B. FINANCIAL INFORMATION

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 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, 2004 and for the quarter ended June 30, 2004, which have been audited and reported upon by us, vide our report dated April 30, 2004 and July 23, 2004 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 each of the three 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 the below mentioned subsidiaries of ICICI Bank which have been audited and reported upon by their auditors, the names of which and the period of their audit are mentioned thereagainst.

Name of the Subsidiary	**Name of Auditors**
1. ICICI Securities Limited (formerly ICICI Securities & Finance Company Limited)	M/s. N. M. Raiji & Co., for each of the five financial years ended March 31, 2004.
2. ICICI Brokerage Services Limited	M/s. N. M. Raiji & Co., for each of the five financial years ended March 31, 2004.
3. ICICI Home Finance Limited	M/s. S. B. Billimoria & Co. and M/s. N. M. Raiji & Co., for each of the two financial years ended March 31, 2001 and M/s. N. M. Raiji & Co., for each of the three financial years ended March 31, 2004 .
4. ICICI Securities Holdings Inc.	M/s. Grant Thronton LLP, for the financial year ended March 31, 2001 and M/s. N.M. Raiji & Co., for each of the three financial years ended March 31, 2004.

5. ICICI Securities Inc.	M/s. Grant Thronton LLP, for the financial year ended March 31, 2001 and 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, 2004.
7. ICICI Trusteeship Services Limited	M/s. C. C. Chokshi & Co., for each of the four financial years ended March 31, 2004.
8. ICICI Investment Management Company Limited	M/s. V. P. Thakkar & Co. for the financial year ended March 31, 2001 and M/s. S. B. Billimoria & Co., for each of the three financial years ended March 31, 2004.
9. ICICI Prudential Life Insurance Company Limited	M/s. Bharat S. Raut & Co. for each of the two financial years ended March 31, 2002 and M/s. Bharat S. Raut & Co. and M/s. S. R. Batliboi & Co., for each of the two financial year ended March 31, 2004.
10. ICICI Lombard General Insurance Company Limited	M/s. Bharat S. Raut & Co., for each of the three financial years ended March 31, 2004 and M/s. Bharat S. Raut & Co. and M/s. Lodha & Co., for the financial year ended March 31, 2004.
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, 2004.
12. ICICI Bank UK Limited	M/s. K.P.M.G. from the period February 11, 2003 to March 31, 2004.
13. ICICI Distribution Finance Private Limited	M/s. S.R.Batliboi & Associates for the financial year ended March 31, 2004.

v) The unaudited financial statements of ICICI Bank Canada for the period ended March 31, 2004. As informed to us by the management, considering no operation of the company, the accounts for the period ended March 31, 2004 are not audited.

vi) The unaudited financial statements of below mentioned subsidiaries of ICICI Bank for the quarter ended June 30, 2004. As informed to us by the management, considering the current materiality of operation of such companies in connection to the consolidated financial statements, the accounts for the quarter ended June 30, 2004 are not audited.

1. ICICI Securities Limited
2. ICICI Brokerage Services Limited
3. ICICI Home Finance Limited
4. ICICI Securities Holdings Inc.
5. ICICI Securities Inc.
6. ICICI Trusteeship Services Limited
7. ICICI International Limited, Mauritius
8. ICICI Investment Management Company Limited
9. ICICI Prudential Life Insurance Company Limited
10. ICICI Lombard General Insurance Company Limited
11. ICICI Venture Funds Management Company Limited
12. ICICI Bank UK Limited
13. ICICI Bank Canada
14. ICICI Distribution Finance Private Limited

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) and A(iv) (9) of this report comprises 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 period or entities referred to in paragraph A (iii), A (iv), A (v) and A (vi) 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 profits of ICICI Bank for each of the five financial years ended March 31, 2004 and for the quarter ended June 30, 2004 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 three 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 Loss 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) M/s. N. M. Raiji & Co., Chartered Accountants, jointly with us, have confirmed, vide our report dated July 24, 2003, attached herewith, that the 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 profits read together with the notes appearing under the Statement of Profits and Loss 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.

(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, we confirm that the profits for the year ended March 31, 2004 and for the quarter ended June 30, 2004 and the assets and liabilities as at June 30, 2004 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.

(vi) The dividends (subject to deduction of tax at source where applicable) declared by ICICI Bank for the five financial years ended March 31, 2004 and the quarter ended June 30, 2004 are as set out in Part III of Annexure A enclosed.

b. (i) The profits/losses of the subsidiaries of ICICI Bank for each of the periods/years ended March 31, 2004 and for the quarter ended June 30, 2004 and the assets and liabilities of each subsidiary company of ICICI Bank as at June 30, 2004 are set out in Part I and Part II, respectively, of Annexures B to O, 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 periods/year for which the financial statements till March 31, 2002 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 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 our 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 Accounting Policies followed and 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.

(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. ICICI Infotech Limited.

(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 (b) (vi) above,* we report that the profits of the following subsidiary companies for the year ended March 31, 2004 and the assets and liabilities as at March 31, 2004 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 Distribution Finance Private Limited (Annexure N)
13. ICICI Investment Management Company Limited (Annexure O)

(vii) The financial statements of the ICICI Bank Canada (Annexure I) have not been audited for the period ended March 31, 2004 by their auditors. We report that the unaudited profits for the period ended March 31, 2004 and the unaudited assets and liabilities as at March 31, 2004 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 such adjustments, as deemed appropriate by the management of the company:

(v) *Subject to our comment in paragraph C (b) (vi) above,* we report that the profits of the following subsidiary companies for the quarter ended June 30, 2004 and the assets and liabilities as at June 30, 2004 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 making such adjustments, as deemed appropriate by the management of respective companies:

1. ICICI Securities Limited (Annexure A)
2. ICICI Brokerage Services Limited (Annexure B)
3. ICICI Home Finance Limited (Annexure C)
4. ICICI Securities Holdings Inc. (Annexure D)
5. ICICI Securities Inc. (Annexure E)
6. ICICI International Limited, Mauritius (Annexure F)
7. ICICI Trusteeship Services Limited (Annexure G)
8. ICICI Prudential Life Insurance Company Limited (Annexure H)
9. ICICI Bank Canda (Annexure I)
10. ICICI Lombard General Insurance Company Limited (Annexure J)
11. ICICI Venture Funds Management Company Limited (Annexure K)
12. ICICI Bank UK Limited (Annexure L)
13. ICICI Distribution Finance Private Limited (Annexure M)
14. ICICI Investment Management Company Limited (Annexure N)

c. 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. ICICI Infotech Limited.

d. 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.

e. This report has been issued solely in connection with the proposed offering of the "Unsecured Redeemable Bonds in the nature of Debentures" covered by the Offering Circular, 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, October 14, 2004

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. ended	M/s. Grant Thronton upto the financial year March 31, 2001 and M/s. N.M. Raiji & Co. for subsequent years.

5.	ICICI Securities Inc. ended	M/s. Grant Thronton upto the financial year 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 Limted	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. 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 (formally TDICI Limited)	M/s. S. B. Billimoria & Co.

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 Annexures 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

Jayesh M. Gandhi
Partner
Mumbai, July 24, 2003

For **S. R. Batliboi & Co.**
Chartered Accountants

per Viren H. Mehta
a Partner

Enclosed : Auditor's Report of M/s. S.B. Billimoria & Co., Chartered Accountants, dated August 29, 2002.

ICICI BANK LIMITED

"Part I of Annexure A"

STATEMENT OF PROFITS

Rs. in crore

	For year ended March 31,					
	2000	2001	2002	2003	2004	For the quarter ended June 30, 2004
Interest Earned						
Interest / discount on advances / bills	347.91	570.91	771.67	6,016.24	6,073.85	1,585.79
Income on investments	409.71	555.72	1,233.80	2,910.44	2,431.74	501.63
Interest on balances with Reserve Bank of India and other inter-bank funds	94.61	108.67	122.62	235.57	210.63	68.03
Others	0.64	6.83	23.84	205.81	177.81	40.33
Total (A)	**852.87**	**1,242.13**	**2,151.93**	**9,368.06**	**8,894.04**	**2,195.78**
Other Income						
Commission, exchange and brokerage	67.08	139.53	229.79	791.79	1,071.80	374.36
Profit / (Loss) on sale of investments (net)	101.14	19.21	305.71	492.33	1,224.63	57.25
Profit / (Loss) on revaluation of investments (net)		-	-	-	-	(2.44)
Profit / (Loss) on exchange transactions (net) (including premium amortisation)	22.39	41.61	37.30	10.24	192.63	81.91
Profit on sale of shares of ICICI Bank Limited held by erstwhile ICICI Limited	-	-	-	1,191.05	-	-
Miscellaneous Income	3.44	19.99	1.86	673.41	575.86	146.63
Total (B)	**194.05**	**220.34**	**574.66**	**3,158.82**	**3,064.92**	**657.71**
TOTAL INCOME (C) = (A) + (B)	**1,046.92**	**1,462.47**	**2,726.59**	**12,526.88**	**11,958.96**	**2,853.49**
Interest Expended						
Interest on deposits	580.50	725.44	1,388.92	2,479.71	3,023.02	721.99
Interest on Reserve Bank of India / inter-bank borrowings	23.55	32.05	47.84	183.37	229.37	47.28
Others (including interest on borrowings of erstwhile ICICI Limited)	62.89	80.18	122.16	5,280.92	3,762.86	795.96
Total (D)	**666.94**	**837.67**	**1,558.92**	**7,944.00**	**7,015.25**	**1,565.23**

	For year ended March 31,					
	2000	2001	2002	2003	2004	For the quarter ended June 30, 2004
Operating Expenses						
Employee expenses	36.37	51.71	147.18	403.02	546.06	166.91
Depreciation on fixed assets (incl.Lease Assets)	24.79	36.76	64.09	505.94	539.44	152.78
Establishment and other expenses	92.15	246.16	411.31	1,102.73	1,485.73	412.73
Total (E)	**153.31**	**334.63**	**622.58**	**2,011.69**	**2,571.23**	**732.42**
TOTAL EXPENSES (F) = (D) + (E)	**820.25**	**1,172.30**	**2,181.50**	**9,955.69**	**9,586.48**	**2,297.65**
Net Income before provisions (C) - (F)	**226.67**	**290.17**	**545.09**	**2,571.19**	**2,372.48**	**555.84**
Less :						
Provision for taxes (net of deferred tax)	27.03	65.42	31.50	(425.79)	265.11	79.26
Provision for non-performing assets (net) and prudential provision on standard assets	75.50	63.55	268.29	1,474.98	459.12	65.22
Other provisions [including additional depreciation / (write-back of depreciation) on investments]	18.84	0.10	(13.00)	315.82	11.15	(19.38)
Total Provisions	**121.37**	**129.07**	**286.79**	**1,365.01**	**735.38**	**125.10**
NET PROFIT AFTER TAX	**105.30**	**161.10**	**258.30**	**1,206.18**	**1,637.10**	**430.74**

Adjustments as per SEBI Guidelines	**2000**	**2001**	**2002**	**2003**	**2004**	**For the quarter ended June 30, 2004**
Profit for the period	**105.30**	**161.10**	**258.30**	**1,206.18**	**1,637.10**	**430.74**
Add/(Less) :-						
1) Adjustment for change in accounting policy relating to depreciation on improvements to leased premises [Refer Note (1)]	3.36	-	-	-	-	-
2) Adjustment for change in accounting policy relating to depreciation on premises and other fixed assets [Refer Note (2)]	-	(9.48)	-	-	-	-

	For year ended March 31,					
	2000	2001	2002	2003	2004	For the quarter ended June 30, 2004
3) Adjustment for change in] rates of depreciation on premises and other fixed assets [Refer Note (3)]	-	-	(6.43)	-	-	-
4) Adjustment for change in methodolgy for ascertaining carrying cost of investments, accounting for repurchase transactions and review of useful life of ATMs [Refer Note (4)]	-	-	-	(16.12)	-	-
5) Adjustment for change in accounting policy relating to Unrealised gains on rupee derivatives (net of provisions) [Refer Note (5)]	-	-	-	-	-	(28.99)
6) Adjustment for change in accounting policy relating to commission paid to direct marketing agent of auto loans. [Refer Note (6)]	-	-	-	-	-	-
7) Tax effect for the above adjustments	(1.29)	3.75	2.30	5.92	-	10.61
Adjusted profit after tax	**107.37**	**155.37**	**254.17**	**1,195.98**	**1,637.10**	**412.36**

Notes to 'Adjustments as per SEBI guidelines'

(1) With effect from April 1, 1999, improvements (including fixtures / fittings) to leased premises have been depreciated over the primary lease period instead of at the rates specified in Schedule XIV of the Companies Act, 1956.

(2) With effect from April 1, 2000, premises and other fixed assets have been depreciated over their estimated useful life on a straight line basis instead of on WDV basis.

(3) 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.

(4) 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.

During the year ended March 31,2003, 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 (ATMSs) over its useful life estimated at 6 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 8 years based on an evaluation done by management.

(5) Effective April 01,2004 the bank have accounted for unrealised gains on rupee derivatives (net of provisions) as compared to it earlier policy of ignoring the unrealised gains. As a result profit after tax for the current period is higher by Rs. 28.99 crores.

(6) 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

(7) 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.

(8) 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 . The deferred tax adjustment for March 31, 1999,2000 and 2001 has not been determined and consequently, no adjustmenrts have been carried out in the Statements of Profits shown above.

ICICI BANK LIMITED

"Part II "of "Annexure A

BALANCE SHEET

BALANCE SHEET	Rs. in crore As on June 30, 2004
ASSETS	
Cash in Hand (including foreign currency notes)	462.49
Balance with RBI in current accounts	4,621.63
Balance with Banks and Money at Call and Short Notice	
I. In India	
i) Balances with banks	
a) in Current Accounts	400.54
b) in Other Deposit Accounts	626.08
ii)Money at call & short notice	
a) with banks	75.00
b) with other institutions	-
[Total I]	**1,101.62**
II. Outside India	
i) in Current Accounts	550.83
ii) in Other Deposit Accounts	1,033.32
iii)Money at call & short notice	147.36
[Total II]	**1,731.51**
Total (**I** + **II**)	**2,833.13**
Investments (net of provisions)	
I. Investments in India	
i) Government securities	27,693.59
ii) Other approved securities	30.12
iii)Shares	1,696.96
iv) Debentures and Bonds	4,124.08
v) Subsidiaries and/or joint ventures	1,103.76
vi) Others (CPs, Mutual Fund Units, etc.)	4,856.88
Total	**39,505.39**
II. Investments outside India	**976.88**
Total (**I** + **II**)	**40,482.27**
Advances	
I. In India	63,306.57
II. Outside India	1,959.44
Total (**I** + **II**)	**65,266.01**
Fixed Assets (incl. Lease Assets)	3,968.69
Others Assets	8,503.96
Total Assets	**126,138.18**

Rs. in crore

	LIABILITIES	
	Demand Deposits	
	-From Banks	115.13
	-From Others	6,555.58
	Saving Bank Deposits	8,607.66
	Term Deposits	
	-From Banks	4,057.08
	-From Others	47,444.46
	Borrowings	
	I. In India	
	i) Reserve Bank of India	-
	ii) Other banks	1,048.54
	iii) Other institutions and agencies	
	a) From Government of India	420.59
	b) From Financial Institutions	3,890.16
	(iv) Borrowings in the form of :-	
	a) Deposits taken over from ICICI Limited	309.35
	b) Bonds & Debentures (excluding subordinated debt) :-	
	1) Debentures & Bonds guaranteed by the Government of India	1,481.50
	2) Tax free Bonds	-
	3) Borrowings under private placement of bonds carrying maturity of one to thirty years from the date of placement	4,019.46
	4) Bonds Issued under multiple option/safety bonds series	9,503.20
	Total (I)	**20,672.80**
	II. Outside India	8,420.22
	Total (I + II)	**29,093.02**
	Other Liabilities & Provisions	9,407.48
	Unsecured Redeemable Debenture/Bonds (Subordinated for Tier-II capital)	
	Total Liabilities	**114,209.27**
	Networth	**11,928.91**
(A)	**SHARE CAPITAL :**	
(i)	Issued, Subscribed and Paid up (net of calls unpaid) [Refer note (1) (a) to (1) (f)]	
(ii)	Preference Share Capital [Refer note (2) and (3)] 350 Shares of Rs. 1,00,00,000/- each	350.00
	Total (A)	**1,081.39**
(B)	**RESERVES AND SURPLUS : [Refer note (4)]**	
(i)	Statutory Reserves	960.73
(ii)	Debenture Redemtion Reserve	-
(iii)	Special Reserve	1,169.00
(iv)	Share Premium	3,883.61
(v)	Investment Fluctuation Reserve	730.34
(vi)	Capital Reserves	465.00
(vii)	Revenue & Other Reserves	3,163.67
(vii)	Balance in Profit & Loss Account	475.17
	Total (B)	**10,847.52**
	Total (A) + (B)	**11,928.91**
		-

NOTES :

(1)(a) 3,18,18,180 are underlying equity shares consequent on USD 175 million ADS issue in March 2000.

(b) 2,35,39,800 equity shares are allotted as fully paid towards consideration for amalgamation of erstwhile Bank of Madura Limited with the Bank.

(c) 39,26,72,724 (including 12,82,07,142 underlying equity shares issued to ADS holders of erstwhile ICICI Limited) equity shares allotted as fully paid towards consideration for amalgamation of erstwhile ICICI Limited with the Bank

d) 3,370,604 equity shares have been issued on exercise of employee stock options during year ended March 31, 2004.

e) 1,585,194 equity shares have been issued on exercise of employee stock options during three months ended 30 th June 2004.

f) 108,928,571 equity shares issued consequent to public issue vide prospectus dated April 12, 2004.

g) 6,992,187 equity shares on exercise of the green shoe option.

(2) 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

(3) 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.

(4) Reserves and surplus as on March 31, 2002 include Rs. 4,300.82 crore on amalgamation with ICICI Limited, ICICI Personal Financial Services Limited and ICICI Capital Services Limited.

	Rs. in crore
	As on June 30, 2004
CONTINGENT LIABILITIES	
i) Claim against Bank not acknowledged as debts	2,523.97
ii) Liability for partly paid investments	16.84
iii) Liability on account of outstanding forward exchange contracts	56,803.09
iv) Guarantees given on behalf of constituents in India	12,606.79
v) Acceptances, endorsements & other obligations	8,076.39
vi) Currency Swaps	7,024.33
vii) Interest rate Swaps	132,806.53
viii) Other items for which Bank is contingently liable	4,324.56
Total	**224,182.50**
Bills for collection	**2,074.99**

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 with Generally Accepted Accounting Principles ("GAAP") in India, the guidelines issued by the Reserve Bank of India ("RBI") from time to time and practices generally prevailing 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.

These financial statements have been prepared in accordance with Accounting Standard 25 on "Interim Financial Reporting" issued by the Institute of Chartered Accountants of India ("ICAI").

Equity issue

Subsequent to March 31, 2004, the Bank 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 have been charged to the Share Premium Account, in accordance with the objects of the Issue stated in the Prospectus.

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 where it is recognised, upon realisation, as per the prudential norms of RBI. Accrual of income is also suspended considering economic conditions and other risk factors, on certain other loans, including certain projects under implementation, where the implementation has been significantly delayed or in the opinion of the management significant uncertainties exist as to the final financial closure and/or date of completion of the project.

b) Effective April 1, 2004 the 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. For disbursements made till March 31, 2004, the gross commissions paid to direct marketing agents (DMAs) for 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.

c) Income from hire purchase operations is accrued by applying the interest rate implicit 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 effected from April 1, 2001 have been accounted as per Accounting Standard 19 on "Accounting for Leases" issued by ICAI.

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) Fees received as a compensation of future interest sacrifice is amortised over the remaining period of the facility.

h) Arranger's fee is accrued proportionately where more than 75% of the total amount of finance has been arranged.

i) All other fees are recognised upfront on their becoming due.

j) Income arising from sell down/securitisation of loan assets is recognised upfront, net of future servicing cost for assets sold, expected prepayment and projected delinquencies and included in interest income.

k) 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 under:

a) All investments are categorised into 'Held to Maturity', 'Available for Sale' and 'Trading'. 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 '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 "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 '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 in each basket if any, being unrealised, is ignored, while net depreciation is provided for.

d) Costs such as brokerage, commission etc., pertaining to investments, paid at the time of acquisition, are charged to revenue.

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 investment in the 'Held to Maturity' category is credited to the revenue account and is thereafter appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve. Such appropriation is made at the year-end.

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 period end.

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. Further, non-performing assets are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Provisions are made on substandard and doubtful assets at rates equal to or higher than those prescribed by RBI. Loss assets and unsecured portion of sub-standard and doubtful assets are provided/written off as per the extant RBI guidelines. Additional provisions are made against specific non-performing assets over and above what is stated above, if in the opinion of the management, increased provisions are necessary.

In its circular dated DBOD.BP.BC 99/21.04.048/2003-2004 dated June 21, 2004 RBI has introduced graded higher provisioning norms which would require a bank to make 100% provision on the secured portion of the doubtful assets outstanding for more than three years in doubtful category instead of the earlier requirement of 50% provision. However, RBI has allowed banks to make 100% provision on the assets classified as doubtful for over three years at March 31, 2004 in a graded manner over three years (i.e. 60% by March 31, 2005, 75% by March 31, 2006 and 100% by March 31, 2007). Accordingly the Bank has adopted the revised RBI guidelines.

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 other than restructured loan accounts classified as NPAs, 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, asset category is upgraded to standard if the borrower demonstrates, over a minimum period of one year, the ability to repay the loan in accordance with the contractual terms.

d) The Bank has incorporated the assets taken over from erstwhile ICICI Limited ("ICICI") in its books at carrying values as appearing in the books of ICICI with a provision made based on a fair valuation exercise carried out by an independent firm. To the extent provisions are required in respect of the assets taken over from ICICI, the provision created on fair valuation of the assets at the time of the amalgamation is used.

e) 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.

f) In addition to the general provision of 0.25% made on standard assets in accordance with RBI guidelines, the Bank 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.

g) 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. 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 as follows

Asset	Depreciation Rate
Premises owned by the Bank	1.63%

Asset	Depreciation Rate
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%
Furniture and fixtures	15%
Motor vehicles	20%
Computers	33.33%
EDC Terminals	16.67%
Others (including software and system development expenses)	25%

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.

5. Foreign currency transactions

a) Income and expenditure items are translated at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities are translated at closing exchange rates notified by the 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.

b) Outstanding forward exchange contracts are stated at contracted rates and 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.

c) Contingent liabilities on account of guarantees, endorsements and other obligations are stated at the exchange rates notified by FEDAI at the balance sheet date.

6. 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 are 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.

7. 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 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.

8. Staff retirement benefits

For employees covered under group gratuity scheme of Life Insurance Corporation of India ("LIC")/ICICI Prudential Life Insurance Company Limited ("ICICI Prulife"), gratuity charge to profit and loss account is on the basis of premium charged. For employees covered under group superannuation scheme of LIC, the superannuation is charged to profit and loss account is on the basis of premium charged by LIC. Provision for gratuity and pension for other employees and leave encashment liability are determined as per actuarial valuation. Defined contributions for provident fund are charged to the Profit and Loss account based on contributions made in terms of the scheme.

The Bank provides for pension, a deferred retirement plan, covering certain employees. The plan provides for a pension payment on a monthly basis to these employees on their retirement based on the respective employee's salary and years of employment with the Bank. Employees covered by the pension plan are not eligible for benefits under the provident fund plan, a defined contribution plan. The pension plan is funded through periodic contributions to a fund set-up by the Bank and administered by a Board of Trustees. Such contributions are actuarially determined.
Certain expenditure, including retirement benefits, are determined for the whole accounting year and for the interim period accounts, the same are considered on a pro-rata basis

9. Income taxes

Income tax expense is the aggregate amount of current tax and deferred 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 for the future tax consequences of timing differences arising between the carrying values of assets and liabilities and their respective tax basis 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 income statement.

Deferred tax assets are recognised and reassessed at each year-end, based upon management's judgement as to whether realisation is considered reasonably 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.

10. Translation of the financial statements of foreign offices

In accordance with the guidelines issued by RBI, all assets, liabilities, income and expenditure of the foreign representative offices and branches of the Bank have been converted at the closing rate prevailing on the balance sheet date. The resultant gains or losses are recognised in the Profit and Loss account.

B. NOTES FORMING PART OF THE ACCOUNTS

1. Information about business and geographical segments

a) The Bank reports its operations under the following business segments:

- **Consumer and Commercial Banking** comprising the retail and corporate banking operations of the Bank.

- **Investment Banking** comprising the treasury 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 June 30, 2004 and segmental profit & loss account for the period ended June 30, 2004 have been prepared.

Rupees in crore

	Particulars	Consumer and commercial banking		Investment banking		Total	
		For the period ended 30.06.04	For the period ended 30.06.03	For the period ended 30.06.04	For the period ended 30.06.03	For the period ended 30.06.04	For the period ended 30.06.03
1.	Revenue	2,504.21	2,398.19	611.06	820.42	3,115.27	3,218.61
2.	Less :Inter segment revenue	..	..	..	..	(261.78)	(280.06)
3.	Total revenue (1) -(2)	..	..	..	..	2,853.49	2,938.55
4.	Operating profit (i.e. Profit before unallocated expenses, extraordinary profit, and tax)	466.31	319.29	99.13	185.15	565.44	504.44
5.	Unallocated expenses		..		..	9.60	..
6.	Provisions (net)	78.95	123.89	(33.11)	(0.20)	45.84	123.69
7.	***Profit before tax***	**387.36**	**195.40**	**132.24**	**185.35**	**510.00**	**380.75**
8.	Income tax expenses (net) / (net deferred tax credit)	..	..	..	..	79.26	40.55
9.	**Net profit(7)-(8)**					**430.74**	**340.20**
10.	Segment assets	79,427.87	69,853.69	44,075.74	38,117.77	123,503.61	107,971.46
11.	*Unallocated assets*	..	..	..	..	2,634.57	1,869.62
12.	*Total assets (10)+(11)*	79,427.87	69,853.69	44,075.74	38,117.77	126,138.18	109,841.08
13.	*Segment liabilities*	96,608.67	86,001.95	29,529.51	23,839.13	126,138.18	109,841.08
14.	Unallocated liabilities	..	..	..	..	..	..
15.	***Total liabilities (13)+(14)***	**96,608.67**	**86,001.95**	**29,529.51**	**23,839.13**	**126,138.18**	**109,841.08**

Rupees in crore

	Particulars	Consumer and commercial banking	Investment banking	Total
		For the year ended 31.03.04	For the year ended 31.03.04	For the year ended 31.03.04
1.	Revenue	9,581.93	3,590.28	13,172.21
2.	Less: Inter segment revenue	..	..	(1,104.90)
3.	Total revenue (1) -(2)	..	..	12,067.31
4.	Operating profit (i.e. Profit before unallocated expenses, extraordinary profit, and tax)	1,298.42	1,208.01	2,506.43
5.	Unallocated expenses	..	..	25.60
6.	Provisions (net)	554.28	24.34	578.62
7.	***Profit before tax***	**744.14**	**1183.67**	**1,902.21**
8.	Income tax expenses (net) / (net deferred tax credit)	..	..	265.11
9.	**Net profit(7)-(8)**			**1,637.10**

	Particulars	Consumer and commercial banking	Investment banking	Total
		For the year ended 31.03.04	For the year ended 31.03.04	For the year ended 31.03.04
10.	Segment assets	77,172.64	45,452.70	122,625.34
11.	Unallocated assets	..	..	2,603.53
12.	*Total assets (10)+(11)*	..	..	125,228.87
13.	*Segment liabilities*	97,870.64	27,358.23	125,228.87
14.	Unallocated liabilities	..	..	..
15.	***Total liabilities (13)+(14)***	**97,870.64**	**27,358.23**	**125,228.87**

The business operations of the Bank are largely concentrated in India. The assets and income from foreign operations are not significant to the overall operations of the Bank and have accordingly not been disclosed.

