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Directors' Report

Your Directors have pleasure in presenting the Eighth Annual Report of ICICI Bank Limited with the audited statement of accounts for the year ended March 31, 2002.

MERGER OF ICICI WITH ICICI BANK

Fiscal 2002 marked a turning point in the history of the ICICI group, as it witnessed the culmination of the ICICI group's strategy of becoming an integrated financial services provider – the merger of ICICI Limited (ICICI) with ICICI Bank. The merger was a path-breaking initiative, which created India's first "universal bank" and the second-largest bank in the country. As part of the reorganization, two of ICICI's wholly-owned retail finance subsidiaries viz. ICICI Personal Financial Services Limited (ICICI PFS) and ICICI Capital Services Limited (ICICI Capital), were also merged with ICICI Bank, in order to integrate and consolidate the retail business. The merged entity has a diversified asset base, technology-driven distribution network, fast-growing retail customer base, strong corporate relationships and considerable potential for growth in profitable business segments. The Scheme of Amalgamation of ICICI, ICICI PFS and ICICI Capital with ICICI Bank became effective on May 3, 2002. The Appointed Date of the merger was March 30, 2002.

FINANCIAL HIGHLIGHTS

As the Appointed Date of the merger was March 30, 2002, under Indian GAAP, the assets and liabilities of ICICI, ICICI PFS and ICICI Capital were incorporated in ICICI Bank's books on that date, and are reflected in ICICI Bank's balance sheet at March 31, 2002. However, ICICI Bank's profit & loss account for fiscal 2002 includes the results of operations of ICICI, ICICI PFS and ICICI Capital for March 30 and 31, 2002 i.e. two days only. The financial performance for fiscal 2002 is summarized below:

Rs. billion

	Fiscal 2002	<i>Fiscal 2001</i>
Net interest income and other income	11.67	6.25
Operating profit	5.45	2.90
Provisions & contingencies	2.87	1.29
Profit after tax	2.58	1.61
Consolidated profit after tax	2.58	1.61

The detailed analysis of operations and results is given in the Business Overview and Management's Discussion & Analysis.

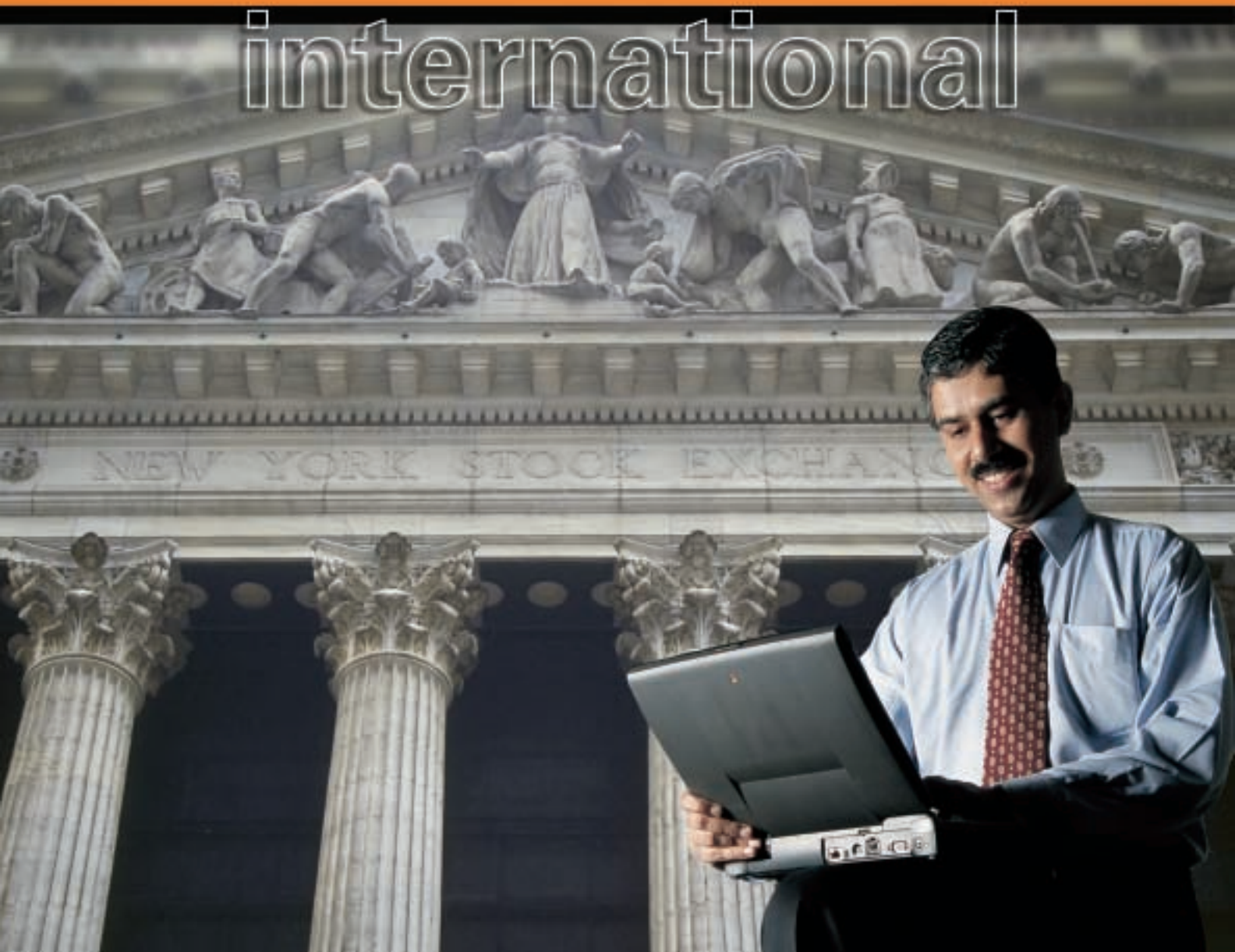
APPROPRIATIONS

The profit & loss account shows a profit after taxation of Rs. 2.58 billion after write-offs and provisions of Rs. 2.87 billion and taking into account all expenses. The disposable profit is Rs. 2.59 billion, taking into account the balance of Rs. 0.01 billion brought forward from the previous year. ICICI Bank had declared interim dividend @ 20% on equity shares in January 2002. ICICI also had declared interim dividend



Indian

international



Directors' Report

@ 55% on its equity shares in January 2002. Your Directors have not recommended any final dividend for the year and have appropriated the disposable profit as follows:

	Rs. billion	
	Fiscal 2002	<i>Fiscal 2001</i>
To Statutory Reserve, making in all Rs. 2.49 billion	0.65	0.80
To Investment Fluctuation Reserve, making in all Rs. 0.27 billion ...	0.16	0.06
To Special Reserve created and maintained in terms of Section 36(1)(viii) of the Income-tax Act, 1961, making in all Rs. 10.94 billion	0.14	—
To Revenue and other Reserves, making in all Rs. 34.31 billion ...	0.96	0.26
Dividend for the year		
– On equity shares interim @ 20%	0.44	0.44
– Corporate dividend tax	0.05	0.04
Leaving balance to be carried forward to the next year	0.19	0.01

RESULTS FOR QUARTER ENDED JUNE 30, 2002

As per the audited accounts for the quarter ended June 30, 2002, ICICI Bank's profit after tax was Rs. 2.53 billion as compared to Rs. 0.65 billion for the quarter ended June 30, 2001. The results for the quarter ended June 30, 2002 include the impact of the merger of ICICI, ICICI PFS and ICICI Capital and are therefore not comparable with the results for the corresponding period of the previous year, which were of the Bank on a standalone basis.

