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Message from the Chairman

N. Vaghul | Chairman

ICICI was created in 1955 with the specific objective of meeting the financial requirements of the Indian industry in the area of project funding, to facilitate rapid industrial development of the economy, in line with the economic objectives of the time. ICICI was therefore, in a sense, a creation of the Indian corporate sector, with the institution's basic charter being to service and facilitate the growth of the Indian corporate world.

In the decades following its inception, ICICI fulfilled this principal mandate by playing an active role, in conjunction with the other financial institutions, in extending financial assistance to projects in diverse industrial segments, thereby promoting the cause of industrialization of the country. ICICI played a key role in nurturing the entrepreneurial spirit of the Indian business community and providing an avenue for the realization of their ambitions in this arena. In this capacity, the role of ICICI and the other financial institutions was crucial in making available the necessary financial capital for creation of industrial assets to entrepreneurs who possessed the ideas, but required the necessary capital to implement them.

ICICI's unique standing among the public financial institutions as the only such private sector institution in the country imposed on it the responsibility of meeting its shareholders' legitimate expectations while operating within the nation's developmental policy framework. In all these years, ICICI has maintained a balance between adherence to the guidelines of developmental economics framed by the country's policy makers and pursuit of its own growth and profitability objectives. It is the successful reconciliation of these dual objectives that has led to the creation of consistent and lasting shareholder value.

The final decade of the last century unleashed unprecedented competitive pressures on the Indian economy, fuelled by the twin forces of economic deregulation and technology. These forces transformed the competitive dynamics in the Indian business environment, heralding the emergence of new leaders in various segments, the materialization of new industries and services, and a secular shift towards an overall improvement in operating efficiencies. The evolution of new-generation technology platforms, coupled with the increasing globalization of the Indian economy, blurred the perimeters of conventional business paradigms.

These forces also shaped vast changes in the financial services sector, creating an era of discontinuous change. The period afforded exciting prospects, but also hitherto unknown risks, for the financial services industry. During this period, ICICI successfully maintained its focus on continuing to serve the Indian corporate world, evolving new competencies to meet changing client requirements and expanding its basket of financial offerings to offer increasingly sophisticated financial solutions to them. The example set by ICICI in the last few years has proved that there has been substantial value added for customers, corporate clients and investors in synthesizing the complete range of products, services and distribution capabilities under an umbrella brand, to create capacities relevant to each project, client or need. ICICI's success in this arena has been determined by the dynamism demonstrated by its management in strategic, managerial and operational issues.

In the new millennium, the Indian economy continues to be in the throes of momentous change: the progressive reduction of barriers to capital flows and international trade, the spread of market-based economics in key sectors and the exciting possibilities of beneficial change brought by transformative technologies. These changes have provided great opportunities for the Indian corporate sector, and it is poised to brave the challenges in the new competitive global landscape and capitalize on these opportunities. The imperative to compete in the global arena demands a radical shift in business outlook that transcends a simple reliance on exports as an indicator of an organization's international credentials. I am confident that the Indian entrepreneurial class will demonstrate resilience of spirit in achieving this.

ICICI too is quickly gearing up to meet the emerging challenges in the global economy through constant innovation and adoption of cutting-edge technology to provide superior customer solutions. As in the past, ICICI's motivation for undertaking this proactive transformation is guided by its raison d'être, the Indian industry, and a desire to acquire the requisite competencies to play a facilitating role in the emergence of a globally competitive Indian corporate sector. In the process, ICICI would continue to be spurred by the imperatives for driving organizational growth and shareholder value, and create economic and intellectual capital that benefits all stakeholders.

Looking ahead, ICICI aspires to be the undisputed leader in financial services in India, with a position of market leadership in every one of its major activities. In view of the institution's successes in achieving business and strategic goals in the past, I believe that we can justifiably look forward to the future with a considerable degree of optimism.

N. Vaghul

N. Vaghul

Chairman

Board of Directors

N. Vaghul	*Chairman*
B.K. Jhawar	
R. Seshasayee	
Rakesh Khurana	
Ashok Ganguly	
D. Sengupta	
N.R. Narayana Murthy	
Marti G. Subrahmanyam	
Lakshmi N. Mittal	
Devi Dayal	
P.G. Mankad	
G.N. Bajpai	
Anupam Puri	
K.V. Kamath	*Managing Director & CEO*
Lalita D. Gupte	*Joint Managing Director & Chief Operating Officer*
Kalpana Morparia	*Executive Director*
S. Mukherji	*Executive Director*

Board Committees

AUDIT COMMITTEE

R. Seshasayee, Chairman
Ashok Ganguly
B.K. Jhawar

BOARD GOVERNANCE & REMUNERATION COMMITTEE

N.R. Narayana Murthy, Chairman
Ashok Ganguly
D. Sengupta
G. N. Bajpai

BUSINESS STRATEGY COMMITTEE

N. Vaghul, Chairman
Ashok Ganguly
R. Seshasayee
Anupam Puri
K.V. Kamath

INVESTMENT COMMITTEE

Marti G. Subrahmanyam, Chairman
G. N. Bajpai
K.V. Kamath
Lalita D. Gupte
Kalpana Morparia
S. Mukherji

CREDIT COMMITTEE

Ashok Ganguly, Chairman
Rakesh Khurana
D. Sengupta
K.V. Kamath
Lalita D. Gupte
Kalpana Morparia
S. Mukherji

RESOURCES & TREASURY & ASSET LIABILITY MANAGEMENT

K.V. Kamath, Chairman
Lalita D. Gupte
Kalpana Morparia
S. Mukherji

SHARE TRANSFER & SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

Rakesh Khurana, Chairman
G, N. Bajpai
Kalpana Morparia
S. Mukherji

SYSTEMS & TECHNOLOGY COMMITTEE

Rakesh Khurana, Chairman
N.R. Narayana Murthy
K.V. Kamath

MANAGEMENT COMMITTEE

K.V. Kamath, Chairman
Lalita D. Gupte
Kalpana Morparia
S. Mukherji

Senior Management

SENIOR GENERAL MANAGERS

Ramni Nirula
P.H. Ravikumar

GENERAL MANAGERS

S. Bakhshi
K. Bharathan
Madhabi Puri-Buch
N.S. Kannan
A. Karati
R. Kannan
S. Khasnobis
A.T. Kusre
N. D. Pinge
K. Mrutyunjaya Rao
P.J.V. Sarma
Shalini S. Shah
O.P. Srivastava
V. Vaidyanathan
R. Vedasagar

Jyotin Mehta, Company Secretary

Dear Shareholders

K.V. Kamath | Managing Director & CEO

The financial year gone by was a crucial one in the history of ICICI—the year when our dynamic financial services platform was put to test by the challenges and extremities in the operating environment. The challenges in the business environment did not deter our aspirations to achieve our growth targets despite the subdued sentiments prevailing in the economy for most of the year. ICICI's approvals and disbursements registered a creditable increase of 29% and 24% during fiscal 2001, to Rs. 560.92 billion and Rs. 319.65 billion respectively. Further, despite environmental constraints and the impact of several significant changes in regulatory guidelines, the profit to equity shareholders registered a healthy growth of 21%, after adding back the accelerated provisions and write-offs made pursuant to the adoption of more conservative provisioning policy against non-performing loans.

Beginning fiscal 2001, ICICI's decision to adopt a more conservative provisioning policy against NPLs, is a proactive step aimed at improving our balance sheet's resilience to externalities. The Indian economy and other emerging markets are being swept by a spate of changes brought by the forces of globalization. The Indian economy too, is facing the competitive pressures of liberalization under the WTO regime and technological obsolescence wrought by emerging technologies. In this rapidly changing business environment, ICICI has decided to adopt a more stringent provisioning policy, whereby ICICI would accelerate to a 50% provision cover against the secured portion of an NPL in a three-year period, compared to a five-and-a-half-year period as required under the current RBI guidelines. Accordingly, ICICI has made accelerated provisions and write-offs of Rs. 8.13 billion against NPLs, resulting in a sharp drop in the net NPL ratio to 5.2% at March 31, 2001, from 7.6% in the previous year.

ICICI's performance in the various business segments during the year, and specially in corporate banking, may be attributed to the successful internalization of a customer-centric business model, where the importance of a "share of the customer's wallet" has been ingrained in all business/product groups, as part of a holistic approach to the cross-selling strategy in client-banking.

The year was marked by dramatic accomplishments in the retail arena, as ICICI's investments in technology and human capital catapulted it on a high-growth trajectory in various business segments. A position of leadership in auto loans and the quick leadership achieved among the new private sector entrants in life insurance, all exemplified the strategic importance of speed in a business roll-out plan.

Fiscal 2001 witnessed the fruition of ICICI's business strategy that has created the basis for sustainable competitive advantage in the years to come. A vast array of financial products and services has created cross-selling opportunities amongst ICICI's substantive client base. This is supported by a complete spectrum of distribution channels, both in the physical and virtual space, all seamlessly integrated to offer a vast distribution network in India. This has enabled us to create a country-wide footprint, straddling both the physical world and the customer's mind-space. Building on this, ICICI is now ideally poised to capitalize on the opportunities in the business environment in the new year.

ICICI's achievements in the new lines of business represent the success of our efforts in instilling and replicating the free entrepreneurial spirit and organizational flexibilities of the "new economy" within the disciplined architecture of a financial institution. Each of the new businesses has been spawned in an atmosphere of total entrepreneurial flexibility, with the business mandate confined to the deliverables. The results have been as successful as our efforts in harnessing the technology paradigm of the new economy, to create market opportunities and re-define business processes in the old economy. In both cases, we have demonstrated our ability to synthesize and capture the best of emerging trends and ideas, to further reinforce and augment our traditional edifices.

The quality of ICICI's workforce and their dynamism has been a key factor in our success. I firmly believe that, we have assembled one of the finest professional teams in any organization or industry; a team that, through its dedication and diligence, has continuously surpassed set goals, led by a senior team of leaders who have translated their business acumen and insights into tangible results for both our clients and shareholders. Against this backdrop, the recognition and various awards received by ICICI for excellence in human resource management were truly rewarding. In a clear testimony to ICICI's value proposition for aspiring professionals, we continue to attract the best professionals from the industry, as well as India's premier business institutes and other educational institutions, who choose ICICI in preference to competing opportunities at higher pay scales for the thrill of working in the most exciting financial services company in India.

I would like to express my gratitude to all our employees for their relentless efforts at making ICICI the most preferred financial services provider in the country. This annual report is a tribute to the collective enterprise of the ICICI team. I would also like to take this opportunity to thank all our investors, clients and valued shareholders for their continued support.

K.V. Kamath

K. Vaman Kamath

Managing Director & CEO

"Our focus on customer-centric business practices continues to catalyse our growth in corporate as well as retail sectors."

Lalita D. Gupte | Joint Managing Director & Chief Operating Officer

Kalpana Morparia | Executive Director

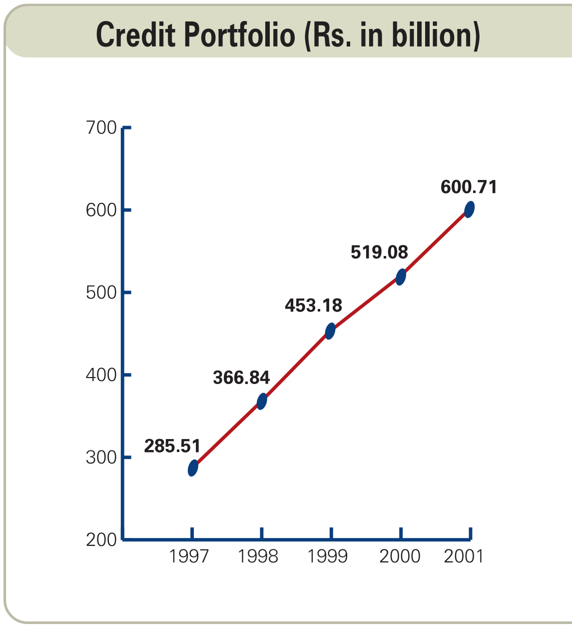
"We remain committed to inducting and nurturing the best talent in the country to accelerate our quest for innovation and growth."

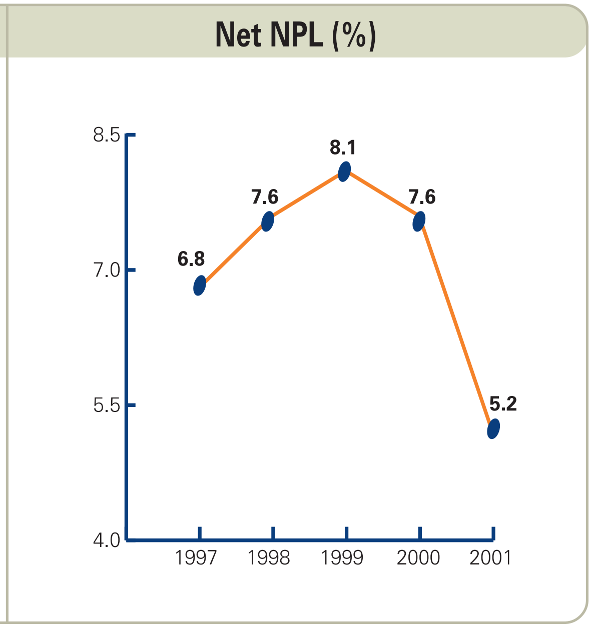
S.Mukherji | Executive Director

"Our strong relationships with clients have evolved into greater business opportunities and higher mutual satisfaction levels."

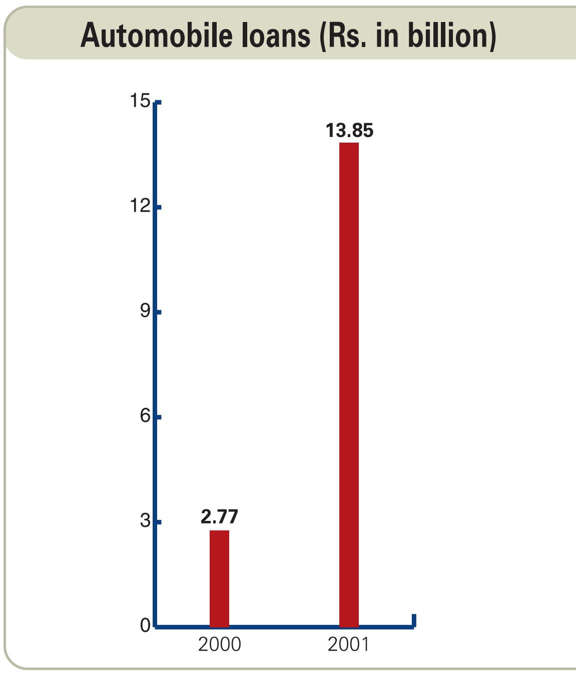
Performance Highlights

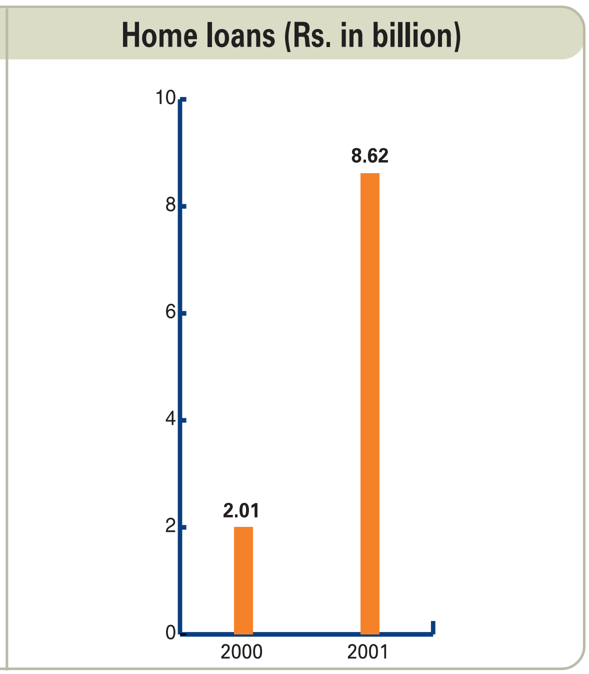
Growth in credit portfolio with declining net NPL ratio





Growth in retail assets





Dividend	:	**55.0%**
Capital adequacy	:	**14.6%**

Ten years at a glance

(Rs.in billion)	Fiscal 1992	Fiscal 1993	Fiscal 1994	Fiscal 1995	Fiscal 1996	Fiscal 1997	Fiscal 1998	Fiscal 1999	Fiscal 2000	Fiscal 2001 Rs. bn	Fiscal 2001 US$ mn
FOR THE YEAR											
Total Income	11.89	15.44	20.18	23.64	29.01	44.71	58.94[2]	73.21	84.38	91.80	1,969.3
Profit before tax and accelerated provisions & write-offs	2.35	2.84	3.80	4.55	5.08	8.56	11.81	10.96	13.28	13.90	298.3
Provision for tax	0.34	0.70	0.70	0.64	0.72	1.04	0.95	0.95	1.22	0.40	8.6
Accelerated provisions & write-offs	—	—	—	—	—	—	—	—	—	8.13	174.4
Profit after tax	2.01	2.14	3.10	3.90	4.36	7.52	10.86	10.01	12.06	5.37	115.3
Profit to equity-holders after adding back accelerated provisions & write-offs	2.01	2.14	3.10	3.90	4.31	7.41	10.77	9.31	10.97	13.32	285.9
Approvals	40.95	57.72	84.91	145.28	145.95	140.84	247.17	323.71	435.23	560.92	12,031.8
Disbursements	23.51	33.15	44.13	68.79	71.20	111.81	158.07	192.25	258.36	319.65	6,856.4
AT YEAR-END											
Assets											
Total assets	108.21	130.42	159.66	194.63	233.24	362.92	459.20	585.47	653.90	734.14	15,747.3
Net loans and debentures	79.91	98.25	115.19	143.61	167.85	261.16	340.09	422.11	483.34	560.02	12,012.5
Equity and other investments	3.50	4.94	8.47	14.69	19.18	23.27	24.37	25.98	30.75	44.04	944.7
Leased assets	2.49	3.55	7.17	7.30	11.89	23.95	26.76	31.07	36.09	40.69	872.7
Liabilities											
Shareholders' equity	8.96	12.06	14.81	21.10	23.61	43.76	46.70	51.35	80.23	79.73	1,710.1
Borrowings	94.56	110.64	135.58	160.87	193.90	294.20	374.49	476.59	508.81	598.35	12,834.6
Selected ratios											
Return on net worth (%)	26.6	20.4	23.2	22.0	19.6	20.5	24.3[2]	20.3	16.8	16.4[3]	—
Return on assets (%)	2.3	1.9	2.3	2.3	2.2	2.5	2.8[2]	2.1	2.1	2.1[3]	—
Earnings per share [1] (Rs.)	10.4	10.6	11.2	13.9	13.0	15.9	21.1[2]	18.2	14.0	17.0[3]	—
Dividend per share (Rs.)	2.4	2.6	3.0	3.5	3.7	4.5	5.5	5.5	5.5	5.5	—
Book value per share (Rs.)	52.4	50.0	59.2	69.5	76.4	85.9	91.3	100.3	98.0	97.5	—
Capital adequacy (%)	—	—	11.9	10.9	10.0	13.2	12.9	12.5	17.3	14.6	—
of which Tier-1 capital	—	—	7.3	8.2	8.0	10.5	9.4	8.3	11.5	9.6	—

1. Based on weighted average shares outstanding and has been diluted for 12.5% convertible debentures converted into equity shares on July 18, 1999. For Fiscal 2000 and Fiscal 2001, calculated on the basis of 785 million shares outstanding.
2. Includes profit on sale of real estate.
3. Calculated after adding back accelerated provisions and write-offs to profit after tax for Fiscal 2001.