2. Preference shares

Certain government securities amounting to Rs. 185.70 crore (March 31, 2004: Rs. 145.51 crore, June 30, 2003: Rs. 150.58 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.

3. Subordinated debt

Subordinated debt includes index bonds amounting to Rs. 11.37 crore (March 31, 2004: Rs. 11.04 crore, June 30, 2003: Rs. 10.14 crore) which carry a detachable warrant entitling bondholders to a right to receive an amount linked to the BSE Sensitive Index ("Sensex") per terms of the issue. The liability of the Bank arising out of changes in the Sensex has been hedged by earmarking its investments of an equivalent amount in the UTI Index Equity Fund whose value is based on the Sensex. The Bank has not issued any subordinated debt during the period.

4. Employee Stock Option Scheme

In terms of the ESOS, 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 subsequent to the amalgamation of ICICI, ICICI Capital Services Limited and ICICI Personal Financial Services Limited with the Bank and the issuance of equity shares by the Bank pursuant to the amalgamation of ICICI, ICICI Capital Services Limited and ICICI Personal Financial Services Limited, with the Bank.

In terms of the Scheme, 21,824,363 options (March 31, 2004: 15,964,982 options, June 30, 2003: 19,938,105 options) granted to eligible employees were outstanding at June 30, 2004.

A summary of the status of the Bank's option plan is given below:

	Period ended June 30, 2004	Year ended March 31, 2004	Period ended June 30, 2003
	Option shares outstanding	Option shares outstanding	Option shares outstanding
Outstanding at the beginning of the period / year	15,964,982	12,610,275	12,610,275
Add: Granted during the period / year	7,539,500	7,491,800	7,338,300
Less : Forfeited/lapsed during the period / year	94,925	766,489	8,900
Exercised during the period / year	1,585,194	3,370,604	1,570
Outstanding at the end of the period/year	21,824,363	15,964,982	19,938,105

5. Early Retirement Option ("ERO")

The Bank has 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.

In accordance with the treatment approved by the RBI, 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 (March 31, 2004: Rs. 191.00 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).

During the period, an amount of Rs. 9.60 crore (March 31, 2004: Rs. 25.60 crore) has been charged to revenue on account of ERO Scheme being the proportionate amount amortised for the three month period ended June 30, 2004.

6. Deferred Tax

On June 30, 2004, the Bank has recorded net deferred tax asset of Rs. 516.24 **crore** (March 31, 2004: Rs. 442.97 crore, June 30, 2003: Rs. 503.02 crore) which has been included in Other Assets.

The analysis of deferred tax assets and liabilities into major items is given below:

Rupees in crore

Particulars	**June 30, 2004**	**March 31, 2004**	**June 30, 2003**
Deferred tax asset			
Amortisation of premium on investments	..	..	52.74
Provision for bad and doubtful debts	1,401.88	1,343.41	1,295.44
Others	22.32	20.24	98.54
	1,424.20	**1,363.65**	**1,446.72**
Less: Deferred tax liability			
Depreciation on fixed assets	883.87	897.06	920.08
Others	24.09	23.62	23.62
	907.96	920.68	943.70
Net Deferred Tax Asset/ (Liability)	**516.24**	**442.97**	**503.02**

7. Related party transactions

The Bank has transactions with its related parties comprising of subsidiaries (including joint ventures), associates (including joint ventures) and key management personnel. The following represent the significant transactions between the Bank and such related parties:

Insurance services

During the period ended June 30, 2004, the Bank paid insurance premium to insurance joint ventures amounting to Rs. 11.61 crore (March 31, 2004: Rs. 15.72 crore, June 30, 2003: Rs. 11.05 crore). During the period ended June 30, 2004 the Bank received payments under claims made from insurance subsidiaries amounting to Rs. 3.85 crore (March 31, 2004: Rs. 8.56 crore, June 30, 2003: Rs. 2.70 crore).

Fees

During the period ended June 30, 2004, the Bank received fees from its insurance joint ventures amounting to Rs. 5.30 crore (March 31, 2004: Rs. 6.53 crore, June 30, 2003: Rs. 0.64 crore).

Lease of premises and facilities

During the period ended June 30, 2004, the Bank charged an aggregate amount of Rs. 7.33 crore (March 31, 2004: Rs. 36.19 crore, June 30, 2003: Rs. 6.70 crore) for lease of premises, facilities and other administrative costs to subsidiaries and joint ventures.

Sale of housing loan portfolio

During the period ended June 30, 2004, the Bank sold housing loan portfolio to its subsidiaries amounting to Rs. Nil (March 31, 2004: Rs. 1,831.72 crore, June 30, 2003: Rs. Nil).

Secondment of employees

During the period ended June 30, 2004, the Bank received Rs. 0.72 crore (March 31, 2004: Rs. 1.42 crore, June 30, 2003: Rs. Nil) from subsidiaries and joint ventures for secondment of employees.

Sale of investments

During the period ended June 30, 2004, the Bank sold certain investments to its associates amounting to Rs. Nil (March 31, 2004: Rs. 323.41 crore, June 30, 2003: Rs. 35.41 crore). On the sales made to the associates, the Bank accounted for a gain of Rs. Nil (March 31, 2004: Rs. 19.92 crore, June 30, 2003: Rs. 19.92 crore).

Reimbursement of expenses

During the period ended June 30, 2004, the Bank reimbursed expenses to its subsidiaries amounting to Rs. 60.45 crore (March 31, 2004: Rs. 207.57 crore, June 30, 2003: Rs. 50.49 crore)

Brokerage paid

During the period ended June 30, 2004, the Bank paid brokerage to its subsidiaries amounting to Rs. 0.15 crore (March 31, 2004: Rs. 0.57 crore, June 30, 2003: Rs. 0.06 crore)

Custodial charges received

During the period ended June 30, 2004, the Bank received custodial charges from its associates amounting to Rs. 0.12 crore (March 31, 2004: Rs. 0.47 crore, June 30, 2003: Rs. 0.20 crore)

Interest paid

During the period ended June 30, 2004, the Bank paid interest to its subsidiaries and joint ventures amounting to Rs. 1.21 crore (March 31, 2004: Rs. 6.79 crore, June 30, 2003: Rs. 2.06 crore) and to its associates amounting to Rs. Nil (March 31, 2004: Rs. 0.95 crore, June 30, 2003: Rs. 0.60 crore).

Interest received

During the period ended June 30, 2004 the Bank received interest from its subsidiaries and joint ventures amounting to Rs. 6.19 crore (March 31, 2004: Rs. 32.72 crore, June 30, 2003: Rs. 8.77

crore) and from its key management personnel@ Rs. 0.01 crore (March 31, 2004: Rs. 0.04 crore, June 30, 2003: Rs. 0.01 crore).

Dividend received

During the period ended June 30, 2004 the Bank received dividend from its subsidiaries and joint ventures amounting to Rs. 3.12 crore (March 31, 2004: Rs. 128.97 crore, June 30, 2003: Rs. 32.77 crore) and from its associates amounting to Rs. 34.30 crore (March 31, 2004: Rs. Nil, June 30, 2003: Rs. Nil).

Remuneration to whole-time directors

Remuneration paid to the whole-time directors of the Bank during the period ended June 30, 2004 was Rs. 2.09 crore (March 31, 2004:Rs. 5.85 crore, June 30, 2003: Rs. 1.25 crore)

Related party balances

The following balances payable to/receivable from subsidiaries/ joint ventures/ associates/ key management personnel are included in the balance sheet as on June 30, 2004:

Rupees in crore

Items	Subsidiaries /Joint ventures	Associates	Key management personnel @	Total
Deposits with ICICI Bank	146.47	0.47	2.45	149.39
Deposits of ICICI Bank	52.54	..	..	52.54
Advances	236.44	..	1.02	237.46
Investments of ICICI Bank	1,430.36	1,578.61	..	3,008.97
Investments of related parties in ICICI Bank	1.63	..	..	1.63
Receivables	12.70	85.24	..	97.94
Payables	124.79	0.05	..	124.84

@ whole-time directors and relatives

The following balances payable to/receivable from subsidiaries/ joint ventures/ associates/ key management personnel are included in the balance sheet as on March 31, 2004:

Rupees in crore

Items	Subsidiaries /Joint ventures	Associates	Key management personnel @	Total
Deposits with ICICI Bank	202.12	3.73	2.31	208.16
Advances	242.60	..	1.02	243.62
Investments of ICICI Bank	1,430.36	1,594.25	..	3,024.61
Receivables	31.51	80.80	..	112.31
Payables	73.94	0.05	..	73.99

@ whole-time directors and relatives

The following balances payable to/receivable from subsidiaries/ joint ventures/ associates/ key management personnel are included in the balance sheet as on June 30, 2003:

Rupees in crore

Items	Subsidiaries /Joint ventures	Associates	Key management personnel @	Total
Deposits with ICICI Bank	8.60	53.33	0.76	62.69
Advances	350.49	..	1.47	351.96
Investments of ICICI Bank	46.71	692.48	..	739.19
Receivables	15.11	0.33	..	15.44
Payables	2.99	0.08	..	3.07

@ whole-time directors and relatives

8. Earnings Per Share ("EPS")

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 period/year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period/year.

The computation of earnings per share is given below:

Rupees in crore except per share data

	June 30, 2004	March 31, 2004	June 30, 2003
Basic (not annualised)			
Weighted average no. of equity shares outstanding	705,077,471	614,157,868	613,034,922
Net profit	430.74	1,637.10	340.20
Basic earnings per share (Rs.)	6.11	26.66	5.55
Diluted (not annualised)			
Weighted average no. of equity shares outstanding	711,758,899	619,201,380	613,850,895
Net profit	430.74	1,637.10	340.20
Diluted earnings per share (Rs.)	6.05	26.44	5.54
Nominal value per share (Rs.)	10.00	10.00	10.00

The dilutive impact is mainly due to options granted to employees by the Bank

9. Assets under lease

9.1 Assets under operating lease

The future lease rentals are given below:

Rupees in crore

Period	June 30, 2004	March 31, 2004	June 30, 2003
Not later than one year	23.00	22.96	11.26
Later than one year and not later than five years	98.01	97.49	54.69
Later than five years	50.70	57.10	43.36
Total	171.71	177.55	109.31

9.2 Assets under finance lease

The future lease rentals are given below:

Rupees in crore

Period	June 30, 2004	March 31, 2004	June 30, 2003
Total of future minimum lease payments	168.14	179.29	217.88
Present value of lease payments	134.06	141.78	166.04
Unmatured finance charges	34.08	37.51	51.84
Maturity profile of total of future minimum lease payments			
- Not later than one year	39.39	39.70	38.69
- Later than one year and not later than five years	118.03	125.56	142.52
- Later than five years	10.72	14.03	36.67
Total	168.14	179.29	217.88

10. Additional disclosures

The following additional disclosures have been made taking into account RBI guidelines in this regard.

10.1 Capital adequacy ratio

The capital to risk weighted assets ratio (CRAR) as assessed by the Bank on the basis of the attached financial statements and guidelines issued by RBI is given in the table below:

Rupees in crore

	June 30, 2004	March 31, 2004	June 30, 2003
Tier I capital*	8,989.57	5,525.09	6,026.86
Tier II capital	5,622.64	3,875.69	3,458.57
Total capital	14,612.21	9,400.78	9,485.43
Total risk weighted assets	96,067.36	90,734.02	85,052.72
Capital ratios (per cent)			
Tier I	9.36%	6.09%	7.09%
Tier II	5.85%	4.27%	4.06%
Total capital	15.21%	10.36%	11.15%

*Tier I capital includes the preference shares, which are due for redemption in 2018, as reduced by the amount of corpus created in accordance with RBI guidelines

10.2 Business/information ratios

The business/information ratios for the period/year ended June 30, 2004, March 31, 2004 and June 30, 2003 are given in the table below:

Rupees in crore

	June 30, 2004	March 31, 2004	*June 30, 2003*
(i) Interest income to working funds (per cent)	7.13%	7.83%	8.32%
(ii) Non-interest income to working funds (per cent)	2.13%	2.70%	2.37%
(iii) Operating profit to working funds (per cent)	1.80%	2.09%	1.72%
(iv) Return on assets (per cent)	1.37%	1.31%	1.24%
(v) Business per employee (average deposits plus average advances) (not annualised for period end)	10.31	10.10	12.02
(vi) Profit per employee	0.12	0.12	0.12
(vii) Net non-performing advances (funded) to net advances (per cent)	2.11%	2.21%	5.21%

For the purpose of computing the above ratios, working funds represent the average of total assets as reported to RBI under section 27 of the Banking Regulation Act, 1949.

10.3 Maturity pattern

a) Rupee denominated assets and liabilities as on June 30, 2004

The maturity pattern of rupee denominated assets and liabilities of the Bank as on June 30, 2004 is given below:

Rupees in crore

Maturity buckets	**Loans & advances**	**Investment securities**	**Deposits**	**Borrowings**
1 to 14 days	1,878.57	4,892.62	4,601.76	1,126.39
15 to 28 days	253.42	2,223.57	2,036.16	557.81
29 days to 3 months	1,602.88	3,117.45	5,653.26	1,267.06
3 to 6 months	2,110.22	2,853.99	7,163.59	1,220.50
6 months to 1 year	6,517.68	3,864.65	10,139.99	2,901.13
1 to 3 years	17,053.51	10,763.56	30,999.28	8,980.57
3 to 5 years	7,437.36	2,474.24	1,836.44	1,609.92
Above 5 years	20,494.61	10,292.19	804.98	2,406.73
Total	**57,348.25**	**40,482.27**	63,235.46	20,070.11

b) Rupee denominated assets and liabilities as on March 31, 2004

The maturity pattern of rupee denominated assets and liabilities of the Bank as on March 31, 2004 is given below:

Rupees in crore

Maturity buckets	Loans & advances	Investment securities	Deposits	Borrowings
1 to 14 days	2,186.31	5,223.57	5,357.22	568.93
15 to 28 days	424.37	2,754.83	1,659.53	626.42
29 days to 3 months	1,190.46	3,278.79	7,253.45	693.59
3 to 6 months	1,873.53	3,262.13	8,583.92	1,909.74
6 months to 1 year	7,424.24	4,153.78	10,758.12	3,295.64
1 to 3 years	16,724.78	11,720.79	29,447.50	10,211.29
3 to 5 years	8,646.74	2,244.77	1,955.69	2,222.45
Above 5 years	17,079.07	10,104.20	789.77	2,474.17
Total	**55,549.50**	**42,742.86**	65,805.20	22,002.23

c) Rupee denominated assets and liabilities as on June 30, 2003

The maturity pattern of rupee denominated assets and liabilities of the Bank as on June 30, 2003 is given below:

Rupees in crore

Maturity buckets	Loans & advances	Investment securities	Deposits	Borrowings
1 to 14 days	2,000.77	5,003.37	4,187.15	766.82
15 to 28 days	393.08	2,516.96	1,247.88	456.82
29 days to 3 months	2,156.07	2,802.78	4,721.91	1,459.58
3 to 6 months	2,002.92	2,328.80	5,954.67	2,150.55
6 months to 1 year	3,996.21	5,493.67	14,393.52	4,926.84
1 to 3 years	15,061.45	10,534.72	21,012.30	10,376.11
3 to 5 years	8,304.44	2,573.23	2,059.33	3,083.24
Above 5 years	14,225.83	5,922.32	..	2,795.35
Total	48,140.77	37,175.85	52,576.76	26,015.31

d) Forex denominated assets and liabilities as on June 30, 2004

The maturity pattern of forex denominated assets and liabilities as on June 30, 2004 is given below:

Rupees in crore

Maturity buckets	Loans & advances	Balances with banks and money at call and short notice	Deposits	Borrowings
1 to 14 days	79.93	882.86	242.79	51.22
15 to 28 days	49.59	78.17	106.46	138.15
29 days to 3 months	206.02	332.22	460.43	1,028.45
3 to 6 months	573.27	174.90	761.47	966.79
6 months to 1 year	1,575.19	125.65	909.15	1,014.16
1 to 3 years	1,955.16	137.71	648.13	1,555.54
3 to 5 years	1,128.48	..	222.98	2,451.64
Above 5 years	2,350.12	..	193.04	1,816.96
Total	7,917.76	1,731.51	3,544.45	9,022.91

e) Forex denominated assets and liabilities as on March 31, 2004

The maturity pattern of forex denominated assets and liabilities as on March 31, 2004 is given below:

Rupees in crore

Maturity buckets	Loans & advances	Balances with banks and money at call and short notice	Deposits	Borrowings
1 to 14 days	19.07	1,158.47	173.20	154.06
15 to 28 days	40.40	186.24	54.37	366.88
29 days to 3 months	209.12	253.56	162.31	666.42
3 to 6 months	181.00	99.34	365.55	800.73
6 months to 1 year	1,296.96	..	513.16	1,151.93
1 to 3 years	1,535.03	..	711.44	1,548.84
3 to 5 years	962.39	..	166.35	2,298.55
Above 5 years	2,302.05	..	157.00	1,750.60
Total	6,546.02	1,697.61	2,303.38	8,738.01

f) Forex denominated assets and liabilities as on June 30, 2003

The maturity pattern of forex denominated assets and liabilities as on June 30, 2003 is given below:

Rupees in crore

Ma4turity buckets	Loans & advances	Balances with banks and money at call and short notice	Deposits	Borrowings
1 to 14 days	46.04	293.22	57.11	304.51
15 to 28 days	85.56	..	30.23	..
29 days to 3 months	146.17	78.56	102.79	605.93
3 to 6 months	590.63	0.40	155.04	265.59
6 months to 1 year	303.01	..	287.51	1,215.10
1 to 3 years	1,661.52	..	643.73	1,170.22
3 to 5 years	912.35	..	..	934.77
Above 5 years	2,493.86	..	..	1,029.63
Total	6,239.141	372.18	1,276.41	5,525.75

Notes

- In compiling the information of maturity pattern (refer 10.3 (a), 10.3 (b), 10.3 (c), 10.3 (d), 10.3(e) and 10.3(f) above), certain estimates and assumptions have been made by the management
- Assets and liabilities in foreign currency exclude off-balance sheet assets and liabilities

10.4 Advances

(i) Lending to sensitive sectors

The Bank has lending to sectors, which are sensitive to asset price fluctuations. Such sectors include capital market, real estate and commodities. The net position of lending to sensitive sectors is given in the table below:

Rupees in crore

	June 30, 2004	March 31, 2004	June 30, 2003
Capital market sector*	635.73	627.69	374.77
Real estate sector	3,031.22	2,517.23	2,123.83
Commodities sector	261.75	103.20	151.29

* represents loans to NBFCs, brokers and individuals against pledge of shares and includes an amount of Rs. 302.65 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

(ii) Movement of gross non-performing advances during the period

Rupees in crore

	April 1, 2004 to June 30, 2004	April 1, 2003 to March 31, 2004	April 1, 2003 to June 30, 2003
Opening balance	3,047.59	5,027.38	5,027.38
Add: Additions during the period	154.84	1,419.43	331.26
	3,202.43	**6,446.81**	**5,358.64**
Less: Reductions during the period	(306.01)	(3,399.22)	94.57
Closing balance *	2,896.42	3,047.59	5,264.07

* includes suspended interest and claims received from ECGC/DICGC of Rs. 38.8.2 crore (March 31, 2004: Rs. 50.18 crore, June 30, 2003: Rs. 45.25 crore) on working capital loans

(iii) Provision for non-performing advances

The movement of provisions during the year is as follows:

Rupees in crore

	April 1, 2004 to June 30, 2004	April 1, 2003 to March 31, 2004	April 1, 2003 to June 30, 2003
Opening balance	1,625.01	2,203.61	2,203.61
Add: Provisions made during the period /year (including utilisation of fair value provisions)	(2.42)	731.81	211.68
	1,622.59	**2,935.42**	**2,415.29**
Less: Write-offs/recovery	(139.82)	(1,310.41)	27.22
Closing balance	1,482.77	1,625.01	2,388.07

(iv) Financial assets transferred during the period/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 period- end valuation of the underlying security receipts issued by ARC, pursuant to the accounting policy vide para 2 (h) of part A, their NAV is taken at acquisition cost since ARC has not intimated the NAV and the transfers have been effected recently. The details of the assets transferred are given in the table below:

Rupees in crore

		April 1, 2004 to June 30, 2004	April 1,2003 to March 31, 2004
A	No. of accounts	51	54
B	Aggregate value (net of provisions) of accounts sold to SC / RC	155.59	1,250.62
C	Aggregate consideration	141.25	1,243.95
d	Additional consideration realised in respect of accounts transferred in earlier years	NIL	NIL
E	Aggregate gain/(loss) over net sale value	(14.34)	(6.67)

(v) Information in respect of restructured assets

The Bank has restructured borrower accounts in standard, sub-standard and doubtful category. The gross amounts (net of write-off) of restructuring during the period/year in respect of these accounts are given below:

Rupees in crore

	April 1, 2004 to June 30, 2004	April 1, 2003 to March 31, 2004	April 1, 2003 to June 30, 2003
Standard assets subjected to restructuring	740.43	4,946.94	1,759.48
Sub-standard assets subjected to restructuring	..	140.90	..
Doubtful assets subjected to restructuring	..	78.34	..
Total amount	740.43	5,166.18	1,759.48

Above details exclude cases that were restructured and disclosed in the earlier years by the Bank and subsequently confirmed / amended on being referred to and admitted under the Corporate Debt Restructuring (CDR) scheme.

Rupees in crore

	April 1, 2004 to June 30, 2004	April 1, 2003 to March 31, 2004	April 1, 2003 to June 30, 2003
Standard assets subjected to CDR	792.61	5,376.19	946.97
Sub-standard assets subjected to CDR	..	82.30	25.61
Doubtful assets subjected to CDR	..	..	..
Total amount	792.61	5,458.49	972.58

10.5 Investments

Rupees in crore

	June 30, 2004		March 31, 2004		June 30, 2003	
	In India	Outside India	In India	Outside India	In India	Outside India
Gross value	40,373.63	977.78	43,305.21	367.41	38,664.75	35.67
Less: Provision for depreciation and fair value provision	868.24	0.90	923.32	6.44	1,497.48	27.10
Net value	39,505.39	976.88	42,381.89	360.97	37,162.77	8.57

Provision for depreciation on investments

Rupees in crore

	April 1, 2004 to June 30, 2004	April 1, 2003 to March 31, 2004	April, 2003 to June 30, 2003
Opening balance	921.57	1,416.15	1,416.15
Add : Provision made during the period/year (including utilisation of fair value provision)	(54.88)	(494.58)	(59.77)
Less : Transfer from investment fluctuation reserve	..	..	..
Write-off during the	..	..	..

	April 1, 2004 to June 30, 2004	April 1, 2003 to March 31, 2004	April, 2003 to June 30, 2003
period/year			
Closing balance	866.69	921.57	1,356.38

10.6 Investments in equity shares and equity like instruments

Rupees in crore

	June 30, 2004	March 31, 2004	*June 30, 2003*
Equity shares*	747.65	738.39	1,122.93
Convertible debentures	49.94	60.44	189.82
Units of equity oriented mutual funds	22.77	20.27	44.33
Investment in venture capital funds	1,107.16	1,160.66	1,096.92
*Others (loans against collateral, advances to brokers)***	635.73	627.70	374.77
Total	2,563.25	2,607.46	2,828.77

* Includes advance application money pending allotment of Rs. 64.99 crore (March 31, 2004:Rs. 56.57 crore).

** Includes unutilised limits sanctioned to brokers of Rs. 104.04 crore (March 31, 2004: Rs. 76.11 crore)

10.7 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 June 30, 2004 is given below:

Rs. in crore

No	Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted' securities
			(a)	(b)	(c)	(d)
1	PSUs	742.52	616.85	..	18.25	311.70
2	FIs	463.21	15.38	..	10.13	10.13
3	Banks	155.73	..	..	..	0.53
4	Private corporates	5,296.63	3,836.44	20.00	3,998.85	4,014.18
5	Subsidiaries/ Joint ventures	1,423.65	72.41	..	72.41	72.41
6	Others	5,544.68	2,014.48	1,392.78	642.43	..
7	Provision held towards depreciation	(867.86)	..	..	..	..
	Total	12,758.56	6,555.56	1,412.78	4,742.07	4,408.95

Amounts reported under columns (a), (b), (c), and (d) above are not mutually exclusive

ii) <u>Non performing non-SLR investments</u>

The non performing non SLR investments of the Bank as on June 30, 2004 is given below:

Rs. in crore

Particulars	Amount

Opening balance	1,213.44
Additions during the period	39.45
Reductions during the above period	107.40
Closing balance	1,145.49
Total provisions held	503.93

10.8 Repurchase transactions

The details of securities sold and purchased under repos and reverse repos during the period June 30, 2004 are given below:

Rupees in crore

	Minimum outstanding balance during the period	Maximum outstanding balance during the period	Daily average outstanding balance during the period	Balance as on June 30, 2004
Securities sold under repurchase transaction	..	1,630.00	529.45	26.40
Securities purchased under reverse repurchase transaction	..	476.00	58.96	..

The details of securities sold and purchased under repos and reverse repos during the year March 31, 2004 are given below:

Rupees in crore

	Minimum outstanding balance during the year	Maximum outstanding balance during the year	Daily average outstanding balance during the year	Balance as on March 31, 2004
Securities sold under repurchase transaction	..	2,551.90	641.63	..
Securities purchased under reverse repurchase transaction	..	585.00	85.88	243.18

The details of securities sold and purchased under repos and reverse repos during the period ended June 30, 2003 are given below:

Rupees in crore

	Minimum outstanding balance during the period	Maximum outstanding balance during the period	Daily average outstanding balance during the period	Balance as on June 30, 2003
Securities sold under repurchase transaction	..	2,480.00	412.68	534.00
Securities purchased	..	585.00	307.83	..

	Minimum outstanding balance during the period	Maximum outstanding balance during the period	Daily average outstanding balance during the period	Balance as on June 30, 2003
under reverse repurchase transaction				

10.9 Credit exposure

The Bank has taken single borrower exposure in excess of 15% with the approval of the Board of Directors in the following cases:

Name of Borrower	% age to Capital Funds
Borrower A	17.0%
Borrower B	16.4%
Borrower C	16.1%

However, the excess have also been approved by Reserve Bank of India. The Bank has not exceeded group borrower exposure limits.

10.10 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. Since the country exposure (net) of the Bank in respect of each country does not exceed 1% of the total funded assets, no provision is required to be maintained on country exposures.

Rupees in crore

Risk category	Exposure (net) as on June 30, 2004	Exposure (net) as on March 31, 2004	Exposure (net) as on June 30, 2003
Insignificant	2,510.16	4,611.41	4,018.93
Low	266.80	64.35	97.14
Moderate	49.01	18.45	111.68
High	..	0.86	1.83
Very High	..	..	11.12
Off-Credit	23.03	..	..
Total	**2,849.00**	**4,695.07**	**4,240.74**

10.11 Interest rate swaps ("IRS")

The notional principal amount of Rupee IRS contracts as at June 30, 2004 is Rs. 3,980.0 crore for hedging contracts (March 31, 2004: Rs. 3,415.0 crore, June 30, 2003: Rs. 2,583.0 crore) and Rs. 1,00,060.0 crore for trading contracts (March 31, 2004 : Rs. 94,783.78 crore, June 30, 2003: Rs. 53,015.22 crore).

The fair value represents the estimated replacement cost of swap contracts as at balance sheet date. At June 30, 2004 the fair value of trading rupee interest rate swap contracts is Rs. 62.53 crore (March 31, 2004 : Rs. 66.92 crore, June 30, 2003: Rs. 99.64 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. As at June 30, 2004, the associated credit risk on trading rupee interest rate swap contracts is Rs. 1,420.46 crore (March 31, 2004: Rs. 895.55 crore, June 30, 2003:Rs. 172.69 crore).

