



## *khayaal aapka*

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Over the past decade ICICI Bank has redefined the banking landscape. Through a deep understanding of customer needs, it has leveraged technology to introduce several innovations to make banking simple and convenient for the consumer.

Continuing with our commitment towards deepening our relationship with our customers, we have undertaken many initiatives to strengthen the customer experience through multiple touchpoints such as bank branches, internet banking, mobile banking and phone banking. In addition we have continued to offer products and services that have been thoughtfully designed, keeping the consumer in mind.

*Khayaal Aapka* is a reflection of this commitment that we have towards our customers. *Khayaal Aapka* embodies our relationships with customers that go beyond transactions - it is our commitment to treat our customers fairly, show empathy towards customer needs and create and deliver products and services that make a difference to our customers' lives.

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## ENCLOSURES

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## Registered Office

Landmark, Race Course Circle,  
Vadodara 390 007

## Corporate Office

ICICI Bank Towers, Bandra-Kurla Complex,  
Mumbai 400 051

## Statutory Auditors

B S R & Co.  
Chartered Accountants, KPMG House,  
Kamala Mills Compound, Senapati Bapat Marg,  
Lower Parel, Mumbai 400 013

## Registrar and Transfer Agents

3i Infotech Limited  
International Infotech Park, Tower 5, 3rd Floor,  
Vashi Railway Station Complex,  
Vashi, Navi Mumbai 400 703

# Message from the Chairman



**K. V. KAMATH**  
Chairman

Following the global financial and economic turmoil in 2008, last year was a year of stability and significant restoration of confidence in global markets. This transition was facilitated by policy initiatives both in the form of unprecedented monetary policy action and strong fiscal support.

The course of economic events since 2008 have had a significant impact on the operating environment for financial institutions globally, including considerable changes in the approach towards regulation and increased importance accorded to the quantity and quality of capital and liquidity. These changes are likely to create new paradigms for business going forward.

Prior to the global financial crisis, there had been strong support for self-regulation and minimalist intervention, based on the hypothesis of efficient and sound institutions and markets. With the failure of some large institutions and the resultant impact on markets, the approach to regulation has changed significantly. The focus of changes in the global regulatory regime is on avoiding a repeat of the crisis in future. Some of the proposed regulatory changes in respect of banks include increasing capital requirements, improvement in the quality of capital, stricter supervision of systemically important financial institutions, counter-cyclical provisioning requirements, macro-prudential supervision, greater transparency and greater focus on executive compensation. Over the past year, a lot of work has been done in these areas and the final shape of changes in the regulatory regime will be unveiled over the next one or two years. Navigating this

phase of the evolving regulatory regime will indeed be a challenge, especially for Western financial institutions.

In India, the Reserve Bank of India has consistently adopted a prudent and comprehensive approach to regulation, which has stood the country in good stead. It is important to note that a majority of the changes in regulations being contemplated currently at a global level have been in place in India for a considerable time now. Most aspects like higher capital requirements (compared to Basel II norms), countercyclical policy stance, supervision of financial conglomerates and oversight on executive compensation are already a part of the Indian financial system. Within this strong systemic regulatory architecture, ICICI Bank, with one of the highest capital adequacy ratios among large Indian banks and strong liquidity and risk management, is well placed to navigate this phase of evolution in the global financial regulatory regime.

The stability in the global economy has been challenged to some extent by the developments in Europe. A significant deterioration in the fiscal situation in certain European countries and their high levels of indebtedness have raised concerns over their ability to service their debt, even as efforts towards fiscal management have been viewed as disruptive to economic recovery. However, given the concerted focus and efforts of regulators and European Union authorities towards addressing these concerns, the situation is expected to be resolved resulting in restoration of calm in global markets.

India's resilience to crises has been demonstrated by its rapid recovery from the events of 2008. Whether it be India's policymakers or its industry, the response to global challenges was swift and effective. This has enabled India to move back quickly to a high growth path. We can now assess with a fair degree of comfort the potential impact of external challenges on the Indian economy, and hence I expect the current developments in Europe to have a limited impact on India.

The strength and rapidity of India's recovery reiterates the overall potential for sustained high economic growth in India. Our domestic architecture based on a sound regulatory framework has given us the ability to withstand any shocks emanating from global developments. The fundamentals that have helped us navigate the global financial crisis successfully can also be expected to drive sustained double digit growth. The ICICI Group has continuously strived to position itself to meet the needs, and capitalise on the opportunities, arising out of India's economic development. As a result, we believe that we are well positioned to benefit from the long-term economic development of the country.

With best wishes,



**K. V. KAMATH**

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# Letter from the Managing Director & CEO



**CHANDA D. KOCHHAR**  
Managing Director & CEO

Dear Stakeholders,

Fiscal 2010 has been a year of renewal of confidence and optimism in the Indian economy, as it has rebounded strongly from the impact of the global financial crisis and demonstrated its inherent strength and growth potential. We believe that we can look forward to a period of sustained growth driven by India's strong domestic fundamentals.

It is in the context of this evolving economic scenario that we have set out our growth strategy. It has been our endeavour to continuously anticipate economic and market trends and develop appropriate strategies for the long-term benefit of our businesses and all our stakeholders. As such, over the last two years, given the pressures in the global economy and their indirect impact on India, we instituted a Four Cs strategy of current & savings account (CASA) deposit growth, cost control, credit quality improvement and capital conservation to position ourselves for the next phase of growth.

It is with pleasure that I inform you of considerable success in the execution of this strategy. Our CASA ratio has increased from 28.7% at March 31, 2009 to 41.7% at March 31, 2010, resulting in a significantly enhanced stable low cost deposit base. As a result of our focus on improving operating efficiencies, our total operating expenses have declined by more than 25% over the last two years. At the same time, we have doubled our branch network to over 2,000 branches – the largest branch network among Indian private sector banks. We have also achieved considerable success in improving the quality of our credit portfolio. Our unsecured retail credit portfolio reduced from about 8% of our total loan portfolio at March 31, 2009 to less than 5% at March 31, 2010. Our net non-performing asset ratio has reduced to 1.87% at March 31, 2010. With a focus on containing risks and conserving capital,

our capital adequacy ratio increased from 15.5% at March 31, 2009 to 19.4% at March 31, 2010 with Tier I capital adequacy increasing from 11.8% at March 31, 2009 to 14.0% at March 31, 2010. As a result, we are currently one of the best capitalised banks in the country, giving us the ability to pursue accelerated growth in the coming years.

We are thus ready with a strong foundation for growth, coinciding with the revival in growth momentum in the Indian economy. Going forward, we will focus on leveraging this foundation to serve our customers better and capitalise on the diverse opportunities arising out of the Indian market and its global linkages. Our expanded branch network will be a core element of our strategy for service delivery to our customers. At the same time, we are continuously enhancing our non-branch channels, including internet banking and mobile banking, to give our customers the power to use technology for safe and convenient banking. The ICICI brand has become synonymous with growth and innovation, and is the only Indian brand to feature in the Brandz list of the top 50 global brands. We will build this brand further through a range of initiatives to broaden and deepen our presence across the country and our relationships with our customers.

Our insurance, asset management, securities and private equity subsidiaries have performed very well during the year, as a result of which we have achieved substantial increase in our consolidated profits. Our life insurance subsidiary has achieved accounting profits for the first time since its inception. All these businesses, led by outstanding teams, are well-positioned to capitalise on the growth opportunities in their respective market segments.

As we focus on enhancing our capabilities to serve our corporate and retail customers across India's towns and cities, it is also our endeavour to proactively reach out to rural India and to the vast numbers of our people who do not have access to formal financial services. We are significantly scaling up our work in the area of financial inclusion with the objective of empowering more and more people to participate in economic activity. In addition to the work we are doing as part of our regular business activities, we are also, through the ICICI Foundation for Inclusive Growth, seeking to make a deep impact on the socio-economic empowerment of the less privileged sections of our people, through initiatives in education, health, financial inclusion and strengthening of civil society organisations.

The coming decade is a decade of opportunity for India and Indians. We at the ICICI Group are focused on capitalising on the growth opportunities in the financial services sector. We are fully energised and committed towards playing our part in realising the potential of India, empowering more and more Indians to participate in the growth process and creating value for all our stakeholders. We look forward to your continued encouragement and support in this endeavour.

With best wishes,



**CHANDA D. KOCHHAR**

## Board of Directors

K. V. Kamath  
*Chairman*

Sridar Iyengar  
Homi R. Khusrokhhan  
Narendra Murkumbi  
Anup K. Pujari  
M. S. Ramachandran  
Tushaar Shah  
M. K. Sharma  
V. Sridar  
V. Prem Watsa

Chanda D. Kochhar  
*Managing Director & CEO*

Sandeep Bakhshi  
*Deputy Managing Director*

N. S. Kannan  
*Executive Director & CFO*

K. Ramkumar  
*Executive Director*

## Senior Management

Pravir Vohra  
*Group Chief Technology Officer*

Sandeep Batra  
*Group Compliance Officer  
& Company Secretary*

## Board Committees

### **Audit Committee**

Sridar Iyengar, *Chairman*  
M. K. Sharma, *Alternate Chairman*  
Homi R. Khusrokhhan  
V. Sridar

### **Board Governance, Remuneration & Nomination Committee**

M. K. Sharma, *Chairman*  
K. V. Kamath  
Sridar Iyengar  
V. Prem Watsa

### **Corporate Social Responsibility Committee**

M. K. Sharma, *Chairman*  
Anup K. Pujari  
Chanda D. Kochhar

### **Credit Committee**

K. V. Kamath, *Chairman*  
Narendra Murkumbi  
M. S. Ramachandran  
M. K. Sharma  
Chanda D. Kochhar

### **Customer Service Committee**

K. V. Kamath, *Chairman*  
Narendra Murkumbi  
Anup K. Pujari  
M. S. Ramachandran  
M. K. Sharma  
Chanda D. Kochhar

### **Fraud Monitoring Committee**

M. K. Sharma, *Chairman*  
K. V. Kamath  
V. Sridar  
Chanda D. Kochhar  
Sandeep Bakhshi

### **Risk Committee**

K. V. Kamath, *Chairman*  
Sridar Iyengar  
Anup K. Pujari  
V. Sridar  
V. Prem Watsa  
Chanda D. Kochhar

### **Share Transfer & Shareholders/ Investors' Grievance Committee**

M. K. Sharma, *Chairman*  
Homi R. Khusrokhhan  
N. S. Kannan

### **Committee of Executive Directors**

Chanda D. Kochhar, *Chairperson*  
Sandeep Bakhshi  
N. S. Kannan  
K. Ramkumar



# Directors' Report

Your Directors have pleasure in presenting the Sixteenth Annual Report of ICICI Bank Limited with the audited statement of accounts for the year ended March 31, 2010.

## FINANCIAL HIGHLIGHTS

The financial performance for fiscal 2010 is summarised in the following table:

Rs. billion, except percentages	Fiscal 2009	Fiscal 2010	% change
Net interest income and other income	159.70	155.92	(2.4)
Operating profit	89.25	97.32	9.0
Provisions & contingencies <sup>1</sup>	38.08	43.87	15.2
Profit before tax	51.17	53.45	4.5
Profit after tax	37.58	40.25	7.1
Consolidated profit after tax	35.77	46.70	30.6

1. Excludes provision for taxes.

## Appropriations

The profit & loss account shows a profit after tax of Rs. 40.25 billion after provisions and contingencies of Rs. 43.87 billion and all expenses. The disposable profit is Rs. 68.35 billion, taking into account the balance of Rs. 28.10 billion brought forward from the previous year. Your Directors have recommended a dividend at the rate of Rs. 12 per equity share of face value Rs. 10 for the year and have appropriated the disposable profit as follows:

Rs. billion	Fiscal 2009	Fiscal 2010
To Statutory Reserve, making in all Rs. 58.86 billion	9.40	10.07
To Special Reserve created and maintained in terms of Section 36(1) (viii) of the Income-tax Act, 1961, making in all Rs. 26.44 billion	2.50	3.00
To Capital Reserve, making in all Rs. 20.63 billion	8.18	4.44
To Investment Reserve, making in all Rs. 1.16 billion	—	1.16
To General Reserve, making in all Rs. 49.79 billion	—	0.01
Dividend for the year (proposed)		
– On equity shares @ Rs. 12 per share (@ Rs. 11 per share for fiscal 2009) <sup>1</sup>	12.25	13.38
– On preference shares (Rs.)	35,000	35,000
– Corporate dividend tax	1.51	1.64
Leaving balance to be carried forward to the next year <sup>2</sup>	28.10	34.64

1. Includes dividend for the prior year paid on shares issued after the balance sheet date and prior to the record date.

2. After taking into account transfer to Reserve Fund Rs. 2.2 million for fiscal 2010, making in all Rs. 10.9 million.

## ***khayaal aapka***

I was pleasantly surprised to receive a phone call from you in response to my e-mail requesting for a refund of charges. This was followed by your e-mail accepting my request. What is really amazing is that this was all done in just about 12 hours. I am an admirer of ICICI Bank for your liberal attitude, transparent transactions, up-to-date technology, customer friendly automation, professionalism with a human touch, etc. The list goes on and on and this response to my request has made me indebted to ICICI Bank always. I shall remain your brand ambassador for the common man. Thank you and good luck to you always!

- D. Sivaswamy, Chennai



## MERGER OF THE BANK OF RAJASTHAN LIMITED WITH ICICI BANK

The Board of Directors of ICICI Bank and the Board of Directors of The Bank of Rajasthan Limited (Bank of Rajasthan) at their respective Meetings held on May 23, 2010, approved the scheme of amalgamation of Bank of Rajasthan with ICICI Bank. The amalgamation is subject to approval of RBI and Members of both the Banks. Approval of the Members of ICICI Bank is being sought at an extraordinary general meeting scheduled on June 21, 2010.

The proposed amalgamation would substantially enhance ICICI Bank's branch network, already the largest among Indian private sector banks, and especially strengthen its presence in northern and western India. It would combine Bank of Rajasthan's branch franchise with ICICI Bank's strong capital base, to enhance the ability of the merged entity to capitalise on the growth opportunities in the Indian economy.

### About Bank of Rajasthan

Bank of Rajasthan is a listed old Indian private sector bank with its corporate office at Mumbai in Maharashtra and registered office at Udaipur in Rajasthan. At March 31, 2009, Bank of Rajasthan had 463 branches and 111 ATMs, total assets of Rs. 172.24 billion, deposits of Rs. 151.87 billion and advances of Rs. 77.81 billion. It made a net profit of Rs. 1.18 billion in fiscal 2009 and a net loss of Rs. 0.10 billion in the nine months ended December 31, 2009. Around 40% of the branches of the Bank of Rajasthan are located in rural and semi-urban areas.

## SUBSIDIARY COMPANIES

At March 31, 2010, ICICI Bank had 17 subsidiaries as listed in the following table:

Domestic Subsidiaries	International Subsidiaries
ICICI Prudential Life Insurance Company Limited	ICICI Bank UK PLC
ICICI Lombard General Insurance Company Limited	ICICI Bank Canada
ICICI Prudential Asset Management Company Limited	ICICI Bank Eurasia Limited Liability Company
ICICI Prudential Trust Limited	ICICI Securities Holdings Inc. <sup>2</sup>
ICICI Securities Limited	ICICI Securities Inc. <sup>3</sup>
ICICI Securities Primary Dealership Limited	ICICI International Limited
ICICI Venture Funds Management Company Limited	
ICICI Home Finance Company Limited	
ICICI Investment Management Company Limited	
ICICI Trusteeship Services Limited	
ICICI Prudential Pension Funds Management Company Limited <sup>1</sup>	

1. Subsidiary of ICICI Prudential Life Insurance Company Limited.

2. Subsidiary of ICICI Securities Limited.

3. Subsidiary of ICICI Securities Holdings Inc.

"Corporate sector activity in India has mirrored the renewed growth momentum and confidence in our economy. Indian corporates are now not only looking at significantly expanding their domestic operations but are also again exploring acquisition opportunities to establish themselves as large international players. Simultaneously there is a systemic emphasis on facilitating investments across all areas of infrastructure development. We believe that this momentum will continue to create significant growth opportunities for the banking system. As a multi-specialist financial institution, we believe that we are very well placed to capitalise on these opportunities."

**- Sandeep Bakhshi**  
Deputy Managing Director



"Our strategy for fiscal 2010 was to position the balance sheet for the next phase of growth. Towards this, we had a sharp focus on the 4Cs, CASA improvement, Capital conservation, Credit quality improvement and Cost control. We have made substantial progress on all the 4Cs during the year. Going forward, we will focus on leveraging this progress, further enhancing our retail deposit base and capitalising on growth opportunities across home loans, other secured retail loans, project finance and commercial banking. Greater focus on customer centricity, as articulated by our Khayaal Aapka campaign, will be a key enabler of this strategy. We believe that we are very well placed to benefit from the growth opportunities in the domestic markets to create value for all our stakeholders."

**- N. S. Kannan**  
Executive Director and  
Chief Financial Officer



ICICI Wealth Management Inc., a subsidiary of ICICI Bank Canada, has been dissolved effective December 31, 2009.

As approved by the Central Government *vide* letter dated April 9, 2010 under Section 212(8) of the Companies Act, 1956, copies of the balance sheet, profit & loss account, report of the board of directors and report of the auditors of each of the subsidiary companies have not been attached to the accounts of the Bank for fiscal 2010. The Bank will make available these documents/details upon request by any Member of the Bank. These documents/details will be available on the Bank's website [www.icicibank.com](http://www.icicibank.com) and will also be available for inspection by any Member of the Bank at its Registered Office and Corporate Office and also at the registered offices of the concerned subsidiaries. As required by Accounting Standard-21 (AS-21) issued by the Institute of Chartered Accountants of India, the Bank's consolidated financial statements included in this Annual Report incorporate the accounts of its subsidiaries and other entities. A summary of key financials of the Bank's subsidiaries is also included in this Annual Report.

## DIRECTORS

The Members at their Fifteenth Annual General Meeting held on June 29, 2009, approved the appointment of Sandeep Bakhshi, Deputy Managing Director, N. S. Kannan, Executive Director & CFO and K. Ramkumar, Executive Director. Reserve Bank of India (RBI) *vide* its letter dated July 2, 2009 approved the appointment of Sandeep Bakhshi. RBI *vide* its letter dated June 16, 2009 approved the appointment of N. S. Kannan and K. Ramkumar.

T. S. Vijayan, Chairman, Life Insurance Corporation of India, and a non-executive Director of the Bank resigned from the Board effective November 24, 2009. Pursuant to the provisions of the Banking Regulation Act, 1949, P. M. Sinha retired from the Board effective January 22, 2010 and L. N. Mittal, Anupam Puri and Marti Subrahmanyam retired from the Board effective May 3, 2010 on completion of eight years as non-executive Directors of the Bank. The Board placed on record its deep appreciation and gratitude for their guidance and contribution to the Bank.

The Board at its Meeting held on January 21, 2010 appointed Homi R. Khusrookhan, former Managing Director, Tata Chemicals Limited and V. Sridar, former Chairman, National Housing Bank and former Chairman & Managing Director, UCO Bank, as additional Directors effective January 21, 2010. Further, the Board at its Meeting held on April 30, 2010 appointed Tushaar Shah, Senior Fellow at the International Water Management Institute and former Director of the Institute of Rural Management as an additional Director effective May 3, 2010. Homi R. Khusrookhan, Tushaar Shah and V. Sridar hold office upto the date of the forthcoming Annual General Meeting (AGM) and are eligible for appointment.

Sonjoy Chatterjee, Executive Director resigned from the services of the Bank effective April 30, 2010.

The Board at its Meeting held on April 30, 2010 approved a proposal for the appointment of Rajiv Sabharwal as a wholetime Director of the Bank subject to approval of RBI. Approval of the Members is being sought at the current AGM for the appointment of Rajiv Sabharwal as a wholetime Director of the Bank for a period of five years effective only from the date of receipt of RBI approval.



### ***khayaal aapka***

I started my relationship with ICICI Bank last year when I opened my salary account. It is almost 1 year now and I would like to say that this Bank really rocks!

I'm extremely happy and satisfied with all their services - right from their timely e-mails, which they send regarding my monthly transactions, their superb iMobile mobile application, which enables you to do almost all the transactions sitting in the comfort of your home, any time of the day; especially the mobile recharge and fund transfer features of iMobile are great! Further, their fast and prompt delivery of new cheque books within 3-4 days, their fine user friendly Net Banking facilities and finally their ever smiling and cooperative staff at the branches; who are really ready to do anything for their customers with a smile on their face all the time.

ICICI Bank has given much much more than what I had expected from it as a Bank.

Keep it Going... Three Cheers to ICICI Bank...!

**- Anurag Janardhanan, Panjim**



### ***khayaal aapka***

Dear ICICI Bank Team, I would like to thank you for taking care of your customers profoundly and with utmost dedication. I hold a savings, demat and a credit card account with ICICI Bank. The assistance that I get on all these products by ICICI Bank Customer Care is really worth appreciating. I can say that the Internet Banking facility and the Customer Care Service of ICICI Bank are undoubtedly the best. I can safely say this because I have relationships with other banks too but ICICI Bank stands far ahead of all the Indian/overseas banks on various parameters. I would once again like to thank the dear ICICI Bank team for all their efforts and for making our lives so smooth and hassle-free. I hope we continue to receive top class banking solutions and facilities from you. Cheers!!!

**- Devendra Kumar, Gurgaon**

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of the Bank, K. V. Kamath, Sridar Iyengar and Narendra Murkumbi would retire by rotation at the forthcoming AGM and are eligible for re-appointment. K. V. Kamath and Sridar Iyengar have offered themselves for re-appointment. Narendra Murkumbi has expressed his desire not to seek re-appointment as a Director. A resolution is proposed to the Members in the Notice of the current AGM to this effect and also not to fill up the vacancy caused by the retirement of Narendra Murkumbi at this meeting or any adjourned meeting thereof.

## **AUDITORS**

The auditors, B S R & Co., Chartered Accountants, will retire at the ensuing AGM. They had been statutory auditors of the Bank for the last four years, which is the maximum term of appointment of auditors permitted by RBI. As recommended by the Audit Committee, the Board has proposed the appointment of S. R. Batliboi & Co., Chartered Accountants as statutory auditors for fiscal 2011. Their appointment has been approved by RBI *vide* its letters dated April 20, 2010 and May 13, 2010. You are requested to consider their appointment.

## **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.

## **APPOINTMENT OF NOMINEE DIRECTORS ON THE BOARDS OF ASSISTED COMPANIES**

Erstwhile ICICI Limited (ICICI) had a policy of appointing nominee directors on the boards of certain borrower companies based on loan covenants, with a view to enable monitoring of the operations of those companies. Subsequent to the merger of ICICI with ICICI Bank, the Bank continues to nominate directors on the boards of assisted companies. Apart from the Bank's employees, experienced professionals from various fields are appointed as nominee Directors. At March 31, 2010, ICICI Bank had 24 nominee directors, of whom 20 were employees of the Bank, on the boards of 39 assisted companies. The Bank has a Nominee Director Cell for maintaining records of nominee directorships.

## **RISK MANAGEMENT FRAMEWORK**

The Bank's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with international best practices.

The key principles underlying our risk management framework are as follows:

- The Board of Directors has oversight on all the risks assumed by the Bank. Specific Committees of the Board have been constituted to facilitate focused oversight of various risks. The Risk Committee reviews risk management policies of the Bank in relation to various

"We are determined to build a culture of service orientation, which will be the platform for our future growth. We are confident that our employees will make ICICI Bank the service icon in the financial service domain."

**- K. Ramkumar**  
Executive Director





risks and regulatory compliance issues. It reviews key risk indicators covering areas such as credit risk, interest rate risk, liquidity risk, and foreign exchange risk and the limits framework, including stress test limits, for various risks. It also carries out an assessment of the capital adequacy based on the risk profile of the Bank's balance sheet and reviews the status with respect to implementation of Basel II norms. The Credit Committee reviews developments in key industrial sectors and Bank's exposure to these sectors as well as to large borrower accounts. The Audit Committee provides direction to and also monitors the quality of the internal audit function. The Asset Liability Management Committee is responsible for managing the balance sheet and reviewing asset-liability position of the Bank.

- Policies approved from time to time by the Board of Directors/Committees of the Board form the governing framework for each type of risk. The business activities are undertaken within this policy framework.
- Independent groups and sub-groups have been constituted across the Bank to facilitate independent evaluation, monitoring and reporting of various risks. These groups function independently of the business groups/sub-groups.

The Bank has dedicated groups namely the Global Risk Management Group (GRMG), Compliance Group, Corporate Legal Group, Internal Audit Group and the Financial Crime Prevention and Reputation Risk Management Group (FCPRRMG), with a mandate to identify, assess and monitor all of the Bank's principal risks in accordance with well-defined policies and procedures. GRMG is further organised into the Global Credit Risk Management Group, the Global Market Risk Management Group and the Global Operational Risk Management Group. These groups are completely independent of all business operations and coordinate with representatives of the business units to implement ICICI Bank's risk management methodologies. The internal audit and compliance groups are responsible to the Audit Committee of the Board.

## 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, generally 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. The corporate governance framework adopted by the Bank already encompasses a significant portion of the recommendations contained in the Corporate Governance Voluntary Guidelines 2009 issued by the Ministry of Corporate Affairs.

#### **Whistle Blower Policy**

ICICI Bank has formulated a Whistle Blower Policy. In terms of this policy, employees of ICICI Bank and its group companies are free to raise issues, if any, on breach of any law, statute or regulation by the Bank and on the accounting policies and procedures adopted for any area or item and report them to the Audit Committee through specified channels. This mechanism has been communicated and posted on the Bank's intranet.

#### **ICICI Bank Code of Conduct for Prevention of Insider Trading**

In accordance with the requirements of the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 1992, ICICI Bank has instituted a comprehensive code of conduct for prevention of insider trading.

#### **Group Code of Business Conduct and Ethics**

The Board of Directors has approved a Group Code of Business Conduct and Ethics for Directors and employees of the ICICI Group. The Code aims at ensuring consistent standards of conduct and ethical business practices across the constituents of the ICICI Group. This Code is also available on the website of the Bank



## ***khayaal aapka***

I have been a customer of your esteemed ICICI Bank, Gangtok Branch since it's inception. I appreciate the Customer Service department for their helpful attitude and accommodative behaviour. I particularly appreciate the endearing services rendered by the Customer Service Officer of the RLG - Branch Operations in discharging his duties. His courteous behavior and friendly attitude has helped me a lot during my transactions with your bank. I was having problems regarding the activation of my demat account. Fortunately, I met this officer at this time and in one meeting, he got all the paperwork done, and my account was activated. He also helped me revive my inactive savings account and guided me regarding this matter. And till date I have continued to have premium services with a personal touch from him. This incident reinforces your motto 'Khayaal Aapka'.

I would like to say a big thank you to you all... Keep up the good work!!!

**- Rajeev Ranjan Trivedi, Singtam**



www.icicibank.com. In terms of Clause 49 of the Listing Agreement, a confirmation from the Managing Director & CEO regarding compliance with the Code by all the Directors and senior management is given on page 32 of the Annual Report.

### CEO/CFO Certification

In terms of Clause 49 of the Listing Agreement, the certification by the Managing Director & CEO and Executive Director & Chief Financial Officer on the financial statements and internal controls relating to financial reporting has been obtained.

### Board of Directors

ICICI Bank has a broad-based Board of Directors, constituted in compliance with the Banking Regulation Act, 1949, the Companies Act, 1956 and listing agreements entered into with stock exchanges, and in accordance with good corporate governance practices. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. The Board has constituted nine committees, namely, Audit Committee, Board Governance, Remuneration & Nomination Committee, Corporate Social Responsibility Committee, Credit Committee, Customer Service Committee, Fraud Monitoring Committee, Risk Committee, Share Transfer & Shareholders'/Investors' Grievance Committee and Committee of Executive Directors. These Board Committees other than the Committee of Executive Directors mainly consist of independent Directors and most of the Committees are chaired by an independent Director. The Board of Directors at its Meeting held on March 6-7, 2010 renamed the Board Governance & Remuneration Committee as the Board Governance, Remuneration & Nomination Committee and the Committee of Directors as the Committee of Executive Directors.

At March 31, 2010, the Board of Directors consisted of 17 members. There were six Meetings of the Board during fiscal 2010 - on April 25, June 29, July 25 and October 30 in 2009 and January 21 and March 6-7 in 2010. The names of the Directors, their attendance at Board Meetings during the year, attendance at last AGM and the number of other directorships and Board Committee memberships held by them at March 31, 2010 are set out in the following table:

Name of Director	Board Meetings attended during the year	Attendance at last AGM (June 29, 2009)	Number of other directorships		Number of other committee <sup>3</sup> memberships
			Of Indian companies <sup>1</sup>	Of other companies <sup>2</sup>	
<b>Non-Executive Director</b>					
K. V. Kamath ( <i>Managing Director &amp; CEO – upto April 30, 2009. Non-executive Chairman – w.e.f. May 1, 2009</i> )	6	Present	2	1	—
<b>Independent Directors</b>					
N. Vaghul ( <i>upto April 30, 2009</i> )	1	N.A.	N.A.	N.A.	N.A.
Sridar Iyengar	6	Present	6	3	4(2)
Homi Khusrokhani ( <i>w.e.f. January 21, 2010</i> )	—	N.A.	4	3	4
L. N. Mittal	2	Absent	—	7	—
Narendra Murkumbi	4	Absent	6	2	1
Anupam Puri	4	Absent	4	—	2
Anup K. Pujari <sup>(a)</sup>	5	Present	—	—	—
M. S. Ramachandran ( <i>w.e.f. April 25, 2009</i> )	5	Present	5	1	1
M. K. Sharma	6	Present	5	—	4(1)
P. M. Sinha <sup>(b)</sup> ( <i>upto January 21, 2010</i> )	4	Absent	N.A.	N.A.	N.A.
V. Sridar ( <i>w.e.f. January 21, 2010</i> )	1	N.A.	5	1	5(2)
Marti G. Subrahmanyam	4	Absent	2	6	1
T. S. Vijayan ( <i>upto November 23, 2009</i> )	2	Absent	N.A.	N.A.	N.A.
V. Prem Watsa	2	Absent	—	14	—

Name of Director	Board Meetings attended during the year	Attendance at last AGM (June 29, 2009)	Number of other directorships		Number of other committee <sup>3</sup> memberships
			Of Indian companies <sup>1</sup>	Of other companies <sup>2</sup>	
Whole time Directors					
Chanda D. Kochhar	6	Present	4	3	—
Sandeep Bakhshi (w.e.f. May 1, 2009)	5	Present	3	—	1
V. Vaidyanathan (upto April 30, 2009)	1	N.A.	N.A.	N.A.	N.A.
N. S. Kannan (w.e.f. May 1, 2009)	5	Present	4	—	1
K. Ramkumar	6	Present	2	—	1
Sonjoy Chatterjee	6	Present	1	3	—

(a) Nominee of Government of India.

(b) Also participated in one Meeting through tele-conference.

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

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

3. Includes only Audit Committee and Share Transfer & Shareholders'/Investors' Grievance Committee of all public limited companies whether listed or not but excludes committees of private limited companies, foreign companies and companies incorporated under Section 25 of the Companies Act, 1956. Figures in parentheses indicate Committee Chairpersonships.

No Director of the Bank was a member in more than 10 committees or acted as Chairperson of more than five committees across all companies in which he/she was a Director.

## II. Audit Committee

### Terms of Reference

The Audit Committee provides direction to the audit function and monitors the quality of internal and statutory audit. The responsibilities of the Audit Committee include overseeing the financial reporting process to ensure fairness, sufficiency and credibility of financial statements, recommendation of appointment and removal of central and branch statutory auditors and chief internal auditor and fixation of their remuneration, approval of payment to statutory auditors for other permitted services rendered by them, review of functioning of Whistle Blower Policy, review of the quarterly and 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 inspection and audit reports and reports of statutory auditors, review of the findings of internal investigations, review of statement of significant related party transactions, review of management letters/letters on internal control weaknesses issued by statutory auditors, reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take steps in this matter, discussion on the scope of audit with external auditors and examination of reasons for substantial defaults, if any, in payment to stakeholders. The Audit Committee is also empowered to appoint/oversee the work of any registered public accounting firm, establish procedures for receipt and treatment of complaints received regarding accounting and auditing matters and engage independent counsel as also provide for appropriate funding for compensation to be paid to any firm/advisors. In addition, the Audit Committee also exercises oversight on the regulatory compliance function of the Bank. The Audit Committee is also empowered to approve the appointment of the CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

### Composition

The Audit Committee currently comprises four independent Directors and is chaired by Sridar Iyengar. There were eight Meetings of the Committee during the year. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of Member	Number of meetings attended
Sridar Iyengar <sup>1</sup> , <i>Chairman</i>	6
M. K. Sharma, <i>Alternate Chairman</i>	8
Narendra Murkumbi	6
V. Sridar ( <i>w.e.f. January 21, 2010</i> )	N. A.

1. Also participated in two Meetings through tele-conference.

The Board of Directors at its Meeting held on April 24, 2010 re-constituted the Committee effective April 24, 2010 consequent to resignation of Narendra Murkumbi from the Committee. Homi Khusrookhan has been appointed as a member of the Committee in place of Narendra Murkumbi.

### III. Board Governance, Remuneration & Nomination Committee

#### **Terms of Reference**

The functions of the Committee include recommendation of appointments to the Board, evaluation of the performance of the Managing Director & CEO and wholetime Directors on predetermined parameters, recommendation to the Board of the remuneration (including performance bonus and perquisites) to wholetime Directors, approval of the policy for and quantum of bonus payable to the members of the staff, framing of guidelines for the Employees Stock Option Scheme and recommendation of grant of ICICI Bank stock options to the employees and wholetime Directors of ICICI Bank and its subsidiary companies.

#### **Composition**

The Board Governance, Remuneration & Nomination Committee currently comprises four non-executive Directors and is chaired by M. K. Sharma. There were five Meetings of the Committee during the year. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of Member	Number of meetings attended
N. Vaghul, <i>Chairman (upto April 30, 2009)</i>	1
M. K. Sharma, <i>Chairman (effective May 1, 2009)</i>	5
K. V. Kamath ( <i>effective May 1, 2009</i> )	4
Anupam Puri <sup>1</sup>	2
P. M. Sinha ( <i>upto January 21, 2010</i> )	4
Marti G. Subrahmanyam <sup>1</sup>	3

1. Also participated in two Meetings through tele-conference.

In anticipation of the change in the Board composition consequent to completion of tenure of eight years of Anupam Puri and Marti Subrahmanyam on the Board of the Bank, the Board of Directors at its Meeting held on April 24, 2010 re-constituted the Committee effective April 24, 2010 and appointed Sridar Iyengar and V. Prem Watsa as members of the Committee in place of Anupam Puri and Marti Subrahmanyam.

#### **Remuneration policy**

The Board Governance, Remuneration & Nomination Committee determines and recommends to the Board the amount of remuneration, including performance bonus and perquisites, payable to the wholetime Directors. The recommendations of the Committee are based on evaluation of the wholetime Directors on certain parameters.

The following table sets out the details of remuneration (including perquisites and retiral benefits) paid to wholetime Directors for fiscal 2010 and details of stock options granted for the three years ended March 31, 2010:

## Details of remuneration (Rupees)

	K. V. Kamath <sup>1</sup>	Chanda D. Kochhar	Sandeep Bakhshi <sup>2</sup>	N.S. Kannan <sup>2</sup>	K. Ramkumar	Sonjoy Chatterjee	V. Vaidyanathan <sup>1</sup>
Basic	1,140,000	9,450,000	7,040,000	6,050,000	6,600,000	6,600,000	550,000
Performance bonus for fiscal 2010 <sup>3</sup>	—	2,693,250	2,188,800	1,881,000	1,881,000	1,881,000	—
Allowances and perquisites <sup>4</sup>	2,805,991	5,393,259	3,735,755	3,505,891	4,749,150	4,305,328	1,334,296
Contribution to provident fund	136,800	1,134,000	844,800	726,000	792,000	792,000	66,000
Contribution to superannuation fund	171,000	1,417,500	1,056,000	—	990,000	—	—
Contribution to gratuity fund	94,962	787,185	586,432	503,965	549,780	549,780	45,815
<b>Stock options (Numbers)</b>							
Fiscal 2010 <sup>3</sup>	—	210,000	115,000	105,000	105,000	—	—
Fiscal 2009	—	—	—	—	—	—	—
Fiscal 2008	270,000	180,000	—	—	125,000 <sup>5</sup>	125,000	125,000

1. Remuneration paid for the month of April 2009.

2. Remuneration paid for the period May 1, 2009 to March 31, 2010.

3. Pending RBI approval.

4. Allowances and perquisites exclude valuation of the employee stock options exercised during fiscal 2010 as it does not constitute remuneration for the purposes of Companies Act, 1956. However tax has been paid in accordance with the provisions of the Income Tax Act.

5. Prior to appointment as wholetime Director.

Perquisites (evaluated as per Income-tax rules wherever applicable and otherwise at actual cost to the Bank) such as the benefit of the 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; 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 accommodation owned by the Bank is not provided, the concerned wholetime Director is eligible for house rent allowance of Rs. 100,000 per month and maintenance of accommodation, including furniture, fixtures and furnishings provided by the Bank. The Board of Directors at its Meeting held on April 24, 2010 has approved revision in house rent allowance from Rs. 100,000 per month to Rs. 250,000 per month in case of Managing Director & CEO and from Rs. 100,000 per month to Rs. 200,000 in case of other wholetime Directors, subject to approval of RBI and Members. Approval of Members for the same is being sought at the current AGM.

As provided under Article 132 of the Articles of Association of the Bank, the fees payable to a Director (other than to the nominee of Government of India) for attending a Meeting of the Board or Committee thereof are decided by the Board of Directors from time to time within the limits prescribed by the Companies Act, 1956 or the Central Government. The Board of Directors has approved the payment of Rs. 20,000 as sitting fees for each Meeting of Board or Committee attended. This amount is within the limits prescribed by the Ministry of Corporate Affairs *vide* its Notification dated July 24, 2003. Approval of the Members for payment of sitting fees to the Directors was obtained at the AGM held on August 20, 2005. The Board of Directors has approved payment of remuneration of Rs. 2,000,000 per annum to K. V. Kamath plus payment of sitting fees, maintaining a Chairman's office at the Bank's expense, bearing expenses for travel on official visits and participation in

various forums (both in India and abroad) as Chairman of the Bank and bearing travel/halting/other expenses and allowances for attending to his duties as Chairman of the Bank. The Members of the Company *vide* Resolution passed by way of postal ballot the result of which was declared on February 13, 2009 had approved the above payment of remuneration. RBI and the Central Government have *vide* their letters dated March 12, 2009 and January 8, 2010 respectively approved the payment of above remuneration.

Information on the total sitting fees paid to each non-whole-time Director during fiscal 2010 for attending Meetings of the Board and its Committees is set out in the following table:

Name of Director	Amount (Rupees)
N. Vaghul	80,000
K. V. Kamath	880,000
Sridar Iyengar	360,000
Homi Khusrookhan	—
L. N. Mittal	40,000
Narendra Murkumbi	560,000
Anupam Puri	120,000
M. S. Ramachandran	420,000
M. K. Sharma	1,040,000
P. M. Sinha	220,000
V. Sridar	20,000
Marti Subrahmanyam	240,000
T. S. Vijayan	40,000
V. Prem Watsa	60,000
<b>Total</b>	<b>4,080,000</b>

The details of shares and convertible instruments of the Bank, held by the non-whole-time Directors as on March 31, 2010 are set out in the following table:

Name of Director	Instrument	No. of shares held
K. V. Kamath	Equity	490,000
Sridar Iyengar	—	—
Homi R. Khusrookhan	Equity	500 <sup>1</sup>
Lakshmi N. Mittal	Equity	3,120,700 <sup>2</sup>
Narendra Murkumbi	—	—
Anup K. Pujari	—	—
Anupam Puri	—	—
M. S. Ramachandran	—	—
M. K. Sharma	Equity	10,000
V. Sridar	—	—
Marti G. Subrahmanyam	Equity	1,613
	American Depository Share (ADS) <sup>3</sup>	32,000 <sup>4</sup>
V. Prem Watsa	—	—

1. 500 shares held jointly with relatives.

2. Includes 10,000 shares held indirectly through companies of which he and his family are ultimate beneficial owners.

3. One ADS represents two equity shares.

4. ADS.

#### IV. Corporate Social Responsibility Committee

##### **Terms of reference**

The Board of Directors at its Meeting held on October 30, 2009 constituted the Corporate Social Responsibility Committee. The Committee is empowered to review the corporate social responsibility initiatives undertaken by the ICICI Group and the ICICI Foundation for Inclusive Growth, make recommendations to the Board with respect to the corporate social responsibility initiatives, policies and practices of the ICICI Group and to review and implement, if required, any other matter related to corporate social responsibility initiatives as recommended/suggested by RBI or any other body.

##### **Composition**

The Corporate Social Responsibility Committee currently comprises three Directors including two independent Directors and the Managing Director & CEO. The Committee is chaired by M. K. Sharma. One Meeting of the Committee was held during fiscal 2010. The details of the composition of the Committee and attendance at its Meeting are set out in the following table:

Name of Member	Number of meeting attended
M. K. Sharma	1
Anup K. Pujari	—
Chanda D. Kochhar	1

#### V. Credit Committee

##### **Terms of reference**

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

##### **Composition**

The Credit Committee currently comprises five Directors including four non-executive Directors and the Managing Director & CEO. The Committee is chaired by K. V. Kamath. There were nineteen Meetings of the Committee during the year. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of Member	Number of meetings attended
N. Vaghul, <i>Chairman (upto April 30, 2009)</i>	1
K. V. Kamath, <i>Chairman (w.e.f. May 1, 2009)</i>	19
Narendra Murkumbi <sup>1</sup>	13
M. S. Ramachandran ( <i>w.e.f. July 25, 2009</i> )	12
M. K. Sharma	18
P. M. Sinha <sup>2</sup> ( <i>upto January 21, 2010</i> )	2
Chanda D. Kochhar ( <i>w.e.f. May 1, 2009</i> )	17

1. Also participated in one Meeting through tele-conference.

2. Also participated in ten Meetings through tele-conference.

#### VI. Customer Service Committee

##### **Terms of reference**

The functions of this Committee include review of customer service initiatives, overseeing the functioning of the Customer Service Council and evolving innovative measures for enhancing the quality of customer service and improvement in the overall satisfaction level of customers.

### Composition

The Customer Service Committee currently comprises six Directors including five non-executive Directors and the Managing Director & CEO. It is chaired by K. V. Kamath. There were six Meetings of the Committee during the year. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of Member	Number of meetings attended
N. Vaghul, <i>Chairman (upto April 30, 2009)</i>	—
K. V. Kamath, <i>Chairman (w.e.f. May 1, 2009)</i>	6
Narendra Murkumbi	2
Anup K. Pujari <i>(w.e.f. July 25, 2009)</i>	1
M. S. Ramachandran <i>(w.e.f. July 25, 2009)</i>	4
M. K. Sharma	5
P. M. Sinha <sup>1</sup> <i>(upto January 21, 2010)</i>	1
Chanda D. Kochhar <i>(w.e.f. May 1, 2009)</i>	3

1. Also participated in one Meeting through tele-conference.

## VII. Fraud Monitoring Committee

### Terms of reference

The Committee monitors and reviews all frauds involving an amount of Rs. 10.0 million and above so as to identify the systemic lacunae, if any, that facilitated perpetration of the fraud and put in place measures to rectify the same, identify the reasons for delay in detection, if any, and reporting to top management of the Bank and RBI, monitor progress of investigation, and recovery position, ensure that staff accountability is examined at all levels in all the cases of frauds and action, if required, is completed quickly without loss of time and review of efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls and putting in place other measures as may be considered relevant to strengthen preventive measures against frauds.

### Composition

The Fraud Monitoring Committee currently comprises five Directors, including three non-executive Directors. The Committee is chaired by M. K. Sharma. There were six Meetings of the Committee during the year. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of Member	Number of meetings attended
M. K. Sharma, <i>Chairman</i>	5
K. V. Kamath	6
Narendra Murkumbi	2
Chanda D. Kochhar	6
V. Vaidyanathan <i>(upto April 30, 2009)</i>	1
Sandeep Bakhshi <i>(w.e.f. May 1, 2009)</i>	5

The Board of Directors at its Meeting held on April 24, 2010 re-constituted the Committee effective April 24, 2010 consequent to the resignation of Narendra Murkumbi from the Committee. V. Sridar has been appointed as a member of the Committee in place of Narendra Murkumbi.



## VIII. Risk Committee

### Terms of reference

The Committee is empowered to review ICICI Bank's risk management policies in relation to various risks (credit, market, liquidity, operational and reputation risks), investment policies and strategy and regulatory and compliance issues in relation thereto. The Committee is also empowered to review risk return profile of the Bank, capital adequacy based on risk profile of the Bank's balance sheet, Basel-II implementation, business continuity plan and disaster recovery plan, key risk indicators and significant risk exposures.

### Composition

The Risk Committee currently comprises six Directors including five non-executive Directors and the Managing Director & CEO. It is chaired by K. V. Kamath. There were seven Meetings of the Committee during the year. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of Member	Number of meetings attended
N. Vaghul, <i>Chairman (upto April 30, 2009)</i>	1
K. V. Kamath, <i>Chairman (w.e.f. May 1, 2009)</i>	7
Sridar Iyengar	6
Marti G. Subrahmanyam <sup>1</sup>	5
V. Prem Watsa	1
Anup K. Pujari <i>(w.e.f. July 25, 2009)</i>	2
Chanda D. Kochhar <i>(w.e.f. May 1, 2009)</i>	6

1. Also participated in one Meeting through tele-conference.

In anticipation of the change in the Board composition consequent to completion of tenure of eight years of Marti Subrahmanyam on the Board of the Bank, the Board of Directors at its Meeting held on April 24, 2010 re-constituted the Committee effective April 24, 2010 and appointed V. Sridar as a member of the Committee in place of Marti Subrahmanyam.

## IX. Share Transfer & Shareholders'/Investors' Grievance Committee

### Terms of reference

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

### Composition

The Share Transfer & Shareholders'/Investors' Grievance Committee is chaired by M. K. Sharma. The Committee currently comprises three Directors including two independent Directors. There were four Meetings of the Committee during the year. The details of the composition of the Committee and attendance at its Meetings are set out in the following table:

Name of Member	Number of meetings attended
M. K. Sharma, <i>Chairman</i>	4
Narendra Murkumbi	1
Chanda D. Kochhar <i>(upto April 30, 2009)</i>	—
N. S. Kannan <i>(w.e.f. May 1, 2009)</i>	4

The Board of Directors at its Meeting held on April 24, 2010 re-constituted the Committee effective April 24, 2010 consequent to the resignation of Narendra Murkumbi from the Committee. Homi Khusrookhan has been appointed as a member of the Committee in place of Narendra Murkumbi.

Sandeep Batra, Senior General Manager is the Group Compliance Officer & Company Secretary. 54 shareholder complaints received in fiscal 2010 were processed. At March 31, 2010, 4 complaints were pending which have been subsequently resolved.

## **X. Committee of Executive Directors**

### ***Terms of reference***

The powers of the Committee include approval of credit proposals as per authorisation approved by the Board, approvals in respect of borrowings and treasury operations and premises and property related matters.

### ***Composition***

The Committee of Executive Directors currently comprises all four wholtime Directors and is chaired by Chanda D. Kochhar, Managing Director & CEO. The other Members are Sandeep Bakhshi, N. S. Kannan and K. Ramkumar.

## **XI. Other Committees**

In addition to the above, the Board has from time to time constituted various committees namely, Asset-Liability Management Committee, Committee for Identification of Wilful Defaulters, Grievance Redressal Committee for borrowers identified as Wilful Defaulters (all comprising certain wholtime Directors and Executives) and Committee of Executives, Compliance Committee, Product & Process Approval Committee, Regional Committees for India and overseas operations, Outsourcing Committee, Operational Risk Management Committee and other Committees (all comprising executives). These committees are responsible for specific operational areas like asset-liability management, approval of credit proposals, approval of products and processes and management of operational risk, under authorisation/supervision of the Board and its Committees.

## **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
Thirteenth AGM	Saturday, July 21, 2007	1.30 p.m.	) Professor Chandravadan ) Mehta Auditorium,
Fourteenth AGM	Saturday, July 26, 2008	2.00 p.m.	) General Education Centre, ) Opposite D. N. Hall Ground,
Fifteenth AGM	Monday, June 29, 2009	1.30 p.m.	) The Maharaja Sayajirao University, ) Pratapgunj, Vadodara 390 002. )

### **Special Resolution**

The details of Special Resolutions passed at the General Body Meeting in the last three years are given below:

General Body Meeting	Day, Date	Resolution
Thirteenth AGM	Saturday, July 21, 2007	<ul style="list-style-type: none"> <li>• Approval for issue of preference shares subject to applicable laws and regulations</li> <li>• Amendment to the Articles of Association of the Company for deleting the reference to the definition of 'group'.</li> </ul>

General Body Meeting	Day, Date	Resolution
Fourteenth AGM	Saturday, July 26, 2008	None
Fifteenth AGM	Monday, June 29, 2009	None

#### Postal Ballot

At present, no special resolution is proposed to be passed through postal ballot. No resolutions were passed through postal ballot during fiscal 2010.

#### XIII. Disclosures

1. There are no materially significant transactions with related parties i.e., directors, management, subsidiaries, or relatives conflicting with the Bank's interests. The Bank has no promoter.
2. Penalties or strictures imposed on the Bank by any of the stock exchanges, the Securities & Exchange Board of India (SEBI) or any other statutory authority, for any non-compliance on any matter relating to capital markets, during the last three years are detailed below:
  - The Securities and Futures Commission (SFC), Hong Kong had charged the Bank with carrying on the business of dealing in securities in Hong Kong without having a license to do so. Pursuant to the charges preferred vide issue of summons on March 30, 2007 and the submissions of SFC and the Bank, the Eastern Magistrate's Court, Hong Kong, on April 10, 2007, fined the Bank a sum of HKD 40,000 (Rs. 0.2 million) and required the Bank to reimburse investigation costs to SFC.

Other than the aforementioned, no penalties or strictures were imposed on the Bank by any stock exchanges, SEBI or any other statutory authority, for any non-compliance on any matter relating to 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. ICICI Bank's website ([www.icicibank.com](http://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 the 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 SEBI and Securities Exchange Commission (SEC) guidelines, all information which could have a material bearing on ICICI Bank's share price is released through leading domestic and global wire agencies. The information is also disseminated to the National Stock Exchange of India (NSE), the Bombay Stock Exchange Limited (BSE), New York Stock Exchange (NYSE), Singapore Stock Exchange and Japan Securities Dealers Association from time to time.

As required by SEBI and the listing agreements, ICICI Bank files its financial and other information on the Corporate Filing and Dissemination System.

ICICI Bank's quarterly financial results are published either in the Financial Express (Mumbai, Pune, Ahmedabad, Delhi, Lucknow, Chandigarh, Kolkata, Chennai, Bangalore, Hyderabad, Cochin editions) or the Business Standard (Ahmedabad, Bangalore, Bhubaneshwar, Chandigarh, Chennai, Hyderabad, Kochi, Kolkata, Lucknow, Mumbai, New Delhi and Pune editions), Gujarat Samachar (Vadodara edition) and Vadodara Samachar (Vadodara). The financial results, official news releases and presentations are also available on the Bank's website.

The Management's Discussion & Analysis forms part of the Annual Report.

### General Shareholder Information

General Body Meeting	Day, Date & Time	Venue
Extraordinary General Meeting	Monday, June 21, 2010 1.30 p.m.	Professor Chandravadan Mehta Auditorium, General Education Centre, Opposite D. N. Hall Ground,
Sixteenth AGM	Monday, June 28, 2010 1.30 p.m.	The Maharaja Sayajirao University, Pratapgunj, Vadodara 390 002.

Financial Calendar	:	April 1 to March 31
Book Closure	:	June 12, 2010 to June 28, 2010
Dividend Payment Date	:	June 29, 2010

Listing of equity shares/ADSs on Stock Exchanges (with stock code)

Stock Exchange	Code for ICICI Bank
Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001	532174 & 632174 <sup>1</sup>
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex Bandra (East), Mumbai 400 051	ICICIBANK
New York Stock Exchange (ADSs) <sup>2</sup> 11, Wall Street, New York, NY 10005, United States of America	IBN

1. FII segment of BSE.

2. Each ADS of ICICI Bank represents two underlying equity shares.

The annual fees for fiscal 2011 have been paid to the Bombay Stock Exchange Limited and the National Stock Exchange Limited, where the shares of the Bank are listed. Also annual listing fees have been paid to NYSE where ADSs of the Bank are listed.

### Market Price Information

The reported high and low closing prices and volume of equity shares of ICICI Bank traded during fiscal 2010 on BSE and NSE are set out in the following table:

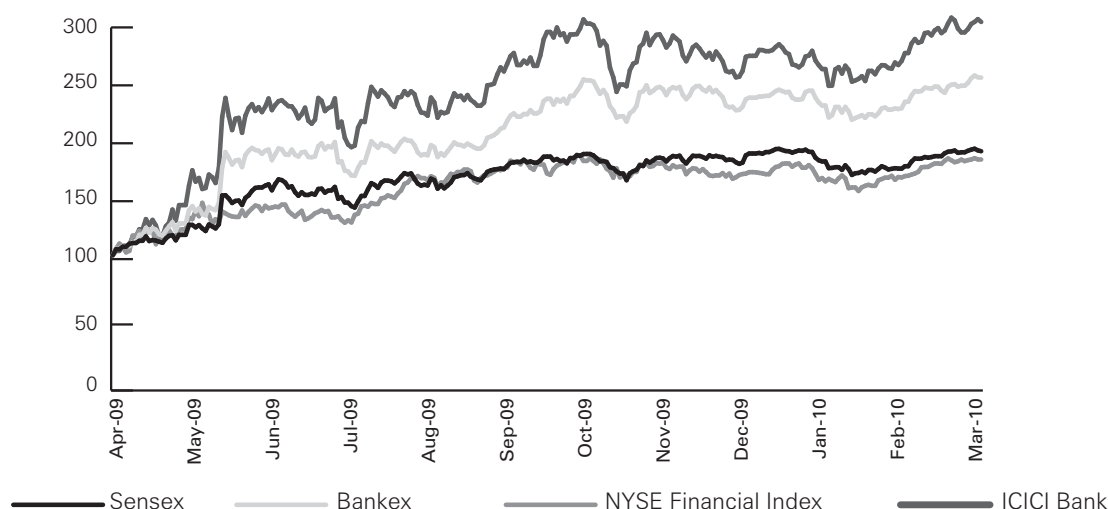
Month	BSE			NSE			Total Volume on BSE and NSE
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume	
April 2009	477.75	349.45	84,911,081	479.20	349.35	321,644,697	406,555,778
May 2009	758.60	520.60	70,405,767	756.15	520.75	285,053,380	355,459,147
June 2009	754.35	689.35	44,228,102	756.15	689.40	198,548,135	242,776,237
July 2009	787.10	628.95	51,971,964	784.75	628.85	214,834,533	266,806,497
August 2009	773.40	704.85	34,211,554	773.75	704.95	136,440,980	170,652,534
September 2009	904.80	736.00	22,562,772	907.60	735.95	106,193,222	128,755,994
October 2009	958.50	771.25	22,843,983	959.10	771.75	121,750,735	144,594,718
November 2009	924.65	787.20	20,726,216	924.50	786.30	103,867,552	124,593,768
December 2009	892.80	808.80	19,905,457	893.55	809.35	93,815,488	113,720,945
January 2010	895.15	788.65	16,984,890	894.85	787.30	92,526,206	109,511,096
February 2010	871.85	798.35	13,205,909	872.15	798.15	74,776,256	87,982,165
March 2010	960.40	897.50	13,748,062	963.65	897.15	85,621,713	99,369,775
Fiscal 2010	960.40	349.45	415,705,757	963.65	349.35	1,835,072,897	2,250,778,654

The reported high and low closing prices and volume of ADSs of ICICI Bank traded during fiscal 2010 on the NYSE are given below:

Month	High (US\$)	Low (US\$)	Number of ADS traded
April 2009	20.75	14.36	81,201,280
May 2009	31.14	20.55	109,282,052
June 2009	32.62	28.01	61,518,543
July 2009	33.32	26.04	69,301,567
August 2009	33.20	28.67	40,301,806
September 2009	38.56	29.35	56,152,335
October 2009	41.24	31.45	61,055,450
November 2009	40.68	32.80	52,614,351
December 2009	38.39	34.21	38,003,705
January 2010	39.31	33.47	56,907,655
February 2010	38.25	33.54	42,163,116
March 2010	43.43	38.89	55,128,726
Fiscal 2010	43.43	14.36	723,630,586

Source : Google Finance

The performance of the ICICI Bank equity share relative to the BSE Sensitive Index (Sensex), BSE Bank Index (Bankex) and NYSE Financial Index during the period April 1, 2009 to March 31, 2010 is given in the following chart:



### Share Transfer System

ICICI Bank's investor services are handled by 3i Infotech Limited (3i Infotech). 3i Infotech is a SEBI registered Category I – Registrar to an Issue & Share Transfer (R&T) Agent. 3i Infotech is a global information technology company providing technology solutions and in addition to R&T services provides software products, managed IT Services, application software development & maintenance, payment solutions, business intelligence, document imaging & digitization, IT consulting and various transaction processing services. 3i Infotech's quality certifications include SEI CMMI Level 5 for software business, ISO 9001:2000 for BPO (including R&T) and ISO 27001:2005 for infrastructure services.

ICICI Bank's equity shares are traded only in dematerialised form. During the year, 916,853 equity shares involving 7,769 certificates were dematerialised. At March 31, 2010, 99.21% of paid-up equity share capital (including equity shares represented by ADS constituting 28.28% of the paid-up equity share capital) have been dematerialised.

Physical share transfer requests are processed and the share certificates are returned normally within a period of seven days from the date of receipt, if the documents are correct, valid and complete in all respects.

The number of equity shares of ICICI Bank transferred during the last three years (excluding electronic transfer of shares in dematerialised form) is given below:

	Fiscal 2008	Fiscal 2009	Fiscal 2010
Number of transfer deeds	4,430	3,408	2,018
Number of shares transferred	257,167	367,813	282,433

As required under Clause 47(c) of the listing agreements entered into by ICICI Bank with stock exchanges, a certificate is obtained every six months from a practising Company Secretary, with regard to, inter alia, effecting transfer, transmission, sub-division, consolidation, renewal and exchange of equity shares and bonds in the nature of debentures within one month of their lodgement. The certificates are forwarded within 24 hours of issuance to BSE and NSE.

In terms of SEBI's circular no. D&CC/FITTC/CIR-16 dated December 31, 2002, a Secretarial Audit is conducted on a quarterly basis by a firm of Chartered Accountants, for the purpose of, inter alia, reconciliation of the total admitted equity share capital with the depositaries and in the physical form with the total issued/paid up equity capital of ICICI Bank. Certificates issued in this regard are placed before the Share Transfer & Shareholders'/Investors' Grievance Committee and forwarded to BSE and NSE, where the equity shares of ICICI Bank are listed.

#### Physical Share Disposal Scheme

With a view to mitigate the difficulties experienced by physical shareholders in disposing off their shares, ICICI Bank, in the interest of investors holding shares in physical form (upto 50 shares) has instituted a Physical Share Disposal Scheme. The scheme was started in November 2008 and continues to remain open. Interested shareholders may contact the R & T Agent, 3i Infotech Limited for further details.

#### Registrar and Transfer Agents

The Registrar and Transfer Agent of ICICI Bank is 3i Infotech Limited. Investor services related queries/requests/complaints may be directed to Jayendra Pai at the address as under:

##### 3i Infotech Limited

International Infotech Park  
Tower 5, 3rd Floor  
Vashi Railway Station Complex  
Vashi, Navi Mumbai 400 703  
Maharashtra, India  
Tel No. : +91-22-6792 8000  
Fax No. : +91-22-6792 8099  
E-mail : investor@icicibank.com

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

Rakesh Jha/Anindya Banerjee/Ranju Sigtia  
ICICI Bank Limited  
ICICI Bank Towers  
Bandra-Kurla Complex  
Mumbai 400 051  
Tel No. : +91-22-2653 1414  
Fax No. : +91-22-2653 1175  
E-mail : ir@icicibank.com

**Information on Shareholding****Shareholding pattern of ICICI Bank at March 31, 2010**

Shareholder Category	Shares	% holding
Deutsche Bank Trust Company Americas (Depository for ADS holders)	315,295,208	28.28
FII, NRIs, Foreign Banks, Foreign Companies, OCBs and Foreign Nationals	424,220,461	38.06
Insurance Companies	194,423,645	17.44
Bodies Corporate	30,028,343	2.69
Banks & Financial Institutions	8,000,315	0.70
Mutual Funds	76,448,662	6.86
Individuals	66,428,680	5.97
<b>Total</b>	<b>1,114,845,314</b>	<b>100.00</b>

**Shareholders of ICICI Bank with more than one per cent holding at March 31, 2010**

Name of the Shareholder	No. of shares	% to total no. of shares
Deutsche Bank Trust Company Americas (Depository for ADS holders)	315,295,208	28.28
Life Insurance Corporation of India	116,007,765	10.41
Allamanda Investments Pte. Limited	64,113,201	5.75
Bajaj Holdings and Investment Limited	20,296,154	1.82
Government of Singapore	15,888,210	1.43
Dodge and Cox International Stock Fund	15,195,668	1.36
Aberdeen Asset Managers Limited A/C Aberdeen International India Opportunities Fund (Mauritius) Limited	13,100,000	1.18
Bajaj Allianz Life Insurance Company Limited	12,129,296	1.09
The New India Assurance Company Limited	11,990,952	1.08
<b>Total</b>	<b>584,016,454</b>	<b>52.40</b>

**Distribution of shareholding of ICICI Bank at March 31, 2010**

Range - Shares	No. of Folios	%	No. of Shares	%
Upto 1,000	686,077	99.14	50,706,992	4.55
1,001 to 5,000	4,152	0.60	8,276,978	0.74
5,001 – 10,000	509	0.07	3,645,374	0.33
10,001 – 50,000	633	0.09	15,250,254	1.37
50,001 & above	720	0.10	1,036,965,716	93.01
<b>Total</b>	<b>692,091</b>	<b>100.00</b>	<b>1,114,845,314</b>	<b>100.00</b>

**Disclosure with respect to shares lying in suspense account**

Particulars	Shareholders	Shares
Aggregate number of shareholders and the outstanding shares transferred to the suspense account from escrow account	713	38,905
Number of shareholders who approached ICICI Bank for transfer of shares from suspense account during the year	14	716
Number of shareholders to whom shares were transferred from suspense account during the year*	12	654
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	701	38,251

\*Additionally, during the year 7,274 shares were transferred to 116 shareholders from the escrow account.

The voting rights on the shares lying in suspense account are frozen till the rightful owner of such shares claims the shares.



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

ICICI Bank has 157.65 million ADS (equivalent to 315.30 million equity shares) outstanding, which constituted 28.28% of ICICI Bank's total equity capital at March 31, 2010. Currently, there are no convertible debentures outstanding.

**Plant Locations – Not applicable**

**Address for Correspondence**

Sandeep Batra  
Group Compliance Officer & Company Secretary  
or  
Ranganath Athreya  
General Manager & Joint Company Secretary  
& Head – Compliance for Non Banking Subsidiaries  
ICICI Bank Limited  
ICICI Bank Towers  
Bandra-Kurla Complex  
Mumbai 400 051  
Tel No. : 91-22-2653 1414  
Fax No. : 91-22-2653 1230  
E-mail : companysecretary@icicibank.com

The Bank has complied with the mandatory and majority of non-mandatory requirements mentioned in the listing agreement, with respect to corporate governance.

**ANALYSIS OF CUSTOMER COMPLAINTS**

**a) Customer complaints in fiscal 2010**

Number of complaints pending at the beginning of the year	886
Number of complaints received during the year	112,009
Number of complaints redressed during the year <sup>1</sup>	110,797
Number of complaints pending at the end of the year	2,098 <sup>2</sup>

1. Does not include complaints redressed within 1 working day.

2. Complaints pending beyond 30 days as on March 31, 2010 are 69.

**b) Awards passed by the Banking Ombudsman in fiscal 2010**

Number of unimplemented awards at the beginning of the year	0
Number of awards passed by the Banking Ombudsman during the year	0
Number of awards implemented during the year	0
Number of unimplemented awards at the end of the year	0

**COMPLIANCE CERTIFICATE OF THE AUDITORS**

ICICI Bank has annexed to this report, a certificate obtained from the statutory auditors, B S R & Co., Chartered Accountants, regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement.

**EMPLOYEE STOCK OPTION SCHEME**

In fiscal 2000, ICICI Bank instituted an Employee Stock Option Scheme (ESOS) to enable the employees and Directors of ICICI Bank and its subsidiaries to participate in future growth and financial success of the Bank. As per the ESOS as amended from time to time, the maximum number of options granted to any employee/Director



in a year 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 on the date of the grant (equivalent to 55.7 million shares at April 24, 2010).

Options granted for fiscal 2003 and earlier years 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. Options granted for fiscal 2004 to 2008 vest in a graded manner over a four-year period, with 20%, 20%, 30% and 30% of the grants vesting in each year, commencing not earlier than 12 months from the date of grant. Options granted in April 2009 vest in a graded manner over a five year period with 20%, 20%, 30% and 30% of grant vesting each year commencing from the end of 24 months from the date of grant.

On the basis of the recommendation of the Board Governance, Remuneration & Nomination Committee, the Board at its Meeting held on April 24, 2010 approved a grant of approximately 2.49 million options for fiscal 2010 to eligible employees and wholetime Directors. Each option confers on the employee a right to apply for one equity share of face value of Rs. 10 of ICICI Bank at Rs. 977.70, which was the closing price on the stock exchange, which recorded the highest trading volume in ICICI Bank shares on April 23, 2010. These options would vest over a four year period, with 20%, 20%, 30% and 30% respectively of the grant vesting each year commencing from the end of 12 months from the date of the grant.

Options can be exercised within 10 years from the date of grant or five years from the date of vesting, whichever is later. The price of the options granted prior to June 30, 2003 is the closing market price on the stock exchange, which recorded the highest trading volume on the date of grant. The price for options granted on or after June 30, 2003 till July 21, 2004 is equal to the average of the high and low market price of the equity shares in the two week period preceding the date of grant of the options, on the stock exchange which recorded the highest trading volume during the two week period. The price for options granted on or after July 22, 2004 is equal to the closing price on the stock exchange which recorded the highest trading volume preceding the date of grant of options. The above pricing is in line with the SEBI guidelines, as amended from time to time.

Particulars of options granted by ICICI Bank upto April 24, 2010 are given below:

Options granted <sup>1</sup>	55,201,055
Options vested	36,661,828
Options exercised	25,920,074
Number of shares allotted pursuant to exercise of options	25,920,074
Options forfeited/lapsed	8,127,506
Extinguishment or modification of options	Nil
Amount realised by exercise of options (Rs.)	5,288,748,500
Total number of options in force	21,153,475

1. Includes options granted to wholetime Directors pending RBI approval.

No employee was granted options during any one year equal to or exceeding 0.05% of the issued equity shares of ICICI Bank at the time of the grant.

The diluted earnings per share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with AS-20 was Rs. 35.99 in fiscal 2010 against basic EPS of Rs. 36.14. Since the exercise price of ICICI Bank's options is the last closing price on the stock exchange, which recorded the highest trading volume preceding the date of grant of options, there is no compensation cost in fiscal 2010 based on the intrinsic value of options. However, if ICICI Bank had used the fair value of options based on the Black-Scholes model, compensation cost in fiscal 2010 would have been higher by Rs. 901.2 million and proforma profit after tax would have been Rs. 39.35 billion. On a proforma basis, the Bank's basic and diluted earnings per share would have been Rs. 35.33

and Rs. 35.19 respectively. The key assumptions used to estimate the fair value of options granted during fiscal 2010 are given below:

Risk-free interest rate	6.53% to 7.68%
Expected life	6.35 to 6.85 years
Expected volatility	48.65% to 49.18%
Expected dividend yield	1.22% to 2.53%

In respect of options granted in fiscal 2010, the weighted average exercise price of the options and the weighted average fair value of the options were Rs. 434.78 per option and Rs. 199.91 per option respectively.

## 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

ICICI Bank is grateful to the Government of India, RBI, SEBI and overseas regulators for their continued co-operation, support and guidance. ICICI Bank wishes to thank its investors, the domestic and international banking community, rating agencies and stock exchanges for their support.

ICICI Bank would like to take this opportunity to express sincere thanks to its valued clients and customers for their continued patronage. The Directors express their deep sense of appreciation of all the employees, whose outstanding professionalism, commitment and initiative has made the organisation's growth and success possible and continues to drive its progress. Finally, the Directors wish to express their gratitude to the Members for their trust and support.

For and on behalf of the Board

K. V. Kamath  
Chairman

May 24, 2010

## Compliance with the Group Code of Business Conduct and Ethics

I confirm that all Directors and members of the senior management have affirmed compliance with Group Code of Business Conduct and Ethics for the year ended March 31, 2010.

Chanda D. Kochhar  
Managing Director & CEO

May 24, 2010

# Auditor's Certificate on Corporate Governance

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To the Members of ICICI Bank Limited

We have examined the compliance of conditions of corporate governance by ICICI Bank Limited ("the Bank") for the year ended on 31 March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company 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 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.

We 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 B S R & Co.  
*Chartered Accountants*  
Firm's Registration No.: 101248W

Mumbai  
May 21, 2010

Akeel Master  
*Partner*  
Membership No: 046768

# Business Overview

## ECONOMIC OVERVIEW

During fiscal 2010, India witnessed a significant revival in economic activity following the moderation in fiscal 2009. The economic recovery was evident across a wide range of sectors with the momentum gaining strength in the second half of fiscal 2010. Industrial activity, as reflected by the Index of Industrial Production (IIP), increased by 10.4% during fiscal 2010 as against 2.7% in fiscal 2009. During October 2009-March 2010 the IIP increased by 14.3% compared to 0.6% during the corresponding period in the previous year. The growth in IIP was largely driven by the manufacturing sector which recorded a growth of 10.9% during fiscal 2010 compared to 3.1% during the corresponding period in the previous year. Growth in the manufacturing sector accelerated to 15.4% during October 2009-March 2010 compared to 0.4% during the corresponding period in the previous year. External trade also revived from the third quarter of fiscal 2010, with growth in exports turning positive from October 2009, after a decline for 12 consecutive months. Equity markets also witnessed strong revival in fiscal 2010 with the BSE Sensex increasing by 80.5% from 9,709 at March 31, 2009 to 17,528 at March 31, 2010.

The growth in gross domestic product (GDP) during the first half of fiscal 2010 was 7.0% compared to 6.0% during the second half of fiscal 2009. However, during the third quarter of fiscal 2010, GDP growth moderated to 6.0% mainly due to a 2.8% decline in agricultural output following below normal monsoons, and moderation in services sector growth to 6.6%. Reflecting the overall improvement in the economy, the Central Statistical Organisation (CSO) has placed advance estimates of GDP growth for fiscal 2010 at 7.2%.

Liquidity in the system remained comfortable following the continuation of a relatively accommodative monetary policy stance for a large part of fiscal 2010. During fiscal 2010, capital flows revived significantly with net foreign institutional investment inflows of US\$ 23.6 billion during April-December 2009 compared to net outflows of US\$ 11.3 billion in the corresponding period of fiscal 2009. Net foreign direct investments at US\$ 16.5 billion during April-December 2009 were also higher as compared to US\$ 14.3 billion during the corresponding period of the previous year. The revival in trade and lower oil prices combined with strong capital inflows improved India's balance of payments, which recorded a surplus of US\$ 11.3 billion in the first nine months of fiscal 2010 as compared to a deficit of US\$ 20.4 billion in the corresponding period of fiscal 2009. The rupee appreciated by 11.4% against the US dollar from Rs. 51.0 per US dollar at year-end fiscal 2009 to Rs. 45.1 per US dollar at year-end fiscal 2010.

During the second half of fiscal 2010, inflationary pressures increased driven largely by food price inflation. Inflation as measured by the Wholesale Price Index increased from a low of -1.0% in June 2009 to 9.9% in March 2010. Following the recovery in economic activity and increased inflationary concerns, the Reserve Bank of India (RBI) commenced its exit from the monetary policy stance adopted in response to the global financial crisis. RBI increased the statutory liquidity ratio (SLR) by 100 basis points from 24.0% to 25.0% in October 2009, the cash reserve ratio (CRR) by 75 basis points to 5.75% in February 2010 and the repo and reverse repo rates by 25 basis points each to 5.0% and 3.5% respectively in March 2010. RBI, in its annual policy review in April 2010, announced a further increase of 25 basis points each in CRR to 6.0%, repo rate to 5.25% and reverse repo rate to 3.75%. In addition to the increase in policy rates, RBI also withdrew the special liquidity support measures instituted in fiscal 2009 in response to the global financial crisis. As a result of inflationary concerns, increased policy rates and the large government borrowing programme, the yield on 10-year government securities increased by 81 basis points from 7.01% at March 31, 2009 to 7.82% at March 31, 2010.

The pace of economic recovery in India is reflective of the transitory impact of the global financial crisis on the Indian economy. India's strong domestic fundamentals are expected to remain operative over the long-term, with the twin drivers of consumption and investment supporting sustained high growth for the economy. Over the next year, while economic recovery is expected to strengthen and assume a broad-based nature, the management of inflation expectations, the pace of withdrawal of stimulus measures and the management of systemic liquidity in view of the large government borrowing programme and the impact of volatile global markets on capital flows will be key factors impacting the economy and financial markets.

## FINANCIAL SECTOR OVERVIEW

During fiscal 2010, the year-on-year growth in non-food bank credit declined from 17.8% in March 2009 to 16.9% in March 2010. Based on data published by RBI, for the period upto February 26, 2010, year-on-year growth in non-food bank credit was driven primarily by a 24.4% growth in credit to agriculture and allied activities and a 20.1% growth in credit to the industrial sector. Within the industrial sector, credit to infrastructure grew by 42.3% during this period. At February 26, 2010, industry accounted for 43.2% of non-food gross bank credit, retail credit for 20.1%,

agriculture and allied activities for 12.8%, trade for 5.7%, real estate for 3.2% and other sectors for the balance 15.0%. During fiscal 2010, the growth in total deposits was 17.0% as compared to a growth of 19.9% during fiscal 2009. The decline in growth was primarily due to a moderation in growth in time deposits from 23.9% in fiscal 2009 to 16.2% in fiscal 2010. Demand deposits after witnessing a decline of 0.2% in fiscal 2009 grew by 22.2% in fiscal 2010. The credit-deposit ratio remained within the range of 68.0%-72.0% during fiscal 2010 and was about 72.0% in March 2010.

The recovery in economic activity and improvement in financial markets during fiscal 2010 led to a revival in the demand for financial savings and investment products, benefiting the life insurance and mutual fund sectors. First year retail premium underwritten in the life insurance sector increased by 16.7% (on weighted received premium basis) to Rs. 550.24 billion in fiscal 2010 with the private sector's retail market share (on weighted received premium basis) at 52.3% in fiscal 2010. Total assets under management (on average assets basis) of mutual funds increased by 51.5% from Rs. 4,932.85 billion in March 2009 to Rs. 7,475.25 billion in March 2010. Gross premium in the non-life insurance sector (excluding specialised insurance institutions) grew by 13.4% to Rs. 347.55 billion in fiscal 2010 compared to growth rates of 9.2% in fiscal 2009 and 12.3% in fiscal 2008, with the private sector's market share at 40.9% in fiscal 2010.

There were a number of key policy developments in the banking sector during fiscal 2010. In continuation of the liberalisation of the banking sector, in June 2009, banks were allowed to open offsite ATMs without prior approval from RBI. The branch authorisation policy was also liberalised in December 2009 and banks were allowed to open branches in Tier III-VI cities without prior RBI approval. In August 2009, RBI also issued guidelines relating to the issuance and operation of mobile phone based pre-paid payment instruments. In July 2009, RBI issued a time schedule for the introduction of advanced approaches of the Basel II framework in India whereby banks are required to apply to RBI for migration to internal models approach for market risk and the standardised approach for operational risk earliest by April 1, 2010 and for advanced measurement approach for operational risk and internal ratings based approaches for credit risk earliest by April 1, 2012. RBI also initiated several measures to increase systemic transparency and customer convenience. In April 2010, RBI issued guidelines directing banks to replace the benchmark prime lending rate system with a base rate system effective July 2010. The guidelines recommend calculating the base rate taking into consideration cost elements that can be clearly identified and are common across borrowers. RBI also issued guidelines revising the method of payment of interest on savings accounts to a daily average basis effective April 1, 2010. During fiscal 2010, with an improvement in market conditions, RBI also initiated several measures to maintain systemic stability. In November 2009, the provisioning requirement for advances to commercial real estate classified as standard assets was increased from 0.4% to 1.0%. In December 2009, RBI directed banks to achieve a total provisioning coverage ratio of 70% by September 2010. In February 2010, in its master circular on capital adequacy, RBI increased the capital requirements relating to securitisation exposures and provided enhanced guidance on valuation adjustments for illiquid investments and derivatives. The guidelines also increased disclosure requirements for credit risk mitigations and securitised exposures.

The Indian financial sector has remained resilient to the volatility in global markets. The banking sector is healthy and remains well capitalised to benefit from the recovery in domestic economic activity.

## ORGANISATION STRUCTURE

During fiscal 2010, given the significant expansion in our branch network and our increased focus on customer service, we reorganised our organisation structure to provide greater empowerment to our branches with enhanced senior management oversight of their operations. We expect our branch network to serve as an integrated channel for deposit mobilisation, retail asset origination and distribution of third party products. At the same time, we seek to ensure effective control and supervision and consistency in standards across the organisation. The organisation is structured into the following principal groups:

- **Retail Banking Group:** The retail sales and service architecture has been organised into four geographies. These have been further divided into zonal and regional structures. The Retail Strategy, Product & Policy Group has been formed to develop customer-segment specific strategies, including product design and service propositions. The Retail Banking Group is also responsible for inclusive and rural banking.
- **Wholesale Banking Group,** comprising the Corporate Banking Group, Commercial Banking Group, Investment Banking Group, Project Finance Group, Financial Institutions and Capital Markets Group, Government Banking Group and Mid-corporate & Small Enterprises Group.

- International Banking Group, comprising the Bank's international operations, including operations in various overseas markets as well as products and services for non-resident Indians, international trade finance, correspondent banking and wholesale resource mobilisation.
- Global Markets Group, comprising our global client-centric treasury operations.
- Corporate Centre, comprising financial reporting, planning and strategy, asset liability management, investor relations, secretarial, corporate branding, corporate communications, risk management, compliance, internal audit, legal, financial crime prevention and reputation risk management, accounts and taxation and the Bank's proprietary trading operations across various markets.
- Human Resources Management Group, which is responsible for the Bank's recruitment, training, leadership development and other personnel management functions and initiatives.
- Global Operations and Middle Office Groups, which are responsible for back-office operations, controls and monitoring for our domestic and overseas operations.
- Customer Services Group, which is responsible for initiatives towards building and maintaining long-term customer relationships.
- Information Technology Group, which is responsible for enterprise-wide technology initiatives, with dedicated teams serving individual business groups and managing information security and shared infrastructure.
- Global Infrastructure & Administration Group, which is responsible for management of corporate facilities and administrative support functions.

## **BUSINESS REVIEW**

During fiscal 2010, the Bank continued to focus on improving its funding mix, conserving capital, liquidity management and risk containment and increasing operating efficiencies. We continued to grow our branch network and became the first private sector bank in India to have 2,000 branches in May 2010. We believe that the success achieved with respect to our strategy in fiscal 2010 and the enhanced branch network have positioned us well to capitalise on future growth opportunities.

### **Retail Banking**

Retail credit growth in the banking system continued to moderate in fiscal 2010. As per data published by RBI for the period upto February 26, 2010, year-on-year retail credit growth was about 5%.

Our retail disbursements remained moderate during fiscal 2010, as we focused on opportunities in residential mortgages and vehicle finance, while reducing our unsecured retail loan and credit card receivables portfolio. There were also substantial repayments and prepayments from the portfolio during the year. Our retail portfolio (including builder finance and dealer funding) at March 31, 2010 was Rs. 790.45 billion, constituting 43.6% of our overall loan portfolio. Within the retail portfolio, unsecured retail loans where we had witnessed higher credit losses, declined from about 10% of our loan portfolio at March 31, 2008 to 8% at March 31, 2009 and further to below 5% at March 31, 2010. We continue to believe that retail credit in India has robust long-term growth potential, driven by sound fundamentals, namely, rising income levels and favourable demographic profile. We will continue to focus on select retail asset segments like housing and vehicle loans where we expect significant demand going forward.

During fiscal 2010, we focused on increasing the proportion of low-cost retail deposits in our funding base. Our current and savings account (CASA) deposits as a percentage of total deposits increased from 28.7% at March 31, 2009 to 41.7% at March 31, 2010. We continued to expand our branch network during the year. Our branch network has now increased from 1,419 branches & extension counters at March 31, 2009 to 1,707 branches & extension counters at March 31, 2010 and further to 2,000 branches & extension counters at May 3, 2010. We also increased our ATM network from 4,713 ATMs at March 31, 2009 to 5,219 ATMs at March 31, 2010.

We expect our branches to become key points of customer acquisition and service. Accordingly, during fiscal 2010 we changed our organisation structure to provide greater empowerment to our branches. The branch network is expected to serve as an integrated channel for deposit mobilisation, selected retail asset origination and distribution of third party products as well as the focal point for customer service and acquisition.



