,187 equity shares issued by exercise of green shoe option) of Rs.10 each at a premium of Rs. 270 per share aggregating Rs. 32,45.78 crores under the prospectus dated April 12, 2004. The expenses of the issue have been charged to the share premium account.

During the year ended March 31, 2005, ICICI Bank had sponsored American Depositary Shares (ADSs) Offering, which opened for participation on March 7, 2005 and closed on March 11, 2005. In terms of the Offering, 20,685,750 ADSs representing 41,371,500 equity shares had been sold at a price of US$ 21.1 per ADS. The gross proceeds from the ADS Offering were approximately US$ 43.67 crores (Rs.19,09.96 crores). Pursuant to this offering, existing outstanding equity shares were exchanged for newly issued ADSs and accordingly the offering did not result in an increase in share capital of the Bank.

A. SIGNIFICANT ACCOUNTING POLICIES

1. Foreign currency transactions

The consolidated financial statements are reported in Indian rupees (Rs.), the national currency of India. Foreign currency income and expenditure items are translated as follows:

(a) For domestic operations at the exchange rates prevailing on the date of the transaction with the resultant gain or loss accounted for in the profit and loss account;

(b) For integral foreign operations (representative offices), at weekly average closing rate with the resultant gain or loss accounted for in the profit and loss account. AS 11 (revised) on "The effects of changes in foreign exchanger rates" issued by the ICAI defines an integral foreign operation as a subsidiary, associate, joint venture or branch of the reporting enterprise, the activities of which are based or conducted in a country other than the country of the reporting enterprise but are an integral part of the reporting enterprise.;

(c) For non-integral foreign operations (foreign branches and off-shore banking units), at quarterly average closing rate with the resultant gains or losses accounted for as foreign currency translation reserve.

Monetary foreign currency assets and liabilities of domestic and integral foreign operations are translated at closing exchange rates notified by Foreign Exchange Dealers' Association of India ("FEDAI") at the balance sheet date and the resulting profits/losses are included in the profit and loss account.

Both monetary and non-monetary foreign currency assets and liabilities of non- integral foreign operations are translated at closing exchange rates notified by FEDAI at the balance sheet date and the resulting profit/loss on exchange differences are accumulated in the foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operations.

Outstanding forward exchange contracts are revalued at the exchange rates notified by FEDAI for specified maturities and at interpolated rates for contracts of in-between maturities. The resultant gains or losses are recognised in the profit and loss account.

Contingent liabilities on account of guarantees, endorsements and other obligations are stated at the exchange rates notified by FEDAI at the balance sheet date.

2. Revenue recognition

Interest income on loans and advances is accounted on an accrual basis except in the case of loan exposures classified as non-performing assets ("NPAs") or bad and doubtful loans where it is recognised, on a cash basis, as per the prudential norms of RBI.

Commissions paid to direct marketing agents ("DMAs") for auto loans, is recorded upfront in the profit and loss account net of subvention income received from them.

Income from hire purchase operations is accrued by applying the interest rate implicit on outstanding balances.

Income from leases is calculated by applying the interest rate implicit in the lease to the net investment outstanding on the lease over the primary lease period. Leases effective from April 1, 2001 are accounted as advances at an amount equal to the net investment in the lease. The lease rentals are apportioned between principal and finance income based on a pattern reflecting a constant periodic return on the net investment outstanding in respect of finance lease. The principal amount is recognised as repayment of advances and the finance income is reported as interest income. Income on discounted instruments is recognised over the tenure of the instrument on a constant yield basis.

Dividend income is accounted on an accrual basis when the right to receive the dividend is established.

In case of investment banking subsidiary, fees from issue management, loan syndication, financial advisory services and trusteeship fees are recognised based on the stage of completion of assignments and terms of agreement with the client.

Fees received by the Company's Canadian subsidiary, from its commercial clients for term loans, demand loans, mortgages, and operating lines of credit are deferred and recognised over the term of a loan. Upon approval of the credit facility, fee income is amortised over the term of the loan, except for demand loans, which are amortised over a 12-month period. Non-refundable loan fees received from commercial clients are accounted immediately if the credit facility is not approved.

All other fee income is recognised upfront on its becoming due except for fees for guarantees which are amortised over the contracted period of the commitment.

Net income arising from sell down of loan assets is recognised upfront in interest income. With effect from February 1, 2006, in accordance with new guidelines issued by RBI, net income arising from securitisation of loan assets is amortised over the life of securities issued or to be issued by the special purpose vehicle/special purpose entity to which the assets are sold.

Income from brokerage activities is recognised as income on the trade date of the transaction. Brokerage income in relation to public issues/ other securities is recognised based on mobilisation and terms of agreement with the client. The Bank follows trade date method for accounting of its investments.

Life insurance premium is recognised as income when due. Premium on lapsed policies is recognised as income when such policies are reinstated. For linked business, premium is recognised when the associated units are allotted. Income from linked funds, which includes fund management charges, administrative charges and mortality charges is recovered from the linked fund in accordance with the terms and conditions of the policy and is accounted on accrual basis. Accretion of discount and amortisation of premium relating to debt securities is recognised over the holding/maturity period on a straight-line basis.

General insurance premium is recognised as income over the period of risk or the contract period based on 1/365 method, whichever is appropriate on a gross basis, net of service tax. Any subsequent revision to premium is recognised over the remaining period of risk or contract period. Adjustments to premium income arising on cancellation of policies are recognised in the period in which it is cancelled. Commission on reinsurance business is recognised as income in the period of ceding the risk. Profit commission under re-insurance treaties is recognised as income in the period of determination of profits.

Insurance premium on ceding of the risk is recognised in the period in which the risk is ceded. Any subsequent revision to premium ceded is recognised in the period of such revision. Adjustment to reinsurance premium arising on cancellation of policies is recognised in the period in which it is cancelled. In case of life insurance business, reinsurance premium ceded is accounted in accordance with the treaty or in-principle arrangement with the reinsurer.

Premium deficiency is recognised when the sum of expected claim costs and related expenses exceed the reserve for unexpired risks and is computed at a business segment level.

3. Stock based compensation

The Company uses the intrinsic value based method as prescribed by the guidance note on 'Accounting for Stock Options" issued by ICAI to account for its stock-based employees compensation plans. Compensation cost for fixed and variable stock-based awards is measured by the excess, if any, of the fair market price of the underlying stock over the exercise price. Compensation for fixed awards is measured at the grant date while compensation costs for variable awards is estimated until the number of shares an individual is entitled to receive and the exercise price are known (measurement date).

4. Income taxes

Income tax expense is the aggregate amount of current tax, deferred tax and fringe benefit tax charge. Current year taxes are determined in accordance with the Income Tax Act, 1961. Deferred tax adjustments comprise changes in the deferred tax assets or liabilities during the year.

Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences arising between the carrying values of assets and liabilities and their respective tax bases and operating carry forward losses. Deferred tax assets are recognised only after giving due consideration to prudence. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date. The impact on account of changes in the deferred tax assets and liabilities is also recognised in the profit and loss account.

Deferred tax assets are recognised and reassessed at each reporting date, based upon management's judgement as to whether realisation is considered certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation, tax losses, and carry forward capital losses only if there is virtual certainty that such deferred tax asset can be realised against future profits.

During the year ended March 31, 2006, the Bank has created a deferred tax asset on carry forward capital losses based on its firm plan, that sufficient future taxable income will be available against which the loss can be set off.

Deferred tax assets and liabilities are computed at individual company level and aggregated for consolidated reporting.

5. Claims and benefits paid

In case of general insurance business, claims comprise claims paid, estimated liability for outstanding claims made following a loss occurrence reported and estimated liability for claims incurred but not reported ('IBNR') and claims incurred but not enough reported ('IBNER'). Further, claims incurred also include specific claim settlement costs such as survey / legal fees and other directly attributable costs. Claims (net of amounts receivable from reinsurers/co-insurers) are recognised on the date of intimation of the loss. Estimated liability for outstanding claims at the balance sheet date is recorded net of claims recoverable from/payable to co-insurers/reinsurers and salvage to the extent there is certainty of realisation. Estimated liability for outstanding claims is determined by the Company on the basis of ultimate amounts likely to be paid on each claim based on past experience. These estimates are progressively revalidated on availability of further information.

Claims IBNR represents that amount of claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, if any, required for claims IBNER. Liability for claims IBNR/ claims IBNER is based on an actuarial estimate duly certified by the appointed actuary of the Company. In case of life insurance business, claims other than maturity claims are accounted for on receipt of intimation. Maturity claims are accounted when due for payment. Reinsurance on such claims is accounted for in the same period as the related claims. Withdrawals under linked policies are accounted in the respective schemes.

6. Liability for life policies in force

In respect of life insurance business, liability for life policies in force and also policies in respect of which premium has been discontinued but a liability exists, is determined by the appointed actuary on the basis of an annual review of the life insurance business, as per the gross premium method in accordance with accepted actuarial practice, requirements of the IRDA and the Actuarial Society of India. The linked policies sold by the company carry two types of liabilities – unit liability representing the fund value of policies and non-unit liability for future expenses, meeting death claims, income taxes and cost of any guarantees.

7. Reserve for unexpired risk

Reserve for unexpired risk is recognised net of reinsurance ceded and represents premium written that is attributable and to be allocated to succeeding accounting periods for risks to be borne by the company under contractual obligations on contract period basis or risk period basis, whichever is appropriate. It is calculated on a daily pro-rata basis subject to a minimum of 50% of the premium, written during the 12 months preceding the balance sheet date for fire, marine, cargo and miscellaneous business and 100% for marine hull business, in accordance with the provisions of the Insurance Act, 1938.

8. Actuarial method and valuation

In case of life insurance business, the actuarial valuation liability on both participating and non-participating policies is calculated using the gross premium method. The gross premium reserves are calculated using assumptions for interest, mortality, expense, and inflation and in the case of participating policies, the future bonuses together with allowance for taxation and allocation of profits to shareholders. These assumptions are determined as prudent estimates at the date of valuation with allowances for adverse deviations.

The interest rates used for valuing the liabilities are in the range of 4.7% to 10.0% per annum (Previous year – 4.0% to 10.0% per annum).

Mortality rates used are based on the published L.I.C. (1994 – 96) Ultimate Mortality Table, adjusted to reflect expected experience and allowances for adverse deviation. Expenses are provided for at long term expected renewal expense levels.

Unearned premium reserves are held for the unexpired portion of the risk for the general fund liabilities of linked business and riders thereunder and one year renewable group term insurance.

The unit liability in respect of linked business has been taken as the value of the units standing to the credit of policyholders, using the net asset value (NAV) prevailing at the valuation date. The adequacy of charges under unit-linked policies to meet future expenses has been tested and provision made as appropriate. Provision has also been made for the cost of guarantee under unit-linked products that carry a guarantee.

9. Acquisition costs for insurance business

Acquisition costs are those costs that vary with, and are primarily related to the acquisition of new and renewal of insurance contracts including commissions and policy issue expenses. These costs are expensed in the period in which they are incurred.

10. Staff retirement benefits

ICICI Bank is required to pay gratuity to employees who retire or resign after at least five years of continuous service. ICICI Bank makes contributions to three separate gratuity funds, for employees inducted from erstwhile ICICI, employees inducted from erstwhile Bank of Madura and employees of ICICI Bank other than employees inducted from erstwhile ICICI and erstwhile Bank of Madura.

The gratuity funds for employees inducted from erstwhile ICICI and erstwhile Bank of Madura are separate gratuity funds managed by ICICI Prudential Life Insurance Company. Actuarial valuation of the gratuity liability is determined by an actuary appointed by ICICI Prudential Life Insurance Company. The investments of the funds are made according to rules prescribed by the Government of India. The accounts of the funds are audited by independent auditors.

The gratuity fund for employees of ICICI Bank other than employees inducted from erstwhile ICICI and erstwhile Bank of Madura is administered by the Life Insurance Corporation of India. In accordance with the gratuity fund's rules, actuarial valuation of gratuity liability is calculated based on certain assumptions regarding rate of interest, salary growth, mortality and staff turnover.

ICICI Bank contributes 15.0% of the total annual salary of each employee to a superannuation fund for ICICI Bank employees. ICICI Bank's employees get an option on retirement or resignation to receive one-third of the total balance and a monthly pension based on the remaining two-third balance. In the event of death of an employee, his or her beneficiary receives the remaining accumulated balance of 66.7%. ICICI Bank also gives a cash option to its employees, allowing them to receive the amount contributed by ICICI Bank in their monthly salary during their employment.

Untill March 31, 2005, the superannuation fund was solely administered by the Life Insurance Corporation of India. Subsequent to March 31, 2005, the fund is being administered by both Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited. Employees have the option to retain the existing balance with Life Insurance Corporation of India or seek a transfer to ICICI Prudential Insurance Company.

ICICI Bank is statutorily required to maintain a provident fund as a part of its retirement benefits to its employees. There are separate provident funds for employees inducted from erstwhile Bank of Madura (other than those employees who have opted for pensions), and for other employees of ICICI Bank. These funds are managed by in-house trustees. Each employee contributes 12.0% of his or her basic salary (10.0% for clerks and sub-staff of erstwhile Bank of Madura) and ICICI Bank contributes an equal amount to the funds. The investments of the funds are made according to rules prescribed by the Government of India. The accounts of the funds are audited by independent auditors.

In respect of other entities within the group, retirement benefits in the form of provident fund and other defined contribution schemes, the contribution payable by the Company for the year is charged to the profit and loss account for that year. In respect of gratuity benefit and other benefit schemes, where the Company makes payments for retirement benefits out of its own funds, provisions are made in the profit and loss account based on actuarial valuation. In cases where the liability for retirement benefits is funded through a scheme administered by an insurer, the contributions payable during the year to the insurer is charged to the profit and loss account for that year.

11. Accounting for contingencies

The Company estimates the probability of any loss that might be incurred on outcome of contingencies on the basis of information available up to the date on which the consolidated financial statements are prepared. A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the consolidated financial statements. In case of remote possibility neither provision nor disclosure is made in the consolidated financial statements.

12. Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice

13. Investments

Investments of the Bank are accounted for in accordance with the extant RBI guidelines on investment classification and valuation as given below:

(a) All investments are categorised into 'Held to Maturity', 'Available for Sale' and 'Held for Trading' categories. Reclassifications, if any, in any category are accounted for as per the RBI guidelines.

Under each category, the investments are further classified under (a) government securities (b) other approved securities (c) shares (d) bonds and debentures (e) subsidiaries and joint ventures and (f) others.

(b) 'Held to Maturity' securities are carried at their acquisition cost or at amortised cost, if acquired at a premium over the face value. A provision is made for other than temporary diminution.

(c) 'Available for Sale' and 'Held for Trading' securities are valued periodically as per RBI guidelines. The market / fair value for the purpose of periodical valuation of quoted investments included in the 'Available for Sale' and 'Held for Trading' categories is the market price of the scrip as available from the trades/quotes on the stock exchanges, price list of RBI or prices declared by Primary Dealers Association of India jointly with Fixed Income Money Market and Derivatives Association ("FIMMDA")

The market / fair value of unquoted statutory liquidity ratio (SLR) securities included in the 'Available for Sale' and 'Held for Trading' categories is as per the rates published by FIMMDA. The valuation of non-SLR securities, other than those quoted on the stock exchanges, wherever linked to the Yield-to-Maturity ("YTM") rates, is with a mark-up (reflecting associated credit risk) over the YTM rates for government securities published by FIMMDA.

Unquoted equity shares are valued at the book value, if the latest balance sheet is available or at Re. 1.

Securities are valued scrip-wise and depreciation/appreciation aggregated for each category. Net appreciation, if any, in each basket, being unrealised, is ignored, while net depreciation is provided for.

(d) Costs including brokerage and commission pertaining to investments, paid at the time of acquisition, are charged to the profit and loss account.

(e) Profit on sale of investments in the 'Held to Maturity' category is credited to the profit and loss account and is thereafter appropriated (net of applicable taxes and statutory reserve requirements) to capital reserve.

(f) At the end of each reporting period, security receipts issued by the asset reconstruction company are valued in accordance with the guidelines prescribed by RBI. Accordingly, as the security receipts issued by the asset reconstruction company are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Bank considers the Net Asset Value ("NAV"), obtained from the asset reconstruction company, for valuation of such investments at each reporting period end.

The Company's venture capital funds carry their investments at fair values, with unrealised gains and temporary losses on investments recognised as components of investors' equity and accounted for in unrealised investment reserve account included in the investment fluctuation reserve. The realised gains and losses on investments and units in mutual funds and unrealised gains or losses on restatement of units in mutual funds are accounted for in the Profit and Loss Account. The cost of investments sold is determined on weighted average basis and the cost of units in mutual funds sold is determined on first-in, first-out basis for the purpose of calculating gains or losses on sale. Provisions are made in respect of accrued income considered doubtful. Such provisions as well as any subsequent recoveries are recorded through the profit and loss account. Subscriptions to/purchase of investments are accounted at the cost of acquisition inclusive of brokerage, commission and stamp duty. Bonus shares and right entitlements are recorded when such benefits are known. Quoted investments are valued on the valuation date at the closing market price. Quoted investments that are not traded on the valuation date but are traded during the two months prior to the valuation date are valued at the latest known closing price. An appropriate discount is applied where the asset management company considers it necessary to reflect restrictions on disposal. Quoted investments not traded during the two months' prior to the valuation date are treated as unquoted. Unquoted investments are valued at their estimated fair values by applying appropriate valuation methods. Where there is a decline, other than temporary in the carrying amounts of investments, the resultant reduction in the carrying amount is charged to the profit and loss account during the period in which such decline is identified.

The Company's investment banking subsidiary classifies its investments as short-term and trading or as long-term investments. The securities held with the intention of holding for short-term and trading are classified as stock in trade and the securities acquired with the intention of holding till maturity or for a longer period are classified as long-term investments. The securities held as stock in trade are valued at lower of cost arrived at on weighted average basis or market / fair value and long-term investments are carried at cost arrived at weighted average basis. Appropriate provision is made for other than temporary diminution in the value of investments. Commission earned in respect of securities acquired upon devolvement is reduced from the cost of acquisition.

The Company's housing finance subsidiary classifies its investments as current investments and long-term investments. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments, which are carried at the lower of cost or the market value. All other investments are classified as long-term investments, which are carried at cost. However a provision for diminution in value is made to recognize an other than temporary decline in the value of investments. Costs such as brokerage, commission etc. paid at the time of acquisition of investments are included in investments costs.

In case of the Company's UK banking subsidiary, premium or discount on investments intended to be held on a continuous basis, are amortised on an effective interest rate basis through the profit and loss account over the period to maturity.

The Company's Canadian banking subsidiary classifies its investments into investment account securities or trading account securities. Investment account securities comprise debt and equity securities, originally purchased with the intention of holding to maturity or for a predetermined period of time, which may be sold in response to changes in investment objectives arising from changing market conditions or to meet the liquidity requirements.

The Company's life insurance subsidiary values its investments in real estate at historical cost subject to provision for impairment, if any. Revaluation of investments in real estate is done at least once in every three years.

14. Provisions / Write-offs on loans and other credit facilities

The Bank follows the RBI norms for income recognition and asset classification. Accordingly, all loan exposures are classified into performing and non-performing assets ('NPA'). NPAs of the Bank are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Provisions are made on sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and unsecured portion of doubtful assets are provided/written off as per the extant RBI guidelines. RBI norms also allow banks to create additional floating provisions over and above the specific provisions. The additional floating provisions are in general based on losses anticipated by the Bank on historical loss experiences or expected anticipated losses in certain loans. For restructured/rescheduled assets, provision is made by the Bank in accordance with the guidelines issued by RBI, which requires the present value of the interest sacrifice be provided at the time of restructuring.

In the case of NPAs other than restructured NPA accounts, the account is reclassified as "standard" account if arrears of interest and principal are fully paid by the borrower. In respect of NPA accounts subjected to restructuring, the account is reclassified as "standard" account if the borrower demonstrates, over a minimum period of one year, the ability to repay the loan in accordance with the contractual terms.

Amounts recovered against other debts written off in earlier years and provisions no longer considered necessary in the context of the current status of the borrower are recognised in the profit and loss account. In addition to the specific provision on NPAs, the Bank maintains a general provision on performing loans. The general provision meets the requirements of the RBI guidelines.

In addition to the provisions required to be held according to the asset classification status, provisions are held by the Bank for individual country exposure (other than for home country). The countries are categorised into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit and provisioning made on exposures exceeding 90 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 90 days, 25% of the normal provision requirement is held. If the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is maintained on such country exposure.

In the case of the investment-banking subsidiary, the policy of provisioning against NPAs is as per the prudential norms prescribed by the RBI for non-banking financial companies. As per the policy adopted, the provision against sub-standard assets are determined, taking into account management's perception of the higher risk associated with the business of the company. Certain NPAs are considered as loss assets and full provision has been made against such assets.

In case of the housing finance subsidiary, loans and other credit facilities are classified as per the NHB guidelines into performing and non-performing assets. Further, NPAs are classified into sub-standard, doubtful and loss assets based on criteria stipulated by NHB.

In the case of the Canadian subsidiary, loans are stated net of allowance for credit losses. Loans are classified as impaired when there is no longer reasonable assurance of the timely collection of the full amount of principal or interest. An allowance for credit losses is maintained at a level that management considers adequate to absorb identified credit related losses as well as losses that have been incurred but are not yet identifiable.

15. Transfer and servicing of financial assets

The Company transfers commercial and consumer loans through securitisation transactions. The transferred loans are de-recognised and gains / losses are recorded only if the Company surrenders the rights to benefits specified in the loan contract. Recourse and servicing obligations are reduced from proceeds of the sale. Retained beneficial interests in the loans are measured by allocating the carrying value of the loans between the assets sold and the retained interest, based on the relative fair value at the date of the securitisation.

During the year, RBI has issued specific guidelines on securitisation of standard assets. Accordingly, with effect from February 1, 2006, the Bank accounts for any loss arising on securitisation in the profit & loss account immediately at the time of securitisation. Profit / premium, if any, arising on account of securitisation is amortised over the life of the securities issued or to be issued by the Special Purpose Vehicle (SPV).

16. Fixed assets and depreciation

Premises and other fixed assets are carried at cost less accumulated depreciation. Depreciation is charged over the estimated useful life of a fixed asset on a straight-line basis, except for those relating to venture capital, investment banking and asset management subsidiaries where depreciation is charged on a written down value basis. The rates of depreciation for fixed assets, which are not lower than the rates prescribed in schedule XIV of the Companies Act, 1956, are given below:

Asset	Depreciation Rate
Premises owned by the Bank	1.63%
ATMs	12.50%
Plant and machinery like air conditioners, xerox machines, etc.	10.00%
Furniture and fixtures	15.00%
Motor vehicles	20.00%
Computers	33.33%
EDC terminals	16.67%
Others (including software and system development expenses)	25.00%

Cost comprises the purchase price and any cost attributable to bringing the asset to working condition for its intended use.

Depreciation on leased assets and improvement to leasehold premises is made on a straight-line basis at the higher of the rates determined with reference to the primary period of lease and the rates specified in Schedule XIV of the Companies Act, 1956.

Assets purchased/sold during the year are depreciated on the basis of actual number of days the asset has been put to use.

Items costing less than Rs. 5,000 are depreciated fully over a period of 12 months from the date of purchase.

In case of the venture capital subsidiary depreciation on assets, other than leased assets, is charged on written down value method at the rates and in the manner prescribed under Schedule XIV to the Companies Act, 1956.

In case of investment banking subsidiary, depreciation on assets, other than improvements to leased property and membership rights of The Stock Exchange, Mumbai, is charged on written down value method at the rates which are greater than or equal to the provisions of Schedule XIV of the Companies Act, 1956. A membership right of the stock exchange is treated as an asset and the value paid to acquire such rights is amortised over a period of 10 years.

In case of the asset management subsidiary, fixed assets other than leasehold improvements, and software development and licensing costs are depreciated at written down value method based on economic lives of the asset as estimated by management.

In case of the overseas banking subsidiaries, fixed assets other than leasehold improvements are depreciated using straight-line method over the estimated useful lives of the assets as estimated by management. In case of the Canadian subsidiary, depreciation on furniture & fixtures is charged @ 20% per annum.

In case of the life insurance subsidiary, assets costing upto Rs. 20,000 are fully depreciated in the year of acquisition. Intangible assets comprising software are stated at cost less amortisation. Significant improvements to software are capitalised while the insignificant improvements are charged off as software expenses. Software expenses are amortised on straight-line method over a period of three years from the date they are put to use, being management's estimate of the useful life of such intangibles. Depreciation on furniture & fixtures is charged @ 25% per annum.

In case of the general insurance subsidiary, computer software are stated at cost less amortisation. Computer software including improvements is amortised over a period of five years, being management's estimate of the useful life of such intangibles.

In case of housing finance subsidiary, depreciation on computer software is provided @ 20% per annum.

17. Accounting for derivative contracts

The Company enters into derivative contracts such as foreign currency options, interest rate and currency swaps and cross currency interest rate swaps to hedge on-balance sheet/off-balance sheet assets and liabilities or for trading purposes.

The swap contracts entered to hedge on-balance sheet assets and liabilities are structured in such a way that they bear an opposite and offsetting impact with the underlying on-balance sheet items. The impact of such derivative instruments is correlated with the movement of underlying assets and accounted in accordance with RBI guidelines.

Foreign currency and rupee derivatives, which are entered for trading purposes, are marked to market and the resulting gain/loss, (net of provisions, if any) is recorded in the profit and loss account.

During the year the Bank changed its method for testing hedge effectiveness from the price value of basis point ("PVBP") or duration method to the marked to market method. Due to this change certain derivative contracts, which were hitherto accounted for as hedges, became ineffective and were accordingly accounted for as trading.

18. Impairment of assets

Long-lived assets and certain intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

19. Earnings per share ("EPS")

Basic and diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

B. NOTES FORMING PART OF THE ACCOUNTS

1. Earnings per share ("EPS")

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard 20, "Earnings per Share". Basic earnings per share is computed by dividing net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

The computation of earnings per share is given below:

(Rs in crores except per share data)

	Year ended March 31, 2006	**Year ended March 31, 2005**
Basic		
Weighted average no. of equity shares outstanding	781,693,773	727,728,042
Net profit	2,420.09	1,852.33
Basic earnings per share (Rs.)	30.96	25.45
Diluted		
Weighted average no. of equity shares outstanding	789,963,635	733,720,485
Net profit	2,420.09	1,852.33
Diluted earnings per share (Rs.)	30.64	25.25
Nominal value per share (Rs.)	10.0	10.0

The dilutive impact is mainly due to options granted to employees by the Bank.

2. Related party transactions

The Company has transactions with its related parties comprising joint ventures, associates and key management personnel. The following represent the significant transactions between the Company and such related parties:

Lease of premises and facilities

During the year ended March 31, 2006, the Company charged for lease of premises, facilities and other administrative costs to joint ventures amounting to Rs. Nil (March 31, 2005: Rs. 0.34 crores).

Interest received

During the year ended March 31, 2006 the Company received interest from its Key management personnel[1] amounting to Rs. 0.05 crores (March 31, 2005: Rs. 0.03 crores).

Interest paid

During the year ended March 31, 2006, the Company paid interest to joint ventures amounting to Rs. Nil (March 31, 2005: Rs. 1.89 crores).

Remuneration to whole-time directors

Remuneration paid to the whole-time directors of the Bank during the year ended March 31, 2006 was Rs. 7.59 crores (March 31, 2005: Rs. 6.05 crores).

Sale of investments

During the year ended March 31, 2006, the Company sold certain investments to joint ventures amounting to Rs. Nil (March 31, 2005: Rs. 363.73 crores). On the sales made to joint ventures the Bank accounted for a loss of Rs. Nil (March 31, 2005: Rs. 1.46 crores).

Purchase of investments

During the year ended March 31, 2006, the Company purchased certain investments from its joint ventures amounting to Rs. 2.02 crores (March 31, 2005: Rs. 5,00.12 crores).

Custodial charges received

During the year ended March 31, 2006, the Company received custodial charges from its joint ventures amounting to Rs. Nil (March 31, 2005: Rs. 0.17 crores).

Fees

During the year ended March 31, 2006, the Company received cash management services fees from its joint ventures amounting to Rs. Nil (March 31, 2005: Rs. 1.45 crores).

Related party balances

The following are balances payable to/receivable from the related parties are included in the balance sheet as on March 31, 2006:

(Rs in crores)

Items / Related Party	Joint Ventures and Associates	Key Management Personnel [1]	Total
Deposits with ICICI Bank	0.53	2.49	3.02
Advances	Nil	1.54	1.54
Investments of ICICI Bank	3.35	Nil	3.35

Investments of related parties in ICICI Bank	Nil	0.43	0.43
Receivables	Nil	Nil	Nil
Payables	Nil	Nil	Nil

The following balances represent the maximum balance payable to/receivable from related parties during the period ended March 31, 2006:

(Rs in crore)

Items/Related Party	**Joint Ventures and Associates**	**Key Management Personnel [1]**	**Total**
Deposits with ICICI Bank	2.24	4.61	6.85
Advances	Nil	2.12	2.12
Investments of ICICI Bank	3.35	Nil	3.35
Investments of related parties in ICICI Bank	Nil	0.44	0.44
Receivables	Nil	Nil	Nil
Payables	Nil	Nil	Nil

The following are balances payable to / receivable from the related parties are included in the balance sheet as on March 31, 2005:

(Rs in crores)

Items / Related Party	**Joint Ventures and Associates**	**Key Management Personnel [1]**	**Total**
Deposits with ICICI Bank	0.20	3.71	3.91
Advances	0.09	1.91	2.0
Investments of ICICI Bank	6.71	Nil	6.71
Investments of related parties in ICICI Bank	Nil	0.23	0.23
Receivables	Nil	Nil	Nil
Payables	Nil	Nil	Nil

The following balances represent the maximum balance payable to/receivable from related parties during the year ended March 31, 2005:

(Rs in crore)

Items / Related Party	**Joint Ventures and Associates**	**Key Management Personnel [1]**	**Total**
Deposits with ICICI Bank	6.45	19.61	26.06
Advances	0.09	1.91	2.00
Investments of ICICI Bank	6.71	Nil	6.71
Investments of related parties in ICICI Bank	Nil	0.23	0.23
Receivables	Nil	Nil	Nil
Payables	Nil	Nil	Nil

1 Whole- time directors of the Board and their relatives.

Joint ventures and associates

For the year ended March 31, 2006, TCW/ICICI Investment Partners LLC and TSI Ventures (India) Private Limited have been classified as joint ventures. For the period ended March 31, 2005, Prudential ICICI Asset Management Company Limited and Prudential ICICI Trust Limited have been classified under Joint Venture. These entities have been accounted as "subsidiaries" as defined in AS 21 "Consolidated Financial Statement" in the current financial year.

3. **Employee Stock Option Scheme ("ESOS")**

In terms of the ESOS, as amended, the maximum number of options granted to any eligible employee in a financial year shall not exceed 0.05% of the issued equity shares of the Bank at the time of grant of the options and aggregate of all such options granted to the eligible employees shall not exceed 5% of the aggregate number of the issued equity shares of the Bank on the date(s) of the grant of options.

In terms of the Scheme, 17,362,584 options (March 31, 2005: 18,215,335 options) granted to eligible employees were outstanding at March 31, 2006.

A summary of the status of the Bank's stock option plan is given below:

	Stock Options Outstanding	
	Year ended March 31, 2006	**Year ended March 31, 2005**
Outstanding at the beginning of the year	18,215,335	15,964,982
Add: Granted during the year	4,981,780	7,554,500
Less: Forfeited/lapsed during the year	931,280	846,496
Exercised during the year	4,903,251	4,457,651[1]
Outstanding at the end of the year	17,362,584	18,215,335

1. *Excludes options exercised but not allotted.*

4. **Fixed Assets**

Fixed assets include certain softwares acquired by the Company. The movement in software assets is given below:

(Rs in cores)

Particulars	**As on March 31, 2006**	**As on March 31, 2005**
At cost as on March 31st of preceding period	278.44	238.10
Additions during the year	61.51	46.22
Deductions during the year	(5.25)	(5.88)
Depreciation/ amortisation to date	(227.42)	(155.73)
Net Block	107.28	122.71

5. **Assets given under lease**

5.1 Assets given under operating lease

The future lease rentals are given in the table below:

(Rs in cores)

Period	**March 31, 2006**	**March 31, 2005**
Not later than one year	12.82	23.92
Later than one year and not later than five years	60.59	100.18
Later than five years	0.20	31.12
Total	**73.61**	**155.22**

5.2 Assets taken under operating lease

The future lease rental commitments are given in the table below:

(Rs in cores)

Period	March 31, 2006	March 31, 2005
Not later than one year	61.47	36.95
Later than one year and not later than five years	197.6.1	138.64
Later than five years	80.67	58.64
Total	**339.75**	**234.23**

5.3 Assets given under finance lease

The future lease rentals are given below:

(Rs in cores)

Period	March 31, 2005	March 31, 2006
Total of future minimum lease payments	81.71	110.55
Present value of lease payments	69.51	91.36
Un-matured finance charges	12.20	19.19
Maturity profile of total of future minimum lease payments		
Not later than one year	23.24	29.33
Later than one year and not later than five years	58.47	80.45
Later than five years		0.77
Total	**81.71**	**110.55**

Maturity profile of present value of lease payments

(Rs in crore)

	March 31, 2006	March 31, 2005
Not later than one year	17.67	22.28
Later than one year and not later than five years	51.84	68.33
Later than five years		0.75
Total	69.51	91.36

6. Early retirement option (”ERO”)

The Bank had implemented an Early Retirement Option scheme 2003 for its employees in July 2003. All employees who had completed 40 years of age and seven years of service with the Bank (including period of service with entities amalgamated with the Bank) were eligible for the ERO.

The ex-gratia payments under ERO and termination benefits and leave encashment in excess of the provision made (net of tax benefits), aggregating to Rs. 1,91.00 cores is being amortised over a period of five years commencing August 1, 2003 (the date of retirement of employees exercising the Option being July 31, 2003).

On account of the above ERO scheme, an amount of Rs. 38.40 cores (March 31, 2005: Rs. 38.40 cores) has been charged to revenue being the proportionate amount amortised for the year ended March 31, 2006.

7. Preference shares

The Bank had issued preference shares with a face value of Rs. 3,50.00 cores during the year ended March 31,1998 under the scheme of business combination of ITC Classic Finance Limited with erstwhile ICICI Limited. These preference shares bear a dividend yield of 0.001% and is redeemable at face value after 20 years. Certain government securities amounting to Rs. 200.11 cores (March 31, 2005: Rs. 1,95.23 crores) have been earmarked against redemption of these preference shares.

Banks in India are generally not allowed to issue preference shares. However, the Company has been currently exempted from this restriction.

8. Transfer to Investment Fluctuation Reserve

An amount of Rs. 214.34 cores being the excess balance in Investment Fluctuation Reserve (IFR) account over the regulatory requirement was transferred to general reserve account during the year ended March 31, 2005. RBI has subsequently instructed that this amount should be retained in IFR account itself. Accordingly, the said amount was transferred back to IFR account from the general reserve account in the first quarter of the year ended March 31, 2006, making IFR account balance Rs. 730.34 cores RBI required banks to create IFR aggregating to 5% of their investments in fixed income securities (in AFS and Trading Book) over a five-year period starting from March 31, 2002. Accordingly a further amount of Rs. 590.00 cores was transferred to IFR during the year ended March 31, 2006, making the IFR account balance Rs. 1,320.34 cores. RBI has vide its circular DBOD.No.BP.BC.38/21.04.141/2005-06 dated October 10, 2005 permitted banks that have maintained capital of at least 9% of the risk weighted assets for both credit risk and market risk for both held for trading and available for sale categories of investments as on March 31, 2006, to transfer the balance in the IFR 'below the line' in the profit and loss appropriation account to statutory reserve, general reserve or balance of profit & loss account.

Pursuant to the above, the entire IFR account balance of Rs. 1,320.34 cores has been transferred from IFR to revenue and other reserves.

9. Deferred tax

As on March 31, 2006, the Company has recorded net deferred tax asset of Rs. 246.79 cores (March 31, 2005: Rs. 70.22 cores).

The analysis of deferred tax assets and liabilities into major items is given below:

(Rs in cores)

Particulars	As on March 31, 2006	As on March 31, 2005
Deferred tax asset		
Provision for bad and doubtful debts	655.38	728.55
Capital loss	95.00	
Others	142.60	107.66
	892.98	836.21
Less: Deferred tax liability		
Depreciation on fixed assets	670.97	756.11
Others		22.16
	670.97	778.27
Add: Deferred tax asset pertaining to foreign branches / subsidiaries	24.78	12.28
Total net deferred tax asset/ (liability)	246.79	70.22

During the year ended March 31, 2006, the Bank has created a deferred tax asset on carry forward capital losses as based on its firms plans it is virtually certain that sufficient future taxable capital gains will be available against which the loss can be set off. Further, the life insurance subsidiary has created a deferred tax asset on carry forward unabsorbed losses amounting to Rs. 26.24 cores (March 31, 2005: Rs.10.79 cores) based on the virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

10. Other assets

(a) Exchange fluctuation

Exchange fluctuation aggregating Rs. 2.50 cores (March 31, 2005: Rs. 24.47 cores), which arises on account of rupee-tying agreements with the Government of India, is held in "Rupee Determine Exchange Fluctuation Account" pending adjustment at maturity on receipt of payments from the Government for repayments to foreign lenders.

(b) Swap suspense (net)

Swap suspense (net) aggregating Rs. 7.16 cores (debit) (March 31, 2005: Rs. 79.47 cores (debit)), which arises out of conversion of foreign currency swaps, is held in "Swap suspense account" and will be reversed at conclusion of swap transactions with swap counter parties.

11. Information about business and geographical segments

The Group reports its operations into the following segments:

Consumer and commercial banking comprises the retail and corporate banking operations of the Bank, ICICI Home Finance Company Limited, ICICI Bank UK Limited, ICICI Bank Canada and ICICI Bank Eurasia Limited Liability Company.

Investment banking comprises the treasury of the Bank, the investment banking business of ICICI Securities Limited, ICICI Brokerage Services Limited, ICICI Securities Inc., and ICICI Securities Holdings Inc., ICICI Venture Funds Management Company Limited, ICICI Eco-net Internet & Technology Fund, ICICI Equity Fund, ICICI Strategic Investments Fund, ICICI Emerging Sectors Fund and ICICI International Limited.

Others comprises of ICICI Lombard General Insurance Company Limited, ICICI Prudential Life Insurance Company Limited, Prudential ICICI Asset Management Company Ltd, Prudential ICICI Trust Limited, ICICI Property Trust, ICICI Investment Management Company Limited, ICICI Trusteeship Services Limited, TCW/ICICI Investment Partners LLC and TSI Ventures (India) Private Limited.

Inter-segment transactions are generally based on transfer pricing measures as determined by management. Income, expenses, assets and liabilities are either specifically identifiable with individual segments or have been allocated to segments on a systematic basis.

Based on such allocations, segmental balance sheet as on March 31, 2006 and segmental profit & loss account for the year ended March 31, 2006 have been prepared.

(Rs in crores)

		Consumer and Commercial Banking		Investment Banking		Others		Total	
	Particulars	**For the year ended March 31,2006**	**For the year ended March 31,2005**	**For the year ended March 31,2006**	**For the year ended March 31,2005**	**For the year ended March 31,2006**	**For the year ended March 31,2005**	**For the year ended March 31,2006**	**For the year ended March 31,2005**
1	Revenue (before extraordinary profit)	15,195.01	10,877.99	5342.56	3,259.92	6,315.28	3,703.76	26,852.85	17,841.67
2	Less: Inter- segment revenue	..	..	..	..	..	..	(1,091.76)	(910.28)
3	Total revenue (1) -(2)	..	..	..	..	..	..	25,761.09	16,931.39
4	Operating profit (i.e. Profit before unallocated expenses, extraordinary profit, provision, and tax)	3,340.22	1,996.50	1,415.69	1,043.93	28.80	(160.68)	4,784.92	2,879.75
5	Unallocated expenses	..	..	..	..	..	..	38.40	38.40
6	Provisions	753.21	115.09	894.49	347.84	(21.07)	(42.29)	1,626.64	420.64
7	Profit before tax (4)-(5)-(6)	2.587.20	1,881.41	521.20	696.09	49.87	(118.39)	3,119.88	2,420.71
8	Income tax expenses (net) / (net deferred tax credit)	..	..	..	..	..	..	699.80	568.38
9	Net Profit (7)-(8)	..	..	..	..	..	..	2,420.08	1,852.33
	Other Information								
10	Segment assets	180,255.60	111,844.73	82,479.31	58,828.68	11,073.49	4,777.84	273,808.40	175,451.25
11	Unallocated assets	..	..	..	..	..	..	3177.60	2,891.53
12	Total assets (10)+(11)	..	..	..	..	..	..	276.986.00	178,342.78
13	Segment liabilities	208,089.91	1,35,371.43	58,457.95	38,968.91	10,438.14	4,002.44	276.986.00	178,342.78
14	Unallocated liabilities	..	..	..	..	..	..	..	..
15	Total liabilities (13)+(14)	..	..	..	..	..	..	276,986.00	178,342.78

Geographical segments

The Group reports its operations under the following geographical segments.

(a) Domestic Operations comprises branches and subsidiaries having operations in India.

(b) Foreign Operations comprises branches and subsidiaries having operations outside India and offshore banking unit having operations in India.

Based on above segments the assets and revenue of the Bank for the year ended March 31, 2006 have been prepared.

(Rs in crore)

Sr. No.	Particulars	Domestic Operations	Foreign Operations	Total
1.	Revenue	24,357.09	1,404.00	25,761.09
2.	Assets	243,646.56	33,339.44	276,986.00

Hitherto the business operations of the Bank were largely concentrated in India. The assets and income from foreign operations were not significant to the overall consolidated operations of the Bank and have accordingly not been disclosed for the earlier comparative year.

12. Subvention income

The Bank has aligned its accounting policy for subvention income with its accounting policy for direct marketing agency/associate expenses. Accordingly, subvention income has been accounted for in the period in which it is received instead of over the period of the loan. As a result of the change in policy, the impact on profit after tax for the year ended March 31, 2006 is not expected to be significant.

13. Provision

RBI has increased the requirement of general provisioning on standard loans (excluding loans to agriculture sector and small and medium enterprises) to 0.40% compared to 0.25% earlier. In accordance with the revised guidelines on general provisioning on standard loans, the Bank has made general provision of Rs. 339.02 crore during the year ended March 31, 2006. The Bank has reassessed its provision requirement on performing loans and non-performing loans on a portfolio basis during the year ended March 31, 2006. Based on this reassessment, the Bank has written back an amount of Rs. 169.22 crore from its existing provisions against non-performing loans, which were in excess of regulatory requirements.

14. Depreciation on premises

In case of the Bank's venture fund management company, the company has revised the method of providing depreciation on premises taken on lease from written down value method to amortising the same on straight-line basis over lease period. As a result the depreciation for the year is higher by Rs. 0.3 crore.

15. Penalties imposed by RBI

The RBI had imposed penalties (ranging from Rs. 0.05 crore to Rs. 0.20 crore) on certain banks including ICICI Bank on January 23, 2006 under Section 47A(1)(b) of the Banking Regulation Act, 1949. A penalty of Rs. 0.05 crore (March 31, 2005: Rs. Nil) had been imposed on the Bank citing contravention of RBI instructions relating to opening of accounts, monitoring of transactions for adherence to Know Your Customer ("KYC")/Anti Money Laundering ("AML") norms, and non-adherence to normal banking practices.

16. Additional disclosure

Additional statutory information disclosed in separate financial statements of the parent and the subsidiaries having no bearing on the true and fair view of the consolidated financial statements and also the information pertaining to the items which are not material have not been disclosed in the consolidated financial statement in view of the general clarification issued by ICAI.

17. Comparative figures

Figures of the previous year have been regrouped to conform to the current year presentation.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our audited consolidated financial statements. The following discussion is based on our audited financial statements and accompanying notes, which have been prepared in accordance with Indian GAAP.

Introduction

Our loan portfolio, financial condition and results of operations have been, and in the future are expected to be, influenced by economic conditions in India, expected growth in retail credit in India and certain global developments, particularly in commodity prices relating to the business activities of our corporate customers. For ease of understanding the discussion of our results of operations that follows, you should consider the introductory discussion of these macroeconomic factors.

Indian Economy

Overall GDP growth in India has been in the range of 7.0-8.5% in the last three years. GDP growth was 8.4% in fiscal 2006, 7.6% in fiscal 2005 and 8.5% in fiscal 2004. The agriculture sector recorded a growth of 9.6% in fiscal 2004. In fiscal 2005, the growth of the agriculture sector declined to 0.7% because of insufficient rainfall in many parts of the country. However agricultural growth recovered to 3.9% in fiscal 2006 due to normal monsoons. The industrial sector grew by 6.5% in fiscal 2004 and 8.3% in fiscal 2005 and 7.6% in fiscal 2006. The services sector grew by 8.9% in fiscal 2004 and 8.6% during fiscal 2005 and by 10.3% during fiscal 2006.

The average annual rate of inflation as measured by the Wholesale Price Index was 4.5% for fiscal 2006 as compared to 6.4% for fiscal 2005 and remained at comfortable levels largely due to policy interventions by the Reserve Bank of India. However, the full burden of the continuing oil price increase has not yet been passed to the Indian consumers and has been largely absorbed by the government and government owned oil marketing companies. The Indian rupee depreciated by 2.0% against the US dollar during fiscal 2006, moving from Rs. 43.75 per US$ 1.00 at year-end fiscal 2005 to Rs. 44.61 per US$ 1.00 at year end fiscal 2006. During fiscal 2007 (through July 7,2006) the rupee depreciated against the US dollar by 3.4% moving from Rs 44.61 per US$ 1.00 to Rs 46.12 per US$. During fiscal 2005, the Indian rupee depreciated by 0.8% against the US dollar. During fiscal 2006 the Indian rupee depreciated against the pound sterling and the euro and appreciated against the Japanese yen. Foreign exchange reserves were US$ 151.62 billion at March 31, 2006.

The impact of these and other factors and the overall growth in industry, agriculture and services during fiscal 2007 will affect the performance of the banking sector as it will affect the level of credit disbursed by banks, and the overall growth prospects of our business, including our ability to grow, the quality of our assets, the value of our investment portfolio and our ability to implement our strategy.

Banking Sector

According to the Reserve Bank of India's data, total deposits of all scheduled commercial banks increased by 17.7% in fiscal 2004, 14.3% in fiscal 2005 and 17.6% in fiscal 2006.. Growth in deposits in fiscal 2003 includes the impact of the amalgamation, as some of ICICI's liabilities which were not included in banking deposits at year-end fiscal 2002, were included at year-end fiscal 2003. Bank credit of scheduled commercial banks grew by 15.5% in fiscal 2004, 29.9% in fiscal 2005 and 36.0% in fiscal 2006. Credit growth in fiscal 2003 included the impact of the amalgamation, as ICICI's credit was included in total banking system credit at year-end fiscal 2003 but not included at year-end fiscal 2002. The increase in credit growth during fiscal 2005 was driven by the continued growth in retail credit as well as credit to the industrial and agricultural sectors. Also, after its conversion into a scheduled commercial bank with effect from October 11, 2004, Industrial Development Bank of India Limited's credit was included in total banking sector credit at year-end fiscal 2005. Excluding Industrial Development Bank of India Limited's credit, bank credit of scheduled commercial banks grew at 26.0% during fiscal 2005.