Market risk is monitored as the loss that would be incurred by the Bank for a 100 basis points rise in the interest rates. As at June 30, 2004 the market risk on trading rupee interest rate swap contracts amounts to Rs. 27.99 crore (March 31, 2004 : Rs. 6.32 crore, June 30,2003: Rs. 39.43 crore).

Credit risk concentration is measured as the highest net receivable under swap contracts from a particular counter party. As at June 30, 2004 there is a credit risk concentration of Rs. 34.68 crore (March 31, 2004: Rs. 68.27 crore, June 30,2003: Rs. 62.34 crore) under rupee interest rate swap contracts, with Standard Chartered Bank.

As per the prevailing market practice, the Bank does not insist on collateral from the counter parties of these contracts.

11. Investments in jointly controlled entities

Investments include Rs. 669.01 crore (March 2004: Rs. 669.01 crore, June 30, 2003: Rs. 402.61 crore) representing the Bank's interests in the following jointly controlled entities :

Sr. No.	Name of the company	Country/ residence	*Percentage holding***
1	ICICI Prudential Life Insurance Company Limited	*India*	*74.00%*
2	*ICICI Lombard General Insurance Company Limited*	*India*	*74.00%*
3	Prudential ICICI Asset Management Company Limited	India	44.99%
4	*Prudential ICICI Trust Limited*	India	44.80%

** indicates holding by ICICI Bank Limited along with its subsidiaries.

The aggregate amounts of assets, liabilities, income and expenses as on June 30, 2004 and for the period then ended relating to the Bank's interests in the above entities are given below:

Rupees in crore

Liabilities	**Amount**	**Assets**	**Amount**
Capital and reserves	351.11	Cash and bank balances	36.67
Other liabilities	1,081.43	Investments	903.87
Liabilities on life policies in force	456.71	Fixed assets	52.82
		Other assets	895.89
Total	**1,889.25**	**Total**	**1,889.25**

Rupees in crore

Expenses	**Amount**	**Income**	**Amount**
Interest expenses	0.03	Interest income	12.37
Other expenses		Other income	
- Premium ceded and change in *liability for life policies in force*	151.68	- Insurance premium / commission	399.19
- *Others*	307.45	- Others	42.28
Provisions	6.59		
Total	465.75	Total	453.84

The aggregate amounts of assets, liabilities, income and expenses as on March 31, 2004 and for the year then ended relating to the Bank's interests in the above entities are given below:

Rupees in crore

Liabilities	Amount	Assets	Amount
Capital and reserves	373.95	Cash and bank balances	84.73
Other liabilities	363.36	Investments	1,512.64
Liabilities on life policies in force	1,061.05	Fixed assets	50.24
		Other assets	150.75
Total	1,798.36	**Total**	1,798.36

Rupees in crore

Expenses	Amount	Income	Amount
Interest expenses	0.22	Interest income	40.53
Other expenses		Other income	
- Premium ceded and change in *liability for life policies in force*	488.82	- Insurance premium / commission	1,117.60
- *Others*	866.25	- Others	82.42
Provisions	13.52		
Total	1,368.81	Total	1,240.55

The aggregate amounts of assets, liabilities, income and expenses as on June 30, 2003 and for the period then ended relating to the Bank's interests in the above entities are given below:

Rupees in crore

Liabilities	Amount	Assets	Amount
Capital and reserves	218.29	Cash and bank balances	18.48
Other liabilities	231.35	Investments	724.62
Liabilities on life policies in force	463.20	Fixed assets	39.34
		Other assets	130.40
Total	912.84	**Total**	912.84

Rupees in crore

Expenses	Amount	Income	Amount
Interest expenses	0.20	Interest income	8.94
Other expenses		Other income	
- Premium ceded and change in *liability for life policies in force*	96.05	- Insurance premium / commission	82.92
- *Others*	16.26	- Others	2.36
Provisions	1.03		
Total	113.54	Total	94.22

12. Provision for non-performing assets

In its circular dated DBOD.BP.BC 99/21.04.048/2003-2004 dated June 21, 2004 RBI has introduced graded higher provisioning norms which would require a bank to make 100% provision on the secured portion of the doubtful assets outstanding for more than three years in doubtful category instead of the earlier requirement of 50% provision. However, RBI has allowed banks to make 100% provision on the existing assets which are in doubtful category for more than three years as on March 31, 2004, till March 31, 2007 in a graded manner (i.e. 60% as on March 31, 2005, 75% as on March 31, 2006 and 100% as on March 31, 2007). Accordingly the Bank has adopted the revised RBI guidelines.

The impact of the adoption of the revised guidelines on the profit and loss account is not significant.

13. Rupee derivatives

Effective April 1, 2004, the bank has accounted for the unrealised gain on rupee derivatives (net of provisions) as compared to its earlier policy of ignoring the unrealised gains. As a result the profit after tax for the current period is higher by Rs. 28.99 crore.

14. Subvention income

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.

15. Appropriation of net profit

The Bank intends to make appropriation of net profit at year-end. Accordingly, the financial statements do not include appropriations to Statutory Reserve (Rs. 108.00 crore), Capital Reserve (Rs. 22.10 crore) and Investment Fluctuation Reserve (amount not ascertainable) out of the current period profit.

16. Others

a. Exchange fluctuation

Exchange fluctuation aggregating Rs. 58.64 crore (March 31, 2004: Rs. 57.78 crore, June 30, 2003: Rs. 90.81 crore), which arises on account of rupee-tying agreements with the Government of India, is held in "Exchange Fluctuation Suspense with Government 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. 52.27 crore (debit) (March 31, 2004: Rs. 67.70 crore (debit), June 30, 2003: Rs. 54.53 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.

c. Exchange Risk Administration Scheme

Under the Exchange Risk Administration Scheme (“ERAS”), the Government of India has agreed to extend support to the Exchange Risk Administration Fund (“ERAF”), when it is in deficit and recoup its contribution in the event of surplus. The Bank can claim from the positive balance in the ERAF account maintained by the Industrial Development Bank of India (“IDBI”) to the extent of the deficit in the ERAS Exchange Fluctuation Account. If the balance in the ERAF account with IDBI is insufficient, a claim will be made on the Government of India through IDBI. The Government of India has foreclosed the scheme vide their letter F. No 6 (3)/2002-IF.1 dated January 28, 2003. The total amount payable to the Government of India under the scheme amounting to Rs. 5.00 crore (March 31, 2004: Rs. 5.00 crore, June 30, 2003: Rs. 5.25 crore) has been included in Other Liabilities.

17. Proposed dividend for FY 2003-04

Proposed dividend includes the amount of dividend payable to the shareholders of the equity issue made in April 2004 and the shares allotted to employees under the Employee Stock Option Scheme during the period ended June 30, 2004.

18. Contingent liability

The Income-tax authorities have disallowed deduction in respect of specific provisions for bad debts made by erstwhile ICICI Limited in prior years on account of retrospective amendment to section

36(1)(vii) of the Income Tax Act, 1961 (the "Act"). The total potential tax impact of such disallowances is Rs. 276.59 crore, which is included in the contingent liability and is disputed by the Bank in appeals. Based on a legal opinion, the Bank is of the view that the disputed amount would alternatively be deductible under the provisions of the Act as business loss. Further, as the provision is tax deductible in the year of write off, the Bank is eligible to create a deferred tax asset and accordingly, there is no revenue impact.

19. Comparative figures

Figures of the previous period/year have been regrouped to conform to the current period presentation.

ICICI BANK LIMITED
"Part III of Annexure A"
Dividend data

On Equity Shares	2000	2001	2002	2003	2004	For the quarter ended June 30, 2004
Number of equity shares	196,818,880 (Face value of Rs. 10/- each)	196,818,880 (Face value of Rs. 10/- each)	220,358,680 (Face value of Rs. 10/- each)	613,034,404 (Face value of Rs. 10/- each)	616,391,905 (Face value of Rs. 10/- each)	733,897,857 (Face value of Rs. 10/- each)
Number of equity shares deemed issued on merger of erstwhile Bank of Madura	-	23,539,800 (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	-	-	392,672,724 (Face value of Rs. 10/- each)	-	-	-
Number of equity shares representing application money received on exercise of employee stock options						-
Rate (Note 1 & 2)	15%	20%	20%	75%	75%	-
Amount of dividend (Rupees in crore) (A) (Note 4)	24.75	44.07	44.07	459.85	550.49	-
Amount of dividend tax (Rupees						

in crore) (B) (Note 5)	2.72	4.50	4.50	58.92	71.94	-
Amount of total dividend (Rupees in crore) (A) + (B)	27.47	48.57	48.57	518.77	622.43	-

Note :-

(1) On a pro rata basis wherever applicable

(2) Represents interim dividend for year ended March 31, 2002

(3) Dividend for the year ended, March 31, 2001 represents dividend on 220,358,680 shares including 23,569,800 shares issued on merger of erstwhile Bank of Madura

(4) Includes Rs. 6.43 crore of dividend on Green Shoe Options and Employee Stock Options exercised from April 1, 2004 to June 30, 2004 pertaining to the year ended, March 31, 2004 but proposed during the Quarter ended June 30,2004.

(5) Includes Rs. 2.23 crore of dividend tax on account of the above.

ICICI SECURITIES LIMITED (formerly ICICI Securities And Finance Company Limited)

"Part I" of "Annexure B"

Statement of Profits

(Rs. in crores)

	For the year ended March 31,					Quarter ended June 30, 2004 (unaudited)
	2000	2001	2002	2003	2004	
Income From Operations						
Income from Services……....	Rs.16.33	Rs.15.17	Rs.10.01	Rs.14.43	Rs.26.65	5.83
Interest Income…………….	206.07	210.11	166.91	129.89	112.39	34.11
Profit/(loss) on Securities….	35.63	61.78	161.54	123.18	133.72	(21.61)
Other Income………………	41.94	18.37	40.35	37.82	48.39	3.30
	Rs.299.97	**Rs.305.43**	**Rs.378.81**	**Rs.305.32**	**Rs.321.15**	**21.63**
Less: Financial Charges and Operating Expenses……….	157.44	174.51	134.92	93.36	71.18	17.69
	Rs.142.53	**Rs.130.92**	**Rs.243.89**	**Rs.211.96**	**Rs.249.97**	**Rs. 3.94**
Less: Expenditure						
Payment to and Provisions for Employees……………..	6.96	11.27	22.85	23.12	29.92	2.61
Establishment and other Expenses…………………...	23.52	23.98	32.07	37.95	39.31	2.62
Interest Tax………………...	3.55	-	-	-	-	-
Depreciation:						
Assets Leased Out …………	3.50	3.46	-	-	-	-
On Other Owned Assets……	1.76	1.41	1.35	1.53	1.38	0.25
Other Expenses…………….	0.06	-	-	-	-	-
	Rs.39.35	**Rs.40.12**	**Rs.56.27**	**Rs.62.60**	**Rs.70.61**	**Rs. 5.48**
Profit/(Loss) Before Taxation & Extraordinary items	**Rs.103.18**	**Rs.90.80**	**Rs.187.62**	**Rs.149.36**	**Rs.179.35**	**Rs. (1.54)**
Interest Tax reversal of earlier years	-	-	-	-	10.87	-
Profit/(Loss) Before Taxation	**Rs.103.18**	**Rs.90.80**	**Rs.187.62**	**Rs.149.36**	**Rs.190.22**	**Rs. (1.54)**
Less: Provision for Taxation.	31.10	37.00	61.77	46.00	46.50	-
Deferred Tax Adjustment….	-	-	(2.04)	0.42	(0.18)	(0.69)

(Rs. in crores)

	For the year ended March 31,					Quarter ended June 30, 2004 (unaudited)
	2000	**2001**	**2002**	**2003**	**2004**	
Profit After Taxation……..	**Rs.72.08**	**Rs.53.80**	**Rs.127.89**	**Rs.102.94**	**Rs.143.90**	**Rs. (0.85)**
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%	99.92%	99.92%
Amount of profit so far as it concerns the members of erstwhile ICICI Ltd. upto March 29, 2002 and ICICI Bank Ltd. the Holding Company thereafter, in the capital of the subsidiary……	**Rs.72.02**	**Rs.53.76**	**Rs.127.79**	**Rs.102.86**	**Rs.143.78**	**Rs. (0.85)**

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. The Deferred Tax adjustments for each of the year ended March 31, 2000 and 2001 has not been determined and consequently no adjustments have been carried out in the `Statement of Profits' shown above.
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 each of the years ended March 31, 2000, 2001 and 2002 has not been determined and consequently, no adjustments have been carried out in the Statement of Profits shown above.
5. The company was accounting Repo transaction as lending and borrowing till March 31, 2003. From April 1, 2003 the company has changed the method of accounting for Repo transaction as per revised guidelines issued by the RBI, and the same are given in Para 4 of the significant accounting policies. Consequent to this change there is no impact on the profit for the year ended March 31, 2004. The effect on earlier years, however, cannot be determined.
6. Effective April 1, 2004, the company has accounted for unrealised gains on open Interest Rate Swaps (IRS) as compared to its earlier policy of ignoring the unrealised gains. As a result loss for the quarter ended June 30, 2004 is lower by Rs. 1.56 crores, reserves and surplus is higher by Rs. 1.56 crores and current assets is higher by Rs. 2.43 crores. The effect on earlier years, however, cannot be determined.

ICICI Securities Limited (formerly ICICI Securities And Finance Company Limited)
"Part I" of "Annexure B"
Statement of Profits

(Rs. in crores)

	For the year ended March 31,					Quarter ended June 30, 2004
	2000	2001	2002	2003	2004	(unaudited)
Income From Operations						
Income from Services……....	Rs.16.33	Rs.15.17	Rs.10.01	Rs.14.43	Rs.26.65	5.83
Interest Income…………….	206.07	210.11	166.91	129.89	112.39	34.11
Profit/(loss) on Securities….	35.63	61.78	161.54	123.18	133.72	(21.61)
Other Income………………	41.94	18.37	40.35	37.82	48.39	3.30
	Rs.299.97	**Rs.305.43**	**Rs.378.81**	**Rs.305.32**	**Rs.321.15**	**21.63**
Less: Financial Charges and Operating Expenses……….	157.44	174.51	134.92	93.36	71.18	17.69
	Rs.142.53	**Rs.130.92**	**Rs.243.89**	**Rs.211.96**	**Rs.249.97**	**Rs. 3.94**
Less: Expenditure						
Payment to and Provisions for Employees……………..	6.96	11.27	22.85	23.12	29.92	2.61
Establishment and other Expenses…………………...	23.52	23.98	32.07	37.95	39.31	2.62
Interest Tax………………...	3.55	-	-	-	-	-
Depreciation:						
Assets Leased Out …………	3.50	3.46	-	-	-	-
On Other Owned Assets……	1.76	1.41	1.35	1.53	1.38	0.25
Other Expenses…………….	0.06	-	-	-	-	-
	Rs.39.35	**Rs.40.12**	**Rs.56.27**	**Rs.62.60**	**Rs.70.61**	**Rs. 5.48**
Profit/(Loss) Before Taxation & Extraordinary items	**Rs.103.18**	**Rs.90.80**	**Rs.187.62**	**Rs.149.36**	**Rs.179.35**	**Rs. (1.54)**
Interest Tax reversal of earlier years	-	-	-	-	10.87	-
Profit/(Loss) Before Taxation	**Rs.103.18**	**Rs.90.80**	**Rs.187.62**	**Rs.149.36**	**Rs.190.22**	**Rs. (1.54)**
Less: Provision for Taxation.	31.10	37.00	61.77	46.00	46.50	-
Deferred Tax Adjustment….	-	-	(2.04)	0.42	(0.18)	(0.69)

Profit After Taxation……..	**Rs.72.08**	**Rs.53.80**	**Rs.127.89**	**Rs.102.94**	**Rs.143.90**	**Rs. (0.85)**
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%	99.92%	99.92%
Amount of profit so far as it concerns the members of erstwhile ICICI Ltd. upto March 29, 2002 and ICICI Bank Ltd. the Holding Company thereafter, in the capital of the subsidiary……	**Rs.72.02**	**Rs.53.76**	**Rs.127.79**	**Rs.102.86**	**Rs.143.78**	**Rs. (0.85)**

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 recognized during the year ended March 31, 2002. The Deferred Tax adjustments for each of the year ended March 31, 2000 and 2001 has not been determined and consequently no adjustments have been carried out in the `Statement of Profits' shown above.
4. The management decided to capitalize 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 each of the years ended March 31, 2000, 2001 and 2002 has not been determined and consequently, no adjustments have been carried out in the Statement of Profits shown above.
5. The company was accounting Repo transaction as lending and borrowing till March 31, 2003. From April 1, 2003 the company has changed the method of accounting for Repo transaction as per revised guidelines issued by the RBI, and the same are given in Para 4 of the significant accounting policies. Consequent to this change there is no impact on the profit for the year ended March 31, 2004. The effect on earlier years, however, cannot be determined.
6. Effective April 1, 2004, the company has accounted for unrealized gains on open Interest Rate Swaps (IRS) as compared to its earlier policy of ignoring the unrealized gains. As a result loss for the quarter ended June 30, 2004 is lower by Rs. 1.56 crores, reserves and surplus is higher by Rs. 1.56 crores and current assets is higher by Rs. 2.43 crores. The effect on earlier years, however, cannot be determined.

ICICI Securities Limited (formerly ICICI Securities And Finance Company Limited)
"Part II" of "Annexure B"
Statement of Assets and Liabilities

	(Rs. in crores) As on June 30, 2004 (unaudited)
Assets:	
Fixed assets , net of depreciation………..………………………………....	10.93
Investments…………………………………………………………………...	12.00
Interest accrued…………………………………………………………….	32.26
Securities held as stock-in-trade…………………………………………	1,519.08
Sundry debtors………………………………………………………………..	14.92
Cash and bank balances……………………………………………………	11.02
Loans and advances………………………………………………………....	26.03
Deferred tax asset	1.18
Total assets…………………………………………………………………...	Rs.1,627.42
Liabilities :	
Loan funds	
Secured Loans	380.51
Unsecured loans……………………………………………………………	820.40
Current liabilities and provisions	
Current liabilities…………………………………………………………....	34.13
Provisions……………………………………………………………………..	0.72
Total liabilities…………………………………………………………….	Rs.1,235.76
Net worth……………………………………………………………………..	**Rs.391.66**
Represented by	
(A) **Share Capital**:	
20,30,02,800 equity shares of Rs10/- each fully paid-up Of the above 20,28,33,200 equity shares of Rs.10/- each are held by ICICI Bank Ltd.(the holding company)…………………………………………	203.00
(B) Reserves And Surplus:	
Share premium account………………………………………………….	11.28
General reserve……………………………………………………………..	63.59
Deferred tax credit reserve	
Special reserve (maintained under section 451C of the RBI Act,1935)………..	101.29
Profit and loss account…………………………………………………..	12.50
	188.66
	Rs.391.66
Net assets so far as it concerns the members of ICICI Bank Ltd, the holding company and its nominees……………………………… 99.92%	**Rs.391.35**

1. Income Tax matters disputed by the Company Rs. 5.93 crores (As on March 31, 2004 Rs. 10.82 crores)

2. Notional Principal outstanding on account of Swaps/Forward Rate Agreements/Foreign Currency Swaps as on June 30, 2004 Rs. 54,016.59crores (as on March 31, 2004 Rs. 38,476.59 crores)

3. Outstanding counter guarantee for subsidiary company, as at June 30, 2004 is Rs. 6 crores (as on March 31, 2004 Rs. 20.03 crores).

Significant Accounting Policies:

1. **Method of Accounting**
   The accounts are prepared in accordance with accounting principles generally accepted in India. The Company follows accrual method of accounting.

2. **Revenue Recognition**
   In case of non-fund based activities such as issue management, loan syndication, financial advisory services etc., the revenue is recognized based on the stage of completion of assignments and the bills raised for the recovery of fees.

   Interest income is accounted on an accrual basis except that no interest income is recognized on Non Performing / Doubtful assets, considering prudential norms for income recognition issued by Reserve Bank of India for Non-Banking Financial Companies. Interest income on such assets is recognised when the amount is received and appropriated towards interest.

3. **Stock-in-trade and Investments**

   a. The securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and shown as current assets. Other securities acquired with the intention of long-term holding are considered as ‘Investments’.
   b. In respect of investments, brokerage and stamp duty payable are considered to arrive at the cost. However, in respect of securities held as stock-in-trade, brokerage and stamp duty are written off as revenue expenditure. Commission earned in respect of securities held as stock-in-trade and investments acquired from the primary market and on devolvement are adjusted from the cost of acquisition.
   c. The securities held as stock-in-trade under current assets are valued at cost or market/fair value, whichever is lower. In case of investments transferred to Stock-in-trade, carrying amount on the date of transfer is considered as cost. In case of unquoted shares fair value 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.
   d. The Investments are shown in balance sheet at cost. In case of quoted investments, provision for diminution in value of investments is made, if such diminution is of a permanent nature in the opinion of management.

4. **Repurchase and Resale Transactions (Repo)**
   Repo transaction 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.

5. **Zero Coupon Instruments**
   The difference between the acquisition price and maturity value of zero coupon instruments are treated as interest and is recognised as income over the remaining life of the instrument.

6. **Fixed Assets and Depreciation**
   Fixed assets are stated at historical cost. Expenditure incurred on plumbing, flooring and other civil works at leased premises prior to its occupation by the company have been capitalized as “Improvement to Leasehold Property”.

Depreciation on value of improvements to leasehold property is provided on straight line method at the rate determined, considering the period of lease or at the rate prescribed in Schedule XIV of the Companies Act, 1956, whichever is higher.

Depreciation on fixed assets other than the leased assets and improvement to leasehold property is provided on written down value method at the rate prescribed in Schedule XIV of the Companies Act, 1956.

7. **Deferred Tax**
The tax effects of significant temporary differences are reflected through a Deferred Tax Asset / Liability, which has been reflected in the Balance Sheet and the corresponding effect of the same is given in the Profit and Loss Account.

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 issued by the Reserve Bank of India 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 provisions 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. **Miscellaneous Expenditure**
Lease rentals and other revenue expenditure incurred on leased premises prior to occupation of the premises are amortized over the balance period of the lease, starting from the date of occupation of leased premises.

10. **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.

11. **Retirement Benefits**
Provident Fund contribution is paid to the Provident Fund Commissioners' fund while gratuity is covered under schemes with Life Insurance Corporation (LIC) and contribution is made to LIC.

12. **Interest Rate Swaps and Forward Rate Agreements**

(a) All open positions are marked to market. Mark-to-market gains/ losses are recognised.

(b) Debit/ credit balance on open position are shown as current assets / current liabilities, as the case may be.

13. **Equity Derivatives**

(a) Gains are recognized only on settlement / expiry of the derivative instruments.

(b) All open positions are marked to market. Mark-to-market gains are not recognised.

(c) Debit/ credit balance on open position are shown as current assets / current liabilities, as the case may be.

ICICI Brokerage Services Limited
"Part I" of "Annexure C"
Statement of Profits

(Rs. in crores)

	For the year ended March 31, 2000	2001	2002	2003	2004	Quarter ended June 30, 2004 (unaudited)
Income From Operations:						
Brokerage Income............................	Rs.8.50	Rs.16.60	Rs.8.79	Rs.12.77	Rs.31.17	Rs. 10.65
Interest Income	-	-	0.67	0.86	0.99	0.30
Other Income	1.06	3.30	0.17	0.14	0.07	0.02
Profit/(Loss) on Securities.................	4.02	0.73	(0.05)	(0.25)	5.37	(0.44)
	13.58	20.63	9.58	13.52	37.60	10.53
Less: Financial Charges & Operating Expenses	4.39	14.76	6.51	3.16	6.29	2.12
	Rs.9.19	**Rs.5.87**	**Rs.3.07**	**Rs.10.36**	**Rs.31.31**	**Rs.8.41**
Expenditure:						
Payments to and Provisions for Employees....................................	0.08	0.03	0.09	0.15	0.10	1.60
Establishment and Other Expenses........	1.46	1.19	1.15	1.17	1.19	1.82
Depreciation	0.13	0.13	0.18	0.16	0.15	0.03
	1.67	1.35	1.42	1.48	1.44	3.45
Profit/(Loss) before Taxation.............	**Rs 7.52**	**Rs 4.52**	**Rs 1.65**	**Rs 8.88**	**Rs 29.87**	**Rs. 4.96**
Less: Provision for Taxation................	2.91	1.75	0.53	3.40	10.80	1.79
Deferred Tax Adjustment	-	-	0.02	-	(0.01)	-
Profit/(Loss) after Taxation...............	**Rs.4.61**	**Rs.2.77**	**Rs.1.10**	**Rs.5.48**	**Rs.19.08**	**Rs. 3.17**
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%	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%	99.92%	99.92%
Resultant interest so far as it concerns members of ICICI Ltd. upto March 29, 2002 and ICICI Bank thereafter, in the capital of ICICI Brokerage Services Limited	99.92%	99.92%	99.92%	99.92%	99.92%	99.92%
Amount of profit so far as it concerns the members of ICICI Ltd. upto March 29, 2002 and ICICI Bank thereafter, the Holding Company.	**Rs 4.60**	**Rs 2.77**	**Rs 1.10**	**Rs 5.48**	**Rs 19.06**	**Rs. 3.17**

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. The Deferred Tax adjustments for each of the year ended March 31, 2000 and 2001 has not been determined and consequently no adjustments have been carried out in the `Statement of Profits' shown above

2. The management decided to capitalise expenditure incurred on software from March 2003. As the result of this change, profit for the year is higher by Rs 0.01 crores. The effect of the same for each of the year ended March 31, 2000, 2001 and 2002 has not been determined and consequently, no adjustments have been carried out in the Statement of Profits shown above.

ICICI Brokerage Services Limited
"Part II" of "Annexure C"
Statement of Assets and Liabilities

	(Rs. in crores) As on June 30, 2004 (unaudited)
Assets :	
Cash and Bank Balances	50.38
Securities held as Stock-in-trade	-
Interest Accrued	0.65
Loans and Advances	1.87
Sundry Debtors	22.31
Fixed Assets	0.55
	75.76
Less: Liabilities	
Current Liabilities and Provisions	26.24
Deferred Tax Liability	0.10
Secured Loans	8.26
Net Worth	**41.16**
Represented By :	
Share Capital	4.50
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	
Reserves And Surplus:	36.66
	41.16
Net Assets so far as it concerns the members of ICICI Securities Limited, the Holding Company 100 %	41.16
Net Assets so far as it concerns the members of ICICI Bank, the Holding Company of ICICI Securities Limited, the subsidiary company 99.92%	41.13
Resultant interest so far as it concerns, the members of ICICI Bank, in the net assets of ICICI Brokerage Services Limited 99.92%	**41.13**

Notes:

1. **Contingent Liabilities :**

   Income tax matters disputed by the Company as at June 30, 2004 Rs. 2.19 crores (as at March 31, 2004 Rs. 2.06 crores).

2. **Retirement Benefits:**

   At present, there is no liability towards retirement benefits

Significant Accounting Policies

1. Method of Accounting

The accounts are prepared in accordance with accounting principles generally accepted in India. The Company follows accrual method of accounting.

2. Revenue Recognition

Income from Brokerage activities is recognised as income on the trade date of the transaction. Related expenditure incurred for procuring business is accounted for as procurement expenses.

3. **Investments and stock-in-trade**

a. The securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and shown under current assets. Other securities acquired with the intention of long-term holding are considered as 'Investments'.
b. In respect of securities held as stock-in-trade, brokerage and stamp duty are written-off as revenue expenditure. The cost of investment includes brokerage and stamp duty payable.
c. The securities held as stock-in-trade under current assets are valued at cost or market/realisable value, whichever is lower.
d. Investments are shown in the Balance Sheet at cost. In case of quoted investments, provision for diminution in value of investments is made, if such diminution is of a permanent nature in the opinion of the management.

4. **Derivatives**

a. Gains are recognised only on settlement/ expiry of the derivative instruments
b. All open positions are marked to market and the unrealized gains / loss are netted off on a scrip wise basis. Mark-to-market gains, if any, are not recognised.
c. Debit/ credit balance on open position are shown as current assets/ current liabilities, as the case may be.