Directors' Report

Your Directors have pleasure in presenting the forty-sixth Annual Report of ICICI Limited with the audited statement of accounts for the year ended March 31, 2001.

APPROPRIATIONS

The revenue account shows a profit before taxation of Rs. 5.77 billion after provisions and write-offs of Rs. 14.21 billion towards bad and doubtful debts and taking into account all expenses, including depreciation of Rs. 3.50 billion on assets leased out and depreciation of Rs. 0.48 billion on other assets. The profit after tax for the year is Rs. 5.37 billion. The provisions and write-offs of Rs. 14.21 billion towards bad and doubtful debts includes accelerated provisions and write-offs of Rs. 8.13 billion made pursuant to the revised provisioning policy adopted by ICICI, whereby ICICI would achieve a 50% provision cover against the secured portion of a non-performing loan (NPL) in an accelerated time-frame of three years, as compared to the five-and-a-half-year period prescribed under the Reserve Bank of India (RBI) guidelines. ICICI's policy is in line with the distinct trend amongst international banks and financial institutions in emerging markets towards increasing their provision cover against NPLs. This higher provision could provide additional cushion to the organization in view of the rising impact of volatility in the global economy on emerging markets like India.

The disposable profit is Rs. 5.47 billion, taking into account the balance of Rs. 0.92 billion being brought forward from the previous year and Rs. 0.82 billion required for adjustment of taxation for earlier years. Your Directors have recommended a dividend rate of 55% (Rs. 5.50 per share of Rs. 10) for the year ended March 31, 2001 (fiscal 2001) and have appropriated the disposable profit as follows:

Rs. in billion	Fiscal 2001	Fiscal 2000
Special Reserve - in terms of Section 36(1)(viii) of the Income-tax Act,1961 written back on completion of assessments ...	—	(3.10)
Investment Allowance Reserve written back	—	(0.02)
To Capital Reserve, making in all Rs. 8.26 billion	—	2.93
To Debenture Redemption Reserve	**0.10**	—
To Capital Redemption Reserve, making in all Rs. 11.44 billion	—	0.75
To Special Reserve created and maintained in terms of Section 36(1)(viii) of the Income-tax Act, 1961, making in all Rs. 9.90 billion	**0.70**	3.20
To Deferred Tax Credit Reserve, making in all Rs. 5.49 billion	**(0.90)**	1.20
To General Reserve, making in all Rs. 5.42 billion	**0.50**	2.25
Dividend for the year ended March 31 (including corporate dividend tax)		
– On preference shares	**0.18**	1.09
– On equity shares (proposed)	**4.76**	3.96
Leaving balance to be carried forward to next year	**0.13**	0.92

OPERATIONAL REVIEW

ICICI's asset base continued to register a robust growth with loans and debentures increasing 16% during fiscal 2001 to Rs. 560.02 billion at March 31, 2001. The key to ICICI's rapid growth has been its strong focus on innovation to meet distinct customer needs. ICICI's disbursements increased 24% in fiscal 2001 to Rs. 319.65 billion from Rs. 258.36 billion in fiscal 2000 and approvals increased 29% to Rs. 560.92 billion in fiscal 2001 from Rs. 435.23 billion in fiscal 2000.

SUBSIDIARY COMPANIES

ICICI, together with its subsidiaries, continued to offer a comprehensive range of financial products and services to corporate and retail customers. ICICI subsidiaries at March 31, 2001 comprised:

Principal Subsidiaries	Other Subsidiaries/ Subsidiaries of Subsidiary
- ICICI Securities and Finance Company Limited	- ICICI Brokerage Services Limited[1] - ICICI Securities Holdings Inc.[1] - ICICI Securities Inc.[1]
- ICICI Infotech Services Limited	- ICICI Infotech Inc.[1] - ICICI Infotech Pte. Limited[1] - Ivory International Inc.[1] - Command International Holdings LLC[1] - Nova Technology Inc. [1] - Command International Software[1] - Command Systems Inc. [1] - Command Delaware Holdings, LLC[1]
- ICICI Personal Financial Services Limited - ICICI Capital Services Limited - ICICI Venture Funds Management Company Limited - ICICI Home Finance Company Limited - ICICI Web Trade Limited - ICICI Prudential Life Insurance Company Limited - ICICI Lombard General Life Insurance Company Limited - ICICI Eco-Net Limited - ICICI Global Opportunities Fund LLC	- ICICI Properties Limited - ICICI Realty Limited - ICICI Real Estate Company Limited - ICICI International Limited - ICICI Knowledge Park - ICICI Kinfra Limited - ICICI West Bengal Infrastructure Development Corporation Limited - ICICI Trusteeship Services Limited - ICICI Investment Management Company Limited

(1) Subsidiary of company listed at left.

The audited statements of accounts of ICICI's subsidiaries, together with the Report of the Directors and Auditors for the year ended March 31, 2001, as required under Section 212 of the Companies Act, 1956, are attached.

DIRECTORS

Ajit Kumar, who was on the Board since January 1999 and G. Krishnamurthy, who was on the Board since August 1998, tendered their resignations from the Board, effective November 20, 2000 and November 25, 2000 respectively. The Board accepted with regret their resignations and placed on record its appreciation of the contributions made by them during their tenure.

The Board has appointed P.G. Mankad, Secretary, Ministry of Industry, Department of Industrial Policy & Promotion, Government of India, as Director of ICICI, effective January 25, 2001, in the casual vacancy created by the resignation of Ajit Kumar. P.G. Mankad holds office up to the date of the forthcoming Annual General Meeting of the Company as provided under Article 129 of the Articles of Association of the Company but is eligible for appointment.

The Board has appointed G.N. Bajpai, Chairman, Life Insurance Corporation of India as Director of ICICI effective January 25, 2001, in the casual vacancy created by the resignation of G. Krishnamurthy. G.N. Bajpai holds office up to the date of the forthcoming Annual General Meeting of the Company as provided under Article 129 of the Articles of Association of the Company but is eligible for appointment.

The Board has appointed Anupam Puri as additional Director of ICICI, effective May 3, 2001. He has recently retired from McKinsey & Co. and has worked extensively on public policy issues with various governments as well as multilateral development agencies. Anupam Puri holds office up to the date of the forthcoming Annual General Meeting of the Company as provided under Article 129 of the Articles of Association of the Company but is eligible for appointment.

S.H. Bhojani, Deputy Managing Director, retired from ICICI on April 22, 2001 after 28 years of illustrious service. During his tenure, he rose in the organization from a legal officer to an executive member of ICICI Board. He headed several key departments of the Company including corporate legal, accounts and taxation, secretarial, human resources and administration. He also played a pivotal role in the setting up of several new companies in the Group for entering new areas of business. He has always been a true professional and has greatly enriched the deliberations at the Board Meetings with his vast knowledge of industry, legal intricacies and accounting aspects. The Board placed on record its deep appreciation of the valuable services rendered by him during his long tenure in ICICI.

The term of K. V. Kamath as Managing Director and Chief Executive Officer expired on April 30, 2001. The Board has re-appointed him as Managing Director and Chief Executive Officer for a period of five years effective May 1, 2001. In terms of the provisions of the Companies Act, 1956, your approval is sought for his re-appointment and for the remuneration payable to him as detailed in the Notice convening the Meeting.

At the Meeting held on March 23, 2001, your Board appointed Kalpana Morparia and S. Mukherji as additional Directors effective May 1, 2001 and also appointed them as Executive Directors from the same date for a period of five years. Kalpana Morparia and S. Mukherji hold office up to the date of the forthcoming Annual General Meeting of the Company as provided under Article 129 of the Articles of Association of the Company but are eligible for appointment.

In terms of the provisions of the Articles of Association, B. K. Jhawar, R. Seshasayee, Ashok Ganguly and Rakesh Khurana would retire at the forthcoming Annual General Meeting and, all, being eligible, offer themselves for re-appointment.

AUDITORS

The Auditors, M/s. N.M. Raiji & Co. and M/s. S.B. Billimoria & Co., Chartered Accountants, Mumbai, will retire at the forthcoming Annual General Meeting. As recommended by the Audit Committee, the Board at its Meeting held on May 3, 2001 proposed their appointment as joint Auditors to audit the accounts of ICICI for fiscal 2002. You are requested to consider their appointment.

FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

During fiscal 2001, expenditure in foreign currencies amounted to Rs. 6.47 billion on account of interest, financial and other charges. During the same period, the Company earned Rs. 0.86 billion in foreign currencies.

PERSONNEL

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

CORPORATE GOVERNANCE

ICICI has always believed that strong corporate governance is indispensable and is an important instrument of investor protection. In 1997, a series of proactive steps were taken by ICICI in this direction, including restructuring of ICICI's Board of Directors with a clear demarcation between the role of the Board and that of the executive management, ensuring that not less than 75.0% of the Board would be non-executive Directors and setting up a series of Board sub-committees for overseeing the functions of the executive management. It was also decided that all important Board committees would consist mainly of non-executive Directors and will be presided over by non-executive Directors.

In April 2000, the Securities and Exchange Board of India (SEBI) introduced a comprehensive code on Corporate Governance. Pursuant to this, the stock exchanges have amended listing agreements. A report, in line with the requirement of the stock exchanges and detailing other voluntary compliances, is given below.

I. ICICI's Philosophy on Corporate Governance

Over the past few years, the transition in the Indian business environment, coupled with liberalization and changing market conditions, has led to a fundamental shift in the management's approach to enhancing shareholder value. In this context, corporate governance has attained paramount importance for ensuring fairness, transparency, accountability and responsibility to all stakeholders. ICICI has always voluntarily made efforts to implement sound governance practices. Accordingly, over the past several years, ICICI has proactively institutionalized the best practices in respect of good corporate governance, as a means of effective control and enhancement of stakeholder value.

II. Board of Directors

ICICI's Board has 17 Directors, of whom four are wholetime Directors. The Board has a non-executive chairman. The Board functions either as a full Board or through Committees. The Board of Directors and its Committees meet at regular intervals. Policy formulation, setting up of goals and evaluation of performance and control functions vest with the Board, while the Committees oversee operational issues. ICICI believes that this structure has enhanced the Board's role in guiding ICICI and has contributed to meeting ICICI's strategic objective of enhancing shareholder value.

The Board has constituted nine committees, viz. the Audit Committee, the Board Governance & Remuneration Committee, the Credit Committee, the Investment Committee, the Resources, Treasury & Asset Liability Management Committee, the Share Transfer & Shareholders'/Investors' Grievance Committee, the Systems & Technology Committee, the Management Committee and the Business Strategy Committee. Most of these Board Committees are chaired by independent professional Directors, and consist mainly of non-wholetime Directors. The names of the Directors constituting these Committees are given on page 8.

Six meetings of the Board of Directors were held during the year—on April 28, June 30, July 28 and October 20 in 2000 and on January 25 and March 23 in 2001.

The names of members of ICICI's Board of Directors, their attendance at ICICI Board meetings and the number of their other directorships are set out below.

Name of Member	Board Meetings attended during the year	Attendance at last AGM (June 30, 2000)	Number of other Directorships	
			Indian companies[1]	Other companies[2]
N. Vaghul	6	Present	10	10
B. K. Jhawar	5	Present	5	—
Ashok Ganguly	6	Present	4	5
Rakesh Khurana	6	Present	1	3
R. Seshasayee	5	Present	9	—
D. Sengupta	3	Absent	3	6
Marti G. Subrahmanyam	4	Absent	6	6
N.R. Narayana Murthy	5	Present	3	2
Lakshmi N. Mittal	3	Absent	—	47
P.G. Mankad (appointed effective January 25, 2001)	2	n.a.	—	2
G.N. Bajpai (appointed effective January 25, 2001)	1	n.a.	4	6
Anupam Puri (appointed effective May 3, 2001)	n.a.	n.a.	2	—
G. Krishnamurthy (resigned effective November 25, 2000)	2	Absent	n.a.	n.a.
Ajit Kumar (resigned effective November 20, 2000)	—	Absent	n.a.	n.a.

Name of Member	Board Meetings attended during the year	Attendance at last AGM (June 30, 2000)	Number of other Directorships Indian companies[1]	Other companies[2]
Nominee Director				
Devi Dayal	3	Present	1	4
Wholetime Directors				
K. V. Kamath (Managing Director & Chief Executive Officer)	6	Present	10	4
Lalita D. Gupte (Joint Managing Director & Chief Operating Officer)	6	Present	12	-
S.H. Bhojani (Deputy Managing Director, retired effective April 22, 2001)	5	Present	n.a.	n.a.
Kalpana Morparia (Executive, Director, appointed effective May 1, 2001)	n.a.	n.a.	4	-
S. Mukherji (Executive Director, appointed effective May 1, 2001)	n.a.	n.a.	5	-

n.a. – not applicable

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

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

III. Audit Committee

Terms of reference

The Audit Committee provides direction to the audit and risk management function in the Company and monitors the quality of internal audit and management audit. The responsibilities of the Audit Committee include overseeing the financial reporting process to ensure proper disclosure of financial statements, recommending appointment/removal of external auditors and fixing their remuneration, reviewing the annual financial statements before submission to the Board, reviewing adequacy of internal control systems and adequacy, structure and staffing of the internal audit function, reviewing findings of internal investigations, discussing the scope of audit with external auditors and looking into reasons of substantial defaults, if any, of non-payment to stakeholders.

Composition

The Audit Committee was constituted by the Board of Directors at its Meeting held on May 5, 1997 and comprises three non-executive Directors. The Committee is chaired by an independent Director namely, R. Seshasayee, a Chartered Accountant by qualification. Six meetings of the Audit Committee were held during the year. The composition of the Audit Committee is given below.

Name of Member	Category	Number of Meetings attended
R. Seshasayee	Chairman	6
Ashok Ganguly	Member	6
B.K. Jhawar	Member	4

IV. Board Governance & Remuneration Committee

Terms of reference

The functions of the Board Governance & Remuneration Committee include making recommendations for appointments on the Board, appointments at senior management positions, evaluation of the performance of the wholetime Directors, evaluation of the performance of the Board and individual members on pre-determined parameters, remuneration (including performance bonus and perquisites) to wholetime Directors and determination of the total amount payable as performance bonus to the members of staff and executives below the level of wholetime Directors and the eligibility of employees and wholetime Directors of the Company and its subsidiary companies for grant of stock options under Employee Stock Option Scheme approved by the members.

Composition

The Board Governance Committee was constituted by the Board of Directors at its Meeting held on March 26, 1999 and was renamed as Board Governance & Remuneration Committee by the Board at its Meeting held on June 30, 2000. The Committee comprises four non-executive Directors. The committee is chaired by an independent Director namely, N.R. Narayana Murthy. Six meetings of the Board Governance & Remuneration Committee were held during the year. The composition of the Committee is given below.

Name of Member	Category	Number of Meetings attended
N.R. Narayana Murthy	Chairman	6
Ashok Ganguly	Member	6
D. Sengupta	Member	4
G. N. Bajpai [1]	Member	—
G. Krishnamurthy [2]	Member	2

Note: N.Vaghul and K.V.Kamath[3] are invitees to the Committee.

1 Appointed effective January 25, 2001.

2 Resigned effective November 25, 2000.

3 Resigned effective July 4, 2000.

Remuneration policy

The Board Governance & Remuneration Committee has the power to determine and recommend to the Board the amount of remuneration, including performance/achievement bonus and perquisites payable to the wholetime Directors. The recommendations of the Committee are based on evaluation of the performance of the wholetime Directors on certain pre-determined parameters, as may be laid down by the Board as part of the self-evaluation process.

The following are the details of the remuneration (including perquisites, bonus and retiral benefits) and stock options paid to wholetime Directors in fiscal 2001.