Cross-selling new products and the products of our life and general insurance subsidiaries to our existing customers is a key focus area for the Bank. Cross-sell allows us to deepen our relationship with our existing customers and helps us reduce origination costs as well as earn fee income. We will continue to focus on cross-sell as a means to improve profitability and offer a complete suite of products to our customers. We continue to leverage our multi-channel network for distribution of third party products like mutual funds and insurance products.

### **Small Enterprises**

We have segmented offerings for the small and medium enterprises sector while adopting a cluster based financing approach to fund small enterprises that have a homogeneous profile such as engineering, information technology, transportation and logistics and pharmaceuticals. We also offer supply chain financing solutions to the channel partners of corporate clients and business loans (in the form of cash credit/overdraft/term loans) to meet the working capital needs of small businesses. We are also proactively reaching out to small and medium enterprises through various initiatives such as the small and medium enterprises CEO Knowledge Series — a platform to mentor and assist entrepreneurs, small and medium enterprises toolkit — an online business and advisory resource for small and medium enterprises, and Emerging India Awards — a small and medium enterprises recognition platform.

We have a long tradition of partnering entrepreneurs early in their growth, building lasting and mutually beneficial relationships that deliver recurring value to the Bank. Expanding our profitable small enterprises franchise and identifying and nurturing relationships with medium enterprises having growth potential will be key priorities in this area.

### **Corporate Banking**

Our corporate banking strategy is based on providing comprehensive and customised financial solutions to our corporate customers. We offer a complete range of corporate banking products including rupee and foreign currency debt, working capital credit, structured financing, syndication and commercial banking products and services.

Our corporate and investment banking franchise is built around a core relationship team that has strong relationships with almost all of the country's corporate houses. The relationship team is product agnostic and is responsible for managing banking relationships with clients. We have also put in place product specific teams with a view to focus on designing financial solutions for clients. The investment banking team is responsible for working with the relationship team in India and our international subsidiaries and branches, for structuring and execution of investment banking mandates. We have a Commercial Banking Group within the Wholesale Banking Group for growing this business through identified branches, while working closely with the corporate relationship teams. Our strategy for growth in commercial banking, or meeting the regular banking requirements of companies for transactions and trade, is based on leveraging our strong client relationships and focusing on enhancing client servicing capability at the operational level.

As the Indian economy resumes its growth path, the need for infrastructure development and expansion of Indian companies will provide exciting opportunities for our corporate banking business. We will continue to focus on increasing the granularity and stability of our revenue streams by executing our transaction banking and trade services strategy, keeping a close watch on credit quality and further deepening our client relationships.

### **Project Finance**

Given the enhanced focus on infrastructure development in the country, we expect a significant increase in infrastructure financing requirements going forward.

The power sector is expected to witness continued large investments. Besides requirements arising out of capacity additions, significant investments are also projected in private sector transmission projects for the strengthening of the national grid. Further, we also expect substantial development in the renewable energy segment.

With the scale up in gas production at KG-D6 block, significant investments in trunk pipeline network are expected. The improved gas availability and pipeline connectivity is also expected to drive the expansion of city gas network.

The growth in telecom infrastructure is expected to continue on account of decline in tariffs and increased focus on rural markets. Further, the proposed allotment of additional spectrum is expected to result in significant investments for rollout of services.

The transportation sector has witnessed renewed momentum with the government bidding out new projects for development of national and state highways. The port sector is also witnessing creation of new capacities in both the bulk and container cargo segments along with increased private sector participation. The railway sector is also expected to witness investments for modernisation of railways stations, logistics development and expansion of dedicated freight corridors.

Further, we also expect increased private sector investments in the development of water supply, education and healthcare infrastructure. For example, the government is in the process of inviting bids from private companies for setting up about 2,500 model schools on a public-private-partnership basis.

We will continue to position ourselves to cater to the financing requirements in the infrastructure sector. The key to our project finance proposition is our constant endeavour to add value to projects through financial structuring to ensure bankability. These services are backed by innovative financial structuring, sectoral expertise and sound due diligence techniques.

### **International Banking**

Our international strategy is focused on building a retail deposit franchise, meeting the foreign currency needs of our Indian corporate clients, taking select trade finance exposures linked to imports to India and achieving the status of the preferred non-resident Indian (NRI) community bank in key markets. We also seek to build stable wholesale funding sources and strong syndication capabilities to support our corporate and investment banking business, and to expand private banking operations for India-centric asset classes. ICICI Bank currently has subsidiaries in the United Kingdom, Russia and Canada, branches in Singapore, Bahrain, Hong Kong, Sri Lanka, Dubai International Finance Centre, Qatar Financial Centre and the United States and representative offices in the United Arab Emirates, China, South Africa, Bangladesh, Thailand, Malaysia and Indonesia. The Bank's wholly owned subsidiary ICICI Bank UK PLC has eleven branches in the United Kingdom and a branch each in Belgium and Germany. ICICI Bank Canada has nine branches. ICICI Bank Eurasia Limited Liability Company has two branches.

During fiscal 2010, global economic activity remained moderate and the pace of recovery in international trade and capital flows remained subdued. In this environment, we continued to focus on risk containment and liquidity management in our international operations. We also focused on building a stable deposit base and improving the funding profile in our international operations. During fiscal 2010, the proportion of retail term deposits in total deposits in ICICI Bank UK increased from 58% at March 31, 2009 to 66% at March 31, 2010. The proportion of term deposits in ICICI Bank Canada remained at over 80% of total deposits at March 31, 2010. During fiscal 2010, we continued to maintain healthy liquidity at our overseas banking subsidiaries.

With the growth in our domestic branch network, our franchise among NRIs has grown significantly over the last few years. Our NRI customer base currently stands at over 600,000. We continued to focus on developing products and service offerings to cater to the requirements of the NRI community. During fiscal 2010, we also focused on improving customer service across our channels through various technology based initiatives and by providing value added relationship offerings like expert views on investment and finance related matters.

### **Inclusive and rural banking**

We have undertaken several initiatives to meet the financial services needs of the rural market. These include offering micro-credit through microfinance institutions (MFIs), micro-insurance and micro-investment products, financial inclusion through business correspondents, farmer financing and integration of the agri-value chain. We continued to focus on improving our product and service offerings to meet the requirements of all participants in the rural market including farmers, traders, commission agents, small processors and other medium and large agri-corporates.

We work closely with a number of MFIs and believe that MFIs are well equipped to drive financial inclusion in existing un-banked rural areas. During fiscal 2010, we reached out to over 4.0 million micro-finance borrowers with an outstanding portfolio in this segment at Rs. 31.79 billion at March 31, 2010. We also work with 20 business



correspondent partners having 56 branches across nine states and serving over 100,000 customers. We also focus on enrollment of beneficiaries under government schemes like the National Rural Employment Guarantee Scheme (NREGS) and Social Security Pension (SSP) as well as migrant workers in urban areas. We will continue to leverage technology channels and the facilitative regulatory environment to drive our inclusive and rural banking initiative.

## RISK MANAGEMENT

Risk is an integral part of the banking business and we aim at delivering superior shareholder value by achieving an appropriate trade-off between risk and returns. The key risks are credit risk, market risk and operational risk. Our risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with international best practices.

The key principles underlying our risk management framework are as follows:

- The Board of Directors has oversight on all the risks assumed by the Bank. Specific Committees of the Board have been constituted to facilitate focused oversight of various risks. Our Risk Committee reviews our risk management policies in relation to various risks and regulatory compliance issues. It reviews key risk indicators covering areas such as credit risk, interest rate risk, liquidity risk, and foreign exchange risk and the limits framework, including stress test limits, for various risks. It also carries out an assessment of the capital adequacy based on the risk profile of our balance sheet and reviews the status with respect to implementation of Basel II norms. Our Credit Committee reviews developments in key industrial sectors and our exposure to these sectors and reviews major portfolios on a periodic basis. Our Audit Committee provides direction to and also monitors the quality of the internal audit function. Our Asset Liability Management Committee is responsible for managing the balance sheet and reviewing our asset-liability position.
- Policies approved from time to time by the Board of Directors/Committees of the Board form the governing framework for each type of risk. The business activities are undertaken within this policy framework.
- Independent groups and sub-groups have been constituted across the Bank to facilitate independent evaluation, monitoring and reporting of various risks. These groups function independently of the business groups/sub-groups.

We have dedicated groups namely the Global Risk Management Group (GRMG), Compliance Group, Corporate Legal Group, Internal Audit Group and the Financial Crime Prevention and Reputation Risk Management Group, with a mandate to identify, assess and monitor all of the Bank's principal risks in accordance with well-defined policies and procedures. GRMG is further organised into the Credit Risk Management Group, the Market Risk Management Group and the Operational Risk Management Group. These groups are completely independent of all business operations and coordinate with representatives of the business units to implement ICICI Bank's risk management methodologies. The internal audit and compliance groups are responsible to the Audit Committee of the Board.

### Credit Risk

Credit risk is the risk that a borrower is unable to meet its financial obligations to the lender. All credit risk related aspects are governed by a credit and recovery policy which outlines the type of products that can be offered, customer categories, targeted customer profile and the credit approval process and limits. The credit and recovery policy is approved by our Board of Directors.

In order to assess the credit risk associated with any corporate financing proposal, we assess a variety of risks relating to the borrower and the relevant industry. We have a structured and standardised credit approval process which includes a well established procedure of comprehensive credit appraisal and credit rating. We have developed internal credit rating methodologies for rating obligors. The rating factors in quantitative and qualitative issues and credit enhancement features specific to the transaction. The rating serves as a key input in the approval as well as post-approval credit processes. The rating for every borrower is reviewed at least annually. A risk based asset review framework has also been put in place wherein the frequency of asset review would be higher for cases with higher exposure and/or lower credit rating. Industry knowledge is constantly updated through field visits and interactions with clients, regulatory bodies and industry experts.

In case of retail loans, sourcing and approval are segregated to achieve independence. The Global Credit Risk Management Group has oversight on the credit risk issues for retail assets including vetting of all credit policies/operating notes proposed for approval by the Board of Directors or forums authorised by the Board of Directors. The Global Credit Risk Management Group is also involved in portfolio monitoring for all retail assets and suggesting/implementing policy changes. The Policy and Risk Group is an independent unit which focuses on policy formulation and portfolio tracking and monitoring. In addition, we also have a Business Intelligence Unit to provide support for analytics, score card development and database management. Our Credit Administration Unit services various retail business units.

Our credit officers evaluate retail credit proposals on the basis of the product policy approved by the Committee of Executive Directors and the risk assessment criteria defined by the Global Credit Risk Management Group. These criteria vary across product segments but typically include factors like the borrower's income, the loan-to-value ratio and demographic parameters. The technical valuations in case of residential mortgages are carried out by empanelled valuers or in-house technical teams. External agencies such as field investigation agencies and credit processing agencies are used to facilitate a comprehensive due diligence process including visits to offices and homes in the case of loans to individual borrowers. Before disbursements are made, the credit officer checks a centralised delinquent database and reviews the borrower's profile. In making our credit decisions, we also draw upon reports from the Credit Information Bureau (India) Limited (CIBIL). We also use the services of certain fraud control agencies operating in India to check applications before disbursement. A hind-sighting team under the Policy and Risk Group undertakes review and audit of credit quality and processes across different products.

In addition, the Credit and Treasury Middle Office Groups and the Global Operations Group monitor operational adherence to regulations, policies and internal approvals. We have centralised operations to manage operational risk in most back office processes of the Bank's retail loan business. The Fraud Prevention Group manages fraud-related risks through forensic audits and recovery of fraud losses. The segregation of responsibilities and oversight by groups external to the business groups ensure adequate checks and balances.

Our credit approval authorisation framework is laid down by our Board of Directors. We have established several levels of credit approval authorities for our corporate banking activities like the Credit Committee of the Board of Directors, the Committee of Executive Directors, the Committee of Executives (Credit) and the Regional Committee (Credit). Retail Credit Forums, Small Enterprise Group Forums and Agri Credit Forums have been created for approval of retail loans and credit facilities to small enterprises and agri based enterprises respectively. Individual executives have been delegated with powers in case of policy based retail products to approve financial assistance within the exposure limits set by our Board of Directors.

## **Market Risk**

Market risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates and other asset prices. The prime source of market risk for the Bank is the interest rate risk we are exposed to as a financial intermediary. In addition to interest rate risk, we are exposed to other elements of market risk such as liquidity or funding risk, price risk on trading portfolios, exchange rate risk on foreign currency positions and credit spread risk. These risks are controlled through limits such as value-at-risk (VaR) and stop loss and liquidity gap limits. The limits are stipulated in our Investment Policy, ALM Policy and Derivative Policy which are reviewed and approved by our Board of Directors.

The Asset Liability Management Committee, which comprises wholetime directors and executives, meets on a regular basis and reviews the trading positions, monitors interest rate and liquidity gap positions, formulates views on interest rates, sets benchmark lending rates and determines the asset liability management strategy in light of the current and expected business environment.

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

Foreign exchange risk is monitored through the net overnight open foreign exchange limit. Interest rate risk of the overall balance sheet is measured through the use of re-pricing gap analysis and duration analysis.

We prepare interest rate risk reports on a fortnightly basis. These reports are submitted to RBI on a monthly basis. Interest rate risk is further monitored through interest rate risk limits approved by the Asset Liability Management Committee.

Risks on trading positions are monitored and managed by setting VaR limits, counterparty limits and stipulating daily and cumulative stop-loss limits. Liquidity risk is measured through gap analysis. We maintain diverse sources of liquidity to facilitate flexibility in meeting funding requirements. Incremental operations in the domestic market are principally funded by accepting deposits from retail and corporate depositors. The deposits are augmented by borrowings in the short-term inter-bank market and through the issuance of bonds. Loan maturities and sale of investments also provide liquidity. Most of the funds raised are used to extend loans or purchase securities. Generally, deposits have a shorter average maturity than loans or investments. Our international branches are primarily funded by debt capital market issuances, syndicated loans, bilateral loans and bank lines, while our international subsidiaries raise deposits in their local markets.

### **Operational Risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes legal risk but excludes strategic and reputation risks. Operational risks in the Bank are managed through a comprehensive internal control framework. The control framework is designed based on categorisation of all functions into front-office, comprising business groups; mid-office, comprising credit and treasury mid-offices; back-office, comprising operations; and corporate and support functions.

ICICI Bank's operational risk management governance and framework risk is defined in the Operational Risk Management Policy, approved by the Board of Directors. While the policy provides a broad framework, detailed standard operating procedures for operational risk management processes are established. The policy is applicable across the Bank including overseas branches and aims to ensure clear accountability, responsibility and mitigation of operational risk. We have constituted an Operational Risk Management Committee (ORMC) to oversee the implementation of the Operational Risk Management framework. The policy specifies the composition, roles and responsibilities of ORMC. The framework comprises identification and assessment of risks and controls, new products and processes approval framework, measurement through incidents and exposure reporting, monitoring through key risk indicators and mitigation through process and control enhancement and insurance. We have formed an independent Operational Risk Management Group for design, implementation and enhancement of the operational risk framework and to support business and operation groups in carrying out operational risk management.

### **Compliance**

The Bank has a dedicated compliance group for ensuring regulatory compliance across all its businesses and operations. The key functions of this group include identification and assessment and compliance related matters, review of new products and processes from a regulatory compliance perspective and ongoing monitoring and reporting. The Bank has also put in place a group wide anti-money laundering policy approved by the Board of Directors and Know Your Customer and transaction monitoring procedures as per RBI guidelines. The Bank reviews these policies and procedures from time to time.

### **TREASURY**

Our treasury operations are structured along the balance sheet management function, the client-related corporate markets business and the proprietary trading activity.

During fiscal 2010, financial markets stabilised to a significant extent but continued to remain volatile based on global developments. The government bond markets witnessed an 80 basis points increase in benchmark yields following the large government borrowing programme, emergence of inflationary concerns and the initiation of withdrawal from an accommodative monetary policy stance. Our balance sheet management function during fiscal 2010 continued to actively manage the government securities portfolio held for compliance with SLR norms to optimise the yield on this portfolio, while maintaining an appropriate portfolio duration given the volatile interest rate environment. The focus of our proprietary trading operations was to maximise profits from positions across key markets including corporate bonds, government securities, interest rate swap, equity and foreign exchange markets while building new and alternate channels of revenue. During fiscal 2010, we built a strategic credit book

in the corporate bonds segment and procured sole arranger status in most of the primary market transactions sourced by us. The Bank's overseas branches and subsidiaries also invest in credit derivatives with investments in this portfolio representing exposures to Indian corporates.

We provide foreign exchange and derivative products and services to our customers through our Global Markets Group. These products and services include foreign exchange products for hedging currency risk, foreign exchange and interest rate derivatives like options and swaps and bullion transactions. We also hedge our own market risks related to these products with banking counterparties.

## HUMAN RESOURCES

"Leadership through service" has been identified as a core value proposition of the Bank's business strategy. This entails achieving service excellence at our branches and enhancing customer service skills among our employees. In line with the above strategy, the Bank continued its endeavour to enhance its human resources capability and invest in skill development and training of its employees along with initiatives to enhance employee engagement. Developing appropriate skill sets for our client facing employees has been a key focus area. Skill enhancement of our employees has been achieved under the aegis of various learning academies. During fiscal 2010, we also continued to focus on providing functional training to our employees through various simulations, game-based modules and e-learning programmes. The Bank has achieved considerable success in this regard. Our Client Sales Simulator, launched during fiscal 2010 also won a silver award in the prestigious Brandon Hall Excellence in Learning Awards in the category of "Best use of games for learning".

One of the core differentiators for the Bank has been the availability of a robust leadership talent pool. The Bank continues to invest in deepening the leadership pool through various interventions including talent identification and development, providing employees with challenging opportunities at an early stage of their career and exposing such employees to world class leadership practices. As a recognition of the Bank's world class leadership practice, the Bank was ranked first in the Asia Pacific region and fifth globally in the "Top Companies for Leaders" survey conducted by Hewitt Associates, the RBL Group and Fortune Magazine.

## INFORMATION TECHNOLOGY

Our information technology strategy focuses on increasing customer convenience by targeting a 24x7 service window, reducing customer complaints, and increasing turnaround and resolution timeframes.

During fiscal 2010, we implemented several customer centric technology initiatives including customer account number portability across branches and electronic fund transfer for global customers for remittances to non-ICICI beneficiaries in India. We also implemented new modules in our private banking system to manage the customer life-cycle and offer a consolidated view of the client's portfolio. We also continued to build technology capabilities to improve our existing processes and capabilities. During fiscal 2010, new systems in information security were implemented to enhance online banking security and mitigate web based frauds. The technology infrastructure was also upgraded to service increasing business requirements. We also acquired a comprehensive set of data center management and automation software to service the increasing complexity and scale of operations at our data centers. During fiscal 2010, initiatives were also undertaken to consolidate existing applications and transfer data centre technology assets to virtual platforms. We also initiated the construction of two new high density and high efficiency data centres to cater to future requirements.

## KEY SUBSIDIARIES

### *ICICI Prudential Life Insurance Company*

ICICI Prudential Life Insurance Company (ICICI Life) maintained its market leadership in the private sector with an overall market share of 9.3% based on retail new business weighted received premium in fiscal 2010. ICICI Life's total premium increased by 7.7% to Rs. 165.32 billion in fiscal 2010 with renewal premiums increasing by 19.4%. ICICI Life's new business annualised premium equivalent was Rs. 53.45 billion in fiscal 2010. ICICI Life achieved its first year of accounting profits since inception in fiscal 2010 with a profit after tax of Rs. 2.58 billion. The expense ratio has decreased from 11.8% in fiscal 2009 to 9.1% in fiscal 2010. Assets held at March 31, 2010 were Rs. 573.19 billion compared to Rs. 327.88 billion at March 31, 2009.

ICICI Life's unaudited New Business Profit in fiscal 2010 was Rs. 10.15 billion. Life insurance companies make accounting losses in initial years due to business set-up and customer acquisition costs in the initial years and reserving for actuarial liability. Further, in India, amortisation of acquisition costs is not permitted. These factors resulted in statutory losses for ICICI Life since the company's inception till fiscal 2009. If properly priced, life insurance policies are profitable over the life of the policy, but at the time of sale, there is a loss on account of non-amortised expenses and commissions, generally termed as new business strain that emerges out of new business written during the year. New Business Profit is an alternate measure of the underlying business profitability (as opposed to the statutory profit or loss) and is the present value of the profits of the new business written during the year. It is based on standard economic and non-economic assumptions including risk discount rates, investment returns, mortality, expenses and persistency assumptions.

#### ***ICICI Lombard General Insurance Company***

ICICI Lombard General Insurance Company (ICICI General) maintained its leadership in the private sector with an overall market share of 9.5% in fiscal 2010. ICICI General's gross written premium during fiscal 2010 was Rs. 34.32 billion. The industry continued to witness a slowdown in growth on account of de-tariffication of the general insurance industry whereby insurance premiums were freed from price controls, resulting in a significant reduction in premium rates. The industry also continued to witness the impact of motor third party insurance pool for third party insurance of commercial vehicles. ICICI General achieved a profit after tax of Rs. 1.44 billion in fiscal 2010 compared to Rs. 0.24 billion in fiscal 2009.

#### ***ICICI Prudential Asset Management Company***

ICICI Prudential Asset Management Company (ICICI AMC) was the third largest asset management company in India. The average assets under management of ICICI AMC increased from Rs. 514.56 billion for March 2009 to Rs. 810.18 billion for March 2010. ICICI Prudential AMC achieved a profit after tax of Rs. 1.28 billion in fiscal 2010 compared to Rs. 7.1 million in fiscal 2009.

#### ***ICICI Venture Funds Management Company Limited***

ICICI Venture Funds Management Company Limited (ICICI Venture) maintained its leadership position in private equity in India, with funds under management of about Rs. 114.40 billion at year-end fiscal 2010. ICICI Venture achieved a profit after tax of Rs. 515.2 million in fiscal 2010 compared to Rs. 1.48 billion in fiscal 2009. The profit for fiscal 2009 includes gains from the sale of stake in TSI Venture.

#### ***ICICI Securities Limited and ICICI Securities Primary Dealership Limited***

ICICI Securities achieved a profit after tax of Rs. 1.23 billion in fiscal 2010 compared to Rs. 0.04 billion in fiscal 2009. ICICI Securities Primary Dealership achieved a profit after tax of Rs. 849.8 million in fiscal 2010 despite the significant increase in yields on government securities, as compared to a profit after tax of Rs. 2.72 billion in fiscal 2009.

#### ***ICICI Bank UK PLC***

ICICI Bank UK PLC (ICICI Bank UK) offers retail and corporate and investment banking services in the UK and Europe. During fiscal 2010, ICICI Bank UK continued to focus on rebalancing its deposit base towards retail term deposits and the proportion of retail term deposits in total deposits increased from 58% at March 31, 2009 to 66% at March 31, 2010. ICICI Bank UK's profit after tax for fiscal 2010 was USD 37.0 million compared to US\$ 6.8 million in fiscal 2009. ICICI Bank UK's capital position continued to be strong with a capital adequacy ratio of 17.3% at March 31, 2010.

#### ***ICICI Bank Canada***

ICICI Bank Canada is a full-service bank which offers a wide range of financial solutions to cater to personal, commercial, corporate, investment, treasury and trade requirements. ICICI Bank Canada's profit after tax for fiscal 2010 was CAD 35.4 million compared to CAD 33.9 million in fiscal 2009. At March 31, 2010, ICICI Bank Canada had total advances of CAD 3.89 billion and total assets of CAD 5.68 billion. ICICI Bank Canada's capital position continued to be strong with a capital adequacy ratio of 23.4% at March 31, 2010.



## KEY RISKS

We have included statements in this annual report which contain words or phrases such as ‘will’, ‘expected to’, etc., and similar expressions or variations of such expressions, may constitute ‘forward-looking statements’. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results, opportunities and growth potential to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, the actual growth in demand for banking and other financial products and services in the countries that we operate or where a material number of our customers reside, our ability to successfully implement our strategy, including our use of the Internet and other technology, our rural expansion, our exploration of merger and acquisition opportunities both in and outside of India, our ability to integrate recent or future mergers or acquisitions into our operations and manage the risks associated with such acquisitions to achieve our strategic and financial objectives, our ability to manage the increased complexity of the risks we face following our rapid international growth, future levels of impaired loans, our growth and expansion in domestic and overseas markets, the adequacy of our allowance for credit and investment losses, technological changes, investment income, our ability to market new products, cash flow projections, the outcome of any legal, tax or regulatory proceedings in India and in other jurisdictions we are or become a party to, the future impact of new accounting standards, our ability to implement our dividend policy, the impact of changes in banking regulations and other regulatory changes in India and other jurisdictions on us, the state of the global financial system and other systemic risks, the bond and loan market conditions and availability of liquidity amongst the investor community in these markets, the nature of credit spreads, interest spreads from time to time, including the possibility of increasing credit spreads or interest rates, our ability to roll over our short-term funding sources and our exposure to credit, market and liquidity risks.

## CREDIT RATINGS

ICICI Bank’s credit ratings by various credit rating agencies at March 31, 2010 are given below:

Agency	Rating
Moody’s Investor Service (Moody’s)	Baa2 <sup>1</sup>
Standard & Poor’s (S&P)	BBB- <sup>1</sup>
Credit Analysis & Research Limited (CARE)	CARE AAA
Investment Information and Credit Rating Agency (ICRA)	AAA
CRISIL Limited	AAA
Japan Credit Rating Agency (JCRA)	BBB+ <sup>1</sup>

1. Senior foreign currency debt ratings.

The outlook on ratings from all credit rating agencies is Stable except for a Negative outlook by CRISIL on the Banks Upper Tier II and Tier I perpetual bonds.

## PUBLIC RECOGNITION

The Bank received several awards during fiscal 2010, including the following:

- The Bank was ranked 45th in the 2010 BrandZ Top 100 Most Valuable Global Brands report, becoming the first and only Indian company to feature in this list
- The Bank was ranked first in the Asia Pacific region and fifth globally in the “Top Companies for Leaders” survey conducted by Hewitt Associates, the RBL Group and Fortune Magazine
- “Most Admired Knowledge Enterprises (MAKE) India Award” by Teleos in association with the Know Network
- “Excellence in Learning” by Brandon Hall

- “Best Trade Finance Bank” (India) and “Best Foreign Exchange Bank” (India) by Finance Asia
- “House of the Year” by Asia Risk magazine
- “Best Domestic Bank” (India) and “Best Derivative House” (India) by Asset Triple A
- “Best Super-Affluent Bank” (India), “Best Fixed Income Portfolio Management”, “Best Lending/Financing Solutions”, “Best Precious Metals Investment”, “Best Private Equity Investment”, “Best Specialised Services–Entrepreneurs”, “Best FX/Rates Derivatives Supplier” by Euromoney
- “Best NRI Services Bank”, “Excellence in Private Banking” (APAC) and “Excellence in Remittance Business” by World Finance
- “Excellence in SME Banking” and “Best E-Banking Project Implementation” by the Asian Banker
- “Best Initiatives in Mobile Payments and Banking” by IDRBT
- “Excellence in Six Sigma”, second prize by the Indian Statistical Institute
- “Most preferred auto loan” and “Most preferred credit card” by CNBC Awaaz



# Promoting Inclusive Growth

## 1. Background

Carrying forward its long history of working for India's development, the ICICI Group is working to create conditions for the empowerment of the socially and economically disadvantaged. We strive to make a difference to our customers, society and the nation's development directly through our products, services and business operations, as well as through outreach with civil society in the communities we serve.

## 2. ICICI Foundation for Inclusive Growth

In January 2008, the ICICI Group established the ICICI Foundation for Inclusive Growth (ICICI Foundation). ICICI Foundation's mission is to create and support strong independent organisations that work towards empowering the poor to participate in and benefit from the Indian growth process. Since its inception, ICICI Foundation has taken forward the ICICI Group's existing initiatives in the areas of primary health, elementary education and access to finance and supported new initiatives in the areas of civil society and environmental sustainability. ICICI Bank and its subsidiaries have, till year-end fiscal 2010, provided grants aggregating Rs. 854.0 million to ICICI Foundation.

### i. Areas of focus

- a) **Primary health:** Through the ICICI Centre for Child Health and Nutrition (ICICI Child Health) ([www.icchn.org.in](http://www.icchn.org.in)) in Pune, ICICI Foundation seeks to support mothers and children in the poorest communities across India through improvements in government health systems.

In Ranchi district, Jharkhand, ICICI Child Health has worked in partnership with Krishi Gram Vikas Kendra, Child in Need Institute and the Government of Jharkhand to reduce the number of babies born with low birth weight. Village Health Committees (VHCs) and voluntary health workers (Sahiyyas) were developed that work together to help improve access to health services and the functioning of health centres, through organising medical camps, awareness campaigns and building roads to ensure reach of mobile medical vans to remote areas. This five-year initiative has covered 200,000 women, newborns up to one year of age and adolescents in two blocks of Ranchi district. The VHC and Sahiyya models have been adopted by the State Government for larger health sector reforms.

In Bihar, ICICI Child Health has worked with the Public Health Resource Network and the National Health Systems Resource Centre to support preparation of District Health Action Plans in all 38 districts of the state for fiscal 2011. ICICI Child Health has also conducted extensive capacity building training right up to the block level in Bhagalpur district.

Through the City Initiative for Child Health in Mumbai, ICICI Child Health partnered with Bombay Municipal Corporation (BMC) to improve antenatal, postnatal and neonatal care in public health facilities in eight wards of the city and improved the quality of service accessed by 400,000 households in 48 slum communities. BMC has subsequently replicated the project across the city's western suburbs.

- b) **Elementary education:** Through the ICICI Centre for Elementary Education (ICICI Elementary Education) ([www.icee.org.in](http://www.icee.org.in)) in Pune, ICICI Foundation seeks to support the transformation of student learning by focusing on quality of learning at government-run pre-schools and elementary schools across India. Among other activities, ICICI Elementary Education works to improve the support available to teachers, to accurately measure performance of schools and students and strengthen capabilities of state and district functionaries.

In partnership with the State of Chhattisgarh since it was constituted in 2002, ICICI Elementary Education has taken on the task of developing school curriculum and textbooks, teacher training and issues relating to the improvement of quality of school education. In the district of Baran, Rajasthan, ICICI Elementary Education has worked with the Vidya Bhawan Education Resource Centre and

the Government of Rajasthan to strengthen and improve the quality of the government system of elementary education. ICICI Elementary Education is strengthening the capacity of district level institutions and providing training and in-classroom support for teachers in 78 schools, aiming to improve the quality of education for 450,000 children.

ICICI Elementary Education has supported the development of the MA Education (Elementary) course at the Tata Institute for Social Sciences, Mumbai, aiming to enhance knowledge and skills that are relevant to strengthening elementary education. Since the inception of the programme, two batches of 25 students each have been admitted.

- c) **Access to finance:** In addition to the ICICI Group's direct work in the area of financial inclusion, which is described subsequently, ICICI Foundation has supported the IFMR Finance Foundation ([www.ifmrfoundation.org.in](http://www.ifmrfoundation.org.in)) in projects to develop models for enhancing access to financial services among low-income communities in rural and urban areas. IFMR Finance Foundation works with partners like Aajeevika Bureau (for migrants) and Kshetriya Gramin Financial Services (for remote rural geographies). It has also participated in product development and training efforts for local financial institutions covering micro money market mutual funds, livestock insurance, emergency loans and weather insurance. It also works on strengthening risk management capabilities of local financial institutions and has currently focused on access to debt securitisation markets for Micro Finance Institutions (MFIs). IFMR Finance Foundation has worked with partners to develop recommendations to strengthen the policy environment for financial inclusion in India.
- d) **Civil society:** Through its support to CSO Partners ([www.csopartners.org.in](http://www.csopartners.org.in)) in Chennai, ICICI Foundation supports civil society organisations across India by enabling them to tap into new resources and networks of support. CSO Partners provides human and financial resources to NGOs and creates platforms for individuals, corporates and government to engage with NGOs.

**Corporate Disaster Resource Network (CDRN):** CDRN is a web-based supply chain management system that enables relief agencies, first responders and local governments to highlight their immediate resource needs and access response offers from potential product suppliers, donors and volunteers. Currently, it has 300 NGOs and 5,000 corporate organisations as members. CDRN is a joint initiative of CSO Partners, the National Disaster Management Authority and Aidmatrix.

**NGO Marketplace:** NGO Marketplace is an online portal providing national networking opportunities for the social sector in India. The intent is to facilitate collaborative work and networking by NGOs with other civil society organisations as well as donors, social contributors, researchers, policymakers and other stakeholders.

The ICICI Group has supported GiveIndia ([www.GiveIndia.org](http://www.GiveIndia.org)), an online platform to enable individuals to support social causes and in turn garner funds for India's social sector. GiveIndia has cumulatively raised over Rs. 800.0 million for over 200 NGOs; last year alone it raised approximately Rs. 270.0 million. GiveIndia eventually aims to raise Rs. 3.00 billion annually to support NGOs across India.

- e) **Environmental sustainability:** ICICI Foundation has supported the Environmentally Sustainable Finance group at the Centre for Development Finance at IFMR (<http://ifmr-cdf.in>), in Chennai. One example of the group's work is the Environmental Sustainability Index ([www.greenindiastandards.com](http://www.greenindiastandards.com)), an index ranking the environmental performances of Indian states, which policymakers are using as a diagnostic tool for planning better environmental policies.

In addition, ICICI Foundation works with ICICI Bank and its subsidiaries in the formulation and execution of their social responsibility activities.

### **3. Serving communities in partnership with civil society**

#### **i. Read to Lead**

Launched in 2008, ICICI Bank's Read to Lead programme invests in India's future by facilitating access to elementary education for 100,000 underprivileged children from 6-14 years of age. Read to Lead is an initiative across 14 states - Andhra Pradesh, Bihar, Delhi, Gujarat, Haryana, Jharkhand, Karnataka, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Tripura, Uttar Pradesh and West Bengal. To ensure effective programme design and implementation, ICICI Bank has partnered with 30 NGOs chosen on the basis of their experience in the field of education, ideologies, sustainability of their models and outreach. Read to Lead provides materials such as uniforms, bags, books and stationery for students, supports workshops and training programmes for teachers, offers health and nutritional support for children and supports bridge schools to re-enrol school drop-outs in mainstream education.

#### **ii. ICICI Fellows**

'ICICI Fellows' ([www.icicifellows.org](http://www.icicifellows.org)), launched in November 2009, aims to create a cadre of socially responsible leaders for India. It is a two-year fellowship that includes experiential learning in semi-rural or semi-urban India, as well as management training and leadership development through personalised coaching and mentorship.

#### **iii. Payroll giving**

Since 2003, ICICI Bank has facilitated employee donations to social causes through GiveIndia ([www.Giveindia.org](http://www.Giveindia.org)). Currently, close to 5,000 Bank employees participate in the payroll-giving programme, which allows them to donate a part of their salary every month to a cause of their choice.

#### **iv. Employee volunteering**

Given that there are a number of civil society organisations that could benefit from the skills of ICICI Bank's employees, the Bank has been working with iVolunteer ([www.ivolunteer.in](http://www.ivolunteer.in)) to offer a number of options for the Bank's employees to volunteer with NGOs.

#### **v. Disaster relief and rehabilitation**

##### **a) Flood rehabilitation in Bihar, Orissa and West Bengal**

Following the floods that affected districts of Bihar, West Bengal and Orissa in 2008, ICICI Bank's online appeal mobilised Rs. 31.7 million from more than 55,000 Internet banking customers. ICICI Group companies and their employees contributed an additional Rs.106.5 million. The Group programme includes interventions to strengthen communities' capacity to deal with future disasters by setting up sustainable livelihood systems and promoting a culture of disaster preparedness that will enable communities to recover more rapidly and successfully from disasters. In addition, initiatives have been tailored to protect and nurture the children of the community, as they are the most vulnerable. The programme covered 425 villages and over 66,500 households in three states (Bihar, Orissa, and West Bengal), with 160 children's groups formed, providing over 3,200 children with training on community-based disaster risk reduction. In Bihar, 170 Village Disaster and Risk Management Teams (VDRMT) have been formed, which are frontline teams in charge of developing and establishing community-based disaster preparedness plans and leading rehabilitation and restoration measures when disaster strikes. Other aspects of the programme include building 11 Child Friendly Flood Shelters (CFFS) that can accommodate at least 1,000 people with water and sanitation systems and a first aid emergency medical room.

##### **b) Flood relief in Andhra Pradesh and Karnataka**

Following the devastating floods in Andhra Pradesh and Karnataka in October 2009, ICICI Bank's employees contributed one day's salary towards the cause, a total of Rs. 18.7 million. This was further matched by the Bank for a total of Rs. 37.4 million, which was given to the Andhra Pradesh Chief Minister's Relief Fund and the Karnataka Chief Ministers' Relief Fund.

#### 4. Improving access to financial services

To provide access to financial services for low-income and other under-served customer, the ICICI Group has undertaken a range of initiatives. For ICICI Bank, financial inclusion initiatives have been a part of its core business strategy, being achieved through different channels and technologies. Financial Innovation & Network Operations (FINO), a company sponsored by the ICICI Group, is working with a number of players in the financial sector for customer acquisition and servicing using the smart card model. Total enrolments of FINO have crossed 14 million covering 233 districts in 21 states, through tie-up with 21 banks, three insurance companies, seven government entities and 20 MFIs. ICICI Bank's Self Help Group (SHG) and-micro lending programmes facilitate access to financial services for low-income rural households. With a micro lending book of Rs. 34.17 billion, ICICI Bank's micro lending initiative reached more than 4.0 million low-income households in India this year. The Bank's Small Enterprises Group reaches out to nearly a million small and medium enterprises across the country, offering solutions using multiple low cost channels like the Internet, dedicated call center teams, mobile banking, ATMs, debit and credit cards, as well as branch networks. The Bank met its priority sector lending and direct agriculture lending targets for fiscal 2010, and at March 26, 2010, total priority sector lending advances of Rs. 626.98 billion were 51.3% of the residual adjusted net bank credit (RANBC) against the regulatory target of 50.0% of RANBC, while direct agriculture advances at Rs. 173.29 billion represented 14.2% of RANBC, higher than the regulatory target of 13.5%.

ICICI Prudential Life Insurance Company (ICICI Life) provides micro-insurance to low-income population. Its micro insurance product for rural population, Sarv Jana Suraksha, provides insurance for a minimal premium of Rs. 50 per annum. More than 330,000 policies have been issued during fiscal 2010. In collaboration with the Micro Insurance Innovation Facility of the International Labour Organisation, ICICI Life has adopted a multi-pronged approach to address financial inclusion among the tea labour community in Assam. It developed and launched Anmol Nivesh, a unique savings cum insurance debt linked product with special features like flexibility in premiums, a customised delivery model and innovative consumer education.

ICICI Lombard General Insurance Company (ICICI General) has partnered with various central and state government ministries/agencies to offer insurance coverage under schemes like the Rashtriya Swasthya Bima Yojana (RSBY) for below poverty line workers in the unorganised sector; insurance scheme for weavers; and the Rajiv Gandhi Shilpi Swasthya Bima Yojana for handicraft artisans. The company has covered over 8.0 million families under these schemes. ICICI General has pioneered the introduction of weather insurance in India and works with a number of financial intermediaries to deliver weather insurance in 14 states.

#### 5. Protecting the environment

##### i. Clean technology initiatives

ICICI Bank's Technology Finance Group (TFG) implements programmes for multilateral agencies in areas of collaborative research and development (R&D), energy, environment and healthcare. TFG's initiatives include efforts to attract and channel private financing into cleaner technologies, to create public-private partnerships to mitigate greenhouse gas emissions through energy efficiency and to promote sustainable development.

TFG assisted in the introduction of codes of environmental management (ISO 14000) to the country. It also supported clean coal concepts like coal washeries and coal bed methane for the first time in the country. TFG supported the first passenger electric car in India (Reva), currently being exported to the UK and 17 other countries. It also supported the introduction of municipal shared savings concept through the energy service company (ESCO) route, which help save expenditure for street lighting and water pumping. Another significant initiative was the introduction of green rating of buildings through setting up of CII's Green Business Centre (GBC). The GBC now has 350 million square feet of floor space registered for green rating that will save energy, water and emissions.

Other prominent projects assisted include waste heat recovery at smelting operations, power distribution reforms to reduce transmission and distribution losses in utilities and biomass cogeneration. TFG has also partnered with the Indian Army to assist 25 resource conservation and biodiversity protection projects in different geographies of the country.

## ii. Go Green

ICICI Bank's 'Go Green' initiative aims to move processes and customers to environment friendly, cost-efficient operational platforms and build awareness about the environment among customers and employees.

- a) **Reducing energy and paper consumption:** Through 'Go Green', ICICI Bank has significantly reduced consumption of energy and paper by encouraging paperless transactions and communication, using CFL lighting and regulating AC temperatures across all our offices and branches.
- b) **Green products and services:** ICICI Bank offers discounts in processing fees for customers opting for energy-efficient vehicles. Processing fees are reduced for those who purchase homes in 'Leadership in Energy and Environmental Design' certified buildings.
- c) **Engaging and educating employees and customers:** As part of 'Go Green,' ICICI Bank has conducted green-themed events and contests to spread awareness about environment friendly practices. 'Chlorophyll' is ICICI Bank's monthly internal newsletter launched in September 2009 covering perspectives of senior management, initiatives within the ICICI Group, updates on global environmental developments and tips to help employees contribute towards environmental conservation. ICICI Bank has pledged its support to the World Wildlife Federation-led Earth Hour by switching of all lights in its premises, branches and ATMs for one hour. ICICI Bank also celebrated World Environment Day on June 5, 2009, an occasion when branch staff and customers took the green pledge, planted and distributed saplings and conducted other events.

## 6. Other initiatives by ICICI Group companies

Project Dignity Millions is an initiative of ICICI Life that aims to expand the reach of the Dignity Foundation, an NGO serving senior citizens, with a target to have one million members across India by 2019. ICICI Life has provided capacity building support, including strengthening infrastructure and technology to the Dignity Foundation to facilitate user-friendly services and help senior citizens lead an active and productive life.

"Healthy Lokshakti" is an initiative by ICICI General to enhance the health of mothers and children (0-1 year) in partnership with the National Rural Health Mission (NRHM) and Integrated Child Development Services (ICDS). The programme is being piloted in two tribal blocks in Nasik district of Maharashtra and is implemented by Vachan, an NGO, with support from Bhavishya Alliance. A health helpline and transportation facilities for emergency care are being set up to link the communities, grassroots health workers and healthcare institutions.

ICICI Securities supports the Mukhtangan Education Initiative, a partnership begun in 2003 by the Paragon Charitable Trust and the Municipal Corporation of Greater Mumbai (MCGM). Mukhtangan is seeking to create a sustainable community based, child-centred, inclusive and low cost model. ICICI Securities has also supported the School Partnership Project of Doorstep School, which imparts age-appropriate literacy skills for out-of-school children in the age group of 4 to 18 years and facilitates their entry and continuance in mainstream education.



# Management's Discussion & Analysis

## BACKGROUND

The economic environment in India improved significantly during fiscal 2010 with growth reviving following the moderation in fiscal 2009. The Index of Industrial Production increased by 10.4% during fiscal 2010 compared to 2.7% during fiscal 2009. Exports growth also turned positive from October 2009 after declining for 12 consecutive months. Net FII inflows into India revived to US\$ 23.6 billion during April-December 2009 compared to net outflows of US\$ 11.3 billion during the corresponding period in the previous year. The growth in gross domestic product (GDP) during the first half of fiscal 2010 was 7.0% compared to 6.0% during the second half of fiscal 2009. During the third quarter of fiscal 2010, GDP growth moderated to 6.0% mainly due to a 2.8% decline in agricultural output following below normal monsoons, and moderation in services sector growth to 6.6%. The Central Statistical Organisation (CSO) has placed advance estimates of GDP growth for fiscal 2010 at 7.2%.

During the second half of fiscal 2010, inflationary pressures increased driven largely by food price inflation. Inflation as measured by the wholesale price index increased from a low of -1.0% in June 2009 to 9.9% in March 2010. In view of inflationary pressures and the recovery in economic activity, the Reserve Bank of India (RBI) commenced the exit of the accommodative stance adopted in response to the global financial crisis. RBI increased the statutory liquidity ratio (SLR) by 100 basis points from 24.0% to 25.0% in October 2009, the cash reserve ratio (CRR) by 75 basis points to 5.75% in February 2010 and the repo and reverse repo rates by 25 basis points each to 5.0% and 3.5% respectively in March 2010. The RBI in its annual policy review in April 2010 announced a further increase of 25 basis points each in CRR to 6.0%, repo rate to 5.25% and reverse repo rate to 3.75%. As a result of inflationary concerns, increased policy rates and the large government borrowing programme, the yield on 10-year government securities increased by 81 basis points from 7.01% at March 31, 2009 to 7.82% at March 31, 2010. During fiscal 2010, equity markets recovered significantly with the BSE Sensex increasing by 80.5% from 9,709 at March 31, 2009 to 17,528 at March 31, 2010. The rupee appreciated from Rs. 51.0 per US dollar at year-end fiscal 2009 to Rs. 45.1 per US dollar at year-end fiscal 2010.

The trends in the economy were also reflected in the banking sector. Non-food credit growth at end December 2009 was 12.7% on a year-on-year basis as compared to 17.8% at March 2009. There was some revival in credit growth during the fourth quarter of fiscal 2010 with non-food credit growth reaching 16.9% at end-fiscal 2010. Growth in total deposits moderated from 19.9% on a year-on-year basis at end-fiscal 2009 to 17.0% at year-end fiscal 2010. The moderation was due to a lower growth of 16.2% in term deposits during fiscal 2010 compared to 23.9% in fiscal 2009 while demand deposits increased by 22.2% compared to a decline of 0.2% in fiscal 2009.

## STANDALONE FINANCIALS AS PER INDIAN GAAP

### Summary

During fiscal 2010, we accorded priority to improving our low cost deposit base, conserving capital, improving cost efficiency and improving our credit quality. The key elements of our strategy for fiscal 2011 will include continued growth in CASA and retail term deposits, capitalising on opportunities in select asset segments including home loans, other secured retail loans, project finance and commercial banking activities, maintaining cost efficiency even as absolute level of expenses is expected to increase in line with business growth and continued focus on reduction in credit losses.

Profit before provisions and tax increased by 9.0% from Rs. 89.25 billion in fiscal 2009 to Rs. 97.32 billion in fiscal 2010 primarily due to an increase in treasury income from Rs. 4.43 billion in fiscal 2009 to Rs. 11.81 billion in fiscal 2010 and a 16.8% decrease in non-interest expenses from Rs. 70.45 billion in fiscal 2009 to Rs. 58.60 billion in fiscal 2010, offset, in part, by a 3.0% decrease in net interest income from Rs. 83.67 billion in fiscal 2009 to Rs. 81.14 billion in fiscal 2010 and a 13.4% decrease in fee income from Rs. 65.24 billion in fiscal 2009 to Rs. 56.50 billion in fiscal 2010. Provisions and contingencies (excluding provision for tax) increased by 15.2% from Rs. 38.08 billion in fiscal 2009 to Rs. 43.87 billion in fiscal 2010 due to a higher level of specific provisioning on non-performing retail loans and restructured corporate loans. Profit before tax increased by 4.5% from Rs. 51.17 billion in fiscal 2009 to Rs. 53.45 billion in fiscal 2010. Tax provision decreased from Rs. 13.59 billion in fiscal 2009 to Rs. 13.20 billion in fiscal 2010 primarily due to a change in the mix of taxable profits with a higher component of exempt income, abolition of fringe benefit tax, offset, in part, by a negative impact of revaluation of deferred

tax asset due to reduction in surcharge from 10.0% to 7.5% vide Finance Act, 2010. Profit after tax increased by 7.1% from Rs. 37.58 billion in fiscal 2009 to Rs. 40.25 billion in fiscal 2010.

Net interest income decreased by 3.0% from Rs. 83.67 billion in fiscal 2009 to Rs. 81.14 billion in fiscal 2010, primarily due to a decrease in average interest-earning assets by 5.1% from Rs. 3,436.20 billion in fiscal 2009 to Rs. 3,259.66 billion in fiscal 2010, offset, in part, by an increase in the net interest margin from 2.4% in fiscal 2009 to 2.5% in fiscal 2010.

Non-interest income decreased by 1.6% from Rs. 76.03 billion in fiscal 2009 to Rs. 74.78 billion in fiscal 2010, primarily due to a decrease in fee income by 13.4% from Rs. 65.24 billion in fiscal 2009 to Rs. 56.50 billion in fiscal 2010, offset, in part by an increase in treasury income from Rs. 4.43 billion in fiscal 2009 to Rs. 11.81 billion in fiscal 2010.

Non-interest expense decreased by 16.8% from Rs. 70.45 billion in fiscal 2009 to Rs. 58.60 billion in fiscal 2010, primarily due to a decrease in direct marketing agency expenses from Rs. 5.29 billion in fiscal 2009 to Rs. 1.25 billion in fiscal 2010 and a reduction in salary and other operating expenses from Rs. 65.16 billion in fiscal 2009 to Rs. 57.35 billion in fiscal 2010 on account of overall cost reduction initiatives undertaken by us.

Provisions and contingencies (excluding provision for tax) increased by 15.2% from Rs. 38.08 billion in fiscal 2009 to Rs. 43.87 billion in fiscal 2010 primarily due to a higher level of specific provisioning on non-performing retail loans and restructured corporate loans. The increase in provisions for retail non-performing assets was primarily on account of seasoning of the secured loan portfolio, losses on the unsecured loan portfolio, challenges in collections and the impact of adverse macro-economic environment experienced in fiscal 2009.

Total assets decreased by 4.2% from Rs. 3,793.01 billion at year-end fiscal 2009 to Rs. 3,634.00 billion at year-end fiscal 2010, primarily due to a decrease in advances by Rs. 371.05 billion, offset, in part, by an increase in investments by Rs. 178.35 billion.

### Operating results data

The following table sets forth, for the periods indicated, the operating results data.

Rs. in billion, except percentages

	Fiscal 2009	Fiscal 2010	% change
Interest income	Rs. 310.93	<b>Rs. 257.07</b>	(17.3)
Interest expense	227.26	<b>175.93</b>	(22.6)
Net interest income	83.67	<b>81.14</b>	(3.0)
Non-interest income	76.03	<b>74.78</b>	(1.6)
- Fee income <sup>1</sup>	65.24	<b>56.50</b>	(13.4)
- Treasury income	4.43	<b>11.81</b>	166.6
- Lease income	2.33	<b>1.57</b>	(32.6)
- Others	4.03	<b>4.90</b>	21.6
<b>Operating income</b>	<b>159.70</b>	<b>155.92</b>	<b>(2.4)</b>
Operating expenses	63.06	<b>55.93</b>	(11.3)
Direct marketing agency (DMA) expense <sup>2</sup>	5.29	<b>1.25</b>	(76.4)
Lease depreciation, net of lease equalisation	2.10	<b>1.42</b>	(32.4)
<b>Operating profit</b>	<b>89.25</b>	<b>97.32</b>	<b>9.0</b>
Provisions, net of write-backs	38.08	<b>43.87</b>	15.2
<b>Profit before tax</b>	<b>51.17</b>	<b>53.45</b>	<b>4.5</b>
Tax, net of deferred tax	13.59	<b>13.20</b>	2.9
<b>Profit after tax</b>	<b>Rs. 37.58</b>	<b>Rs. 40.25</b>	<b>7.1</b>

1. Includes merchant foreign exchange income and margin on customer derivative transactions.

2. Represents commissions paid to direct marketing agents (DMAs) for origination of retail loans. These commissions are expensed upfront.

3. All amounts have been rounded off to the nearest Rs. 10.0 million.

4. Prior period figures have been re-grouped/re-arranged, where necessary.



### Key ratios

The following table sets forth, for the periods indicated, the key financial ratios.

	Fiscal 2009	Fiscal 2010
Return on average equity (%) <sup>1</sup>	7.7	<b>7.9</b>
Return on average assets (%) <sup>2</sup>	1.0	<b>1.1</b>
Earnings per share (Rs.)	33.8	<b>36.1</b>
Book value per share (Rs.)	444.9	<b>463.0</b>
Fee to income (%)	41.4	<b>36.6</b>
Cost to income (%) <sup>3</sup>	43.4	<b>37.0</b>

1. Return on average equity is the ratio of the net profit after tax to the quarterly average equity and reserves.
2. Return on average assets is the ratio of net profit after tax to average assets. The average balances are the averages of daily balances, except averages of foreign branches which are calculated on monthly basis.
3. Cost represents operating expense including DMA cost which is expensed upfront but excluding lease depreciation. Income represents net interest income and non-interest income and is net of lease depreciation.

### Net interest income and spread analysis

The following table sets forth, for the periods indicated, the net interest income and spread analysis.

Rs. in billion, except percentages

	Fiscal 2009	Fiscal 2010	% change
Average interest-earning assets <sup>1</sup>	Rs. 3,436.20	<b>Rs. 3,259.66</b>	(5.1)
Average interest-bearing liabilities <sup>1</sup>	3,249.16	<b>3,054.87</b>	(6.0)
Net interest margin	2.4%	<b>2.5%</b>	—
Average yield	9.1%	<b>7.9%</b>	—
Average cost of funds	7.0%	<b>5.8%</b>	—
Interest spread	2.1%	<b>2.1%</b>	—

1. The average balances are the averages of daily balances, except averages of foreign branches which are calculated on monthly basis.
2. All amounts have been rounded off to the nearest Rs. 10.0 million.

### Net interest income

Net interest income decreased by 3.0% from Rs. 83.67 billion in fiscal 2009 to Rs. 81.14 billion in fiscal 2010 primarily due to a decrease of Rs. 176.54 billion or 5.1% in the average volume of interest-earning assets, offset, in part, by an increase in the net interest margin from 2.4% in fiscal 2009 to 2.5% in fiscal 2010.

Interest income decreased by 17.3% from Rs. 310.93 billion in fiscal 2009 to Rs. 257.07 billion in fiscal 2010, due to a decrease in average interest-earning assets by 5.1% i.e., Rs. 176.54 billion and a 116 basis points decrease in the yield on average interest-earning assets.

Average interest-earning assets decreased by Rs. 176.54 billion or 5.1% from Rs. 3,436.20 billion in fiscal 2009 to Rs. 3,259.66 billion in fiscal 2010. The decrease in average interest-earning assets was primarily due to the decrease in average advances by Rs. 277.41 billion. Average advances decreased primarily due to a decrease in retail advances. Net retail advances (including dealer financing and developer financing portfolios) declined by 25.6% from Rs. 1,062.03 billion at year-end fiscal 2009 to Rs. 790.45 billion at year-end fiscal 2010. Net advances of overseas branches (including offshore banking unit) decreased by USD 0.7 billion or 6.5% from USD 10.7 billion at year-end fiscal 2009 to USD 10.0 billion at year-end fiscal 2010. In rupee terms, net advances of overseas branches decreased by 16.9% from Rs. 542.91 billion at year-end fiscal 2009 to Rs. 451.37 billion at year-end fiscal 2010 due to rupee appreciation. Average earning investments increased by 7.7% from Rs. 971.00 billion in fiscal 2009 to Rs. 1,046.05 billion in fiscal 2010 primarily due to an increase in non-SLR earning investments, mainly investments in mutual funds. During fiscal 2010, average SLR investments decreased by Rs. 24.06 billion primarily on account of reduction in domestic net demand and time liabilities, offset, in part, by a 100 basis points increase in SLR requirement from 24.0% to 25.0% during fiscal 2010.

The yield on average interest-earning assets decreased by 116 basis points from 9.1% in fiscal 2009 to 7.9% in fiscal 2010 primarily due to a decrease in the yield on advances by 111 basis points from 10.2% in fiscal 2009 to 9.1% in fiscal 2010 and a 144 basis points decrease in the yield on earning investments from 7.6% in fiscal 2009 to 6.2% in fiscal 2010. Average balances with RBI decreased from Rs. 189.57 billion in fiscal 2009 to Rs. 120.74 billion in fiscal 2010 primarily due to a reduction in our net demand and time liabilities. During fiscal 2010, CRR was increased by 75 basis points to 5.75% at year-end fiscal 2010. As CRR balances do not earn any interest income, the increase in requirement resulted in a negative impact on yield on interest-earning assets.

The overall yield on advances decreased primarily on account of a reduction in the prime lending rate and floating reference rates for our domestic loan book, a decrease in the benchmark rate (LIBOR) on our overseas loan book and a decrease in the proportion of high yielding unsecured retail loans in our total loan book. Effective June 5, 2009, we reduced the prime lending rate and the floating reference rate for domestic advances by 100 basis points each. The decline in the proportion of retail loans in total loans was primarily due to moderation in fresh retail loan disbursements and contractual repayments and prepayments on the existing portfolio.

During fiscal 2010, interest income was also impacted by lower interest on income tax refund of Rs. 1.21 billion in fiscal 2010 as compared to Rs. 3.33 billion in fiscal 2009 and loss on securitisation pools (including credit losses on existing pools) of Rs. 5.09 billion in fiscal 2010 as compared to Rs. 3.21 billion in fiscal 2009. This impact was reflected over all the quarters of fiscal 2010.

Interest expense decreased by 22.6% from Rs. 227.26 billion in fiscal 2009 to Rs. 175.93 billion in fiscal 2010 due to a 6.0% decrease in average interest-bearing liabilities from Rs. 3,249.16 billion in fiscal 2009 to Rs. 3,054.87 billion in fiscal 2010 and a 123 basis points decrease in the cost of funds from 7.0% in fiscal 2009 to 5.8% in fiscal 2010.

Total average interest-bearing liabilities decreased in fiscal 2009 compared to in fiscal 2010 primarily due to a decrease in average deposits. Total deposits decreased by 7.5% from Rs. 2,183.48 billion at year-end fiscal 2009 to Rs. 2,020.17 billion at year-end fiscal 2010. The decrease in total deposits was primarily due to a decrease in term deposits from Rs. 1,556.80 billion at year-end fiscal 2009 to Rs. 1,178.01 billion at year-end fiscal 2010 due to our conscious strategy of reducing wholesale deposits. During fiscal 2010, our savings account deposits increased from Rs. 410.36 billion at year-end fiscal 2009 to Rs. 532.18 billion at year-end fiscal 2010, while current account deposits increased from Rs. 216.32 billion at year-end fiscal 2009 to Rs. 309.98 billion at year-end fiscal 2010. Accordingly, the proportion of current and savings account deposits in total deposits increased from 28.7% at year-end fiscal 2009 to 41.7% at year-end fiscal 2010. The proportion of average current and savings account deposits in total average deposits increased from 26.6% in fiscal 2009 to 32.5% in fiscal 2010. Borrowings increased primarily due to new capital-eligible borrowings in the nature of subordinated debt. Subordinated debt (including application money towards subordinated debt) increased by 29.4% from Rs. 254.82 billion at year-end fiscal 2009 to Rs. 329.67 billion at year-end fiscal 2010. Borrowings (including subordinated debt) of foreign branches decreased from USD 10.9 billion at year-end fiscal 2009 to USD 10.8 billion at year-end fiscal 2010. Borrowings (including subordinated debt) of foreign branches, in rupee terms, decreased from Rs. 551.84 billion at year-end fiscal 2009 to Rs. 484.46 billion at year-end fiscal 2010.

The decrease in the cost of funds was primarily due to a 140 basis points decrease in the average cost of deposits from 7.2% in fiscal 2009 to 5.8% in fiscal 2010 and a 88 basis points decrease in the average cost of borrowings from 6.5% in fiscal 2009 to 5.6% in fiscal 2010. The cost of borrowings decreased due to a decrease in the cost of foreign currency borrowings and cost of call money borrowings and borrowings under repurchase agreements. The cost of foreign currency borrowings decreased during fiscal 2010 due to reduction in benchmark rate (LIBOR).

RBI has prescribed a rate of 3.5% on savings deposits and banks were required to pay this interest on the minimum outstanding balance in a savings account between the 10th day and end of the month. Effective April 1, 2010, RBI has changed the methodology of computation of the interest payable and banks will be required to pay interest on the average balance maintained in a savings account. The change in methodology will result in an increased effective interest rate on savings account deposits and will adversely impact the net interest margin of banks. Our cost of savings account deposits for the quarter ended March 31, 2010 was 2.9% and in line with the change mentioned above, would increase to 3.5% from April 1, 2010. Based on average balances for the quarter ended March 31, 2010, this change is estimated to have an adverse impact of about 10 basis points on our net interest margin.

Our net interest margin is expected to continue to be lower than other banks in India until we increase the proportion of retail deposits in our total funding. Our net interest margin is also impacted by the relatively lower margins on our international book.

## NON-INTEREST INCOME

### Fee income

Fee income decreased by 13.4% from Rs. 65.24 billion in fiscal 2009 to Rs. 56.50 billion in fiscal 2010 primarily due to subdued credit demand from the corporate sector in fiscal 2010 resulting in lower loan processing fees and moderation in retail disbursements resulted in lower retail asset (including credit cards) related fees in fiscal 2010 as compared to fiscal 2009. Retail liabilities related fees increased marginally in fiscal 2010 as compared to fiscal 2009.

### Treasury income

Treasury income increased from Rs. 4.43 billion in fiscal 2009 to Rs. 11.81 billion in fiscal 2010. Treasury income for fiscal 2010 includes income on investments in government of India securities and other fixed income instruments, reversal of mark-to-market (MTM) provision on credit derivatives and gains from realised profit and reversal of mark-to-market provision held on equity investments, offset, in part by loss on security receipts.

We offer various derivative products to our clients for their risk management purposes including options and swaps. We do not carry market risk on these client derivative positions as we cover ourselves in the inter-bank market. Profits or losses on account of currency movements on these transactions are borne by the clients. In some cases, clients have filed suits against us disputing the transactions and the amounts to be paid. There have been delays in payment to us in respect of some of these clients. We have fully reversed the income recognised in cases where receivables are overdue for more than 90 days.

### Lease & other income

Lease income, net of lease depreciation, decreased by 34.8% from Rs. 0.23 billion in fiscal 2009 to Rs. 0.15 billion in fiscal 2010 primarily due to reduction in leased assets from Rs. 4.62 billion at year-end fiscal 2009 to Rs. 3.53 billion at year-end fiscal 2010.

Other income increased by 21.6% from Rs. 4.03 billion in fiscal 2009 to Rs. 4.90 billion in fiscal 2010. Other income primarily includes dividend from subsidiaries and profit/loss on sale of fixed and other assets.

During fiscal 2010, the Bank and First Data, a global leader in electronic commerce and payment services, formed a merchant acquiring alliance and a new entity, 81% owned by First Data, was formed, which has acquired ICICI Bank's merchant acquiring operations through transfer of assets, primarily comprising fixed assets and receivables, for a total consideration of Rs. 3.74 billion. We realised a profit of Rs. 2.03 billion from this transaction, which is included in "Other income".

### Non-interest expense

The following table sets forth, for the periods indicated, the principal components of non-interest expense.

Rs. in billion, except percentages

	Fiscal 2009	Fiscal 2010	% change
Employee expenses	Rs. 19.72	<b>Rs. 19.26</b>	(2.3)
Depreciation on own property (including non banking assets)	4.68	<b>4.78</b>	2.1
Auditors' fees and expenses	0.02	<b>0.02</b>	—
Other administrative expenses	38.64	<b>31.87</b>	(17.5)
<b>Total non-interest expense (excluding lease depreciation and direct marketing agency expenses)</b>	<b>63.06</b>	<b>55.93</b>	<b>(11.3)</b>
Depreciation (net of lease equalisation) on leased assets	2.10	<b>1.42</b>	(32.4)
Direct marketing agency expenses	5.29	<b>1.25</b>	(76.4)
<b>Total non-interest expense</b>	<b>Rs. 70.45</b>	<b>Rs. 58.60</b>	<b>(16.8)</b>

1. All amounts have been rounded off to the nearest Rs. 10.0 million.

Total non-interest expense decreased by 16.8% from Rs. 70.45 billion in fiscal 2009 to Rs. 58.60 billion in fiscal 2010 primarily due to a 17.5% decrease in other administrative expenses and 76.4% decrease in direct marketing agency expenses.

Other administrative expenses decreased by 17.5% from Rs. 38.64 billion in fiscal 2009 to Rs. 31.87 billion in fiscal 2010 primarily due to overall cost reduction initiatives undertaken by us. There was a reduction in expenses on account of printing and stationery, advertisement and publicity and postage and communication expenses in fiscal 2010 as compared to fiscal 2009.

Employee expenses decreased by 2.3% from Rs. 19.72 billion in fiscal 2009 to Rs. 19.26 billion in fiscal 2010 despite the provision of performance bonus and performance-linked retention pay in fiscal 2010. The decrease in employee expenses was primarily due to a decrease in the average employee base. Though the average employee base was lower in fiscal 2010, the employee base at year-end fiscal 2010 was marginally higher at 35,256 as compared to 34,596 at year-end fiscal 2009.

Depreciation on owned property increased by 2.1% from Rs. 4.68 billion in fiscal 2009 to Rs. 4.78 billion in fiscal 2010, primarily due to the addition of new branches. The number of branches and extension counters in India increased from 1,419 at year-end fiscal 2009 to 1,707 at year-end fiscal 2010. The number of ATMs increased from 4,713 at year-end fiscal 2009 to 5,219 at year-end fiscal 2010. Depreciation on leased assets decreased by 32.4% from Rs. 2.10 billion in fiscal 2009 to Rs. 1.42 billion in fiscal 2010.

We use marketing agents, called direct marketing agents or associates, for sourcing our retail assets. We include commissions paid to these direct marketing agents of our retail assets in non-interest expense. These commissions are expensed upfront and not amortised over the life of the loan. Due to lower retail disbursements and lower issuance of new credit cards, direct marketing agency expenses decreased by 76.4% from Rs. 5.29 billion in fiscal 2009 to Rs. 1.25 billion in fiscal 2010.

### **Provisions and tax**

Provisions and contingencies (excluding provision for tax) increased by 15.2% from Rs. 38.08 billion in fiscal 2009 to Rs. 43.87 billion in fiscal 2010, due to a higher level of provisioning for retail non performing loans and an increase in provisions for restructured corporate assets. Provisions for retail non-performing loans increased due to seasoning of the secured loan portfolio, losses on the unsecured loan portfolio, challenges in collections and the impact of adverse macro-economic environment experienced in fiscal 2009.

Our provision coverage ratio (i.e. total provisions made against non-performing advances as a percentage of gross non-performing advances), at year-end fiscal 2010 was 59.5%. RBI guidelines require banks to achieve a provision coverage ratio of 70% by September 30, 2010. We have been permitted by RBI to achieve the stipulated level of provision coverage ratio of 70% in a phased manner by March 31, 2011.

At March 31, 2010, we held a provision of Rs. 14.36 billion towards provision for standard assets against the requirement of Rs. 7.30 billion. The excess provision was not reversed in line with the RBI guidelines.

Income tax expense decreased by 2.9% from Rs. 13.59 billion in fiscal 2009 to Rs. 13.20 billion in fiscal 2010. The effective tax rate of 24.7% in fiscal 2010 was lower compared to the effective tax rate of 26.6% in fiscal 2009 primarily due to a change in the mix of taxable profits with a higher component of exempt income, abolition of fringe benefit tax, offset, in part, by a negative impact of revaluation of deferred tax asset due to reduction in surcharge from 10.0% to 7.5% vide Finance Act, 2010.

## Financial Condition

The following table sets forth, for the periods indicated, the summarised balance sheet.

Rs. in billion, except percentages

	March 31, 2009	March 31, 2010	% change
<b>Assets:</b>			
Cash, balances with RBI and other banks and Statutory Liquidity Ratio (SLR) investments <sup>1</sup>	Rs. 933.53	Rs. 1,072.77	14.9
– Cash and balances with RBI and banks	299.66	388.73	29.7
– SLR investments <sup>1</sup>	633.87	684.04	7.9
Advances	2,183.11	1,812.06	(17.0)
Debentures, bonds and other investments	396.71	524.89	32.3
Fixed assets (including leased assets)	38.02	32.13	(15.5)
Other assets	241.64	192.15	(20.5)
<b>Total Assets</b>	<b>Rs. 3,793.01</b>	<b>Rs. 3,634.00</b>	<b>(4.2)</b>
<b>Liabilities:</b>			
Equity capital and reserves	Rs. 495.33	Rs. 516.18	4.2
– Equity capital	11.13	11.15	0.2
– Reserves	484.20	505.03	4.3
Deposits	2,183.48	2,020.17	(7.5)
– Savings deposits	410.36	532.18	29.7
– Current deposits	216.32	309.98	43.3
– Term deposits	1,556.80	1,178.01	(24.3)
Preference capital <sup>2</sup>	3.50	3.50	—
Borrowings	673.24	609.47	9.5
– Domestic	138.56	140.21	1.2
– Overseas	534.68	469.26	12.2
Subordinated debt (included in Tier-1 and Tier-2 capital) <sup>2</sup>	254.82	329.67 <sup>3</sup>	29.4
– Domestic	237.66	314.47 <sup>3</sup>	32.3
– Overseas	17.16	15.20	(11.4)
Other liabilities	182.64	155.01	(15.1)
<b>Total liabilities</b>	<b>Rs. 3,793.01</b>	<b>Rs. 3,634.00</b>	<b>(4.2)</b>

1. Government and other approved securities qualifying for SLR. Banks in India are required to maintain a specified percentage, currently 25.0% (24.0% at year-end fiscal 2009), of their net demand and time liabilities by way of liquid assets like cash, gold or approved unencumbered securities.

2. Included in - "Borrowings" in Schedule 4 of the balance sheet.

3. Includes application money of Rs. 25.00 billion received towards subordinated debt issued on April 5, 2010.

4. All amounts have been rounded off to the nearest Rs. 10.0 million.

Our total assets (including the impact of exchange fluctuation on foreign currency denominated assets) decreased by 4.2% from Rs. 3,793.01 billion at year-end fiscal 2009 to Rs. 3,634.00 billion at year-end fiscal 2010. Net advances decreased by 17.0% from Rs. 2,183.11 billion at year-end fiscal 2009 to Rs. 1,812.06 billion at year-end fiscal 2010, primarily due to a decrease in retail advances. Net retail advances (including dealer financing and developer financing portfolios) decreased by 25.6% from Rs. 1,062.03 billion at year-end fiscal 2009 to Rs. 790.45 billion at year-end fiscal 2010 and constituted 43.6% of our total net advances at year-end fiscal 2010. Net advances of overseas branches (including offshore banking unit) decreased in USD terms from USD 10.7 billion at year-end fiscal 2009 to USD 10.0 billion at year-end fiscal 2010. Net advances decreased in rupee terms on account of appreciation of the rupee relative to the US dollar from Rs. 542.91 billion at year-end fiscal 2009 to Rs. 451.37 billion at year-end fiscal 2010 on account of appreciation of the rupee relative to the US dollar.



Total investments increased by 17.3% from Rs. 1,030.58 billion at year-end fiscal 2009 to Rs. 1,208.93 billion at year-end fiscal 2010 primarily due to an increase in non-SLR investments by Rs. 128.18 billion and investments in government and other approved securities by Rs. 50.17 billion. Non-SLR investments include net investment in security receipts in asset reconstruction companies of Rs. 33.94 billion. During fiscal 2010, the SLR requirement increased by 100 basis points from 24.0% to 25.0%. At year-end fiscal 2010, we had a gross portfolio of funded credit derivatives of Rs. 15.40 billion and non-funded credit derivatives of Rs. 32.88 billion, which includes Rs. 0.22 billion as protection bought by us. The underlying exposure is entirely to Indian entities.

Our equity share capital and reserves increased from Rs. 495.33 billion at year-end fiscal 2009 to Rs. 516.18 billion at year-end fiscal 2010 primarily due to annual accretion to reserves out of profits. Total deposits decreased by 7.5% from Rs. 2,183.48 billion at year-end fiscal 2009 to Rs. 2,020.17 billion at year-end fiscal 2010 primarily due to our conscious strategy of reducing wholesale deposits. Term deposits decreased from Rs. 1,556.80 billion at year-end fiscal 2009 to Rs. 1,178.01 billion at year-end fiscal 2010. Savings account deposits increased from Rs. 410.36 billion at year-end fiscal 2009 to Rs. 532.18 billion at year-end fiscal 2010 and current account deposits increased from Rs. 216.32 billion at year-end fiscal 2009 to Rs. 309.98 billion at year-end fiscal 2010. Borrowings (including preference share capital and subordinated debt) increased from Rs. 931.55 billion at year-end fiscal 2009 to Rs. 942.64 billion at year-end fiscal 2010 primarily on account of new capital-eligible borrowings, in the nature of subordinated debt, offset, in part, by decrease in overseas borrowings.

#### Off Balance Sheet Items, Commitments and Contingencies

The table below sets forth, for the periods indicated the principal components of off-balance sheet items, commitments and contingent liabilities.

Rs. in billion, except percentages

	March 31, 2009	March 31, 2010	% change
Claims against the Bank not acknowledged as debts	Rs. 32.82	<b>Rs. 33.57</b>	2.3
Liability for partly paid investments	0.13	<b>0.13</b>	—
Notional principal amount of outstanding forward exchange contracts	2,583.67	<b>1,660.69</b>	(35.7)
Guarantees given on behalf of constituents	580.88	<b>618.36</b>	6.5
Acceptances, endorsements and other obligations	306.78	<b>321.22</b>	4.7
Notional principal amount of currency swaps	569.65	<b>524.79</b>	(7.9)
Notional amount of Interest rate swaps and currency options	4,146.35	<b>4,012.14</b>	(3.2)
Other items for which the Bank is contingently liable	126.55	<b>99.94</b>	(21.0)
<b>Total</b>	<b>Rs. 8,346.83</b>	<b>Rs. 7,270.84</b>	<b>(12.9)</b>

Off-balance sheet items, commitments and contingencies decreased by 12.9% from Rs. 8,346.83 billion at year-end fiscal 2009 to Rs. 7,270.84 billion at year-end fiscal 2010 primarily due to the decrease in notional principal amount of outstanding forward exchange contracts by 35.7% from Rs. 2,583.67 billion at March 31, 2009 to Rs. 1,660.69 billion at March 31, 2010 and the decrease in notional amount of interest rate swaps and currency options by 3.2% from Rs. 4,146.35 billion at March 31, 2009 to Rs. 4,012.14 billion at March 31, 2010.

We enter into foreign exchange forwards, options, swaps and other derivative products to enable customers to transfer, modify or reduce their foreign exchange and interest rate risk and to manage our own interest rate and foreign exchange positions. We manage our foreign exchange and interest rate risk with reference to limits set by RBI as well as those set internally. An interest rate swap does not entail exchange of notional principal and the cash flow arises on account of the difference between interest rate pay and receive legs of the swaps which is generally much smaller than the notional principal of the swap. With respect to the transactions entered into with customers, we generally enter into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions and hence a large value of gross notional principal of the portfolio, while the net market risk is low. For example, if a transaction entered into with a customer is covered by an exactly opposite transaction entered into with counter-party, the net market risk of the two transactions will be zero whereas the notional principal which is reflected as an off-balance sheet item will be the sum of both the transactions.

'Claims against the Bank not acknowledged as debts', represents demands made by the government of India's tax authorities in excess of the provisions made in our accounts, in respect of income tax, interest tax, wealth tax, service tax and sales tax/VAT matters. Based on consultation with counsel and favourable decisions in our own or other cases, the management believes that the liability is not likely to actually arise. Other items for which the Bank is contingently liable primarily include credit derivatives, repurchase and securitisation-related obligations.

As a part of our project financing and commercial banking activities, we have issued guarantees to enhance the credit standing of our customers. These generally represent irrevocable assurances that we will make payments in the event that the customer fails to fulfill its financial or performance obligations. Financial guarantees are obligations to pay a third party beneficiary where a customer fails to make payment towards a specified financial obligation. Performance guarantees are obligations to pay a third party beneficiary where a customer fails to perform a non-financial contractual obligation. The guarantees are generally for a period not exceeding 10 years. The credit risks associated with these products, as well as the operating risks, are similar to those related to other types of financial instruments. We generally have collateral available to reimburse potential losses on the guarantees. Margins available to reimburse losses realised under guarantees was Rs. 11.69 billion at year-end fiscal 2009 compared to Rs. 17.69 billion at year-end fiscal 2010. Other property or security may also be available to us to cover losses under guarantees.

We are obligated under a number of capital contracts. Capital contracts are job orders of a capital nature, which have been committed. Estimated amounts of contracts remaining to be executed on capital account aggregated Rs. 5.28 billion at year-end fiscal 2010 compared to Rs. 4.46 billion at year-end fiscal 2009. The increase in fiscal 2010 was primarily on account of new branches and office premises.

### Capital Adequacy

Our capital adequacy framework seeks to ensure that we maintain adequate capital at all times and plan appropriately for our future capital requirements. The capital adequacy framework is supported by a Board approved internal capital adequacy assessment process, which encompasses our capital planning for current and future periods by taking into consideration our strategic focus and business plan and assessment of all material risks including stress testing.

We are subject to the Basel II capital adequacy guidelines stipulated by RBI. Under Pillar 1 of the RBI guidelines on Basel II, we follow the standardised approach for credit and market risk and the basic indicator approach for operational risk. The RBI guidelines on Basel II require us to maintain a minimum capital to risk-weighted assets ratio (CRAR) of 9.0% and a minimum Tier-1 CRAR of 6.0% on an ongoing basis. RBI has directed banks to maintain capital at the higher of the minimum capital required as per Basel II or a specified percentage of the minimum capital required as per Basel I (80% at March 31, 2010).

Following table sets forth the capital adequacy ratios of the Bank as per RBI guidelines on Basel I and Basel II.  
Rs. in billion, except percentages

	As per RBI guidelines on Basel I		As per RBI guidelines on Basel II	
	March 31, 2009	March 31, 2010	March 31, 2009	March 31, 2010
Tier-1 capital	Rs. 420.10	<b>Rs. 432.61</b>	Rs. 421.96	<b>Rs. 410.62</b>
Tier-2 capital	129.72	<b>181.57</b>	131.59	<b>160.41</b>
Total capital	549.81	<b>614.18</b>	553.55	<b>571.03</b>
Credit risk - risk weighted assets (RWA)	3,171.94	<b>2,899.15</b>	3,151.95	<b>2,485.59</b>
Market risk - RWA	281.44	<b>309.28</b>	206.98	<b>221.06</b>
Operational risk - RWA	N.A.	<b>N.A.</b>	205.70	<b>235.16</b>
Total RWA	Rs. 3,453.38	<b>Rs. 3,208.43</b>	Rs. 3,564.63	<b>Rs. 2,941.81</b>
Tier-1 CRAR	12.16%	<b>13.48%</b>	11.84%	<b>13.96%</b>
Tier-2 CRAR	3.76%	<b>5.66%</b>	3.69%	<b>5.45%</b>
Total CRAR	15.92%	<b>19.14%</b>	15.53%	<b>19.41%</b>



The key changes introduced by RBI under Pillar 1 of the Basel II guidelines during fiscal 2010 are as follows:

- RBI issued a clarification on July 1, 2009 that special reserve (created by banks under Section 36(1) (viii) of the Income Tax Act, 1961) should be considered net of tax payable, in the Tier-1 capital. Previously special reserve was considered as accounted in the financial statements.
- RBI in its revised Basel II guidelines issued on February 8, 2010 stipulated that banks are not permitted to use any external credit assessment for risk weighting securitisation exposures where the assessment is at least partly based on unfunded support provided by the bank.
- RBI in its revised Basel II guidelines issued on February 8, 2010 issued guidance on assessment of valuation adjustments on account of illiquidity for illiquid/less liquid positions that are subject to market risk capital requirements. RBI also stipulated that these valuation adjustments are to be deducted from Tier-1 capital.

The key reasons for the movement in our capital funds and RWA at the standalone level from year-end fiscal 2009 to year-end fiscal 2010 are as follows:

- Capital funds increased by Rs. 17.48 billion or 3.2% primarily due to issuance of Tier-2 debt capital instruments and accretion to retained earnings, partly offset by an increase in deductions on account of securitisation exposures pursuant to revised RBI guidelines on Basel II issued on February 8, 2010 and special reserves being considered net of tax payable;
  - The deductions on account of securitisation (including due to revisions in the RBI guidelines on Basel II) increased by Rs. 41.60 billion (deducted at 50% each from Tier-1 and Tier-2 capital).
  - The RBI stipulation of reckoning special reserves net of tax payable, resulted in an impact (decrease) of Rs. 8.99 billion.
- Credit risk RWA decreased by Rs. 666.36 billion or 21.1% primarily due to the decrease in loan portfolio and the increased coverage of external credit ratings on the portfolio;
- Market risk RWA increased by Rs. 14.08 billion or 6.8%; and
- Operational risk RWA increased by Rs. 29.46 billion or 14.3% due to the increase in the average of previous three years' gross income adopted in the computation of operational risk RWA as per the basic indicator approach.

## **ASSET QUALITY AND COMPOSITION**

### **Loan Concentration**

We follow a policy of portfolio diversification and evaluate our total financing in a particular sector in light of our forecasts of growth and profitability for that sector. Between 2003 and 2006, the banking system as a whole saw significant expansion of retail credit, with retail loans contributing for a major part of overall systemic credit growth. Accordingly, during these years, we increased our focus on retail finance portfolio. In view of high asset prices and the increase in interest rates since the second half of fiscal 2008, we followed a conscious strategy of moderation of retail disbursements, especially in the unsecured retail loans segment. Following this trend, our gross loans and advances to retail finance portfolio declined from 58.6% of our total gross loans and advances at year-end fiscal 2008 to 49.3% at year-end fiscal 2009 and further to 44.4% at year-end fiscal 2010.