5. Fixed Assets and Depreciation / Amortisation

Fixed assets are stated at historical cost. Expenditure incurred on plumbing, flooring and other civil works at leased premises prior to its occupation by the company have been capitalized as "Improvement to Leasehold Property" Depreciation on value of improvements to leasehold property is provided on straight line method at the rate determined, considering the period of the lease or at the rate prescribed in Schedule XIV of the Companies Act, 1956, whichever is higher. Membership Rights of Stock Exchanges is treated as an asset and the value paid to acquire such rights is amortised over a period of 10 years. Depreciation on fixed assets other than improvements to leasehold property and Membership Rights of Stock Exchanges is provided on written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956. Additionally, the written down value of an asset falls below Rs. 5,000 or the cost of which is less than Rs. 5,000 is fully depreciated.

6. Sundry debtors and creditors

Amounts receivable from and payable to clients for broking transactions are recognised on trade date basis and disclosed separately as sundry debtors and creditors.

7. Deferred Tax

The tax effects of significant temporary differences are reflected through a deferred tax Asset /Liability, which has been reflected in the Balance Sheet and the corresponding effect of the same is given in the Profit and loss Account.

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.

ICICI Home Finance Company Limited
"Part I" of "Annexure D"
Statement of Profits

(Rs. in crores)

	Period ended March 31, 2000	Year ended March 31, 2001	2002	2003	2004	Quarter ended June 30, 2004 (unaudited)
Income						
Income from operations	Rs.2.15	Rs.57.76	Rs.176.76	Rs.195.30	Rs.140.04	Rs. 49.06
Other Income	0.36	0.05	15.45	2.53	6.25	0.77
	Rs.2.51	**Rs.57.81**	**Rs.192.21**	**Rs.197.83**	**Rs.146.29**	**Rs. 49.83**
Less: Expenses						
Interest and other financial charges	0.17	33.18	129.25	146.54	109.38	41.21
Staff expenses	0.22	3.05	12.45	0.57	15.79	2.90
Establishment and other expenses	2.05	19.13	35.88	3.07	193.68	59.03
Depreciation	-	0.07	0.40	0.43	1.53	0.38
Provision for contingencies					17.73	3.00
Provision and Write off Against Non Performing Assets	-	0.31	1.42	3.65	1.72	1.22
Provision for Standard assets	-	-	-	2.80	3.33	(0.39)
Preliminary expenses written off	-	0.13	0.18	0.18	0.18	0.04
	Rs.2.44	**Rs.55.87**	**Rs.179.58**	**Rs.157.24**	**Rs.343.34**	**Rs. 107.39**
Less: Expenses Recovered					207.58	60.45
					Rs.135.76	Rs. 46.94
Profit before Tax	**Rs.0.07**	**Rs.1.94**	**Rs.12.63**	**Rs.40.59**	**Rs.10.53**	**Rs. 2.89**
Less: Provision for Taxation	0.02	0.44	2.32	21.15	8.71	0.92
Add: Deferred Tax	-	-	0.74	(9.21)	8.02	0.26
Profit after Tax	**Rs.0.05**	**Rs.1.50**	**Rs.9.57**	**Rs.28.65**	**Rs.9.84**	**Rs. 2.23**
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%	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, in the capital, of	**Rs.0.05**	**Rs.1.50**	**Rs.9.57**	**Rs.28.65**	**Rs.9.84**	**Rs. 2.23**

the subsidiary..................

Notes:

1. The Company commenced business in November 1999 and period ended March 31, 2000 was the first period of operations
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 recognized during the year ended March 31, 2002. The Deferred Tax adjustments for each of the year ended March 31, 2000 and 2001 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, 2001, 2002 and 2003 are reported net off amounts recovered from ICICI Bank Limited.
4. Income from securitisation of loans for the year ended March 31, 2004 includes Rs. 4.29 crores, being write back of servicing cost of portfolio securitised in earlier years.

ICICI Home Finance Company Limited
"Part II" of "Annexure D"
Statement of Assets and Liabilities

	(Rs. in crores) As on June 30, 2004 (unaudited)
Assets :	
1. Fixed Assets	5.57
2. Investments	17.18
3. Loans & Other Credit facilities	2,322.56
4. Current Assets, Loans & Advances	
A. Current Assets	
- Interest accrued	14.46
- Securities Held in Stock in trade	41.83
- Cash & Bank Balance	38.86
	95.15
B. Loans & Advances	230.80
	325.95
5. Deferred Tax Asset	21.69
	2,692.95
Less: **Liabilities**	
6. Unsecured Loan	2,354.57
7. Current Liabilities and Provisions	156.42
Net Worth	**181.96**
Represented By :	
Share Capital :	
115,000,000 Equity Shares of Rs 10/- each fully paid-up (All the above shares are held by ICICI Bank limited the Holding Company and its nominees)	115.00
40,000,000 0.01% Fully Convertible Cumulative Preference Shares of Rs. 10/- each fully paid-up (All the above shares are held by ICICI Bank limited the Holding Company and its nominees) (Refer Note 2)]	40.00
Reserves And Surplus :	
General Reserves	2.15
Surplus in Profit and Loss Account	2.09
Special Reserve created and maintained in terms of section 36(1)(vii) of the income Tax Act, 1961.	24.54
Less: Miscellaneous Expenditure (To the extent not written off or adjusted)	1.82
	181.96
Net Assets so far as it concerns the members of ICICI Bank, the holding company and its nominees. 100%	**Rs.181.96**

Notes:

1. Commitment towards part disbursement of sanctions amounted to Rs. 4.93 crores as on June 30, 2004 (as on March 31, 2004 at Rs. 22.43 crores).
2. The Preference Shares were issued in two tranches. The first tranch of Preference Shares for Rs.25.00 crores 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

for every one Preference Share of Rs.10 held 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 for every one Preference Share of Rs.10 held on March 14, 2009.

3. (a)Home Loans given by the company are secured by the underlying property
   (b)As per the terms of appointment, the Managing Director and whole time director draw their remuneration and other benefits from the holding company, ICICI Bank Ltd.
4. Contingent liability in respect of the difference between the cash collateral and expenses provided for the future cost in respect of the securitisation is Rs. 23.79 crores (as on March 31, 2004 Rs. 24.14 crores).
5. During the quarter ended June 30, 2004, the company has made provision for contingencies of Rs. 3.00 crores on account of additional risk of conversion and prepayment of loans against portfolio securitised in earlier years.

Significant Accounting Policies

The accounts are prepared in accordance with the accounting principles generally accepted in India and the directions issued by the National Housing Bank (NHB) from time to time.

1. **Revenue Recognition**

   Interest income 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. Further, interest income accounted in the past for Non-Performing Assets is also reversed. Fees are recognised on due basis.

2. **Investments**

   Investments have been classified as long-term and short-term investments. Long-term investments have been valued at cost and short-term investments have been valued at cost or market value whichever is lower.

3. **Expenses**

   All expenses are provided for on accrual basis.

4. **Preliminary and Share Issue Expenses**

   Preliminary and share issue expenses are amortised over a period of ten years.

5. **Deferred Revenue Expenditure**

   a) Advertisement expenditure and expenditure incurred on Business Process Re-engineering, the benefit of which is expected over a subsequent period(s) is treated as Deferred Revenue Expenditure and amortised over the period of thirty six months.

   b) The initial expenses on borrowings are amortised over the tenure of the borrowing facility.

6. Premium amount paid for buying the housing loan portfolio is amortised in proportion of loan outstanding.

7. **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.

8. **Deferred Tax**

The tax effects of significant temporary differences are reflected through a deferred tax Asset/ Liability, which has been reflected in the Balance Sheet and the corresponding effect of the same is given in the Profit and Loss Account.

9. **Provision for Non-Performing Assets**

Provisions against Non Performing assets (NPAs) are made based on norms decided by the management, which are more conservative as compared to the prudential norms prescribed by NHB.

10. **Provision for Standard Assets**

General provision of 0.25% is made on the all the standard assets.

11. **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.

ICICI Securities Holdings Inc.
"Part I" of "Annexure E"
Statement of Profits

(Rs. in thousands)

	For the year ended March 31,				Quarter ended June 30, 2004 (unaudited)
	2001	2002	2003	2004	
Income from Operations					
Income from Services................	Rs. -	Rs. -	Rs.16,062.64	Rs.12,934.12	Rs. -
Interest Income......................	-	-	28.10	104.93	-
Other Income	4,798.50	20,046.60	14,547.30	13,808.67	3,364.55
Less: Financial Charges and Operating Expenses.................	0.04	131.27	1,093.59	184.86	(34.90)
	Rs.4,798.46	**Rs.19,915.33**	**Rs.29,544.45**	**Rs.26,662.86**	**Rs. 3,399.45**
Less: Expenditure					
Payments to and Provisions for Employees............................	977.80	9,979.92	14,324.31	15,206.58	5,837.17
Establishment and Other Expenses..............................	13,103.49	9,643.57	11,998.02	10,746.68	2,707.14
Depreciation - On other owned Assets	-	112.01	162.48	171.38	24.32
	Rs.14,081.29	**Rs.19,735.50**	**Rs.26,484.81**	**Rs.26,124.64**	**Rs. 8,568.63**
Profit before Taxation	**(9,282.83)**	**179.83**	**3,059.64**	**538.22**	**(5,169.18)**
Less: Provision for Taxation	-	-	-	-	-
Profit After Taxation	**Rs.(9,282.83)**	**Rs.179.83**	**Rs3,059.64**	**Rs.538.22**	**Rs. (5,169.18)**
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%	99.92%
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%	99.92%
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, in the capital of the subsidiary	**Rs. (9,275.40)**	**Rs.179.69**	**Rs.3,057.19**	**Rs. 537.79**	**Rs. (5,165.04)**

Note :

ICICI Securities Holding Inc. was incorporated as a wholly owned subsidiary of ICICI Securities on June 12, 2000.

ICICI Securities Holdings Inc.
"Part II" of "Annexure E"
Statement of Assets and Liabilities

		(Rs. in thousands)
		As on June 30, 2004 (unaudited)
Assets:		
Cash and cash equivalents		7,372.13
Sundry Debtors		-
Loans and Advances		7,683.88
Fixed Assets		226.52
Investments		48,309.55
Total assets		63,592.08
Less: Liabilities		
Current Liabilities and Provisions		997.60
Net worth		**62,594.48**
Represented By :		
Share Capital :		
Common Stock USD 1 par value; 1,600,000 shares		75,025.00
Reserves And Surplus		
Profit and Loss Account		(10,674.33)
Translation Reserve		(1,756.19)
		62,594.48
Net Assets so far as it concerns the members of ICICI Bank Ltd. the holding company and its nominees	99.92%	**62,544.40**

Notes

1. The Company is a wholly owned subsidiary of ICICI Securities Limited. The accounts have been prepared to comply with the provisions of Indian Companies Act, 1956.
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 accounts are prepared in accordance with accounting principles generally accepted in India. The company follows accrual method of accounting.

2. **Revenue Recognition**

   In case of non-fund based activities such as issue management, loan syndication, financial advisory services etc., the revenue is recognized based on the stage of completion of assignments and the bills raised for the recovery of fees.

3. Investments

The Investments are shown in Balance Sheet at cost. In case of quoted investments, provision for diminution in value of investments is made, if such diminution is of a permanent nature in the opinion of management.

4. Conversion to Indian Rupees

For the purpose of the accounts all income and expense items are converted at the average rate of exchange applicable for the year/quarter. 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/quarter-end translation is being debited or 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 written down value 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. Deferred Tax

The tax effects of significant temporary differences are reflected through a Deferred Tax Asset /Liability, which has been reflected in the Balance Sheet and the corresponding effect of the same is given in the Profit and loss Account.

ICICI Securities Inc.
"Part I" of "Annexure F"
Statement of Profits

(Rs. in thousands)

	For the year ended March 31,				Quarter ended June 30, 2004 (unaudited)
	2001	2002	2003	2004	
Income from Operations:					
Income from Services	Rs.-	Rs.6,994.02	Rs.9,841.49	Rs.35,312.59	Rs.5,510.73
Interest Income	1,233.66	854.18	194.87	22.54	-
Less: Financial Charges and Operating Expenses......................	4.57	29.51	-	345.83	18.06
	Rs.1,229.09	**Rs.7,818.69**	**Rs.10,036.36**	**Rs.34,989.30**	**Rs.5,492.67**
Expenditure:					
Less: Administrative Expenditure - Establishment and Other Expenses...	5,170.22	22,011.05	15,525.58	18,877.42	4,638.98
	Rs.5,170.22	**Rs.22,011.05**	**Rs.15,525.58**	**Rs.18,877.42**	**Rs.4,638.98**
Profit/(Loss) before Taxation..........	**(3,941.13)**	**(14,192.36)**	**(5,489.22)**	**16,111.88**	**853.69**
Less: Provision for Taxation	-	-		-	-
Profit/(Loss) After Taxation...........	**Rs.(3,941.13)**	**Rs.(14,192.36)**	**Rs.(5,489.22)**	**Rs.16,111.88**	**Rs.853.69**
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%	99.92%
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 Inc...........	99.92%	99.92%	99.92%	99.92%	99.92%
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, in the capital of the subsidiary	(3,937.98)	(14,181.01)	(5,484.83)	16,098.99	853.01

Note : ICICI Securities Inc. was incorporated as a wholly owned subsidiary of ICICI Securities Holding Inc. on June 13, 2000

ICICI Securities Inc.
"Part II" of "Annexure F"
Statement of Assets and Liabilities

		(Rs. in thousands) As on June 30, 2004 (unaudited)
Assets:		
Cash and Bank Balances....................................		10,139.33
Loans and Advances		15,725.15
Securities held as Stock-in-trade		9,191.17
Sundry Debtors		7,599.63
		42,655.28
Less: Liabilities		
Current Liabilities and Provisions		184.23
Net worth		**42,471.05**
Represented By :		
Share Capital : Common Stock USD 1 par value; 1,050,000 shares authorized...		48,309.55
		48,309.55
Reserves And Surplus		
Profit and Loss Account		(6,657.15)
Translation Reserve...		818.65
		42,471.05
Net Assets so far as it concerns the members of ICICI Bank Ltd. the holding company and its nominees	99.92%	**42,437.07**

Notes

1. The Company is a wholly owned subsidiary of ICICI Securities Holding 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 accounts are prepared in accordance with accounting principles generally accepted in India. The Company follows accrual method of accounting.

2. **Revenue Recognition**

In case of non-fund based activities such as issue management, loan syndication, financial advisory services etc., the revenue is recognized based on the stage of completion of assignments and the bills raised for the recovery of fees.

3. **Conversion to Indian Rupees**

For the purpose of the accounts all income and expense items are converted at the average rate of exchange applicable for the year/quarter. 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/quarter-end translation is being debited or 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. **Deferred Tax**

The tax effects of significant temporary differences are reflected through a Deferred Tax Asset /Liability, which has been reflected in the Balance Sheet and the corresponding effect of the same is given in the Profit and Loss Account.

ICICI International Limited
"Part I" of "Annexure G"
Statement of Profits

(Amount in US$)

	For the year ended March 31,					Quarter ended June 30, 2004 (unaudited)
	2000	2001	2002	2003	2004	
Revenue:						
Management fee..........	625,050	1,116,165	944,273	330,302	159,491	28,000
Interest income...........	10,270	10,534	7,857	3,694	1,207	338
Profit on redemption of shares	-	8,538	-	-	-	-
	635,320	**1,135,237**	**952,130**	**333,996**	**160,698**	**28,338**
Expenditure:						
Advisory Fee	618,000	900,000	815,000	322,300	146,400	20,000
Licence Fees	1,500	1,500	1,500	1,500	1,500	375
Administration & Professional Fees..........	6,967	49,232	7,922	4,610	6,785	1,555
Audit Fee	2,200	2,200	2,240	2,300	2,300	575
Directors Fees	-	-	1,063	1,250	1,250	313
Secretarial Fees	-	-	1,063	1,250	1,250	313
Bank Charges..............	389	-	63	300	365	-
Provision for investments written off ..	-	-	100	-	-	-
Provision for contingencies	80,000	-	-	-	-	-
General Expenses	-	-	-	210	848	-
Total Expenses...........	**709,056**	**952,932**	**828,951**	**333,720**	**160,698**	**23,131**
Profit from Operations ..	**(73,736)**	**182,305**	**123,179**	**276**	**-**	**5,207**
Transfer from/(to) Contingency Reserve	120,000	-	-	-	-	-
Previous Year expenses written back(net)	-	-	32,462	-	-	-
Net Profit Before dividend	**46,264**	**182,305**	**155,641**	**276**	**-**	**5,207**
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%	100%
Amount of profit so far	**46,264**		**155,641**	**276**	**-**	**5,207**

	For the year ended March 31,					Quarter ended June 30, 2004 (unaudited)
	2000	2001	2002	2003	2004	
as it concerns the members of erstwhile ICICI Ltd. upto March 29, 2002 and ICICI Bank, the Holding Company thereafter, in the capital of the subsidiary .		**182,305**				

Note :

The Company became subsidiary of erstwhile ICICI Ltd. with effect from October 21, 1997 & of ICICI Bank with effect from March 29, 2002

ICICI International Limited
"Part II" of "Annexure G"
Statement of Assets and Liabilities

	(Amount in US Dollars)
	As on June, 2004 (unaudited)
Assets :	
Investments in associates	300,000
Current Assets	260,304
	560,304
Less: Current Liabilities	26,005
	534,299
Represented By :	
Share Capital :	
40,000 ordinary shares of US $ 10 each. (The entire share capital of the company is held by ICICI Bank Limited, the holding company)	400,000
Reserves And Surplus :	
Accumulated Profit	134,299
	534,299
Net Assets so far as it concerns the members of ICICI Bank Limited, the holding company 100%	**534,299**

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 30 June 2004, the Company has accumulated tax losses of USD Nil (31 March 2004: USD 3,418) 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 principal trading currency

III. Significant Accounting Policies:

The financial statements are prepared in accordance with applicable International Accounting Standards. A summary of the more important accounting policies, which have been applied consistently, is set out below. The preparation of financial statements in accordance with International Accounting Standards requires the directors to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

1. Basis of accounting

The financial statements are prepared under the historical cost convention.

2. 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.

3. 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/quarter end exchange rates unless hedged by forward exchange contracts, in which case the rates specified in such contracts are used.

4. 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.

5. Income tax

Income taxes currently payable are provided for in accordance with the existing legislation of the various countries in which the Company operates.

6. Receivables

Receivables are stated at original invoice amount less allowance made for doubtful receivables based on a review of all outstanding amounts at the year 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.

7. Share capital

Ordinary shares are classified as equity.

8. 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.

9. Revenue recognition

Revenue is recognised on the following basis:

Interest income and management fees as they accrue unless collectibility is in doubt.

10. Related parties

Related parties are individuals and 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 and operating decisions.

11. 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.

12. 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.

13. Unquoted securities

Details of the investments as on March 31, 2004 are as follows:

(a) Unquoted securities	No of shares	% holding	Cost USD	Directors' valuation USD
TCW/ICICI Investment Partners LLC	300,000	50	300,000	300,000

(b) Investments as on March 31, 2004, which exceeds 10% of the issued share capital are:

Name of Company	Description	Proportion Held
TCW / ICICI Investment Partners LLC	**Ordinary shares**	50%

14. 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.

ICICI Trusteeship Services Limited
"Part I" of "Annexure H"
Statement of Profits

(in Rupees)

	For the year ended March 31,				Quarter ended June 30, 2004 (unaudited)
	2001	2002	2003	2004	
Income :					
Trusteeship Fees	Rs.150,000	Rs.251,100	Rs.390,100	Rs.300,100	Rs.62,525
Interest Income....................	-	-	1,255	46,828	10,740
Dividend	-	-	800	1,130	-
	150,000	**251,100**	**392,155**	**348,058**	**73,265**
Less: Expenses					
Audit Fees	6,300	6,300	11,814	10,800	2,700
Director fees	-	9,000	5,000	4,000	1,500
Profession Tax	-	4,900	2,500	2,500	2,500
Preliminary expenses written off	14,529	14,529	14,529	14,529	3,632
Interest on Income Tax...........	-	-	-	2,663	-
Other Expenses	-	500	2,132	-	-
	20,829	**35,229**	**35,975**	**34,492**	**10,332**
Profit before Tax	**129,171**	**215,871**	**356,180**	**313,566**	**62,933**
Less: Provision for Taxation	51,087	80,000	131,000	120,000	23,000
Profit after Tax	**78,084**	**135,871**	**225,180**	**193,566**	**39,933**
Add: Excess provision for income tax of earlier years......	-	-	-	2,934	-
Net Profit	**78,084**	**135,871**	**225,180**	**196,500**	**39,933**
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, in the capital of the subsidiary	**78,084**	**135,871**	**225,180**	**196,500**	**39,933**

Notes

The Company was incorporated on April 29, 1999

<u>**ICICI Trusteeship Services Limited**</u>
“Part II” of “Annexure H”
<u>**Statement of Assets and Liabilities**</u>

		(in Rupees)
		As on June 30, 2004 (unaudited)
Assets :		
Investments		Rs.200
Current Assets, Loans & Advances:		
Cash & Bank Balances		1,172,564
Prepaid Expenses		-
Income Accrued but not due		-
Other Debts		66,438
Loans and Advances		267,742
		Rs.1,506,944
Less: Liabilities		
Secured Loans		-
Current Liabilities and Provisions........................		331,273
Net Worth		**Rs.1,175,671**
Represented By :		
Share Capital :		
50,000 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...	500,000	
Reserves And Surplus		675,568
Corpus Fund (Refer Note 1) ..		11,000
Less: Miscellaneous Expenditure		10,897
(To the extent not written off or adjusted)		
		Rs.1,175,671
Net Assets so far as it concerns the members of ICICI Bank Ltd, the Holding Company and its nominees	100%	**Rs.1,175,671**

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 quarter 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.

2. **Use of Estimates:**

   The preparation of the financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materialise.

3. **Revenue Recognition:**

   Income from Trusteeship Fees is accounted / accrued on the basis of the understanding / agreements with the concerned parties.

4. **Income Taxes:**

   Tax expense represents the aggregate of the current tax and deferred tax. The deferred tax is computed in accordance with the requirements of the Accounting Standard AS- 22 “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India.

5. **Preliminary expenses:**

   Preliminary Expenses towards the incorporation of the company are treated as miscellaneous expenditure and will be written off to the Profit and Loss Account over a period of 5 years from the year in which the company commences operations.

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 investments.

7. **Contingent liabilities:**

   These, if any, are disclosed in the Notes to Accounts. Provision is made in the accounts in respect of those contingencies, which are likely to materialise into liabilities after the year-end till the finalisation of accounts and have material effect on the position stated in the Balance sheet.

8. **Borrowing costs:**

   Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

ICICI Bank Canada
"Part I" of "Annexure I"
Statement of Profits

	(Canadian Dollars in thousands)	
	Period from September 12, 2003 to March 31, 2004 (unaudited)	**Period from April 1, 2004 to June 30, 2004 (unaudited)**
Income		
Interest and Non-interest income	289	196
Less: Expenditure:		
Interest and Administrative expenses	1,621	1,895
Profit/(loss) before tax	(1,332)	(1,699)
Less: Provision for federal capital tax and Future income tax benefit	402	479
Profit/(loss) after tax	**(930)**	**(1,220)**
Extent of interest so far as it concerns members of ICICI Bank the Holding Company, in the Capital of the Subsidiary	100%	100%
Amount of profit so far as it concerns the members of ICICI Bank, the Holding Company in the capital of the subsidiary	**(930)**	**(1,220)**

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.

ICICI Bank Canada
"Part II" of "Annexure I"
Statement of Assets and Liabilities

		(Canadian Dollars in thousands) As on June 30, 2004 (unaudited)
Assets :		
Cash and deposits with regulated financial institutions		2,720
Loans..		8,199
Fixed assets		2,082
Investments and Deposits..		14,892
Other assets...		986
		28,879
Less: Liabilities :		
Deposits...		4,678
Current liabilities and provisions		1,351
		6,029
Net worth		**22,850**
Represented By :		
(A) Share Capital		
15,000,000 Common Stock Shares of Canadian Dollar 1 each fully paid-up		15,000
All the above equity shares are held by ICICI Bank Limited, the holding Company and its nominees...........................		
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 and its nominees		
(B) Reserves And Surplus :		
Profit & Loss Account..		(2,150)
		22,850
Net Assets so far as it concerns the members of ICICI Bank Ltd, the Holding Company and its nominees	100%	**22,850**

Significant accounting policies

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), including the accounting requirements of the Office of the Superintendent of Financial Institutions, Canada (OSFI). 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.

The significant accounting policies used in the preparation of these financial statements are summarized below:

1. **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. Straight-line method is used for the amortization of premiums and discounts on debt securities. Interest income is recorded on an accrual basis.

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.

2. **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 or interest. No loans were impaired at the balance sheet date.

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 not yet identifiable. This allowance relates primarily to loans, but also to other credit instruments such as letters of credit, and is either specific or general. No specific allowance was recorded at the balance sheet date. The 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.

3. **Fixed assets**

Fixed assets are carried at cost less accumulated depreciation, which is calculated by using the straight-line method over the estimated useful life of the asset.

	Useful life
Computer hardware and software	3 years
Furniture, fixtures and equipment	5 years
Leasehold improvements	Lease term

4. **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.

The Bank issued 15 million common shares and 10 million series A preferred shares to its Parent, and these shares have been fully subscribed. These 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.

5. **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 $909 has been recorded, net of a valuation allowance of $124, using the enacted tax rate of 36.12%.

6. Translation of foreign currencies

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 expense amounts denominated 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 income.

7. Fair values

The fair values of all assets and liabilities approximate their carrying value.

ICICI Prudential Life Insurance Co. Ltd
"Part I" of "Annexure J"
Statement of Profits- Shareholders

(Rs. in thousands)

	For the year ended March 31,				Quarter ended June 30, 2004 (unaudited)
	2001	2002	2003	2004	
Amount transferred to:					
Policyholders' Account (Technical) Participating	-	927,171	706,428	464,766	-
Policyholders' Account (Technical) Non-Participating	-	124,697	30,027	93,396	-
Policyholders' Account (Technical) Annuities Participating	-	175,169	221,272	92,378	-
Policyholders' Account (Technical) Linked	-	14,769	362,573	1,292,142	399,872
Policyholders' Account (Technical) Linked Pension	-	-	263,484	425,064	58,771
(A)	**-**	**Rs. 1,241,806**	**Rs. 1,583,784**	**Rs. 2,367,746**	**Rs. 458,643**
Income from investments					
(a) Interest/Dividend [Gross]	61,330	107,292	62,019	97,455	27,739
(b) Profit on sale of Investments (net)	4,622	112,347	57,172	45,941	(175)
Fees for Professional Services	1,000	1,011	1,397	89	78
Other Income	-	58	19	1,098	
(B)	**Rs. 66,952**	**Rs. 220,708**	**Rs. 120,607**	**Rs. 144,583**	**Rs. 27,642**
Operating Expenses					
Employees' remunerations and welfare benefits	7,662	2,974	1,648	2,334	91
Travel, conveyance and vehicle running expenses	2,876	341	49	70	-
Sales Promotion	14,625	692	4,543	10,151	-
Rents, Rates and Taxes	5,983	5	-		-
Legal and Professional charges	1,504	6,057	22	560	157
Sale/Write off of Fixed Assets	-	-	802	829	-
Others	1,506	861	1,527	1,851	1232
Depreciation	717	142	47	61	8
Preliminary expenses written of f	29,820	-	-	-	-
(C)	**Rs.64,693**	**Rs.11,072**	**Rs. 8,638**	**Rs. 15,856**	**Rs. 1,488**
Profit/(Loss) before Tax (B-A-C)	**Rs.2,259**	**Rs. (1,032,170)**	**Rs. (1,471,815)**	**Rs. (2,239,019)**	**Rs. (432,489)**
Less : Provision for taxation					
(a) Current tax expense	-	-	-	-	-
(b) Deferred tax income	-	(18,811)	-	23,336	-
	-	(18,811)	-	23,336	-
Profit/ (Loss) after Tax	**Rs. 2,259**	**Rs. (1,050,981)**	**Rs. (1,471,815)**	**Rs. (2,215,683)**	**Rs. (432,489)**

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, in the capital of the subsidiary	**1,672**	**(777,726)**	**(1,089,143)**	**(1,639,605)**	**(320,042)**

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 recognized during the year ended March 31, 2002. The Deferred Tax adjustments for the year ended March 31, 2001 has not been determined and consequently no adjustments have been carried out in the `Statement of Profits' shown above.