Until fiscal 2005, there was a downward movement in interest rates, barring intra-year periods when interest rates were higher temporarily due to extraneous circumstances. This movement was principally due to the Reserve Bank of India's policy of assuring adequate liquidity in the banking system and generally lowering the rate at which it would lend to Indian banks to ensure that borrowers had access to funding at competitive rates. Banks generally followed the direction of interest rates set by the Reserve Bank of India and adjusted both their deposit rates and lending rates downwards until fiscal 2005. The inflationary trends in fiscal 2005 resulted in an increase in benchmark secondary market yields on government securities. In its mid-term review of the annual policy statement for fiscal 2005 released in October 2004, the Reserve Bank of India raised the reverse repo rate (i.e., the annualized interest earned by the lender in a repurchase transaction between a bank and the Reserve Bank of India) by 25 basis points to 4.75% in response to inflationary pressures in the economy. The Reserve Bank of India increased the cash reserve ratio to 5.0% effective October 2, 2004. The Reserve Bank of India also increased the risk weight for housing loans from 50.0% to 75.0% and for consumer credit, including personal loans and credit cards, from 100% to 125%, as a temporary counter-cyclical measure given the rapid growth in these segments. In the annual policy statement for fiscal 2007 the RBI increased risk weights on commercial real estate loans to 150.0% from 125.0%. The RBI also proposed to include banks' total exposure to venture capital funds as a part of capital market exposure with a risk weight of 150.0%. In the annual policy statement for fiscal 2006 announced in April 2005, the Reserve Bank of India further raised the reverse repo rate by 25 basis points to 5.0%. As a result of these increases, banks have also raised their deposit and lending rates. In the mid term review and third quarter review of the annual policy statement for 2006 the Reserve Bank of India raised the reverse repo rate by 25 bps each to 5.5%. In June 2006 in view of the prevailing global macroeconomic situation and to curb inflationary pressures the Reserve Bank of India increased the reverse repo rate by a further 25 bps to 5.75% effective 08 June, 2006.

The following table sets forth the bank rate, reverse repo rate, average deposit rates and average prime lending rates of five major public sector banks for the last six fiscal years.

(in percentages)

Fiscal year	Bank rate	Reverse repo rate	Average deposit rate for over one year term (range)	Average prime lending rate (range)
2001	(i) 7.0%	(ii) 7.0%	(iii) 8.5-10.0%	(iv) 11.0-12.0%
2002	(v) 6.50	(vi) 6.0	(vii) 8.0-8.5	(viii) 11.0-12.0
2003	(ix) 6.25	(x) 5.0	(xi) 5.25-8.50	(xii) 10.75-12.00
2004	(xiii) 6.0	(xiv) 4.5	(xv) 5.00-6.25	(xvi) 10.50-11.50
2005	(xvii) 6.0	(xviii) 4.75	(xix) 4.25-6.25	(xx) 10.25-11.00
2006	(xxi) 6.0	(xxii) 5.75	(xxiii) 5.25-6.25	(xxiv) 10.25 -10.75
2007 (through(xxv) 6.0	xxvi 5.75	xxvii 5.25-6.25	xxvIII) 10.25- 10.75	July 12, 2006)

Source: Reserve Bank of India: Handbook of Statistics on Indian Economy Annual Report 2004 -2005 and Weekly Statistical Supplements and Annual Policy Statement 2006-07.

Merger of ICICI with us

The Scheme of Amalgamation of ICICI, ICICI PFS and ICICI Capital with us became effective on May 3, 2002, with the Appointed Date being March 30, 2002. The Scheme was approved by the High Court of Gujarat at Ahmedabad on March 7, 2002, by the High Court of Judicature at Bombay on April 11, 2002 and by RBI on April 26, 2002.

Consequent to the amalgamation, the businesses formerly conducted by ICICI became subject for the first time to various regulations applicable to banks. These include the prudential reserve and liquidity requirements, namely the statutory liquidity ratio under Section 24 of the Indian Banking Regulation Act, 1949 and the cash reserve ratio under Section 42 of the Reserve Bank of India Act, 1934. The statutory liquidity ratio is required to be maintained in the form of Government of India securities and other approved securities, currently a minimum of 25.0% of our net demand and time liabilities. The cash reserve ratio is required to be maintained in the form of cash balances with RBI, which has increased the cash reserve ratio from 4.50% to 4.75% of our net demand and time liabilities, excluding inter-bank deposits, effective September 18, 2004 and to 5.00% effective October 2, 2004. In addition to the above, the directed lending norms of RBI require commercial banks to lend 40.0% of their net bank credit to specific sectors (known as priority sectors), such as agriculture, small-scale industry, small businesses and housing finance. Prior to the amalgamation, the advances of ICICI were not subject to the requirement applicable to banks in respect of priority sector lending. Pursuant to the terms of RBI's approval of the amalgamation, we are required to maintain a total of 50.0% of our net bank credit on the residual portion of our advances (i.e., the portion of our total advances excluding advances of ICICI at year-end fiscal 2002) in the form of priority sector advances. This additional requirement of 10.0% by way of priority sector advances will apply until such time as the aggregate priority sector advances reach a level of 40.0% of our net bank credit. We seek to adopt proactive strategies to meet the priority sector lending requirement stipulated by RBI while adequately mitigating credit risk, by focusing on housing finance, which partly qualifies as priority sector lending and structured financing mechanisms for the agricultural sector. Compliance with the SLR and CRR norms on ICICI's liabilities has had an adverse impact on our profitability in fiscal 2003, fiscal 2004, fiscal 2005 and fiscal 2006.

The following discussion is based on our audited financial statements, which have been prepared in accordance with guidelines issued by RBI, accounting standards issued by the Institute of Chartered Accountants of India and the generally accepted accounting policies within the banking industry in India. The following discussion and analysis of the financial condition and results of operations should be read together with the audited financial statements.

Major Events Affecting Results and Financial Condition

We have recently experienced major changes and developments in our business and strategy. An understanding of these events and developments is necessary for an understanding of the periods under review and the discussion and analysis which follows. These changes are reflected in our financial statements in connection with or since the amalgamation. The first change reflects the impact of our history upon our average cost of funds. Consequent to the amalgamation, the businesses formerly conducted by ICICI became subject for the first time to various regulations applicable to banks. These include the statutory liquidity ratio which is required to be maintained in the form of Government of India securities and other approved securities, currently a minimum of 25.0% of our net demand and time liabilities and the cash reserve ratio, currently a minimum of 5.0% of our net demand and time liabilities excluding inter-bank deposits. While we have benefited from lower cost of funding as a bank compared to ICICI as a non-bank financial institution, the imposition of the statutory liquidity ratio and the cash reserve ratio on our liabilities taken over from ICICI have impacted our spread. As the average yield on investments in Government securities and cash balances maintained with the RBI is typically lower than the yield on other interest-earning assets, our net interest margin has been adversely impacted. As a result, our net interest margin has been and is expected to continue to be lower than other banks in India until we repay the borrowings of ICICI. We are aggressively expanding our retail deposit base and changing the mix of our liabilities away from the legacy ICICI liabilities towards the lower average cost retail liabilities. The increase in investment in government securities has substantially increased our exposure to market risk. In a declining interest rate environment, we made gains on sale of government securities. A rise in interest rates would cause the value of our fixed income portfolio to decline and adversely affect the income from our treasury operations.

The second key change reflects the implementation of our strategy to grow our retail loan portfolio. The results of our implementation of this strategy can be seen in the rapid growth in the retail loan portfolio. While we cannot guarantee that growth will continue at the same rate, we see continued significant demand for retail loans.

Third, in connection with the amalgamation, we recorded the loans and investments acquired from ICICI at fair values which represented a substantial write down of the value of those assets as compared to their value on the balance sheet of ICICI. The fair values of the assets were determined based on our judgment which we made with the assistance of independent valuers. The key areas of fair valuation included loans and all credit substitutes which were fair valued by Deloitte Haskins & Sells, chartered accountants and investments (including investments in venture capital funds) which were marked to market in accordance with the RBI guidelines applicable to banks. The assets of ICICI were first reflected on our balance sheet at March 31, 2002 after taking into account these fair value write downs.

Fourth, since the amalgamation we have established operations outside India, with subsidiaries in the United Kingdom, Canada and Russia, branches in Singapore, Hong Kong, Dubai and Bahrain and representative offices in the United States, United Arab Emirates Bangladesh, South Africa and China. We have invested in the equity capital of our international banking subsidiaries to support their growth.

Fifth, since the amalgamation, our subsidiaries engaged in the insurance business, ICICI Prudential Life Insurance Company Limited and ICICI Lombard General Insurance Company Limited, have experienced rapid growth in business. We have invested in the equity capital of our insurance subsidiaries to support their growth. Our life insurance subsidiary continues to report losses in its financial statements.

All of these changes or developments have had a major impact upon our results of operation and financial condition and are critical to an understanding of the discussion which follows.

Year ended March 31, 2006 compared with year ended March 31, 2005

Operating profit (profit before provisions and tax) was Rs. 4,690.67 crore in fiscal 2006 as compared to Rs. 2,956.00 crore in fiscal 2005, reflecting an increase of 58.7% primarily due to a 47.5% increase in net interest income to Rs. 4,187.05 crore, 55.3% increase in fee income to Rs. 3,258.77 crore and 30.4% increase in treasury income to Rs. 927.46 crore, offset, in part, by a 41.0% increase in operating expenses (excluding depreciation on leased assets and commission paid to direct marketing agents) to Rs. 3,547.47 crore.

Provisions and contingencies (excluding provision for tax) increased to Rs. 1,594.06 crore in fiscal 2006 from Rs. 428.80 crore in fiscal 2005 primarily due to higher amortization of premium on government securities in fiscal 2006 (Rs. 802.25 crore, compared to Rs. 276.48 crore in fiscal 2005) and higher level of write-backs in fiscal 2005. While profit before tax increased 22.5% to Rs. 3,096.61 crore in fiscal 2006 from Rs. 2,527.20 crore in fiscal 2005, the reduction in effective tax rate to 18.0% in fiscal 2006 from 20.7% in fiscal 2005 resulted in a 26.7% increase in profit after tax to Rs. 2,540.07 crore in fiscal 2006 from Rs. 2,005.20 crore in fiscal 2005.

Net interest income increased by 47.5% to Rs. 4,187.05 crore in fiscal 2006 from Rs. 2,839.01 crore in fiscal 2005 despite a reduction in income from sell-down of loans, reflecting an increase of 48.0% in average interest-earning assets.

Fee income increased by 55.3% to Rs. 3,258.77 crore in fiscal 2006 from Rs. 2,097.90 crore in fiscal 2005 primarily due to growth in credit card related fees and third-party product distribution fees, increase in income from remittances and other fees from international products and services and growth in fees from corporate customers.

Treasury income increased by 30.4% to Rs. 927.46 crore in fiscal 2006 from Rs. 711.08 crore in fiscal 2005 primarily due to increase in the profit on sale of equity investments.

Operating expenses (excluding depreciation on leased assets and commission paid to direct marketing agents) increased by 41.0% to Rs. 3,547.47 crore in fiscal 2006 from Rs. 2,516.70 crore in fiscal 2005 primarily due to a 46.8% increase in salary expenses.

During fiscal 2006, ICICI Bank raised equity capital of about Rs. 8,000.61 crore to leverage business opportunities and maintain appropriate regulatory capitalization levels. The expenses of the issue amounting to Rs 87.41 crore have been charged to the share premium account. As a result of the increase in capital during the year, return on average equity declined to 16.4% in fiscal 2006 from 17.9% in fiscal 2005. The earnings per share on a weighted average basis increased to Rs. 32.49 per share for fiscal 2006 from Rs. 27.55 per share for fiscal 2005.

Total assets increased 49.9% to Rs. 2,51,388.95 crore at March 31, 2006 from Rs. 1,67,659.41 crore at March 31, 2005 with advances increasing 59.9% to Rs. 1,46,163.11 crore and investments increasing 41.7% to Rs. 71,547.39 crore. Retail advances increased 64.2% to Rs. 92198.36 crore at March 31, 2006, constituting 63.1% of net advances compared to 61.4% at March 31, 2005. Advances of international branches increased 101.4% to Rs. 12,523.93 crore at March 31, 2006 from Rs. 6,218.39 crore at March 31, 2005. Total deposits increased 65.4% to Rs. 1,65,083.17 crore at March 31, 2006, constituting 77.2% of the total funding (comprising deposits, borrowings and subordinated debt) compared to 70.5% at March 31, 2005. Deposits of international branches increased by 149.1% to Rs. 8,570.33 crore at March 31, 2006 from Rs. 3,439.64 crore at March 31, 2005.

Key ratios

The following table sets forth, for the periods indicated, the key ratios.

	Fiscal 2005	Fiscal 2006
Return on average equity (%) (1)	17.9	16.4[2]
Return on average assets (%) (3)	1.5	1.3
Earnings per share (Rs.)	27.6	32.5

Book value (Rs.)	168.6	248.6
Fee to income (%)	35.2	36.6
Cost to income (%) [(4)]	42.2	39.9

1. *Return on equity is based on average of balances outstanding at the end of each quarter.*
2. *Additional capital of Rs. 8,000.61 crore raised in fiscal 2006.*
3. *Return on assets is based on average daily assets.*
4. *Cost represents operating expense excluding DMA expense and lease depreciation. Income represents net interest income, treasury income and non-interest income and is net of lease depreciation.*

Net interest income and spread analysis

Net interest income increased 47.5% to Rs. 4,187.05 crore in fiscal 2006 from Rs. 2,839.01 crore in fiscal 2005, primarily due to an increase of Rs. 55,356.99 crore or 48.0% in the average volume of interest-earning assets. Gain on sell-down of loans (including securitisation of loans and direct assignment of loans) included in interest income decreased by 12.3% to Rs. 457.31 crore in fiscal 2006 from Rs. 521.00 crore in fiscal 2005. During the year, RBI issued guidelines on accounting for securitisation of standard assets. In accordance with these guidelines, with effect from February 1, 2006, the Bank accounts for any loss arising on sale immediately at the time of sale and the profit/premium arising on account of sale is amortised over the life of the securities. Prior to February 1, 2006, profit arising on account of securitisation has been recorded at the time of sale.

The net interest margin in fiscal 2006 at 2.4% was at the same level as in fiscal 2005. However, excluding gain from sell-down, net interest margin for fiscal 2006 increased to 2.2% in fiscal 2006 from 2.0% in fiscal 2005.

ICICI Bank's net interest margin is lower than that of other Indian banks due to the high-cost liabilities of erstwhile ICICI Limited (ICICI) and the maintenance of Statutory Liquidity Ratio (SLR) and Cash Reserve Ratio (CRR) on these liabilities, which were not subject to these ratios prior to the merger. While ICICI Bank's cost of deposits (5.0% in fiscal 2006) is comparable to the cost of deposits of other banks in India, ICICI Bank's total cost of funding (5.8% in fiscal 2006) is higher compared to other banks as a result of these high-cost liabilities. Further, ICICI Bank has to maintain SLR and CRR on these liabilities, resulting in a negative impact on the spread. ICICI Bank also reduces direct marketing agency expenses incurred for origination of automobile loans from the interest income.

The net interest income for fiscal 2006 includes higher subvention income accounted for on upfront basis consequent to a change in the accounting policy. The Bank has aligned its accounting policy for subvention income with its accounting for direct marketing agency/associate expenses. Accordingly subvention income has been accounted for in the period in which it is received instead of over the term of the loan. The impact of the change is not material to the operations of the Bank.

The average volume of interest-earning assets increased by Rs. 55,356.99 crore during fiscal 2006 primarily due to the increase in average advances by Rs. 40,032.73 crore, and increase in average investments and other interest-earning assets by Rs.15,324.26 crore. The increase in the average advances was mainly due to increased disbursements of retail finance loans, offset, in part, by securitisation of loans and repayment of existing loans. Retail advances increased by 64.2% to Rs. 92,198.36 crore at March 31, 2006 from Rs. 56,133.87 crore at March 31, 2005.

Total interest income increased 46.5% to Rs. 13,784.50 crore in fiscal 2006 from Rs. 9,409.90 crore in fiscal 2005 primarily due to an increase of 48.0% in the average interest-earning assets to Rs. 1,70,681.32 crore, offset, in part, by a decline in yield on interest-earning assets to 8.0% in fiscal 2006 from 8.1% in fiscal 2005 primarily due to lower level of sell-down gains in fiscal 2006 compared to fiscal 2005, offset by increase in the yield on investments. While the yield on average advances declined by 0.7% to 8.6% in fiscal 2006, the yield on average investments increased by 1.3% in fiscal 2005 to 7.6% in fiscal 2006.

Total interest expense increased 46.1% to Rs. 9,597.45 crore in fiscal 2006 from Rs. 6,570.89 crore in fiscal 2005, due to a 45.7% increase in average interest-bearing liabilities to Rs. 1,65,873.08 crore. Cost of funds for fiscal year 2006 remained at 5.8%. Cost of deposits increased to 5.0% in fiscal 2006 from 4.5% in fiscal 2005 consequent to the general increase in interest rates in India, in particular the increase in short-term interest rates in the second half of fiscal 2006. Deposits increased 65.4% to 1,65,083.17 crore at March 31, 2006, constituting 77.2% of Bank's total funding (comprising deposits, borrowings and subordinated debt) compared to 70.5% at March 31, 2005.

Fee Income

Fee income increased by 55.3% to Rs. 3,258.77 crore in fiscal 2006 from Rs. 2,097.90 crore in fiscal 2005 primarily due to growth in credit card fees and third-party product distribution fees, increase in income from remittances and other fees from international banking business and growth in corporate banking fees. During fiscal 2006, retail products and services contributed about 58% of total fee income, corporate products and services contributed about 30% and international products and services contributed the balance 12%. Fee income includes merchant foreign exchange income amounting to Rs. 254.95 crore in fiscal 2006 and Rs. 176.90 crore in fiscal 2005.

Treasury Income

Total income from treasury-related activities increased 30.4% to Rs. 927.46 crore in fiscal 2006 from Rs. 711.08 crore in fiscal 2005 primarily due to increase in the profit on sale of equity investments. Capital gains on shares was Rs. 676.59 crore for fiscal 2006 compared to Rs. 461.08 crore for fiscal 2005, as ICICI Bank continued to capitalise on the opportunities created by the buoyant equity markets through divestment of certain of its non-core investments and through proprietary trading positions. Treasury income also includes income from derivatives reflecting primarily the transactions undertaken with customers by the Bank.

Lease & other Income

Lease income decreased by 10.1% to Rs. 360.64 crore in fiscal 2006 from Rs. 401.08 crore in fiscal 2005 mainly due to a reduction in lease assets since ICICI Bank is not entering into new lease transactions. ICICI Bank’s total lease assets were Rs. 1,173.82 crore at March 31, 2006 compared to Rs. 1,452.86 crore at March 31, 2005. Other income increased 111.4% for fiscal 2006 primarily due to increase in dividend from subsidiaries and gains from buyback of shares by subsidiaries.

Non-interest expense

Non-interest expense (excluding direct marketing agency expense and lease depreciation) increased by 41% for fiscal 2006 to Rs. 3,547.47 crore from Rs. 2,516.70 crore for fiscal 2005 primarily due to 46.8% increase in employee expenses.

Employee expenses increased 46.8% to Rs. 1,082.29 crore in fiscal 2006 from Rs. 737.41 crore in fiscal 2005 primarily due to a 40.8% increase in the number of employees to 25,384 at March 31, 2006 from 18,029 at March 31, 2005. The increase in employees was commensurate with the growth in business.

Depreciation on fixed assets other than leased assets, increased by 18.3% to Rs. 347.17 crore from Rs. 293.37 crore primarily due to additions to premises of Rs. 145.42 crore and other fixed assets of Rs. 436.12 crore during fiscal 2006.

Other operating expenses increased primarily due to the increased volume of business, particularly in retail banking and includes maintenance of ATMs, credit card related expenses, call centre expenses and technology expenses. The number of savings accounts increased to about 0.89 crore at March 31, 2006 from about 0.75 crore at March 31, 2005. The number of credit cards issued increased to about 0.52 crore at March 31, 2006 from about 0.33 crore at March 31, 2005. The number of branches (excluding foreign branches and OBUs) and extension counters increased to 614 at March 31, 2006 from 562 at March 31, 2005. ATMs increased to 2,200 at March 31, 2006 from 1,910 at March 31, 2005.

Depreciation (including lease equalization) on leased assets decreased 6.9% to Rs. 276.63 crore in fiscal 2006 from Rs. 296.99 crore in fiscal 2005.

ICICI Bank uses marketing agents, called direct marketing agents or associates, for sourcing retail assets. These commissions are expensed upfront and not amortised over the life of the loan. Commissions paid to these direct marketing agents for retail assets are included in non-interest expense (other than commissions in respect of car loans). ICICI Bank incurred direct marketing agency expenses of Rs. 655.42 crore on the retail asset portfolio (other than automobile loans) in fiscal 2006 compared to Rs. 485.45 crore in fiscal 2005, with the increase being commensurate with growth in business volumes.

Provisions & Contingencies

Provisions and contingencies (excluding provisions for tax) increased to Rs. 1,594.06 crore in fiscal 2006 from Rs. 428.80 crore in fiscal 2005 primarily due to the significantly higher level of amortization of premium on government securities in fiscal 2006 (Rs. 802.25 crore, compared to Rs. 276.48 crore in fiscal 2005) primarily due to increase in the investments in government securities (one time transfer from available for sale to held to maturity category in fiscal 2005) and lower level of write-backs in fiscal 2006. With effect from the quarter ended December 31, 2005, RBI increased the requirement of general provisioning on standard loans (excluding loans to agriculture sector and small and medium enterprises) to 0.40% compared to 0.25% applicable till September 30, 2005. In accordance with these guidelines the Bank has made general provision of Rs. 339.02 crore in fiscal 2006. During fiscal 2006, the Bank reassessed its provision requirement on performing loans and non-performing loans on a portfolio basis and had written back an amount of Rs. 169.10 crore from its provisions against non-performing loans which were in excess of the regulatory requirement.

Income tax expense (including wealth tax) increased 6.6% to Rs. 556.53 crore in fiscal 2006 from Rs. 522.00 crore in fiscal 2005 as effective income tax rate decreased to 18.0% in fiscal 2006 from 20.7% in fiscal 2005. The effective income tax rate continued to be lower than the statutory rates for fiscal 2006 primarily due to exempt interest and dividend income and the charging of certain income at rates other than the statutory rate, off-set in part, by the disallowance of certain expenses for tax purposes. Further, during fiscal 2006, the Bank created a deferred tax asset on carry forward capital losses based on its firm plans that sufficient future taxable capital gains will be available against which the losses can be set off.

Financial Condition

ICICI Bank’s total assets increased 49.9% to Rs. 2,51,388.95 crore at March 31, 2006 from Rs. 1,67,659.41 crore at March 31, 2005. Net advances increased 59.9% to Rs. 1,46,163.11 crore at March 31, 2006 from Rs. 91,405.15 crore at March 31, 2005 primarily due to increase in retail advances in accordance with ICICI Bank’s strategy of growth in its retail portfolio, offset, in part by a reduction in advances due to repayments and securitisation. Retail advances increased 64.2% to Rs. 92198.36 crore at March 31, 2006 from Rs. 56,133.87 crore at March 31, 2005. Total investments at March 31, 2005 increased 41.7% to Rs. 71,547.39 crore from Rs. 50,487.35 crore at March 31, 2005. SLR investments at March 31, 2006 increased 48.1% to Rs. 51,074.50 crore from Rs. 34,481.80 crore at March 31, 2005, in line with the growth in the balance sheet. Other investments (including debentures & bonds) at March 31, 2006 increased 27.9% to Rs. 20,472.89 crore from Rs. 16,005.56 crore at March 31, 2005, reflecting increase in investments in insurance and international subsidiaries, pass-through certificates and credit-linked notes.

The Bank’s equity share capital and reserves at March 31, 2006 increased by 76.9% to Rs. 22,205.99 crore from Rs. 12,549.97 crore at March 31, 2005, as a result of the equity capital of Rs. 8,000.61 crore raised during the year and the retained profit for the year. Total deposits increased 65.4% to Rs. 1,65,083.17 crore at March 31, 2006 from Rs. 99,818.78 crore at March 31, 2005. ICICI Bank’s savings account deposits increased 83.8% to Rs. 20,936.98 crore at March 31, 2006 from Rs. 11,391.82 crore at March 31, 2005, while current account deposits increased 29.1% to Rs. 16,573.48 crore at March 31, 2006 from Rs. 12,836.90 crore at March 31, 2005. Term deposits increased by 68.8% to Rs. 1,27,572.71 crore at March 31, 2006 from Rs. 75,590.10 crore at March 31, 2005. Of the term deposits, value-added deposits linked to savings accounts totalled about Rs. 10,062.40 crore at March 31, 2006. Total deposits at March 31, 2006 constituted 77.2% of total funding (i.e. deposit, borrowings and subordinated debt) compared to 70.5% at March 31, 2005.

Summary for fiscal 2005 compared to fiscal 2004

Profit after tax increased 22.5% to Rs. 2,005 crore in fiscal 2005 from Rs. 1,637 crore in fiscal 2004. Profit before provisions and tax increased 19.2% to Rs. 2,956 crore in fiscal 2005 from Rs. 2,481 crore in fiscal 2004 primarily due to a 42.9% increase in net interest income to Rs. 2,839 crore in fiscal 2005 from Rs. 1,987 crore in fiscal 2004, increase in commission, exchange and brokerage by 79.2% to Rs. 1,921 crore in fiscal 2005 from Rs. 1,072 crore in fiscal 2004 offset, in part, by a decrease in the income from treasury related activities by Rs. 557 crore to Rs. 861 crore in fiscal 2005 from Rs. 1,418 crore in fiscal 2004 and an increase in non-interest expenses by Rs. 728 crore to Rs. 3,299 crore in fiscal 2005 from Rs. 2,571 crore in fiscal 2004. Provisions and contingencies (excluding tax provisions) decreased by 25.9% to Rs. 429 crore in fiscal 2005 from Rs. 579 crore in fiscal 2004.

- Net interest income increased 42.9% to Rs. 2,839 crore in fiscal 2005 from Rs. 1,987 crore in fiscal 2004, reflecting an increase of 17.7% in the average volume of interest-earning assets.
- Commission, exchange and brokerage increased 79.2% to Rs. 1,921 crore in fiscal 2005 from Rs. 1,072 crore in fiscal 2004, primarily due to growth in retail liability product income such as account servicing charges, and transaction banking fee income from small enterprises, as well as an increase in transaction banking and other fee income from corporate banking.
- Income from treasury related activities decreased by Rs. 557 crore to Rs. 861 crore in fiscal 2005 from Rs. 1,418 crore in fiscal 2004 primarily due to a decrease in the profit on sale of investments to Rs. 546 crore in fiscal 2005 from Rs. 1,225 crore in fiscal 2004.
- Non-interest expenses increased 28.3% to Rs. 3,299 crore in fiscal 2005 from Rs. 2,571 crore in fiscal 2004 primarily due to 35.0% increase in employee expenses and a 24.7% increase in other administrative expenses.
- Provisions and contingencies (excluding tax provisions) decreased by 25.9% to Rs. 429 crore in fiscal 2005 from Rs. 579 crore in fiscal 2004 primarily due to lower additions to non-performing assets.
- Total assets increased 33.9% to Rs. 167,659 crore at March 31, 2005 from Rs. 125,229 crore at March 31, 2004.

Net Interest Income

Net interest income increased 42.9% to Rs. 2,839 crore in fiscal 2005 from Rs. 1,987 crore in fiscal 2004, reflecting mainly the following:

- an increase of Rs. 17,355 crore or 17.7% in the average volume of interest-earning assets; and
- an increase in the net interest margin by 0.5% to 2.4% in fiscal 2005 from 1.9% in fiscal 2004.

The average volume of interest-earning assets increased by Rs. 17,355 crore in fiscal 2005 primarily due to the increase in average advances by Rs. 15,275 crore, and an increase in average investments and other average interest-earning assets by Rs. 2,080 crore. The increase in the average advances was mainly due to increased disbursements of retail finance loans, offset, in part, by securitisation of loans and repayment of existing loans

Interest income increased by 4.5% to Rs. 9,410 crore in fiscal 2005 from Rs. 9,002 crore in fiscal 2004 primarily due to an increase in average interest-earning assets, offset, in part, by a 1.0% decrease in yield on average interest-earning assets. Yield on average interest-earning assets decreased by 1.0% to 8.1% in fiscal 2005 compared to 9.1% in fiscal 2004, primarily due to the decline in the yield on advances to 9.4% in fiscal 2005 from 10.7% in fiscal 2004 and the decline in yield on average investments from 7.4% in fiscal 2004 to 6.4% in fiscal 2005.

Total interest expense decreased 6.3% to Rs. 6,571 crore in fiscal 2005 from Rs. 7,015 crore in fiscal 2004, primarily due to a decline in the cost of funds to 5.8% for fiscal 2005 from 7.1% in fiscal 2004, offset, in part, by an increase of 15.0% in the volume of average interest-bearing liabilities to Rs. 113,825 crore for fiscal 2005. Cost of funds decreased primarily due to the impact of repayment of the higher cost borrowings of ICICI acquired on amalgamation, lower rate of interest on new borrowings as well as a reduction in cost of deposit to 4.5% in fiscal 2005 from 5.4% in fiscal 2004.

As a result of the 1.3% decline in the cost of funds, offset, in part by a 1.0% decline in yield on average interest-earning assets, net interest margin increased to 2.4% in fiscal 2005 from 1.9% in fiscal 2004.

Non-Interest Income

The following table sets forth, for the periods indicated, the principal components of our non-interest income.

(in crore , except percentages)

	Year ended March 31,		
	2004	**2005**	**2005/2004 % change**
Commission, exchange and brokerage	1071.8	1,921	79.2%
Income from treasury-related activities	1,417.26	860.68	(39.3)
Lease income	422.35	407.76	(3.5)
Other income	153.51	226.70	47.7

Total non-interest income	3,064.92	3,416.14	11.5%

Non-interest income increased by 11.5% in fiscal 2005 to Rs. 3,416 crore from Rs. 3,065 crore in fiscal 2004 primarily due to an increase in commission, exchange and brokerage by 79.2% to Rs. 1,921 crore in fiscal 2005 from Rs. 1,072 crore in fiscal 2004 offset, in part, by a decrease in the income from treasury related activities by 39.3% to Rs. 861 crore in fiscal 2005 from Rs. 1,418 crore in fiscal 2004.

Commission, exchange and brokerage increased by 79.2% primarily due to growth in fee income from retail products and services, including fees arising from retail asset products like home loans and credit cards and retail liability-related income like account servicing charges, and an increase in transaction banking fee income from small enterprises, as well as an increase in transaction banking and other fee income from corporate banking. During this period we increased charges and introduced fresh charges for some of the services that we offer to our deposit customers. During this period there was a significant increase in business volumes of transaction banking services such as bankers acceptances, bank guarantees and cash management services.

Total income from treasury-related activities decreased to Rs. 861 crore in fiscal 2005 from Rs. 1,418 crore in fiscal 2004, due to the decrease in trading profits on government securities and corporate debt securities as a result of the increasing interest rates in the fixed income market. During fiscal 2005 the yield on 10-year government of India securities increased by 1.52% to 6.68%. During fiscal 2004, the yield on 10-year government of India securities had declined by 1.05% and we had capitalized on this decline to realize a high level of trading profits on fixed income securities. The level of trading profits is volatile as it depends on specific market conditions, which may or may not be favourable

Lease income decreased by 3.5% to Rs. 408 crore in fiscal 2005 from Rs. 421 crore in fiscal 2004 primarily due to a reduction in leased assets since we are not entering into new lease transactions. Our total leased assets were Rs. 1,453 crore at March 31, 2005 as compared to Rs. 1,663 crore at March 31, 2004.

Other income increased by 47.7% to Rs. 226 crore in fiscal 2005 compared to Rs. 154 crore in fiscal 2004 primarily due to an increase in income earned by way of dividend from subsidiaries by 49.1% to Rs. 188 crore in fiscal 2005 compared to Rs. 126 crore in fiscal 2004.

Non-Interest Expense

The following table sets forth, for the periods indicated, the principal components of non-interest expense.

(in crore , except percentages)

	Year ended March 31,		
	2004	**2005**	**2005/2004 % change**
Employee expenses	546.06	737.41	35.0%
Depreciation on own property (including non banking assets)	260.93	293.37	12.4
Auditors' fees and expenses	1.68	1.76	4.8
Other administrative expenditure	1190.35	1484.17	24.7
Total non- interest expense (excluding lease depreciation and direct marketing agency expenses)	1,999.02	2,516.71	25.9
Depreciation (including lease equalisation) on leased assets	278.51	296.99	6.6
Direct marketing agency expenses	293.7	485.45	65.3
Total non-interest expense	2,571.23	3,299.15	28.3%

Non-interest expense increased by 28.3% for fiscal 2005 to Rs. 3,299 crore from Rs. 2,571 crore for fiscal 2004 primarily due to a 35.0% increase in employee expenses and a 24.7% increase in other administrative expenses.

Employee expenses increased 35.0% to Rs. 737 crore from Rs. 546 crore primarily due to an increase in the number of employees to 18,029 at March 31, 2005 from 13,609 at March 31, 2004. The increase in employees was commensurate with the growth in our retail businesses. We had implemented an Early Retirement Option Scheme for employees in July 2003. In accordance with the treatment approved by RBI, the ex-gratia payments under the Early Retirement Option Scheme, termination benefits and leave encashment in excess of the provisions made (net of tax benefits), aggregating to Rs. 191 crore are being amortised over a period of five years commencing August 1, 2003 (the date of retirement of employees exercising the option being July 31, 2003). An amount of Rs. 38.40 crore was expensed in fiscal 2005 compared to Rs. 25.60 crore expensed in fiscal 2004 on account of the Early Retirement Option Scheme, being the proportionate amounts amortised for the respective periods.

Other administrative expense increased by 24.7% to Rs. 1,484 crore from Rs. 1,190 crore primarily due to the increased volume of business, particularly in retail banking, and includes maintenance of ATMs, credit card expenses, call centre expenses and technology expenses. The volume of credit cards issued increased to about 0.33 crore at March 31, 2005 from about 0.22 crore at March 31, 2004. The number of ATMs increased to 1,910 at March 31, 2005 from 1,790 at March 31, 2004. The number of branches and extension counters increased to 562 at March 31, 2005 from 469 at March 31, 2004.

We incurred direct marketing agency expenses of Rs. 485 crore on the retail asset portfolio (other than automobile loans) in fiscal 2005 compared to Rs. 294 crore in fiscal 2004 in commensuration with growth in retail business volumes.

Provisions and Contingencies

The following table sets forth, for the periods indicated, the components of provisions and contingencies.

(in crore , except percentages)

	Year ended March 31,		
	2004	**2005**	**2005/2004 % change**
Provision for investments (including credit substitutes) (net)	98.71	541.56	448.6%
Provision for non performing assets (incl. provision for standard assets)	459.12	(121.36)	(126.4)
Others	20.79	8.6	(58.6)
Total provisions	578.62	428.80	(25.9)%

(1) We do not distinguish between provisions and write-offs while assessing the adequacy of our loan loss coverage, as both provisions and write-offs represent a reduction of the principal amount of a non-performing asset. In compliance with regulations governing the presentation of financial information by banks, gross non-performing assets are reported gross of provisions net of cumulative write-offs in our financial statements.

Total provisions decreased by 25.9% to Rs. 429 crore in fiscal 2005 from Rs. 579 crore in fiscal 2004. During fiscal 2005, we had transferred investments amounting to Rs. 21,350 crore from Available for Sale category to Held to Maturity category in accordance with RBI guidelines. The difference between the book value of each investment and the lower of its acquisition cost and market value on the date of transfer, amounting to Rs. 183 crore is included in the provision on investments. In addition, there was an increase in provision on investment in fiscal 2005 on account of higher amount of amortisation of premium on government securities classified in the held to maturity category. There was a write-back in provision on loan losses of Rs. 121 crore in fiscal 2005 as compared to a provision of Rs. 459 crore in fiscal 2004 primarily due to lower additions to non-performing assets and write back of excess provisions

Tax Expense

The following table sets forth, for the periods indicated, details of tax expense computation.

(in crore, except percetages)

	Year ended March 31,	
	2004	**2005**
Tax at marginal rate on income	681.56	923.67
Adjustments		
Difference in book and tax depreciation	49.58	180
Bad debts written off	124.19	(1,383.95)
Special reserve under section 36(1)(viii)	-	-

Surplus on sale of property/assets	1.85	2.08
Dividend, exempt interest and other income	(287.66)	(324)
Dividend exempt under section 80M	-	-
Capital gains on sale of shares	(401.34)	(394)
Fair value utilization	(866.38)	(251)
Other adjustments	115.22	172.80
Net adjustments	(1,264.54)	(1,998.08)
Tax (savings)/outgo thereon - other than capital gains	(453.65)	(731.15)
Capital gains on sale of shares	21.14	20.49
Tax (savings)/outgo thereon	(432.51)	(710.66)
Deferred taxes and other tax provisions	13.67	305.99
Total income tax	262.72	519

(in crore, except percetages)

	Year ended March 31,	
	2004	**2005**
Wealth tax	2.4	3
Interest tax	-	-
Total taxation	265.12	522
Notes		
Adjusted profit before taxation	1,899.82	2,524.20
Marginal rates of tax - other than long term capital gains	35.88%	36.59%
Long term capital gains	10.25%	10.46%

Income tax expense (including wealth tax) amounted to Rs. 522 crore in fiscal 2005 compared to Rs. 265 crore in fiscal 2004. The effective tax expense rate was 20.7% in fiscal 2005 as compared to 13.9% in fiscal 2004. The effective tax expense rate has increased primarily due to higher utilisation of fair value provisions against ICICI's portfolio in fiscal 2004 compared to fiscal 2005.

Financial Condition

Our total assets increased 33.9% to Rs. 167,659 crore at March 31, 2005 from Rs. 125,229 crore at March 31, 2004 primarily due to an increase in advances and investments. Net advances increased 45.9% to Rs. 91,405 crore at March 31, 2005 from Rs. 62,648 crore at March 31, 2004 primarily due to an increase in retail advances in accordance with our strategy to increase our retail asset portfolio, offset, in part by a reduction due to repayments and securitisation of loans. Total investments at March 31, 2005 increased 16.2% to Rs. 50,487 crore from Rs. 43,436 crore at March 31, 2004 primarily due to a 15.3% increase in investments in government and other approved securities in India to Rs. 34,482 crore at March 31, 2005 from Rs. 29,918 crore at March 31, 2004. Other assets increased to Rs. 8,799 crore at March 31, 2005 from Rs. 6,618 crore at March 31, 2004.

During fiscal 2005, we made an issue of 115,920,758 equity shares (including 6,992,187 equity shares issued pursuant to an exercise of green shoe option) of Rs. 10 each at a premium of Rs. 270 per share aggregating Rs. 3,246 crore under the Prospectus dated April 12, 2004. The expenses of the issue have been charged to the share premium account, in accordance with the objects of the Issue stated in the Prospectus. We had sponsored an American Depository Shares (ADSs) Offering, which opened for participation on March 7, 2005 and closed on March 11, 2005. In terms of the offering, 20,685,750 ADSs representing 41,371,500 equity shares was sold at a price of US$ 21.1 per ADS.

Total deposits increased 46.6% to Rs. 99,819 crore at March 31, 2005 from Rs. 68,109 crore at March 31, 2004. Our savings account deposits increased 36.1% to Rs. 11,392 crore at March 31, 2005 from Rs. 8,372 crore at March 31, 2004, while other demand deposits increased 76.8% to Rs. 12,837 crore at March 31, 2005 from Rs. 7,259 crore at March 31, 2004. Term deposits increased by 44.0% to Rs. 75,590 crore at March 31, 2005 from Rs. 52,478 crore at March 31, 2004. Total deposits at March 31, 2005 constituted 70.5% of our funding (i.e. deposit, borrowings and subordinated debts) compared to 63.1% at March 31, 2004. Borrowings (including subordinated debt) increased to Rs. 41,753 crore at March 31, 2005 from Rs. 39,846 crore at March 31, 2004.

Summary Fiscal 2004 compared to Fiscal 2003

Profit before provisions and tax increased 79.8% to Rs. 2,481 crore in fiscal 2004 from Rs. 1,380 crore (excluding capital gain on sale of our shares held by ICICI) in fiscal 2003 primarily due to a sharp increase in the income from treasury related activities by 181.9% to Rs. 1,418 crore in fiscal 2004 from Rs. 502 crore in fiscal 2003, an increase in net interest income by 39.5% to Rs. 1,987 crore in fiscal 2004 from Rs. 1,424 crore in fiscal 2003 and an increase in commission, exchange and brokerage by 35.4% to Rs. 1,072 crore in fiscal 2004 from Rs. 792 crore in fiscal 2003, offset, in part, by an increase in non-interest expenses by 27.8% to Rs. 2,571 crore in fiscal 2004 from Rs. 2,012 crore in fiscal 2003. After considering provisions and tax, profit after tax increased 35.7% to Rs. 1,637 crore in fiscal 2004 from Rs. 1,206 crore in fiscal 2003.

In accordance with the Scheme of Amalgamation, 10.14 crore of our shares held by ICICI had been transferred to the ICICI Bank Shares Trust. During fiscal 2003, the ICICI Bank Shares Trust divested its shareholding in us at an average price of approximately Rs. 130 per share (the average acquisition cost of ICICI being approximately Rs. 12.27 per share), resulting in capital gains of Rs. 1,191 crore.

- Net interest income increased 39.5% to Rs. 1,987 crore in fiscal 2004 from Rs. 1,424 crore in fiscal 2003, reflecting an increase of 8.2% in the average volume of interest-earning assets and an increase in spread by 0.7% to 2.0%.
- Commission exchange and brokerage increased 35.4% to Rs. 1,072 crore in fiscal 2004 from Rs. 792 crore in fiscal 2003, primarily due to growth in retail banking fee income arising from retail asset products like home loans and credit cards and retail liability related income like account servicing charges as well as an increase in transaction banking fee income from corporate clients.
- Income from treasury related activities increased sharply by 181.9% to Rs. 1,418 crore in fiscal 2004 from Rs. 502 crore in fiscal 2003 primarily due to an increase in the profit on sale of investments to Rs. 1,225 crore in fiscal 2004 from Rs. 492 crore in fiscal 2003.
- Non-interest expenses increased 27.8% to Rs. 2,571 crore in fiscal 2004 from Rs. 2,012 crore in fiscal 2003 primarily due to 35.5% increase in employee expenses.
- Provisions and contingencies (excluding tax provisions) decreased by 67.7% to Rs. 579 crore in fiscal 2004 from Rs. 1,791 crore in fiscal 2003 primarily due to higher additional / accelerated provisions made on portfolio primarily relating to erstwhile ICICI during fiscal 2003.
- Total assets increased 17.2% to Rs. 125,229 crore at year-end fiscal 2004 from Rs. 106,812 crore at year-end fiscal 2003.

Net Interest Income

Net interest income increased 39.5% to Rs. 1,987 crore in fiscal 2004 from Rs. 1,424 crore in fiscal 2003, reflecting mainly the following:

- an increase of Rs. 7,452 crore or 8.2% in the average volume of interest-earning assets; and
- an increase in the spread by 0.7% to 2.0% in fiscal 2004 from 1.3% in fiscal 2003.

The average volume of interest-earning assets increased by Rs. 7,452 crore in fiscal 2004 primarily due to the increase in average advances by Rs. 6,514 crore, and an increase in average investments and other average interest-earning assets by Rs. 938 crore. The increase in the average advances was mainly due to increased disbursements of retail finance loans, offset, in part, by securitisation of loans and repayment of existing loans.

While both interest income and interest expense declined in line with the declining interest rate trend in the market, interest expense declined more sharply than interest income. Total interest income (including dividend income) decreased by 3.9% to Rs. 9,002 crore in fiscal 2004 from Rs. 9,368 crore in fiscal 2003 primarily due to a decline in the yield on average interest-earning assets. Yield on average interest-earning assets decreased by 1.1% to 9.1% in fiscal 2004 compared to 10.2% in fiscal 2003, primarily due to the decline in the yield on investments and advances. While the yield on average advances declined by 1.3% to 10.7% in fiscal 2004, the yield on average investments declined by 1.4% to 7.4% in fiscal 2004.

Total interest expense decreased by 11.7% to Rs. 7,015 crore in fiscal 2004 from Rs. 7,944 crore in fiscal 2003, primarily due to a decline in the cost of funds to 7.1% for fiscal 2004 from 8.9% in fiscal 2003, offset, in part by an increase of 11.0% in the volume of average interest-bearing liabilities to Rs. 98,966 crore for fiscal 2004. Cost of funds decreased primarily due to the impact of repayment of the higher cost borrowings of ICICI acquired on amalgamation and due to reduction in the cost of deposits to 5.4% in fiscal 2004 from 6.8% in fiscal

2003. Total deposits at year-end fiscal 2004 constituted 63.1% of our funding (i.e. deposits, borrowings and subordinated debts) compared to 52.2% at year-end fiscal 2003.
As a result of the 1.8% decline in the cost of funds, offset, in part by a 1.1% decline in yield on average interest-earning assets, net interest margin increased to 1.9% in fiscal 2004 from 1.4% in fiscal 2003.

Non-Interest Income

The following table sets forth, for the periods indicated, the principal components of our non-interest income.

(in crore, except percentages)

	Year ended March 31,				
	2002	**2003**	**2003/2002 % change**	**2004**	**2004/2003 % change**
Commission, exchange and brokerage	229.78	791.79	244.6%	1,071.80	35.4%
Income from treasury-related activities	328.41	502.68	53.1	1,417.26	181.9
Lease income	10.69	537.42	4,927.3	422.35	(21.4)
Other income(1)	5.78	135.88	2,250.9	153.51	13.0
Total non- interest income	574.66	1,967.77	242.4%	3,064.92	55.8%

(1) Excludes capital gains of Rs. 1,191 crore realised during fiscal 2003 on sale of shares in us held by ICICI which were transferred to the ICICI Bank Shares Trust pursuant to the Scheme of Amalgamation.

For the purpose of analysis below, total non-interest income excludes capital gains of Rs. 1,191 crore in fiscal 2003 realised on sale of our shares held by ICICI which were transferred to a trust at the time of amalgamation.

Non-interest income increased by 55.8% to Rs. 3,065 crore in fiscal 2004 from Rs. 1,968 crore in fiscal 2003 primarily due to an increase of 35.4% in commission, exchange and brokerage, a 181.9% increase in income from treasury-related activities and an increase of 13.0% in other income.

The increase in commission, exchange and brokerage by 35.4% to Rs. 1,072 crore from Rs. 792 crore was primarily due to growth in retail banking fee income arising from retail asset products like home loans and credit cards and retail liability related income like account servicing charges.

The total income from treasury-related activities increased to Rs. 1,418 crore in fiscal 2004 from Rs. 502 crore in fiscal 2003 due to the increase in trading profits on government securities and corporate debt securities as a result of the declining interest rate environment

Lease income decreased by 21.4% to Rs. 421 crore in fiscal 2004 from Rs. 537 crore in fiscal 2003 primarily because of a decrease in leased assets to Rs. 1,663 crore at year-end fiscal 2004 compared to Rs. 1,770 crore at year-end fiscal 2003.