SUBSIDIARY COMPANIES

Consequent to the merger of ICICI with ICICI Bank, ICICI's subsidiary companies have become subsidiaries of the Bank. At March 31, 2002, ICICI Bank had eleven subsidiaries:

Principal Subsidiaries	Other Subsidiaries
ICICI Securities and Finance Company Limited	ICICI Brokerage Services Limited ¹
	ICICI Securities Holdings Inc. ¹
	ICICI Securities Inc. ²
ICICI Venture Funds Management Company Limited	ICICI International Limited
ICICI Prudential Life Insurance Company Limited	ICICI Investment Management Company Limited
ICICI Lombard General Insurance Company Limited	ICICI Trusteeship Services Limited
ICICI Home Finance Company Limited	

¹ Subsidiary of ICICI Securities and Finance Company Limited

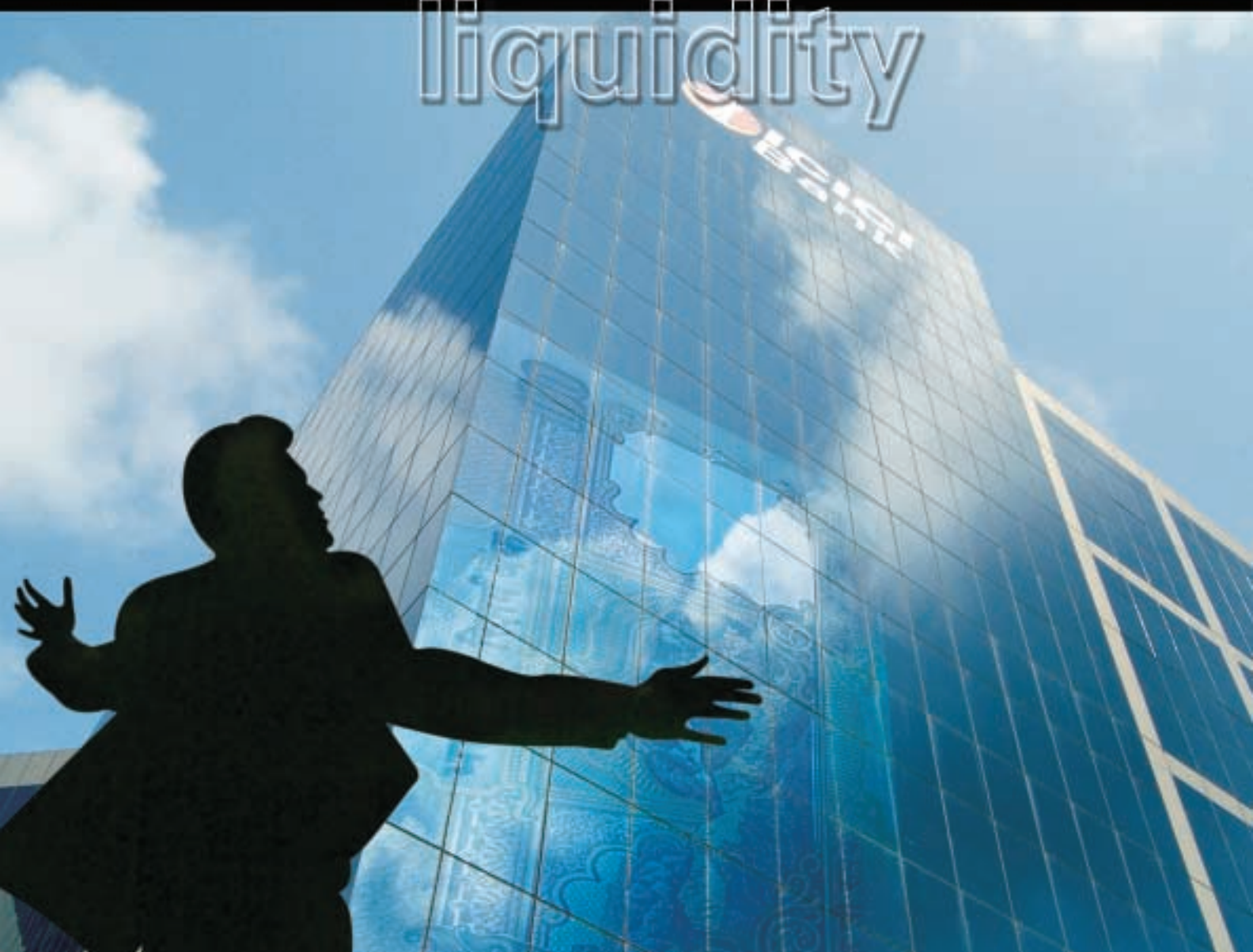
² Subsidiary of ICICI Securities Holdings Inc.

The audited statements of accounts of ICICI Bank's subsidiaries, together with the Reports of their Directors and Auditors for the year ended March 31, 2002 are attached.



solidity

liquidity



Directors' Report

DIRECTORS

In terms of the Scheme of Amalgamation of ICICI, ICICI PFS and ICICI Capital with ICICI Bank, the Articles of Association have been amended to increase the maximum number of Directors on the Board to twenty-one (excluding the Government Director and the Debenture Director). The Board of Directors has been reconstituted in view of the increase in the scale of operations of ICICI Bank consequent to the merger, and in compliance with the provisions of the Banking Regulation Act, 1949, Companies Act, 1956, and the listing agreement with stock exchanges.

B. V. Bhargava, who was on the Board since September 1994 and R. Rajamani, who was on the Board since December 1994, tendered their resignations from the Board effective April 26, 2002. The Banking Regulation Act does not permit a non-wholetime Director of a banking company to hold office continuously for a period of more than eight years. The Board accepted with regret their resignations and placed on record its sincere appreciation of the valuable contribution made by them to the growth and development of the Bank in the first eight years of its existence.

P. M. Sinha was appointed as an additional Director effective January 22, 2002. P. M. Sinha was Chairman of PepsiCo India Holdings Limited and President of Pepsi Foods Limited. He is an alumnus of the Massachusetts Institute of Technology's Sloan School of Management and has wide experience in marketing and international trade.

N. Vaghul was appointed as an additional Director effective March 27, 2002. N. Vaghul was executive Chairman of ICICI from 1985 to 1996, and non-executive Chairman of the Board of ICICI from 1996 to 2002. Prior to joining ICICI, he was Chairman & Managing Director of Bank of India from 1981 to 1984, and has also been Chairman of the Indian Banks' Association. In view of his vast experience in banking and financial services, the Board at its meeting on May 3, 2002, appointed him as its non-executive Chairman. The Reserve Bank of India (RBI) has given its approval for the appointment of N. Vaghul as non-executive Chairman for a period of three years from May 3, 2002.