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

The following table sets forth, at the dates indicated, the composition of our gross advances (net of write-offs).  
Rs. in billion, except percentages

	March 31, 2009		March 31, 2010	
	Total advances	% of total advances	Total advances	% of total advances
Retail finance <sup>1</sup>	Rs. 1,102.20	49.3	Rs. 831.19	44.4
Services – non-finance	168.05	7.5	135.21	7.2
Crude petroleum/refining and petrochemicals	142.04	6.4	132.86	7.1
Road, ports, telecom, urban development and other infrastructure	94.62	4.2	103.94	5.5
Iron/steel and products	99.14	4.4	86.26	4.6
Services – finance	77.68	3.5	64.56	3.4
Food and beverages	53.57	2.4	61.54	3.3
Power	54.19	2.4	56.49	3.0
Chemical and fertilizers	51.83	2.3	46.27	2.5
Wholesale/retail trade	26.29	1.2	44.47	2.4
Electronics and engineering	36.17	1.6	31.54	1.7
Textiles	17.38	0.8	19.16	1.0
Construction	23.86	1.1	17.91	1.0
Other industries <sup>2</sup>	289.19	12.9	241.74	12.9
<b>Total</b>	<b>Rs. 2,236.21</b>	<b>100.0%</b>	<b>Rs. 1,873.14</b>	<b>100.0%</b>

1. Includes home loans, automobile loans, commercial business loans, two wheeler loans, personal loans and credit cards. Also includes dealer funding portfolio of Rs 7.71 billion (Rs. 8.83 billion at year-end fiscal 2009) and developer financing portfolio of Rs. 32.76 billion (Rs. 24.14 billion at year-end fiscal 2009).

2. Other industries primarily include automobiles, cement, drugs and pharmaceuticals, FMCG, gems and jewellery, manufacturing products excluding metal, metal and products (excl iron and steel), mining and shipping etc.

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

Rs. in billion, except percentages

	March 31, 2009		March 31, 2010	
	Total retail advances	% of total retail advances	Total retail advances	% of total retail advances
Home loans <sup>1</sup>	Rs. 575.88	52.2	Rs. 474.72	57.1
Automobile loans	133.05	12.1	85.13	10.2
Commercial business	164.40	14.9	136.75	16.5
Two-wheeler loans	16.91	1.5	4.65	0.6
Personal loans	108.66	9.9	57.14	6.9
Credit cards	90.02	8.2	59.33	7.1
Loans against securities and others <sup>2</sup>	13.28	1.2	13.47	1.6
<b>Total retail finance portfolio</b>	<b>Rs. 1,102.20</b>	<b>100.0%</b>	<b>Rs. 831.19</b>	<b>100.0%</b>

1. Includes developer financing of Rs. 24.14 billion and Rs. 32.76 billion at year-end fiscal 2009 and year-end fiscal 2010 respectively.

2. Includes dealer financing portfolio of Rs. 8.83 billion and Rs 7.71 billion at year-end fiscal 2009 and year-end fiscal 2010 respectively.

Pursuant to RBI guidelines, our exposure to an individual borrower generally must not exceed 15.0% of our capital funds, unless the exposure is in respect of an infrastructure project. Exposure to individual borrowers may exceed the exposure norm of 15.0% of capital funds by an additional 5.0% (i.e. up to 20.0%) provided the additional exposure is on account of infrastructure financing. Our exposure to a group of companies under the same management control generally must not exceed 40.0% of our capital funds unless the exposure is in respect of an infrastructure project. In case of infrastructure projects, the exposure to a group of companies under the same management control may be up to 50.0% of our capital funds. Banks are permitted, in exceptional circumstances,

with the approval of their boards, enhance the exposure by 5.0% of capital funds (i.e. up to 20.0% of capital funds for an individual borrower and up to 45.0% of capital funds for a group of companies under the same management) and are required to make appropriate disclosures in this regard in their annual reports. Exposure for funded and non-funded credit facilities is calculated as the total committed amount or the outstanding amount whichever is higher (for term loans, as the sum of undisbursed commitments and the outstanding amount). Investment exposure is considered at book value.

During the year ended March 31, 2010, our exposures to any single borrower and borrower group were within the limits prescribed by the Reserve Bank of India except in the cases of Reliance Industries Limited, Barclays Bank PLC and ICICI Prudential Flexible Income Plan where exposure to single borrowers were above the stipulated ceiling of 15.0% of capital funds. At March 31, 2010, the exposure to these borrowers as a percentage of capital funds was - Reliance Industries Limited: 15.7%, Barclays Bank PLC: 10.7% and ICICI Prudential Flexible Income Plan: 5.4%. The excess exposure in all the above cases was duly approved/confirmed by the Board of Directors of the Bank with exposures being within 20.0% of the Bank's capital funds in accordance with the guidelines issued by the RBI.

### **Directed Lending**

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

RBI guidelines require banks to lend 40.0% of their adjusted net bank credit, or credit equivalent amount of off balance sheet exposure, whichever is higher, to certain specified sectors called priority sectors. The definition of adjusted net bank credit does not include certain exemptions and includes certain investments and is computed with reference to the outstanding amount at March 31 of the previous year. Priority sector include small enterprises, agricultural sector, food and agri-based industries, small businesses and housing finance up to certain limits. Out of the 40.0%, banks are required to lend a minimum of 18.0% of their net bank credit to the agriculture sector and the balance to certain specified sectors, including small enterprises (defined as enterprises engaged in manufacturing/production, processing and services businesses with a certain limit on investment in plant and machinery), small road and water transport operators, small businesses, professional and self-employed persons, all other service enterprises, micro credit, education loans and housing loans up to Rs. 2.0 million to individuals for purchase/construction of a dwelling unit per family. In its letter dated April 26, 2002 granting its approval for the amalgamation of ICICI Limited and ICICI Bank Limited, RBI stipulated that since the loans of erstwhile ICICI Limited (ICICI) transferred to us were not subject to the priority sector lending requirement, we are required to maintain priority sector lending of 50.0% of our net bank credit on the residual portion of our advances (i.e. the portion of our total advances excluding advances of ICICI at year-end fiscal, 2002, referred to as "residual net bank credit"). This additional 10.0% priority sector lending requirement will apply until such time as our aggregate priority sector advances reach a level of 40.0% of our total net bank credit. RBI's existing instructions on sub-targets under priority sector lending and eligibility of certain types of investments/funds for qualification as priority sector advances apply to us.

Any shortfall in the amount required to be lent to the priority sectors may be required to be deposited with government sponsored Indian development banks like the National Bank for Agriculture and Rural Development, the Small Industries Development Bank of India and the National Housing Bank. These deposits have a maturity of up to seven years and carry interest rates lower than market rates. At year-end fiscal 2010, our total investments in such bonds were Rs. 101.10 billion.

As per RBI guidelines, banks are also required to lend 10.0% of adjusted net bank credit or credit equivalent amount of off-balance sheet exposures, whichever is higher, to weaker sections. In order to ensure that the sub-target of lending to the weaker sections is achieved, RBI has decided to take into account the shortfall in lending to weaker sections also, as on the last reporting Friday of March of each year, for the purpose of allocating amounts to the domestic Scheduled Commercial Banks (SCBs) for contribution to the Rural Infrastructure Development Fund (RIDF) maintained with NABARD or funds with other financial institutions, as specified by RBI, with effect from April 2009.

We are required to comply with the priority sector lending requirements on the last "reporting Friday" of each fiscal year. At March 26, 2010, which was the last reporting Friday for fiscal 2010, our priority sector loans were Rs. 626.98 billion, constituting 51.3% of our residual adjusted net bank credit against the requirement of 50.0%. At that date, qualifying agriculture loans were 18.7% of our residual net bank credit as against the requirement of 18.0%. Our advances to weaker sections were Rs. 56.30 billion constituting 4.6% of our residual adjusted net bank credit against the requirement of 10.0%.

### Classification of Loans

We classify our assets as performing and non-performing in accordance with RBI guidelines. Under these guidelines, an asset is classified as non-performing if any amount of interest or principal remains overdue for more than 90 days, in respect of term loans. In respect of overdraft or cash credit, an asset is classified as non-performing if the account remains out of order for a period of 90 days and in respect of bills, if the account remains overdue for more than 90 days. In compliance with regulations governing the presentation of financial information by banks, we report non-performing assets net of cumulative write-offs in our financial statements.

RBI has separate guidelines for restructured loans. A fully secured standard asset can be restructured by re-schedulement of principal repayments and/or the interest element, but must be separately disclosed as a restructured asset. The diminution in the fair value of the loan, if any, measured in present value terms, is either written off or a provision is made to the extent of the diminution involved. Similar guidelines apply to sub-standard loans. The sub-standard or doubtful accounts which have been subject to restructuring, whether in respect of principal installment or interest amount are eligible to be upgraded to the standard category only after the specified period, i.e., a period of one year after the date when first payment of interest or of principal, whichever is earlier, falls due, subject to satisfactory performance during the period. In December 2008, RBI provided a one-time relaxation to banks to restructure the loans classified as real estate exposures. Similarly, banks were also permitted to undertake, for accounts that were previously restructured, a second restructuring without downgrading the account to the non-performing category. These relaxations were available till June 30, 2009. RBI also permitted banks to restructure as standard accounts all eligible accounts which met the basic criteria for restructuring, and which were classified as standard at September 1, 2008 irrespective of their subsequent asset classification. This relaxation was subject to banks receiving an application from the borrower for restructuring the advance on or before March 31, 2009 and the implementation of the restructuring the package within 120 days from the date of receipt of the application. During fiscal 2010, we restructured loans aggregating Rs. 53.08 billion extended to 3,933 borrowers which included 3,875 retail mortgage borrowers (including eight borrowal accounts restructured for a second time with asset classification benefit up to June 30, 2009, aggregating to Rs. 24.29 billion). During fiscal 2009, we had restructured loans aggregating Rs. 11.31 billion.

The following table sets forth, at March 31, 2009 and March 31, 2010, information regarding the classification of our gross customer assets (net of write-offs, interest suspense and derivatives income reversal).

Rs. in billion

	March 31, 2009	March 31, 2010
Standard assets	Rs. 2,316.10	<b>Rs. 2,057.29</b>
Of which: Restructured loans	61.27	<b>55.87</b>
Non-performing assets	98.03	<b>96.27</b>
Of which: Sub-standard assets	61.67	<b>50.20</b>
Doubtful assets	31.04	<b>40.30</b>
Loss assets	5.32	<b>5.77</b>
<b>Total customer assets<sup>1</sup></b>	<b>Rs. 2,414.13</b>	<b>Rs. 2,153.56</b>

1. Customer assets include advances, lease receivables and credit substitutes like debentures and bonds but exclude preference shares.

2. All amounts have been rounded off to the nearest Rs. 10.0 million.

The following table sets forth, at the dates indicated, information regarding our non-performing assets (NPAs).

Rs. in billion, except percentages

Year ended	Gross NPA <sup>1</sup>	Net NPA	Net customer assets	% of Net NPA to Net customer assets <sup>2</sup>
March 31, 2008	75.88	35.64	2,384.84	1.49%
March 31, 2009	98.03	46.19	2,358.24	1.96%
<b>March 31, 2010</b>	<b>96.27</b>	<b>39.01</b>	<b>2,091.22</b>	<b>1.87%</b>

1. Net of write-offs, interest suspense and derivatives income reversal.

2. Customer assets include advances and credit substitutes like debentures and bonds but exclude preference shares.

3. All amounts have been rounded off to the nearest Rs. 10.0 million.

At year-end fiscal 2010, the gross non-performing assets (net of write-offs, interest suspense and derivatives income reversal) were Rs. 96.27 billion compared to Rs. 98.03 billion at year-end fiscal 2009. Net non-performing assets were Rs. 39.01 billion at year-end fiscal 2010 compared to Rs. 46.19 billion at year-end fiscal 2009. The ratio of net non-performing assets to net customer assets decreased from 1.96% at year-end fiscal 2009 to 1.87% at year-end fiscal 2010. During the fiscal 2010, we wrote-off NPAs, including retail NPAs, with an aggregate outstanding of Rs. 28.48 billion. These NPAs were fully provided for at the time of the write-off.

Our provision coverage ratio (i.e. total provisions made against non-performing assets as a percentage of gross non-performing assets), at year-end fiscal 2010 was 59.5%. RBI guidelines require banks to achieve a provision coverage ratio of 70% by September 30, 2010. We have been permitted by RBI to achieve the stipulated level of provision coverage ratio of 70% in a phased manner by March 31, 2011. At year-end fiscal 2010, total general provision held against standard assets was Rs. 14.36 billion against the requirement of Rs. 7.30 billion. The excess provision was not reversed in line with the RBI guidelines.

The increased level of non-performing assets was due to higher level of non-performing assets in the retail assets portfolio. Provisions against retail non performing loans increased due to seasoning of the secured loan portfolio, losses on the unsecured loan portfolio, challenges in collections and the impact of the adverse macro-economic environment experienced in fiscal 2009. At year-end fiscal 2010, the net non-performing loans in the retail portfolio were 3.05% of net retail loans as compared with 2.94% at year-end fiscal 2009. The increase in the ratio was primarily on account of the overall decline in our retail loans during fiscal 2009 and fiscal 2010. At year-end fiscal 2010, the net non-performing loans in the collateralised retail portfolio were 1.92% of the net collateralised retail loans and net non-performing loans in the non-collateralised retail portfolio (including overdraft financing against automobiles) were about 12.00% of net non-collateralised retail loans.

Our aggregate investments in security receipts issued by asset reconstruction companies were Rs. 33.94 billion at year-end fiscal 2010.

### Classification of Non-Performing Assets by Industry

The following table sets forth, at March 31, 2009 and March 31, 2010, the composition of gross non-performing assets by industry sector.

Rs. in billion, except percentages

	March 31, 2009		March 31, 2010	
	Amount	%	Amount	%
Retail finance <sup>1</sup>	Rs. 71.50	72.9%	Rs. 64.73	67.2%
Chemicals and fertilisers	1.96	2.0	2.47	2.6
Services – finance	1.29	1.3	2.43	2.5
Wholesale/retail trade	1.47	1.5	2.17	2.3
Textiles	1.77	1.8	1.90	2.0
Food and beverages	1.03	1.1	1.62	1.7
Iron/steel and products	0.36	0.4	1.43	1.5
Electronics and engineering	0.79	0.8	0.69	0.7
Metal and metal products	0.20	0.2	0.68	0.7
Automobiles	0.32	0.3	0.59	0.6
Services – non finance	0.35	0.4	0.38	0.4
Power	0.15	0.1	0.14	0.1
Paper and paper products	0.04	0.1	0.03	0.0
Shipping	1.02	1.0	0.01	0.0
Other Industries <sup>2</sup>	15.78	16.1	17.00	17.7
<b>Total</b>	<b>Rs. 98.03</b>	<b>100.0%</b>	<b>Rs. 96.27</b>	<b>100.0%</b>

1. Includes home loans, automobile loans, commercial business loans, two wheeler loans, personal loans and credit cards. Also, includes NPAs in dealer funding and developer finance portfolios of Rs. 0.42 billion at March 31, 2010 and Rs. 0.44 billion at March 31, 2009.

2. Other industries primarily include construction, drugs and pharmaceuticals, agriculture and allied activities, FMCG, gems and jewellery, manufacturing products excluding metal, crude petroleum/refining and petrochemicals, mining, cement, etc.

3. All amounts have been rounded off to the nearest Rs. 10.0 million.

## SEGMENTAL INFORMATION

RBI has issued revised guidelines on segment reporting applicable from fiscal 2008. As per the guidelines, the business operations of the Bank have the following segments:

- Retail Banking includes exposures which satisfy the four criteria of orientation, product, granularity and low value of individual exposures for retail exposures laid down in the Basel Committee on Banking Supervision's document "International Convergence of Capital Measurement and Capital Standards: A Revised Framework".
- Wholesale Banking includes all advances to trusts, partnership firms, companies and statutory bodies which are not included under retail banking.
- Treasury includes the entire investment portfolio of the Bank.
- Other Banking includes hire purchase and leasing operations and other items not attributable to any particular business segment.

All liabilities are transfer priced to a central treasury unit, which pools all funds and lends to the business units at appropriate rates based on the relevant maturity of assets being funded after adjusting for regulatory reserve requirements.

During fiscal 2010, the profit before tax of the retail banking segment was impacted by continued credit losses in the unsecured retail asset portfolio. The retail banking segment reported a loss of Rs. 13.34 billion in fiscal 2010 as compared to a profit before tax of Rs. 0.58 billion in fiscal 2009. The retail assets portfolio also witnessed higher prepayments and lower level of incremental lending resulting in lower level of net interest income and loan-related fees.

Profit before tax of the wholesale banking segment was higher at Rs. 36.45 billion in fiscal 2010 as compared to Rs. 34.13 billion in fiscal 2009. The increase was primarily due to the increase in the net interest income following the decrease in the interest rates in the banking system which resulted in lower level of inter-segment interest expense on the wholesale banking portfolio. However, the increase during fiscal 2010, fee income in the wholesale banking segment was impacted by the moderation in credit demand during the year.

Profit before tax of the treasury segment was higher at Rs. 27.89 billion in fiscal 2010 as compared to Rs. 12.84 billion in fiscal 2009. The increase was primarily due to the significant recovery in equity markets resulting in realised profit and reversal of mark-to-market provision held on equity investments. Further, a contraction in credit spreads due to improved global market conditions resulted in the reversal of mark-to-market provisions on our India linked credit derivatives portfolio.

Profit before tax of the other banking segment was lower at Rs. 2.45 billion in fiscal 2010 as compared to Rs. 3.61 billion in fiscal 2009.

## CONSOLIDATED FINANCIALS AS PER INDIAN GAAP

The consolidated profit after tax including the results of operations of our subsidiaries and other consolidating entities increased from Rs. 35.77 billion in fiscal 2009 to Rs. 46.70 billion in fiscal 2010 due to improved financial performance by most of the subsidiaries. The consolidated return on average equity increased from 7.83% in fiscal 2009 to 9.59% in fiscal 2010.

Profit after tax of ICICI Bank UK PLC increased from Rs. 0.31 billion in fiscal 2009 to Rs. 1.76 billion in fiscal 2010 due to increase in fee income, lower operating expenses and lower impairment losses in fiscal 2010, offset, in part, by lower net interest income following a decline in net interest margin (NIM) and lower gains on buyback of bonds.

Profit after tax of ICICI Bank Canada increased from Rs. 1.39 billion in fiscal 2009 to Rs. 1.54 billion in fiscal 2010 primarily due to increased realisation of gains on sale of insured mortgages and mark-to-market gains on investments, as well as reduced provisions on loans, offset, in part, by a reduction in net interest income and a decrease in fee income during fiscal 2010.



ICICI Prudential Life Insurance Company Limited recorded a profit after tax of Rs. 2.58 billion in fiscal 2010 compared to loss of Rs. 7.80 billion in fiscal 2009 due to an increase in net premium earned, fund management fees, risk charges, policy fees and other charges and due to lower operating and commission expenses.

Profit after tax of ICICI Lombard General Insurance Company Limited increased from Rs. 0.24 billion in fiscal 2009 to Rs. 1.44 billion in fiscal 2010 primarily due to increase in operational efficiency and higher gains on sale of investments following improved market conditions in fiscal 2010.

Profit after tax of ICICI Securities Limited increased from Rs. 0.04 billion in fiscal 2009 to Rs. 1.23 billion in fiscal 2010 on account of improved capital market conditions.

Profit after tax of ICICI Prudential Asset Management Company increased from Rs. 0.01 billion in fiscal 2009 to Rs. 1.28 billion in fiscal 2010 primarily due to the increase in management fees on account of higher funds under management and due to scheme support expenses of Rs. 0.92 billion incurred in fiscal 2009.

Consolidated assets of the Bank and its subsidiaries and other consolidating entities increased from Rs. 4,826.91 billion at year-end fiscal 2009 to Rs. 4,893.47 billion at year-end fiscal 2010. Consolidated advances of the Bank and its subsidiaries decreased from Rs. 2,661.30 billion at year-end fiscal 2009 to Rs. 2,257.78 billion at year-end fiscal 2010.

The following table sets forth, for the periods indicated, the profit/(loss) of our principal subsidiaries.

Rs. in billion

Company	Fiscal 2009	Fiscal 2010
ICICI Bank UK PLC	0.31	<b>1.76</b>
ICICI Bank Canada	1.39	<b>1.54</b>
ICICI Bank Eurasia Limited Liability Company	(0.07)	<b>0.53</b>
ICICI Prudential Life Insurance Company Limited	(7.80)	<b>2.58</b>
ICICI Lombard General Insurance Company Limited	0.24	<b>1.44</b>
ICICI Securities Limited	0.04	<b>1.23</b>
ICICI Securities Primary Dealership Limited	2.72	<b>0.85</b>
ICICI Home Finance Company Limited	1.43	<b>1.61</b>
ICICI Prudential Asset Management Company Limited	0.01	<b>1.28</b>
ICICI Venture Funds Management Company Limited	1.48	<b>0.51</b>

## INTERNATIONAL FINANCIAL REPORTING STANDARDS

Convergence with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) is gaining the attention of companies, regulators and investing communities across the world. Many countries have adopted IFRS and some of them, including India, are in the process of adopting the same.

Various Indian regulators in India have laid down a roadmap towards implementation of IFRS in India. Based on the recommendations of a Core Group set up to facilitate IFRS convergence in India, the Ministry of Corporate Affairs (MCA), in consultation with RBI, has announced the approach and timelines for achieving convergence by financial institutions including banks, insurance companies and non-banking finance companies (NBFCs), which requires a phased approach to achieve convergence for banks. As per the roadmap, all scheduled commercial banks will convert their opening balance sheet as at April 1, 2013 in compliance with the IFRS converged Indian Accounting Standards.

RBI in its monetary policy statement for fiscal 2011 has proposed to undertake a study of the implications of the IFRSs convergence process and also to issue operational guidelines as appropriate and to disseminate information through learning programmes with a view to preparing banks and other entities to adhere to the roadmap.



SEBI has issued a circular on amendments to the Equity Listing Agreement which provides for an option for listed entities to submit their consolidated financial results either in accordance with the accounting standards specified in Section 211 (3C) of the Companies Act, 1956 or in accordance with IFRS as issued by the International Accounting Standards Board (IASB). It also provides that entities shall provide a reconciliation of significant differences between the figures as per IFRS and figures as per the notified accounting standards. Submission of standalone financial results to the stock exchanges shall continue to be in accordance with the Indian GAAP requirements.

The main impact on banks will be on account of the IFRS relating to Financial Instruments (IAS 39, IAS 32 and IFRS 7). The ICAI, has already issued similar Accounting Standards (AS) relating to Financial Instruments (AS 30, AS 31 and AS 32), which are recommendatory from April 1, 2009 till March 31, 2011 and mandatory from April 1, 2011.

Currently, IASB has undertaken a project which will replace the current standards on financial instruments, particularly IAS 39, in a phased manner. As a part of this project, IASB has issued IFRS 9 – “Financial Instruments” which introduces a new classification and measurement regime for financial assets within its scope. Additionally, the IASB has released exposure drafts on ‘amortised cost and impairment’, ‘fair value option for financial liabilities’. The exposure draft on hedge accounting is expected to be released shortly by IASB. These revisions are expected to be significantly different from existing IAS 39 as issued by IASB, and AS30 as issued by ICAI.

Currently, we report our financials under Indian GAAP and also report a reconciliation of shareholders’ equity and net profit under Indian GAAP to US GAAP. We are in the process of migrating our consolidated financial statements to the IFRS converged Indian Accounting Standards as per the roadmap announced by MCA.

# Key Financial Indicators

Rs. in billion, except per share data

	Fiscal 2003	Fiscal 2004	Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Net interest income	14.45	21.85	29.32	39.07	56.37	73.04	83.67	<b>81.14</b>
Fee income <sup>1</sup>	8.47	12.89	22.03	34.47	50.12	66.27	65.24	<b>56.50</b>
Profit before tax	7.80	19.02	25.27	30.96	36.48	50.56	51.17	<b>53.45</b>
Profit after tax	12.06	16.37	20.05	25.40	31.10	41.58	37.58	<b>40.25</b>
Dividend per share	7.50	7.50	8.50	8.50	10.00	11.00	11.00	<b>12.00</b>
Earnings per share (Basic)	19.68	26.66	27.55	32.49	34.84	39.39	33.76	<b>36.14</b>
Earnings per share (Diluted)	19.65	26.44	27.33	32.15	34.64	39.15	33.70	<b>35.99</b>

1. Includes merchant foreign exchange income and margin on customer derivative transactions.

Rs. in billion

## At year-end fiscal

	2003	2004	2005	2006	2007	2008	2009	2010
Advances	532.79	626.48	914.05	1,461.63	1,958.66	2,256.16	2,183.11	<b>1,812.06</b>
Deposits	481.69	681.09	998.19	1,650.83	2,305.10	2,444.31	2,183.48	<b>2,020.17</b>
Total assets	1,068.12	1,252.29	1,676.59	2,513.89	3,446.58	3,997.95	3,793.01	<b>3,634.00</b>
Equity capital & reserves	69.33	80.10	125.50	222.06	243.13	464.71	495.33	<b>516.18</b>
Total capital adequacy ratio	11.1%	10.4%	11.8%	13.4%	11.7%	14.0% <sup>2</sup>	15.5% <sup>2</sup>	<b>19.4%<sup>2</sup></b>

2. Total capital adequacy ratio has been calculated as per Basel II framework.

# Section 217

Statement pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 (forming part of the Directors' Report for the year ended March 31, 2010) in respect of employees of ICICI Bank Limited

Name, Qualifications and Age (in years)	Design/ Nature of Duties***	Remuneration Received (Rs.)		Experience (in years)	Date of Commencement of Employment	Last employment
		Gross (Rs.)	Net (Rs.)			
Employees posted in India						
Abbas Zackaria Ahmed, B.Com, MBA, (38)	AGM	2,610,055	2,096,627	16	22-Apr-03	Manager-Sales, Max NewYork Life Insurance
Abraham Joseph, BE, PGDM, (32)*	CMI	1,194,692	1,001,637	9	21-Feb-05	Executive-Human Resouce, Schinder India Pvt. Limited
Achar Laxminarayan, B.Com, CA, CPA, (36)	AGM	3,069,497	2,346,331	13	17-Oct-00	Assistant Manager, Price Waterhouse
Adarian Farokh, B.Com, LDC, CAIIB, DBA, DIRPM, DHRD, DSMM, DFM, DFS, ACIB, AICB, (39)	AGM	2,590,204	2,004,663	18	21-Oct-02	Manager, Global Trust Bank
Agarwal Anuj, B.Sc, MBA, (41)	JGM	4,762,637	3,788,110	20	20-May-99	Manager Resources, HDFC Limited
Agarwal Bimal, B.Com, CS, CA, CAIIB, JAIIB, (39)	AGM	2,703,032	2,152,718	14	16-Jul-07	Team Leader, (Power Practice ), CRISIL Limited
Agarwal Girish, B.Com, CA, (31)*	CMI	1,681,288	1,368,082	8	4-Dec-01	—
Agarwal Manish, B.Com, DCA, ICWAI, CA, (37)	AGM	2,991,448	2,383,973	14	1-Dec-99	Manager Credit, Kotak Mahindra Primus Limited
Agarwal Navin, M.Com, CA (33)*	CMI	1,200,749	1,041,556	10	26-Nov-07	Vice-President, Citi Bank
Agarwal Purshotam, B.Com, CA, CAIIB, CS, AMFI, (39)*	AGM	1,296,592	1,102,654	15	19-May-08	Deputy General Manager, IDBI Bank
Agarwal Sandeep, B.Com, CA, (35)*	CMII	1,487,565	1,194,212	13	16-Jul-07	Manager, Fortis Healthcare Limited
Agarwal Sanjay, B.Com, ICWAI, CA, (35)	AGM	2,538,409	1,980,006	12	31-Dec-07	Finance Manager, Hindustan Coca-Cola Pvt. Limited
Agarwal Sanjay, B.Com, ICWAI, CA, (40)	DGM	3,358,124	2,654,664	19	7-Dec-06	Joint General Manager, CARE
Agarwal Sharad, BE, MMS, (38)	AGM	2,932,306	2,427,335	14	15-Feb-07	Vice-President, Yes Bank Limited
Agarwal Sushil, B.Com, CS, CA, (33)	CMII	2,411,967	1,978,424	9	12-Dec-01	Branch Manager - Kotak Mahindra Primus Limited
Agarwal Vikas, B.Com, CA, (39)	DGM	4,280,835	3,242,289	16	15-Dec-98	Analyst, Anand Rathii Group
Agrawal Mahavir, B.Com, CA, LLB, CAIIB, (41)	AGM	2,750,681	2,127,959	17	19-Feb-07	Senior Manager, IDBI Bank
Agrawal Jitendra, BE, M.Tech., (41)	DGM	3,349,579	2,565,951	21	1-Jul-08	In-plant Orientation Trainee -ITM Pvt. Limited
Agrawal Mayank, BE, PGDM, (39)	JGM	5,511,784	4,196,581	16	10-Apr-95	Management Trainee, IPLCL
Ahuja Ashish, B.Com, (39)	AGM	3,268,661	2,544,442	17	7-Jul-04	Commissioned Officer, Indian Army
Alok Anupam, BA, CAIIB, MS, (42)*	CMII	848,381	675,003	17	8-Oct-07	Deputy Manager, State Bank of India
Anant B., B.Sc.(Eng.), PGDM (55)*	DGM	1,998,538	1,571,978	31	2-Sep-09	Head - HR, ICICI Lombard General Insurance Co. Limited
Ananthan Saravana Kumar, BE, PGDM, CAIIB, (43)*	DGM	2,140,157	1,822,744	21	19-Mar-03	Head of Fixed Income Fund, SBI Mutual Fund
Anil Kumar P. R., BE, MFM, (40)*	DGM	745,537	669,441	15	22-Jan-10	Head of Micro Finance, Barclays Bank Plc
Aravind S., B.Sc, MBA, (35)*	CMI	1,269,451	1,112,062	12	21-Jan-08	Assistant Manager, Bharti Airtel
Arora Atul, DIAE, (42)	DGM	3,889,323	3,024,682	23	24-Mar-05	Country Head, Apna Loan (I) Private Limited
Arora Rajeev, B.Com, PGDBM, (35)*	CMII	1,552,351	1,325,641	16	25-Jun-07	Head, Rawbank
Arora Rajiv, BE, MBA, (43)	JGM	4,721,885	3,636,986	21	23-Apr-93	Project Officer, IFCL Limited
Arunachalam Srinivasan, B.Sc., MMS, (49)	JGM	4,567,806	3,750,399	21	2-Jun-05	Managing Director, Sonnet Strategy Consultants
Arya Rakesh, BE, PGDM, (36)*	AGM	1,063,109	821,551	13	2-Jun-97	—
Ashish Kumar, MA, MMS, (38)	GM	6,100,176	4,408,073	16	11-Oct-99	Regional Manager, Ceat Financial Services Limited
Asokraj Thanjavur, M.Sc., BL, (52)	JGM	3,807,013	2,882,784	27	11-Oct-06	Senior Vice-President, UTI - LAS
Athreya Ranganath, B.Sc. BGL, ACS (44)	JCS	5,672,375	4,400,843	21	1-Apr-09	Executive Vice-President - Compliance, Legal & Company Secretary -ICICI Prudential Asset Management Company Limited
Atrishi Naveen, BE, MBA, (40)	AGM	2,718,112	2,099,271	20	19-Dec-05	Assistant General Manager, IFCL Limited
Ayyangar Varadaraj, B.Com, M.Com, CAIIB, (49)	CMII	2,611,105	1,995,677	27	2-Dec-02	Manager II, Syndicate Bank
Badami Suresh, B.Sc., PGDM, (38)	GM	6,171,921	4,635,237	16	16-Oct-02	Head Region-Business Dev., Max Ateev Limited
Baheti Navneet, B.Com, ICWAI, MBA, (32)*	CMI	1,049,619	877,951	9	9-Jun-03	Finance Controller, Merlin Projects Limited
Bajaj Anand, B.Com, CS, CA, (36)	AGM	3,036,599	2,383,117	14	31-Jan-00	Executive, S. R. Batliboi
Bakhshi Sandeep, BE, PGDM (49)+*	DMD	13,262,987	8,947,878	27	1-May-09	Managing Director & CEO, ICICI Lombard General Insurace Co. Limited
Balamuragan I.A.S., BE, MBA, (40)	JGM	5,124,261	3,820,048	16	9-Jun-08	Director, UBS
Balani Umesh, B.Sc., PGDM, (35)	AGM	3,261,314	2,507,743	12	3-May-00	Manager, Genius Consultants Limited
Balasubramanian Ganesan, B.Com, CA, CAIIB, (48)*	CMII	1,455,775	1,202,936	25	22-Jan-07	Assistant Vice-President, Mashreq Bank
Balasubramanian Ganesh, M.Com, CAIIB, (41)	DGM	3,874,032	2,998,363	22	19-Dec-95	Trainee Officer, State Bank of India
Bane Sanjay, B.Com, CISA, (45)	AGM	2,601,004	2,086,747	28	1-Feb-01	Operation Manager, Bank of India
Banerjee Abonty (Ms.), B.Sc., MBA, (38)	JGM	4,578,798	3,652,542	14	4-Nov-99	Associate. Research Director, ORG-MARG Research Limited
Banerjee Anindya, B.Com, CA, (34)	JGM	5,308,218	3,930,020	12	7-Oct-98	—
Barah Gyan, B.Com, MFM, (46)	CMII	2,603,195	2,011,608	23	10-Sep-01	Manager, Mashreq Bank PSC
Basu Sudipto, B.Tech., PGDM, (42)	AGM	2,905,082	2,354,691	19	2-Jan-01	Assistant General Manager, ICRA Limited
Batra Mohit, BE, MS, (44)	SGM	8,828,460	6,750,605	18	24-Apr-92	—
Batra Sandeep, B.Com, CA, CS, (44)	GCO & CS	8,082,128	5,918,879	22	8-Nov-06	Executive Vice-President and CFO, ICICI Prudential Life Insurance Company Limited
Batra Vishal, B.Com, MFC, AMFI, (35)	AGM	2,629,031	2,090,679	12	21-Aug-01	Assistant Manager, IDBI Bank Limited
Beniwal Ravinder, B.Sc., MBA, NCFM, (40)	DGM	3,847,515	2,939,399	19	29-Mar-03	Manager Band IV, Max Newyork Life Insurance
Bhagavath Padmanabh, BE, DMS, ICWAI, MBF, (42)	DGM	3,324,958	2,618,816	22	7-Mar-07	Joint General Manager, Credit Analysis & Research
Bhageria Anand, BE, PGDBM, (37)	AGM	2,870,516	2,286,260	13	21-Sep-00	G.E.T - Essar Steel
Bhandari Mayank, B.Com, CA, (40)	AGM	2,407,940	1,897,079	17	5-Mar-08	Manager - Sudit K. Parekh & Co.
Bhandari Sevantika (Ms.), BA, PGPM, (33)	AGM	3,010,494	2,365,385	10	29-Sep-03	Product Manager, Dabur India Limited
Bhardwaj Sankalp Mohan, B.Sc, PGDBM, (33)*	CMII	1,030,130	819,233	14	1-Sep-03	Manager Sales, Shyam Telelink Limited
Bhargava Anuj, B.Com, CA, (34)	JGM	4,646,028	3,566,456	12	15-Oct-98	Vice-President, ICICI Securities Limited
Bhaskar Bijith, B.Tech., PGDIND, (36)	AGM	3,404,787	2,746,825	13	21-Jul-03	Manager Sales Planning & Distribution, Ford India
Bhat Sham, B.Sc., PGDM, (37)	DGM	3,791,376	2,862,926	21	2-Sep-02	Senior Manager, IDBI Bank Limited
Bhatia Amit, BCA, PGPM, (31)*	CMII	1,601,346	1,324,346	8	12-May-02	—
Bhatia Piyush, BE, MBA, (38)	DGM	3,780,398	2,892,174	14	1-Jun-95	—
Bhattacharya Abhijit, B.Sc., MHROD, (34)	CMII	2,523,598	1,963,356	9	21-Oct-03	Associate, HCL Perot Systems
Bhauwala Vikas, B.Com, CA, CS, (32)	AGM	3,062,413	2,468,666	12	6-Oct-03	Manager - Sudit K Parekh
Biswas Santanu, B.Com, CA, PGPM, (34)	CMII	2,421,646	1,902,789	9	15-Apr-01	Assistant Manager, ACC

Name, Qualifications and Age (in years)	Desig./ Nature of Duties***	Remuneration Received (Rs.)		Experi- ence (in years)	Date of Com- mencement of Employ- ment	Last employment
		Gross (Rs.)	Net (Rs.)			
Cazi Arshad, B.Com, LLB, MMS, (40)	DGM	3,930,569	2,993,776	16	8-Sep-98	Credit Buyer, Countrywide Consumer Financial Services
Chakraborty Samiran, B.Sc., MA, (36)*	AGM	1,119,653	905,649	10	17-May-04	Lecturer, Delhi School of Economics
Chandok Vijay, B.Tech, MMS, (42)	SGM	9,704,257	7,405,002	19	31-May-93	Production Executive, ITC Group - VST Industries
Chandra Atul, B.Com, CA, (33)*	CMI	1,495,820	1,301,141	11	5-Jun-06	Senior Manager, Corporation Bank
Chandrakant Naik Sushant, BE, MMS, (40)	DGM	3,686,599	2,791,451	17	26-May-03	Deputy Manager, SICOM Limited
Chattanathan D., B.Sc., BJO, DBF, CAIIB, (46)	DGM	3,830,801	3,002,609	19	27-Jun-97	Agricultural Field Officer, Allahabad Bank
Chatterjee Amit, B.Tech., PGDM, (37)*	JGM	1,077,504	883,649	14	2-May-05	Consultant, Citibank Tokyo
Chatterjee Sonjoy, BE, PGDM, (42)+	ED	12,247,108	9,205,855	17	25-Apr-94	Marketing Executive, HCL-HP
Chaturvedi Akshay, B.Sc, MBA, NCFM, (33)	AGM	3,061,681	2,424,835	10	20-Nov-01	Manager, R. R. Financial Services
Chaturvedi Bhupendra, B.Sc., PGDRM, CMR, (36)	AGM	3,310,107	2,554,633	11	27-May-04	Manager, A.C. Nielsen Research Services Private Limited
Chaudhuri Ripujit, BE, MMS, (41)	JGM	5,083,681	3,801,357	18	5-Sep-01	Manager, Enron India Private Limited & Broadbank Solutions Private Limited
Chebiyyam Sankar, B.Tch., PGDM, (33)*	CMI	1,082,746	867,493	10	16-Apr-00	—
Chitazhi Anil, B.Com, (38)*	AGM	1,968,189	1,574,843	15	29-Jan-07	Zonal Sales Manager, IDBI Bank Limited
Chitnis Anand, M.Sc., MCM, (51)*	AGM	1,577,847	1,324,945	30	17-Feb-99	Assistant Manager, Central Bank of India
Chopra Ashvini, B.Com, PGDBM, (39)	DGM	3,011,291	2,318,801	14	27-Sep-04	Management Trainee - Best Boards Limited
Chopra Meenakshi (Ms.) BA, ADPR, (35)*	CMII	1,382,397	1,187,875	12	27-Dec-97	Clerk, Citibank
Chopra Sumit, BE, PGDM, (36)	AGM	2,813,967	2,187,395	13	18-May-06	Senior Manager, Tata Tele Services
Choudhary Prabhakar, B.Sc, MFM, (39)	AGM	2,996,964	2,345,527	17	29-Oct-04	Manager - Stock Holding Corporation
Chougule Sanjay (Dr.), BE, MMS, LLB, Ph.D, (46)	SGM	6,407,925	5,070,767	23	1-Jun-87	Junior Engineer, RCF Limited
Daga Kritika (Ms.), BA, MBA, (43)	AGM	2,427,210	1,912,400	17	10-Dec-07	Deputy General Manager, Bombay Stock Exchange
Daga Shekhar, B.Com, CA, (33)	AGM	3,113,092	2,356,691	10	4-Dec-00	Manager, Unit Trust of India
Daruwala Zarin (Ms.), B.Com, CA, CS, (45)	SGM	8,104,229	6,162,093	20	21-Jun-89	—
Daryanani Mehul, BPHARM, MMS, (33)	AGM	3,017,896	2,347,116	10	16-Sep-00	Management Trainee, Erudite Capital
Das Aniyam, B.Sc., DCM, (48)	DGM	3,251,858	2,541,727	21	20-Mar-02	Head - ISG Services, Apnaloo.com
Das Biswajit, B.Sc., CAIIB, (41)	AGM	2,811,308	2,289,181	19	15-Jul-97	Officer, Punjab National Bank
Das Samip, B.Com, CA, (37)*	AGM	1,904,364	1,538,277	12	5-Nov-07	Finance Controller, GE Consumer & Industrial
Datar Salil, B.Com, CAIIB, MMS, (43)*	DGM	738,339	617,453	21	9-May-02	Head Exports, Schenectady Herdillia
Dave Amit, B.Tech., MMS, NCFM, PGPM, (36)	CMII	2,450,541	1,898,064	13	1-Jun-99	Executive Process Engineer - Thermax Babcock & Wilcox
Delima Paulus, BA, (51)	DGM	2,658,608	2,134,769	32	4-Oct-95	Manager, Bank of Maharashtra
Desai Nihal, BE, MBA, (42)*	GM	5,137,556	3,945,130	15	1-Jun-94	—
Deshpande Charudatta, B.Pharm, (54)	GM	6,008,936	4,619,868	15	21-Jul-05	Senior General Manager, Mahindra & Mahindra
Deshpande Shilpa (Ms.), BA, MA, (33)*	CMI	1,268,506	1,030,924	10	1-Jun-00	—
Deshpande Shripad, B.Sc, DSM, M.Sc, (36)	CMII	2,467,044	1,976,503	14	26-Jun-02	System Engineer - Tata Infotech Limited
Deshwal Pritam, B.Com, (38)*	CMII	869,830	709,196	14	17-Mar-10	Branch Manager, HDFC Bank Limited
Dey Partha, B.Tech., PGDM, (39)	GM	6,065,719	4,659,185	15	3-Jun-96	Senior Officer, Tata Steel
Dhaka Sunil, BA, (47)	JGM	3,673,658	2,805,523	26	1-Mar-07	Assistant Vice-President, ABN Amro Central Enterprise Services Private Limited
Dhamodaran S., B.Sc., CAIIB, (55)	SGM	7,521,624	5,536,529	35	4-Apr-94	Officer MII, State Bank of India
Dhanuka Pankaj, B.Com, ICWAI, CA, CS, (42)	DGM	3,453,207	2,609,826	22	1-Jun-00	VP & Company Secretary, SREI International finance Limited
Dhar Vineet, B.Com, PGDPMIR, (34)	DGM	3,573,509	2,761,513	14	15-Mar-00	Officer, HSB Bank
Dharmapuri Sreedhar, BA, HDSM, MDBA, AMFI, (37)	AGM	2,639,515	2,097,498	17	26-Dec-05	Senior Manager, IDBI Bank
Dhawani Amit, BE, MBA, (37)	DGM	4,627,555	3,642,407	14	3-Jun-96	—
Doddamani Imtiyaz Ahmed, BA, MA, PGDBA, (35)*	CMI	1,137,133	908,410	10	27-Sep-07	Zonal Sales Manager, GeE Money Housing Finance
Doraivel S, B.Com, ICWAI, CA, (41)	DGM	3,575,766	3,049,301	18	7-Aug-02	Manager, GE Capital
Dubey Pramod, B.Sc., M.Sc., MIBA, CAIIB, (37)	AGM	2,689,996	2,187,401	12	22-Aug-00	Assistant Manager, The Federal Bank Limited
Easwaran Vinod, BE, PGDM, (40)	DGM	3,199,489	2,608,524	18	6-Sep-99	Senior Marketing Manager, BPL Wireless Telecom
Gadgil Pankaj, BE, MBA, DFTR, (36)	AGM	2,912,174	2,386,619	13	19-May-03	Regional Manager, TADFL
Gala Hemant, B.Com, MBA, (31)*	CMI	1,645,946	1,389,080	8	3-Oct-05	Sales Manager, ICICI Prudential Life Insurance Company Limited
Gandhi Dipti (Ms.) (47)*	CMII	1,212,671	999,847	1	1-Jul-09	—
Gandhi Vikrant, B.Com, ICWAI, CA, PGDTFM, (37)	AGM	2,481,014	1,953,514	14	17-Nov-08	Chief Financial Officer, Kenal Kiran Clothing Limited
Ganerwal Kaushal, B.Com, PGDM, (29)	CMI	2,473,959	2,026,060	7	5-May-03	—
Ganesh Nagori Nitish, B.Sc., DCA, DMS, (39)	DGM	3,538,413	2,876,050	15	1-Feb-05	Vice-President, ABN Amro Bank
Ganesh R., B.Com, ICWAI, CAIIB, CS, (41)	DGM	4,117,019	3,172,860	21	31-Jan-00	Credit Officer, SBI Commercial & International Bank Limited
Ganeshram A.P., B.Com, PGDMM, (37)	AGM	2,499,093	2,025,106	16	19-Jul-04	Branch Manager, HDFC Bank
Garde Aarti (Ms.), BE, PGDBM, (37)*	AGM	2,238,148	1,771,831	13	11-Dec-06	Manager - Agency Sales, Met Life Insurance
Garg Rahul, BE, PGPM, (34)	CMII	2,697,021	2,169,110	11	20-Mar-01	Manager, SIDBI
Ghosh Abhijit, BE, MBA, (49)	AGM	2,473,600	2,008,382	21	2-Jan-92	Application Engineer, Tega India Limited
Ghosh Anindita (Ms.), B.Sc., M.Sc., PGABM, (33)	AGM	2,802,533	2,222,274	10	18-Sep-03	Senior Executive, Deepak Fertilizers
Ghosh Indranil, B.Com, MMS, (38)	AGM	2,627,191	2,064,993	15	22-Aug-02	Principal Consultant, Zenith Infotech
Ghosh Mrinal, B.Com, CA, (38)	AGM	2,415,339	1,860,903	14	25-Jun-01	Assistant Manager, Kotak Mahindra Finance Limited
Ghoshal Debashish, B.Sc., PGDM, (43)	JGM	4,193,650	3,209,426	19	1-Nov-06	Practice Head, Tata Strategic Management Group
Godse Rahul, B.Com, NCFM, (38)	AGM	2,481,847	1,978,830	18	2-May-95	Administration Assistant - ITC Classic Finance
Godbole Shankar, BA, B.Com, JAIIB, (56)	GM	2,837,381	2,181,538	33	4-May-77	—
Goel Ashish, B.Tech, PGDM, (37)	DGM	3,674,537	2,802,083	15	1-Oct-04	Trade Marketing Manager, Marico Industries Limited
Goenka Manoj, B.Com, CA, AMFI, (36)*	CMII	1,350,610	1,156,998	12	19-Oct-00	Assistant Manager-Accounts, Royal Infosys Limited
Gore Vivek, BE, MMS, (40)*	CMII	1,531,930	1,214,138	15	2-Apr-08	Deputy General Manager (Finance), Essar Oil
Gothandaraman K, B.Sc, CFA, CAIIB, (47)	DGM	3,109,334	2,404,338	28	16-Apr-07	Assistant - LIC of India
Gothivarekar Kunal, B.Com, PGDBM, (33)	AGM	2,675,279	2,062,128	11	20-Sep-00	Marketing Officer, Tata Finance Limited
Govil Jatin, BA, PGPM, (36)	AGM	2,704,904	2,106,201	13	24-Jan-07	National Sales Manager, Asian Paints (I) Limited
Govindan Krishnan, B.Sc., PGDBM, (41)	DGM	3,344,149	3,037,126	19	2-Jan-04	Regional Manager, Asian Paints (I) Limited
Gune Smita (Ms.), B.Com, CA, CIA, (51)	GM	5,858,034	4,484,787	26	12-Oct-98	Assistant General Manager, Tata Finance
Guntupalli Bharan, B.Com, CA, CS, CISA, (38)	AGM	2,905,766	2,307,440	15	29-Jan-07	Partner - M/s M.Bhaskara Rao & Co.

Name, Qualifications and Age (in years)	Desig./ Nature of Duties***	Remuneration Received (Rs.)		Experi- ence (in years)	Date of Com- mencement of Employ- ment	Last employment
		Gross (Rs.)	Net (Rs.)			
Gupta Ajay, B.Com, CA, (43)	GM	5,506,261	4,139,275	19	25-Nov-91	Article Clerk, A.F.Ferguson Co.
Gupta Bhavesh, B.Com, MBA, (37)	DGM	3,912,029	2,986,872	13	19-May-03	Assistant Vice-President, TADFL
Gupta Kapil, BE, (31)*	MMII	1,155,992	1,004,253	5	25-Jul-05	—
Gupta Pawan Sandeep, BE, DBF, (35)	AGM	2,743,582	2,247,562	13	8-Jul-04	Manager - Siemens
Gupta Rajneesh, BE, PGDM, (37)	DGM	3,159,549	2,483,902	14	1-Nov-07	Manager, General Electric International
Gupta Ritu (Ms.), B.A, MMS, (36)	DGM	3,308,204	2,683,789	14	20-Mar-07	Associate Resident - Director - Org- Marg
Gupta Subhro, B.Sc., M.Sc., MBA, (49)	DGM	3,668,705	2,926,613	24	1-Jun-06	Assistant Vice-President, IDBI Bank Limited
Gupta Vivek, B.Tech, PGDM, (35)*	CMII	1,380,757	1,192,612	12	10-Jul-06	Senior Manager, Tally India
Gurnani Bhaskar, B.Tech. MS, PGDM, (33)*	CMII	1,994,060	1,668,034	8	9-May-05	Analyst, Techs Pan
Guruvayurappan M., B.Com, MBA, (42)*	AGM	1,374,636	1,113,544	19	21-Jul-08	Director, Standard Chartered Bank
Habibulla Azmat (Ms.), B.Com, PGDBA, (38)	AGM	2,666,629	2,156,380	15	17-Oct-06	Trainee - Chaitra Leo Burneet Limited
Hariharan Kashinath, BE, MIB, (39)	AGM	2,836,365	2,238,377	15	17-Feb-07	General Manager, Reliance Industries
Hebbar Nagendra, BA, PGDBM, PGDPMIR, (39)	AGM	2,732,847	2,050,230	17	1-Jul-96	Senior Manager, Shriram Chit Fund
Indraganti Prasad, B.Com, BL, (50)*	AGM	1,486,558	1,231,124	28	15-Nov-06	7A, Centurion Bank
Isaac Robi, BA, LLB, (34)	JGM	4,550,212	3,460,832	13	3-Sep-07	Resident Partner, Kochhar & Co.
Isser Utpal, BA, PGDRM, (35)	DGM	3,811,284	2,947,097	11	1-Oct-01	Senior Research Executive, Indian Mark Research Bureau
Jacob Joe, B.Sc., PGDPMIR, MBA, (39)*	AGM	2,602,075	2,033,802	16	1-Oct-02	Assistant Manager, Standard Chartered Bank
Jagannathan Satya (Ms.), B.Com, CAIIB, (46)	DGM	3,116,426	2,378,892	27	1-Aug-07	Officer - Punjab National Bank
Jain Arun, B.Com, CA, (33)	AGM	2,849,765	2,309,083	11	21-Mar-01	Deputy Manager, S. B. Billimoria
Jain Mukesh, B.Com, CAIIB, PGDBM, DBANKM, (50)	SGM	7,471,813	5,732,784	30	29-Mar-94	Officer, Canara Bank
Jain Nakul, BBS, PGDM, (32)	AGM	2,949,195	2,281,452	11	2-May-00	Trainee, GE-SBI
Jain Nipun, B.Com, MBA, (38)	DGM	3,681,937	2,795,742	15	19-May-00	Branch Manager, Gmac-TCFC Finance Limited
Jain Nitin, B.Com, CA, (31)*	AGM	2,339,421	1,983,093	11	1-Jun-09	Vice-President, Askar Capital Advisory Pvt. Limited
Jain Radhika (Ms.), BBS, PGDM, (28)*	CMII	534,877	434,099	5	14-May-04	—
Jain Rakesh, B.Com, CS, PGDM, (32)*	CMII	1,192,721	1,036,992	7	10-Jun-04	Manager, Gabriel India Limited
Jain Vikas, B.Sc., CFA, DMM, PGDBA, AMFI, NCFM, (35)	AGM	2,749,933	2,167,372	14	9-Nov-99	Management Trainee, Tata Finance Limited
Jaiswal Manoj, B.Com, DSMKT, NCFM, (37)	AGM	2,726,089	2,202,340	17	30-Jul-03	Branch Manager, Global Trust Bank Limited
Jakhodia Nidhi (Ms.), B.Com, MBA, (31)*	CMII	1,899,653	1,585,147	8	16-Jan-06	Area Marketing Manager, Coca-Cola India Limited
Janak Jesrani Jay, B.Com, PGDM, (33)*	CMII	1,605,071	1,257,201	9	8-Jul-04	Assistant Vice-President, Motilal Oswal Securities
Jayaraman Mohan, B.Com, ICWAI, (36)	JGM	5,075,620	3,934,421	16	2-Dec-02	Assistant General Manager, FISAF
Jayarao K. M., BE, (54)	SGM	7,689,374	5,926,544	30	22-Mar-82	Junior Executive, BHEL, Hyderabad
Jethi Vikrant, B.Com, MBA, (36)	AGM	3,072,386	2,580,420	14	16-Apr-97	Management Trainee, Schematic Finance Limited
Jha Rakesh, BE, PGDM, (38)	DYCFO	7,535,756	5,806,635	13	3-Jun-96	—
Jha Sanjay, B.Sc., PGDM, (39)	AGM	2,768,183	2,215,648	15	24-Oct-00	Manager, UTI
Jhunjhunwala Abhishek, B.Com, CA, (32)*	MMII	1,287,713	1,102,159	7	24-Nov-04	Executive Trainee, Global Trust Bank Limited
Joglekar Vinayak, B.Com, (45)	DGM	3,831,129	3,038,329	25	15-Mar-99	Senior Manager, Lloyds Finance Limited
Johnson Shashi, B.Sc., PGDRM, (40)	DGM	3,858,326	2,969,532	17	13-Jun-02	Trading Manager, Cargill India Limited
Joshi Ajit, BE, MFM, (42)	AGM	2,521,916	1,985,455	20	5-May-03	Systems Architect, Unisys India Private Limited
Joshi Bhalchandra, B.Sc., MMS, (43)*	DGM	1,812,815	1,511,203	19	2-Aug-99	Manager, Standard Chartered Bank
Joshi Rahul, B.Sc., MBA, (40)	DGM	4,130,415	3,223,509	18	15-Mar-99	Meghraj Financial Services India Private Limited
Joshi Rajiv, BE, MBA, (35)	AGM	3,006,728	2,378,485	12	12-Nov-99	GE Countrywide Finance
Juneja Kamaljeet, B.Sc., PGDM, (36)	JGM	4,023,316	3,169,395	15	22-Nov-07	Principal Banking, Infosys Technologies
Juneja Maninder, BE, PGDM, (44)	SGM	7,849,908	5,931,099	19	5-Apr-99	Head Agency Business, DGP Windsor
Kajrolkar Roopesh, BE, MMS, (36)*	DGM	817,537	604,474	12	7-Apr-08	Market Space Manager, Castrol India Private Limited
Kamak Bhuvanendran, BE, PGCGM, (42)	JGM	5,063,405	4,201,542	20	1-Jul-08	Director, American Express
Kamani Anirudh, B.Com, CA, (40)	JGM	5,079,458	3,835,782	20	1-Feb-05	Manager Supply Chain, Becton Dickinson India Limited
Kamath K.V., BE, PGDBA, (62)+*	CHAIRMAN	4,348,753	3,318,716	38	1-May-96	Advisor to Chairman, Bakrie Group, Indonesia
Kannan N.S, BE, PGDM, CFA (44)+*	EDCFO	10,785,856	7,921,735	23	1-May-09	Executive Director, ICICI Prudential Life Insurance Co. Limited
Kannan Natarajan, DCSCI, BBA, (36)*	CMII	1,214,774	1,111,274	17	23-Apr-07	Technical Head, Volumetrics Tech
Kapadia Suketu, B.Com, CA, (38)	AGM	2,780,952	2,251,953	14	22-Jan-07	Senior Manager, V P Thacker & Co. Pvt. Limited.
Karunakaran Nirmal, B.Com, MMS, ICWAI, CFA, (41)	DGM	3,564,708	2,735,593	18	22-Jan-92	—
Kashiva Yuvraj, B.Com, M.Com, MFM, (40)*	CMII	1,290,680	1,119,103	20	15-Jan-07	Dealer, State Bank of India
Kashive Ashish, BE, MFM, (38)	DGM	3,920,540	2,981,662	18	28-Sep-07	Head-Fuels Practice, CRISIL Limited
Kaur Satinder (Ms.), M.Com, JAIIB, (46)	DGM	3,937,410	3,021,302	25	13-Apr-94	Officer, Punjab National Bank
Kenkre Deepak, BE, MFM, (44)	CMII	2,486,340	1,936,750	22	13-Jul-92	Plant Supervisor, Godrej Soaps Limited
Khandelwal Rajendra, B.Com, CA, CS, (37)	DGM	4,067,110	3,276,589	15	4-Oct-95	—
Khandelwal Sachin, BE, MBA, (43)	SGM	7,357,920	5,833,203	18	10-Dec-99	Honda Sael Cars
Khanna Rajat, B.Tech., MBA, (39)	AGM	2,638,994	2,172,781	15	2-Apr-07	General Manager, Citi Financial
Khanna Sanjaykumar, BE, (44)	DGM	3,373,749	2,603,708	23	15-Apr-05	Senior Manager, National Bank of Oman
Khedkar Nitin, BE, (35)*	MMII	1,188,475	1,042,074	9	24-Aug-06	Manager, WNS Global Services Limited
Khode Ninad, BHM, MBA, (35)*	CMII	1,294,203	1,282,358	11	30-Nov-02	Senior Territory Manager, Canon India
Kikani Kalpesh, BE, MBA, CFA, (37)	SGM	8,527,949	6,548,079	15	1-Jun-95	—
Kochhar Chanda D. (Ms.), BA, MMS, ICWAI, (48)+	MDCEO	18,181,944	13,779,695	26	17-Apr-84	—
Kodaganti Leelanand, B.Sc., (45)	AGM	3,322,008	2,543,544	22	26-Aug-04	Chief Manager, Global Trust Bank
Konda Vasudeva, B.Tech., PGDM, (36)	DGM	4,329,037	3,363,854	14	19-Apr-99	Senior Systems Analyst, Infosys Technologies
Konnur Sanjay, B.Com, M.Com, MBA, (43)*	CMII	1,215,785	1,014,898	19	22-Sep-99	Consultant
Koppar Sunil, B.Text, MMS (42)*	AGM	151,461	151,461	20	12-Mar-10	Vice-President, ABN Amro Bank
Kotian Laxmi (Ms.), B.Com, PGDSM, MMM, AMFI, (34)*	CMII	2,044,670	1,641,933	12	11-Sep-01	Assistant Sales Manager, ING Vysya Life Insurance
Krishna Som, M.Sc, MBA, (34)	AGM	2,919,608	2,346,768	15	1-Nov-00	Partner, Mradang Cinema
Krishnan K.R. BBA, MBA, AMFI, (37)*	CMII	759,184	666,171	15	19-Sep-01	Branch Manager, Cholamandalam Investment & Finance
Krishnan R., M.Sc., CAIIB, DCA, (47)	AGM	3,028,107	2,392,668	25	1-Aug-96	Assistant Manager, SBT

# Section 217

Name, Qualifications and Age (in years)	Desig./ Nature of Duties***	Remuneration Received (Rs.)		Experience (in years)	Date of Commencement of Employment	Last employment
		Gross (Rs.)	Net (Rs.)			
Kulkarni Padmakar, BE, PGDINDM, (32)*	MMII	1,148,876	972,539	8	19-May-06	Associate Consultant, I - Flex Solutions Limited
Kulkarni Rajaskumar, B.Com, LLB, (47)	AGM	2,499,140	1,921,783	28	25-Jan-08	Clerk - Bank of India
Kulkarni Vijay, B.Com, CA, (36)	AGM	2,400,740	1,979,313	17	1-Nov-07	Article Clerk - B K Khare & Co.
Kumar Amit, B.Com, CA, (33)*	CMII	1,716,589	1,434,236	11	21-Nov-03	Assistant Manager, GE Capital
Kumar Manish, B.Com, CA, (38)	DGM	4,520,897	3,411,309	15	28-Dec-99	Manager, Meta Strips Limited
Kumar Mukesh, B.Tech, (34)*	MMII	1,127,254	986,653	9	26-May-05	Deputy Manager, Eicher Motors
Kumar Ranka Manish, B.Com, CA, (29)*	CMI	1,122,332	930,097	8	2-Jan-04	Internal Auditor, KGK Enterprises
Kumar Sanjay, BA, (42)*	AGM	727,396	630,661	19	14-Dec-09	Chief Manager, State Bank of India
Kumar Senthil, B.Sc., MBA, (39)	AGM	2,882,651	2,252,615	16	4-Jan-01	Branch Manager, Ashok Leyland Finance
Kumar Shilpa, (Ms.), B.Com, PGDM, (43)	SGM	8,193,381	6,268,097	20	1-Jun-89	—
Kumar Sushant, MA, CAIIB, (49)	GM	6,846,401	5,150,745	23	18-Jul-94	Deputy Manager, United Bank of India
Kumar Vinit, B.Sc., MBMGT, (40)	JGM	3,813,631	3,016,878	16	10-Dec-07	Director, American Express Bank
Kuppuswami Swaminathan, M.Com, CAIIB, (55)	DGM	2,607,404	2,096,890	33	24-Feb-97	Officer Mil, Union Bank of India
Lal Rohit, B.Tech., PGPM, (39)	JGM	4,765,985	3,617,077	15	3-Apr-06	Vice-President, Citi Bank
Lamba Amit, BA, MBA, (37)	DGM	3,499,597	2,691,217	16	10-Nov-99	Senior Executive, Citicorp Credit Services Limited
Limaye Niranjana, BE, PGDM, (40)	JGM	4,659,592	3,606,411	17	1-Jun-95	Graduate Engineering Trainee, Larson & Toubro Limited
Madhavan Anish, B.Com, CA, (38)	DGM	4,221,561	3,264,749	14	20-Aug-01	Manager, Orix Auto Finl) Limited.
Madhekar Neeraj, B.Com, MPBA, DFS, MBA, CAIIB, (40)*	CMII	1,452,534	1,228,110	18	22-Jan-08	Relationship Manager, Ahli United Bank
Madhivanan B., B.Sc., PGDM, (40)	SGM	8,460,763	6,485,507	19	16-Dec-99	Chief Manager, Arvind Mills Limited
Madhusudan Sawant Bhushan, B.Sc, MMS, (41)*	AGM	1,339,731	1,077,326	5	6-Nov-04	Vice-President, Kotak Mahindra Bank
Mahadevan Srikanth, BE, (40)	AGM	2,400,740	1,906,228	18	5-Nov-07	Assistant Manager - Bajaj Auto Limited
Majumdar Nandini (Ms.), B.Sc., MBA, CDCS, DTIRM, CAIIB, (38)	DGM	3,456,437	2,661,621	15	17-Apr-07	Senior Manager, American Express Bank
Malhotra Anil, ME, (59)*	CMII	1,087,323	1,019,469	28	5-May-82	—
Malpani Sharad, BE, MBA, (36)	AGM	3,082,357	2,374,056	14	18-Sep-01	Research Analyst, Mckinsey Knowledge Center
Mallick Rahul, B.Sc, MBA (45)*	GM	1,830,971	1,385,118	21	10-Jan-05	Director, Prospect Base
Manikandan K.P., B.Sc., MBA, (36)*	CMII	1,449,347	1,155,520	14	1-Jun-05	Wealth Manager, Citi Bank
Manmohan Kapoor Aanchal (Ms.), B.Sc., PGDM, (36)	DGM	3,692,987	2,855,847	13	15-Dec-03	Senior Manager, IDBI Bank Limited
Mantri Sanjeev, B.Com, CA, (39)	GM	6,247,928	4,801,437	15	1-Oct-03	Deputy Head - Corp Banking, BNP Paribas
Marshall Vispi, B.Com, DCS, MFM, (44)	DGM	3,834,013	3,141,498	24	1-Sep-06	Head Liabilities, Standard Chartered Bank
Mattagajasingh Soumendra, BA, MA(IR&PM), (38)	DGM	4,552,718	3,447,409	13	23-Sep-02	Senior Officer, Hindustan Petroleum Corporation
Mathew Eapen, BA, DIATM, DIBMM, DIPIM, DLW, (42)	AGM	2,606,729	2,062,426	22	25-Feb-08	Admin Assistant - Kronex International
Mehra Rajan, B.Sc., CAIIB, (50)	DGM	2,674,689	2,157,918	29	5-Sep-98	Officer Mill, Dena Bank
Mehrotra Sumit, B.Com, (39)	DGM	3,434,025	2,694,311	18	2-Dec-99	Area Manager - Strategic, GE Capital - TFS
Mehta Ajay, B.Com, CA, (36)*	CMII	1,613,124	1,333,459	12	29-Nov-06	Deputy Manager, Mangalore Refinery
Mehta Vikash, B.Com, CA, (34)	AGM	2,876,055	2,283,761	11	21-Jan-00	Audit Manager, C.C. Chokshi & Co.
Menon Jayan, B.Com, CA, (42)	JGM	4,792,816	3,713,707	21	3-Mar-92	Senior Officer, TISCO- Special Steel Limited
Menon Rohit, B.Sc., PGDBM, (34)*	CMII	1,277,558	1,081,491	12	24-Sep-07	Branch Head, Reliance Life Insurance
Menon Sunith, B.Tech. (41)	DGM	2,912,110	2,256,702	19	11-Nov-99	Business Manager, SRF Fin. /GE Capital TFS
Mhatre Sangeeta (Ms.), B.Com, CA, (46)	SGM	6,664,895	5,150,944	24	12-Jun-89	Junior Officer, Price Waterhouse
Mishra Arun Kumar, B.Sc, MBA, (42)	AGM	2,524,351	1,973,904	18	25-Oct-05	Sales Executive - Jaiprakash Enterprises
Mishra Lok, BA, CAIIB, MBA, (40)	JGM	5,117,932	3,948,786	18	22-Oct-96	Assistant Manager, Oriental Bank of Commerce
Mishra Sidhartha, B.Sc., MFC, AMFI, NCFM, (34)	AGM	2,691,156	2,310,676	11	24-Oct-98	—
Misra Manish, B.Tech, PGDM, (39)	GM	5,194,413	3,953,789	13	19-Jun-02	Vice-President, Oyster Solutions
Mistry Porus, B.Com, AMFI, JAIIB, AML, NCFM, (39)*	AGM	649,567	549,414	17	28-Sep-07	Assistant Vice-President, IDBI Bank Limited
Mitra Ronita (Ms.), B.Com, MMS, (40)*	JGM	4,677,680	3,551,779	19	19-Aug-08	Marketing & Strategy Head, Castrol India Limited
Mittal Ajay, B.Com, ICWAI, CA, PGDTFM, (39)	DGM	4,569,203	3,553,204	15	17-Jan-07	Vice-President, ING Vysya Bank
Modi Ashish, B.Com, MBA, (34)	AGM	3,039,273	2,491,502	15	1-Dec-99	Corporate Sales - Hotel Vasant Continental
Mohatta Sudarshan, B.Com, ICWAI, CA, CS, JAIIB, (38)*	AGM	2,022,215	1,654,804	15	5-Oct-06	Manager, The World Bank
Mookerjee Ranadeep, B.Com, CA, (35)	AGM	2,892,016	2,280,051	13	29-Sep-03	Deputy Manager, E-serve International Limited
Mulla Parvez, BE, PGDM, (39)	DGM	4,606,001	3,575,423	16	16-Aug-00	Relationship Manager, ANZ Grindlays Bank
Muthuvallippan S. P., B.Com, JAIIB, CAIIB, (54)	DGM	3,102,484	2,379,056	10	1-May-00	—
Nachiappan V., B.Sc., CAIIB, PGDBA, (56)	GM	5,168,925	4,021,691	36	1-May-00	General Manager, Bank of Madura Limited
Nag Sudipto, B.Sc., MBA, (35)	AGM	3,097,814	2,439,678	11	8-May-01	Medical Detailing Officer, Nestle India Limited
Nagarajan Raghu, B.Sc., M.Sc., DCA, (45)	AGM	2,523,781	2,028,846	21	14-Nov-94	Assistant Manager, State Bank of India
Nagpal Vikas, DEE, PGDBA, (36)	AGM	3,048,918	2,362,260	16	24-Sep-04	Emerson Network Power India Pvt Limited
Naik Kishor, BE, MMS, (40)	DGM	3,669,536	2,839,215	17	1-Jun-95	Officer, DGP Windsor
Nair Jayachandran, B.Sc, MBA, (42)	AGM	2,505,398	1,988,650	17	26-Nov-01	Marketing Officer - Corporation Bank
Nair Jayakumar, B.Tech., PGPM, (39)	AGM	3,057,971	2,582,644	20	5-Sep-05	Senior Manager, Bharti Cellular
Nair Rajesh, B.Com, PGDM, (36)	DGM	3,974,665	3,093,851	13	10-Jan-00	Deputy Manager, Export Import Bank of India
Nair Raman, B.Com, CA, CPA, CISA, (44)*	AGM	1,876,567	1,536,993	22	2-Jul-07	Finance & Accounts Dept, Enam Financial Consultant
Nambiar Sanjay, BALLB, ML, (39)	DGM	3,512,339	2,748,796	16	23-Jul-07	Chief Manager, Arcil Pvt. Limited
Nandakishore R, B.Sc, MBA, (34)*	CMII	903,643	739,264	9	20-Nov-07	Assistant Vice-President, J M Financial Services
Nanjundaraj Ashok, B.Com, MBA, (38)*	CMII	1,284,904	1,044,209	15	19-Jul-04	Assistant Manager, Tata Tele Services Limited
Narayanan Keerthi, B.Com, ACI, (45)	AGM	2,685,124	2,125,381	25	4-Sep-06	Assistant Vice-President, UTI Bank
Narayanan N.R., BE, PGDM, (47)	GM	6,200,360	4,805,774	23	17-Apr-00	Regional Manager, Eicher Motors Limited
Narayanan Nair Vivek, B.Tech., MIB, (32)	CMII	2,438,957	1,980,379	8	20-Apr-04	Senior Officer - GAIL (I) Limited
Narayanan T.V., B.Com, CAIIB, (50)	DGM	2,708,141	2,224,810	26	16-May-94	Manager, State Bank of India
Nayak Girish, B.Tech., PGDM, (39)	GM	5,488,146	4,250,929	17	2-May-94	Software Engineer, Mastek Limited
Nayak Jivan, B.Sc, M.Sc, MMS, (40)*	AGM	1,139,598	919,255	13	14-May-08	Manager, Dubai Bank
Neithleth Jayaram, B.Sc., MA, PGDSM, (43)	AGM	2,564,717	2,095,180	21	25-Jul-97	Officer II, Bank of Madura
Nidugondi Srinivas, B.Com, PGDM, (36)	AGM	2,622,004	2,073,699	13	23-Feb-06	Country Manager, ACG PTE Limited



Name, Qualifications and Age (in years)	Desig./ Nature of Duties***	Remuneration Received (Rs.)		Experi- ence (in years)	Date of Com- mencement of Employ- ment	Last employment
		Gross (Rs.)	Net (Rs.)			
Nirula Ramni (Ms.), BA, MBA, (57)	SGM	7,453,731	5,744,324	34	1-Dec-75	—
Nohwar Rajeev, BE, MBA, (38)	AGM	2,433,727	1,931,783	14	20-Apr-99	Area Sales Manager, Bank of America
Padmanabhan Ramesh, B.Sc., CAIIB, CFA, PGDBA, (47)*	AGM	1,943,244	1,623,036	26	30-Mar-98	Assistant Manager, State Bank of India
Pal D. K., B.Com, ACA, (54)	JGM	4,192,754	3,283,246	30	2-Mar-81	State Bank of India
Palta Amit, BE, PGDBM, (38)	GM	5,411,100	4,082,746	9	7-May-08	Head Sales, ICICI Prudential Life Insurance Company Limited
Panda Pranab, BE, PGPM, (33)*	CMI	650,148	559,221	8	12-May-02	—
Pandey Ajay, BA, PGDIRPM, (42)	AGM	3,099,362	2,446,976	17	6-Dec-05	Senior HR Manager, Convergys India
Pandey Bhaskar, B.Sc., MMS, (39)	AGM	2,844,020	2,239,987	10	15-Jan-07	Wealth Advisor, Citi Group
Pandit Hrishit, BE, PGDBA (32)*	CMI	1,238,943	996,178	9	12-Sep-07	Assistant Vice-president, ICICI Securities Inc.
Parekh Ritesh, B.Com, CPA, CA, (34)*	CMII	944,895	875,329	10	16-Sep-09	Finance Manager, Must Garments Corporation
Parmar Anilkumar, BBA, CAIIB, (38)	AGM	3,103,123	2,400,253	18	18-Jul-05	Senior Manager, Union Bank of India
Parvatikar Manju (Ms.), M.Sc., (52)*	AGM	703,891	603,691	26	30-Mar-96	Manager-Forex, Banque Nationale De Paris
Patnaik Shyam, B.Sc, PGPM, (53)	DGM	3,096,301	2,459,393	29	16-Nov-96	Officer MII, Canara Bank
Patni Ashok Kumar, MA, (55)	JGM	4,453,799	3,486,387	33	1-May-96	State Bank of Bikaner & Jaipur
Paul Noel, B.Sc, BE, (53)	AGM	2,703,775	2,144,070	10	28-Feb-00	—
Paul Saurabh, BE, PGDM, (39)*	MMII	1,147,968	1,032,099	16	1-Jun-06	Manager, Idea Cellular
Pereira Karyn (Ms.), BA, (39)*	CMII	1,652,040	1,311,562	18	20-Nov-06	Manager Operation, CFC India Pvt. Limited
Phani Kumar Thota, B.Com, DCA, COMP, (40)	AGM	2,642,829	2,159,715	20	11-Dec-00	Manager, UTI Bank Limited
Pillai Neelakantan, BBM, (49)	AGM	2,651,490	2,215,423	23	10-Jan-00	Manager, Times Bank Limited
Prabhune Sunil, B.Com, PGDM, (34)	DGM	4,165,086	3,154,900	13	4-Jul-05	Senior Manager - HR, Novartis
Prakash Rogiye Suhas, BE, MMS, (35)*	CMI	1,688,423	1,379,139	12	3-Feb-03	Manager - Operations, Elbee Services Limited
Prakash V., B.Sc., M.Sc., (47)	GM	4,557,677	3,573,633	19	17-Apr-08	Director Head, Standard Chartered Bank
Pramod P.C., B.Sc., MA, COMP., (43)	AGM	3,118,202	2,464,525	21	12-Oct-98	Deputy Manager, Bank of Madura
Prasad Jayant, BE, PGDM, (36)	DGM	4,262,146	3,375,754	12	4-May-98	—
Prasad Vinayak, B.Sc., MMS, MBA, (42)	JGM	4,658,556	3,629,944	15	5-Mar-07	Director- Head of Central Strategic Risk Operations, Capital One Service Inc.
Purandare Madhavi (Ms.), B.Com, ICWAI, CS, CAIIB, (42)	DGM	3,790,841	2,884,179	22	10-Jul-99	Manager, Saraswat Bank
Puranik Ganapathy, B.Com, ICWAI, (38)	AGM	2,672,343	2,146,037	18	10-Feb-04	Manager, HDFC Bank
Puri Dharmvir, B.Com, MBA, (38)*	AGM	745,617	431,226	11	11-Oct-99	Assistant Manager, Ceat Financial Services Limited
Quadros Valance, B.Com, CA, (34)	AGM	2,555,438	2,049,073	10	23-Nov-07	Officer - Bharat Overseas Bank
Radhakanthan Mahadevan, B.Sc, CAIIB, (43)*	AGM	2,195,532	1,894,833	20	5-Jan-07	Chief Manager, State Bank of India
Rai Amit, BA, PGDM, (35)	AGM	2,801,338	2,301,830	13	1-Jun-01	Territory Manager, GE Countrywide
Rajani Mukesh, M.Com, DFM, MMS, MBA, (41)	AGM	2,772,179	2,142,353	20	20-Jun-01	Manager, Kotak Mahindra Financial Limited
Rajesh Srivastava Anubhav, BE, PGDM, (32)	CMII	2,524,761	1,946,551	9	3-Nov-03	Graduate Engineer Trainee - SKF Bearings
Railhan Raj, B.Sc., PGDIT, CAIIB, (42)*	DGM	1,948,593	1,587,437	20	4-Feb-08	Assistant Vice-President, SBI Capital Market
Ramachandran G (Dr.), M.Sc., M.Phil., Ph.D., INS, (48)	DGM	4,601,936	3,546,280	20	24-Dec-01	Vice-President-Mutual Fund, CRISIL
Ramadorai Radha(Ms.), JALIB, M.Com, DCM, PGDBM, (44)	AGM	2,454,018	2,046,725	25	12-Apr-94	Officer, RBI
Ramakrishnan Arati (Ms.), B.Com, CS, MMS, (33)	AGM	3,033,555	2,301,460	10	23-Sep-02	Associate, CRISIL Limited
Ramakrishnan Murali, B.Tech, PGDM, (47)	GM	6,129,263	4,658,027	24	2-Aug-99	GE Capital TFS Limited
Raman Arun , BE, PGDM, (39)	JGM	4,506,745	3,412,983	10	20-Jul-05	General Manager, Satyam Computers Limited
Ramasubramanian Krishnakumar, B.Tech., PGDM, (37)	DGM	3,852,025	3,095,012	14	3-Jun-96	—
Ramesh A R, B.Com, PGDM, MBA, (41)	DGM	2,923,176	2,455,427	17	1-Nov-99	Assistant Manager, Standard Chartered Bank
Ramesh A.V, BE, M.Tech., (46)	DGM	3,951,590	3,073,011	19	30-Apr-01	Manager Systems, State Bank of India
Ramesh Kumar Wadhwa Dinesh, B.Tech, MIB, (36)*	AGM	478,804	463,066	14	6-Oct-03	Center Manager, IMS Learning Resources
Ramji Krishna Swamy, BE, MBA, (40)	AGM	2,574,457	2,033,859	14	22-Dec-03	Assistant Vice-President, Citi Bank Financial
Ramkumar Krishnaswamy, B.Sc., PGDPM & IR, (48)+	ED	13,680,930	10,381,177	25	2-Jul-01	General Manager (HR), ICI India Limited
Ramnath Karekar Digamber, BE, (43)	AGM	2,469,724	1,981,341	17	30-Aug-04	Customer Support Executive - Emirates Electronics
Ranganathan Sridhar, B.Sc., (37)	DGM	4,067,165	3,121,750	16	18-Dec-00	Assistant Manager, Bharati Mobile Limited
Ranjan Rakesh, B.Sc. (43)*	AGM	1,818,824	1,577,382	22	9-Dec-05	Assistant Vice-President, IDBI Bank Limited
Rao Gururaj, BE, MMS, (38)	DGM	3,236,339	2,481,764	15	4-Feb-08	Head, Birla Sun Life Insurance
Rao Pramod, BA, LLB, (36)	SGM	7,404,741	5,663,828	14	1-Aug-96	Mulla & Mulla
Rao Raghavendra, B.Sc., CAIIB, CDCS, (44)	AGM	2,696,997	2,176,709	24	22-Oct-97	Assistant Manager, Indian Bank
Rao Sanjay, B.Com, CA, (35)	AGM	2,714,638	2,113,243	11	22-Dec-08	Chief Technology Officer, Citigroup Wealth Advisor India Limited
Rao Subba, M.Sc., DBM, (49)	DGM	3,333,896	2,623,180	24	29-Jan-01	Chief Manager, Global Trust Bank
Rastogi Yogesh, BE, PGPM, (41)	JGM	4,671,482	3,614,171	17	14-May-93	—
Ratanpal Amit, B.Com, CA, MBA, (34)*	AGM	2,772,117	2,161,748	10	11-Mar-05	Senior Investment Advisor, ABN Amro Bank
Rele Sushil, B.Com, MMS, ICWAI, INS, (45)	AGM	2,919,714	2,369,360	24	7-Oct-02	Assistant Vice-President, Birla Sunlife Distribution
Roy Chaudhuri P.S., MA, LLB, DPM, DCM, DIPT&D, CAIIB, PGDHRM, HRDA, (54)	AGM	2,868,728	2,257,457	30	25-Sep-00	Manager, Union Bank of India
Roy Choudhury Saurabh, BFS, PGPABM, (35)*	CMII	1,525,271	1,225,416	10	26-May-03	Product Executive, Wockhardt
Rungta Vineet, B.Com, CA, (33)	AGM	2,991,008	2,387,024	14	19-May-03	Executive, S. R. Batliboi & Co.
Rupani Viral, BE, MBA, (41)	DGM	3,476,340	2,799,623	16	4-Jun-03	Regional Manager, Standard Chartered Bank
Saha Anup, B.Tech., PGPM, (39)	JGM	5,010,220	3,773,127	17	21-Jun-03	Assistant Vice-President, GE Capital
Saha Avijit, BE, PGDM, (41)	JGM	4,784,754	3,880,262	17	7-Aug-06	Business Manager, ICI Paints
Sahasrabudhe Vidyadhar, B.Sc., LLB, (57)	GM	4,875,967	3,789,856	39	28-Aug-96	Senior Manager, Bank of Maharashtra
Saini Gurnam, B.Com, (44)	AGM	2,596,703	2,045,506	21	5-Dec-05	Officer - Canara Bank
Salhotra Rohit, BE, PGDM, (43)	JGM	4,087,499	3,452,016	20	21-Nov-06	Head Sales & Marketing, Bharti Airtel Limited
Sanadi Manik, BE, (38)*	CMII	1,064,484	882,888	15	17-Dec-07	Deputy General Manager, Onward Technologies
Sanghai Anubhuti (Ms.), BA, CA, (36)	DGM	4,699,880	3,494,091	12	30-Mar-99	Executive, S. R. Batliboi & Co.
Sanghai Sumit, B.Com, CS, CA, (34)	AGM	3,133,994	2,467,460	10	24-Apr-00	—
Sanyal Goutam, B.Sc., M.Sc., Ph.D. (46)	DGM	4,484,228	3,386,307	14	21-Nov-05	Consultant, I-flex Solution
Saraf Ajay, B.Com, ICWAI, ACA, (40)	SGM	7,593,542	5,911,893	18	1-Jun-02	American Express Bank Limited
Saravade Nandkumar, BE, M.Tech., (47)	GM	4,425,292	3,333,576	26	7-May-08	Director, NASSCOM