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 1.45 million and the net block of fixed assets as at March 31, 2003 would have been higher by Rs 1.45 million. The effect of the same for each of the year ended March 31, 2001 and 2002 has not been determined and consequently, no adjustments have been carried out in the Statement of Profits shown above.

   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 0.48 million. The effect of the same for each of the year ended March 31, 2001 and 2002 has not been determined and consequently, no adjustments have been carried out in the Statement of Profits shown above.

<u>ICICI Prudential Life Insurance Co. Ltd</u>
"Part II" of "Annexure J"
<u>**Statement of Assets and Liabilities**</u>

	(Rs. in thousands)
	As on June 30, 2004 (unaudited)
Assets:	
Investments	7,577,559
Asset held for Linked business	10,053,771
Fixed Assets (including Capital WIP)	526,352
Loans	21,210
Cash and bank balances	389,002
Advances and other assets	467,447
	19,035,341
Less:	
Current Liabilities & Provisions	1,069,109
Policyholders' Funds:	
Policy Liabilities	
- Participating Business	3,461,558
- Non-Participating Business	1,135,834
- Annuities Participating	1,381,715
- Linked	133,312
- Linked Pension	58,404
- Linked Group Gratuity	973
Insurance Reserves :	
-Provision for linked liabilities	10,053,771
	16,225,567
Net worth	**1,740,665**
Represented By :	
(A) Share Capital :	
625,000,000 Equity Shares of Rs 10/- each fully paid-up Of the above 462,499,993 Equity Shares of Rs.10/- each are held by ICICI Bank Ltd. (The Holding Company) and 7 shares through its nominees	6,750,000
Credit/(Debit) Fair value Change Account- net	133,791
(B) Reserves And Surplus :	
Profit and Loss account	(5,173,232)
Fund for future appropriation	30,106
	1,740,665
Net Assets so far as it concerns the members of ICICI Bank Ltd, the Holding Company and its nominees 74%	**Rs. 1,288,092**

1. **Contingent Liabilities**

Contingent Liabilities at March 31, 2004. Rs. Nil (March 2003 : Rs. Nil)

2. Actuarial method and assumptions

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.

For the participating policies and non participating term insurance policies, the interest rates used for valuation are in the range of 4 % to 6% per annum (Previous year - 4 to 7.75 % per annum). For non participating single premium investment policies which are maintained as a hedged portfolio, the interest rates used for valuation range from 4.7 % to 10% per annum (Previous year – 4.7% to 10% per annum).

The valuation has been carried out without assuming lapses or policies becoming paid up. 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. The method of unearned premium for the unexpired portion of the risk has been adopted for the general fund liabilities of linked business and riders thereunder, and one year renewable group term insurance.

The charges under unit linked policies to meet future expenses are considered adequate. The unit liability in respect of linked business has been valued on the basis of the net asset value of the units, to the credit of policyholders, as on the valuation date.

3. Encumbrances on assets

The assets of the Company are free from all encumbrances as at March 31, 2004, as in the previous year.

4. Capital Commitments

Commitments made and outstanding for loans and investment as at March 31, 2004 is Rs. Nil. (Previous year Rs. Nil)

Estimated amount of contracts remaining to be executed on fixed assets to the extent not provided for (net of advance) as at March 31, 2004 is Rs. 25,145 thousands (Previous year Rs 24,400 thousands).

5. Claims

Claims settled and remaining unpaid for a period of more than six months as at March 31, 2004 amount to Rs Nil. (Previous Year: Rs Nil).

6. Taxation

Accounting Standard 22 ‘Accounting for Taxes on Income’ issued by the ICAI states that "‘where an enterprise has unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets should be recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available, against which such deferred tax assets can be realized”.

According to the Accounting Standard Interpretation (ASI) 9 issued by the ICAI on AS 22, "Virtual certainty" refers to "the extent of certainty, which, for all practical purposes, can be considered certain".

Accordingly, the net deferred tax asset of Rs 102,346 thousands has been reversed in the year ended March 31, 2004.

The net deferred tax asset of Rs 102,346 thousands in previous year was on account of carried forward losses.

Significant Accounting Policies:

1. Background

ICICI Prudential Life Insurance Company Limited ('the Company') was incorporated on 20 July 2000 as a company under the Companies Act, 1956. The Company is registered with the Insurance Regulatory and Development Authority ('IRDA') and is in the business of underwriting life insurance policies.

The Company's life insurance business comprises of individual life & group business, including participating, non-participating, annuities, pension products and linked policies. Some of these policies have riders attached to them such as Accident and Disability Benefit, Level Term, Critical Illness and Major Surgical Assistance.

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 compliance with the accounting standards 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, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the Regulations'), and the Companies Act, 1956 to the extent applicable.

2.2 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 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 recognized prospectively in current and future periods.

2.3 Revenue recognition

2.3.1 Premium income

Premium is recognised as income when due. Uncollected premium on lapsed policies is recognised as income when such policies are reinstated.
For linked business, premium income is recognized when the associated units are alloted. Fees on linked policies is recognized when due.

2.3.2 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 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. In case of listed equity shares / mutual funds units, the profit or loss on actual sale of investment includes the accumulated changes in the fair value previously recognised under "Fair Value Change Account".

Realised gain / loss on debt securities for linked business is the difference between the sale consideration and the book cost, which is computed on weighted average basis, as on the date of sale.

2.3.3 Income earned on loans

Interest income on loans is recognized on an accrual basis.

2.4 Reinsurance premium

Reinsurance premium ceded is accounted in accordance with the treaty or in-principle arrangement with the reinsurer.

2.5 Benefits Paid (Including Claims)

Death and surrender 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.

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 Liability for life policies in force

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. Actuarial policies and assumptions are given in note 3.2 below.

2.8 Investments

Investments are recorded at cost on the date of purchase, which includes brokerage, if any and excludes interest paid on purchases.

2.8.1 Classification

Investments maturing within twelve months from the balance sheet date and investments made with the specific intention to dispose off within twelve months from the balance sheet date are classified as short-term.

Investments other than short term 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’). 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

Government securites are valued at prices obtained from Credit Rating Information Services of India Ltd. (‘CRISIL’). Debt securities, other than Government securites, 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. 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

In order to meet the deficit in the Policyholders' account the Company transfers investments from Shareholders’ fund to Policyholders' fund.

Prior to the receipt of circular dated 29 October 2003 on “Transfer of funds by the life insurance companies” issued by IRDA, such transfers were carried out at market value. However, effective the date of receipt of the circular i.e. 6 November 2003, the Company effects such transfers at lower of cost or market value.

The circular permits transfer of only approved investments from shareholders’ assets at market price where the policyholders‘ fund size does not exceed Rs. 50 crores. This change in accounting policy does not have a material impact on the financial statement.

2.9 Loans

Loans are stated at historical cost, subject to provision for impairment.

2.10 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. Significant improvements to software are capitalized with the insignificant improvements being charged off as software expenses. Depreciation is provided on Straight-Line Method (‘SLM’) prorated from the date of acquisition / upto the date of sale, with reference to the management’s assessment of the 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
Software	3 years
Office Equipment	4 years
Furniture & Fixtures	4 years

2.11 Accounting for leases

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/expense, as applicable, over the lease period.

2.12 Staff benefits

The Company has incorporated a Provident Fund trust. The contribution to which is under defined contribution plan. Company's liability towards the same is at the rate specified in the trust deed and is charged to the revenue account and profit & loss account.

The Company has incorporated a gratuity trust. The trust has taken a group policy from the Company to cover the liability towards gratuity. The Company's liability towards gratuity - a defined benefit plan, 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.

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 or 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 or the profit and loss account.

2.14 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 the accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization 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 reasonably or virtually certain to be realized.

2.15 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.

3.1 Investments

The investments are effected from the respective funds of the policyholders and shareholders and income thereon has been accounted accordingly.

3.2 Allocation of expenses

Operating expenses relating to insurance business are allocated to specific business segments – participating, non-participating, annuities and linked on the following consistently applied bases:

- Expenses that are directly identifiable to the business class are allocated on actual basis.
- Other expenses, that are not directly identifiable, are allocated on either of the following basis:
  - Number of policies;
  - Weighted annualized 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.

3.3 Risks retained and reinsured

Extent of risk retained and reinsured is as follows :

	31 March 2004	31 March 2003
Individual		
Risk retained	94%	95%
Risk reinsured	6%	5%
Group		
Risk retained	54%	42%
Risk reinsured	46%	58%

Investments

- All investments are performing investments.
- Investments under Section 7 of the Insurance Act, 1938 are as follows:

(Rs. in thousands)

	March 31, 2004	March 31, 2003
Balance with Reserve Bank of India	1,000	1,000
7.40% Govt. of India Securities *	45,204	12,342

* This investment is in the custody of Deutsche Bank AG, Indian branch in Constituent Subsidiary General Ledger Account under intimation to IRDA.

3.5 Value of unsettled contracts relating to investments as at March 31, 2004 are as follows:

(Rs. in thousands)

Particulars	March 31, 2004		March 31, 2003	
	Linked Business	Non-linked Business	Linked Business	Non-linked Business
Purchases where deliveries are pending	134,766	80,435	14,410	41,790
Sales where receipts are overdue	Nil	Nil	Nil	Nil

ICICI Lombard General Insurance Co. Ltd

"Part I" of "Annexure K"

Statement of Profits

(Rs. in thousands)

	For the year ended March 31, 2001	2002	2003	2004	Quarter ended June30, 2004 (unaudited)
Operating Profit/(loss)					
Fire Insurance	Rs. -	Rs. (571)	Rs. (47,099)	Rs. 383,131	Rs. 173,426
Marine Insurance.....................	-	(3)	(14,395)	(70,243)	(19,460)
Miscellaneous Insurance	-	(130,120)	(8,921)	(43,009)	73,323
Income from investments					
Interest & Dividend [Gross]	-	51,996	88,825	119,904	35,516
Profit on sale of Investments	-	643	27,239	46,251	1,303
Interest other	-	14	-	-	
Other Income..........................	-	-	479	408	782
	-	**Rs. (78,041)**	**Rs.46,128**	**Rs. 436,442**	**Rs. 264,890**
Less : Other Expenses					
Expenses other than those related to insurance business					
Employees' remunerations and welfare benefits	4,503	12,595	2,654	2,193	604
Travel, conveyance and vehicle running expenses	1,297	3,065	-	-	
Training expenses.....................	1,204	1,574	-	-	
Rents, Rates and Taxes	2,089	9,704	-	-	
Legal and Professional charges	1,093	2,196	-	-	
Others	1,822	2,538	63	90	60
Preliminary expenses written off ..	653	1,558	1,558	4,020	
Share issue expenses	-	-	-	7,700	
	Rs.12,661	**Rs.33,230**	**Rs.4,275**	**Rs.14,003**	**Rs.664**
Profit / (Loss) before Tax	**Rs. (12,661)**	**Rs. (111,271)**	**Rs.41,853**	**Rs.422,439**	**Rs.264,226**
Less : Provision for taxation					
(a) Current tax expense	-	(2,750)	3,600	111,000	38,500
(b) Deferred tax income.............	-	29,200	5,273	(6,400)	27,500
	-	26,450	8,873	104,600	66,000
Profit/ (Loss) after Tax	**Rs (12,661)**	**Rs. (84,821)**	**Rs. 32,980**	**Rs. 317,839**	**Rs.198,226**
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%	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, in	**Rs. (12,661)**	**Rs. (62,768)**	**Rs. 24,405**	**Rs. 235,201**	**Rs.**

the Capital of the Subsidiary	**146,687**

Notes:

1. The Company was incorporated on October 30, 2000.
1. 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 each of the year ended March 31, 2001 and 2002 has not been determined and consequently, no adjustments have been carried out in the Statement of Profits shown above.

2. 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, 2001, 2002 and 2003 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 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, 2001, 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 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, 2001, 2002 and 2003 has not been determined and consequently, no adjustments have been carried out in the Statement of Profits shown above.

ICICI Lombard General Insurance Co. Ltd
"Part II" of "Annexure K"
Statement of Assets and Liabilities

		(Rs. in thousands)
		As on June30, 2004 (unaudited)
Assets:		
Investments...		3,990,768
Fixed Assets		162,699
Deferred Tax asset		7,500
Cash and bank balances		54,416
Advances and other assets		1,544,946
		5,760,329
Less: Current Liabilities & Provisions..		3,292,205
		2,468,124
Represented By :		
(A) Share Capital :		
220,000,000 Equity Shares of Rs 10/- each fully paid-up		2,200,000
Of the above162,799,300 Equity Shares of Rs.10/- each are held by ICICI Bank Ltd. (the Holding Company) and 700 shares through its nominees		
(B) Reserves And Surplus :		
Profit and Loss account...		257,549
Fair value change account		10,575
		2,468,124
Net Assets so far as it concerns the members of ICICI Bank Ltd, the Holding Company and its nominees	74.00%	**Rs.1,826,412**

Notes:

1. Contingent liabilities at June30,2004 is Rs. Nil (March 31, 2004 Rs. Nil)
2. The assets of the Company are free from all encumbrances.
3. Estimated amount of contracts remaining to be executed on fixed assets and not provided for (net of advances) is Rs 20,033thousands (March 31, 2004 Rs 5,332 thousands)
4. Claims

   Claims, less reinsurance, paid to claimants in / outside India are as under:

		(Rs. in thousands)
	For the quarter ended June 30, 2004	For the year ended March 31, 2004
In India..	Rs.215,856	Rs.493,074
Outside India	Nil	Nil

The Company does not have any liability relating to claims, where the claim payment period exceed four years.

Ageing of claims

Ageing of claims is as set out below:

		(Rs. in thousands)
	For the quarter ended June 30, 2004	For the year ended March 31, 2004
More than six months	Rs.351,161	Rs.433,941
Others..	755,493	572,694

Claims settled and remaining unpaid for more than six months is Rs Nil (March 31, 2004 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').

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 and in the manner so required.

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. 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 is recognized in the year in which it is cancelled.

Income from reinsurance business
Commission on reinsurance business is recognized at the inception of the contract as income in the year of ceding the risk.

Profit commission under re-insurance treaties is recognized as income in the year of determination of profits.

Income earned on investments
Interest income on investments is recognized 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 date of sale. In determining the realised gain / loss, cost of securities is arrived at on 'First in First Out' basis. However in case of listed equity shares, the profit or loss also includes the accumulated changes in the fair value previously recognised under the heading Fair Value Change Account in respect of the particular security, which is transferred to the profit and loss account on the date of sale.

5. Premium received in Advance

This represents premium received during the year, where the risk commences subsequent to the Balance Sheet date.

6. Reinsurance premium

Insurance premium on ceding of the risk is recognised in the year in which the risk commences, over the period of contract or period of risk, whichever is appropriate. Any subsequent revision to premium ceded is recognised over the remaining period of risk or contract period. Adjustment to reinsurance premium arising on cancellation of policies is recognised in the year 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. 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 comprise the claims made for losses incurred and those estimated or anticipated under the policies following a loss occurrence and specific claim settlement costs such as survey / legal fees and other directly attributable costs.
Estimated liability for claims after adjusting claims recoverable from / payable to reinsurers / co-insurers are accounted for as and when intimated/reported, upto the end of the financial year.

Provisions for claims are based on individual case estimates received. The estimates are regularly reviewed and updated as additional information on the estimated claims becomes known.

Estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER') is based on actuarial estimate duly certified by the appointed Actuary. Assumptions used by the Actuary are disclosed in note 18 below.

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 year in which they are incurred.

10. Premium deficiency

Premium deficiency is recognised when the sum of expected claim costs, related expenses and maintenance costs exceed the reserve for unexpired risks and is computed business segment wise.

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 twelve months from balance sheet date and investments made with the specific intention to dispose off within twelve months are classified as 'short term investments'.

All other investments are classified as 'long term investments'.

Valuation

All debt securities including government securities are considered as 'held to maturity' and accordingly stated at historical cost subject to amortisation of premium or accretion of discount on a straight line basis over the holding/maturity period.

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 investments are stated at fair value, being the closing net asset value as at balance sheet date.

Unrealized gain / loss arising due to changes in fair value of listed equity shares is not taken to profit and loss account but is 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 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 year is provided on prorata 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 cases 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

Depreciation on computer software is provided @ 20 percent except for expenditure below Rs. 500,000, which is fully depreciated in the year in which incurred.
Other assets individually costing less than Rs 5,000 are fully depreciated in the year in which they are acquired.

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 made on the basis of by actuarial valuation and is charged to Profit and Loss account and Revenue account(s).

Leave encashment
Leave encashment, which is a defined benefit scheme, is determined on the basis of accumulated leave balances as at year end and is charged to Profit and Loss account and Revenue account(s).

Basis of allocation
Retirement benefit expense are allocated to profit and loss account and revenue account on the basis as explained in paragraph 17.

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. 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 written down or written up to reflect the amount that is reasonably/virtually certain to be realised.

16. Contingencies

Loss contingencies arising from 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.

17. Premium

Premium, less reinsurance, written from business in/outside India is given below:

Rs. in thousands

Particulars	For the year ended March 31, 2004	For the year ended March 31, 2003
In India	1,298,166	445,286
Outside India	Nil	Nil

The Company has recognised 0.2 percent (previous year 1 percent) of the total premium earned from Miscellaneous - Engineering class of business based on varying risk pattern. The risk pattern is determined based on underwriting estimates, which are in turn based on project related information received from the customers, and these are relied upon by the Company.

18. Extent of risks retained and reinsured is set out below:

Particulars	Basis	As at March 31, 2004		As at March 31, 2003	
		Retention	Ceded	Retention	Ceded
Fire	Total sum insured	16%	84%	14%	86%
Marine – Cargo	Value at risk	47%	53%	57%	43%
Miscellaneous					
- Engineering	Total sum insured	32%	68%	25%	75%

Particulars	Basis	As at March 31, 2004		As at March 31, 2003	
		Retention	Ceded	Retention	Ceded
- Motor	Total sum insured	80%	20%	80%	20%
- Workmen Compensation	Value at risk	80%	20%	80%	20%
- Public Liability	Value at risk	3%	97%	25%	75%
- Personal Accident	Value at risk	58%	42%	32%	68%
- Health	Value at risk	80%	20%	80%	20%
- Others	Value at risk	30%	70%	25%	75%

19. Investments

Value of contracts in relation to investments for:

- Purchases where deliveries are pending on March 31, 2004 Rs Nil (March 31, 2003 Rs 54,166 thousand).

Historical cost of investments that are valued on fair value basis on March 31, 2004 is Rs 527,014 thousand (March 31, 2003 Rs 117,533 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 Company does not have any investment property as at March 31, 2004 (March 31, 2003 Rs Nil).

20. Allocation of income and expenses

Allocation of investment income

Investment income has been allocated between revenue accounts 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.

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.

21. Contribution to terrorism pool

The Company in accordance with the requirements of IRDA has participated in contributing to the Terrorism Pool. This pool is managed by the General Insurance Corporation of India (‘GIC’). Amounts collected as terrorism premium in accordance with the requirements of the Tariff Advisory Committee (‘TAC’) are ceded at 100% of the terrorism premium collected to the Terrorism Pool, subject to conditions and an overall limit of Rs 2 billion.

In accordance with the terms of the agreement, GIC retrocedes, to the Company, terrorism premium to the extent of the Company’s share in the risk, which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on quarterly intimation/confirmation received from GIC. Accordingly, reinsurance accepted on account of the Terrorism Pool has been recorded only upto September 30, 2003 as per the last confirmation received and which has been carried forward to the subsequent accounting period as Unexpired Risk Reserve for subsequent risks, if any.

As on March 31, 2004, an amount of Rs 8,674 thousand (March 31, 2003 Rs 2,892 thousand) collected towards Environment Relief fund under Public Liability policies has been disclosed under current liabilities and the same is invested in Government Securities.

22. Assumptions made by the Actuary for determining provision required for IBNR/IBNER

The Appointed Actuary has certified that the requirements of Guidance Note 21 of the Actuarial Society of India have been complied with to the extent applicable in respect of determination of IBNR including IBNER and to the extent that IBNR has been arrived at following Mukherji Committee recommendations, no assumptions with regard to future scenario are required to be made.

ICICI Venture Fund Management Company Limited
"Part I" of "Annexure L"
Statement of Profits

(Rs. in crores)

	For the year ended March 31, 2000	2001	2002	2003	2004	Quarter ended June 30, 2004 (unaudited)
Income:						
Income from Operations	Rs.364.09	Rs.34.42	Rs.18.84	Rs.33.82	Rs.104.13	Rs.13.62
Profit on Sale of Investments	4.93	-	1.24	1.45	1.96	0.14
Provision for doubtful debts, advances & expenses written back	0.40	1.63	0.15	0.07	0.11	-
Profit on Sale of asset (net)	-	-	-	0.02	-	-
Other Income	0.05	0.31	0.08	0.30	0.51	0.13
	Rs.369.47	**Rs.36.36**	**Rs.20.31**	**Rs.35.66**	**Rs106.71**	**Rs13.89**
Less: Expenditure:						
Cost of Sales of Securities held as Stock-in-Trade	305.36	4.93	**-**	-	59.20	1.33
Staff Expenses	3.38	3.10	4.55	6.22	6.54	1.76
Establishment Expenses...........	0.71	1.03	1.88	2.09	2.83	0.85
Other Expenses	6.41	6.47	3.59	7.55	5.54	0.90
Provision for Contingencies........	-	1.00	-	-	-	-
Depreciation	1.01	1.36	1.34	1.23	1.21	0.38
	Rs. 316.87	**Rs. 17.89**	**Rs. 11.36**	**Rs. 17.09**	**Rs.75.32**	**Rs.5.22**
Profit Before Taxation	**Rs.52.60**	**Rs.18.47**	**Rs. 8.95**	**Rs.18.57**	**Rs. 31.39**	**Rs. 8.67**
Less: Provision for Taxation	14.25	8.02	3.00	6.52	5.25	3.17
Deferred Tax.........................	-	-	0.37	(0.45)	0.17	(0.06)
Profit After Taxation	**Rs. 38.35**	**Rs.10.45**	**Rs.5.58**	**Rs.12.50**	**Rs. 25.97**	**Rs. 5.56**
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%	99.99%	99.99%	99.99%	99.99%	99.99%
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, in the capital of the subsidiary	**Rs.38.35**	**Rs.10.45**	**Rs.5.58**	**Rs.12.50**	**Rs.25.97**	**Rs.5.56**

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. The Deferred Tax adjustments for each of the year ended March 31, 2000 and 2001 has not been determined and consequently no adjustments have been carried out in the `Statement of Profits' shown above.

ICICI Venture Fund Management Company Limited
"Part II" of "Annexure L"
Statement of Assets and Liabilities

	(in Crores) As on June 30, 2004 (unaudited)
Assets :	
Fixed Assets (net of depreciation)	11.79
Investments	40.22
Current Assets & Advances	3.74
Less: Liabilities	
Loan Funds-Unsecured Loans	0.59
Current Liabilities and Provisions	10.06
Deferred Tax Liability	1.83
Net worth	**43.27**
Represented By :	
Share Capital :	
31,25,000 Equity Shares of Rs.10/- each fully paid-up	3.13
(Of the above 3,124,890 shares have been subscribed by ICICI Bank Ltd. Limited-the Holding Company)	
(Of the above 125,000 shares have been issued as fully paid, pursuant to a contract without payment being received in cash)	
Reserves & Surplus:	
Statutory Reserve	21.00
General Reserve	8.67
Amalgamation Reserve	4.79
Surplus in Profit & Loss Account	5.68
	43.27
Net Assets so far as it concerns the members of ICICI Bank Ltd., the Holding Company 99.99%	**43.27**

Note

1.Income Tax demands (net of tax provision already created) for which appeals are being preferred Rs. Nil (March 31, 2004 – Rs. Nil).

2. Estimated amount of contracts remaining to be executed on Capital account not provided for (Net of advances, if any) – Rs. Nil (March 31, 2004 Rs. 3.78 crores).

3. Pursuant to resolution for reduction of capital passed at the extraordinary general meeting of the company held on 11 November 2003, the company has filed a petition under Section 100 of the Companies Act, 1956, in the High Court, Karnataka. The company proposes to reduce the paid up capital by canceling 2,125,000 equity shares of Rs 10 each and cancel the General Reserve of Rs 6.07 crores, Amalgamation Reserve of Rs 4.79 crores and surplus in Profit & Loss account of Rs 2.20 crores. The aforesaid petition is pending confirmation by the High Court.

4. Provision for tax of Rs. 3.11 crores during the quarter ended June 30, 2004 (March 31, 2004 Rs. 5.42 crores) includes provision for deferred tax amounting to Rs. (0.07) crores. (March 31, 2004 Rs.0.17 crores).

Significant Accounting Policies

1. Nature of Operations

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

2. Basis of Presentation

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

3. Income Recognition

i. As Fund Manager, the Company is entitled to an annual management fee and a performance fee, which is contingent on the payouts to the Fund investors. In respect of the Private Equity Funds advised by the Company, the Company is entitled to an advisory fee. The annual management fee, performance fee and the advisory fee are recognized as revenue when they contractually accrue except where the management believes that the collectability is in doubt.

ii. 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.

iii. 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 suspended income recognised when the investment becomes contractually current and incomes are actually realised.

iv. 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/quarter end. The difference between the year-end/quarter 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 Accounts 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 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

ICICI Bank UK Limited
"Part I" of "Annexure M"
Statement of Profits

		(US Dollars in thousands)
	Period from February 11, 2003 to March 31, 2004	**Period from April 1, 2004 to June 30, 2004 (unaudited)**
Income		
Operating Income	1,552	1679
Less: Expenditure:		
Interest expended	187	465
Salaries and employee benefits	1,636	778
Other administrative expenses	1,976	1,353
	(2,247)	**(917)**
Extent of interest so far as it concerns members of ICICI Bank the Holding Company, in the Capital of the Subsidiary	100%	100%
Amount of profit so far as it concerns the members of ICICI Bank, the Holding Company in the capital of the subsidiary	**(2,247)**	**(917)**

ICICI Bank UK Limited
"Part II" of "Annexure M"
Statement of Assets and Liabilities

	(US Dollars in thousands)
	As on June 30, 2004 (unaudited)
Assets :	
Cash and cash equivalents	88,800
Fixed assets	2,027
Loans	90525
Other assets	48,368
	229,720
Less: Liabilities :	
Deposits	181,111
Current liabilities and provisions	1,781
	182,892
Net worth	**46,828**
Represented By :	
(A) Share Capital	
50,000,000 Equity Shares of US Dollar 1 each fully paid-up	50,000
All the above equity shares are held by ICICI Bank Limited, the holding Company and its nominees	
(B) Reserves And Surplus :	
Profit & Loss Account	(3,172)
	46,828
Net Assets so far as it concerns the members of ICICI Bank Ltd, the Holding Company and its nominees 100%	**46,828**

Note :

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 As at June 30, 2004, USD 620,000 of fees and commissions receivable consists 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 30 June 2004, there were deferred tax assets of USD 478,000 in respect of tax losses carried forward and USD 18,000 in respect of a timing difference on the creation of a general provision for bad and doubtful debts. The Directors have considered it prudent not to recognise these assets based on current profitability levels. The Directors of the Company are not aware of any factors which will have a material effect upon future tax charges other than the tax losses carried forward as noted above.