The Board has appointed L. N. Mittal, Anupam Puri, R. Seshasayee, Marti G. Subrahmanyam, Kalpana Morparia and S. Mukherji as additional Directors effective May 3, 2002. They hold office up to the date of the forthcoming Annual General Meeting but are eligible for re-appointment. The Board had also appointed D. Sengupta, Chairman, General Insurance Corporation of India (GIC), which together with other government-owned general insurance companies is among ICICI Bank's largest domestic institutional shareholders, as an additional Director effective May 3, 2002. D. Sengupta has subsequently resigned from the Board effective June 30, 2002 on demitting office as Chairman of GIC. He had been a Director of ICICI since 1998, and the Board places on record its appreciation of his valuable contribution during his association with the ICICI group.

L. N. Mittal is Chairman of the LNM Group, one of the world's largest producers of steel, with experience in industry and management. He was appointed a Director of ICICI in 1999.

Anupam Puri worked for thirty years with McKinsey & Company, a leading management consultancy firm. He has worked extensively on public policy issues with various governments as well as multilateral development agencies. He was appointed a Director of ICICI in 2001.



value

values

ETHICS

• TRUST • DYNAMISM

• WARMTH • STABILITY

Directors' Report

R. Seshasayee is a chartered accountant and Managing Director of Ashok Leyland Limited, with experience in industry, management and accountancy. He was appointed a Director of ICICI in 1997.

Marti G. Subrahmanyam is Professor at the Stern School of Business, New York University, with expertise in finance and management. He was appointed a Director of ICICI in 1998.

Kalpana Morparia and S. Mukherji were appointed Executive Directors of ICICI in 2001. Kalpana Morparia has worked in ICICI in the areas of planning, treasury, resources, law and corporate services. S. Mukherji has worked in ICICI in the areas of project and corporate finance.

The Government of India had vide its letter dated May 6, 2002 nominated S. K. Purkayastha, Additional Secretary (Financial Sector), Ministry of Finance on the Board. The Government of India has subsequently nominated D. C. Gupta, Secretary (Banking & Insurance), Ministry of Finance on the Board in place of S. K. Purkayastha, effective July 19, 2002.

The Board of Directors has appointed K.V. Kamath and Lalita D. Gupte, earlier non-whole-time Directors on the Board, as whole-time Directors designated as Managing Director & CEO and Joint Managing Director respectively. K. V. Kamath and Lalita D. Gupte were Managing Director & CEO and Joint Managing Director & Chief Operating Officer – International Business respectively, of ICICI. The Board has re-designated H.N. Sinor as Joint Managing Director with effect from May 3, 2002 and has appointed Kalpana Morparia and S. Mukherji as whole-time Directors designated as Executive Directors effective that date.

The new executive management structure, with the responsibilities of the whole-time Directors, is as follows:

Name	Designation and Responsibilities
K. V. Kamath	Managing Director & CEO
H. N. Sinor	Joint Managing Director (Domestic Banking)
Lalita D. Gupte	Joint Managing Director (International Business)
Kalpana Morparia	Executive Director (Corporate Centre)
S. Mukherji	Executive Director (Project Finance and Special Assets)
Chanda D. Kochhar	Executive Director (Retail Banking)
Nachiket Mor	Executive Director (Wholesale Banking)

The tenures of appointment of K. V. Kamath, Lalita D. Gupte, Kalpana Morparia and S. Mukherji will be till the dates on which their respective tenures as whole-time Directors of ICICI would have expired, i.e. April 30, 2006 for K. V. Kamath, Kalpana Morparia and S. Mukherji and June 23, 2004 for Lalita D. Gupte. However, in order to comply with the Companies Act, 1956, and the Articles of Association, Lalita D. Gupte, Kalpana Morparia and S. Mukherji will be liable to retire by rotation if at any time the number of non-rotational Directors exceeds one-third of the total number of Directors. If they are re-appointed as Directors immediately on retirement by rotation, they will continue to hold their offices of Joint Managing Director and Executive Directors, and the retirement by rotation and re-appointment shall not be deemed to constitute a break in their appointment. The appointment and remuneration of whole-time Directors requires the approval of RBI. While the approval of RBI for the appointment and remuneration of K. V. Kamath as Managing Director & CEO has been received, approval for the

appointment and remuneration of Lalita D. Gupte, Kalpana Morparia and S. Mukherji as wholetime Directors is awaited.

In terms of the provisions of the Articles of Association, Uday M. Chitale and Satish C. Jha would retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

AUDITORS

M/s S. B. Billimoria & Co., Chartered Accountants, will retire at the forthcoming Annual General Meeting. They have been statutory auditors of the Bank for the last four years, which is the maximum term of appointment of auditors as permitted by RBI. The Audit Committee of the Board and the Board of Directors have placed on record their sincere appreciation of the professional service rendered by M/s S. B. Billimoria & Co. as statutory auditors.

As recommended by the Audit Committee, the Board has proposed the appointment of M/s N. M. Rajji & Co. and M/s S. R. Batliboi & Co., Chartered Accountants, as joint statutory auditors for fiscal 2003. You are requested to consider their appointment. Their appointment has been approved by RBI.

PERSONNEL

As required by the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report.

CORPORATE GOVERNANCE

ICICI Bank has established a tradition of best practices in corporate governance. The corporate governance framework in ICICI Bank is based on an effective independent Board, the separation of the Board's supervisory role from the executive management and the constitution of Board Committees, comprising a majority of independent Directors and chaired by an independent Director, to oversee critical areas.

I. Philosophy of Corporate Governance

ICICI Bank's corporate governance philosophy encompasses not only regulatory and legal requirements, such as the terms of listing agreements with stock exchanges, but also several voluntary practices aimed at a high level of business ethics, effective supervision and enhancement of value for all stakeholders.

II. Board of Directors

ICICI Bank has a broad-based Board of Directors, constituted in compliance with the Banking Regulation Act, Companies Act and listing agreement with stock exchanges and in accordance with best practices in corporate governance. The Board functions either as a full Board or through various Committees constituted to oversee specific operational areas. During fiscal 2002, there were eight Committees constituted by the Board – Audit & Risk Committee, Committee of Directors, Compensation Committee, Nomination Committee, Share Transfer Committee, Shareholders' Grievance Committee, Steering Committee and Settlement Committee.