Other income increased by 13.0% to Rs. 154 crore for fiscal 2004 compared to Rs. 137 crore in fiscal 2003. Other income includes loss of Rs. 1.91 crore on sale of land, buildings and other assets in fiscal 2004 compared to loss of Rs. 6.5 crore in fiscal 2003. It also includes income earned by way of dividend from subsidiaries of Rs. 126 crore in fiscal 2004 compared to Rs. 109 crore in fiscal 2003.

Non-interest Expense

The following table sets forth, for the periods indicated, the principal components of non-interest expense.

(in crore, except percentages)

	Year ended March 31,				
	2002	**2003**	**2003/2002 % change**	**2004**	**2004/2003 % change**
Employee expenses	147.18	403.03	173.8%	546.06	35.5%
Depreciation on own property (including non banking assets)	52.60	191.47	264.0	260.93	36.3
Auditors' fees and expenses	0.31	1.5	383.9	1.68	12.0

Other administrative expenditure	397.39	938.91	136.3	1,190.35	26.8
Total non- interest expense (excluding lease depreciation and direct marketing agency expenses)	597.48	1,534.91	156.9	1,999.02	30.2

(in crore, except percentages)

	Year ended March 31,				
	2002	2003	2003/2002 % change	2004	2004/2003 % change
Depreciation (including lease equalisation) on leased assets	11.50	314.47	2,634.5	278.51	(11.4)
Direct marketing agency expenses	13.60	162.31	1,093.5	293.70	81.0
Total non-interest expense	622.58	2,011.69	223.1%	2,571.23	27.8%

Non-interest expense (excluding direct marketing agency expense and lease depreciation) increased by 30.2% to Rs. 1,998 crore for fiscal 2004 from Rs. 1,535 crore in fiscal 2003, primarily due to an increase in employee expenses by 35.5% to Rs. 546 crore in fiscal 2004 from Rs. 403 crore in fiscal 2003. Depreciation on own property increased by 36.3% to Rs. 261 crore from Rs. 191 crore. There was an increase in premises and other fixed assets to Rs. 2,393 crore at March 31, 2004 from Rs. 2,291 crore at March 31, 2003. Depreciation on leased assets decreased to Rs. 279 crore in fiscal 2004 from Rs. 315 crore in fiscal 2003.

Other administrative expenses increased by 26.8% to Rs. 1,190 crore from Rs. 939 crore primarily due to the increased cost of business, particularly retail, including maintenance of ATMs, credit card expenses, call centre expenses and technology expenses.

Direct marketing agency expenses increased by 81.0% to Rs. 294 crore in fiscal 2004 from Rs. 162 crore in fiscal 2003 primarily due to growth in our retail business.

Provisions and contingencies

(in crore, except percentages)

	Year ended March 31,				
	2002	2003	2003/2002 % change	2004	2004/2003 % change
Provision for investments (including credit substitutes) (net)	(15.70)	3,094.3	2,070.9%	987.1	(68.1)%
Provision for non performing assets (incl. provision for standard assets)	268.29	1,474.98	449.8	459.12	(68.9)
Others	2.70	6.39	136.7	20.79	225.4
Total provisions	255.29	1,790.80	601.4%	578.62	(67.7)%

Depreciation of investments and provision for non-performing assets in fiscal 2003 included additional/ accelerated provisions and write-offs against loans and investments of erstwhile ICICI Limited. As a result, the total provisions including provisions on non-performing assets and depreciation on investments decreased by 67.7% to Rs. 579 crore in fiscal 2004 compared to Rs. 1,791 crore in fiscal 2003.

Income Tax Expense

The following table sets forth, for the periods indicated, details of tax expense computation.

(in crore, except percentages)

	Year ended March 31,		
	2002	2003	2004
Tax at marginal rate on income	103.27	285.97	681.56
Adjustments Difference in book and tax depreciation	(26.16)	(17)	49.58
Bad debts written off	108.30	1,82.40	124.19
Special reserve under section 36(1)(viii)	(13.72)	-	-

Surplus on sale of property/assets	0.06	7	1.85
Dividend, exempt interest and other income	(56.81)	(71)	(287.66)

(in crore, except percentages)

	Year ended March 31,		
	2002	2003	2004
Dividend exempt under section 80M	-	(183)	-
Capital gains on sale of shares	-	(1,291)	(401.34)
Fair value utilization	-	(1,183)	(866.38)
Other adjustments	38.91	501	115.22
Net adjustments	50.58	(554.60)	(1,264.54)
Tax (savings)/outgo thereon - other than capital gains	18.06	(203.82)	(453.65)
Capital gains on sale of shares	-	91	21.14
Tax (savings)/outgo thereon	18.06	(112.82)	(432.51)
Deferred taxes and other tax provisions	(90.33)	(601.14)	13.67
Total income tax	31	(427.99)	262.72
Wealth tax	0.5	2.25	2.4
Interest tax	-	-	-
Total taxation	31.50	(425.74)	265.12
Notes			
Adjusted profit before taxation	289.29	778.14	1,899.82
Marginal rates of tax-other than long term capital gains	35.70%	36.75%	35.88%
Long term capital gains	10.20%	10.50%	10.25%

Income tax expense (including wealth tax) was Rs. 265 crore for fiscal 2004. We had an effective income tax benefit for fiscal 2003 due to deferred tax asset created on additional/accelerated provisions made during the year. Accordingly, income tax expense (including wealth tax) was a net credit of Rs. 426 crore for fiscal 2003. The net credit in fiscal 2003 was on account of a deferred tax asset of Rs. 643 crore for fiscal 2003 compared to Rs. 6.88 crore for fiscal 2004, arising primarily out of provisions for loan losses made in fiscal 2003.

Financial Condition

Our total assets increased 17.2% to Rs. 1,25,229 crore at year-end fiscal 2004 from Rs. 1,06,812 crore at year-end fiscal 2003. Net advances increased 17.6% to Rs. 62,648 crore at year-end fiscal 2004 from Rs. 53,279 crore at year-end fiscal 2003 primarily due to an increase in retail advances, offset, in part, by a reduction in advances due to repayments and securitisation of loans. Cash, balances with the RBI and banks and money at call and short notice at year-end fiscal 2004 were Rs. 8,471 crore compared to Rs. 6,489 crore at year-end fiscal 2003. Total investments at year-end fiscal 2004 increased to Rs. 43,436 crore compared to Rs. 35,462 crore at year-end fiscal 2003. Other assets decreased to Rs. 6,618 crore at year-end fiscal 2004 from Rs. 7,521 crore at year-end fiscal 2003.

Total deposits increased 41.4% to Rs. 68,109 crore at year-end fiscal 2004 from Rs. 48,169 crore at year-end fiscal 2003. Our savings account deposits increased to Rs. 8,372 crore at year-end fiscal 2004 from Rs. 3,793 crore at year-end fiscal 2003, while other demand deposits increased to Rs. 7,259 crore at year-end fiscal 2004 from Rs. 3,689 crore at year-end fiscal 2003. Term deposits increased by 29.0% to Rs. 52,478 crore at year-end fiscal 2004 from Rs. 40,687 crore at year-end fiscal 2003. Total deposits at year-end fiscal 2004 constituted 63.1% of our funding (i.e. deposit, borrowings and subordinated debts). Borrowings (including subordinated debt) decreased to Rs. 39,846 crore at year-end fiscal 2004 from Rs. 44,052 crore at year-end fiscal 2003.

Off Balance Sheet Items

The following table sets forth, for the periods indicated, the break-up of contingent liabilities.

Rs. in crore, except percentages

	March 31, 2005	March 31, 2006	% change
Liability on account of outstanding forward exchange	71485	**91831**	28.5

contracts			
Currency swaps	11296	**17242**	52.6
Interest rate swaps, currency options and interest rate futures	1,51922	**2,47192**	62.7
Guarantees given on behalf of constituents			
–In India	14044	**17091**	21.7
–Outside India	1597	**2012**	26.0
Acceptances, endorsements and other obligations	7412	**10687**	44.2
Claims against the bank not acknowledged as debts	2746	**2978**	8.4
Liabilities for partly paid investments	17	**17**	–
Other items for which the bank is contingently liable	7635	**5984**	(21.6)
Total	**2,68154**	**3,95034**	**47.3**

The Bank enters into foreign exchange forward contracts, options, swaps and other derivative products to enable customers to transfer, modify or reduce their foreign exchange and interest rate risk and to manage its own interest rate and foreign exchange positions. These instruments are used to manage foreign exchange and interest rate risk relating to specific groups of on-balance sheet assets and liabilities. The notional principal amount of interest rate swaps, currency options and interest rate futures increased by 62.7% to Rs. 2,47,192 crore at March 31, 2006 compared to Rs. 1,51,922 crore at March 31, 2005. This significant increase is primarily due to increased transactions carried out by the Bank on behalf of its customers and growth in the market for such products. As an active player and market-maker in swap and forward exchange contract markets and due to the fact that reduction in positions is generally achieved by entering into offsetting transactions rather than termination / cancellation of existing transactions, the bank has seen a substantial increase in the notional principal of its swap portfolio during this period. An interest rate swap does not entail exchange of notional principal and the cash flow arises on account of the difference between the interest rate pay and receive legs of the swap which is generally much lower than the notional principal of the swap. A large proportion of the Bank's interest rate swap, currency swaps and forward exchange contracts are on account of market making which involves providing regular two-way prices to customers or inter-bank counter parties. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio.

Guarantees

As a part of its project financing and commercial banking activities, the Bank has issued guarantees to enhance the credit standing of its customers. These generally represent irrevocable assurances that the Bank will make payments in the event that the customer fails to fulfill its financial or performance obligations. Financial guarantees are obligations to pay a third party beneficiary where a customer fails to make payment towards a specified financial obligation. Performance guarantees are obligations to pay a third party beneficiary where a customer fails to perform a non-financial contractual obligation. The guarantees are generally for a period not exceeding 10_years. The credit risks associated with these products, as well as the operating risks, are similar to those relating to other types of financial instruments. The Bank has collateral available to reimburse potential losses on its guarantees. Margins available to reimburse losses realized under guarantees amounted to Rs. 1,029 crore at March 31, 2006 compared to Rs. 406 crore at March 31, 2005. Other property or security may also be available to the Bank to cover losses under guarantees.

Capital Commitments

The Bank is obligated under a number of capital contracts. Capital contracts are job orders of a capital nature which have been committed. As of the balance sheet date, work had not been completed to this extent. Estimated amounts of contracts remaining to be executed on capital account aggregated Rs. 113 crore at March 31, 2006 compared to Rs. 70 crore at March 31, 2005.

Capital adequacy

Rs. in crore, except percentages

	March 31, 2005	March 31, 2006

	Amount	% of Risk-weighted assets	Amount	% of Risk-weighted assets
Tier I capital	10,246	7.59	19,182	9.20
Tier II capital	5,657	4.19	8,661	4.15
Total capital	15,903	11.78	27,843	13.35
Risk-weighted assets	1,35,017		2,08,594	

ICICI Bank's total capital adequacy at March 31, 2006 was 13.35%, including Tier-I capital adequacy of 9.20% and Tier-II capital adequacy of 4.15%. In accordance with the RBI guidelines, the risk weighted assets at March 31, 2006 include home loans to individuals at a risk weightage of 75% and other consumer loans at a risk weightage of 125%. Capital market exposure and commercial real estate exposure have been considered at a risk weightage of 125%. The risk-weighted assets at March 31, 2006 also include the impact of capital requirement for market risk on the "Held for Trading" (HFT) and "Available for Sale" (AFS) portfolio.

RBI has vide its circular DBOD.No.BP.BC.38/21.04.141/2005-06 dated October 10, 2005 permitted banks that have maintained capital of at least 9.0% of the risk-weighted assets for credit risk and market risk for held for trading and available for sale categories of investments at March 31, 2006, to transfer the balance in the Investment Fluctuation Reserve (IFR) 'below the line' in the profit and loss appropriation account to statutory reserve, general reserve or balance of profit & loss account. Pursuant to the above, the entire balance in IFR at March 31, 2006, of Rs. 1,320 crore has been transferred from IFR to Revenue and other Reserves and hence is considered in the Tier-I capital of the Bank.

For all securitisation deals executed subsequent to February 1, 2006, capital requirement has been considered in accordance with the RBI guidelines issued in this regard on February 1, 2006. Deferred tax asset of Rs. 164 crore and unamortised expense of Rs. 89 crore on account of the early retirement option in 2003 has also been reduced from Tier-I capital. In accordance with RBI guidelines, Tier-I capital includes Rs. 150 crore out of the face value of Rs. 350 crore of 20 year non-cumulative preference shares issued to ITC Limited as a part of the scheme for merger of ITC Classic Finance Limited with ICICI.

At March 31, 2006 the Bank had not issued any hybrid Tier-I or upper Tier-II instruments.

ASSET QUALITY AND COMPOSITION

Loan Portfolio

ICICI Bank follows a strategy of building a diversified and de-risked asset portfolio and limiting or correcting concentrations in particular sectors.

ICICI Bank limits its exposure to any particular industry to 12.0% of its total exposure. The following table sets forth the composition of ICICI Bank's loans and advances at March 31, 2005 and at March 31, 2006.

Rs. in crore, except percentages

	March31,2005		March31,2006	
	Loans and Advances(1)	% of Total	Loans and advances(1)	% of Total
Retail finance loans(2)	56,652	60.9	**92,908**	**62.9**
Services	2,949	3.2	**7,729**	**5.2**
Iron & steel	4,743	5.1	**4,529**	**3.1**
Crude petroleum & refining	4,367	4.7	**4,051**	**2.7**
Chemicals	2,803	3.0	**3,951**	**2.7**
Roads, ports, railways and telecommunications	3,077	3.3	**2,991**	**2.0**
Power	1,775	1.9	**2,741**	**1.9**
Engineering	1,717	1.8	**2,303**	**1.6**

Metal & metalproducts	1,743	1.9	**2,037**	**1.4**
Food processing	681	0.7	**1,192**	**0.8**
Non-banking finance companies	206	0.2	**1,178**	**0.8**
Cotton textiles	1,133	1.2	**936**	**0.6**
Automobiles	733	0.8	**894**	**0.6**
Construction	146	0.2	**8.93**	**0.6**
Tea	205	0.2	**8.03**	**0.5**
Shipping	873	1.0	**747**	**0.5**
Cement	1,008	1.1	**709**	**0.5**
Paper & paper products	543	0.6	**640**	**0.4**
Sugar	454	0.5	**592**	**0.4**
Other textiles	421	0.5	**411**	**0.3**
Gems & jewellery	266	0.3	**256**	**0.2**
Other industries	6,550	6.9	**15,134**	**10.3**
Total	**93,045**	**100.0**	**1,47,625**	**100.0**

(1) Amount is net of write-offs and gross of provisions.
(2) Includes home loans, automobile loans, commercial business loans, two-wheeler loans, personal loans, credit cards & others.
(3) All amounts have been rounded off to the nearest Rs. 1 crore.

At March 31, 2006, the three largest industries to which the Bank had given loans were services (5.2%), iron & steel (3.1%) and crude petroleum/refining (2.7%).

The following table sets forth, at March 31, 2006, the composition of ICICI Bank's retail finance loans, net of provisions.

Rs. in crore, except percentages

	Loans and advances (1)	**% of total**
Mortgage finance [2]	45,407	49.3
Automobile loans	18,824	20.4
Commercial business loan	11,216	12.2
Personal loan	5,821	6.3
Other retail loans	10,930	11.9
Total	92,198	100.0

(1) Net of provisions and write off.
(2) Includes commercial real estate.

As per applicable RBI guidelines, the exposure ceiling for a single borrower is 15.0% of total capital funds and for a group of borrowers is 40.0% of total capital funds. However, in the case of financing for infrastructure projects, the limit for a single borrower may be extended to 20.0% of total capital funds and for a group may be extended to 50.0% of total capital funds. The banks may, with the approval of their boards, enhance the exposure to a borrower up to further 5% of total capital funds, subject to certain disclosure requirements. Total capital funds comprise Tier-I and Tier-II capital as defined for determining capital adequacy.

The largest borrower at March 31, 2006 accounted for approximately 13.0% of ICICI Bank's capital funds.

The largest borrower group at March 31, 2006 accounted for approximately 22.2% of ICICI Bank's capital funds with the approval of the Board of Directors.

Directed lending

In its letter dated April 26, 2002 granting its approval for the merger, RBI had stipulated that since ICICI's advances transferred to the Bank were not subject to the priority sector lending requirement, the Bank was required to maintain priority sector lending of 50.0% of the Bank's net bank credit on the residual portion of its advances (i.e. the portion of its total advances excluding advances of ICICI at year-end fiscal 2002, henceforth referred to as residual net bank credit). This additional 10.0% priority sector lending requirement will apply until such time the bank's aggregate priority sector advances reach a level of 40.0% of its total net bank credit. RBI's existing instructions on sub-targets under priority sector lending and eligibility of certain types of investments/ funds for qualification as priority sector advances apply to the Bank.

At March 31, 2006 which was the last reporting friday for fiscal 2006, the Bank's priority sector outstanding were Rs. 43,229 crore, constituting 49.7% of its residual net bank credit against the requirement of 50.0%. Of the total priority sector loans, the Bank's agri-lending portfolio was Rs. 14,658 crore at March 31, 2006 compared to Rs. 6,763 crore at March 18, 2005, a growth of 116.7%. At March 31, 2006, loans eligible to be classified as agriculture lending represented 16.8% of the Bank's residual net bank credit comprising 11.6% direct agri-lending and 5.2% indirect agri-lending as against the requirement of 13.5% direct lending and 4.5% indirect lending.

Classification of loan assets

All loans are classified as per RBI guidelines into performing and non-performing loans. Under these guidelines, effective year-end fiscal 2005, a term loan is classified as non-performing if any amount of interest or principal remains overdue for more than 90 days (as against the period of 180 days stipulated earlier). Similarly, an overdraft or cash credit facility is classified as non-performing if the account remains out of order for a period of 90 days and a bill is classified as non-performing if the account remains overdue for more than 90 days.

Further, non-performing assets are classified into sub-standard, doubtful and loss assets.

RBI has issued separate guidelines for restructured loans. A fully secured standard asset can be restructured by reschedulement of principal repayments and/or the interest element, but must be separately disclosed as a restructured asset. The amount of sacrifice, if any, in the element of interest, measured in present value terms, is either written off or provision is made to the extent of the sacrifice involved. Similar guidelines apply to sub-standard loans. The sub-standard accounts which have been subjected to restructuring, whether in respect of principal installment or interest amount are eligible to be upgraded to the standard category only after the specified period, i.e., a period of one year after the date when first payment of interest or of principal, whichever is earlier, falls due, subject to satisfactory performance during the period.

The Bank does not distinguish between provisions and write-offs while assessing the adequacy of the Bank's loan loss coverage, as both provisions and write-offs represent a reduction of the principal amount of a non-performing asset. In compliance with regulations governing the presentation of financial information by banks, the Bank reports non-performing assets net of cumulative write-offs in its financial statements.

The following table sets forth classification of net customer assets (net of write-offs and provisions) of ICICI Bank at March 31, 2005 and March 31, 2006.

Rs. in crore

	March 31, 2005	**March 31, 2006**
Standard assets	95,911	1,50,932
Of which: restructured standard assets	6,263	5,316
Non-performing assets	1,983	1,075
Of which: Loss assets (1)	-	-
Doubtful assets	1,370	454
Sub-standard assets	613	621
Net customer assets(2)	97,894	1,52,007

(1) All loss assets have been written off or provided for.

(2) Customer assets include advances and credit substitutes like debentures and bonds.
(3) All amounts have been rounded off to the nearest Rs. 1 crore.

The following table sets forth, for the dates indicated, data regarding the non-performing assets.

Rs. in crore, except percentages

At	Gross NPA[1]	Net NPA	Net customer assets	% of Net NPA to net customer assets
March 31, 2004	4,014	2,037	71,002	2.87
March 31, 2005	3,432	1,983	97,894	2.03
March 31, 2006	2,268	1,075	1,52,007	0.71

(1) Net of write-offs, interest suspense and claims received from ECGC/DICGC.
(2) All amounts have been rounded off to the nearest Rs. 1 crore

The ratio of net non-performing assets to net customer assets decreased to 0.7% at March 31, 2006 from 2.0% at March 31, 2005. At March 31, 2006, the gross non-performing assets (net of write-offs) were Rs. 2,268 crore compared to Rs. 3,432 crore at March 31, 2005. Gross of technical write-offs, the gross non-performing loans at March 31, 2006 were Rs. 2,963 crore compared to Rs. 5,140 crore at March 31, 2005. The coverage ratio (i.e. total provisions and write-offs against non-performing assets as a percentage of gross non-performing assets) at March 31, 2006 was 63.7%. The Bank's investments in security receipts issued by Asset Reconstruction Company (India) Limited, a reconstruction company registered with RBI, were Rs. 2,122 crore at March 31, 2006.

Classification of Non-Performing Loans by Industry

The following table sets forth the classification of gross non-performing loans (net of write-offs) by industry sector at March 31, 2005 and March 31, 2006.

Rs. crore, except percentages

	March31,2005		March31,2006	
	Amount	% of total	Amount	% of total
Chemicals	403	11.6	**199**	**8.7**
Textiles	324	9.4	**126**	**5.5**
Services–Others	67	1.9	**80**	**3.5**
Agriculture	27	0.8	**80**	**3.5**
Automobile (including trucks)	68	2.0	**74**	**3.2**
Electronics	141	4.1	**39**	**1.7**
Foodprocessing	72	2.1	**34**	**1.5**
Iron&steel	67	1.9	**19**	**0.8**
Engineering	142	4.1	**14**	**0.6**
Ceramics, granites & related	25	0.7	**13**	**0.6**
Paper & paper products	35	1.0	**5**	**0.2**
Other metal & metal products	38	1.1	**4**	**0.2**
Rubber & rubber products	33	0.9	**3**	**0.1**
Services – Finance	77	2.2	**1**	**0.0**
Power	737	21.3	**-**	**0.0**
Cement	20	0.6	**-**	**0.0**
Otherelecom - Infrastructure	214	6.2	**-**	**0.0**
Miscellaneous & others [1]	970	28.1	**1,604**	**69.9**

Totalofabove	**3460**	**100.0**	**2,295**	**100.0**
Less: Interest suspense & claims received from ECGC/ DICGC	**28**		**27**	
Gross non-performing loans (net of write-offs	**3432**		**2268**	

(1) Net non-performing assets in the retail portfolio at March 31, 2006 were 0.77% of net retail loans.
(2) All amounts have been rounded off to the nearest Rs. 1 crore.

SEGMENTAL INFORMATION

The Bank's operations are classified into the following segments: commercial banking segment and investment banking segment. Segment data for previous periods has been reclassified on a comparable basis. The consumer & commercial banking segment provides medium-term and long-term project and infrastructure financing, securitization, factoring, lease financing, working capital finance and foreign exchange services to clients. Further, it provides deposit and loan products to retail customers. The investment banking segment includes treasury operations.

Consumer & Commercial Banking Segment

Profit before tax of the consumer and commercial banking segment increased to Rs. 2,655 crore in fiscal 2006 from Rs. 1,895 crore in fiscal 2005.

Net interest income, increased by 51.6% to Rs. 3,751 crore in fiscal 2006 from Rs. 2,474 crore in fiscal 2005, primarily due to an increase in the interest income on advances and investments and a reduction in the interest expense on borrowings, offset, in part, by an increase in the interest expense on deposits.

Non-interest income increased by 46.7% to Rs. 3,717 crore in fiscal 2006 from Rs. 2,534 crore in fiscal 2005 primarily due to growth in commission and brokerage income. Commission and brokerage income increased mainly due to growth in credit card related fees and third-party product distribution fees, increase in income from remittances and other fees from international products and services and growth in fees from corporate customers.

Non-interest expenses increased by 34.6% to Rs. 4,081 crore in fiscal 2006 from Rs. 3,032 crore in fiscal 2005, primarily due to enhanced operations and the growth in the retail franchise, including maintenance of ATMs, credit card expenses, call centre expenses and technology expenses. Provisions for contingencies (excluding provisions for tax) in fiscal 2006 was Rs. 732 crore compared to Rs. 81 crore in fiscal 2005 primarily due to increased provisions on standard assets as per RBI guidelines in fiscal 2006 and higher level of write-backs in fiscal 2005.

Investment Banking Segment

Profit before tax of investment banking segment was Rs. 480 crore in fiscal 2006 as compared to Rs. 671 crore in fiscal 2005. Net interest income increased by 19.2% to Rs. 435 crore in fiscal 2006 compared to Rs. 365 crore in fiscal 2005 mainly due to 80.4% rise in interest income from government securities, offset in part by increase in interest on inter-bank borrowings.

Non-interest income increased by 43.5% to Rs. 1,266 crore in fiscal 2006 from Rs. 882 crore in fiscal 2005 primarily due to higher capital gains realised on sale of equity investments.

Non-interest expenses increased by 57.2% to Rs. 360 crore in fiscal 2006 from Rs. 229 crore in fiscal 2005 primarily due to increase in employee expenses and other administrative expenses. Provisions increased to Rs. 862 crore in fiscal 2006 compared to Rs. 347 crore in fiscal 2005. The sharp increase in provisions reflects the increase in the amount of amortisation of premium on government securities.

SECTION VI – LEGAL AND REGULATORY INFORMATION

OUTSTANDING LITIGATION

There are no outstanding or pending litigations or suits or proceedings (whether criminal or civil), no defaults, non-payment or overdues of statutory dues, no proceedings initiated for any economic or civil offences (including past cases if found guilty) and no disciplinary action taken by SEBI or stock exchanges, and no outstanding litigation, defaults, etc., pertaining to matters likely to affect the operations and finances (including those of the Bank's subsidiaries and other group companies) whose outcome could have a material adverse effect on the Bank's operations except as disclosed and discussed in "Risk Factors" on page v including "We are involved in various litigations. Any final judgement awarding material damages against us could have a material adverse impact on our future financial performance, our shareholders' funds and the price of our equity shares," "We may experience delays in enforcing our collateral when borrowers default on their obligations to us, which may result in failure to recover the expected value of collateral security exposing us to a potential loss". As at March 31, 2006, we had contingent liabilities of Rs. 395,034 crore]. A determination against us in respect of disputed tax assessments of Rs. 2,315 crore included in these contingent liabilities may adversely impact our financial performance." However, as at June 28, 2006 the following are the outstanding or pending litigations or suits or proceedings against the Bank involving a claim of 0.1 crore and more, and criminal complaints or cases, defaults, non-payment or overdues of statutory dues, proceedings initiated for any economic or civil offences (including past cases where we have been found guilty) and disciplinary action taken by SEBI or stock exchanges (during the past five years) against the Bank, its subsidiaries and other group companies and the outstanding or pending litigations or suits or proceedings against the Bank's subsidiaries and other group companies. The compiled position of claims against the Bank (excluding Tax related matters) involving an amount of less than Rs. 0.1 crore have been provided separately.

Against the Bank

DETAILS OF CLAIMS AGAINST THE BANK AS ON JULY 24, 2006 (WHERE THE CLAIM AMOUNT IS MORE THAN RS. 0.1 CRORE ALONG WITH A WRITE UP ON EACH CASE.

Special Civil Suit No. 3189 of 2002 - The suit was filed by <u>Mardia Chemicals Limited</u> (MCL) against ICICI Bank Ltd (the Bank) and Mr. K.V. Kamath and Ms. Lalita Gupte, in their capacity as the bank's Managing Director and Joint Managing Director for damages amounting to Rs.5631.34 crores. Applications were filed by the Bank seeking rejection of claim on various grounds including the ground that the suit is essentially a counter claim to the suit filed by the Bank before the Debt Recovery Tribunal (DRT), Mumbai and is required to be tried before such forum under the Recovery of Debts due to Banks and Financial Institutions Act, 1993. The City Civil Court at Ahmedabad (Civil Court) allowed the Bank's contention and returned the plaint filed by MCL. Against the said order, MCL filed an appeal before the High Court of Gujarat. A cross appeal was filed by the Bank on the ground that the Civil Court at Ahmedabad ought to have rejected the Plaint instead of returning the same. The High Court of Gujarat passed a common order holding that the suit against the Bank would have to be filed before the DRT Mumbai. Thus, the Bank's application for rejection of MCL's plaint would now be heard by the Civil Court. Pursuant to the order of the High Court, MCL has filed an application for amendment of their original plaint. The said application is pending hearing and the rest of the proceedings shall be taken up after this application is decided. MCL's counter claim for the same amount against the Bank is pending before the DRT, Mumbai. Proof of affidavit filed. DRT Mumbai posted the main Original Application (OA) along with the counter claim filed by MCL (now in liquidation) for final hearing.

Civil Suit No. 1431 of 2003 - The suit was filed against the Bank before the City Civil Court, Ahmedabad, by <u>Rasiklal S. Mardia, Rakesh S. Mardia and Rajiv S. Mardia (RSM), in their capacity as guarantors</u> for damages amounting to Rs.2078.97 crores. An Application for stay of OA No.977 of 1999, pending before DRT, Mumbai has also been filed by the Bank. The bank's pleadings under the application for stay have been completed and the written statement has been filed. The Bank has filed applications on various grounds including the ground that the suit is barred by law as the subject matter of the suit is essentially a counter claim to the suit filed by the Bank before the DRT, Mumbai and is required to be tried before such forum under the Recovery of Debts due to Banks and Financial Institutions Act, 1993. Pleadings under the above applications have concluded. The matter is posted for final hearing.

Civil Suit No. 899 of 2005 – The Bank had filed a suit before the DRT, Ahmedabad in January 2002 against Gujarat Telephone Cables Limited (GTCL) for default against term loans, debentures and working capital provided by the Bank to GTCL. The Bank's exposure as a lender to GTCL was transferred to Asset Reconstruction Company India Ltd (ARCIL) in March 2004. GTCL filed a suit in the Civil Court claiming damages of Rs. 1002.69 crores jointly and severally from State Bank of India, Bank of Baroda, United Western Bank, UTI Bank, Bank of India, ARCIL and the Bank. The Bank has filed an application for rejection of the plaint. The Company has obtained time to file a reply to our application.

IFCI filed a joint suit with erstwhile ICICI Limited and LIC (being OA no. 128/98) before DRT, Delhi against Foremost Ceramics and guarantors for recovery of the dues payable. One of the guarantors, Shri H.S.Jalan, has filed a counter claim in DRT, Delhi on October 16, 2001, for an amount of Rs. 450 crores against IFCI, ICICI and LIC. The Counter claim has been filed on various frivolous grounds, interalia, not effecting timely disbursements, being made to sign on blank printed documents etc. IFCI, the lead has filed reply denying these averments and stating that the counter claim does not deny the fact of the guarantee and that the guarantor is merely trying to escape liability. IFCI's reply has been adopted by the Bank and LIC. The matter is posted for final arguments on August 10, 2006.

Civil Suit No. 107 of 1999 – Erstwhile ICICI Ltd had filed an application in the DRT, Delhi against Esslon Synthetics Limited (ESL) and its managing director (in his capacity as guarantor) for recovery of dues payable to it. The guarantor filed a counter-claim in the year 2001 for an amount of Rs. 100 crores against erstwhile ICICI Ltd and others. ESL has moved an application for amending the counter-claim in January 2004. The Bank has filed its reply to the application for amendment on March 31, 2004. The matter is pending disposal. Guarantors have filed an interim application to delay proceedings on the ground that certain documents have not been exhibited. The Bank, has replied that these documents are neither relevant nor necessary for adjudicating the lis between the parties. This interim application is pending disposal.

Erstwhile ICICI Ltd had filed a suit against Punalur Paper Mills Limited (PPL) for recovery of dues in Bombay High Court (since transferred to DRT, Mumbai). Subsequently, PPL and its directors filed a suit against erstwhile ICICI Ltd and other lenders claiming Rs. 26.69 crores as damages, jointly & severally. ICICI Bank has filed an application for dismissal of the suit on the ground that PPL has failed to bring ICICI Bank on record despite notice of the same.

Civil Suit No. 192 of 2001 - ICICI Bank had filed a suit in the DRT, Ahmedabad against Vision Organics Limited (VOL) for recovery of Rs. 312.7 million. VOL has filed a counter claim against the Bank for Rs. 23 crores to which the Bank has filed its replies. Interim application filed by the company for payment/setting off of the main claim based on the counter claim filed by VOL. The same was rejected by the DRT. Matter is now posted for final hearing.

Civil Suit No. 434 of 2001 - The Peerless General Finance & Investment Company Ltd., debenture holder of Essar Oil Limited has filed a suit against Essar Oil Limited and others in the High Court, Kolkata for non-receipt of redemption amount and interest of Rs. 11.23 crores. The Bank in its capacity as debenture trustee was named as a defendant in this suit. The Bank's written statement along with an application under Order VII Rule 11, C.P.C. to dismiss the plaint has been filed. The suit is pending disposal.

Civil Suit No. 1559 of 1998 - Kalpana Lamps and Components Limited (KLCL) had availed of financial assistances from the Bank and other lenders. Anchor Electronics and Electricals Limited (AEEL) had paid the outstanding dues to the Bank and other lenders on behalf of KLCL and requested the Bank to assign the securities in their favour. AEEL filed a suit for specific performance. Subsequently, AEEL amended the specific performance suit to a money suit claiming Rs. 10.68 crores with interest thereon from the Bank and others and the same is pending before Mumbai High Court. The Bank has filed its written statement. AEEL has filed an application for release of title deeds of KLCL's properties at Ranipet. The Bank has given its no-objection certificate to the above. The other charge holders are yet to give their no-objection certificate for the release. The Bank has received a letter from the office of the Official Liquidator, Chennai that a winding up order has been passed by the Chennai High Court in respect of KLCL and that they have taken possession of KLCL's properties. The Application filed by AEEL for release of title deeds has been dismissed as withdrawn.

Sima Hotels & Resorts Ltd. – Erstwhile ICICI Ltd had filed a joint suit no 3499/1993 in Mumbai High Court along with other financial institutions. The debt has been transferred to ARCIL. One of the defendants, along with others, has filed a suit against the Bank and other lenders claiming a sum of Rs. 7.30 crores. The Bank has filed its written statement. The matter is pending for final hearing.

Anagram Finance Limited (Anagram), subsequently amalgamated with erstwhile ICICI Ltd had filed a suit (3879 of 1998) in the City Civil Court, Ahmedabad for recovery of a sum of Rs. 6.83 crores from Ezy Slide Fasteners Limited (ESFL). ESFL filed a separate suit (2243 of 1999) in the Civil Court for recovery of Rs. 7.18 crores from Anagram being the loss allegedly suffered by ESFL on account of breach of a subscription agreement entered into with Anagram. NSGL has filed its affidavit of evidence in this matter.

North Star Gems Limited (NSGL) filed a suit (53 of 2003) in the Civil Court, pertaining to an alleged transfer of funds, from the current account maintained by NSGL with BOM, of an amount of Rs. 7 crores. The Bank's application for dismissal of the suit has been rejected. The Bank has however filed its written statement in the suit.

ICICI Bank had filed a suit (373 of 2002) against the CD Industries Ltd and guarantors before the DRT, Mumbai. The company and one of the guarantors Mr. Vinod Kumar Agarwal have filed set off/counter claim against the Bank for Rs. 3.41 crores. The Bank's reply has been filed against this claim of set off. The Defendants have also filed written statement in the matter. The DRT, further posted the matter for filing additional written statement by the defendants for the amendment carried out by the Bank with respect to the mortgage details. The Bank has also initiated SARFAESI action and criminal court registrar has to fix a date for taking possession of property.

Union Bank of India (UBI) filed suit O.A. No. 32 of 2005 against Anitha Kumari, proprietrix of M/s Anand Agencies (Anand) and 14 others, including the Bank, before DRT, Chennai for recovery of a sum of Rs. 7.20 crores being the amount due and payable by Anand under cash credit limits granted by the UBI. A claim has also been made against the Bank in the above matter for recovery of Rs. 3.09 crores on the ground that the Bank, in active collusion with Anand (who have their bank account with the Bank) have been returning the cheques drawn by Anand on the grounds of insufficient funds, without any prior intimation. Due to this, the account of Anand with UBI was credited for an amount of Rs. 3.09 crores, which was withdrawn by Anand before the returned cheques were received by UBI. The written statement has been finalised and the same will be filed at the hearing on September 5, 2006.

Walsons Industries Products Incorporated (WIPL) filed a suit (603711 of 2002) against the Bank in the Bombay High Court for recovery of US$ 653,000 (Rs. 2.88 crores) alleging that three bills received through Bank of Nova Scotia should be paid by the Bank in terms of a letter of credit as done in the case of five previous bills since they formed part of the same transaction. The Bank, in its statement of defence, stated that all documents received through Bank of Nova Scotia were on collection basis, and each one was an independent transaction by itself without any supporting commitment from the Bank through the letter of credit. The court has permitted the Bank to defend the case. The suit is pending disposal.

M.B. Industries Limited (MBIL) filed a suit (130A of 1997) in Kolkata High Court claiming an aggregate amount of Rs. 10.25 crores from erstwhile ICICI Ltd and other financial institutions, out of which approximately Rs. 2 crores was claimed from erstwhile ICICI Ltd. The Bank has filed its written statement. The court has not granted any relief to MBIL. Case is pending sine die.

Neelakantan and Brothers Constructions Private Ltd. - The erstwhile Bank of Madura Limited (BOM) granted a bank guarantee limit for Rs. 3.62 million during the year 1972-1975. The complainant committed willful default in the repayment of dues under the various credit facilities and hence a suit was filed before the High Court for recovery of Rs. 1.52 crores. In 1994, a settlement was sanctioned for Rs. 54 lacs subject to certain terms and conditions incorporated in the Memorandum of Understanding (the MoU) recording the settlement. Inspite of agreeing to the MOU, the complainant has chosen to file a complaint before the Banking Ombudsman, Chennai claiming interest of Rs. 1.73 crores, which is against the terms of MOU. ICICI Bank has filed its counter statement and Banking Ombudsman is yet to pass orders.

Mr Sunil Joshi, an ex-employee of the Bank, filed a suit (19 of 2002) before the District Judge, Alipore for alleged wrongful dismissal from the Bank's services, praying for a decree of Rs 1.55 crores and damages of Rs. 42,602.74 per day with effect from April 11, 2001 till realisation. The Bank has filed its written statement and the suit is pending disposal.

Bank of India has filed a suit (2 of 2001) before the Chennai High Court against KS Computers and KA Systems for an amount of Rs 1.11 crores and has also made the Bank a party to the suit alleging that the Bank had collected forged instruments. The suit has been transferred to the DRT, Chennai. The Bank has filed its written statement in the matter. The case is posted for hearing on August 24, 2006.

National Horticultural Board has filed a suit bearing no.3175 of 2003 before the High Court of Bombay claiming a sum of Rs.90.42 lacs against the Bank and Gemini Agritech, in respect of a guarantee purportedly issued by ICICI Bank on behalf of Gemini Agritech. The suit is pending disposal.

M/s Shriram Engineering Construction Co. Ltd : The Bank had issued a Bank Guarantee for Rs.86,28,615/- through our Nungambakkam Branch in favour of M/s Maharashtra Jeevan Pradhikaran (MJP) on account of our Customer M/s Shriram Engineering Construction Company Ltd (SECC). MJP has invoked the BG beyond the claim period and the Bank refused to pay the amount under the BG for the above reason In the meanwhile, SECC also filed a suit before Special Court Nasik against MJP and our bank for a mandatory injunction restraining the Bank from making the payment. MJP filed a complaint before Banking Ombudsman, Chennai for the alleged deficiency of service by the Bank. However, the Banking Ombudsman dismissed the complaint on the ground that the BG was invoked beyond the period of claim provided in the BG. MJP has filed a counter claim in the above suit claiming a sum of Rs. 86,28,615/- against SECC and our Bank. The Bank has already filed the written statement. MJP has filed another application before Special Court, Nasik seeking for extension of above BG pending disposal of the counter claim. The Bank has opposed the application and filed the counter stating that considering the aforesaid application pending disposal of the counter claim will amount to adjudication of the counter claim itself. The order is yet to be passed in the aforesaid application.

Gokula Education Foundation (Medical) has filed a complaint (88 of 2003) against the Bank before the Karnataka State Consumers Disputes Redressal Commission, claiming Rs.79,30,067/-. The complaint has been filed for refund of front-end fees, guarantee commission etc as the sanctioned loan was not disbursed. The Bank has filed written statement. The matter was dismissed on 04/05/06, however the Complainant has filed a Misc. Application bearing No.92/06 for restoration of the complaint and the said Misc. Application is posted on August 04, 2006 for hearing

J.G. FINANCE Ltd raised a public issue on May 23, 1995 & erstwhile Bank of Madura was one of the collecting bankers to the issue. Due to some dispute a suit was filed at Madras High Court by First Leasing Company of India Ltd. against J.G.Finance Ltd and 11 others including Bank of Madura and three other collecting bankers. Madras High Court vide APP No.623 of 1995 in C.S. No.832 of 1995 passed an injunction on June 13, 1995 restraining the banks from making any payment to J.G.Finance Ltd. with regard to the public issue. Subsequently on September 13, 1995, Madras High Court revised the earlier order and restricted the injunction up to Rs.70 lacs only. Accordingly on November 17, 1995 erstwhile Bank of Madura has paid Rs.23 lacs. Since then the Bank has kept a fixed deposit of Rs.1,25,41,323/- as there was no instruction from the Hon'ble High Court at Madras regarding the payment of interest on frozen account. The matter is still pending with Madras High Court.

Shri Bhalchandra Shinde, Proprietor of Mandar Travels filed suit (5330 of 1999) against erstwhile ICICI Ltd, in the Bombay High Court for termination of bus services for transportation of the staff members. The amount involved is Rs.66 lacs. The services of Mandar Travels were temporarily hired till final selection of the contractor. The matter is pending disposal.

Jitesh Pradhan an account holder of the Bank at Cuttack Branch filed a case bearing no. 313 of 2003 before the State Commission, Cuttack. Shri Pradhan had issued a self-cheque no. 045244 for Rs. 30,000/- dated February 13, 2004. The said instrument was brought and presented by Shri Pitambar Mishra, peon of Shri Pradhan for encashment. Due to some technical reasons (signature mismatch) the same was not paid over the counter. Hence, Shri Pradhan filed a case against the Bank, inter alia, claiming Rs. 60.0 lacs towards harassment and mental agony. The Bank has filed written statement. The Bank has been advised that as the amount (Rs. 30,000/-) has already been withdrawn by the complainant's representative and the same had been handed over to him, which is duly supported by the affirmation given by Shri Mishra before the Executive Magistrate, the claim of Rs. 60.0 lacs by Shri. Pradhan is not justifiable and maintainable under the above-mentioned circumstances and as such the Bank is not liable for payment of Rs. 60.0 lacs to Shri Pradhan. The matter is posted for hearing on August 9, 2006.

M/s Venkateswara Engg. Corporation (VEC), who is an account holder in our Tuticorin Branch, had entered into a contract with M/s Andhra Civil Construction (ACC) on August 12, 1973 for executing the project. There were some disputes between the parties and a suit has been filed by VEC against ACC for recovery. Subsequently the suit was settled for a sum of Rs.25 lacs, which has been deposited with our Tuticorin Branch. However the Bank has adjusted the said amount towards dues of VEC to our Bank under various credit facilities. VEC has filed a suit (785 of 1990) before High Court, Chennai, against the Bank for recovery of sum of Rs.52 lacs alleging that two deposits of Rs.25 lacs each have been deposited by ACC with our Tuticorin Branch. The Bank has filed its written statement. Evidence is completed and is posted for arguments. The matter is yet to be listed.

V-Guard Industries Ltd (VGI) had availed a term loan from erstwhile ICICI Ltd. The company wanted to prepay the loan. As per the Loan Agreement, a prepayment premium of Rs.39,32,000/- and service tax of Rs.4,01,064/- amounting to Rs.43,33,064/- was to be paid by VGI. VGI disputed this payment. As the Bank allowed prepayment only on payment of the premium, VGI made the payment amounting to Rs.43,33,064/- under protest. On closure of the loan, VGI filed a suit (O.S.No.353 of 2005) before Sub Judge's Court, Ernakulam against the Bank claiming an amount of Rs.44,21,981/- together with interest thereon from the date of the suit (i.e. June 15, 2005) till realization. The matter came up for 1st hearing on February 7, 2006 and we have entered appearance through our advocate. The case is posted to August 10, 2006 for filing our written statement.

Maharshi Solar Technologies (P) Ltd. (MSTL) – Suit for Permanent & Mandatory Injunction & in the alternative for a recovery of Rs. 29,52,954.67 has been filed by MSTL in the Delhi High Court bearing Suit No. 312 of 2005 against the Bank and others inter – alia, praying for a decree of permanent injunction thereby restraining the Bank and others for releasing any amount to Defendant No. 6 (i.e. Employees State Insurance) with respect to the alleged recovery notice No. K/CO/CP2 – 2574/21-17499 – 90 dated March 7, 2005 and in the alternative to pass a decree for a sum of Rs. 29,52,954.67/-. We have filed our written statements and the other respondents have yet to file written statements. The case is now adjourned for July 25, 2006 for completion of pleadings.

M/s Quality Foils Ltd has filed a complaint (75 of 1993) before the State Consumer Forum, on account of return of letter of credit for wrong reasons. The forum allowed the complaint and directed us to pay Rs 24 lakhs to the complainant. The Bank has filed written statement and appeal (208/209 of 1998) before the National Commission, Delhi and has obtained a conditional order on deposit of Rs 24 lakhs. The Appeal posted before National Commission for arguments on September 22, 2006.

State Bank of India (SBI), Hubli has filed a civil suit No. 103/05 against ICICI Bank (the Bank) claiming Rs. 23,77,489/-. 24 Demand Drafts of SBI were presented by the Defendant No.2 K.S.Kumar through the Bank. These drafts were forged and fabricated from the blank draft, stolen from the stationary department of SBI, situated at Hyderabad. SBI's claim is that the Bank having collected the proceeds thereof on behalf of second defendant K.S. Kumar from SBI, are jointly and severally liable to repay the same with interest. The Bank has filed written statement. Case is posted to September 11, 2006 for evidence.

D.Manoharan availed a car overdraft limit during May 2005 and as per procedure only on completion of endorsement of hypothecation in the Registration Certificate and insurance certificate, the car overdraft a/c will be allowed to be operated. The car overdraft limit will be set up in the savings a/c of the customer. Till then the Account will be debit freezed. However, the customer started using the account when he received debit card and cheque leaves by depositing Rs.49,000/- on May 25, 2005. Since the account has been debit freezed, a cheque No.532652 dated June 2, 2005 for Rs.50,000/- drawn in his car overdraft a/c has been returned unpaid on the ground a/c freezed. Hence the customer has filed complaint before District Consumer Forum, Coimbatore against the Bank for return of cheques claiming a sum of Rs.20,00,000/- as damages. The case is to come up for hearing.

Shankar Haribau Salve has filed a complaint (118 of 2005) on March 22, 2005 in the Consumer Dispute Redressal Forum, Thane for alleging deficiency in service and has claimed Rs. 20,00,000/- because of losses allegedly suffered by him. The Bank has filed written statement and the matter is pending disposal.

Mahendra Jogani has filed a complaint (131 of 2004) for wrongful dishonour of cheque against the Bank before the District Consumer Forum, Chennai. The complaint has been filed claiming Rs.10 lacs towards negligence, deficiency in service and unfair trade practice, Rs.10 lacs towards mental agony and medical expenses and a refund Rs.200/ that were the debit charges for bouncing of cheques. The Bank has filed written version. Matter is posted to July 24, 2006 for arguments.

