ICICI BANK UK LIMITED

1ST ANNUAL REPORT AND ACCOUNTS 2003-2004

Directors
K. V. Kamath, *Chairman*
Lalita D. Gupte
W.M.T. Fowle
R.M.J. Orgill
Dr. M. Kaul
M. R. Errington
S. Chatterjee, Managing Director & CEO

Auditors
KPMG Audit Plc
Chartered Accountants
Registered Auditor

Registered Office
21 Knightsbridge
London
SW1X 7LY

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directors' report

to the members

The Directors of ICICI Bank UK Limited ("the Company") have pleasure in presenting their first report, together with the financial statements and auditors' report, for the period from inception February 11, 2003 to March 31, 2004.

Principal activities

ICICI Bank UK Limited was granted on August 8, 2003 the status of authorised institution under the Financial Services and Markets Act of 2000. The Company is a wholly owned subsidiary of ICICI Bank Limited, a company incorporated in India and regulated by the Reserve Bank of India.

The Company provides general banking services in the United Kingdom to corporate and retail customers, primarily UK based, with trading or personal links to India. Additionally, the Company conducts international banking business with global counterparties. The Company is regulated by the Financial Services Authority in the conduct of its banking business.

Business review

The Company's principal focus during the course of the period has been on establishing its infrastructure. Premises in Knightsbridge, London, were acquired in June 2003 and occupation took place during August 2003. Considerable effort has been directed at systems development, particularly in the retail banking area.

At the period end, the Company is well placed to continue its expansion in the United Kingdom market place. Various product initiatives are planned and during the coming year, the Company expects to open several new branches in addition to its Knightsbridge corporate office and branch.

Financial results

The financial statements for the reporting period ended March 31, 2004 are shown on pages 3 to 8. The loss after taxation for the period amounts to Rs. 98,233,000.

The Directors do not recommend the payment of a dividend based on the loss on ordinary activities after tax for the period ended March 31, 2004.

Directors and Company Secretary

The names of the Directors and Company Secretary as at the date of this report and those who served during the period are as follows:

K.V. Kamath - Chairman of the Board	(appointed March 1, 2003)
S.Chatterjee	(appointed February 11, 2003)
Lalita D. Gupte	(appointed March 1, 2003)
W.M.T. Fowle	(appointed April 1, 2003)
R.M.J. Orgill	(appointed April 1, 2003)
H. Fernando	(appointed April 1 , 2003 and resigned September 26, 2003)
M. Kaul	(appointed June 16, 2003)
S. Kapadia	(appointed as Company Secretary February 11, 2003 and resigned March 1, 2003
S. Chatterjee	(appointed as Company Secretary March 1, 2003 and resigned April 1, 2003)
H. Fernando	(appointed as Company Secretary April 1, 2003 and resigned September 4, 2003)
M.R. Errington	(appointed November 6, 2003, appointed as Company Secretary September 4, 2003)

Directors' interests

None of the Directors who held office at the end of the financial period had any disclosable interest in the shares of the Company at that date. S Chatterjee held 2 ordinary shares of £1 each during the period from February 11, 2003 (date of incorporation) to April 28, 2003.

Share capital

The Company was incorporated with an authorised share capital of £100,000,000. On August 1, 2003, a special written resolution was passed increasing the authorised share capital to £100,000,000, US$ 500,000,000 and EUR 500,000,000 by the creation of 500,000,000 ordinary shares of US$1 each and 500,000,000 ordinary shares of EUR1 each, ranking pari passu in all respects with the Company's existing ordinary shares. As at the reporting date the Issued Share Capital, fully paid, amounted to USD 50,000,000 and £2.

Political and charitable contributions

The Company made no political or charitable contributions during the period.

By order of the board

M.R. Errington
Company Secretary

London, April 23, 2004

directors' report

Statement of directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

auditors' report

to the members of ICICI Bank UK Limited

In accordance with the terms of our engagement letter dated April 23, 2004, we have carried out specific agreed procedures in respect of the non-statutory financial statements for the period ended March 31, 2004 ('the financial statements') on pages 3 to 8 which have been prepared by, and are the sole responsibility of, the directors of 'the Company'. Our responsibility, under the terms of our engagement letter, is to form an opinion, on the basis of the work performed, and report our opinion to the Company.