	K.V. Kamath	Lalita D. Gupte	S.H.Bhojani[1]
Break-up of Remuneration			
(Rs. in million)			
- Basic	3.60	2.88	2.40
- Performance bonus	2.70	2.02	1.55
- Allowances & Perquisites	0.98	1.04	0.22
- Provident fund	0.43	0.35	0.29
- Gratuity	0.30	0.24	0.20
- Superannuation	0.54	0.43	0.36
Stock Options (Number)			
- FY 2001	**120,000**	**110,000**	**100,000**
- FY 2000	120,000	110,000	100,000
- FY 1999	120,000	110,000	100,000

[1] Retired effective April 22, 2001.

Perquisites (evaluated as per Income-tax Rules wherever applicable and at actual cost to the Company in other cases) such as benefit of the Company'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, are provided in accordance with the scheme(s) and rule(s) applicable from time to time. If Company-owned accommodation is not provided, the concerned wholetime Director is eligible for house rent allowance of Rs. 25,000 per month and maintenance of accommodation including furniture, fixtures and furnishings, as may be provided by the Company.

The non-executive Directors are paid sitting fees of Rs. 5,000 per Board/Committee meeting attended.

V. Share Transfer & Shareholders'/Investors' Grievance Committee

Terms of Reference

The functions and powers of the Share Transfer & Shareholder'/Investors' Grievance Committee include approval / allotment / rejection of transfer / transmission of equity shares, preference shares, bonds, debentures and securities under ICICI's employee stock option scheme, issue of duplicate certificates, allotment of shares and securities issued from time to time, review and redressal of shareholders' and investors' grievances / complaints and listing of securities on stock exchanges including offering and issuing of shares/securities through depositories.

Composition

The Share Transfer Committee was constituted by the Board of Directors at its Meeting held on May 5, 1997 and was renamed as Share Transfer & Shareholders'/Investors' Grievance Committee by the Board at its Meeting held on June 30, 2000. The Committee comprises two non-executive Directors and two executive Directors. The Committee is chaired by an independent director namely, Rakesh Khurana. Jyotin Mehta, General Manager & Company Secretary is designated as Compliance Officer. Twelve meetings of the Share Transfer & Shareholders'/Investors' Grievance Committee were held during the year. The composition of the Committee is given below.

Name of Member	Category	Number of Meetings attended
Rakesh Khurana	Chairman	10
G. Krishnamurthy [1]	Member	3
Lalita D. Gupte [2]	Member	2
G. N. Bajpai [3]	Member	—
S.H. Bhojani [4]	Member	12
Kalpana Morparia [5]	Member	n.a.
S. Mukherji [5]	Member	n.a.

[1] Resigned effective November 25, 2000.

[2] Resigned effective June 14, 2000.

[3] Appointed effective January 25, 2001.

[4] Retired effective April 22, 2001.

[5] Appointed effective May 1, 2001.

Of the total 5,042 shareholder complaints received in fiscal 2001, 5,029 complaints were processed to the satisfaction of the shareholders. At March 31, 2001, 13 complaints were pending. The number of share transfers pending at the same date was 154.

VI. Credit Committee

Terms of Reference

The Credit Committee approves and reviews the credit policies and approves the proposals which, based on the parameters laid down by the Board, are beyond the powers of the Management Committee. It also lays down an appropriate reporting system to keep itself informed of the major decisions taken by the Management Committee. The Committee reviews proposals relating to borrower groups where the exposure of ICICI is significant, proposals of companies where a Director is interested, proposals with a low rating and proposals of companies which are in substantial default.

Composition

The Credit Committee was constituted by the Board of Directors at its meeting held on March 26, 1999. The Committee comprises three non-executive Directors and four executive Directors. Nine meetings of the Credit Committee were held during the year. The Committee is chaired by Ashok Ganguly, a non-executive Director. The composition of the Committee is given below.

Name of Member	Category	Number of Meetings attended
Ashok Ganguly	Chairman	9
Rakesh Khurana	Member	9
D. Sengupta	Member	—
K.V. Kamath	Member	9
Lalita D. Gupte	Member	8
Kalpana Morparia[1]	Member	n.a.
S. Mukherji[1]	Member	n.a.

Note: N. Vaghul has been an invitee since January, 2001.

[1] Appointed effective May 1, 2001.

VII. Investment Committee

Terms of reference

The Investment Committee lays down the policies for disinvestment of shares and securities held by the Company. It also establishes criteria for investment in shares and securities in the secondary market.

Composition

The Investment Committee was constituted by the Board of Directors at its Meeting held on May 5, 1997 and comprises four executive and two non-executive Directors. The Committee is chaired by Marti G. Subrahmanyam, an independent Director. Four meetings of the Investment Committee were held during the year. The composition of the Investment Committee is given below.

Name of the Member	Category	Number of Meetings attended
Marti G. Subrahmanyam	Chairman	4
G. Krishnamurthy[1]	Member	2
G. N. Bajpai [2]	Member	n.a.
K.V. Kamath	Member	3
Lalita D. Gupte	Member	4
S.H. Bhojani[3]	Member	4
Kalpana Morparia [4]	Member	n.a.
S. Mukherji [4]	Member	n.a.

[1] Resigned effective November 25, 2000.

[2] Appointed effective January 25, 2001.

[3] Retired effective April 22, 2001.

[4] Appointed effective May 1, 2001.

VIII. Resources, Treasury & Asset Liability Management Committee

The Resources, Treasury & Asset Liability Management Committee was constituted by the Board at its Meeting held on May 5, 1997. The Committee comprises four executive Directors and is chaired by the Managing Director & CEO. The Committee is vested with powers to manage resources and treasury functions, including management of assets and liabilities.

IX. Systems & Technology Committee

The Systems & Technology Committee was constituted by the Board at its Meeting held on March 26, 1999. The Committee comprises three Directors and is chaired by an independent director namely Rakesh Khurana. The Committee reviews and advises the Company on its policies and practices related to human resource development and systems and technology.

X. Management Committee

The Board has delegated certain operational powers to the Management Committee including approval of financial assistance and determination of the appropriate spread, with or without interest rate reset. The Management Committee comprises four executive Directors and is chaired by the Managing Director & CEO. The executive management has discussed the review and analysis of the financial results for fiscal 2001 in the next section.

XI. Business Strategy Committee

The Business Strategy Committee was constituted by the Board at its Meeting held on January 25, 2001. The Committee comprises five Directors and is chaired by N. Vaghul, Chairman of the Board. The Committee has been constituted to review and examine ICICI's business strategy and make recommendations to the Board on the same.

XII. General Body Meetings

The details of Annual General Meetings held in the last three years are given below.

Annual General Meeting	Day, Date	Time	Venue
43rd Meeting	Friday, July 24, 1998	2.00 p.m.	Birla Matushri Sabhagar 19, Marine Lines, Mumbai 400 020
44th Meeting	Friday, July 30, 1999	3.30 p.m.	Sri Shanmukhananda Chandrasekarendra Saraswathi Auditorium Comarade Harbanslal Marg Sion (East), Mumbai 400 022
45th Meeting	Friday, June 30, 2000	3.30 p.m.	Sri Shanmukhananda Chandrasekarendra Saraswathi Auditorium Comarade Harbanslal Marg Sion (East), Mumbai 400 022

In absence of necessary legislation, no special resolutions could be put through postal ballot till last year.

XIII. Disclosures

1. There are no materially significant transactions with related parties i.e., promoters, Directors or the Management, their subsidiaries or relatives conflicting with the Company's interest.

2. There were no instances of non-compliance on any matter related to the capital markets during the last three years.

XIV. Means of Communication

It is ICICI's belief that all stakeholders should have access to adequate information regarding the Company's position to enable them to accurately assess its future potential. ICICI's dedicated Investor Relations department plays a proactive role in disseminating information to both investors and analysts through different channels. In accordance with the SEBI and Securities Exchange Commission (SEC) guidelines, all information which could have a material bearing on ICICI's share price is released at the earliest through leading domestic and global wire agencies. ICICI has further strengthened its Web site to provide comprehensive information on its strategy, business segments, financial performance, operational performance, share price movements and press releases.

ICICI's quarterly financial results are published in Financial Express (Bangalore, Chennai, Delhi, Kochi, Kolkata and Mumbai) and Loksatta (Mumbai). The financial results, official news releases and presentations are also displayed on the Company's website *www.icici.com*. ICICI intends to send to each household of shareholders a copy of its half-yearly results, starting from the half-year ending September 30, 2001.

XV. General Shareholder Information

Annual General Meeting

Date	Time	Venue
June 26, 2001	3.30 p.m.	Sri Shanmukhananda Chandrasekarendra Saraswathi Auditorium Comarade Harbanslal Marg Sion (East), Mumbai 400 022

Financial Calendar	:	April 1 to March 31
Book Closure	:	June 8 to June 26, 2001
Dividend Payment Date	:	June 27, 2001

Listing on Stock Exchanges (with stock code)

Stock Exchange	Code
The Stock Exchange, Mumbai (Regional Stock Exchange)	15
The National Stock Exchange of India Limited	ICICI
The Calcutta Stock Exchange Association Limited	64
The Delhi Stock Exchange Association Limited	009001
Madras Stock Exchange Limited	ICI
Vadodara Stock Exchange Limited	15
Mangalore Stock Exchange Limited	ICI
Bangalore Stock Exchange Limited	ICI
New York Stock Exchange (ADSs)[1]	IC

[1]Each ADS represents five underlying equity shares.

Market Price Information

The reported high and low closing prices and volume of shares traded during fiscal 2001 on the Stock Exchange, Mumbai (BSE) and National Stock Exchange (NSE) are given below.

Month	BSE			NSE			Total Volume
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume	on BSE and NSE
April 2000	148.25	116.00	8,020,073	146.90	116.10	9,783,387	17,803,460
May 2000	138.40	92.00	10,985,447	139.60	91.00	10,005,132	20,990,579
June 2000	159.20	125.00	13,982,457	157.85	124.50	22,336,918	36,319,375
July 2000	152.00	112.00	9,081,894	151.40	110.15	8,310,545	17,392,439
August 2000	127.10	103.25	11,470,078	126.70	103.60	10,339,424	21,809,502
September 2000	126.40	97.15	17,421,904	129.70	97.50	12,277,310	29,699,214
October 2000	101.75	67.60	11,439,477	102.00	67.50	12,453,585	23,893,062
November 2000	90.45	74.00	13,791,262	90.40	73.80	11,290,509	25,081,771
December 2000	103.95	84.75	24,231,509	104.00	84.55	21,739,619	45,971,128
January 2001	105.00	88.00	15,147,254	106.00	88.55	13,858,467	29,005,721
February 2001	116.00	88.50	37,169,233	115.00	86.20	30,471,483	67,640,716
March 2001	112.60	80.00	15,346,362	113.00	83.25	13,558,818	28,905,180
Fiscal 2001	159.20	67.60	188,086,950	157.85	67.50	176,425,197	364,512,147

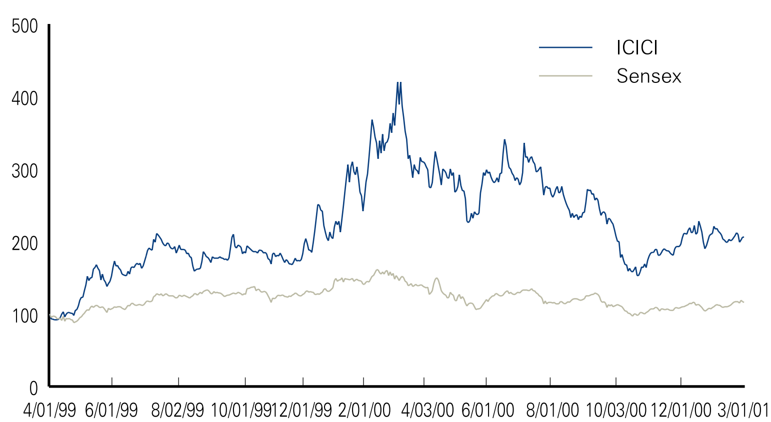
Source: Reuters

The reported high and low closing prices and volume of ADSs traded during fiscal 2001 on the New York Stock Exchange are given overleaf.

Month	High (US$)	Low (US$)	Number of ADSs traded
April 2000	27.50	15.56	3,306,400
May 2000	24.25	14.50	1,658,500
June 2000	20.50	14.73	1,423,900
July 2000	19.38	14.81	3,415,000
August 2000	15.75	12.94	3,710,700
September 2000	15.50	10.75	2,250,700
October 2000	11.90	7.25	5,644,600
November 2000	10.69	9.13	3,032,800
December 2000	12.25	9.63	1,591,100
January 2001	13.63	10.44	2,229,100
February 2001	13.50	11.65	2,184,800
March 2001	13.20	11.00	1,594,500
Fiscal 2001	27.50	7.25	32,042,100

Source: *NYSE.com*

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



Share Transfer System

ICICI's investor services are handled by ICICI Infotech Services Limited (ICICI Infotech). Established in 1993 as a wholly-owned subsidiary of ICICI, ICICI Infotech operates in the following main areas of business: software consultancy & development, IT-enabled services , IT infrastructure and network &

facilities management services. ICICI Infotech has received the ISO-9001 certification for its transaction-processing activities.

ICICI's equity shares are compulsorily traded in dematerialized form as per the SEBI guidelines. At March 31, 2001 about 91% of ICICI's equity (excluding ADS capital of 32.65%) comprising 481,614,897 shares had been dematerialized. This is among the largest number of shares to be dematerialized, of companies of a comparable size in India. During the year, 146,427,976 shares were transferred into electronic mode, involving 472,138 certificates.

Physical share transfers are registered and returned within a period of, typically, seven days from the date of receipt, if the documents are correct and valid in all respects. A letter is sent to the shareholder giving him an option to receive shares in the physical mode or in the dematerialized mode. A period of 30 days is given to the shareholder for sending his intimation. The shareholder then receives the shares in the form he exercises his option for. At March 31, 2001, there were 154 unprocessed transfers pending. The number of shares transferred during the last three years is given below.

	Fiscal 1999	Fiscal 2000	Fiscal 2001
Number of transfer deeds	316,239	131,881	**32,574**
Number of shares transferred	15,875,339	8,269,164	**3,101,831**

The following facilities are available for the convenience of investors:

- Telephone : Investors may contact 91-22-7912040 for all shareholder queries and complaints.
- Fax # 91-22-7912480/81
- Dedicated e-mail facility (investor@icici.com).

Registrar and Transfer Agents

ICICI Infotech Services Limited
International Infotech Park
Tower 5, 3rd Floor
Vashi Station Complex
Navi Mumbai – 400 705
Email : *investor@icici.com*
Queries related to Investor services may be addressed at the above address to T.V. Rangaswami/ L.N. Rajan.

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

Rakesh Jha/Sandeep Guhagarkar
ICICI Limited
ICICI Towers
Bandra-Kurla Complex
Mumbai - 400 051
Telephone # 91-22-653 1414
Fax # 91-22-653 1116
Email: *IR@icici.com*

Information on Shareholding

A. Shareholding pattern of ICICI at March 31, 2001

Shareholder Category	% holding
Deutsche Bank (As Depository for ADS holders)	32.65
Insurance companies	23.47
FIIs and NRIs	15.11
Individuals	10.21
Bodies corporate	7.53
Unit Trust of India	6.63
Banks and Financial Institutions	3.11
Mutual funds	1.19
Shares in transit	0.10
Total	100.00

B. Shareholders with more than one per cent holding at March 31, 2001

Shareholders	% holding
Deutsche Bank (As Depository for ADS holders)	32.65
Life Insurance Corporation of India	12.26
Unit Trust of India	6.63
Bajaj Auto Limited	5.49
New India Assurance Company Limited	4.42
General Insurance Corporation of India Limited	2.65
National Insurance Company Limited	2.13
Emerging Markets Growth Fund Inc.	1.99
Templeton Investment Counsel Inc.	1.91
Prudential Portfolio Managers Limited	1.61
Government of Singapore	1.58
State Bank of India	1.24
T. Rowe Price International Inc.	1.20
Oriental Insurance Company Limited	1.04
ORCASIA Limited – Class A Shares	1.00

C. Distribution of shareholding at March 31, 2001

Number of shares	Number of shareholders	% of shareholders	Total number of shares	% holding
1 to 500	539,165	96.77	56,317,877	7.17
501 to 1000	11,523	2.07	8,402,086	1.07
1,001 to 2,000	3,731	0.67	5,301,121	0.68
2,001 to 3,000	1,037	0.19	2,572,092	0.33
3,001 to 4,000	439	0.08	1,533,641	0.20
4,001 to 5,000	279	0.05	1,267,932	0.16
5,001 to 10,000	464	0.08	3,343,048	0.43
10,001 & above	500	0.09	705,836,879	89.88
Total of above	557,138	100.00	784,574,676	99.90
Shares in transit	-	-	769,772	0.10
Total	557,138	100.00	785,344,448	100.00

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

ICICI has 51.28 million American Depositary Shares (equivalent to 256.41 million equity shares) outstanding, which constitute 32.65% of its total equity capital. Currently, there are no convertible debentures outstanding.

Plant Locations – Not applicable

The details of the regional/zonal offices of the Company are available on the inside back cover page of the Report.

Address for correspondence

The Company Secretary
ICICI Limited
ICICI Towers
Bandra-Kurla Complex
Mumbai 400 051
Telephone # +91-22-653 1414
Fax # +91-22-653 1122
Email: *mehtajyotin@icici.com*

All material requirements with respect to corporate governance have been compiled with including the mandatory and non-mandatory requirements as stipulated in the Listing Agreement. The postal ballot system has not been adopted by the Company (*inter alia*, as the *Official Gazette* notifying Section 192A of the Companies Act, 1956 has not been published) for passing of any of its resolutions.

COMPLIANCE CERTIFICATE OF THE AUDITORS

The Company has obtained a certificate from the statutory auditors regarding compliance of conditions of corporate governance as stipulated in clause 49 of the listing agreement and the same is annexed.