M/s Vijay Bhargavi Chit Fund Private Limited has filed a petition (C.D.No.72 of 2002) before the Andhra Pradesh Consumer Disputes Redressal Commission, Hyderabad for damages of Rs. 20 lacs for deficiency of service arising from wrongful dishonor of cheque. The Bank has filed its written statement before the State Commission. The AP State Consumer Disputes Redressal Commission has on November 16, 2005 disposed off the matter and the Bank has been ordered to pay damages of Rs.25000/- plus cost of Rs.5000/- to the complainant. The Bank has filed an appeal (F.A. No.15/06) before National Commission, New Delhi and the matter is posted to August 14, 2006 for further hearing.

Basant Automobiles Case No. 52/2005 dated January 20, 2005 before District Consumer Forum, Udaipur. The suit pertains to dishonour of Cheque for Rs. 40,000/-. Complainant has claimed for compensation of Rs.19,22,580/- towards mental harassment and loss of business goodwill. Matter posted for July 25, 2006.

Rajendranath Gupta has filed a complaint (316/2004) in the Consumer Disputes Redressal Forum, Pune alleging deficiency of service. The matter pertains to dishonour of cheques. Mr.Gupta has claimed damages of Rs. 18,05,000/- Written Statement has been filed by the Bank on September 23, 2005. Matter is pending disposal.

State Bank of India (SBI) has alleged that ICICI Bank (the Bank) has collected cheques in the accounts of it's two customers, which amounts to conversion and has filed recovery proceedings in the Debt Recovery Tribunal, Mumbai bearing O.A. No. 286 of 2005 for recovery of an amount of Rs.16,91,425/- . The Bank has filed its reply to the Interim Application and the same is now fixed for hearing on September 7, 2006.

Jithu Raj, a credit card holder (Master Card), has filed a case (O.P.No.711 of 2004) against the Bank, before the Consumer Forum Chennai on February 25, 2005 claiming compensation of Rs.16,23,831.59. He failed to pay the minimum amount of Rs.800/- on the due date, which was April 1, 2003 but has paid the amount on April 15, 2003. In spite of this, the same was reflected in the next month statement and he was asked to pay Rs.1,650/-. Mr Raj then cancelled the existing credit card and obtained new Visa Card. The customer alleged that he received threatening calls from the Bank for non-payment of dues even though he has paid the entire outstanding amount during January 2004 with a closing credit limit balance of Rs.13,831.59/-. The customer is claiming Rs.8,00,000/- towards mental agony, Rs.8,00,000/- towards compensation and Rs.10,000/- towards cost besides credit balance of Rs.13,831.59/- (Rs.16,23,831.59). The Bank has filed written version and the case is to come up for hearing on August 31, 2006.

M/s Kasturi Palayakat Company opened a current account and also executed a forward contract agreement on April 7, 2004 with the Bank’s Pondicherry Branch agreeing to deliver US $ 2,50,000 on the maturity date of contract which fell on October 19, 2004 at the rate of Rs.43.50 per US $. To secure this, the complainant had placed Rs.5,50,000/- in fixed deposits as margin money. However the complainant neglected to deliver to the Bank the agreed sum of US $ 2,50,000 and consequently the Bank had cancelled the contract booked on behalf of the complainant on the prevailing cancellation rate of Rs.45.90 per US $. On account of the cancellation of the contract, the Bank had incurred a loss of Rs.6,00,000/-. The aforesaid Fixed Deposit with accrued interest has been closed and the proceeds were credited to the current account of the complainant. The aforesaid loss of Rs. 6,00,000/- has been adjusted out of the current account proceeds. Hence the complainant file a complaint before District Consumer Forum, Pondicherry in C.O.P. No.37 of 2005 on June 24, 2005 for Rs.16,10,000/-. The above complaint was contested by the Bank. However the Consumer Forum, without appreciating the scope of the forward contract, has passed an order on June 28, 2006 directing the Bank to credit Rs.6 lacs in the account of the complainant with 12% interest thereon per annum from the date of the debit of the said amount along with another sum of Rs.1 lac towards compensation and Rs.5,000/- towards cost. There is no merits in the order passed by the Consumer Forum as they failed to note that the debit of Rs.6 lacs made by the Bank on account of breach of contract committed by the complainant under the Forward Contract Agreement. We will be filing an appeal against the order before the State Consumer Forum, Pondicherry and will be securing stay of the order.

Shyam Commodities hold a current account with the Bank. Rs. 14,00,000/- was fraudulently withdrawn from this account (Rs. 6,00,000/- vide cheque number 739953 and Rs. 8,00,000/- vide cheque number 739976). The amount was transferred on July 25, 2005 to a savings bank account number 629701508553 with Mayur Vihar Branch of the Bank, held by Mr. Sunil Kumar on July 25, 2005. This particular account of Mr. Sunil Kumar was opened only on July 23, 2005. Customer filed a complaint with Banking Ombudsman and the case was registered with Banking Ombudsman on August 30, 2005 as case No. 665/05-06. The complainant Shyam Commodities has given a copy of the forensic report to the Ombudsman. The forensic report confirms that the signatures on the disputed instruments are not done by the authorised signatory of the company. The Ombudsman has requested the Bank to settle the matter amicably. We have negotiated with the client, for Rs.9 lacs compensation.

Kisan Sahakari Chini Mills Limited has filed a suit (6 of 2001) before the State Commission, UP claiming interest and compensation amounting to Rs. 13 lacs on delayed payment of refund amount of Rs. 20.6 lacs pursuant to the ICICI Bond Issue. The Bank has filed its written statement before the State Commission. Matter to come up for hearing.

M/s Fidelity Finance Ltd. has filed a suit (523 of 1998) before the Madras High Court claiming an amount of Rs 12,72,343/- from the Bank for not honouring a letter of credit issued in favour of M/s Vijaya Chemagro India P. Ltd. The Bank has filed written statement. The suit is yet to be listed.

Mr R M Kanappan, an ex-employee of the Bank has filed a writ petition (15127 of 1999) before the High Court Madras for wrongful dismissal from services and has claimed Rs. 13 lacs. The Bank has filed counter statement. The writ petition is pending disposal.

M/s Essem Tecnopinz Pvt. Ltd has filed a Special Civil Suit No.244/2005 in the Court of Hon'ble Civil Judge, Senior Division, Nashik, against ICICI Bank for recovery of Rs.12,06,089/-. M/s Essem Tecnopinz Pvt.Ltd., is a private limited company manufacturing Ballpen and Gel pen point tips, having current account with ICICI Bank since 11.7.2002. M/s Essem Tecnopinz Pvt.Ltd had submitted five different requests on different dates for payment to Commerz Bank Shanghai for credit to account of M/s Heraeus Materials Technology Shanghai Ltd, China, between August 2002 and Sept.2002 amounting to USD.44,300. Accordingly, Exchange rates were booked for Rupee-Dollar for respective dates. However, ICICI Bank was unable to deliver the foreign currency to the order of M/s Essem immediately, but could effect payment in November 2003. M/s Essem Tecnopinz Pvt.Ltd informed the Banking Ombudsman and we had paid Rs.45,700 (USD.980.05) being the compensation of interest loss LIBOR rate, but the client did not agree for the same and filed civil suit against the bank claiming total loss of Rs.12,06,089/-. The Bank has filed its written statement and the matter is listed for hearing.

State Bank of Saurashtra (SBS) has filed a suit against the Bank in the Civil Court Rajkot, for an amount of Rs. 12,03,186/-. Certain Demand Drafts were presented on behalf of a customer of Jaipur Branch, through Jai Hind Press Branch, Rajkot. The same was immediately paid by SBS, Rajkot and the amounts were credited to the account of the customer, who had withdrawn the same. After a lapse of 4 months, SBS found that the aforesaid Demand draft were stolen, chemically altered and presented for clearing. Since the DDs were presented by the Bank, SBS claimed the said amount from the Bank. The Bank denied its liability to make such payment. SBS has now filed a suit for recovery of the said amounts. The Bank had filed written statement on the August 9, 2005. The matter is pending disposal.

Mrs. Tasneem Adhikari has filed a civil suit (3585 of 2003) against the Bank, in the Bombay High Court for wrongful sale of her truck and has claimed compensation of Rs. 12,20,000/- The interim application filed by Tasneem Adhikari asking court to direct the Bank to hand over the vehicle to her, and not transfer to any other person, has been dismissed. The Bank is yet to file written statement. Since the Bank is contemplating to file a counter claim in the suit filed by the customer, the written statement, which would include the counter claim, would be filed shortly. As per the Bombay High Court Rules (original side), we have time to file the aforesaid statement till the matter is listed for hearing.

Shri R.N. Shetty has filed a complaint (212 of 2003) before Consumer Dispute Redressal Forum, Pune against the Bank for deficiency of service and claimed an amount of Rs. 12,28,212/-. The Bank has filed written statement. The matter is pending final argument.

Mr. S Srinivasagam, an ex employee of erstwhile Bank of Madura has filed a suit (465 of 1999) before the Sub Court Madurai claiming an amount of Rs 11 lakhs (notional claim) for wrongful suspension from employment. The Bank has filed written statement. Due to Pecuniary Jurisdiction, the suit has been transferred to District Munsiff Court, Madurai . Matter is pending disposal.

Shri Manoj Garg has filed case against the Bank (Suit No.224/05). The customer booked a Hondacity car, but he did not get the licence. Hence he cancelled the order and demanded money back. He has filed his claim for Rs.10,85,000/-. The Bank has filed written statement on September 19, 2005. Matter is pending disposal.

O.R.J.Electronic Oxides Limited – The Bank granted lease finance of US $ 72,00,000 (INR Rs.2578.00 lakhs) to the company on May 22, 1997 for import of capital goods from IPTE, Inc., USA.

1) Based on DRI's Report : Commissioner of customs initiated proceedings and imposed a fine of Rs.1 crore on the Bank and the same has been remanded by the Appellate Tribunal to another Commissioner of Customs for De Nova adjudication. The Commissioner of customs posted the enquiry on February 20, 2006 when our Counsel argued and insisted for fresh Investigation by DRI and the matter is posted for orders.

2) Based on DRI's Report : Enforcement Directorate initiated proceedings against the Bank and its officials for aiding and abetting the importer and the company in acquiring foreign exchange to the tune of US $ 72 lacs and imposed a fine of Rs.10.00 lacs on the Bank. We have filed an Appeal No. 496 of 2004 against this order, before the Appeal Tribunal for FERA, Delhi and obtained interim stay on condition of deposit of 50% of the fine imposed. Against this order of conditional stay we filed a writ petition in High Court, Madras and obtained interim stay. The appeal before FERA Appellate Tribunal, Delhi was posted on February 27, 2006 and our Advocate argued that since interim stay has been granted by the High Court, Madras the Appellate Tribunal should not proceed further in the matter. Considering our arguments the Appellate Tribunal adjourned the appeal sine die and advised us to inform the outcome of the Writ Petition.

3) Based on DRI's Report : The CBI investigated into the allegations of criminal conspiracy, cheating etc., against our Bank and its officials, also against M/s Sundaram Finance Limited and its officials, and also against ORJ Electroncis and Oxide Limited and the importer (IPTE Inc., USA). Chargesheet has been filed by CBI before the Chief Metropolitan Magistrate, Egmore against all the persons concerned in Crl. M.P.No.7436 of 2004. M/s Sundaram Finance Limited filed a Crl.O.P.No.22976 of 2004 before the High Court, Madras and sought for quashing of the above criminal proceedings. An interim stay was granted by the High Court on the criminal proceedings pending on the file of the Chief Metropolitan Magistrate, Chennai. However all the cases are being reposted.

4) Based on DRI's Report : Joint Commissioner of Income Tax, Special Range III, Chennai by its order dated 28-2-2001 disallowed the depreciation on the lease finance amount of Rs.2578 lacs thereby called upon the Bank to pay arrears of Income Tax for a sum of Rs.15,83,42,475/-. This order was confirmed by the Commissioner of Income Tax, (Appeals) and against which the Bank filed an appeal before the Income Tax Appellate Tribunal and the same is pending.

5) The Enforcement Directorate (ED) issued a prohibitory order to the Bank to freeze the FCNR deposits of IPTE placed in the name of M/s ETKIF, America for Rs.2.00 crores during the year 2000 and RBI also issued directions to the Bank to remit the proceeds to Directorate of Enforcement under Sec. 11 of FEMA. The Bank has replied to both ED and RBI that since Income Tax liability is crystallized for Rs.15.83 crores against the Bank, the Bank has exercised a lien on the deposits of IPTE. We have also met the RBI officials in the personal hearing given to us and made our submissions. RBI since passed an order accepting our contentions and advised the Bank to clarify the position to Enforcement Directorate and hence a detailed letter has been sent in consultation with our Senior Counsel.

CASES AGAINST ICICI BANK LIMITED AS ON JULY 24, 2006

Criminal Complaints:

1. A criminal complaint (1648 of 2001) was filed against the Bank by Rajiv Aggarwal before the Chief Judicial Magistrate, Jaipur for wrongful dishonour of cheques. The Bank has filed a revision petition in the Rajasthan High Court at Jaipur for quashing the order passed by the lower court. The Rajasthan High Court has stayed the proceedings of the lower court and has directed the trial court to send the records of the case to HC. Matter was listed on February 2, 2006 on complainant's application for vacating the stay granted in favour of the bank. The said application has been dismissed. The matter is to come up for hearing.

2. Five criminal complaints (9419/S/2002 to 9423/S/2002) were filed against the Bank before the 39th Court of Presidency Metropolitan Magistrate at Mumbai by the Municipal Corporation of Greater Mumbai (BMC) for violation of Section 471 of the BMC Act read with Section 328-A thereof on grounds of non-payment of licence fees for the illuminated signboards at the Bank's ATM centres. The Bank has filed a writ petition (2377 of 2002) in the Bombay High Court challenging the applicability of the provisions of Sections 328 & 328-A of the BMC Act in respect of the ATM centres. The writ petition was dismissed. In appeal, the Bank has filed a special leave petition (24215 of 2002) in the Supreme Court. The Supreme Court has granted a stay against all prosecutions and proceedings by BMC in this regard. The Metropolitan Magistrate stayed the proceedings before it till the final disposal of SLP. On August 4, 2005 Supreme court passed the order with a finding that putting of the ATM Board by the Bank does not fall under the category of sky sign u/s. sec.328, but the Supreme Court given a liberty to BMC to consider whether the said issue falls under the category of advertisement u/s.328-A, and issue fresh notice before the hearing. The Bank has submitted a copy of the Supreme Court order to the Magistrate and prayed for the dismissal of the complaints.

   The BMC had also filed two similar complaints (88/M/2003 and 89/M/2003) before the 27th Court of Presidency Metropolitan Magistrate at Mumbai, against the Bank. The Bank has submitted a copy of the Supreme Court order to the Magistrate and prayed for the dismissal of the complaints.

3. Two criminal complaints (2415/S/2003 and 2416/S/2003) were filed by Inspectors, Security Guards Board, Greater Bombay & Thane District, in the year 2000 against the Bank before the Metropolitan Magistrate, Mumbai, under the Maharashtra Private Security Guards Act, 1981, on the grounds that security guards have been engaged from unexempted security agencies. The Bank has taken a stand that the exemption of security agencies continued on account of a previous High Court Order in the writ petition filed by certain security agencies. The complaints are pending disposal. Revision Petition has been filed in the Session Court for quashing of the complaint and which has been admitted, and the proceedings of the complaints have been stayed till further orders.

4. Two criminal complaints (2347/S/2003 and 2349/S/2003) were filed by Inspectors, Security Guards Board, Greater Bombay & Thane District, in the year 2001 against the Bank before the Metropolitan Magistrate, Mumbai, under the Maharashtra Private Security Guards Act, 1981 on the grounds that security guards have been engaged from unexempted security agencies. The Bank has replied stating that the Security Guards were deployed on trial basis and are being replaced by Armed Guards. The complaints are pending disposal. Revision Petition has been filed in the Session Court for quashing of the complaint and which has been admitted, and the proceedings of the complaints have been stayed till further orders.

Civil :

1. A case (39/2002) was filed against the Bank in the Industrial Court by the Union of Security Guards of its Corporate Office at Bandra-Kurla Complex, Mumbai, for regularizing and for claim for difference in wages on the ground that the Bank employed security guards. On dismissal of the case, the said Union preferred an industrial dispute and thereafter the dispute has been referred to the Industrial Tribunal. The reference is pending disposal.

2. Bhartiya Suraksha Rakshak Mathadi & General Kamgaar Union has filed a complaint (404 of 2005) against the Bank before the Industrial Court, Maharashtra at Mumbai on the ground of discontinuation

of services of the security guards of Trig Guard Force. The matter is pending disposal.

Show Cause Notice :

1. The Bank has received show cause notices in the matter of alleged excise duty evasion to the extent of Rs. 1.48 crores, Rs. 1.96 crores and Rs. 1.31 crores by Bannari Amman Sugars Limited (BASL), Triveni Engineering Co. Ltd (TECL) and Balrampur Chini Mills Ltd (BCML) respectively, in respect of the equipments purchased for their project funded by ICICI Bank under Asian Development Bank (ADB)/World Bank line of credit. BASL, TECL and BCML have paid the duty under protest and sought refund thereof. ICICI Bank has filed replies through its advocates showing cause as to why the penalty is not payable and sought for personal hearing.

2. The Bank has received show cause notices in the matter of alleged customs duty evasion to the extent of Rs. 9.37 crores, Rs. 3.90 crores, Rs. 4.25 crores, Rs.0.76 crores , Rs.0.47 crores and Rs.5.4 crores by Rashtriya Chemicals & Fertilizers Ltd (RCF), Jaypee Cements Ltd (JCL) and Orient Ceramics & Industries Ltd. (OCIL), M/s Jindal Steel & Power Limited, Balarampur Chini Mills Limited and MALCO respectively, in respect of the equipments purchased for their project funded by the Bank under ADB line of credit. The Bank has filed its reply through its advocates. On December 15, 2005 the Commissioner of Customs (Import) passed an order and imposed the penalty of Rs.50 lacs on ICICI Bank in respect of the case of RCF. The Bank has filed an appeal before the Customs, Central Excise and Service Tax Appellate Tribunal. On April 21, 2006 the Commissioner of Customs (Import) passed an order and imposed the penalty of Rs. 2 crores on ICICI Bank in respect of the case of MALCO. The Bank has filed an appeal before the Customs, Central Excise and Service Tax Appellate Tribunal.

3. The Bank has received a show cause notice dated January 31, 2005 from Reserve Bank of India (RBI) in relation to M/s Anand Agencies, wherein the Bank was called upon to show cause why proceedings should not be initiated against the Bank for non-adherence to RBI directions on the procedure for return/dispatch of dishonoured cheques, and why monetary penalty of Rs. 5 lacs should not be imposed on the Bank. The position of the Bank has been explained to RBI and a written submission was also made.

4. The Bank had sanctioned ECB facility to the customer on February 5, 2004 from its Singapore Branch. It has been observed by RBI that since the customer is engaged in "retail" sector, the sanction of the ECB facility is not in compliance with the guidelines of RBI dated January 31, 2004. RBI had observed that, as per these guidelines, ECB could be sanctioned only to customers who are engaged in "real sector - industrial sector especially infrastructure sector - India". Accordingly, a Show Cause Notice has been issued to the Bank by RBI in this regard for non-compliance with the extant rules/regulations/directions under the Foreign Exchange Management, Act 1999. The Bank had submitted its detailed response to the Show Cause Notice vide letter dated June 30 2006 stating that the sanction of the facility was undertaken, as the Bank understood that the "retail sector" falls under the "real sector" and that "real estate sector" was the only ineligible sector as per the RBI guidelines. The Bank had also requested for a personal hearing to explain its submissions further to RBI. Response from RBI in this regard is awaited.

Writ Petitions :

1. A writ petition has been filed by the Maharashtra Suraksha Rakshak Aghadi (Writ Petition No.3283 of 2004) challenging the Notification dated August 25, 2003 read with Corrigendum dated July 5, 2004 granting exemption to security guards employed with Premier Security Services (PSS) and provided at the establishments of the Bank. The writ petition is pending for final disposal and in the meantime status quo has been ordered.

2. A Writ Pettion no 35/2005 has been filed in the Supreme Court by Dr. Harsh Pathak inter alia against mobile phone companies and 5 banks including ICICI Bank, seeking directions for regulating the unsolicited calls in the context of right of privacy and other related reliefs. The Bank is in the process of filing its affidavit in reply. The matter is pending disposal.

3. A writ petition has been filed no 500/2005 in the Mumbai High Court by Satish Anant Naik and 28 others inter alia against 3 banks including ICICI Bank challenging the Notification dated August 25,

2003 read with Corrigendum dated July 5, 2004 granting exemption to security guards employed with Premier Security Services (PSS) and provided at the establishments of the said banks. The Bank has filed its reply. The matter is pending disposal.

4. The Federal Bank Staff Union and 2 others have filed a writ petition in the Kerala High Court against the Bank challenging the Order dated February 4, 2005 of the Company Law Board (CLB) inter alia holding that the Bank's voting rights were wrongfully curtailed at the AGM of Federal Bank and consequently altered the result of 4 resolutions voted at the said AGM. The Bank has filed its reply and the matter is pending disposal. The CLB Order dated February 4, 2005 in Company Petition no 42/2004 filed by the Bank and Company Petition No 45 /2004 filed by UTI is based on admission of Federal Bank that its Chairman at the said AGM, wrongfully disallowed shareholders from exercising their full votes. Consequently, the election of directors opposed by the Bank was set aside and candidates supported by the Bank were declared elected as directors of Federal Bank.

5. A Criminal Writ Petition (no.1940/2005) has been filed in the Delhi High Court by Devendra Arora, a credit card holder, against ICICI Bank Ltd, RBI, SHO (Station House Office - Janakpuri Police Station) and Commissioner of Police, Delhi, alleging collection harassment, thereby seeking direction from Delhi High Court to register case/FIR against the Bank as well as taking appropriate action against the policy adopted by various banks by employing recovery agencies for recovery of dues with utter disregard to common man's life and liberty and running parallel judicial systems. A notice before admission was issued to ICICI Bank. We have filed detailed affidavit in reply covering actual facts of the case alongwith various RBI guidelines & master circular and also, raised a preliminary objection for the same. The matter is simply adjourned for hearing on July 24, 2006.

Others :

1. SEBI passed an order against ICICI Bank in 2002 in connection with matters pertaining to Bank of Madura's Ahmedabad branch prior to its amalgamation with ICICI Bank. SEBI had stated that there were irregularities in fiscal 1996 in the operations of the account of North Star Gems Limited with this branch. SEBI noted that ICICI Bank had taken appropriate disciplinary action against the concerned employees. SEBI further noted that inspection by RBI did not indicate malafide actions on the part of ICICI Bank's officials. In view of the same, SEBI concluded that a warning would suffice as sufficient action against the branch.

Taxation-related matters

The major disallowances disputed in appeal by the Bank and allowances disputed in appeal by the income tax authorities as on March 31, 2006, are as under:

1. Lease Depreciation: Tax Rs. 1,102.91 crore (including interest)
   The tax authorities have treated lease transactions as loans and have disallowed our depreciation claim. In the case of leasing business, the tax authorities have consistently denied depreciation to the lessor who is the legal owner. The appeals filed are pending disposal.

2. Deduction for bad and doubtful debts: Tax Rs. 385.86 crore (including interest)
   The assessing officer has disallowed bad debts on the ground that the debts written off as irrecoverable have not turned bad and there is still hope of recovery. The appeals are pending disposal.

3. Taxability under section 41(4A),I.T. Act of amounts withdrawn from Special Reserve created up to Assessment Year 1997-98: Tax Rs. 296.82 crore (including interest) ICICI had two special reserve accounts, "Special Reserve created up to Assessment Year 1997-98" and "Special Reserve created and maintained from Assessment Year 1998-99". Withdrawal has been made from the "Special Reserve created up to Assessment Year 1997-98". The tax authorities had not taxed the withdrawals in the original assessment. The assessments were subsequently re-opened to tax the withdrawal, and these have been taxed by the income tax authorities. No withdrawals have been made from "Special Reserve created and maintained from Assessment Year 1998-99" account. The appeals filed against taxing withdrawal of special reserve are pending disposal.

4. Allocation of expenses to earn dividend income: Rs. 435.86 crore (Including interest)
   The disputed issue involves computation of exemption under section 10(33), I.T.Act and deduction under section 80 M, I.T. Act on account of dividend income viz. the gross dividend be exempted from tax or whether interest expenses are attributable to earning the exempt dividend income. The matter is pending disposal.

5. Appeals allowed in our favour disputed by Tax Department: Rs. 144.7 crore (including interest)
   The major issues include non-levy of interest tax on debentures/Government securities/bonds, investment allowance on leased assets and interest on interest. The matter is pending disposal.

6. Broken Period Interest: Rs. 37.5 crore (Including interest)
   The broken period interest paid on purchase of securities held as stock in trade by the Company was disallowed by applying a Supreme Court decision which is later distinguished by a High Court of Judicature at Bombay decision. The Special Leave petition of the Income Tax Department against the favourable Bombay High Court Decision has also been dismissed by the Supreme Court. The matter is pending disposal.

7. Penalty order under section 271(1)(c) : Rs.418.01 crore
   Penalty has been levied by the Assessing Officer on contentious additions involving judicial interpretation. According to the Bank, there is no concealment of income and proper disclosure is made. The matter is pending disposal.

8. Other Miscellaneous matters : Rs.103.59 crore (including interest)
   The major issues are disregard of Form 64 and subsequent non-clubbing of the income /loss of the funds, double addition of general provision and non deduction of tax on capital gains earned by the residents of UAE. All the aforesaid appeals are pending disposal.

9. Sales Tax: Rs. 44.75 crore (Including interest)
   The major issue under dispute is the taxing of interstate / import leases by various State Government authorities in respect of lease transactions entered into by us. The matters are pending disposal.

CLAIMS AGAINST THE BANK AS ON JUNE 30, 2006 WHERE THE CLAIM AMOUNT IS LESS THAN RS. 10 LACS & CASES WITH NO SPECIFIC MONETARY CLAIM

all amts in crs

	Nature of claim	Cases with Monetary Claim		Amount of liability on the basis of assessment of the branch (provision to be made)		Cases with no specific monetary claim
		Number	Amount	No of cases	Amount	Number
1	Suits filed by shareholders/bond holders of the Bank.	35	0.0349	23	0.0145	443
2	Suits filed by debenture holders against the Bank as Debenture Trustees.	72	0.1904	0	0.0000	15
3	Suits filed by lessees/hirers seeking injunction against the Bank	110	1.1900	48	0.4100	451
4	Counter claims filed by Borrower/s or Guarantor/s.	0	0.0000	0	0.0000	0
5	Counter claims filed by other persons	0	0.0000	0	0.0000	0
6	Writ Petitions filed by employees/ex employees	2	0.0556	0	0.0000	14
7	Writ Petitions filed by other persons	5	0.0930	0	0.0000	8
8	Cases filed before the Banking Ombudsman	6	0.1725	0	0.0000	0
9	Suits pertaining to fraudulent transactions	0	0.0000	0	0.0000	0
10	Suits pertaining to foreign exchange regulations	1	0.0450	0	0.0000	0
11	Suits pertaining to products /facilities provided by the Bank	231	2.7412	96	0.3900	231
12	Suits by statutory authorities	1	0.0010	0	0.0000	1
13	Suits pertaining to interest charges	0	0.0000	0	0.0000	0
14	Suits pertaining to property disputes	1	0.0313	0	0.0000	3
15	Suits where the bank is impleaded as third party	0	0.0000	0	0.0000	0
16	Suits in respect of labour related matters	0	0.0000	0	0.0000	0
17	Criminal cases against the Bank/Directors/Senior Mgmt./Officials of the Bank	2	0.0090	0	0.0000	29
18	Suits pertaining to economic offences including stamp duty matters	0	0.0000	0	0.0000	1
19	Suits in relation to securities law	0	0.0000	0	0.0000	0
20	Winding up petitions against the Bank	0	0.0000	0	0.0000	0
21	Miscellaneous suits/ legal proceedings in the course of business.	312	6.4415	11	0.1475	27
	TOTAL	778	11.0054	178	0.9620	1223

Against the Bank’s Subsidiaries and Other Group Companies as on May 31, 2006

Subsidiaries

ICICI Securities Limited (ICICI Securities)

1. ICICI Securities Limited (formerly ICICI Securities & Finance Company Limited) was awarded two penalty points by SEBI for non-submission of Letter of Offer in the Rights issues of Siroplast Limited and Thane Electricity Supply Co. Limited during 1995 and one penalty point for non-submission of post-issue report in the Public Issue for Shree Rajasthan Texchem Limited. Further, two warning letters were issued by SEBI on October 2, 1998 in the issue of Hindustan Motors Limited and on July 11, 2000 in the public issue of Cadilla Healthcare Limited respectively.

2. S. R. Kulkarni (Complainant) has filed a complaint for Rs. 12,750/- in the Consumer Disputes Redressal Forum, Mumbai alleging that he has neither received allotment in response to his application nor refund of application money in relation to his bid in the offer for sale of equity shares of GAIL (India) Limited in March, 2004. The complaint has been filed against GAIL (India) Limited, MCS Limited and ICICI Securities. ICICI Securities was acting as one of the Lead Managers to the issue. The Complainant's bank has informed him that there was a mistake on its part because of which it has wrongly dishonoured the cheque and therefore has requested the complainant to withdraw the suit.

3. There are 6 litigations pending with Government authorities amounting to Rs. 36.44 crore.

ICICI Brokerage Services Limited (ICICI Brokerage)

1. Sunil Kumar Gupta has filed a case before the District Consumer Dispute Redressal Forum, Jaipur against ICICI Brokerage. An order dated August 22, 2003 was received by ICICI Brokerage from the Forum directing ICICI Brokerage to pay Rs. 19,538/- along with interest within one month. ICICI Brokerage has filed an appeal before the Rajasthan State Consumer Disputes Redressal Commission, Jaipur on September 20, 2003. The appeal has been admitted and hearing is continuing in the matter. The next date of hearing is awaited.

2. There are 6 litigations pending with Government authorities amounting to Rs. 01 crore

ICICI Prudential Life Insurance Company Limited (ICICI Prulife)

90 cases have been filed against ICICI Prudential Life Insurance Company with claims aggregating approximately Rs. 1.09 crore. These claims have been made by different policyholders and deal with various issues relating to life insurance policies. These claims have been made in various forums including District Consumer Disputes Redressal Forum, Mylapore, Chennai, Consumer Disputes Redressal Forum-I, Union Territory Chandigarh, Court of Administrative Civil Judge, Tis Hazari Courts, Delhi, District Consumer Disputes Redressal Forum, Ludhiana, District Consumer Disputes Redressal Forum, Panipat, High Court, New Delhi, City Civil Court, Bangalore, District Consumer Disputes Redressal Forum, New Delhi, Office of Insurance Ombudsman, Chandigarh, District Consumer Forum, Lucknow, Office of Insurance Ombudsman, New Delhi, Office of Insurance Ombudsman, Mumbai, District Consumer Forum, Jalandhar, District Consumer Forum, Haryana, Civil Court, Alipore, City Civil Court, Kolkata, Civil Court, Ludhiana., City Civil Court, Hyderabad, Consumer Disputes Redressal Forum, Meerut, Ombudsman, Ahmedabad, District Consumer Redressal Forum, Ambala,, Consumer Disputes Redressal Forum, Hyderabad, Consumer Disputes Redressal Forum, Mansa, Punjab, State Human Rights Commission, Thiruvanathapuram, Senior Civil Judge, Adoni, Consumer Disputes Redressal Forum, Gurgaon, Consumer Disputes Redressal Forum, Thrissur, Consumer Disputes Redressal Forum, Delhi, etc. All these matters are pending disposal.
Sales Tax case pending for Rs. 0.003 crore

ICICI Lombard General Insurance Company Limited (ICICI Lombard)

1. A Criminal Complaint No. 2887 of 2002 was filled before the Judicial Magistrate First Class, Bhiwandi by Mr. Sheikh Mohd. Khalid Munnavar a car insurance policy holder, for the alleged non-cognizable offences of criminal intimidation etc., against three officers of ICICI Lombard General Insurance Company Limited. & Shri K V Kamath, MD & CEO of ICICI Bank Limited has also been named as accused in the complaint though no specific allegations are made against him except describing him as one of the officers of ICICI Lombard, and making an allegation that all four officers conspired in committing the offences. Shri K.V Kamath is a Non Executive Director on the board of ICICI Lombard. A writ petition was filed before the High Court, Mumbai seeking quashing of the criminal complaint on the grounds, inter alia, that it is false and baseless and the facts are contradictory. The High Court passed an Order, staying the proceedings before the Judicial Magistrate First Class, Bhiwandi. Thus, the proceedings in Criminal Complaint No.

2887 of 2002 filed against Shri K.V. Kamath and others are stayed and matter has been adjourned sine die in court of Judicial Magistrate First Class, Bhiwandi.

2. There are 568 cases filed, with claims aggregating to Rs. 0.03 crore (approx.) before - various forums including District Consumer Forum, Kolkata, State Consumer Forum, Jaipur, District Consumer Forum, Faridabad, District Consumer Forum, Ahmedabad, District Consumer Forum, Bharuch, District Consumer Forum, Hyderabad, District Consumer Forum, Thane, District Consumer Forum, Junagadh, District Consumer Forum, Jamshedpur, District Consumer Forum, Rajkot, District Consumer Forum, Meerut, District Consumer Forum, Valsad, District Consumer Forum, Guwahati, District Consumer Forum, Godhara, District Consumer Forum, Nadiad, Workmen Compensation Commissioner, Bellary, District Consumer Forum, Ambala, District Consumer Forum, Gandhinagar, District Consumer Forum, Rewari, District Consumer Forum, Delhi, District Consumer Forum, Chennai, District Consumer Forum Kanpur, District Consumer Forum, Sambalpur, District Consumer Forum, Mehsana, District Consumer Forum, Bokaro, District Consumer Forum, Amreli, District Consumer Forum, Gurgaon, District Consumer Forum, Shimla, District Consumer Forum, Jalandhar, District Consumer Forum, Nashik, Consumer Forum, Surendranagar, District Consumer Forum, Surat, District Consumer Forum, Thiruvanathapuram, District Consumer Forum. Davangere, District Consumer Forum, Ongole, District Consumer Forum, Bangalore, Hyderabad. All these matters are pending disposal.

ICICI Venture Funds Management Company Limited (ICICI Venture)

1. ICICI Equity Fund (the «Fund»), a Fund managed by the ICICI Venture was originally registered with the SEBI as a Venture Capital Fund under the SEBI (Venture Capital Funds) Regulations, 1996 (hereinafter the «Regulations»). The Fund de-registered with SEBI in the year 2002. In this process, the Fund first amended its Private Placement Memorandum (PPM) and pursued investment objectives permitted under the amended PPM before completing the de-registration formalities. During the course of its investment activity, the Fund invested in certain securities which were in excess of the limitations and restrictions imposed by the then prevailing Regulations. SEBI was of the view that the Fund should have completed the de-registration formalities before pursuing investments in the aforesaid securities. ICICI Venture represented to SEBI that investment in the aforesaid securities were done in good faith and to the best of its knowledge and belief, that such investments would not be in violation of the Regulations as there was an intention to de-register the Fund and consequent to the de-registration, no restrictions contained in the Regulations would have been applicable. Further, the Fund *suo moto* communicated to SEBI these developments and initiated a dialogue to conclude and regularize this matter. Upon consideration of the voluntary disclosures and representations made by ICICI Venture,SEBI vide its letter dated January 9, 2003 communicated that the above procedural lapse have been viewed seriously and advised the ICICI Venture to take due care in future and improve its compliance mechanisms and standards to avoid recurrence of such instances.

2. SEBI, Madras had issued a Show Cause Notice dated May 31, 2002 to ICICI Venture alleging contravention of sub-Regulation 1 and sub-regulation 3 of Regulation 6 (for the year 1997) and sub-regulation 1 and sub-regulation 2 of Regulation 8 (for the years 1998, 1999, 2000 and 2001) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 for failure/delay in making the disclosure of its shareholding in Vimta Labs Limited. Adjudication proceedings were held. Based on the submissions made by ICICI Venture, SEBI vide order dated November 1, 2002 has exonerated ICICI Venture from liability arising out of violation of Regulation 6(1), 6(3) for the 1997 and Regulation 8(1) and 8(2) for the years 1998, 1999, 2000 and 2001 of the said Regulations read with Section 15A(b) of the said Act.

Prudential ICICI Mutual Fund, the asset management company of which is Prudential ICICI Asset Management Company Ltd (AMC) and trustee of which is Prudential ICICI Trust Limited (Pru ICICI)

1. A warning letter was issued to ICICI Mutual Fund on October 22, 1997 w.r.t. findings of the inspection report for the period 1995-96 which indicated that the valuation method followed by the fund with regard to listed and quoted/listed and unquoted/privately placed fully convertible and nonconvertible debentures was not in accordance with the valuation method set forth in their accounting policy. The fund has subsequently confirmed compliance.

2. Prudential ICICI Gilt Fund: As per the requirement of SEBI, the AMC furnished to SEBI a hard copy of the offer document and the soft copy of the same in word format. When the soft copy was converted into HTML format certain internal notings appeared on the website. This was noted by SEBI. A warning letter

was thereby issued by SEBI on July 14, 1999 for lack of due diligence observed in the filing of the soft copy of the offer document of Prudential ICICI Gilt Fund. AMC had subsequently rectified the error.

3. Prudential ICICI Technology Fund:
   (ii) A warning letter was issued on 5.1.2000 as the draft offer document of Prudential-ICICI Technology Fund did not disclose the scheme specific risk factors as required in accordance with the Standard Offer Document and one NAV figure was incorrect for April 1999. AMC had subsequently rectified the error.
   (iii) Under Prudential ICICI Technology Fund (the Scheme) holding in respect of one security was inadvertently crossed by the AMC (by 0.93%) – above 10% of the net assets of the Scheme on January 27, 2005. On noticing the above, the AMC had on February 4, 2005 sold the excess shares and brought the holding under the stock to 9.95% of the NAV of the Scheme. This incidence was reported to SEBI vide letter dated March 17, 2005 & March 21, 2005. SEBI vide its letter dated May 5, 2005, advised AMC of Prudential ICICI Mutual Fund to take due care in adhering to the investment restriction of seventh Schedule of SEBI (Mutual Fund) Regulation, 1996.

4. Prudential ICICI Income Plan: A warning letter was issued on July 27, 2000 for not disclosing necessary supporting figures for calculation of returns and for not compounding figures for returns since inception in advertisements published in newspapers in case of Prudential ICICI Income Plan. All the investors who invested in the plan after the said advertisement were given an option to exit without any exit load. AMC subsequently ensured compliance.

5. With respect to the inspection report for the period April 1, 1999 - March 30, 2000, warning letters were issued on 10.9.2001 for errors of omission in various reports submitted to SEBI and for grossly overstating the annualized return for Prudential ICICI FMCG Plan in the offer document of Prudential ICICI Gilt Fund, under condensed Financial Information for the period ended June 30, 1999 and further the fund was also issued a deficiency letter for printing/ reporting errors in accounting statements for the year ended March 31, 2000 pointed out by the auditors in their inspection report.

6. Prudential ICICI Power: SEBI vide its letter dated November 27, 2003, has advised the AMC that while issuing the performance based advertisements, the performance percentages should not be used in bold font in headlines in the advertisements. This advice was specifically with reference to the advertisement for "Prudential ICICI Power" Scheme.

7. A warning letter was issued to Prudential ICICI Mutual Fund on June 22, 2004 with respect to the inspection report for the period from April 1, 2002 to June 30, 2003, where auditor were of the opinion that a prior approval of the Board of Directors of Trust Company and the Asset Management Company was not obtained before making the investment in unrated debt securities. The AMC has replied to the same that considering the then prevailing regulations prior approval was not required from both the Boards as long as the norms approved by the Boards are complied with for the stated investments.

   The AMC had vide its letter dated June 30, 2004 replied to SEBI stating that considering the then prevailing regulations prior approval was not required from both the Boards as long as the norms approved by the Boards are complied with for the stated investments. Further, though the regulation does not envisage provision of NAV data in the format of the Half Yearly Report, the same was reported by the Trustees as a matter of additional information.

   The very minor variance in the NAV data was due to rounding off aspect and this was pointed out by the auditors and further rectified. The investors have not suffered any loss on account of the above.

8. Under Prudential ICICI FMCG Fund (the Scheme) holding in respect of one security was inadvertently crossed by the AMC (by 0.73%) – above 10% of the net assets of the Scheme on September 22, 2004. On noticing the above, the AMC had on September 23, 2004 sold the excess shares and brought the holding under the stock to 9.91% of the NAV of the Scheme. This incidence, which was reported to SEBI, vide letter dated October 5, 2004. SEBI vide its letter dated October 18, 2004, advised AMC of Prudential ICICI Mutual Fund to take due care in adhering to the investment restriction of seventh Schedule of SEBI (Mutual Fund) Regulation, 1996.

   SEBI has clarified that, the above letters were issued to AMC in an ordinary course of business.

ICICI Home Finance Company Limited (ICICI Home Finance)

1. The owner of certain premises rented to ICICI Distribution has filed a civil suit (number 617 of 2002) (Dr. Gite) against ICICI Distribution in the court of the Civil Judge, Senior Division, Pune seeking possession of these premises. Hearing in the matter is continuing.

1. For the year 1999-2000, sales tax returns filed by ICICI Distribution declared the taxable turnover as 'Nil' claiming the exemption of second sale on its turnover of hire purchase transactions. The sales tax authority disallowed the exemption claimed for want of certain documents. The total tax assessed was Rs. 182 lakhs and the penalty levied by the authority was Rs. 272 lakhs. ICICI Distribution has paid Rs. 91 lakhs of the demand raised for the admission of the appeal and has also furnished a bank guarantee for Rs. 363 lakhs. The appeal filed has not yet been disposed off.

3. For the year 2000-2001, sales tax returns filed by ICICI Distribution declared the taxable turnover as 'Nil' claiming the exemption of second sale on its turnover of hire purchase transactions. The sales tax authority disallowed the exemption for want of certain documents. The total tax assessed was Rs. 91 lakhs and the penalty levied by the authority was Rs. 137 lakhs. ICICI Distribution has paid Rs. 46 lakhs of the demand raised for admission of appeal and has also furnished a bank guarantee for Rs. 182 lakhs. The appeal filed has not yet been disposed off.

4. Ms. Dipali Gopani has filed a criminal complaint (number 1472 of 2002) before the Metropolitan Magistrate's 26th Court at Borivali, Mumbai, against ICICI Home Finance, its directors and also against some of ICICI Bank's directors for the alleged wrongful recovery of Rs. 3,150/- and non-return of title deeds. A criminal application was filed on behalf of all the accused before the Bombay High Court on November 11, 2002 for quashing the complaint and in the interim for the stay of the complaint against all the directors. The High Court disposed of this application after recording the statement of the complainant that she would withdraw the complaint against all the persons except ICICI Home Finance and directors of ICICI Home Finance. Accordingly, the complaint has been withdrawn against directors of ICICI Bank. An application for discharge of the directors has been filed in the trial court, which is pending disposal. In the meanwhile ICICI Home Finance had filed a Writ Petition before the Bombay High Court and the court stayed the proceedings before the Magistrate.

5. Ms. Aparna Anil Jadhav has filed a civil suit (number 272 of 2003) in the court of the Civil Judge, Thane for declaration and injunction restraining ICICI Home Finance from taking possession of her property. ICICI Home Finance is a proforma defendant and no specific claim has been raised against ICICI Home Finance except the restraint order on the security. The matter is pending disposal.

6. Vijaya Bank has filed a suit (number 563 of 2002) against Mustaq Husain Shawl and others before the court of the Civil Judge, Thane in which ICICI Home Finance has been named as a defendant. A client of ICICI Home Finance had purchased a property from Mustaq Husain, which Mustaq Husain had mortgaged in favour of Vijaya Bank. ICICI Home Finance has filed its written statement. The matter is pending disposal.

7. Mr. Babu R. Nadumani filed a suit (number 691 of 2002) against ICICI Home Finance in the Court of Civil Judge, Junior Division, Belgaum for a permanent injunction restraining ICICI Home Finance from taking possession of his property. An order was passed in favour of ICICI Home Finance in the interlocutory application for a temporary injunction restraining ICICI Home Finance from taking possession of the plaintiff's property, was dissmissed. Mr. Nedumani has referred an appeal (number 28 of 2003) against the said order, which is Also dismissed. Now ICICI Home Finance has filed two 138 cases has been filed in which NBW issued but unexecuted.

8. Mr. Sasanka Sengupta has filed a suit (number 172 of 2003) seeking injunction restraining ICICI Home Finance from taking possession of his property after he has defaulted in paying his monthly instalments. The court has dismissed the interim injunction application. The matter has been adjourned to February 16, 2006 for show cause of plaintiff.

9. Mr. Avinash Sane who was granted a loan by ICICI Home Finance was unable to pay his monthly instalments but did not surrender the property. ICICI Home Finance proceeded to take possession of the property against which Mr. Sane filed a suit for injunction (number 77 of 2002), restraining ICICI Home Finance from taking possession of his property. The court has granted a temporary injunction in favour of

the customer. ICICI Home Finance had preferred an appeal against the order of the court, which has been disposed off by the court with a liberty to file a suit for recovery. The original suit filed by the borrower is pending disposal. Appeal filed by ICICI Home Finance is rejected by the court. . ICICI Home Finance will be filing a fresh appeal.

10. Mr. Ravichandran P who was granted a loan by ICICI Home Finance was unable to pay his monthly insatalments. Upon contacting the customer it was understood that the customer was unaware of any such loan being granted to him which in fact the cheque of the loan amount was taken by one Mr.Kesavaraj who was the local financier and to whom Mr. Ravichandran had approached for a loan of Rs.75000/- Mr.Keshavaraj having strong relations with the DMA's of ICICI ,M/S Aditya Marketing Services who helped Mr.Keshavaraj to take the loan imn the name of P Ravichandran and the cheque for the same loan was handed over to Keshavaraj.We have filed a 138 against him and the customer in turn has filed a Civil Suit O.S.No : 1913/2005. for entrying appearance. A written statement has been submitted for the same.

11. There are 67 matters pending before various consumer redressal forums across the country in which 7 cases of Civil, 53 cases of Consumer & 7 cases are of Criminal type.

3i Infotech Limited (3i Infotech)

1. Complaint No.57 of 2001, was filed by an employee of a contractor of 3i Infotech, Nikhil Prabhu, before the Labour Court, Bandra, for wrongful termination of employment. He has claimed re-instatement of services and full back wages with interest. 3i Infotech has denied the claims and has sought for dismissal of the complaint. The matter is currently pending.

2. Complaint No.382 of 1998, was filed by Mr. Narendra Parmar and other employees of a contractor of 3i Infotech, before the Labour Court, Bandra for wrongful termination of their employment. They have claimed re-instatement of services and full back wages with interest. The matter has been placed for hearing arguments raised by 3i Infotech and is currently pending.