## Section 217

Name, Qualifications and Age (in years)	Desig./ Nature of Duties***	Remuneration Received (Rs.)		Experi- ence (in years)	Date of Com- mencement of Employ- ment	Last employment
		Gross (Rs.)	Net (Rs.)			
Sarawgi Sandeep Kumar, B.Com, CA, (40)	DGM	3,504,577	2,640,730	17	17-Jan-07	Chief Financial Officer, Bombay Stock Exchange
Sarkar Debashish, B.Tech, PGDQM, PGDMFM, MS, (42)	DGM	3,695,381	2,876,593	19	11-Jul-02	Marico Industries
Sarkar Minakshi (Ms.), M.Sc, PGDM, (47)*	CMII	917,943	786,502	20	2-May-95	Assistant Manager, SBI
Sarpal Akashdeep, BE, MMS, (38)	DGM	4,013,886	3,023,374	1	3-Nov-08	—
Satnaliwala Rupesh, B.Com, CA, (34)	DGM	4,288,403	3,233,489	12	31-Dec-99	Finance Executive, CESC Limited
Satpathy Dilip, MA, CAIIB, NCFM, AMFI, (51)*	CMII	1,573,891	1,376,799	26	20-Jun-94	Branch Manager, Central Bank of India
Satpathy Suchismita (Ms.), DSM, BA, PGPM, (37)	DGM	2,899,851	2,419,868	15	1-Jun-95	—
Satyaprasad Manikonda, M.Com, CAIIB, (51)	JGM	4,818,729	3,695,341	29	26-Dec-01	Senior Vice-President Credit Lyonnais Bank
Savant Geeta (Ms.), B.Com, CA, CS, (46)	DGM	2,501,134	2,030,845	22	17-Mar-92	Audit Executive., Voltas Limited
Sawai Alankar, BE, PGDM, (35)*	AGM	1,369,339	1,200,904	9	4-Jun-01	District Manager, Colgate Palmolive Limited
Sawhney Guljiv, B.Com, PGDBM, (40)	AGM	2,870,160	2,277,066	17	20-Dec-04	Assistant Vice-President, ABN Amro Bank
Saxena Anurag, BE, PGPM, (34)	AGM	2,810,669	2,356,552	12	18-Aug-03	Manager, Xerox Office Automation
Saxena Sharad, BE, (47)	JGM	4,739,449	3,681,603	23	12-Sep-05	Chief Manager IT, Konkan Railway
Seetharaman M. S., M.Com, CAIIB, (51)	DGM	3,475,115	2,719,564	32	31-Mar-95	Officer, Canara Bank
Seghal Girish, BE, MBA, (38)	AGM	3,075,194	2,475,727	13	1-Jun-02	Sales Executive, Kodak India Limited
Sehrawat Sanjeev, B.Sc., MBA, PGDM, (41)*	GM	4,346,535	3,355,382	17	3-Jun-96	Officer, Bharat Petroleum
Sen Debrato, BE, MBA, CFA, (41)	DGM	3,977,263	3,099,786	16	4-Dec-03	Senior Relationship Manager, BNP Paribas Bank
Senthil Raj A, B.Sc, PGPABM, (34)	CMII	2,427,219	1,918,419	9	9-Apr-03	Senior Executive - United Phosphorus Limited
Seshadri Sridhar, M.Com, CAIIB, (47)	DGM	1,967,130	1,643,570	27	6-Feb-95	Systems Analyst-scale II, Syndicate Bank
Seshadri Vishwanath, B.Com, ACA, (48)	GM	5,046,769	3,893,778	22	19-Aug-98	Manager Finance, Countrywide
Sethi Ajay, B.Com, CAIIB, AMFI, (43)	AGM	2,572,565	2,099,168	22	24-Aug-98	Assistant Manager, Vijaya Bank
Sethi Amit, BE, MBA, (37)	JGM	4,446,067	3,431,351	14	1-Jun-98	Engineer, Essar Steel Limited.
Shah Parag, B.Com, CA, LLB, MBA, (38)	AGM	2,612,119	2,111,981	14	6-Oct-98	Manager, CTRL Deprty Services
Shah Anand, B.Com, CA, (32)	AGM	2,611,476	2,050,162	9	25-Sep-06	Manager, ITC Limited
Shah Anish, B.Com, CA, ICWAI, LLB, (39)	AGM	2,688,495	2,136,003	16	7-Jan-08	Executive- Accounts - Siemens
Shah Ankur, BBA, MBA, AMFI, (32)	AGM	2,788,130	2,225,734	10	1-Jun-00	—
Shah Drupad, BE, MMS, (40)	DGM	4,096,036	3,170,822	16	5-Apr-99	Manager, Apple Finance Limited
Shah Sweta (Ms.), B.Com, PGDM, (32)	CMII	1,653,833	1,301,004	9	1-Jun-01	—
Shali Diju (Ms.), B.Com, PGDM, (37)*	CMII	788,690	691,614	13	2-Jun-97	Territory Manager, IFCI Limited
Sharma Ajay, B.Com, M.Com, CA, (32)*	CMII	997,643	885,258	8	4-Feb-05	Manager, Kotak Life Insurance Limited
Sharma Ambrish, B.Pharm, BE, (50)	DGM	3,173,366	2,526,629	28	1-Sep-08	Junior Engineer - Government of Rajasthan
Sharma Arun, B.Com, MBA, CA, (37)*	JGM	2,500,013	1,785,143	16	23-Feb-10	Vice-President, GE Capital Ser India Pvt. Limited
Sharma Bharat, BE, MBA, DBF, (39)	DGM	3,961,196	3,071,092	15	22-May-02	Regional Manager, TADFL
Sharma Neeraj, B.Sc, M.Sc, (46)	AGM	2,574,890	1,991,968	23	6-Dec-07	Subject Matter Specialist - G B Pant University
Sharma Parvesh Kumar, BE, MDBA, (38)	AGM	2,796,801	2,189,456	16	10-Sep-07	Site Engineer - Natraj Construction Co.
Sharma Sanjeev, B.Sc, M.Sc, LLB, MBA, PMP, (41)	AGM	2,674,342	2,106,625	16	6-Sep-07	Manager - Stock Holding Corporation
Sharma Sanjeev, BA, PGPM, (38)*	CMI	1,086,066	897,873	14	28-Sep-05	Assistant Vice-President, Bank of Pujab Limited
Sharma Sudershan, B.Com, CS, CA, (40)	JGM	4,713,179	3,531,071	16	1-Jul-99	Manager, IDBI Limited
Shekar Chandrashekar, BE, GCIE, GDM, MBA, (39)*	AGM	1,313,320	1,143,573	17	18-Jun-07	Executive Manager, Commonwealth Bank of Australia
Shekhar Chandra, B.Sc, (52)*	AGM	1,337,682	1,095,325	31	28-Dec-07	Head- Technology, National Comm. der. exe
Shende Shreepad, B.Sc., PGDM, (39)	AGM	2,606,785	1,999,331	16	23-Aug-04	Head- Cross Sell Initiatives, Tata AIG
Shetty Supriitha ( Ms.), B.Com, CA, (44)	JGM	5,483,702	4,140,305	19	26-Sep-03	Manager, BNP Paribas
Shinkar Siddharth, B.Com, CA, (35)*	AGM	1,799,840	1,445,267	13	4-Jun-09	Senior Manager, Ahli United Bank B. S. C. (AUB)
Sigita Ranju (Ms.), B.Sc, PGDM, (33)	CMII	2,461,693	1,931,709	11	27-Oct-03	Manager - IFCI Limited
Singh Govind, B.Com, CAIIB, (44)*	AGM	1,184,729	1,005,068	23	11-Jul-00	Assistant Vice-President, UTI Bank Limited
Singh Hattar Sohandeep, B.Sc, MHRD, (33)	CMII	2,508,571	1,970,135	9	23-Feb-04	Executive HR - Larsen & Toubro Limited
Singh Lakhprit, BBA, (34)	AGM	2,653,064	2,232,425	13	23-Jun-97	—
Singh Navneet, B.Tech., PGDBM, (38)	DGM	3,700,822	2,967,707	15	15-Jun-99	Manager, Unit Trust of India
Singh Saurabh, MA, MMS, (43)	GM	6,281,252	4,719,340	18	31-Dec-99	Manager HRD, Tata Liebert
Singh Tina (Ms.), BA, PGDM, (35)	AGM	2,654,261	2,213,166	13	10-Feb-03	Segment Manager, Reliance Infocom
Singhal Amit, B.Sc., PGDM, (36)	DGM	4,796,351	3,617,732	12	1-Aug-00	Key Accounts Manager, Procter & Gamble
Singhal Ashish, BE, PGDBA, (38)	DGM	4,141,975	3,310,536	13	13-May-05	Director, Monarch Marketing
Singhal Raghav, BA, PGDM, (35)	DGM	4,009,561	2,997,883	13	10-Jan-00	Product Manager, Godrej GE Appliances
Singhvi Sanjay, B.Sc., CA, (40)	JGM	4,948,863	4,397,148	17	15-Mar-00	Group Manager, Birla Global Finance Limited
Singhvi Vikas, B.Com, MBA, (37)	DGM	3,621,253	2,837,895	14	21-Aug-96	—
Sinha Madhu (Ms.), B.Sc., M.Sc., (49)	DGM	3,172,155	2,470,419	25	19-Jun-07	Assistant General Manager, State Bank of India
Sinha Rahul, BA, MBA, (39)	AGM	2,664,465	2,153,194	12	23-Dec-02	Product Manager, Standard Chartered Bank
Sivaramakrishna Harikumar, BA, DIM, MBA, (41)	AGM	2,472,421	2,033,215	21	12-Jan-04	Head Accounts, Standard Chartered Bank
Sonawane Mahesh, B.Sc., MBA, (38)	AGM	2,952,432	2,280,848	14	26-Jul-96	—
Sood Sanjay, BA, (46)	AGM	2,681,829	2,099,120	26	22-Aug-00	Deputy Manager, SBI
Sreekumar Thallam, B.A (42)	DGM	3,948,681	3,060,495	20	18-Feb-99	Manager, GE Countrywide
Srinivas G, B.Tech, PGDM, (42)	GM	6,585,994	4,987,234	19	8-Jun-93	Management Trainee, IFCI Limited
Srinivasan Purohit, B.Com, CA, (40)*	AGM	1,089,038	977,537	17	1-Mar-07	Relationship Manager, Calyon Bank
Srinivasan V., B.Com, CA, (44)	DGM	4,945,484	3,749,866	21	8-Sep-05	Vice-President, IDBI Bank Limited
Srirang T.K., BE, MBA, (38)	GM	6,598,344	4,883,549	14	29-Oct-01	Area HR Manager, Coca-Cola India Limited
Srivastava Nitika (Ms.), B.Sc, CFA, (38)*	CMI	1,192,562	987,732	11	19-Oct-05	Deputy Manager, HDFC Limited
Srivastava Priti (Ms.), BA, (41)*	CMII	1,645,776	1,340,560	16	27-Nov-06	Senior Manager, People Interactive
Srivastava Sanjeev, BE, MMS, (35)*	CMI	1,316,343	1,114,310	10	6-Apr-09	Engagement Manager, Cedar Mgt Consulting International LLC
Subbappa Bharath, B.Com, (44)	AGM	2,456,032	1,971,294	23	20-Sep-04	Functional Consultant, Wipro Infotech Limited
Subramaniam Subhash, B.Sc, MMS, (37)	AGM	3,010,162	2,318,595	16	24-Jul-04	Officer - National Stock Exchange
Subramanian Gopalan, B.Sc., CAIIB, MBA, (52)	DGM	3,810,541	3,020,619	32	2-Sep-94	Officer, Canara Bank

Name, Qualifications and Age (in years)	Desig./ Nature of Duties***	Remuneration Received (Rs.)		Experi- ence (in years)	Date of Com- mencement of Employ- ment	Last employment
		Gross (Rs.)	Net (Rs.)			
Sundararajan Narayanan, B.Sc, (39)*	CMII	1,408,956	1,152,411	17	3-Dec-07	Senior Manager, Max New York Life Insurance Company
Sureka Rajesh, B.Com, CS, CA, (33)*	CMII	1,589,064	1,296,672	11	6-Dec-05	Deputy Manager, UTI Bank
Surendra Kumar Appicatlai, BE, PGDM, (37)	AGM	2,764,543	2,263,323	11	25-Jun-03	Executive Corporate Planing- India Satcom
Suresh Jogani Vandana (Ms.), BE, MMS, (40)	JGM	4,814,851	3,617,961	16	7-Mar-05	Assistant Vice-President, GE Countrywide Consumer Finance
Suresh P., BE, PGDM, (38)	JGM	5,253,084	4,032,001	16	3-Jun-94	—
Suvarna Rakesh, B.Com, MMS, JAIIB, (37)	DGM	4,097,975	3,160,335	14	15-Feb-99	Assistant Manager Projects, Ajcon Capital Markets Limited
Swar Ajit, B.Sc, LLB, CAIIB, DIL, (58)*	AGM	1,882,275	1,624,143	38	15-Sep-94	Officer MII, State Bank of India
Tadikonda Shivakumar, B.Sc., JAIIB, MFM, EPDSS, (46)	DGM	3,162,396	2,450,618	23	5-Jul-07	Senior Assistant Vice-President, Bank of Rajasthan
Tailor Shyamsunder, B.Com, CA, (40)	AGM	2,781,928	2,178,499	10	16-Oct-00	—
Tandon Vikas, B.Com, (41)	JGM	4,590,378	3,577,176	23	2-Jul-07	Head of Compliance, Citi Bank
Thakkar Vivek, B.Com, CA, (31)*	AGM	2,177,098	1,722,151	11	21-May-01	Project Executive, S.H.Bathiya & Associates
Thiagarajan Sankar, BE, (39)	DGM	3,596,818	2,787,795	19	8-Jan-01	Manager Marketing, Eicher Motors Limited
Thosar Abhijit, B.Sc, PGDMM, PGPEPCT, CCP, CIUCP, DSM, PGDFSM, (42)	AGM	2,514,193	1,972,695	18	10-Aug-06	Trainee Chemist - Sandoz India Limited
Tikotekar Sanjay, B.Com, LLB, CAIIB, (50)*	GM	3,283,125	2,537,936	29	1-Dec-94	Deputy Manager, Bank of Maharashtra
Tripathy Subhendu, BE, PGDM, (39)	DGM	3,663,185	2,805,744	16	7-Jan-02	Business Analyst, Mphasis BFL Limited
Trivedi Avaneesh, B.Sc, MPM, (35)*	CMII	1,197,048	923,220	11	23-Dec-02	Assistant Manager, ACC Limited
Trivedi Gira (Ms.), B.Com, CA, CS, (40)	AGM	2,935,096	2,236,774	16	20-Dec-93	—
Trivedi Nilesh, B.Com, LLB, FCS, (55)*	AGM	2,492,955	1,964,040	33	21-Jul-80	Cashier, Sir H.N. Hospital
Trivedi Praveen, B.Com, CA, (37)	DGM	4,203,673	3,252,919	16	3-Dec-01	Assistant Manager, IDBI Bank Limited
Udayan Desai Aakash, B.Com, MMS, (31)	AGM	3,023,678	2,362,069	9	1-Jun-01	—
Umapathy Avinash, BALLB, (32)	AGM	3,932,289	3,160,249	10	12-Oct-07	Senior Associate, Trilegal Law Firm
Vaidyanathan V., MBA, AMP (HBS), (42)+*	ED	1,996,111	1,611,631	19	6-Mar-00	Citibank N.A.
Vajjula Sravan Kumar, BE, PGDM, (29)	CMII	2,594,417	1,975,675	7	5-May-03	—
Varghese Deepak, B.Com, MMS, (38)	JGM	3,002,706	2,391,443	4	3-Jul-06	Deputy Manager - Centurion Bank
Varma Mohit, BE, PGDBM, (34)	AGM	3,112,519	2,483,580	10	1-May-00	—
Vasudevan Vivek, B.Com, MMS, (31)	AGM	2,777,212	2,195,367	9	1-Jun-01	—
Vatse Amit, B.Sc., PGDPM, (33)	CMII	2,539,751	2,011,126	11	21-Jul-03	Senior Executive - HR, HCL
Venkatesh Shanti(Ms.), B.Com, M.Com, ICWAI, CS, (40)	AGM	2,453,234	1,905,216	19	10-Mar-08	Company Secretary, Great Offshore Limited
Verma Anupam, B.Tech., PGDBM, (35)	DGM	4,023,313	3,160,157	12	9-Aug-99	Executive Trainee, Asian Paints (I) Limited
Verma Mrigendra, BE, PGDM, (40)*	DGM	3,687,132	2,870,906	16	17-Jul-00	Associate, SBI Caps
Verma Prashant, B.Com, MPM, (35)	DGM	4,013,830	3,140,485	13	22-Aug-02	Manager - HR, ITC Limited
Vijapurapu Sundar, B.Com, (43)	DGM	3,195,298	2,495,604	24	9-May-94	Officer, State Bank of India
Vikram Kaushal, B.Com, PGDM (39)*	DGM	759,692	596,537	19	19-Jan-09	Head- Retail Sales, ICICI Prudential Asset Management Co. Limited
Vinod K.B., B.Sc, DSM, DI.COMP, (40)	AGM	2,691,687	2,137,706	20	16-Apr-07	Head - Technology - Teletelch Services (India) Limited
Vishwas Ganorkar Kanchan (Ms.), B.Sc, (33)*	CMII	1,644,026	1,387,843	11	16-Feb-04	Analyst, Polaris Software Lab Limited
Vohra Pravir, CAIIB, MA, (55)	GCTO	13,355,406	10,271,912	35	28-Jan-00	Vice-President, Times Bank
Vora Hemant, BE, MS (42)	GM	4,978,904	3,881,017	17	1-Feb-06	Associate Director, KPMG
Wadhia Manish, B.Com, MBA, MS (42)*	DGM	373,426	300,702	16	22-Feb-10	Vice-President, ABN Amro Bank
Walia Amarjit Singh, B.Com, PGDMSM, AMFI, (38)	AGM	2,796,526	2,195,168	18	17-Jul-03	Sales Coordinator - Market Links
Wankhedkar Supreet (Ms.), B.Com, CA, (39)	AGM	2,435,276	1,941,009	14	1-Feb-08	Associate - S B Billimoria
Wasker Anand, B.Com, MBA, (35)	CMII	2,432,535	1,953,523	13	2-Jun-03	L3, Reliance Infocomm Limited
Yadav Kamal, B.Sc., PGDRM, (41)	DGM	3,112,323	2,433,212	14	7-Sep-07	MIII (Business Manager), Olam International Limited
Yadav Satesh, M.Tech, MBA, (41)*	CMII	1,527,837	1,327,631	14	7-Jun-01	Associate Manager, Standard Chartered Finance
Zacharias Jose, M.Com, JAIIB, (59)*	DGM	327,817	327,617	35	1-May-00	Manager, The Federal Bank
<b>Employees posted at branches and offices abroad</b>						
Afzal Azmi Mohammad, BSC, MBA, (36)*	CMII	3,312,005	2,248,347	12	27-Sep-04	Relationship Manager, Standard Chartered Bank
Aggarwal Suraj, B.Com, CA, PGDM, MBA, (31)	CMII	5,528,595	5,034,647	8	18-Apr-06	Business Development Manager, Standard Chartered Bank
Arora Suraj, BE, MBA, (37)	CMII	2,561,781	2,091,447	15	15-Dec-03	Manager, Fiat India Pvt Limited
Asawa Nikhil, B.Com, CA, (29)	MMII	3,542,272	3,525,126	7	5-May-05	Accountant, Ogilvy & Mather Pvt. Limited
Azrin Mohammad, Diploma in Accountancy, (37)	MMI	2,812,652	2,459,722	16	8-Sep-08	Assistant Manager, Professional Investment Advisory Services Pvt. Limited
Bafna Ashish, B.Sc., MBA, (37)	AGM	5,336,880	3,670,781	15	7-Jun-01	Deputy Manager, OTCEI
Bajpai Ankita(Ms.), BE, MMS, (30)	MMII	2,774,508	2,771,811	8	13-Feb-06	Media Consultant, Madison Comm. Pvt. Limited
Balaji R, PGDM, (26)	MMI	2,707,380	2,684,240	3	11-Jun-08	ASE-Trainee consultancy, Tata Consultancy Services
Balakrishnan Bama(Ms.), B.Com, AICWA, PGDM, (34)*	AGM	3,420,019	3,212,923	11	19-Apr-99	—
Balram Dole Sudhir, B.Com, ICWAI, PGDM, (39)	SGM	11,494,633	11,459,923	12	16-Apr-03	Senior Relationship Manager, Standard Chartered Bank
Bansal Rajesh, B.Com, CS, CA, (32)	CMII	2,950,103	2,924,203	9	12-Nov-07	Manager, ICI India Limited
Bella Feng Siqi (Ms.), Bachelor (International Business), Master (Professional accounting), (26)	MMI	2,690,025	2,637,960	2	17-Apr-08	—
Bhat Ashok, B.Com, ICWAI, JAIIB, DMS, CAIIB, (35)	CMII	3,758,665	3,654,291	14	3-Oct-00	Officer, IDBI Bank Limited
Bihani Vikash, B.Com, PGDM, (34)*	CMII	4,116,872	3,507,237	10	13-Jul-05	Relationship Manager, Standard Chartered Bank
Burra Shankar, BE, MSC, PGDM, (28)	MMI	2,742,914	2,740,217	3	22-May-07	—
Chakravarti Arnab, B.Com, CA, CTM, PGDTFM, FRM, PGDASU, (31)	AGM	5,488,469	3,822,818	7	25-Feb-08	Associate Director, Standard Chartered Bank
Chaytoo Suresh, B.Com, (38)	CMII	2,805,811	2,782,637	20	10-Aug-05	Head Trade Finance, Bank N A
Chetia Siddhartha, BA, PGDM, MLLW, (33)	CMII	3,786,351	3,783,654	10	3-Oct-05	HR Executive, Pan India Network
Chourasia Manish, BE, MBA, (40)	AGM	7,203,158	7,133,738	17	22-May-95	Engineer, Engineers India Limited
Devnani Naresh, B.Com, CA, (33)	MMII	3,427,821	3,358,401	8	11-Feb-08	Senior Manager, Norwest Industries Limited
Dheenadayalu Shyamsundar, B.Com, MBA., CA., CPA., (33)	AGM	4,904,991	3,204,895	10	11-Feb-08	Deloitte & Touche LLP
Dhir Virendra, B.Tech, PGDM, (38)	AGM	7,746,577	7,577,175	12	30-Sep-05	Manager Sales & Credit, Standard Chartered Bank
Dhumal Sarika (Ms.), B.Com, CA, (31)	MMII	2,918,926	2,878,431	10	22-Jan-04	Assistant Audit Manager, A F Ferguson & Co
Dunkley Brent, B.Com, (38)	CMII	3,142,314	2,278,806	14	8-Jan-07	First National Bank - Commercial Division of Firstrand Bank Limited
Durbha Vinod, B.Com, ICWAI, CAIIB, (40)	CMII	3,083,689	3,057,790	8	20-Dec-07	Associate Vice-President, Kotak Mahindra Bank

# Section 217

Name, Qualifications and Age (in years)	Desig./ Nature of Duties***	Remuneration Received (Rs.)		Experience (in years)	Date of Commencement of Employment	Last employment
		Gross (Rs.)	Net (Rs.)			
Eboru Rolland, B.Com, MBA, (31)*	MMI	2,450,487	1,774,156	3	1-Jun-07	Standard Bank South Africa
Elapatha Ramesh, BA, MBA, (49)*	AGM	3,370,598	1,935,670	24	25-Sep-05	Head Corporate Banking, CITI Bank-Srilanka Branch
Fernando Nelun (Ms.), Banking (FIB), MBA, (46)	CMII	3,350,023	3,319,165	29	3-Oct-05	Assistant General Manager, Pan Asia Bank Limited
Firke Nitin, BE, MBA, (35)	AGM	3,319,832	3,319,832	11	16-Sep-07	Regional Sales Manager, ICICI Lombard General Insurance
Ganjoo Pankaj, B.Sc., CALIB, (46)	DGM	6,195,546	6,195,546	26	1-Apr-00	Manager Operations, Indusind Bank
Garg Chandrika (Ms.), BA, MBA, (31)	CMi	4,014,836	3,945,416	9	15-Apr-01	—
Gopalakrishnan Rahul, BE, PGDBA, (31)	MMI	2,888,202	2,767,059	7	10-May-06	Pre- Sales, Comulink System Limited
Guliani Harpreet, B.Com, DBF, PGDBA, (34)	CMII	4,071,410	4,068,392	10	15-Nov-02	Deputy Manager, Centurion Bank
Gupta Abhishek, B.Com, CA, (32)	MMII	3,792,484	3,723,064	7	20-Nov-07	Internal Auditor, United Technologies
Gupta Rakhee(Ms.), BA, MIB, (33)	CMII	4,513,375	4,134,791	12	16-Feb-04	Manager, ABN Amro Bank
Gupta Vipin, BA, PGDBA, (31)	MMI	2,693,945	2,178,172	11	1-Oct-02	Customer Care Executive, V Customer
Han Linda (Ms.), MBA, (40)	CMi	3,731,427	2,828,820	19	3-Mar-08	Citibank (China) Co., Limited
Ho Cheryl (Ms.), Bachelor of Commerce & Law, (35)*	MMII	3,443,787	3,374,367	11	1-Nov-05	Assistant Manager (Account), National Bank of Pakistan
Hussain Omer, B.Sc, (44)	DGM	6,072,848	4,927,888	12	6-Nov-07	Chief Compliance Officer, National Bank of Pakistan
Iyer B.K., B.Sc., PGDIM, (55)	GM	8,646,015	8,340,477	21	1-Jul-03	Senior Director & Head Trade Banking, American Express Bank
Jadhav Lalit, BE, PGDM, (36)	CMII	3,003,816	2,992,027	11	20-Jul-07	Regional Manager, Max New York Life Insurance
Jain Neeraj, M.Com, CA, (30)	MMI	3,443,787	3,374,367	7	22-Feb-07	Relationship Manager, ABN Amro Bank
Joshi Charudutta, MBA, (35)	CMi	3,527,795	3,526,770	1	4-Dec-08	Financial Advisor/Vice-President, Merrill Lynch
Joshi Ranjeet, B.Com, PGPMs (34)	CMII	4,064,135	2,736,787	6	26-Mar-08	HSBC BANK
Kadrekar Anusha (Ms.), B.Com, M Com, CA, (31)	CMi	3,459,995	2,664,332	8	5-Jan-05	Officer, Saraswat Co-op. Bank Limited
Kaistha Amit, GSIEMD, BBA, MBA, (33)	CMII	5,355,695	5,176,360	13	3-May-02	Executive, Daewoo Motors India Limited
Kalan Rajesh, B.Com, MBA, (35)	CMi	2,601,638	2,579,263	15	10-Jul-06	Deputy General Manager, Birla Global Finance
Kanvinde Yogesh, B.Com, CA, (32)	MMII	3,527,647	3,458,227	9	21-Feb-05	Associate, Morgan Stanley Advantage
Kenneth N.G., Bachelor of Business Accountancy (47)	CMII	5,329,026	5,259,606	8	14-Aug-06	Compliance Manager, Wing Hang Bank Limited
Khaw Alick, Bachelor of Accountancy, MAF, (50)	AGM	5,528,210	5,201,287	13	16-Feb-04	Award Leader, TMC Inty Holdings
Kumar Nishit, B.Tech, PGDM, (33)	CMII	4,226,339	3,382,192	10	30-Dec-02	Manager, CRISIL
Kwong Linda (Ms.), Diploma (B Admin), (52)	CMi	4,290,156	4,220,736	24	7-Dec-07	State Street Bank and Trust Company
Mahajan Meenal (Ms.), B.Sc., (37)*	AGM	3,043,044	2,511,015	15	1-Apr-95	Clerk-cum-Cashier, State Bank of India
Maheshwari Kanika (Ms.), B COM, MBA, (31)	MMII	2,695,050	2,090,548	8	22-Oct-07	Asset Reconstruction Company (India) Limited
Malhotra Anurag, B.Com, MBA, (36)	AGM	3,927,295	3,927,295	15	1-Apr-99	Marketing Executive - Transnet India Private Limited
Malhotra Sumit, PGDBM, (30)	MMI	2,754,732	2,753,561	10	20-Feb-07	Manager- Mortgages, Citifinancial Consumer Finance India Limited
Mehrotra Anand, B.Com, PGDMSM, (40)	AGM	3,929,736	3,929,736	20	12-Sep-00	Assistant Manager, HDFC Bank Limited
Mehta Sushant, BE, MIB, (41)	CMII	4,066,524	2,626,750	18	11-Aug-05	Manager, HDFC Standard Life Insurance
Mehta Vaishali (Ms.), B.Com, MBA, (30)	CMi	3,593,402	2,340,761	6	21-Jul-08	KPMG LLP
Mishra Manish, BE, MBA, (32)	MMII	3,461,887	2,412,416	7	1-Sep-05	Assistant Manager, TVS Group
Mok William, SFC, (50)*	AGM	5,434,111	2,910,659	28	20-Jun-05	Assistant Director, Core Pacific Yamaichi
Murugan Sankaran, B.Sc., DCM, DBM, (43)	AGM	3,980,540	3,945,180	21	28-Feb-00	Deputy Manager, Indusind Bank
Muthya Anil, B.Com, CA, ICWAI, (47)	AGM	5,758,111	5,688,691	18	5-Jan-05	Manager, Common Wealth Finance Corporation Limited
Naresh Babu D. R., B.Com, CALIB, (35)	CMi	3,738,453	3,620,168	14	2-Aug-04	Deputy Manager, Indusind Bank
Nirad Nilav, B.Com, MBA, (41)	CMII	3,923,450	3,923,450	16	29-Aug-05	Vice-President, Kotak Mahindra Bank
Paliwal Jai Prakash, B.Com, CS, PGDBM, (34)	CMi	3,369,240	3,369,240	12	12-Jan-98	—
Parmar Harmandeep, BE, MBA, (31)	MMI	2,593,986	1,871,286	5	21-Apr-07	MIDWEST INC.
Prashad Vikas, B.Com, DBM, PGPM, (35)	CMII	3,003,375	2,978,225	12	12-Sep-00	Relationship Manager, Citicorp Maruti Finance Limited
Rajkumar B Bala Vedha, B.B.M, (36)	CMi	2,688,896	2,666,421	16	18-Nov-05	FX Dealer/Accountant, The Lakshmi Vilas Bank Limited
Ramachandran Vivek, B.Tech, (38)	CMII	3,215,952	3,215,952	14	11-Feb-00	Assistant Manager, The Federal Bank
Ramesh G.V.S., B.Com, CA, (46)	JGM	8,927,163	6,186,190	23	29-Jun-92	Systems Manager, Wipro Systems
Rao Santosh, B.Com, PGDM, (32)*	CMi	3,389,888	3,381,155	7	13-Jul-07	Senior Manager, ICICI Prudential Insurance Co. Limited
Rawal Keval, CA, CS, (25)	MMI	3,065,334	2,777,751	6	8-Oct-07	Article Trainee, Deloitte Haskins & Sells
Routray Ashok, B.Com, CA, (35)	MMI	2,919,314	2,832,784	7	29-Mar-06	Senior Audit Executive, AFL Limited
Salgia Akhil, B.Com, CA, (28)	CMi	3,835,468	2,778,778	6	5-Apr-04	Associate, Price Water House
Sankar K, B.Com, M.Com, DFTM, COMP, JALIB, (39)*	CM	3,409,878	3,409,878	16	26-Mar-07	Assistant Vice-President, HDFC Bank
Shah Harita (Ms.), B.Com, CA, (27)	MMI	2,475,851	1,858,703	7	25-Apr-05	Accounts & Audit Assistant, M/s Ashwin & Shah
Shah Yash, PGDM, (25)	MMI	2,640,425	2,637,728	2	24-Jun-08	—
Sharma Ajay, BE, MFC, (42)	JGM	5,116,332	5,067,815	19	15-Sep-95	Associates, Credit Capital Venture Fund (I) Limited.
Sharma Anupama (Ms.), B.Sc., PGDBA, (38)	MMII	3,066,272	2,680,111	10	18-May-06	Financial Advisor, Prudential Insurance Inc. Nelson Lim & Associates, Singapore
Sharma Ranjan, BE, PGDBM, (27)	MMI	2,735,009	2,665,589	4	22-May-07	Program Analyst, Cognizant Tech. Solutions
Sharma Sanjeev, B.Tech, PGDM, (30)	MMII	3,378,168	2,949,817	5	29-Aug-05	Assistant Manager, GE Capital
Sharma Vikash, B.Com, ICWAI, CA, CTM, (36)	AGM	5,296,864	5,294,167	12	31-Dec-04	Assistant Manager, Indian Oil Corporation Limited
Sheth Hemang Kumar, B. Com, CA, (32)	CMi	2,867,356	2,840,644	10	19-May-03	Assistant Manager, Trans America Distribution Finance Limited
Sheth Pushan, B.Com, MMS, (27)	MMI	2,986,420	2,983,723	5	12-Jun-06	Manager, Crisil Limited
Shukla Abhinav, B.Sc., PGDBA, PGDFT, (29)	CMi	4,439,425	4,439,425	8	27-Sep-03	Management Trainee, Wockhardt
Sikoria Manish, B.Sc, PGDBM, (35)	CMII	3,805,733	3,692,961	13	16-Aug-99	Assistant Manager, Prosafe Mgmt& Fin. Co.Pvt.
Singh Harpreet, B.Sc., MBA, (41)	CMII	3,208,092	3,178,226	18	21-Jul-00	Manager Marketing, Yamaha Motor Escorts Limited
Singh Sanjeev, B.Sc., MBA, (37)	AGM	3,929,736	3,929,736	15	15-Mar-00	Assistant Manager, CEAT Financial Service Limited
Singh Seema (Ms.), B.Sc., MCA, PGDM, (37)	CMII	4,441,726	4,257,426	11	30-Apr-01	Manager, SIDBI
Sood Rajat, B.Sc, MFC, PGDBA, (34)	CMII	3,025,609	3,025,609	13	1-Aug-00	Senior Executive - Citicorp Credit Services
Subramanian Raja, M.Com, (54)	AGM	5,704,311	5,634,891	30	8-Nov-04	Chief Manager, Bank of India
Subramanian K, B.Sc., MBA, (42)	CMi	2,750,735	2,270,977	20	25-Oct-02	Manager Sales, Max Newyork Life Insurance
Sujesh K.P., BMS, (34)	CMi	3,099,866	3,099,866	13	22-Feb-00	Marketing Executive, Times Bank Limited
Surana Prakhhar, B.Com, PGDBM, (30)	MMII	3,462,516	3,247,907	9	9-Sep-05	Manager, HEG Limited
Szeto Yim Hannah (Ms.), Bachelor of Finance, (48)	CMi	4,011,296	3,941,876	16	3-Sep-07	—

Name, Qualifications and Age (in years)	Desig./ Nature of Duties***	Remuneration Received (Rs.)		Experi- ence (in years)	Date of Com- mencement of Employ- ment	Last employment
		Gross (Rs.)	Net (Rs.)			
Tai Lu Ng Angie (Ms.), Bachelor of Fin. Serv., (53)	MMI	2,565,293	2,252,819	9	4-Apr-05	Section Head Finance, RHB Bank Berhad
Tan Soon Guan, BBA, (47)	CMI	4,835,835	4,488,684	11	24-Jan-06	Chief Dealer Fx Spot, UOB Singapore Global Treasury
Thampi Prem, M.Sc, JAIIB, (49)	DGM	5,147,644	3,150,979	13	9-Jun-97	Manager, State Bank of India
Tiwari Vimal, B.Com, CA, (32)	MMI	3,019,868	2,983,723	9	7-Mar-05	Associate, Aneja Associate
Vaidya Deepak, B.Com, MBA, AMFI, (33)	CMI	3,123,093	3,123,093	11	10-Dec-01	Assistant Manager, India Mart-intermesh Limited
Vanuvamalai Swamynathan, BE, MMS, (34)	CMI	2,912,185	2,863,243	13	15-May-06	Manager, Clearing Corporation of India limited
Venkata Ramgopal Chemudupati, B.Sc, CAIIB, DMM, MBA, (45)	CMII	3,400,166	2,929,233	23	25-Aug-01	Branch Head, UTI Bank
Vyas Manish, B.Com, CA, M.Com, (30)	MMII	3,596,858	3,527,438	11	16-Sep-03	Assistant Manager, IDBI BANK
Wong Lai Chun (Ms.), Bachelor of Accountancy, (50)	JGM	6,918,337	6,571,187	10	9-Jun-03	Head of Finance & Risk, AIB Govett (Asia) Limited
Wong Ming Ho, Bachelor Degree of Electrical Engineering, (31)	MMI	2,950,350	2,880,930	6	17-Jan-08	Lead Engineer, Intertech Testing Services H.K. Limited

\* Indicates part of the year.

+ Nature of employment contractual, other employees are in the permanent employment of the Bank, governed by its rules and conditions of service.

\*\*\* Designation/Nature of duties - Abbreviations

CHAIRMAN - Chairman	MDCEO - Managing Director and Chief Executive Officer	DMD - Deputy Managing Director
EDCFO - Executive Director and CFO	ED - Executive Director	GCTO - Group Chief Technology Officer
DYCFO - Senior General Manager & Deputy Chief Financial Officer	GCO & CS - Senior General Manager, Group Compliance Officer & Company Secretary	SGM - Senior General Manager
JCS - General Manager - Joint Company Secretary & Head compliance - Non-Banking Subsidiaries	GM - General Manager	
JGM - Joint General Manager	DGM - Deputy General Manager	AGM - Assistant General Manager
CMII - Chief Manager II	CMI - Chief Manager I	
MMII - Manager II	MMI - Manager I	

**Note :**

- Gross remuneration for employees posted in India includes salary and other benefits and employer's contribution to provident and superannuation and Gratuity Funds. It excludes valuation of the employee stock options exercised during fiscal 2010 as it does not constitute remuneration for the purposes of Companies Act, 1956. However tax has been paid in accordance with the provisions of the Income Tax Act.
- Gross remuneration for employees posted at branches and offices abroad includes salary and other benefits paid in foreign currency which is converted into Indian currency at the exchange rate as on March 31, 2010.
- Net remuneration for employees posted in India represents gross remuneration less profession tax and income tax.
- Net remuneration for employees posted at branches and offices abroad represents gross remuneration less applicable tax/statutory deductions as applicable to the respective countries.
- None of the employees mentioned above is a relative of any Director.
- Designation of duties are as on March 31, 2010 and remuneration is for the year ended on that date.

For and on behalf of the Board

May 24, 2010

K. V. Kamath  
Chairman



# auditors' report

## To the Members of ICICI Bank Limited

1. We have audited the attached Balance Sheet of ICICI Bank Limited ('the Bank') as at 31 March 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year then ended, both annexed thereto. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit. Incorporated in the said financial statements are the returns of the Singapore, Bahrain and Hong Kong branches of the Bank, audited by other auditors.
2. We conducted our audit in accordance with 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the Singapore, Bahrain and Hong Kong branches of the Bank, whose financial statements reflect total assets of Rs 719,480.4 million as at 31 March 2010, total revenues of Rs 41,095.5 million and cash flows of Rs 11,195.0 million for the year then ended. These financial statements have been audited by other auditors, duly qualified to act as auditors in the country of incorporation of the said branches, whose reports have been furnished to us, and which were relied upon by us for our opinion on the financial statements of the Bank.
4. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 211(1), (2) and (3C) of the Companies Act, 1956.
5. We report that:
  - a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
  - b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
  - c) the returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
6. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting principles generally accepted in India including Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956, to the extent they are not inconsistent with the accounting policies prescribed by the Reserve Bank of India.
7. We further report that:
  - a) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and the returns;
  - b) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books;
  - c) the reports on the financial statements of the Singapore, Bahrain and Hong Kong branches audited by other auditors have been dealt with in preparing our report in the manner considered appropriate by us;
  - d) as per information and explanation given to us, the Central Government has till date, not prescribed any cess payable under Section 441A of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors, as on 31 March 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
8. In our opinion and to the best of our information and according to the explanations given to us and on consideration of reports submitted by the Singapore, Bahrain and Hong Kong branch auditors, the said financial statements together with the notes thereon give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 1956, in the manner so required for banking companies and give a true and fair view in conformity with accounting principles generally accepted in India:
  - a) in the case of the Balance Sheet, of the state of affairs of the Bank as at 31 March 2010;
  - b) in the case of the Profit and Loss Account, of the profit of the Bank for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the cash flows of the Bank for the year ended on that date.

For B S R & Co.  
*Chartered Accountants*  
Firm's Registration No: 101248W

Akeel Master  
*Partner*  
Membership No.: 046768

Mumbai  
April 24, 2010

# balance sheet



at March 31, 2010

(Rs. in '000s)

	Schedule	At 31.03.2010	At 31.03.2009
<b>CAPITAL AND LIABILITIES</b>			
Capital .....	1	11,148,892	11,132,898
Reserves and surplus.....	2	505,034,767	484,197,292
Deposits .....	3	2,020,165,972	2,183,478,249
Borrowings.....	4	942,635,686	931,554,542
Other liabilities and provisions.....	5	155,011,834	182,646,642
<b>TOTAL CAPITAL AND LIABILITIES .....</b>		<b>3,633,997,151</b>	<b>3,793,009,623</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India.....	6	275,142,920	175,363,342
Balances with banks and money at call and short notice .....	7	113,594,020	124,302,296
Investments.....	8	1,208,928,005	1,030,583,080
Advances.....	9	1,812,055,971	2,183,108,492
Fixed assets .....	10	32,126,899	38,016,209
Other assets.....	11	192,149,336	241,636,204
<b>TOTAL ASSETS.....</b>		<b>3,633,997,151</b>	<b>3,793,009,623</b>
Contingent liabilities.....	12	7,270,840,587	8,346,830,027
Bills for collection.....		64,749,539	60,004,383
Significant accounting policies and notes to accounts.....	18 & 19		

The schedules referred to above form an integral part of the Balance Sheet.

As per our Report of even date.

For and on behalf of the Board of Directors

For B S R & Co.  
Chartered Accountants  
Firm's Registration No.: 101248W

K. V. KAMATH  
Chairman

CHANDA D. KOCHHAR  
Managing Director & CEO

SANDEEP BAKHSHI  
Deputy Managing Director

AKEEL MASTER  
Partner  
Membership No.: 046768

N. S. KANNAN  
Executive Director & CFO

K. RAMKUMAR  
Executive Director

SONJOY CHATTERJEE  
Executive Director

Place : Mumbai  
Date : April 24, 2010

SANDEEP BATRA  
Group Compliance Officer &  
Company Secretary

RAKESH JHA  
Deputy Chief  
Financial Officer



# profit and loss account

for the year ended March 31, 2010

(Rs. in '000s)

	Schedule	Year ended 31.03.2010	Year ended 31.03.2009
<b>I. INCOME</b>			
Interest earned .....	13	257,069,331	310,925,484
Other income .....	14	74,776,500	76,037,271
<b>TOTAL INCOME</b> .....		<b>331,845,831</b>	<b>386,962,755</b>
<b>II. EXPENDITURE</b>			
Interest expended .....	15	175,925,704	227,259,343
Operating expenses .....	16	58,598,327	70,451,137
Provisions and contingencies .....	17	57,071,971	51,670,943
<b>TOTAL EXPENDITURE</b> .....		<b>291,596,002</b>	<b>349,381,423</b>
<b>III. PROFIT/LOSS</b>			
Net profit for the year .....		40,249,829	37,581,332
Profit brought forward .....		28,096,510	24,363,159
<b>TOTAL PROFIT/(LOSS)</b> .....		<b>68,346,339</b>	<b>61,944,491</b>
<b>IV. APPROPRIATIONS/TRANSFERS</b>			
Transfer to Statutory Reserve .....		10,070,000	9,400,000
Transfer to Reserve Fund .....		2,170	4,221
Transfer to Capital Reserve .....		4,440,000	8,180,000
Transfer to Investment Reserve Account .....		1,160,000	—
Transfer to General Reserve .....		10,369	—
Transfer to Special Reserve .....		3,000,000	2,500,000
Dividend (including corporate dividend tax) for the previous year paid during the year .....		929	5,811
Proposed equity share dividend .....		13,378,604	12,245,771
Proposed preference share dividend .....		35	35
Corporate dividend tax .....		1,640,425	1,512,143
Balance carried over to balance sheet .....		34,643,807	28,096,510
<b>TOTAL</b> .....		<b>68,346,339</b>	<b>61,944,491</b>
Significant accounting policies and notes to accounts .....	18 & 19		
<b>Earnings per share (Refer note 19.4)</b>			
Basic (Rs.) .....		36.14	33.76
Diluted (Rs.) .....		35.99	33.70
<b>Face value per share (Rs.)</b> .....		<b>10.00</b>	<b>10.00</b>

The schedules referred to above form an integral part of the Profit and Loss Account.

As per our Report of even date.

For and on behalf of the Board of Directors

For B S R & Co.  
Chartered Accountants  
Firm's Registration No.: 101248W

K. V. KAMATH  
Chairman

CHANDA D. KOCHHAR  
Managing Director & CEO

SANDEEP BAKHSHI  
Deputy Managing Director

AKEEL MASTER  
Partner  
Membership No.: 046768

N. S. KANNAN  
Executive Director & CFO

K. RAMKUMAR  
Executive Director

SONJOY CHATTERJEE  
Executive Director

Place : Mumbai  
Date : April 24, 2010

SANDEEP BATRA  
Group Compliance Officer &  
Company Secretary

RAKESH JHA  
Deputy Chief  
Financial Officer

# cash flow statement



for the year ended March 31, 2010

(Rs. in '000s)

PARTICULARS	Year ended 31.03.2010	Year ended 31.03.2009
<b>Cash flow from operating activities</b>		
Net profit before taxes .....	53,453,218	51,169,693
<b>Adjustments for:</b>		
Depreciation and amortisation .....	7,550,323	8,576,435
Net (appreciation)/depreciation on investments .....	6,242,755	13,371,083
Provision in respect of non-performing assets (including prudential provision on standard assets) .....	43,621,629	37,500,259
Provision for contingencies & others .....	273,494	(395,005)
Income from subsidiaries, joint ventures and consolidated entities .....	(3,933,959)	(3,636,999)
(Profit)/loss on sale of fixed assets .....	(1,345,173)	(175,113)
	<b>105,862,287</b>	<b>106,410,353</b>
<b>Adjustments for:</b>		
(Increase)/decrease in investments .....	(243,844,179)	26,560,241
(Increase)/decrease in advances .....	327,300,630	34,618,121
Increase/(decrease) in borrowings .....	(17,220,942)	32,785,480
Increase/(decrease) in deposits .....	(163,312,277)	(260,832,253)
(Increase)/decrease in other assets .....	54,586,538	(33,283,816)
Increase/(decrease) in other liabilities and provisions .....	(28,694,588)	(32,683,319)
	<b>(71,184,818)</b>	<b>(232,835,546)</b>
Refund/(payment) of direct taxes .....	(15,985,360)	(15,459,704)
<b>Net cash generated from operating activities</b> .....	<b>(A) 18,692,109</b>	<b>(141,884,897)</b>
<b>Cash flow from investing activities</b>		
Investments in subsidiaries and/or joint ventures (including application money) .....	(1,113,156)	(42,016,414)
Income from subsidiaries, joint ventures and consolidated entities .....	3,933,959	3,636,999
Purchase of fixed assets .....	(5,101,617)	(10,568,742)
Proceeds from sale of fixed assets .....	3,164,763	667,236
(Purchase)/sale of held to maturity securities .....	60,623,375	86,859,726
<b>Net cash generated from investing activities</b> .....	<b>(B) 61,507,324</b>	<b>38,578,805</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of share capital (including ESOPs) net of issue expenses .....	610,429	452,464
Net proceeds/(repayment) of bonds (including subordinated debt) .....	26,946,780	29,492,463
Dividend and dividend tax paid .....	(13,731,041)	(13,691,338)
<b>Net cash generated from financing activities</b> .....	<b>(C) 13,826,168</b>	<b>16,253,589</b>
<b>Effect of exchange fluctuation on translation reserve</b> .....	<b>(D) (4,954,299)</b>	<b>6,306,853</b>
<b>Net increase/(decrease) in cash and cash equivalents</b> .....	<b>(A) + (B) + (C) + (D) 89,071,302</b>	<b>(80,745,650)</b>
<b>Cash and cash equivalents at April 1</b> .....	<b>299,665,638</b>	<b>380,411,288</b>
<b>Cash and cash equivalents at March 31</b> .....	<b>388,736,940</b>	<b>299,665,638</b>

Significant accounting policies and notes to accounts (refer schedule 18 & 19)

The schedules referred to above form an integral part of the Balance Sheet.

As per our Report of even date.

For and on behalf of the Board of Directors

For B S R & Co.  
Chartered Accountants  
Firm's Registration No.: 101248W

K. V. KAMATH  
Chairman

CHANDA D. KOCHHAR  
Managing Director & CEO

SANDEEP BAKHSHI  
Deputy Managing Director

AKEEL MASTER  
Partner  
Membership No.: 046768

N. S. KANNAN  
Executive Director & CFO

K. RAMKUMAR  
Executive Director

SONJOY CHATTERJEE  
Executive Director

Place : Mumbai  
Date : April 24, 2010

SANDEEP BATRA  
Group Compliance Officer &  
Company Secretary

RAKESH JHA  
Deputy Chief  
Financial Officer

# schedules

forming part of the Balance Sheet

(Rs. in '000s)

	At 31.03.2010	At 31.03.2009
<b>SCHEDULE 1 – CAPITAL</b>		
Authorised capital		
1,275,000,000 equity shares of Rs. 10 each (March 31, 2009: 1,275,000,000 equity shares of Rs. 10 each).....	<b>12,750,000</b>	12,750,000
15,000,000 shares of Rs. 100 each (March 31, 2009: 15,000,000 shares of Rs.100 each) <sup>1</sup> .....	<b>1,500,000</b>	1,500,000
350 preference shares of Rs. 10 million each (March 31, 2009: 350 preference shares of Rs. 10 million each) <sup>2</sup> .....	<b>3,500,000</b>	3,500,000
Equity share capital		
Issued, subscribed and paid-up capital		
1,113,250,642 equity shares of Rs. 10 each (March 31, 2009:1,112,687,495 equity shares).....	<b>11,132,506</b>	11,126,875
Add : 1,594,672 equity shares of Rs. 10 each fully paid-up (March 31, 2009: 563,147 equity shares) issued pursuant to exercise of employee stock options. ....	<b>15,947</b>	5,631
	<b>11,148,453</b>	11,132,506
Less: Calls unpaid .....	<b>331</b>	378
Add : 111,603 equity shares forfeited (March 31, 2009: 111,603 equity shares)	<b>770</b>	770
<b>TOTAL CAPITAL</b> .....	<b>11,148,892</b>	11,132,898

1. These shares will be of such class and with such rights, privileges, conditions or restrictions as may be determined by the Bank in accordance with the Articles of Association of the Bank and subject to the legislative provisions in force for the time being in that behalf.
2. Pursuant to RBI circular no. DBOD.BP.BC No.81/21.01.002/2009-10, the issued and paid-up preference shares are grouped under schedule 4 – “Borrowings”.

# schedules



forming part of the Balance Sheet (Contd.)

(Rs. in '000s)

	At 31.03.2010	At 31.03.2009
<b>SCHEDULE 2 – RESERVES AND SURPLUS</b>		
I. Statutory reserve		
Opening balance .....	48,793,807	39,393,807
Additions during the year .....	10,070,000	9,400,000
Deductions during the year .....	—	—
Closing balance .....	58,863,807	48,793,807
II. Special reserve		
Opening balance .....	23,440,000	20,940,000
Additions during the year .....	3,000,000	2,500,000
Deductions during the year .....	—	—
Closing balance .....	26,440,000	23,440,000
III. Securities premium		
Opening balance .....	312,917,382	312,471,030
Additions during the year <sup>1</sup> .....	594,435	446,352
Deductions during the year .....	—	—
Closing balance .....	313,511,817	312,917,382
IV. Investment reserve account		
Opening balance .....	—	—
Additions during the year .....	1,160,000	—
Deductions during the year .....	—	—
Closing balance .....	1,160,000	—
V. Capital reserve		
Opening balance .....	16,190,000	8,010,000
Additions during the year .....	4,440,000	8,180,000
Deductions during the year .....	—	—
Closing balance .....	20,630,000	16,190,000
VI. Foreign currency translation reserve		
Opening balance .....	4,966,797	(1,391,262)
Additions during the year .....	—	6,358,059
Deductions during the year .....	4,986,796	—
Closing balance .....	(19,999)	4,966,797
VII. Reserve fund		
Opening balance .....	8,749	4,528
Additions during the year <sup>2</sup> .....	2,170	4,221
Deductions during the year .....	—	—
Closing balance .....	10,919	8,749
VIII. Revenue and other reserves		
Opening balance .....	49,784,047	49,784,047
Additions during the year .....	10,369	—
Deductions during the year .....	—	—
Closing balance .....	49,794,416	49,784,047
IX. Balance in profit and loss account .....	34,643,807	28,096,510
<b>TOTAL RESERVES AND SURPLUS .....</b>	<b>505,034,767</b>	<b>484,197,292</b>

1. Rs. 568.3 million (March 31, 2009: Rs. 184.1 million) on exercise of employee stock options.

2. Represents appropriation of 5% of net profit by Sri Lanka branch to meet the requirements of Section 20 of Sri Lankan Banking Act No. 30 of 1988.

# schedules

forming part of the Balance Sheet (Contd.)

(Rs. in '000s)

	At 31.03.2010	At 31.03.2009
<b>SCHEDULE 3 – DEPOSITS</b>		
A. I. Demand deposits		
i) From banks.....	14,855,980	7,455,466
ii) From others.....	295,118,656	208,861,406
II. Savings bank deposits .....	532,183,675	410,361,455
III. Term deposits		
i) From banks.....	88,149,385	158,017,816
ii) From others.....	1,089,858,276	1,398,782,106
<b>TOTAL DEPOSITS</b> .....	<b>2,020,165,972</b>	<b>2,183,478,249</b>
B. I. Deposits of branches in India .....	1,921,759,603	2,078,376,652
II. Deposits of branches outside India .....	98,406,369	105,101,597
<b>TOTAL DEPOSITS</b> .....	<b>2,020,165,972</b>	<b>2,183,478,249</b>
<b>SCHEDULE 4 – BORROWINGS</b>		
I. Borrowings in India		
i) Reserve Bank of India .....	—	—
ii) Other banks.....	25,000,000	23,246,348
iii) Other institutions and agencies		
a) Government of India .....	687,491	1,075,400
b) Financial institutions .....	54,405,331	35,427,632
iv) Borrowings in the form of		
Bonds and debentures (excluding subordinated debt)		
— Debentures and bonds guaranteed by the Government of India....	8,355,000	11,755,000
— Borrowings under private placement of bonds carrying maturity of 1 to 30 years from the date of placement .....	3,567,373	6,680,649
Bonds issued under multiple option/safety bonds series		
— Regular interest bonds.....	2,924,220	3,278,880
— Deep discount bonds.....	2,517,822	4,332,005
— Tax saving bonds .....	8,713,170	16,033,862
— Pension bonds.....	59,370	61,805
v) Application money-bonds <sup>1</sup> .....	25,000,000	—
vi) Capital instruments		
— Innovative Perpetual Debt Instruments (IPDI) (qualifying as Tier I capital)	13,010,000	13,010,000
— Hybrid debt capital instruments issued as bonds/debentures (qualifying as upper Tier II capital).....	97,502,000	63,702,000
— Redeemable Non-Cumulative Preference Shares (RNCPS) (Redeemable Non-Cumulative Preference Shares of Rs. 10 million each issued to preference share holders of erstwhile ICICI Limited on amalgamation redeemable at par on April 20, 2018).....	3,500,000	3,500,000
— Unsecured redeemable debentures/bonds (subordinated debt included in Tier II Capital).....	138,547,481	115,299,082
<b>TOTAL BORROWINGS IN INDIA</b> .....	<b>383,789,258</b>	<b>297,402,663</b>
II. Borrowings outside India		
i) From multilateral/bilateral credit agencies guaranteed by the Government of India for the equivalent of Rs. 17,252.7 million (March 31, 2009: Rs. 20,523.1 million).....	18,525,159	22,862,196
ii) From international banks, institutions and consortiums .....	233,809,366	285,348,542
iii) By way of bonds and notes .....	250,570,342	262,531,035
iv) Capital instruments		
— Innovative Perpetual Debt Instruments (IPDI) (qualifying as Tier I capital)	15,199,979	17,158,574
— Hybrid debt capital instruments issued as bonds/debentures (qualifying as upper Tier II capital).....	40,410,000	45,648,000
v) Other borrowings .....	331,582	603,532
<b>TOTAL BORROWINGS OUTSIDE INDIA</b> .....	<b>558,846,428</b>	<b>634,151,879</b>
<b>TOTAL BORROWINGS</b> .....	<b>942,635,686</b>	<b>931,554,542</b>

1. Application money received towards subordinated debt.

2. Secured borrowings in I and II above are Nil (March 31, 2009: Nil).

# schedules



forming part of the Balance Sheet (Contd.)

(Rs. in '000s)

	At 31.03.2010	At 31.03.2009
<b>SCHEDULE 5 – OTHER LIABILITIES AND PROVISIONS</b>		
I. Bills payable .....	27,069,240	18,251,332
II. Inter-office adjustments (net).....	244,147	4,213,071
III. Interest accrued .....	24,421,815	27,989,208
IV. Others		
a) Security deposits from clients .....	5,934,848	9,463,352
b) Sundry creditors.....	39,664,039	61,267,278
c) Received for disbursements under special program .....	1,663,273	1,644,645
d) Provision for standard assets.....	14,360,648	14,360,648
e) Other liabilities <sup>1</sup> .....	41,653,824	45,457,108
<b>TOTAL OTHER LIABILITIES AND PROVISIONS .....</b>	<b>155,011,834</b>	<b>182,646,642</b>

1. Includes :

- Proposed dividend of Rs. 13,378.6 million (March 31, 2009: Rs. 12,245.8 million).
- Corporate dividend tax payable of Rs. 1,640.4 million (March 31, 2009: Rs. 1,512.1 million).

## SCHEDULE 6 – CASH AND BALANCES WITH RESERVE BANK OF INDIA

I. Cash in hand (including foreign currency notes) .....	33,410,225	28,557,057
II. Balances with Reserve Bank of India in current accounts .....	241,732,695	146,806,285
<b>TOTAL CASH AND BALANCES WITH RESERVE BANK OF INDIA .....</b>	<b>275,142,920</b>	<b>175,363,342</b>

## SCHEDULE 7 – BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

I. In India		
i) Balances with banks		
a) In current accounts .....	9,595,803	7,559,863
b) In other deposit accounts .....	36,076,344	36,456,555
ii) Money at call and short notice		
a) With banks .....	70,000	—
b) With other institutions.....	—	—
<b>TOTAL.....</b>	<b>45,742,147</b>	<b>44,016,418</b>
II. Outside India		
i) In current accounts .....	15,722,069	23,561,910
ii) In other deposit accounts .....	44,241,179	28,407,146
iii) Money at call and short notice .....	7,888,625	28,316,822
<b>TOTAL.....</b>	<b>67,851,873</b>	<b>80,285,878</b>
<b>TOTAL BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE .....</b>	<b>113,594,020</b>	<b>124,302,296</b>

# schedules

forming part of the Balance Sheet (Contd.)

(Rs. in '000s)

	At 31.03.2010	At 31.03.2009
<b>SCHEDULE 8 – INVESTMENTS</b>		
<b>I. Investments in India [net of provisions]</b>		
i) Government securities.....	683,991,406	633,774,902
ii) Other approved securities.....	45,009	93,405
iii) Shares (includes equity and preference shares).....	27,557,381	17,031,332
iv) Debentures and bonds .....	36,353,907	26,000,683
v) Subsidiaries and/or joint ventures <sup>1</sup> .....	62,226,766	61,194,621
vi) Others (commercial paper, mutual fund units, pass through certificates, security receipts, certificate of deposits etc.) .....	307,378,383	196,688,823
<b>TOTAL INVESTMENTS IN INDIA .....</b>	<b>1,117,552,852</b>	<b>934,783,766</b>
<b>II. Investments outside India [net of provisions]</b>		
i) Government securities.....	1,645,046	953,347
ii) Subsidiaries and/or joint ventures abroad (includes equity and preference shares).....	66,005,026	65,924,016
iii) Others.....	23,725,081	28,921,951
<b>TOTAL INVESTMENTS OUTSIDE INDIA .....</b>	<b>91,375,153</b>	<b>95,799,314</b>
<b>TOTAL INVESTMENTS .....</b>	<b>1,208,928,005</b>	<b>1,030,583,080</b>
<b>III. Investments in India</b>		
Gross value of investments .....	1,129,332,338	947,314,476
Less: Aggregate of provision/depreciation .....	11,779,486	12,530,710
Net investments.....	1,117,552,852	934,783,766
<b>IV. Investments outside India</b>		
Gross value of investments .....	91,756,742	97,586,277
Less: Aggregate of provision/depreciation .....	381,589	1,786,963
Net investments .....	91,375,153	95,799,314
<b>TOTAL INVESTMENTS .....</b>	<b>1,208,928,005</b>	<b>1,030,583,080</b>
1. Includes application money of Rs. 1,000.0 million (March 31, 2009: Nil).		
<b>SCHEDULE 9 - ADVANCES [net of provisions]</b>		
A i) Bills purchased and discounted.....	44,531,591	40,610,992
ii) Cash credits, overdrafts and loans repayable on demand .....	255,552,276	343,945,509
iii) Term loans.....	1,404,149,152	1,696,347,568
iv) Securitisation, finance lease and hire purchase receivables .....	107,822,952	102,204,423
<b>TOTAL ADVANCES .....</b>	<b>1,812,055,971</b>	<b>2,183,108,492</b>
B. i) Secured by tangible assets (includes advances against book debts).....	1,336,426,827	1,575,653,288
ii) Covered by bank/government guarantees.....	21,202,426	14,815,009
iii) Unsecured .....	454,426,718	592,640,195
<b>TOTAL ADVANCES .....</b>	<b>1,812,055,971</b>	<b>2,183,108,492</b>
C. I. Advances in India		
i) Priority sector .....	539,773,871	620,515,976
ii) Public sector.....	3,201,088	3,494,486
iii) Banks.....	41,790	252,580
iv) Others.....	817,672,519	1,015,930,993
<b>TOTAL ADVANCES IN INDIA .....</b>	<b>1,360,689,268</b>	<b>1,640,194,035</b>
II. Advances outside India		
i) Due from banks.....	13,515,963	14,965,907
ii) Due from others		
a) Bills purchased and discounted.....	15,060,877	13,856,733
b) Commercial loans.....	206,115,152	283,420,282
c) Others.....	216,674,711	230,671,535
<b>TOTAL ADVANCES OUTSIDE INDIA .....</b>	<b>451,366,703</b>	<b>542,914,457</b>
<b>TOTAL ADVANCES .....</b>	<b>1,812,055,971</b>	<b>2,183,108,492</b>



# schedules



forming part of the Balance Sheet (Contd.)

(Rs. in '000s)

	At 31.03.2010	At 31.03.2009
<b>SCHEDULE 10 – FIXED ASSETS</b>		
<b>I. Premises</b>		
At cost at March 31 of preceding year .....	24,110,318	22,942,919
Additions during the year .....	777,682	1,694,879
Deductions during the year .....	(1,765,641)	(527,480)
Depreciation to date .....	(4,781,332)	(4,139,362)
Net block <sup>1</sup> .....	18,341,027	19,970,956
<b>II. Other fixed assets (including furniture and fixtures)</b>		
At cost at March 31 of preceding year .....	32,575,569	29,338,047
Additions during the year .....	1,599,686	3,833,680
Deductions during the year .....	(3,706,962)	(596,158)
Depreciation to date .....	(20,216,373)	(19,153,333)
Net block .....	10,251,920	13,422,236
<b>III. Assets given on lease</b>		
At cost at March 31 of preceding year .....	17,751,174	18,079,072
Additions during the year .....	—	—
Deductions during the year .....	(200,674)	(327,898)
Depreciation to date, accumulated lease adjustment and provisions .....	(14,016,548)	(13,128,157)
Net block .....	3,533,952	4,623,017
<b>TOTAL FIXED ASSETS</b> .....	<b>32,126,899</b>	<b>38,016,209</b>

1. Includes assets of Rs. 446.1 million (March 31, 2009: Nil) which are in the process of being sold.

## SCHEDULE 11 – OTHER ASSETS

I. Inter-office adjustments (net) .....	—	—
II. Interest accrued .....	32,528,366	41,382,870
III. Tax paid in advance/tax deducted at source (net) .....	37,793,206	37,815,636
IV. Stationery and stamps .....	641	928
V. Non-banking assets acquired in satisfaction of claims <sup>1</sup> .....	674,945	3,089,212
VI. Others		
a) Advance for capital assets .....	11,744,493	8,776,627
b) Outstanding fees and other income .....	5,983,666	6,581,734
c) Deposits .....	17,976,859	25,189,917
d) Deferred tax asset (net) .....	20,756,703	17,923,148
e) Others .....	64,690,457	100,876,132
<b>TOTAL OTHER ASSETS</b> .....	<b>192,149,336</b>	<b>241,636,204</b>

1. Includes certain non-banking assets acquired in satisfaction of claims which are in the process of being transferred in the Bank's name.

## SCHEDULE 12 – CONTINGENT LIABILITIES

I. Claims against the Bank not acknowledged as debts .....	33,568,263	32,824,550
II. Liability for partly paid investments .....	128,126	128,126
III. Liability on account of outstanding forward exchange contracts .....	1,660,687,240	2,583,670,864
IV. Guarantees given on behalf of constituents		
a) In India .....	489,280,827	453,001,349
b) Outside India .....	129,084,608	127,880,113
V. Acceptances, endorsements and other obligations .....	321,224,087	306,782,689
VI. Currency swaps .....	524,786,068	569,648,391
VII. Interest rate swaps, currency options and interest rate futures .....	4,012,141,159	4,146,346,015
VIII. Other items for which the Bank is contingently liable .....	99,940,209	126,547,930
<b>TOTAL CONTINGENT LIABILITIES</b> .....	<b>7,270,840,587</b>	<b>8,346,830,027</b>

# schedules

forming part of the Profit and Loss Account

(Rs. in '000s)

	Year ended 31.03.2010	Year ended 31.03.2009
<b>SCHEDULE 13 – INTEREST EARNED</b>		
I. Interest/discount on advances/bills .....	173,727,325	223,238,295
II. Income on investments <sup>1</sup> .....	64,663,488	74,030,595
III. Interest on balances with Reserve Bank of India and other inter-bank funds .....	6,249,906	5,187,095
IV. Others <sup>2,3</sup> .....	12,428,612	8,469,499
<b>TOTAL INTEREST EARNED</b> .....	<b>257,069,331</b>	<b>310,925,484</b>
1. Includes amortisation of premium on Government securities Rs. 8,121.5 million (March 31, 2009: Rs. 7,253.4 million).		
2. Includes interest on income tax refunds Rs. 1,208.3 million (March 31, 2009: Rs. 3,331.7 million).		
3. Includes interest and amortisation of premium on non-trading interest rate swaps and foreign currency swaps.		
<b>SCHEDULE 14 – OTHER INCOME</b>		
I. Commission, exchange and brokerage .....	48,308,087	56,258,933
II. Profit/(loss) on sale of investments (net) .....	5,464,210	18,004,745
III. Profit/(loss) on revaluation of investments (net) .....	1,852,196	(5,140,339)
IV. Profit/(loss) on sale of land, buildings and other assets (net) <sup>1</sup> .....	1,345,173	175,113
V. Profit/(loss) on exchange transactions (net) .....	11,060,537	84,146
VI. Income earned by way of dividends, etc. from subsidiary companies and/or joint ventures abroad/in India .....	3,692,716	3,348,233
VII. Miscellaneous income (including lease income) .....	3,053,581	3,306,440
<b>TOTAL OTHER INCOME</b> .....	<b>74,776,500</b>	<b>76,037,271</b>
1. Includes profit/(loss) on sale of assets given on lease.		
<b>SCHEDULE 15 – INTEREST EXPENDED</b>		
I. Interest on deposits .....	115,134,716	157,851,583
II. Interest on Reserve Bank of India/inter-bank borrowings <sup>1</sup> .....	11,951,326	20,045,886
III. Others (including interest on borrowings of erstwhile ICICI Limited) .....	48,839,662	49,361,874
<b>TOTAL INTEREST EXPENDED</b> .....	<b>175,925,704</b>	<b>227,259,343</b>
1. Includes interest paid on inter-bank deposits.		
<b>SCHEDULE 16 – OPERATING EXPENSES</b>		
I. Payments to and provisions for employees .....	19,257,929	19,717,045
II. Rent, taxes and lighting .....	5,924,256	6,257,960
III. Printing and stationery .....	915,957	1,200,296
IV. Advertisement and publicity .....	1,108,010	1,402,840
V. Depreciation on Bank's property .....	4,778,512	4,684,901
VI. Depreciation (including lease equalisation) on leased assets .....	1,416,505	2,101,070
VII. Directors' fees, allowances and expenses .....	4,193	3,640
VIII. Auditors' fees and expenses .....	22,500	22,738
IX. Law charges .....	987,406	924,040
X. Postages, telegrams, telephones, etc. ....	2,007,720	2,538,545
XI. Repairs and maintenance .....	4,724,642	4,896,929
XII. Insurance .....	2,005,645	2,282,926
XIII. Direct marketing agency expenses .....	1,254,784	5,289,235
XIV. Other expenditure .....	14,190,268	19,128,972
<b>TOTAL OPERATING EXPENSES</b> .....	<b>58,598,327</b>	<b>70,451,137</b>
<b>SCHEDULE 17 – PROVISIONS AND CONTINGENCIES</b>		
I. Income tax .....		
— Current period tax .....	15,977,789	17,933,052
— Deferred tax adjustment .....	(2,804,400)	(4,716,700)
— Fringe benefit tax .....	—	342,010
II. Wealth tax .....	30,000	30,000
<b>TOTAL TAXES</b> .....	<b>13,203,389</b>	<b>13,588,362</b>
III. Provision for investments (net) .....	(26,540)	977,328
IV. Provision for advances (net) <sup>1</sup> .....	43,621,629	37,500,259
V. Others .....	273,493	(395,006)
<b>TOTAL PROVISIONS AND CONTINGENCIES</b> .....	<b>57,071,971</b>	<b>51,670,943</b>
1. Includes provisions on standard assets, non-performing advances, non-performing leased assets and others.		

# schedules



forming part of the Accounts (Contd.)

## SCHEDULE 18

### Significant accounting policies

#### OVERVIEW

ICICI Bank Limited (ICICI Bank or the Bank), incorporated in Vadodara, India is a publicly held banking company engaged in providing a wide range of banking and financial services including commercial banking and treasury operations. ICICI Bank is governed by the Banking Regulation Act, 1949.

#### Basis of preparation

The financial statements have been prepared in accordance with requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949. The accounting and reporting policies of ICICI Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by Reserve Bank of India (RBI) from time to time, the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) and notified by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and practices generally prevalent in 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.

#### SIGNIFICANT ACCOUNTING POLICIES

##### 1. Revenue recognition

- a) Interest income is recognised in the profit and loss account as it accrues except in the case of non-performing assets (NPAs) where it is recognised upon realisation, as per the income recognition and asset classification norms of RBI.
- b) Income from hire purchase operations is accrued by applying the implicit interest rate to outstanding balances.
- c) 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 entered into till March 31, 2001 have been accounted for as operating leases.
- d) Income on discounted instruments is recognised over the tenure of the instrument on a constant yield basis.
- e) Dividend is accounted on an accrual basis when the right to receive the dividend is established.
- f) Loan processing fee is accounted for upfront when it becomes due.
- g) Project appraisal/structuring fee is accounted for on the completion of the agreed service.
- h) Arranger fee is accounted for as income when a significant portion of the arrangement/syndication is completed.
- i) Commission received on guarantees issued is amortised on a straight-line basis over the period of the guarantee.
- j) All other fees are accounted for as and when they become due.
- k) Net income arising from sell-down/securitisation of loan assets prior to February 1, 2006 has been recognised upfront as interest income. With effect from February 1, 2006, net income arising from securitisation of loan assets is amortised over the life of securities issued or to be issued by the special purpose vehicle/special purpose entity to which the assets are sold. Net income arising from sale of loan assets through direct assignment with recourse obligation is amortised over the life of underlying assets sold and net income from sale of loan assets through direct assignment, without any recourse obligation, is recognised at the time of sale. Net loss arising on account of the sell-down/securitisation and direct assignment of loan assets is recognised at the time of sale.
- l) The Bank deals in bullion business on a consignment basis. The difference between price recovered from customers and cost of bullion is accounted for at the time of sale to the customers. The Bank also deals in bullion on a borrowing and lending basis and the interest paid/received is accounted on accrual basis.

##### 2. Investments

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation as given below.

- a) All investments are classified into 'Held to Maturity', 'Available for Sale' and 'Held for Trading'. Reclassifications, if any, in any category are accounted for as per RBI guidelines. Under each classification, the investments are further categorised as (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. Any premium over the face value of fixed rate and floating rate securities acquired is amortised over the remaining period to maturity on a constant yield basis and straight line basis respectively.

## forming part of the Accounts (Contd.)

- c) 'Available for Sale' and 'Held for Trading' securities are valued periodically as per RBI guidelines. Any premium over the face value of investments in government securities, classified as 'Available for Sale', is amortised over the remaining period to maturity on constant yield basis. Quoted investments are valued based on the trades/quotes on the recognised stock exchanges, subsidiary general ledger 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 government securities which are in the nature of Statutory Liquidity Ratio (SLR) securities included in the 'Available for Sale' and 'Held for Trading' categories is as per the rates published by FIMMDA. The valuation of other unquoted fixed income securities wherever linked to the Yield-to-Maturity (YTM) rates, is computed with a mark-up (reflecting associated credit risk) over the YTM rates for government securities published by FIMMDA.

Unquoted equity shares are valued at the break-up value, if the latest balance sheet is available, or at Re. 1, as per RBI guidelines.

Securities are valued scrip-wise and depreciation/appreciation is aggregated for each category. Net appreciation in each category, if any, being unrealised, is ignored, while net depreciation is provided for.

- d) Costs including brokerage and commission pertaining to investments, paid at the time of acquisition, are charged to the profit and loss account.
- e) Equity investments in subsidiaries/joint ventures are categorised as 'Held to Maturity' in accordance with RBI guidelines.
- f) Profit on sale of investments in the 'Held to Maturity' category is credited to the profit and loss account and is thereafter appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve. Profit on sale of investments in 'Available for Sale' and 'Held for Trading' categories is credited to profit and loss account.
- g) Repurchase and reverse repurchase transactions are accounted for in accordance with the extant RBI guidelines.
- h) Broken period interest (the amount of interest from the previous interest payment date till the date of purchase/sale of instruments) on debt instruments is treated as a revenue item.
- i) At the end of each reporting period, security receipts issued by asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time. Accordingly, in cases where the cash flows from security receipts issued by asset reconstruction companies 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 obtained from the asset reconstruction company from time to time, for valuation of such investments at each reporting period end.
- j) The Bank follows trade date method for accounting for its investments.

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

- a) All credit exposures, including overdues arising from crystallised derivative contracts, are classified as per RBI guidelines, into performing and non-performing assets (NPAs). Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI.

In the case of corporate loans, provisions are made for sub-standard and doubtful assets at rates prescribed by RBI. Loss assets and the unsecured portion of doubtful assets are provided for/written off as per the extant RBI guidelines. Provisions on homogeneous retail loans, subject to minimum provisioning requirements of RBI, are assessed at a portfolio level on the basis of days past due. The Bank holds specific provisions against non-performing loans and general provision against performing loans. The assessment of incremental specific provisions is made after taking into consideration existing specific provision. The specific provisions on retail loans held by the Bank are higher than the minimum regulatory requirements.

- b) Provision on assets restructured/rescheduled is made in accordance with the applicable RBI guidelines on restructuring of advances by Banks.

In respect of non-performing loan accounts subjected to restructuring, the account is upgraded to standard only after the specified period i.e. a period of one year after the date when first payment of interest or of principal, whichever is earlier, falls due, subject to satisfactory performance of the account during the period.

- c) Amounts recovered against 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.
- d) In addition to the specific provision on NPAs, the Bank maintains a general provision on performing loans. The general provision covers the requirements of the RBI guidelines.
- e) In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposures (other than for home country exposure). The countries are categorised into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit and provisioning is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the above provision is required to be 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 required on such country exposure.

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## 4. Transfer and servicing of assets

The Bank transfers commercial and consumer loans through securitisation transactions. The transferred loans are de-recognised and gains/losses are accounted for only if the Bank surrenders the rights to benefits specified in the underlying securitised loan contract. Recourse and servicing obligations are accounted for net of provisions.

In accordance with the RBI guidelines for securitisation of standard assets, with effect from February 1, 2006, the Bank accounts for any loss arising from securitisation immediately at the time of sale and the profit/premium arising from securitisation is amortised over the life of the securities issued or to be issued by the special purpose vehicle to which the assets are sold. In the case of loans sold to an asset reconstruction company, the excess provision, if any, is not reversed but is utilised to meet the shortfall/loss on account of sale of other financial assets to asset reconstruction company.

## 5. Fixed assets and depreciation

Premises and other fixed assets are carried at cost less accumulated depreciation. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Depreciation is charged over the estimated useful life of a fixed asset on a straight-line basis. The rates of depreciation for fixed assets, which are not lower than the rates prescribed in Schedule XIV of the Companies Act, 1956, are given below:

<b>Asset</b>	<b>Depreciation Rate</b>
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, photo-copying machines, etc.	10.00%
Computers	33.33%
Furniture and fixtures	15.00%
Motor vehicles	20.00%
Others (including Software and system development expenses)	25.00%

- Depreciation on leased assets and leasehold improvements is recognised on a straight-line basis using rates determined with reference to the primary period of lease or rates specified in Schedule XIV to the Companies Act, 1956, whichever is higher.
- Assets purchased/sold during the year are depreciated on a pro-rata basis for the actual number of days the asset has been put to use.
- Items costing upto Rs. 5,000/- are depreciated fully over a period of 12 months from the date of purchase.
- In case of revalued/impaired assets, depreciation is provided over the remaining useful life of the assets with reference to revised assets values.

## 6. Transactions involving foreign exchange

Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction. Income and expenditure items of integral foreign operations (representative offices) are translated at weekly average closing rates, and income and expenditure of non-integral foreign operations (foreign branches and offshore banking units) are translated at quarterly average closing rates.

Monetary foreign currency assets and liabilities of domestic and integral foreign operations are translated at closing exchange rates notified by Foreign Exchange Dealers' Association of India (FEDAI) at the balance sheet date and the resulting profits/losses are included in the profit and loss account.

Both monetary and non-monetary foreign currency assets and liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the balance sheet date and the resulting profits/losses from exchange differences are accumulated in the foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operations.

The premium or discount arising on inception of forward exchange contracts that are entered into to establish the amount of reporting currency required or available at the settlement date of a transaction is amortised over the life of the contract. All other outstanding forward exchange contracts are revalued at the exchange rates notified by FEDAI for specified maturities and at interpolated rates for contracts of interim maturities. The contracts of longer maturities where exchange rates are not notified by FEDAI, are revalued at the forward exchange rates implied by the swap curves for respective currencies. The resultant gains or losses are recognised in the profit and loss account.

Contingent liabilities on account of guarantees, endorsements and other obligations denominated in foreign currencies are disclosed at the closing exchange rates notified by FEDAI at the balance sheet date.



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## forming part of the Accounts (Contd.)

### 7. Accounting for derivative contracts

The Bank enters into derivative contracts such as foreign currency options, interest rate and currency swaps, credit default swaps and cross currency interest rate swaps.

The swap contracts entered into 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 is correlated with the movement of underlying assets and accounted pursuant to the principles of hedge accounting. Hedge swaps are accounted for on an accrual basis.

Foreign currency and rupee derivative contracts entered into for trading purposes are marked to market and the resulting gain or loss (net of provisions, if any) is accounted for in the profit and loss account. Pursuant to RBI guidelines, any receivables under derivative contracts, which remain overdue for more than 90 days, are reversed through the profit and loss account.