Directors' Report

At March 31, 2002, the Board of Directors consisted of 12 members. There were 13 meetings of the Board during fiscal 2002 – on April 21, April 26, May 29, June 11, July 21, August 10, September 17, October 25, November 20 and December 19 in 2001 and January 22, February 28 and March 27 in 2002. The names of Board members, their attendance at Board meetings and the number of other Directorships and Board Committee memberships held by them at March 31, 2002 are given below:

Name of Member	Board meetings attended during the year	Attendance at last AGM (June 11, 2001)	Number of other Directorships		Number of other Committee memberships ³
			Indian Companies ¹	Other Companies ²	
Independent non-executive Directors					
B. V. Bhargava	12	Present	9	—	6 (4)
Uday M. Chitale	12	Present	1	4	1 (1)
Lalita D. Gupte	13	Present	13	1	1
Satish C. Jha	9	Present	3	—	—
K. V. Kamath	12	Absent	10	3	—
R. Rajamani	12	Present	—	2	1
Somesh R. Sathe	12	Present	—	3	—
P. M. Sinha (w.e.f. Jan. 22, 2002)	1	N.A.	4	1	3
N. Vaghul (w.e.f. Mar. 27, 2002)	1	N.A.	11	7	6 (5)
Wholetime Directors					
H. N. Sinor	13	Present	—	—	—
Chanda D. Kochhar	9	Present	—	—	—
Nachiket Mor	7	Absent	—	4	—

¹ Includes companies as per provisions of Section 278 of the Companies Act, 1956.

² Includes Directorships of foreign companies and other companies that are excluded as per the provisions of Section 278 of the Companies Act, 1956.

³ Figures in brackets indicate Committee Chairmanships.

The meetings of the Board were generally chaired by K. V. Kamath.

III. Audit & Risk Committee

Terms of Reference

The Audit & Risk Committee was constituted to provide direction and oversee the audit and risk management function in the Bank including the quality of internal and management audits. The functions of the Audit & Risk Committee included review of inspections and audits, compliance with inspection and audit reports and periodical review of accounting policies and systems.

Composition

The Audit & Risk Committee comprised seven Directors including five non-whole-time Directors. RBI guidelines stipulate that this Committee must meet at least six times in a financial year. There were 15 meetings of the Committee during the year. The details of composition of the Committee and attendance at its meetings are given below:

Name of Member	Number of meetings attended
B. V. Bhargava	14
Uday M. Chitale	15
Lalita D. Gupte	14
Satish C. Jha	11
R. Rajamani	14
Wholetime Directors	
Chanda D. Kochhar	11
Nachiket Mor	9

The meetings were chaired by Uday M. Chitale.

IV. Committee of Directors

Terms of Reference

The Committee of Directors was delegated financial powers for approving loan proposals and expenditure proposals within the broad parameters of the delegated authority.

Composition

The Committee of Directors comprised seven Directors including four non-whole-time Directors. There were 13 meetings of the Committee during the year. The details of composition of the Committee and attendance at its meetings are given below:

Name of Member	Number of meetings attended
B. V. Bhargava	12
Uday M. Chitale	12
Lalita D. Gupte	12
K. V. Kamath	10
Wholetime Directors	
H. N. Sinor	13
Chanda D. Kochhar	10
Nachiket Mor	8

The meetings were generally chaired by K. V. Kamath.

Directors' Report

V. Compensation Committee

Terms of Reference

The functions of the Compensation Committee included the consideration and recommendation to the Board of the amount of compensation payable to wholetime Directors and fees payable to other Directors, and the framing of the guidelines for and management of the employee stock option scheme.

Composition

The Compensation Committee comprised four Directors including three non-wholetime Directors. There were three meetings of the Committee during the year. The details of composition of the Committee and attendance at its meetings are given below:

Name of Member	Number of meetings attended
Uday M. Chitale	3
Lalita D. Gupte	3
Somesh R. Sathe	2
Wholetime Director	
H. N. Sinor	3

The meetings were chaired by Lalita D. Gupte.

Remuneration policy

The Compensation Committee had the power to determine and recommend to the Board the amount of remuneration, including performance/achievement bonus and perquisites, payable to the wholetime Directors. The recommendations of the Committee were based on evaluation of the wholetime Directors on certain parameters, as laid down by the Board as part of the self-evaluation process.

The following are the details of remuneration (including perquisites, bonus and retiral benefits) and stock options paid to wholetime Directors in fiscal 2002.

	H. N. Sinor	Chanda D. Kochhar	Nachiket Mor
Break-up of Remuneration (Rupees)			
– Basic	2,640,000	1,800,000	1,800,000
– Performance bonus for fiscal 2002	2,640,000	1,800,000	1,800,000
– Performance bonus for fiscal 2001	2,700,000	—	—
– Allowances and perquisites	1,527,800	379,428	138,556
– Provident fund	316,800	216,000	216,000
– Gratuity	219,912	149,940	149,940
– Superannuation	396,000	270,000	270,000
Stock Options (Number).....			
– fiscal 2002	100,000	80,000	80,000
– fiscal 2001	56,250	—	—
– fiscal 2000	75,000	15,000	12,000

Perquisites (evaluated as per Income-tax Rules wherever applicable and at actual cost to the Company otherwise) such as the benefit of the Bank’s furnished accommodation, gas, electricity, water and furnishings, club fees, personal accident insurance, use of car and telephone at residence or reimbursement of expenses in lieu thereof; medical reimbursement, leave and leave travel concession, education benefits, provident fund, superannuation fund and gratuity, were provided in accordance with the scheme(s) and rule(s) applicable from time to time. If Company-owned accommodation was not provided, the concerned wholetime Director was eligible for house rent allowance of Rs. 25,000 per month and maintenance of accommodation including furniture, fixtures and furnishings, as may have been provided by the Bank.

The non-executive Directors other than K. V. Kamath and Lalita D. Gupte were paid sitting fees of Rs. 5,000 per meeting of the Board and Rs. 2,000 per meeting of a Board Committee attended by them.

VI. Nomination Committee

Terms of Reference

The functions of the Nomination Committee included the submission of recommendations to the Board to fill vacancies on the Board or in senior management positions.

Composition

The Nomination Committee comprised four Directors including three non-wholetime Directors. There were three meetings of the Committee during the year. The details of composition of the Committee and attendance at its meetings are given below:

Name of Member	Number of meetings attended
B. V. Bhargava	2
K. V. Kamath	3
R. Rajamani	3
Wholetime Director	
H. N. Sinor	3

The meetings were chaired by K. V. Kamath.

VII. Share Transfer Committee

Terms of Reference

The functions of the Share Transfer Committee included review and approval of transfers of equity shares and debentures.

Directors' Report

Composition

The Share Transfer Committee comprised six Directors including three non-whole-time Directors. There were 44 meetings of the Committee during the year. The details of composition of the Committee and attendance at its meetings are given below:

Name of Member	Number of meetings attended
B. V. Bhargava ¹	3
Uday M. Chitale ¹	3
Lalita D. Gupte	32
Whole-time Directors	
H. N. Sinor	37
Chanda D. Kochhar	37
Nachiket Mor	35

¹ Ceased to be members from June 20, 2001.

The meetings were generally chaired by H. N. Sinor. There were seven unprocessed share transfers pending at March 31, 2002.

VIII. Shareholders' Grievance Committee

Terms of Reference

The functions of the Shareholders' Grievance Committee included redressal of shareholder and investor complaints regarding matters such as transfer of shares and non-receipt of dividends.