3. There are 129 cases against the company pursuant to the activities of the company as an R&T agent. In 62 of the total cases, the company is the only respondent. In the remaining 67 cases, ICICI Bank is also a respondent. Out of the total of 129 cases, there are 7 cases where an amount has been claimed. Out of these 7 cases, 5 are against the company and 2 are cases where ICICI Bank is also a respondent

4. An application was filed against 3i Infotech in the Consumer Redressal Forum, Hyderabad District, by a shareholder of the Bank regarding transfer of five shares in spite of a stop transfer request having been made by him which has since been disposed off. The complainant chose to appeal before the A.P State Consumer Disputes Redressal Commission at Hyderabad which subsequently rejected the appeal on October 29, 2003. A Revision Petition was filed by the complainant before the National Consumer Disputes Redressal Commission, New Delhi and was again rejected on August 25, 2004. A criminal complaint was filed in the year 2001 against the Bank and 3i Infotech by the shareholder. The Magistrate has referred the matter to the local police station for investigation. 3i Infotech and the Bank have filed a petition in the Andhra Pradesh High Court for quashing this criminal complaint and the High Court has granted a stay on the investigations being undertaken by the police department against the Company till further orders.

5. The Department of Income Tax ("Department") has disallowed certain deductions/expenses claimed by the Company in its return of income for the assessment year 2002-03, which has resulted in demand of Rs. 1.73 crore against the Company. The Company has not accepted the said assessment and consequent demand and has gone before the Appellate Commissioner of Income Tax.

6. The department of Income Tax ("Department") has levied a penalty of Rs. 0.11 crore on 3i Infotech for the assessment year 2001-2002 following disallowance of certain expenses claimed by 3i Infotech in its return filed with the department. 3i Infotech has gone in appeal before the Tax Tribunal in Mumbai for the redressal of the above claim of the Department.

Criminal Complaints and Claims against the Bank's Directors

CLAIMS AGAINST DIRECTORS

1. A suit (no.3189 of 2003) was filed against Mr K. V. Kamath and Ms. Lalita D. Gupte by Mardia

Chemicals Ltd (MCL) in the City Civil Court at Ahmedabad for a purported amount of Rs. 5631 crores. An application has been filed for the dismissal of the suit on the grounds of limitation, jurisdiction and no cause of action against Mr. Kamath and Ms. Gupte. The court has ordered notice to the Official Liquidator (OL). Awaiting reply from the OL.

2. A consumer complaint (349/03) was filed against the Bank's Chairman, Managing Director & CEO Mr. K.V.Kamath and all other working directors before the District Consumer Disputes Redressal Forum, Kolhapur, by Mr. Pradeep Balaso Kole claiming compensation for a sum of Rs.11,772/- for taking back possession of his two wheeler without giving him proper notice. Hearing in this case is continuing. At the previous hearing, the complainant & his advocate was not present, hence the matter is kept for argument on August 8, 2006.

CASES AGAINST CHAIRMAN AND DIRECTORS

Criminal Complaints :

- A criminal complaint (64 of 2002) was filed against 36 individuals including Mr. K. V. Kamath before the Court of the Chief Metropolitan Magistrate, Patiala House, New Delhi by Mr. M. M. Sehgal, the promoter of Sehgal Papers Limited (SPL). The Bank, as part of a consortium of lenders, led with IFCI Limited (IFCI) as lead institution, had extended financial assistance to SPL. No summons has been issued to the Bank so far. The matter is at the stage of pre-summoning evidence before Patiala House. Only one witness has been examined as of now.

- A criminal complaint was filed before the Judicial Magistrate First Class, Bhiwandi by Sheikh Mohd. Khalid Munnavar a car insurance policy holder, for the alleged non-cognizable offences of criminal intimidation etc., against three officers of ICICI Lombard. Mr. K V Kamath, the Bank's MD has also been named as accused in the criminal complaint (No. 2887 of 2002) describing him as one of the officers of ICICI Lombard, and making an allegation that all four officers conspired in committing the offences. Mr. K.V. Kamath is a Non Executive Director on the board of ICICI Lombard. A writ petition was filed before the Mumbai High Court seeking quashing of the criminal complaint on various grounds. The High Court passed an Order, staying the proceedings before the Judicial Magistrate First Class, Bhiwandi. Thereafter summons were issued against the Officers, including Mr. K.V. Kamath. This order of the issuance was accordingly challenged by way of Writ Petition in the Bombay High Court. The Hon'ble Bombay High Court has stayed further hearing of the case and the said Writ Petition will now be listed for hearing and final disposing in its usual course.

- Vijay Shankar Prasad, as a debenture holder of Lloyds Finance & Investment Company Limited (LFICL), had filed a criminal complaint (Case No. – 2064I of 2000) for non-receipt of interest and redemption amount from the aforesaid company, in the Court of Chief Judicial Magistrate, Patna (CJM). As the Bank is acting as trustees, he has inter alia, impleaded Mr. K.V.Kamath. The CJM court had taken cognizance of the offence and issued summons for appearance. Aggrieved by such direction, a criminal revision application was filed before the Sessions Judge, Patna. Upon hearing, the revision application was admitted and directions were issued staying the proceedings before CJM court and records were also called from the lower court. Hearing in the matter is continuing. The next date for hearing is on July 28, 2006.

- Madan Gopal as a debenture holder of Modern Denim Limited (MDL) had filed a criminal complaint (Case No. – 2175I of 2001) for non-receipt of interest and redemption amount from the aforesaid company, in the Court of Chief Judicial Magistrate, Patna (CJM). As the Bank is acting as a trustee he has inter alia, impleaded Mr. Narayan Vaghul, the Chairman of the Bank. The CJM court had taken cognizance of the offence and issued summons for appearance. Aggrieved by such direction, a criminal revision application was filed before the Sessions Judge, Patna. Upon hearing, the revision application was admitted and directions were issued for staying the proceedings before CJM court and records were also called from the lower court. However, the company has since paid the outstanding dues of the debenture holder and to this effect a Memorandum of Understanding (MOU) has also been executed between the complainant and the Company. The Bank has filed an application enclosing a copy of the MOU before the Sessions Judge for quashing of the proceedings. Hearing in the matter is continuing. The next date for hearing is on July 28, 2006.

- Giridharilal Bishambardas Nayyar, MD of Vishwa Electronics (I) Ltd has filed a criminal complaint in the year 2002 before the Chief Judicial Magistrate, Ahmednagar against IDBI, their 16 directors (which includes Mr. N.Vaghul, Chairman ICICI Bank) and their 3 officers. The Complaint in short alleges that IDBI did not disburse the full amount of loan, as well as made misrepresentation about sanctioning the loan in participation with IFCI, IDBI has filed a recovery suit against the company in 2000. None of the accused has been served with the notice from the court. The Hon'ble CJM has issued bailable warrants (setting the bail for Rs 500/-) against all the accused on December 5, 2005. Revision Petition has been filed in the Session Court, which has stayed the bailable warrant.

- Three criminal complaints (2412/S/2003, 2413/S/2003 and 2414/S/2003) were filed by Inspectors, Security Guards Board, Greater Bombay & Thane District, in the year 2000 against erstwhile ICICI Ltd and Mr. K.V.Kamath, the Bank's MD, before the Metropolitan Magistrate, Mumbai, under the Maharashtra Private Security Guards Act, 1981 on the grounds that security guards were engaged from exempted security agencies even though ICICI was registered with the Security Guards' Board. The earlier notices in this regard were replied to stating that registration is only in respect of residential quarters for employees and not in respect of other establishments. Revision Petition has been filed in the Session Court for quashing of the complaint and which has been admitted and the proceedings of the complaints have been stayed till further orders.

- Dinesh Kumar Singh, an advocate has filed criminal contempt proceedings against the Directors of the Bank in Allahabad High Court. The complainant alleges that his car was repossessed enroute his journey to court and hence he was prevented from attending the court. The matter is pending disposal before the Advocate General.

- The Bank (Ranchi branch) received a notice from Regional Labour Commissioner, Ranchi on September 25, 2004 stating that the Bank has not registered as Principal Employer under Contract Labour (Regulation & Abolition) Act 1970 with the Regional Labour Commissioner (Central) Ranchi impleading Ms. Chanda Kochhar, the Bank's Executive Director and two of our employees. The Bank replied stating that for all the Bank's branches/offices/establishment in the eastern part of India, the Kolkata office of the Bank has obtained a Registration Certificate. Hence, the Bank claimed that there was no need of taking separate registration certificate for the Ranchi branch. Ranchi branch also submitted a copy of the registration certificate. However, Assistant Labour Commissioner Ranchi, proceeded with filing of criminal case inter alia against Ms. Chanda Kochhar in the court of Chief Judicial Magistrate, Ranchi. Application under section 482 of Code of Criminal Procedure has already been filed before Ranchi High Court for quashing of the proceedings in the lower court matter. The court has granted stay on the proceedings.

- Surendra Dutta has filed a criminal complaint (FIR I III dated April 9, 2001) against Mr. K.V.Kamath, Ms. Lalita D. Gupte and others, before Rajpura City Police Station, Chandigarh for alleged offence of car booking by forging his signature during 1995 by certain officers of erstwhile Anagram Finance Ltd (AFL). The Bank has made submissions to DIG, Patiala that the directors of the Bank cannot be proceeded against for an alleged offence committed by AFL in 1995 as AFL was taken over by erstwhile ICICI Ltd in 1998. The DIG Patiala having been convinced has directed investigating officer of Rajpura Police Station not to proceed in the matter without explaining entire details to him. The matter is pending before the Investigating Officer for the purpose of investigation. However, files relating to the same are not traceable and hence the matter is not being proceeded with.

Show Cause Notice:

1. A show cause notice for Contempt of Court has been issued by Mr Manoharlal Gupta against Shri K.V.Kamath in Petition no. 47/2005 filed in Civil Court Kota for alleged "wrongful seizure" of vehicle. The Bank has filed its written statement. The next date of hearing is August 28, 2006. The matter is pending disposal.

Others :

1. The Bank has filed suit against Sajjan Textile Mills Limited and guarantors for recovery of the Banks dues before DRT, Mumbai and obtained Recovery Certificate (RC) for Rs.5,90,32,753/-. As the secured assets are situated at Tamil Nadu, the RC was transferred to DRT, Coimbatore for its execution. In the auction held the successful bidder failed to remit the bid amount of Rs. 2,50,99,999/- and hence opportunity was given to the second bidder by the Recovery Officer (RO), DRT, Coimbatore. As the RO and the Presiding Officer (PO), Coimbatore were shifted, the PO, DRT, Chennai having concurrent charge on the DRT, Coimbatore, took up the recovery proceedings and passed orders for transfer of RC to Mumbai as he has no jurisdiction to execute the RC.

   The Bank filed a writ petition against the above order before High Court, Madras and on August 2, 2004 obtained directions to the PO, DRT, Chennai to complete the sale in favour of the second bidder in accordance with law within an outer time limit of 2 months from August 2, 2004. Accordingly, PO, DRT, Chennai passed orders for removal of machineries in 5 lots on payment of the value of the machinery by the second bidder for each lot according to valuation report submitted by the valuer.

   A total sum of Rs.2,51,00,000/- has been remitted by the second bidder as on September 28, 2004 and the machinery were handed over to the purchaser by the Recovery Inspector, DRT, Coimbatore as on October 5, 2004 as per the directions of PO, DRT, Chennai. The company filed a Special Leave Petition (SLP) against the Bank and the purchaser before the Supreme Court against the Order dated August 2, 2004 and obtained an interim stay of the operation of the above order. The Supreme Court directed the purchaser to bring back all the machinery. Pursuant to that Company issued a notice of contempt to the Bank as well as to the purchaser for restoration of machinery. The Bank has replied that machinery were sold pursuant to the orders of the High Court and DRT and were delivered to the purchaser by the Recovery Inspector, DRT, Coimbatore before the order of status quo passed by the Supreme Court on October 29, 2004. However the company filed a Contempt Petition No.84 of 2005 against Mr. K.V.Kamath, MD and CEO of the Bank, Mr. P.AnandaKrishnaKumar, AGM and the purchaser. The Bank has taken notice of the contempt petition and the Supreme Court was pleased to order notice to the purchaser and also dispensed with the presence of Mr. K.V.Kamath MD and CEO and others. The Bank has filed detailed counters in the Contempt Petition. The hearing of contempt petition is posted with main SLP for disposal. The Supreme Court also passed orders for payment of share of the sale proceeds to the Bank on giving an undertaking before the Supreme Court to redeposit the amount in case the Civil Appeal is allowed. Accordingly, the Bank have filed an affidavit before Supreme Court and received the sale proceeds from DRT, Coimbatore to the extent of ICICI Bank's share for a sum of Rs.12.5 million and the same is appropriated. The Bank has filed a Perjury application against Directors of the company and others for having made false evidence and false statement in the Contempt Petition. The Supreme Court Registry has refused to take up the Perjury application for mentioning unless the Contempt Petition is tagged on to the Perjury application. Therefore the Perjury application will be taken up along with Civil Appeal.

2. There were allegations of insider trading against Hindustan Lever Limited (HLL) in connection with acquisition of 800,000 shares of Brooke Bond Lipton India Limited (BBLIL) by private negotiations with UTI, a few months before the merger of BBLIL with HLL was announced in 1996. SEBI held the company and five of the directors of HLL, including Mr. M. K. Sharma guilty of insider trading. On appeal, the Appellate Authority allowed the appeal and set aside the order of SEBI and absolved the company and its Directors of this charge. SEBI has preferred a writ petition before the Bombay High Court challenging the order of the Appellate Authority, which is pending. SEBI has also filed a prosecution against HLL (and five of its directors including Mr. M. K. Sharma) and these proceedings are also pending, but have not progressed.

3. Mr. V.P.Watsa has been named as a defendant in putative class action litigation filed against Fairfax and other individual defendants. The cases are at an early stage prior to the hearing of a motion to dismiss or certification as a class action by the court.

CASES AGAINST OTHER OFFICIALS

Civil:

1. A case (1356 0f 2003) was filed against Mr.Urmil Gupta (the first party) and Mr.Jyotin Mehta, the Bank's General Manager and Company Secretary, before the Chief Judicial Magistrate, Rampur, by Sudeep Kumar Aggarwal alleging inter alia, that shares held by him had been illegally transferred to Urmil Gupta. Summons had been issued to Mr. Mehta in this regard. The Bank has sought a recall of

the Order issuing summons to Mr.Jyotin Mehta on the ground that he was not in the employment of the Bank at the time of the alleged offence. The Bank's arguments were dismissed by the court and the Bank has filed its appeal before the Allahabad High Court, which granted a stay in May 2005 till further listing. Next date of hearing is on August 28, 2006 at Rampur.

INDIAN LICENCES, APPROVALS, REGISTRATIONS and PERMISSIONS

We have the following licences and permissions from RBI:

1. Licence to carry on banking business under section 22 of the Banking Regulation Act: Licence No. A.H. 2 dated May 17, 1994.

2. Permission to set up subsidiaries which carry out businesses outside India under section 19(b):
   - RBI permission dated August 29, 2003 for a subsidiary in Moscow, Russia;
   - RBI permission dated December 2, 2002 for a subsidiary in London, UK; and
   - RBI permission dated December 2, 2002 for a subsidiary in Toronto, Canada.
   - RBI permission dated February 11, 2005 for a subsidiary in New York, USA.

3. Permission from RBI to open new places of business/ branches outside India under section 23(1)(b) of the Banking Regulation Act:
   - OBU- RBI Licence No. 1339 for SEEPZ, Mumbai dated July 9, 2003;
   - Branch – RBI permission dated May 24, 2004 for up gradation of representative office to a branch in New York, USA
   - Branch – RBI permission dated May 24, 2004 for branch office in Colombo, Sri Lanka;
   - Branch – RBI permission dated August 29, 2003 for branch office in Manama, Bahrain;
   - Branch – RBI permission dated December 2, 2002 for setting up of an Branch in Singapore;
   - Branch – RBI permission dated February 11, 2005 for setting up of an Branch in Hong Kong;
   - Branch- RBI permission dated December 02, 2002 for branch office in DIFC, Dubai;
   - Representative Office-RBI permission dated August 29, 2003 for setting up of a representative office in Johannesburg, South Africa;
   - Representative Office -RBI permission dated August 29, 2003 for setting up of a representative office in Dhaka, Bangladesh;
   - Representative Office -RBI permission dated December 2, 2002 for setting up of a representative office in Shanghai, China; and
   - Representative Office -RBI permission dated December 2, 2002 for setting up of a representative office in Dubai, UAE.
   - Representative Office -RBI permission dated December 11, 2000 for setting up of a representative office in New York, USA.
   - Representative Offices - RBI permission dated February 11, 2005 for setting up of a representative offices in New Jersey, California, Texas, Illinois, Georgia, Florida and Washington DC in USA.
   - Registered under the Companies Act of Singapore for opening a branch vide Registration No. F06380D.
   - Representative Office -RBI permission dated October 28, 2005 for setting up of a representative office in Kenya.
   - Representative Office -RBI permission dated October 28, 2005 for setting up of a representative office in Indonesia.
   - Representative Office -RBI permission dated October 28, 2005 for setting up of a representative office in Malaysia.
   - Representative Office -RBI permission dated October 28, 2005 for setting up of a representative office in Thailand.

4. We have the following other registrations
   - As a Debenture Trustee with SEBI vide registration number IND000000004.
   - As a Custodian with SEBI vide registration number IN/CUS/005 dated January 8, 1999.
   - As an Underwriter to the Issue with SEBI vide registration number INU000000456.
   - As a Depository Participant - NSDL with SEBI vide registration number IN-DP-NSDL-2097 dated February 12, 2002.
   - As a Depository Participant - CDSL with SEBI vide registration number IN-DP-CDSL-4299 dated September 24, 2004.
   - As a Banker to the Issue with SEBI vide registration number INBI00000004.
   - As a Merchant Banker with SEBI vide registration number INM000010759 dated September 19, 2002.
   - As a Portfolio Manager with SEBI vide registration number PM/INP000000894 dated February 13,

2004.

- As a Professional Clearing Member - BSE with SEBI vide registration number INF011133446.
- As a Professional Clearing Member - NSE with SEBI vide registration number IINF231134638.
- As a Clearing House with BSE vide registration number Code No: 813, with NSE vide registration number Code No: ICICI and with OTC vide registration number Code No: ICICI.

5. In addition our subsidiaries, other group companies and mutual funds, sponsored/co-sponsored by us have the following registrations.

ICICI Venture Funds Management Company Limited

- Registered as a Stock Broker - OTCEI with SEBI vide registration number INB 200 49 8332 dated January 29, 1993.
- ICICI Venture Funds Management Company Limited is notified as a Public Financial Institution under section 4A of the Act through S.O. 321 (E) dated April 12, 1990 by Department of Company Affairs.
- Registered with SEBI for management of Fund - ICICI Venture Capital Fund vide Registration No. IN/VC/99-00/022.
- Registered with SEBI for management of Fund – ICICI Emerging Sectors Fund vide Registration No. IN/VCF/02-03/040.
- Registered with SEBI for management of Fund – ICICI Econet Fund – vide Registration No.-IN/VC/00-01/028.
- Registered with SEBI for management of Fund – India Advantage Fund- I, vide Registration No. IN/VCF/02-03/043.
- Registered with SEBI for management of Fund – India Advantage Fund- III, vide Registration No. IN/VCF/05-06/060.

ICICI Securities Limited

- Registered as a Merchant Banker with SEBI vide registration number MB/INM 000001113 dated July 12, 2002. (Registration valid from May 16, 2005 to May 15, 2008).
- Registered as an Underwriter with SEBI vide registration number UND/INU 000001017 dated December 14, 2001. (Registration valid from December 16, 2004 to December 15, 2007).
- Registered as a Portfolio Manager with SEBI vide registration number PM/INP000000696 dated October 16, 2002. (Registration valid from October 16, 2005 to October 15, 2008).
- Registered as a NBFC with RBI vide registration number B-13.01624 dated June 18, 2002.
- Authorised by RBI to act as a Primary Dealer. Registration renewed vide letter dated June 21, 2004. (Registration valid upto June 30, 2006).

ICICI Brokerage Services Limited

- Registered as a Stock Broker with BSE vide registration number INB 010773035 (Capital Market Segment) dated March 8, 1999 and registration number INF 010773035 (Derivative Segment) dated June 8, 2000.
- Registered as a Stock Broker with NSE vide registration number INB 230773037 (Capital Market and Wholesale Debt Market Segment) dated September 14, 1995 and registration number INF 230773037 (Futures and Options Segment) dated June 8, 2000.

ICICI Securities Fund

- Registered as a Mutual Fund with SEBI vide registration number MF/043/00/3 , the trustee of which is ICICI Trusteeship Services Limited and the asset management company of which is ICICI Investment Management Company Limited.

ICICI Investment Management Company Limited:

- Asset Management Company of ICICI Securities Fund, a Mutual Fund registered with SEBI, with Registration No. MF/043/00/3.
- Registered with SEBI as Portfolio Manager with Registration No.INP000001025 (validity - August 16, 2004 to August 15, 2007).

ICICI Trusteeship Services Limited:

- Trustee Company of ICICI Securities Fund, a Mutual Fund registered with SEBI, with Registration No. MF/043/00/3.

ICICI Home Finance Company Limited:

- Registered as a Housing Finance Company with NHB vide registration number 14-75-31.
- Registered "To carry out business of Housing Finance Institution" with NHB vide registration number 01.0007.01.

ICICI Prudential Life Insurance Company Limited:

- Registered as a Life Insurance Company with Insurance Regulatory and Development Authority vide registration number 105, dated November 24, 2000.

ICICI Lombard General Insurance Company Limited:

- Registered as a General Insurance Company with Insurance Regulatory and Development Authority vide registration number 115 dated August 3, 2001.

Prudential ICICI Mutual Fund:

- Registered as a Mutual Fund with SEBI vide registration number MF/003/93/6, the trustee of which is Prudential ICICI Trust Limited and the asset management company of which is Prudential ICICI Asset Management Company Limited.

Prudential ICICI Asset Management Company Limited

- Registered as an Asset Manager with SEBI vide registration number No.INP000000373 dated February 29, 2000.
- Registered as a Portfolio Manager with SEBI vide registration number PM/INP000000373 dated Febraury 27, 2003.

Prudential ICICI Trust Limited

- Registered as a Trustee with SEBI vide Registration No. MF/003/93/6

ICICI Web Trade Limited

- Registered with SEBI as Stock Broker with BSE vide Registration No. INB011147635
- Registered with SEBI as Stock Broker wih NSE for Equity Market Segment vide Registration No. INB 231147639 and also for Derivatives Market Segment vide Registration No. INF 231147639.
- Registered with SEBI as Stock Broker with OTCEI vide Registraqtion No. INB 201147635
- Registered with SEBI as a Portfolio Manager OTCEI vide Registraqtion No. INP000000902 valid upto February 27, 2007.

ICICI Comm Trade Limited

- Registered with National Commodity and Derivatives Exchange Limited as a Member vide Registration No.34.
- Registered with Multi Commodity Exchange of India Limited as a Member vide Registration No.16065

ICICI OneSource Limited

- Registered with Ministry of Company Affairs as a Public Limited Company u/s 3 of the Companies Act, 1956 vide Registration No. PLC 134147

3i Infotech Limited

- Certified as Registrars to an Issue and Share Transfer Agent in Category I, by SEBI vide registration code INR000001773
- Importer-Exporter Code (IEC) issued by the Ministry of Information Technology, Government of India vide IEC No. 5199003470.

ICICI Bank UK Limited

- Registered as Financial Services Authority with UK for Financial Services Business vide Registration No. 223268.

ICICI Bank Eurasia Limited Liability Company

- Registered as Credit Institution / Bank with Central Bank Russian Fed. vide Registration No. 3329

ICICI Bank Canada

- Registered as Scheduled II Bank with Office of the Superintendent of Financial Institutions.

ICICI International Limited

- Registered as a Foreign Institutional Investor vide Registration No. IN-MU-FD-1066-05. The validity period is from May 9, 2005 to May 8, 2010.

ICICI Securities Holdings Inc.

- Registered with Division of Corporations, Secretary of State, Delaware Registered with the Accounting and Corporate Regulatory Authority (ACRA) (Singapore)

ICICI Securities Inc.

- Registered with Division of Corporations, Secretary of State, Delaware.
- Registered with The Accounting and Corporate Regulatory Authority (ACRA), Singapore vide registration number F06636H.

6. We apply for and/or renew relevant licenses, approvals or permissions as may be requried on account of our business from the relevant regulatory or other authorities, in India or abroad.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

This Issue of Bonds is being made pursuant to the resolution of the Board of Directors, passed at its meeting held on April 12, 2002 and the resolutions of the Committee of Directors, passed at its Meeting held on July 6, 2006 and is within the overall borrowing limit under section 293(1)(d) of the Act

The RBI has vide its guidelines dated June 11, 2004, permitted banks to raise long term funds by issuing Bonds with a minimum maturity of five years to the extent of their exposure of residual maturity of more than five years to the infrastructure sector. This means that the total amount of long term Bonds issued shall not be more than the bank's exposure of residual maturity of more than five years to the infrastructure sector at the time of issuing the Bonds. The Bonds should be issued in plain vanilla form without call or put option. The RBI vide its letter dated [●] has granted us approval to raise long term bonds with a tenure of more than 5 years to the extent of our exposure to the infrastructure sector i.e. Rs. [●] crores.

The present Issue of Bonds is being made in accordance with the terms of the SEBI Guidelines and RBI Guidelines.

We can issue the Bonds in view of the present approvals and no further approvals in general from any Government Authority / RBI are required to undertake the Issue of Bonds. In future, we will secure any other required approvals from the statutory authorities, if necessary

We confirm that the Bonds being issued for inclusion in Tier I capital under this Draft Shelf Prospectus and the tranches thereunder shall not exceed 15 per cent of our total Tier 1 capital, as calculated on March 31, 2006. The above limit will be based on the amount of Tier I capital after deduction of goodwill and other intangible assets but before the deduction of investments. Amounts raised from the issue of these Bonds in excess of the above limits shall however be eligible for inclusion under Tier II, subject to limits prescribed for Tier II capital. However, Bondholders' rights and obligations would remain unchanged.

We also confirm that Bonds being issued for inclusion in Upper Tier II capital under this Draft Shelf Prospectus and the tranches thereunder alongwith other components of Tier II capital shall not exceed 100% of Tier I capital. The above limit will be based on the amount of Tier I capital calculated in the manner provided above.

Additionally, we confirm that issuance of Bonds forming part of Tier II capital under this Draft Shelf Prospectus and the tranches thereunder shall be limited to 50% of our Tier I capital.
Our main business is to grant loans to our borrowers, hence we do not have adequate fixed assets to give as security. Further, the RBI Guidelines have permitted Banks to issue only unsecured instruments. Moreover, terms of certain overseas and domestic borrowings by us and Bonds issued by us stipulate that if we raise any secured loans or issue any secured Bonds, similar security needs to be extended to them also. Hence, all our borrowings, as also this issue of Bonds, are unsecured. However, such terms of overseas and domestic loans and Bonds shall not apply to (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; or (ii) any statutory lien or (iii) any lien arising in the ordinary course of banking transactions or by membership of any clearing system.

Note:

We reserve the right to revise upwards the interest rate(s) / yield(s) being offered on the Bonds being offered in this Issue, subject to prior approvals from SEBI and/or any other regulatory authority as may be required.

Prohibition by SEBI, RBI or Governmental Authorities

Neither we nor or our Directors, or companies with which our Directors are associated with as directors or promoters, have been prohibited from accessing or operating in the debt market under any order or direction passed by SEBI.

Neither we nor or our Directors, subsidiaries, directors of subsidiaries or associates, have been detained as willful defaulters by the RBI or government authorities. There are no violations of securities laws committed by any of them in the past or pending against them.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT SHELF PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT SHELF PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR VETTED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT SHELF PROSPECTUS. JM MORGAN STANLEY, LEAD MANAGER TO THE ISSUE, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT SHELF PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT SHELF PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, JM MORGAN STANLEY PRIVATE LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 27, 2006 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, ETC., AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT SHELF PROSPECTUS PERTAINING TO THE SAID ISSUE.**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

   A. **THE DRAFT SHELF PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPER RELEVANT TO THE ISSUE;**

   B. **ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC., ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH;**

   C. **BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT SHELF PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE; AND**

   D. **THE DISCLOSURES MADE IN THE DRAFT SHELF PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.**

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT SHELF PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.

THE LEAD MANAGER HAS ISSUED A FRESH DUE DILIGENCE CERTIFICATE DATED ____ FOR THIS TRANCHE WHICH REITERATES THE STATEMENTS MADE IN THE ABOVE REFERRED CERTIFICATE AND STATES THAT ALL OBSERVATIONS MADE BY SEBI VIDE LETTERS NO. ______ DATED _____ HAVE BEEN INCORPORATED IN THE DRAFT SHELF PROSPECTUS.

THE FILING OF DRAFT SHELF PROSPECTUS DOES NOT, HOWEVER, ABSOLVE US FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT SHELF PROSPECTUS.

Note:

The Bank, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in the Draft Shelf Prospectus or in advertisements or any other material issued by or at the instance of the above mentioned entities and anyone placing reliance on any other source of information, including our website, www.icicibank.com would be doing so at his/her/their own risk.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to Persons resident in India (including Indian nationals resident in India), who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorised under their constitution to hold and invest in bonds, permitted insurance companies and pension funds and to permitted non residents including NRIs, subject to the Guidelines.

This Draft Shelf Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to or purchase Bonds offered hereby in any other jurisdiction to any Person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any Person into whose possession this Draft Shelf Prospectus comes is required to inform himself or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Shelf Prospectus had been filed with SEBI for observations and SEBI has given its observations. Accordingly, the Bonds, represented thereby may not be offered or sold, directly or indirectly, and Draft Shelf Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Shelf Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE OF THE NSE

As required, a copy of the Draft Shelf Prospectus has been submitted to NSE. NSE has given in its letter dated [•], permission to us to use NSE's name in the Draft Shelf Prospectus as one of the stock exchanges on which the securities are proposed to be listed, subject to the Company fulfilling the various criteria for listing including the one related to paid up capital and market capitalization (i.e., the paid up capital shall not be less than Rs. 100 million and the market capitalization shall not be less than Rs. 250 million at the time of listing). The NSE has scrutinised the Draft Shelf Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that the Draft Shelf Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Shelf Prospectus; nor does it warrant that our securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

Every Person who desires to apply for or otherwise acquires any of our securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such Person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER CLAUSE OF THE BSE

The Bombay Stock Exchange Limited ("BSE") has given vide its letter dated [●], permission to the Bank to use BSE's name in this draft Shelf Document as one of the stock exchanges on which the Bank's securities are proposed to be listed. The BSE has scrutinised this draft Shelf Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Bank. The BSE does not in any manner:-

i) warrant, certify or endorse the correctness or completeness of any of the contents of this draft Shelf Document; or

ii) warrant that this Bank's securities will be listed or will continue to be listed on the BSE; or

iii) take any responsibility for the financial or other soundness of this Bank, its promoters, its management or any scheme or project of this Bank;

and it should not for any reason be deemed or construed that this draft Shelf Document has been cleared or approved by the BSE. Every, person who desires to apply for or otherwise acquires any securities of this Bank may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

LISTING

Application has been made to NSE and BSE for permission to deal in and for an official quotation of these Bonds. We shall complete all the formalities relating to listing of the Bonds within 70 days from the date of closure of the Issue. If such permission is not granted within 70 days from the Date of Closure of the Issue or where such permission is refused before the expiry of the 70 days from the closure of the Issue, we shall forthwith repay without interest, all monies received from the applicants in pursuance of Draft Shelf Prospectus, and if such money is not repaid within eight days after we become liable to repay it (i.e. from the date of refusal or 70 days from the date of closing of the subscription list, whichever is earlier), then we and every director of ours who is an officer in default shall, on and from expiry of eight days, will be jointly and severally liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 73 of the Act.

FILING

A copy of this Draft Shelf Prospectus along with the documents as specified under the head "Material Contracts and Documents for Inspection" required to be filed under Section 60 of the Act, has been delivered to the Registrar of Companies, Gujarat, at Ahmedabad for registration. A copy of this Draft Shelf Prospectus has also been filed with SEBI at Mittal Court, 'A' Wing, Ground Floor, Nariman Point, Mumbai 400 021.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, Legal Advisors, the Solicitors and Advocates to the Issuer, the Banker to the Issue; and (b) Book Running Lead Managers, have been obtained and shall be filed along with a copy of this Draft Shelf Prospectus with SEBI and such consents have not been withdrawn up to the time of delivery of this Draft Shelf Prospectus with SEBI.

S.R. Batliboi & Co., Chartered Accountants, our Auditors, have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Shelf Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Draft Shelf Prospectus for filing with SEBI.

Expert Opinion

We have not obtained any expert opinions.

Allotment/Refund

The Board of Directors/Committee of Directors of the Company reserve, in their absolute and unqualified discretion and without assigning any reason thereof, the right to reject any application in whole or in part. The unutilised portion of the application money will be refunded to the applicant by an A/c Payee cheque/demand draft. In case the cheque payable at par facility is not available, ICICI Bank reserves the right to adopt any other suitable mode of payment.

The Company shall credit the allotted securities to the respective beneficiary accounts/despatch the Letter(s) of Allotment or Bond Certificate(s)/Letter(s) of Regret/Refund Orders in excess of Rs.1,500/-, as the case may be, by Registered Post/Speed Post at the applicant's sole risk, within 10 weeks from the date of closure of the Issue. Refund Orders up to Rs. 1,500/- will be sent under certificate of posting. Further,

a) as far as possible, allotment of securities offered to the public shall be made within 30 days of the closure of the Issue;

b) it shall pay interest @15 per cent per annum if the allotment has not been made and/or the Refund Orders have not been despatched to the investors within 30 days from the date of the closure of the Issue, for the delay beyond 30 days.

The Company will provide adequate funds to the Registrars to the Issue, for this purpose.

Retention of Oversubscription

The Company is making a Public Issue of Unsecured Bonds aggregating Rs. 6000 crore to be raised in one or more tranches. We have applied to SEBI to permit us to retain Over Subscription, as per Chapeter X of SEBI Guidelines.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after our Company becomes liable to pay the amount,our Company shall pay interest prescribed under Section 73 of the Company's Act.

However, we have made an application to SEBI to grant us an exemption from the afore-said and allow us to retain subscription. In the event that SEBI grants us the exemption, the afore-said clause will not be applicable to us.

Interest 0n Delayed Refund

Payment of interest @ 15 percent p.a. on the excess application money will be made to the applicant for the delayed period in refund, if any, beyond 10 weeks from the date of the closure of the Issue, as per the guidelines issued by the Government of India, Ministry of Finance vide letter No.F/8/6/SE/79 dated July 21, 1983 and as amended vide letter No.F/14/2/SE/85 dated September 27, 1985.

Issue Of Certificates

Bond Certificate(s) or in case the Company issues Letter(s) of Allotment, the Bond Certificate(s) relating thereto, will be despatched at the risk of the applicant, through Registered Post/Speed Post, within three months from the closure of the Issue, or such extended time as may be permitted by the Company Law Board as per the provisions of the Act, in exchange for Letter(s) of Allotment issued, if any.

Expenses of the Issue

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated Issue expenses are as follows:

Activity	Expense (in Rs. crore)
Lead management fees and underwriting commissions*	[•]
Advertising and Marketing expenses	[•]
Printing and stationery	[•]
Registrars	[•]
Others (monitoring agent, legal fee, etc.)	[•]
Total estimated Issue expenses	[•]

** Will be incorporated after finalisation of Issue Price*

In addition to the above, listing fees shall be paid by the Bank..

Companies Under The Same Management

There are no companies under the same management.

Commission and Brokerage paid on Previous Issues by ICICI and Us

(Rs. in crore)

Sr. No.	Issue	Month and Year	Commission Brokerage
1.	Public Issue of Bonds in the nature of Debentures	December, 1997	0.46
2.	Public Issue of Bonds in the nature of Debentures	March, 1998	0.83
3.	Public Issue of Bonds in the nature of Debentures	April, 1998	0.37
4.	Public Issue of Bonds in the nature of Debentures	July, 1998	0.59
5.	Public Issue of Bonds in the nature of Debentures	August, 1998	0.57
6.	Public Issue of Bonds in the nature of Debentures	October, 1998	0.45
7.	Public Issue of Bonds in the nature of Debentures	December, 1998	0.36
8.	Public Issue of Bonds in the nature of Debentures	January, 1999	0.69
9.	Public Issue of Bonds in the nature of Debentures	March, 1999	0.60
10.	Public Issue of Bonds in the nature of Debentures	May, 1999	0.24
11.	Public Issue of Bonds in the nature of Debentures	July, 1999	0.32
12.	Public Issue of Bonds in the nature of Debentures	August, 1999	0.22
13.	Public Issue of Equity Shares	September, 1999	0.55
14.	Public Issue of Bonds in the nature of Debentures	October, 1999	0.27

Sr. No.	Issue	Month and Year	Commission Brokerage
15.	Public Issue of Bonds in the nature of Debentures	November, 1999	0.22
16.	Public Issue of Bonds in the nature of Debentures	February, 2000	0.60
17.	Public Issue of Bonds in the nature of Debentures	March, 2000	0.34
18.	Public Issue of Bonds in the nature of Debentures	July, 2000	0.07
19.	Public Issue of Bonds in the nature of Debentures	August, 2000	0.41
20.	Public Issue of Bonds in the nature of Debentures	October, 2000	0.24
21.	Public Issue of Bonds in the nature of Debentures	November, 2000	0.27
22.	Public Issue of Bonds in the nature of Debentures	December, 2000	0.37
23.	Public Issue of Bonds in the nature of Debentures	February, 2001	0.77
24.	Public Issue of Bonds in the nature of Debentures	March, 2001	0.44
25.	Public Issue of Bonds in the nature of Debentures	June, 2001	0.12
26.	Public Issue of Bonds in the nature of Debentures	July, 2001	0.21
27.	Public Issue of Bonds in the nature of Debentures	August, 2001	0.17
28.	Public Issue of Bonds in the nature of Debentures	September, 2001	0.26
29.	Public Issue of Bonds in the nature of Debentures	November, 2001	0.36
30.	Public Issue of Bonds in the nature of Debentures	December, 2001	0.39
31.	Public Issue of Bonds in the nature of Debentures	January, 2002	0.57
32.	Public Issue of Bonds in the nature of Debentures	February, 2002	1.25
33.	Public Issue of Bonds in the nature of Debentures	March, 2002	0.65
34.	Public Issue of Bonds in the nature of Debentures	January, 2003	0.53
35.	Public Issue of Bonds in the nature of Debentures	February, 2003	0.34
36.	Public Issue of Bonds in the nature of Debentures	March, 2003	0.31
37.	Public Issue of Bonds in the nature of Debentures	August, 2003	0.16
38.	Public Issue of Bonds in the nature of Debentures	October, 2003	0.24
39.	Public Issue of Bonds in the nature of Debentures	December, 2003	0.24
40	Public Issue of Equity Shares	April, 2004	0.47
41	Public Issue of Bonds in the nature of Debentures	January, 2005	5.93
42	Public Issue of Bonds in the nature of Debentures	February, 2005	0.41
43	Public Issue of Bonds in the nature of Debentures	March, 2005	0.24
44	Public Issue of Equity Shares	December, 2005	7.17

(1) For all Issues till March 1997, the Trustee was Central Bank of India, Jehangir Wadia Bldg., 53 M. G. Road, Fort, Mumbai 400 023 and for all issues from December 1997 till December 2000, the Trustee has been Bank of Maharashtra, "Lokmangal" 1501, Shivaji Nagar, Pune 411 005. For all issues from February 2001, the Trustee has been The Western India Trustee and Executor Company Limited.

All Trust Deeds have been executed within six months from the close of the Issue.

l The Notional Debt Service Coverage Ratio (NDSCR) of ICICI for the year ended March 31, 1998, 1999, 2000, 2001 and for the period ended March 29, 2002 (prior to the merger with us) was 1.3, 1.4, 1.6, 1.4 and 1.6 respectively.

$$\text{NDSCR} = \frac{\text{Net Profits after tax + interest on loans + non cash charges + collection from borrowers + cost of sales of Investment/ Leased assets}}{\text{Financial Expenses + Repayment of loans + Approtioned principal instalment during the year on debentures}}$$

Commission and brokerage paid on foreign currency bond issues made by ICICI

Sr. No.	Issue	Month and Year brokerage	Commission & (including selling, management and underwriting fees) (US$ in million)
1.	Floating Rate Notes	March, 1997	0.60
2.	7.55% Yankee Bonds	August, 1997	0.98
3.	4.75% Fixed Rare Notes	October 2003	0.75
4.	5.00% Fixed Rate Notes	August 2004	0.45
5.	5.75% Fixed Rate Notes	November 2005	0.75

For all the above foreign currency Bond issues, the Trustee is Deutsche Bank.

ICICI had incurred commission and brokerage (including selling, management and underwriting fees) of US$ 12.6 million in respect of its September 1999 ADS Issue. We incurred commission and brokerage (including selling, management and underwriting fees) of US$ 6.14 million in respect of our March 2000 ADS Issue.

Issues otherwise than for Cash

Except as stated in the section entitled "Capital Structure" on page 5 of this Prospectus, we have not issued any Equity Shares for consideration otherwise than for cash.

Previous Rights and Public Issues

Details of Rights and Public Issues made by us in the previous years are given below:

American Depository Receipts Issue (2000)

15,909,090 American Depository Receipts (ADRs), each representing two Equity Shares issued at US$11 per ADR aggregating US$175 million.

Closing Date	March 27, 2000
Date of Allotment	March 31, 2000
Date of Refunds	N.A.
Date of Listing on	The New York Stock Exchange (NYSE) on March 28, 2000
Depository	Deutsche Bank Trust Company Americas

The premium collected from above mentioned issue has been utilised for our business. we have complied with the continuous listing requirements in respect of its ADRs.

Public Issue of Equity Shares (2004)

Public Issue of 108,928,571 Equity shares of Rs.10/- each at a price of Rs.280/- per Equity Share for cash aggregating Rs. 3,050 Crore (the "**Issue**") with a green shoe option of 16,071,429 equity shares of Rs.10/- each per Equity Share at a price of Rs.280/- for cash aggregating Rs. 450 Crore.

Closing Date	April 7, 2004
Date of Allotment	April 21, 2004
Date of Refunds	April 22, 2004
Date of Listing on	BSE on April 21, 2004
Depository	NSE on April 22, 2004

Exercise of Green Shoe Option

Closing Date	N.A.
Date of Allotment	May 24, 2004
Date of Refunds	N.A.
Date of Listing on	BSE on May 25, 2004
Depository	NSE on May 26, 2004

Public Issue of Equity Shares (2005)

Public Issue of 97,155,388 Equity shares of Rs. 10/- each at a price of Rs. 525/- per share for cash aggregating Rs. 5,000 crore (the "Issue") with a green shoe option of 14,285,714 equity shares of Rs.10/- each at a price of Rs. 525/- per share for cash aggregating Rs. 750 crore

Closing Date	December 6, 2005
Date of Allotment	As per the table given below:

No. of shares allotted	Nature of payment	Issue Price per share (Rs.)	Date of allotment
66,275,828 to Qualified Institutional Bidders and Non-Institutional Bidders	Fully paid-up	525	December 16, 2005
12,988,820 to Existing Retail Shareholders and Retail Bidders	Fully paid-up	498.75 (After discount of 5% on the issue price of Rs.525 per share)	December 16, 2005
15,905,240 to Existing Retail Shareholders and Retail Bidders	Partly paid-up (Rs.150 per share paid on application and Rs.348.75 per share is payable on allotment)	498.75 (After discount of 5% on the issue price of Rs.525 per share)	December 16, 2005
14,285,714 (Green Shoe Option) Refer Note 2	Fully paid-up	525	December 16, 2005
1,511,494 to Qualified Institutional Bidders	Fully paid-up	525	December 20, 2005

Notes:

1) *1,450 shares at the rate of Rs.498.75 per share have not been allotted as the applicants have been precluded by SEBI from applying in IPOs.*
2) *14,285,714 shares have been allotted by exercising the Green Shoe Option. These shares were held by Life Insurance Corporation of India, who in their capacity as lender, has lent the shares to JM Morgan Stanley Private Limited, the Stabilizing Agent in terms of the Green Shoe Option and the Stabilization Agreement for allotment.*

Date of Refunds	December 16, 2005
Date of Listing on Stock Exchanges	BSE-79,264,648 fully paid-up shares on December 19, 2005 & 1,511,494 fully paid-up shares on December 20, 2005
	NSE- 79,264,648 fully paid-up shares on December 19, 2005 & 1,511,494 fully paid-up shares on December 20, 2005

Notes:

a) *BSE and NSE have granted in-principle approval for listing of 15,905,240 partly paid shares on December 16, 2005. However, these shares will be listed and available for trading on being fully paid-up.*
b) *Approval for listing of 14,285,714 shares allotted by exercising the Green Shoe Option has not been sought from the stock exchanges as these shares have been allotted out of the shares, which were already listed and held by Life Insurance Corporation of India, who in their capacity as lender, has lent the shares to JM Morgan Stanley Private Limited, the Stabilizing Agent in terms of the Green Shoe Option and the Stabilization Agreement for allotment.*

American Depositary Shares Issue (2005)

16,190,200 American Depositary Shares (ADSs), each representing two Equity Shares issued at US$26.75 per ADS aggregating US$433,087,850 with an over allotment option of 2,428,530 ADSs, each representing two Equity Shares issued at US$26.75 per ADS aggregating US$64,963,178

Closing Date	December 6, 2005
Date of Allotment	December 16, 2005
Date of Refunds	N.A.
Date of Listing on	The New York Stock Exchange (NYSE) on December 16, 2005
Depository	Deutsche Bank Trust Company Americas

The premium collected from above mentioned issue has been utilised for our business. We have complied with the continuous listing requirements in respect of our ADSs.

Details of Rights and Public Issues made by ICICI in previous years are given below

American Depositary Receipts Issue (1999)

32,142,857 American Depository Receipts (ADRs), each representing five Equity Shares issued at US$9.80 per ADR aggregating US$315 million.

Closing Date	September 22, 1999
Date of Allotment	September 22, 1999
Date of Refunds	N.A.
Date of Listing on Stock Exchange	The New York Stock Exchange (NYSE) - on September 22, 1999
Depository	Deutsche Bank

The premium collected from above mentioned issue was utilised for ICICI's business. ICICI had complied with the continuous listing requirements in respect of its ADRs.