### 8. Employee Stock Option Scheme (ESOS)

The Employees Stock Option Scheme (the Scheme) provides for grant of equity shares of the Bank to wholetime directors and employees of the Bank and its subsidiaries. The Scheme provides that employees are granted an option to subscribe to equity shares of the Bank that vest in a graded manner. The options may be exercised within a specified period. The Bank follows the intrinsic value method to account for its stock-based employee compensation plans. Compensation cost is measured as the excess, if any, of the fair market price of the underlying stock over the exercise price on the grant date. The fair market price is the latest closing price, immediately prior to the date of the Board of Directors meeting in which the options are granted, on the stock exchange on which the shares of the Bank are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

Since the exercise price of the Bank's stock options is equal to fair market price on the grant date, there is no compensation cost under the intrinsic value method.

The Finance (No.2) Act, 2009 has abolished fringe benefit tax (FBT) and introduced tax on the perquisite value in the hands of the employees which is computed on the difference between the fair market value on date of exercise and the exercise price with effect from April 1, 2009.

### 9. Staff retirement benefits

#### Gratuity

ICICI Bank pays gratuity to employees who retire or resign after a minimum period of five years of continuous service and in case of employees at overseas locations as per the rules in force in the respective countries. ICICI Bank makes contributions to four separate gratuity funds, for employees inducted from erstwhile ICICI Limited (erstwhile ICICI), employees inducted from erstwhile Bank of Madura, employees inducted from erstwhile The Sangli Bank Limited (erstwhile Sangli Bank) and employees of ICICI Bank other than employees inducted from erstwhile ICICI, erstwhile Bank of Madura and erstwhile Sangli Bank.

Separate gratuity funds for employees inducted from erstwhile ICICI, erstwhile Bank of Madura and erstwhile Sangli Bank are managed by ICICI Prudential Life Insurance Company Limited. The gratuity fund for employees of ICICI Bank, other than employees inducted from erstwhile ICICI, erstwhile Bank of Madura and erstwhile Sangli Bank is administered by Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited.

Actuarial valuation of the gratuity liability for all the above funds is determined by an actuary appointed by the Bank. In accordance with the gratuity funds' rules, actuarial valuation of gratuity liability is calculated based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method.

#### Superannuation fund

ICICI Bank contributes 15.0% of the total annual basic salary of each employee to a superannuation fund for ICICI Bank employees. The employee gets an option on retirement or resignation to commute one-third of the total credit balance in his/her account and receive a monthly pension based on the remaining balance. In the event of death of an employee, his or her beneficiary receives the remaining accumulated balance. ICICI Bank also gives an option to its employees, allowing them to receive the amount contributed by ICICI Bank along with their monthly salary during their employment.

Upto March 31, 2005, the superannuation fund was administered solely by Life Insurance Corporation of India. Subsequent to March 31, 2005, both Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited are administering separate funds. Employees had the option to retain the existing balance with Life Insurance Corporation of India or seek a transfer to ICICI Prudential Life Insurance Company Limited.

#### Pension

The Bank provides for pension, a deferred retirement plan covering certain employees of erstwhile Bank of Madura and certain employees of erstwhile Sangli Bank. 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. For erstwhile Bank of Madura and erstwhile Sangli Bank employees in service, separate pension funds are managed in-house and the liability is funded as per actuarial valuation. The pension payments to retired employees of erstwhile Bank of Madura and erstwhile Sangli Bank are being administered by ICICI Prudential Life Insurance Company Limited, for whom the Bank has purchased master annuity policies. Employees covered by the pension plan are not eligible for benefits under the provident fund plan.

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forming part of the Accounts (Contd.)

## **Provident fund**

ICICI Bank is statutorily required to maintain a provident fund as a part of retirement benefits to its employees. There are separate provident funds for employees inducted from erstwhile Bank of Madura and erstwhile Sangli Bank (other than those employees who have opted for pension), and for other employees of ICICI Bank. In-house trustees manage these funds. Each employee contributes 12.0% of his or her basic salary (10.0% for certain staff of erstwhile Sangli Bank and Bank of Madura) and ICICI Bank contributes an equal amount to the funds. The funds are invested according to rules prescribed by the Government of India.

## **Leave encashment**

The Bank provides for leave encashment benefit, which is a defined benefit scheme, based on actuarial valuation conducted by an independent actuary.

## **10. Income taxes**

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense is determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India, respectively. The levy of FBT is not applicable as the Finance (No. 2) Act, 2009 has abolished the tax with effect from April 1, 2009. Deferred tax adjustments comprise changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised on a prudent basis for the future tax consequences of timing differences arising between the carrying values of assets and liabilities and their respective tax basis, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgement as to whether their realisation is considered as reasonably certain.

## **11. Impairment of assets**

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset with future net discounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment is recognised by debiting the profit and loss account and is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets.

## **12. Provisions, contingent liabilities and contingent assets**

The Bank estimates the probability of any loss that might be incurred on outcome of contingencies on the basis of information available up to the date on which the financial statements are prepared. A provision is recognised when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates of amounts required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made in the financial statements. In case of remote possibility neither provision nor disclosure is made in the financial statements. The Bank does not account for or disclose contingent assets, if any.

## **13. Earnings per share (EPS)**

Basic and diluted earnings per share are computed in accordance with Accounting Standard-20 – Earnings per share.

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

## **14. Lease transactions**

Lease payments for assets taken on operating lease are recognised as an expense in the profit and loss account over the lease term.

## **15. 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.



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### SCHEDULE 19

#### NOTES FORMING PART OF THE ACCOUNTS

The following additional disclosures have been made taking into account the requirements of accounting standards and Reserve Bank of India (RBI) guidelines in this regard.

#### 1. Capital adequacy ratio

The Bank is subject to the capital adequacy norms stipulated by the RBI guidelines on Basel II which became applicable with effect from March 31, 2008. The guidelines require the Bank to maintain a minimum ratio of total capital to risk adjusted assets (CRAR) of 9.0%, with a minimum Tier I capital ratio of 6.0%. Prior to March 31, 2008, the Bank was subject to the capital adequacy norms as stipulated by the RBI guidelines on Basel I.

RBI has stipulated that the minimum capital maintained by banks on adoption of the Basel II framework shall be subject to a prudential floor, which shall be higher of the minimum capital required as per Basel II or a specified percentage of the minimum capital required as per Basel I (80% at March 31, 2010). The computation under Basel II guidelines results in a higher minimum capital requirement as compared to Basel I and hence the capital adequacy at March 31, 2010 has been maintained and reported by the Bank as per Basel II guidelines.

The following table sets forth, for the periods indicated, computation of capital adequacy.

Rupees in million

	As per Basel I framework		As per Basel II framework	
	At March 31, 2010	At March 31, 2009	At March 31, 2010	At March 31, 2009
Tier I capital .....	432,614.3	420,098.1	410,615.1	421,967.6
(Of which Lower Tier I) .....	28,210.0	30,168.6	28,210.0	30,168.6
Tier II capital .....	181,569.1	129,715.9	160,409.9	131,585.3
(Of which Upper Tier II) .....	137,912.0	109,100.0	137,912.0	109,100.0
Total capital .....	614,183.4	549,814.0	571,025.0	553,552.9
Total risk weighted assets .....	3,208,425.4	3,453,378.9	2,941,805.8	3,564,629.9
CRAR (%) .....	19.14%	15.92%	19.41%	15.53%
CRAR – Tier I capital (%) .....	13.48%	12.16%	13.96%	11.84%
CRAR – Tier II capital (%) .....	5.66%	3.76%	5.45%	3.69%
Amount raised by issue of Innovative Perpetual Debt Instruments (IPDI) during the year .....	—	—	—	—
Amount of subordinated debt raised as Tier II capital during the year .....	62,000.0	45,210.0	62,000.0	45,210.0

#### 2. Business/information ratios

The following table sets forth, for the periods indicated, the business/information ratios.

	Year ended March 31, 2010	Year ended March 31, 2009
i) Interest income to working funds <sup>1</sup> .....	7.19%	8.11%
ii) Non-interest income to working funds <sup>1</sup> .....	2.09%	1.98%
iii) Operating profit to working funds <sup>1</sup> .....	2.72%	2.33%
iv) Return on assets <sup>2</sup> .....	1.13%	0.98%
v) Profit per employee (Rs. in million) .....	1.2	1.1
vi) Business per employee (average deposits plus average advances) <sup>3</sup> (Rs. in million) .....	102.9	115.4

- For the purpose of computing the ratio, working funds represent the average of total assets as reported in Form X to RBI under Section 27 of the Banking Regulation Act, 1949.
- For the purpose of computing the ratio, assets represent average total assets as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949.
- For the purpose of computing the ratio, deposits and advances are the total deposits and total advances as reported to RBI in Form A under Section 42(2) of the Reserve Bank of India Act, 1934. The average deposits and the average advances represent the simple average of the figures reported in Form A to RBI under Section 42(2) of the Reserve Bank of India Act, 1934.

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## 3. Information about business and geographical segments

### Business Segments

Pursuant to the guidelines issued by RBI on Accounting Standard 17 – (Segment Reporting) – Enhancement of Disclosures dated April 18, 2007, effective from year ended March 31, 2008, the following business segments have been reported.

- **Retail Banking** includes exposures which satisfy the four criteria of orientation, product, granularity and low value of individual exposures for retail exposures laid down in Basel Committee on Banking Supervision document “International Convergence of Capital Measurement and Capital Standards: A Revised Framework”.
- **Wholesale Banking** includes all advances to trusts, partnership firms, companies and statutory bodies, which are not included under Retail Banking.
- **Treasury** includes the entire investment portfolio of the Bank.
- **Other Banking** includes hire purchase and leasing operations and other items not attributable to any particular business segment.

Income, expenses, assets and liabilities are either specifically identified with individual segments or are allocated to segments on a systematic basis.

All liabilities are transfer priced to a central treasury unit, which pools all funds and lends to the business units at appropriate rates based on the relevant maturity of assets being funded after adjusting for regulatory reserve requirements.

The following tables set forth, for the period indicated, the business segment results on this basis.

Rupees in million

For the year ended March 31, 2010					
Particulars	Retail Banking	Wholesale Banking	Treasury	Other Banking Business	Total
1. Revenue .....	177,244.1	192,541.3	247,978.0	4,375.7	<b>622,139.1</b>
2. Less: Inter-segment revenue .....					<b>290,293.3</b>
3. Total revenue (1) – (2) .....					<b>331,845.8</b>
<b>4. Segment results .....</b>	<b>(13,335.1)</b>	<b>36,451.0</b>	<b>27,886.4</b>	<b>2,450.9</b>	<b>53,453.2</b>
5. Unallocated expenses .....					—
6. Income tax expenses (net of deferred tax credit) .....					<b>13,203.4</b>
<b>7. Net profit (4) – (5) – (6) .....</b>					<b>40,249.8</b>
8. Segment assets .....	737,339.9	1,184,314.3	1,642,098.9	10,676.8	<b>3,574,429.9</b>
9. Unallocated assets <sup>1</sup> .....					<b>59,567.3</b>
<b>10. Total assets (8) + (9) .....</b>					<b>3,633,997.2</b>
11. Segment liabilities .....	1,186,393.0	915,021.2	1,525,898.6 <sup>2</sup>	5,970.5	<b>3,633,283.3</b>
12. Unallocated liabilities .....					<b>713.9</b>
<b>13. Total liabilities (11) + (12) .....</b>					<b>3,633,997.2</b>
14. Capital expenditure .....	1,721.0	635.8	2.9	17.6	<b>2,377.3</b>
15. Depreciation .....	3,749.0	996.4	16.3	1,433.3	<b>6,195.0</b>

1. Includes tax paid in advance/tax deducted at source (net) and deferred tax asset (net).

2. Includes share capital and reserves and surplus.

Rupees in million

For the year ended March 31, 2009					
Particulars	Retail Banking	Wholesale Banking	Treasury	Other Banking Business	Total
1. Revenue .....	230,152.1	248,077.1	295,908.7	6,125.7	<b>780,263.6</b>
2. Less: Inter-segment revenue .....					<b>393,300.9</b>
3. Total revenue (1) – (2) .....					<b>386,962.7</b>
<b>4. Segment results .....</b>	<b>580.5</b>	<b>34,133.1</b>	<b>12,843.5</b>	<b>3,612.6</b>	<b>51,169.7</b>

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## forming part of the Accounts (Contd.)

For the year ended March 31, 2009					
Particulars	Retail Banking	Wholesale Banking	Treasury	Other Banking Business	Total
5. Unallocated expenses.....					—
6. Income tax expenses (net of deferred tax credit) .....					13,588.4
<b>7. Net profit (4) – (5) – (6) .....</b>					<b>37,581.3</b>
8. Segment assets .....	958,656.7	1,357,062.5	1,400,638.6	11,887.0	<b>3,728,244.8</b>
9. Unallocated assets <sup>1</sup> .....					<b>64,764.8</b>
<b>10. Total assets (8) + (9) .....</b>					<b>3,793,009.6</b>
11. Segment liabilities.....	1,117,555.2	1,111,564.6	1,529,581.8 <sup>2</sup>	6,166.6	<b>3,764,868.2</b>
12. Unallocated liabilities .....					<b>28,141.4</b>
<b>13. Total liabilities (11) + (12).....</b>					<b>3,793,009.6</b>
14. Capital expenditure .....	4,224.2	1,264.2	3.3	36.9	<b>5,528.6</b>
15. Depreciation.....	3,628.6	1,027.3	4.7	2,125.4	<b>6,786.0</b>

1. Includes tax paid in advance/tax deducted at source (net) and deferred tax asset (net).

2. Includes share capital and reserves and surplus.

### Geographical segments

The Bank reports its operations under the following geographical segments.

- **Domestic operations** comprise branches in India.
- **Foreign operations** comprise branches outside India and offshore banking unit in India.

The following tables set forth, for the periods indicated, geographical segmental results.

Rupees in million		
Revenue	Year ended March 31, 2010	Year ended March 31, 2009
Domestic operations.....	<b>287,247.7</b>	347,986.2
Foreign operations .....	<b>44,598.1</b>	38,976.6
<b>Total.....</b>	<b>331,845.8</b>	386,962.8

Rupees in million		
Assets	At March 31, 2010	At March 31, 2009
Domestic operations.....	<b>2,963,616.4</b>	3,004,203.2
Foreign operations .....	<b>611,827.7</b>	733,259.4
<b>Total.....</b>	<b>3,575,444.1</b>	3,737,462.6

Rupees in million				
	Capital expenditure incurred during the year ended		Depreciation provided during the year ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Domestic operations.....	<b>2,341.0</b>	5,431.7	<b>6,147.6</b>	6,734.1
Foreign operations .....	<b>36.3</b>	96.9	<b>47.4</b>	51.9
<b>Total.....</b>	<b>2,377.3</b>	5,528.6	<b>6,195.0</b>	6,786.0

### 4. Earnings per share

Basic and diluted earnings per share are computed in accordance with Accounting Standard - 20 – Earnings per share. Basic earnings per share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. The diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

# schedules

The following table sets forth, for the periods indicated, the computation of earnings per share.

Rupees in million, except per share data

	Year ended March 31, 2010	Year ended March 31, 2009
<b>Basic</b>		
Weighted average no. of equity shares outstanding.....	1,113,737,557	1,113,129,213
Net profit.....	40,249.8	37,581.3
Basic earnings per share (Rs.) .....	36.14	33.76
<b>Diluted</b>		
Weighted average no. of equity shares outstanding.....	1,118,224,665	1,115,328,034
Net profit.....	40,249.8	37,581.3
Diluted earnings per share (Rs.).....	35.99	33.70
Nominal value per share (Rs.) .....	10.00	10.00

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

## 5. Maturity pattern

- In compiling the information of maturity pattern, certain estimates and assumptions have been made by the management.
- Assets and liabilities in foreign currency exclude off-balance sheet assets and liabilities.

a) The following table sets forth the maturity pattern of assets and liabilities of the Bank at March 31, 2010.

Rupees in million

Maturity buckets	Loans & Advances <sup>2</sup>	Investment securities <sup>2</sup>	Deposits <sup>2</sup>	Borrowings <sup>2,3</sup>	Total foreign currency assets	Total foreign currency liabilities
Day 1 <sup>1</sup> .....	5,611.1	157,239.2	32,042.0	391.9	35,810.8	18,545.8
2 to 7 days <sup>1</sup> .....	14,761.9	12,256.1	59,269.5	1,306.2	8,507.6	6,922.2
8 to 14 days <sup>1</sup> .....	11,134.4	12,895.5	96,406.6	11,072.9	9,116.6	12,425.4
15 to 28 days.....	20,104.7	74,070.6	50,419.0	11,213.4	17,080.5	18,698.5
29 days to 3 months.....	131,799.4	98,926.0	265,944.0	80,480.7	38,366.8	78,145.4
3 to 6 months.....	148,751.8	71,931.7	188,743.9	74,597.9	26,502.9	85,551.5
6 months to 1 year.....	248,066.9	97,333.9	276,686.1	76,724.4	39,432.1	69,197.5
1 to 3 years.....	713,445.1	295,899.3	1,030,992.7	302,987.4	218,294.1	223,871.9
3 to 5 years.....	292,216.2	39,413.6	15,503.1	88,361.1	106,911.0	85,270.9
Above 5 years.....	226,164.5	348,962.1	4,159.1	295,499.8	153,711.3	82,846.3
<b>Total</b> .....	1,812,056.0	1,208,928.0	2,020,166.0	942,635.7	653,733.7	681,475.4

1. The aforesaid disclosure is in accordance with the revised maturity buckets as per the RBI circular no. DBOD.BP.BC no. 22/21.04.018/2009-10 dated July 1, 2009.

2. Includes foreign currency balances.

3. Includes borrowings in the nature of subordinated debts and preference shares as per RBI guidelines vide circular no. DBOD.BP.BC no. 81/21.01.002/2009-10.

b) The following table sets forth the maturity pattern of assets and liabilities of the Bank at March 31, 2009.

Rupees in million

Maturity buckets	Loans & Advances <sup>1</sup>	Investment securities <sup>1</sup>	Deposits <sup>1</sup>	Borrowings <sup>1,2</sup>	Total foreign currency assets	Total foreign currency liabilities
1 to 14 days.....	77,002.6	116,387.7	159,613.6	17,973.0	92,686.3	52,220.8
15 to 28 days.....	18,547.3	45,611.8	80,388.8	20,224.0	12,581.7	26,476.9
29 days to 3 months.....	95,975.6	101,038.8	381,487.7	45,557.0	20,572.8	68,052.0
3 to 6 months.....	112,396.9	74,045.9	356,088.8	59,445.9	17,960.5	55,441.0
6 months to 1 year.....	220,770.0	99,709.9	458,313.7	80,134.0	29,985.6	87,612.2
1 to 3 years.....	887,376.0	260,527.2	731,623.0	257,189.3	156,996.3	215,855.3
3 to 5 years.....	423,545.6	25,850.1	14,368.4	190,317.0	219,948.8	164,054.1
Above 5 years.....	347,494.5	307,411.7	1,594.2	260,714.3	226,356.6	110,888.5
<b>Total</b> .....	2,183,108.5	1,030,583.1	2,183,478.2	931,554.5	777,088.6	780,600.8

1. Includes foreign currency balances.

2. Includes borrowings in the nature of subordinated debts and preference shares as per RBI guidelines vide circular no. DBOD.BP.BC no. 81/21.01.002/2009-10.

## forming part of the Accounts (Contd.)

### 6. Related party transactions

The Bank has transactions with its related parties comprising subsidiaries, associates/joint ventures/other related entities, key management personnel and relatives of key management personnel.

#### Subsidiaries

ICICI Bank UK PLC, ICICI Bank Canada, ICICI Bank Eurasia Limited Liability Company, ICICI Prudential Life Insurance Company Limited<sup>1</sup>, ICICI Lombard General Insurance Company Limited<sup>1</sup>, ICICI Prudential Asset Management Company Limited<sup>1</sup>, ICICI Securities Limited, ICICI Securities Primary Dealership Limited, ICICI Home Finance Company Limited, ICICI Venture Funds Management Company Limited, ICICI International Limited, ICICI Trusteeship Services Limited, ICICI Investment Management Company Limited, ICICI Securities Holdings Inc., ICICI Securities Inc., ICICI Prudential Trust Limited<sup>1</sup>, ICICI Wealth Management Inc. (upto December 31, 2009) and ICICI Prudential Pension Funds Management Company Limited<sup>2</sup>.

1. Jointly controlled entities.
2. For an entity that has been identified as a related party during the year ended March 31, 2010, previous year's comparative figures have not been reported.

#### Associates/joint ventures/other related entities

ICICI Equity Fund<sup>1</sup>, ICICI Eco-net Internet and Technology Fund<sup>1</sup>, ICICI Emerging Sectors Fund<sup>1</sup>, ICICI Strategic Investments Fund<sup>1</sup>, ICICI Kinfra Limited<sup>1</sup>, ICICI West Bengal Infrastructure Development Corporation Limited<sup>1</sup>, Financial Information Network and Operations Limited, TCW/ICICI Investment Partners LLC, TSI Ventures (India) Private Limited (upto June 30, 2008), I-Process Services (India) Private Limited, I-Solutions Providers (India) Private Limited, NIIT Institute of Finance, Banking and Insurance Training Limited, ICICI Venture Value Fund<sup>1</sup>, Comm Trade Services Limited, Loyalty Solutions & Research Limited<sup>1</sup>, Transafe Services Limited<sup>1</sup> (upto June 30, 2009), Prize Petroleum Company Limited, ICICI Foundation for Inclusive Growth, Firstsource Solutions Limited (upto December 31, 2009), I-Ven Biotech Limited<sup>1</sup>, Rainbow Fund<sup>2</sup>, Contests2win.com India Private Limited (upto March 31, 2009), Crossdomain Solutions Private Limited (upto March 31, 2009) and ICICI Merchant Services Private Limited<sup>2</sup>.

1. Entities consolidated as per Accounting Standard (AS) 21 on 'Consolidated Financial Statements'.
2. For entities that have been identified as related parties during the year ended March 31, 2010, previous year's comparative figures have not been reported.

#### Key management personnel

Mr. K. V. Kamath<sup>1</sup>, Ms. Chanda D. Kochhar, Mr. Sandeep Bakhshi<sup>2</sup>, Mr. N. S. Kannan<sup>2</sup>, Mr. K. Ramkumar<sup>3</sup>, Mr. Sonjoy Chatterjee, Mr. V. Vaidyanathan<sup>1</sup>, Ms. Madhabi Puri Buch<sup>4</sup>.

#### Relatives of key management personnel

Ms. Rajalakshmi Kamath<sup>1</sup>, Mr. Ajay Kamath<sup>1</sup>, Ms. Ajnya Pai<sup>1</sup>, Mr. Mohan Kamath<sup>1</sup>, Mr. Deepak Kochhar, Mr. Arjun Kochhar, Ms. Aarti Kochhar, Mr. Mahesh Advani, Ms. Varuna Karna, Ms. Sunita R. Advani, Ms. Mona Bakhshi<sup>2</sup>, Mr. Sameer Bakhshi<sup>2</sup>, Ms. Rangarajan Kumudalakshmi<sup>2</sup>, Ms. Aditi Kannan<sup>2</sup>, Mr. Narayanan Raghunathan<sup>2</sup>, Mr. Narayanan Rangarajan<sup>2</sup>, Mr. Narayanan Krishnamachari<sup>2</sup>, Ms. Narayanan Sudha<sup>2</sup>, Mr. R. Shyam<sup>3</sup>, Ms. R. Suchithra<sup>3</sup>, Ms. J. Krishnaswamy<sup>3</sup>, Mr. K. Jayakumar<sup>3</sup>, Ms. Ameeta Chatterjee, Mr. Somnath Chatterjee, Mr. Tarak Nath Chatterjee, Ms. Sunaina Chatterjee, Ms. Nandini Chatterjee, Ms. Jeyashree V.<sup>1</sup>, Mr. V. Satyamurthy<sup>1</sup>, Mr. V. Krishnamurthy<sup>1</sup>, Mr. K. Vembu<sup>1</sup>, Mr. Dhaval Buch<sup>4</sup>, Mr. Kamal Puri<sup>4</sup>, Ms. Rama Puri<sup>4</sup>.

1. Transactions reported upto April 30, 2009.
2. Transactions reported with effect from May 1, 2009.
3. Transactions reported with effect from February 1, 2009.
4. Transactions reported upto January 31, 2009.

The following were the significant transactions between the Bank and its related parties for the year ended March 31, 2010. A specific related party transaction is disclosed as a material related party transaction wherever it exceeds 10% of all related party transactions in that category.

#### Insurance services

During the year ended March 31, 2010, the Bank paid insurance premium to insurance subsidiaries amounting to Rs. 1,162.5 million (March 31, 2009: Rs. 1,132.6 million). The material transactions for the year ended March 31, 2010 was payment of insurance premium to ICICI Lombard General Insurance Company Limited amounting to Rs. 1,057.3 million (March 31, 2009: Rs. 1,039.9 million).

During the year ended March 31, 2010, the Bank's insurance claims from the insurance subsidiaries amounted to Rs. 876.1 million (March 31, 2009: Rs. 965.1 million). The material transaction for the year ended March 31, 2010 was with ICICI Lombard General Insurance Company Limited amounting to Rs. 823.0 million (March 31, 2009: Rs. 924.1 million).

#### Fees and commission

During the year ended March 31, 2010, the Bank received fees from its subsidiaries amounting to Rs. 3,793.9 million (March 31, 2009: Rs. 3,704.8 million), from its associates/joint ventures/other related entities amounting to Rs. 5.3 million (March 31, 2009: Rs. 142.1 million), from key management personnel amounting to Rs. 0.2 million (March 31, 2009: Rs. 0.6 million) and from relatives of key management personnel amounting to Rs. 0.1 million (March 31, 2009: Nil).

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The material transactions for the year ended March 31, 2010 were with ICICI Securities Limited amounting to Rs. 437.4 million (March 31, 2009: Rs. 454.8 million), ICICI Prudential Life Insurance Company Limited amounting to Rs. 2,708.9 million (March 31, 2009: Rs. 2,385.3 million) and ICICI Lombard General Insurance Company Limited amounting to Rs. 403.5 million (March 31, 2009: Rs. 625.6 million).

During the year ended March 31, 2010, the Bank received commission from its subsidiaries amounting to Rs. 8.1 million (March 31, 2009: Rs. 9.0 million) and from its associates/joint ventures/other related entities amounting to Rs. 15.4 million (March 31, 2009: Rs. 7.5 million). The material transactions for the year ended March 31, 2010 were with ICICI Home Finance Company Limited amounting to Rs. 5.7 million (March 31, 2009: Rs. 7.8 million) and Firstsource Solutions Limited amounting to Rs. 15.3 million (March 31, 2009: Rs. 7.2 million).

## **Lease of premises and facilities**

During the year ended March 31, 2010, the Bank recovered from its subsidiaries an amount of Rs. 1,493.9 million (March 31, 2009: Rs. 1,670.5 million) and from its associates/joint ventures/other related entities an amount of Rs. 34.5 million (March 31, 2009: Rs. 7.0 million) for lease of premises, facilities and other administrative costs. The material transactions for the year ended March 31, 2010 were with ICICI Securities Limited amounting to Rs. 231.9 million (March 31, 2009: Rs. 361.5 million), ICICI Home Finance Company Limited amounting to Rs. 484.0 million (March 31, 2009: Rs. 344.2 million), ICICI Bank UK PLC amounting to Rs. 263.9 million (March 31, 2009: Rs. 431.6 million), ICICI Lombard General Insurance Company Limited amounting to Rs. 175.0 million (March 31, 2009: Rs. 202.4 million) and ICICI Prudential Life Insurance Company Limited amounting to Rs. 203.1 million (March 31, 2009: Rs. 164.0 million).

## **Secondment of employees**

During the year ended March 31, 2010, the Bank received compensation from its subsidiaries amounting to Rs. 24.8 million (March 31, 2009: Rs. 277.1 million) and from its associates/joint ventures/other related entities amounting to Rs. 36.8 million (March 31, 2009: Rs. 16.8 million) for secondment of employees. The material transactions were with ICICI Merchant Services Private Limited amounting to Rs. 22.5 million, ICICI Home Finance Company Limited amounting to Nil (March 31, 2009: Rs. 217.2 million), ICICI Securities Limited amounting to Rs. 13.0 million (March 31, 2009: Rs. 53.4 million), ICICI West Bengal Infrastructure Development Corporation Limited amounting to Rs. 9.8 million (March 31, 2009: Rs. 11.5 million) and ICICI Investment Management Company Limited amounting to Rs. 11.9 million (March 31, 2009: Nil).

## **Purchase of investments**

During the year ended March 31, 2010, the Bank purchased certain investments from its subsidiaries amounting to Rs. 6,355.0 million (March 31, 2009: Rs. 15,170.3 million). The material transactions for the year ended March 31, 2010 were with ICICI Securities Primary Dealership Limited amounting to Rs. 5,414.1 million (March 31, 2009: Rs. 6,695.0 million) and ICICI Prudential Life Insurance Company Limited amounting to Rs. 704.7 million (March 31, 2009: Rs. 7,922.9 million).

During the year ended March 31, 2010, the Bank invested in the equity shares, preference shares and bonds of its subsidiaries amounting to Rs. 32.1 million (March 31, 2009: Rs. 41,755.0 million) and in its associates/joint ventures/other related entities amounting to Rs. 765.3 million (March 31, 2009: Nil). The material transactions for the year ended March 31, 2010 were with ICICI Merchant Services Private Limited amounting to Rs. 755.8 million, ICICI Prudential Life Insurance Company Limited amounting to Rs. 32.1 million (March 31, 2009: Rs. 8,081.6 million), ICICI Bank UK PLC amounting to Nil (March 31, 2009: Rs. 4,696.5 million) and ICICI Bank Canada amounting to Nil (March 31, 2009: Rs. 22,188.3 million).

At March 31, 2010 ICICI Bank has applied for equity shares in ICICI Securities Limited, which have not yet been allotted. The amount of application money is Rs. 1.00 billion.

## **Sale of investments**

During the year ended March 31, 2010, the Bank sold certain investments to its subsidiaries amounting to Rs. 3,646.0 million (March 31, 2009: Rs. 11,547.9 million). The material transactions were with ICICI Securities Primary Dealership Limited amounting to Rs. 2,408.8 million (March 31, 2009: Rs. 5,103.5 million), ICICI Prudential Life Insurance Company Limited amounting to Rs. 1,237.2 million (March 31, 2009: Rs. 4,058.0 million), and with ICICI Bank UK PLC amounting to Nil (March 31, 2009: Rs. 1,836.0 million).

## **Investment in bonds and Certificate of Deposits (CDs) issued by ICICI Bank**

During the year ended March 31, 2010, subsidiaries have invested in bonds issued by the Bank amounting to Rs. 650.0 million (March 31, 2009: Nil). The material transactions for the year ended March 31, 2010 were with ICICI Securities Primary Dealership Limited amounting to Rs. 150.0 million (March 31, 2009: Nil) and with ICICI Prudential Life Insurance Company Limited amounting to Rs. 500.0 million (March 31, 2009: Nil).

During the year ended March 31, 2010, subsidiaries have invested in certificate of deposits (CDs) issued by the Bank amounting to Rs. 11,173.9 million (March 31, 2009: Rs. 2,306.8 million). The material transactions for the year ended March 31, 2010 were with ICICI Securities Primary Dealership Limited amounting to Rs. 2,338.6 million (March 31, 2009: Nil) and with ICICI Prudential Life Insurance Company Limited amounting to Rs. 8,131.2 million (March 31, 2009: Rs. 2,306.8 million).

## **Redemption/buyback and conversion of investments**

During the year ended March 31, 2010, the Bank received a consideration from its subsidiaries amounting to Nil (March 31, 2009: Rs. 583.5 million) on account of redemption/buyback of equity shares by subsidiaries and from its associates/joint ventures/other related entities amounting to Rs. 1,379.9 million (March 31, 2009: Rs. 183.5 million) on account of redemption/buyback/distribution of loss on units/equity shares by associates/joint ventures/other related entities.



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The material transactions were with ICICI Emerging Sectors Fund amounting to Rs. 846.4 million (March 31, 2009: Nil), ICICI Eco-net Internet and Technology Fund amounting to Rs. 533.5 million (March 31, 2009: Nil), ICICI Securities Primary Dealership Limited amounting to Nil (March 31, 2009: Rs. 583.5 million) and ICICI Equity Fund amounting to Nil (March 31, 2009: Rs. 125.0 million).

### Reimbursement of expenses

During the year ended March 31, 2010, the Bank reimbursed expenses to its subsidiaries amounting to Rs. 11.7 million (March 31, 2009: Rs. 60.8 million). The material transactions were with ICICI Bank Canada amounting to Rs. 11.7 million (March 31, 2009: Nil) and ICICI Home Finance Company Limited amounting to Nil (March 31, 2009: Rs. 60.8 million).

### Brokerage and fee expenses

During the year ended March 31, 2010, the Bank paid brokerage/fees to its subsidiaries amounting to Rs. 865.5 million (March 31, 2009: Rs. 627.0 million) and to its associates/joint ventures/other related entities amounting to Rs. 1,346.2 million (March 31, 2009: Rs. 2,151.2 million). The material transactions for the year ended March 31, 2010 were with I-Process Services (India) Private Limited amounting to Rs. 686.1 million (March 31, 2009: Rs. 1,027.5 million), ICICI Home Finance Company Limited amounting to Rs. 608.2 million (March 31, 2009: Rs. 438.7 million) and Loyalty Solutions & Research Limited amounting to Rs. 407.0 million (March 31, 2009: Rs. 673.6 million).

### Custodial charges income

During the year ended March 31, 2010, the Bank recovered custodial charges from its subsidiaries amounting to Rs. 1.6 million (March 31, 2009: Rs. 11.4 million) and from its associates/joint ventures/other related entities amounting to Rs. 3.3 million (March 31, 2009: Rs. 3.3 million). The material transactions were with ICICI Securities Primary Dealership Limited amounting to Rs. 1.5 million (March 31, 2009: Rs. 7.6 million), ICICI Emerging Sectors Fund amounting to Rs. 1.3 million (March 31, 2009: Rs. 1.0 million), ICICI Strategic Investments Fund amounting to Rs. 1.1 million (March 31, 2009: Rs. 1.1 million), ICICI Equity Fund amounting to Rs. 0.8 million (March 31, 2009: Rs. 0.9 million), and ICICI Lombard General Insurance Company Limited amounting to Rs. 0.1 million (March 31, 2009: Rs. 3.8 million).

### Interest expenses

During the year ended March 31, 2010, the Bank paid interest to its subsidiaries amounting to Rs. 902.2 million (March 31, 2009: Rs. 869.3 million), to its associates/joint ventures/other related entities amounting to Rs. 3.3 million (March 31, 2009: Rs. 11.6 million), to its key management personnel amounting to Rs. 2.5 million (March 31, 2009: Rs. 2.3 million) and to relatives of key management personnel amounting to Rs. 1.2 million (March 31, 2009: Rs. 1.3 million). The material transactions for the year ended March 31, 2010 were with ICICI Securities Limited amounting to Rs. 159.3 million (March 31, 2009: Rs. 171.0 million), ICICI Bank UK PLC amounting to Rs. 49.8 million (March 31, 2009: Rs. 98.9 million), ICICI Prudential Life Insurance Company Limited amounting to Rs. 420.4 million (March 31, 2009: Rs. 427.7 million), ICICI Lombard General Insurance Company Limited amounting to Rs. 54.0 million (March 31, 2009: Rs. 94.3 million) and with ICICI Bank Eurasia Limited Liability Company amounting to Rs. 146.8 million (March 31, 2009: Rs. 3.1 million).

### Interest income

During the year ended March 31, 2010, the Bank received interest from its subsidiaries amounting to Rs. 1,588.0 million (March 31, 2009: Rs. 1,468.2 million), from its associates/joint ventures/other related entities amounting to Rs. 2.9 million (March 31, 2009: Rs. 5.3 million), from its key management personnel amounting to Rs. 0.5 million (March 31, 2009: Rs. 2.3 million) and from relatives of key management personnel amounting to Rs. 1.0 million (March 31, 2009: Rs. 0.3 million). The material transactions for the year ended March 31, 2010 were with ICICI Home Finance Company Limited amounting to Rs. 913.7 million (March 31, 2009: Rs. 520.3 million), ICICI Bank Eurasia Limited Liability Company amounting to Rs. 351.0 million (March 31, 2009: Rs. 547.1 million) and with ICICI Bank UK PLC amounting to Rs. 123.3 million (March 31, 2009: Rs. 171.2 million).

### Other income

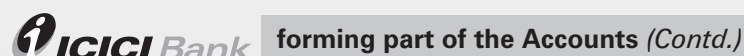
The Bank undertakes derivative transactions with its subsidiaries, associates, joint ventures and other related entities. The Bank manages its foreign exchange and interest rate risks arising from these transactions by covering them in the market. During the year ended March 31, 2010, the loss on derivative transactions entered into with subsidiaries was Rs. 17,346.2 million (March 31, 2009: gain of Rs. 16,054.5 million) and the loss was Rs. 220.9 million (March 31, 2009: loss of Rs. 0.3 million) with its associates/joint ventures/other related entities. The material transactions for the year ended March 31, 2010 were gain of Rs. 495.2 million (March 31, 2009: gain of Rs. 2,447.9 million) with ICICI Bank UK PLC, loss of Rs. 17,913.1 million (March 31, 2009: gain of Rs. 11,931.0 million) with ICICI Bank Canada, loss of Rs. 50.7 million (March 31, 2009: gain of Rs. 1,795.0 million) with ICICI Securities Primary Dealership Limited and gain of Rs. 215.8 million (March 31, 2009: loss of Rs. 40.6 million) with ICICI Home Finance Company Limited. While the Bank covers these transactions in the market, the above amounts represent only the transactions with its subsidiaries, associates, joint ventures and other related entities and not the offsetting/covering transactions, which results in lower net impact on the profit and loss account.

### Dividend income

During the year ended March 31, 2010, the Bank received dividend from its subsidiaries amounting to Rs. 3,692.7 million (March 31, 2009: Rs. 3,348.2 million). The material transactions for the year ended March 31, 2010 were with ICICI



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Home Finance Company Limited amounting to Rs. 934.0 million (March 31, 2009: Rs. 740.6 million), ICICI Securities Limited amounting to Rs. 920.0 million (March 31, 2009: Rs. 240.1 million), ICICI Lombard General Insurance Company Limited amounting to Rs. 476.1 million (March 31, 2009: Nil), ICICI Securities Primary Dealership Limited amounting to Rs. 422.1 million (March 31, 2009: Rs. 1,300.5 million), ICICI Prudential Asset Management Company Limited amounting to Rs. 409.6 million (March 31, 2009: Rs. 117.0 million) and ICICI Venture Funds Management Company Limited amounting to Rs. 260.0 million (March 31, 2009: Rs. 950.0 million).

## Dividend paid

During the year ended March 31, 2010, the Bank paid dividend to its key management personnel amounting to Rs. 4.5 million (March 31, 2009: Rs. 10.2 million). The dividend paid to Mr. K. V. Kamath during the year ended March 31, 2009 was Rs. 5.4 million, dividend paid during the year ended March 31, 2010 to Ms. Chanda D. Kochhar was Rs. 3.0 million (March 31, 2009: Rs. 3.0 million), to Mr. Sandeep Bakhshi was Rs. 0.03 million, to Mr. N. S. Kannan was Rs. 0.9 million, to Mr. K. Ramkumar was Rs. 0.2 million (March 31, 2009: Rs. 0.2 million), to Mr. Sonjoy Chatterjee was Rs. 0.3 million (March 31, 2009: Rs. 0.3 million), to Ms. Madhabi Puri Buch during the year ended March 31, 2009 was Rs. 1.1 million and to Mr. V. Vaidyanathan during the year ended March 31, 2009 was Rs. 0.2 million.

## Remuneration to wholetime directors

Remuneration paid to the wholetime directors of the Bank during the year ended March 31, 2010 was Rs. 119.4 million (March 31, 2009: Rs. 91.7 million). The remuneration paid for the year ended March 31, 2010 to Mr. K. V. Kamath was Rs. 4.1 million (March 31, 2009: Rs. 30.8 million), to Ms. Chanda D. Kochhar was Rs. 17.3 million (March 31, 2009: Rs. 18.4 million), to Mr. Sandeep Bakhshi was Rs. 12.6 million, to Mr. N. S. Kannan was Rs. 10.2 million, to Mr. K. Ramkumar was Rs. 53.7 million (includes perquisite value of Rs. 40.6 million on employee stock options (ESOPs) exercised) (March 31, 2009: Rs. 1.6 million), to Mr. Sonjoy Chatterjee was Rs. 19.6 million (includes perquisite value of Rs. 7.9 million on ESOPs exercised) (March 31, 2009: Rs. 13.0 million), to Ms. Madhabi Puri Buch during the year ended March 31, 2009 was Rs. 13.5 million and to Mr. V. Vaidyanathan was Rs. 1.9 million (March 31, 2009: Rs. 14.4 million).

## Sale of fixed assets

During the year ended March 31, 2010, the Bank sold fixed assets to its subsidiaries amounting to Rs. 574.2 million (March 31, 2009: Rs. 65.3 million). The material transaction for the year ended March 31, 2010 was with ICICI Home Finance Company Limited amounting to Rs. 570.0 million (March 31, 2009: Rs. 58.3 million).

## Purchase of fixed assets

During the year ended March 31, 2010, the Bank purchased fixed assets from its subsidiaries amounting to Rs. 21.3 million (March 31, 2009: Rs. 1.2 million) and from its associates/joint ventures/other related entities amounting to Nil (March 31, 2009: Rs. 13.0 million). The material transactions were with ICICI Securities Limited amounting to Rs. 19.2 million (March 31, 2009: Nil) and Financial Information Network and Operations Limited amounting to Nil (March 31, 2009: Rs. 12.4 million).

## Donation

During the year ended March 31, 2010, the Bank has given donation to ICICI Foundation for Inclusive Growth amounting to Rs. 153.0 million (March 31, 2009: Rs. 300.0 million).

## Transfer of merchant acquiring operations

During the year ended March 31, 2010, the Bank and First Data, a company engaged in electronic commerce and payment services, formed a merchant acquiring alliance and a new entity, 81% owned by First Data, was formed, which has acquired ICICI Bank's merchant acquiring operations through transfer of assets, primarily comprising fixed assets and receivables, and assumption of liabilities, for a total consideration of Rs. 3,744.0 million. This transfer of assets and liabilities to the new entity would be considered a 'slump sale' for tax purposes. The Bank realised a profit of Rs. 2,029.0 million from this transaction, which is included in Schedule 14 - "Other income".

## Letters of Comfort

The Bank has issued letters of comfort on behalf of its banking subsidiaries, ICICI Bank UK PLC and ICICI Bank Canada. The details of the letters are given below.

On behalf of	To	Purpose
ICICI Bank UK PLC	Financial Services Authority, UK ('FSA')	Financially support ICICI Bank UK PLC to ensure that it meets all of its obligations as they fall due.
ICICI Bank Canada	Canada Deposit Insurance Corporation ('CDIC')	To comply with the Bank Act and the CDIC regulations or by-laws there under and to indemnify CDIC against all losses, damages, reasonable costs and expenses arising from failure of ICICI Bank Canada in performing the same.

The Bank has issued an undertaking on behalf of ICICI Securities Inc. for Singapore dollar 10.0 million (Rs. 320.8 million) to the Monetary Authority of Singapore (MAS) that is included in the contingent liabilities.

As per the assessment made, there is no likely financial impact of the above letters issued to overseas regulators at March 31, 2010.

# schedules

## forming part of the Accounts (Contd.)

In addition to the above, the Bank has also issued letters of comfort in the nature of letters of awareness on behalf of banking and non-banking subsidiaries in respect of their borrowings made or proposed to be made and for other incidental business purposes. As they are in the nature of factual statements or confirmation of facts, they do not create any financial impact or financial obligations for the Bank.

The letters of comfort that are outstanding at March 31, 2010 pertain to facilities aggregating equivalent to Rs. 76,408.0 million (March 31, 2009: Rs. 191,583.1 million) as availed of by such subsidiaries. Additionally, the repayments of facilities pertaining to which such letters were issued, aggregate to Rs. 32,157.6 million and letters that were withdrawn during the year ended March 31, 2010 pertained to facilities aggregating to Rs. 153,500.0 million. The letters as re-issued pertain to facilities aggregating to Rs. 71,210.0 million availed of by such subsidiaries.

As advised by RBI, the Bank has also provided additional capital of Rs. 3,312.4 million on the letters of comfort that are in the nature of letters of awareness issued on behalf of its subsidiaries for their borrowing programmes.

### Related party balances

The following table sets forth, the balance payable to/receivable from subsidiaries/joint ventures/associates/other related entities/key management personnel and relatives of key management personnel at March 31, 2010.

Rupees in million

Items/Related party	Subsidiaries	Associates/joint ventures/other related entities	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with ICICI Bank .....	15,564.7	357.2	32.9	15.8	15,970.6
Deposits by ICICI Bank .....	17.6	—	—	—	17.6
Call/term money lent.....	4,041.0	—	—	—	4,041.0
Call/term money borrowed .....	2,245.0	—	—	—	2,245.0
Advances.....	13,724.0	42.5	6.7	8.1	13,781.3
Investments by ICICI Bank .....	132,687.9	10,358.1	—	—	143,046.0
Investments by related parties in ICICI Bank.....	1,121.0	—	3.6	—	1,124.6
Receivables .....	1,784.7	286.2	—	—	2,070.9
Payables .....	859.7	341.1	—	—	1,200.8
Guarantees/lines of credit.....	1,029.0	0.1	—	—	1,029.1
Swaps/forward contracts (notional amount) .....	261,038.4	—	—	—	261,038.4
Employee stock options outstanding (numbers) .....	—	—	1,254,250	—	1,254,250
Employee stock options exercised <sup>1</sup> .....	—	—	46.3	—	46.3

1. During the year ended March 31, 2010, 121,875 employee stock options were exercised.

The following table sets forth, the maximum balance payable to/receivable from subsidiaries/joint ventures/associates/other related entities/key management personnel and relatives of key management personnel during year ended March 31, 2010.

Rupees in million

Items/Related party	Subsidiaries	Associates/joint ventures/other related entities	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with ICICI Bank .....	16,899.9	734.2	60.2	23.2	17,717.5
Deposits by ICICI Bank .....	1,589.9	—	—	—	1,589.9
Call/term money lent.....	11,291.6	—	—	—	11,291.6
Call/term money borrowed .....	7,079.7	—	—	—	7,079.7
Advances .....	19,494.4	208.3	26.1	12.2	19,741.0
Investments by ICICI Bank .....	132,687.9	12,159.2	—	—	144,847.1
Investments by related parties in ICICI Bank.....	2,043.0 <sup>1</sup>	—	9.1	0.3	2,052.4
Receivables .....	4,737.0	464.0 <sup>1</sup>	—	—	5,201.0
Payables .....	1,850.8 <sup>1</sup>	341.1 <sup>1</sup>	—	—	2,191.9
Guarantees/lines of credit .....	4,226.5	2,390.0	—	—	6,616.5
Swaps/forward contracts (notional amount) .....	647,121.7	3,878.9	—	—	651,000.6

1. Maximum balances are determined based on comparison of the total outstanding balances at each quarter end during the financial year.

# schedules

## **ICICI Bank** forming part of the Accounts (Contd.)

The following table sets forth, the balance payable to/receivable from subsidiaries/joint ventures/associates/other related entities/key management personnel and relatives of key management personnel at March 31, 2009.

Rupees in million

Items/Related party	Subsidiaries	Associates/joint ventures/other related entities	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with ICICI Bank .....	12,390.3	434.2	56.7	16.9	12,898.1
Deposits by ICICI Bank .....	55.8	—	—	—	55.8
Call/term money lent.....	4,260.5	—	—	—	4,260.5
Call/term money borrowed .....	3,544.7	—	—	—	3,544.7
Advances.....	19,294.0	42.5	7.9	7.5	19,351.9
Investments by ICICI Bank .....	131,711.6	12,034.2	—	—	143,745.8
Investments by related parties in ICICI Bank .....	794.8	—	9.3	—	804.1
Receivables .....	1,964.3	239.4	—	—	2,203.7
Payables .....	67.8	289.5	—	—	357.3
Guarantees/lines of credit.....	3,404.5	1,916.1	—	—	5,320.6
Swaps/forward contracts (notional amount) .....	550,751.0	—	—	—	550,751.0
Employee stock options outstanding (numbers) .....	—	—	3,318,125	—	3,318,125
Employee stock options exercised <sup>1</sup> .....	—	—	—	—	—

1. During the year ended March 31, 2009, no employee stock options were exercised.

The following table sets forth, the maximum balance payable to/receivable from subsidiaries/joint ventures/associates/other related entities/key management personnel and relatives of key management personnel during the year ended March 31, 2009.

Rupees in million

Items/Related party	Subsidiaries	Associates/joint ventures/other related entities	Key Management Personnel	Relatives of Key Management Personnel	Total
Deposits with ICICI Bank .....	16,899.9	845.0	119.7	38.0	17,902.6
Deposits by ICICI Bank .....	1,589.9	—	—	—	1,589.9
Call/term money lent.....	10,922.1	—	—	—	10,922.1
Call/term money borrowed .....	3,690.5	—	—	—	3,690.5
Advances.....	20,981.4	208.3	63.6	7.6	21,260.9
Investments by ICICI Bank .....	131,711.6	12,159.2	—	—	143,870.8
Investments by related parties in ICICI Bank .....	2,043.0 <sup>1</sup>	—	9.3	—	2,052.3
Receivables .....	3,649.0	464.0 <sup>1</sup>	—	—	4,113.0
Payables .....	1,382.6 <sup>1</sup>	289.5 <sup>1</sup>	—	—	1,672.1
Guarantees/lines of credit.....	3,407.2	2,441.4	—	—	5,848.6
Swaps/forward contracts (notional amount) .....	647,121.7	880.4	—	—	648,002.1

1. Maximum balances are determined based on comparison of the total outstanding balances at each quarter end during the financial year.

## 7. Securitisation

The Bank sells loans through securitisation and direct assignment. The following tables set forth, for the periods indicated the information on securitisation and direct assignment activity of the Bank as an originator.

Rupees in million, except number of loans securitised

	Year ended March 31, 2010	Year ended March 31, 2009
Total number of loan assets securitised.....	33	7,053
Total book value of loan assets securitised.....	81,309.4	8,581.1
Sale consideration received for the securitised assets .....	81,493.7	8,621.9
Net gain/(loss) on account of securitisation <sup>1</sup> .....	(5,093.8)	(3,211.5)

1. Includes loss booked upfront on sales during the year, gain/(loss) on deal closures, gain amortised during the year and expenses relating to utilisation of credit enhancement.

# schedules

## forming part of the Accounts (Contd.)

	Rupees in million	
	At March 31, 2010	At March 31, 2009
Outstanding credit enhancement (funded).....	9,987.3	13,086.1
Outstanding liquidity facility .....	3,196.9	6,853.4
Net outstanding servicing asset/(liability) .....	225.7	748.9
Outstanding subordinate contributions .....	7,424.3	8,849.0

The outstanding credit enhancement in the form of guarantees amounted to Rs. 19,920.0 million at March 31, 2010 (March 31, 2009: Rs. 27,732.9 million).

Outstanding credit enhancement in the form of guarantees for third party originated securitisation transactions amounted to Rs. 6,442.0 at March 31, 2010 (March 31, 2009: Rs. 6,520.5) and outstanding liquidity facility for third party originated securitisation transactions amounted to Rs. 0.2 million at March 31, 2010 (March 31, 2009: Rs. 4.0 million).

The following table sets forth, for the periods indicated, the details of provision created at the time of securitisation.

	Rupees in million	
Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Opening balance .....	5,567.2	9,186.7
Add: Additions during the period .....	1,038.4	630.5
Less: Deductions during the period .....	4,351.8	4,250.0
Closing balance.....	2,253.8	5,567.2

## 8. Staff retirement benefits

### Pension

The following tables set forth, for the periods indicated, reconciliation of opening and closing balance of the present value of the defined benefit obligation for pension benefits.

	Rupees in million	
Particulars	Year ended March 31, 2010	Year ended March 31, 2009
<b>Opening obligations</b> .....	1,932.2	1,678.1
Service cost.....	51.8	62.5
Interest cost .....	134.5	146.6
Actuarial (gain)/loss .....	(32.1)	484.8
Liabilities extinguished on settlement .....	(287.7)	(364.2)
Benefits paid .....	(50.0)	(75.6)
<b>Obligations at end of year</b> .....	1,748.7	1,932.2
<b>Opening plan assets, at fair value</b> .....	2,145.3	1,490.1
Expected return on plan assets .....	169.9	117.4
Actuarial gain/(loss) .....	(130.7)	144.8
Assets distributed on settlement .....	(322.6)	(395.8)
Contributions.....	28.0	864.4
Benefits paid .....	(50.0)	(75.6)
<b>Closing plan assets, at fair value</b> .....	1,839.9	2,145.3
Fair value of plan assets at the end of the year.....	1,839.9	2,145.3
Present value of the defined benefit obligations at the end of the year.....	1,748.7	1,932.2
Amount not recognised as an asset (limit in Para 59(b)).....	7.7	51.2
<b>Asset/(liability)</b> .....	83.5	161.9

# schedules



forming part of the Accounts (Contd.)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
<b>Cost for the year</b>		
Service cost.....	51.8	62.5
Interest cost.....	134.5	146.6
Expected return on plan assets.....	(169.9)	(117.4)
Actuarial (gain)/loss.....	98.6	340.0
Curtailments & settlements (gain)/loss.....	34.9	31.6
Effect of the limit in para 59(b).....	(43.5)	51.2
<b>Net cost</b> .....	<b>106.4</b>	<b>514.5</b>

## Investment details of plan assets

Majority of the plan assets are invested in Government securities and corporate bonds.

## Assumptions

Interest rate.....	7.75%	6.85%
Salary escalation rate.....	7.00%	7.00%
Estimated rate of return on plan assets.....	8.00%	8.00%

## Experience adjustment

Particulars	Year ended March 31, 2010	Rupees in million		
		Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Plan assets.....	1,839.9	2,145.3	1,490.1	988.5
Defined benefit obligations.....	1,748.7	1,932.2	1,678.1	1,029.4
Amount not recognised as an asset (limit in para 59(b)).....	7.7	51.2	—	—
Surplus/(deficit).....	83.5	161.9	(188.0)	(40.9)
Experience adjustment on plan assets.....	(130.7)	144.8	(117.9)	(110.1)
Experience adjustment on plan liabilities.....	196.9	6.6	(121.9)	32.8

## Gratuity

The following tables set forth, for the periods indicated, reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity benefits.

Particulars	Year ended March 31, 2010	Rupees in million	
		Year ended March 31, 2009	Year ended March 31, 2008
<b>Opening obligations</b> .....	<b>2,195.7</b>	<b>1,840.4</b>	
Add: Adjustment for exchange fluctuation on opening obligations.....	(4.8)	6.4	
Add: Addition due to amalgamation/initial recognition of foreign branches.....	—	0.9	
Service cost.....	276.9	321.6	
Interest cost.....	161.5	183.9	
Actuarial (gain)/loss.....	(144.9)	140.3	
Transitional obligation/(asset).....	—	—	
Liability assumed on acquisition/(settled on divestiture).....	(8.4)	(28.8)	
Benefits paid.....	(165.5)	(269.0)	
<b>Obligations at end of year</b> .....	<b>2,310.5</b>	<b>2,195.7</b>	

# schedules

## forming part of the Accounts (Contd.)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
<b>Opening plan assets, at fair value</b> .....	<b>2,272.1</b>	1,506.7
Expected return on plan assets .....	<b>186.9</b>	128.5
Actuarial gain/(loss) .....	<b>168.8</b>	(118.0)
Contributions .....	<b>45.2</b>	1,052.7
Assets acquired on acquisition/(distributed on divestiture) .....	—	(28.8)
Benefits paid .....	<b>(165.5)</b>	(269.0)
<b>Closing plan assets, at fair value</b> .....	<b>2,507.5</b>	2,272.1
Fair value of plan assets at the end of the year .....	<b>2,507.5</b>	2,272.1
Present value of the defined benefit obligations at the end of the year .....	<b>2,310.5</b>	2,195.7
Amount not recognised as an asset (limit in Para 59(b)) .....	<b>47.9</b>	7.9
<b>Asset/(liability)</b> .....	<b>149.1</b>	68.5
<b>Cost for the year</b>		
Service cost .....	<b>276.9</b>	321.6
Interest cost .....	<b>161.5</b>	183.9
Expected return on plan assets .....	<b>(186.9)</b>	(128.5)
Actuarial (gain)/loss .....	<b>(313.7)</b>	258.3
Exchange fluctuation loss/(gain) .....	<b>(4.8)</b>	6.4
Transitional obligation/(asset) .....	—	—
Effect of the limit in para 59(b) .....	<b>40.0</b>	7.9
<b>Net cost</b> .....	<b>(27.0)</b>	649.6
<b>Investment details of plan assets</b>		
Majority of the plan assets are invested in Government securities and corporate bonds.		
<b>Assumptions</b>		
Interest rate .....	<b>7.75%</b>	6.85%
Salary escalation rate .....	<b>7.00%</b>	7.00%
Estimated rate of return on plan assets .....	<b>8.00%</b>	8.00%

### Experience adjustment

Particulars	Rupees in million			
	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Plan assets .....	<b>2,507.5</b>	2,272.1	1,506.7	891.7
Defined benefit obligations .....	<b>2,310.5</b>	2,195.7	1,840.4	1,142.1
Amount not recognised as an asset (limit in para 59(b)) .....	<b>47.9</b>	7.9	—	—
Surplus/(deficit) .....	<b>149.1</b>	68.5	(333.7)	(250.4)
Experience adjustment on plan assets .....	<b>168.8</b>	(118.0)	(24.8)	(18.0)
Experience adjustment on plan liabilities .....	<b>(0.8)</b>	(4.1)	14.0	38.1

The estimates of future salary increases, considered in actuarial valuation, take into consideration inflation, seniority, promotion and other relevant factors.

The guidance on implementing Accounting Standard 15 – Employee Benefits (revised 2005) issued by the Accounting Standards Board (ASB) provides that exempt provident funds which require employers to meet the interest shortfall are in effect defined benefit plans. The Bank's actuary has informed that it is not practicable to actuarially determine the interest shortfall obligation.

# schedules

## 9. Employee Stock Option Scheme (ESOS)

In terms of the ESOS, as amended, the maximum number of options granted to any eligible employee in a financial year shall not exceed 0.05% of the issued equity shares of the Bank at the time of grant of the options and aggregate of all such options granted to the eligible employees shall not exceed 5.0% of the aggregate number of the issued equity shares of the Bank on the date(s) of the grant of options. Under the stock option scheme, eligible employees are entitled to apply for equity shares. Options granted in April 2009 vest in a graded manner over a five year period with 20.0%, 20.0%, 30.0% and 30.0% of grant vesting each year, commencing from the end of 24 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. No options have been granted to wholetime Directors for fiscal 2009.

In terms of the scheme, 18,763,460 options (March 31, 2009: 18,992,504 options) granted to eligible employees were outstanding at March 31, 2010.

As per the scheme, the exercise price of the Bank's options is the last closing price on the stock exchange, which recorded highest trading volume preceding the date of grant of options. Hence, there is no compensation cost for the year ended March 31, 2010 based on intrinsic value of options. However, if the Bank had used the fair value of options based on the Black-Scholes model, compensation cost for the year ended March 31, 2010 would have been higher by Rs. 901.2 million and proforma profit after tax would have been Rs. 39.35 billion. On a proforma basis, the Bank's basic and diluted earnings per share would have been Rs. 35.33 and Rs. 35.19 respectively. The following table sets forth, the key assumptions used to estimate the fair value of options granted during the year ended March 31, 2010.

Risk-free interest rate.....	6.53% to 7.76%
Expected life .....	6.35 to 6.85 years
Expected volatility .....	48.65% to 49.18%
Expected dividend yield .....	1.22% to 2.53%

The weighted average fair value of options granted during the year ended March 31, 2010 is Rs. 199.91 (March 31, 2009: Rs. 331.19)

The following table sets forth, for the periods indicated, summary of the status of the Bank's stock option plan.

Rupees, except number of options

Particulars	Stock option outstanding			
	Year ended March 31, 2010		Year ended March 31, 2009	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
Outstanding at the beginning of the year.....	18,992,504	685.05	15,638,152	596.32
Add: Granted during the year .....	1,731,000	434.78	5,640,500	912.30
Less: Lapsed during the year .....	365,372	661.78	1,723,001	737.40
Less: Exercised during the year .....	1,594,672	366.38	563,147	336.96
Outstanding at the end of the year.....	18,763,460	689.50	18,992,504	685.05
Options exercisable .....	10,104,780	609.18	7,188,420	496.10

The following table sets forth, summary of stock options outstanding at March 31, 2010.

Range of exercise price (Rupees per share)	Number of shares arising out of options	Weighted average exercise price (Rupees per share)	Weighted average remaining contractual life (Number of years)
105-299.....	117,601	146.21	2.03
300-599.....	9,339,639	462.04	6.08
600-999.....	9,238,220	923.24	7.61
1,000-1,399.....	68,000	1,114.57	7.65

The options were exercised regularly throughout the period and weighted average share price as per National Stock Exchange (NSE) price volume data during the year ended March 31, 2010 was Rs. 853.80 (March 31, 2009: Rs. 723.55).

The Finance (No. 2) Act, 2009 has abolished fringe benefit tax and introduced tax on the perquisite value in the hands of the employees which is computed on the difference between the fair market value on date of exercise and the exercise price with effect from April 1, 2009.

## 10. Preference shares

Certain government securities amounting to Rs. 2,405.2 million at March 31, 2010 (March 31, 2009: Rs. 2,356.6 million) have been earmarked against redemption of preference shares issued by the Bank, which falls due for redemption on April 20, 2018, as per the original issue terms.



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## forming part of the Accounts (Contd.)

### 11. Subordinated debt

During the year ended March 31, 2010, the Bank raised subordinated debt qualifying for Tier II capital amounting to Rs. 62,000.0 million. The following table sets forth, the details of these bonds.

Rupees in million

Particulars	Date of Issue	Coupon Rate (%)	Tenure	Amount
Lower Tier II	April 22, 2009	9.30% (annually)	10 years	15,000.0
Upper Tier II	August 31, 2009	8.92% (semi-annually) <sup>1</sup>	15 years <sup>1</sup>	10,000.0
Lower Tier II	December 9, 2009	8.75% (annually)	10 years	13,200.0
Upper Tier II	January 12, 2010	8.90% (annually) <sup>2</sup>	15 years <sup>2</sup>	7,800.0
Upper Tier II	January 29, 2010	8.81% (semi-annually) <sup>3</sup>	15 years <sup>3</sup>	16,000.0

**Total** **62,000.0**

- 50 basis points over and above the coupon rate payable semi-annually for the balance years after August 30, 2019, if the call option is not exercised by the Bank; call option exercisable on August 31, 2019 with RBI approval.
- 50 basis points over and above the coupon rate payable annually for the balance years after February 27, 2020, if the call option is not exercised by the Bank; call option exercisable on February 28, 2020 with RBI approval.
- 50 basis points over and above the coupon rate payable annually for the balance years after February 27, 2020, if the call option is not exercised by the Bank; call option exercisable on February 28, 2020 with RBI approval.

During the year ended March 31, 2010, Bank has also raised an amount of Rs. 25,000.0 million towards application money on subordinated debt bonds which is pending for allotment at March 31, 2010.

During the year ended March 31, 2009, the Bank raised subordinated debt qualifying for Tier II capital amounting to Rs. 45,210.0 million. The following table sets forth, the details of these bonds.

Rupees in million

Particulars	Date of Issue	Coupon Rate (%)	Tenure	Amount
Upper Tier II (Tranche 3)	June 20, 2008	10.00% (annually) <sup>1</sup>	15 years <sup>1</sup>	7,500.0
Upper Tier II	September 22, 2008	11.25% (annually) <sup>1</sup>	15 years <sup>1</sup>	10,000.0
Upper Tier II	November 11, 2008	12.00% (annually) <sup>2</sup>	15 years <sup>2</sup>	15,000.0
Upper Tier II	March 26, 2009	9.95% (annually) <sup>3</sup>	15 years <sup>3</sup>	12,710.0

**Total** **45,210.0**

- 50 basis points over and above the coupon rate payable annually for the balance years after October 31, 2018, if the call option is not exercised by the Bank; call option exercisable on October 31, 2018 with RBI approval.
- 50 basis points over and above the coupon rate payable annually for the balance years after November 30, 2018, if the call option is not exercised by the Bank; call option exercisable on November 30, 2018 with RBI approval.
- 50 basis points over and above the coupon rate payable annually for the balance years after March 26, 2019, if the call option is not exercised by the Bank; call option exercisable on March 26, 2019 with RBI approval.

### 12. Investments

The following table sets forth, for the periods indicated, the details of investments and the movement of provision held towards depreciation on investments of the Bank.

Rupees in million

Particulars	At March 31, 2010	At March 31, 2009
<b>1. Value of Investments</b>		
i) Gross value of investments		
a) In India.....	1,129,332.3	947,314.5
b) Outside India.....	91,756.8	97,586.3
ii) Provision for depreciation		
a) In India.....	(11,779.5)	(12,530.7)
b) Outside India.....	(381.6)	(1,787.0)
iii) Net value of investments		
a) In India.....	1,117,552.8	934,783.8
b) Outside India.....	91,375.2	95,799.3
<b>2. Movement of provisions held towards depreciation on investments</b>		
i) Opening balance.....	14,317.7	6,698.5
ii) Add: Provisions made during the year.....	4,647.5	8,912.7
iii) Less: Write-off/write back of excess provisions during the year.....	(6,804.1)	(1,293.5)
iv) Closing balance.....	12,161.1	14,317.7

# schedules

## 13. Investment in securities, other than government and other approved securities (Non-SLR investments)

### i) Issuer composition of investments in securities, other than government and other approved securities.

- a) The following table sets forth, the issuer composition of investments of the Bank in securities, other than government and other approved securities at March 31, 2010.

Rupees in million

No.	Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities <sup>2</sup>	Extent of 'unrated' securities <sup>3, 4, 5</sup>	Extent of 'unlisted' securities <sup>3, 4, 6</sup>
			(a)	(b)	(c)	(d)
1.	PSUs.....	9,394.5	3,035.0	13.5	0.0	0.0
2.	FIs.....	5,458.7	2,022.4	—	987.8	1,068.5
3.	Banks.....	105,435.6	63,704.4	2,375.7	5,623.8	11,595.5
4.	Private corporates.....	60,293.2	41,292.4	—	9,142.2	10,906.2
5.	Subsidiaries/Joint ventures.....	132,687.9	324.1	—	—	—
6.	Others <sup>7</sup> .....	222,074.1	69,687.8	37,352.5	224.5	224.5
7.	Provision held towards depreciation ....	(12,097.3)	—	—	—	—
	<b>Total.....</b>	<b>523,246.7</b>	<b>180,066.1</b>	<b>39,741.7</b>	<b>15,978.3</b>	<b>23,794.7</b>

1. Amounts reported under columns (a), (b), (c) and (d) above are not mutually exclusive.
2. Excludes investments in non-Indian government securities by branches amounting to Rs. 1,279.5 million.
3. Excludes Rs.11,499.8 million of application money towards corporate bonds/debentures.
4. Excludes investments, amounting to Rs. 6,226.9 million, in preference shares of subsidiaries and Rs. 4,456.1 million in subordinated bonds of subsidiaries, namely ICICI Bank UK PLC and ICICI Bank Canada. This also excludes investments in non-Indian government securities of Rs. 1,645.0 million made by overseas branches.
5. Excludes equity shares, units of equity-oriented mutual fund and units of venture capital fund.
6. Excludes equity shares, units of equity-oriented mutual fund, units of venture capital fund, pass through certificates, security receipts, commercial paper and certificates of deposit.
7. Other investments include deposit with NABARD under RIDF Deposit Scheme amounting to Rs. 101,096.8 million (March 31, 2009: Rs. 59,999.4 million).
8. Collateralised debt obligations securities have been included in the above data based on the arranger of such instruments.

- b) The following table sets forth, the issuer composition of investments of the Bank in securities other than government and other approved securities at March 31, 2009.

Rupees in million

No.	Issuer	Amount	Extent of private placement <sup>2</sup>	Extent of 'below investment grade' securities <sup>3</sup>	Extent of 'unrated' securities <sup>2, 4, 5</sup>	Extent of 'unlisted' securities <sup>2, 4, 6</sup>
			(a)	(b)	(c)	(d)
1.	PSUs.....	946.1	—	22.8	—	—
2.	FIs.....	14,279.1	8,981.6	—	45.6	126.3
3.	Banks.....	40,794.4	12,688.2	1,876.6	8,723.8	15,469.9
4.	Private corporates.....	32,554.1	15,972.6	—	8,961.2	5,525.9
5.	Subsidiaries/Joint ventures.....	131,711.6	324.1	—	—	—
6.	Others <sup>7</sup> .....	188,604.2	73,680.5	33,536.3	—	—
7.	Provision held towards depreciation ....	(12,174.7)	—	—	—	—
	<b>Total.....</b>	<b>396,714.8</b>	<b>111,647.0</b>	<b>35,435.7</b>	<b>17,730.6</b>	<b>21,122.1</b>

1. Amounts reported under columns (a), (b), (c) and (d) above are not mutually exclusive.
2. Includes Nil application money towards corporate bonds/debentures.
3. Excludes investments in non-Indian government securities by branches amounting to Rs. 590.1 million.
4. Excludes investments, amounting to Rs. 6,192.6 million, in preference shares of subsidiaries, namely ICICI Bank UK PLC and ICICI Bank Canada. This also excludes investments in non-Indian government securities of Rs. 953.4 million made by overseas branches.
5. Excludes equity shares, units of equity-oriented mutual fund and units of venture capital fund.
6. Excludes equity shares, units of equity-oriented mutual fund, units of venture capital fund, pass through certificates, security receipts, commercial paper and certificates of deposit.
7. Other investments include deposit with NABARD under RIDF Deposit Scheme amounting to Rs. 59,999.4 million.
8. Collateralised debt obligations securities have been included in the above data based on the arranger of such instruments.

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## forming part of the Accounts (Contd.)

### ii) Non-performing investments in securities, other than government and other approved securities

The following table sets forth, for the periods indicated, the movement in gross non-performing investments in securities, other than government and other approved securities.

Rupees in million

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Opening balance .....	3,829.1	3,689.6
Additions during the year.....	2,626.3	278.7
Reduction during the year.....	(1,236.1)	(139.2)
Closing balance .....	5,219.3	3,829.1
Total provision held.....	3,599.8	3,213.8

### 14. Repurchase transactions

The following table sets forth, for the periods indicated, the details of securities sold and purchased under repos and reverse repos.

Rupees in million

	Minimum outstanding balance during the year	Maximum outstanding balance during the year	Daily average outstanding balance during the year	Balance at year end
<b>Year ended March 31, 2010</b>				
Securities sold under repurchase transaction .....	—	304,922.4	160,895.7	27,301.0
Securities purchased under reverse repurchase transaction .....	—	—	—	—
<b>Year ended March 31, 2009</b>				
Securities sold under repurchase transaction .....	—	145,875.0	66,861.3	22,092.3
Securities purchased under reverse repurchase transaction .....	—	10,499.7	31.5	—

1. The above figures do not include securities sold and purchased under Liquidity Adjustment Facility (LAF) of RBI.
2. The above figures are for Indian branches only.
3. Minimum, maximum & average outstanding is based on first leg of transaction & balance outstanding is based on book value.
4. Corporate debt securities sold and purchased under repo and reverse repo transactions is Nil.

### 15. Reconciliation of nostro account

In terms of RBI circular no. DBOD.BP.BC.No. 133/21.04.018/2008-09 dated May 11, 2009, Rs. 10.4 million representing outstanding credit balances of individual value less than USD 2,500 or equivalent lying in nostro account, which were originated up to March 31, 2002 and parked in blocked account, was transferred to profit and loss account during the year ended March 31, 2010.

### 16. CBLO transactions

Collateralised Borrowing and Lending Obligation (CBLO) is a discounted money market instrument, developed by The Clearing Corporation of India Limited (CCIL) and approved by RBI which involves secured borrowings and lending transactions. At March 31, 2010, the Bank had outstanding borrowings amounting to Nil and outstanding lending amounting to Nil in the form of CBLO. The amortised book value of securities given as collateral by the Bank to CCIL for availing the CBLO facility was Rs. 44,699.4 million at March 31, 2010.

### 17. Lending to sensitive sectors

The Bank has lending to sectors, which are sensitive to asset price fluctuations. The sensitive sectors include capital markets and real estate.

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## **ICICI Bank** forming part of the Accounts (Contd.)

The following table sets forth, for the periods indicated, the position of lending to capital market sector.

	Rupees in million	
	At March 31, 2010	At March 31, 2009
<b>Capital market sector</b>		
i) Direct investment in equity shares, convertible debentures and units of equity-oriented mutual funds, the corpus of which is not exclusively invested in corporate debt.....	22,082.3	13,167.9
ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds .....	34,463.6	7,408.5
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security .....	5,315.6	271.7
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds .....	330.6	609.7
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers .....	22,771.3	22,890.5
vi) Loans sanctioned to corporate against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources .....	—	—
vii) Bridge loans to companies against expected equity flows/issues .....	—	—
viii) Underwriting commitments taken up by the Bank in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.....	—	—
ix) Financing to stockbrokers for margin trading .....	—	—
x) All exposures to Venture Capital Funds (both registered and unregistered)	12,214.3	13,564.3
xi) Others .....	14,091.8	3,922.2
<b>Total Exposure to Capital Market</b> .....	<b>111,269.5</b>	<b>61,834.8</b>

The following table sets forth, for the periods indicated, the summary of lending to real estate sector.

	Rupees in million	
	At March 31, 2010	At March 31, 2009
<b>Real estate sector</b>		
<b>I. Direct exposure</b> .....	<b>579,950.5</b>	<b>697,579.8</b>
i) Residential mortgages .....	434,865.1	545,263.3
of which: individual housing loans eligible for priority sector advances	205,019.4	266,820.6
ii) Commercial real estate <sup>1</sup> .....	135,198.6	142,441.7
iii) Investments in mortgage backed securities (MBS) and other securitised exposure.....	9,886.8	9,874.8
a. Residential.....	9,886.8	9,874.8
b. Commercial real estate .....	—	—
<b>II. Indirect exposure</b> .....	<b>58,756.8</b>	<b>70,441.1</b>
i) Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).....	58,104.1	66,477.4
ii) Others .....	652.7	3,963.7
<b>Total Exposure to Real Estate Sector<sup>2</sup></b> .....	<b>638,707.3</b>	<b>768,020.9</b>

- Commercial real estate exposure include loans to individuals against non-residential premises, loans given to land and building developers for construction, corporate loans for development of special economic zone, loans to borrowers where servicing of loans is from a real estate activity and exposures to mutual funds/venture capital funds/private equity funds investing primarily in the real estate companies.
- Excludes non-banking assets acquired in satisfaction of claims.

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## forming part of the Accounts (Contd.)

### 18. Details of Single Borrower Limit and Borrower Group Limit exceeded by the Bank

During the year ended March 31, 2010, the Bank's exposure to any single borrower and borrower group were within the limits prescribed by RBI except in the cases of Reliance Industries Limited, Barclays Bank PLC and ICICI Prudential Flexible Income Plan where exposures to single borrowers were above the stipulated ceiling of 15.0% of capital funds. At March 31, 2010, the exposure to these borrowers as percentage of capital funds was: Reliance Industries Limited: 15.7%, Barclays Bank PLC: 10.7% and ICICI Prudential Flexible Income Plan: 5.4%.

The excess exposure in the above cases were duly approved/confirmed by the Board of Directors of the Bank with exposures being within 20.0% of Bank's capital funds in accordance with the guidelines issued by RBI.

### 19. Risk category-wise country-wise exposure

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table. The funded country exposure (net) of the Bank as a percentage of total funded assets for United Kingdom was 1.44% (March 31, 2009: 1.22%), Canada was 1.11% (March 31, 2009: 1.05%) and United States of America was 0.66% (March 31, 2009: 1.34%). As the net funded exposure to United Kingdom and Canada exceeds 1.0% of total funded assets, the Bank has made a provision of Rs. 235.0 million on country exposures at March 31, 2010 (Provision at March 31, 2009: Rs. 285.0 million).

The following table sets forth, for the periods indicated, the details of exposure (net) and provision held by the bank.

Rupees in million

Risk category	Exposure (net) at March 31, 2010	Provision held at March 31, 2010	Exposure (net) at March 31, 2009	Provision held at March 31, 2009
Insignificant.....	392,684.7	235.0	442,570.4	285.0
Low.....	131,940.9	—	172,910.8	—
Moderate.....	25,024.4	—	21,870.7	—
High.....	696.4	—	784.1	—
Very High.....	—	—	22.8	—
Restricted.....	—	—	—	—
Off-Credit.....	—	—	—	—
<b>Total.....</b>	<b>550,346.4</b>	<b>235.0</b>	<b>638,158.8</b>	<b>285.0</b>
– Of which: funded .....	<b>245,144.8</b>	<b>—</b>	<b>289,482.0</b>	<b>—</b>

### 20. Advances

The following table sets forth, for the periods indicated, the details of movement of gross non performing assets (NPAs), net NPAs and provisions.

Rupees in million

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
<b>i) Net NPAs (funded) to Net Advances (%).....</b>	<b>2.12%</b>	<b>2.09%</b>
<b>ii) Movement of NPAs (Gross)</b>		
a) Opening balance .....	96,493.1	75,795.4
b) Additions during the year <sup>1, 2</sup> .....	32,513.2	50,637.1
c) Reductions during the year <sup>1</sup> .....	(34,199.8)	(29,939.4)
d) Closing balance .....	94,806.5	96,493.1
<b>iii) Movement of Net NPAs</b>		
a) Opening balance .....	45,539.4	34,905.5
b) Additions during the year <sup>1, 2</sup> .....	1,452.5	19,824.5
c) Reductions during the year <sup>1</sup> .....	(8,580.8)	(9,190.6)
d) Closing balance .....	38,411.1	45,539.4

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forming part of the Accounts (Contd.)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
<b>(iv) Movement of provisions for NPAs (excluding provision on standard assets)</b>		
a) Opening balance <sup>3</sup> .....	<b>50,953.7</b>	39,432.7
b) Provisions made during the year <sup>4</sup> .....	<b>41,809.2</b>	35,615.4
c) Write-off/write-back of excess provisions .....	<b>(36,367.5)</b>	(24,094.4)
d) Closing balance <sup>3</sup> .....	<b>56,395.4</b>	50,953.7

1. Includes cases added to and deleted from NPAs during the year ended March 31, 2010, with such gross loans amounting to Rs. 1,060.2 million (March 31, 2009: Rs. 4,713.0 million) and such net loans amounting to Rs. 936.5 million (March 31, 2009: Rs. 4,066.8 million).
2. The difference between the opening and closing balances (other than accounts written off during the year) of NPAs in retail loans is included in additions during the year.
3. Net of write-off.
4. The difference between the opening and closing balances (adjusted for write-off and sale of NPAs during the year) of provisions in retail loans is included in provisions made during the year.

## 21. Unsecured advances against intangible assets

The Bank has made advances against intangible collaterals of the borrowers which are classified as 'unsecured' in its financial statements. At March 31, 2010, the amount of such advances was Nil and the estimated value of the intangible collaterals was Nil.

## 22. Financial assets transferred during the year to securitisation company (SC)/reconstruction company (RC)

The Bank has transferred certain assets to Asset Reconstruction Companies (ARCs) in terms of the guidelines issued by RBI governing such transfer. For the purpose of the valuation of the underlying security receipts issued by the underlying trusts managed by ARCs, the security receipts are valued at their respective NAVs as advised by the ARCs.

The following table sets forth, for the periods indicated, the details of the assets transferred.

Rupees in million, except number of accounts

	Year ended March 31, 2010	Year ended March 31, 2009
Number of accounts .....	<b>55,160<sup>1</sup></b>	18,429
Aggregate value (net of provisions) of accounts sold to SC/RC .....	<b>7,617.9</b>	6,810.7
Aggregate consideration.....	<b>7,866.7</b>	6,737.9
Additional consideration realised in respect of accounts transferred in earlier years <sup>2</sup> .....	—	—
Aggregate gain/(loss) over net book value .....	<b>248.8</b>	(72.8)

1. Excludes accounts previously written-off.
2. During the year ended March 31, 2010, Asset Reconstruction Company (India) Limited (ARCIL) fully redeemed security receipts of three trusts. The Bank realised Rs. 89.8 million over the gross book value in respect of these trusts (March 31, 2009: Rs. 27.6 million).

## 23. Provision on standard assets

The Bank makes provision on standard assets as per RBI guidelines. The Bank has adopted the revised rates for making provision on standard assets during the year ended March 31, 2010, in accordance with RBI circular no. DBOD. BP.BC.58/21.04.048/2009-10 dated November 5, 2009.

The Bank has not written back any standard asset provision pursuant to the RBI circular no. DBOD BP.BC.83/21.01.002/2008-09 dated November 15, 2008. The provision on standard assets held by the Bank at March 31, 2010 was Rs. 14,360.6 million (March 31, 2009: Rs. 14,360.6 million).



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## forming part of the Accounts (Contd.)

### 24. Provisions and contingencies

The following table sets forth, for the periods indicated, the break-up of provisions and contingencies included in profit and loss account.

	Year ended March 31, 2010	Year ended March 31, 2009
Rupees in million		
Provisions for depreciation of investments .....	(26.5)	977.3
Provision towards non-performing assets .....	43,621.6	37,690.3
Provision towards standard assets .....	—	(190.0)
Provision towards income tax <sup>1</sup> .....	13,173.4	13,558.4
Provision towards wealth tax .....	30.0	30.0
Other provision and contingencies .....	273.5	(395.0)

1. Includes fringe benefit tax amounting to Nil for the year ended March 31, 2010 (March 31, 2009: Rs. 342.0 million) and creation of net deferred tax asset amounting to Rs. (2,804.4) million for the year ended March 31, 2010 (March 31, 2009: Rs. (4,716.7) million).