4 Commitments

(a) Other commitments

	June 30, 2004 USD in thousands	March 31, 2004 USD in thousands
Loan commitments (undrawn credit lines) – one year or less	**62,0**	**36,12**

(b) Significant concentrations of contingent liabilities and commitments

Approximately 32% of total contingent liabilities and commitments relate to counterparties in India.

(c) Foreign exchange contracts

In addition to the commitments disclosed above, there are outstanding foreign exchange contracts for purchases of USD 182 and sales of USD .19526

5 **Risk management**

Through its banking services the Company is exposed to a range of risks. To manage these risks the Company has established the following committees and functions to assist the Board of Directors: Governance Committee; Audit Committee; Credit Committee; Asset and Liability Committee; and Internal Audit.

Major risks

Credit risk

Credit risk arises principally on the lending activities of the bank. Credit risk policies are applied by the Credit Committee which operates within the authority granted to it by the Board. 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 banks assets with its funding. This is monitored daily and is managed by the Asset and Liability Committee. Principal limits have been established for the Company's assets and liabilities when allocated to time bands by reference to the next contractual repricing date.

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. Limits have been established for each time band and incorporate FSA agreed limits.

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, 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.

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 period end, the principal amounts and fair values of the instruments were:

	June 30, 2004		
	Principal amount	Positive Fair Values USD	Negative Fair Values in thousands
Exchange rate related contracts	**20,429**	**0**	**6**

Exchange rate related contracts are predominantly spot transactions but will also include currency swaps and forwards. The Company's currency swap transactions generally involve an exchange of currencies and an agreement to re-exchange the currency at a future date where the swaps relate to assets and liabilities denominated in different currencies.

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 are used for hedging purposes only and are executed with bank counterparties 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 (see note 23), 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 income and expense

Interest receivable and payable is accrued over the period of the related loans 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. Fees and commissions payable

Fees and commissions payable on borrowings are expensed to the profit and loss account over the life of the borrowing.

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

The Company operates a stakeholder pension scheme. Contributions to the scheme are charged to the profit and loss account when paid. No contributions were made during the period.

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.

ICICI Distribution Finance Private Limited
"Part I" of "Annexure N"
Statement of Profits

(Rs. in crores)

	For the year ended March 31, 2004	Quarter ended June 30, 2004 (unaudited)
Revenue:		
Hire Purchase Income	Rs.2.99	0.24
Interest income	1.64	0.11
Discounting Charges	0.43	-
Distribution Finance Income	8.89	-
Other Income	3.75	0.60
	Rs.17.70	**Rs. 0.95**
Expenditure:		
Employee Expenses	1.79	-
Hire Purchase /Consumer Finance Expenses	0.13	0.01
Administrative Expenses	2.64	0.11
Interest and Bank Charges	4.03	0.07
Bad Debts	2.46	0.75
Provision for Doubtful Debts	0.49	-
Excess provision for losses written back	(0.06)	-
Depreciation	0.21	-
Total Expenses	**11.69**	**0.94**
Profit /Loss Before tax from Operations	**Rs.6.01**	**Rs. 0.01**
Less : Provision for taxation		
Current tax expense	2.65	-
Profit/ (Loss) after Tax	**Rs.3.36**	**Rs. 0.01**
Extent of interest so far as it concerns members of ICICI Bank, the Holding Company, in the Capital of the Subsidiary	100.00%	100.00%
Amount of profit so far as it concerns the members of ICICI Bank, the Holding Company in the capital of the subsidiary	**Rs. 3.36**	**Rs. 0.01**

ICICI Distribution Finance Private Limited
"Part II" of "Annexure N"
Statement of Assets and Liabilities

	(Rs. in crores) As on June 30, 2004 (unaudited)
Assets:	
Investments	-
Loans and Advances	18.85
Stock on hire	1.16
Cash and bank balances	44.67
Other Assets	1.72
	66.40
Liabilities:	
Current Liabilities & Provisions..	14.15
Unsecured Loans	-
Net Worth	**Rs. 52.25**
Represented By :	
(A) Share Capital :	
8,750,000 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.	8.75
(B) Reserves And Surplus :	
Profit and Loss account	0.01
Share Premium Account	34.46
Reserve Fund as per RBI Act	3.64
General Reserve	2.50
Capital Redemption Reserve	2.89
	43.50
Net Worth	**52.25**
Net Assets so far as it concerns the members of ICICI Bank Ltd, the Holding Company and its nominees	
100%	52.25

Notes:

1 On January 3, 2003 the then shareholders of the Company had signed a Share Purchase Agreement to transfer their entire shareholding in the Company to ICICI Bank Limited (the Bank) and accordingly on May 7, 2003, the transfer of shares was completed. Consequent to the transfer of shares, the Company has become a wholly owned subsidiary of the Bank. As per the approval of the Reserve Bank of India (RBI) dated March 31, 2003 received by the Bank for the acquisition of these shares, the Bank is required to initiate proceedings for the voluntary winding up of the Company after the business is transferred to the Bank's balance sheet. Hence the financial statements are not prepared on the going concern assumption.

Adjustments relating to the recoverability and the classification of recorded asset amount or to amounts and classification of liabilities that may be necessary on winding up of the Company have been made based on management's assessment of the same.
All assets and liabilities have been stated at net realisable value.

2. Significant Accounting Policies

a) System of Accounting

The financial statements are prepared under the historical cost convention, on accrual basis and in accordance with the provisions of the Companies Act, 1956 and accounting principles generally accepted in India. As stated in para1 (a), the financial statements have not been prepared on a going concern basis.

b) Fixed assets

Fixed assets are stated at lower of net realisable value and written down value.

c) Investments

Long term investments are carried at cost of acquisition less provision for diminution in value, if any, other than of temporary nature.

d) Stock on hire

Stock on hire under hire purchase agreements is valued at the aggregate of future installment receivable and is net of unmatured finance charges and installments received in advance.

e) Income recognition

i. Income is accounted for on accrual basis except income relating to assets for which installments/ interest has remained overdue for more than six months. In such cases income is recognized only when it is received.

ii. Hire Purchase and Consumer Finance income is accounted for using the Internal Rate of Return (IRR) implicit in the contracts, so as to provide a constant periodic rate of return on the balance principal amount outstanding on those contracts.

iii. Front-ended service charges are treated as income of the period in which they accrue.

iv. Delayed payment charges, in case of Consumer Finance/Hire Purchase are accounted for on receipt basis.

v. Interest income is accounted for on time accrual basis.

f) Depreciation

Depreciation on fixed assets is provided on the Straight Line Method over the estimated useful life. Depreciation on assets acquired / disposed off during the year is provided pro-rata from/ up to the month of acquisition/ disposal. The useful life of the assets is estimated as under:

Asset	Estimated Useful life	Rate of Depreciation (%)
Computers	3 yrs	33.33
Office Equipment	5 yrs	20.00
Furniture & Fixtures	5 yrs	20.00
Vehicles	5 yrs	20.00

Assets costing less than Rs. 5,000/- are depreciated at the rate of 100% during the year.

g) Taxation

Income-tax expense is accrued in accordance with Accounting Standard 22 "Accounting for taxes on income" issued by Institute of Chartered Accountants of India, which includes current and deferred taxes. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. In view of the transfer of the Company's shares to ICICI Bank Limited and impending winding up of the Company as required by the Reserve Bank of India (refer Note 1 above), no deferred tax asset has been recognized.

h) Earnings per equity share (EPS)

Basic and diluted EPS is reported in accordance with Accounting Standard 20 " Earnings Per Share" issued by the Institute of Chartered Accountants of India. Basis of EPS has been computed by dividing net profit after tax by weighted average number of equity shares outstanding for the period. Diluted EPS has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

ICICI Investment Management Co. Ltd
"Part I" of "Annexure O"
Statement of Profits

(Rs. in thousands)

	For the year ended March 31,				Quarter ended, June 30, 2004 (unaudited)
	2001	2002	2003	2004	
Income:					
Interest Income....................	Rs.10,944	Rs.11,179	Rs.10,340	Rs.7,193	Rs.1,717
Dividend Income..................	-	73	591	315	-
Other Income	-	-	11	-	-
Profit on sale of Investment..................	-	-	-	9	-
	10,944	**11,252**	**10,942**	**7,517**	**1,717**
Less: Expenditure					
Professional Fees..................	-	8,779	-	-	-
Establishment and other expenses............................			2,217	2,727	683
Annual Fees – SEBI	-	-	250	250	250
Other Expenses	6	15	13	12	6
Auditor's Remuneration	6	53	37	38	9
Misc. Expenditure W/off	257	257	257	257	64
Interest on Income Tax...........			30	50	0
	269	**9,104**	**2,803**	**3,334**	**1,013**
Profit Before Tax.................	**Rs.10,675**	**Rs.2,148**	**Rs.8,139**	**Rs.4,183**	**Rs.705**
Less : Provision for Current Taxation [net]	4,450	750	2,897	1,182	252
Profit After Tax...................	**Rs.6,225**	**Rs.1,398**	**Rs.5,242**	**Rs.3,001**	**Rs.453**
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, in the capital of the subsidiary	**Rs.6,225**	**Rs.1,398**	**Rs.5,242**	**Rs.3,001**	**Rs.453**

Note:
The Company was incorporated on March 9, 2000.

ICICI Investment Management Co. Ltd
"Part II" of "Annexure O"
Statement of Assets and Liabilities

	(Rs. in thousands) As on June 30, 2004 (unaudited)
Assets :	
Investments	Rs.14,375
Current Assets	
Interest accrued on Fixed Deposits	6,817
Bank Balance & Deposits	92,822
Other Current Assets	5,591
Less: Liabilities:	
Current Liabilities and Provisions	3,471
Net Worth	**Rs.116,134**
Represented By :	
Share Capital :	
10,000,700 Equity Shares of Rs.10/- each fully paid-up	100,007
All the above equity shares are held by ICICI Bank Limited, the holding Company and its nominees.	
Reserves And Surplus :	
Profit & Loss Account	16,320
Less: Miscellaneous Expenditure	193
(To the extent not written off or adjusted)	**Rs.116,134**
Net Assets so far as it concerns the members of ICICI Bank Ltd, the Holding Company and its nominees 100%	**Rs.116,134**

Note:

1. There is no deferred tax liability in case of the Company.

Significant Accounting Policies :

1. **Method of Accounting :**
   The accounts are 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 5 years.

3. **Revenue Recognition :**
   Interest income and other dues are accounted on accrual basis. Dividend is recognised when declared.

4. **Investments:**
   Long term investments are carried at cost less diminution, other than temporary.

Auditor's Report on the Consolidated Financial Statements of ICICI Bank Limited and its Subsidiaries, Associates and Joint Ventures

To
The Board Of Directors
ICICI Bank Limited

We have audited the attached Consolidated Balance Sheet of ICICI Bank Limited and its subsidiaries, associates and joint ventures (the 'Group') as at June 30, 2004, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the three months period ended on that date annexed thereto. These financial statements are the responsibility of the ICICI Bank Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We have relied on the un-audited financial statements of certain subsidiaries/associates/joint ventures, whose financial statements reflect total assets of Rs. 92,970.4 million as at June 30, 2004, and total revenues of Rs. 5,659.2 million and cash flow amounting to Rs. 532 million for the three months period then ended.

We report that the consolidated financial statements have been prepared by the ICICI Bank Limited's management in accordance with the requirements of Accounting Standard ('AS') 21, Consolidated Financial Statements, Accounting Standard ('AS') 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard ('AS') 27, Financial Reporting of interest in Joint Ventures issued by the Institute of Chartered Accountants of India, *subject to non-transfer of profit to various reserves as stated in note no. 14 of schedule 18.*

Based on our audit and on the consideration of the un-audited financial statements and on the other financial information of the components, and to the best of our information and according to explanations given to us, we are of the opinion that the attached consolidated financial statements gives true and fair view in conformity with the accounting principles generally accepted in India:

a. in the case of the consolidated balance sheet, of the state of affairs of the Group as at June 30, 2004;

b. in the case of the consolidated profit and loss account, of the profit of the Group for the three months period then ended; and

c. in the case of the consolidated cash flow statement, the cash flows of the Group for the three months period ended on that date.

For S.R. Batliboi & Co.
Chartered Accountants

per Viren H. Mehta
a Partner
Membership No.:048749
Mumbai: July 23, 2004

ICICI BANK LIMITED

(Rs. in crore)

CONSOLIDATED STATEMENT OF PROFITS	Year ended March 31, 2004	Period ended June 30, 2004
Interest Earned		
Interest / discount on advances / bills	6,198.91	1,632.18
Income on investments	2,753.74	547.80
Interest on balances with Reserve Bank of India and other inter-bank funds	219.39	68.92
Others	180.63	45.03
Total (A)	**9,352.67**	**2,293.93**
Other Income		
Commission, exchange and brokerage	1,203.72	405.85
Profit / (Loss) on sale of investments (net)	1,417.54	75.92
Profit / (Loss) on revaluation of investments (net)	1.05	(0.50)
Profit / (Loss) on foreign exchange transactions (net) (including premium amortisation)	208.61	68.70
Profit/(Loss) on sale of land, buildings and other assets (net)	(3.28)	0.67
Miscellaneous Income [including lease income]	1,725.38	655.92
Total (B)	**4,553.02**	**1,206.56**
TOTAL INCOME (C) = (A) + (B)	**13,905.69**	**3,500.49**
Interest Expended		
Interest on deposits	3,019.43	722.33
Interest on Reserve Bank of India / inter-bank borrowings	323.10	94.36
Others	3,825.13	804.46
Total (D)	**7,167.66**	**1,621.15**
Operating Expenses		
Payments to and provisions for employees	710.66	228.95
Depreciation on fixed assets [including leased assets]	560.89	161.41
Other operating expenses	2,921.87	952.20
Total (E)	**4,193.42**	**1,342.56**

TOTAL EXPENSES (F) = (D) + (E)	**11,361.08**	**2,963.71**
Net Income before provisions (C) - (F)	**2,544.61**	**536.78**
Less :		
Provision for taxes (net of deferred tax for Q June 2004 Rs. 72.49 crore FY 2004 Rs. 9.16 crore)	339.84	90.87
Provision for advances [net]	487.31	70.66
Provision for investments (including credit substitutes) (net)	117.03	(20.61)
Other provisions [including additional depreciation / (write-back of depreciation) on investments]	20.80	1.68
Total Provisions	**964.98**	**142.60**
NET PROFIT AFTER TAX AND BEFORE MINORITY INTEREST	**1,579.63**	**394.18**
Less : Minority Interest	(0.75)	(5.39)
NET PROFIT	**1,580.38**	**399.57**

ICICI BANK LIMITED

Consolidated Balance Sheet

(Rs. in crore)

	As on March 31, 2004	As on June 30, 2004
ASSETS		
Cash in Hand	**484.92**	**469.47**
Balance with RBI	**4,961.37**	**4,622.54**
Balance with Banks		
I. In India		
i) Balances with banks		
a) in Current Accounts	389.66	402.11
b) in Other Deposit Accounts	1,187.66	773.65
ii)Money at call & short notice		
a) with banks	-	75.00
b) with other institutions	-	-
Total (I)	1,577.32	1,250.76
II. Outside India		
i) in Current Accounts	301.33	561.11
ii) in Other Deposit Accounts	1,248.40	1,286.19
iii)Money at call & short notice	415.07	147.36
Total (II)	1,964.80	1,994.66
Balance with Banks Total	**3,542.12**	**3,245.42**
Investments		
I. Investments in India		
i) Government securities	31,841.87	29,569.10
ii) Other approved securities	30.12	30.12
iii) Shares *	2,949.17	3,028.29
iv) Debentures and Bonds	6,491.61	4,688.79
v) Subsidiaries and/or joint ventures	1.33	1.40
vi) Others (CPs, Mutual Fund Units, etc.)	4,219.61	4,956.68
Total (I)	45,533.71	42,274.38
II. Investments outside India	41.08	676.11
Investments Total	**45,574.79**	**42,950.49**
Advances		
I. In India	63,243.62	65,487.77
II. Outside India	1,152.20	2,348.71
Advances Total	**64,395.82**	**67,836.48**
Fixed Assets	**4,147.08**	**4,075.09**
Others Assets	**7,641.51**	**9,011.36**
TOTAL ASSETS	**130,747.61**	**132,210.85**
LIABILITIES		

	Deposits		
	Demand Deposits		
	-From Banks	135.32	115.13
	-From Others	7,109.79	6,536.30
	Saving Deposits	8,372.23	8,630.92
	Term Deposits		
	-From Banks	5,041.88	4,057.08
	-From Others	47,419.52	47,673.17
	Deposits Total	**68,078.74**	**67,012.60**
	Borrowings		
	I. In India		
	i) Reserve Bank of India	-	-
	ii) Other banks	3,683.11	2,292.48
	iii) Other institutions and agencies		
	a) From Government of India	441.15	420.59
	b) From Financial Institutions	5,095.95	4,742.43
	Borrowings in the form of		
	a) Deposits taken over from erstwhile ICICI Limited	465.97	465.24
	b) Commercial Paper	74.28	317.61
	c) Bonds & Debentures (excluding subordinated debt)		
	1) Debentures & Bonds guaranteed by the Government of India	1,481.50	1,481.50
	2) Tax free Bonds	-	-
	3) Non convertible portion of partly convertible notes	-	-
	4) Borrowings under private placement of bonds carrying maturity of one to thirty years from the date of placement	5,565.06	4,769.46
	5) Bonds Issued under multiple option/safety bonds series	10,208.58	9,503.20
	6) Application Money pending allotment	-	-
	Total (I)	27,015.60	23,992.51
	II. Outside India	7,942.47	8,843.88
	Borrowings Total	**34,958.07**	**32,836.39**
	Other Liabilities & Provisions	**9,426.85**	**10,055.70**
	Unsecured Redeemable Debenture/Bonds (Subordinated for Tier II capital)	**9,105.86**	**8,927.23**
	Minority Interest	**11.12**	**120.32**
	Liabilities on Life Policies in force	**1,061.06**	**1,622.56**
	Total Liabilities (excluding Share Capital and Reserves and Surplus)	**122,641.70**	**120,574.80**
(A)	**SHARE CAPITAL :**		
(i)	Issued, Subscribed and Paid up equity share capital [refer note (1)]	616.40	731.39
(ii)	Preference Share Capital [refer note (2) and (3)]	350.00	350.00
	Share Capital Total	**966.40**	**1,081.39**
(B)	**RESERVES AND SURPLUS :**		

(i)	Statutory Reserves	977.20	977.20
(ii)	Debenture Redemtion Reserve	-	-
(iii)	Special Reserve	1,192.49	1,193.54
(iv)	Capital Reserves	481.32	481.32
(iv)	Share Premium	884.30	3,915.58
(v)	Investment Fluctuation Reserve	780.33	798.04
(vi)	Revenue & Other Reserves	2,823.88	2,833.10
(vii)	Balance in Profit & Loss Account	-	355.88
	Reserves and Surplus Total	**7,139.52**	**10,554.66**
	Total Share capital and Reserves and Surplus	**8,105.92**	**11,636.05**
	TOTAL LIABILITIES	**130,747.62**	**132,210.85**

NOTES :

1 Includes -

a) 31,818,180 underlying equity shares consequent to the ADS issue

b) 23,539,800 equity shares issued to the equity share holders of Bank of Madura Limited on amalgamation

c) 264,465,582 equity shares issued to the equity share holders [excluding ADS holders] of ICICI Limited on amalgamation

d) 128,207,142 underlying equity shares issued to the ADS holders of ICICI Limited on amalgamation

e) 3,370,604 equity shares issued on exercise of employee stock options during year ended March 31, 2004 (March 31, 2003 : 3000).

(2) 350 preference shares of ICICI Bank alloted as fully paid preference shares to preference share holders oferstwhile ICICI Limited on amlagamation, reemable at par on April 20, 2018.

(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, 2004**	**As on June 30, 2004**
i) Claim against Bank not acknowledged as debts	2,514.67	2,532.09
ii) Liability for partly paid investments	124.14	16.84
iii) Liability on account of outstanding forward exchange contracts	55,735.26	56,891.92
iv) Guarantees given on behalf of constituents	12,029.00	12,712.79
v) Acceptances, endorsements & other obligations	6,523.99	8,086.18
vi) Currency Swaps	4,430.26	7,006.11
vii) Interest rate Swaps	126,603.08	146,024.25
viii) Other items for which Bank is contingently liable	4,059.93	4,482.38
TOTAL CONTINGENT LIABILITIES	**212,020.33**	**237,752.56**

Bills for collection	**1,510.94**	**2,074.99**

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

OVERVIEW

ICICI Bank Limited together with its subsidiaries, joint ventures and associates (collectively, the Group) is a diversified financial services group providing a variety of banking and financial services including project finance, working capital finance, venture capital finance, investment banking, treasury products and services, retail banking and broking.

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.

Principles of consolidation

The consolidated financial statements include the accounts of ICICI Bank Limited, its subsidiaries, associates and joint ventures.

The Bank consolidates all subsidiaries as defined in Accounting Standard ("AS") 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India ("ICAI") on line by line basis by adding together like items of assets, liabilities, income and expenses. Further, the Bank accounts for investments in associates as defined by AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" by the equity method of accounting. The Bank has investments in certain joint ventures, which have been consolidated by the proportionate consolidation method as required by AS 27 on "Financial Reporting of Interests in Joint Ventures."

Basis of preparation

The accounting and reporting policies of the Group used in the preparation of these financial statements conform with the Accounting Standards issued by ICAI, the guidelines issued by the Reserve Bank of India ("RBI"), Insurance Regulatory and Development Association ("IRDA") and National Housing Bank ("NHB") from time to time as applicable to relevant companies and generally accepted accounting principles prevailing in India.

The Group 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 ICICI Bank Limited, the same are disclosed separately.

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.

These financial statements have been prepared in accordance with AS 25 on "Interim Financial Reporting" issued by the ICAI.

The consolidated financial statements include the results of the following entities:

Sr. No	Name of the company	Country/ residence	Relation	Ownership interest
1	ICICI Securities Limited	India	Subsidiary	99.92%
2	ICICI Brokerage Services Limited	India	Subsidiary	99.92%
3	ICICI Securities Inc.	USA	Subsidiary	99.92%
4	ICICI Securities Holding Inc.	USA	Subsidiary	99.92%
5	ICICI Venture Funds Management Company Limited	India	Subsidiary	99.99%
6	ICICI Home Finance Company Limited	India	Subsidiary	100.00%
7	ICICI Trusteeship Services Limited	India	Subsidiary	100.00%
8	ICICI Investment Management	India	Subsidiary	100.00%

Sr. No	Name of the company	Country/ residence	Relation	Ownership interest
	Company Limited			
9	ICICI International Limited	Mauritius	Subsidiary	100.00%
10	ICICI Bank UK Limited	United Kingdom	Subsidiary	100.00%
11	ICICI Distribution Finance Private Limited	India	Subsidiary	100.00%
12	ICICI Bank Canada	Canada	Subsidiary	100.00%
13	ICICI Property Trust	India	Direct holding	100.00%
14	ICICI Eco-net Internet & Technology Fund	India	Direct holding	92.12%
15	ICICI Equity Fund	India	Direct holding	100.00%
16	ICICI Emerging Sectors Fund	India	Direct holding	98.88%
17	ICICI Strategic Investments Fund	India	Direct holding	100.00%

The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Bank, i.e. period ended June 30, 2004.

As per the approval of the Reserve Bank of India (RBI) dated March 31, 2003 received by the Bank for the acquisition of ICICI Distribution Finance Private Limited (IDFPL), the Bank is required to initiate proceedings for the voluntary winding up of IDFPL after the business is transferred to the Bank's balance sheet. Hence, the financials of IDFPL are not prepared on a going concern basis.

Adjustments relating to the recoverability and the classification of recorded asset amount or to amounts and classification of liabilities that may be necessary on winding up of IDFPL have been made on management's assessment of the same.

All assets and liabilities have been stated at net realisable value.

The investment in TCW/ICICI Investment Partners LLC. (holding of the Bank is 50%) is accounted under equity method as per AS 23.

The Bank has adopted AS 27 and the investments in the following companies have been accounted in accordance with the provisions of AS 27 :-

Sr. No.	Name of the company	Country/ residence	Percentage holding
1	Prudential ICICI Asset Management Company Limited	India	**44.99%
2	Prudential ICICI Trust Limited	India	**44.80%

**Indicates holding by ICICI Bank Limited along with its subsidiaries.

The financial statements of the following companies which are in the nature of jointly controlled entities, have been consolidated as per AS 21 "Consolidated Financial Statements" issued by the ICAI, consequent to the limited revision to AS 27 "Financial Reporting of Interests in Joint Ventures" issued by the ICAI. The said companies, for the previous year were consolidated as per the AS 27 "Financial Reporting of Interests in Joint Ventures" issued by the ICAI. The figures for the previous year have not been re-grouped in respect of these jointly controlled companies. Accordingly, the figures for the previous year are not comparable to that extent.

Sr. No.	Name of the company	Country/ residence	Percentage holding
1	ICICI Prudential Life Insurance Company Limited	India	*74.00%*
2	ICICI Lombard General Insurance Company Limited	India	74.00%

The companies in which ICICI Bank's holding is temporary in nature are excluded from consolidation.

Equity issue of ICICI Bank Limited

During April 2004, the Bank 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 have been charged to the Share Premium Account, in accordance with the objects of the Issue stated in the Prospectus.

A. SIGNIFICANT ACCOUNTING POLICIES

1. Revenue recognition

ICICI Bank Limited

a) Interest income is recognised in the profit and loss account as it accrues except in the case of non-performing assets where it is recognised, upon realisation, as per the prudential norms of RBI. Accrual of income is also suspended considering economic conditions and other risk factors, on certain other loans, including certain projects under implementation, where the implementation has been significantly delayed or in the opinion of the management significant uncertainties exist as to the final financial closure and/or date of completion of the project.

b) Effective April 1, 2004 the 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. For disbursements made till March 31, 2004, the gross commissions paid to direct marketing agents (DMAs) for 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.

c) Income from hire purchase operations is accrued by applying the interest rate implicit 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 effected from April 1, 2001 have been accounted as per Accounting Standard 19 on "Accounting for Leases" issued by ICAI.

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) Fees received as a compensation of future interest sacrifice is amortised over the remaining period of the facility.

h) Arranger's fee is accrued proportionately where more than 75% of the total amount of finance has been arranged.

i) All other fees are recognised upfront on their becoming due.

j) Income arising from sell down/securitisation of loan assets is recognised upfront, net of future servicing cost for assets sold, expected prepayment and projected delinquencies and included in interest income.

k) Guarantee commission is recognised over the period of the guarantee.

Other entities

l) Fees earned on non-fund based activities such as issue management, loan syndication, financial advisory services etc., are recognised based on the stage of completion of assignments and the bills raised for the recovery of fees.

m) Income from brokerage activities is recognised as income on the trade date of the transaction. Related expenditure incurred for procuring business are accounted for as procurement expenses.

n) The fund management company is entitled to annual management fee and a performance fee, which is contingent on the payouts to the fund investors. 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.

o) In case of life insurance business, insurance premium is recognised as income when due. Uncollected 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. Fees on linked policies is recognised when due.

   In case of general insurance business, insurance premium is recognised as income over the contract period based on 1/365 method or over the period of risk whichever is appropriate on a gross basis. 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 is recognised in the year in which it is cancelled. Premium deficiency is recognised if the sum of expected claim costs, related expenses and maintenance costs exceeds related reserves for unexpired risks.
   Commission on reinsurance business is recognised at the inception of the contract as income in the year of ceding the risk.

p) In case of the venture funds, realised gains and losses on investments and units in mutual fund and unrealized gains or losses on restatement of units in mutual fund are dealt with in the revenue account. The cost of investments sold is determined on weighted average basis and the cost of units in mutual fund sold is determined on first-in, first-out basis for the purpose of calculating gains or losses on sale.