Public Issue of Equity Shares (1999)

Public Issue of 41,470,000 Equity Shares of Rs. 10 each for cash at a premium of Rs.63 per share aggregating Rs.303 crore

Closing Date	September 14, 1999
Date of Allotment	October 1, 1999
Date of Refunds	October 14, 1999
Date of Listing on Stock Exchange	BSE on November 2, 1999
	NSE on November 5, 1999
	Calcutta Stock Exchange Association Limited on November 5, 1999
	The Delhi Stock Exchange Association Limited on November 5, 1999
	Vadodara Stock Exchange Ltd. on November 5, 1999
	Bangalore Stock Exchange Ltd. On November 5, 1999
	Mangalore Stock Exchange Ltd. on November 3, 1999
	Madras Stock Exchange Ltd. on November 3, 1999

Previous Bond Issues

1. ICICI Bank

We have not made any public issue of debentures, bonds or promissory notes either in India or abroad in the previous years preceding the date of this Draft Shelf Prospectus, other than the following:

Issue Name-Date of closure of Issue	**Deemed Date of Allotment**	**Date of completion of despatch of debenture certificates**	**Description**	**Amount Allotted (Rs. crore unless otherwise specified)**	**Date of Redemption**	**Rating at the time of Issue**
January 2003 - January 27, 2003	February 26, 2003	April 1, 2003	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 4.00 billion with a right to retain oversubscription upto Rs. 4.00 billion	1122	Tax Saving Bond Option I February 26, 2006 Option II June 26, 2006 Option III February 26, 2008 Option IV June 26, 2008	ICRA "LAAA" CARE "CARE AAA"
February 2003 - March 4, 2003	April 3, 2003	May 5, 2003	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 4.00 billion with a right to retain oversubscription upto Rs. 4.00 billion	740	Tax Saving Bond Option I April 3, 2006 Option II August 3, 2006 Option III April 3, 2008 Option IV August 3, 2008 Regular Income Bond April 3, 2010	ICRA "LAAA" CARE "CARE AAA"
March 2003 - March 31, 2003	April 30, 2003	May 22, 2003	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 4.00 billion with a right to retain oversubscription upto Rs. 4.00 billion	481	Tax Saving Bond Option I April 30, 2006 Option II August 30, 2006 Option III April 30, 2008 Option IV August 30, 2008 Regular Income Bond April 30, 2010	ICRA "LAAA" CARE "CARE AAA"
August 2003 - September 9, 2003	October 9, 2003	November 3, 2003	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 3.00 billion with a right to retain oversubscription upto Rs. 3.00 billion	343	Tax Saving Bond Option I October 9, 2006 Option II February 9, 2007 Option III October 9, 2008 Option IV February 9, 2009 Regular Income Bond October 9, 2010	ICRA "LAAA" CARE "CARE AAA"

Issue Name-Date of closure of Issue	Deemed Date of Allotment	Date of completion of despatch of debenture certificates	Description	Amount Allotted (Rs. crore unless otherwise specified)	Date of Redemption	Rating at the time of Issue
October, 2003	October 22, 2003	N.A.	4.75% Fixed Rate Notes	US$ 300mn	October 22, 2008	Moody's: Baa3 S&P:BB
October 2003 - November 15, 2003	December 15, 2003	January 14, 2004	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 4.00 billion with a right to retain oversubscription upto Rs. 4.00 billion	486	Tax Saving Bond Option I December 15, 2006 Option II June 15, 2007 Option III December 15, 2008 Option IV June 15, 2009 Regular Income Bond December 15, 2010	ICRA "LAAA" CARE "CARE AAA"
December 2003-January 6, 2004	February 5, 2004	March 13, 2004	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 1.00 billion with a right to retain oversubscription upto Rs. 1.00 billion	523	Tax Saving Bond Option I February 5, 2007 Option II August 5, 2007 Option III February 5, 2009 Option IV August 5, 2009	ICRA "LAAA" CARE "CARE AAA"
August 2004-August, 2004	August 18, 2004	N.A.	5.00% Fixed Rate Notes	US$ 300 mn	August 18, 2009	Moody's: Baa3, S&P: BB+
January 2005-February 9, 2005	March 11, 2005	April 7, 2005	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 6.00 billion with a right to retain oversubscription upto Rs. 6.00 billion	775	Tax Saving Bond Option I March 11, 2010 Option II March 11, 2010 Regular Income bond Option I March 11, 2010 Option II March 11, 2012 Option III March 11, 2015 Children Growth Fund Option I March 11, 2012 Option II March 11, 2015	ICRA "LAAA" CARE "CARE AAA"
February 2005-March 9, 2005	April 8, 2005	May 10, 2005	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures	529	Tax Saving Bond Option I April 8, 2010 Option II April 8, 2010 Regular Income bond Option I April 8, 2010 Option II April 8,, 2012	ICRA "LAAA" CARE "CARE AAA"

Issue Name-Date of closure of Issue	Deemed Date of Allotment	Date of completion of despatch of debenture certificates	Description	Amount Allotted (Rs. crore unless otherwise specified)	Date of Redemption	Rating at the time of Issue
			aggregating Rs. 4.00 billion with a right to retain oversubscription upto Rs. 4.00 billion		Option III April 8, 2015 Children Growth Fund Option I April 8, 2012 Option II April 8, 2015	
March 2005-March 31, 2005	April 30, 2005	May 27, 2005	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 3.50 billion with a right to retain oversubscription upto Rs. 3.50 billion	324	Tax Saving Bond Option I April 30, 2010 Option II April 30, 2010 Regular Income bond Option I April 30, 2010 Option II April 30,, 2012 Option III April 30, 2015 Children Growth Fund Option I April 30, 2012 Option II April 30, 2015	ICRA "LAAA" CARE "CARE AAA"

2. ICICI

ICICI had made debenture issues, issues of bonds in the nature of Promissory Notes, Rights issues of Convertible Debentures and several issues of foreign currency denominated bonds and notes. The details for such issues made in the five years preceding the date of this Draft Shelf Prospectus are given below:

Issue Name-Date of closure of Issue	Deemed Date of Allotment	Date of completion of despatch of debenture certificates	Description	Amount Allotted (Rs. crore unless otherwise specified)	Date of Redemption	Rating at the time of Issue
August 1999-August 27, 1999	September 23, 1999	October 27, 1999	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 2.00 billion with a right to retain oversubscription upto Rs. 2.00 billion	283	Encash Bond September 23, 2002 Tax saving Bond Option I, III, IV September 23, 2002 Option II and V December 23, 2002 Regular Income Bond Option I, II, III September 23, 2002 Money Multiplier Bond Option I September 23, 2002 Option II August 23, 2018	ICRA "LAAA" CARE "CARE AAA"
October 1999-November 2, 1999	November 30, 1999	December 30, 1999	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures	352	Encash Bond November 30, 2002 Tax saving Bond Option I, III, IV November 30, 2002 Option II and V	ICRA "LAAA" CARE "CARE AAA"

Issue Name-Date of closure of Issue	Deemed Date of Allotment	Date of completion of despatch of debenture certificates	Description	Amount Allotted (Rs. crore unless otherwise specified)	Date of Redemption	Rating at the time of Issue
			aggregating Rs. 3.00 billion with a right to retain oversubscription upto Rs. 3.00 billion		February 28, 2003 Regular Income Bond Option I, II, III November 30, 2002 Money Multiplier Bond Option I November 30, 2002 Option II October 31, 2018	
November 1999-December 2, 1999	December 24, 1999	February 1, 2000	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 3.00 billion with a right to retain oversubscription upto Rs. 3.00 billion	242	Gilt Rate Plus Bond December 24, 2004 Encash Bond December 24, 2002 Tax saving Bond Option I, III, IV December 24, 2002 Option II and V March 24, 2003 Regular Income Bond Option I, II, III December 24, 2002 Money Multiplier Bond Option I December 24, 2002 Option II September 24, 2022	ICRA "LAAA" CARE "CARE AAA"
February 2000-February 24, 2000	March 24, 2000	April 28, 2000	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 3.00 billion with a right to retain oversubscription upto Rs. 3.00 billion	605	Tax saving Bond Option I, III and IV March 24, 2003 Option II and V June 24, 2003	ICRA "LAAA" CARE "CARE AAA"
March 2000-March 31, 2000	April 25, 2000	May 30, 2000	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 3.00 billion with a right to retain oversubscription upto Rs. 4.00 billion	350	Gilt Rate Plus Bond April 25, 2005 Encash Bond April 25, 2003 Regular Income Bond Option I, II and III April 25, 2003 Money Multiplier Bond Option I April 25, 2003 Option II February 25, 2019 Tax saving Bond Option I, III and IV	ICRA "LAAA" CARE "CARE AAA"

Issue Name- Date of closure of Issue	Deemed Date of Allotment	Date of completion of despatch of debenture certificates	Description	Amount Allotted (Rs. crore unless otherwise specified)	Date of Redemption	Rating at the time of Issue
					April 25, 2003 Option II and V October 25, 2003	
July 2000- August 3, 2000	August 29, 2000	September 27, 2000	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 3.00 billion with a right to retain oversubscription upto Rs. 2.00 billion	089	Regular Income Bond Option I, II and III August 29, 2005 Money Multiplier Bond February 28, 2011 Tax saving Bond Option I and II August 29, 2003 Option III November 29, 2003	ICRA "LAAA" CARE "CARE AAA"
August 2000- September 12, 2000	October 5, 2000	November 13, 2000	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 2.50 billion with a right to retain oversubscription upto Rs. 2.50 billion	416	Regular Income Bond Option I, II and III October 5, 2004 Money Multiplier Bond Option I April 5, 2007 Option II January 5, 2011 Option III October 5, 2015 Option IV January 5, 2022 Tax saving Bond Option I and III October 5, 2003 Option II anf IV February 5, 2004	ICRA "LAAA" CARE "CARE AAA"
October 2000- October 17, 2000	November 14, 2000	December 20, 2000	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 2.50 billion with a right to retain oversubscription upto Rs. 2.50 billion	252	Regular Income Bond Option I, II, III November 14, 2005 Money Multiplier Bond Option I September 14, 2004 Option II April 14, 2007 Option III November 14, 2010 Option IV July 14, 2015 Option V October 14, 2021 Tax Saving Bond Option I November 14, 2003 Option II March 14, 2004	ICRA "LAAA" CARE "CARE AAA"

Issue Name- Date of closure of Issue	Deemed Date of Allotment	Date of completion of despatch of debenture certificates	Description	Amount Allotted (Rs. crore unless otherwise specified)	Date of Redemption	Rating at the time of Issue
November 2000- November 17, 2000	December 13, 2000	January 17, 2001	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 2.00 billion with a right to retain oversubscription upto Rs. 2.00 billion	271	Regular Income Bond Option I, II and III December 13, 2005 Money Multiplier Bond Option I October 13, 2004 Option II June 13, 2007 Option III March 13, 2011 Option IV December 13, 2015 Option V March 13, 2022 Tax Saving Bond Option I December 13, 2003 Option II April 13, 2004	ICRA "LAAA" CARE "CARE AAA"
December 2000- December 23, 2000	January 19, 2001	February 20, 2001	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 2.50 billion with a right to retain oversubscription upto Rs. 2.50 billion	378	Regular Income Bond Option I, II and III January 19, 2006 Money Multiplier Bond Option I November 19, 2004 Option II July 19, 2007 Option III April 19, 2011 Option IV June 19, 2022 Tax Saving Bond Option I January 19, 2004 Option II May 19, 2004 Pension Bond Option I January 19, 2017 Option II January 19, 2019 Option III January 19, 2023	ICRA "LAAA" CARE "CARE AAA"
February 2001- February 28, 2001	March 22, 2001	May 3, 2001	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 5.00 billion with a right to retain oversubscription	999	Regular Income Bond Option I, II and III March 22, 2006 Money Multiplier Bond Option I January 22, 2005 Option II September 22, 2007 Children Growth Bond	ICRA "LAAA" CARE "CARE AAA"

Issue Name-Date of closure of Issue	Deemed Date of Allotment	Date of completion of despatch of debenture certificates	Description	Amount Allotted (Rs. crore unless otherwise specified)	Date of Redemption	Rating at the time of Issue
			upto Rs. 5.00 billion		Option I December 22, 2017 Option II August 22, 2020 Tax Saving Bond Option I March 22, 2004 Option II July 22, 2004 Pension Bond Option I March 22, 2012 Option II March 22, 2016 Option III March 22, 2019	
March 2001 March 31, 2001	April 26, 2001	May 29, 2001	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 4.00 billion with a right to retain oversubscription upto Rs. 4.00 billion	573	Regular Income Bond Option I, II and III April 26, 2006 Money Multiplier Bond Option I August 26, 2005 Option II July 26, 2008 Children Growth Bond Option I January 26, 2018 Option II July 26, 2022 Tax Saving Bond Option I April 26, 2004 Option II August 26, 2004 Pension Bond Option I April 26, 2012 Option II April 26, 2016 Option III April 26, 2019	ICRA "LAAA" CARE "CARE AAA"
June 2001-June 29, 2001	July 24 2001	August 25, 2001	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 4.00 billion with a right to retain oversubscription upto Rs. 4.00 billion	200	Regular Income Bond Option I, II and III July 24, 2006 Money Multiplier Bond Option I November 24, 2005 Option II September 24, 2008 Children Growth Bond Option I October 24, 2017 Option II April 24,	ICRA "LAAA" CARE "CARE AAA"

Issue Name-Date of closure of Issue	Deemed Date of Allotment	Date of completion of despatch of debenture certificates	Description	Amount Allotted (Rs. crore unless otherwise specified)	Date of Redemption	Rating at the time of Issue
					2022 Encash Bond July 24, 2006 Pension Bond Option I July 24, 2012 Option II July 24, 2016 Option III July 24, 2019	
July 2001 August 4, 2001	August 28, 2001	September 26, 2001	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 4.00 billion with a right to retain oversubscription upto Rs. 4.00 billion	277	Regular Income Bond Option I, II and III August 28,2006 Money Multiplier Bond Option I January 28, 2006 Option II October 28, 2008 Children Growth Bond Option I January 28, 2018 Option II August 28, 2022 Encash Bond August 28, 2006 Tax Saving Bond Option I August 28, 2004 Option II December 28, 2004	ICRA "LAAA" CARE "CARE AAA"
August 2001-September 5, 2001	September 27, 2001	October 17, 2001	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 4.00 billion with a right to retain oversubscription upto Rs. 4.00 billion	224	Regular Income Bond Option I, II and III September 27, 2006 Money Multiplier Bond Option I February 27, 2006 Option II December 27, 2008 Children Growth Bond Option I February 27, 2018 Option II September 27, 2022 Encash Bond September 27, 2006 Tax Saving Bond Option I September 27, 2004 Option II January 27, 2005 Option III March 27, 2008	ICRA "LAAA" CARE "CARE AAA"
September	November	December	Public Issue of	288	Regular Income Bond	ICRA

Issue Name-Date of closure of Issue	Deemed Date of Allotment	Date of completion of despatch of debenture certificates	Description	Amount Allotted (Rs. crore unless otherwise specified)	Date of Redemption	Rating at the time of Issue
2001-October 16, 2001	12, 2001	3, 2001	Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 4.00 billion with a right to retain oversubscription upto Rs. 4.00 billion		Option I, II and III November 12, 2006 Option IV November 12, 2004 Money Multiplier Bond Option I April 12, 2006 Option II February 12, 2009 Children Growth Bond Option I April 12, 2018 Option II November 12, 2022 Encash Bond November 12, 2006 Tax Saving Bond Option I November 12, 2004 Option II March 12, 2005 Option III May 12, 2008	"LAAA" CARE "CARE AAA"
November 2001-December 3, 2001	December 24, 2001	January 16, 2002	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 4.00 billion with a right to retain oversubscription upto Rs. 4.00 billion	406	Regular Income Bond Option I, II and III December 24, 2008 Money Multiplier Bond Option I July 24, 2006 Option II March 24, 2009 Children Growth Bond Option I May 24, 2018 Option IIDecember 24, 2022 Encash Bond December 24, 2006 Tax Saving Bond Option I December 24, 2004 Option II April 24, 2005 Option III June 24, 2008 Floating Rate Bond December 24, 2007	ICRA "LAAA" CARE "CARE AAA"
December 2001 December 29, 2001	January 23, 2002	February 13, 2002	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs.	426	Regular Income Bond Option I, II and III January 23, 2009 Money Multiplier Bond Option I August 23, 2006	ICRA "LAAA" CARE "CARE AAA"

Issue Name- Date of closure of Issue	Deemed Date of Allotment	Date of completion of despatch of debenture certificates	Description	Amount Allotted (Rs. crore unless otherwise specified)	Date of Redemption	Rating at the time of Issue
			4.00 billion with a right to retain oversubscription upto Rs. 4.00 billion		Option II May 23, 2009 Children Growth Bond Option I June 23, 2018 Option II January 23, 2023 Encash Bond January 23, 2007 Tax Saving Bond Option I January 23, 2005 Option II May 23, 2005 Option III July 23, 2008 Floating Rate Bond January 23, 2008	
January 2002- January 24, 2002	February 19, 2002	March 11, 2002	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 6.00 billion with a right to retain oversubscription upto Rs. 6.00 billion	623	Regular Income Bond Option I, II and III February 19, 2009 Option IV February 19, 2007 Money Multiplier Bond Option I August 19, 2006 Option II May 19, 2009 Children Growth Bond Option I July 19, 2018 Option II February 19, 2023 Encash Bond February 19, 2007 Tax Saving Bond Option I February 19, 2005 Option II June 19, 2005 Option III August 19, 2008	ICRA "LAAA" CARE "CARE AAA"
February 2002- March 4, 2002	March 27, 2002	April 22, 2002	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 6.00 billion with a right to retain oversubscription upto Rs. 6.00 billion	1037	Monthly Income Bond March 27, 2009 Regular Income Bond Option I and II March 27, 2009 Option III March 27, 2007 Money Multiplier Bond September 27, 2009 Children Growth Bond Option I October 27, 2018 Option II March 27,	ICRA "LAAA" CARE "CARE AAA"

Issue Name- Date of closure of Issue	Deemed Date of Allotment	Date of completion of despatch of debenture certificates	Description	Amount Allotted (Rs. crore unless otherwise specified)	Date of Redemption	Rating at the time of Issue
					2023 Encash Bond March 27, 2007 Tax Saving Bond Option I March 27, 2005 Option II March 27, 2008 Option III July 27, 2005 Option IV September 27, 2008	
March 2002- March 28, 2002	April 23, 2002	May 16, 2002	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 6.00 billion with a right to retain oversubscription upto Rs. 6.00 billion	537	Monthly Income Bond April 23, 2009 Regular Income Bond Option I and II April 23, 2009 Option III April 23, 2007 Money Multiplier Bond December 23, 2009 Children Growth Bond Option I February 23, 2019 Option II July 23, 2023 Encash Bond April 23, 2007 Tax Saving Bond Option I April 23, 2005 Option II April 23, 2008 Option III August 23, 2005 Option IV October 23, 2008	ICRA "LAAA" CARE "CARE AAA"

** ICICI Bank has issued notice exercising the call option due on these bonds on May 27, 2003.*

Promise vs. Performance

We have not made any projections in the offer document of any of our previous capital issues during the last five years. The funds raised rom these capital issues have been utilised for our business as mentioned in the respective prospectuses.

Purchase of Property

Except as stated in the section titled "Objects of the Issue" and elsewhere in this Draft Shelf Prospectus, there is no property which we have purchased or acquired or propose to purchase or acquire which is to be paid for wholly, or in part, from the net proceeds of the Issue or the purchase or acquisition of which has not been completed on the date of this Draft Shelf Prospectus, other than property in respect of which:

- the contracts for the purchase or acquisition were entered into in the ordinary course of the business, and the contracts were not entered into in contemplation of the Issue nor is the Issue contemplated in consequence of the contracts; or

- the amount of the purchase money is not material; or
- disclosure has been made earlier in this Draft Shelf Prospectus.

Except as stated in the section titled "Related Party Transactions" on page [●] of this Draft Shelf Prospectus, we have not purchased any property in which any Directors, have any direct or indirect interest in any payment made thereof.

Servicing Behaviour

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Mechanism For Redressal of Investor Grievances

Opening balance of the pending complaints as on May 22, 2006 was 123. Additional 98 complaints were received till June 6, 2006. Out of the above, 124 complaints were attended to and 97 complaints were pending as on June 6, 2006.

Investor grievances will be settled expeditiously and satisfactorily by us. The agreement between us and the Registrar will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Letters of Allotment/Share Certificates/Refund Orders to enable the investors to approach the Registrar for redressal of their grievances.

A separate cell has been set up for attending to complaints received through SEBI, Stock Exchanges and other statutory bodies and all responses are given in their prescribed formats.

All grievances relating to the Issue may be addressed to the Registrar giving full details such as name, address of the applicant, application number, number of Bonds applied for, amount paid on application and the bank branch/collection centre where the application was submitted.

Disposal Of Investor Grievances

The average time required by us/Registrar for the redressal of routine investor grievances shall be 10 days from the date of receipt of the complaint. In case of non-routine complaints and where external agencies are involved, we/Registrar would strive to redress these complaints as expeditiously as possible.

Investor can also call on 24 hours call centre (022 - 2830 7777) for their queries.

All investors are hereby informed that we have appointed a Compliance Officer (not being an "Officer in Default" under Section 5(f) of the Act) who may be contacted in case of any pre-issue/post-issue related problems.

We have appointed Jyotin Mehta, Compliance Officer and Company Secretary, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

General Manager and Company Secretary
ICICI Bank Limited,
ICICI Bank Towers,
Bandra-Kurla Complex,
Mumbai 400 051
Tel. No.: (022) 2653 1414
Fax No.: (022) 2653 1122
E-mail: jyotin.mehta@icicibank.com

Changes in Auditors

Name of Auditor	Date of Appointment	Date of Retirement	Reasons for change
S.R.Batliboi & Co., Chartered Accountants	September 16, 2002	July 22, 2006	Term completed as Statutory Auditor after four financial years as permitted by RBI
BSR & Company	July 22, 2006	-	Term completed of previous Statutory Auditor for four financial years as permitted by RBI

Capitalisation of Reserves or Profits

We have not capitalised any reserves or profits during the last five financial years.

Revaluation of Assets

We have not revalued our assets in the past five years.

CHANGES IN MEMORANDUM OF ASSOCIATION

Date	Details of Change
September 10, 1999	The name of the Company was changed from ICICI Banking Corporation Limited to ICICI Bank Limited
June 11, 2001	The objects clause modified to facilitate the Company to establish, maintain and operate currency chests and small coins depot
May 3, 2002	Increase in authorised capital from Rs. 300 crores to Rs. 2,250 crores pursuant to the Scheme of Amalgamation of ICICI, ICICI Capital Services Limited and ICICI Personal Financial Services Limited with ICICI Bank

January 16, 2003	Reduction in authorised capital from Rs. 2,250 crores to Rs. 1,900 crores
May 14, 2004	Note (*)

(*)

I. Clause III (A) modified and amended as follows:

(a) By inserting the following Clause as Clause 7A after Clause 7:

7A. To securitise, purchase, acquire, invest in, transfer, sell, dispose of or trade in any financial asset whatsoever, receivables, debts, whether unsecured or secured by mortgage of immoveables or charge on movables or otherwise, securitised debts, asset or mortgaged backed securities or mortgage backed securitised debts and to manage, service or collect the same and to appoint managing, servicing or collection agent therefor and to issue certificates or other instruments in respect thereof to public or private investors and to guarantee and insure the due payment, fulfillment and performance of obligations in respect thereof or in connection therewith and to promote, establish, undertake, organise, manage, hold or dispose of any special purpose entity, body corporate or vehicle for carrying on all or any such activities.

(b) By deleting Clause III(A)(18) and replacing it with the following:

18. To provide credit, charge, debit, saving, investment or other facilities to any person or persons (whether individuals, firms, companies, bodies, corporate or other entities), whether in the private or public sector by issuance of credit, charge, debit, stored value, prepaid, smart or other cards whether private label, co-branded, affinity or otherwise and to establish and maintain card acceptance network (including physical, electronic, computer or automated machines network) and make payments or provide settlement service to the merchants or issuing banks on account of usage by the cardholders of the credit, charge, debit, stored value, prepaid, smart or other cards whether private label, co-branded, affinity or otherwise.

(c) By inserting the following Clauses after Clause III(A)(20) as Object Clause Nos. 20A, 20B, 20C, 20D, 20E, 20F, 20G, 20H, 20I, 20J, 20K:

20A. To carry on the business of assisting industrial infrastructure and commercial enterprises: in general by

i) assisting in the creation, expansion and modernisation of such enterprises;
ii) encouraging and promoting the participation of capital, both internal and external in such enterprises; and in particular by
i) providing finance in the form of long, medium or short term loans or equity participations ;
ii) sponsoring and underwriting new issues of shares and securities ;
iii) guaranteeing loans from other investment sources ;
iv) making funds available for re-investment by revolving investments as rapidly as prudent ;
v) performing and undertaking activities pertaining to leasing, giving on hire or hire-purchase, bill marketing, factoring and related fields;

20B. To lend money, with or without interest, (with or without security) for any maturity, in any form whatsoever including by way of loans, advances, instalment credit, trade finance, hire or otherwise to any person or persons (whether individuals, firms, companies, bodies corporate, Government, State, Sovereign, public body or authority, supreme, local or otherwise or other entities), whether in the private or public sector, for any purpose whatsoever, including agriculture, industry, infrastructure, export-import, housing, consumer or others.

20C To lend money, with or without interest, (with or without security) for any maturity, in any form whatsoever, to any person or persons (whether individuals, firms, companies, bodies corporate, Government, State, Sovereign, public body or authority, supreme, local or otherwise or other entities), whether in the private or public sector, for :

i) Purchasing or acquiring any freehold or leasehold lands, estate or interest in any land or property,
ii) Taking demise for any term or terms of years of any land or property, or
iii) Construction, erection, purchase, extension, alteration, renovation, development or repair any house or building or any form of real estate or any part or portion thereof.

20D To provide financial assistance to any person or persons (whether individuals, firms, companies, bodies corporate, Government, State, Sovereign, public body or authority, supreme, local or otherwise or other entities), whether in the private or public sector for any purpose whatsoever by means of leasing, giving on hire or hire-purchase, lending, selling, reselling, or otherwise disposing of all forms of immoveable and moveable properties and assets of any kind, nature or use, whatsoever and for the purpose, purchasing or otherwise acquiring dominion over the same, whether new or used.

20E To purchase, acquire, sell, dispose of, deal or trade in bullion and specie and/or to issue, subscribe to, acquire, purchase, sell, dispose of, deal or trade in derivative financial instruments including futures, forwards, options, swaps, caps, collars, floors, swap options, bond options or other derivative instruments whether traded on any market or exchange or otherwise, for proprietary trading activities or for any person or persons (whether individuals, firms, companies, bodies corporate, Government, State, Sovereign, public body or authority, supreme, local or otherwise or other entities), whether in the private or public sector.

20F To promote, organize, manage or undertake the activities of insurance intermediaries including insurance or reinsurance brokers, consultants, surveyors, loss assessors, loss control engineers, risk managers, actuarial analyst and to promote, organize, manage or undertake, marketing, trading, distribution or servicing of insurance and assurance products of all kinds, whether life or general; financial, investment or other products including (without limitation) securities, stocks, shares, debentures, bonds, units, certificates or services offered by the Company and/or by any person, firm, company, body corporate, mutual fund, Government, State, public body or authority, supreme, municipal, local or otherwise, through the Company's branches or offices.

20G To promote, organise or manage funds or investments on a discretionary or non-discretionary basis on behalf of any person or persons (whether individual, firms, companies, bodies, corporate, public body or authority, supreme, local or otherwise, trusts, pension funds, offshore funds, charities, other associations or other entities), whether in the private or public sector.

20H To act as Trustee of any deeds, constituting or securing any debentures, debenture stock, or other securities or obligations and to undertake and execute any other trusts, and also to undertake the office of or exercise the powers of executor, administrator, receiver, treasurer, custodian and trust corporation.

20I To provide financial services, advisory and counselling services and facilities of every description capable of being provided by share and stock brokers, share and stock jobbers, share dealers, investment fund managers and to arrange and sponsor public and private issues or placement of shares and loan capital and to negotiate and underwrite such issues.

II. Clause III (B) modified and amended by:

(a) By deleting Clause III (B)(61) and replacing it with the following:

61. To do all or any of the above things and all such other things as are incidental or as may be thought conducive to the attainment of the above objects or any of them in India or any other part of the world either as principals, agents, trustees, contractors or otherwise and either alone or in conjunction with others and either by or through agents, contractors trustees or otherwise and to do all such things as are incidental or conducive to the attainment of the above objects.

(b) By inserting the following Clauses after Clause III(B)(60) as Object Clause Nos. 60A, 60B and 60C:

60A To develop, improve, design, software and programme products of any and all descriptions in connection with or incidental or conducive to or in furtherance of the attainment of any of the objects of the Company.

60B To appoint trustees (whether individuals or corporations) to hold securities on behalf of and to protect the interests of the Company.

60C To promote, sponsor, organise, manage or undertake events, exhibitions, conferences, lectures, seminars, printing, publication or distribution of any books, report, literature, newspapers, publicity or other materials in connections with or incidental or conducive to or in furtherance of the attainment of any of the objects of the Company.

Details of our borrowings

For details of our borrowings, please see “Funding” on page ..

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE BONDS AND THE ISSUE

We are offering for public subscription unsecured Bonds through one or more tranches aggregating a total of Rs. 6000 crores.

The Bonds being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of ICICI Bank , the terms of this Draft Shelf Prospectus, Application Form and other terms and conditions as may be incorporated in the Trustee Agreement, letter(s) of allotment and/or Bond certificate(s). In addition, the Bonds shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI/the Government of India/RBI and/or other authorities and other documents that may be executed in respect of the Bonds.

ICICI Bank is permitted to issue the following kinds of bonds in compliance with the following Guidelines:

1. DBOD No. BP.BC 90/21.01.002/2003-2004 dated June 11, 2004 issued by RBI. These are referred to as Infrastructure Bonds and should have a minimum maturity of five years. They may be issued by banks to the extent of their exposure, of residual maturity of more than 5 years, to the infrastructure sector.
2. DBOD No. BP.BC 57/21.01.002/2005-2006 dated January 25, 2006 issued by RBI, as amended by DBOD No. BP.BC 13/21.01.002/2006-2007 –dated July 1, 2006 issued by RBIin the form of the Master Circular on Prudential Norms on Capital Adequacy These guidelines provide banks in India additional options for raising capital through issue of the following instruments:
   a. Innovative perpetual debt instruments eligible for inclusion as Tier I Capital;
   b. Debt capital instruments eligible for inclusion as Upper Tier II Capital; and
   c. Subordinated debt instruments eligible for inclusion as Tier II Capital.

We may also file an application to the Central Board of Direct Taxes (CBDT) under Section 80C(2)(xix) of the I.T. Act for the approval of the Bonds to be issued in accordance with and subject to the provisions contained therein. The benefit of deduction under section 80C(2)(xix) of the I.T. Act given in the section "Statement of Tax Benefits" on page [●] of the Draft Shelf Prospectus will be available to the Bondholders only on such Bonds for which the approval from CBDT is obtained.

Also, we may file an application for approval for issue of Zero Coupon Bonds (ZCBs) to the CBDT in accordance with and subject to the guidelines for notification of ZCBs under Rule 8B of the Income-tax Rules, 1962. The tax benefits for ZCBs given in the section "Statement of Tax Benefits" on page [●] of the Draft Shelf Prospectus will be available to the Bondholders only in the event that we are granted the approval by CBDT.

The issue of Bonds in the tranches would be compliant with the respective guidelines applicable to them.

The Guidelines allow us to issue Bonds having the following characteristics:

a) Tenure: The tenure of the bonds may vary from 5 years (in the case of Bonds eligible for inclusion as Tier 2 capital or Infrastructure Bonds) to perpetuity (in the case of Bonds eligible for inclusion as Tier 1 capital) as permitted;

b) Interest: The rate of interest may be either fixed or floating, with or without an option to switch from fixed to floating or vice versa as permitted in accordance with the nature of the Bonds. In the case of Bonds eligbile for inclusion as Tier 2 capital, the rate of interest shall not be more than 200 basis points above the yield on Government of India securities of equal residual maturity at the time of issuing such Bonds;

c) Interest Payment Options: Monthly, quarterly, semi annual or annual with the first interest payment after an initial gap, depending on the nature of the Bond in compliance with the Guidelines;

d) Ticket Size: There are no restrictions on the ticket size;

e) Principal Repayment: Bullet or staggered as may be permitted for the different Bonds; and

f) Call Option: Subject to approval of RBI, Call option may be exercised only after 10 years for Bonds eligible for inclusion as Tier I and Upper Tier II capital.

Terms and Conditions of the Bonds

Bonds eligible for inclusion in Tier I capital:

- These Bonds are perpetual. They are not redeemable by the Investor.

- Call Option - We may issue these Bonds with a call option. Such call option can be exercised by us after the instrument has run for at least ten years. We require prior approval of the RBI for exercising such call option. RBI whilst considering our request, may take into consideration amongst other things, our CRAR position both at the time of exercise of the call option and after exercise of the call option.

- Step-up Option – We have the option of exercising a step-up option, that is, increasing the interest rate payable on these Bonds, only once during the life of the these Bonds and in conjunction with the call option, after the lapse of ten years from the date of the issue of such Bonds. RBI has stipulated that such increase by us cannot be more than 100 basis points.

- Interest – Currently, our CRAR as of March 31, 2006 is 13.35% and the prescribed minimum regulatory requirement is 9%. Investors should note that we shall not be able to pay interest in terms of RBI guidelines if:
  a) as a result of such payment our CRAR falls below the minimum regulatory requirement prescribed by RBI; or
  b) our CRAR is below the minimum regulatory requirement prescribed by RBI

- When the impact of payment of interest on these Bonds may result in net loss or may increase the net loss, we may pay the interest only after prior approval of RBI and provided the CRAR remains above the regulatory norm prescribed by RBI.

- Additionally, we cannot pay cumulative interest. Hence, if for one of the above reasons we are unable to pay interest for any year, the Bondholder would not receive such interest in future years.

- Seniority of claim: The claims of Bondholders of these Bonds shall be subordinate to the claims of all other creditors, but superior to the claims of our Equity shareholders.

Bonds eligible for inclusion in Upper Tier II capital:

- These Bonds are not redeemable at the option of the Bondholder. All redemptions can be made only with the prior approval of the RBI.

- Call Option - We may issue these Bonds with a call option. Such call option can be exercised by us after the instrument has run for at least ten years. We require prior approval of the RBI for exercising such call option. RBI whilst considering our request may take into consideration amongst other things, our CRAR position both at the time of exercise of the call option and after exercise of the call option.

- Step-up Option – We have the option of exercising a step-up option, that is, increasing the interest rate payable on these Bonds, only once during the life of these Bonds and in conjunction with the call option, after the lapse of ten years from the date of the issue of such bonds. RBI has stipulated that such increase by us cannot be more than 100 basis points.

- Interest and principle – Currently, our CRAR as of March 31, 2006 is 13.35% and the prescribed minimum regulatory requirement is 9%. Investors should note that we shall not be able to pay interest or principle, even at maturity, in terms of RBI guidelines if:

a) as a result of such payment our CRAR falls below the minimum regulatory requirement prescribed by RBI; or
b) our CRAR is below the minimum regulatory requirement prescribed by RBI

When the impact of payment of interest on these Bonds may result in net loss or may increase the net loss, we may pay the interest only after prior approval of RBI and provided the CRAR remains above the regulatory norm prescribed by RBI

- Additionally, interest amount due and unpaid may be paid in later years by cheque subject to us satisfying the above CRAR requirements and other conditions stipulated in the Guidelines.

- Seniority of claim: The claims of Investors in these Bonds shall be superior to the claims of Investors in instruments eligible for inclusion in Tier I capital and subordinate to the claims of all other creditors.

***Bonds eligible for inclusion in Tier II capitals**:*

- These Bonds have a fixed maturity date.

- Redemption – They are not redeemable at the option of the Bondholder. All redemptions can be made only with the prior approval of the RBI.

- Interest - Interest for such Bonds cannot be more than 200 basis points above the yield on Government of India securities of equal residual maturity at the time of issuing such Bonds.

- Special Features – These Bonds have standard features and no call options on the same.

- Seniority of claim - The claims of Investors investing in these Bonds shall be superior to the claims of Investors in instruments eligible for inclusion in Upper Tier II capital and subordinate to the claims of all other creditors.

Infrastructure Bonds:

- These Bonds can be issued only to the extent of our exposure, with residual maturity of more than five years, to the infrastructure sector at the time of issuing these Bonds.
-

- Interest – We may issue these bonds on a fixed or floating rate of interest. In the event, we issue a floating rate of interest it shall be referenced to a market determined benchmark rates.

- Special Features – These bonds have standard features and no put or call options are exercisable on the same.

- Seniority of claim – The claims of Investors investing in these Bonds shall rank pari passu with other uninsured, unsecured creditors.

NATURE OF BONDS

We would issue the following types of Bonds through one or more tranches under this Draft Shelf Prospectus:

1 Rate-Choice Bonds
2 Bonds-Forever Bonds
3 Pension Bonds
4 Zero Coupon Bonds
5 Infrastructure Bonds
6 Tax Saving Bonds

In addition to the above, we may issue other Bonds, subject to the same being permissible under the Guidelines, after obtaining necessary approvals, if required. The exact nature and terms and conditions in relation to the Bonds being offered in each tranche shall be disclosed in the prospectus for each tranche.

RBI vide its Notification No. FEMA 4/2000-RB dated May 3, 2000 has granted general permission for NRIs to invest in Bonds on repatriation and on non-repatriation basis subject to certain conditions.

Investment in Bonds issued for inclusion in Tier I capital Bonds by NRIs shall be within an overall limit of 24% of such issue respectively, subject to the investment by each NRI not exceeding 5% of such issue.

Investment by NRIs in Tier II Bonds shall be subject to prior approval from RBI. [In the event that we intend to offer the Bonds for subscription by NRIs, we may apply to the RBI for such approval.]

(The Bonds eligible for subscription by NRIs would be indicated in each tranche. We may exercise our discretion and not offer Bonds to NRIs in a particular tranche).

1. Rate Choice Bonds

These Bonds shall have fixed or floating interest rate initially, as per the choice of the Bondholder. After the expiry of [●] years, the Bondholder shall have an option to switch from fixed to floating interest rate or vice versa. These Bonds are structured to help an individual to choose between earning a fixed rate of interest or a floating rate of interest. The interest shall be payable on an annual/semi annual/quarterly/monthly basis.

The investors can avail of any/all of the following options of the Rate Choice Bond as described in the table below:

	Option A	**Option B**	**Option C**
	Tier I	Upper Tier II	Tier II
Face Value/Issue Price	[●]	[●]	[●]
Tenure	Perpetual	15 years or more	5 years or more
Call Option	Yes/No	Yes/No	No
Step up Option	Yes/No	Yes/No	No
Interest (%)*	[●]	[●]	[●]
Minimum Application	1 bond	1 bond	1 bond
Yield to investor (%) **	[●]	[●]	[●]

* Subject to TDS as per the prevailing tax laws. The interest could be fixed or floating (linked to a suitable benchmark). The payment of interest could be annual, semi-annual, quarterly or monthly.
** Please read "Terms and Conditions of the Bonds" for details.

Please refer to the section "Statement of Tax Benefits" on page [●] of the Draft Shelf Prospectus for tax benefits.

Option to switch

The investor in the Rate Choice Bond shall have an option to switch from a fixed to a floating rate of interest or vice versa at the end of [●] years in case of Option A, [●] years in case of Option B and [●] years in case of Option C. The fixed rate shall be [●] % or [●] % over the benchmark rate as on [●] *(depending on the option chosen)*. The floating rate shall be [●] % over the benchmark rate *(depending on the option chosen)*.

Other terms

For payment of interest, benchmark rate and reference date, redemption and early redemption/call procedures, please refer to page [●] of the Draft Shelf Prospectus. For other details, please refer to "Common Features In Relation to the Terms and Conditions of the Bonds" on page [●] of the Draft Shelf Prospectus.

The investors should note that the payment of interest, redemption, exercise of call option etc. shall be subject to relevant RBI regulations as described under "Terms and Conditions of the Bonds" on page [●] of the Draft Shelf Prospectus.

2. Bonds Forever Bonds

These Bonds shall have a fixed or floating interest rate payable on an annual/semi annual/quarterly/monthly basis.

The Bondholder can avail of any/all of the following options of the Bonds Forever Bond as described in the table below:

(Rs.)

	Option A	**Option B**	**Option C**	**Option D**
	Tier I	Upper Tier II	Lower Tier II	Infrastructure Bonds***
Face Value/Issue Price	[●]	[●]	[●]	[●]
Tenure	Perpetual	15 years or more	5 years or more	[●] years
Call Option	Yes/No	Yes/No	No	No
Step up Option	Yes/No	Yes/No	No	No
Interest (%)*	[●]	[●]	[●]	[●]
Minimum Application	1 bond	1 bond	1 bond	1 bond
Yield to investor (%) **	[●]	[●]	[●]	[●]

* Subject to TDS as per the prevailing tax laws. The interest could be fixed or floating (linked to a suitable benchmark). The payment of interest could be annual, semi-annual, quarterly or monthly.
** Please read "Terms and Conditions of the Bonds" for details
*** These Bonds shall be issued subject to compliance with DBOD No. BP.BC 90/21.01.02/2003-2004 dated June 11, 2004 issued by RBI in relation to such Bonds. In this case, there shall be no put/call option. The minimum tenure shall be 5 years.

Please refer to the section "Statement of Tax Benefits" on page [●] of the Draft Shelf Prospectus for tax benefits.

Other terms

For payment of interest, benchmark rate & reference date, Redemption and early redemption/call procedures, please refer to page [●] of the Draft Shelf Prospectus. For other details, please refer to"Common Features In Relation To The Terms and Conditions of the Bonds" on page [●] of the Draft Shelf Prospectus.

The investors should note that the payment of interest, redemption, exercise of call option etc. shall be subject to relevant RBI regulations as described under "Terms and Conditions of the Bonds" on page [●] of the Draft Shelf Prospectus.

3. Pension Bonds

In these Bonds, the Bondholder may opt either for a floating or fixed rate of interest but shall draw a fixed Equated Monthly Instalments ("EMIs") after [●] years till the principal and interest are exhausted. In case, the Bondholder opts for a floating rate option, the number of EMIs may be adjusted based on the changes in the floating rate of interest. This Bond enables a Bondholder to earn periodic monthly payments after the expiry of certain number of years.

The Bondholder can avail of any/all of the following options of the Pension Bond as described in the table below:

	Option A	**Option B**
	Upper Tier II	Tier II
Face Value/Issue Price	[●]	[●]
Tenure	15 years or more	5 years or more
Call Option	Yes/No	No
Step up Option	Yes/No	No
Interest (%)*	[●]	[●]
Minimum Application	1 bond	1 bond

Number of EMIs***	[●]	[●]
Amount per EMI (Rs.)	[●]	[●]
Yield to investor (%) **	[●]	[●]

* Subject to TDS as per the prevailing tax laws. The interest could be fixed or floating (linked to a suitable benchmark)
** Please read "Terms and Conditions of the Bonds" for details
*** Fixed number of EMIs for fixed interest rate option. Variable number of EMIs for those Investors opting for the floating interest rate option.

Please refer to the section "Statement of Tax Benefits" on page [●] of the Draft Shelf Prospectus for tax benefits.

EMIs

In case, the investor opts for the fixed rate option, the number of EMIs shall be [●] and the amount per EMI shall be Rs. [●]. In case, the investor opts for a floating rate option, the number of EMIs may be adjusted based on changes in the floating interest rates.

Other terms

For Payment of interest, Benchmark rate & reference date, Redemption and early redemption/call procedures, please refer to page [●] of the Draft Shelf Prospectus. For other details, please refer to "Common Features In Relation To The Terms and Conditions of the Bonds" on page [●] of the Draft Shelf Prospectus.

The investors should note that the payment of interest, redemption, exercise of call option etc. shall be in terms of relevant RBI regulations as described under "Terms and Conditions of the Bonds"on page [●] of the Draft Shelf Prospectus.

4. Zero Coupon Bonds

ICICI Bank may file an application for approval for issue of Zero Coupon Bonds to Central Board of Direct Taxes (CBDT) in accordance with and subject to the guidelines for notification of Zero Coupon Bonds under Rule 8B of the Income-tax Rules, 1962. The tax benefits on these Bonds will be available to the bondholders only on such issue of such Zero Coupon Bonds for which the approval from CBDT is obtained. Please refer to the section "Tax Benefits" on page [●] of the Draft Shelf Prospectus for tax benefits.

In these Bonds no interest shall be paid to these Bondholders. Instead, these Bonds shall be issued at a discount and redeemed at face value. The principal amount and the cumulative interest shall be paid together at the time of redemption.

(Rs.)

	Option A **
	Zero Coupon Bond**
Issue Price	[●]
Face Value	[●]
Tenure	10 years or more
Call Option	No
Minimum Application	1 bond
Yield to investor (%) *	[●]

* Please read "Terms and Conditions" of the Bonds for details
** Zero Coupon Bond: The tax benefits for Zero Coupon Bonds under the Income-tax Act, 1961, will be available to the bondholders only on such issue of Zero Coupon Bonds for which the approval from CBDT is obtained.

Other terms

For other terms, please refer to page [●] of the Draft Shelf Prospectus. For other details, please refer to "Common Features In Relation To The Terms and Conditions of the Bonds" on page [●] of the Draft Shelf Prospectus.

The investors should note that the redemption shall be in terms of relevant RBI regulations as described under "Terms and Conditions of the Bonds"on page [●] of the Draft Shelf Prospectus.

5. Infrastructure Bonds

In these Bonds, the Bondholder may choose to opt either for periodic payment of interest offered under Bonds issued under Option A or for Bonds offered under Option B which shall be in the nature of Deep Discount Bond (DDB) and where in periodic interest shall not be payable.

The Bondholder can avail of any/all of the following options of the Infrastructure Bond as described in the table below:

	Option A	Option B
Issue Price	[●]	[●]
Face Value	[●]	[●]
Interest (%)*	[●]	DDB (YTM [●] %) ***
Tenure	5 years or more	5 years or more
Call Option	No	No
Minimum Application	1 bond	1 bond
Yield to investor (%) *	[●]	[●]

* Subject to TDS as per the prevailing tax laws. Payment of interest could be annual, semi-annual, quarterly or monthly.
** These Bonds shall be issued subject to compliance with DBOD No. BP.BC 90/21.01.02/2003-2004 dated June 11 2004 issued by RBI in relation to such bonds. In this case, there shall be no put/call option. The minimum tenure shall be 5 years.
*** If the option is in the nature of a Deep Discount Bond (DDB), no periodic interest shall be payable
Please refer to the section "Statement of Tax Benefits" on page [●] of the Draft Shelf Prospectus for tax benefits.

Other terms

For other terms, please refer to page [●] of the Draft Shelf Prospectus. For other details, please refer to "Common Features In Relation To The Terms and Conditions of the Bonds" on page [●] of the Draft Shelf Prospectus.

The investors should note that the redemption shall be in terms of relevant RBI regulations as described under "Terms and Conditions of the Bonds"on page [●] of the Draft Shelf Prospectus.

6. Tax Saving Bonds

ICICI Bank may file an application to the CBDT under section 80C(2)(xix) of the Income-tax Act for the approval of the bonds to be issued as Tax Saving Bonds in accordance with and subject to the provisions contained therein. The benefit of deduction under section 80C(2)(xix) of the Income-tax Act will be available to the bondholders only on such issue of bonds for which the approval from CBDT is obtained. Please refer to the section "Tax Benefits" on page [●] of the Draft Shelf Prospectus for tax benefits.

The Bonds issue under option B will be in the nature Deep Discount Bond where no periodic interest will be payable.

The investor may choose any/all of the following options in respect of the Tax Saving Bond:

(Rs.)

	Option A	Option B
Tax benefit Under	Section 80 C	Section 80 C
Issue Price	[●]	[●]
Face Value	[●]	[●]
Interest (%)*	[●]	DDB (YTM [●] %) ***
Tenure	5 years or more	5 years or more
Call Option	No	No

Minimum Application	1 bond	1 bond
Yield to investor (%) **	[●]	[●]

* Subject to TDS as per the prevailing tax laws. Payment of interest could be annual, semi-annual, quarterly or monthly.
** Please read "Terms and Conditions of the Bonds" for details. The benefit of deduction under section 80C(2)(xix) of the Income-tax Act, 1961, will be available to the bondholders only on issue of bonds for which the approval from CBDT is obtained. Please refer to the section "Tax Benefits" on page [●] of the Draft Shelf Prospectus for tax benefits.
The Yield has been calculated considering deduction of [●] % available to the eligible investors and assuming that a surcharge of [●]% of tax is payable in case of all the options
*** If Tax Saving Bond-Option, If it is in the nature of a Deep Discount Bond (DDB), hence no periodic interest is shall be payable.