### 25. Movement in provision for credit card/debit card reward points

The following table sets forth, for the periods indicated, movement in provision for credit card/debit card reward points.

	Year ended March 31, 2010	Year ended March 31, 2009
Rupees in million		
Opening provision for reward points .....	232.0	576.3
Provision for reward points made during the year .....	476.0	599.4
Utilisation/write-back of provision for reward points .....	438.3	943.7
Closing provision for reward points <sup>1</sup> .....	269.7	232.0

1. The closing provision is based on the actuarial valuation of accumulated credit/debit card reward points. This amount will be utilised towards redemption of the credit/debit card reward points.

### 26. Description of contingent liabilities

The following table sets forth description of contingent liabilities.

Sr. no.	Contingent liability	Brief Description
1.	Claims against the Bank not acknowledged as debts	This item represents demands made in certain tax and legal matters against the Bank in the normal course of business. The Bank does not consider these matters to have a material adverse financial impact in excess of provisions already made in the financial statements.
2.	Liability for partly paid investments	These represent amounts remaining unpaid towards purchase of investments. These payment obligations of the Bank do not have any profit/loss impact.
3.	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchange forward contracts in its normal course of business, to exchange currencies at a pre-fixed price at a future date. This item represents the notional principal amount of such contracts, which are derivative instruments. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.
4.	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	These items represent the guarantees and documentary credits issued by the Bank as part of its trade finance banking activities, on behalf of its customers in favour of third parties, with a view to augment the customers' credit standing. Through these instruments, the Bank undertakes to make payments for its customers' obligations, either directly or in case of failure of the customers to fulfil their financial or performance obligations.

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forming part of the Accounts (Contd.)

Sr. no.	Contingent liability	Brief Description
5.	Currency swaps, interest rate swaps, currency options and interest rate futures	This item represents the notional principal amounts of various derivative instruments which the Bank undertakes in its normal course of business. The Bank offers these products to its customers to enable them to transfer, modify or reduce their foreign exchange and interest rate risks. The Bank also undertakes these contracts to manage its own interest rate and foreign exchange positions. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.
6.	Other items for which the Bank is contingently liable	Other items for which the Bank is contingently liable include primarily the securitisation, notional principal amounts of credit derivatives and repurchase obligations. The Bank is also obligated under a number of capital contracts. Capital contracts are job orders of a capital nature which have been committed.

## 27. Information in respect of restructured assets

The following table sets forth, for the periods indicated, details of loan assets subjected to restructuring.

Rupees in million

		Year ended March 31, 2010			Year ended March 31, 2009		
		CDR Mechanism	SME Debt Restructuring	Others	CDR Mechanism	SME Debt Restructuring	Others
<b>Standard advances restructured<sup>3</sup></b>	Number of Borrowers.....	11	11	3,806	1	7	937
	Amount outstanding .....	14,186.6	397.6	40,918.8	928.0	406.4	13,282.7
	Of which: restructured amount .....	12,444.3	251.4	39,248.4	912.2	263.9	9,917.5
	Sacrifice (diminution in the fair value).....	1,006.0	4.8	1,406.5	107.0	12.2	196.0
<b>Sub- standard advances restructured</b>	Number of Borrowers.....	3	1	98	—	—	51
	Amount outstanding .....	640.2	77.8	288.2	—	—	213.4
	Of which: restructured amount .....	624.3	77.8	244.9	—	—	213.4
	Sacrifice (diminution in the fair value).....	80.7	5.9	8.7	—	—	12.0
<b>Doubtful advances restructured</b>	Number of Borrowers.....	—	—	3	—	—	—
	Amount outstanding .....	—	—	207.2	—	—	—
	Of which: restructured amount .....	—	—	187.8	—	—	—
	Sacrifice (diminution in the fair value).....	—	—	17.5	—	—	—

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## forming part of the Accounts (Contd.)

		Year ended March 31, 2010			Year ended March 31, 2009		
		CDR Mechanism	SME Debt Restructuring	Others	CDR Mechanism	SME Debt Restructuring	Others
<b>Total</b>	Number of Borrowers.....	<b>14</b>	<b>12</b>	<b>3,907</b>	<b>1</b>	<b>7</b>	<b>988</b>
	Amount outstanding .....	<b>14,826.8</b>	<b>475.4</b>	<b>41,414.2</b>	<b>928.0</b>	<b>406.4</b>	<b>13,496.2</b>
	Of which: restructured amount .....	<b>13,068.7</b>	<b>329.2</b>	<b>39,681.0</b>	<b>912.2</b>	<b>263.9</b>	<b>10,130.9</b>
	Sacrifice (diminution in the fair value).....	<b>1,086.6</b>	<b>10.8</b>	<b>1,432.7</b>	<b>107.0</b>	<b>12.2</b>	<b>208.0</b>

1. The above disclosure for the year ended March 31, 2010, includes the reversal of interest income of Rs. 704.3 million on account of conversion of overdue interest into Funded Interest Term Loan (FITL).
2. The aforesaid disclosure excludes the reversal of derivative income of Rs. 303.1 million during the year ended March 31, 2010 on account of conversion of derivative receivables into term loan/preference shares.
3. Includes eight borrowal accounts restructured for a second time with asset classification benefit upto June 30, 2009, amounting to Rs. 24,280.8 million against which sacrifice (diminution in fair value) is Rs.1,498.1 million.

### 28. Details of non-performing assets purchased/sold, excluding those sold to SC/RC

The Bank has sold certain non-performing assets in terms of the guidelines issued by RBI circular no. DBOD.No.BP. BC.16/21.04.048/2005-06 dated July 13, 2005 on such sale.

The following table sets forth, for the periods indicated, details of non-performing assets sold, excluding those sold to SC/RC.

Rupees in million, except no. of accounts

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
No. of accounts.....	<b>7,428<sup>1</sup></b>	—
Aggregate value (net of provisions) of accounts sold, excluding those sold to SC/RC .....	<b>479.0</b>	—
Aggregate consideration.....	<b>463.6</b>	—
Aggregate gain/(loss) over net book value .....	<b>(15.4)</b>	—

1. Excludes accounts previously written off.

### 29. Fixed Assets

The following table sets forth, for the periods indicated, the movement in software acquired by the Bank, as included in fixed assets.

Rupees in million

Particulars	At March 31, 2010	At March 31, 2009
At cost at March 31st of preceding year .....	<b>5,267.4</b>	<b>4,448.8</b>
Additions during the year.....	<b>824.9</b>	<b>818.6</b>
Deductions during the year.....	<b>(239.7)</b>	—
Depreciation to date .....	<b>(4,043.3)</b>	<b>(3,509.5)</b>
Net block .....	<b>1,809.3</b>	<b>1,757.9</b>

# schedules

## 30. Assets given on lease

Assets under finance lease

The following table sets forth, for the periods indicated, the details of finance leases.

Rupees in million		
Particulars	At March 31, 2010	At March 31, 2009
Future minimum lease receipts .....		
Present value of lease receipts.....	17.4	174.8
Unmatured finance charges.....	0.2	9.3
<b>Total</b> .....	<b>17.6</b>	<b>184.1</b>
Maturity profile of future minimum lease receipts		
– Not later than one year .....	17.6	176.4
– Later than one year and not later than five years .....	—	7.7
– Later than five years.....	—	—
<b>Total</b> .....	<b>17.6</b>	<b>184.1</b>

### Maturity profile of present value of lease rentals

The following table sets forth, for the periods indicated, the details of maturity profile of present value of finance lease receipts.

Rupees in million		
Particulars	At March 31, 2010	At March 31, 2009
Not later than one year .....	17.4	167.3
Later than one year and not later than five years .....	—	7.5
Later than five years.....	—	—
<b>Total</b> .....	<b>17.4</b>	<b>174.8</b>

## 31. Provision for income tax

The provision for income tax (including deferred tax) for the year ended March 31, 2010 amounted to Rs. 13,173.4 million (March 31, 2009: Rs. 13,558.4 million). The levy of fringe benefit tax (FBT) is not applicable as the Finance (No. 2) Act, 2009 has abolished FBT with effect from financial year 2009-10.

The Bank has a comprehensive system of maintenance of information and documents required by transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. The Bank is of the opinion that all international transactions are at arm's length so that the above legislation will not have material impact on the financial statements.

## 32. Deferred tax

At March 31, 2010, the Bank has recorded net deferred tax asset of Rs. 20,756.7 million (March 31, 2009: Rs. 17,923.1 million), which has been included in other assets.

The following table sets forth, for the periods indicated, the break-up of deferred tax assets and liabilities into major items.

Rupees in million		
	At March 31, 2010	At March 31, 2009
<b>Deferred tax asset</b>		
Provision for bad and doubtful debts .....	23,597.6	21,597.8
Capital loss .....	—	131.4
Others .....	1,827.4	1,680.3
<b>Total deferred tax assets</b> .....	<b>25,425.0</b>	<b>23,409.5</b>
<b>Deferred tax liability</b>		
Depreciation on fixed assets .....	4,671.1	5,460.1
<b>Total deferred tax liability</b> .....	<b>4,671.1</b>	<b>5,460.1</b>
Deferred tax asset/(liability) pertaining to foreign branches.....	2.8	(26.3)
<b>Total net deferred tax asset/(liability)</b> .....	<b>20,756.7</b>	<b>17,923.1</b>

## 33. Dividend distribution tax

For the purpose of computation of dividend distribution tax on the proposed dividend, the Bank has reduced the dividend distribution tax on dividend received from its Indian subsidiaries as per the provisions of Section 115-O of the Income Tax Act, 1961 read with Finance Bill, 2010 and Section 294 of the Income Tax Act, 1961.

# schedules

## forming part of the Accounts (Contd.)

### 34. Derivatives

ICICI Bank is a major participant in the financial derivatives market. The Bank deals in derivatives for balance sheet management and market making purposes whereby the Bank offers derivative products to its customers, enabling them to hedge their risks.

Dealing in derivatives is carried out by identified groups in the treasury of the Bank based on the purpose of the transaction. Derivative transactions are entered into by the treasury front office. Treasury middle office conducts an independent check of the transactions entered into by the front office and also undertakes activities such as confirmation, settlement, accounting, risk monitoring and reporting and ensures compliance with various internal and regulatory guidelines.

The market making and the proprietary trading activities in derivatives are governed by the investment policy of the Bank, which lays down the position limits, stop loss limits as well as other risk limits. The Risk Management Group lays down the methodology for computation and monitoring of risk. The Risk Committee of the Board (RCB) reviews the Bank's risk management policy in relation to various risks (portfolio, liquidity, interest rate, off-balance sheet and operational risks), investment policies and compliance issues in relation thereto. The RCB comprises independent directors and the Managing Director and CEO.

Risk monitoring of the derivatives portfolio including credit derivatives is done on a daily basis. The Bank generally measures and monitors risk using Value at Risk (VAR) approach and the relevant greeks for options. Risk reporting on derivatives forms an integral part of the management information system and the marked to market position and the VAR of the derivatives portfolio, including credit derivatives is reported on a daily basis.

The use of derivatives for hedging purposes is governed by the hedge policy approved by Asset Liability Management Committee (ALCO). Subject to prevailing RBI guidelines, the Bank deals in derivatives for hedging fixed rate, floating rate or foreign currency assets/liabilities. Transactions for hedging and market making purposes are recorded separately. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of the transaction itself. The effectiveness is assessed at the time of inception of the hedge and periodically thereafter.

Hedge derivative transactions are accounted for pursuant to the principles of hedge accounting. Derivatives for market making purpose are marked to market and the resulting gain/loss is recorded in the profit and loss account. The premium on option contracts is accounted for as per Foreign Exchange Dealers Association of India (FEDAI). Derivative transactions are covered under International Swap Dealers Association (ISDA) master agreements with the respective counter parties. The exposure on account of derivative transactions is marked against the credit limits approved for the respective counter parties.

The following tables set forth, for the period indicated, details of derivative positions.

Rupees in million

Sr. No.	Particulars	At March 31, 2010	
		Currency derivatives <sup>1</sup>	Interest rate derivatives <sup>2</sup>
<b>1.</b>	<b>Derivatives (Notional principal amount)</b>		
a)	For hedging .....	23,432.8	235,286.1
b)	For trading .....	1,136,020.6	3,145,275.0
<b>2.</b>	<b>Marked to market positions<sup>3</sup></b>		
a)	Asset (+) .....	13,891.8	1,459.8
b)	Liability (-) .....		
<b>3.</b>	<b>Credit exposure<sup>4</sup></b> .....	115,703.5	91,886.0
<b>4.</b>	<b>Likely impact of one percentage change in interest rate (100*PV01)<sup>5</sup></b>		
a)	On hedging derivatives <sup>6</sup> .....	58.2	7,288.5
b)	On trading derivatives .....	1,380.6	1,646.7
<b>5.</b>	<b>Maximum and minimum of 100*PV01 observed during the year</b>		
a)	On hedging <sup>6</sup>		
	Maximum .....	(54.6)	(6,835.8)
	Minimum .....	(323.9)	(9,071.7)
b)	On trading		
	Maximum .....	(1,358.8)	2,322.6
	Minimum .....	(2,121.7)	1,282.0

1. Options and cross currency interest rate swaps and currency futures are included in currency derivatives.

2. Foreign currency interest rate swaps, forward rate agreements and swaptions are included in interest rate derivatives.

3. For trading portfolio including accrued interest. Represents net positions.

4. Includes accrued interest.

5. Amounts given are absolute values on a net basis, excluding options.

6. The swap contracts entered for hedging purpose would have an opposite and offsetting impact with the underlying on-balance sheet items.

# schedules



forming part of the Accounts (Contd.)

Rupees in million

Sr. No.	Particulars	At March 31, 2009	
		Currency derivatives <sup>1</sup>	Interest rate derivatives <sup>2</sup>
<b>1.</b>	<b>Derivatives (Notional principal amount)</b>		
a)	For hedging .....	21,807.6	236,802.8
b)	For trading .....	1,190,839.4	3,270,348.6
<b>2.</b>	<b>Marked to market positions<sup>3</sup></b>		
a)	Asset (+) .....	24,141.6	3,592.7
b)	Liability (–) .....	—	—
<b>3.</b>	<b>Credit exposure<sup>4</sup></b> .....	156,118.5	123,036.2
<b>4.</b>	<b>Likely impact of one percentage change in interest rate (100*PV01)<sup>5</sup></b>		
a)	On hedging derivatives <sup>6</sup> .....	212.6	8,902.0
b)	On trading derivatives .....	2,446.3	1,943.3
<b>5.</b>	<b>Maximum and minimum of 100*PV01 observed during the year</b>		
a)	On hedging <sup>6</sup>		
	Maximum .....	(194.2)	(7,993.6)
	Minimum .....	(564.4)	(11,031.3)
b)	On trading		
	Maximum .....	(1,813.7)	5,597.0
	Minimum .....	(2,710.5)	61.5

- Options and cross currency interest rate swaps and currency futures are included in currency derivatives.
- Foreign currency interest rate swaps, forward rate agreements and swaptions are included in interest rate derivatives.
- For trading portfolio including accrued interest. Represents net positions.
- Includes accrued interest.
- Amounts given are absolute values on a net basis, excluding options.
- The swap contracts entered for hedging purpose would have an opposite and offsetting impact with the underlying on-balance sheet items.

The Bank deals in credit derivative instruments including credit default swaps, credit linked notes, collateralised debt obligations and principal protected structures. The notional principal amount of these credit derivatives outstanding at March 31, 2010 was Rs. 15,400.7 million (March 31, 2009: Rs. 18,411.4 million) in funded instruments and Rs. 32,881.1 million (March 31, 2009: Rs. 38,712.6 million) in non-funded instruments which includes Rs. 224.5 million (March 31, 2009: Rs. 253.6 million) of protection bought by the Bank.

The profit and loss impact on the above portfolio on account of mark-to-market and realised gains/losses during the year ended March 31, 2010 was net profit of Rs. 3,974.2 million (March 31, 2009: net loss of Rs. 2,754.3 million). At March 31, 2010, the total outstanding mark-to-market position of the above portfolio was a net loss of Rs. 610.1 million (March 31, 2009: net loss of Rs. 4,843.9 million). The credit derivatives are marked to market by the Bank based on counterparty valuation quotes, or internal models using inputs from market sources such as Bloomberg/Reuters, counter-parties and FIMMDA.

The Bank offers deposit products to customers of its offshore branches with structured returns linked to interest, forex, credit or equity benchmarks. The Bank covers these exposures in the inter-bank market. At March 31, 2010, the net open position on this portfolio was Rs. 32.6 million (March 31, 2009: Rs. 116.9 million) with mark-to-market loss of Rs. 3.0 million (March 31, 2009: loss Rs. 37.5 million) at that date, which has been provided for through profit and loss account.

The notional principal amount of forex contracts classified as non-trading at March 31, 2010 amounted to Rs. 182,911.8 million (March 31, 2009: Rs. 205,635.1 million).

The notional principal amount of forex contracts classified as trading at March 31, 2010 amounted to Rs. 1,477,775.4 million (March 31, 2009: Rs. 2,378,035.8 million).

The net overnight open position at March 31, 2010 was Rs. 293.2 million (March 31, 2009: Rs. 512.3 million).



# schedules

## forming part of the Accounts (Contd.)

### 35. Forward rate agreement (FRA)/Interest rate swaps (IRS)

The following table sets forth, for the periods indicated, the details of the forward rate agreements/interest rate swaps.

Rupees in million

Particulars	At March 31, 2010	At March 31, 2009
i) The notional principal of rupee swap agreements .....	1,870,819.1	1,942,528.9
ii) Losses which would be incurred if all counter parties failed to fulfil their obligations under the agreement <sup>1</sup> .....	20,533.2	35,591.8
iii) Collateral required by the Bank upon entering into swaps .....	—	—
iv) Concentration of credit risk arising from the rupee swaps <sup>2</sup> .....	500.0	919.7
v) The fair value of rupee trading swap book <sup>3</sup> .....	(180.5)	622.1

1. For trading portfolio both mark-to-market and accrued interest have been considered and for hedging portfolio, only accrued interest has been considered.

2. Credit risk concentration is measured as the highest net receivable under swap contracts from a particular counter party.

3. Fair value represents mark-to-market including accrued interest.

### 36. Exchange traded interest rate derivatives

The following table sets forth, for the periods indicated, the details of exchange traded interest rate derivatives.

Rupees in million

Particulars	At March 31, 2010	At March 31, 2009
i) Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)		
a) Euro dollar futures .....	—	—
b) Treasury note futures – 10 years .....	—	7,608.0
c) Treasury note futures – 5 years .....	—	—
d) Treasury note futures – 2 years .....	—	6,390.7
e) NSE – GOI Bond futures .....	0.2	N.A
ii) Notional principal amount of exchange traded interest rate derivatives outstanding (instrument-wise)		
a) Euro dollar futures .....	—	—
b) Treasury note futures – 10 years .....	—	—
c) Treasury note futures – 5 years .....	—	—
d) Treasury note futures – 2 years .....	—	—
e) NSE – GOI Bond futures .....	—	N.A
iii) Notional principal amount of exchange traded interest rate derivatives outstanding and not “highly effective” (instrument-wise) .....	N.A	N.A
iv) Mark-to-market value of exchange traded interest rate derivatives outstanding and not “highly effective” (instrument-wise) .....	N.A	N.A

### 37. Penalties/fines imposed by RBI and other banking regulatory bodies

There was no penalty imposed by RBI and other banking regulatory bodies during the year ended March 31, 2010 (March 31, 2009: Rs. 400).

### 38. Small and micro enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating enterprises covered under the Act. During the year ended March 31, 2010, the amount paid to vendors registered under the MSMED Act, 2006 after the due date was Rs. 65.2 million (March 31, 2009: Nil). An amount of Rs. 1.7 million (March 31, 2009: Nil) has been charged to profit & loss account towards accrual of interest on these delayed payments.

# schedules



forming part of the Accounts (Contd.)

## 39. Farm loan waiver

The Ministry of Finance, Government of India had issued guidelines for the implementation of the Agriculture debt waiver and relief scheme for farmers on May 23, 2008. The Bank has implemented the scheme as per guidelines issued by RBI circular DBOD No. BP.BC.26/21.04.048/2008-09 dated July 30, 2008 on "Agricultural Debt Waiver and Debt Relief Scheme, 2008 – Prudential norms on income recognition, asset classification and provisioning and Capital Adequacy".

Pursuant to the scheme an aggregate amount of Rs. 2,758.1 million (March 31, 2009: Rs. 2,666.7 million) has been waived which is recoverable from Government of India. Of the above, an amount of Rs. 1,220.8 million has been received by March 31, 2010 (March 31, 2009: Rs. 773.0 million) and balance of Rs. 1,537.3 million (March 31, 2009: Rs. 1,893.7 million) is receivable in future.

## 40. Transfer of merchant acquiring operations

During the year ended March 31, 2010, the Bank and First Data, a global company engaged in electronic commerce and payment services, formed a merchant acquiring alliance and a new entity, 81.0% owned by First Data, was formed, which has acquired ICICI Bank's merchant acquiring operations through transfer of assets, primarily comprising fixed assets and receivables, and assumption of liabilities, for a total consideration of Rs. 3,744.0 million. This transfer of assets and liabilities to the new entity would be considered a 'slump sale' for tax purposes. The Bank realised a profit of Rs. 2,029.0 million from this transaction, which is included in Schedule 14 - "Other income".

## 41. Provision Coverage Ratio

The provision coverage ratio of the Bank at March 31, 2010 computed as per the RBI circular dated December 1, 2009 is 59.5%. The Bank has been permitted by RBI to achieve the stipulated level of 70.0% in a phased manner by March 31, 2011.

## 42. Bancassurance

During the year March 31, 2010, the Bank earned fees/remuneration of Rs. 2,955.9 million in respect of the bancassurance business.

## 43. Concentration of Deposits, Advances, Exposures and NPAs

RBI has recently issued new guidelines for additional disclosures by Banks vide its circular reference DBOD.BP.BC. No.79/21.04.018/2009-10. The following tables set forth, for the periods indicated, the additional disclosures.

### (I) Concentration of deposits, advances, exposures and NPAs

	Rupees in million	
<b>Concentration of Deposits</b>	<b>Year ended March 31, 2010</b>	<b>Year ended March 31, 2009</b>
Total deposits of twenty largest depositors.....	<b>304,189.2</b>	424,751.8
Deposits of twenty largest depositors as a percentage of total deposits of the Bank.....	<b>15.06%</b>	19.45%

	Rupees in million	
<b>Concentration of advances<sup>1</sup></b>	<b>Year ended March 31, 2010</b>	<b>Year ended March 31, 2009</b>
Total advances to twenty largest non-bank borrowers.....	<b>881,190.5</b>	817,692.1
Advances to twenty largest borrowers as percentage of total advances of the Bank.....	<b>18.09%</b>	15.24%

1. Represents credit exposure as per RBI guidelines on exposure norms. Total advances do not include the exposure to consolidated entities which are deducted from capital funds of the Bank.

	Rupees in million	
<b>Concentration of exposures<sup>1</sup></b>	<b>Year ended March 31, 2010</b>	<b>Year ended March 31, 2009</b>
Total exposure to twenty largest non-bank borrowers.....	<b>904,426.8</b>	860,515.8
Exposures to twenty largest non-bank borrowers as percentage of total exposure of the Bank on borrowers.....	<b>17.50%</b>	15.42%

1. Represents credit and investment exposures as per RBI guidelines on exposure norms. Total exposure does not include the exposure to consolidated entities which are deducted from capital funds of the Bank. It also does not include SLR investments and mandatory contributions towards shortfall in advances to priority sector.

# schedules

## forming part of the Accounts (Contd.)

Rupees in million

<b>Concentration of NPAs</b>	<b>Year ended March 31, 2010</b>	<i>Year ended March 31, 2009</i>
Total exposure <sup>1</sup> to top four NPA accounts .....	<b>7,200.3</b>	4,770.9

1. Represents gross exposure (funded and non-funded).

### (II) Sector-wise NPAs

<b>Sr. no.</b>	<b>Sector</b>	<b>Percentage of NPAs to total advances in that sector</b>			
		<b>At March 31, 2010</b>		<i>At March 31, 2009</i>	
		<b>Gross</b>	<b>Net</b>	<i>Gross</i>	<i>Net</i>
1.	Agriculture and allied activities <sup>1</sup> .....	<b>5.62%</b>	<b>3.05%</b>	3.58%	2.13%
2.	Industry (Micro & small, medium and large) .....	<b>2.37%</b>	<b>1.19%</b>	1.75%	0.92%
3.	Services .....	<b>2.60%</b>	<b>1.16%</b>	2.50%	1.71%
4.	Personal loans <sup>2</sup> .....	<b>9.02%</b>	<b>3.34%</b>	7.46%	3.20%
	<b>Total</b> .....	<b>5.06%</b>	<b>2.12%</b>	4.32%	2.09%

1. Represents loans towards agriculture and allied activities that qualify for priority sector lending.

2. Excludes retail loans towards agriculture and allied activities that qualify for priority sector lending. Excludes commercial business loans, developer financing and dealer funding.

### (III) Movement of NPAs

Rupees in million

<b>Particulars</b>	<b>Year ended March 31, 2010</b>	<i>Year ended March 31, 2009</i>
Gross NPAs <sup>1</sup> as on April 1, 2009 (Opening Balance) .....	<b>96,493.1</b>	75,795.4
Additions: Fresh NPAs during the year <sup>2,3</sup> .....	<b>32,513.2</b>	50,637.1
<b>Sub total (A)</b> .....	<b>129,006.3</b>	126,432.5
Less:		
i) Upgradations .....	<b>2,415.9</b>	2,963.4
iii) Recoveries (excluding recoveries made from upgraded accounts) .....	<b>3,308.5</b>	6,785.3
iii) Write-offs .....	<b>28,475.4</b>	20,190.7
<b>Sub-total (B)</b> .....	<b>34,199.8</b>	29,939.4
<b>Gross NPAs as on March 31, 2010 (closing balance) (A-B)</b> .....	<b>94,806.5</b>	96,493.1

1. Net of write-off.

2. Includes cases added to and deleted from NPAs during the year ended March 31, 2010, with such gross loans amounting to Rs. 1,060.2 million (March 31, 2009: Rs. 4,713.0 million).

3. The difference between the opening and closing balances (other than accounts written off during the year) of NPAs in retail loans is included in additions during the year.

# schedules

## (IV) Overseas assets, NPAs and revenue

Rupees in million

Particulars	At March 31, 2010	At March 31, 2009
Total assets <sup>1</sup> .....	611,827.7	733,259.4
Total NPAs (net) <sup>2</sup> .....	1,593.3	590.5
Total revenue <sup>1</sup> .....	44,598.1	38,976.6

1. Represents the total assets and total revenue of foreign operations as reported in schedule 19 of the financial statements of the Bank.
2. As per RBI guidelines.

## (V) Off-balance sheet special purpose vehicles (SPVs) sponsored (which are required to be consolidated as per accounting norms)

- (a) The following table sets forth, the names of SPVs/trusts sponsored by the bank/subsidiaries which are consolidated:

Sr. no.	Name of the SPV sponsored <sup>1</sup>
<b>A. Domestic</b>	
1.	ICICI Eco-net Internet and Technology Fund
2.	ICICI Equity Fund
3.	ICICI Emerging Sectors Fund
4.	ICICI Strategic Investments Fund
5.	ICICI Venture Value Fund
<b>B. Overseas</b>	
	None

1. The nature of business of the above entities is given in significant accounting policies (Schedule 18) in the consolidated notes to accounts.

- (b) The following table sets forth, the names of SPVs/trusts which are not sponsored by the Bank/subsidiaries and are consolidated:

Sr. no.	Name of the SPV <sup>1</sup>
<b>A. Domestic</b>	
1.	Rainbow Fund
<b>B. Overseas</b>	
	None

1. The nature of business of the above entities is given in significant accounting policies (schedule 18) in the consolidated notes to accounts.

## 44. Disclosure of complaints

The following table sets forth, for the periods indicated, the movement of the outstanding numbers of complaints.

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
a) No. of complaints pending at the beginning of the year.....	886	1,863
b) No. of complaints received during the year .....	112,051	102,488
c) No. of complaints redressed during the year .....	110,835	103,465
d) No. of complaints pending at the end of the year.....	2,102	886

1. Does not include complaints redressed within 1 working day.
2. The complaints in year ended March 31, 2010 have increased, as the Bank has started considering all critical requests as complaints from October 2009.

# schedules

## forming part of the Accounts (Contd.)

The following table sets forth, for the periods indicated, the details of awards during the year.

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
a) No. of unimplemented awards at the beginning of the year .....	—	1
b) No. of awards passed by the Banking Ombudsmen during the year .....	—	—
c) No. of awards implemented during the year .....	—	1
d) No. of unimplemented awards at the end of the year .....	—	—

### 45. Comparative figures

Figures of the previous year have been re-grouped to conform to the current year presentation.

Signatures to Schedules 1 to 19

For and on behalf of the Board of Directors

K. V. KAMATH  
Chairman

CHANDA D. KOCHHAR  
Managing Director & CEO

SANDEEP BAKHSHI  
Deputy Managing Director

N. S. KANNAN  
Executive Director & CFO

K. RAMKUMAR  
Executive Director

SONJOY CHATTERJEE  
Executive Director

SANDEEP BATRA  
Group Compliance Officer  
& Company Secretary

RAKESH JHA  
Deputy Chief  
Financial Officer

Place : Mumbai  
Date : April 24, 2010

# section 212



## Statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary companies

Sr. No.	Name of the subsidiary company	Financial year of the subsidiary ended on	No. of equity shares held by ICICI Bank and/or its nominees in the subsidiary at March 31, 2010	Extent of interest of ICICI Bank in capital of subsidiary	Net aggregate amount of profits/ (losses) of the subsidiary so far as it concerns the members of ICICI Bank and is not dealt with in the accounts of ICICI Bank <sup>1</sup>		Net aggregate amount of profits/ (losses) of the subsidiary so far as it concerns the members of ICICI Bank dealt with or provided for in the accounts of ICICI Bank <sup>2</sup>	
					Rupees in '000s		Rupees in '000s	
					For the financial year ended March 31, 2010	For the previous financial years of the subsidiary since it became a subsidiary	For the financial year ended March 31, 2010	For the previous financial years of the subsidiary since it became a subsidiary
1	ICICI Securities Primary Dealership Limited	March 31, 2010	15,634 equity shares of Rs. 100,000 each fully paid up	100.0%	482,371	5,108,145	367,399	5,794,929
2	ICICI Securities Limited	March 31, 2010	305,353,500 equity shares of Rs. 2 each fully paid up	100.0%	306,825	1,387,871	920,017	2,596,476
3	ICICI Securities Holdings Inc. <sup>3</sup>	March 31, 2010	16,640,000 common stock of USD 1 each fully paid up held by ICICI Securities Limited	—	(75,026)	(100,737)	Nil	Nil
4	ICICI Securities Inc. <sup>3</sup>	March 31, 2010	11,650,000 common stock of USD 1 each fully paid up held by ICICI Securities Holdings Inc.	—	(114,179)	(354,916)	Nil	15,635
5	ICICI Venture Funds Management Company Limited	March 31, 2010	1,000,000 equity shares of Rs. 10 each fully paid up	100.0%	254,878	1,176,703	260,000	2,760,979
6	ICICI International Limited <sup>4</sup>	March 31, 2010	90,000 ordinary shares of USD 10 each fully paid up	100.0%	8,715	32,037	Nil	15,782
7	ICICI Home Finance Company Limited	March 31, 2010	1,098,750,000 equity shares of Rs. 10 each fully paid up	100.0%	540,983	1,503,130	1,065,788	2,112,887
8	ICICI Trusteeship Services Limited	March 31, 2010	50,000 equity shares of Rs. 10 each fully paid up	100.0%	421	2,043	Nil	Nil
9	ICICI Investment Management Company Limited	March 31, 2010	10,000,700 equity shares of Rs. 10 each fully paid up	100.0%	(21,841)	12,114	Nil	Nil
10	ICICI Prudential Life Insurance Company Limited	March 31, 2010	1,055,310,900 equity shares of Rs. 10 each fully paid up	73.9%	1,906,129	(19,653,651)	Nil	Nil
11	ICICI Lombard General Insurance Company Limited	March 31, 2010	297,552,950 equity shares of Rs.10 each fully paid up	73.7%	585,360	1,538,547	475,677	1,700,996
12	ICICI Bank UK PLC <sup>4</sup>	March 31, 2010	545,000,000 ordinary shares of USD 1 each and 50,002 ordinary shares of 1 GBP each	100.0%	1,757,679	5,205,219	Nil	535,172
13	ICICI Bank Canada <sup>5,8,9</sup>	December 31, 2009	839,500,000 common shares of Canadian Dollar (CAD) 1 each	100.0%	1,229,531	798,498	Nil	Nil
14	ICICI Bank Eurasia Limited Liability Company <sup>6,9</sup>	December 31, 2009	Not Applicable <sup>6</sup>	100.0%	106,012	47,729	Nil	Nil
15	ICICI Prudential Asset Management Company Limited	March 31, 2010	9,002,573 equity shares of Rs. 10 each fully paid up	51.0%	243,313	608,478	409,617	837,860
16	ICICI Prudential Trust Limited	March 31, 2010	51,157 equity shares of Rs. 10 each fully paid up	50.8%	754	1,182	767	1,023
17	ICICI Wealth Management Inc. <sup>5,8,9</sup> (up to December 31, 2009)	December 31, 2009	Not Applicable <sup>8</sup>	—	Nil	Nil	Nil	Nil
18	ICICI Prudential Pension Funds Management Company Limited <sup>7</sup>	March 31, 2010	11,000,000 equity shares of Rs.10 each fully paid up held by ICICI Prudential Life Insurance Company Limited	—	(137)	(137)	Nil	Nil

# The shares in the authorised capital of ICICI Bank Eurasia Limited Liability Company are registered without issue of equity shares due to the legal form of subsidiary.

- The above companies (other than ICICI Bank UK PLC, ICICI Bank Canada, ICICI Bank Eurasia Limited Liability Company, ICICI Prudential Asset Management Company Limited, ICICI Prudential Trust Limited, ICICI Wealth Management Inc. and ICICI Prudential Pension Funds Management Company Limited) which were subsidiaries of erstwhile ICICI Limited have become subsidiaries of the Bank consequent to the merger of erstwhile ICICI Limited with ICICI Bank.
- The amount received by erstwhile ICICI Limited upto March 29, 2002 as dividend has also been included in the reserves of ICICI Bank.
- ICICI Securities Holdings Inc. is a wholly owned subsidiary of ICICI Securities Limited. ICICI Securities Inc. is a wholly owned subsidiary of ICICI Securities Holdings Inc.
- The profits/(losses) of ICICI Bank UK PLC and ICICI International Limited for the year ended March 31, 2010 have been translated into Indian Rupees at the rate of 1 USD = Rs. 47.5134.
- The profits/(losses) of ICICI Bank Canada and ICICI Wealth Management Inc. for the year ended December 31, 2009 have been translated into Indian Rupees at the rate of 1 CAD = Rs. 43.3147.
- The profits/(losses) of ICICI Bank Eurasia Limited Liability Company for the year ended December 31, 2009 have been translated into Indian Rupees at the rate of 1 RUB = Rs.1.56307.
- ICICI Prudential Pension Funds Management Company Limited, a wholly owned subsidiary of ICICI Prudential Life Insurance Company Limited, was incorporated on April 22, 2009.
- ICICI Wealth Management Inc., a wholly owned subsidiary of ICICI Bank Canada, has been dissolved with effect from December 31, 2009. All assets and liabilities have been taken over by ICICI Bank Canada.
- The information furnished for ICICI Bank Canada, ICICI Wealth Management Inc. and ICICI Bank Eurasia Limited Liability Company is for the period January 1, 2009 to December 31, 2009, being their financial year.

The key financial parameters of the following companies at March 31, 2010 and their movement from December 31, 2009 are given below.

Rupees in '000s

Particulars	ICICI Bank Canada <sup>b</sup>			ICICI Bank Eurasia Limited Liability Company <sup>c</sup>		
	At March 31, 2010	At December 31, 2009	Movement	At March 31, 2010	At December 31, 2009	Movement
Fixed assets	135,470	141,326	(5,856)	76,846	80,064	(3,218)
Investments	52,322,559	48,361,509	3,961,050	1,735,243	1,549,544	185,700
Advances	171,735,996	196,832,571	(25,096,575)	8,934,818	10,286,287	(1,351,469)
Borrowings <sup>a</sup>	3,314	3,326	(12)	14,266,516	16,301,859	(2,035,343)

a. Since it is not possible to identify the amount borrowed to meet the current liabilities, the amount shown above represents the total borrowings. The borrowings include subordinate debts and excludes preferred shares.

b. The financial parameters of ICICI Bank Canada have been translated into Indian Rupees at 1 CAD = Rs. 44.1800 at March 31, 2010 and 1 CAD = Rs. 44.3450 at December 31, 2009.

c. The financial parameters of ICICI Bank Eurasia Limited Liability Company have been translated into Indian Rupees at 1 RUB = Rs. 1.52709 at March 31, 2010 and 1 RUB = Rs. 1.5501 at December 31, 2009.

For and on behalf of the Board of Directors

K. V. KAMATH  
Chairman

CHANDA D. KOCHHAR  
Managing Director & CEO

SANDEEP BAKHSHI  
Deputy Managing Director

N. S. KANNAN  
Executive Director & CFO

K. RAMKUMAR  
Executive Director

SONJOY CHATTERJEE  
Executive Director

SANDEEP BATRA  
Group Compliance Officer &  
Company Secretary

RAKESH JHA  
Deputy Chief  
Financial Officer

Place : Mumbai  
Date : April 24, 2010





**Consolidated financial statements of  
ICICI Bank Limited and  
its subsidiaries**

# auditors' report



To the Board of Directors of ICICI Bank Limited on the Consolidated Financial Statements of ICICI Bank Limited and its Subsidiaries, Associates and Joint Venture.

1. We have audited the attached consolidated Balance Sheet of ICICI Bank Limited ('the Bank') and its subsidiaries, associates and joint venture (collectively known as 'the Group') as at 31 March 2010 and also the consolidated Profit and Loss Account and the consolidated Cash Flow Statement of the Group for the year then ended, both annexed thereto. These financial statements are the responsibility of the Bank'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.
2. We conducted our audit in accordance with 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have relied on the unaudited financial statements of certain subsidiaries, associates and joint venture of the Bank as at and for the year ended 31 March 2010. The unaudited financial statements as approved by the respective Board of Directors of these companies have been furnished to us by the management of the Bank. Accordingly, the attached consolidated financial results include results of subsidiaries, associates and joint venture whose unaudited financial results reflect the following-
  - Subsidiaries - total assets of Rs. 20,302.8 million as at 31 March 2010, total revenues of Rs. 2,256.7 million and cash flows amounting to Rs. 481.6 million for the year then ended,
  - Associates - total assets of Rs. 6,760.8 million as at 31 March 2010, total revenues of Rs. 2,097.1 million and cash flows amounting to Rs. (211.9) million for the year then ended and
  - Joint venture - total assets of Rs. 11.0 million as at 31 March 2010, total revenues of Rs. 0.01 million and cash flows amounting to Rs. (2.0) million in respect of the aforementioned joint venture for the year then ended.
4. We did not audit the financial statements and other financial information of certain subsidiaries of the Group whose financial statements reflect total assets of Rs. 846,701.2 million as at 31 March 2010, total revenues of Rs. 91,717.7 million and cash flows of Rs. 23,581.9 million for the year then ended. These financial statements have been audited by other auditors, duly qualified to act as auditor in the country of incorporation of the subsidiaries whose report has been furnished to us and was relied upon by us for our opinion on the consolidated financial statements of the Group.
5. We also did not audit the financial statements of the Singapore, Bahrain and Hong Kong branches of the Bank, whose financial statements reflect total assets of Rs. 719,480.4 million as at 31 March 2010, total revenues of Rs. 41,095.5 million and cash flows of Rs. 11,195.0 million for the year then ended. These financial statements have been audited by other auditors, duly qualified to act as auditors in the country of incorporation of such branches, whose reports have been furnished to us and were relied upon by us for our opinion on the financial statements of the Bank.
6. The actuarial valuation of liabilities for life policies in force is the responsibility of the Group's life insurance subsidiary's appointed actuary (the Appointed Actuary). The actuarial valuation of these liabilities as at 31 March 2010 has been duly certified by the Appointed Actuary and in his opinion; the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority ('IRDA') and the Actuarial Society of India in concurrence with the IRDA. We have relied upon Appointed Actuary's certificate in this regard for forming our opinion on the consolidated financial statements of the Group.

# auditors' report

7. The actuarial valuation of liabilities in respect of claims incurred but not reported (IBNR) and those incurred but not enough reported (IBENR) as at 31 March 2010, other than for reinsurance accepted from Indian Motor Third Party Insurance Pool of the Group's general insurance subsidiary, has been duly certified by the appointed actuary of the Company and relied upon by us. The appointed actuary has also certified that the assumptions considered by him for such valuation are in accordance with the guidelines and norms prescribed by the IRDA and the Actuarial Society of India in concurrence with the IRDA.
8. We report that the consolidated financial statements have been prepared by the Bank's management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, Accounting Standard 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interests in Joint Ventures, prescribed by the Companies (Accounting Standards) Rules, 2006.
9. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 211(1) and (2) of the Companies Act, 1956.
10. Based on our audit and to the best of our information and according to the explanations given to us and on the consideration of reports of other auditors on separate financial statements and on the consideration of the unaudited financial statements and on other relevant financial information of the components, we are of the opinion that the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India and guidelines issued by Reserve Bank of India in relation to preparation of consolidated financial statements:
  - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2010;
  - (b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For B S R & Co.  
Chartered Accountants  
Firm's Registration No: 101248W

Akeel Master  
Partner  
Membership No.: 046768

Mumbai  
April 24, 2010

# consolidated balance sheet



at March 31, 2010

(Rs. in '000s)

	Schedule	At 31.03.2010	At 31.03.2009
<b>CAPITAL AND LIABILITIES</b>			
Capital .....	1	<b>11,148,892</b>	11,132,898
Reserves and surplus.....	2	<b>501,816,108</b>	456,642,444
Minority interest.....	2A	<b>12,704,046</b>	9,105,054
Deposits.....	3	<b>2,415,722,960</b>	2,618,557,532
Borrowings.....	4	<b>1,156,983,219</b>	1,160,663,538
Liabilities on policies in force.....		<b>539,654,286</b>	310,535,993
Other liabilities and provisions.....	5	<b>255,443,442</b>	260,272,215
<b>TOTAL CAPITAL AND LIABILITIES .....</b>		<b>4,893,472,953</b>	4,826,909,674
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India.....	6	<b>278,502,787</b>	178,754,485
Balances with banks and money at call and short notice .....	7	<b>192,938,426</b>	171,859,371
Investments.....	8	<b>1,863,197,840</b>	1,481,070,029
Advances.....	9	<b>2,257,781,280</b>	2,661,304,659
Fixed assets .....	10	<b>38,622,924</b>	44,974,589
Other assets.....	11	<b>262,429,696</b>	288,946,541
<b>TOTAL ASSETS .....</b>		<b>4,893,472,953</b>	4,826,909,674
Contingent liabilities.....	12	<b>8,205,199,348</b>	8,677,884,034
Bills for collection.....		<b>67,188,608</b>	60,026,585
Significant accounting policies and notes to accounts.....	18 & 19		

The schedules referred to above form an integral part of the Balance Sheet.

As per our Report of even date.

For and on behalf of the Board of Directors

For B S R & Co.  
Chartered Accountants

K. V. KAMATH  
Chairman

CHANDA D. KOCHHAR  
Managing Director & CEO

SANDEEP BAKHSHI  
Deputy Managing Director

AKEEL MASTER  
Partner

N. S. KANNAN  
Executive Director & CFO

K. RAMKUMAR  
Executive Director

SONJOY CHATTERJEE  
Executive Director

Membership No.: 046768  
Firm's Registration No.: 101248W

Place : Mumbai  
Date : April 24, 2010

SANDEEP BATRA  
Group Compliance Officer &  
Company Secretary

RAKESH JHA  
Deputy Chief  
Financial Officer

# consolidated profit and loss account

for the year ended March 31, 2010

(Rs. in '000s)

	Schedule	Year ended 31.03.2010	Year ended 31.03.2009
<b>I. INCOME</b>			
Interest earned .....	13	301,537,078	362,507,064
Other income .....	14	294,460,648	279,023,743
<b>TOTAL INCOME</b> .....		<b>595,997,726</b>	<b>641,530,807</b>
<b>II. EXPENDITURE</b>			
Interest expended .....	15	207,291,861	264,872,527
Operating expenses .....	16	277,332,381	281,857,874
Provisions and contingencies .....	17	62,939,335	61,006,187
<b>TOTAL EXPENDITURE</b> .....		<b>547,563,577</b>	<b>607,736,588</b>
<b>III. PROFIT/LOSS</b>			
Net profit for the year .....		48,434,149	33,794,219
Less: Minority interest .....		1,731,204	(1,975,285)
<b>Net profit/(loss) after minority interest</b> .....		<b>46,702,945</b>	<b>35,769,504</b>
Profit/(loss) brought forward .....		5,371,720	5,496,834
<b>TOTAL PROFIT/(LOSS)</b> .....		<b>52,074,665</b>	<b>41,266,338</b>
<b>IV. APPROPRIATIONS/TRANSFERS</b>			
Transfer to Statutory Reserve .....		10,070,000	9,400,000
Transfer to Reserve Fund .....		2,170	4,221
Transfer to Capital Reserve .....		4,440,000	8,180,000
Transfer to Investment Reserve Account .....		1,160,000	—
Transfer to General Reserve .....		10,369	—
Transfer to Special Reserve .....		3,330,000	2,870,000
Transfer to Revenue and other reserves .....		511,464	1,105,116
Dividend (including corporate dividend tax) for the previous year paid during the year .....		929	5,811
Proposed equity share dividend .....		13,378,604	12,245,771
Proposed preference share dividend .....		35	35
Corporate dividend tax .....		2,284,688	2,083,664
Balance carried over to balance sheet .....		16,886,406	5,371,720
<b>TOTAL</b> .....		<b>52,074,665</b>	<b>41,266,338</b>
Significant accounting policies and notes to accounts .....	18 & 19		
<b>Earnings per share (Refer note 19.1)</b>			
Basic (Rs.) .....		41.93	32.13
Diluted (Rs.) .....		41.72	32.07
<b>Face value per share (Rs.)</b>		<b>10.00</b>	<b>10.00</b>

The schedules referred to above form an integral part of the Profit and Loss Account.

As per our Report of even date.

For and on behalf of the Board of Directors

For B S R & Co.  
Chartered Accountants

K. V. KAMATH  
Chairman

CHANDA D. KOCHHAR  
Managing Director & CEO

SANDEEP BAKHSHI  
Deputy Managing Director

AKEEL MASTER  
Partner

N. S. KANNAN  
Executive Director & CFO

K. RAMKUMAR  
Executive Director

SONJOY CHATTERJEE  
Executive Director

Membership No.: 046768  
Firm's Registration No.: 101248W

Place : Mumbai  
Date : April 24, 2010

SANDEEP BATRA  
Group Compliance Officer &  
Company Secretary

RAKESH JHA  
Deputy Chief  
Financial Officer

# consolidated cash flow statement



for the year ended March 31, 2010

(Rs. in '000s)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
<b>Cash flow from operating activities</b>		
Net profit before taxes .....	64,055,237	51,658,808
<b>Adjustments for:</b>		
Depreciation and amortisation .....	9,085,111	10,034,785
Net (appreciation)/depreciation on investments .....	4,526,200	17,990,288
Provision in respect of non-performing assets (including prudential provision on standard assets) .....	44,745,424	39,115,672
Provision for contingencies & others .....	513,461	(303,901)
(Profit)/loss on sale of fixed assets .....	(821,610)	(14,611)
	<b>122,103,823</b>	<b>118,481,041</b>
<b>Adjustments for:</b>		
(Increase)/decrease in investments .....	(216,921,819)	(4,416,202)
(Increase)/decrease in advances .....	358,364,395	(185,733,697)
Increase/(decrease) in borrowings .....	(3,820,938)	41,331,233
Increase/(decrease) in deposits .....	(202,834,572)	(151,274,780)
(Increase)/decrease in other assets .....	28,724,367	(39,234,654)
Increase/(decrease) in other liabilities and provisions .....	229,307,649	16,998,654
	<b>192,819,082</b>	<b>(322,329,446)</b>
(Payment)/refund of taxes (net) .....	(19,414,369)	(18,405,479)
<b>Net cash flow from operating activities</b> .....	<b>(A) 295,508,536</b>	<b>(222,253,884)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets .....	(6,654,131)	(13,071,158)
Proceeds from sale of fixed assets .....	3,374,730	897,114
(Purchase)/sale of held to maturity securities .....	(152,852,224)	90,016,170
Acquisition of business by a subsidiary (net of cash acquired) .....	—	(140,002)
<b>Net cash generated from investing activities</b> .....	<b>(B) (156,131,625)</b>	<b>77,702,124</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of share capital (including ESOPs) net of issue expense .....	1,175,994	522,062
Net proceeds/(repayment) of bonds (including subordinated debt) .....	(1,247,434)	44,144,641
Dividend and dividend tax paid .....	(14,348,954)	(14,229,374)
<b>Net cash generated from financing activities</b> .....	<b>(C) (14,420,394)</b>	<b>30,437,329</b>
<b>Effect of exchange fluctuation on translation reserve</b> .....	<b>(D) (4,129,160)</b>	<b>11,441,514</b>
<b>Net increase/(decrease) in cash and cash equivalents</b> .....	<b>(A) + (B) + (C) + (D) 120,827,357</b>	<b>(102,672,917)</b>
<b>Cash and cash equivalents at April 1</b> .....	<b>350,613,856</b>	<b>453,286,773</b>
<b>Cash and cash equivalents at March 31</b> .....	<b>471,441,213</b>	<b>350,613,856</b>

Significant accounting policies and notes to accounts (refer schedule 18 & 19).

The schedules referred to above form an integral part of the Balance Sheet.

As per our Report of even date.

For and on behalf of the Board of Directors

For B S R & Co.  
Chartered Accountants

K. V. KAMATH  
Chairman

CHANDA D. KOCHHAR  
Managing Director & CEO

SANDEEP BAKHSHI  
Deputy Managing Director

AKEEL MASTER  
Partner  
Membership No.: 046768  
Firm's Registration No.: 101248W

N. S. KANNAN  
Executive Director & CFO

K. RAMKUMAR  
Executive Director

SONJOY CHATTERJEE  
Executive Director

Place : Mumbai  
Date : April 24, 2010

SANDEEP BATRA  
Group Compliance Officer &  
Company Secretary

RAKESH JHA  
Deputy Chief  
Financial Officer



# schedules

## forming part of the Consolidated Balance Sheet

(Rs. in '000s)

	At 31.03.2010	At 31.03.2009
<b>SCHEDULE 1 — CAPITAL</b>		
Authorised capital		
1,275,000,000 equity shares of Rs. 10 each (March 31, 2009: 1,275,000,000 equity shares of Rs. 10 each).....	<b>12,750,000</b>	12,750,000
15,000,000 shares of Rs. 100 each (March 31, 2009: 15,000,000 shares of Rs.100 each) <sup>1</sup> .....	<b>1,500,000</b>	1,500,000
350 preference shares of Rs. 10 million each (March 31, 2009: 350 preference shares of Rs. 10 million each) <sup>2</sup> .....	<b>3,500,000</b>	3,500,000
Equity share capital		
Issued, subscribed and paid-up capital		
1,113,250,642 equity shares of Rs. 10 each (March 31, 2009: 1,112,687,495 equity shares) .....	<b>11,132,506</b>	11,126,875
Add : 1,594,672 equity shares of Rs. 10 each fully paid up (March 31, 2009: 563,147 equity shares) issued pursuant to exercise of employee stock options	<b>15,947</b>	5,631
	<b>11,148,453</b>	11,132,506
Less : Calls unpaid .....	<b>331</b>	378
Add : 111,603 equity shares forfeited (March 31, 2009: 111,603 equity shares) .....	<b>770</b>	770
<b>TOTAL CAPITAL</b> .....	<b>11,148,892</b>	11,132,898

1. These shares will be of such class and with such rights, privileges, conditions or restrictions as may be determined by the Bank in accordance with the Articles of Association of the Bank and subject to the legislative provisions in force for the time being in that behalf.
2. Pursuant to RBI circular no. DBOD.BP.BC No.81/ 21.01.002/2009-10, the issued and paid-up preference shares are grouped under Schedule 4 - "Borrowings".

# schedules



forming part of the Consolidated Balance Sheet (Contd.)

(Rs. in '000s)

	At 31.03.2010	At 31.03.2009
<b>SCHEDULE 2 — RESERVES AND SURPLUS</b>		
I. Statutory reserve		
Opening balance (other than joint ventures) .....	48,793,807	39,393,807
Additions during the year .....	10,070,000	9,400,000
Deductions during the year .....	—	—
Closing balance .....	58,863,807	48,793,807
II. Special reserve		
Opening balance (other than joint ventures) .....	24,501,700	21,631,700
Additions during the year .....	3,330,000	2,870,000
Deductions during the year .....	—	—
Closing balance .....	27,831,700	24,501,700
III. Securities premium		
Opening balance (other than joint ventures) .....	313,165,969	312,650,019
Additions during the year <sup>1</sup> .....	635,937	526,450
Deductions during the year .....	—	10,500
Closing balance .....	313,801,906	313,165,969
IV. Investment reserve account		
Opening balance .....	—	—
Additions during the year .....	1,160,000	—
Deductions during the year .....	—	—
Closing balance .....	1,160,000	—
V. Unrealised investment reserve		
Opening balance (other than joint ventures) .....	(3,498,090)	979,264
Additions during the year .....	3,082,983	—
Deductions during the year .....	106,362	4,477,354
Closing balance .....	(521,469)	(3,498,090)
VI. Capital reserve		
Opening balance (other than joint ventures) .....	16,456,602	8,263,769
Additions during the year .....	4,588,195	8,192,833
Deductions during the year .....	169,440	—
Closing balance <sup>2</sup> .....	20,875,357	16,456,602
VII. Foreign currency translation reserve		
Opening balance .....	9,254,640	(2,238,079)
Additions during the year .....	3,438,235	11,853,406
Deductions during the year .....	7,599,891	360,687
Closing balance .....	5,092,984	9,254,640
VIII. Reserve fund		
Opening balance (other than joint ventures) .....	8,749	4,528
Additions during the year <sup>3</sup> .....	2,170	4,221
Deductions during the year .....	—	—
Closing balance .....	10,919	8,749
IX. Revenue and other reserves		
Opening balance - joint ventures .....	(2,687)	(2,687)
Opening balance - others .....	42,590,034	49,916,322
Additions during the year - joint ventures .....	—	—
Additions during the year - others .....	15,227,151	1,105,116
Deductions during the year - joint ventures .....	—	—
Deductions during the year - others .....	—	8,431,404
Closing balance <sup>4,5</sup> .....	57,814,498	42,587,347
X. Balance in profit and loss account - others .....	16,889,517	5,374,569
XI. Balance in profit and loss account - joint ventures .....	(3,111)	(2,849)
<b>TOTAL RESERVES AND SURPLUS .....</b>	<b>501,816,108</b>	<b>456,642,444</b>

1. Includes Rs. 568.3 million (March 31, 2009: Rs.184.1 million) on exercise of employee stock options.

2. Includes capital reserve on consolidation amounting to Rs. 82.2 million (March 31, 2009: Rs.103.4 million).

3. Represents appropriation of 5% of net profit by the Bank's Sri Lanka branch to meet the requirements of Section 20 of Sri Lankan Banking Act No 30 of 1988.

4. Includes unrealised profit/(loss), net of tax, of Rs. (4,313.8) million [March 31, 2009: Rs. (12,358.2) million] pertaining to the investments in the 'available for sale' category of ICICI Bank UK PLC.

5. Includes restricted reserve of Rs. 11,333.6 million (March 31, 2009: Rs. 5,582.9 million) relating to the life insurance subsidiary.

# schedules

forming part of the Consolidated Balance Sheet (Contd.)

(Rs. in '000s)

	At 31.03.2010	At 31.03.2009
<b>SCHEDULE 2A — MINORITY INTEREST</b>		
Opening minority interest .....	9,105,054	7,311,906
Subsequent increase/(decrease).....	3,598,992	1,793,148
<b>CLOSING MINORITY INTEREST .....</b>	<b>12,704,046</b>	<b>9,105,054</b>
<b>SCHEDULE 3 — DEPOSITS</b>		
A. I. Demand deposits .....		
i) From banks .....	14,856,747	7,455,983
ii) From others .....	300,667,768	215,177,801
II. Savings bank deposits .....	622,221,663	515,147,064
III. Term deposits .....		
i) From banks .....	88,149,385	158,017,816
ii) From others .....	1,389,827,397	1,722,758,868
<b>TOTAL DEPOSITS .....</b>	<b>2,415,722,960</b>	<b>2,618,557,532</b>
B. I. Deposits of branches in India .....	1,911,271,065	2,070,226,567
II. Deposits of branches/subsidiaries outside India .....	504,451,895	548,330,965
<b>TOTAL DEPOSITS .....</b>	<b>2,415,722,960</b>	<b>2,618,557,532</b>
<b>SCHEDULE 4 — BORROWINGS</b>		
I. Borrowings in India .....		
i) Reserve Bank of India .....	—	—
ii) Other banks .....	60,072,566	64,286,849
iii) Other institutions and agencies .....		
a) Government of India .....	687,491	1,075,400
b) Financial institutions/others .....	73,843,875	65,568,161
iv) Borrowings in the form of .....		
a) Deposits .....	35,459,265	26,693,558
b) Commercial paper .....	16,976,284	15,810,034
c) Bonds and debentures (excluding subordinated debt) .....		
— Debentures and bonds guaranteed by the Government of India .....	8,355,000	11,755,000
— Borrowings under private placement of bonds carrying maturity of 1 to 30 years from the date of placement .....	19,087,142	19,036,267
Bonds issued under multiple option/safety bonds series .....		
— Regular interest bonds .....	2,924,220	3,278,880
— Deep discount bonds .....	2,517,822	4,332,005
— Tax saving bonds .....	8,713,170	16,033,862
— Pension bonds .....	59,370	61,805
v) Application money-bonds <sup>1</sup> .....	25,000,000	—
vi) Capital instruments .....		
— Innovative Perpetual Debt Instruments (IPDI) (qualifying as Tier I capital) ...	13,010,000	13,010,000
— Hybrid debt capital instruments issued as bonds/debentures (qualifying as upper Tier II capital) .....	97,502,000	63,702,000
— Redeemable Non-Cumulative Preference Shares (RNCPS) .....		
(Redeemable Non-Cumulative Preference Shares of Rs. 10 million each issued to preference share holders of erstwhile ICICI Limited on amalgamation redeemable at par on April 20, 2018) .....	3,500,000	3,500,000
— Unsecured redeemable debentures/bonds (subordinated debt included in Tier II Capital) .....	145,090,481	119,695,582
<b>TOTAL BORROWINGS IN INDIA .....</b>	<b>512,798,686</b>	<b>427,839,403</b>
II. Borrowings outside India .....		
i) From multilateral/bilateral credit agencies guaranteed by the Government of India for the equivalent of Rs. 17,252.7 million (March 31, 2009: Rs. 20,523.1 million) .....	18,525,159	22,862,196
ii) From international banks, institutions and consortiums .....	272,340,188	327,853,864
iii) By way of bonds and notes .....	285,560,180	304,667,180
iv) Capital instruments .....		
— Innovative Perpetual Debt Instruments (IPDI) (qualifying as Tier I capital) ...	15,199,979	17,158,574
— Hybrid debt capital instruments issued as bonds/debentures (qualifying as upper Tier II capital) .....	40,410,000	45,648,000
— Unsecured redeemable debentures/bonds (subordinated debt included in Tier II Capital) .....	11,817,445	14,030,789
v) Other borrowings .....	331,582	603,532
<b>TOTAL BORROWINGS OUTSIDE INDIA .....</b>	<b>644,184,533</b>	<b>732,824,135</b>
<b>TOTAL BORROWINGS .....</b>	<b>1,156,983,219</b>	<b>1,160,663,538</b>

1. Application money received towards subordinated bonds.

2. Secured borrowings in I above are Rs. 17,811.2 million (March 31, 2009: Rs. 16,738.5 million) and in II above are Rs. Nil.

# schedules



forming part of the Consolidated Balance Sheet (Contd.)

(Rs. in '000s)

	At 31.03.2010	At 31.03.2009
<b>SCHEDULE 5 — OTHER LIABILITIES AND PROVISIONS</b>		
I. Bills payable .....	27,687,572	18,677,244
II. Inter-office adjustments (net) .....	244,147	4,213,049
III. Interest accrued .....	31,306,292	30,210,937
IV. Others		
a) Security deposits from clients .....	5,946,157	9,505,352
b) Sundry creditors .....	87,895,240	96,735,844
c) Received for disbursements under special program .....	1,663,273	1,644,645
d) Provision for standard assets .....	16,415,504	16,623,875
e) Other liabilities <sup>1</sup> .....	84,285,257	82,661,269
<b>TOTAL OTHER LIABILITIES AND PROVISIONS .....</b>	<b>255,443,442</b>	<b>260,272,215</b>
1. Includes:		
a) Proposed dividend of Rs. 13,378.6 million (March 31, 2009: Rs. 12,245.8 million).		
b) Corporate dividend tax payable of Rs. 1,757.0 million (March 31, 2009: Rs. 1,626.4 million).		
<b>SCHEDULE 6 — CASH AND BALANCES WITH RESERVE BANK OF INDIA</b>		
I. Cash in hand (including foreign currency notes) .....	36,425,017	31,942,676
II. Balances with Reserve Bank of India in current accounts .....	242,077,770	146,811,809
<b>TOTAL CASH AND BALANCES WITH RESERVE BANK OF INDIA .....</b>	<b>278,502,787</b>	<b>178,754,485</b>
<b>SCHEDULE 7 — BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE</b>		
I. In India		
i) Balances with banks		
a) in current accounts .....	9,778,514	7,166,610
b) in other deposit accounts .....	40,075,977	38,577,751
ii) Money at call and short notice		
a) with banks .....	70,000	—
b) with other institutions .....	—	—
<b>TOTAL .....</b>	<b>49,924,491</b>	<b>45,744,361</b>
II. Outside India		
i) in current accounts .....	21,985,978	25,596,245
ii) in other deposit accounts .....	40,391,512	24,076,284
iii) Money at call and short notice .....	80,636,445	76,442,481
<b>TOTAL .....</b>	<b>143,013,935</b>	<b>126,115,010</b>
<b>TOTAL BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE .....</b>	<b>192,938,426</b>	<b>171,859,371</b>

# schedules

forming part of the Consolidated Balance Sheet (Contd.)

(Rs. in '000s)

	At 31.03.2010	At 31.03.2009
<b>SCHEDULE 8 — INVESTMENTS</b>		
<b>I. Investments in India (net of provisions)</b>		
i) Government securities .....	732,093,813	682,931,198
ii) Other approved securities .....	45,009	93,405
iii) Shares (includes equity and preference shares) <sup>1</sup> .....	42,426,779	29,708,664
iv) Debentures and bonds .....	75,752,082	52,956,402
v) Assets held to cover linked liabilities of life insurance business.....	514,692,566	286,139,525
vi) Others (commercial paper, mutual fund units, pass through certificates, security receipts, certificate of deposits etc.) .....	337,886,043	216,658,105
<b>TOTAL INVESTMENTS IN INDIA</b>	<b>1,702,896,292</b>	<b>1,268,487,299</b>
<b>II. Investments outside India (net of provisions)</b>		
i) Government securities .....	38,707,855	4,525,830
ii) Others .....	121,593,693	208,056,900
<b>TOTAL INVESTMENTS OUTSIDE INDIA</b>	<b>160,301,548</b>	<b>212,582,730</b>
<b>TOTAL INVESTMENTS</b>	<b>1,863,197,840</b>	<b>1,481,070,029</b>
<b>III. Investments in India</b>		
Gross value of investments <sup>2</sup> .....	1,718,296,361	1,290,031,307
Less: Aggregate of provision/depreciation/(appreciation) .....	15,400,069	21,544,008
Net investments.....	1,702,896,292	1,268,487,299
<b>IV. Investments outside India</b>		
Gross value of investments.....	164,916,920	234,903,006
Less: Aggregate of provision/depreciation/(appreciation) .....	4,615,372	22,320,276
Net investments .....	160,301,548	212,582,730
<b>TOTAL INVESTMENTS</b>	<b>1,863,197,840</b>	<b>1,481,070,029</b>
1. Includes acquisition cost of investment in associates of Rs. 524.5 million (March 31, 2009: Rs. 459.2 million).		
2. Includes appreciation of Rs. 93,112.5 million (net of depreciation, March 31, 2009: Rs. 36,369.6 million) on investments held to cover linked liabilities of life insurance business.		
<b>SCHEDULE 9 — ADVANCES (net of provisions)</b>		
<b>A. i) Bills purchased and discounted .....</b>	<b>47,219,427</b>	<b>40,915,231</b>
ii) Cash credits, overdrafts and loans repayable on demand.....	260,401,668	350,610,312
iii) Term loans .....	1,842,337,233	2,167,574,693
iv) Securitisation, finance lease and hire purchase receivables .....	107,822,952	102,204,423
<b>TOTAL ADVANCES</b>	<b>2,257,781,280</b>	<b>2,661,304,659</b>
<b>B. i) Secured by tangible assets [includes advances against book debts] .....</b>	<b>1,612,468,494</b>	<b>2,009,647,889</b>
ii) Covered by bank/government guarantees .....	21,202,426	14,815,009
iii) Unsecured.....	624,110,360	636,841,761
<b>TOTAL ADVANCES</b>	<b>2,257,781,280</b>	<b>2,661,304,659</b>
<b>C. I. Advances in India</b>		
i) Priority sector .....	539,773,871	620,515,976
ii) Public sector.....	3,201,088	3,494,486
iii) Banks.....	41,790	252,580
iv) Others .....	916,388,589	1,112,523,081
<b>TOTAL ADVANCES IN INDIA</b>	<b>1,459,405,338</b>	<b>1,736,786,123</b>
<b>II. Advances outside India</b>		
i) Due from banks .....	13,649,907	16,618,624
ii) Due from others		
a) Bills purchased and discounted .....	17,747,632	14,069,137
b) Commercial loans.....	349,421,101	419,791,632
c) Others .....	417,557,302	474,039,143
<b>TOTAL ADVANCES OUTSIDE INDIA</b>	<b>798,375,942</b>	<b>924,518,536</b>
<b>TOTAL ADVANCES</b>	<b>2,257,781,280</b>	<b>2,661,304,659</b>

# schedules



forming part of the Consolidated Balance Sheet (Contd.)

(Rs. in '000s)

	At 31.03.2010	At 31.03.2009
<b>SCHEDULE 10 — FIXED ASSETS</b>		
<b>I. Premises</b>		
At cost at March 31 of preceding year .....	29,563,202	27,235,332
Additions during the year .....	1,369,012	2,874,560
Deductions during the year .....	(2,251,021)	(546,690)
Depreciation to date .....	(6,472,554)	(5,485,251)
Net block <sup>1</sup> .....	22,208,639	24,077,951
<b>II. Other fixed assets (including furniture and fixtures)</b>		
At cost at March 31 of preceding year .....	38,138,907	33,851,617
Additions during the year .....	2,297,683	5,496,137
Deductions during the year .....	(4,204,505)	(1,208,847)
Depreciation to date .....	(23,351,752)	(21,865,286)
Net block .....	12,880,333	16,273,621
<b>III. Assets given on Lease</b>		
At cost at March 31 of preceding year .....	17,961,174	18,289,072
Additions during the year .....	—	—
Deductions during the year .....	(200,674)	(327,898)
Depreciation to date, accumulated lease adjustment and provisions .....	(14,226,548)	(13,338,157)
Net block .....	3,533,952	4,623,017
<b>TOTAL FIXED ASSETS</b> .....	<b>38,622,924</b>	<b>44,974,589</b>

1. Includes assets of Rs. 446.1 million (March 31, 2009: Nil) which are in the process of being sold.

## SCHEDULE 11 — OTHER ASSETS

I. Inter-office adjustments (net) .....	—	—
II. Interest accrued .....	41,402,059	48,793,731
III. Tax paid in advance/tax deducted at source (net) .....	39,651,493	39,668,134
IV. Stationery and stamps .....	641	928
V. Non-banking assets acquired in satisfaction of claims <sup>1</sup> .....	743,464	3,089,212
VI. Others		
a) Advance for capital assets .....	11,907,171	9,037,902
b) Outstanding fees and other income .....	6,412,162	7,864,971
c) Deposits .....	19,863,374	27,197,130
d) Deferred tax asset (net) .....	24,842,072	25,184,000
e) Others <sup>2</sup> .....	117,607,260	128,110,533
<b>TOTAL OTHER ASSETS</b> .....	<b>262,429,696</b>	<b>288,946,541</b>

1. Includes certain non-banking assets acquired in satisfaction of claims which are in the process of being transferred in the Bank's name.

2. Includes goodwill on consolidation amounting to Rs. 1,514.4 million (March 31, 2009: Rs. 1,573.1 million) and goodwill on purchase of assets by way of merger amounting to Rs. 41.5 million (March 31, 2009: Rs. 119.8 million).

## SCHEDULE 12 — CONTINGENT LIABILITIES

I. Claims against the Bank not acknowledged as debts .....	35,364,093	33,911,116
II. Liability for partly paid investments .....	128,126	128,126
III. Liability on account of outstanding forward exchange contracts .....	1,753,368,882	2,520,288,201
IV. Guarantees given on behalf of constituents .....		
a) In India .....	489,303,787	453,001,349
b) Outside India .....	129,981,831	129,161,843
V. Acceptances, endorsements and other obligations .....	321,795,858	307,424,746
VI. Currency swaps .....	506,938,754	551,306,568
VII. Interest rate swaps, currency options and interest rate futures .....	4,846,442,184	4,555,533,888
VIII. Other items for which the Bank is contingently liable .....	121,875,833	127,128,197
<b>TOTAL CONTINGENT LIABILITIES</b> .....	<b>8,205,199,348</b>	<b>8,677,884,034</b>

# schedules

## forming part of the Consolidated Profit and Loss Account

(Rs. in '000s)

	Year ended 31.03.2010	Year ended 31.03.2009
<b>SCHEDULE 13 — INTEREST EARNED</b>		
I. Interest/discount on advances/bills .....	203,626,416	251,907,185
II. Income on investments <sup>1</sup> .....	78,164,417	93,690,339
III. Interest on balances with Reserve Bank of India and other inter-bank funds.....	7,111,651	7,685,387
IV. Others <sup>2,3</sup> .....	12,634,594	9,224,153
<b>TOTAL INTEREST EARNED</b> .....	<b>301,537,078</b>	<b>362,507,064</b>
1. Includes amortisation of premium on Government securities Rs. 8,121.5 million (March 31, 2009: Rs. 7,253.4 million).		
2. Includes interest amounting to Rs. 1,241.8 million (March 31, 2009: Rs. 3,357.9 million) on income tax refunds.		
3. Includes interest and amortisation of premium on non-trading interest rate swaps and foreign currency swaps.		
<b>SCHEDULE 14 — OTHER INCOME</b>		
I. Commission, exchange and brokerage .....	60,039,038	65,747,868
II. Profit/(loss) on sale of investments (net) .....	10,359,185	24,318,015
III. Profit/(loss) on revaluation of investments (net) .....	3,923,447	(4,431,761)
IV. Profit/(loss) on sale of land, buildings and other assets (net) <sup>1</sup> .....	821,610	14,611
V. Profit/(loss) on foreign exchange transactions (net) .....	11,911,507	1,964,929
VI. Premium and other operating income from insurance business .....	204,757,832	183,582,426
VII. Miscellaneous income (including lease income) .....	2,648,029	7,827,655
<b>TOTAL OTHER INCOME</b> .....	<b>294,460,648</b>	<b>279,023,743</b>
1. Includes profit/(loss) on sale of assets given on lease.		
<b>SCHEDULE 15 — INTEREST EXPENDED</b>		
I. Interest on deposits .....	135,093,359	182,506,979
II. Interest on Reserve Bank of India/inter-bank borrowings <sup>1</sup> .....	18,644,064	26,564,628
III. Others (including interest on borrowings of erstwhile ICICI Limited) .....	53,554,438	55,800,920
<b>TOTAL INTEREST EXPENDED</b> .....	<b>207,291,861</b>	<b>264,872,527</b>
1. Includes interest paid on inter-bank deposits.		
<b>SCHEDULE 16 — OPERATING EXPENSES</b>		
I. Payments to and provisions for employees .....	36,784,297	39,043,015
II. Rent, taxes and lighting .....	10,168,540	10,766,322
III. Printing and stationery .....	1,609,042	2,103,465
IV. Advertisement and publicity .....	4,421,935	3,311,278
V. Depreciation .....	6,212,233	5,965,761
VI. Depreciation (including lease equalisation) on leased assets .....	1,416,505	2,101,070
VII. Directors' fees, allowances and expenses .....	27,868	22,897
VIII. Auditors' fees and expenses .....	148,042	136,872
IX. Law charges .....	1,396,354	1,425,366
X. Postages, telegrams, telephones, etc. ....	3,575,692	4,567,895
XI. Repairs and maintenance .....	6,685,665	6,831,997
XII. Insurance .....	1,885,845	2,115,359
XIII. Direct marketing agency expenses .....	2,413,170	6,121,823
XIV. Claims and benefits paid pertaining to insurance business .....	20,643,054	18,094,559
XV. Other expenses pertaining to insurance business .....	158,516,684	147,404,509
XVI. Other expenditure .....	21,427,455	31,845,686
<b>TOTAL OPERATING EXPENSES</b> .....	<b>277,332,381</b>	<b>281,857,874</b>
<b>SCHEDULE 17 — PROVISIONS AND CONTINGENCIES</b>		
I. Income tax		
– Current period tax .....	19,701,898	21,388,517
– Deferred tax adjustment .....	(2,349,787)	(6,188,453)
– Fringe benefit tax .....	(30,289)	659,192
II. Wealth tax .....	30,470	30,048
<b>TOTAL INCOME TAX</b> .....	<b>17,352,292</b>	<b>15,889,304</b>
III. Provision for investments (net) .....	328,158	6,305,112
IV. Provision for advances (net) <sup>1</sup> .....	44,745,424	39,115,672
V. Others .....	513,461	(303,901)
<b>TOTAL PROVISIONS AND CONTINGENCIES</b> .....	<b>62,939,335</b>	<b>61,006,187</b>
1. Includes provision on standard assets, non-performing advances, non-performing leased assets and others.		



# schedules



forming part of the Consolidated Accounts (Contd.)

## SCHEDULE 18

### Significant accounting policies

#### OVERVIEW

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

The Bank was incorporated in Vadodara, India and is a publicly held banking company governed by the Banking Regulation Act, 1949.

#### Principles of consolidation

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

The Bank consolidates entities in which it holds, directly or indirectly, more than 50% of the voting rights or where it exercises control. Entities where the Bank holds 20% to 50% of the voting rights and/or has the ability to exercise significant influence are accounted for under the equity method of accounting and the pro-rata share of their income/(loss) is included in the consolidated profit and loss account. Assets, liabilities, income and expenditure of jointly controlled entities are consolidated using the proportionate consolidation method. Under this method, the Bank's share of each of the assets, liabilities, income and expenses of the jointly controlled entity is reported in separate line items in the consolidated financial statements. The Bank does not consolidate entities where control is intended to be temporary. All significant inter-company accounts and transactions are eliminated on consolidation.

#### Basis of preparation

The accounting and reporting policies of the Group used in the preparation of the consolidated financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority (IRDA), National Housing Bank (NHB), the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) and notified by the Companies (Accounting Standards) Rules, 2006 from time to time, as applicable to relevant companies and practices generally prevalent within the banking industry in India. In the case of the foreign subsidiaries, Generally Accepted Accounting Principles as applicable to the foreign subsidiaries are followed.

The Group follows the accrual method of accounting except where otherwise stated. In case the accounting policies followed by a subsidiary or joint venture are different from those followed by the Bank, the same have been disclosed separately.

The preparation of consolidated financial statements requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported income and expenses during the reporting period. The management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results could differ from these estimates.

The consolidated financial statements include the results of the following entities in addition to ICICI Bank.

Sr. no.	Name of the entity <sup>4,5,6</sup>	Country of incorporation	Nature of relationship	Nature of business	Ownership interest
1.	ICICI Bank UK PLC	United Kingdom	Subsidiary	Banking	100.00%
2.	ICICI Bank Canada	Canada	Subsidiary	Banking	100.00%
3.	ICICI Bank Eurasia Limited Liability Company	Russia	Subsidiary	Banking	100.00%
4.	ICICI Securities Limited	India	Subsidiary	Securities broking & merchant banking	100.00%
5.	ICICI Securities Holdings Inc.	USA	Subsidiary	Holding company	100.00%
6.	ICICI Securities Inc.	USA	Subsidiary	Securities broking	100.00%
7.	ICICI Securities Primary Dealership Limited	India	Subsidiary	Securities investment, trading and underwriting	100.00%
8.	ICICI Venture Funds Management Company Limited	India	Subsidiary	Private equity/venture capital fund management	100.00%
9.	ICICI Home Finance Company Limited	India	Subsidiary	Housing finance	100.00%
10.	ICICI Trusteeship Services Limited	India	Subsidiary	Trusteeship services	100.00%
11.	ICICI Investment Management Company Limited	India	Subsidiary	Asset management	100.00%
12.	ICICI International Limited	Mauritius	Subsidiary	Asset management	100.00%
13.	ICICI Prudential Pension Funds Management Company Limited	India	Subsidiary	Pension fund management	100.00%
14.	ICICI Eco-net Internet and Technology Fund	India	Consolidated as per AS 21	Venture capital fund	92.12%

# schedules

## forming part of the Consolidated Accounts (Contd.)

Sr. no.	Name of the entity <sup>4,5,6</sup>	Country of incorporation	Nature of relationship	Nature of business	Ownership interest
15.	ICICI Equity Fund	India	Consolidated as per AS 21	Unregistered venture capital fund	100.00%
16.	ICICI Emerging Sectors Fund	India	Consolidated as per AS 21	Venture capital fund	99.31%
17.	ICICI Strategic Investments Fund	India	Consolidated as per AS 21	Unregistered venture capital fund	100.00%
18.	ICICI Kinfra Limited	India	Consolidated as per AS 21	Infrastructure development consultancy	76.00%
19.	ICICI West Bengal Infrastructure Development Corporation Limited	India	Consolidated as per AS 21	Infrastructure development consultancy	75.99%
20.	Loyalty Solutions & Research Limited	India	Consolidated as per AS 21	Customer relationship management, data mining and analytics and marketing services	82.74%
21.	ICICI Venture Value Fund	India	Consolidated as per AS 21	Unregistered venture capital fund	54.35%
22.	I-Ven Biotech Limited	India	Consolidated as per AS 21	Investment in research and development of biotechnology	100.00%
23.	ICICI Prudential Life Insurance Company Limited <sup>1</sup>	India	Jointly controlled entity	Life insurance	73.89%
24.	ICICI Lombard General Insurance Company Limited <sup>1</sup>	India	Jointly controlled entity	General insurance	73.72%
25.	ICICI Prudential Asset Management Company Limited <sup>1</sup>	India	Jointly controlled entity	Asset management company for ICICI Prudential Mutual Fund	51.00%
26.	ICICI Prudential Trust Limited <sup>1</sup>	India	Jointly controlled entity	Trustee company for ICICI Prudential Mutual Fund	50.80%
27.	TCW/ICICI Investment Partners LLC <sup>2</sup>	Mauritius	Jointly controlled entity	Asset management	50.00%
28.	Rainbow Fund <sup>3</sup>	India	Associate	Unregistered venture capital fund	23.91%
29.	Financial Information Network and Operations Limited <sup>3</sup>	India	Associate	Support services for financial inclusion	28.28%
30.	I-Process Services (India) Private Limited <sup>3</sup>	India	Associate	Services related to back end operations	19.00%
31.	I-Solutions Providers (India) Private Limited <sup>3</sup>	India	Associate	Services related to sales and promotion activities	19.00%
32.	NIIT Institute of Finance Banking and Insurance Training Limited <sup>3</sup>	India	Associate	Education and training in banking and finance	19.00%
33.	Prize Petroleum Company Limited <sup>3</sup>	India	Associate	Oil exploration and production	35.00%
34.	ICICI Merchant Services Private Limited <sup>3</sup>	India	Associate	Merchant servicing	19.00%

The financial statements of Comm Trade Services Limited and 3i infotech Limited have not been consolidated under AS 21/AS 23, since the investments in these companies are temporary in nature.

1. The financial statements of these jointly controlled entities have been consolidated as per AS 21 on 'consolidated financial statements' consequent to the limited revision to AS 27 on 'financial reporting of interests in joint ventures'.
2. The entity has been consolidated as per the proportionate consolidation method as prescribed by AS 27 on 'financial reporting of interests in joint ventures'.
3. These entities have been accounted as per the equity method as prescribed by AS 23 on 'accounting for investments in associates in consolidated financial statements'.
4. During the quarter ended June 30, 2009, Crossdomain Solutions Private Limited and Contests2win.com India Private Limited ceased to be associates and accordingly, these entities have not been accounted as per the equity method as prescribed by AS 23.
5. During the quarter ended September 30, 2009, Transafe Services Limited ceased to be a consolidating entity and accordingly, has not been consolidated.
6. ICICI Wealth Management Inc. has been dissolved with effect from December 31, 2009 and therefore, it has not been consolidated from the quarter ended December 31, 2009.