2. Investments

ICICI Bank Limited

Investments are valued in accordance with the extant RBI guidelines on investment classification and valuation as under:

a) All investments are categorised into ‘Held to Maturity‘, ’Available for Sale’ and ‘Trading‘. 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 ‘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 “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 ‘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 in each basket if any, being unrealised, is ignored, while net depreciation is provided for.

d) Costs such as brokerage, commission etc., pertaining to investments, paid at the time of acquisition, are charged to revenue.

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 investment in the 'Held to Maturity' category is credited to the revenue account and is thereafter appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve. Such appropriation is made at the year-end.

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 period end.

Other entities

In case of investments by ICICI Equity Fund, ICICI Eco-net Internet and Technology Fund, ICICI Emerging Sectors Fund and ICICI Strategic Investments Fund, brokerage, commission and stamp duty are included in the cost of acquisition while front-end fees earned are netted off from cost of investments. Front-end fee, if any received on loan investments is recorded through the Revenue Account. Bonus shares and right entitlements are recorded when such benefits are known.

ICICI Equity Fund, ICICI Eco-net Internet and Technology Fund, ICICI Emerging Sectors Fund and Strategic Investment Fund (schemes of ICICI Venture Capital Fund) value their investments as per Securities and Exchange Board of India ('SEBI') guidelines issued from time to time. Unrealised gains and temporary losses on investments are recognised as components of investors' equity and are dealt with under Unrealised Investment Reserve.

ICICI International Limited values its investments in accordance with International Accounting Standard (IAS) 39 (Financial Instruments: Recognition and Measurement).

ICICI Securities Limited, ICICI Brokerage Services Limited, ICICI Securities Inc., and ICICI Securities Holding Inc., include brokerage and stamp duty payable to arrive at the cost of investments. However, in respect of securities held as stock-in-trade, brokerage and stamp duty are written off as revenue expenditure. Commission earned in respect of securities held as stock-in-trade and investments acquired from the primary market and on devolvement are adjusted from the cost of acquisition.

ICICI Bank UK Limited classifies investments into trading investments and long term investments. Trading investments are recorded at fair value with realized and unrealised gains and losses included in non interest income. The fair value of trading assets are based upon quoted market prices or, if quoted market prices are not available, estimates using similar permanent diminution in value. Long term investments are recorded at amortised costs less any provisions made for permanent diminution in value.

ICICI Bank Canada classifies 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 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. Straight-line method is used for the amortization of premiums and discounts on debt securities.

Other entities value their investments as per AS 13 "Accounting for Investments" issued by ICAI.

Insurance joint ventures

ICICI Prudential Life Insurance Company Limited and ICICI Lombard General Insurance Company Limited record their investments at cost on the date of purchase, which includes brokerage, if any and excludes interest paid on purchases. Investments maturing within twelve months from the balance sheet date and investments made with the specific intention to dispose off within twelve months from the balance sheet date are classified as short-term. Investments other than short term are classified as long-term investments. The insurance joint ventures are governed by Insurance Act 1938 which value their investments in accordance with the provisions of Insurance Regulatory and Development Authority Regulation, 2002. The unrealised gain / loss arising on account of such valuation is taken to equity under the head "Fair Value change account".

3. Provisions/Write-offs on loans and other credit facilities

ICICI Bank Limited

a) All credit exposures are classified as per RBI guidelines, into performing and non-performing assets. Further, non-performing assets are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. Provisions are made on substandard and doubtful assets at rates equal to or higher than those prescribed by the RBI. Loss assets and unsecured portion of sub-standard and doubtful assets are provided/written off as per the extant RBI guidelines. Additional provisions are made against specific non-performing assets over and above what is stated above, if in the opinion of the management, increased provisions are necessary.

   In its circular dated DBOD.BP.BC 99/21.04.048/2003-2004 dated June 21, 2004 RBI has introduced graded higher provisioning norms which would require a bank to make 100% provision on the secured portion of the doubtful assets outstanding for more than three years in doubtful category instead of the earlier requirement of 50% provision. However, RBI has allowed banks to make 100% provision on the assets classified as doubtful for over three years at March 31, 2004 in a graded manner over three years (i.e. 60% by March 31, 2005, 75% by March 31, 2006 and 100% by March 31, 2007). Accordingly the Bank has adopted the revised RBI guidelines.

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 other than restructured loan accounts classified as NPAs, 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, asset category is upgraded to standard if the borrower demonstrates, over a minimum period of one year, the ability to repay the loan in accordance with the contractual terms.

d) The Bank has incorporated the assets taken over from erstwhile ICICI Limited ("ICICI") in its books at carrying values as appearing in the books of ICICI with a provision made based on a fair valuation exercise carried out by an independent firm. To the extent provisions are required in respect of the assets taken over from ICICI, the provision created on fair valuation of the assets at the time of the amalgamation is used.

e) 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.

f) In addition to the general provision of 0.25% made on standard assets in accordance with RBI guidelines, the Bank 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.

g) 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 will be maintained on such country exposure.

Other subsidiaries

The policy of provisioning against non-performing loans and advances has been decided by the management considering prudential norms issued by the respective governing regulatory authority.

4. Fixed assets and depreciation

ICICI Bank Limited

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 as follows

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%
Furniture and fixtures	15%
Motor vehicles	20%
Computers	33.33%
EDC Terminals	16.67%
Others (including software and system development expenses)	25%

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.

Other entities

e) In case of ICICI Venture Funds Management Company Limited, depreciation on assets, other than leased assets, is charged on written down value method in accordance with the provisions of Schedule XIV of the Companies Act, 1956.

f) In case of ICICI Securities Limited, ICICI Brokerage Services Limited, ICICI Securities Inc., and ICICI Securities Holding Inc., depreciation on assets, other than leased assets and improvements to leased property, is charged on written down value method in accordance with the provisions of Schedule XIV of the Companies Act, 1956.

g) In case of Prudential ICICI Asset Management Company Limited, fixed assets other than leasehold improvements are depreciated at written down value method based on economic lives of the assets as estimated by the management.

h) In case of ICICI Bank Canada, fixed assets other than leasehold improvements are depreciated using straight-line method over the estimated useful lives of the assets as estimated by the management.

i) In case of ICICI Bank UK, fixed assets other than leasehold improvements are depreciated using straight-line method over the estimated useful economic lives of the assets as estimated by the management.

5. Foreign currency transactions

ICICI Bank Limited

a) Income and expenditure items are translated at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities are translated at closing exchange rates notified by the 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.

b) Outstanding forward exchange contracts are stated at contracted rates and 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.

c) Contingent liabilities on account of guarantees, endorsements and other obligations are stated at the exchange rates notified by FEDAI at the balance sheet date.

Other entities

Financial statements of foreign subsidiaries/associates – ICICI Securities Holding Inc., ICICI Securities Inc., ICICI Bank UK Limited, ICICI Bank Canada, ICICI International Limited and TCW/ICICI Investment Partners LLC have been converted in accordance with Accounting Standard 11 on "The effects of changes in foreign exchange rates".

6. Accounting for derivative contracts

ICICI Bank Limited

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 are 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.

Other entities

In case of ICICI Securities Limited, ICICI Brokerage Services Limited, ICICI Securities Inc., and ICICI Securities Holding Inc. for equity derivatives,

a) The gains are recognised only on settlement / expiry of the derivative instruments.

b) All open positions are marked to market and the unrealised gains / loss are netted off on a scrip-wise basis. Mark-to-market gains, if any, are not recognised.

c) Debit / credit balances on open positions are shown as current assets / liabilities, as the case may be.

7. 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 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.

8. Staff retirement benefits

For employees covered under group gratuity scheme of Life Insurance Corporation of India ("LIC")/ICICI Prudential Life Insurance Company Limited ("ICICI Prulife"), gratuity charge to profit and loss account is on the basis of premium charged. For employees covered under group superannuation scheme of LIC, the superannuation is charged to profit and loss account is on the basis of premium charged by LIC. Provision for gratuity and pension for other employees and leave encashment liability are determined as per actuarial valuation. Defined contributions for provident fund are charged to the profit and loss account based on contributions made in terms of the scheme.

The Bank provides for pension, a deferred retirement plan, covering certain employees. The plan provides for a pension payment on a monthly basis to these employees on their retirement based on the respective employee's salary and years of employment with the Bank. Employees covered by the pension plan are not eligible for benefits under the provident fund plan, a defined contribution plan. The pension plan is funded through periodic contributions to a fund set-up by the Bank and administered by a Board of Trustees. Such contributions are actuarially determined.

Certain expenditure, including retirement benefits, are determined for the whole accounting year and for the interim period accounts, the same are considered on a pro-rata basis

9. Income taxes

Income tax expense is the aggregate amount of current tax and deferred 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 for the future tax consequences of timing differences arising between the carrying values of assets and liabilities and their respective tax basis 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 income statement.

Deferred tax assets are recognised and reassessed at each year-end, based upon management's judgement as to whether realisation is considered reasonably 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.

10. Translation of the financial statements of foreign offices

In accordance with the guidelines issued by RBI, all assets, liabilities, income and expenditure of the foreign representative offices and branches of the Bank have been converted at the closing rate prevailing on the balance sheet date. The resultant gains or losses are recognised in the Profit and Loss account.

11. Other

a) Reinsurance premium of insurance business

Insurance premium on ceding of the risk is recognised in the year in which the risk commences, over the period of contract or period of risk, whichever is appropriate. Any subsequent revision to premium ceded is recognised over the remaining period of risk or contract period. Adjustment to reinsurance premium arising on cancellation of policies is recognised in the year in which it is cancelled.

b) Claims and benefits paid

In case of general insurance business, claims comprise the claims made for losses incurred and those estimated or anticipated under the policies following a loss occurrence and specific claim settlement costs such as survey / legal fees and other directly attributable costs.

Estimated liability for claims after adjusting claims recoverable from / payable to reinsurers / co-insurers are accounted for as and when intimated/reported, upto the end of the financial year.

Provisions for claims are based on individual case estimates received. The estimates are regularly reviewed and updated as additional information on the estimated claims becomes known.

Estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER') is based on actuarial estimate duly certified by the appointed Actuary.

In case of life insurance business, death and surrender 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.

c) 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. 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.

d) 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 year in which they are incurred.

e) 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.

B. NOTES FORMING PART OF THE ACCOUNTS

1. Preference shares

Certain Government Securities amounting to Rs. 185.70 crore (March 31, 2004: Rs. 145.51 crore, June 30, 2003: Rs. 150.58 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.

2. Subordinated debt

Subordinated debt includes index bonds amounting to Rs. 11.37 crore (March 31, 2004: Rs. 11.04 crore, June 30, 2003: Rs. 10.14 crore) which carry a detachable warrant entitling bondholders to a right to receive an amount linked to the BSE Sensitive index ("Sensex") per terms of the issue. The liability of the Bank arising out of changes in the Sensex has been hedged by earmarking its investments of an equivalent amount in the UTI Index Equity Fund whose value is based on the Sensex. The Bank has not issued any subordinated debt during the period.

3. Employee Stock Option Scheme

In terms of the ESOS, 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 subsequent to the amalgamation of ICICI, ICICI Capital Services Limited and ICICI Personal Financial Services Limited with the Bank and the issuance of equity shares by the Bank pursuant to the amalgamation of ICICI, ICICI Capital Services Limited and ICICI Personal Financial Services Limited with the Bank.

In terms of the Scheme, 21,824,363 options (March 31, 2004: 15,964,982 options, June 30, 2003: 19,938,105_options) granted to eligible employees were outstanding at June 30, 2004.

A summary of the status of the Bank's option plan is given below:

	Period ended June 30, 2004	**Year ended March 31, 2004**	**Period ended June 30, 2003**
	Option shares outstanding	**Option shares outstanding**	**Option shares outstanding**
Outstanding at the beginning of the period / year	15,964,982	12,610,275	12,610,275
Add: Granted during the period / year	7,539,500	7,491,800	7,338,300
Less : Forfeited/lapsed during the period / year	94,925	766,489	8,900
Exercised during the period / year	1,585,194	3,370,604	1,570
Outstanding at the end of the period / year	21,824,363	15,964,982	19,938,105

4. Early retirement option ("ERO")

The Bank has 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.

In accordance with the treatment approved by the RBI, 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 (March 31, 2004: Rs. 191.00 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).

During the period, an amount of Rs. 9.60 crore (March 31, 2004: Rs. 25.60 crore) has been charged to revenue on account of ERO scheme being the proportionate amount amortised for the three month period ended June 30, 2004.

5. Deferred tax

On June 30, 2004, the Group has recorded net deferred tax asset of Rs. 541.95 crore, (March 31, 2004 : Rs. 462.88 crore, June 30, 2003 : Rs. 521.49 crore) which has been included in Other Assets.

The analysis of deferred tax assets and liabilities into major items is given below:

Rupees in crore

Particulars	**June 30, 2004**	**March 31, 2004**	**June 30, 2003**
Deferred tax asset			
Amortisation of premium on	..	..	52.74

Particulars	June 30, 2004	March 31, 2004	June 30, 2003
investments			
Provision for bad and doubtful debts	1,424.98	1,366.46	1,306.24
Others	28.31	25.43	111.22
	1,453.29	1,391.89	1,470.20
Less: Deferred tax liability			
Depreciation on fixed assets	887.10	900.15	922.89
Others	24.24	28.86	25.82
	911.34	929.01	948.71
Net Deferred Tax Asset/ (Liability)	541.95	462.88	521.49

6. Related party transactions

The Group has transactions with its related parties comprising of joint ventures, associates and key management personnel. The following represent the significant transactions between the Group and such related parties:

Lease of premises and facilities

During the period ended June 30, 2004, the Bank charged for lease of premises, facilities and other administrative costs to affiliates amounting to Rs. 0.44 crore (March 2004: Rs. 18.61 crore, June 2003: Rs. 3.19 crore).

Interest received

During the period ended June 30, 2004 the Bank received interest from its Key management personnel[@] amounting to Rs. 0.01 crore (March 2004: Rs. 0.04 crore, June 30, 2003: Rs. 0.01 crore).

Remuneration to directors

Remuneration paid to the directors of the Bank during the period ended June 30, 2004 was Rs.2.09 crore (March 2004: Rs. 5.85 crore, June 2003: Rs. 1.25 crore).

Related party balances

The following balances payable to/receivable from the related parties are included in the balance sheet as on June 30, 2004:

Rupees in crores

Items/Related Party	Joint Ventures and Associates	Key Management Personnel @	Total
Deposits with ICICI Bank	1.57	2.45	4.02
Advances	..	1.02	1.02
Receivables	0.28	..	0.28
Payables	..	..	..

[@] whole time directors of the Board and their relatives

The following balances payable to/receivable from the related parties are included in the balance sheet as on March 31, 2004.

Rupees in crores

Items/Related Party	Joint Ventures	Key	Total

	and Associates	Management Personnel @	
Deposits with ICICI Bank	96.48	2.31	98.79
Advances	..	1.02	1.02
Receivables	25.17	..	25.17
Payables	1.06	..	1.06

@ whole time directors of the Board and their relatives

The following balances payable to/receivable from the related parties are included in the balance sheet as on June 30, 2003.

Rupees in crores

Items/Related Party	Joint Ventures and Associates	Key Management Personnel @	Total
Deposits with ICICI Bank	5.87	0.76	6.53
Advances	..	1.47	1.47
Receivables	5.98	..	5.98
Payables	..	..	..

@ whole time directors of the Board and their relatives

Joint ventures and associates

Prudential ICICI Asset Management Company Limited, Prudential ICICI Trust Limited, TCW/ICICI Investment Partners L.L.C.

For the period ended June 2004, ICICI Prudential Life Insurance Company Limited and ICICI Lombard General Insurance Company Limited have not been classified under joint ventures and associates as they have been accounted as subsidiaries as required by AS 21.

7. Earnings per share (”EPS”)

The group reports basic and diluted earnings per equity share in accordance with AS 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 period/year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period/year.

The computation of earnings per share is given below:

Rupees in crore except per share data

	June 30, 2004	March 31, 2004	June 30, 2003
Basic (not annualised)			
Weighted average no. of equity shares outstanding	705,077,471	614,157,868	613,034,922
Net profit	399.57	1,580.38	336.89
Basic earnings per share (Rs.)	5.67	25.73	5.49
Diluted (not annualised)			
Weighted average no. of equity shares	711,758,899	619,201,380	613,850,890
Net profit	399.57	1,580.38	336.89
Diluted earnings per share (Rs.)	5.61	25.52	5.49
Nominal value per share (Rs.)	10.0	10.0	10.0

The dilutive impact is mainly due to options granted to employees by the Bank

8. Assets under lease

8.1 Assets under operating lease

The future lease rentals are given in the table below

Rupees in crore

Period	June 30, 2004	March 31, 2004	June 30, 2003
Not later than one year	23.48	23.44	11.74
Later than one year and not later than five years	99.19	98.19	55.67
Later than five years	50.70	57.10	43.36
Total	173.37	178.73	110.77

8.2 Assets under finance lease

The future lease rentals are given below

Rupees in crore

Period	June 30, 2004	March 31, 2004	June 30, 2003
Total of future minimum lease payments	168.14	179.29	217.88
Present value of lease payments	134.06	141.78	116.04
Unmatured finance charges	34.08	37.51	51.84
Maturity profile of total of future minimum lease payments			
Not later than one year	39.39	39.70	38.69
Later than one year and not later than five years	118.03	125.56	142.52
Later than five years	10.72	14.03	36.67
Total	168.14	179.29	217.88

9. Other

a. Exchange fluctuation

Exchange fluctuation aggregating Rs. 58.64 crore (March 31, 2004 : Rs. 57.78 crore, June 30, 2003: Rs. 90.81 crore), which arises on account of rupee-tying agreements with the Government of India, is held in "Exchange Fluctuation Suspense with Government 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. 52.27 crore (debit) (March 31, 2004: Rs. 67.70 crore (debit), June 30, 2003: Rs. 54.53 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.

c. Exchange Risk Administration Scheme

Under the Exchange Risk Administration Scheme ("ERAS"), the Government of India has agreed to extend support to the Exchange Risk Administration Fund ("ERAF"), when it is in deficit and recoup its contribution in the event of surplus. The Bank can claim from the positive balance in the ERAF account maintained by the Industrial Development Bank of India (IDBI) to the extent of the deficit in the ERAS Exchange Fluctuation Account. If the balance in the ERAF account with IDBI is insufficient, a claim will be made on the Government of India through IDBI. The Government of India has foreclosed the scheme vide their letter F. No 6 (3)/2002-IF.1 dated January 28, 2003. The total amount payable to the Government of India under the scheme amounting to Rs. 5.00 crore (March 31, 2004: Rs. 5.00 crore, June 30, 2003: Rs. 5.25 crore) has been included in other liabilities.

10. Provision for non-performing assets

In its circular dated DBOD.BP.BC 99/21.04.048/2003-2004 dated June 21, 2004 RBI has introduced graded higher provisioning norms which would require a bank to make 100% provision on the secured portion of the doubtful assets outstanding for more than three years in doubtful category instead of the earlier requirement of 50% provision. However, RBI has allowed banks to make 100% provision on the existing assets which are in doubtful category for more than three years as on March 31, 2004 till March 31, 2007 in a graded manner (i.e. 60% as on March 31, 2005, 75% as on March 31, 2006 and 100% as on March 31, 2007). Accordingly the Bank has adopted the revised RBI guidelines.

The impact of the adoption of the revised guidelines on the profit and loss account is not significant.

11. Rupee derivatives

Effective April 1, 2004, the bank has accounted for the unrealised gain on rupee derivatives (net of provisions) as compared to its earlier policy of ignoring the unrealised gains. As a result the profit after tax for the current period is higher by Rs. 28.99 crore.

12. Subvention income

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.

13. Proposed dividend for FY 2003-04

Proposed dividend includes the amount of dividend payable to the shareholders of the equity issue made in April 2004 and the shares allotted to employees under the Employee Stock Option Scheme during the period ended June 30, 2004.

14. Appropriation of Net Profit

The Bank intends to make appropriation of net profit at year-end. Accordingly, the financial statements do not include appropriations to Statutory Reserve (Rs. 108.00 crore), Capital Reserve (Rs. 22.10 crore) and Investment Fluctuation Reserve (amount not ascertainable) out of the current period profit.

15. The profit and loss account for the year ended March 31, 2004, reports appropriations made by ICICI Bank and appropriation of profits made by the subsidiaries amounting to Rs. 51.30 crore have not been considered.

16. Information about business and geographical segments

The Group reports its operations into the following segments:

- Consumer and commercial banking comprising the retail and corporate banking business of the Bank, ICICI Home Finance Company Limited, ICICI Bank UK Limited, ICICI Bank Canada and ICICI Distribution Finance Private Limited.

- Investment banking comprising the treasury of the Bank, the investment banking business of ICICI Securities Limited, ICICI Brokerage Services Limited, ICICI Securities Inc., and ICICI

Securities Holding Inc., ICICI Venture Funds Management Company Limited, ICICI Eco-net Internet & Technology Fund, ICICI Equity Fund, ICICI Strategic Investment Fund, ICICI Emerging Sector Fund and ICICI International Limited

- Others comprising ICICI Lombard General Insurance Company Limited, ICICI Prudential Life Insurance company Limited, Prudential ICICI AMC Ltd, Prudential ICICI Trust Limited, ICICI Property Trust, ICICI Investment Management Company Limited, ICICI Trusteeship Services Limited and TCW/ICICI Investment Partner LLC. whose individual business is presently not material in relation to the consolidated financials.

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 June 30, 2004 and segmental profit & loss account for the period ended June 30, 2004 have been prepared.

	Consumer and commercial banking			**Investment banking**			**Others**			**Total**		
Particulars	**For the period ended 30.06.04**	**For the year ended 31.03.04**	**For the period ended 30.06.03**	**For the period ended 30.06.04**	**For the year ended 31.03.04**	**For the period ended 30.06.03**	**For the period ended 30.06.04**	**For the year ended 31.03.04**	**For the period ended 30.06.03**	**For the period ended 30.06.04**	**For the year ended 31.03.04**	**For the period ended 30.06.03**
1.Revenue (before extraordinary profit)	2,547.31	9,705.23	2,424.65	636.27	3,914.03	904.83	578.69	1,391.33	201.92	3,762.27	15,010.59	3,531.40
2.Less: Inter segment revenue	..	..	..	..	..	..	..	..	..	261.78	1,104.90	280.06
3.Total revenue (1) -(2)	..	..	..	..	..	..	...	..	..	3,500.49	13,905.69	3,251.34
4.Operating profit (i.e. Profit before unallocated expenses, extraordinary profit, provision, and tax)	459.52	1,314.89	322.61	91.68	1,362.50	228.84	(4.82)	(107.18)	(18.38)	546.38	2,570.21	533.07
5.Unallocated expenses	..	..	..	..	..	..	..	..	..	9.60	25.60	..
6.Provisions	85.50	580.32	124.72	(39.16)	44.07	0.29	..	..	..	46.34	624.39	125.01
7.Profit before tax (4)-(5)-(6)	374.02	734.57	197.89	130.84	1,318.43	228.55	(4.82)	(107.18)	(18.38)	490.44	1,920.22	408.06
8.Income tax expenses (net) / (net deferred tax credit)	..	..	..	..	..	..	..	..	..	90.87	339.84	71.17
9.Net Profit (7)-(8)	..	..	..	..	..	..	..	..	..	399.57	1,580.38	336.89
Other Information												

10.Segment assets	82,768.80	79,963.93	70,756.20	44,136.16	46,323.34	38,182.30	2,624.54	1,830.08	897.91	129,529.50	128,117.35	109,836.41
11.Unallocated assets	..	..	..	..	..	..	..	..	..	2,681.34	2,630.26	1,873.84
12.Total assets (10)+(11)	..	..	..	..	..	..	..	..	..	132,210.84	130,747.61	111,710.25
13.Segment liabilities	99,418.61	100,309.02	86,610.64	30,964.67	29,291.28	24,604.55	1,827.56	1,147.31	495.06	132,210.84	130,747.61	111,710.25
14.Unallocated liabilities	..	..	..	..	..	..	..	..	..	..	..	..
15. Total liabilities (13)+(14)	..	..	..	..	..	..	..	..	..	132,210.84	130,747.61	111,710.25

The business operations of the Group are largely concentrated in India. The assets and income from foreign operations are not significant to the overall operations of the Bank and have accordingly not been disclosed.

17. 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.

18. Contingent liability

The Income-tax authorities have disallowed deduction in respect of specific provisions for bad debts made by erstwhile ICICI Limited in prior years on account of retrospective amendment to section 36(1)(vii) of the Income Tax Act, 1961 (the "Act"). The total potential tax impact of such disallowances is Rs.276.59 crore, which is included in the contingent liability and is disputed by the Bank in appeals. Based on a legal opinion, the Bank is of the view that the disputed amount would alternatively be deductible under the provisions of the Act as business loss. Further, as the provision is tax deductible in the year of write off, the Bank is eligible to create a deferred tax asset and accordingly, there is no revenue impact.

19. Additional disclosures

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.

20. Comparative figures

Figures of the previous period have been regrouped to conform to the current period's presentation.

C. STATUTORY AND OTHER INFORMATION

MINIMUM SUBSCRIPTION

In accordance with the SEBI Guidelines, we would be free to retain whatever amount is received by us in the Issue.

EXPENSES OF THE ISSUE

The total expenses payable by us for the Issue would not exceed Rs. ___ crore which would include the following:

Management Fees

The fees payable to the Lead Manager, Co-Managers, Advisors to the Issue and Marketing Co-ordinator shall be mutually agreed upon by the parties. Such management fee would be up to a maximum of ____ of the amount mobilised and retained by us.

Brokerage and Commission

We will pay brokerage to all the brokers and Bankers to the Issue (hereinafter referred to in this paragraph as “Brokers”) on applications bearing their stamp in the Broker column.

We will pay commission to all agents appointed by us for marketing of the Issue, on applications bearing their stamp in the Broker/Agent column.

(Brokerage and Commission to be paid would be finalised at the time of each tranche)

Fees payable to the Registrars

The fees payable to the Registrars to the Issue, __________, will be mutually agreed on by the parties.

Trustee for the Bondholders

The fees payable to __________, as Trustees to the Bondholders is Rs.________ as an acceptance fee. In addition, they would be paid an annual service charge of Rs. _________ on a *pro rata* basis on the outstanding principal amount.

Other Expenses

The other expenses include fees and reimbursement of expenses towards printing and distribution, issue advertisement, listing fees, credit rating fees, fees payable to the Auditors and other expenses. The above expenses will be met out of the proceeds of the Issue.