EMPLOYEE STOCK OPTION SCHEME (ESOS)

The Company has an Employee Stock Option Scheme (ESOS) to enable the employees, including wholetime Directors of the Company, and employees or directors of its subsidiary companies, to participate in the future growth and financial success of the Company. Employees are granted an option that is vested in a graded manner over three years, with 20%, 30% and 50% of the grants vesting at the end of each year from the date of the grant. The options can be exercised within 10 years from the date of the grant or five years from the date of vesting, whichever is later.

On the basis of the recommendation of the Board Governance & Remuneration Committee, the Board, at its Meeting held on May 3, 2001, approved grant of 3,205,000 options for fiscal 2001 to the eligible employees (including wholetime Directors) of the Company and of its subsidiary companies. Each option confers on the employee a right to apply for one equity share of Rs. 10 of the Company at Rs. 82, the closing market price on the date of the grant on the National Stock Exchange, which recorded the highest trading volume of ICICI's shares on that date.

Particulars of options granted under ESOS till date are given below.

Total number of shares covered by the ESOS as approved by the shareholders	39,265,577
Pricing formula	The closing market price on the stock exchange, which records the highest trading volume of ICICI's shares on the date of grant.
Options granted	8,451,250
Options vested	1,208,200
Options exercised	33,900
Options forfeited	337,750
Extinguishment or modification of options	Nil
Money realized by exercise of options	2,900,145
Total number of options in force	8,079,600

Options granted to senior managerial personnel for each of the fiscal years 2000 and 2001 are as follows: K.V. Kamath - 120,000, Lalita D. Gupte - 110,000, S. H. Bhojani - 100,000, Sanjiv Kerkar - 60,000, Kalpana Morparia - 60,000, S. Mukherji - 60,000, Shikha Sharma - 60,000 and Devdatt Shah - 60,000. Nachiket Mor, Chanda Kochhar, Ramni Nirula and V. Srinivasan were each granted 30,000 options in fiscal 2000 and 60,000 options in fiscal 2001. M. J. Subbaiah, who retired on July 10, 2000 was granted 60,000 options for fiscal 2000. No other employee has a grant, in any one year, of options amounting to 5% or more of total options granted during that year. No employee was granted options during any one year equal to or exceeding 1% of the issued capital of the Company at the time of the grant.

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 Company at the end of the financial year and of the profit or loss of the Company 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 Companies Act, 1956 for safeguarding the assets of the Company 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 is grateful to the Government of India, the RBI and the SEBI, for their continued support and advice. ICICI is thankful to the multilateral and bilateral agencies, the domestic and international banking and investment community, domestic financial institutions, provident funds, trusts, rating agencies, stock exchanges and the large body of individual investors for their support in resource mobilization. ICICI would also like to take this opportunity to express sincere thanks to its valued clients and customers, for their continued co-operation and patronage.

The Directors would like to express their deep sense of appreciation to all ICICI employees, who are committed to strong work ethics, excellence in performance, exemplary professionalism and commendable teamwork and have thrived in a challenging environment. Finally, the Directors wish to express their gratitude to the Members for their unwavering trust and support.

For and on behalf of the Board

Mumbai	N. Vaghul
May 3, 2001	Chairman

Auditor’s Certificate

May 3, 2001
The Board of Directors
ICICI Limited
ICICI Towers
Bandra-Kurla Complex
Mumbai – 400051

Re : Auditors’ Certificate on Corporate Governance

As required by you, we have reviewed the Company’s procedures for compliance with the provisions of Clause 49 of the Listing Agreement of the Stock Exchanges.

On the basis of our review and according to the information and explanations given to us and the representations made to us by the Management, we state that to the best of our knowledge and belief, the Company has complied in all material respects with the conditions of corporate governance stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges.

M/s. S.B. Billimoria & Co.
Chartered Accountants

M/s. N.M. Raiji & Co.
Chartered Accountants

Management's discussion and analysis

BUSINESS ENVIRONMENT

Economic Overview

The opening of the Indian economy in the last decade has injected a new competitive dynamism in Indian industry, as demonstrated most noticeably by the information technology sector. India's economic reforms have played a critical role in the performance of the economy since 1991. It is important to note that, despite the slowdown in recent years, the average growth rate in the last six years ended fiscal 2000 was about 6.5%, which is higher than the average growth rate of 5.6% achieved in the 1980s. The salient changes witnessed in the Indian economy in the last few years include a decline in the external debt burden and the current account deficit.

The overall performance of the industrial sector during fiscal 2001 was somewhat lower than that in the previous year. This was also reflected in the lower growth in the flow of funds from banks to the commercial sector. The use-based classification shows that the pattern of industrial growth has tilted towards the consumer goods sector; on the other hand, growth of basic, capital and intermediate goods sectors decelerated, reflecting the general sluggishness in investment demand. The past year again witnessed limited response to the Government's efforts to attract private investments in the infrastructure sector. Systemic issues have dissuaded private sector investments, particularly in the power sector. Combined with the continued good performance of the services sector, particularly of information technology related services, the economy is estimated to grow at 6% in fiscal 2001, despite low agricultural growth. The export markets were buoyant, with exports showing a growth of 19.8% in fiscal 2001 compared with the 18% target set by the Government.

The inflation rate based on point-to-point variation in the Wholesale Price Index, reduced sharply to 4.9% by the end of fiscal 2001 from 6.5% a year ago. This rate now compares favorably with that across several of the stronger emerging economies. Accordingly, the small savings interest rates were reduced in the Union Budget providing a strong signal for lowering of real interest rates in the economy. The recent monetary and credit policy of the Reserve Bank of India (RBI) also expresses optimism on the continuation of easy liquidity conditions and a softer interest rate environment. These developments are expected to revive private sector investments in industrial projects.

During the period under review, stock markets across the globe experienced periods of high volatility. The Indian stock markets remained generally subdued during fiscal 2001. The decline in the BSE Sensitive Index reflected large sell-offs in global equity markets, particularly in the "new economy" stocks. The buoyancy witnessed in the stock markets in the end of February 2001, in response to the Union Budget was abruptly interrupted by certain adverse developments, including apprehension of payment difficulties.

In the foreign exchange markets, Indian rupee depreciated by about 6.9% vis-à-vis the US dollar during fiscal 2001. However, exchange rate movements were generally orderly and range-bound as the RBI closely monitored the developments. The success of the India Millennium Deposits scheme, that garnered about US$ 5.50 billion, significantly improved the supply of foreign exchange.

Quantitative restrictions on imports were relaxed from April 1, 2001, in line with the commitments made to the World Trade Organization. While this is expected to increase competitive pressures in certain sectors of the economy, overall it is expected to offer businesses greater flexibility in operations, including sourcing components from cheaper locations. The Indian entrepreneurial strength has demonstrated its adaptability to changing market conditions in the past, and the increased competitive pressures are expected to further strengthen Indian companies in the long run. The suggested amendments to labour laws in the Union Budget are also a bold step towards optimization of operating efficiencies in Indian industry.

Considering the critical role a buoyant infrastructure sector can play in realizing the inherent growth potential of the economy, it is imperative that the Government takes the necessary steps to provide infrastructure facilities within a stable, predictable and commercially viable framework. The Union Budget has provided for various proactive measures to boost the infrastructure sector, including tax holidays for infrastructure projects, linking Central Plan assistance for state electricity boards to their adoption of reforms programmes, incentives for development of rural roads under the Integrated National Highway Project and encouragement of private sector participation in the development of rural infrastructure. The proposed measures of the Union Budget to boost infrastructure sector, together with steps to deepen and streamline the capital markets, should catalyze growth in other key sectors of the economy.

Financial Sector Overview

Fiscal 2001 witnessed the announcement of several measures by the market regulators aimed at bringing structural changes in the financial services sector, to strengthen the system and to improve the functioning of the various segments of the financial markets. The principal underlying objectives of these pronouncements have been to increase the operational effectiveness of banks, strengthen the prudential and supervisory norms, improve the credit delivery system and develop the technological and institutional infrastructure of the financial services sector.

The reforms announced in the Union Budget, including two-way fungibility of ADRs/GDRs and increased investment limit for foreign portfolio investors, are significant steps towards progressively liberalizing the capital account. Presently, foreign direct investment (FDI) is permitted under the automatic route for most activities, except in certain circumstances and for a very small negative list. Additional announcements in the Union Budget, exempting investments in initial public offerings of corporates from capital gains tax, and the proposal to set up a clearing corporation for the debt markets, are expected to directly benefit the capital markets.

The opening of the insurance sector to private providers, pursuant to the provisions of the IRDA Act, 1999, led to various private enterprises obtaining a license to transact life and non-life business during fiscal 2001. The long-term investments garnered from this sector are expected to provide liquidity and depth to the capital markets.

The reduction in small savings rate announced in the Budget is a signal for the lowering of real interest rates in the economy, and banks and financial institutions are expected to benefit from the consequent increase in credit off-take and revival of industrial investments. The recent monetary and credit policy of the RBI sought to reinforce the Budget's objectives, by aiming to furnish adequate liquidity to meet credit growth objectives, impart greater flexibility to the interest rate regime in the medium-term and continue the present stable interest rate environment.

In the banking sector, significant measures on the deposit and advances front, including shortening of the minimum maturity period for term deposits from 15 days to 7 days with regard to wholesale deposits of Rs. 1.5 million and above, relaxation of Prime Lending Rate (PLR) as the floor rate for banks and rationalization of interest rates on export credit, are expected to foster greater competition among banks. The move to increase the interest rate on cash balances maintained under the Cash Reserve Ratio is a significant step towards reducing the regulatory burden, which would have a direct beneficial effect on the banking sector's profitability. During the period under review, the RBI issued revised guidelines for valuation of investments for banks and financial institutions. The prudential norms for recognition of loan impairment in respect of banks and financial institutions have also been made more stringent.

On the regulatory front, banks and financial institutions are expected to benefit significantly from measures announced in fiscal 2001 for the eventual repeal of the Sick Industrial Companies Act (SICA), and enactment of legislation to facilitate foreclosure in the case of loan defaults, which would aid efforts in loan recoveries and in reducing the burden of non-performing loans. Further, in the recent monetary and credit policy in April 2001, various measures have been proposed to rationalize the operations of urban co-operative banks, in order to provide greater security for depositors and members of such banks. In the current context, the proposed abolition of Banking Service Recruitment Boards, giving autonomy to nationalized banks in recruitment procedures, is a positive step for improving their competitiveness. All these measures are aimed at enhancing the overall financial strength and stability of the financial sector.

Technology continued to provide an impetus to growth in the banking sector, with almost all leading private sector banks having adopted the Internet in an attempt to gain a competitive edge. As banks attempt to personalize their interaction with customers, improve their understanding of customers and develop a customer-centric orientation, they are likely to face increasing technological challenges in order to remain competitive. In this context, the ability of banks' IT architecture to cope with these challenges is of supreme importance in the eventual determination of their success.

BUSINESS OPERATIONS

During fiscal 2001, ICICI successfully continued the process of diversifying the asset base to mitigate the inherent risks of operating on a single-product portfolio. Our ability to devise customized solutions and our speed of execution helped us develop innovative financial solutions for our clients in diverse areas like acquisition funding and agri-financing; while our relationships with India's leading corporate houses further contributed to improving our corporate banking portfolio. During the year, we also commenced operations in new business areas such as life insurance through our subsidiary company.

In addition, we expanded the breadth of our retail franchise and have emerged today as one of the leading players in the retail finance market.

Wholesale Business

As a diversified financial services provider, ICICI provides the complete spectrum of wholesale banking products and services including project finance, corporate finance, hybrid financing structures, syndication services, treasury-based financial solutions, cash flow based financing products, lease financing, equity financing, risk management tools, as well as advisory services.

Fiscal 2001 marked a consolidation of ICICI's position in wholesale banking, coupled with successful roll-outs of new measures to capitalize on the opportunities arising from the recent changes in the operating environment and in the evolving competitive landscape.

Business Strategy

The steady integration of the Indian economy with the global markets has accelerated the trends of increasing disintermediation and growing competition from global players. The consequent realignment in strategies of financial services companies has dictated a shift from a product-focus orientation to a customer-focus orientation. ICICI has capitalized on the customer's demand for cost-efficient, high-quality products and services to increase its market presence and ensure a greater "share of the customer's wallet". The ICICI Group, with its strong corporate franchise, in-depth knowledge of Indian industry and arguably the best pool of human talent in the Indian financial sector, is uniquely positioned to take advantage of this opportunity.

Innovation has emerged as the vital ingredient for success in the Information Age, for the acquisition and retention of customers. ICICI has successfully harnessed the Internet as a strategic tool, both to promote its financial services and to disseminate information. During the year, we launched *ICICImarkets.com*, a finance portal targeting our clientele in wholesale banking, with a view to bringing almost all our products and services online.

Our strategy of using ICICI's client-centric relationship groups to actively cross-sell the full range of our products and services to our clients has yielded desired results, as exemplified in the robust business growth. We continued to restrict our exposure in corporate finance products primarily to highly-rated customers, to ensure minimal credit risk. In the project finance segment, we have continued to focus on structured project finance in the infrastructure and oil, gas and petrochemicals sectors.

During the year, we maintained our close association with the policy formulation exercises of the Government of India, the RBI, the Securities & Exchange Board of India (SEBI) and other apex institutions. We participated in many important committees aimed at enhancing economic and industrial development of the country through policy measures. Through these committees, ICICI was able to offer the full range of its experience and expertise for critical policy-related matters in various sectors, thereby reinforcing its role in fostering the economic development of the nation.

Operational Review

ICICI's disbursements grew 24% to Rs. 319.65 billion in fiscal 2001, from Rs. 258.36 billion in the previous year. In the same period, approvals increased 29% to Rs. 560.92 billion from Rs. 435.23 billion. The diversification trend is reflected in the purpose-wise approvals and disbursements made by ICICI during fiscal 2001.

Purpose	Approvals				Disbursements			
Rs. in billion	**Fiscal 2000**	**% to total**	**Fiscal 2001**	**% to total**	**Fiscal 2000**	**% to total**	**Fiscal 2001**	**% to total**
Infrastructure	60.13	14	**118.76**	**21**	16.06	6	**26.80**	**8**
Oil, Gas and Petrochemicals	37.37	8	**10.15**	**2**	16.62	6	**2.36**	**1**
Other projects in manufacturing	63.58	15	**67.60**	**12**	37.35	15	**34.54**	**11**
Corporate Finance[1]	264.78	61	**322.81**	**58**	181.25	70	**221.31**	**69**
Retail Finance[2]	9.37	2	**41.60**	**7**	7.08	3	**34.64**	**11**
Total	435.23	100	**560.92**	**100**	258.36	100	**319.65**	**100**

Notes :

1) Includes corporate lending to infrastructure, oil, gas, and petrochemicals sector.

2) Includes operations of ICICI Home Finance Company, wholly-owned subsidiary of ICICI.

The total approvals and disbursements (provisional) by all-India Financial Institutions were Rs. 1,177.86 billion and Rs. 725.84 billion respectively. Of these, ICICI accounted for 48% and 44% respectively, clearly establishing ICICI's leadership position in this business.

ICICI's activities in the wholesale banking segment can be classified broadly into project finance activities and corporate finance activities.

Project Finance

ICICI is the premier provider of project financing products and services in India. During fiscal 2001, our project finance activities included medium-term and long-term lending to the manufacturing sector and structured finance to the infrastructure and oil, gas and petrochemicals sectors. Over the years, we have developed considerable expertise in financing complex project finance transactions and effectively allocating the associated risks. We expect growth in our project finance business to be driven by the increasing demand for structured finance for large projects. These projects are structured with contractual mechanisms and security that are designed to isolate and mitigate their inherent risks. Our presence has been viewed by most sponsors as critical to the success of their projects, on account of our proficiency in developing enforceable contract models, syndicating requisite funds and working out complex issues related to Government regulations.

Infrastructure Financing

ICICI continues to be the leading player in infrastructure financing in the country, on account of its proactive role in developing innovative financing structures for this sector. Such innovation, together with precise documentation and comprehensive security mechanisms, has resulted in better control of projects and improved risk profile.

Noteworthy achievements during the year include syndication of the entire debt and extensive involvement in the successful completion of the IPO for the first private sector basic services project in the telecom sector and successful financial closure of two power projects in the private sector (Independent Power Producers) as lead arranger. Our approvals in the infrastructure segment during the year stood at Rs.118.76 billion and formed 21% of our aggregate approvals. We were appointed lead arranger and project advisor in the vast majority of our mandates.

In view of ICICI's expertise in the infrastructure financing arena and the strategic importance of the sector, ICICI has been increasingly involved in providing policy level advice. Our Managing Director & CEO was a member of two sub-groups, under the Group on Telecom and IT Convergence, chaired by the Finance Minister. ICICI, as part of one sub-group, worked on the resolution of subsisting problems in the telecom sector with a view to ensuring expeditious implementation of New Telecom Policy 1999 (NTP 99). Given the imminent convergence of telecom, media and information technology, ICICI, as part of the other sub-group, worked on developing a legislative framework for the Communication Convergence Bill 2000. Resolution of the implementation problems of NTP 99 and creating a framework conducive to future developments are expected to provide impetus to the rapid growth of the Indian telecom sector.

ICICI has been actively involved in transport projects, including syndication of debt for the first expressway-cum-real estate project and advising leading companies on the first highway project being taken up on an annuity basis. ICICI has also finalized a line of credit from Asian Development Bank (ADB) for urban infrastructure.