These financial statements are based on the statutory accounts of ICICI Bank UK Limited for the period ended March 31, 2004 on which we have reported as auditors and have been translated into Indian Rupees for presentation purposes only at the rate of US$ 1:INR 43.7175.

Our report has been prepared for the company solely in connection with the terms of our engagement letter. It has been released to the Company on the basis that our report shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

Our report was designed to meet the agreed requirements of the Company determined by the Company's needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG Audit Plc will accept no responsibility or liability in respect of our report to any other party.

The procedures we have performed do not constitute an audit and have the limited scope described below. This report has been prepared solely in accordance with practice established in the United Kingdom.

We report as follows:

1. We confirm that the information in the financial statements for the period ended March 31, 2004 has been accurately extracted from the statutory accounts for the period ended March 31, 2004;
2. We have recalculated the translation into Indian Rupees of the financial information in the financial statements at the rate of USD 1:INR 43.7175 and confirm that the calculations are arithmetically correct.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

April 23, 2004

balance sheet

ICICI Bank

as at March 31, 2004

	Note	March 31, 2004 (Rs. in '000s)	(Rs. in '000s)
Assets			
Loans and advances to banks	8		**3,686,347**
Loans and advances to customers	9		**776,598**
Tangible fixed assets	11		**88,965**
Other assets	12		**20,809**
Prepayments and accrued income			**34,974**
Total assets			**4,607,693**
Liabilities			
Deposits by banks	13		**1,704,983**
Customer accounts	14		**768,160**
Other liabilities	15		**20,416**
Accruals and deferred income			**26,492**
Shareholders' funds:			
Called up share capital	16	**2,185,875**	
Profit and loss account		**(98,233)**	
			2,087,642
Total liabilities			**4,607,693**

	Note	**INR 000s**
Memorandum items		
Contingent liabilities:		
Guarantees		**51,849**
Commitments:		
Other commitments	18	**1,579,251**
		1,631,100

These financial statements were approved by the Board of Directors on April 23, 2004 and were signed on its behalf by:

Director

The notes on pages 4 to 8 form part of these financial statements.

profit and loss account

for the period from February 11, 2003 to March 31, 2004

	Note	Period from February 11, 2003 to March 31, 2004 INR 000s
Interest receivable and similar income		**33,181**
Interest payable		**(8,175)**
Net interest income		**25,006**
Fees and commissions receivable	2	**22,427**
Other operating income	3	**12,241**
Operating income		**59,674**
Administrative expenses	4	**(145,972)**
Depreciation	11	**(9,443)**
Provisions for bad and doubtful debts:	10	
General provisions		**(2,492)**
Loss on ordinary activities before tax	5	**(98,233)**
Tax on loss on ordinary activities	6	**—**
Loss on ordinary activities after tax		**(98,233)**

There are no recognised gains and losses other than the loss for the period as reported above.
There is no difference between the retained loss for the period and the retained loss on an historical cost basis.
The result for the period is derived entirely from continuing activities.
The notes on pages 4 to 8 form part of these financial statements.

reconciliation of movements in shareholders' funds

for the period from February 11, 2003 to March 31, 2004

	Share capital (Rs in'000s)	**Profit & loss account (Rs in'000s)**	**Total (Rs in'000s)**
Balance at February 11, 2003	-	-	-
New share capital subscribed (net of issue costs)	2,185,875	-	2,185,875
Retained loss for period	-	(98,233)	(98,233)
Balance at March 31, 2004	**2,185,875**	**(98,233)**	**2,087,642**

The notes on pages 4 to 8 form part of these financial statements.

notes to the financial statements

for the period ended March 31, 2004

1. 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:

(a) 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.

(b) 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.

(c) 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.