(**See also "Common Features In Relation To The Terms and Conditions of the Bonds")**

Tax Benefits:

Please refer to the section "Tax Benefits" on page [●] of the Draft Shelf Prospectus.

Benchmark for Floating Rates

These Bonds may provide returns linked to T-Bill rates, Bank Rate, Fixed Deposit rates of any one bank or set of banks, yield on Government of India Securities or any other market determined benchmark to the investor, along with early redemption options (to be modified depending on put and/or call option, if any), which shall be specified if permitted by RBI to do so.

Maturity Bonus: At redemption,_[●]%* of the face value of the Bond, may be paid to those Bondholders whose name appears in the Register of Bondholders at the time of Redemption. Such payments shall be subject to TDS as per the prevailing tax laws.

Interest Rate calculation on Floating rates:

The Bonds shall carry a floating rate of interest, payable ____ (*monthly/ quarterly/ half-yearly/ annually).* The interest rate applicable for each interest payment period would be calculated at _______% over the _____ ("Benchmark Rate"). The rate of interest payable shall be specified during each tranche.

Interest Reset:

Interest Rate for each succeeding Interest Payment Period would be reset effective ____, based on the Benchmark Rate prevailing on ___ of the previous/ present year ("Reference Date"). We shall inform the Bondholder(s) regarding the same, through a notice in one English language newspaper having wide circulation and one regional language daily newspaper each in Mumbai, Chennai, Delhi, Calcutta and Vadodara. The Bondholder(s) shall also be informed by ordinary post at their registered addresses. In the event that the reference date is a holiday, then the interest rate will be fixed with reference to the Benchmark Rate prevailing on the next working day.

If any of the components of the benchmark mentioned above ceases to exist, we reserve the right to add new components to the benchmark and/or reset the Interest Rate based on the remaining components. If the current benchmark ceases to exist, we shall in consultation with the Trustees, choose any other suitable benchmark. At the time of each tranche, we shall specify the exact benchmark adopted by us for calculation of the interest rate.

Payment of Interest

Monthly Payment of Interest

Interest will be paid on the last day of each month. The first interest payment for the period commencing from Deemed Date of Allotment till _____ will be paid on _____ and the last interest payment will be made at the time of redemption of the Bond on a *pro rata* basis.

For the convenience of the Bond holders, in the event that the payment of interest is through cheques, we may, send every year a set of 12 post dated cheques dated the last day of the relevant month towards the payment of interest for each month in arrears, subject to the finalisation of tax rates for the said year by the Finance Act. In the event that the TDS rates for the year undergo a change after the post-dated cheques have been, we reserve the right to recover the differential TDS amount, if any, from the Bond holders. The first set of post-dated cheques towards the interest from ____ till ____ may be sent in the month of ____/along with the first interest payment.

Quarterly Payment of Interest

Interest will be paid on ____, ___, ____ & ____ each year. The first interest payment for the period commencing from the Deemed Date of Allotment till ____ will be paid on _____ and the last interest payment will be made at the time of redemption of the Bond on a *pro rata* basis.

For the convenience of the Bond holders, we may, send every year a set of 4 post dated cheques dated the last day of the relevant quarter (as specified above) towards the payment of interest for each quarter in arrears, subject to the finalisation of tax rates for the said year by the Finance Act. In the event that the TDS rates for the year undergo a change after the post-dated cheques have been sent, we reserve the right to recover the differential TDS amount, if any, from the Bond holders. The first set of post-dated cheques towards the interest from ____ till ____ may be sent in the month of ____/along with the first interest payment.

Half Yearly Payment of Interest

Interest will be paid on _____ and ______ each year. The first interest payment will be made on _____ for the period commencing from Deemed Date of Allotment and the last interest payment will be made at the time of redemption of the Bond on a *pro rata* basis.

Annual Payment of Interest

Interest will be paid on ____ each year. The first interest payment will be made on _____ for the period commencing from the Deemed Date of Allotment and the last interest payment will be made at the time of Redemption of the Bond on a *pro rata* basis.

For Modes of Interest Payment / Refund / Redemption refer page [●]

Early Redemption at the option of the Bondholders and subject to the Guidelines, which option shall be specified if permitted by RBI to do so

Subject to the approval of the RBI, the Bondholder has the option of Early Redemption of the Bonds on _____ each year ("Early Redemption Date"). In case the option for early redemption rate is exercised by the Bondholder, we will repay the principal along with interest for the Interest Payment Period ending on the relevant Early Redemption Date at the rate applicable for the said period on Early Redemption Date. To exercise the Early Redemption Option in any year, the Bondholder should intimate us/ Registrars between ____ and ____ of that year in accordance with the procedure laid down in "Procedure for exercise of Early Redemption Option" on page [●].

During each tranche, we may prescribe a minimum period prior to the expiry of which the Early Redemption Option shall not be exercisable. We may not offer early redemption offer in a given tranche.

Procedure for exercise of Early Redemption Option

The Bond Certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the Bond Certificate(s)) to be surrendered for early redemption should be sent by the Bondholder(s) by Registered Post with acknowledgment due or by hand delivery to 3i Infotech Limited (formerly known as ICICI Infotech Limited), Maratha Mandir Annexe, Dr. A.R. Nair Road, Mumbai Central, Mumbai 400 008, or to such persons at such addresses as may be notified by the us from time to time so that the same are received on or before ______ of the relevant year.

If the Bondholder's request for Early Redemption is not received on or before _____ of the relevant year, we would assume that the Bondholder has not exercised the Early Redemption Option.

Payment on exercise of Early Redemption Option

In case the Bondholder exercises the Early Redemption Option, we will despatch the payments comprising of the face value of the Bond along with accrued interest, if any, by way of cheque/pay order, etc. by the Early Redemption Date.

Our liability to Bondholder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the Early Redemption Date in all events and when we dispatch the redemption amounts to the Bondholder(s). Further, we will not be liable to pay any interest, income or compensation of any kind from the Early Redemption Date of the Bond(s).

Exercise of Call Option

For Tier I and Upper Tier II Bonds, subject to the approval of RBI, we have the option of redeeming the Bonds on every Early Redemption Date after expiry of ____ years from the Deemed Date of Allotment ("Call Option"). In case we exercise the Call Option, we will repay the principal along with the interest accrued till the day on which the Bond is redeemed ("Call Exercise Date").

We may prescribe a minimum period prior to the expiry of which the Early Redemption Option shall not be exercisable by us. Investors may note that we shall use our discretion to decide whether to exercise the Call Option or not.

Procedure for exercise of Call Option

If we choose to exercise the Call Option, we shall give a Notice of the same to Bondholders at least _____months/ days prior to the Call Exercise Date. On receipt of the aforesaid intimation, the sole Bondholder/ all the joint holders should duly discharge the Bond Certificate(s) by signing on its reverse and send the same by Registered Post with acknowledgment due or by hand delivery to 3i Infotech Limited (formerly known as ICICI Infotech Limited), Maratha Mandir Annexe, Dr. A.R. Nair Road, Mumbai Central, Mumbai 400 008, or to such persons at such addresses as may be notified by us from time to time. For procedure of giving the aforesaid Notice, please refer to "Notices" on page [●].

Payment on exercise of Call Option

In case we exercise the Call Option, we shall dispatch the payments comprising of the face value of the Bond along with accrued interest, if any, by way of cheque/ pay order, etc. only on the surrender of Bond Certificate(s), duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the Bond Certificate(s)). Despatch of cheques/ pay order, etc. in respect of such payment will be made on the Call Exercise Date or within a period of 30 days from the date of receipt of Bond Certificate(s), whichever is later.

Our liability to Bondholder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the Call Exercise Date in all events and on our despatching the redemption amounts to the Bondholder(s). Further, we will not be liable to pay any interest, income or compensation of any kind from the Call Exercise Date.

In the event that there is a difference in payment on exercise of call option for specific Bonds, we shall specify the same in the prospectus for each tranche.

COMMON FEATURES IN RELATION TO THE TERMS AND CONDITIONS OF THE BONDS

Interest on Application Money

No interest on application money will be paid to any investor till the Deemed Date of Allotment.

Deemed Date of Allotment

The Deemed Date of Allotment for the issue has been fixed as 30 days from the date of closure of the Issue or date of utilisation of proceeds, whichever is earlier. All benefits relating to the Bonds will be available to the investors from the Deemed Date of Allotment. The actual allotment may occur on a date other than the Deemed Date of Allotment.

Market Lot

The market lot will be one Bond ("Market Lot").

Terms of Payment

We shall specify the terms of payment during the issue of each tranche of Bonds.

Applications should be for a minimum of one Bond and in such multiples as shall be specified in each tranche prospectus.

Application Size

The maximum application amount should not exceed Rs.____ crore, excluding the amount applied for ______ (Name of the Bond(s) shall be given) by ________ (Category(ies) of the applicant shall be given). In case the amount invested exceeds the maximum investible amount specified, we may, at our, consider only the amount up to the maximum investible amount towards basis of allotment and refund the amount invested in excess of the maximum investible amount.

We shall specify the maximum application size for the specific Bonds during the issue of each tranche of Bonds.

Applicants should apply for any or all types of Bonds (any/all options) using the same Application Form.
(Amount payable on application, minimum application and maximum application would be decided for each tranche).

Payment of Interest will be made to those Bondholders whose names appear in the register of Bondholders (or to first holder in case of joint-holders) as on Record Date/Book Closure Date to be fixed by us for this purpose from time to time.; except in case of ____________ (Name of the Bond and Monthly/Quarterly Interest Option shall be inserted) where the interest from the Deemed Date of Allotment till ____ (first interest payment) would be paid to the original investor.

Buyers of the Bonds are advised to send the Bond Certificate(s) to us/ 3i Infotech Limited (formerly known as ICICI Infotech Limited) or to such persons as may be notified by us from time to time, along with a duly executed transfer deed or other suitable instrument of transfer as may be prescribed by us for registration of transfer of the Bond(s). Otherwise interest will be paid to the seller and not to the buyer. In such cases, claims in respect of interest, if any, shall be settled *inter se* amongst the parties and no claim or action shall lie against us or 3i Infotech Limited (formerly known as ICICI Infotech Limited)/ the Registrars.

Investors should note that in case of ____________ (Name of the Bond and Monthly/ Quarterly Interest Option shall be inserted), we would not entertain any request for transfer of unencashed interest warrants in the names of the Buyer. Transferor(s) will NOT be required to surrender the unencashed post-dated interest warrants at the time of sale of Bonds to the transferee(s). Hence, monthly/ quarterly interest would be paid to the seller (transferor) and not to the Buyer (transferee) till the next record date. Claims in respect of interest should be settled inter se amongst the parties and no claim or action shall lie against us or 3i Infotech Limited (formerly known as ICICI Infotech Limited)/ the Registrars.

Interest payment will be made by cheques payable at par at such places as we may deem fit. In case the cheque payable at par facility is not available, we reserve the right to adopt any other suitable mode of payment.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the investors. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate for such banks.

We may offer the facility of ECS, NEFT, RTGS, Direct Credit and any other method permitted by the RBI and SEBI from time to time to help small investors. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. Refer to the para on "Electronic Clearing Facility for Payment of Interest" appearing on page [●].

Payment of Interest subject to Deduction of Tax at Source

The interest paid on application money, interest on refund (in case of delay beyond 30 days from the date of closure of the subscription list) and interest on Bonds will be subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act or any statutory modification or re-enactment thereof. In case of ZCBs, no tax is deductible at source on income paid to resident bondholder in accordance with and subject to the provisions of section 194A(3)(x) of the Income Tax Act.

As per the current provisions of the Income Tax Act, tax will not be deducted at source from interest on application money or refund (in case of all categories of resident Bondholders) and from interest on Bonds (in case of resident individual Bondholders), if such interest does not exceed Rs. 5,000 and Rs. 2,500, respectively in any financial year.

If interest exceeds the prescribed limit of Rs. 5,000 on account of interest on application money or refund in case of all resident Bondholders and Rs. 2,500 on account of interest on Bonds in case of resident individual Bondholders, then to ensure non-deduction or lower deduction of tax at source, as the case may be, the Applicant should furnish either (a) an evidence for total exemption from deduction of tax at source in terms of CBDT circular no. 4/2002 dated July 16, 2002, for example, certified true copy of Recognition Certificate under section 10(25)(ii) of the Income Tax applicable only for recognised employee provident funds, or (b) a declaration (in duplicate) in the prescribed form i.e. Form15G which can be issued by all applicants (other than Companies and Firms) subject to provisions of section 197A of the Income Tax (c) a certificate, from the Assessing Officer of the Applicant, in the prescribed form under section 197 of the Income Tax which can be obtained by all applicants (including Companies and Firms).

Senior citizens, who are 65 or more years of age at any time during the financial year, can submit a self-declaration in the prescribed Form 15H for non deduction of tax at source in accordance with the provisions of section 197A even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum limit i.e. Rs. 1,85,000 for FY 2006-2007

To ensure non-deduction/lower deduction of tax at source from **interest on application money/Bonds**, the resident investor should submit Form 15G / 15H / certificate under section 197 of the Income Tax Act/ other evidence, as may be applicable, with the Application Form, or send to the Registrar along with a copy of the application form on or before the closure of the Issue. Subsequently, Form 15G/ 15H / certificate under section 197 of the Income Tax Act / other evidence, as may be applicable, may be submitted to 3i Infotech Limited (formerly known as ICICI Infotech Limited), Maratha Mandir Annexe, Dr. A.R. Nair Road, Mumbai Central, Mumbai or to such person at such address as may be notified by us from time to time, quoting the name of the sole/first Bondholder, Bondholder number and the distinctive number(s) of the Bond(s) held, at least one month prior to the interest payment date.

The investors need to submit Form 15G/ 15H/ certificate under section 197 of the Income Tax Act/other evidence each financial year to ensure non-deduction or lower deduction of tax at source from interest on Bonds.

If the applicant is eligible to submit Form 15G/15H, then he should tick at the relevant place on the Application Form, so that we may send a blank copy of the form to the applicants. Blank declaration form would be furnished to other investors by us on request made atleast two months prior to the interest payment date. This facility is being provided for the convenience of investors and we would not be liable in any manner, whatsoever, in case the investor does not receive the form.

As per the prevailing tax provisions, Form 15G cannot be submitted if the aggregate of income of the nature referred to in section 197A of the Income Tax Act viz. dividend, interest etc. as prescribed therein, credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to tax. (To illustrate, the maximum amount of income not chargeable to tax in case of individuals and HUFs is Rs. 1,00,000 and for women assesses Rs. 1,35,000 for FY 2006-07.)

In case of non-resident applicants, tax will be deducted at source on interest or capital gains at the rates as per prevailing Income Tax Act, or Double Taxation Avoidance Agreement, whichever is lower, subject to submission of relevant documents and fulfillment of conditions as may be amended from time to time. Alternatively, to ensure non-deduction or lower deduction of tax at source, as the case may be, a certificate, from the Assessing Officer under section 197 or section 195(3) of the Income Tax Act, should be furnished, which can be obtained by all applicants (including Companies and Firms).

Modes of Interest Payment / Refund / Redemption

The payment of interest payment / refund / redemption, shall be undertaken in the following order of preference:

1. NEFT

Payment of interest payment / refund / redemption shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR) , if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.

2. ECS

Payment of interest payment / refund / redemption shall be undertaken through ECS for applicants having an account at any of the following fifteen centers: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. One of the methods for payment of interest payment / refund / redemption is through ECS for applicants having a bank account at any of the abovementioned fifteen centers.

3. Direct Credit

Applicants applying through the web/internet whose service providers opt to have the interest payment / refund / redemption amounts for such applicants being by way of direct disbursement by the service provider through their internal networks, the interest payment / refund / redemption amounts payable to such applicants will be directly handled by the service providers and credited to bank account particulars as registered by the applicant in the demat account being maintained with the service provider. The service provider, based on the information provided by the Registrar, shall carry out the disbursement of the refund amounts to the applicants.

4. RTGS

Applicants having a bank account at any of the abovementioned fifteen centres and whose interest payment / refund / redemption amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive interest payment / refund / redemption through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, interest payment / refund / redemption shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by such applicant opting for RTGS as a mode of interest payment / refund / redemption. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such

refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Application by Debit Card Members

We have made arrangements with ________ ("The Card Issuing Bank") to enable its debit card members to utilise their cards for subscribing to the Issue. Cardholders will receive an Offer Letter and an Acceptance Coupon accompanied by the Application Form and a pre-addressed envelope. Card members must complete the Application Form and Acceptance Coupon and return it to the Card Issuing Bank in the pre-addressed envelope. All card member applications must be deposited on or before closure of the Issue.

The Card issuing bank will subsequently advise card members, through mail, the status of their applications. The Card issuing bank will levy the Card member a service charge up to ____ % on the transaction amount not withstanding allotment/ refund. The maximum limit of application per card will be Rs._____ subject to available credit line and other such authorisation parameters as may be laid down by _______.

(We may offer this facility in a tranche. The above procedure may be modified suitably as per the terms offered by Card issuing bank, who will be a Collection Banker to the Issue)

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. Applications without this detail are liable to be rejected. However, in relation to applications for dematerialsed Bonds, these particulars would be taken directly from the depositories.

Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Status

_______ Bonds would constitute direct, unsecured and unsubordinated obligations of ours and shall rank *pari passu inter se* and (subject to any obligations preferred by mandatory provisions of the law prevailing from time to time) shall also, as regards amount invested and any benefits payable thereon by the us out of our own funds, rank *pari passu* with all our other existing direct, unsecured and unsubordinated borrowings.

____ Bonds would constitute direct, unsecured and subordinated obligations of ours and will be subordinated and postponed to the prior payments of all our obligations, whether for principal, interest, return or otherwise, except that they will rank *pari passu* amongst themselves and with all our other existing and future subordinated obligations.

These Bonds are unsecured which would mean that they are not secured against any of our assets. Our main business is to grant loans to its borrowers, hence we do not have adequate fixed assets to give as security. Further, the RBI vide its guidelines dated June 11, 2004 has permitted Banks to only issue unsecured instruments. Moreover, terms of most overseas and domestic loans and Bonds issued by us stipulate that if we raise any secured loans or issues any secured Bonds, similar security needs to be extended to them also. Hence, all our borrowings, as also this issue of Bonds, are unsecured. However, such terms of overseas and domestic loans and Bonds shall not apply to (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; or (ii) any statutory lien or (iii) any lien arising in the ordinary course of banking transactions or by membership of any clearing system.

We shall appoint Trustees for each tranche of issue of Bonds. The Trustees would protect the interest of the Bondholders and take adequate steps to redress the grievances of the Bondholders. In case of default, the Bondholders can approach the Trustees or Securities & Exchange Board of India, or the Department of Company Affairs.

Loan Against Bonds

The Guidelines do not permit us to grant loans against the security of Tier I Bonds, Upper Tier II Bonds and Lower Tier II Bonds and hence we shall not grant loans in relation to these Bonds.

We may consider granting loans to Bondholders against the security of other Bonds issued by us subject to the applicable laws, rules, regulations and guidelines. The loan shall be subject to the terms and conditions as laid down by us from time to time and be provided at its sole discretion. For further details on this facility, the investors may contact any of our bank branches. The articles of association do not restrict us from granting loans against the Bonds.

Lien

We shall have the right of set-off and lien, irrespective of any other lien or charge, present as well as future on the moneys due and payable to the Bondholder or deposits held in the account of the Bondholder, whether in single name or joint name, to the extent of all outstanding dues, whatsoever.

Lien on Pledge of Bonds

We, at our discretion, may note a lien on pledge of Bonds if such pledge of Bond is accepted by any bank/institution for any loan provided to the Investor against pledge of such Bonds.

Market-making

We may consider making arrangements for market-making of select Bonds in order to provide liquidity to the small investors.

(Detailed terms and conditions are being finalised and will be disclosed in the tranche prospectus before filing the same with ROC.)

Depository Arrangement

We have made depository arrangements with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) for issue and holding of the Bonds in dematerialised form.

As per the provisions of Depositories Act, 1996, the Bonds issued by us can be held in a dematerialised form, i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. In this context:

i. Two tripartite agreements have been signed

   - Tripartite Agreement dated June 23, 1997 between ICICI Bank, ICICI Infotech (now known as 3i Infotech Limited) and NSDL for offering depository option to the investors.
   - Tripartite Agreement dated April 23, 1999 between ICICI Bank, ICICI Infotech (now known as 3i Infotech Limited) and CDSL for offering depository option to the investors.

   We will apply to NSDL and CDSL respectively, for approval to admit these Bonds offered in the 365 days from the date of issuance of the Bonds under the first tranche into their depository system. (Bonds would be offered in demat form in a particular tranche subject to the receipt of approval from NSDL and CDSL).

ii. An applicant has the option to seek allotment of Bonds in electronic or physical mode.

iii. An applicant who wishes to apply for Bonds in the electronic form must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the application.

iv. The applicant seeking allotment of Bonds in the Electronic Form must necessarily fill in the details (including the beneficiary account number and DP's ID) appearing in the Application form under the heading 'Request for Bonds in Electronic Form'.

v. Applicants must indicate in the application form, the number of Bonds they wish to receive in electronic form out of the total number of Bonds applied for. In case of partial allotment, Bonds will first be allotted in electronic form and the balance Bonds, if any, will be allotted in physical form.

v. Bonds allotted to an applicant in the Electronic Account Form will be credited directly to the applicant's respective beneficiary account(s) with the DP.

vi. For subscription in electronic form, names in the application form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository.

vii. Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrars to this Issue.

viii. If incomplete/incorrect details are given under the heading 'Request for Bonds in electronic form' in the application form, it will be deemed to be an application for Bonds in physical form.

ix. In case of allotment of Bonds in electronic form, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the application form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for losses, if any.

x. It may be noted that Bonds in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. All the Stock Exchanges where our Bonds are proposed to be listed have connectivity with NSDL and CDSL.

xi. Separate applications in physical and dematerialised form would be considered as multiple applications and are liable to be rejected at our sole discretion.

xii. Interest or other benefits with respect to the Bonds held in dematerialised form would be paid to those Bondholders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date/Book Closure Date. In case of those Bonds for which the beneficial owner is not identified by the Depository as on the Record Date/Book Closure Date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

The trading of the Bonds shall be in dematerialized form only.

On-line Applications

We may decide to offer online application facility for Bonds, as and when it is permitted by law subject to terms and conditions as it may prescribe.

Form and Denomination

The Bond Certificate(s) will be issued in denominations of One Bond ("Market Lot"). The applicant can also request for issue of single certificate for the aggregate amount ("Consolidated Certificate") for each type of Bond to be allotted to him. In case an applicant does not specify the denomination of the certificates required by him, a Consolidated Certificate will be issued for each type of Bond allotted to him. In respect of Consolidated Certificates, we will, only upon receipt of a request from the Bondholder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of

Bond Certificates in Market Lots, but stamp duty payable, if any, would be borne by the Investor(s). The charge for splitting into lots other than Market Lot, will be borne by the Bondholder subject to the maximum amount agreed upon by us with the Stock Exchanges where the Bonds are proposed to be listed. The request for splitting should be accompanied by the original Bond Certificate which would then be treated as cancelled by us.

We may opt for compulsory trading of the Bonds issued under this prospectus in demat mode. In such an eventuality, a Consolidated Certificate would be issued to the investor irrespective of the option exercised by the investor.

Procedure for Early Redemption by us

In case we decide for Early Redemption of Bond(s) we will announce our intention to do so at least___ months prior to the Early Redemption Date. For mode of announcement see "Notices" on page [●]

(Any/all of the options offered in a tranche may have Early Redemption Option with us. In case such option is not given in a particular tranche, the above para would be deleted or appropriately modified)

Procedure for Redemption by Bondholders

Bonds held in physical form: The Bond Certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the Bond Certificate(s)) to be surrendered for redemption on maturity should be sent by the Bondholder(s) by Registered Post with acknowledgment due or by hand delivery to our office/3i Infotech Limited (formerly known as ICICI Infotech Limited) or to such persons at such addresses as may be notified by us from time to time. Bondholder(s) are requested to surrender the Bond Certificate(s) in the manner as stated above, not more than three months and not less than one month prior to the Redemption Date so as to facilitate timely payment.

We may at our discretion redeem the Bonds without the requirement of surrendering of the Bond Certificates by the Bondholder(s). In case we decide to do so, the Bondholders need not submit the Bond Certificates to us and the redemption proceeds would be paid to those Bondholders whose names stand in the register of Bondholders maintained by us on the Record date fixed for the purpose of Redemption. Also see the para "Payment on Redemption" given below.

Bonds held in electronic form:

Early Redemption: The Bondholder(s), desirous of exercising the facility of early redemption or on exercise of an early redemption option by us, shall give delivery instructions containing ICICI Bank's DP Account (no. _____) to his DP and submit a photocopy of the same to the company along with a request for early redemption of the Bonds, so as to reach us at least one month prior to the Early Redemption Date.

Redemption: No action is required on the part of Bondholder(s) at the time of redemption of Bonds.

(Subject to the Guidelines, some instruments in a tranche may have Early Redemption facility by Company/Investors (Call Option). The above paragraph will be deleted or appropriately modified if such Option is not offered in any tranche.)

Payment on Early Redemption/ Redemption

Bonds held in physical form:

Early Redemption: Despatch in respect of payment on early redemption of the Bonds will be made by way of cheque/pay order/ ECS, etc. on the Early Redemption Date only on the surrender of Bond Certificate(s), duly discharged by the soleholder/all the joint-holders (signed on the reverse of the Bond Certificate(s)) within the prescribed time limit.

Redemption: Despatch in respect of payment on redemption of the Bonds will be made by way of cheque/pay order/ ECS, etc., only on the surrender of Bond Certificate(s), duly discharged by the sole holder / all the joint-holders (signed on the reverse of the Bond Certificate(s)). Despatch of cheques/pay order, etc. in respect of such payment will be made on the Redemption Date or within a period of 30 days from the date of receipt of the duly discharged Bond Certificate, whichever is later.

We may, at our discretion, redeem the Bonds without the requirement of surrendering of the Bond Certificates by the Bondholder(s). In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the Redemption Date to those Bondholders whose names stand in the register of Bondholders maintained by us on the Record date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgement of the transfer documents with us before the Record Date. In case the transfer documents are not lodged with us before the Record Date and we despatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties *inter se* and no claim or action shall lie against us or 3i Infotech Limited (formerly known as ICICI Infotech Limited)/ the Registrars.

Payment on redemption will be made by cheques payable at par at such places as we may deem fit. In case the cheque payable at par facility is not available, we reserve the right to adopt any other suitable mode of payment.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of redemption proceeds to the account of the investors. In such cases, redemption, on the redemption payment date, would be directly credited to the account of those investors who have given their bank mandate for such banks.

Our liability to Bondholder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of early redemption/ redemption in all events and when we despatch the redemption amounts to the Bondholder(s). Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the Bond(s).

Bonds held in electronic form:

Early Redemption: Redemption proceeds would be paid by cheque/pay order/ ECS, etc. on the Early Redemption Date to those Bondholders who have expressed their intention of doing so, either by themselves or on a call option being exercised by us, by transferring the Bonds in favour of the company within the prescribed time limit

Redemption: On the redemption date, redemption proceeds would be paid by cheque/pay order / ECS etc. to those Bondholders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date/Book Closure Date fixed for the purpose of redemption. These Bonds will be simultaneously extinguished through appropriate debit corporate action. It may be noted that in the entire process mentioned above, no action is required on the part of Bondholders.

Payment on redemption will be made by cheques payable at par at such places as we may deem fit. In case the cheque payable at par facility is not available, we reserve the right to adopt any other suitable mode of payment.

Our liability to Bondholder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of early redemption/ redemption in all events and when we despatch the redemption amounts to the Bondholder(s). Further, we will not be liable to pay any interest, income or compensation of any kind from the date of early redemption/ redemption of the Bond(s).

(Some instruments in a tranche may have Early Redemption facility by us/Investors (Put/Call Option). The above paragraph will be deleted or appropriately modified if such Option is not offered in any tranche.)

Purchase

We may, at our discretion, at any time make arrangements for purchase of Bonds at discount, at par or at a premium in the open market or otherwise. Such Bonds may, at our, be redeemed, cancelled, held, reissued or resold at such price and on such terms and conditions as we may deem fit and as permitted by law. Our subsidiaries may also, at their discretion, subscribe to this Issue or at any time purchase Bonds at discount, at par or at premium in the open market or otherwise.

ICICI had, at its discretion, given a buyback option on select Bonds issued in one or more issues. A price, valid for a certain period, had been quoted for buying back the Bonds. The investor, at his discretion, could offer the Bonds for sale to the ICICI during the said period at the price quoted by ICICI. As of date, we, exercising our discretion, continue to provide this facility for select Bonds.

Right to Reissue Bond(s)

Where we have redeemed or repurchased any Bond(s), we shall have and shall be deemed always to have had the right to keep such Bonds alive without extinguishment for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such Bonds either by reselling or reissuing the same Bonds or by issuing other Bonds in their place. This includes the right to reissue original Bonds.

Upon the merger of ICICI with us, we have all the rights and obligations in respect of the Bonds issued by ICICI. In respect of the Bonds issued by ICICI, neither ICICI nor we, after merger, have exercised the powers to reissue redeemed or cancelled Bonds as per section 121 of the Act.

Transfer/Transmission of Bond(s)

The Bonds shall be transferred or transmitted in accordance with the applicable provisions of the Act. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles and the Act shall apply, *mutatis mutandis* (to the extent applicable to Debentures) to the Bond(s) as well. A suitable instrument of transfer as may be prescribed by us may also be used for the same.

Investors should note that in case of ____________(Name of the Bond and Monthly/Quarterly Option shall be inserted), we would not entertain any request for transfer of unencashed interest warrants. Transferor(s) will NOT be required to surrender the unencashed post-dated interest warrants at the time of sale of Bonds to the transferee(s). Hence monthly/quarterly interest would be paid to the seller (transferor) and not to the buyer (transferee) till the next record date.

In case of sale by or to Companies, Bodies Corporate, Societies registered under the applicable laws in India, Trusts, Provident Funds, Superannuation Funds, Gratuity Funds, Scientific and/or Industrial Research Organisations, Commercial Banks, Co-operative Banks, Regional Rural Banks or NRIs, a certified true copy of the Power of Attorney or such other authority as may be acceptable to us, must be lodged separately at our office / 3i Infotech Limited (formerly known as ICICI Infotech Limited) or such other person as may be notified by us for this purpose, at the time of registration of Bonds.

Transfer of Bonds to and from NRIs will be governed by the then prevailing guidelines of RBI.

For Bonds held in electronic form: The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of these Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

In case the transferee does not have a DP account, the seller can re-materialise the Bonds and thereby convert his demat holding into physical holding. Thereafter the Bonds can be transferred in the manner as stated above.

In case the buyer of the Bonds in physical form wants to hold the Bonds in dematerialised form, he can choose to dematerialise the securities through his Depository Participant.

Joint-holders

Where two or more persons are holders of any Bond(s), they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to other provisions contained in the Articles.

Nomination

The sole Bondholder or first Bondholder, along with other joint Bondholders (being individual(s)) may nominate any one person (being individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Bond. A person, being a nominee, becoming entitled to the Bond by reason of the death of the Bondholder(s), shall be entitled to the same rights to which he would be entitled if he were the registered holder of the Bond. Where the nominee is a minor, the Bondholder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Bond(s), in the event of his death, during the minority. A nomination shall stand rescinded upon sale of a Bond by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the Bond is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at our Registered/ Corporate Office /3i Infotech Limited (formerly known as ICICI Infotech Limited) or such other person at such addresses as may be notified by us.

Bondholder(s) are advised to provide the specimen signature of the nominee to us/3i Infotech Limited (formerly known as ICICI Infotech Limited) to expedite the transmission of the Bond(s) to the nominee in the event of demise of the Bondholder(s). The signature can be provided in the application form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

Succession

Where a nomination has not been made or the nominee predeceases the Bondholder(s) the provisions of the following paragraphs will apply:

In the event of the demise of the sole holder of the Bond, or the last survivor in case of joint-holders, we will recognise the executor or administrator of the deceased Bondholder, or the holder of the succession certificate or other legal representative as having title to the Bond(s). We shall not be bound to recognise such executor, administrator or holder of the succession certificate or legal representative unless such executor or administrator or holder of the succession certificate or legal representative obtains Probate or Letter of Administration or is a holder of the Succession Certificate or other legal representation, as the case may be, from an appropriate court in India. We at our absolute discretion, may in any case, dispense with production of Probate or Letter of Administration or Succession Certificate or other legal representation.

Where on the demise of the sole or last of the survivors of the joint-holders, who is a resident, an NRI becomes entitled to the Bond, the following steps will have to be complied with:

(i) Documentary evidence should be submitted to the Legacy Cell of the RBI to the effect that the Bond was acquired by the NRI as part of the legacy left by the deceased holder.
(ii) Proof that the NRI is an Indian national or is of Indian origin. Such holding by the NRI will be on a non-repatriable basis.

Where on the demise of the sole or last of the survivors of the joint-holders, who is a non-resident, another NRI becomes entitled to the Bond, the steps as stated earlier will have to be complied with. The holding of the inheriting NRI would be on the same basis as held by the NRI from whom the Bond(s) are inherited.

Sharing of Information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the Bondholders available with us, our subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the Bondholder(s) required to be given by us or the Trustees shall be published in one English language newspaper having wide circulation and one regional language daily newspaper each in Mumbai, Chennai, Delhi, Kolkata and Vadodara and/or, will be sent by post/ courier to the Registered Holders of the Bond(s) from time to time.

Issue of Duplicate Bond Certificate(s)

If any Bond Certificate(s) is/are mutilated or defaced or the cages for recording transfers of Bonds are fully utilised, the same may be replaced by us against the surrender of such Certificate(s). Provided, where the Bond

Certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any Bond Certificate is destroyed, stolen or lost then upon production of proof thereof to the our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate Bond Certificate(s) shall be issued.

Trustees for the Bondholders

We have appointed ____________________ to act as Trustees for the Bondholders. We and the Trustees will enter into a Trustee Agreement, *inter alia*, specifying the powers, authorities and obligations of the Trustees and us. The Bondholder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Trustees may in their absolute discretion deem necessary or require to be done in the interest of the Bondholder(s). Any payment made by us to the Trustees on behalf of the Bondholder(s) shall discharge us *pro tanto* to the Bondholder(s).

The Trustees will protect the interest of the Bondholders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost. The Trustees may appoint a nominee director on the Board of the Company in consultation with other institutional debenture holders in the event of default. The major events of default which happen and continue without being remedied for a period of 30 days after the dates on which the monies specified in (i) and (ii) below become due and will necessitate repayment before stated maturity are as follows:

(i) Default in payment of monies due in respect of interest owing upon the Bonds;
(ii) Default in payment of any other monies including costs, charges and expenses incurred by the Trustees.

Other events of default are:

i. Default is committed in the performance or observance of any covenant, condition or provision contained in these presents and/or the financial Covenants and Conditions (other than the obligation to pay principal and interest) and, except where the Trustees certify that such default is in their opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 days after written notice has been given thereof by the Trustees to us requiring the same to be remedied.

ii. Any information given by the company in its applications to the Bondholders, in the reports and other information furnished by us and the warranties given/deemed to have been given by it to the Bondholders/trustees is misleading or incorrect in any material respect.

iii. We are unable to or have admitted in writing our inability to pay our debt as they mature.

iv. A Receiver or a Liquidator has been appointed or allowed to be appointed of all or any part of our undertaking and such appointment is not dismissed within 60 days of appointment.

v. We cease to carry on our business.

RIGHTS, POWERS AND DISCRETION OF TRUSTEE

GENERAL RIGHTS, POWERS AND DISCRETIONS

In addition to the other powers conferred on the Trustees and provisions for their protection and not by way of limitation or derogation of anything contained in the Trustee Agreement nor of any statute limiting the liability of the Trustees, IT IS EXPRESSLY DECLARED as follows:

a) The Trustees shall not be bound to give notice to any person of the execution hereof or to see to the performance or observance of any of the obligations hereby imposed on us or in any way to interfere with the conduct of our business unless and until the rights under the Bonds shall have become enforceable and the Trustees shall have determined to enforce the same;

b) Save as herein otherwise expressly provided the Trustees shall, as regards all trusts, powers, authorities and discretions, have absolute and uncontrolled discretion as to the exercise thereof and to the mode and time of exercise thereof and in the absence of fraud shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the exercise or non-exercise thereof and in particular they shall not be bound to act at the request or direction of the Bondholders under any provisions of these presents unless sufficient monies shall have been provided or provision to the satisfaction of the Trustees made for providing the same and the Trustees are indemnified to their satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;

c) With a view to facilitate any dealing under any provision of these presents the Trustees shall have full power to consent (where such consent is required) to a specified transaction or class of transactions conditionally;

d) The Trustees shall not be responsible for the monies paid by applicants for the Bonds;

e) The Trustees shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Bondholders;

f) The Trustees shall have full power to determine all questions and doubts arising in relation to any of the provisions hereof and every such determination bonafide made (whether or not the same shall relate wholly or partially to the acts or proceedings of the Trustees) shall be conclusive and binding upon all persons interested hereunder;

g) The Trustees shall not be liable for anything whatsoever except a breach of trust knowingly and intentionally committed by the Trustees;

h) The Trustees shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts herein expressed or contained or any of them or in enforcing the covenants herein contained or any of them or in giving notice to any person or persons of the execution hereof or in taking any other steps which may be necessary, expedient or desirable for any loss or injury which may be occasioned by reason thereof unless the Trustees shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid by the holders representing not less than three-fourths of the nominal amount of the Bonds for the time being outstanding or by a Special Resolution duly passed at a meeting of the Bondholders and the Trustees shall not be bound to perform, exercise or do any such acts, powers or things or to take any such steps unless and until sufficient monies shall have been provided or provision to the satisfaction of the Trustees made for providing the same by or on behalf of the Bondholders or some of them in order to provide for any costs, charges and expenses which the Trustees may incur or may have to pay in connection with the same and the Trustees are indemnified to their satisfaction against all further costs, charges, expenses and liabilities which may be incurred in complying with such request.

   PROVIDED NEVERTHELESS that nothing contained in this clause shall exempt the Trustees from or indemnify them against any liability for breach of trust nor any liability which by virtue of any rule or law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties hereunder.

Debt Equity Ratio (DER) and Notional Debt Service Coverage Ratio (NDSCR)

We shall not declare dividends in a particular year if we fail to maintain the DER and the NDSCR as may be required by SEBI and/or any regulatory authority, as applicable. No Bondholder shall be entitled to proceed directly against us unless the Trustees, having become so bound to proceed, fail to do so.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also issue Debentures/Bonds/other securities in any manner having such ranking in priority, *pari passu* or otherwise and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, without the consent of, or intimation to, the Bondholders or the Trustees in this connection.

Bondholder not a Shareholder

The Bondholders will not be entitled to any of the rights and privileges available to the Shareholders.

Rights of Bondholders

1. The Bonds shall not, except as provided in the Companies Act, confer upon the holders thereof any rights or privileges available to our members including the right to receive Notices or Annual Reports of, or to attend and/or vote, at our General Meeting. However, if any resolution affecting the rights attached to the Bonds is to be placed before the shareholders, the said resolution will first be placed before the concerned registered Bondholders for their consideration. In terms of Section 219(2) of the Companies Act, holders of Bonds shall be entitled to a copy of the Balance Sheet on a specific request made to us.

2. The rights, privileges and conditions attached to the Bonds may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the Bonds or with the sanction of special resolution passed at a meeting of the concerned Bondholders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the Bonds, if the same are not acceptable to us.

3. The registered Bondholder or in case of joint-holders, the one whose name stands first in the Register of Bondholders shall be entitled to vote in respect of such Bonds, either in person or by proxy, at any meeting of the concerned Bondholders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights shall be in proportion to the outstanding nominal value of Bonds held by him/her on every resolution placed before such meeting of the Bondholders. The quorum for such meetings shall be at least five Bondholders present in person.

4. The Bonds are subject to the provisions of the Companies Act, the Memorandum and Articles, the terms of this Draft Shelf Prospectus and Application Form. Over and above such terms and conditions, the Bonds shall also be subject to other terms and conditions as may be incorporated in the Trustee Agreement/ Letters of Allotment/ Bond Certificates, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Bonds.

5. Save as otherwise provided in this Draft Shelf Prospectus, the provisions contained in Annexure C and/or Annexure D to the Companies (Central Government's) General Rules and Forms, 1956 as prevailing and to the extent applicable, will apply to any meeting of the Bondholders, in relation to matters not otherwise provided for in terms of the Issue of the Bonds.

6. A register of Bondholders will be maintained in accordance with section 152 of the Companies Act and all interest and principal sums becoming due and payable in respect of the Bonds will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of Bondholders.

7. The Bondholders will be entitled to their Bonds free from equities and/or cross claims by us against the original or any intermediate holders thereof.

8. Bonds can be rolled over only with the positive consent of the Bondholders.

PROCEDURE FOR APPLICATION

Availability of Prospectus and Application Forms

Application Forms with copies of the Prospectus may be obtained from our Registered/ Corporate Office and the branches/ Other Offices, from the Lead Managers, Advisor to the Issue, Co-Managers, Marketing Co-ordinator and Bankers to the Issue stated in this Prospectus, as well as from the collection centres listed in the Application Form. We may provide application form for being downloaded at such website as it may deem fit.

WHO CAN APPLY

The following categories of persons are eligible to apply in the Issue:

- *Resident Indian individuals - in their own names or in the names of their minor children as natural/legal guardians in single or joint names (but not exceeding three);*
- *Hindu Undivided Families through the Karta;*
- *Companies, Bodies Corporate and Societies registered under the applicable laws in India and authorised to invest in the Bonds;*
- *Public/Private Charitable/Religious Trusts which are authorised to invest in the Bonds;*
- *Provident Funds, Superannuation Funds and Gratuity Funds;*
- *Scientific and/or Industrial Research Organisations, which are authorised to invest in the Bonds;*
- *Public Financial Institutions, Statutory Corporations, Commercial Banks, Co-operative Banks and Regional Rural Banks;*
- *Mutual Funds;*
- *Partnership firms;*
- *Associations of Persons;*
- *NRIs on both non-repatriable and repatriable basis.*

(The instruments to be offered in each tranche to NRIs would depend upon the terms of the same. Instruments eligible for investment by NRIs would be inserted here).

HOW TO APPLY
General Instructions

1. Applications for the Bonds must be made in the prescribed form as mentioned below:

Resident Indians /NRIs on non-repatriable basis	Printed on ______ background form
NRIs on repatriable basis	Printed on ______ background form

2. The forms should be completed in block letters in English as per the instructions contained herein and in the Application Form and are liable to be rejected if not so completed.

3. Applications should be in single or joint names (not more than three).

4. In case of an HUF applying through its *Karta*, the applicant should specify the name of applicant in the application form as "XYZ Hindu Undivided Family applying through PQR", where PQR is the name of the *Karta.*

5. Applications should be for a minimum of one Bond and in multiples of one Bond thereafter, except in case of ___ Bond(s) where the application should be for a minimum of ____ Bonds and in multiples of one Bond thereafter and ____ where the application should be for a minimum of ___ Bonds and in multiple of __ Bond thereafter.
   (ICICI Bank would finalise the minimum application and maximum application for each tranche).

6. Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any of the other languages specified in the 8th Schedule of the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under his/her official seal

7. **Applicant's Bank Account Details**

The name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/redemption warrants. Applications without these details will be deemed incomplete and are liable to be rejected. However, for those applicants who are subscribing to Bonds in an electronic form, the Registrars to the Issue will obtain the applicant's bank account details from the Depository.

8. **Applications under Power of Attorney**

Unless we specifically agree in writing with or without such terms and conditions we deem fit, in the case of applications made under Power of Attorney or by limited companies, corporate bodies, trusts etc., a certified copy of the Power of Attorney and/or the relevant authority, as the case may be, and a certified copy of Memorandum and Articles of Association and/or bye-laws, where applicable, must be lodged separately, along with a photocopy of the Application Form at the office of the Registrar to the Issue simultaneously with the submission of the Application Form, indicating the name of the applicant along with the address, application number, date of submission of the Application Form, name of the bank and branch where it was deposited, Cheque/Demand Draft Number and the bank and branch on which the Cheque/Demand Draft was drawn.

9. **Permanent Account Number**

Where application(s) is/are for a total value of Rs. 50,000 or more, the applicant or in the case of an application in joint names, each of the applicant, should mention his/her Permanent Account Number (PAN) allotted under the Income Tax Act.. The copy of the PAN card or PAN allotment letter is required to be submitted with the Application Form. Applications without this information and documents will be considered incomplete and are liable to be rejected. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground. In case the Sole/First Applicant and Joint Applicant(s) is/are not required to obtain PAN, each of the Applicant(s) shall mention "Not Applicable" and in the event that the sole Applicant and/or the joint Applicant (s) have applied for PAN which has not yet been allotted each of the Applicant (s) should Mention "Applied for" in the Application Form.

Further, where the Applicant(s) has mentioned "Applied for" or "Not Applicable", the Sole/First Applicant and each of the Joint Applicant(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other valid and acceptable documentary evidence in support of address given in the declaration.

As per the provision of section 139A(5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the TDS certificates. Hence, wherever TDS is applicable, the Bondholder including non-resident Bondholder should mention his PAN in case interest on Bonds receivable by him exceeds Rs. 5000 (in case of all resident Bondholders) and Rs. 2500 (in case of individual resident Bondholders), respectively and the investor does not submit form 15G/ 15H / certificate under section 197 /other valid evidence, acceptable to the bank as the case may be for non-deduction of tax at source. However, non-resident Bondholders cannot furnish Form 15G/15H.

10. **Joint Applications**

Applications may be made in single or joint names (not exceeding three). In the case of joint applications, all payments will be made out in favour of the first applicant. All communications will be addressed to the first named applicant whose name appears in the Application Form at the address mentioned therein.

11. **Multiple Applications**

An applicant should submit only one application (and not more than one) for the total number of Bonds required. Two or more applications in same names will be deemed to be multiple applications if the sole/first applicant is one and the same.

In case of a Mutual Fund, a separate application can be made in respect of each scheme of the mutual fund and such applications will not be treated as multiple applications provided that the applications made clearly indicate the name of each scheme under which the application has been made.

No separate applications for physical and electronic form should be made. If such applications are made, the application for Bonds in physical mode shall be considered as multiple applications.

We reserve the right to accept or reject, in its sole and absolute discretion, all or any multiple applications in any/all categories as described in the para on "Basis of Allotment".

12. Unless we specifically agree in writing with or without such terms or conditions as we may deem, a separate single cheque/draft must accompany each Application Form.

13. Applicants are requested to write their names and application serial number on the reverse of the instruments by which the payments are made.

14. Interest on application money will be paid separately by us wherever applicable. Thus, the same should not be deducted from the application amount.

15. **Tax Deduction at Source**

    Persons (other than companies and firms) applying on repatriation or non-repatriation basis claiming receipt of interest on application money without deduction of tax at source should submit Form 15G / Form 15H at the time of submitting the Application Form, in accordance with and subject to the provisions of the Income Tax Act. Other investors can submit a certificate under section 197 of the Income Tax Act. For availing the exemption from deduction of tax at source from interest on Bonds he should submit Form 15G/15H/ certificate under section 197 of the Income Tax Act/ valid proof of exemption, as the case may be along with the name of the sole/first applicant, Bondholder number and the distinctive numbers of Bonds held to us/3i Infotech Limited (formerly known as ICICI Infotech Limited) on confirmation of allotment. Investors need to submit Form 15G/ 15H/ certificate under section 197 of the Income Tax Act /valid proof of exemption each financial year. However, non-resident Bondholders cannot furnish Form 15G/15H. In case of non-resident applicants, tax will be deducted at source on interest at the rates as per prevailing Income Tax Act, or Double Taxation Avoidance Agreement, whichever is lower, subject to submission of relevant documents and fulfilment of conditions as may be amended from time to time or at nil/lower rate in accordance with a certificate from the Assessing Officer under section 197 or section 195(3) of the Income Tax Act.