Composition

The Shareholders' Grievance Committee comprised four Directors including three non-whole-time Directors. There were three meetings of the Committee during the year. The details of composition of the Committee and attendance at its meetings are given below:

Name of Member	Number of meetings attended
Uday M. Chitale	3
B. V. Bhargava	3
Lalita D. Gupte	3
Whole-time Director	
H. N. Sinor	3

The meetings were chaired by Lalita D. Gupte, a non-whole-time Director. Bhashyam Seshan, Company Secretary (upto May 3, 2002), was the Compliance Officer. Of the total of 547 shareholder complaints received in fiscal 2002, 519 complaints were processed to the satisfaction of shareholders. At March 31, 2002, 28 complaints were pending.

IX. Steering Committee

Terms of Reference

The function of the Steering Committee was to oversee the merger of Bank of Madura with ICICI Bank. The Steering Committee was dissolved with effect from October 25, 2001 upon substantial completion of the integration process.

Composition

The Steering Committee comprised seven Directors including four non-wholetime Directors. There were three meetings of the Committee during the year. The details of composition of the Committee and attendance at its meetings are given below:

Name of Member	Number of meetings attended
B. V. Bhargava	3
Uday M. Chitale	3
Lalita D. Gupte	3
Somesh R. Sathe	3
Wholetime Directors	
H. N. Sinor	3
Chanda D. Kochhar	1
Nachiket Mor	1

The meetings were chaired by B. V. Bhargava.

X. Settlement Committee

Terms of Reference

The functions of the Settlement Committee included approval of compromise and settlement proposals negotiated for recovery of dues from impaired accounts.

Composition

The Settlement Committee constituted on April 26, 2001 comprised two Directors and one member of the senior management team. There were nine meetings of the Committee during the year. The details of composition of the Committee and attendance at its meetings are given below:

Name of Member	Number of meetings attended
Uday M. Chitale	9
Wholetime Director	
H. N. Sinor	9
Senior Management	
M. N. Gopinath, Senior Executive Vice President	9

The meetings were chaired by Uday M. Chitale.

XI. Re-constitution of Committees

Subsequent to the merger of ICICI with ICICI Bank and the re-constitution of the Board of Directors, the Board has with effect from May 3, 2002, dissolved the above Committees and constituted new Committees of the Board in order to create an effective corporate governance model, commensurate with the scale and complexity of the merged entity's operations. The constitution and main functions of the various Committees are given below:

Audit Committee

The Audit Committee consists of three independent Directors – R. Seshasayee, Uday M. Chitale and Somesh R. Sathe, and is chaired by R. Seshasayee.

The Audit Committee provides direction to the audit and risk management function and monitors the quality of internal and statutory audit. The responsibilities of the Audit Committee include the overseeing of the financial reporting process to ensure fairness, sufficiency and credibility of financial statements, recommendation of appointment and removal of central and branch statutory auditors and fixation of their remuneration, review of the annual financial statements before submission to the Board, review of the adequacy of internal control systems and the internal audit function, review of compliance with the inspection and audit reports of RBI and reports of statutory auditors, review of the findings of internal investigations, discussion on the scope of audit with external auditors and examination of reasons of substantial defaults, if any, of non-payment to stakeholders.

Board Governance & Remuneration Committee

The Board Governance & Remuneration Committee consists of three independent Directors – N. Vaghul, R. Seshasayee and P. M. Sinha, and is chaired by N. Vaghul.

The functions of the Board Governance & Remuneration Committee include recommendation of appointments to the Board, evaluation of the performance of the Managing Director & CEO, the Board and individual members on pre-determined parameters, recommendation to the Board of the remuneration (including performance bonus and perquisites) to wholetime Directors, approval of the policy for and quantum of bonus payable to the members of the staff, the framing of guidelines for the Employees Stock Option Scheme and recommendation of grant of stock options to the staff and wholetime Directors of ICICI Bank and its subsidiary companies, and formulation of a code of ethics and governance.

Business Strategy Committee

The Business Strategy Committee consists of five Directors – N. Vaghul, Anupam Puri, R. Seshasayee, P. M. Sinha and K. V. Kamath. The majority of the members of the Committee are independent Directors and the Committee is chaired by N. Vaghul.

The function of the Committee is to approve the annual income and expenditure and capital expenditure budgets for presentation to the Board for final approval and to review and recommend to the Board the business strategy of ICICI Bank.

Credit Committee

The Credit Committee consists of four Directors – N. Vaghul, Satish C. Jha, Somesh R. Sathe, and K. V. Kamath. The majority of the members of the Committee are independent Directors and the Committee is chaired by N. Vaghul.

The functions of the Committee include review of developments in key industrial sectors and approval of credit proposals as per authorization approved by the Board.

Risk Committee

The Risk Committee consists of four Directors – N. Vaghul, Uday M. Chitale, Marti G. Subrahmanyam and K. V. Kamath. The majority of the members of the Committee are independent Directors and the Committee is chaired by N. Vaghul.

The Committee reviews ICICI Bank's risk management policies in relation to various risks (portfolio, liquidity, interest rate, off-balance sheet and operational risks), investment policies and strategy, and regulatory and compliance issues in relation thereto.

Share Transfer & Shareholders'/Investors' Grievance Committee

The Share Transfer & Shareholders'/Investors' Grievance Committee consists of four Directors – Uday M. Chitale, Somesh R. Sathe, H. N. Sinor and Kalpana Morparia, and is chaired by an independent Director, Uday M. Chitale. Jyotin Mehta, General Manager & Company Secretary, is the Compliance Officer.

The functions and powers of the Committee include approval and rejection of transfer or transmission of equity and preference shares, bonds, debentures and securities, including under stock options, issue of duplicate certificates, allotment of shares and securities issued from time to time, review and redressal of shareholders' and investors' complaints, the opening and operation of bank accounts for payment of interest and dividend and the listing of securities on stock exchanges.

Committee of Directors

The Committee of Directors consists of all the wholetime Directors and is chaired by the Managing Director & CEO.

The powers of the Committee include review of performance against targets for various business segments and credit approvals as per authorization approved by the Board, borrowing and treasury operations and premises and property related matters.

Asset Liability Management Committee

The Asset Liability Management Committee consists of five wholetime Directors and is chaired by Lalita D. Gupte.

The functions of the Committee include management of the balance sheet of the Bank, review of the asset-liability profile of the Bank with a view to managing the market risk exposure assumed by the Bank and deciding the deposit rates and Prime Lending Rates (PLR) of the Bank.

Directors' Report

XII. General Body Meetings

The details of General Body Meetings held in the last three years are given below:

General Body Meeting	Day, Date	Time	Venue
Fifth Annual General Meeting	Monday, June 14, 1999	3.00 p.m.	Professor Chandravadan Mehta Auditorium, General Education Centre, Opposite D. N. Hall Ground, The Maharaja Sayajirao University, Pratapgunj, Vadodara 390 002.
Sixth Annual General Meeting	Monday, May 29, 2000	3.00 p.m.	
Fourth Extraordinary General Meeting	Monday, February 21, 2000	3.00 p.m.	
Fifth Extraordinary General Meeting	Friday, January 19, 2001	12.30 p.m.	Central Gujarat Chamber of Commerce Auditorium, Second Floor, Vanijya Bhavan, Race Course Circle, Vadodara 390 007.
Seventh Annual General Meeting	Monday, June 11, 2001	3.00 p.m.	
Sixth Extraordinary General Meeting	Friday, January 25, 2002	3.00 p.m.	