Oil, Gas, Petrochemicals and other related areas

ICICI's significant in-house expertise in project financing in the areas of oil exploration and production, refineries, pipelines, liquefied natural gas, petrochemicals and fertilizers has enabled it to attain a pre-eminent position in financing this sector. This is acknowledged both by the Government of India and the business community and has resulted in ICICI playing a significant role in policy formulation. We have also carried out several advisory mandates in these sectors and have worked out preliminary financing plans and modes of implementation for the proposed refinery projects of leading PSU oil companies.

Manufacturing Sector

Fiscal 2001 saw very few new projects taking off in the manufacturing sector and, as a result, approvals for project finance in the manufacturing sector were limited to about 12% of total approvals, compared to 15% in the previous year. We are now focusing our lending operations in this sector, on those companies that are controlled by entities that have the ability to commit required financial resources, that possess the technology and scale necessary to compete globally and that demonstrate financial viability through profitability assessments and well-defined business plans. We are also implementing tighter security measures, such as security interests in project contracts and escrow accounts to capture cash flows.

Corporate Finance

In fiscal 2001, the share of corporate financing activities (non-project finance to existing corporates) as a percentage of total disbursements of ICICI was stable at the same level as that in the previous year. We executed a number of innovative financial transactions during the year, including lending against intellectual property rights, brand financing and forward rate agreements for corporate loans. Further, we were able to play a facilitating role in the ongoing phase of consolidation in various sectors of the Indian economy, by funding mergers and acquisitions.

Structured Solutions

Combining our experience and in-depth understanding of client needs, we introduced several value-added products aimed at meeting specific client requirements. We designed financial solutions for companies requiring off-balance sheet financing for undertaking acquisitions, undertook financing of Government bodies by identifying and capturing cash flow streams from the public and structured operating leases aimed at efficient risk allocation with the performance risk borne by the manufacturer. During the year, ICICI concluded several securitization deals in respect of new asset classes, including student fees receivables, road toll receivables, employee loans and license fee receivables.

Over the last year, we were able to extend assistance to several public sector enterprises and, in many cases, we became their financier of choice. Our expertise helped us secure prestigious advisory mandates such as the mandate to advise National Thermal Power Corporation on securitization of dues from state electricity boards. We acted as the financial advisor to Rural Electrification Corporation for securitization of loan receivables.

ICICI expanded the scope of its corporate finance business by introducing long-term trade financing for captive/sole suppliers of large companies, where the financing was made contract-centric rather than client-centric, in order to enhance creditworthiness. Channel financing was significantly broadened to tap the vendor segment as well.

Overall, we continued to provide innovative solutions to our existing clientele while reaching out to new client segments where we perceived opportunities for growth.

Custodial Services

ICICI is registered with the SEBI as a Custodian and Depository participant, for both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In this capacity, ICICI provides full-fledged custodial settlement services to the wholesale segment, including overseas funds and corporate bodies, venture funds and domestic corporates. To facilitate settlement services, ICICI has become a clearing member of clearing agencies of the leading stock exchanges. During the year, we successfully retained our standing as the market leader in the custody of Indian Euro issues.

We also consolidated our position by securing additional wholesale clients and secured a significant portion of repeat business on the strength of our consistently high service standards.

ICICI also provides depository services to retail customers. Currently, the retail service is extended for NSDL operations only. ICICI depository services are available to customers through ICICI Centres and branches of ICICI Bank in over 60 cities. The service is also available online through the “3-in-1” offering of *ICICIdirect.com*. ICICI has been able to rapidly build a large base of over 250,000 customers.

Organization structure

Our performance during fiscal 2001, a period otherwise marked by environmental constraints, has shown that a business strategy in tune with the market place and a motivated group of professionals are capable of producing sustained superior results. However, the pace of change in the financial services industry, marked by evolving customer needs and rapid advances in technology, is providing us with new challenges and opportunities. In such an environment, the structure of an organization needs to be dynamic, constantly evolving and amenable to adaptation.

In fiscal 1999, in an effort to improve our client service and client-based profitability across the spectrum of products and services of the ICICI Group, we had re-organized our corporate credit operations into two client relationship groups – the Major Clients Group and the Growth Clients Group. These relationship groups have been successful in building strong client relationships and creating an effective interface for the entire ICICI Group with Indian corporates, enabling all ICICI Group companies to generate enhanced business with these clients.

ICICI’s customer-centric focus is now proposed to be further sharpened by the creation of a team of dedicated client bankers who can act as a source of superior value in helping clients meet all strategic objectives and, thereby, build lasting relationships. These client relationship teams will work in tandem with credit teams built to capitalize on ICICI’s strong framework for credit appraisal and execution of fund-based transactions. This framework, as practised by our credit teams, creates optimal risk identification, allocation and mitigation and has been very successful in minimizing residual risk in our business operations. To tap the business opportunities in Public Sector units, Government and Quasi-Government agencies including muncipal corporations, a dedicated Government and Institutional Group is being formed.

Over the last few years, with liberalization and growth of the Indian economy, there has been an increased demand for infrastructure services. Accordingly, specialized industry groups have been formed to create sector-specific knowledge and develop expertise in designing limited-recourse project finance transactions and syndication of large funding requirements. We expect growth in our project finance business to be driven by the increasing demand for structured finance for large projects and have, therefore, created the Projects Division. The Structured Products Group has been the key enabler in our successful entry as a solutions provider for highly-rated clients. We believe that it would be synergistic to combine the expertise embedded in this group with the skills of the specialized industry groups and have, accordingly, integrated Structured Products Group within the Projects Division.

Retail Business

Retail business forms an integral part of our portfolio diversification strategy. ICICI's business strategy in the retail business has been to build a strong financial services brand, offer a comprehensive range of innovative products and services across the country, using multiple distribution channels and provide efficient customer service. These initiatives have provided us a distinct competitive advantage in our retail business.

During the year, the ICICI brand continued to consolidate its position in the Indian financial sector. A strong corporate and product advertisement strategy has created a strong retail identity. ICICI's common corporate identity across all retail products and delivery channels provides "branded capital". Studies by independent market research agencies have shown that ICICI brand is the number two financial services brand in India in terms of top-of-the-mind recall.

ICICI's innovations in products and distribution methods, such as the Internet and doorstep service through a wide network of direct marketing agents, have been well-received by the market. Our continuous effort to integrate all delivery channels has resulted in a consistent, reliable and seamless customer experience. We are attempting to create a customer-centric organization aimed at providing better levels of customer service. This was reflected in J. D. Power & Associates ranking ICICI as the *Number One* financier in satisfaction, based on a study on Initial Consumer Automotive Financing.

During the year under review, ICICI made significant investments in setting up a strong retail business architecture, including augmentation of skilled manpower, expansion of physical and virtual presence and increased feet-on-street (direct marketing agents). These investments have yielded desired results, providing a strong impetus to our growth that has led us to leadership positions in several retail businesses. We emerged as a dominant player with a nation-wide presence in the retail credit businesses.

Retail Credit Products

Our total retail approvals (including operations of ICICI Home Finance Company Limited) increased 344% to Rs. 41.60 billion in fiscal 2001, from Rs. 9.37 billion in fiscal 2000, while our total retail disbursements (including operations of ICICI Home Finance Company Limited) increased 389% to Rs. 34.64 billion in fiscal 2001, from Rs. 7.08 billion in fiscal 2000. The process of consolidation saw the retail asset customer base increasing from about 40,000 customers to over 180,000 customers. ICICI's retail portfolio increased from Rs. 4.54 billion to Rs. 20.40 billion during the year under review. ICICI gained significant market share in automobile loans, home loans, personal loans, dealer financing and commercial vehicle loans. This rapid growth has been achieved while maintaining the credit quality. We have followed stringent risk management practices for all our retail businesses.

Within a short span, ICICI has achieved the leadership position in the automobile finance segment, in terms of incremental business. During the year, we extended our coverage to 70 cities. The strength of our corporate relationships and service orientation has enabled us to maintain the preferred financier status with most of the leading automobile manufacturers. During fiscal 2001, disbursements for automobile loans increased 427% to Rs. 14.64 billion and automobile loans outstanding increased 454% to Rs. 13.85 billion at March 31, 2001.

During the year, ICICI Home Finance Company Limited, ICICI's wholly-owned home financing subsidiary, obtained National Housing Bank's approval for refinancing. Home loans distribution reach was extended to 51 geographically diverse locations. This, along with innovative delivery channels, door-step service and coordinated market strategies, helped in home loan approvals increasing 270% to Rs. 13.97 billion and disbursements increasing 303% to Rs. 7.01 billion. Home loans outstanding increased 327% during fiscal 2001 to Rs. 8.62 billion at March 31, 2001. Our new product offerings included home loans for NRIs and loans for office premises for self-employed professionals.

Personal loans were made available in 24 cities across the country. The year saw a strong increase in disbursements to Rs. 1,164 million from Rs. 31 million. Several products like personal loans for doctors and other professionals were launched during the year.

The services offered by call centres operated by ICICI Personal Financial Services, our subsidiary, were enhanced to include other forms of communications like faxes, emails and Internet. These state-of-the-art call centres have integrated all the retail product systems of the ICICI Group, using middle-ware, which has enabled our customers to get information about all their accounts. We now have call centres in Bangalore, Chandigarh, Chennai, Delhi, Hyderabad, Jaipur, Kolkata, Mumbai and Pune. In addition, virtual call centres were opened in remote locations, which are connected via mobile network to physical call centres. These virtual call centres are located in Ahmedabad, Aurangabad, Goa, Ludhiana, Mangalore, Nagpur, Nashik and Vadodara.

Retail Liability Products

As part of our strategy to diversify our liability portfolio, we continued to target the retail investor. Building on our strategy of having a continuous presence in the market, during fiscal 2001 we made seven public issues of bonds, providing investment and saving opportunities to the retail customers. ICICI has built a total retail bondholder base of over five million, which provides a significant opportunity for cross-selling our retail credit products. Together with fixed deposits, total retail mobilization in fiscal 2001 was Rs. 34.39 billion from over 1.8 million investors, as against Rs. 25.75 billion from over one million investors during fiscal 2000.

This large amount was raised in an environment marked by declining interest in debt instruments, owing to tax concessions given to mutual funds. During the year, ICICI launched fixed deposits with free personal accident insurance cover, giving investors the dual benefit of returns and insurance. A new product - Pension Bond - was introduced, which gives the investors an avenue to plan and save for their retirement.

Continuing the strategy of opening a geographically diverse network of ICICI Centres, which offer the entire range of financial products and services to the retail customer, we have now established over 90 such centres. These small offices are low-cost computerized centres, equipped with online connectivity and market not only ICICI bonds and fixed deposits, but also third-party mutual fund units and initial public offers of equity.

Life Insurance

During fiscal 2001, the Indian insurance sector was opened to private participation. In November 2000, ICICI Prudential Life Insurance Company Limited, ICICI's 74:26 joint venture with Prudential plc of the U.K., obtained the licence to conduct life insurance business. On December 19, 2000, it became one of the first private life insurance companies to launch operations. At March 31, 2001, ICICI Prudential Life Insurance Company had presence in five cities i.e., Chennai, Delhi, Kolkata, Mumbai and Pune and had about 2,100 agents. During fiscal 2001, ICICI Prudential Life Insurance Company launched five products and sold over 6,350 policies.

RESOURCES AND TREASURY OPERATIONS

The principal responsibilities of the Resources & Treasury Division at ICICI include mobilization of resources from domestic and international markets, management of cash surpluses, setting of interest rates, hedging of exposure to market risks and proprietary trading. ICICI's strong business growth over the past several years has resulted in substantial funding requirements, making ICICI a large wholesale borrower in India.

Rupee Resources

During fiscal 2001, ICICI mobilized total medium-term and long-term rupee resources of Rs. 152.31 billion, comprising Rs. 117.92 billion from wholesale sources and Rs. 34.39 billion from retail sources. ICICI continued to pursue its strategy of creating a diversified, stable and sustainable funding resource base. As a part of this strategy, ICICI significantly increased its marketing efforts, particularly by aggressively targeting a wider range of investor categories including autonomous bodies, development authorities, educational institutions and religious and charitable trusts. ICICI also leveraged its wide physical reach across the country to tap the small and medium-sized institutional investors, which is reflected in the significantly higher level of borrowings from such investors. ICICI considers the retail customer base an important future source of funding and has made extensive efforts to enhance its retail resource raising capabilities. Accordingly, ICICI made seven public offerings of bonds in fiscal 2001 raising Rs. 29.00 billion from retail investors.

Foreign Currency Resources

The demand for foreign currency funds from corporates continued to be tepid as in the previous year. Hence, ICICI's foreign currency resource requirements in fiscal 2001 were limited. ICICI raised US$ 100 million at LIBOR + 80 basis points, setting a benchmark for a five-year borrowing by an Indian entity in the international markets. ICICI was able to meet its balance foreign currency requirements by drawing down from available lines of credit.

Treasury Operations

ICICI is an active participant in trading in all domestic financial markets: Government securities, corporate debt, foreign exchange, equity, and rupee and foreign exchange swaps. ICICI also participates in select international financial markets.

ICICI has invested, over the past few years, in a state-of-the-art dealing room, comprehensive risk-management systems, automation of treasury back-office, process improvements and introduction of new products. This has enabled ICICI to strengthen its competitive position in treasury operations and emerge as a leading player in the Indian markets. During the year, ICICI implemented a comprehensive advanced deal capture, risk control and analytics system for its trading operations. ICICI's trading operations help in hedging balance sheet positions, improving liquidity management and capitalizing on market opportunities.

ICICI firmly believes that development of derivative markets in India would enable market players to improve their ability to manage financial and business risks. Hence, ICICI has been a strong proponent for the introduction of new derivative products in Indian markets. During the year, ICICI became the first institution to trade in equity index futures launched by the National Stock Exchange. ICICI has actively used index futures to reduce volatility in its trading income and has a substantial share in the total trading volume of equity index futures.

In keeping with its objective of providing specialized solutions for customers, ICICI introduced forward starting loans (akin to forward starting swaps) to enable superior interest rate risk management by its clients. During the year, ICICI actively contracted rupee interest rate swaps in order to enhance its ability to manage asset-liability mismatches in its balance sheet. ICICI has taken several initiatives, including increasing market awareness, to create a liquid and deep market for interest rate swaps. An active interest rate derivatives market would provide ICICI with increased flexibility in providing products tailored to meet client requirements and in managing the interest-rate risk in its balance sheet.

Credit Rating

ICICI's domestic credit rating is in the highest possible investment grade category. ICICI's credit rating from Moody's and Standard & Poor's is at sovereign risk levels. ICICI's credit rating as per various credit rating agencies at March 31, 2001, is given below.

Agency	Rating
Moody's Investors Service (Moody's)	Ba2
Standard & Poor's (S & P)	BB
Credit Analysis & Research Limited (CARE)	CARE AAA
Investment Information and Credit Rating Agency (ICRA)	LAAA

INFORMATION TECHNOLOGY

ICICI continues to be at the forefront of usage of technology in the financial services sector. Information technology is a strategic tool for our business operations, to gain competitive advantage and to improve overall productivity and efficiency of the organization. Further, our e-commerce strategy has been developed to exploit opportunities in the Internet and technology domain by leveraging our core competencies.

All our technology initiatives are aimed at enhancing value, offering customer convenience and improved service while optimizing costs. During the year, the emphasis was on harnessing technology for integrating diverse products with a customer-centric focus.

In November 2000, we launched the wholesale finance portal *ICICImarkets.com* – a platform for offering wholesale products of the entire ICICI Group to our clients through a common interface. The offering aims to create a medium for business managers to undertake online transactions through robust and user-friendly transaction engines. Besides providing a complete end-to-end solution to the customer, *ICICImarkets* provides analytical tools to enable a user to make informed and calculated decisions. We expect *ICICImarkets* to be a key driver in further deepening our relationship with corporate and banking clients.

Over the past few years, ICICI Group has built a strong base of retail customers, including ICICI bondholders, ICICI Bank account-holders and retail credit customers. ICICI would continue to focus on improving individual customer profitability through cross-selling its comprehensive range of retail products and services to existing customers. With this in mind, ICICI has implemented a Retail Data-warehouse Solution, with inputs from NCR Corporation. *ICICIconnect.com* has been launched to offer retail customers access to all their accounts across ICICI Group companies through a single login.

ICICIdirect.com is an example of using technology to integrate disparate products, thereby offering enhanced value and convenience to the customers. The e-Invest account offers customers online real-time hassle-free stock trading by linking the customer's brokering, banking and depository accounts. This convenience has resulted in a strong growth with the number of customers crossing 78,000 at March 31, 2001, representing a market share of about 65% of online trading customers in India.

During the year, ICICI ePayments Limited, launched *Payseal.com* – India's first payment gateway. The payment gateway has been implemented by Compaq and QSI, Australia. It enables customers to execute financial transactions securely on the Internet using credit cards. In the next stage, it is proposed to extend secure transaction capability to enable business-to-business transactions.

ICICI Infotech has been the focal point for ICICI's technology initiatives, including Web-enabling of products and services. ICICI Infotech continued to provide a robust data-communications network, comprising state-of-the-art data centre and nationwide multiple-layer network, which is crucial for the business operations of all ICICI Group entities, particularly the branch and ATM network of ICICI Bank. The unique advantages that ICICI Infotech possesses are, strong parentage, well-developed domain knowledge of financial services and expertise in Web technologies. To leverage its learning from providing cutting-edge technology solutions, ICICI Infotech has embarked upon a global growth trajectory, aimed at transforming itself into one of the leading technology companies based in India. During the year, ICICI Infotech completed the acquisition of three companies in the US and one in India. The focus of ICICI Infotech is now to move to the off-shore model, wherein the international offices would be responsible for marketing, client-site implementation and testing, while the Indian unit would be mainly involved in the development work. During the year, Emirates Bank Group acquired an 8% stake in ICICI Infotech.