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## SIGNIFICANT ACCOUNTING POLICIES

### 1. Transactions involving foreign exchange

The consolidated financial statements of the Group are reported in Indian rupees (Rs.), the national currency of India. Foreign currency income and expenditure items are translated as follows:

- For domestic operations, at the exchange rates prevailing on the date of the transaction with the resultant gain or loss accounted for in the profit and loss account.
- For integral foreign operations, at weekly average closing rates with the resultant gain or loss accounted for in the profit and loss account. An integral foreign operation is a subsidiary, associate, joint venture or branch of the reporting enterprise, the activities of which are based or conducted in a country other than the country of the reporting enterprise but are an integral part of the reporting enterprise.
- For non-integral foreign operations, at the quarterly average closing rates with the resultant gains or losses accounted for as foreign currency translation reserve.

Monetary foreign currency assets and liabilities of domestic and integral foreign operations are translated at closing exchange rates notified by Foreign Exchange Dealers' Association of India (FEDAI) at the balance sheet date and the resulting profits/losses are included in the profit and loss account.

Both monetary and non-monetary foreign currency assets and liabilities of non-integral foreign operations are translated at closing exchange rates notified by FEDAI at the balance sheet date and the resulting profits/losses from exchange differences are accumulated in the foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operations.

The premium or discount arising on inception of forward exchange contracts in domestic operations that are entered to establish the amount of reporting currency required or available at the settlement date of a transaction is amortised over the life of the contract. All other outstanding forward exchange contracts are revalued at the exchange rates notified by FEDAI for specified maturities and at interpolated rates for contracts of interim maturities. The contracts of longer maturities where exchange rates are not notified by FEDAI, are revalued at the forward exchange rates implied by the swap curves for respective currencies. The resultant gains or losses are recognised in the profit and loss account.

Contingent liabilities on account of guarantees, endorsements and other obligations denominated in foreign currency are disclosed at the closing exchange rates notified by FEDAI at the balance sheet date.

### 2. Revenue recognition

- Interest income is recognised in the profit and loss account as it accrues except in the case of non-performing assets (NPAs) where it is recognised upon realisation, as per the income recognition and asset classification norms of RBI/NHB.
- Income from hire purchase operations is accrued by applying the implicit interest rate on outstanding balances.
- Income from leases is calculated by applying the interest rate implicit in the lease to the net investment outstanding on the lease over the primary lease period. Leases entered into till March 31, 2001 have been accounted for as operating leases.
- Income on discounted instruments is recognised over the tenure of the instrument on a constant yield basis.
- Dividend income is accounted on an accrual basis when the right to receive the dividend is established.
- Loan processing fee is accounted for upfront when it becomes due except in the case of foreign banking subsidiaries, where it is amortised over the period of the loan.
- Project appraisal/structuring fee is accounted for on the completion of the agreed service.
- Arranger fee is accounted for as income when a significant portion of the arrangement/syndication is completed.
- Commission received on guarantees issued is amortised on a straight-line basis over the period of the guarantee.
- All other fees are accounted for as and when they become due.
- Net income arising from sell-down/securitisation of loan assets prior to February 1, 2006 has been recognised upfront as interest income. With effect from February 1, 2006 net income arising from securitisation of loan assets is amortised over the life of securities issued or to be issued by the special purpose vehicle/special purpose entity to which the assets are sold. Net income arising from sale of loan assets through direct assignment with recourse obligation is amortised over the life of underlying assets sold and net income from sale of loan assets through direct assignment without any recourse obligation is recognised at the time of sale. Net loss arising on account of the sell-down/securitisation and direct assignment of loan assets is recognised at the time of sale.
- The Bank deals in bullion business on a consignment basis. The difference between price recovered from customers and cost of bullion is accounted for at the time of sales to the customers.
- The Bank also deals in bullion on a borrowing and lending basis and the interest paid/received is accounted on accrual basis.
- Income from brokerage activities is recognised as income on the trade date of the transaction. Brokerage income in relation to public or other issuances of securities is recognised based on mobilisation and terms of agreement with the client. The Group follows trade date method for accounting of its investments.
- Life insurance premium is recognised as income when due. Premium on lapsed policies is recognised as income when such policies are reinstated. Top-up premiums are considered as single premium. For linked business, premium is recognised when the associated units are created. Income from linked funds, which includes fund management charges, policy administration charges, mortality charges etc. are recovered from the linked fund in accordance with the terms and conditions of the policy and are recognised when due.

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- In the case of general insurance business, premium is recorded for the policy period at the commencement of risk and for instalment cases, it is recorded on instalment due dates. Premium earned is recognised as income over the period of risk or the contract period based on 1/365 method, whichever is appropriate, on a gross basis, net of service tax. Any subsequent revision to premium is recognised over the remaining period of risk or contract period. Adjustments to premium income arising on cancellation of policies are recognised in the period in which the policies are cancelled. Commission on re-insurance ceded is recognised as income in the period of ceding the risk. Profit commission under re-insurance treaties, wherever applicable, is recognised as income in the period of final determination of profits and combined with commission on reinsurance ceded.
- In the case of general insurance business, insurance premium on ceding of the risk is recognised in the period in which the risk commences. Any subsequent revision to premium ceded is recognised in the period of such revision. Adjustment to re-insurance premium arising on cancellation of policies is recognised in the period in which it is cancelled. In case of life insurance business, cost of reinsurance ceded is accounted for at the time of recognition of premium income in accordance with the treaty or in-principle arrangement with the reinsurer. Profit commission on reinsurance ceded is netted off against premium ceded on reinsurance.
- In the case of general insurance business, premium deficiency is recognised when the sum of expected claim costs and related expenses exceed the reserve for unexpired risks and is computed at a business segment level.

### 3. Stock based compensation

The following entities within the group have granted stock options to their employees:

- ICICI Bank Limited
- ICICI Prudential Life Insurance Company Limited
- ICICI Lombard General Insurance Company Limited
- ICICI Venture Funds Management Company Limited

The Employee Stock Option Scheme (the Scheme) of ICICI Bank provides for grant of equity shares of the Bank to wholtime directors and employees of the Bank and its subsidiaries. The Scheme provides that employees are granted an option to acquire equity shares of the Bank that vests in a graded manner. The options may be exercised within a specified period. ICICI Prudential Life Insurance Company and ICICI Lombard General Insurance Company have also formulated similar stock option schemes for their employees.

The Group follows the intrinsic value method to account for its stock-based employee compensation plans. Compensation cost is measured as the excess, if any, of the fair market price of the underlying stock over the exercise price on the grant date. The fair market price is the latest closing price, immediately prior to the date of the Board of Directors meeting in which the options are granted, on the stock exchange on which the shares of the Bank are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered. The banking subsidiaries namely, ICICI Bank UK and ICICI Bank Canada account for the cost of the options granted to employees by ICICI Bank using the fair value method based on Black Scholes model. In the case of ICICI Prudential Life Insurance Company and ICICI Lombard General Insurance Company, the fair value of the shares is determined based on an external valuation report.

Since the exercise price of the Bank's stock options is equal to the fair value price there is no compensation cost under the intrinsic value method.

The Group's venture capital subsidiary i.e. ICICI Venture Funds Management Company has settled carried interest trusts for the benefit of its employees. These trusts have investment in a separate class of units of certain fully consolidated funds. These carried interest entitlements are treated as employee compensation and are accounted for at the time of granting of the awards by the trust to the employees. The liability is re-measured at each reporting date and the carried interest entitlements are recognised as expense in the period of realisation of proceeds from the underlying investments of the funds.

The Finance (No.2) Act, 2009 has abolished fringe benefit tax (FBT) and introduced tax on the Scheme in the hands of the employees as perquisites which is computed on the difference between the fair market value on date of exercise and the exercise price with effect from April 1, 2009.

### 4. Income taxes

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Group. The current tax expense and deferred tax expense is determined in accordance with the provisions of the Income Tax Act, 1961 and as per AS 22 on 'accounting for taxes on income' issued by ICAI, respectively. The levy of FBT is not applicable as the Finance (No. 2) Act, 2009 has abolished the tax with effect from April 1, 2009. Deferred tax adjustments comprise changes in the deferred tax assets or liabilities during the year.

Deferred tax assets and liabilities are recognised on a prudent basis for the future tax consequences of timing differences arising between the carrying value of assets and liabilities and their respective tax basis and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in the deferred tax assets and liabilities is recognised in the profit and loss account.

Deferred tax assets are recognised and re-assessed at each reporting date, based on the management's judgement as to whether their realisation is considered as reasonably certain.

In the consolidated financial statements, deferred tax assets and liabilities are computed at an individual entity level and aggregated for consolidated reporting.

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## 5. Claims and benefits paid

In the case of general insurance business, claims incurred comprise claims paid, estimated liability for outstanding claims made following a loss occurrence reported and estimated liability for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER). Further, claims incurred also include specific claim settlement costs such as survey/legal fees and other directly attributable costs. Claims (net of amounts receivable from re-insurers/co-insurers) are recognised on the date of intimation of the loss based on estimates from surveyors/insured in the respective revenue account. Estimated liability for outstanding claims at the balance sheet date is recorded net of claims recoverable from/payable to co-insurers/re-insurers and salvage to the extent there is certainty of realisation. Estimated liability for outstanding claim is determined by the entity on the basis of ultimate amounts likely to be paid on each claim based on the past experience. These estimates are progressively revaluated on availability of further information. Claims IBNR represent that amount of claims that may have been incurred during the accounting period but have not been reported or claimed. The claims IBNR provision also includes provision, if any, required for claims IBNER. Estimated liability for claims IBNR/claims IBNER is based on an actuarial estimate duly certified by the appointed actuary of the entity. IBNR/IBNER has been created on re-insurance accepted from Indian Motor Third Party Insurance Pool based on actuarial estimates received from them.

In the case of life insurance business, claims other than maturity claims are accounted for on receipt of intimation. Maturity claims are accounted when due. Withdrawals and surrenders under linked policies are accounted in the respective schemes when the associated units are cancelled/redeemed. Re-insurance recoveries on claims are accounted for, in the same period as the related claims.

## 6. Liability for life policies in force

In the case 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 as per the gross premium method in accordance with accepted actuarial practice, requirements of the IRDA and the Actuarial Society of India.

## 7. Reserve for unexpired risk

Reserve for unexpired risk is recognised net of re-insurance ceded and represents premium written that is attributable and to be allocated to succeeding accounting periods for risks to be borne by the entity under contractual obligations on contract period basis or risk period basis, whichever is appropriate. It is calculated on a daily pro-rata basis subject to a minimum of 50% of the aggregated premium, written on policies during the twelve months preceding the balance sheet date for fire, marine, cargo and miscellaneous business and 100% for marine hull business, on all unexpired policies at balance sheet date, in accordance with the provisions of the Insurance Act, 1938.

## 8. Actuarial method and valuation

In the case of life insurance business, the actuarial liability on both participating and non-participating policies is calculated using the gross premium method, using assumptions for interest, mortality, expense and inflation, and in the case of participating policies, future bonuses together with allowance for taxation and allocation of profits to shareholders. These assumptions are determined as prudent estimates at the date of valuation with allowances for adverse deviations. No allowance is made for expected lapses.

The interest rates used for valuing the liabilities are in the range of 5.10% to 6.78% per annum (previous year – 5.10% to 6.81% per annum).

Mortality rates used are based on the published LIC (1994 – 96) Ultimate Mortality Table for assurances and LIC 96-98 table for annuities, adjusted to reflect expected experience while morbidity rates used are based on CIBT 93 table, adjusted for expected experience, or on risk rates supplied by reinsurers.

Expenses are provided for at current levels, in respect of renewal expenses, with no allowance for future improvements. Per policy renewal expenses for regular premium policies are assumed to inflate at 4.30% (previous year – 4.14%).

The greater of liability calculated using discounted cash flows and unearned premium reserves are held for the unexpired portion of the risk for the general fund liabilities of linked business and attached riders. An unearned premium reserve is held for one year renewable group term insurance.

The unit liability in respect of linked business has been taken as the value of the units standing to the credit of policyholders, using the Net Asset Value (NAV) prevailing at the valuation date. The adequacy of charges under unit linked policies to meet future expenses has been tested and provision made as appropriate. Provision has also been made for the cost of guarantee under unit linked products that carry a guarantee. The units held in respect of lapsed policies are divided into a revival reserve, which contributes to liabilities, and a fund for future appropriation, which contributes to regulatory capital.

## 9. Acquisition costs for insurance business

Acquisition costs are those costs that vary with and are primarily related to the acquisition of insurance contracts and are expensed in the period in which they are incurred.

## 10. Staff retirement benefits

### Gratuity

ICICI Bank pays gratuity to employees who retire or resign after a minimum period of five years of continuous service and in the case of employees at the overseas locations, as per the rules in force in the respective countries. ICICI Bank makes contributions to four separate gratuity funds, for employees inducted from erstwhile ICICI Limited (erstwhile ICICI), employees inducted from erstwhile Bank of Madura, employees inducted from erstwhile The Sangli Bank Limited (erstwhile Sangli Bank) and employees of ICICI Bank other than employees inducted from erstwhile ICICI, erstwhile Bank of Madura and erstwhile Sangli Bank.



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Separate gratuity funds for employees inducted from erstwhile ICICI, erstwhile Bank of Madura and erstwhile Sangli Bank are managed by ICICI Prudential Life Insurance Company Limited. The gratuity fund for employees of ICICI Bank, other than employees inducted from erstwhile ICICI, erstwhile Bank of Madura and erstwhile Sangli Bank is administered by Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited.

Actuarial valuation of the gratuity liability for all the above funds is determined by an actuary appointed by the Bank. In accordance with the gratuity fund's rules, actuarial valuation of gratuity liability is calculated based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition as per the projected unit credit method.

### **Superannuation fund**

ICICI Bank contributes 15% of the total annual basic salary of each employee to a superannuation fund for ICICI Bank employees. The employee gets an option on retirement or resignation to commute one-third of the total credit balance in his/her account and receive a monthly pension based on the remaining balance. In the event of death of an employee, his or her beneficiary receives the remaining accumulated balance. ICICI Bank also gives cash option to its employees, allowing them to receive the amount contributed by ICICI Bank in their monthly salary during their employment.

Upto March 31, 2005, the superannuation fund was administered solely by Life Insurance Corporation of India. Subsequent to March 31, 2005, both Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited are administering separate funds. Employees had the option to retain the existing balance with Life Insurance Corporation of India or seek a transfer to ICICI Prudential Life Insurance Company Limited.

### **Pension**

The Bank provides for pension, a deferred retirement plan covering certain employees of erstwhile Bank of Madura and certain employees of erstwhile Sangli Bank. 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. For erstwhile Bank of Madura and erstwhile Sangli Bank employees in service, separate pension funds are managed in-house and the liability is funded as per actuarial valuation. The pension payments to retired employees of erstwhile Bank of Madura and erstwhile Sangli Bank are being administered by ICICI Prudential Life Insurance Company Limited, for whom the Bank has purchased master annuity policies. Employees covered by the pension plan are not eligible for benefits under the provident fund plan.

### **Provident fund**

ICICI Bank is statutorily required to maintain a provident fund as a part of retirement benefits to its employees. There are separate provident funds for employees inducted from erstwhile Bank of Madura and Sangli Bank (other than those employees who have opted for pension), and for other employees of ICICI Bank. In-house trustees manage these funds. Each employee contributes 12.0% of his or her basic salary (10.0% for certain staff of erstwhile Sangli Bank and Bank of Madura) and ICICI Bank contributes an equal amount to the funds. The funds are invested according to rules prescribed by the Government of India.

### **Leave encashment**

The Bank provides for leave encashment benefit, which is a defined benefit scheme, based on actuarial valuation conducted by an independent actuary.

## **11. Provisions, contingent liabilities and contingent assets**

The Group estimates the probability of any loss that might be incurred on outcome of contingencies on the basis of information available upto the date on which the consolidated financial statements are prepared. A provision is recognised when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made in the consolidated financial statements. In case of remote possibility neither provision nor disclosure is made in the consolidated financial statements. The Group does not account for or disclose contingent assets, if any.

## **12. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

## **13. Investments**

- i. Investments of the Bank are accounted for in accordance with the extant RBI guidelines on investment classification and valuation as given below.
  - a) All investments are classified into 'Held to Maturity', 'Available for Sale' and 'Held for Trading'. Re-classifications, if any, in any category are accounted for as per the RBI guidelines.  
Under each classification, the investments are further classified as (a) government securities, (b) other approved securities, (c) shares, (d) bonds and debentures and (e) 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. Any premium over the face value of fixed rate and floating rate securities acquired is amortised over the remaining period to maturity on a constant yield basis and straight line basis, respectively.

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- c) 'Available for Sale' and 'Held for Trading' securities are valued periodically as per RBI guidelines. Any premium over the face value of investments in government securities, classified as 'Available for Sale', is amortised over the remaining period to maturity on constant yield basis. Quoted investments are valued based on the trades/quotes on the recognised stock exchanges, subsidiary general ledger 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 government securities which are in the nature of Statutory Liquidity Ratio (SLR) securities included in the 'Available for Sale' and 'Held for Trading' categories is as per the rates published by FIMMDA. The valuation of other unquoted fixed income securities wherever linked to the Yield-to-Maturity (YTM) rates, is computed with a mark-up (reflecting associated credit risk) over the YTM rates for government securities published by FIMMDA.

Unquoted equity shares are valued at the break-up value, if the latest balance sheet is available or at Re. 1 as per RBI guidelines.

Securities are valued scrip-wise and depreciation/appreciation aggregated for each category. Net appreciation in each category, if any, being unrealised, is ignored, while net depreciation is provided for.

- d) Costs including brokerage and commission pertaining to investments, paid at the time of acquisition, are charged to the profit and loss account.
- e) Profit on sale of investments in the 'Held to Maturity' category is credited to the profit and loss account and is thereafter appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve. Profit on sale of investments in 'Available for Sale' and 'Held for Trading' categories is credited to profit and loss account.
- f) Repurchase and reverse repurchase transactions are accounted for in accordance with the extant RBI guidelines.
- g) Broken period interest (the amount of interest from the previous interest payment date till the date of purchase/sale of instruments) on debt instruments is treated as a revenue item.
- h) At the end of each reporting period, security receipts issued by asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time. Accordingly, in cases where the cash flows from security receipts issued by asset reconstruction companies are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Bank reckons the NAV, obtained from the asset reconstruction company from time to time, for valuation of such investments at each reporting period end.
- i) The Bank follows trade date method of accounting for its investments.
- ii. The Bank's consolidating venture capital funds carry investments at fair values, with unrealised gains and temporary losses on investments recognised as components of investors' equity and accounted for in the unrealised investment reserve account. The realised gains and losses on investments and units in mutual funds and unrealised gains or losses on revaluation of units in mutual funds are accounted for in the profit and loss account. Provisions are made in respect of accrued income considered doubtful. Such provisions as well as any subsequent recoveries are recorded through the profit and loss account. Subscription to/purchase of investments are accounted at the cost of acquisition inclusive of brokerage, commission and stamp duty. Bonus shares and right entitlements are recorded when such benefits are known. Quoted investments are valued on the valuation date at the closing market price. Quoted investments that are not traded on the valuation date but are traded during the two months prior to the valuation date are valued at the latest known closing price. An appropriate discount is applied where the asset management company considers it necessary to reflect restrictions on disposal. Quoted investments not traded during the two months prior to the valuation date are treated as unquoted. Unquoted investments are valued at their estimated fair values by applying appropriate valuation methods. Where there is a decline, other than temporary in the carrying amounts of investments, the resultant reduction in the carrying amount is charged to the profit and loss account during the period in which such decline is identified.
- iii. The Bank's primary dealership and securities broking subsidiaries classify their investments as short-term and trading or as long-term investments. The securities held with the intention of holding for short-term and trading are classified as stock-in-trade and are valued at lower of cost arrived at on weighted average basis or market value. The securities acquired with the intention of holding till maturity or for a longer period are classified as long-term investments and are carried at cost arrived at on weighted average basis. Appropriate provision is made for other than temporary diminution in the value of investments. Commission earned in respect of securities acquired upon devolvement is reduced from the cost of acquisition.
- iv. The Bank's housing finance subsidiary classifies its investments as current investments and long-term investments. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments, which are carried at the lower of cost and net realisable value. All other investments are classified as long-term investments, which are carried at cost. However, a provision for diminution in value is made to recognise any other than temporary decline in the value of investments. Costs such as brokerage, commission etc. paid at the time of acquisition of investments are included in the investment cost.
- v. The Bank's United Kingdom and Canadian banking subsidiaries account for unrealised gain/loss, net of tax, on investment in 'Available for Sale' category directly in their reserves. Further, in the case of the Bank's United Kingdom and Canadian banking subsidiaries, unrealised gain/loss on investment in 'Held for Trading' category is accounted directly in the profit and loss account.



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- vi. In the case of life and general insurance businesses, investments are made in accordance with the Insurance Act, 1938, the IRDA (Investment) Regulations, 2000, and various other circulars/notifications issued by the IRDA in this context from time to time.

In the case of life insurance business, investments are stated at fair value being the last quoted closing price on the National Stock Exchange (NSE) (in case of securities not listed on NSE, the last quoted closing price on the Bombay Stock Exchange (BSE) is used). Mutual fund units 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' in the balance sheet.

In the case of general insurance business, all debt securities including government securities and non-convertible preference shares are considered as 'Held to Maturity' and accordingly stated at amortised cost subject to amortisation of premium or accretion of discount on a straight line basis over the holding/maturity period. Listed equities and convertible preference shares at the balance sheet date are stated at fair value, being the lowest of last quoted closing price on NSE or BSE. Investments other than mentioned above are valued at cost.

The general insurance subsidiary assesses at each balance sheet date whether there is any indication that any investment in equity or units of mutual fund may be impaired. If any such indication exists, the carrying value of such investment is reduced to its recoverable amount and the impairment loss is recognised in the revenue(s)/profit and loss account. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the investment is restated to that extent.

The total proportion of investments for which subsidiaries have applied accounting policies different from the Bank as mentioned above, approximate 15.54% of the total investments at March 31, 2010.

### 14. Provisions/write-offs on loans and other credit facilities

- a) All credit exposures, including overdues arising from crystallised derivative contracts, are classified as per RBI guidelines, into performing and non-performing assets. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI.

In the case of corporate loans, provisions are made for sub-standard and doubtful assets at the rates prescribed by RBI. Loss assets and the unsecured portion of doubtful assets are provided for/written off as per the extant RBI guidelines. Provisions on homogeneous retail loans, subject to minimum provisioning requirements of RBI, are assessed at a portfolio level on the basis of days past due. The Bank holds specific provisions against non-performing loans and general provision against performing loans. The assessment of incremental specific provisions is made after taking into consideration existing specific provision. The specific provisions on retail loans held by the Bank are higher than the minimum regulatory requirements.

- b) Provision on assets restructured/rescheduled is made in accordance with the applicable RBI guidelines on restructuring of advances by Banks.

In respect of non-performing loan accounts subjected to restructuring, the account is upgraded to standard only after the specified period i.e. a period of one year after the date when first payment of interest or of principal, whichever is earlier, falls due, subject to satisfactory performance of the account during the period.

- c) Amounts recovered against 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.

- d) In addition to the specific provision on NPAs, the Bank/the Bank's housing finance subsidiary maintains a general provision on performing loans. The general provision covers the requirements of the RBI/NHB guidelines.

- e) In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposures (other than for home country exposure). The countries are categorised into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit and provisioning is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the above provision is required to be 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 required on such country exposure.

- f) In the case of the Bank's primary dealership subsidiary, the policy of provisioning against NPAs is as per the prudential norms prescribed by the RBI for non-banking financial companies. As per the policy adopted, the provisions against sub-standard assets are determined, taking into account management's perception of the higher risk associated with the business of the company. Certain NPAs are considered as loss assets and full provision has been made against such assets.

- g) In the case of the Bank's housing finance subsidiary, loans and other credit facilities are classified as per the NHB guidelines into performing and non-performing assets. Further, NPAs are classified into sub-standard, doubtful and loss assets based on criteria stipulated by NHB. 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.

- h) In the case of the Bank's overseas banking subsidiaries, loans are stated net of allowance for credit losses. Loans are classified as impaired when there is no longer reasonable assurance of the timely collection of the full amount of principal or interest. An allowance for credit losses is maintained at a level that management considers adequate to absorb identified credit related losses as well as losses that have been incurred but are not yet identifiable.

The total proportion of loans for which subsidiaries have applied accounting policies different from the Bank as mentioned above, approximate 15.66% of the total loans at March 31, 2010.

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## 15. Transfer and servicing of assets

The Bank transfers commercial and consumer loans through securitisation transactions. The transferred loans are de-recognised and gains/losses are accounted for only if the Bank surrenders the rights to benefits specified in the underlying securitised loan contract. Recourse and servicing obligations are accounted for net of provisions.

In accordance with the RBI guidelines for securitisation of standard assets, with effect from February 1, 2006, the Bank accounts for any loss arising from securitisation immediately at the time of sale and the profit/premium arising from securitisation is amortised over the life of the securities issued or to be issued by the special purpose vehicle to which the assets are sold. In the case of loans sold to an asset reconstruction company the gain, the excess provision, if any, is not reversed but will be utilised to meet the shortfall/loss on account of sale of other financial assets to asset reconstruction company.

## 16. Fixed assets and depreciation

Premises and other fixed assets are carried at cost less accumulated depreciation. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Depreciation is charged over the estimated useful life of a fixed asset on a straight-line basis, the rates of depreciation for fixed assets are not lower than the rates prescribed in Schedule XIV of the Companies Act, 1956.

Depreciation on leased assets and leasehold improvements is recognised on a straight-line basis using rates determined with reference to the primary period of lease or rates specified in Schedule XIV of the Companies Act, 1956, whichever is higher.

Assets purchased/sold during the period are depreciated on a pro-rata basis for the actual number of days the asset has been put to use.

In case of the Bank, items costing up to Rs. 5,000/- are depreciated fully over a period of 12 months from the date of purchase.

In case of revalued/impaired assets, depreciation is provided over the remaining useful life of the assets with reference to revised assets values.

In case of the Bank's life insurance subsidiary, intangible assets comprising software are stated at cost less amortisation. Significant improvements to software are capitalised over the remaining useful life of original software. Software expenses, that are capitalised, are amortised on straight-line method over a period of four years from the date they are put to use, being management's estimate of the useful life of such intangibles. Depreciation on furniture and fixtures is charged at the rate of 15% per annum.

In case of the Bank's general insurance and housing finance subsidiaries, computer software is stated at cost less amortisation. Computer software including improvements is amortised over a period of five years, being management's estimate of the useful life of such intangibles.

## 17. Accounting for derivative contracts

The Group enters into derivative contracts such as foreign currency options, interest rate and currency swaps, credit default swaps and cross currency interest rate swaps.

The swap contracts entered into 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 is correlated with the movement of underlying assets and accounted pursuant to the principles of hedge accounting. Hedge swaps are accounted for on an accrual basis except in the case of the Bank's United Kingdom and Canadian banking subsidiaries, where the hedging transactions and the hedged items (for the risks being hedged) are measured at fair value with changes recognised in the profit and loss account.

Foreign currency and rupee derivative contracts entered into for trading purposes are marked to market and the resulting gain/loss, (net of provisions, if any) is accounted for in the profit and loss account. Pursuant to RBI guidelines, any receivables under derivative contracts, which remain overdue for more than 90 days, are reversed through the profit and loss account.

## 18. Impairment of assets

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset with future net discounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment is recognised by debiting the profit and loss account and is measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets.

## 19. Lease transactions

Lease payments for assets taken on operating lease are recognised as an expense in the profit and loss account over the lease term.

## 20. Earnings per share (EPS)

Basic and diluted earnings per share are computed in accordance with AS 20 on 'earnings per share' issued by ICAI.

Basic EPS is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares issued by the group outstanding during the year, except where the results are anti-dilutive.

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### SCHEDULE 19

#### NOTES FORMING PART OF THE ACCOUNTS

The following additional disclosures have been made taking into account the requirements of accounting standards and RBI guidelines in this regard.

#### 1. Earnings per share (EPS)

The following table sets forth, for the periods indicated, computation of earnings per share.

Rupees in million, except per share data

	Year ended March 31, 2010	Year ended March 31, 2009
<b>Basic</b>		
Weighted average no. of equity shares outstanding.....	1,113,737,557	1,113,129,213
Net profit .....	46,702.9	35,769.5
Basic earnings per share (Rs.) .....	41.93	32.13
<b>Diluted</b>		
Weighted average no. of equity shares outstanding.....	1,118,224,665	1,115,328,034
Net profit .....	46,649.4	35,763.5
Diluted earnings per share (Rs.) .....	41.72	32.07
Face value per share (Rs.).....	10.00	10.00

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

#### 2. Related party transactions

The Group has transactions with its related parties comprising associates/other related entities and key management personnel and their relatives.

##### Associates/other related entities

Financial Information Network & Operations Limited, I-Process Services (India) Private Limited, I-Solutions Providers (India) Private Limited, NIIT Institute of Finance Banking and Insurance Training Limited, ICICI Venture Value Fund (upto March 31, 2009), Comm Trade Services Limited, Contests2win.com India Private Limited (upto March 31, 2009), Crossdomain Solutions Private Limited (upto March 31, 2009), Transafe Services Limited (upto March 31, 2009), Prize Petroleum Company Limited, ICICI Foundation for Inclusive Growth, Rainbow Fund<sup>1</sup>, Firstsource Solutions Limited (upto December 31, 2009) and ICICI Merchant Services Private Limited<sup>1</sup>.

- For entities that have been identified as related parties during the year ended March 31, 2010, previous year's comparative figures have not been reported.

##### Key management personnel

Mr. K. V. Kamath<sup>1</sup>, Ms. Chanda D. Kochhar, Mr. Sandeep Bakhshi<sup>2</sup>, Mr. N. S. Kannan<sup>2</sup>, Mr. K. Ramkumar<sup>3</sup>, Mr. Sonjoy Chatterjee, Mr. V. Vaidyanathan<sup>1</sup>, Ms. Madhabi Puri Buch<sup>4</sup>.

##### Relatives of key management personnel

Ms. Rajalakshmi Kamath<sup>1</sup>, Mr. Ajay Kamath<sup>1</sup>, Ms. Ajnya Pai<sup>1</sup>, Mr. Mohan Kamath<sup>1</sup>, Mr. Deepak Kochhar, Mr. Arjun Kochhar, Ms. Aarti Kochhar, Mr. Mahesh Advani, Ms. Varuna Karna, Ms. Sunita R. Advani, Ms. Mona Bakhshi<sup>2</sup>, Mr. Sameer Bakhshi<sup>2</sup>, Ms. Rangarajan Kumudalakshmi<sup>2</sup>, Ms. Aditi Kannan<sup>2</sup>, Mr. Narayanan Raghunathan<sup>2</sup>, Mr. Narayanan Rangarajan<sup>2</sup>, Mr. Narayanan Krishnamachari<sup>2</sup>, Ms. Narayanan Sudha<sup>2</sup>, Mr. R. Shyam<sup>3</sup>, Ms. R. Suchithra<sup>3</sup>, Ms. J. Krishnaswamy<sup>3</sup>, Mr. K. Jayakumar<sup>3</sup>, Ms. Ameeta Chatterjee, Mr. Somnath Chatterjee, Mr. Tarak Nath Chatterjee, Ms. Sunaina Chatterjee, Ms. Nandini Chatterjee, Ms. Jeyashree V.<sup>1</sup>, Mr. V. Satyamurthy<sup>1</sup>, Mr. V. Krishnamurthy<sup>1</sup>, Mr. K. Vembu<sup>1</sup>, Mr. Dhaval Buch<sup>4</sup>, Mr. Kamal Puri<sup>4</sup>, Ms. Rama Puri<sup>4</sup>.

- Transactions reported upto April 30, 2009.
- Transactions reported with effect from May 1, 2009.
- Transactions reported with effect from February 1, 2009.
- Transactions reported upto January 31, 2009.

The following were the significant transactions between the Group and its related parties for the year ended March 31, 2010. A specific related party transaction is disclosed as a material related party transaction wherever it exceeds 10% of all related party transactions in that category.

##### Insurance services

During the year ended March 31, 2010, the Group received insurance premium from associates/other related entities amounting to Rs. 52.5 million (March 31, 2009: Rs. 207.0 million), from key management personnel of the Bank amounting to Rs. 0.1 million (March 31, 2009: Rs. 0.3 million) and from relatives of key management personnel amounting to Rs. 0.3 million (March 31, 2009: Nil). The material transaction for the year ended March 31, 2010 was with Firstsource Solutions Limited amounting to Rs. 46.7 million (March 31, 2009: Rs. 196.0 million).

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During the year ended March 31, 2010, the Group paid insurance claims to its associates/other related entities amounting to Rs. 10.5 million (March 31, 2009: Rs. 164.8 million), to the key management personnel of the Bank amounting to Rs. 0.3 million (March 31, 2009: Rs. 0.2 million) and to relatives of key management personnel amounting to Rs. 0.1 million (March 31, 2009: Nil). The material transactions for the year ended March 31, 2010 were with Firstsource Solutions Limited amounting to Rs. 8.2 million (March 31, 2009: Rs. 159.7 million) and with Financial Information Network and Operations Limited amounting to Rs. 1.3 million (March 31, 2009: Rs. 1.9 million).

## **Fees and commission**

During the year ended March 31, 2010, the Group received fees from its associates/other related entities amounting to Rs. 3.0 million (March 31, 2009: Rs. 140.6 million), from key management personnel amounting to Rs. 0.2 million (March 31, 2009: Rs. 0.6 million) and from relatives of key management personnel amounting to Rs. 0.1 million (March 31, 2009: Nil). The material transactions for the year ended March 31, 2010 were with Firstsource Solutions Limited amounting to Rs. 2.2 million (March 31, 2009: Rs. 139.0 million), NIIT Institute of Finance Banking and Insurance Training Limited amounting to Rs. 0.4 million (March 31, 2009: Rs. 0.8 million) and with Rainbow Fund amounting to Rs. 0.4 million.

During the year ended March 31, 2010, the Group received commission from its associates/other related entities amounting to Rs. 15.4 million (March 31, 2009: Rs. 7.5 million). The material transaction for the year ended March 31, 2010 was with Firstsource Solutions Limited amounting to Rs. 15.3 million (March 31, 2009: Rs. 7.2 million).

## **Lease of premises and facilities**

During the year ended March 31, 2010, the Group received income from its associates/other related entities amounting to Rs. 52.8 million (March 31, 2009: Rs. 31.8 million) for lease of premises, facilities and other administrative costs. The material transactions for the year ended March 31, 2010 were with ICICI Merchant Services Private Limited amounting to Rs. 32.0 million, Firstsource Solutions Limited amounting to Rs. 19.7 million (March 31, 2009: Rs. 26.3 million) and with ICICI Foundation for Inclusive Growth amounting to Rs. 1.0 million (March 31, 2009: Rs. 5.3 million).

## **Secondment of employees**

During the year ended March 31, 2010, the Group received compensation from its associates/other related entities amounting to Rs. 27.0 million (March 31, 2009: Rs. 5.3 million) for secondment of employees. The material transactions for the year ended March 31, 2010 were with ICICI Merchant Services Private Limited Rs. 22.5 million, I-Process Services (India) Private Limited amounting to Rs. 3.0 million (March 31, 2009: Rs. 3.6 million), and with I-Solutions Providers (India) Private Limited amounting to Rs. 1.5 million (March 31, 2009: Rs. 1.7 million).

## **Redemption/buyback and conversion of investments**

During the year ended March 31, 2009, the Group received Rs. 58.5 million on account of buyback of equity shares by Crossdomain Solutions Private Limited and Rs. 0.5 million on account of redemption of units by ICICI Venture Value Fund.

## **Brokerage and fee expenses**

During the year ended March 31, 2010, the Group paid fees to its associates/other related entities amounting to Rs. 1,414.4 million (March 31, 2009: Rs. 1,790.7 million). The material transactions were with I-Process Services (India) Private Limited amounting to Rs. 686.1 million (March 31, 2009: Rs. 1,027.5 million), Financial Information Network and Operations Limited amounting to Rs. 345.5 million (March 31, 2009: Rs. 26.4 million), Firstsource Solutions Limited amounting to Rs. 215.1 million (March 31, 2009: Rs. 419.6 million), I-Solutions Providers (India) Private Limited amounting to Nil (March 31, 2009: Rs. 227.2 million) and with ICICI Merchant Services Private Limited amounting to Rs. 169.6 million.

## **Purchase of investments**

During the year ended March 31, 2010, the Group invested in equity/unit capital of its associates/other related entities amounting to Rs. 765.3 million (March 31, 2009: Rs. 11.4 million). The material transactions were investment in ICICI Merchant Services Private Limited amounting to Rs. 755.8 million and in the unit capital of ICICI Venture Value Fund amounting to Nil (March 31, 2009: Rs. 11.4 million).

## **Interest expenses**

During the year ended March 31, 2010, the Group paid interest to its associates/other related entities amounting to Rs. 0.3 million (March 31, 2009: Rs. 19.3 million), to its key management personnel amounting to Rs. 2.5 million (March 31, 2009: Rs. 2.5 million) and to relatives of key management personnel amounting to Rs. 1.2 million (March 31, 2009: Rs. 1.3 million). The material transactions were with Mr. K. Ramkumar amounting to Rs. 1.7 million, with Firstsource Solutions Limited amounting to Rs. 0.1 million (March 31, 2009: Rs. 10.4 million) and Crossdomain Solutions Private Limited amounting to Nil (March 31, 2009: Rs. 8.7 million).

## **Interest income**

During the year ended March 31, 2010, the Group received interest from its associates/other related entities amounting to Rs. 93.3 million (March 31, 2009: Rs. 8.7 million), from its key management personnel amounting to Rs. 0.5 million (March 31, 2009: Rs. 2.3 million) and from relatives of key management personnel amounting to Rs. 1.0 million (March 31, 2009: Rs. 0.3 million). The material transactions were with Firstsource Solutions Limited amounting to Rs. 90.4 million (March 31, 2009: Rs. 1.5 million), Financial Information Network and Operations Limited amounting to Rs. 2.9 million (March 31, 2009: Rs. 3.6 million), Transafe Services Limited amounting to Nil (March 31, 2009: Rs. 3.6 million) and Mr. V. Vaidyanathan amounting to Nil (March 31, 2009: Rs. 2.1 million).

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### Other income

During the year ended March 31, 2010, the net loss on derivative transactions entered with Firstsource Solutions Limited for Rs. 220.9 million (March 31, 2009: net gain Rs. 9.9 million).

### Dividend income

During the year ended March 31, 2009, the Group received dividend from Transafe Services Limited amounting to Rs. 6.7 million.

### Purchase of fixed assets

During the year ended March 31, 2009, the Group purchased fixed assets from its associates/other related entities amounting to Rs. 13.0 million. The material transaction for the year ended March 31, 2009 was with Financial Information Network and Operations Limited for Rs. 12.4 million.

### Dividend paid

During the year ended March 31, 2010, the Bank paid dividend to its key management personnel amounting to Rs. 4.5 million (March 31, 2009: Rs. 10.2 million). The dividend paid to Mr. K. V. Kamath during the year ended March 31, 2009 was Rs. 5.4 million, dividend paid during the year ended March 31, 2010 to Ms. Chanda D. Kochhar was Rs. 3.0 million (March 31, 2009: Rs. 3.0 million), to Mr. Sandeep Bakhshi was Rs. 0.03 million, to Mr. N. S. Kannan was Rs. 0.9 million, to Mr. K. Ramkumar was Rs. 0.2 million (March 31, 2009: Rs. 0.2 million), to Mr. Sonjoy Chatterjee was Rs. 0.3 million (March 31, 2009: Rs. 0.3 million), to Ms. Madhabi Puri Buch during the year ended March 31, 2009 was Rs. 1.1 million and to Mr. V. Vaidyanathan during the year ended March 31, 2009 was Rs. 0.2 million.

### Remuneration to wholetime directors

Remuneration paid to the wholetime directors of the Bank during the year ended March 31, 2010 was Rs. 119.4 million (March 31, 2009: Rs. 91.7 million). The remuneration paid for the year ended March 31, 2010 to Mr. K. V. Kamath was Rs. 4.1 million (March 31, 2009: Rs. 30.8 million), to Ms. Chanda D. Kochhar was Rs. 17.3 million (March 31, 2009: Rs. 18.4 million), to Mr. Sandeep Bakhshi was Rs. 12.6 million, to Mr. N. S. Kannan was Rs. 10.2 million, to Mr. K. Ramkumar was Rs. 53.7 million (includes perquisite value of Rs. 40.6 million on employee stock options exercised) (March 31, 2009: Rs. 1.6 million), to Mr. Sonjoy Chatterjee was Rs. 19.6 million (includes perquisite value of Rs. 7.9 million on employee stock options exercised) (March 31, 2009: Rs. 13.0 million), to Ms. Madhabi Puri Buch during the year ended March 31, 2009 was Rs. 13.5 million and to Mr. V. Vaidyanathan was Rs. 1.9 million (March 31, 2009: Rs. 14.4 million).

### Donation given

During the year ended March 31, 2010, the Group has given donation to ICICI Foundation for Inclusive Growth amounting to Rs. 236.2 million (March 31, 2009: Rs. 417.8 million).

### Related party balances

The following table sets forth, for the years indicated, the balance payable to/receivable from its associates/other related entities.

Items	Rupees in million	
	At March 31, 2010	At March 31, 2009
Deposits with the Group.....	300.7	287.3
Advances.....	42.5	89.9
Investments by the Group in related parties .....	955.7	1,598.1
Receivables .....	285.4	236.3
Payables .....	218.0	177.6
Guarantees issued by the Group .....	0.1	1,916.1

The following table sets forth, for the years indicated, balance payable to/receivable from key management personnel.

Items	Rupees in million, except number of shares	
	At March 31, 2010	At March 31, 2009
Deposits with the Group.....	38.5	61.4
Advances.....	6.7	7.9
Investments.....	3.6	9.3
Employee stock options outstanding (numbers).....	1,254,250	3,318,125
Employee stock options exercised <sup>1</sup> .....	46.3	—

1. During the year ended March 31, 2010, 121,875 employee stock options were exercised by the key management personnel of the Bank (March 31, 2009: Nil).



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The following table sets forth, for the years indicated, the balance payable to/receivable from relatives of key management personnel.

Rupees in million

Items	At March 31, 2010	At March 31, 2009
Deposits with the Group.....	16.9	17.2
Advances.....	8.1	7.5
Investments.....	—	—

The following table sets forth, for the years indicated, the maximum balance payable to/receivable from key management personnel.

Rupees in million

Items	Year ended March 31, 2010	Year ended March 31, 2009
Deposits with the Group.....	66.1	123.7
Advances.....	26.1	63.6
Investments.....	9.1	9.3

The following table sets forth, for the years indicated, the maximum balance payable to/receivable from relatives of key management personnel.

Rupees in million

Items	Year ended March 31, 2010	Year ended March 31, 2009
Deposits with the Group.....	23.2	38.3
Advances.....	12.2	7.6
Investments.....	0.3	—

### 3. Employee stock option scheme (ESOS)

In terms of the ESOS, as amended, the maximum number of options granted to any eligible employee in a financial year shall not exceed 0.05% of the issued equity shares of the Bank at the time of grant of the options and aggregate of all such options granted to the eligible employees shall not exceed 5.0% of the aggregate number of the issued equity shares of the Bank on the date(s) of the grant of options. Under the stock option scheme, eligible employees are entitled to apply for equity shares. Options granted in April 2009 vest in a graded manner over a five year period with 20.0%, 20.0%, 30.0% and 30.0% of grant vesting each year, commencing from the end of 24 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. No options have been granted to wholetime Directors for fiscal 2009.

In terms of the Scheme, 18,763,460 options (March 31, 2009: 18,992,504 options) granted to eligible employees were outstanding at March 31, 2010.

As per the scheme, the exercise price of the Bank's options is the last closing price on the stock exchange, which recorded highest trading volume preceding the date of grant of options. Hence, there is no compensation cost in the year ended March 31, 2010 based on the intrinsic value of options. However, if the Bank had used the fair value of options based on the Black-Scholes model, compensation cost in the year ended March 31, 2010 would have been higher by Rs. 901.2 million and the proforma profit after tax would have been Rs. 39.35 billion.

The following table sets forth, the key assumptions used to estimate the fair value of options granted during the year ended March 31, 2010.

Risk-free interest rate.....	6.53% to 7.76%
Expected life .....	6.35 to 6.85 years
Expected volatility .....	48.65% to 49.18%
Expected dividend yield .....	1.22% to 2.53%

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The weighted average fair value of options granted during the year ended March 31, 2010 is Rs. 199.91 (March 31, 2009: Rs. 331.19)

The following table sets forth, for the periods indicated, a summary of the status of the Bank's stock option plan.

Rupees, except number of options

Particulars	Stock options outstanding			
	Year ended March 31, 2010		Year ended March 31, 2009	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year.....	18,992,504	685.05	15,638,152	596.32
Add: Granted during the year .....	1,731,000	434.78	5,640,500	912.30
Less: Lapsed during the year .....	365,372	661.78	1,723,001	737.40
Less: Exercised during the year .....	1,594,672	366.38	563,147	336.96
Outstanding at the end of the year.....	18,763,460	689.50	18,992,504	685.05
Options exercisable .....	10,104,780	609.18	7,188,420	496.10

The following table sets forth, summary of stock options outstanding at March 31, 2010.

Range of exercise price (Rupees per share)	Number of shares arising out of options (Number of shares)	Weighted average exercise price (Rupees)	Weighted average remaining contractual life (Number of years)
105–299	117,601	146.21	2.03
300–599	9,339,639	462.04	6.08
600–999	9,238,220	923.24	7.61
1,000–1,399	68,000	1,114.57	7.65

The options were exercised regularly throughout the year and the weighted average share price as per National Stock Exchange (NSE) price volume data during the year ended March 31, 2010 was Rs. 853.80 (March 31, 2009: Rs. 723.55).

The Finance (No. 2) Act, 2009 has abolished fringe benefit tax and introduced tax on the scheme in the hands of the employees as perquisites which is computed on the difference between the fair market value on date of exercise and the exercise price with effect from April 1, 2009.

ICICI Prudential Life Insurance Company Limited has formulated various ESOS schemes, namely Founder I, Founder II, 2004-05, 2005-06, 2006-07 and 2007-08.

For ICICI Prudential Life Insurance Company Limited there is no compensation cost for the year ended March 31, 2010 based on the intrinsic value of options. If the entity had used the fair value of options based on the Black-Scholes model, compensation cost for the year ended March 31, 2010 would have been higher by Rs. 175.1 million (March 31, 2009: Rs. 359.0 million).

The key assumptions used to estimate the fair value of options are given below.

Risk-free interest rate.....	6.87% – 8.00% p.a.
Expected life .....	3 – 5 years
Expected volatility .....	28.65% p.a.
Expected dividend yield .....	1.50% p.a.



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The following table sets forth, for the periods indicated, a summary of the status of the stock option plan of ICICI Prudential Life Insurance Company Limited.

Rupees, except number of options

Particulars	Stock options outstanding			
	Year ended March 31, 2010		Year ended March 31, 2009	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at the beginning of the year.....	16,609,012	199.72	12,684,277	94.61
Add: Granted during the year .....	—	—	6,074,000	400.00
Less: Forfeited/lapsed during the year.....	896,336	147.79	1,005,695	244.04
Less: Exercised during the year .....	885,590	67.95	1,143,570	58.72
Outstanding at the end of the year.....	14,827,086	210.73	16,609,012	199.72
Options exercisable .....	5,614,986	136.69	2,920,138	71.27

The following table sets forth, summary of stock options outstanding of ICICI Prudential Life Insurance Company Limited at March 31, 2010.

Range of exercise price (Rupees per share)	Number of shares arising out of options (Number of shares)	Weighted average exercise price (Rupees)	Weighted average remaining contractual life (Number of years)
30 – 400	14,827,086	210.73	7

ICICI Lombard General Insurance Company Limited has granted stock options to employees. If the entity had used the fair value of options based on the Black-Scholes model, compensation cost for the year ended March 31, 2010 would have been higher by Rs. 37.6 million (March 31, 2009: Rs. 172.0 million).

The key assumptions used to estimate the fair value of options are given below.

Risk-free interest rate.....	5.79% – 8.17% p.a.
Expected life .....	3 – 7 years
Expected volatility .....	17.00% – 60.73% p.a.
Expected dividend yield .....	0.80% – 2.85% p.a.

The following table sets forth, for the periods indicated, a summary of the status of the stock option plan of ICICI Lombard General Insurance Company Limited.

Rupees, except number of options

Particulars	Stock options outstanding			
	Year ended March 31, 2010		Year ended March 31, 2009	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at the beginning of the year.....	14,398,162	94.19	12,378,256	48.00
Add: Granted during the year .....	1,249,000	91.00	5,050,000	200.00
Less: Forfeited/lapsed during the year.....	1,704,528	107.33	2,246,266	96.69
Less: Exercised during the year .....	596,722	41.86	783,828	39.20
Outstanding at the end of the year.....	13,345,912	94.56	14,398,162	94.19
Options exercisable .....	6,737,136	63.26	1,250,394	61.86

The following table sets forth, summary of stock options outstanding of ICICI Lombard General Insurance Company Limited at March 31, 2010.

Range of exercise price (Rupees per share)	Number of shares arising out of options (Number of shares)	Weighted average exercise price (Rupees)	Weighted average remaining contractual life (Number of years)
35 – 200	13,345,912	94.56	7.99

If the Group had used the fair value of options based on the Black-Scholes model, the compensation cost for the year ended March 31, 2010 would have been higher by Rs. 1,058.3 million (March 31, 2009: Rs. 1,828.4 million) and the proforma consolidated profit after tax would have been Rs. 45.64 billion (March 31, 2009: Rs. 33.94 billion). On a proforma basis, the Group's basic earnings per share would have been Rs. 40.98 (March 31, 2009: Rs. 30.49) and diluted earnings per share would have been Rs. 40.77 (March 31, 2009: Rs. 30.43).

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### 4. Fixed assets

The following table sets forth, for the periods indicated, the movement in software acquired by the Group, as included in fixed assets.

Rupees in million

Particulars	At March 31, 2010	At March 31, 2009
At cost at March 31 of preceding year .....	6,906.7	5,631.8
Additions during the year.....	1,369.5	1,329.7
Deductions during the year.....	(261.6)	(54.8)
Depreciation/amortisation to date .....	(5,250.7)	(4,385.1)
Net block .....	2,763.9	2,521.6

### 5. Assets on lease

#### 5.1 Assets taken under operating lease

The following table sets forth, for the periods indicated, the details of future rentals payable on operating leases.

Rupees in million

Particulars	At March 31, 2010	At March 31, 2009
Not later than one year .....	1,651.9	1,896.0
Later than one year and not later than five years .....	4,211.4	4,904.4
Later than five years.....	1,500.6	1,730.9
<b>Total</b> .....	<b>7,363.9</b>	<b>8,531.3</b>

#### 5.2 Assets under finance lease

The following table sets forth, for the periods indicated, the details of finance leases.

Rupees in million

Particulars	At March 31, 2010	At March 31, 2009
Future minimum lease receipts		
Present value of lease receipts.....	17.4	174.8
Unmatured finance charges.....	0.2	9.3
<b>Total</b> .....	<b>17.6</b>	<b>184.1</b>
Maturity profile of future minimum lease receipts		
– Not later than one year .....	17.6	176.4
– Later than one year and not later than five years .....	—	7.7
– Later than five years.....	—	—
<b>Total</b> .....	<b>17.6</b>	<b>184.1</b>

#### 5.3 Maturity profile of present value of lease rentals

The following table sets forth, for the periods indicated, the details of maturity profile of present value of finance lease receipts.

Rupees in million

Particulars	At March 31, 2010	At March 31, 2009
Not later than one year .....	17.4	167.3
Later than one year and not later than five years .....	—	7.5
Later than five years.....	—	—
<b>Total</b> .....	<b>17.4</b>	<b>174.8</b>

### 6. Preference shares

Certain government securities amounting to Rs. 2,405.2 million at March 31, 2010 (March 31, 2009: Rs. 2,356.6 million) have been earmarked against redemption of preference share capital, which fall due for redemption on April 20, 2018, as per the original issue terms.

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## 7. Staff retirement benefits

### Pension

The following table sets forth, for the year indicated, reconciliation of opening and closing balance of the present value of the defined benefit obligation for pension benefits of the Group.

Rupees in million

Particulars	Pension	
	Year ended March 31, 2010	Year ended March 31, 2009
<b>Opening obligations</b>	<b>1,932.2</b>	<b>1,678.1</b>
Service cost	51.8	62.5
Interest cost	134.5	146.6
Actuarial (gain)/loss	(32.1)	484.8
Liabilities extinguished on settlement	(287.7)	(364.2)
Benefits paid	(50.0)	(75.6)
<b>Obligations at the end of the year</b>	<b>1,748.7</b>	<b>1,932.2</b>
<b>Opening plan assets, at fair value</b>	<b>2,145.3</b>	<b>1,490.1</b>
Expected return on plan assets	169.9	117.4
Actuarial gain/(loss)	(130.7)	144.8
Assets distributed on settlement	(322.6)	(395.8)
Contributions	28.0	864.4
Benefits paid	(50.0)	(75.6)
<b>Closing plan assets, at fair value</b>	<b>1,839.9</b>	<b>2,145.3</b>
Fair value of plan assets at the end of the year	1,839.9	2,145.3
Present value of the defined benefit obligations at the end of the year	1,748.7	1,932.2
Amount not recognised as an asset (limit in para 59(b) of AS 15 on 'employee benefits')	7.7	51.2
<b>Asset/(liability)</b>	<b>83.5</b>	<b>161.9</b>
<b>Cost for the year</b>		
Service cost	51.8	62.5
Interest cost	134.5	146.6
Expected return on plan assets	(169.9)	(117.4)
Actuarial (gain)/loss	98.6	340.0
Curtailments & settlements (gain)/loss	34.9	31.6
Effect of the limit in para 59(b) of AS 15 on 'employee benefits'	(43.5)	51.2
<b>Net cost</b>	<b>106.4</b>	<b>514.5</b>
<b>Investment details of plan assets</b>		
Majority of the plan assets are invested in Government securities and corporate bonds.		
<b>Assumptions</b>		
Interest rate	7.75%	6.85%
Salary escalation rate	7.00%	7.00%
Estimated rate of return on plan assets	8.00%	8.00%

### Experience adjustment

Rupees in million

Particulars	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Plan assets	1,839.9	2,145.3	1,490.1	988.5
Defined benefit obligations	1,748.7	1,932.2	1,678.1	1,029.4
Amount not recognised as an asset (limit in para 59(b) of AS 15 on 'employee benefits')	7.7	51.2	—	—
Surplus/(deficit)	83.5	161.9	(188.0)	(40.9)
Experience adjustment on plan assets	(130.7)	144.8	(117.9)	(110.1)
Experience adjustment on plan liabilities	196.9	6.6	(121.9)	32.8

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## forming part of the Consolidated Accounts (Contd.)

### Gratuity

The following table sets forth, for the year indicated, reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity benefits of the Group.

Rupees in million

Particulars	Gratuity	
	Year ended March 31, 2010	Year ended March 31, 2009
<b>Defined benefit obligation liability</b>		
<b>Opening obligations</b> .....	<b>2,813.8</b>	<b>2,287.2</b>
Add: Addition for exchange fluctuation on opening obligation .....	<b>(4.8)</b>	<b>6.4</b>
Add: Addition due to amalgamation .....	<b>—</b>	<b>0.9</b>
Service cost .....	<b>440.8</b>	<b>480.6</b>
Interest cost .....	<b>212.5</b>	<b>231.8</b>
Actuarial (gain)/loss .....	<b>(230.6)</b>	<b>96.7</b>
Past service cost .....	<b>98.6</b>	<b>13.2</b>
Transitional obligation/(asset) .....	<b>—</b>	<b>—</b>
Liability assumed on acquisition/(settled on divestiture) .....	<b>11.0</b>	<b>18.1</b>
Benefits paid .....	<b>(251.7)</b>	<b>(321.1)</b>
<b>Obligation at end of year</b> .....	<b>3,089.6</b>	<b>2,813.8</b>
<b>Opening plan assets, at fair value</b> .....	<b>2,521.7</b>	<b>1,712.6</b>
Expected return on plan assets .....	<b>209.7</b>	<b>146.1</b>
Actuarial gain/(loss) .....	<b>194.8</b>	<b>(149.3)</b>
Contributions .....	<b>378.0</b>	<b>1,115.3</b>
Asset acquired on acquisition/(distributed on divestiture) .....	<b>20.7</b>	<b>18.1</b>
Benefits paid .....	<b>(251.7)</b>	<b>(321.1)</b>
<b>Closing plan assets, at fair value</b> .....	<b>3,073.2</b>	<b>2,521.7</b>
Fair value of plan assets at the end of the year .....	<b>3,073.2</b>	<b>2,521.7</b>
Present value of the defined benefit obligations at the end of the year .....	<b>3,089.6</b>	<b>2,813.8</b>
Unrecognised past service cost .....	<b>40.5</b>	<b>15.3</b>
Amount not recognised as an asset (limit in para 59(b) of AS 15 on 'employee benefits') .....	<b>47.9</b>	<b>7.9</b>
<b>Asset/(liability)</b> .....	<b>(23.8)</b>	<b>(284.7)</b>
<b>Cost for the year</b>		
Service cost .....	<b>440.8</b>	<b>480.6</b>
Interest cost .....	<b>212.5</b>	<b>231.8</b>
Expected return on plan assets .....	<b>(209.7)</b>	<b>(146.1)</b>
Actuarial (gain)/loss .....	<b>(425.4)</b>	<b>246.0</b>
Past service cost .....	<b>73.3</b>	<b>13.6</b>
Losses/(gains) on "Acquisition/Divestiture" .....	<b>(2.2)</b>	<b>—</b>
Exchange fluctuation loss/(gain) .....	<b>(4.8)</b>	<b>6.4</b>
Transitional obligation/(asset) .....	<b>—</b>	<b>—</b>
Effect of the limit in para 59(b) of AS 15 on 'employee benefits' .....	<b>40.0</b>	<b>7.9</b>
<b>Net cost</b> .....	<b>124.5</b>	<b>840.2</b>
<b>Investment details of plan assets</b>		
Majority of the plan assets are invested in Government securities and corporate bonds.		
<b>Assumptions</b>		
Interest rate .....	<b>6.10% – 8.35%</b>	<b>5.50% – 7.55%</b>
Salary escalation rate .....	<b>6.00% – 20.00%</b>	<b>6.00% – 20.00%</b>
Estimated rate of return on plan assets .....	<b>7.50% – 8.00%</b>	<b>7.50% – 8.00%</b>

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forming part of the Consolidated Accounts (Contd.)

## Experience adjustment

Rupees in million

Particulars	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Plan assets .....	3,073.2	2,521.7	1,712.6	1,011.3
Defined benefit obligations.....	3,089.6	2,813.8	2,287.2	1,352.2
Amount not recognised as an asset (limit in para 59(b) of AS 15 on 'employee benefits').....	47.9	7.9	—	—
Surplus/(deficit) .....	(64.3)	(300.0)	(574.6)	(340.9)
Experience adjustment on plan assets.....	194.8	(149.3)	(4.0)	(13.6)
Experience adjustment on plan liabilities .....	(21.2)	(22.3)	(29.2)	69.5

The estimates of future salary increases, considered in actuarial valuation, take into consideration inflation, seniority, promotion and other relevant factors.

The guidance on implementing AS 15 on 'employee benefits' (revised 2005) issued by the Accounting Standards Board (ASB) provides that exempt provident funds which require employers to meet the interest shortfall are in effect defined benefit plans. The Group's actuary has informed that it is not practical to actuarially determine the interest shortfall obligation.

## 8. Provision for income tax

The provision for income tax (including deferred tax) for the year ended March 31, 2010 amounted to Rs. 17,321.8 million (March 31, 2009: Rs. 15,859.3 million). The levy of FBT is not applicable as the Finance (No. 2) Act, 2009 has abolished FBT with effect from financial year 2009-10.

The Group has a comprehensive system of maintenance of information and documents required by transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. The management is of the opinion that all international transactions are at arm's length and hence the above legislation does not have material impact on the financial statements.

## 9. Deferred tax

At March 31, 2010 the Group has recorded net deferred tax asset of Rs. 24,842.1 million (March 31, 2009: Rs. 25,184.0 million), which has been included in other assets.

The following table sets forth, for the periods indicated, the break-up of deferred tax assets and liabilities into major items.

Rupees in million

Particulars	At March 31, 2010	At March 31, 2009
<b>Deferred tax asset</b>		
Provision for bad and doubtful debts .....	24,052.8	22,037.1
Capital loss .....	—	131.4
Others .....	5,503.0	5,697.6
<b>Total deferred tax asset .....</b>	<b>29,555.8</b>	<b>27,866.1</b>
<b>Less: Deferred tax liability</b>		
Depreciation on fixed assets .....	4,712.6	5,494.8
Others .....	86.5	109.3
<b>Total deferred tax liability.....</b>	<b>4,799.1</b>	<b>5,604.1</b>
<b>Add: Net deferred tax asset pertaining to foreign branches/foreign subsidiaries .....</b>	<b>85.4</b>	<b>2,922.0</b>
<b>Total net deferred tax asset/(liability) .....</b>	<b>24,842.1</b>	<b>25,184.0</b>

At March 31, 2010 deferred tax assets have been created on carry forward unabsorbed losses by ICICI Prudential Life Insurance Company amounting to Rs. 2,041.5 million (March 31, 2009: Rs. 3,180.8 million) and by ICICI Lombard General Insurance Company amounting to Nil (March 31, 2009: Rs. 353.1 million).

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### 10. Information about business and geographical segments

#### A. Business segments for the year ended March 31, 2010

During the quarter ended June 30, 2008, a new business segment viz. 'Venture fund management' had been identified for the purpose of consolidated segment reporting as the result of this segment exceeded the threshold limits for identifying reportable segment as set out in AS 17 on 'segment reporting' issued by ICAI. Though the results of this segment does not exceed the threshold for identifying reportable segment for the year ended March 31, 2010, the segment has been disclosed as a reportable segment in accordance with AS 17 on 'segment reporting' issued by ICAI.

The primary segment for the Group has been presented as follows:

1. **Retail banking** includes exposures of the Bank which satisfy the four criteria of orientation, product, granularity and low value of individual exposures for retail exposures laid down in the Basel Committee on Banking Supervision document 'International Convergence of Capital Measurement and Capital Standards', as per the RBI guidelines for the Bank.
2. **Wholesale banking** includes all advances to trusts, partnership firms, companies and statutory bodies, by the Bank which are not included under Retail Banking segment, as per the RBI guidelines for the Bank.
3. **Treasury** includes the entire investment portfolio of the Bank, ICICI Eco-net Internet and Technology Fund, ICICI Equity Fund, ICICI Emerging Sectors Fund, ICICI Strategic Investments Fund and ICICI Venture Value Fund (with effect from June 30, 2009).
4. **Other banking** business includes hire purchase and leasing operations and other items not attributable to any particular business segment of the Bank. Further, it includes the Bank's banking subsidiaries i.e. ICICI Bank UK PLC, ICICI Bank Canada and its subsidiary, namely, ICICI Wealth Management Inc. (up to December 31, 2009) and ICICI Bank Eurasia LLC.
5. **Life insurance** represents results of ICICI Prudential Life Insurance Company Limited.
6. **General insurance** represents results of ICICI Lombard General Insurance Company Limited.
7. **Venture fund management** represents results of ICICI Venture Funds Management Company Limited.
8. **Others** includes ICICI Home Finance Company Limited, ICICI International Limited, ICICI Securities Primary Dealership Limited, ICICI Securities Limited, ICICI Securities Holdings Inc., ICICI Securities Inc., ICICI Prudential Asset Management Company Limited, ICICI Prudential Trust Limited, ICICI Investment Management Company Limited, ICICI Trusteeship Services Limited, TCW/ICICI Investment Partners LLC., ICICI Kinfra Limited, ICICI West Bengal Infrastructure Development Corporation Limited, Loyalty Solutions & Research Limited, I-Ven Biotech Limited and ICICI Prudential Pension Funds Management Company Limited (with effect from June 30, 2009).

Income, expenses, assets and liabilities are either specifically identified with individual segments or are allocated to segments on a systematic basis.

All liabilities are transfer priced to a central treasury unit, which pools all funds and lends to the business units at appropriate rates based on the relevant maturity of assets being funded after adjusting for regulatory reserve requirements.

The results of reported segments for the year ended March 31, 2010 are not comparable with that of reported segments for the year ended March 31, 2009, to the extent additional entities have been consolidated.

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The following table sets forth, the business segment results for the year ended March 31, 2010.

Rupees in million

Sr. no.	Particulars	Retail banking	Wholesale banking	Treasury	Other banking business	Life insurance	General insurance	Venture fund management	Others	Inter-segment adjustments	Total
1.	Revenue	177,244.1	192,541.3	248,297.5	34,898.1	185,378.0	28,511.1	1,832.7	32,576.6	(305,281.7)	595,997.7
2.	<b>Segment results</b>	(13,335.1)	36,451.0	27,444.4	7,733.8	2,776.5	1,583.1	744.1	6,814.2	(4,425.6)	65,786.4
3.	Unallocated expenses										—
4.	Income tax expenses (net)/net deferred tax credit										17,352.3
5.	Net profit <sup>1</sup> (2) - (3) - (4)										48,434.1
	<b>Other information</b>										
6.	Segment assets	737,339.9	1,184,314.3	1,641,699.5	610,350.8	584,434.3	65,597.7	2,532.2	183,265.0	(181,571.7)	4,827,962.0
7.	Unallocated assets <sup>2</sup>										65,511.0
8.	Total assets (6) + (7)										4,893,473.0
9.	Segment liabilities	1,186,393.0	915,021.2	1,525,509.0 <sup>3</sup>	604,992.4 <sup>3</sup>	587,425.8 <sup>3</sup>	66,798.5 <sup>3</sup>	2,569.5 <sup>3</sup>	185,621.4 <sup>3</sup>	(181,571.7)	4,892,759.1
10.	Unallocated liabilities										713.9
11.	Total liabilities (9) + (10)										4,893,473.0
12.	Capital expenditure	1,721.0	635.8	2.9	102.6	228.3	189.7	107.5	866.5	(187.6)	3,666.7
13.	Depreciation & amortisation	3,749.0	996.4	16.3	1,616.1	596.9	277.1	120.3	325.6	(69.0)	7,628.7

1. Includes share of net profit of minority shareholders.
2. Includes assets which cannot be specifically allocated to any of the segments, tax paid in advance/tax deducted at source (net), deferred tax asset (net).
3. Includes share capital and reserves and surplus.



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## forming part of the Consolidated Accounts (Contd.)

The following table sets forth, the business segment results for the year ended March 31, 2009.

Rupees in million											
Sr. no.	Particulars	Retail banking	Wholesale banking	Treasury	Other banking business	Life insurance	General insurance	Venture fund management	Others	Inter-segment adjustments	Total
1.	Revenue	230,152.1	248,077.1	297,421.3	45,280.9	165,074.3	26,624.0	3,456.5	32,160.0	(406,715.4)	641,530.8
2.	Segment results	580.5	34,133.1	13,069.4	6,079.1	(8,595.6)	2.7	2,020.8	5,893.5	(3,500.0)	49,683.5
3.	Unallocated expenses										—
4.	Income tax expenses (net)/(net deferred tax credit)										15,889.3
5.	Net profit <sup>1</sup> (2)- (3)- (4)										33,794.2
Other information											
6.	Segment assets	958,656.7	1,357,062.5	1,397,053.4	660,402.9	336,670.8	53,464.4	2,706.2	178,395.0	(191,380.4)	4,753,031.5
7.	Unallocated assets <sup>2</sup>										73,878.2
8.	Total assets (6) + (7)										4,826,909.7
9.	Segment liabilities	1,117,555.2	1,111,564.6	1,526,005.7 <sup>3</sup>	657,432.0 <sup>3</sup>	339,864.4 <sup>3</sup>	54,455.1 <sup>3</sup>	2,734.7 <sup>3</sup>	180,537.0 <sup>3</sup>	(191,380.4)	4,798,768.3
10.	Unallocated liabilities										28,141.4
11.	Total liabilities (9) + (10)										4,826,909.7
12.	Capital expenditure	4,224.2	1,264.2	3.3	514.0	854.5	692.3	114.0	715.0	(10.8)	8,370.7
13.	Depreciation & amortisation	3,628.6	1,027.3	4.7	2,259.6	554.1	264.4	13.2	314.9	—	8,066.8

1. Includes share of net profit of minority shareholders.

2. Includes assets which cannot be specifically allocated to any of the segments, tax paid in advance/tax deducted at source (net), deferred tax asset (net).

3. Includes share capital and reserves and surplus.

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## B. Geographical segments

The Group has reported its operations under the following geographical segments.

- **Domestic operations** comprise branches and subsidiaries/joint ventures in India.
- **Foreign operations** comprise branches and subsidiaries/joint ventures outside India and offshore banking unit in India.

The Group conducts transactions with its customers on a global basis in accordance with their business requirements, which may span across various geographies.

The following tables sets forth, for the periods indicated, the geographical segment results.

	Rupees in million	
<b>Revenue</b>	<b>For the year ended March 31, 2010</b>	<i>For the year ended March 31, 2009</i>
Domestic operations.....	<b>532,972.3</b>	561,671.6
Foreign operations.....	<b>63,025.4</b>	79,859.2
<b>Total.....</b>	<b>595,997.7</b>	641,530.8

	Rupees in million	
<b>Assets</b>	<b>At March 31, 2010</b>	<i>At March 31, 2009</i>
Domestic operations.....	<b>3,694,052.1</b>	3,464,948.3
Foreign operations.....	<b>1,134,927.3</b>	1,297,301.0
<b>Total.....</b>	<b>4,828,979.4</b>	4,762,249.3

Note: Segment assets do not include tax paid in advance/tax deducted at source (net) and deferred tax asset (net).

	Rupees in million			
	<b>Capital expenditure incurred during the year ended</b>		<b>Depreciation provided on capital expenditure during the year ended</b>	
	<b>March 31, 2010</b>	<i>March 31, 2009</i>	<b>March 31, 2010</b>	<i>March 31, 2009</i>
Domestic operations.....	<b>3,545.3</b>	7,795.5	<b>7,390.1</b>	7,872.1
Foreign operations.....	<b>121.4</b>	575.2	<b>238.6</b>	194.7
<b>Total.....</b>	<b>3,666.7</b>	8,370.7	<b>7,628.7</b>	8,066.8

## 11. Penalties/fines imposed by RBI and other banking regulatory bodies

There was no penalty imposed by RBI and other banking regulatory bodies during the year ended March 31, 2010 (March 31, 2009: Rs. 400).

## 12. Small and Micro Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to enterprises covered under the Act. During the year ended March 31, 2010, the amount paid to vendors registered under the MSMED Act, 2006 after the due date was Rs. 65.2 million (March 31, 2009: Nil). An amount of Rs. 1.7 million (March 31, 2009: Nil) has been charged to profit & loss account towards accrual of interest on these delayed payments.

## 13. Farm loan waiver

The Ministry of Finance, Government of India had issued guidelines for the implementation of the Agriculture debt waiver and relief scheme for farmers on May 23, 2008. The Bank has implemented the scheme as per guidelines issued by RBI circular DBOD No. BP.BC.26/21.04.048/2008-09 dated July 30, 2008 on 'Agricultural Debt Waiver and Debt Relief Scheme, 2008 – Prudential norms on income recognition, asset classification and provisioning and Capital Adequacy'.

Pursuant to the scheme an aggregate amount of Rs. 2,758.1 million (March 31, 2009: Rs. 2,666.7 million) has been waived which is recoverable from Government of India. Of the above, an amount of Rs. 1,220.8 million has been received by March 31, 2010 (March 31, 2009: Rs. 773.0 million) and the balance of Rs. 1,537.3 million (March 31, 2009: Rs. 1,893.7 million) is receivable in future.

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### 14. Credit derivative instruments

The Group deals in credit derivative instruments including credit default swaps, credit linked notes, collateralised debt obligations and principal protected structures. The notional principal amount of these credit derivatives outstanding at March 31, 2010 was Rs. 27,995.2 million (March 31, 2009: Rs. 33,703.4 million) in funded instruments and Rs. 32,880.9 million (March 31, 2009: Rs. 38,712.6 million) in non-funded instruments which includes Rs. 224.5 million (March 31, 2009: Rs. 253.6 million) of protection bought by the Group. At March 31, 2010, the total outstanding mark-to-market position of the above portfolio was a loss of Rs. 878.4 million (March 31, 2009: Rs. 6,327.3 million). The profit and loss impact on the above portfolio on account of mark-to-market and realised gains/losses during the year ended March 31, 2010 was a net profit of Rs. 5,080.3 million (March 31, 2009: net loss of Rs. 3,640.5 million).

### 15. Reclassification of investments in ICICI Bank UK PLC

In October 2008, the UK Accounting Standards Board amended FRS 26 on 'Financial Instruments: Recognition and Measurement' and permitted reclassification of financial assets in certain circumstances from the 'held for trading (HFT)' category to the 'available for sale (AFS)' category, 'held for trading (HFT)' category to the 'loans and receivables' category and from the AFS category to the 'loans and receivables' category.

Pursuant to these amendments, during the year ended March 31, 2009, ICICI Bank UK PLC has transferred certain assets with fair value of Rs. 34,028.0 million (USD 670.9 million) from the HFT category to the AFS category, certain assets of fair value Rs. 116.7 million (USD 2.3 million) from HFT category to loans and receivables category and certain assets with fair value of Rs. 20,394.5 million (USD 402.1 million) from the AFS category to the loans and receivables category.

If these reclassifications had not been made, the Bank's pre-tax profit for the year ended March 31, 2009 would have reduced by Rs. 2,448.8 million (USD 53.3 million) [expense on financial instruments fair value through profit and loss for the year ended March 31, 2009 would have increased by Rs. 2,687.7 million (USD 58.5 million) offset by change in net interest income by Rs. 238.9 million (USD 5.2 million)] and the Bank's pre-tax gain in available for sale reserve would have increased by Rs. 532.6 million (USD 10.5 million).

If these reclassifications had not been made, the Bank's pre-tax profit for the year ended March 31, 2010 would have increased by Rs. 2,285.4 million (USD 48.1 million) [income on financial instruments fair value through profit and loss for the year ended March 31, 2010 would have increased by Rs. 2,518.2 million (USD 53.0 million), and net interest income reduced by Rs. 232.8 million (USD 4.9 million)] and the Bank's pre-tax gain in available for sale reserve would have decreased by Rs. 1,180.9 million (USD 26.3 million) during the year ended March 31, 2010.

### 16. Scheme support expenses of ICICI Prudential Asset Management Company Limited

During the year ended March 31, 2009, other expenditure in Schedule 16 – 'Operating expenses' of the financial statements includes scheme support expense of Rs. 920.2 million of ICICI Prudential Asset Management Company Limited. The Scheme support expense consists of support given to Fixed Maturity Plans of Rs. 26.8 million towards yield shortfall, money market scheme of Rs. 55.2 million towards liquidity crisis management and equity funds of Rs. 838.2 million as a compensation against diminution in value of certain investments.

### 17. Liquidity options to employees of ICICI Prudential Life Insurance Company Limited and to employees of ICICI Lombard General Insurance Company Limited

ICICI Bank and Prudential Plc have approved a scheme of liquidity to be provided to the employee stock option holders of ICICI Prudential Life Insurance Company to the extent of shares exercised against options vested on or before March 31, 2007, aggregating to a maximum of 2.5 million shares. The shares would be bought at a price determined by an independent external valuation of the shares and would be in line with the grant price for new stock options being granted. The shares would be bought by the joint venture partners from the employee stock option holders in the proportion of their share holding. During the year ended March 31, 2010, ICICI Bank has purchased Nil shares (March 31, 2009: 1,704,062 shares) of ICICI Prudential Life Insurance Company pursuant to this scheme.

Similarly, ICICI Bank and Fairfax Financials Holdings Limited, Canada have approved a scheme of liquidity to be provided to the employee stock option holders of ICICI Lombard General Insurance Company to the extent of shares exercised against options vested on or before March 31, 2007, aggregating to a maximum of 1.1 million shares. The shares would be bought at a price determined by an independent external valuation of the shares and would be in line with the grant price for new stock options being granted. The shares would be bought by the joint venture partners from the employee stock option holders in the proportion of their share holding. During the year ended March 31, 2010, ICICI Bank has purchased Nil shares (March 31, 2009: 442,950 shares) of ICICI Lombard General Insurance Company pursuant to this scheme.

### 18. Transfer of Merchant acquiring operations

During the year ended March 31, 2010, the Bank and First Data, a global company engaged in electronic commerce and payment services, formed a merchant acquiring alliance and a new entity, 81.0% owned by First Data, was formed, which has acquired ICICI Bank's merchant acquiring operations through transfer of assets, primarily comprising fixed assets and receivables and assumption of liabilities, for a total consideration of Rs. 3,744.0 million. This transfer of assets and liabilities to the new entity would be considered a 'slump sale' for tax purposes. The Bank realised a profit of Rs. 2,029.0 million from this transaction, which is included in Schedule 14 – "Other income".

# schedules



forming part of the Consolidated Accounts (Contd.)

## 19. Additional disclosure

Additional statutory information disclosed in the separate financial statements of the Bank and subsidiaries having no material bearing on the true and fair view of the consolidated financial statements and the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements.

## 20. Comparative figures

Figures of the previous year have been re-grouped to conform to the current year presentation.

## SIGNATURES TO SCHEDULES 1 TO 19

For and on behalf of the Board of Directors

K. V. KAMATH  
Chairman

CHANDA D. KOCHHAR  
Managing Director & CEO

SANDEEP BAKHSHI  
Deputy Managing Director

N. S. KANNAN  
Executive Director & CFO

SANDEEP BATRA  
Group Compliance Officer &  
Company Secretary

RAKESH JHA  
Deputy Chief  
Financial Officer

K. RAMKUMAR  
Executive Director

SONJOY CHATTERJEE  
Executive Director

Place : Mumbai  
Date : April 24, 2010

## Financial information of subsidiary companies for the year ended March 31, 2010

Particulars	ICI Securities Dealership Limited	ICI Securities Limited <sup>2</sup>	ICI Securities Holdings Inc. <sup>2</sup>	ICI Home Finance Company Limited	ICI Trustee Services Limited	ICI Investment Management Company Limited	ICI Venture Funds Management Company Limited	ICI Prudential Life Insurance Company Limited	ICI Lombard General Insurance Company Limited	ICI International Limited <sup>6</sup>	ICI Bank UK PLC <sup>9</sup>	ICI Bank Eurasia Limited Liability Company <sup>1,8</sup>	ICI Bank Canada <sup>1,7</sup>	ICI Prudential Trust Limited	ICI Prudential Asset Management Company Limited	ICI Wealth Management Inc. <sup>1,7,11</sup>	ICI Prudential Pension Funds Management Company Limited <sup>10</sup>
Paid-up share capital <sup>3</sup>	1,563.4	2,110.7	505.1	728.2	10,987.5	0.5	100.0	14,292.5	4,038.2	40.4	26,785.6	2,623.8	41,391.1	1.0	176.5	Nil	110.0
Reserves <sup>3</sup>	4,057.1	691.2	(491.8)	(132.2)	1,826.3	2.4	14.4	(1,466.0)	13,886.2	27.5	1,348.8	347.7	1,010.4	9.1	874.5	Nil	(0.1)
Total assets	39,139.1	8,681.9	118.5	645.8	134,038.7	3.0	125.0	593,800.1	66,862.6	76.2	333,107.0	21,528.7	258,331.8	12.4	2,077.9	Nil	112.8
Total liabilities (excluding capital and reserves)	33,518.6	5,680.0	105.2	49.8	121,224.9	0.1	10.6	570,963.6	48,938.2	8.3	304,972.6	18,557.1	215,930.2	2.3	1,026.9	Nil	2.9
Investments (excluding investments in subsidiaries) <sup>4</sup>	23,312.9	11.2	1.5	Nil	12,779.7	#	8.0	571,998.6	35,231.5	10.8	89,817.8	1,549.5	48,361.5	6.6	508.2	Nil	17.5
Turnover (Gross income from operations)	3,212.0	7,560.2	66.2	60.5	14,688.2	0.7	8.6	1,747.5	165,318.8	45.3	15,843.0	1,595.5	12,407.2	5.0	4,612.9	0.4	5.4
Profit before tax	1,158.6	1,779.6	(113.8)	(73.2)	2,142.0	0.6	(20.0)	2,805.3	1,583.1	8.2	2,346.0	329.3	1,823.2	4.3	1,927.0	(33.9)	(0.2)
Provision for taxation	308.8	552.8	0.4	1.8	535.2	0.2	1.8	229.2	143.8	Nil	687.0	68.4	564.4	1.3	646.8	Nil	(0.1)
Profit after tax	849.8	1,226.8	(114.2)	(75.0)	1,606.8	0.4	(21.8)	2,579.7	1,439.3	8.2	1,661.0	260.9	1,258.8	3.0	1,280.3	(33.9)	(0.1)
Dividend paid (including corporate dividend tax) <sup>5</sup>	493.9	1,156.8	Nil	Nil	1,246.9	Nil	Nil	304.2	754.9	Nil	Nil	Nil	314.5	1.8	939.7	Nil	Nil

# Rs. 5,010.00

Notes :

- The financial information of ICI Bank Canada and ICI Bank Eurasia Limited Liability Company is for the period January 1, 2009 to December 31, 2009, being their financial year.
- ICI Securities Holdings Inc. is a wholly owned subsidiary of ICI Securities Limited. ICI Securities Inc. is a wholly owned subsidiary of ICI Securities Holdings Inc.
- The paid-up share capital of ICI Securities Limited, ICI Bank Canada and ICI Bank UK PLC includes paid-up preference share capital of Rs. 500.0 million, Rs. 4,112.2 million and Rs. 2,245.0 million respectively. The paid-up share capital of ICI Securities Limited includes Rs. 1,000.0 million of share application money.
- Investments include securities held as stock in trade.
- Dividend paid includes proposed dividend and dividend paid on preference shares.
- The financial information of ICI Bank UK PLC and ICI International Limited have been translated into Indian Rupees at the closing rate on March 31, 2010 of 1 USD = Rs. 44,9000.
- The financial information of ICI Bank Canada and ICI Wealth Management Inc. have been translated into Indian Rupees at the closing rate on December 31, 2009 of 1 CAD = Rs. 44,3450.
- The financial information of ICI Bank Eurasia Limited Liability Company have been translated into Indian Rupees at the closing rate on December 31, 2009 of 1 RUB = Rs. 1,5501.
- The amount of reserves of ICI Prudential Life Insurance Company Limited, excludes policyholders' funds.
- ICI Prudential Pension Funds Management Company Limited, a wholly owned subsidiary of ICI Prudential Life Insurance Company Limited, was incorporated on April 22, 2009.
- ICI Wealth Management Inc., a wholly owned subsidiary of ICI Bank Canada, has been dissolved with effect from December 31, 2009.