(d) 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.

(e) 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

(f) Interest income and expense

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

(g) 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.

(h) Fees and commissions payable

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

(i) 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.

(j) 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.

(k) Related party transactions

The Company has taken advantage, under FRS 8, "Related Party Disclosures", of the exemption not to disclose related party transactions with group companies, as it is a wholly owned subsidiary of ICICI Bank Limited (see note 23).

(l) Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

(m) 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.

2. Fees and commissions receivable

As at March 31, 2004 Rs. 20,329,000 of this amount 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. Other operating income

Other operating income consists of amounts receivable from the parent company in respect of a revenue sharing agreement on remittances originated by the company or through an alliance with a third party.

4. Administrative expenses

	Period from February 11, 2003 to March 31, 2004 (Rs. in '000s)
Staff costs (including directors' emoluments):	
Wages and salaries	**63,259**
Social security costs	**8,262**
Other administrative expenses	**74,451**
	145,972

The average number of persons employed by the Company during the period was 25.

5. Loss on ordinary activities before tax

(a) Is stated after

Charges

The auditors' remuneration was Rs. 3,060,000.
The auditors' remuneration for non-audit work was Rs. 656,000.
Operating lease rentals in respect of leasehold premises were Rs. 7,213,000.

(b) Segmental reporting

The Company has one class of business and all other services provided are ancillary to this. All business is conducted from the United Kingdom.

6. Taxation

a) Analysis of charge in the period

	Period from February 11, 2003 to March 31, 2004 (Rs. in '000s)
Current tax:	
UK Corporation tax at 30% on the taxable loss for the period	—
Tax on loss on ordinary activities	—

b) Factors affecting the tax charge for the current period

The current tax charge for the period is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below.

	Period from February 11, 2003 to March 31, 2004 (Rs. in '000s)
Current tax reconciliation	
Loss on ordinary activities before tax	(98,233)
Current tax at 30%	(29,470)
Add effects of:	
Expenses not deductible for tax purposes	4,634
Losses carried forward	24,836
Timing difference on creation of a general provision for bad and doubtful debts	787
Less effects of:	
Capital allowances in excess of depreciation for period	(787)
Total current tax charge (see 6 (a) above)	—

As at March 31, 2004, there were deferred tax assets of Rs. 24,836,000 in respect of tax losses carried forward and Rs. 787,000 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.

c) Factors that may affect future tax charges

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.

7. Emoluments of directors

	Period from February 11, 2003 to March 31, 2004 (Rs. in '000s)
Directors' fees and emoluments	11,192

In addition the parent company paid directly the emoluments of the highest paid director, which were Rs. 12,766,000.

There is no director accruing benefits under a money purchase pension scheme.

8. Loans and advances to banks

(a) Residual maturity

	March 31, 2004 (Rs. in '000s)
Banks	
Repayable on demand	64,920
Other loans and advances	
Remaining maturity:	
Over 5 years	—
5 years or less but over 1 year	—
1 year or less but over 3 months	—
3 months or less	3,620,465
	3,685,385
Parent company	
Repayable on demand	962
Other loans and advances	
Remaining maturity:	
Over 5 years	—
5 years or less but over 1 year	—
1 year or less but over 3 months	—
3 months or less	—
	962
Total	3,686,347

(b) Concentrations of exposure

The Company has the following concentrations of loans and advances to banks:

	March 31, 2004 (Rs. in '000s)
Total gross advances to banks located in:	
Europe and North America	2,198,990
India	1,487,357
Rest of the World	—
Total	3,686,347

9. Loans and advances to customers

(a) Residual maturity

	March 31, 2004 (Rs. in '000s)
Repayable on demand or at short notice	2,886
Other loans and advances	
Remaining maturity:	
Over 5 years	—
5 years or less but over 1 year	437,175
1 year or less but over 3 months	120,442
3 months or less	218,587
Sub-total	779,090
Bad and doubtful debt provision - general (note 10)	(2,492)
Total	776,598

(b) Concentrations of exposure

The Company has the following concentrations of loans and advances to customers:

	March 31, 2004 (Rs. in '000s)
Total gross advances to customers located in:	
Europe and North America	221,473
India	557,617
Rest of the World	—
Total	779,090

10. Provisions for bad and doubtful debts

Movements on provisions for bad and doubtful debts:

	Specific (Rs. in '000s)	General (Rs. in '000s)	Total (Rs. in '000s)
At February 11, 2003	—	—	—
New provisions	—	2,492	2,492
Provisions at March 31, 2004	—	2,492	2,492

11. Tangible fixed assets

	Leasehold improvements (Rs. in '000s)	Computer software and other fixed assets (Rs. in '000s)	Total (Rs. in '000s)
Cost or valuation			
At February 11, 2003	—	—	—
Transfers from ICICI UK representative office	12,154	40,788	52,942
Transfers from parent company	—	30,733	30,733
Additions	5,028	9,705	14,733
At March 31, 2004	17,182	81,226	98,408
Accumulated depreciation			
At February 11, 2003	—	—	—
Charge for period	656	8,787	9,443
At March 31, 2004	656	8,787	9,443
Net book value			
At March 31, 2004	16,526	72,439	88,965
At February 11, 2003	—	—	—

12. Other assets

	March 31, 2004 (Rs. in '000s)
Cheques in clearing	10,055
Forward foreign exchange contracts	2,404
Deposits receivable	2,186
Other debtors	6,164
	20,809

13. Deposits by banks

	March 31, 2004 (Rs. in '000s)
With agreed maturity dates or periods of notice, by remaining maturity:	
Banks	
Over 5 years	—
5 years or less but over one year	—
1 year or less but over 3 months	437,175
3 months or less but not repayable on demand	1,136,655
	1,573,830
Repayable on demand	—
	1,573,830
Parent and group companies	
Over 5 years	—
5 years or less but over one year	—
1 year or less but over 3 months	—
3 months or less but not repayable on demand	131,153
	131,153
Repayable on demand	—
	131,153
Total	1,704,983

14. Customer accounts

	March 31, 2004 (Rs. in '000s)
With agreed maturity dates or periods of notice, by remaining maturity:	
Over 5 years	—
5 years or less but over 1 year	1,224
1 year or less but over 3 months	303,050
3 months or less but not repayable on demand	323,072
	627,346
Repayable on demand	140,814
	768,160

15. Other liabilities

	March 31, 2004 (Rs. in '000s)
Amounts in clearing	14,558
Forward foreign exchange contracts	87
Other creditors	5,771
	20,416

16. Called up share capital

	March 31, 2004
Authorised	
Ordinary shares of £1 each	100,000,000
Ordinary shares of USD1 each	500,000,000
Ordinary shares of EUR1 each	500,000,000
Allotted, called up and fully paid	
50 million ordinary shares of USD1 each	USD 50,000,000
2 ordinary shares of £1 each	£2

During the period, the company allotted 50,000,000 ordinary shares of US$ 1 each and 2 shares of £1 each for a cash consideration of USD 50,000,000 and £2 respectively.

17. Pension scheme

During the period, the Company established a stakeholder pension scheme with a third party for employees of the Company. No contributions were made during the period.

18. Commitments

(a) Other commitments

	March 31, 2004 (Rs. in '000s)
Loan commitments (undrawn credit lines) - one year or less	1,579,251

(b) Significant concentrations of contingent liabilities and commitments

Approximately 20% 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 Rs. 303,443,000 and sales of Rs. 303,443,000.

19. Operating lease commitments

As at March 31, 2004, the Company has the following non cancellable annual operating lease commitments:

	March 31, 2004 (Rs. in '000s) Land and buildings
Operating leases which expire:	
Within 1 year	—
Between 1 and 5 years	—
More than 5 years	9,312
	9,312

20. Risk management

Through its banking services the Company is exposed to a range of risks. The Company's goal in risk management is to ensure that it understands, measures and monitors the various risks that arise and that the bank adheres to the policies and procedures which are established to address these issues. As a bank, the Company is primarily exposed to credit risk, interest rate risk, liquidity risk, foreign exchange risk and operational risk. Committees of the Board of Directors have been constituted to oversee various activities. Additionally, the Board of Directors has delegated authority to the Chief Executive Officer, who is assisted by executive management committees and a risk function which is independent from the Company's business operations. In turn, this is supplemented by internal audit.