    In case of ZCBs, no tax is deductible at source on income paid to resident bondholder in accordance with and subject to the provisions of Section 194A(3)(x) of the Act.
    (Also refer para on "Payment of Interest subject to Deduction of Tax at Source" on page 38)

16. **Category**

    All applicants are requested to tick the relevant column "Category of Investor" in the Application Form. Public/Private Religious/Charitable Trusts, PF and Other Superannuation Trusts and other investors requiring "approved security" status for making investments and individuals should note that in case they do not tick in the relevant place, their application will be considered in the "Other Category" and allotment made accordingly. In all such cases, we will not be held responsible for the allotment, if any.

17. An investor should apply for one or more type of Bonds and/or one or more option of Bonds in a single Application Form only.

18. Investors are advised to exercise due caution in selecting the appropriate option for which they wish to apply.
    For further instructions, please read Application Form carefully.

PAYMENT INSTRUCTIONS FOR APPLICANTS OTHER THAN NRIs

i. Payment may be made by way of cash/cheque/bank draft drawn on any bank, including a co-operative bank which is situated at and is member or sub-member of the Bankers' clearing-house located at the place where the Application Form is submitted, i.e. at designated collection centres.

   Outstation cheques/bank drafts or cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted. Money orders/postal orders will also not be accepted. Payment though stockinvest would also not be allowed as the same has been discontinued by the RBI vide notification No. DBOD.NO.FSC.BC. 42/24.47.001/2003-04 dated November 5, 2003.

ii. All cheques/drafts must be made payable to "ICICI BANK BONDS" and crossed **"A/C PAYEE ONLY".**

iii. Cash up to Rs ______ can be used for making Application in this Issue. If the amount payable on application together with any earlier outstanding loan or deposit placed with us by the applicant, is Rs. 20,000 or more, such payment must be effected only by way of an account payee cheque or bank draft. Otherwise the applications may be rejected and application money refunded without any interest.

   (We may not stipulate any limits on investment in cash by the investors)

FOR APPLICANTS WHO ARE NRIs

1. For Investment on Repatriable Basis or Non-repatriable Basis by NRIs

i. Applications submitted in India should be accompanied by a cheque/bank draft drawn on any bank, including a co-operative bank which is situated at and is a member or sub-member of the Bankers' clearing-house located at the locations where the Application Form is submitted, i.e., at designated collection centres.

ii. Outstation cheques/bank drafts or cheques/bank drafts drawn on a bank not participating in the clearing process will not be accepted.

iii. Applications complete in all respects must be submitted at any of the bank branches designated for collection of such applications mentioned in Application Form.

iv. Cash/money orders/postal orders will not be accepted.

v. All cheques/bank drafts must be crossed "**A/c. Payee Only**" and made payable in favour of "ICICI Bank Bonds - NRIs".

vi. Applicants need not obtain separate approval for subscribing to the Bonds either on repatriation or on non-repatriation basis.

2. For Investments on Repatriable Basis

RBI has granted general permission to Indian companies to issue, by way of public issue of Bonds to NRIs on repatriation basis subject to the following conditions:

i. The amount of subscription should be received by inward remittance from abroad through normal banking channels or by debit to the non-resident's NRE/FCNR account, as the case may be, with an authorised dealer in India. The maximum allotment to NRIs would be restricted to 24% of the total paid up value of each series of the Bond issued (including use of the Over Subscription Option, if any).

ii. The rate of interest on such Non Convertible Debentures ("NCDs") shall not exceed prime lending rate of State Bank of India plus 300 basis points.

iii. The minimum period for redemption of such NCDs should be three years.

Accordingly NRIs would not be eligible to apply for ____ Bond being offered in this Issue. Further allotment to NRIs will be made subject to applicable ceiling for the Issue of Bonds as prescribed by RBI.

(Depending upon the terms of the instruments, Bonds would be offered to NRIs as per RBI guidelines)
Further:

a. The application would have to be accompanied by documentary evidence of the payment being made;
   - out of funds held in NRE/FCNR account; or
   - by rupee drafts purchased out of funds held in NRE/FCNR accounts in India; or
   - by direct remittance from abroad through normal banking channels.

b. Refunds, interest and other distribution, if any, would be made in Indian rupees. Where the applicant provides information on the NRE/FCNR account of the applicant from which the investment is made, payments would be credited directly, to the same NRE/FCNR account. In other cases, the payments would be made by cheques payable at par at such places as we may deem fit. In case the cheque payable at par facility is not available, we reserve the right to adopt any other suitable mode of payment.

c. Cash/money orders/postal orders will not be accepted.

3. **For investments on Non-repatriable Basis**

RBI has granted general permission to Indian companies to issue Bonds to NRIs on non-repatriation basis subject to the following conditions:

- The amount of subscription should be received by inward remittance from abroad through normal banking channels or by debit to the non-resident's NRO/NRE/FCNR account, as the case may be, with an authorised dealer in India. The principal amount representing the investment is not repatriable. The investment, allotment and repatriation shall be subject to the RBI directives and guidelines as may be applicable from time to time.
- The rate of interest on such NCDs shall not exceed prime lending rate of State Bank of India, plus 300 basis points.
- The minimum period for redemption of such NCDs should be three years.

Accordingly NRIs would not be eligible to apply for ____ Bond being offered in this Issue. Further allotment to NRIs will be made subject to applicable ceiling for the Issue of Bonds as prescribed by RBI.

(Depending upon the terms of the instruments, Bonds would be offered to NRIs as per RBI guidelines)

Further:

a. The application would have to be accompanied by documentary evidence of the payment being made out of foreign exchange remitted to India through approved banking channels, or out of funds held in NRO /NRE/FCNR accounts in India.

b. Refunds, interest and other distribution, if any, would be made in Indian rupees. Where the applicant provides information on the NRO account of the applicant from which the investment is made, payments would be credited directly to the same NRO account. In other cases, the payments would be made by cheques payable at par at such places as we may deem fit. In case the cheque payable at par facility is not available, we reserve the right to adopt any other suitable mode of payment.

c. Entire income on non-repatriable investments would be allowed to be remitted abroad if the investment is made through NRO/NRE/FCNR account.

d. Cash/money orders/postal orders will not be accepted.

SUBMISSION OF COMPLETED APPLICATION FORMS

All applications duly completed and accompanied by account payee cheques/ drafts/ cash shall be submitted at the branches of the Bankers to the Issue (listed in the Application Form) or our Collection Centre(s)/ agent(s) __________ as may be specified by us before the closure of the Issue**.** Our collection centre/ agent at _______, however, will not accept payments made in cash. **Applications should NOT be sent to us (other than our Collection Centre(s)/agents)/ Lead Managers/ Co-Managers/ Marketing Co-ordinator/ Advisor.**

Investors residing at those places where there is no collecting Bank or our Collection Centre/ agent may send their Application Form along with bank drafts payable at Mumbai by registered post with acknowledgment due to the office of the Registrar, ________, so that the same are received before the closure of the subscription list.

No separate receipts shall be issued for the application money. However, Bankers to the Issue at their designated branches/our Collection Centre(s)/ agent(s) receiving the duly completed Application Forms will acknowledge the receipt of the applications by stamping and returning the acknowledgment slip to the applicant.

Applications shall be deemed to have been received by us only when submitted to Bankers to the Issue at their designated branches or at our Collection Centre/ agent or on receipt by the Registrar as detailed above and not otherwise.

REJECTION OF APPLICATIONS

The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereof.

Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

Number of Bonds applied for is less than the minimum application; Applications exceeding the maximum application size; Bank account details not given; Application by a minor without a guardian name; PAN/GIR and IT Circle/Ward/District not given for applications of Rs. 50,000 or more; In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. where relevant documents not submitted; Application by Stockinvest; Applications accompanied by cash of Rs. 20,000 or more; Multiple applications (as defined elsewhere).

In the event, if any Bond(s) applied for is/are not allotted in full, the excess application monies of such Bonds will be refunded, as may be permitted under the provisions of the Companies Act.

LETTERS OF ALLOTMENT/BOND CERTIFICATES/REFUND ORDERS

We shall credit the allotted securities to the respective beneficiary account/ despatch the Letter(s) of Allotment or Bond Certificate(s)/Letter(s) of Regret/Refund Orders, as the case may be, by Registered Post/Speed Post at the applicant's sole risk, within 10 weeks from the date of closure of the Issue. However, Refund Orders up to Rs. 1,500/- will be sent under certificate of posting. Further, we agree that:

a) as far as possible, allotment of securities offered to the public shall be made within 30 days of the closure of the Issue;
b) it shall pay interest of 15 per cent per annum if the allotment has not been made and/or the Refund Orders have not been despatched to the investors within 30 days from the date of the closure of the Issue, for the delay beyond 30 days.

ALLOTMENT/REFUND

The Board of Directors/Committee of Directors of the Company reserve, in their absolute and unqualified discretion and without assigning any reason thereof, the right to reject any application in whole or in part. The unutilised portion of the application money will be refunded to the applicant by an A/c Payee cheque/demand draft. In case the cheque payable at par facility is not available, ICICI Bank reserves the right to adopt any other suitable mode of payment.

The Company shall credit the allotted securities to the respective beneficiary accounts/despatch the Letter(s) of Allotment or Bond Certificate(s)/Letter(s) of Regret/Refund Orders in excess of Rs.1,500/-, as the case may be, by Registered Post/Speed Post at the applicant's sole risk, within 10 weeks from the date of closure of the Issue. Refund Orders up to Rs. 1,500/- will be sent under certificate of posting. Further,

c) as far as possible, allotment of securities offered to the public shall be made within 30 days of the closure of the Issue;

d) it shall pay interest @15 per cent per annum if the allotment has not been made and/or the Refund Orders have not been despatched to the investors within 30 days from the date of the closure of the Issue, for the delay beyond 30 days.

The Company will provide adequate funds to the Registrars to the Issue, for this purpose.

RETENTION OF OVERSUBSCRIPTION

The Company is making a Public Issue of Unsecured Bonds in the nature of Debentures aggregating Rs. 6000 crore to be raised in one or more tranches. We have applied to SEBI to extend our status as a Designated Financial Institution (as defined under Clause 1.2.1(x) of the SEBI (Disclosure and Investor Protection) Guidelines, 2000) and permit us to have an Over Subscription Option, as per SEBI Guidelines.

BASIS OF ALLOTMENT

A. *In the event of SEBI permitting us to retain over subscription and / or we receive permission from CBDT for issue of Bonds under Section 80C of Income Tax Act, 1961 and if the Issue is oversubscribed, the Issuer, Lead Manager and the Registrar to the Issue, in consultation with The Stock Exchange, Mumbai will do the allotments in the following manner:*

1. Full and firm allotment to all the valid applicants under the Tax Saving Bond. The balance amount after this firm allotment ('net offer') would be made available for allotment to investors who have applied for the other categories of Bonds, i.e. Rate-Choice Bonds, Bonds-Forever Bonds, Pension Bonds, Deep Discount Bonds or any other type of Bonds.

2. (a) A minimum of 70 per cent of the net offer of Bonds shall initially be made available for allotment to valid individual applicants (for basis of allotment, "Individual applicants" would include Individual, Karta of Hindu Undivided Family, Minor and NRIs) who have applied for allotment of 50 or less than 50 Bonds (not including Tax Saving Bond).

   In case of undersubscription in category 2(a), the unsubscribed portion will be added to category 2(b).

   In case of oversubscription in category 2(a), allotment shall be on a proportionate basis and the balance will be considered for retention under the Over Subscription option as hereafter referred.

   (b) The balance 30 per cent of the net offer of Bonds shall be made available for allotment to individuals applying for more than 50 Bonds (not including Tax Saving) and, to all other categories of investors as follows:

   (i) 67 per cent of the balance 30 per cent as mentioned above, shall initially be made available for allotment to private/public religious/charitable trusts and to any other investor requiring approved security status for making investments.

   In case of undersubscription in category 2(b)(i), the unsubscribed portion will be added to category 2(b)(ii).

   In case of oversubscription in category 2(b)(i), after adjusting for undersubscription in 2(b)(ii), if any, allotment will be in ascending order of application amount (i.e., smallest application allotted first) and the balance will be considered for retention under the Over Subscription option as hereafter referred.

   (ii) The balance shall be made available for allotment to all other investors.

The unsubscribed portion in 2(b)(ii) if any, will be added to 2(b)(i). In case of oversubscription in category 2(b)(ii) after adding for undersubscription in 2(b)(i) allotment will be on proportionate basis.

(c) The unsubscribed portion of the offer in either 2(a) or 2(b) may be made available for allotment to applicants in the other category, if so required.

Notes

1. The Over Subscription Option would be exercised to the extent of oversubscription in category 2(a) and 2(b)(i) as detailed above. However, in case subscription for the Tax Saving Bond equals to or exceeds the Issue Size, the Over Subscription option would be exercised to the extent of oversubscription in category firstly for (1) and thereafter if available for 2(a) and 2(b)(i) above.
2. After allotment to Tax Saving Bonds, if oversubscription in category 2(a) and 2(b)(i), together exceed the balance amount permitted to be retained as per DFI guidelines, allotment for category 2(a) and 2(b)(i) will be done on a proportionate basis.
3. The exercise of the Oversubscription option in 2(b)(ii) would be at the discretion of ICICI Bank.
4. Allotment to NRIs will be made subject to the applicable ceiling as prescribed by RBI Guidelines notwithstanding anything stated elsewhere in the prospectus.

Method of Proportionate Allotment

Allotment will be made on a proportionate basis in lots of one Bond as given below:

(a) The total amount to be allotted under each category as a whole shall be arrived at based on the method explained above.

(b) The total amount to be allotted to the successful allottees will be arrived at on a proportionate basis (i.e., total amount applied for multiplied by the inverse of the oversubscription ratio for that category).

(c) The Bonds of each type to be allotted to successful allottees will be arrived at on a proportionate basis [i.e. total amount to be allotted multiplied by (amount invested per type of Bond/total application amount)] rounded off to the nearest multiple of one Bond. Balance amount, if any, would be refunded.

(d) For applications where the proportionate allotment works out to less than one Bond the allotment will be made as follows:

(i) each successful applicant shall be allotted one Bond; and

(ii)the successful applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total amount allotted in that category to all successful applicants is equal to the total amount to be allotted under that category.

(e) If the proportionate allotment to an applicant works out to a number that is not a multiple of Bonds, the applicant would be allotted Bonds by rounding off to the nearest multiple of one.

In the event that we do not receive permission from CBDT for issue of Bonds under Section 80C of Income Tax Act, 1961, the Basis of Allotment procedure would be as per clause 2 above.

ISSUE OF CERTIFICATES

Bond Certificate(s) or in case the Company issues Letter(s) of Allotment, the Bond Certificate(s) relating thereto will be despatched at the risk of the applicant, through Registered Post/Speed Post, within three months from the closure of the Issue, or such extended time as may be permitted by the Company Law Board as per the provisions of the Act, in exchange for Letter(s) of Allotment issued, if any.

INTEREST ON DELAYED REFUND

Payment of interest @ 15 percent p.a. on the excess application money will be made to the applicant for the delayed period in refund, if any, beyond 10 weeks from the date of the closure of the Issue, as per the guidelines issued by the Government of India, Ministry of Finance vide letter No.F/8/6/SE/79 dated July 21, 1983 and as amended vide letter No.F/14/2/SE/85 dated September 27, 1985.

UNDERTAKING BY THE ISSUER

We undertake that:

a) the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;

b) we shall take necessary steps for the purpose of getting the securities listed in the concerned stock exchange(s) within the specified time;

c) the funds required for despatch of refund orders/allotment letters/certificates by registered post shall be made available to the Registrar to the Issue by us;

d) the certificates of the securities/refund orders to the non-resident Indians shall be despatched within specified time;

e) necessary co-operation to the credit rating agency(ies) shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding;

f) we shall forward the details of utilisation of the funds raised through the Bonds duly certified by our statutory auditors, to the Debenture Trustee at the end of each half year;

g) we shall disclose the complete name and address of the Debenture Trustee in our annual report;

h) we shall provide a compliance certificate to the debenture holders (on yearly basis) in respect of compliance of with the terms and conditions of issue of Bonds as contained in the Prospectus, duly certified by the Debenture Trustee.

UTILISATION OF APPLICATION MONEY

The sum received in respect of the Issue will be kept in separate bank account(s) and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

DECLARATION AS A PUBLIC SECURITY/APPROVED SECURITY

Applications may be made for declaration of these Bonds as Public Securities as follows :

- Application may be made to the Government of India under section 20(f) of the Indian Trusts Act, 1882 for declaring the Bonds as "Approved/Public Securities".
- Applications may be made to the Government of Gujarat and the Government of Maharashtra under Section 2(12)(d) of the Bombay Public Trusts Act, 1950 and section 2(12)(d) of the Bombay Public Trusts Act, 1950 respectively.
- Application may be made to the Government of Rajasthan under section 2(10)(c) of the Rajasthan Public Trusts Act, 1959.
- Application may be made to the Government of Madhya Pradesh under section 13 of M.P. Public Trusts Act, 1951.
- Application may be made to the Government of Andhra Pradesh under the Andhra Pradesh Endowment Trust Act.

(We may make such application to other State Governments also for investment by a class of investors).

Subject to declaration by the Central/State Governments as above, Public/Private Trusts in the above states will be eligible to invest in these Bonds. In other states, Public/Private Trusts may invest in these Bonds subject to the relevant provisions of the respective trust deeds and applicable statutory provisions, if any, governing their investments.

Investment in the Bonds by religious/charitable trusts will qualify as eligible investments under section 11(5) of the Income Tax Act in accordance with and subject to the provisions contained therein.

APPLICATIONS BY PROVIDENT FUNDS, SUPERANNUATION FUNDS AND GRATUITY FUNDS

The Government of India has, *vide* its notification dated March 31, 1999, permitted Provident, Superannuation and Gratuity Funds, subject to their assessment of the risk-return prospects, to invest up to 10 per cent in the Bonds and securities issued by private sector organisation including banks provided that the Bonds or securities have an investment grade rating from atleast two credit rating agencies. Accordingly, provident, superannuation and gratuity funds can invest up to 10 per cent of their corpus in these Bonds.

UTILISATION OF PROCEEDS

Statement by the Board of Directors:

(i) All monies received out of Issue of Bonds to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act;

(ii) Details of all monies utilised out of Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and

(iii) Details of all unutilised monies out of issue of Bonds, if any, referred to in sub-item (i) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

The fund raised from previous Bond issues made by ICICI have been utilised for the business of ICICI as stated in the respective Prospectuses.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of ICICI Bank.

The regulations contained in Table 'A' of Schedule I to the Companies Act (Act I of 1956) shall apply only in so far as the same are not provided for or are not inconsistent with these Articles and the regulations for the management of ICICI Bank and for observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of ICICI Bank with reference to repeal or alteration of or addition to, its regulations by Special Resolution, as prescribed by the Companies Act, be such as are contained in these Articles.

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association of ICICI Bank are detailed below:

Rights of Members

As to Capital

Article 73 provides that

The Company may from time to time increase its share capital by issuing new shares, subject to the provisions of the Banking Regulation Act.

Article 76 provides that

In addition to and without derogating from the powers for the purpose conferred on the Directors under Article 15 of the Company in General Meeting may, in accordance with the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or holders of debentures of the Company or not) in such proportion and on such terms and conditions and either at a premium or at par, or at a discount, subject to compliance with the provisions of Section 79 of the Act), as such General Meeting shall determine.

Article 211 provides that

If the Company shall be wound up and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the shares held by them, respectively. And, if in a winding up, the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them, respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

As to Dividend

Article 35 provides that

No Member shall be entitled to receive any dividend or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him whether alone or jointly with any person, together with interest and expenses, if any.

Article 173 provides that

The profits of the Company, subject to the provisions of the Act, the Memorandum and these presents, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them, respectively.

Article 181 provides that

Subject to the provisions of the said Acts, no Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever either alone or jointly with any other person or persons and the Directors may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.

Voting Rights

Article 113 provides that

(a) On a show of hands, every Member present in person shall have one vote ; and

(b) On a poll, the voting rights of Members shall be as provided in Section 87 of the Act, but will be subject to the ceiling of ten per cent of the total voting rights or such other percentage as may be stipulated by Section 12(2) of the Banking Regulation Act.

Article 115 provides that

A Body Corporate (whether a company within the meaning of the Act or not) may, if it is a Member, by a resolution of its Board of Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company, in accordance with the provisions of Section 187 of the Act. The production at the meeting of a copy of such resolution duly signed by one Director of such Body Corporate or by a Member of its governing body and certified by him as being a true copy of the resolution shall, on production at the meeting, be accepted by the Company as sufficient evidence of the validity of his appointment.

Article 116 provides that

Any person entitled under the Transmission Clause to transfer any shares may vote at General Meetings in respect thereof as if he was the registered holder of such shares provided that at least 48 hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Article 117 provides that

(a) Any Member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting;

(b) In every notice calling a meeting of the Company, there shall appear, with reasonable prominence, a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a Member.

Article 118 provides that

Votes may be given either personally or by attorney or by proxy or in the case of a Body Corporate, by a representative duly authorised as aforesaid.

Buy Back of shares

Article 80A provides that

The Company may purchase its own shares in the manner provided for in Section 77A of the Act.

Modification of Class Rights

Article 81 provides that

(a) If at any time, the share capital of the Company is divided into different classes of shares, the rights and privileges attached to the shares of any class may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied modified, commuted, affected or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class.

(b) This Article is not to derogate from any power the Company would have had if this Article were omitted and the right of the dissentient shareholders being holders of not less in the aggregate than 10 per cent of the issued shares of that class being persons who did not consent to or vote in favour of the Resolution for the variation, to apply to the Court to have the variations or modifications cancelled as provided in Section 107 of the Act.

Forfeiture and Lien

Article 33 provides that

Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any money shall preclude the forfeiture of such shares as herein provided.

Article 37 provides that

If any Member fails to pay the whole or any part of any call or installment or any money due in respect of any share(s) either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may at any time thereafter during such time as the call or installment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part serve a notice on such Member or on the person (if any) entitled to the share(s) by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.

Article 38 provides that

The notice shall name a day not being less than 14 days from the date of the notice and the place or places on and at which such call or instalment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the share(s) in respect of which the call was made or instalment is payable, will be liable to be forfeited.

Article 49 provides that

The Company shall have no lien on its fully paid shares. In the case of partly paid-up shares, the Company shall have a first and paramount lien on every share for all moneys that remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of non-payment of calls. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company’s lien, if any, on such shares.

Restriction on Transfer of Shares

Article 59 (a) provides that

Notwithstanding anything contained in Articles 54, 55 and 56, but subject to the provisions of Section 111 of the Act and subject to the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules and Regulations made thereunder and other applicable laws and the Banking Act, the Directors may, at their absolute and uncontrolled discretion, decline to register or acknowledge any transfer of shares and by giving reasons for such refusal and in particular may so decline in respect of the shares upon which the Company has a lien or whilst any moneys in respect of the shares desired to be transferred or any of them remain unpaid and such refusal shall not be affected by the fact that the proposed transferee is already a Member. Provided that registration of any transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

Article 59 (b) provides that

Without prejudice to the foregoing provisions and without limiting in any manner the generality of the above provisions, the Directors of the Company may, at their absolute and uncontrolled discretion, refuse to register the transfer of any shares or other securities of the Company, being shares or securities issued by the Company, in favour of any transferee whether individual, firm, group, constituent of a group, Body Corporate or Bodies Corporate under the same management or otherwise and whether in his or its own name or in the name of any other person if the total nominal value of the shares or other securities intended to be so transferred, exceeds, or together with the total nominal value of any shares or other securities already held in the Company by such individual, firm, group, constituent of a group, Body Corporate or Bodies Corporate under the same management or otherwise will exceed one per cent of the paid-up equity share capital of the Company or if the Directors are satisfied that as a result of the proposed transfer of any shares or securities or block of shares or securities of the Company, a change in the composition of the Board of Directors or change in the controlling interest of the Company is likely to take place and that such change would be prejudicial to the interest of the Company or to the public interest. For the purpose of this Article, the Directors of the Company shall be entitled, *inter alia*, to rely upon this Article to form its own opinion as to whether such registration of transfer of any of its shares or other securities exceeding one per cent of the paid-up equity share capital of the Company should be refused or not.

Article 59 (c) provides that

Notwithstanding anything to the contrary, the restrictive provisions contained in the preceding sub-article (b) shall not apply to the transfer of any shares or other securities made to and representing the own investment of any of the following:

i. Public Financial Institutions within the meaning of Section 4A of the Act;

ii. Public Sector Banks;

iii. Multilateral Agencies, Foreign Banks and Institutions; and

iv. Public Sector Mutual Funds being Mutual Funds sponsored, promoted or managed by a Public Financial Institution or a Public Sector Bank.

Article 56 (d) provides that

Acquisition of shares by a person/group which would take in the aggregate his/her/its holding to a level of 5 per cent or more of the total issued capital of the Bank (or such other percentage as may be prescribed by the RBI from time to time) should be effected by such buyer(s) after obtaining prior approval of the RBI. The term 'group' will have the same meaning as contained in Section 2(e) of the Monopolies and Restrictive Trade Practices Act, 1969.

Article 60 provides that

If the Company refuses to register the transfer of any shares it shall within two months from the date on which the instrument of transfer is delivered to the Company , send to the transferee and the transferor notice of the refusal.

Article 61 provides that

Subject to the provisions of the Act, no transfer shall be made to a person who is of unsound mind. The Directors may, at their absolute discretion, approve a minor becoming a Member of the Company on such terms as the Directors may stipulate.

Article 68 provides that

The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by the apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

Indemnity and Responsibility

Article 215 provides that

(a) Subject to the provisions of Section 201 of the Act, every Director of the Company or Officer (whether Managing Director, Manager, Secretary or other Officer) or employee or any person employed by the Company as Auditor shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including travelling expenses) which any such Director, Officer, other employee or Auditor may incur or become liable to by reason of any contract entered into or act or deed done by him as such Director, Officer, other employee or Auditor or in any way in the discharge of his duties.

(b) Subject as aforesaid, every Director, Officer, other employee or Auditor of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or discharged in connection with any application under Section 633 of the Act in which relief is given to him by court.

Chairman

Article 159 (a) provides that

All meetings of the Directors shall be presided over by the Chairman, if present, but if at any meeting of Directors, the Chairman be not present, at the time appointed for holding the same, then and in that case the Managing Director shall be entitled to be the Chairman of such meeting, failing which the Board shall choose one of the Non-Rotational Directors then present to preside at the meeting.

Directors' Remuneration and Powers

Article 132 provides that

The fees payable to a Director for attending a meeting of the Board or Committee thereof shall be decided by the Board of Directors, from time to time, within the limits as may be prescribed by the Act or the Central Government. No Director who is a Government servant shall be entitled to receive any remuneration under this Article or other provisions of these presents except as authorised by the Government.

Article 132A provides that

Subject to the provisions of Article 132, in the case of a Government servant, the Directors may allow and pay to any Director who is not a bonafide resident of the place where a meeting is held and who shall come to such place for the purpose of attending a meeting, such sum as the Directors may consider fair compensation for travelling, hotel and other expenses in addition to his remuneration as above specified and the Directors may, from time to time, fix the remuneration to be paid to any Member or Members of their body constituting a committee appointed by the Directors in terms of these presents and may pay the same.

Article 132B provides that

Subject to the provisions of Article 132, in the case of a Government servant if any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going out or residing at a particular place or otherwise for any of the purposes of the Company , the Company may remunerate such Director either by a fixed sum or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his remuneration above provided.

Article 134 provides that

Subject to the provision of the said Acts, if any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going out or residing at a particular place or otherwise for any of the purposes of the Company , the Company may remunerate such Directors either by a fixed sum or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his remuneration above provided.

Remuneration

The Articles provide that each Director, except a Director who is a Government servant in which case the Central Government needs to authorize the payment of remuneration under the Company's Articles, is entitled to receive out of the funds of ICICI Bank by way of remuneration for attending each meeting of the Board or Committee thereof such fees as may be decided by the Board from time to time, within maximum limit of such fees that may be prescribed by the Act or Central Government.

Perquisites

Perquisites (evaluated as per Income-Tax Rules, wherever applicable, and at actual cost to ICICI Bank in other cases) like the benefit of ICICI Bank's furnished accommodation, gas, electricity, water and furnishings, club fees, personal insurance, use of car and telephone at residence or reimbursement of expenses in lieu thereof, payment of income-tax on perquisites by ICICI Bank to the extent permissible under the Income-tax Act, 1961 and Rules framed thereunder; medical reimbursement, leave and leave travel concession, education benefits, provident fund, superannuation fund, gratuity and other retirement benefits, in accordance with the scheme(s) and rule(s) applicable to the members of the staff from time to time, for the aforesaid benefits.

In case bank-owned accommodation is not provided, each of the wholetime Directors shall be eligible for house rent allowance of Rs.50,000/- per month and maintenance of accommodation including furniture, fixtures and furnishings, as may be provided by ICICI Bank.

Bonus

An amount up to the average percentage of performance bonus paid to the employees, as may be determined by the Board or any Committee thereof, based on achievement of such performance parameters as may be laid down by the Board or any Committee thereof, subject to other approvals as may be necessary.

The remuneration is within the limits prescribed by the applicable provisions of the Companies Act, 1956.

Powers of the Directors

Article 166(a) provides that

Subject to the provisions of the said Acts, the Board of Directors shall be entitled to exercise all such powers and to do all such acts and things, as the Company is authorised to exercise and do.

Provided that the Board shall not exercise any power to do any act or thing which is directed or required, by any act or by the Memorandum or Articles of the Company or otherwise, to be exercised or done by the Company in General Meeting.

Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in any Act or in the Memorandum or Articles of the Company or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in General Meeting.

No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Borrowing Powers

Article 83 provides that

Subject to the relevant provisions of the Act, the Board of Directors may from time to time, by a resolution passed at a meeting of the Board, borrow moneys and may generally raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures or debenture stock or any mortgage or charge or other security on the undertaking or the whole or any part of the property of the Company both present and future) including its uncalled capital for the time being.

Provided that the Directors shall not borrow moneys, where moneys to be borrowed together with the moneys borrowed by the Company , apart from temporary loans obtained in its ordinary course of business and except as otherwise provided hereafter, shall exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

Provided, however, that:

(a) nothing contained hereinabove shall apply to any sums of moneys borrowed by the Company from any other banking companies or from the RBI, State Bank of India or any other bank established by or under any law for the time being in force;

(b) acceptance by the Company in the ordinary course of business of deposits of moneys shall not be deemed to be borrowing of moneys by the Company for the purpose aforesaid.

Provided, further, that ICICI Bank shall not create:

(a) charge upon any unpaid capital of the company; and

(b) a floating charge on the undertaking or any property of the Company or any part thereof unless the creation of such floating charge is certified in writing by the RBI as provided in the Banking Act.

Pursuant to Section 293(1)(d) and other applicable provisions of the Act, the Members of ICICI Bank passed a resolution at their Annual General Meeting held on June 15, 1998, giving their consent to the borrowing by the Directors of ICICI Bank from time to time subject to any restrictions imposed by the terms of Agreements as may have been entered into or may be entered into from time to time for grant of assistance to ICICI Bank, of all deemed by them to be requisite or proper for the purpose of carrying on the business of ICICI Bank, however that the total amount of such borrowing outstanding at any time shall not exceed Rs. 30.00 billion, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by ICICI Bank(apart from temporary loans, if any, obtained from ICICI Bank's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of ICICI Bank and its free reserves that is to say, reserves that are not set apart for any specific purpose.

Pursuant to the Scheme of Amalgamation of ICICI, ICICI Capital Services Limited and ICICI Personal Financial Services Limited (Transferor companies) with us, our borrowing powers in terms of Section 293(1)(d) of the said Act, shall without further act, instrument or deed stand enhanced by an amount aggregating to Rs. 1,005.50 billion being the aggregate borrowing limits of the Transferor companies, such limits being incremental to the pre-merger existing limit of Rs. 30.00 billion of ICICI Bank.

With the addition of Rs. 1,005.50 billion to the existing limit of Rs. 30.00 billion, the post merger borrowing powers of the Board of Directors of the Bank stand at Rs. 1,035.50 billion.

Article 84 provides that

Any bonds, debentures, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Article 85 provides that

Debentures, debenture stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Article 86 provides that

Subject to the provision of the said Acts, any bonds, debentures, debenture stock or other securities may be issued at a discount, premium or at par and with any special privileges as to redemption, surrender, drawing, allotment of shares, appointment of Directors or otherwise.

Delegation of Powers

Article 157 provides that

The Directors may subject to the provisions of the Act delegate any of their powers to Committees consisting of Directors and/or such other person or persons as they think fit, and they may from time to time revoke and substitute such delegation. Any Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such Committee in conformity with such regulations and in fulfilment of the purposes of its appointment but not otherwise, shall have the force and the effect as if done by the Board."

Interest of Directors and Promoters

Article 139 provides that

(a) Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into, by or on behalf of the Company , shall disclose the nature of his concern or interest at a Meeting of the Board of Directors.

(b) (i) In the case of a proposed contract or arrangement, the disclosure required to be made by a Director under sub-article (a) above shall be made at the meeting of the Board at which the question of entering into contract or arrangement is first taken into consideration or if the Director was not, at the date of that meeting, concerned or interested in the proposed contract or arrangement at the first meeting of the Board held after he becomes so concerned or interested;

(ii) in the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

(c) (i) For the purpose of sub-articles (a) and (b) above, a general notice given to the Board by a Director, to the effect that he is a Director or a Member of a specified Body Corporate or is a partner of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that Body Corporate or firm shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made;

(ii) any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further periods of one financial year at a time, by a fresh notice given in the last month of the financial year in which it would otherwise expire;

(iii) no such general notice and no renewal thereof shall be of effect unless it is either given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(d) Nothing in this Article shall be taken to prejudice the operation of any rule of law restricting a Director of the Company from having any concern or interest in any contracts or arrangements with the Company.

(e) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any of the Directors of the Company or two or more of them together holds or hold not more than two per cent of the paid-up share capital in the other company.

Article 140 provides that

(a) No Director of the Company shall, as a Director, take part in the discussion of, or vote on, any contract or arrangement entered into or to be entered into, by Board's proceedings or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void.

(b) Sub-article (a) above shall not apply to:

    (i) any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company;

    (ii) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company, in which the interest of the Director aforesaid consists solely :

        (1) in his being a Director of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company, or

        (2) in his being a member holding not more than two per cent of the paid-up share capital of such other company.

None of the Directors of the Company are interested in any property acquired by the Company. No Director is interested or concerned in the Issue except so far as he or she may be issued Equity Shares out of the Issue in case he or she decides to subscribe thereto or except in case of issue of Equity Shares to a company/body corporate/firm/concern/bank in which the Director is concerned or his or her relative might be directly or indirectly interested to hold any office of profit or receive any commission/brokerage or remuneration.

The Directors of the Company are deemed to be interested only directly or indirectly, to the extent to which they are Directors in (a) bodies corporate which have obtained financial assistance from the Company in the normal course of business, (b) banks which are Bankers to the Issue or (c) any other contract or arrangement with the Company in the ordinary course of business or in connection with the Issue.

All Directors of the Company are or may be deemed to be interested to the extent of remuneration, sitting fees for attending meetings of the Board and reimbursement of expenses, if any, payable to them by the Company. Directors of the Company are or may be deemed to be interested to the extent of remuneration, sitting fees for attending meetings of the Board, commission and reimbursement of expenses, if any, payable to them by the subsidiaries/associate companies of the Company Subject to the above, no Director is interested in the promotion of ICICI Bank, or in any property acquired by the Company within two years of the date of the Prospectus or proposed to be acquired by it.

Managing Director

Article 151(a) provides that

Subject to the provisions of the said Acts and these presents, the Board of Directors of the Company shall be entitled to appoint from time to time, one or more of the Non-Rotational Directors to act as the Whole-time or Executive Chairman and Managing Director or Part-time Chairman or Whole-time Chairman (hereinafter referred to as the "Executive Chairman") or a Managing Director or Managing Director(s) and/or Whole-time Director or Whole-time Director(s) of the Company (hereinafter referred to as the "Managing Director") for such term not exceeding five years at a time as the Board of Directors may think fit to manage the affairs and business of the Company and may from time to time (subject to provisions of any contract between him and ICICI Bank) may remove or dismiss him or them from office and appoint another in his place.

Retirement of Directors

Article 142 provides that

At every Annual General Meeting of the Company, one third of such Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one third, shall retire from office. The Debenture Directors, the Government Directors and the Non Rotational Directors, subject to Article 151, shall not be subject to retirement under this Article.

Number of Directors

Article 126 provides that

Until otherwise determined by a General Meeting, the number of Directors shall not be less than three or more than twenty one excluding the Government Director (referred to in Article 128A) and the Debenture Director (referred to in Article 129), (if any).

Alternate Director

Article 130 provides that

(a) The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter in this Article called "the Original Director") at his suggestion or otherwise, during his absence for a period of not less than three months from the state in which meetings of the Board are ordinarily held;

(b) An Alternate Director appointed under sub-article (a) above shall not hold office as such for a period longer than permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to the state in which meetings of the Board are ordinarily held;

(c) If the term of office of the Original Director is determined before he so returns to the state aforesaid any provision for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original, and not to the Alternate Director.

Non Rotational Directors

Article 128 provides that

Not more than one third of the total number of Directors shall be non-rotational Directors and, except for the Debenture Director and the Government Director, such non-rotational Directors (hereinafter referred to as the 'Non-Rotational Directors') shall be appointed by the Board of Directors of ICICI Bank. The remaining Directors shall be persons whose period of office is liable to determination by rotation and subject to the provisions of the Act shall be appointed by the Company in General Meeting.

Government Director

Article 128 A (a) provides that

During such time as the Guarantee Agreement dated March 14, 1955 or the Guarantee Agreement dated July 15, 1959 or the Guarantee Agreement dated October 28, 1960 or the Guarantee Agreement dated February 28, 1962, between the President of India and the International Bank for Reconstruction and Development shall remain in force, the President of India shall have the right from time to time, to appoint one person as a Director of the Company and to remove such person from office and on a vacancy being caused in such office from any cause whether by resignation, death, removal or otherwise to appoint a Director in the vacant place. The Company shall be entitled to agree with the President of India for the appointment of a Director of the Company by the President of India as contemplated by this Article in respect of any future advance or advances by the Government of India or in respect of any guarantee or guarantees that may be given by the Government of India in connection with the Company's future borrowings from The International Bank for Reconstruction and Development or any other financial institution. The Director appointed under this Article is herein referred to as "the Government Director" and the term "Government Director" means the Director for the time being in office under this Article. The Government Director shall not be liable to retire by rotation or be removed from office except by the President of India as aforesaid. Subject as aforesaid, the Government Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

Debenture Director

Article 129 provides that

Any trust documents covering the issue of debentures or bonds of the Company may provide for the appointment of a Director (in these presents referred to as the "Debenture Director") for and on behalf of the holders of debentures or bonds for such period as is therein provided not exceeding the period for which the debentures/bonds or any of them shall remain outstanding and for the removal from office of such Debenture Director and on a vacancy being caused whether by resignation, death, removal or otherwise for appointment of a Debenture Director in the vacant place. The Debenture Director shall not be liable to retire by rotation or be removed from office except as provided as aforesaid.

Additional Directors And Casual Vacancy

Articles 135 and 136 provide that

The Directors shall have the power at any time and from time to time to appoint, subject to the provisions of these presents, any person as an Additional Director to the Board either to fill a casual vacancy or as an addition to the Board but so that the total number shall not, at any time, exceed the maximum number fixed for the Board, but any Director so appointed shall hold office only up to the date of the next Annual General Meeting of ICICI Bank and shall then be entitled for re-election.

If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.

Article 137 provides that

Subject to the provisions of the Act, the continuing Directors may act notwithstanding any vacancy in their body; but so that if the number falls below the minimum number fixed, the Directors shall not except in emergencies or for the purpose of filling up vacancies or for summoning a General Meeting of the Company act so long as the number is below the minimum and they may so act notwithstanding the absence of a necessary quorum.

Reconstitution of the Board

Article 165 provides that

a) If the requirements as to the constitution of the Board as laid down in any of the Companies Act, 1956 and the Banking Regulation Act are not fulfilled at any time, the Board shall reconstitute such Board so as to ensure that such requirements are fulfilled.

b) If, for the purpose of reconstituting the Board under sub-article (a) above, it is necessary to retire any Director or Directors, the Board shall, by lots drawn at a Board Meeting, decide which Director or Directors shall cease to hold office and such decision shall be binding on every Director.

c) Every Director, if he is appointed under any casual or other vacancy, shall hold office until the date up to which his predecessor would have held office, if the election had not been held or, as the case may be, the appointment had not been made.

d) No act or proceeding of the Board of Directors of the Company shall be invalid by reason only of any defect in the composition thereof or on the ground that it is subsequently discovered that any of its Members did not fulfil the requirements of this Article.

Share Qualification of Directors

The Directors of the Company are not required to hold any qualification shares.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Bank or entered into more than two years before the date of this Draft Shelf Prospectus) which are or may be deemed material have been entered or to be entered into by the Bank. These contracts, copies of which have been attached to the copy of this Draft Shelf Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Bank between 10.00 am to 4.00 pm on working days from the date of this Draft Shelf Prospectus until the Issue Closing Date.

Material Contracts

1) Memorandum of Understanding amongst our Bank and the Lead Manager dated July 19, 2006.

2) Memorandum of Understanding executed by our Bank and the Registrar to the Issue dated [●].

Material Documents

1) Certified true copies of the Memorandum and Articles of Association of the Bank, as amended from time to time.

2) Copy of the Certificate of Incorporation of the Bank dated January 5, 1994.

3) Copy of Certificate of Commencement of Business dated February 24, 1994.

4) Copy of Fresh Certificate of Incorporation consequent to the change of name dated September 10, 1999.

5) Scheme of amalgamation of ICICI Limited, ICICI Capital Services Limited and ICICI Personal Financial Services Limited with ICICI Bank.

6) Modification of the authorized share capital of ICICI Bank as per the Scheme of Amalgamation.

7) Resolution of the Board of Directors dated July 6, 2006 in relation to this Issue and other related matters.

8) Reports of the Auditors dated June 29, 2006 prepared as per Indian GAAP and disclosed elsewhere in this Draft Shelf Prospectus.

9) Copies of annual reports of our Bank for the last five financial years.

10) A copy of the tax benefit report dated July 18, 2006.

11) Consents of the Auditors for inclusion of their report on accounts in the form and context in which they appear in this Draft Shelf Prospectus.

12) General Power of Attorney executed by the Directors of our Bank in favour of Person(s) for signing and making necessary changes to this Draft Shelf Prospectus and other related documents.

13) Consents of Lead Manager, Registrar to the Issue, Banker to the Issue, Legal Advisor to the Issue, Directors, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

14) Certified true copy of the Resolution(s) of the Members of ICICI Bank passed at the Annual General Meeting(s) held on September 16, 2002, September 20, 2004 and August 20, 2005 approving the appointment/re-appointment of Mr. K. V. Kamath, Managing Director & CEO and payment of remuneration to him/revision in his remuneration.

15) Certified true copy of the Resolution(s) of the Members of ICICI Bank passed at the Annual General Meeting(s) held on September 16, 2002, August 25, 2003 and September 20, 2004 and the Extra Ordinary General Meeting held on March 12, 2004 approving the appointment/re-appointment of Ms. Lalita Dileep

16) Gupte, Joint Managing Director and payment of remuneration to her/revision in her remuneration.

17) Certified true copy of the Resolution(s) of the Members of ICICI Bank passed at the Annual General Meeting(s) held on September 16, 2002, September 20, 2004 and August 20, 2005 approving the appointment/re-appointment of Ms. Kalpana Morparia, Deputy Managing Director and payment of remuneration to her/revision in her remuneration.

18) Certified true copy of the Resolution of the Board of ICICI Bank passed at the Meeting held on January 29, 2004 regarding elevation of Ms. Kalpana Morparia as the Deputy Managing Director of the Bank.

19) Certified true copy of the Resolution(s) of the Members of ICICI Bank passed at the Annual General Meeting(s) held on June 11, 2001, September 16, 2002, September 20, 2004 and August 20, 2005 approving the appointment/re-appointment of Ms. Chanda Kochhar, Executive Director and payment of remuneration to her/revision in her remuneration.

20) Certified true copy of the Resolution(s) of the Members of ICICI Bank passed at the Annual General Meeting(s) held on June 11, 2001, September 16, 2002, September 20, 2004 and August 20, 2005 approving the appointment/re-appointment of Dr. Nachiket Mor, Executive Director and payment of remuneration to him/revision in his remuneration.

21) Certified true copy of the Resolutions of the Board of ICICI Bank passed at the Meeting held on April 29, 2006 regarding elevation of Ms. Kalpana Morparia as the Joint Managing Director of the Bank and Ms. Chanda Kochhar and Dr. Nachiket Mor as Deputy Managing Directors.

22) In-principle listing approvals dated [●] from NSE and BSE respectively.

23) Copy of tripartite agreement dated June 23, 1997 between ICICI Bank, ICICI Infotech (now known as 3i Infotech Limited) (previously known as ICICI Investors Services Ltd) and National Securities Depository Limited.

24) Copy of tripartite agreement dated April 23, 1999 between ICICI Bank, ICICI Infotech (now known as 3i Infotech Limited) (previously known as ICICI Infotech Services Ltd) and Central Depository Services (India) Limited

25) Due diligence certificate dated July 24, 2006 to SEBI from the Lead Manager.

Any of the contracts or documents mentioned in this Draft Shelf Prospectus may be amended or modified at any time if so required in the interest of the Bank or if required by the other parties, without reference to the shareholders subject to compliance of the applicable laws.

DECLARATION

We, the Directors of the Bank, hereby declare that all relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government or the guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the provisions of the Companies Act, 1956 or the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Draft Shelf Prospectus are true and correct.

SIGNED BY ALL DIRECTORS *

Mr. Narayanan Vaghul *(Chairman)*
Mr. Sridar Iyengar
Mr. Ram Kishore Joshi
Mr. Lakshmi Niwas Mittal
Mr. Narendra Murkumbi
Mr. Anupam Pradip Puri
Mr. Vinod Rai
Mr. Mahendra Kumar Sharma
Mr. Priya Mohan Sinha
Prof. Marti Gurunath Subrahmanyam
Mr. T. S. Vijayan
Mr. V. Prem Watsa
Mr. Kundapur Vaman Kamath *(Managing Director & Chief Executive Officer)*
Ms. Lalita Dileep Gupte *(Joint Managing Director)*
Ms. Kalpana Morparia *(Joint Managing Director)*
Ms. Chanda D. Kochhar *(Deputy Managing Director)*
Dr. Nachiket Mor *(Deputy ManagingDirector)*

* Through their Constituted Power of Attorney Mr Jyotin Mehta.

Ms. Vishakha Mulye (Chief Financial Officer & Treasurer)

Date: 26 July, 2006
Place: Mumbai