ICICI had floated a new company called ICICI Eco-net Limited to channelize its e-commerce and Internet-related initiatives. In order to synergise ICICI's venture capital finance, incubation and e-commerce investment activities, the management of ICICI Eco-Net Internet & Technology Fund, its start-up incubation and e-commerce fund was merged with ICICI Venture, the venture capital subsidiary. With this realignment, all venture capital activities i.e. the raising and deployment of venture capital resources are done under different schemes of ICICI Venture. ICICI believes that the track record built by ICICI Venture and the exemplary incubation and e-commerce capabilities built into ICICI Eco-Net could be synergised to form a dominant venture capital firm in the country with size and capabilities of that of a global player.

FINANCIAL REVIEW

Financials as per Indian GAAP

The period under review was marked by environmental constraints. A significant part of the year witnessed depressed capital markets and volatility in interest rates and foreign exchange markets. There was continued restructuring and consolidation in key manufacturing sectors. The business environment was further constrained by limited response to Government's efforts to attract investments in the infrastructure sector. There were significant changes in respect of the regulatory and taxation guidelines including change in criterion for classifying assets as doubtful, treatment of restructured/rescheduled assets and revised guidelines for investment valuation.

Notwithstanding the environmental constraints, ICICI's profit to equity holders registered a growth of 21% (after adding back the accelerated provisions and write-offs), increasing to Rs. 13.32 billion in fiscal 2001 from Rs. 10.97 billion in fiscal 2000. This growth was recorded despite a higher provisioning requirement of about Rs. 0.66 billion, consequent to the revision of the RBI guidelines whereby sub-standard assets are to be classified as doubtful assets after 18 months (instead of 24 months) of an asset being classified as non-performing loan (NPL).

From fiscal 2001, ICICI has decided to make accelerated provisions against NPLs as a more conservative policy. As per this revised provisioning policy, ICICI would achieve a 50% provision cover against the secured portion of an NPL in an accelerated timeframe of three years, as compared to the five-and-a-half-year period prescribed under current guidelines. ICICI's policy is in line with the distinct trend amongst international banks and financial institutions in emerging markets towards increasing their provision cover against NPLs. This higher provision could provide additional cushion to the organization in view of the rising impact of volatility in the global economy on emerging markets like India.

Accordingly, ICICI has made aggregate provisions and write-offs of Rs. 14.21 billion in fiscal 2001, comprising Rs. 6.08 billion made as per the requirements of the RBI guidelines and Rs. 8.13 billion of accelerated provisions and write-offs. After considering these accelerated provisions and write-offs, ICICI recorded profit after tax of Rs. 5.37 billion.

Financial Results

Rs. in billion	Fiscal 2000	Fiscal 2001	Growth %
Fund-based income			
- Income from loans and debentures[1]	61.96	**70.59**	13.9
- Income from leasing	7.99	**8.30**	3.9
- Income from securities, deposits and advances	5.69	**2.55**	(55.2)
Total fund-based income	75.64	**81.44**	7.7
Interest and related expense			
- Interest expense	(57.85)	**(63.76)**	10.2
- Interest tax	(1.12)	**—**	—
- Lease depreciation	(3.67)	**(3.50)**	(4.7)
- Other borrowing expenses	(0.95)	**(1.19)**	24.4
Total interest and related expense	(63.59)	**(68.45)**	7.6
Net fund-based income	12.05	**12.99**	7.8
Fees and commissions	3.24	**5.22**	61.4
Net income from operations	15.29	**18.21**	19.2
Operating expenses [2]	(2.89)	**(3.37)**	16.6
Profit from operations	12.40	**14.84**	19.7
Provisions and write-offs on loans & debentures	(4.62)	**(6.08)**	31.7
Profit before income from investments & other income	7.78	**8.76**	12.6
Total income from investments	5.04	**4.52**	(10.3)
- Dividend income	2.10	**1.08**	(48.6)
- Net capital gains	2.94	**3.44**	17.2
Other income	0.46	**0.62**	36.1
Profit before tax and accelerated provisions and write-offs	13.28	**13.90**	4.7
Accelerated provisions and write-offs	—	**(8.13)**	—
Provision for tax	(1.22)	**(0.40)**	(67.2)
Profit after tax	12.06	**5.37**	(55.4)
Preference dividend payout	(1.09)	**(0.18)**	—
Profit to equity holders	10.97	**5.19**	(52.7)
Profit to equity holders after adding back accelerated provisions and write-offs	10.97	**13.32**	21.5

Notes:

1) Interest income from loans and debentures is net of expenses directly related to retail business.

2) Operating expenses are net of rent and other recoveries from group companies.

Interest Income and Interest Expense

Rs. in billion except percentages	Fiscal 2000			Fiscal 2001		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
Assets						
Rupee loans & debentures[1]	367.66	54.67	14.87%	**443.95**	**62.87**	**14.16%**
Foreign currency loans[1]	88.71	7.29	8.21%	**89.42**	**7.72**	**8.63%**
Liabilities						
Rupee borrowings[2]	392.66	52.52	13.38%	**449.72**	**57.94**	**12.88%**
Foreign currency borrowings[2]	95.93	5.33	5.55%	**94.68**	**5.82**	**6.15%**

Notes:
1) Rupee loans and foreign currency loans are gross of provisions.
2) Interest expense on borrowings does not include interest tax.

Net fund based income increased 7.8% to Rs. 12.99 billion in fiscal 2001 from Rs. 12.05 billion in fiscal 2000 despite an increase in interest expense consequent to substitution of preference capital by borrowings. ICICI redeemed preference shares of Rs. 9.58 billion due to the increase in dividend distribution tax rate.

Income from loans and debentures increased 13.9% to Rs. 70.59 billion in fiscal 2001 from Rs. 61.96 billion in fiscal 2000. This increase was on account of a 15.0% increase in income from rupee loans and debentures and a 5.9% increase in income from foreign currency loans.

The 15.0% increase in income from rupee loans and debentures was primarily due to a 20.7% increase in average balance of rupee loans and debentures offset, in part, by a decline of 71 basis points in yield on rupee loans and debentures. The yield on interest-earning rupee loans and debentures decreased during fiscal 2001 principally due to ICICI's continued focus on lower-risk short-term and medium-term corporate finance loans to highly-rated clients resulting in lower credit spread and a decrease in the cost of rupee borrowings. The 5.9% increase in income from foreign currency loans was due to an increase of 42 basis points in yield on foreign currency loans and a 0.8% increase in average balance of foreign currency loans. ICICI's foreign currency loans and borrowings are mainly floating rate US dollar London Interbank Offer Rate (LIBOR) linked. The yield on interest-earning foreign currency loans increased during fiscal 2001 primarily due to increase in LIBOR during the aforesaid period.

Interest expense increased 10.2% to Rs. 63.76 billion in fiscal 2001 from Rs. 57.85 billion in fiscal 2000 due to a 10.3% increase in interest expense on rupee borrowings and a 9.3% increase in interest expense on foreign currency borrowings. The 10.3% increase in interest on rupee borrowings was primarily due to a 14.5% increase in average balance of rupee borrowings offset, in part, by a 50 basis points decline in average cost of rupee borrowings as interest rates prevalent during fiscal 2001 were lower compared to those in fiscal 2000. The 9.3% increase in interest on foreign currency borrowings was due to a 60 basis points increase in average cost of foreign currency borrowings as explained above offset, to a limited extent, by a 1.3% decline in average balance of foreign currency borrowings.

Spread Analysis

Rs. in billion, except percentages	Fiscal 2000	Fiscal 2001
Average interest-earning assets[1]	446.49	**521.19**
Interest income[2]	61.96	**70.59**
Average interest-bearing liabilities	488.59	**544.40**
Total interest expense[3]	58.97	**63.76**
Ratio of average interest-earning assets to average interest-bearing liabilities %	91.4%	**95.7%**
Interest expense apportioned to interest-earning assets[4]	53.89	**61.05**
Net interest income[5]	8.07	**9.54**
Net interest margin[6]	1.81%	**1.83%**
Gross yield[7]	13.88%	**13.54%**
Average cost of borrowings[8]	12.07%	**11.71%**
Yield spread[9]	1.81%	**1.83%**

Notes:

1) Average interest-earning assets include loans, debentures, hire purchase portfolio (net of provisions and write-offs).
2) Interest income consists of income from the interest-earning assets as defined above. Interest income is presented without deducting interest tax, if applicable and net of expenses directly related to retail business.
3) Total interest expense includes interest tax, if applicable.
4) Interest expense apportioned to interest-earning assets is calculated by multiplying total interest expense by the ratio of average interest-earning assets to average interest-bearing liabilities.
5) Net interest income consists of interest income for the period minus interest expense apportioned to interest-earning assets for the period.
6) Net interest margin equals net interest income divided by average interest-earning assets. This method of computation conforms to the method used to compute the yield spread given in this table.
(7) Gross yield equals interest income divided by average interest-earning assets.
(8) Average cost of loan funds is the total interest expense (including interest tax if applicable) divided by average interest-bearing liabilities.
(9) Yield spread represents the difference between gross yield and average cost of loan funds.

Yield spread increased marginally by 2 basis points to 1.83% in fiscal 2001 from 1.81% in fiscal 2000 due to a 36 basis points decline in average cost of borrowings offset in part, by a 34 basis points decline in gross yield on average interest-earning assets.

Income from Leasing

Net income from leasing (income from leasing less lease depreciation) increased 11.2% to Rs. 4.80 billion in fiscal 2001 from Rs. 4.32 billion in fiscal 2000 in line with the increase in average leased assets during this period.

Income from Securities, deposits and advances

Income from securities decreased 55.2% to Rs. 2.55 billion in fiscal 2001 from Rs. 5.69 billion in fiscal 2000. The interest income decreased 40.7% to Rs. 2.46 billion in fiscal 2001 from Rs. 4.15 billion in fiscal 2000 primarily due to the lower average cash balances of rupee and foreign currency funds in fiscal 2001. In view of limited market opportunities during the year, ICICI's profits on sale of short-term investments also declined in fiscal 2001.

Commissions and Fees

Income from commissions and fees increased 61.4% to Rs. 5.22 billion in fiscal 2001 from Rs. 3.24 billion in fiscal 2000, primarily due to a sharp increase in income from loan processing and appraisal fees. This is in line with ICICI's strategy of targetting new client segments and businesses for generating additional fee income to offset the lower spreads on high quality assets. Commissions on guarantees increased by 29.4% to Rs. 1.07 billion in fiscal 2001 from Rs. 0.82 billion in fiscal 2000.

Operating Expenses

Rs. in billion except percentages	Fiscal 2000	Fiscal 2001	Growth %
Employee expense	0.73	**0.99**	36.0
Technology expense	0.39	**0.51**	32.1
Brand building expenses	0.12	**0.16**	31.8
Professional fees	0.19	**0.21**	11.6
Other operating expenses			
- Rent, rates & taxes	0.23	**0.26**	11.9
- Maintenance and upkeep	0.14	**0.21**	48.2
- Electricity & power consumption	0.08	**0.12**	54.9
- Registrar & transfer agency fees	0.23	**0.34**	47.6
- Travelling and conveyance	0.16	**0.17**	3.5
- Depreciation on own assets	0.32	**0.48**	51.9
- Others	0.40	**0.48**	19.3
Less: Rent and other recoveries from Group companies	(0.10)	**(0.56)**	—
Net other operating expenses	1.46	**1.50**	2.3
Total operating expense	2.89	**3.37**	16.6

Operating expense (net of rent and other recoveries from Group companies) increased 16.6% to Rs. 3.37 billion in fiscal 2001 from Rs. 2.89 billion in fiscal 2000 primarily due to a 36.0% increase in employee expense. The increase in technology and brand building expense to the extent of 32.1% and 31.8% respectively was primarily due to ICICI's strategy of building long-term, sustainable competitive advantages.

Income from Investments

Income from investments comprising income from dividends and capital gains declined 10.3% to Rs. 4.52 billion in fiscal 2001 from Rs. 5.04 billion in fiscal 2000.

Dividend Income

Income from dividends declined 48.6% to Rs. 1.08 billion in fiscal 2001 from Rs. 2.10 billion in fiscal 2000 primarily due to reduced dividend income received from units and mutual funds in view of the depressed capital markets. Dividend income from subsidiaries also declined 29.8% to Rs. 0.67 billion in fiscal 2001 from Rs. 0.96 billion in fiscal 2000 due to lower dividend income from ICICI Securities and ICICI Venture, whose performance was affected by the adverse market conditions during the year.

Capital Gains

ICICI's capital gains, net of permanent diminution in investments of Rs. 1.45 billion, increased 17.2% to Rs. 3.44 billion in fiscal 2001 from Rs. 2.94 billion in fiscal 2000.

At the time of granting the banking licence to ICICI Bank, the RBI had specified that ICICI would have to reduce its holding in ICICI Bank to 40% over a period of time. ICICI reduced its holding in ICICI Bank accordingly from 100.0% to 55.59% as a result of the offer for sale by ICICI in 1997, issue of American Depositary Shares (ADS) by the Bank in fiscal 2000 and the merger of Bank of Madura with ICICI Bank in fiscal 2001. ICICI had been in discussions with the RBI to determine whether and to what extent ICICI may be required to further reduce its interest in ICICI Bank. During the year, the RBI reiterated its requirement of reduction of ICICI's holding in ICICI Bank and advised ICICI to draw up a firm plan for dilution of ICICI's stake.

In line with the RBI's directive to reduce its stake in ICICI Bank to 40%, as a first step ICICI sold about 10% of ICICI Bank's equity capital in fiscal 2001 and realized capital gains of about Rs. 3.24 billion. ICICI now holds about 46% of ICICI Bank's equity capital. There is no change in the ICICI Group's long-term strategy of operating as a virtual universal bank offering a comprehensive range of financial products and services to wholesale and retail segments.

With a view to strengthen the existing relationship with Emirates Bank of the UAE, ICICI divested 8% of its stake in ICICI Infotech, the IT and software services arm of ICICI, to the Emirates Bank. ICICI Infotech already has a joint venture with Emirates Bank, which is involved in marketing software products and services in West Asia. ICICI booked capital gains of about Rs. 0.55 billion from the divestment.

Provisions and Write-offs

As mentioned earlier, ICICI decided to make accelerated provisions and write-offs against NPLs as a more conservative policy. As per ICICI's revised provisioning policy, ICICI would make 15% provision in the first year of an asset becoming NPL, cumulative 30% provision in the second year and cumulative 50% provision in the third year. Hence, ICICI would hold a 50% provision cover against the secured portion of an NPL in a three-year period compared to the five-and-a-half-year period as per the RBI guidelines.

Accordingly, ICICI has made aggregate provisions and write-offs of Rs. 14.21 billion in fiscal 2001, comprising Rs. 6.08 billion made as per the requirements of the RBI guidelines and Rs. 8.13 billion of accelerated provisions/write-offs. Provisions and write-offs of Rs. 6.08 billion made as per the requirement of the RBI guidelines includes provision of Rs. 0.44 billion in respect of assets restructured/rescheduled as per the RBI's guidelines issued on restructured/rescheduled assets. It also includes a higher provisioning requirement of Rs. 0.66 billion in fiscal 2001 - consequent to the revision of the RBI guidelines whereby sub-standard assets are to be classified as doubtful assets after 18 months (instead of 24 months) of an asset being classified as NPL. ICICI also holds a provision of 0.25%, amounting to Rs. 1.42 billion, against standard assets in accordance with the RBI requirements.

Financial Condition

Rs. in billion	March 31, 2000	March 31, 2001	Growth %
Assets			
Net loans and debentures	483.34	**560.02**	15.9
- Rupee loans	324.76	**400.43**	23.3
- Retail loans	4.54	**20.40**	349.5
- Debentures	74.85	**67.48**	(9.8)
- Foreign currency loans	89.91	**84.75**	(5.7)
- Less: Provisions for loans	(10.72)	**(13.04)**	21.6
Other investments	30.75	**44.04**	43.2
Current assets	91.36	**75.83**	(17.0)
Leased assets	36.09	**40.69**	12.7
Other fixed assets	8.90	**10.42**	17.1
Miscellaneous expenditure	3.46	**3.14**	(9.0)
Total Assets	653.90	**734.14**	12.3
Liabilities			
Borrowings	508.81	**598.35**	17.6
- Rupee borrowings	415.31	**497.34**	19.8
- Foreign currency borrowings	93.50	**101.01**	8.0
Current liabilities	51.78	**52.56**	1.5
Total liabilities	560.59	**650.91**	16.1
Preference capital	13.08	**3.50**	(73.2)
Equity capital and reserves			
Equity capital	7.83	**7.85**	0.2
Reserves and surplus	72.40	**71.88**	(0.7)
Total equity capital and reserves	80.23	**79.73**	(0.6)

During fiscal 2001, ICICI's total assets increased 12.3% to Rs. 734.14 billion (US$ 15,747.3 million) at March 31, 2001. Net loans and debentures increased 15.9% aided primarily by a rapid growth in corporate finance disbursements. Retail assets increased significantly to Rs. 20.40 billion at March 31, 2001 from Rs. 4.54 billion at March 31, 2000 in line with ICICI's strategy of diversifying into retail credit. ICICI continued its careful approach towards appraising and monitoring its business growth and maintained its focus on top-rated clients only. There was a marginal decrease in foreign currency loans of 5.7%, as the demand for foreign currency funds from the corporates remained depressed primarily due to adverse rupee-dollar rate movements during the year. Other investments, including investment in venture capital units, equity investment in subsidiaries and other companies and Government securities, registered a growth of 43.2%. Current assets decreased 17.0% due to a lower level of cash and bank balances, deposits and stock-in-trade. Total borrowings increased 17.6% to Rs. 598.35 billion, as rupee borrowings increased 19.8% to Rs. 497.34 billion and foreign currency borrowings increased 8.0% to Rs.101.01 billion at March 31, 2001. During fiscal 2001, ICICI redeemed 0.96 billion preference shares of Rs. 10 each aggregating Rs. 9.58 billion, consequent to the increase in distribution tax rate.