Commission and Brokerage paid on Previous Issues by ICICI and Us

Sr. No.	Issue	Month and Year	Commission and Brokerage (Rs. in crore)
1.	Public Issue of Bonds in the nature of Debentures	December, 1997	4.58
2.	Public Issue of Bonds in the nature of Debentures	March, 1998	8.27
3.	Public Issue of Bonds in the nature of Debentures	April, 1998	3.67
4.	Public Issue of Bonds in the nature of Debentures	July, 1998	5.85
5.	Public Issue of Bonds in the nature of Debentures	August, 1998	5.72

6.	Public Issue of Bonds in the nature of Debentures	October, 1998	4.45
7.	Public Issue of Bonds in the nature of Debentures	December, 1998	3.57
8.	Public Issue of Bonds in the nature of Debentures	January, 1999	6.90
9.	Public Issue of Bonds in the nature of Debentures	March, 1999	5.99
10.	Public Issue of Bonds in the nature of Debentures	May, 1999	2.39
11.	Public Issue of Bonds in the nature of Debentures	July, 1999	3.18
12.	Public Issue of Bonds in the nature of Debentures	August, 1999	2.15
13.	Public Issue of Equity Shares	September, 1999	5.54
14.	Public Issue of Bonds in the nature of Debentures	October, 1999	2.69
15.	Public Issue of Bonds in the nature of Debentures	November, 1999	2.15
16.	Public Issue of Bonds in the nature of Debentures	February, 2000	6.02
17.	Public Issue of Bonds in the nature of Debentures	March, 2000	3.38
18.	Public Issue of Bonds in the nature of Debentures	July, 2000	0.66
19.	Public Issue of Bonds in the nature of Debentures	August, 2000	4.06
20.	Public Issue of Bonds in the nature of Debentures	October, 2000	2.43
21.	Public Issue of Bonds in the nature of Debentures	November, 2000	2.66
22.	Public Issue of Bonds in the nature of Debentures	December, 2000	3.67
23.	Public Issue of Bonds in the nature of Debentures	February, 2001	7.66
24.	Public Issue of Bonds in the nature of Debentures	March, 2001	4.38
25.	Public Issue of Bonds in the nature of Debentures	June, 2001	1.19
26.	Public Issue of Bonds in the nature of Debentures	July, 2001	2.14
27.	Public Issue of Bonds in the nature of Debentures	August, 2001	1.67
28.	Public Issue of Bonds in the nature of Debentures	September, 2001	2.63
29.	Public Issue of Bonds in the nature of Debentures	November, 2001	3.59
30.	Public Issue of Bonds in the nature of Debentures	December, 2001	3.90
31.	Public Issue of Bonds in the nature of Debentures	January, 2002	5.69
32.	Public Issue of Bonds in the nature of Debentures	February, 2002	12.46
33.	Public Issue of Bonds in the nature of Debentures	March, 2002	6.53
34.	Public Issue of Bonds in the nature of Debentures	January, 2003	5.32
35.	Public Issue of Bonds in the nature of Debentures	February, 2003	3.41
36.	Public Issue of Bonds in the nature of Debentures	March, 2003	3.11
37.	Public Issue of Bonds in the nature of Debentures	August, 2003	1.60
38.	Public Issue of Bonds in the nature of Debentures	October, 2003	2.43
39.	Public Issue of Bonds in the nature of Debentures	December, 2003	2.39
40	Public Issue of Equity Shares	April, 2004	4.65

(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.

Commission and brokerage paid on foreign currency bond issues made by ICICI

Sr. No.	Issue	Month and Year	Commission & brokerage (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

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.

Capitalisation of Reserves or Profits

We have not capitalised our reserves or profits at any time.

Issues otherwise than for Cash

Except as stated in the section entitled "Capital Structure" on page 6 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 last five years are given below:

American Depositary Receipts Issue (2000)

15,909,090 American Depositary 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 our 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/- for cash aggregating Rs.3,050 crore (the "Issue") with a green shoe option of 16,071,429 equity shares of Rs.10/- each 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 Stock Exchanges	:	The Stock Exchange, Mumbai on April 21, 2004 National Stock Exchange of India Limited 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 Stock Exchanges	:	The Stock Exchange, Mumbai on May 25, 2004 National Stock Exchange of India Limited on May 26, 2004

Details of Rights and Public Issues made by ICICI in the last five 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 Exchanges	:	The Stock Exchange, Mumbai on November 2, 1999
		National Stock Exchange of India Limited 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 has not made any public issue of debentures, bonds or promissory notes either in India or abroad in the five years preceding the date of this 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 (in 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. 400 crore with a right to retain oversubscription upto Rs. 400 crore	Rs. 1,122	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. 400 crore with a right to retain oversubscription upto Rs. 400 crore	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-March31, 2003	April 30, 2003	May 22, 2003	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 400 crore with a right to retain oversubscription upto Rs. 400 crore	481	Tax Saving Bond Option 1 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"

Issue Name- Date of closure of Issue	Deemed Date of Allotment	Date of completion of despatch of debenture certificates	Description-	Amount Allotted (in crore unless Otherwise specified)	Date of Redemption	Rating at the time of Issue
August 2003 September 9, 2003	October 9, 2003	November 3, 2003	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 300 crore with a right to retain oversubscription uptoRs. 300 crore	343	Tax Saving Bond Option 1 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"
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	December15, 2003	January 14, 2004	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 400 crore with a right to retain oversubscription upto Rs. 400 crore	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"

Issue Name- Date of closure of Issue	Deemed Date of Allotment	Date of completion of despatch of debenture certificates	Description-	Amount Allotted (in crore unless Otherwise specified)	Date of Redemption	Rating at the time of Issue
December 2003- January 6, 2004	February 5, 2004	March 13, 2004	Public Issue of Unsecured Redeemable Bonds in the nature Of Debentures aggregating Rs. 100 crore with a right to retain oversubscription upto Rs. 100 crore	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"

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 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 (in 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. 200 crore with a right to retain oversubscription upto Rs. 200 crore	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"

Issue Name- Date of closure of Issue	Deemed Date of Allotment	Date of completion of despatch of debenture certificates	Description-	Amount Allotted (in crore unless Otherwise specified)	Date of Redemption	Rating at the time of Issue
October 1999- November2, 1999	November 30, 1999	December 30, 1999	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 300 crore with a right to retain oversubscription upto Rs. 300 crore	352	Encash Bond November 30, 2002 Tax Saving Bond Option I, III, IV November 30, 2002 Option II and V February 28, Regular Income Bond Option I, II and III November 30,2002 Money Multiplier Bond Option I November 30, 2002 Option II October 31, 2018	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 (in crore unless Otherwise specified)	Date of Redemption	Rating at the time of Issue
November 1999-December2, 1999	December 24, 1999	February 1, 2000	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 300 crore with a right to retain oversubscription upto Rs. 300 crore	242	Gilt Rate December 24, 2004 Plus Bond Encash Bond December 24, 2002 Tax Saving Bond Option I, II, IV December 24, 2002 Option II and V March 24, 2003 Regular Income Bond Option I, II and 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. 300 crore with a right to retain oversubscription upto Rs. 300 crore	605	Tax Saving Bond Option I, III and IV March 24, 2003 Option II and V June 24, 2003	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 (in crore unless Otherwise specified)	Date of Redemption	Rating at the time of Issue
March 2000-March31, 2000	April 25, 2000	May 30, 2000	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 300 crore with a right to retain oversubscription upto Rs. 400 crore billion	350	Gilt Rate April 25, 2005 Plus Bond Encash Bond April25, 2003 Regular Income Bond Option I, II and III April 25, 2003 Money Multiplier Bond Option I August 25, 2003 Option II February 25, 2019 Tax Saving Bond Option I, III and IV April 25, 2003 Option II and V October 25, 2003	ICRA "LAAA" CARE "CARE AAA"
July 2000-August3,2000	August 29, 2000	September 27, 2000	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 300 crore with a right to retain oversubscription upto Rs. 200 crore	89	Regular Income Bond Option I, II and III August 29, 2005 Money Multiplier Bond February 28, 2011 Tax Saving Bond Option l and II August 29, 2003 Option III November 29, 2003	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 (in crore unless Otherwise specified)	Date of Redemption	Rating at the time of Issue
August 2000-September 12,2000	October 5, 2000	November 13, 2000	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 250 crore with a right to retain oversubscription upto Rs. 250 crore	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 l and III October 5, 2003 Option II and IV February 5, 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 (in crore unless Otherwise specified)	Date of Redemption	Rating at the time of Issue
October 2000-October 17, 2000	November 14, 2000	December 20, 2000	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 250 crore with a right to retain oversubscription upto Rs. 250 crore	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 (in 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. 200 crore with a right to retain oversubscription upto Rs. 200 crore	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"

Issue Name- Date of closure of Issue	Deemed Date of Allotment	Date of completion of despatch of debenture certificates	Description-	Amount Allotted (in crore unless Otherwise specified)	Date of Redemption	Rating at the time of Issue
December 2000- December 23,2000	January 19, 2001	February 20, 2001	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 250 crore with a right to retain oversubscription upto Rs. 250 crore	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"

Issue Name- Date of closure of Issue	Deemed Date of Allotment	Date of completion of despatch of debenture certificates	Description-	Amount Allotted (in crore unless Otherwise specified)	Date of Redemption	Rating at the time of Issue
February 2001- February 28, 2001	March 22, 2001	May 3, 2001	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 500 crore with a right to retain oversubscription upto Rs. 500 crore	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 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	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 (in crore unless Otherwise specified)	Date of Redemption	Rating at the time of Issue
March 2001 March 31, 2001	April 26, 2001	May 29, 2001	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 400 crore with a right to retain oversubscription upto Rs. 400 crore	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"

Issue Name- Date of closure of Issue	Deemed Date of Allotment	Date of completion of despatch of debenture certificates	Description-	Amount Allotted (in crore unless Otherwise specified)	Date of Redemption	Rating at the time of Issue
June 2001- June29,2001	July 24, 2001	August 25, 2001	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 400 crore with a right to retain oversubscription upto Rs. 400 crore	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, 2022 Encash Bond July 24, 2006 Pension Bond Option I July 24, 2012 Option II July 24, 2016 Option III July 24, 2019	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 (in crore unless Otherwise specified)	Date of Redemption	Rating at the time of Issue
July 2001 August 4, 2001	August 28, 2001	September 26, 2001	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 400 crore with a right to retain oversubscription upto Rs. 400 crore	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"

Issue Name-Date of closure of Issue	Deemed Date of Allotment	Date of completion of despatch of debenture certificates	Description-	Amount Allotted (in crore unless Otherwise specified)	Date of Redemption	Rating at the time of Issue
August 2001-September5, 2001	September 27, 2001	October 17, 2001	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 400 crore with a right to retain oversubscription upto Rs. 400 crore	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"

Issue Name-Date of closure of Issue	Deemed Date of Allotment	Date of completion of despatch of debenture certificates	Description-	Amount Allotted (in crore unless Otherwise specified)	Date of Redemption	Rating at the time of Issue
September 2001-October 16,2001	November 12, 2001	December 3, 2001	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 400 crore with a right to retain oversubscription upto Rs. 400 crore	288	Regular Income Bond Option I, I 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	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 (in crore unless Otherwise specified)	Date of Redemption	Rating at the time of Issue
November 2 0 0 1- December 3, 2001	December 24, 2001	January 16, 2002	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 400 crore with a right to retain oversubscription upto Rs. 400 crore	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 II December 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"

Issue Name- Date of closure of Issue	Deemed Date of Allotment	Date of completion of despatch of debenture certificates	Description-	Amount Allotted (in crore unless Otherwise specified)	Date of Redemption	Rating at the time of Issue
December 2001 December 29, 2001	January 23, 2002	February 13, 2002	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 400 crore with a right to retain oversubscription upto Rs. 400 crore	426	Regular Income Bond Option I, II and III January 23, 2009 Money Multiplier Bond Option I August 23, 2006 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 IIII July 23, 2008 Floating Rate Bond January 23, 2008	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 (in crore unless Otherwise specified)	Date of Redemption	Rating at the time of Issue
January 2002-January 24, 2002	February 19, 2002	March 11, 2002	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 600 crore with a right to retain oversubscription upto Rs. 600 crore	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"

Issue Name-Date of closure of Issue	Deemed Date of Allotment	Date of completion of despatch of debenture certificates	Description-	Amount Allotted (in crore unless Otherwise specified)	Date of Redemption	Rating at the time of Issue
February 2002-March 4,2002	March 27, 2002	April 22, 2002	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 600 crore with a right to retain oversubscription upto Rs. 600 crore	1,037	Monthly Income Bond March 27, 2009 Regular Income Bond Option l 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, 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	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 (in crore unless Otherwise specified)	Date of Redemption	Rating at the time of Issue
March 2002-March 28, 2002	April 23, 2002	May 16, 2002	Public Issue of Unsecured Redeemable Bonds in the nature of Debentures aggregating Rs. 600 crore with a right to retain oversubscription upto Rs. 600 crore	537	Monthly Income Bond April 23, 2009 Regular Income Bond Option l 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 April23, 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"

CAPITALISATION OF RESERVES OR PROFITS

We have not capitalised our reserves or profits at any time.

PREVIOUS ISSUES OF PREFERENCE SHARES

As per Sec 12(1) of the Banking Regulation Act, a bank is not allowed to issue preference shares. However consequent to the merger of the erstwhile ICICI Limited with us, we have issued 350 nos. of 0.001% Preference shares of the face value of Rs. 1 crore each aggregating Rs. 350 crore to the preference shareholders of erstwhile ICICI Limited. The Ministry of Finance has issued a notification no. F. No. 13/3/2002 - BOA dated April 17, 2002 to the effect that the restriction of section 12 (1) of the Banking Regulation Act, 1949, prohibiting banks established after 1944 from issuing or having outstanding preference shares, is not applicable to us for a period of 5 years.

OPTION TO SUBSCRIBE

Save as otherwise stated in the Prospectus, there are no outstanding options to subscribe for any Shares/Bonds of our Company.
We have made arrangements for issue and holding of the Bonds in either physical or dematerialised form (Refer “Depository Arrangement” on page 41)

PURCHASE OF PROPERTY

There is no property which we have purchased or acquired or propose to purchase or acquire which is to be paid for wholly or partly out of the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of issue of this Prospectus, other than property:

(a) the contracts for the purchase or acquisition whereof were entered into in the ordinary course of our business, the contracts not being made in contemplation of the issue nor the issue in consequence of the contract; or
(b) in respect of which the amount of the purchase money is not material.

REVALUATION OF ASSETS

We have not revalued any of our assets during the five years preceding the date of this Prospectus.

CLASSES OF SHARES

Our authorised Share Capital is Rs. 1,900 crore divided into 1,55,00,00,000 Equity Shares of Rs. 10 each and 350 Preference Shares of Rs.1,00,00,000 each.

PAYMENT OR BENEFIT TO PROMOTERS OR OFFICERS OF THE COMPANY

Save as otherwise stated in this Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any Promoters or Officers of the Company except the normal remuneration for services rendered as Directors, officers or employees of the Company.
Ms. Lalita D. Gupte, Joint Managing Director, Ms. Kalpana Morparia, Deputy Managing Director, have availed of housing loans under the Staff Housing Loan Scheme in the erstwhile ICICI Limited and have also availed of loans to subscribe to 14% Fully Convertible Debentures (FCDs) of Rs. 600/- each of the erstwhile ICICI Limited offered to them which was repaid later on. The Managing Director & CEO, Mr. K. V. Kamath, has availed of housing loan under the Staff Housing Loan Scheme in the erstwhile ICICI Limited. The Wholetime Directors are also eligible for the benefit of stock options under the Employee Stock Option Scheme (ESOS)
Prior to their appointments, Ms. Lalita D. Gupte and Ms. Kalpana Morparia have, as employees, availed of loans under certain schemes available to the staff of the erstwhile ICICI Limited.
Ms. Chanda Kochhar and Dr. Nachiket Mor have availed of housing loans under the Staff Housing Loan Scheme. Ms. Chanda Kochhar has also availed of loans to subscribe to 14% Fully Convertible Debentures of Rs. 600/- each offered to her which was repaid later on. Dr. Nachiket Mor has also availed of certain other loans under staff loan schemes.

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF ICICI BANK LIMITED

Capitalised 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, ICICI Bank 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 ICICI Bank) shall be offered to such persons (whether Members or holders of debentures of ICICI Bank 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 ICICI Bank 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 ICICI Bank, 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 ICICI Bank 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 ICICI Bank.

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 ICICI Bank, 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 ICICI Bank 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 ICICI Bank entitled to attend and vote at a meeting of ICICI Bank 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 ICICI Bank, 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, also 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 ICICI Bank 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 ICICI Bank 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 ICICI Bank 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 ICICI Bank for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by ICICI Bank 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 ICICI Bank 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 instalment 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 instalment 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 instalment 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 ICICI Bank 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, ICICI Bank 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 ICICI Bank 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 ICICI Bank’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 ICICI Bank 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 ICICI Bank 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 ICICI Bank may, at their absolute and uncontrolled discretion, refuse to register the transfer of any shares or other securities of ICICI Bank, being shares or securities issued by ICICI Bank, 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 ICICI Bank 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 ICICI Bank 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 ICICI Bank, a change in the composition of the Board of Directors or change in the controlling interest of ICICI Bank is likely to take place and that such change would be prejudicial to the interest of ICICI Bank or to the public interest. For the purpose of this Article, the Directors of ICICI Bank 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 ICICI Bank 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 ICICI Bank 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 ICICI Bank, 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 ICICI Bank 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 ICICI Bank 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 ICICI Bank and ICICI Bank 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 ICICI Bank but ICICI Bank 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 ICICI Bank or Officer (whether Managing Director, Manager, Secretary or other Officer) or employee or any person employed by ICICI Bank as Auditor shall be indemnified by ICICI Bank against and it shall be the duty of the Directors out of the funds of ICICI Bank 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 ICICI Bank 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 ICICI Bank, ICICI Bank 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 ICICI Bank, ICICI Bank 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, 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. 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 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 approved the said 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.

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 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 Deputy Managing Director	300,000-900,000	April 30, 2006
Ms. Chanda D. Kochhar Executive Director	200,000-500,000	March 31, 2006
Dr. Nachiket Mor Executive Director	200,000-500,000	March 31, 2006

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.

Others

Mr. K. V. Kamath, Ms. Lalita D. Gupte, Ms. Kalpana Morparia, Ms. Chanda 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 remuneration is within the limits prescribed by the applicable provisions of the Companies Act, 1956.

Powers of the Directors

Article 166 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 ICICI Bank 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 ICICI Bank or otherwise, to be exercised or done by ICICI Bank 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 ICICI Bank or in any regulations not inconsistent therewith and duly made thereunder including regulations made by ICICI Bank in General Meeting.
No regulation made by ICICI Bank 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 ICICI Bank 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 ICICI Bank, 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 ICICI Bank 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 ICICI Bank 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 ICICI Bank in the ordinary course of business of deposits of moneys shall not be deemed to be borrowing of moneys by ICICI Bank 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 ICICI Bank 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 ICICI Bank 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 ICICI Bank.

Article 85 provides that
Debentures, debenture stock, bonds or other securities may be made assignable free from any equities between ICICI Bank 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 ICICI Bank 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 ICICI Bank, 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 ICICI Bank from having any concern or interest in any contracts or arrangements with ICICI Bank.

(e) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between ICICI Bank and any other company where any of the Directors of ICICI Bank 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 ICICI Bank 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 ICICI Bank, 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 ICICI Bank;

(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 ICICI Bank, 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 ICICI Bank are interested in any property acquired by ICICI Bank. 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 ICICI Bank 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 ICICI Bank in the normal course of business, (b) banks which are Bankers to the Issue or (c) any other contract or arrangement with ICICI Bank in the ordinary course of business or in connection with the Issue.

All Directors of ICICI Bank 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 ICICI Bank. Directors of ICICI Bank 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 ICICI Bank. Subject to the above, no Director is interested in the promotion of ICICI Bank, or in any property acquired by ICICI Bank 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 ICICI Bank shall be entitled to appoint from time to time, one or more of the Non-Rotational Directors to act as the Wholetime or Executive Chairman and Managing Director or Part-time Chairman or Wholetime Chairman (hereinafter referred to as the "Executive Chairman") or a Managing Director or Managing Director(s) and/or Wholetime Director or Wholetime Director(s) of ICICI Bank (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 ICICI Bank 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 ICICI Bank, 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 ICICI Bank 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 ICICI Bank 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 ICICI Bank 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 ICICI Bank'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 ICICI Bank.

Debenture Director

Article 129 provides that

Any trust deed covering the issue of debentures or bonds of ICICI Bank 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.

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 ICICI Bank 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 ICICI Bank 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 ICICI Bank are not required to hold any qualification shares.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to below (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of Prospectus) which are or may be deemed material, have been entered into by the Company. Copies of these contracts, together with the copies of the documents referred to below, all of which have been attached to a copy of this Prospectus, which have been delivered to the Registrar of Companies, Gujarat at Ahmedabad, for registration may be inspected at the registered or corporate office of the Company between 10.00 a.m. and 12.00 noon on any working day of the Company from the date of Prospectus until the date of closing the subscription list.

A. MATERIAL CONTRACTS

1. Copy of letter from the Company dated October 15, 2004 appointing DSP Merrill Lynch Limited, as Lead Manager to the Issue.
2. Copies of letters from the Company dated _____, appointing _____, _____, _____, _____ as Co-Managers to the Issue.
3. Copy of letter from the Company dated _____, appointing _____ as Marketing Co-ordinator to the Issue.
4. Copy of letter from the Company dated _____, appointing _____ as Trustees for the Bondholders.
5. Copies of letters from the Company dated _____ appointing _____ as Advisors to the Issue and _____ appointing _____ as Legal Advisors to the Issue.
6. Copy of Memorandum of Understanding (MOU) between the Company and DSP Merrill Lynch Limited dated _______.
7. Copy of letter from the Company dated _____, appointing _____ as Registrar to the Issue.

B. MATERIAL DOCUMENTS

1. Certified true copies of the Memorandum and Articles of Association of the Company as amended from time to time.
2. Copy of Certificate of Incorporation of the Company 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 change of name dated September 10, 1999.
5. Scheme of amalgamation of ICICI Limited, ICICI Capital Services Limited and ICICI Personal Services Limited with ICICI Bank.
6. Modification of the authorised share capital of ICICI Bank as per the scheme of amalgamation.
7. Increase in the borrowing powers of the Board of Directors in terms of Section 293(1)(d) of the Companies Act, 1956 as per the Scheme of Amalgamation.
8. Certified true copy of the resolution of the Members of the Company passed at the Annual General Meeting held on June 11, 2001 and September 16, 2002 modifying the Object Clause of the Memorandum of Association.
9. Certified true copy of the resolution of the Board of Directors of the Company, passed at its Meeting held on April 12, 2002 authorising issue of Bonds.
10. Certified true copies of the resolution of the Board of Directors of the Company, passed at its Meeting held on April 26, 2002, constituting a Committee of Whole-time Directors to be referred to as the Committee of Directors, effective May 3, 2002.

11. Certified true copy of the resolution of the Board of Directors of the Company, passed at its Meeting held on August 24, 2004 authorising the Committee of Directors to decide and finalise the terms and conditions of the Issue.

12. The Report of the Auditors, M/s. S. R. Batliboi & Co. as set out herein dated October 14, 2004.

13. Copies of the Balance Sheet and Profit and Loss Account for the five years ended March 31, 2000, 2001, 2002, 2003 and 2004 on which Report of the Auditors, M/s. S.B. Billimoria & Co. (FY 2000, 2001 & 2002), S.R. Batliboi & Co and N.M. Raiji & Co. (FY 2003) and S.R.Batliboi & Co. (FY 2004) of both the Company and its subsidiaries is based.

14. A copy of the tax benefit report dated ________.

15. Consent dated ___________, from the Auditors of the Company for inclusion of their report on Accounts in the form and context in which they appear in the Prospectus.

16. Consents of: (a) Company Secretary and Compliance Officer and Auditors. (b) Lead Managers, Co-Managers, Advisors to the Issue, Marketing Co-ordinator, Solicitors & Advocates, Legal Advisors, Registrar, Bankers to the Issue and Trustees for the Bondholders, as referred to in their respective capacities.

17. Copy of Letter dated ______________ from the Trustee agreeing to execute the trustee agreement within 6 months of closure of the Issue.

18. Attested General Power of Attorney executed by Directors of the Company in favour of person(s) for signing and making necessary changes in the Prospectus.

19. Copy of letter from The Credit Analysis & Research Limited dated September 8, 2004 giving the credit rating to the Bonds to be issued by the Company.

20. Copy of letter from ICRA Limited dated August 19, 2004 giving the credit rating to the Bonds to be issued by the Company.

21. Copy of application dated _______ made to the Government of India for issue of notification authorising the trustees to invest trust money in the Bonds under Section 20(f) of the Indian Trusts Act, 1882.

22. Copy of application dated _______ made to the Government of Maharashtra and to the Government of Gujarat for the declaration of the Bonds as "Public Securities" under Section 2(12)(d) of the Bombay Public Trusts Act, 1950.

23. Copy of application dated ________ made to the Government of Rajasthan for declaration of these Bonds as eligible securities for investment by Trusts under Section 2(10)(c) of the Rajasthan Public Trusts Act, 1959.

24. Copy of application dated ____ made to the Government of Andhra Pradesh for notifying these bonds as an eligible security for investment of surplus funds by Endowment institutions/Trust under Andhra Pradesh Endowment Trust Act.

25. Copy of application dated ___________ made to the Government of Madhya Pradesh for notifying these Bonds as eligible securities for investment by Trusts under section 13 of M.P. Public Trusts Act, 1951.

26. Copy of application dated _____ made to the Government of India for notifying these Bonds as an eligible security by Port Trusts governed under Section 88(2) of the Major Port Trusts Act.

27. Certified true copy of the resolution of the Members of the Company passed at the Annual General Meeting held on September 20, 2004 appointing S.R. Batliboi & Co. as Auditors for the year ending March 31, 2005.

28. Certified true copy of the resolutions passed by the Board at its meeting held on January 29, 2004 re-appointing Ms. Lalita D. Gupte as Joint Managing Director and elevating Ms. Kalpana Morparia as Deputy Managing Director.

29. Certified true copy of the resolution passed at the extra-ordinary general meeting held on March 12, 2004, approving the re-appointment of Ms. Lalita D. Gupte as Joint Managing Director

and copy of letter dated April 7, 2004 from Reserve Bank of India approving the re-appointment.

30. Certified true copy of the Resolution of the Members of ICICI Bank passed at the Annual General Meeting held on September 20, 2004, revising the salary payable to Mr. K.V. Kamath, Managing Director & CEO, Ms. Lalita D. Gupte, Joint Managing Director, Ms. Kalpana Morparia, Joint Managing Director, Ms. Chanda D. Kochhar, Executive Director and Dr. Nachiket Mor, Executive Director effective April 1, 2004.

31. Copies of due diligence certificate dated _______ to SEBI from DSP Merrill Lynch Limited, SEBI observation letters No. _____________dated __________ and the *in seriatim* reply from DSP Merrill Lynch Limited dated _______ and fresh due diligence certificate dated ________.

32. Copy of initial listing letters dated _____ for listing the Bonds on The Stock Exchange, Mumbai, the National Stock Exchange of India Limited and the Vadodara Stock Exchange Limited.

33. Copy of tripartite agreement dated June 23, 1997 between ICICI Bank, ICICI Infotech (erstwhile ICICI Investor's Services Ltd) and National Securities Depository Limited.

34. Copy of tripartite agreement dated April 23, 1999 between ICICI Bank, ICICI Infotech (erstwhile ICICI Investor's Services Ltd) and Central Depository Services Limited.

35. Copies of applications dated October 4, 2004 to National Securities Depository Limited and Central Depository Services Limited for umbrella approval to admit the Bonds offered in the financial year 2004-05 into their depository system and copies of letters dated _________ from each of them confirming the admission subject to completion of other formalities.

36. Copy of approval from CBDT vide letter F.No.178/19/2001-IT (AI) dated ___________ approving the Tax Saving Bond and 30% Tax Saving Bond/ Peoples Tax Saving Bond/ Small Taxpayers Bond as eligible security under Section 88 of the Income-tax Act, 1961.

PART III

DECLARATION

We, the Directors of the Company, 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 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.

SIGNED BY THE DIRECTORS*

Mr. Narayanan Vaghul *(Chairman)*
Mr. Uday Madhav Chitale
Mr. Prabhas Chandra Ghosh
Mr. Sunil Behari Mathur
Mr. Lakshmi Niwas Mittal
Mr. Anupam Pradip Puri
Mr. Vinod Rai
Mr. Somesh Ramchandra Sathe
Mr. Mahendra Kumar Sharma
Mr. Priya Mohan Sinha
Prof. Marti Gurunath Subrahmanyam
Mr. V. Prem Watsa
Mr. Kundapur Vaman Kamath *(Managing Director & Chief Executive Officer)*
Ms. Lalita Dileep Gupte *(Joint Managing Director)*
Ms. Kalpana Morparia *(Deputy Managing Director)*
Ms. Chanda Kochhar *(Executive Director)*
Dr. Nachiket Mor *(Executive Director)*
* (Through their constituted attorney Mr. Jyotin Mehta)
Mr. N. S. Kannan *(Chief Financial Officer & Treasurer)#*
(Through his constituted attorney Mr. Jyotin Mehta)
PLACE : ________
DATE : _____________

INDEX