For and on behalf of the Board of Directors

CHANDA D. KOCHHAR  
Managing Director & CEO  
N. S. KANNAN  
Executive Director & CFO  
SONJOY CHATTERJEE  
Executive Director

K. V. KAMATH  
Chairman  
SANDEEP BAKHSHI  
Deputy Managing Director  
K. RAMKUMAR  
Executive Director

RAKESH JHA  
Deputy Chief Financial Officer

SANDEEP BATRA  
Group Compliance Officer &  
Company Secretary

Place : Mumbai  
Date : April 24, 2010

# BASEL II – PILLAR 3 DISCLOSURES (CONSOLIDATED)



at March 31, 2010

ICICI Bank is subject to the Basel II framework with effect from March 31, 2008 as stipulated by the Reserve Bank of India (RBI). The Basel II framework consists of three-mutually reinforcing pillars:

- i. Pillar 1: Minimum capital requirements for credit risk, market risk and operational risk
- ii. Pillar 2: Supervisory review of capital adequacy
- iii. Pillar 3: Market discipline

Market discipline (Pillar 3) comprises set of disclosures on the capital adequacy and risk management framework of the Bank. These disclosures have been set out in the following sections.

## 1. SCOPE OF APPLICATION

Pillar 3 disclosures apply to ICICI Bank Limited and its consolidated entities, wherein ICICI Bank Limited is the controlling entity in the group.

### Basis of consolidation for capital adequacy

Consolidation for capital adequacy is based on consolidated financial statements of ICICI Bank and its subsidiaries in line with the guidelines for consolidated accounting and other quantitative methods issued by RBI.

The entities considered for consolidation for capital adequacy include subsidiaries, associates and joint ventures of the Bank, which carry on activities of banking or financial nature as stated in the scope for preparing consolidated prudential reports as prescribed by RBI. Entities engaged in insurance business and businesses not pertaining to financial services are excluded from consolidation for capital adequacy. Investment above 30% in paid-up equity capital of financial entities which are not consolidated for capital adequacy (including insurance entities) and investments in other instruments eligible for regulatory capital status in those entities are deducted to the extent of 50% from Tier-1 and 50% from Tier-2 capital.

The following table lists ICICI Bank's financial and non-financial subsidiaries/associates/joint ventures and other entities consolidated for preparation of consolidated financial statements and their treatment in consolidated capital adequacy computations.

Sr. No.	Name of the entity	Nature of business & consolidation status
1	ICICI Bank UK PLC	Banking – fully consolidated
2	ICICI Bank Canada	Banking – fully consolidated
3	ICICI Bank Eurasia Limited Liability Company	Banking – fully consolidated
4	ICICI Securities Limited	Securities broking & merchant banking – fully consolidated
5	ICICI Securities Inc.	Securities broking – fully consolidated
6	ICICI Securities Holdings Inc.	Holding company of ICICI Securities Inc. – fully consolidated
7	ICICI Securities Primary Dealership Limited	Securities investment, trading and underwriting – fully consolidated
8	ICICI Venture Funds Management Company Limited	Private equity/venture capital fund management – fully consolidated
9	ICICI Home Finance Company Limited	Housing finance – fully consolidated
10	ICICI Trusteeship Services Limited	Trusteeship services – fully consolidated
11	ICICI Investment Management Company Limited	Asset management – fully consolidated
12	ICICI International Limited	Asset management – fully consolidated
13	ICICI Prudential Pension Funds Management Company Limited	Pension fund management – fully consolidated
14	ICICI Eco-net Internet and Technology Fund <sup>1</sup>	Venture capital fund – fully consolidated
15	ICICI Equity Fund <sup>1</sup>	Unregistered venture capital fund – fully consolidated



# BASEL II – PILLAR 3 DISCLOSURES (CONSOLIDATED)

at March 31, 2010

Sr. No.	Name of the entity	Nature of business & consolidation status
16	ICICI Emerging Sectors Fund <sup>1</sup>	Venture capital fund – fully consolidated
17	ICICI Strategic Investments Fund <sup>1</sup>	Unregistered venture capital fund – fully consolidated
18	ICICI Kinfra Limited <sup>1</sup>	Infrastructure development consultancy – consolidated for financial reporting but not for capital adequacy
19	ICICI West Bengal Infrastructure Development Corporation Limited <sup>1</sup>	Infrastructure development consultancy – consolidated for financial reporting but not for capital adequacy
20	Loyalty Solutions & Research Limited <sup>1</sup>	Customer relationship management, data mining and analytics and marketing services – consolidated for financial reporting but not for capital adequacy
21	ICICI Venture Value Fund <sup>1</sup>	Unregistered venture capital fund – fully consolidated
22	I-Ven Biotech Limited <sup>1</sup>	Investment in research and development of biotechnology – fully consolidated
23	ICICI Prudential Life Insurance Company Limited	Life insurance – consolidated for financial reporting but not for capital adequacy and deducted from capital for capital adequacy
24	ICICI Lombard General Insurance Company Limited	General Insurance – consolidated for financial reporting but not for capital adequacy and deducted from capital for capital adequacy
25	ICICI Prudential Asset Management Company Limited	Asset management – fully consolidated
26	ICICI Prudential Trust Limited	Trusteeship services – fully consolidated
27	TCW/ICICI Investment Partners LLC	Asset management – proportionately consolidated
28	Rainbow Fund	Unregistered venture capital fund – consolidated by equity method for financial reporting but not consolidated for capital adequacy
29	Financial Information Network and Operations Limited	Support services for financial inclusion – consolidated by equity method for financial reporting but not consolidated for capital adequacy
30	I-Process Services (India) Private Limited	Services related to back end operations – consolidated by equity method for financial reporting but not consolidated for capital adequacy
31	I-Solutions Providers (India) Private Limited	Services related to sales and promotion activities – consolidated by equity method for financial reporting but not consolidated for capital adequacy
32	NIIT Institute of Finance, Banking and Insurance Training Limited	Education and training in banking and finance – consolidated by equity method for financial reporting but not consolidated for capital adequacy
33	Prize Petroleum Company Limited	Oil exploration and production – consolidated by equity method for financial reporting but not consolidated for capital adequacy
34	ICICI Merchant Services Private Limited	Merchant servicing - consolidated by equity method for financial reporting but not consolidated for capital adequacy

1. Consolidating entities under Accounting Standard 21.

# BASEL II – PILLAR 3 DISCLOSURES (CONSOLIDATED)



at March 31, 2010

## a. Capital deficiencies

Majority owned financial entities that are not consolidated for capital adequacy purposes and for which the investment in equity and other instruments eligible for regulatory capital status are deducted from capital, meet their respective regulatory capital requirements at all times. There is no deficiency in capital in any of the subsidiaries of the Bank at March 31, 2010. ICICI Bank maintains an active oversight on its subsidiaries through its representation on their respective Boards. On a periodic basis the capital adequacy/solvency position of subsidiaries (banking, non-banking and insurance subsidiaries), as per the applicable regulations, is reported to their respective Boards as well as to the Board of the Bank.

## b. Bank's interest in insurance entities

The book value of the Bank's total interest in its insurance subsidiaries at March 31, 2010, which is deducted from capital for capital adequacy under Basel II is detailed in the following table.

Rupees in billion

Name of the entity	Country of incorporation	Ownership interest	Book value of investment
ICICI Prudential Life Insurance Company Limited	India	73.89%	35.94
ICICI Lombard General Insurance Company Limited	India	73.72%	10.96

The quantitative impact on regulatory capital of using risk weighted investments method versus using the deduction method at March 31, 2010 is set out in the following table.

Rupees in billion

Method	Quantitative impact
Deduction method	46.90
Capital at 9% based on risk weighted assets	4.22

## 2. CAPITAL STRUCTURE

### a. Summary information on main terms and conditions/features of capital instruments

As per the RBI capital adequacy norms, ICICI Bank's regulatory capital is classified into Tier-1 capital and Tier-2 capital.

Tier-1 capital includes paid-up equity capital, statutory reserves, other disclosed free reserves, capital reserves and innovative perpetual debt instruments (Tier-1 bonds) eligible for inclusion in Tier-1 capital that comply with requirement specified by RBI.

Tier-2 capital includes revaluation reserves (if any), general provision and loss reserve, investment reserve, upper Tier-2 instruments (upper Tier-2 bonds) and subordinate debt instruments (lower Tier-2 bonds) eligible for inclusion in Tier-2 capital.

ICICI Bank and its subsidiaries have issued debt instruments that form a part of Tier-1 and Tier-2 capital. The terms and conditions that are applicable for these instruments comply with the stipulated regulatory requirements and where required an independent legal opinion has been obtained for inclusion of these instruments in capital.

Tier-1 bonds are non-cumulative and perpetual in nature with a call option after 10 years. Interest on Tier-1 bonds is payable either annually or semi-annually. These Tier-1 bonds have a step-up clause on interest payment ranging up to 100 basis points.

The upper Tier-2 bonds are cumulative and have an original maturity of 15 years with call option after 10 years. The interest on upper Tier-2 bonds is payable either annually or semi-annually. Some of the upper Tier-2 debt instruments have a step-up clause on interest payment ranging up to 100 basis points.

The lower Tier-2 bonds (subordinated debt) are cumulative and have an original maturity between 5 to 15 years. The interest on lower Tier-2 capital instruments is payable quarterly, semi-annually or annually.

# BASEL II – PILLAR 3 DISCLOSURES (CONSOLIDATED)

at March 31, 2010

## b. Amount of Tier-1 capital (March 31, 2010)

Rupees in billion

Tier-1 capital elements	Amount
Paid-up share capital <sup>1</sup>	12.65
Reserves <sup>2</sup>	501.44
Innovative Tier-1 capital instruments	28.21
Minority interest	0.41
<b>Gross Tier-1 capital</b>	<b>542.71</b>
<b>Deductions:</b>	
Investments in instruments eligible for regulatory capital of financial subsidiaries/associates	23.45
Securitisation exposures including credit enhancements	36.17
Deferred tax assets	21.43
Others <sup>3</sup>	1.82
Minority interest not eligible for inclusion in Tier-1 capital	0.16
<b>Net Tier-1 capital</b>	<b>459.68</b>

1. Includes preference shares permitted by RBI for inclusion in Tier-1 capital.

2. Includes statutory reserves, disclosed free reserves, capital reserves and special reserves (net of tax payable).

3. Includes goodwill and adjustments for less liquid positions.

## c. Amount of Tier-2 capital (March 31, 2010)

Rupees in billion

Tier-2 capital elements	Amount
General provisions	16.65
Investment reserves	1.16
Upper Tier-2 capital instruments	141.73
Lower Tier-2 capital instruments	121.61
<b>Gross Tier-2 capital</b>	<b>281.15</b>
<b>Deductions:</b>	
Investments in instruments eligible for regulatory capital of financial subsidiaries/associates	23.45
Securitisation exposures including credit enhancements	36.17
<b>Net Tier-2 capital</b>	<b>221.54</b>

## d. Debt capital instruments eligible for inclusion in Tier-1 and Tier-2 capital

Rupees in billion

	Tier-1	Upper Tier-2	Lower Tier-2
Total amount outstanding at March 31, 2010	28.21	141.73	150.12
Of which, amounts raised during the year	—	33.80	30.27
Amount eligible to be reckoned as capital funds at March 31, 2010	28.21	141.73	121.61

# BASEL II – PILLAR 3 DISCLOSURES (CONSOLIDATED)



at March 31, 2010

## e. Total eligible capital (March 31, 2010)

Rupees in billion

	Amount
Tier-1 capital	459.68
Tier-2 capital	221.54
<b>Total eligible capital</b>	<b>681.22</b>

## 3. CAPITAL ADEQUACY

### a. Capital management

#### *Objective*

The Bank actively manages its capital to meet regulatory norms and current and future business needs considering the risks in its businesses, expectation of rating agencies, shareholders and investors, and the available options of raising capital.

#### *Organisational set-up*

The capital management framework of the Bank is administered by the Finance Group and the Global Risk Management Group (GRMG) under the supervision of the Board and the Risk Committee.

#### *Regulatory capital*

The Bank is subject to the capital adequacy norms stipulated by the RBI guidelines on Basel II with effect from March 31, 2008. Prior to March 31, 2008, the Bank was subject to the capital adequacy norms as stipulated by the RBI guidelines on Basel I. The RBI guidelines on Basel II require the Bank to maintain a minimum ratio of total capital to risk weighted assets of 9.0%, with a minimum Tier-1 capital adequacy ratio of 6.0%. The total capital adequacy ratio of the Bank at a standalone level at March 31, 2010 as per the RBI guidelines on Basel II is 19.41% with a Tier-1 capital adequacy ratio of 13.96%. The total capital adequacy ratio of the ICICI Group (consolidated) at March 31, 2010 as per the RBI guidelines on Basel II is 19.15% with a Tier-1 capital adequacy ratio of 12.92%.

Under Pillar 1 of the RBI guidelines on Basel II, the Bank follows the standardised approach for credit and market risk and basic indicator approach for operational risk.

#### *Internal assessment of capital*

The Bank's capital management framework includes a comprehensive internal capital adequacy assessment process (ICAAP) conducted annually and which determines the adequate level of capitalisation for the Bank to meet regulatory norms and current and future business needs, including under stress scenarios. The ICAAP is formulated at both standalone bank level and the consolidated group level. The ICAAP encompasses capital planning for a certain time horizon, identification and measurement of material risks and the relationship between risk and capital.

The Bank's capital management framework is complemented by its risk management framework (detailed in the following sections), which includes a comprehensive assessment of all material risks.

Stress testing which is a key aspect of the ICAAP and the risk management framework provides an insight on the impact of extreme but plausible scenarios on the Bank's risk profile and capital position. Based on the Board-approved stress testing framework, the Bank conducts stress tests on its various portfolios and assesses the impact on its capital ratios and the adequacy of capital buffers for current and future periods. The Bank periodically assesses and refines its stress tests in an effort to ensure that the stress scenarios capture material risks as well as reflect possible extreme market moves that could arise as a result of market conditions.

The business and capital plans and the stress testing results of the group entities are integrated into the ICAAP.

Based on the ICAAP, the Bank determines its capital needs and the optimum level of capital by considering the following in an integrated manner:

- Bank's strategic focus, business plan and growth objectives;

# BASEL II – PILLAR 3 DISCLOSURES (CONSOLIDATED)

at March 31, 2010

- regulatory capital requirements as per the RBI guidelines;
- assessment of material risks and impact of stress testing;
- perception of credit rating agencies, shareholders and investors;
- future strategy with regard to investments or divestments in subsidiaries; and
- evaluation of options to raise capital from domestic and overseas markets, as permitted by RBI from time to time.

The Bank formulates its internal capital level targets based on the ICAAP and endeavours to maintain its capital adequacy level in accordance with the targeted levels at all times.

## **Monitoring and reporting**

The Board of Directors of ICICI Bank maintains an active oversight over the Bank's capital adequacy levels. On a quarterly basis an analysis of the capital adequacy position and the risk weighted assets and an assessment of the various aspects of Basel II on capital and risk management as stipulated by RBI, are reported to the Board. Further, the capital adequacy position of the banking subsidiaries and the significant non-banking subsidiaries based on the respective host regulatory requirements is also reported to the Board. In line with the RBI requirements for consolidated prudential report, the capital adequacy position of the ICICI Group (consolidated) is reported to the Board on a half-yearly basis.

Further, the ICAAP which is an annual process also serves as a mechanism for the Board to assess and monitor the Bank's and the Group's capital adequacy position over a certain time horizon.

## **Capital adequacy of the subsidiaries**

Each subsidiary in the Group assesses the adequate level of capitalisation required to meet its respective host regulatory requirements and business needs. The Board of each subsidiary maintains oversight over the capital adequacy framework for the subsidiary either directly or through separately constituted committees.

### **b. Capital requirements for various risk areas (March 31, 2010)**

As required by RBI guidelines on Basel II, the Bank's capital requirements have been computed using the standardised approach for credit risk, standardised duration method for market risk and basic indicator approach for operational risk. The minimum capital required to be held at 9.0% for credit, market and operational risks is given below:

Rupees in billion

<b>Risk area</b>	<b>Amount<sup>1</sup></b>
<b>Credit risk</b>	
Capital required	
– for portfolio subject to standardised approach	260.76
– for securitisation exposures	2.05
<b>Market risk</b>	
Capital required	
– for interest rate risk	25.27
– for foreign exchange (including gold) risk	0.91
– for equity position risk	6.52
<b>Operational risk</b>	
Capital required	24.59
<b>Total capital requirement at 9.0%</b>	<b>320.10</b>
<b>Total capital funds of the Bank</b>	<b>681.22</b>
<b>Total risk weighted assets</b>	<b>3,556.62</b>
<b>Capital adequacy ratio</b>	<b>19.15%</b>

1. Includes all entities considered for Basel II capital adequacy computation.

# BASEL II – PILLAR 3 DISCLOSURES (CONSOLIDATED)



at March 31, 2010

Capital ratios	Consolidated <sup>1</sup>	ICICI Bank Ltd. <sup>1</sup>	ICICI Bank UK PLC <sup>2</sup>	ICICI Bank Canada <sup>2</sup>	ICICI Bank Eurasia LLC <sup>2,3</sup>
Tier-1 capital ratio	12.92%	13.96%	11.70%	22.19%	n.a.
Total capital ratio	19.15%	19.41%	17.30%	23.40%	26.63%

1. Computed as per RBI guidelines on Basel II.

2. Computed as per capital adequacy framework guidelines issued by regulators of respective jurisdictions.

3. Total capital ratio is required to be reported in line with regulatory norms stipulated by Central Bank of Russia.

## 4. RISK MANAGEMENT FRAMEWORK

As a financial intermediary, the Bank is exposed to various types of risks including credit, market, liquidity, operational, legal, compliance and reputation risks. The objective of the risk management framework at the Bank is to ensure that various risks are understood, measured and monitored and that the policies and procedures established to address these risks are strictly adhered to.

The key principles underlying the risk management framework at the Bank are as follows:

1. The Board of Directors has oversight on all the risks assumed by the Bank. Specific Committees of the Board have been constituted to facilitate focused oversight of various risks. Risk Committee reviews policies in relation to various risks including liquidity, interest rate, investment policies and strategy, and regulatory and compliance issues in relation thereto. Credit Committee reviews developments in key industrial sectors and the Bank's exposure to these sectors and various portfolios on a periodic basis. Audit Committee provides direction to and also monitors the quality of the internal audit function. Asset Liability Management Committee (ALCO) is responsible for managing the balance sheet and reviewing the Bank's asset-liability position.
2. Policies approved from time to time by the Board of Directors/Committees of the Board form the governing framework for each type of risk. The business activities are undertaken within this policy framework.
3. Independent groups and sub-groups have been constituted across the Bank to facilitate independent evaluation, monitoring and reporting of various risks. These control groups function independently of the business groups/sub-groups.

The risk management framework forms the basis of developing consistent risk principles across the Bank, overseas branches and overseas banking subsidiaries.

Material risks are identified, measured, monitored and reported to the Board of Directors and Board level committees through the following:

### a. Key risk indicators

Key risk indicators are presented to the Risk Committee on a periodic basis. The presentation covers an overview of the key developments in the global and domestic economy as well as trends observed in the major industries where the Bank has an exposure. Additionally, risk indicators with respect to credit risk, liquidity risk and market risk are also presented and discussed.

### b. ICAAP/stress testing

As part of ICAAP, the Bank has conducted stress testing under various historical and hypothetical scenarios to assess the impact of stress on its capital position. The methodology for the stress testing is approved by the Board of Directors. The results of stress testing are reported to the Board of Directors and submitted to RBI annually as part of the ICAAP. As detailed in the ICAAP, stress test results are reported periodically for various risks to the ALCO.

### c. Stress tolerance limits

In line with stress testing results, risk tolerance limits have been formulated for various risks. The actual position against the limits is being periodically reported to various Committees of the Board.

### d. Risk profile template

Bank-wide risk dashboard covering various risks of the Bank is presented to the Risk Committee and to the Board on a quarterly basis. The risk dashboard provides the level and the direction of risk at Bank level with a comparison to the previous quarter. The level and direction of risk are arrived at based on pre-determined parameters.



# BASEL II – PILLAR 3 DISCLOSURES (CONSOLIDATED)

at March 31, 2010

## e. Other Reviews by Credit Committee

Apart from sanctioning proposals, the Credit Committee carries out reviews of the credit quality of the portfolio at regular intervals. The Committee also reviews specific cases that need special attention, details of credit sanctions, compliance with regulatory guidelines on credit risk management system, irregularity reports and movement in non-performing loans. Further, the Committee reviews developments in industrial sectors and specific strategies of the Bank with respect to the exposure to those industries.

## f. Reporting against prudential exposure norms

Status of actual position against prudential exposure limits set by the Board/stipulated by RBI is reported periodically to respective committees.

## Measurement of risks for capital adequacy purposes

Under Pillar 1 of the extant RBI guidelines on Basel II, the Bank currently follows the standardised approach for credit and market risk and basic indicator approach for operational risk.

## 5. CREDIT RISK

The Bank is exposed to credit risk in its lending operations. Credit risk is the risk of loss that may occur from the failure of any counterparty to abide by the terms and conditions of any financial contract with the Bank, principally the failure to make required payments as per the terms and conditions of the contracts.

### Policies and processes

All credit risk related aspects are governed by Credit and Recovery Policy (Credit Policy). Credit Policy outlines the type of products that can be offered, customer categories, target customer profile, credit approval process and limits. The Credit Policy is approved by the Board of Directors.

The delegation structure for approval of credit limits is approved by the Board of Directors. All credit proposals other than retail products, program lending and certain other specified products are rated internally by the Risk Management Group prior to approval by the appropriate forum.

Credit facilities with respect to retail products are provided as per approved product policies. All products and policies require the approval of the Committee of Executive Directors.

- Within the retail operations, there is segregation of the sourcing, verification, approval and disbursement of retail credit exposures to achieve independence.
- Program lending involves a cluster based approach wherein a lending program is implemented for a homogeneous group of individuals/business entities which comply with certain laid down parameterised norms. The approving authority as per the Board approved authorisation lays down these parameters.
- For certain products including dealer funding, builder finance and facilities fully collateralised by cash and cash equivalents, the delegation structure approved by the Board of Directors may permit exemption from the stipulation pertaining to internal rating. Credit approval limits with respect to such products are laid out in the delegation structure approved by the Board of Directors.

A risk based asset review framework has been put in place wherein the frequency of asset review would be higher for cases with higher outstanding and/or lower credit rating.

### Structure and organisation

The Credit Risk Management Group (CRMG) within GRMG is responsible for rating of the credit portfolio, tracking trends in various industries and periodic reporting of portfolio-level changes. CRMG is segregated into sub-groups for corporate, small enterprises and rural micro-banking and agri-business group and retail businesses.

The overseas banking subsidiaries of the Bank have also established similar structures to ensure adequate risk management, factoring in the risks particular to the respective businesses and the regulatory and statutory guidelines. The risk heads of all overseas banking subsidiaries have a reporting relationship to the Head - GRMG, in addition to reporting to the Chief Executive Officer of the respective subsidiaries.

### Credit risk assessment process

There is a structured and standardised credit approval process including a comprehensive credit risk assessment process, which encompasses analysis of relevant quantitative and qualitative information to ascertain credit rating of the borrower.

# **BASEL II – PILLAR 3 DISCLOSURES (CONSOLIDATED)**



at March 31, 2010

The credit rating process involves assessment of risk emanating from various sources such as industry risk, business risk, financial risk, management risk, project risk and structure risk.

In respect of retail advances, the Bank's credit officers evaluate credit proposals on the basis of the operating notes approved by the Committee of Executive Directors and the risk assessment criteria defined by the Retail Credit Risk Management Group.

## **Credit approval authorisation structure**

The Board of Directors has delegated the authority to the Credit Committee consisting of a majority of independent Directors, the Committee of Executive Directors consisting of whole time Directors, the Committee of Executives, the Regional Committee, Small Enterprise Group Forums and Agricultural Credit Forums, all consisting of designated executives, and to individual executives in the case of program/policy based products, to approve financial assistance within certain individual and group exposure limits set by the Board of Directors. The authorisation is based on the level of risk and the quantum of exposure, to ensure that the transactions with higher exposure and level of risk are put up to correspondingly higher forum/committee for approval.

In respect of retail loans, all product-level policies require the approval of the Committee of Executive Directors. These criteria vary across product segments but typically include factors such as the borrower's income, the loan-to-value ratio and demographic parameters. The individual credit proposals are evaluated and approved by executives on the basis of the product policies.

## **Credit risk monitoring process**

For effective monitoring of credit facilities, a post-approval authorisation structure has been laid down. For corporate, small enterprises and rural micro-banking and agri-business group, Credit Middle Office Group verifies adherence to the terms of the approval prior to commitment and disbursement of credit facilities.

Within retail, the Bank has established centralised operations to manage operational risk in the various back office processes of the Bank's retail loan business except for a few operations, which are decentralised to improve turnaround time for customers. A fraud prevention and control group has been set up to manage fraud-related risks through fraud prevention and through recovery of fraud losses. The fraud control group evaluates various external agencies involved in the retail finance operations, including direct marketing associates, external verification associates and collection agencies.

The Bank has a collections unit structured along various product lines and geographical locations, to manage delinquency levels. The collections unit operates under the guidelines of a standardised recovery process.

The segregation of responsibilities and oversight by groups external to the business groups ensure adequate checks and balances.

## **Reporting and measurement**

Credit exposure for ICICI Bank is measured and monitored using a centralised exposure management system. The analysis of the composition of the portfolio is presented to the Risk Committee on a quarterly basis.

ICICI Bank complies with the norms on exposure stipulated by RBI for both single borrower as well as borrower group at the consolidated level. Limits have been set by the risk management group as a percentage of the Bank's consolidated capital funds and are regularly monitored. The utilisation against specified limits is reported to the Committee of Executive Directors and Credit Committee on a periodic basis.

## **Credit concentration risk**

Credit concentration risk arises mainly on account of concentration of exposures under various categories including industry, products, geography, sensitive sectors, underlying collateral nature and single/group borrower exposures.

Limits have been stipulated on single borrower, borrower group, industry and longer tenure exposure to a borrower group. Exposure to top 10 borrowers and borrower groups, exposure to capital market segment and unsecured exposures for the ICICI Group (consolidated) is reported to the Board level committees on a quarterly basis. Limits on countries and bank counterparties have also been stipulated.

## **Definition and classification of non-performing assets (NPAs)**

The Bank classifies its advances (loans and debentures in the nature of an advance) into performing and non-performing loans in accordance with the extant RBI guidelines.

# BASEL II – PILLAR 3 DISCLOSURES (CONSOLIDATED)

at March 31, 2010

A NPA is defined as a loan or an advance where:

- i) interest and/or installment of principal remain overdue for more than 90 days in respect of a term loan. Any amount due to the bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the Bank;
- ii) if the interest due and charged during a quarter is not serviced fully within 90 days from the end of the quarter;
- iii) the account remains 'out of order' in respect of an overdraft/cash credit facility continuously for 90 days. An account is treated as 'out of order' if:
  - a) the outstanding balance remains continuously in excess of the sanctioned limit/drawing power; or
  - b) where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but there are no credits continuously for 90 days as on the date of the balance sheet; or
  - c) credits in the account are not enough to cover the interest debited during the accounting period; or
  - d) drawings have been permitted in the account for a continuous period of 90 days based on drawing power computed on the basis of stock statements that are more than three months old even though the unit may be working or the borrower's financial position is satisfactory; or
  - e) the regular/*ad hoc* credit limits have not been reviewed/renewed within 180 days from the due date/date of *ad hoc* sanction.
- iv) a bill purchased/discounted by the Bank remains overdue for a period of more than 90 days;
- v) interest and/or installment of principal in respect of an agricultural loan remains overdue for two crop seasons for short duration crops and one crop season for long duration crops;
- vi) In respect of a securitisation transaction undertaken in terms of the RBI guidelines on securitisation, the amount of liquidity facility remains outstanding for more than 90 days;
- vii) In respect of derivative transactions, if the overdue receivables representing positive mark-to-market value of a derivative contract, remain unpaid for a period of 90 days from the specified due date for payment.

Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI. A sub-standard asset is one, which has remained a NPA for a period less than or equal to 12 months. An asset is classified as doubtful if it has remained in the sub-standard category for more than 12 months. A loss asset is one where loss has been identified by the Bank or internal or external auditors or during RBI inspection but the amount has not been written off fully.

The loans of subsidiaries have been classified as non-performing in accordance with the guidelines prescribed by their respective regulators.

## a. Total credit risk exposures (March 31, 2010)

Credit risk exposures include all exposures as per RBI guidelines on exposure norms subject to credit risk and investments in held-to-maturity category. Direct claims on domestic sovereign which are risk-weighted at 0% and regulatory capital instruments of subsidiaries which are deducted from the capital funds have been excluded.

Rupees in billion

Category	Credit exposure
Fund-based	3,355.66
Non-fund based	2,109.75
<b>Total<sup>1</sup></b>	<b>5,465.41</b>

1. Includes all entities considered for Basel II capital adequacy computation.

# BASEL II – PILLAR 3 DISCLOSURES (CONSOLIDATED)

**ICICI Bank** at March 31, 2010

## b. Geographic distribution of exposures (March 31, 2010)

Rupees in billion

Category	Fund-based	Non-fund based
Domestic	2,385.56	1,846.63
Overseas	970.10	263.12
<b>Total<sup>1</sup></b>	<b>3,355.66</b>	<b>2,109.75</b>

1. Includes all entities considered for Basel II capital adequacy computation.

## c. Industry-wise distribution of exposures (March 31, 2010)

Rupees in billion

Industry	Fund-based	Non-fund based
Retail finance <sup>1</sup>	1,135.91	32.35
Banks <sup>2</sup>	215.22	296.36
Electronics and engineering	74.24	312.59
Crude petroleum/refining and petrochemicals	157.59	218.63
Services – non-finance	243.35	132.31
Services - finance	246.74	95.85
Road, port, telecom, urban development and other infrastructure	121.89	214.17
Iron/steel and products	114.06	122.64
Power	111.26	111.50
Metal and products (excluding iron and steel)	48.65	125.95
Construction	28.14	122.92
Food and beverages	121.57	29.40
Mutual funds	128.97	0.83
Wholesale/retail trade	73.62	46.11
Chemical and fertilisers	78.77	37.38
Drugs and pharmaceuticals	36.92	21.66
Cement	32.36	23.23
Shipping	23.38	31.25
Automobiles	27.60	26.69
Gems and jewellery	30.76	13.35
Manufacturing products (excluding metals)	30.37	12.46
Textiles	29.76	8.27
Mining	28.23	8.82
FMCG	22.19	2.33
Venture capital funds	2.61	0.06
Other industries	191.50	62.64
<b>Total<sup>3</sup></b>	<b>3,355.66</b>	<b>2,109.75</b>

1. Includes home loans, automobile loans, commercial business loans, two wheeler loans, personal loans, credit cards, dealer funding (Rs. 11.60 billion) and developer financing (Rs. 55.31 billion).

2. Includes balances with banks.

3. Includes all entities considered for Basel II capital adequacy computation.

# BASEL II – PILLAR 3 DISCLOSURES (CONSOLIDATED)

at March 31, 2010

## d. Residual contractual maturity break-down of assets

The maturity pattern of assets at March 31, 2010 is detailed in the table below.

Rupees in billion

Maturity buckets	Cash & balances with RBI	Balances with banks & money at call and short notice	Investments	Loans & advances	Fixed assets	Other assets	Total
Day 1 <sup>1</sup>	147.17	68.48	164.79	10.98	—	23.90	415.32
2 to 7 days <sup>1</sup>	—	8.54	30.75	18.23	—	24.11	81.63
8 to 14 days <sup>1</sup>	—	27.64	17.76	13.67	—	10.88	69.95
15 to 28 days	10.42	13.80	83.97	26.67	—	23.15	158.01
29 days to 3 months	21.24	52.53	110.99	150.38	0.16	11.81	347.11
3 to 6 months	12.42	11.41	83.91	171.73	0.29	2.97	282.73
6 months to 1 year	12.73	6.16	108.33	304.60	0.10	5.39	437.31
1 to 3 years	55.22	3.42	356.50	866.56	0.27	9.92	1,291.89
3 to 5 years	1.15	0.15	63.68	379.10	2.51	4.25	450.84
Above 5 years	15.45	0.17	284.47	315.82	30.20	112.71	758.82
<b>Total<sup>2</sup></b>	<b>275.80</b>	<b>192.30</b>	<b>1,305.15</b>	<b>2,257.74</b>	<b>33.53</b>	<b>229.09</b>	<b>4,293.61</b>

1. The aforesaid disclosure is in accordance with the revised maturity buckets as per the RBI circular no. DBOD.BP.BC no.22/21.04.018/2009-10 dated July 1, 2009.

2. Consolidated figures for ICICI Bank Limited and its banking subsidiaries, ICICI Home Finance Company, ICICI Securities Primary Dealership Limited and ICICI Securities Limited and its subsidiaries.

## e. Amount of non-performing loans (NPLs) (March 31, 2010)

Rupees in billion

NPL classification	Gross NPLs <sup>1</sup>	Net NPLs <sup>2</sup>
Sub-standard	58.63	36.73
Doubtful	40.43	9.41
- Doubtful 1 <sup>3</sup>	20.77	5.70
- Doubtful 2 <sup>3</sup>	9.81	3.71
- Doubtful 3 <sup>3</sup>	9.85	—
Loss	5.30	—
<b>Total<sup>4,5</sup></b>	<b>104.36</b>	<b>46.14</b>
<b>NPL ratio</b>	<b>4.50%</b>	<b>2.04%</b>

1. Gross NPL ratio is computed as a ratio of gross NPLs to gross advances.

2. Net NPL ratio is computed as a ratio of net NPLs to net advances.

3. Loans classified as NPLs for 456 to 820 days are classified as Doubtful 1, 820 to 1,550 days as Doubtful 2 and above 1,550 days as Doubtful 3.

4. Includes advances portfolio of ICICI Bank Limited and its banking subsidiaries and ICICI Home Finance Company.

5. Identification of loans as non-performing/impaired is in line with the guidelines issued by regulators of respective subsidiaries.

# BASEL II – PILLAR 3 DISCLOSURES (CONSOLIDATED)

**ICICI Bank** at March 31, 2010

## f. Movement of NPLs

Rupees in billion

	Gross	Net
Opening balance at April 1, 2009	98.38	46.69
Additions during the year <sup>1</sup>	42.41	10.22
Reductions during the year <sup>1</sup>	(36.43)	(10.77)
<b>Closing balance at March 31, 2010<sup>2</sup></b>	<b>104.36</b>	<b>46.14</b>

1. The difference between the opening and closing balances (other than accounts written off during the year) of NPLs in retail loans is included in additions during the year.
2. Includes advances portfolio of ICICI Bank Limited and its banking subsidiaries and ICICI Home Finance Company.

## g. Movement of provisions for NPLs

Rupees in billion

	Amount
Opening balance at April 1, 2009	51.69
Provisions made during the year <sup>1</sup>	43.12
Write-offs during the year	(28.29)
Write-back of excess provisions during the year	(8.30)
<b>Closing balance at March 31, 2010<sup>2</sup></b>	<b>58.22</b>

1. The difference between the opening and closing balances (adjusted for write-off and sale of NPLs during the year) of provisions in retail loans is included in provisions made during the year.
2. Includes advances portfolio of ICICI Bank Limited and its banking subsidiaries and ICICI Home Finance Company.

## h. Amount of non-performing investments (NPIs) in securities, other than government and other approved securities

Rupees in billion

	Amount <sup>1</sup>
Gross NPIs at March 31, 2010	5.91
Total provisions held on NPIs	(3.66)
<b>Net NPIs at March 31, 2010</b>	<b>2.25</b>

1. Consolidated figures for ICICI Bank Limited and its banking subsidiaries and ICICI Home Finance Company.

## i. Movement of provisions for depreciation on investments<sup>1</sup>

Rupees in billion

	Amount
Opening balance at April 1, 2009	42.43
Provision/depreciation/(appreciation) made during the year	(8.84)
(Write-off)/(write-back) of excess provisions during the year	(14.87)
<b>Closing balance at March 31, 2010<sup>2</sup></b>	<b>18.72</b>

1. After considering movement in appreciation on investments.
2. Includes all entities considered for Basel II capital adequacy computation.

# BASEL II – PILLAR 3 DISCLOSURES (CONSOLIDATED)

at March 31, 2010

## 6. CREDIT RISK: PORTFOLIOS SUBJECT TO THE STANDARDISED APPROACH

### a. External ratings

The Bank uses the standardised approach to measure the capital requirements for credit risk. As per the standardised approach, regulatory capital requirements for credit risk on corporate exposures is measured based on external credit ratings assigned by External Credit Assessment Institutions (ECAI) specified by RBI in its guidelines on Basel II. As stipulated by RBI, the risk weights for resident corporate exposures are assessed based on the external ratings assigned by domestic ECAI and the risk weights for non-resident corporate exposures are assessed based on the external ratings assigned by international ECAI. For this purpose, the domestic ECAI specified by RBI are CRISIL Limited, Credit Analysis & Research Limited, ICRA Limited and Fitch India and the international ECAI specified by RBI are Standard & Poor's, Moody's and Fitch. Further, the RBI's Basel II framework stipulates guidelines on the scope and eligibility of application of external ratings. The Bank reckons the external rating on the exposure for risk weighting purposes, if the external rating assessment complies with the guidelines stipulated by RBI.

The key aspects of the Bank's external ratings application framework are as follows:

- The Bank uses only those ratings that have been solicited by the counterparty.
- Foreign sovereign and foreign bank exposures are risk-weighted based on issuer ratings assigned to them.
- The risk-weighting of corporate exposures based on the external credit ratings includes the following:
  - i) The Bank reckons external ratings of corporates either at the credit facility level or at the borrower (issuer) level. The Bank considers the facility rating where both the facility and the borrower rating are available given the more specific nature of the facility credit assessment.
  - ii) The Bank ensures that the external rating of the facility/borrower has been reviewed at least once by the ECAI during the previous 15 months and is in force on the date of its application.
  - iii) When a borrower is assigned a rating that maps to a risk weight of 150%, then this rating is applied on all the unrated facilities of the borrower and risk weighted at 150%.
  - iv) Unrated short-term claim on counterparty is assigned a risk weight of at least one level higher than the risk weight applicable to the rated short term claim on that counterparty.
- The RBI guidelines outline specific conditions for facilities that have multiple ratings. In this context, the lower rating, where there are two ratings and the second-lowest rating where there are three or more ratings are used for a given facility.

### b. Credit exposures by risk weights

At March 31, 2010, the net credit exposures subject to the standardised approach and after adjusting for credit risk mitigation by risk weights were as follows:

Rupees in billion

Exposure category	Amount outstanding <sup>1,2</sup>
Less than 100% risk weight	1,910.58
100% risk weight	3,120.95
More than 100% risk weight	323.20
Deducted from capital	47.69
<b>Total<sup>3</sup></b>	<b>5,402.42</b>

1. Credit risk exposures include all exposures as per RBI guidelines on exposure norms subject to credit risk and investments in held-to-maturity category. Direct claims on domestic sovereign which are risk-weighted at 0% and regulatory capital instruments of subsidiaries which are deducted from the capital funds have been excluded.

2. Net of credit risk mitigants.

3. Includes all entities considered for Basel II capital adequacy computation.

## 7. CREDIT RISK MITIGATION

### a. Collateral management and credit risk mitigation

The Bank has a Board approved policy framework for collateral management and credit risk mitigation techniques, which include among other aspects guidelines on acceptable types of collateral, ongoing monitoring of collateral including the frequency and basis of valuation and application of credit risk mitigation techniques.



# BASEL II – PILLAR 3 DISCLOSURES (CONSOLIDATED)



at March 31, 2010

## Collateral management

### Overview

The Bank defines collateral as the assets or rights provided to the Bank by the borrower or a third party in order to secure a credit facility. The Bank would have the rights of secured creditor in respect of the assets/ contracts offered as security for the obligations of the borrower/obligor. The Bank ensures that the underlying documentation for the collateral provides the bank appropriate rights over the collateral or other forms of credit enhancement including the right to liquidate, retain or take legal possession of it in a timely manner in the event of default by the counter party. The Bank also endeavours to keep the assets provided as security to the Bank under adequate insurance during the tenor of the Bank's exposure. The collateral is monitored periodically.

### Collateral valuation

As stipulated by the RBI guidelines, the Bank uses the comprehensive approach for collateral valuation. Under this approach, the Bank reduces its credit exposure to a counterparty when calculating its capital requirements to the extent of risk mitigation provided by the eligible collateral as specified in the Basel II guidelines.

The Bank adjusts the value of any collateral received to adjust for possible future fluctuations in the value of the collateral in line with the requirements specified by RBI guidelines. These adjustments, also referred to as 'haircuts', to produce volatility-adjusted amounts for collateral, are reduced from the exposure to compute the capital charge based on the applicable risk weights.

### Types of collateral taken by the Bank

ICICI Bank determines the appropriate collateral for each facility based on the type of product and risk profile of the counterparty. In case of corporate and small and medium enterprises financing, fixed assets are generally taken as security for long tenor loans and current assets for working capital finance. For project finance, security of the assets of the borrower and assignment of the underlying project contracts is generally taken. In addition, in some cases, additional security such as pledge of shares, cash collateral, charge on receivables with an escrow arrangement and guarantees is also taken.

For retail products, the security to be taken is defined in the product policy for the respective products. Housing loans and automobile loans are secured by the security of the property/automobile being financed. The valuation of the properties is carried out by an approved valuation agency at the time of sanctioning the loan.

The Bank also offers products which are primarily based on collateral such as shares, specified securities, warehoused commodities and gold jewellery. These products are offered in line with the approved product policies which include types of collateral, valuation and margining.

The Bank extends unsecured facilities to clients for certain products such as derivatives, credit cards and personal loans. The limits with respect to unsecured facilities have been approved by the Board of Directors.

The decision on the type and quantum of collateral for each transaction is taken by the credit approving authority as per the credit approval authorisation approved by the Board of Directors. For facilities provided as per approved product policies (retail products, loan against shares etc.), collateral is taken in line with the policy.

### Credit risk mitigation techniques

The RBI guidelines on Basel II allow the following credit risk mitigants to be recognised for regulatory capital purposes:

- **Eligible financial collateral** which include cash (deposited with the Bank), gold (including bullion and jewellery, subject to collateralised jewellery being benchmarked to 99.99% purity), securities issued by Central and State Governments, Kisan Vikas Patra, National Savings Certificates, life insurance policies with a declared surrender value issued by an insurance company which is regulated by the insurance sector regulator, certain debt securities rated by a recognised credit rating agency, mutual fund units where daily net asset value is available in public domain and the mutual fund is limited to investing in the instruments listed above.
- **On-balance sheet netting**, which is confined to loans/advances and deposits, where banks have legally enforceable netting arrangements, involving specific lien with proof of documentation.
- **Guarantees**, where these are direct, explicit, irrevocable and unconditional. Further, the eligible guarantors would comprise:
  - Sovereigns, sovereign entities stipulated in the RBI guidelines on Basel II, bank and primary dealers with a lower risk weight than the counterparty; and
  - Other entities, which are rated AA(-) or better.

# BASEL II – PILLAR 3 DISCLOSURES (CONSOLIDATED)

at March 31, 2010

The Bank reckons the permitted credit risk mitigants for obtaining capital relief only when the credit risk mitigant fulfills the conditions stipulated for eligibility and legal certainty by RBI in its guidelines on Basel II.

## Concentrations within credit risk mitigation

The RBI guidelines, among its conditions for eligible credit risk mitigants, require that there should not be a material positive correlation between the credit quality of the counterparty and the value of the collateral being considered. CRMG conducts the assessment of the aspect of material positive correlation on cases referred to it and accordingly evaluates the eligibility of the credit risk mitigant for obtaining capital relief. Currently, the Bank does not have any concentration risk within credit risk mitigation.

### b. Portfolio covered by eligible financial collateral

At March 31, 2010, the credit risk exposures that are covered by eligible financial collateral and guarantees were as follows:

Rupees in billion

Exposures covered by eligible financial collateral and guarantees	Amount <sup>1</sup>
Exposure before considering eligible financial collateral	178.28
Exposure after considering eligible financial collateral	91.43
Exposures fully covered by eligible guarantees	17.78

1. Includes all entities considered for Basel II capital adequacy computation.

The processes for capital computation and credit risk mitigation based on Basel II guidelines are consistent across subsidiaries of the Bank.

## 8. SECURITISATION

### a. Securitisation objectives, roles played by the Bank and the risks

#### Objectives

The Bank's primary objective of securitisation activities is to increase the efficiency of capital and enhance the return on capital employed by diversifying sources of funding.

#### Roles played by the Bank

In securitisation transactions backed by assets either originated by the Bank or third parties, the Bank plays the following major roles:

- **Underwriter:** allowing un-subscribed portions of securitised debt issuances, if any to devolve on the Bank, with the intent of selling at a later stage.
- **Investor/trader/market-maker:** acquiring investment grade securitised debt instruments backed by financial assets originated by third parties for purposes of investment/trading/market-making with the aim of developing an active secondary market in securitised debt.
- **Structurer:** structuring appropriately in a form and manner suitably tailored to meet investor requirements while being compliant with extant regulations.
- **Provider of liquidity facilities:** addressing temporary mismatches on account of the timing differences between the receipt of cash flows from the underlying performing assets and the fulfillment of obligations to the beneficiaries.
- **Provider of credit enhancement facilities:** addressing delinquencies associated with the underlying assets, i.e. bridging the gaps arising out of credit considerations between cash flows received/collected from the underlying assets and the fulfillment of repayment obligations to the beneficiaries.
- **Provider of collection and processing services:** collecting and/or managing receivables from underlying obligors, contribution from the investors to securitisation transactions, making payments to counterparties/appropriate beneficiaries, reporting the collection efficiency and other performance parameters and providing other services relating to collections and payments as may be required for the purpose of the transactions.

#### Risks in securitisation

The major risks inherent in the securitised transactions are:

- **Credit risk:** Risk arising on account of payment delinquencies from underlying obligors/borrowers in the assigned pool.

# BASEL II – PILLAR 3 DISCLOSURES (CONSOLIDATED)



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- **Market risk:**
  - i) Liquidity risk: Risk arising on account of lack of secondary market to provide ready exit options to the investors/participants.
  - ii) Interest rate/currency risk: Mark to market risks arising on account of interest rate/currency fluctuations.
- **Operational risk:**
  - i) Co-mingling risk: Risk arising on account of co-mingling of funds belonging to investor(s) with that of the originator and/or collection and processing servicer when there exist a time lag between collecting amounts due from the obligors and payment made to the investors.
  - ii) Performance risk: Risk arising on account of the inability of a collection and processing agent to collect monies from the underlying obligors as well as operational difficulties in processing the payments.
  - iii) Regulatory and legal risk: Risk arising on account of
    - non-compliance of the transaction structures with the extant applicable laws which may result in the transaction(s) being rendered invalid;
    - conflict between the provisions of the transaction documents with those of the underlying financial facility agreements; and
    - non enforceability of security/claims due to imperfection in execution of the underlying facility agreements with the borrower(s).
- **Reputation risk:** Risk arising on account of
  - i) rating downgrade of a securitised instrument due to unsatisfactory performance of the underlying asset pool; and
  - ii) inappropriate/imprudent practices followed by the collection & processing agent.

In addition to the above, securitised assets are exposed to prepayment risk. Prepayment risk arises on account of prepayment of dues by obligors/borrowers in the assigned pool either in part or full.

## **Processes in place to monitor change in risks of securitisation exposures**

The Bank has established appropriate risk management processes to monitor the risks on securitisation exposures, which include:

- **Monitoring credit risk**

The Bank in the capacity of collection and processing agent prepares monthly performance reports which are circulated to investors/assignees/rating agencies. The securitised pools are continuously monitored and those requiring attention are subjected to specific interventions (e.g. focused collection efforts in affected geographies etc.) to improve their performance.

The risk assessment of the pools is done continuously by the rating agencies based on amortisation level, collection efficiency, credit enhancement utilisation levels and credit cover available for balance deal tenor.
- **Monitoring market risk**

The Bank ascertains market value of the securitisation exposures based on extant norms which is compared with their book value to assess the marked to market impact of these exposures monthly.

## **Bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitisation exposures**

The Bank has not used credit risk mitigants to mitigate retained risks.

### **b. Summary of the Bank's accounting policies for securitisation activities**

#### **Whether the transactions are treated as sales or financings**

The Bank transfers commercial and consumer loans through securitisation transactions. The transferred loans are de-recognised and gains/losses are accounted for only if the Bank surrenders the rights to benefits specified in the underlying securitised loan contract. Recourse and servicing obligations are accounted for net of provisions.

In accordance with the RBI guidelines for securitisation of standard assets, with effect from February 1, 2006, the Bank accounts for any loss arising from securitisation immediately at the time of sale and the profit/premium arising from securitisation is amortised over the life of the securities issued or to be issued by the special purpose vehicle to which the assets are sold.

# BASEL II – PILLAR 3 DISCLOSURES (CONSOLIDATED)

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## Methods and key assumptions (including inputs) applied in valuing positions retained or purchased

The valuation of the retained interests in the form of pass-through certificates (PTCs) is based on the projected cash flows as received from the issuer, which are present valued using the Yield-to-Maturity (YTM) rates, which are computed with a mark-up (reflecting associated credit risk) over the YTM rates for government securities as published by Fixed Income Money Market and Derivatives Association (FIMMDA).

The retained/purchased interests in the form of subordinate contributions are carried at book value.

There is no change in the methods and key assumptions applied in valuing retained/purchased interests from previous year.

## Policies for recognising liabilities on the balance sheet for arrangements that could require the bank to provide financial support for securitised assets

The Bank provides credit enhancements in the form of cash deposits or guarantees in its securitisation transactions. The Bank makes appropriate provisions for any delinquency losses assessed at the time of sale as well as over the life of the securitisation transactions in accordance with the RBI guidelines.

### c. Rating of securitisation exposures

Ratings obtained from ECAs stipulated by RBI (as stated above) are used for computing capital requirements for securitisation exposures. Where the external ratings of the Bank's investment in securitised debt instruments/PTCs are at least partly based on unfunded support provided by the Bank, such investments are treated as unrated and deducted from the capital funds.

### d. Details of securitisation exposures in the banking and trading book

#### I. Banking book

#### i) Total outstanding exposures securitised and the related unrecognised gains/(losses) (March 31, 2010)

Rupees in billion

Exposure type	Outstanding <sup>1</sup>	Unrecognised gains/(losses)
Vehicle/equipment loans	4.84	0.06
Home and home equity loans	30.03	—
Personal loans	—	—
Corporate loans	7.45	0.02
Mixed asset pool	—	—
<b>Total</b>	<b>42.32</b>	<b>0.08</b>

1. The amounts represent the outstanding principal at March 31, 2010 for securitisation deals and include direct assignments.

#### ii) Break-up of securitisation gains/(losses) (net)

Rupees in billion

Exposure type	Year ended March 31, 2010 <sup>1</sup>
Vehicle/equipment loans	(1.75)
Home and home equity loans	0.25
Personal loans	(2.66)
Corporate loans	0.13
Mixed asset pool	(1.06)
<b>Total</b>	<b>(5.09)</b>

1. The amounts include gain amortised during the year and expenses relating to utilisation of credit enhancements.

#### iii) Assets to be securitised within a year

Rupees in billion

	Amount <sup>1</sup>
Amount of assets intended to be securitised within a year	15.46
Of which:	
Amount of assets originated within a year before securitisation	2.21

1. Represents assets originated by overseas banking subsidiaries.

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## iv) Securitisation exposures retained or purchased (March 31, 2010)

Rupees in billion

Exposure type <sup>1</sup>	On-balance sheet	Off-balance sheet	Total
Vehicle/equipment loans	7.96	11.26	19.22
Home and home equity loans	22.48	0.14	22.62
Personal loans	10.99	7.67	18.66
Corporate loans	4.62	6.61	11.23
Mixed asset pool	6.84	10.90	17.74
<b>Total</b>	<b>52.89</b>	<b>36.58</b>	<b>89.47</b>

1. Securitisation exposures, include, but are not restricted to, liquidity facilities, other commitments and credit enhancements such as interest only strips, cash collateral accounts and other subordinated assets as well as direct assignments. The amounts are net of provisions. Credit enhancements have been stated at gross levels and not been adjusted for their utilisation.

## v) Risk weight bands break-up of securitisation exposures retained or purchased (March 31, 2010)

Rupees in billion

Exposure type <sup>1</sup>	< 100% risk weight	100% risk weight	> 100% risk weight	Total
Vehicle/equipment loans	5.25	2.38	0.07	7.70
Home and home equity loans	11.19	4.50	—	15.69
Personal loans	3.17	2.16	—	5.33
Corporate loans	3.73	0.41	0.32	4.46
Mixed asset pool	4.17	4.17	0.25	8.59
<b>Total</b>	<b>27.51</b>	<b>13.62</b>	<b>0.64</b>	<b>41.77</b>
<b>Total capital charge</b>	<b>0.63</b>	<b>1.23</b>	<b>0.20</b>	<b>2.06</b>

1. Includes direct assignments.

## vi) Securitisation exposures deducted from capital (March 31, 2010)

Rupees in billion

Exposure type <sup>1</sup>	Exposures deducted entirely from Tier-1 capital	Credit enhancement (interest only) deducted from total capital <sup>2</sup>	Other exposures deducted from total capital <sup>3</sup>
Vehicle/equipment loans	—	0.45	11.06
Home and home equity loans	—	0.87	7.19
Personal loans	—	1.77	11.57
Corporate loans	—	—	5.64
Mixed asset pool	—	1.27	7.88
<b>Total</b>	<b>—</b>	<b>4.36</b>	<b>43.34</b>

1. Includes direct assignments.

2. Includes subordinate contribution amount deducted from capital.

3. Includes credit enhancements (excluding interest only strips). Credit enhancements have been stated at gross levels and not been adjusted for their utilisation.

## II. Trading book

### i) Aggregate amount of exposures securitised for which the Bank has retained some exposures subject to market risk (March 31, 2010)

Rupees in billion

Exposure type	Total <sup>1</sup>
Vehicle/equipment loans	9.56
Home and home equity loans	3.64
Personal loans	3.52
Corporate loans	—
Mixed asset pool	16.60
<b>Total</b>	<b>33.32</b>

1. The amounts represent the outstanding principal at March 31, 2010 for securitisation deals.

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## ii) Securitisation exposures retained or purchased (March 31, 2010)

Rupees in billion

Exposure type <sup>1</sup>	On-balance sheet	Off-balance sheet	Total
Vehicle/equipment loans	8.28	—	8.28
Home and home equity loans	17.14	—	17.14
Personal loans	2.70	—	2.70
Corporate loans	—	—	—
Mixed asset pool	13.67	—	13.67
<b>Total</b>	<b>41.79</b>	<b>—</b>	<b>41.79</b>

1. Securitisation exposures include PTCs originated by the Bank as well as PTCs purchased in case of third party originated securitisation transactions.

## iii) Risk weight bands break-up of securitisation exposures retained or purchased and the related capital charge (March 31, 2010)

Rupees in billion

	Exposure	Capital charge <sup>1</sup>
<100% risk weight	16.69	0.30
100% risk weight	0.46	0.04
>100% risk weight	—	—
<b>Total</b>	<b>17.15</b>	<b>0.34</b>

1. Represents capital required to be maintained at 9.0% as per RBI guidelines.

## iv) Securitisation exposures deducted from capital (March 31, 2010)

Rupees in billion

Exposure type	Exposures deducted entirely from Tier-1 capital	Credit enhancement (interest only) deducted from total capital	Other exposures deducted from total capital <sup>1</sup>
Vehicle/equipment loans	—	—	8.28
Home and home equity loans	—	—	—
Personal loans	—	—	2.70
Corporate loans	—	—	—
Mixed asset pool	—	—	13.66
<b>Total</b>	<b>—</b>	<b>—</b>	<b>24.64</b>

1. Includes PTCs originated by the Bank as well as PTCs purchased in case of third party originated securitisation transactions. PTCs whose external credit ratings are at least partly based on unfunded support provided by the Bank have been treated as unrated and deducted from the capital funds.

## 9. MARKET RISK IN TRADING BOOK

### a. Market risk management policy

#### Risk management policies

Market risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, credit spreads and other asset prices. The market risk for the Bank is managed in accordance with the Investment Policy and Derivatives Policy, which are approved by the Board. The policies ensure that operations in securities, foreign exchange and derivatives are conducted in accordance with sound and acceptable business practices and are as per the extant regulatory guidelines, laws governing transactions in financial securities and the financial environment. The policies contain the limit structure that govern transactions in financial instruments. The policies are reviewed periodically to incorporate therein, changed business requirements, economic environment and revised policy guidelines.

#### Risk management objectives

The Bank manages its market risk with the broad objectives of:

1. Management of market risk such as interest rate risk, currency risk and equity risk arising from the investments and derivatives portfolio.



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2. Proper classification, valuation and accounting of investments and derivatives portfolio.
3. Adequate and proper reporting of investments and derivative products.
4. Compliance with regulatory requirements.
5. Effective control over the operation and execution of market related transactions.

## **Structure and organisation of the market risk management function**

The Market Risk Management Group (MRMG), which is an independent function, reports to the Head - GRMG. MRMG exercises independent control over the process of market risk management and recommends changes in policies and methodologies for measuring market risk.

To comply with the home and host country regulatory guidelines and to have independent control groups there is clear functional separation of:

- Trading i.e. front office;
- Monitoring & control i.e. middle office; and
- Settlements.

## **Strategies and processes**

### *Internal control system*

Treasury operations warrant elaborate control procedures. Keeping this in view, the following guidelines are followed for effective control of the treasury operations:

#### 1. Delegation

Appropriate delegation of administrative powers has been put in place for treasury operations. All investment decisions are vested in the sub-committees of the Board. However, keeping in view the size of the investment portfolio and the variety of securities that the Bank has been dealing in, authority for investment decisions has been delegated to various dealers depending on exigencies of business.

Treasury Middle Office Group (TMOG) is responsible for an independent check of the transactions entered into by the front office. It also monitors the various limits, which have been laid down in the Investment Policy.

#### 2. System controls

The systems have adequate data integrity controls. The deal slips generated from the systems contain names of the dealers along with other relevant deal details. These are used for audit and control purpose.

#### 3. Exception handling processes

The Investment Policy sets out deal-size limits for various products. Various coherence checks have been inserted in the system for ensuring that the appropriate deal size limits are enforced to minimise exceptions.

## **The scope and nature of risk reporting and/or measurement systems**

### *Reporting*

The Bank periodically reports on the various investments and their related risk measures to the senior management and the committees of the Board. The Bank also periodically reports to its various regulators as per the reporting requirements of the respective regulators.

### *Measurement*

The Bank has devised various risk metrics for different products and investments in line with global best practices. These risk metrics are measured and reported to the senior management independently by TMOG. Some of the risk metrics adopted by the Bank for monitoring its risks are value-at-risk (VaR), duration of equity (DoE), price value of basis point (PV01), stop loss, amongst others. Based on the risk appetite of the Bank, limits are placed on the risk metrics which are monitored on a periodic basis.

## **Hedging and mitigation**

Limits on positions that can be maintained are laid out in the relevant policies. All business groups are required to operate within these limits.

Hedge transactions for banking book transactions are periodically assessed for hedge effectiveness as per home and host country financial guidelines.

## **Frameworks in overseas banking subsidiaries**

Frameworks that are broadly similar to the above framework have been established at each of the overseas banking subsidiaries of the Bank to manage market risk. The frameworks are established considering host country regulatory requirements as applicable.



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## b. Capital requirements for market risk (March 31, 2010)

The capital requirements for market risk (general and specific) at March 31, 2010 were:

Rupees in billion

Risk category	Amount
Capital required	
- for interest rate risk	25.27
- for foreign exchange (including gold) risk	0.91
- for equity position risk	6.52

## 10. OPERATIONAL RISK

### a. Operational risk management framework

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. Operational risk includes legal risk but excludes strategic and reputational risk. Operational risk is inherent in the Bank's business activities in both domestic as well as overseas operations and, like other risk types, is managed through an overall framework with checks and balances.

#### Objectives

The objective of the Bank's operational risk management is to manage and control operational risks in the manner specified in the Operational Risk Management Policy (the Policy). The Policy aims at the following:

- Clear ownership and accountability for management and mitigation of operational risk;
- Help business and operations to improve internal controls, reduce likelihood of occurrence of operational risk incidents and minimise potential impact of losses;
- Minimise losses and customer dissatisfaction due to failure in processes; and
- Develop comprehensive operational risk loss database for effective mitigation.

#### Operational risk management governance & framework

The Bank's operational risk management governance and framework risk is defined in the Policy. While the Policy provides a broad framework, detailed standard operating procedures for operational risk management processes are established. For the purpose of robust quality of operational risk management across the Bank, the operational risk management processes of the Bank have been certified for ISO 9001 standard.

The Policy specifies the composition, roles and responsibilities of Operational Risk Management Committee (ORMC). In line with the RBI guidelines, an independent Operational Risk Management Group (ORMG) was set up in 2006. The key elements in the operational risk management framework include:

- Identification and assessment of operational risks and controls;
- New products and processes approval framework;
- Measurement through incident and exposure reporting;
- Monitoring through key risk indicators; and
- Mitigation through process and controls enhancement and insurance.

#### Identification and assessment

Operational risks and controls across the Bank are documented and updated regularly. Each business and operations group in the Bank has business operational risk managers within the group. ORMG along with these managers facilitates the business and operation groups for carrying out risk and control self assessments on a periodic basis as per the plan approved by the ORMC. Risk mitigation plans are monitored to ensure timely mitigation of risks. Internal controls are tested by Internal Audit Group in the Bank. The testing results are incorporated in the operational risk assessment. The new product and process approval framework facilitates detailed review of risks in the products/processes prior to the launch.

#### Measurement, monitoring, mitigation and reporting

Operational risk incidents are reported regularly and the losses are routed through operational risk account. Root cause analysis is carried out for the significant operational risk incidents reported and corrective actions are incorporated back into respective processes.

The Bank has initiated steps to adopt advanced approaches for operational risk capital computation. The Bank is taking steps to compute capital charge across eight business lines as per the requirements of the standardised approach for computation of operational risk capital charge. The Bank has been estimating operational value

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at risk for the purpose of ICAAP. The operational value at risk is estimated based on the principles of advanced measurement approach by using internal loss data, scenario analysis and external loss data. The operational value at risk is stress tested on a periodic basis to ensure adequacy of the capital provided for operational risk and is also back-tested by comparing with actual losses.

Operational risk profiles are presented to the business and operations management on a periodic basis. Operational risk exposures (risk and control self assessment results, operational risk incidents analysis, adverse key risk indicators and open risks) are monitored by ORMC on a quarterly basis. Operational risk management status along with significant incidents analysis is updated to the Risk Committee and to the Board on a half-yearly basis. Operational risk profile at the Bank level is monitored by the Board on a periodic basis through bank-wide key risk indicators.

For facilitating effective operational risk management, the Bank has implemented a comprehensive operational risk management system in the financial year 2010. The software comprises five modules namely incident management, risk and control self assessment, key indicators, scenario analysis, issues and action. The Bank is in the process of implementing economic capital system for operational risk during the financial year 2011.

## Operational risk management in international locations

ORMG is responsible for design, development and continuous enhancement of the operational risk management framework across the Bank including overseas banking subsidiaries and overseas branches. While the common framework is adopted, suitable modifications in the processes are carried out depending upon the requirements of the local regulatory guidelines. ORMG exercises oversight through the process of periodic review of operational risk management in the international locations.

### b. Capital requirement for operational risk (March 31, 2010)

As per the RBI guidelines on Basel II, the Bank has adopted basic indicator approach for computing capital charge for operational risk.

Rupees in billion

	Amount
Capital required for operational risk as per basic indicator approach	24.59

## 11. INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

### a. Risk Management Framework for IRRBB

Interest rate risk is the risk of potential variability in earnings and capital value resulting from changes in market interest rates. IRRBB refers to the risk of deterioration in the positions held on the banking book of an institution due to movement in interest rates over time. The Bank holds assets, liabilities and off balance sheet items across various markets with different maturity or re-pricing dates and linked to different benchmark rates, thus creating exposure to unexpected changes in the level of interest rates in such markets.

#### Organisational set-up

ALCO is responsible for management of the balance sheet of the Bank with a view to manage the market risk exposure assumed by the Bank within the risk parameters laid down by the Board of Directors/Risk Committee. A Global Asset Liability Management (GALM) Group at the Bank monitors and manages the risk under the supervision of ALCO. Further, the Asset Liability Management (ALM) groups in overseas branches manage the risk at the respective branches, under direction of the Bank's GALM group.

The ALM Policy of the Bank contains the prudential limits on liquidity and interest rate risk, as prescribed by the Board of Directors/Risk Committee/ALCO. Any amendments to the ALM Policy can be proposed by business group(s), in consultation with the market risk and compliance teams and are subject to approval from ALCO/Risk Committee/Board of Directors, as per the authority defined in the Policy. The amendments so approved by ALCO are presented to the Board of Directors/Risk Committee for information/approval.

TMOG is an independent group responsible for preparing the various reports to monitor the adherence to the prudential limits as per the ALM Policy. These limits are monitored on a regular basis at various levels of periodicity. Breaches, if any, are duly reported to ALCO/Risk Committee/Board of Directors, as may be required under the framework defined for approvals/ratification. Upon review of the indicators of IRRBB and the impact thereof, ALCO may suggest necessary corrective actions in order to realign the exposure with the current assessment of the markets.

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## Risk measurement and reporting framework

The Bank proactively manages impact of IRRBB as a part of its ALM activities. ALM policy defines the different types of interest rates risks that are to be monitored, measured and controlled. ALCO decides strategies for managing IRRBB at the desired level. Further, ALCO periodically gives direction for management of interest rate risk on the basis of its expectations of future interest rates. Based on the guidance, GALM manages the IRRBB with the help of various tools i.e. gap analysis, earning at risk (EaR), DoE, stress testing for basis risk etc. These tools are as follows:

- **Gap analysis:** The interest rate gap or mismatch risk is measured by calculating gaps over different time intervals as at a given date. This static analysis measures mismatches between rate sensitive liabilities (RSL) and rate sensitive assets (RSA) (including off-balance sheet positions and trading positions). The report is prepared fortnightly and the rate sensitive liabilities, assets and off-balance sheet positions, except for savings deposits, term loans and wholesale term deposits are grouped into time buckets according to residual maturity or next re-pricing period, whichever is earlier. Behavioral studies are conducted to estimate the prepayment pattern of term loans, premature withdrawal of wholesale term deposits and interest rate sensitive portion of savings deposits and these items are bucketed accordingly. The current account deposits are considered as non-sensitive. The difference between RSA and RSL for each time bucket signifies the gap in that time bucket. The direction of the gap indicates whether net interest income is positively or negatively impacted by a change in the direction and magnitude of interest rates and the extent of the gap approximates the change in net interest income for that given interest rate shift. The Bank primarily has interest rate gaps in its domestic operations and there are bucket-wise limits on these gaps, linked to networth of the Bank.
- **EaR:** From an EaR perspective, the gap reports indicate whether the Bank is in a position to benefit from rising interest rates by having a positive gap ( $RSA > RSL$ ) or whether it is in a position to benefit from declining interest rates by a negative gap ( $RSL > RSA$ ). The Bank monitors the EaR with respect to net interest income (NII) based on a 100 basis points adverse change in the level of interest rates. The magnitude of the impact over a one year period, as a percentage of the NII of the previous four quarters gives a fair measure of the earnings risk that the Bank is exposed to. The EaR computations include the banking book as well as the trading book.

For some of the products, Bank provides its depositors and borrowers an option to terminate the deposit/loan pre-maturely. These products may or may not provide for a penalty for premature termination. In case of pre-mature terminations, the Bank faces a risk of re-pricing of the assets/liabilities at the current rates and the resultant impact on the NII (adjusted for the penalty), over and above the impact as estimated through EAR. However, the re-pricing/re-investment risk is partly mitigated on account of the premature termination option in wholesale term deposits and term loans being captured through the behavioral studies implemented in the interest rate gap statement as mentioned in the earlier paragraphs.

- **Stress test for basis risk:** The assets and liabilities on the balance sheet are priced based on multiple benchmarks and when interest rates fluctuate, all these different yield curves may not necessarily move in tandem exposing the balance sheet to basis risk. Therefore, over and above the EaR, the Bank measures the impact of differential movement in interest rates across benchmark curves. For the domestic operations various scenarios of interest rate movements (across various benchmark yield curves) are identified and the worst-case impact is measured as a percentage of the aggregate of Tier-1 and Tier-2 capital. These scenarios take into account the magnitude as well as the timing of various interest rate movements (across curves). Currently, the scenarios provide for differential movements in each yield curve but the movement in each curve is assumed to be parallel. Further, for the overseas operations of the Bank, assets and liabilities are primarily linked to LIBOR and the basis risk is computed for a parallel shift in LIBOR as well as spread over LIBOR for the borrowings of the Bank. The basis risk for the Bank is summations of the risk on domestic and overseas operations.
- **DoE:** Change in the interest rates also have a long-term impact on the market value of equity of the Bank, as the economic value of the Bank's assets, liabilities and off-balance sheet positions get affected. Duration is a measure of interest rate sensitivity of assets, liabilities and also equity. It may be defined as the percentage change in the market value of an asset or liability (or equity) for a given change in interest rates. Thus DoE is a measure of change in the market value of equity of a firm due to the identified change in the interest rates. The Bank uses DoE as a part of framework to manage IRRBB for its domestic and overseas operations and has devised limits for the above risk metrics in order to monitor and manage IRRBB. The DoE computations include the banking book as well as the trading book. The utilisation against these limits is computed for appropriate interest rate movements and monitored periodically.

Most of the other banking entities in the Group, wherever applicable, also monitor IRRBB through similar tools and limit framework.

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## Marked-to-market (MTM) on the trading book

In addition to the above, the price risk of the trading book is monitored through a framework of VaR and cumulative stop loss limits. The trading book includes securities held for statutory liquid ratio maintenance purposes, all fixed income securities in available for sale and held for trading book, interest rate swaps, and any other derivatives, which have to be marked to market. The management of price risk of the trading book is detailed in the Investment Policy.

## Hedging policy

Depending on the underlying asset or liability and prevailing market conditions, the Bank enters into hedge transactions for identified assets or liabilities. The Bank has a policy for undertaking hedge transactions. These hedges are periodically assessed for hedge effectiveness as per the applicable financial guidelines. The hedges that meet the effectiveness requirements are accounted for on a basis similar to the underlying asset/liability.

## Frameworks in overseas banking subsidiaries

Frameworks that are broadly similar to the above framework have been established at each of the overseas banking subsidiaries of the Bank to manage interest rate risk in the banking book. The frameworks are established considering host country regulatory requirements as applicable.

## Level of interest rate risk

The following table sets forth, using the balance sheet at March 31, 2010 as the base, one possible prediction of the net interest income impact of changes in interest rates on interest sensitive positions for the year ending March 31, 2011, assuming a parallel shift in the yield curve:

Rupees in million

Currency	Change in interest rates <sup>1</sup>	
	–100 basis points	+100 basis points
INR	(516.3)	516.3
USD	(17.9)	17.9
JPY	4.9	(4.9)
GBP	(558.9)	558.9
EURO	21.9	(21.9)
CHF	2.5	(2.5)
CAD	(533.3)	533.3
Others	(19.9)	19.9
<b>Total</b>	<b>(1,617.0)</b>	<b>1,617.0</b>

1. Consolidated figures for ICICI Bank Ltd. and its banking subsidiaries, ICICI Home Finance Company, ICICI Securities and its subsidiaries.

The following table sets forth, using the balance sheet at March 31, 2010 as the base, one possible prediction of the impact on economic value of equity of changes in interest rates on interest sensitive positions at March 31, 2010, assuming a parallel shift in the yield curve:

Rupees in million

Currency	Change in interest rates <sup>1,2,3</sup>	
	–100 basis points	+100 basis points
INR	19,549.7	(19,549.7)
USD	1,093.0	(1,093.0)
JPY	105.4	(105.4)
GBP	(885.2)	885.2
EURO	(338.5)	338.5
CHF	(12.5)	12.5
CAD	(122.4)	122.4
Others	117.4	(117.4)
<b>Total</b>	<b>19,506.9</b>	<b>(19,506.9)</b>

1. The economic value has been computed assuming parallel shifts in the yield curves across all currencies.

2. For INR, coupon and yield of Indian government securities and for other currencies, coupon and yield of currency-wise Libor/swap rates have been assumed across all time buckets that are closest to the mid point of the time buckets.

3. Consolidated figures for ICICI Bank Ltd. and its banking subsidiaries, ICICI Home Finance Company, ICICI Securities and its subsidiaries.

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## 12. LIQUIDITY RISK

Liquidity risk is the risk of inability to meet financial commitments as they fall due, through available cash flows or through sale of assets at fair market value. It is the current and prospective risk to the Bank's earnings and equity arising out of inability to meet the obligations as and when they become due. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities as well as the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The goal of liquidity risk management is to be able, even under adverse conditions, to meet all liability repayments on time and to fund all investment opportunities by raising sufficient funds either by increasing liabilities or by converting assets into cash expeditiously and at reasonable cost.

### **Organisational set-up**

The Bank manages liquidity risk in accordance with its ALM Policy. This policy is framed as per the extant regulatory guidelines and is approved by the Board of Directors. The ALM Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign with changes in the economic landscape. The ALCO of the Bank formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the ALM Policy. The Risk Committee of the Board has oversight on the ALCO.

### **Risk measurement and reporting framework**

The Bank proactively manages liquidity risk as a part of its ALM activities. The Bank uses various tools for measurement of liquidity risk including the statement of structural liquidity (SSL), dynamic liquidity gap statements, liquidity ratios and stress testing through scenario analysis.

The SSL is used as a standard tool for measuring and managing net funding requirements and assessment of surplus or shortfall of funds in various maturity buckets in the future. The cash flows pertaining to various assets, liabilities and off-balance sheet items are placed in different time buckets based on their contractual or behavioural maturity. The SSL is prepared periodically for the domestic and international operations of the Bank and the utilisation against gap limits laid down for each bucket are reviewed by ALCO.

The Bank also prepares dynamic liquidity gap statements, which in addition to scheduled cash flows, also considers the liquidity requirements pertaining to incremental business and the funding thereof. The dynamic liquidity gap statements are prepared in close coordination with the business groups, and cash flow projections based on the same are presented to ALCO periodically. As a part of the stock and flow approach, the Bank also monitors various liquidity ratios, and limits are laid down for these ratios under the ALM Policy.

Further, the Bank has a Board approved liquidity stress testing framework, as per which the Bank gauges its liquidity position under a range of stress scenarios. These scenarios cover Bank specific and market-wide stress situations and have been designed for the domestic and the international operations of the Bank. The potential impact on the Bank's financial position for meeting the stress outflows under these scenarios is measured and is subject to a stress tolerance limit specified by the Board. The results of liquidity stress testing are reported to ALCO on a monthly basis.

The Bank has also framed a Liquidity Contingency Plan (LCP) which serves as a framework for early identification and calibrated action in the event of tight liquidity conditions. The LCP includes various triggers which are monitored regularly, and lays down the mechanism for escalation, remedial action and crisis management until return to normalcy.

### **Liquidity management**

The Bank has diverse sources of liquidity to allow for flexibility in meeting funding requirements. For the domestic operations, current accounts and savings deposits payable on demand form a significant part of the Bank's funding and the Bank is working with a concerted strategy to sustain and grow this segment of deposits along with retail term deposits. These deposits are augmented by wholesale deposits, borrowings and through issuance of bonds and subordinated debt from time to time. Loan maturities and sale of investments also provide liquidity. The Bank holds unencumbered, high quality liquid assets to protect against stress conditions.

For domestic operations, the Bank also has the option of managing liquidity by borrowing in the inter-bank market on a short-term basis. The overnight market, which is a significant part of the inter-bank market, is susceptible to volatile interest rates. To limit the reliance on such volatile funding, the ALM Policy has stipulated limits for borrowing and lending in the inter-bank market. The Bank also has access to refinancing facilities extended by the RBI.

For the overseas operations too, the Bank has a well-defined borrowing program. The US dollar is the base currency for the overseas branches of the Bank, apart from the branches where the currency is not freely convertible. In order to maximise the borrowings at reasonable cost, liquidity in different markets and currencies is targeted. The wholesale borrowings are in the form of bond issuances, syndicated loans from banks, money market borrowings, inter-bank bilateral loans and deposits, including structured deposits. The Bank also raises refinance from banks against the



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buyer's credit and other forms of trade assets. The loans that meet the criteria of the Export Credit Agencies are refinanced as per the agreements entered with these agencies. Apart from the above the Bank is also focused on increasing the share of retail deposit liabilities, in accordance with the regulatory framework at the host countries.

Frameworks that are broadly similar to the above framework have been established at each of the overseas banking subsidiaries of the Bank to manage liquidity risk. The frameworks are established considering host country regulatory requirements as applicable.

In summary, the Bank follows a conservative approach in its management of liquidity and has in place robust governance structure, policy framework and review mechanism to ensure availability of adequate liquidity even under stressed market conditions.

## **13. RISK MANAGEMENT FRAMEWORK OF ICICI SECURITIES PRIMARY DEALERSHIP LIMITED**

The Board of Directors of the Company maintains oversight on the risk management framework of the Company and approves all major risk management policies and procedures. The Risk Management Committee of the Board is responsible for analysing and monitoring the risks associated with the different business activities of the Company and ensuring adherence to the risk and investment limits set by the Board of Directors.

The risk management function in the Company is managed by the Credit Risk Management Group within the broad framework of risk policies and guidelines established by the Risk Management Committee.

The risk control framework is through an effective management information system, which tracks the investments as well as the value at risk reports for portfolios. Valuation of instruments is carried out by mid-office as per guidelines issued by RBI/FIMMDA and other applicable regulatory agencies.

## **14. RISK MANAGEMENT FRAMEWORK OF ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED**

The risk governance structure consists of the Board, Board Risk Committee (BRC), Executive Risk Committee (ERC) and its sub committees. The BRC comprises non-executive directors. The ERC, chaired by the Chief Actuary, is responsible for assisting the Board and the BRC in their risk management duties and, in particular, is responsible for the approval of all new products launched by the Company.

The Investment Risk Committee assists the ERC in identification, measurement, monitoring and control of market, liquidity and credit risks. The Insurance Risk Committee assists the ERC in identification, measurement, monitoring and control of insurance risks i.e. demographic and expense risks. The Operational Risk Committee assists the ERC in identification, measurement, monitoring and control of operational risks i.e. risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

The risk management model of the organisation comprises a four stage continuous cycle namely identification and assessment, measurement, monitoring and control of risks. The Company has in place a Risk Management Policy which details the strategy and procedure adopted to identify, measure, monitor and control risk at the enterprise level. A risk report summarising the key risks faced by the enterprise is placed before the BRC on a periodic basis.

## **15. RISK MANAGEMENT FRAMEWORK OF ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED**

The risk management framework of the Company is overseen by the Risk Management Committee (Risk Committee) of the Board. The framework is broadly structured as follows:

- Risk identification, assessment and mitigation process
- Risk management and oversight structure
- Risk monitoring and reporting mechanism

As part of the Enterprises Risk Management exercise, critical risks along with the detailed mitigation plan have been presented to the Risk Committee. The risk mitigation plans are monitored regularly by the Company to ensure their timely and appropriate execution. The Risk Committee is updated on the progress on a quarterly basis.

The senior management of the Company is responsible for periodic review of the risk management process to ensure that the process initiatives are aligned to the desired objectives. The Management Reassurance Function is responsible for review of risk management processes within the Company and for the review of self-assessments of risk management activities.

The Company's reinsurance program defines the retention limit for various classes of products. The underwriting policy defines product-wise approval limits for various underwriters. The Investment Policy lays down the asset allocation strategy to ensure financial liquidity, security and diversification. The Capital Adequacy and Liquidity Management Policy covers maintenance of adequate level of capital at all times to meet diverse risk related to market and operations.

# Global Reach

ICICI Bank's global network spans 19 countries.



Graphical Representation. Not to scale.