Despite the accelerated provisions and write-offs of Rs. 8.13 billion, ICICI's total capital adequacy ratio of 14.6% (including Tier-I capital adequacy ratio of 9.6%) at March 31, 2001 was significantly higher than the minimum requirement of 9% as per the regulatory norms. In accordance with the RBI guidelines, the Tier-1 capital includes Rs. 2.36 billion out of the face value of Rs. 3.50 billion of 20-year non-cumulative preference shares issued to ITC Limited as a part of the scheme for merger of ITC Classic Finance Limited with ICICI. The following table sets forth, for the periods indicated, details on ICICI's capital adequacy as per Indian GAAP.

Rs. in billion, except percentages	March 31, 2000		March 31, 2001	
	Amount	% of Risk-weighted assets	Amount	% of Risk-weighted assets
Tier I capital	74.70	11.5	**72.22**	**9.6**
Tier II capital	37.35	5.8	**37.53**	**5.0**
Total capital	112.05	17.3	**109.75**	**14.6**
Risk-weighted assets	648.63		**751.35**	

The following table sets forth, for the periods indicated, certain profitability ratios.

Select Profitability Ratios

	Fiscal 2000	Fiscal 2001
Earnings per Share (Rs.) [2]	14.0	**17.0**[1]
Return on Net Worth (%)	16.8	**16.4**[1]
Return on Assets (%)	2.1	**2.1**[1]
Book Value (Rs.)	98.0	**97.5**

Notes:

1) Computed after adding back accelerated provisions and write-offs of Rs. 8.13 billion.
2) Earnings per share for fiscal 2000 and fiscal 2001 have been calculated based on 785 million shares outstanding at the end of the respective years.

Financial Statements as per US GAAP

During the year, ICICI Bank ceased to be a subsidiary of ICICI. Accordingly, ICICI Bank has been consolidated as per equity method of accounting for fiscal 2001 unlike the line-by-line consolidation in fiscal 2000. As a result, the financial statements of fiscal 2001 and fiscal 2000 are not strictly comparable.

ICICI recorded net income of Rs. 5.81 billion (US$ 124 million) in fiscal 2001. Net income was adversely impacted due to depressed market conditions in equity and debt markets resulting in gains from trading and capital gains (including sale of stake in ICICI Bank and ICICI Infotech where the gain is computed on a different basis vis-a-vis Indian GAAP) being only Rs. 0.99 billion in fiscal 2001 compared to a gain of Rs. 4.95 billion in fiscal 2000. When income from trading and capital gains is excluded, net income registered a marginal decline of 2% to Rs. 4.96 billion from Rs. 5.04 billion.

Total assets as per US GAAP were Rs. 739.63 billion (US$ 15.79 billion) at March 31, 2001 with stockholders' equity being Rs. 75.11 billion (US$ 1.60 billion) at the same date.

Select Income Statement Data

The following table sets forth, for the periods indicated, select income statement data as per the consolidated US GAAP financial statements.

	Fiscal 2000	Fiscal 2001	Fiscal 2001
	(Rs. bn)	**(Rs. bn)**	**(US$ mn)**
Interest revenue	80.80	**81.49**	**1,739**
Interest expense	(67.50)	**(67.96)**	**(1,451)**
Net interest revenue	13.30	**13.53**	**289**
Provisions for credit losses	(6.36)	**(9.89)**	**(211)**
Net interest revenue after provisions for credit losses	6.94	**3.64**	**78**
Non-interest revenue	9.82	**8.03**	**171**
Net revenue	16.76	**11.67**	**249**
Non-interest expense	(5.30)	**(5.81)**	**(124)**
Income before share of equity in earnings of affiliates and minority interest	11.46	**5.86**	**125**
Equity in earnings of affiliate	0.02	**0.86**	**18**
Minority interest	(0.36)	**0.03**	**1**
Income before taxes	11.12	**6.75**	**144**
Income tax expense	(2.04)	**(0.94)**	**(20)**
Net income before effect of change in accounting principle	9.08	**5.81**	**124**
Cumulative effect of change in an accounting principle, net of tax	0.25	—	—
Net income	9.33	**5.81**	**124**

Select Balance Sheet Data

The following table sets forth, for the periods indicated, select balance sheet data as per the consolidated US GAAP financial statements.

	March 31, 2000	March 31, 2001	March 31, 2001
	(Rs. bn)	**(Rs. bn)**	**(US$ mn)**
Total assets	774.28	**739.63**	**15,787**
Loans, net	561.45	**602.02**	**12,850**
Securities[1]	19.14	**28.01**	**599**
Restructured loans, net	10.80	**32.31**	**690**
Other impaired loans, net	24.24	**20.08**	**429**
Total liabilities[2]	699.07	**664.03**	**14,173**
Long-term debt	436.32	**505.03**	**10,780**
Deposits	96.68	**6.07**	**130**
Stockholders' equity	70.91	**75.11**	**1,603**

Notes :
1) Including investment in affiliate, not readily marketable securities and venture capital investments.
2) Including redeemable preferred stock.

Key Differences between Indian GAAP and US GAAP

There are significant differences between Indian GAAP and US GAAP in the areas of consolidation of subsidiaries, accounting for affiliates, allowances for credit losses, accounting for loan origination fees, valuation of investments, business combinations, deferred income taxes and redeemable preference shares. The key differences between the two accounting practices as applicable to ICICI are outlined in the table below.

Indian GAAP	US GAAP
Consolidation	
The practice of consolidation is not followed.	When a company controls more than 50.0% of the voting securities of another company, the investee company is known as a subsidiary and is generally considered to be a part of the controlling company (parent). In these circumstances, the financial statements of the investee are generally required to be consolidated with the financial statements of its parent in which all material transactions between them are eliminated.
Equity method	
Equity accounting is not recognized as an acceptable method of accounting.	When a company controls 20.0% to 50.0% of the investee's voting securities or has a subsidiary that is not consolidated, the investment is generally stated at the underlying net asset value, with the equity in the investee's earnings or loss included in the investor's income statement for the current period (equity accounting).
Business combination	
The conditions for applying the purchase method are different and business combinations are generally accounted for according to the pooling of interest method.	Business combinations are accounted for either under the purchase method or the pooling of interest method.

Indian GAAP	US GAAP
Allowance for credit losses	
Allowance for credit losses is based on defaults expected both on principal and interest. For restructured/rescheduled assets, reduction in interest earning is provided as per the RBI guidelines.	Loans are identified as impaired and placed on non-accrual basis, where management estimates that payment of interest or principal is doubtful of collection. Impaired loans are reported after considering the impact of impairment. The impairment is measured by comparing the carrying amount of the loan to the present value of expected future cash-flows or the fair value of the collateral (discounted at the loans' effective rate). A loan is classified as restructured where concessionary modifications have been made to the contractual terms of the loan. Restructured loans are placed on non-accrual status when doubt as to timely collection of principal or interest as per the restructured terms exists.
Loan origination fees/costs	
Loan origination fees and costs are taken to the income statement in the year accrued/incurred.	Loan origination fees(net of loan costs) are deferred and recognized as an adjustment to yield over the life of the loan.
Redeemable preference shares	
Redeemable preference shares are a component of shareholders' equity and preference dividend is reported as an appropriation of income.	Redeemable preference shares do not form a part of the shareholders' equity and dividends on such shares are charged to the income statement.
Investment in debt and equity securities	
Securities are classified as trading, held-to-maturity or available-for-sale. While trading and available-for-sale securities are valued at fair value, held-to-maturity securities are valued at acquisition cost, or amortized cost if acquired at a premium, and a provision is made for diminution other than temporary. Net depreciation in available-for-sale category and net depreciation/appreciation in trading securities are treated as a revenue item. However, an amount equivalent to the depreciation in available-for-sale category is drawn from the Capital Reserve after determining the profit for the year.	Securities are classified as trading, held-to-maturity or available-for-sale based on the intent as on acquisition date. While trading and available-for-sale securities are valued at fair value, held-to-maturity securities are valued at cost, adjusted for amortization of premiums and accretion of discount. The unrealized gains and losses on trading securities are taken to the income statement, while those on available-for-sale securities are reported as a separate component of stockholders' equity, net of applicable taxes.

Indian GAAP	US GAAP
Income taxes	
The amount of tax that is currently payable is recorded.	Income taxes are provided against current period income as reflected in the financial statements, even though all or some of such income will not be reported for tax purposes in the current period and taxes will not be payable currently. This means that, even though a certain amount of the current period accounting income is currently not taxable, income tax must be provided in the financial statements against both income on which taxes are currently payable and income on which the tax liability is deferred, regardless of the length of that deferral, subject to valuation allowances for deferred tax assets.
Debt issue costs	
Debt issue expenses may be written off against share premium account or accounted for as deferred revenue expenses and amortized.	Debt issue costs are deferred and amortized over the life of the debt using the interest method.

Reconciliation of Profits as per Indian GAAP and as per US GAAP

The following table sets forth, for the periods indicated, the reconciliation of profit after tax as per Indian GAAP with net income as per US GAAP.

Rs. in billion	Fiscal 2000	Fiscal 2001
Profit after tax as per Indian GAAP	12.06	**5.37**
Adjustments as per US GAAP		
- Provisions for credit losses (provisions)	(2.03)	**3.96**
- Preference dividend payout	(1.09)	**(0.18)**
- Amortization of loan origination fees	0.07	**(1.01)**
- Business combinations in respect of mergers	(0.09)	**(0.11)**
- Investment diminution	(0.91)	**(0.58)**
- Charge for Voluntary Retirement Scheme	(0.25)	**0.14**
- Unrealized gains/(losses) on trading portfolio	0.17	**(0.81)**
- Net income of consolidated subsidiaries	1.11	**(0.31)**
- Bond issue expenses written off	—	**(0.25)**
- Investment in equity affiliates	0.04	**(0.47)**
- Others	—	**0.06**
Total adjustments as per US GAAP	(2.98)	**0.44**
Net income as per US GAAP[1]	9.08	**5.81**

Note :

1) Excluding effect of change in accounting principle.

Reconciliation of Shareholders' Equity as per Indian GAAP and as per US GAAP

The following table sets forth, for the periods indicated, the reconciliation of shareholders' equity as per Indian GAAP and as per US GAAP.

Rs. in billion	March 31, 2000	March 31, 2001
Shareholders' equity capital & reserves as per Indian GAAP	80.23	**79.73**
Add: Preference capital	13.08	**3.50**
Shareholders' funds as per Indian GAAP	93.31	**83.23**
Adjustments as per US GAAP		
- Reclassification of redeemable preference capital	(13.08)	**(3.50)**
- Allowance for credit losses (provisions)	(10.67)	**(6.72)**
- Amortization of loan origination fees	(1.57)	**(2.58)**
- Business combinations in respect of mergers	1.86	**1.61**
- Charge for Voluntary Retirement Scheme	(0.25)	**(0.12)**
- Deferred tax adjustments	(1.35)	**(0.58)**
- Deferred revenue expenditure	(0.27)	**(0.25)**
- Unrealized gains/(losses) on trading portfolio	0.33	**(0.48)**
- Retained earnings of consolidated subsidiaries	2.17	**—**
- Unrealized gains/(losses) on securities available for sale	(4.39)	**(7.90)**
- Gain on dilution of interest in a subsidiary company	4.11	**1.24**
- Inter-company elimination	(0.15)	**(0.15)**
- Proposed equity dividend	0.77	**4.76**
- Investment in equity affiliates	0.03	**6.51**
- Others	0.06	**0.04**
Total adjustments as per US GAAP	(22.40)	**(8.12)**
Stockholders' equity as per US GAAP	70.91	**75.11**

ASSET QUALITY AND COMPOSITION

Loan Portfolio

ICICI continues to occupy a leadership position in project finance in India. Structured project finance loans to the infrastructure and oil, gas and petrochemicals sectors have increased significantly over the past several years and now account for 21.9% of total portfolio. Consistent with ICICI's strategy of de-risking and diversifying its loan portfolio, outstanding in the manufacturing sector which is typically more dependent on world economic cycles in various commodities has decreased to 35.1% of ICICI's total portfolio at March 31, 2001 from 73.1% at March 31, 1997. Corporate lending which comprises short-term and medium-term balance sheet financing and structured solutions for highly rated Indian corporate clients has increased to 39.8% of our total portfolio. There has been a rapid business growth in retail lending of ICICI over the last year. However, as a percentage of total portfolio, retail still accounts for only 3.2% of our total portfolio. The following table sets forth, for the periods indicated, ICICI's total portfolio by sector.

In percentage	At March 31,				
	1997	1998	1999	2000	2001
Manufacturing sector project finance	73.1	58.3	49.2	40.8	**35.1**
Oil, gas and petrochemicals project finance	9.2	8.7	13.1	12.6	**8.3**
Infrastructure project finance....................	8.6	13.8	13.3	13.6	**13.6**
Corporate lending[1]	9.1	19.2	24.3	32.2	**39.8**
Retail lending	—	—	0.1	0.8	**3.2**
Total..	100.0	100.0	100.0	100.0	**100.0**
Total portfolio (Rs. bn)................................	297.83	376.97	471.49	545.66	**637.87**

Note:

1) Includes corporate lending to infrastructure, oil, gas and petrochemicals sectors.

ICICI follows a policy of portfolio diversification and evaluates its total financing exposure in a particular industry in the light of its outlook of growth and profitability for that industry. ICICI limits its exposure to any particular industry to 15.0% of its total exposure. At March 31, 2001, the largest exposure to a single industry, iron & steel, was 11.4% of ICICI's total exposure. At March 31, 2001, the other industry sectors that constituted a significant portion of the exposure were power (11.0%), crude petroleum & refining (9.5%), chemical & chemicals products (7.3%) and financial services (7.2%).

As per the RBI guidelines the current exposure ceiling for a single borrower is 20% of capital funds and for a group of borrowers is 50% of capital funds. In the case of financing for infrastructure projects, the limit for a group is extendable to 60% of capital funds. The largest borrower at March 31, 2001 accounted for approximately 3.2% of ICICI's total exposure and 31.7% of ICICI's capital funds. With respect to the largest borrower, a highly rated PSU company, we have received the RBI's approval to exceed the prudential limit. The largest borrower group at March 31, 2001 accounted for approximately 4.6% of ICICI's total exposure and 45.2% of ICICI's capital funds. At March 31, 2001, ICICI's 10 largest individual borrowers in aggregate accounted for approximately 18.8% of its total exposure. At March 31, 2001, ICICI's 10 largest borrower groups in aggregate accounted for approximately 23.2% of its total exposure.

As per the recent monetary and credit policy for fiscal 2002, the RBI has issued revised norms for the calculation of credit exposure limits as given below:

- The concept of capital funds has been broadened to represent total capital i.e., Tier I and Tier II capital (same as total capital defined under capital adequacy standards) for the determination of exposure ceiling by banks, effective March 31, 2002.
- Non-fund based exposures to be taken at 100% effective from April 1, 2003 as against the current 50% level.
- Effective March 31, 2002 the exposure ceiling for single borrower would be reduced from 20% to 15% and group exposure limit would be reduced from 50% to 40%. In the case of financing for infrastructure projects, the limit would be extendable to 50% as against current level of 60%.

Classification of Loan Assets

The following table sets forth, for the periods indicated, loan assets (net of provisions and write-offs) of ICICI as per the RBI asset classification guidelines and expressed both as absolute amounts and as a percentage of total loan assets.

Rs. in billion	March 31, 2000		March 31, 2001	
	Amount	% of total	Amount	% of total
Loss assets[1]	—	—	—	—
Doubtful assets	21.66	4.2	**20.97**	**3.7**
Sub-standard assets	17.93	3.4	**8.85**	**1.5**
Standard assets	481.68	92.4	**545.24**	**94.8**
of which restructured standard assets	—	—	*12.63*	*2.2*
Net loan assets	521.27	100.0	**575.06**	**100.0**

Note:

1) All loss assets have been written off or provided for.

Restructured Loans

The rapid liberalization and integration of trade with global markets over the last few years has significantly changed the operating environment for Indian companies. As a result, certain companies have had to restructure their operations. In certain cases, while continuing to generate revenue and net profits, some of the companies have made significant changes in their operations, selling unproductive assets, merging with other market participants, reducing costs and refocusing their business objectives. This has also resulted in the need to restructure the credit facilities of intrinsically viable companies. ICICI has constantly focused on proactive restructuring of such viable companies, to maximize economic value of these companies.

The RBI has issued guidelines on restructuring/rescheduling/renegotiation of terms of standard and sub-standard loans. These guidelines provide a strong impetus for proactive restructuring, which would lead to an improvement in the overall portfolio quality of financial institutions. In the event of restructuring of any loan, ICICI ensures that appropriate contractual mechanisms are created to ensure effective control and protect its interest. This is achieved by prescribing stringent covenants, which may include trust and retention account to capture future cash flows, close monitoring of day-to-day operations, strengthening of existing management and board, pledge of promoter shareholding and enhanced security mechanisms.

The table below gives certain data on loans classified as restructured under the RBI guidelines at March 31, 2001.

Rs. in billion	Amount
Restructured loans	12.63
- Standard restructured loans	12.63
- Sub-standard restructured loans	—
Provision against restructured loans	0.44

Non-Performing Loans ("NPLs")

Over the past few years, Indian industry has been impacted by several factors, including a comparative slowdown in industrial growth, increasing competition arising from economic liberalization and negative trends in the global marketplace. This has adversely affected the performance of some companies, leading to impairment of such loan assets. ICICI has followed a two-pronged strategy for reducing the NPLs, comprising continuous improvement in incremental asset quality and aggressive settlements and proactive solutions for existing NPLs and accounts under watch.