XIII. Disclosures

1. There are no materially significant transactions with related parties i.e., promoters, Directors or the Management, their subsidiaries or relatives conflicting with the Bank's interests.
2. There were no instances of non-compliance on any matter related to the capital markets, during the last three years.

XIV. Means of Communication

It is ICICI Bank's belief that all stakeholders should have access to complete information regarding its position to enable them to accurately assess its future potential. ICICI Bank disseminates information on its operations and initiatives on a regular basis. The ICICI Bank website (www.icicibank.com) serves as a key awareness facility for all its stakeholders, allowing them to access information at their convenience. It provides comprehensive information on ICICI Bank's strategy, business segments, financial performance, operational performance, share price movements and latest press releases. ICICI Bank's dedicated investor relations personnel respond to specific queries and play a proactive role in disseminating information to both analysts and investors. In accordance with Securities and Exchange Board of India (SEBI) and Securities Exchange Commission (SEC) guidelines, all information which could have a material bearing on ICICI Bank's share price is released at the earliest through leading domestic and global wire agencies. ICICI Bank also circulated its half-yearly results to all its shareholders. As required by SEBI and the listing agreement, ICICI Bank has also commenced filing of its financial and other information on the Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by National Informatics Centre (NIC) from July 2002.

ICICI Bank's quarterly financial results are published in the Financial Express and Business Standard (Mumbai) and in Sandesh (Vadodara). The financial results, official news releases and presentations are also displayed on the website.

XV. General Shareholder Information

Eighth Annual General Meeting

Date	Time	Venue
Monday, September 16, 2002	2.00 p.m.	Professor Chandravadan Mehta Auditorium, General Education Centre, Opposite D. N. Hall Ground, The Maharaja Sayajirao University, Pratapgunj, Vadodara 390 002.

Financial Calendar : April 1 to March 31

Book Closure : September 6, 2002 to September 16, 2002

Record Dates : Interim Dividend – March 7, 2002

Issue of shares to shareholders of erstwhile ICICI – June 7, 2002

Dividend Payment Date : March 9, 2002.

Listing on Stock Exchanges (with stock code)

Stock Exchange	Code for ICICI Bank
Vadodara Stock Exchange Limited (Regional) Fortune Towers, Sayajigunj Post Box No. 2547, Vadodara 390 005	32174
The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001	32174
The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex Bandra (East), Mumbai 400 051	EQ
The Calcutta Stock Exchange Association Limited 7, Lyons Range, Kolkata 700 001	19268
The Delhi Stock Exchange Association Limited DSE House, 3/1 Asaf Ali Road, New Delhi 110 002	009187
Madras Stock Exchange Limited 'Exchange Building', Post Box No. 183 11, Second Line Beach, Chennai 600 001	IBCL
New York Stock Exchange (American Depositary Receipts) ¹ 11, Wall Street, New York, NY 10005, United States of America	IBN

¹ Each American Depositary Receipt (ADR) of ICICI Bank represents two underlying equity shares.

ICICI Bank has paid annual listing fees for fiscal 2003 on its capital to all the stock exchanges where its securities are listed.

Directors' Report

Market Price Information

The reported high and low closing prices and volume of equity shares of ICICI Bank traded during fiscal 2002 on the Stock Exchange, Mumbai (BSE) and National Stock Exchange (NSE) are given below:

Month	BSE			NSE			Total Volume on BSE and NSE
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume	
April 2001	185.10	158.30	2,812,454	188.35	158.75	4,418,320	7,230,774
May 2001	157.75	141.05	4,886,189	158.05	140.45	4,998,880	9,885,069
June 2001	148.05	130.95	2,987,557	147.95	127.75	2,807,650	5,795,207
July 2001	132.75	109.95	1,781,575	138.45	110.05	3,175,519	4,957,094
August 2001	126.10	105.55	1,098,953	125.90	105.75	1,607,082	2,706,035
September 2001	108.90	67.85	1,349,894	108.80	67.95	1,819,823	3,169,717
October 2001	106.25	72.40	2,087,673	106.45	72.20	2,723,779	4,811,452
November 2001	109.00	101.00	1,703,790	109.00	101.10	2,113,056	3,816,846
December 2001	99.75	80.50	1,149,253	99.35	80.30	2,034,105	3,183,358
January 2002	94.85	88.80	4,086,497	94.90	88.40	4,358,342	8,444,839
February 2002	140.25	89.80	10,543,962	141.50	89.80	16,100,767	26,644,729
March 2002	135.65	120.30	4,372,324	135.60	120.35	11,583,264	15,955,588
Fiscal 2002	185.10	67.85	38,860,121	188.35	67.95	57,740,587	96,600,708

Source: Reuters

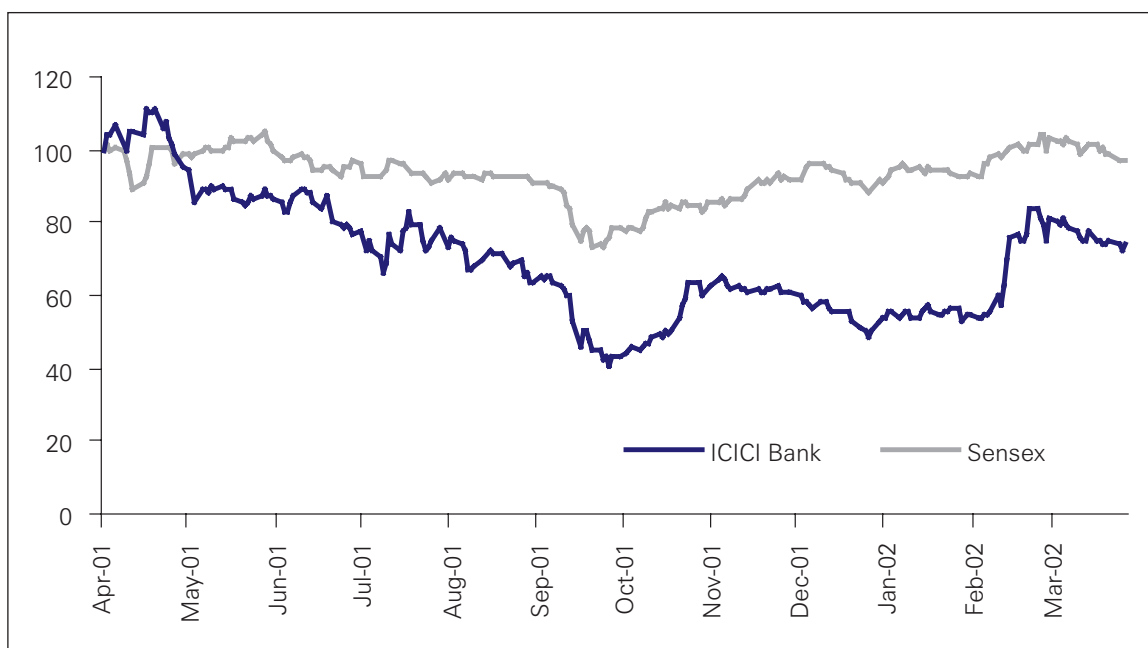
The reported high and low closing prices and volume of ADRs of ICICI Bank traded during fiscal 2002 on the New York Stock Exchange are given below:

Month	High (US\$)	Low (US\$)	Number of ADRs traded
April 2001	7.50	6.64	728,300
May 2001	6.80	6.25	811,800
June 2001	6.35	5.03	824,900
July 2001	5.66	4.93	1,928,700
August 2001	5.50	4.75	301,200
September 2001	4.61	2.70	1,711,500
October 2001	5.25	2.90	1,819,400
November 2001	4.90	4.00	19,01,300
December 2001	4.80	4.00	15,27,500
January 2002	4.74	4.10	8,75,400
February 2002	6.75	4.05	10,27,800
March 2002	6.52	5.85	4,28,500
Fiscal 2002	7.50	2.70	1,38,86,300

Source: NYSE

ICICI Bank

The performance of the ICICI Bank equity share relative to the BSE Sensitive Index (Sensex) is given in the chart below:



Share Transfer System

ICICI Bank's investor services are handled by ICICI Infotech Services Limited (ICICI Infotech). ICICI Infotech operates in the following main areas of business: software consultancy and development, IT-enabled services, IT infrastructure and network and facilities management services. ICICI Infotech has received the ISO-9001 certification for its transaction processing activities.

As per SEBI guidelines, ICICI Bank shares are being traded only in dematerialized form. During the year, 107,728,104 shares of ICICI Bank were transferred into electronic mode, involving 10,413 certificates. At June 30, 2002 about 69.8% of ICICI Bank's paid-up equity share capital (excluding equity shares represented by ADRs constituting 25.71% of the paid-up equity share capital) comprising 428,237,817 shares had been dematerialized.

Physical share transfers are registered and returned within a period of, typically, seven days from the date of receipt, if the documents are correct and valid in all respects. A letter is sent to the shareholder giving an option to receive shares in physical or dematerialized mode. A period of 30 days is given to the shareholder for sending his intimation. The shareholder then receives the shares in the form he exercises his option for. At March 31, 2002, there were 153 unprocessed transfers pending for ICICI and seven unprocessed transfers pending for ICICI Bank. The number of shares of ICICI Bank transferred during the last three years is given below:

	Fiscal 2000	Fiscal 2001	Fiscal 2002
Number of transfer deeds	47,783	7,703	2,114
Number of shares transferred ..	5,106,305	811,600	315,038

Directors' Report

For any share-related queries, please call ICICI Infotech at +91-22-791 2040, fax your query to +91-22-791 2480/ 81 or email to investor@icicibank.com.

Registrar and Transfer Agents

The Registrar and Transfer Agents of the Bank is ICICI Infotech Services Limited. Investor services related queries may be directed to T. V. Rangaswami at either of the addresses below:

ICICI Infotech Services Limited
International Infotech Park
Tower 5, 4th Floor
Navi Mumbai 400 705, Maharashtra
Tel No.: +91-22-791 2040
Fax: +91-22-791 2480/81

ICICI Infotech Services Limited
Maratha Mandir Annex, Maratha Mandir
Dr. A. R. Nair Road
Near Mumbai Central Station
Mumbai 400 008

Queries relating to the operational and financial performance of ICICI Bank may be addressed to:

Rakesh Jha / Anindya Banerjee
ICICI Bank Limited
ICICI Bank Towers
Bandra-Kurla Complex
Mumbai - 400 051
Tel No. : 91-22-653 1414
Fax No. : 91-22-653 1175
E-mail : ir@icicibank.com

Information on Shareholding

Shareholding pattern of ICICI Bank at June 30, 2002

Shareholder Category	% holding
Deutsche Bank Trust Company Americas (as Depository for ADR holders)	25.71
FII's and NRIs	20.14
The Western India Trustee and Executor Company Limited – ICICI Bank Shares Trust ¹	16.54
Insurance companies	15.94
Individuals	9.91
Bodies corporate	5.20
Unit Trust of India	3.61
Banks and Financial Institutions	1.66
Mutual funds	1.29
Total	100.00

¹ ICICI's shareholding in ICICI Bank transferred to a Trust as provided in the Scheme of Amalgamation.

Shareholders of ICICI Bank with more than one per cent holding at June 30, 2002

Shareholders	% holding
Deutsche Bank Trust Company Americas (as Depository for ADR holders)	25.71
The Western India Trustee and Executor Company Limited – ICICI Bank Shares Trust ¹	16.54
Life Insurance Corporation of India	8.56
Unit Trust of India	3.61
Bajaj Auto Limited	3.51
The New India Assurance Company Limited	2.83
M & G Investment Management Limited A/c The Prudential Assurance Company Limited	2.81
Emerging Markets Growth Fund Inc	2.15
General Insurance Corporation of India	1.74
Smallcap World Fund Inc	1.40
National Insurance Company Limited	1.37
Templeton Investment Counsel LLC A/c Templeton Foreign Equity Series	1.05

¹ ICICI's shareholding in ICICI Bank transferred to a Trust as provided in the Scheme of Amalgamation.

Distribution of shareholding of ICICI Bank at March 31, 2002

Number of shares	Number of shareholders	% of shareholders	Total number of shares	% holding
1 to 1,000	626,092	99.21	50,114,103	8.17
1,001 to 5,000	4,063	0.65	8,086,882	1.31
5001 to 10,000	366	0.06	2,561,872	0.42
10,001 & above	509	0.08	552,268,547	90.10
Total	631,030	100.00	613,031,404	100.00

Outstanding GDRs /ADRs /Warrants or any Convertible Debentures, conversion date and likely impact on equity

ICICI Bank has about 78.8 million ADRs (equivalent to about 157.6 million equity shares) outstanding, which constitute 25.71% of ICICI Bank's total equity capital. Currently, there are no convertible debentures outstanding.

Plant Locations – Not applicable

Address for Correspondence

Jyotin Mehta
 General Manager & Company Secretary
 ICICI Bank Limited
 ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051
 Tel No. : 91-22-653 1414
 Fax No. : 91-22-653 1122
 E-mail : jyotin.mehta@icicibank.com

All the non-mandatory requirements with respect to corporate governance have been complied with. The procedure of postal ballots will be used for resolutions relating to amendment of object clause of the Memorandum of Association.

COMPLIANCE CERTIFICATE OF THE AUDITORS

ICICI Bank has annexed to this report, a certificate obtained from the statutory auditors regarding compliance of conditions of corporate governance as stipulated in clause 49 of the listing agreement.