Major risks

Credit risk

Credit risk arises principally on the lending activities of the bank. Credit risk policies are applied by the Executive Credit Committee which operates within the authority granted to it by the Board Credit Committee. Country and counterparty limits are established and monitored on a daily basis, with a detailed review at least once a year. Management receives regular reports on the utilisation of these limits.

Interest rate risk

Interest rate risk primarily arises on the mis-matching of the 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 where necessary.

Foreign exchange risk

Foreign exchange risk is managed within the treasury function. Policies and procedures are detailed in an operational procedures manual. This incorporates FSA agreed limits where necessary, and other regulatory bodies requirements and best practices. It is subject to periodic review by Internal Audit, and is approved by the Board. Senior management also regularly monitors the positions taken on a daily basis.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal process, people and systems or from external events. The Company's operational risk framework is subject to procedural policies and best practice standards, with senior management being responsible for their implementation and maintenance. Adherence to these policies is also subject to periodic review by Internal Audit.

Interest rate re-pricing schedule

At March 31, 2004, the interest rate risk comprises (all amounts in Rs. in 000s):

	Less than 3 months	More than 3 months but not more than 6 months	More than 6 months but not more than one year	More than one year but not more than 5 years	More than 5 years	Non interest bearing	Total
Assets							
Loans and advances to banks	3,686,347	—	—	—	—	—	3,686,347
Loans and advances to customers	545,988	230,610	—	—	—	—	776,598
Tangible fixed assets	—	—	—	—	—	88,965	88,965
Other assets	—	—	—	—	—	20,809	20,809
Prepayments and accrued income	—	—	—	—	—	34,974	34,974
Total assets	**4,232,375**	**230,610**	**—**	**—**	**—**	**144,748**	**4,607,693**
Liabilities							
Deposits by banks	1,267,808	437,175	—	—	—	—	1,704,983
Customer accounts	463,886	203,549	99,501	1,224	—	—	768,160
Other liabilities	—	—	—	—	—	20,416	20,416
Accruals and deferred income	—	—	—	—	—	26,492	26,492
Shareholders' funds	—	—	—	—	—	2,087,642	2,087,642
Total liabilities	**1,731,694**	**640,724**	**99,501**	**1,224**	**—**	**2,134,550**	**4,607,693**
Gap	2,500,641	(410,114)	(99,501)	(1,224)	—	(1,989,802)	—
Cumulative	2,500,641	2,090,527	1,991,026	1,989,802	1,989,802	—	—

The figures above do not demonstrate the exposure of the Company to particular interest rates as the assets and liabilities have been consolidated across all currencies.

21. 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:

	March 31, 2004		
	Principal amount (Rs. in '000s)	Positive Fair Values (Rs. in '000s)	Negative Fair Values (Rs. in '000s)
Exchange rate related contracts	**303,443**	**2,404**	**87**

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.

22. Assets and liabilities denominated in foreign currency

	March 31, 2004 (Rs. in '000s)
Denominated in US Dollars	**4,054,273**
Denominated in Sterling	**542,665**
Denominated in other currencies	**10,755**
Total assets	**4,607,693**
Denominated in US Dollars	**4,290,697**
Denominated in Sterling	**308,034**
Denominated in other currencies	**8,962**
Total liabilities	**4,607,693**

23. Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company is a wholly owned subsidiary of ICICI Bank Limited. The parent company is incorporated in India. Copies of the group accounts for ICICI Bank Limited can be obtained from the Secretarial Department, ICICI Bank Limited, ICICI Bank Towers, Bandra-Kurla Complex, Mumbai 400 051, India.