EMPLOYEE STOCK OPTION SCHEME (ESOS)

Since fiscal 2000, ICICI Bank has instituted an Employee Stock Option Scheme (ESOS) to enable its employees, including wholetime Directors, to participate in the future growth and financial success of the Bank. As per the ESOS as amended by the Scheme of Amalgamation of ICICI, ICICI PFS and ICICI Capital with ICICI Bank, the maximum number of options granted to any employee is limited to 0.05% of ICICI Bank's issued equity shares at the time of the grant, and the aggregate of all such options is limited to 5% of ICICI Bank's issued equity shares after the merger of ICICI with ICICI Bank. The options vest in a graded manner over a three-year period, with 20%, 30% and 50% of the grants vesting in each year, commencing not earlier than 12 months from the date of grant. The options can be exercised within 10 years from the date of grant or five years from the date of vesting, whichever is later. The exercise price of the options is the closing market price on the stock exchange which records the highest trading volume on the date of grant.

On the basis of the recommendation of the Compensation Committee, the Board at its meeting on March 27, 2002, approved a grant of 3.1 million options for fiscal 2002 to eligible employees (including wholetime Directors). Each option confers on the employee a right to apply for one equity share of Rs. 10 of ICICI Bank at Rs. 120.35, the closing market price on the date of the grant on the National Stock Exchange, which recorded the highest trading volume on that date.

The total number of shares of ICICI Bank covered by the ESOS as approved by the shareholders and amended by the Scheme of Amalgamation is 19,681,880. Particulars of options granted by ICICI Bank (not including options granted by ICICI under its ESOS) till date are given below:

Options granted	6,448,200
Options vested	1,172,540
Options exercised	—
Options forfeited/lapsed	248,225
Extinguishment or modification of options	—
Amount realized by sale of options	—
Total number of options in force	6,199,975

Options granted by ICICI Bank, prior to the merger, to senior managerial personnel for fiscal 2002 are as follows: H. N. Sinor – 100,000, Chanda Kochhar – 80,000 and Nachiket Mor – 80,000. H. N. Sinor was granted 56,250 options for fiscal 2001. No employee has a grant, in any one year, of options amounting to 5% or more of total options granted during that year. No employee was granted options during any one year equal to or exceeding 0.05% of the issued capital of ICICI Bank at the time of the grant.

ICICI also had an ESOS for its employees, the terms and conditions of which were substantially similar to those of ICICI Bank's ESOS. On the basis of the recommendation of ICICI's Board Governance & Remuneration Committee, ICICI's Board of Directors, at its meeting held on March 27, 2002, approved a grant of 6.5 million options for fiscal 2002 to eligible employees (including wholetime Directors) of ICICI

and its subsidiary and affiliate companies. Each option conferred on the employee a right to apply for one equity share of Rs. 10 of ICICI at Rs. 60.25, the closing market price on the date of the grant on the National Stock Exchange, which recorded the highest trading volume on that date.

Particulars of options granted by ICICI under its ESOS are given below:

Options granted	14,924,950
Options vested	3,035,750
Options exercised	33,900
Options forfeited/lapsed	984,750
Extinguishment or modification of options	—
Amount realized by exercise of options	Rs. 2.9 million
Total number of options in force	13,906,300

Options granted by ICICI, prior to the merger, to senior managerial personnel for fiscal 2002 are as follows: K. V. Kamath – 240,000, Lalita D. Gupte – 220,000, Kalpana Morparia – 200,000, S. Mukherji – 200,000, Balaji Swaminathan – 150,000, Ramni Nirula – 120,000, P. H. Ravikumar – 100,000 and Sanjiv Kerkar – 80,000. Options granted by ICICI to its senior managerial personnel for fiscal 2001 are as follows: K. V. Kamath – 120,000, Lalita D. Gupte – 110,000, Kalpana Morparia 60,000, S. Mukherji – 60,000, Chanda Kochhar – 60,000, Nachiket Mor – 60,000, Shikha Sharma – 60,000, Devdatt Shah 60,000, V. Srinivasan – 60,000, Balaji Swaminathan – 60,000, Ramni Nirula – 60,000 and Sanjiv Kerkar – 60,000. No employee has a grant, in any one year, of options amounting to 5% or more of total options granted during that year. No employee was granted options during any one year equal to or exceeding 1% of the issued capital of ICICI at the time of the grant.

In accordance with the Scheme of Amalgamation, Directors and employees of ICICI and its subsidiary and affiliate companies have received stock options in ICICI Bank equal to half the number of their outstanding unexercised stock options in ICICI. The exercise price of these ICICI Bank options is twice the exercise price for the ICICI stock options. All other terms and conditions are similar to those applicable to stock options in ICICI Bank as per its ESOS.

Based on the above, the current outstanding options of wholetime Directors and senior management in ICICI Bank are as follows:

Name	Number of options
K. V. Kamath	375,000
H. N. Sinor	276,250
Lalita D. Gupte	327,500
Kalpana Morparia	215,000
S. Mukherji	208,000
Chanda Kochhar	155,000
Nachiket Mor	152,000
Sanjiv Kerkar	148,000
Ramni Nirula	132,000
P. H. Ravikumar	110,700
Balaji Swaminathan	105,000

Directors' Report

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
2. that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Bank at the end of the financial year and of the profit or loss of the Bank for that period;
3. that they have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Banking Regulation Act, 1949 and the Companies Act, 1956 for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities; and
4. that they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

The merger of ICICI with ICICI Bank would not have been possible without the support and advice of the Government of India and RBI. ICICI Bank would like to express its gratitude to RBI, which created the enabling framework for this initiative with its guidelines on universal banking, for its guidance and support in the merger process and regulatory compliance by the merged entity. The merger process could be completed only with the consistent support of all our stakeholders. ICICI Bank expresses its gratitude to SEBI, multilateral and bilateral agencies, the domestic and international banking and investment community, domestic financial institutions, provident funds, trusts, rating agencies, stock exchanges and the large body of individual investors and depositors for their support and goodwill.

ICICI Bank would also like to take this opportunity to express sincere thanks to its valued clients and customers, for their continued co-operation and patronage. The Directors express their deep sense of appreciation to all employees, who continue to display outstanding professionalism and commitment, enabling the organization to achieve market leadership in its business operations while successfully meeting the challenges of the merger.

Finally, the Directors wish to express their gratitude to the Members for their continued trust and support for our new initiatives.

For and on behalf of the Board

Place : Mumbai

Date : July 31, 2002

N. VAGHUL

Chairman

Auditors' Certificate on Corporate Governance

To the Members of ICICI Bank Limited

We have examined the compliance of conditions of Corporate Governance of ICICI Bank Limited for the year ended on March 31, 2002 as stipulated in clause 49 of the Listing Agreement of the said bank with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Bank for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Bank.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Bank has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievance is pending for a period exceeding one month against the Bank as per the records maintained by the Shareholders'/Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Bank nor the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

For S. B. BILLIMORIA & CO.
Chartered Accountants

Mumbai, July 3, 2002

P. R. RAMESH
Partner