ICICI has attempted to minimize the incidence of NPLs by its emphasis on incremental asset quality through appropriate structuring mechanisms in project finance, focus on highly-rated customers for corporate lending, de-emphasis on commodity-based lending and move towards retail assets. The quality of approvals and disbursements has improved significantly over the past few years. In fiscal 2001 approvals to clients rated 'A' and above increased to 92% of total approvals from 89% in fiscal 2000 and disbursements to clients rated 'A' and above increased to 89% of total disbursements from 83% in fiscal 2000. The rating-wise approvals and disbursements are provided in the table below.

Rating Category	Approvals %		Disbursements %	
	Fiscal 2000	Fiscal 2001	Fiscal 2000	Fiscal 2001
AAA	32	**25**	31	**29**
AA+, AA, AA –	22	**33**	19	**28**
A+, A, A-	35	**34**	33	**32**
A- and above	89	**92**	83	**89**
BBB	9	**6**	13	**9**
BB and lower	2	**2**	4	**2**
Total	100	**100**	100	**100**

In respect of unviable NPLs, which are essentially uneconomical projects, ICICI adopts an aggressive approach aimed at out-of-court settlements, enforcing collateral and driving consolidation. The accent is on time value of recovery and a pragmatic approach towards settlements. During fiscal 2001, ICICI settled aggregate dues of Rs. 6.62 billion. The strong collateral against ICICI's loan assets has been the critical factor towards the success of recovery efforts. In addition, ICICI continually focuses on proactive management of accounts under watch. The entire effort in this direction constitutes a proactive approach towards identification, aimed at early-stage solutions to incipient problems.

While ICICI has institutionalized the focus on recovery and settlements, its efforts in tackling non-performing loans have been spearheaded by the Special Asset Management Group (SAMG), which was created to focus exclusively on large non-performing loans and accounts under watch. The methods employed by the SAMG include facilitating the integration of fragmented capacities, catalyzing the merger of weak and unviable units into strong and viable ones, financial restructuring and taking early steps for legal action where necessary.

The success of the above strategy is demonstrated in a clear slowdown in the growth in non-performing loans as shown in the table on the following page.

Rs. in billion	At March 31,				
	1997	1998	1999	2000	2001
Gross non-performing loans..........	28.21	42.12	54.89	60.18	**59.88[1]**
% increase	48%	49%	30%	10%	**(0.5%)**

1) Excludes debentures in the nature of investments, as per the RBI guidelines and write-offs in respect of certain lease, bills and hire purchase assets.

As discussed earlier, from fiscal 2001, ICICI has decided to adopt a more conservative policy of provisioning against NPLs. Consequent to the accelerated provisions and write-offs, the provision coverage against NPLs (provisions and write-offs as a percentage of gross NPLs) has increased to 50.2% at March 31, 2001 from 34.2% at March 31, 2000. ICICI's net NPL ratio has declined significantly to 5.2% at March 31, 2001 from 7.6% at March 31, 2000. The following table sets forth, for the periods indicated, certain information on ICICI's non-performing loans.

Rs. in billion	At March 31,				
	1997	1998	1999	2000	2001
Number of non-performing cases.	909	1,211	1,343	1,359	**1,181**
Gross principal outstanding of non-performing loans (Rs. bn)...	28.21	42.12	54.89	60.18	**59.88[1]**
Provisions and write-offs	8.67	14.01	17.56	20.59	**30.06**
Net principal outstanding of non-performing loans[2] (Rs. bn)..	19.54	28.11	37.33	39.59	**29.82**
Total loan assets[3] (Rs. bn)	285.93	370.01	463.18	521.27	**575.06**
% of net non-performing loans to total loan assets	6.8	7.6	8.1	7.6	**5.2**

Notes:
1) Excludes debentures in the nature of investments, as per the RBI guidelines and write-offs in respect of certain lease, bills and hire purchase assets.
2) Represents gross principal of non-performing loans less cumulative provisions and write-offs.
3) Total loan assets are net of cumulative provisions and write-offs.

At March 31, 2001, the net outstanding amount of the 20 largest non-performing cases where ICICI has decided to recall loans and enforce its security interest against the borrowers was Rs. 4.87 billion with no individual borrower accounting for more than Rs. 0.93 billion. At March 31, 2001, the net outstanding amount of the 20 largest non-performing cases, other than where ICICI had decided to recall loans, aggregated Rs. 7.95 billion, with no individual borrower accounting for more than Rs. 1.43 billion.

Classification of Gross Non-Performing Loans by Industry

The following table sets forth, for the periods indicated, a classification of gross non-performing loans by industry sector.

Rs. in billion, except percentage	March 31, 1999		March 31, 2000		March 31, 2001	
	Amount	% of total	Amount	% of total	Amount	% of total
Basic Chemicals	3.71	6.8	4.33	7.2	**3.90**	**6.5**
Drugs	2.45	4.5	2.39	4.0	**2.46**	**4.1**
Petrochemicals	0.70	1.3	0.88	1.5	**0.83**	**1.4**
Plastics	3.71	6.7	1.57	2.6	**1.74**	**2.9**
Other Chemicals	0.01	0.0	0.05	0.1	**0.06**	**0.1**
Man-made Fibres	6.60	12.0	6.96	11.6	**6.61**	**11.0**
Fertilizer and Pesticides	0.55	1.0	0.47	0.8	**0.34**	**0.6**
Sugar	0.50	0.9	1.49	2.5	**1.32**	**2.2**
Food Products	3.11	5.7	3.32	5.5	**3.78**	**6.3**
Textiles	5.04	9.2	6.84	11.4	**8.91**	**14.9**
Rubber and Rubber Products	0.61	1.1	0.63	1.0	**0.63**	**1.0**
Paper and Paper Products	1.26	2.3	3.30	5.5	**1.79**	**3.0**
Cement	2.01	3.7	1.67	2.8	**2.10**	**3.5**
Iron and Steel	5.70	10.4	6.01	10.0	**6.10**	**10.2**
Non-ferrous Metals	0.76	1.4	0.85	1.4	**0.76**	**1.3**
Metal Products	2.96	5.4	3.45	5.7	**3.75**	**6.3**
Machinery	1.50	2.7	1.45	2.4	**1.21**	**2.0**
Electrical Equipment	1.45	2.6	1.83	3.0	**2.09**	**3.5**
Electronics	3.67	6.7	3.26	5.4	**2.92**	**4.9**
Transport Equipment	0.87	1.6	0.87	1.4	**0.69**	**1.2**
Services	1.76	3.2	2.07	3.4	**1.76**	**2.9**
Other Industries[1]	5.96	10.8	6.49	10.8	**6.13**	**10.2**
Total	54.89	100.0	60.18	100.0	**59.88**[2]	**100.0**

Note:

1) Other industries include mainly leather products, glass and clay products, printing and construction material.
2) Excludes debentures in the nature of investments, as per the RBI guidelines and write-offs in respect of certain lease, bills and hire purchase assets.

Aging Analysis of Gross Non-performing Loans

The following table sets forth, for the periods indicated, aging analysis of ICICI's gross non-performing loans.

Overdue	March 31, 1999		March 31, 2000		March 31, 2001	
(Rs. in billion, except percentage)	Amount	% of total	Amount	% of total	Amount	% of total
Up to 1 year	13.90	25.3	10.38	17.2	**8.50**	**14.2**
1 year to 3 years	23.06	42.0	23.81	39.6	**17.02**	**28.4**
3 years to 5 years	7.42	13.5	13.70	22.8	**18.02**	**30.1**
Over 5 years	10.51	19.2	12.29	20.4	**16.34**	**27.3**
Total gross loans	54.89	100.0	60.18	100.0	**59.88**[1]	**100.0**

Note:

1) Excludes debentures in the nature of investments, as per the RBI guidelines and write-offs in respect of certain lease, bills and hire purchase assets.

RISK MANAGEMENT

As a financial services company, ICICI is in the business of managing risk to create shareholder value. ICICI, like any other financial intermediary, is exposed to specific risks that are particular to its businesses and the environment within which it operates, including credit risk, market risk and operational risk. ICICI's goal in risk management is to obtain a clear understanding of various risks, employ disciplined risk assessment and measurement procedures and continously monitor them to achieve effective mitigation of risks. The policies and procedures established for this purpose are continuously benchmarked with the international best practices.

ICICI's central Risk Management Group reports directly to the Managing Director and Chief Executive Officer. The Risk Management Group is completely independent of all business operations and is accountable to the Audit Committee of ICICI's Board of Directors. The Risk Management Group is organized into four sub-groups: Credit Risk Management, Market Risk Management, Analytics and Audit. The Analytics unit develops proprietary quantitative techniques and models for risk measurement.

ICICI is increasingly integrating risk management, performance measurement and capital allocation in a comprehensive integrated framework, to allow for better understanding of these areas and more efficient allocation of economic capital.

Credit Risk

Credit risk is the risk that a borrower is unable to meet his financial obligations to ICICI. ICICI measures, monitors and manages credit risk for each borrower and also at the portfolio level. ICICI has a standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal and rating. The credit rating for every borrower is reviewed at least annually and for higher risk credits and large exposures typically on a quarterly basis. ICICI also reviews the ratings of all borrowers in a particular industry, upon the occurrence of any significant event impacting the industry. The prospects and outlook for various sectors and individual borrowers are analyzed and discussed extensively by a Credit Risk Committee, which is chaired by the head of the Risk Management Group and includes senior members of ICICI's management team. ICICI has implemented an automated Credit Risk Information System that enables sharing of information regarding the borrower between the business units and the Credit Risk Management Department. Institutionalization of sector knowledge across the Company has also been initiated through availability of sector-specific information on the ICICI Intranet.

Market Risk

Market risk is the exposure to loss resulting from changes in interest rates, foreign currency exchange rates, equity prices and commodity prices. ICICI's market risk arises principally from interest rate risk. ICICI's exposure to market risk is a function of its asset and liability management activities, trading activities and its role as a financial intermediary in customer-related transactions. The objective of market risk management is to effectively manage exposure of earnings and equity to losses and to reduce the volatility inherent in financial instruments.

Interest rate risk is managed within an overall asset/liability framework for the Company. The Resources, Treasury & Asset-Liability Management Committee has been delegated with powers for asset-liability management by the Board of Directors. Its role encompasses stipulating liquidity and interest rate risk limits, monitoring market risk levels by adherence to set limits, articulating the organization's interest rate view and determining business strategy, as deemed fit, in the light of the current and expected business environment. ICICI follows a strategy of cash flow matching on a portfolio basis in order to contain its asset-liability mismatches. ICICI attempts to do this through the management of the maturity structure of our incremental assets and liabilities. ICICI also uses the nascent rupee interest rate derivatives market in India, to the extent feasible, to actively manage the asset and liability positions. ICICI continuously monitors its interest rate risk through the interest rate gap analysis and sensitivity analysis. Starting from April 1, 2000, ICICI has also been submitting liquidity gap analysis reports on a quarterly basis to the RBI.

ICICI's middle office independently monitors treasury activities. The middle office is responsible for monitoring various exposure and dealing limits, verifying the appropriateness and accuracy of various transactions, processing these transactions, tracking the daily funds position and being responsible for all treasury-related management and regulatory reporting.

Operational Risk

As a financial institution, ICICI is exposed to many types of operational risk. Operational risk can result from a variety of factors, including failure to obtain proper internal authorizations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors. We attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures and undertaking regular contingency planning. The Audit Department is dedicated to mitigating and managing operational risks, in accordance with a risk-based audit plan. This plan allocates audit resources based on assessment of the operational risks in the various businesses. The Audit Department conceptualizes and implements improved systems of internal controls, to minimize operational risk.

HUMAN RESOURCE MANAGEMENT

In fiscal 2001, ICICI continued its commitment to acquiring, developing and enhancing its human potential. Recruitment and retention of intellectual capital is a key management exercise. ICICI's human capital constitutes a diverse pool of knowledge – a judicious mix of youth, imagination, risk-taking ability and seasoned experience. We continuously work at maintaining a strong brand name and high reputation, to attract the right people to ICICI. ICICI attracts the best talent from the finest business schools and other professional/educational institutions in the country and remains one of the most "preferred employers" at these institutes. Fiscal 2001 was another successful year for recruitment, and we added 73 business graduates and 90 lateral recruits to ICICI's knowledge pool.

To be successful, it is imperative to have a total commitment towards exceptional standards of performance and productivity, to work together effectively and to be willing to embrace new ideas and learn continuously. ICICI's strategy of empowering people at all levels to take decisions, to operate in a non-hierarchical structure and the free flow of information and ideas has helped breed a culture of high performance across the organization.

In the world of financial services – where products and services are easily replicable – the creativity of our people is our main source of innovation, providing us with a competitive edge. Innovation is relevant across all our businesses. We have been successful in building an organization that is comfortable with change, by creating a networked, flexible and amorphous organization structure with no rigid hierarchies. ICICI has visibly demonstrated its ability to constantly innovate, improve and change – in an incremental or dramatic way, depending on the requirements of the business environment.

Intellectual capital is the essence for the successful future of our Company. Knowledge is not only a competitive tool; it is also a motivational tool. The motivation to learn and learning itself generates new motivation. We believe that only those companies that manage to create and maintain the requisite culture will be able to exploit the full value of knowledge – the only resource that can be augmented by higher utilization. ICICI's organization structure and culture is geared to encourage and increase knowledge capital.

The fast-changing and uncertain environment makes speed an invaluable asset. ICICI has always considered speed capital to be a sustainable source of competitive advantage and has institutionalized the speed of response. This has, on several occasions, helped ICICI achieve market-maker status in its various initiatives and derive first-mover advantage.

In order to retain our people, we operate a carefully designed management development programme. ICICI's investment in its employees through training is a clear indicator of our attempt to place our employees at the cutting edge of their professions. An average of 74 training hours per professional in fiscal 2001 is comparable with global benchmarks. We have promoted knowledge transfer by leveraging on processes and technology, to spread information across the organization. One of the most important tools that we now use to share information is our Intranet. We have also set-up *WiseGuy* – a Web-based platform for facilitating knowledge sharing and dissemination among employees. We have initiated e-learning, which aims to bring training to each employee's desktop and customizes it to individual needs.

The performance management system at ICICI is based on clearly defined performance parameters that reinforce ICICI's achievement-oriented culture. Furthermore, the system is geared towards shaping employees' career paths, including promotions and cross-functional movements, enabling employees to gain a holistic view of the business and the organization.

ICICI's constant endeavour to initiate and implement innovative human resources practices has resulted in sustained gains for the organization, and the benefits are expected to continue to accrue in the years to come.

COMMUNITY DEVELOPMENT

Today, ICICI is one of the largest financial institutions in India. Given its size and the predominantly domestic orientation, the future of ICICI is inextricably linked with that of the country. ICICI through its Social Initiatives Group (SIG), attempts to participate in the development of the nation by addressing some of the fundamental issues that prevent the country from realizing its full potential.

The two-part mission statement for our social initiatives is to identify and support initiatives designed to improve the capacity of the poorest of the poor and to ensure that these initiatives are cost-effective, capable of large-scale replication and have the potential for both near and long-term impact. We have maintained sharply defined focus areas, which include:

- maximizing the proportion of infants who are born healthy (Infant Health at Birth);
- maximizing the number of pre-teens who have a basic level of education (primary education); and
- maximizing access to basic financial services (Micro-Financial Services).

Infant health at birth

ICICI's work in this area addresses knowledge and practice gaps in identified critical areas including nutrition, health systems and behaviour change communication strategies.

ICICI has taken several initiatives including:

- The First World Congress on the Foetal Origins of Adult Disease was organized in collaboration with the Medical Research Council of the U.K., and the Centre for the Study of Social Change, Mumbai.
- A break-out conference on Infant Mortality was held, with the objective of applying the Congress' insights to the Indian context.
- A diagnostic and epidemiological software called Early Diagnosis and Prevention System - 2000 (EDPS-2000) is being implemented at Primary Health Centres in Tamil Nadu in collaboration with ICICI.

Primary education

Recognizing that education is a determining factor in developing individuals and societies, ICICI has selected primary education as a focus area. ICICI attempts to address the issues of expanding access to make enrolment universal and maximize efficiency by targeting attendance levels, achievement levels and drop-out rates to ensure completion of the primary education cycle by everyone.

Pratham, a non-governmental organization, which we have partnered for over six years, continues to provide us with valuable insights on universalizing primary education in urban slums. It covers nearly 100,000 children in Mumbai on a daily basis and has also spread its operations to other cities. This year, ICICI also undertook a detailed analysis of the *Balsakhi* programme (remedial education), a core programme of *Pratham* carried out in collaboration with the Massachussetts Institute of Technology (MIT).

In pursuit of its goal of universalizing primary education, ICICI has actively explored the opportunities offered by different media to communicate the importance of education. *CII-Khullam Khulla* is a fun-filled educational television serial aimed at motivating children to learn.

Micro-finance

While it is difficult to unambiguously identify the specific economic activity that would be appropriate for every region of the country and for each individual within that region, it appears that providing access to a basic level of financial services significantly improves the ability of people to participate in the economy. Our two-pronged strategy in micro-finance is focused on increasing the reach and enhancing the quality of financial services available to the poor. While increasing the reach is possible through cost-effective, replicable delivery models including rural banks and informal sources (money-lenders), improving the quality of services would involve innovations in product design and improved delivery mechanisms utilizing technology.

Management information systems can play a critical role in micro-finance in bringing efficiencies to the sector and thereby increasing scalability. ICICI has initiated the process of developing ideas on a high-quality management information system with BASIX, a unique micro-finance institution. The system, which builds in intelligence and best practices, could be made available to all micro-finance institutions and banks using a Web-based model.

Access to Internet can bring several opportunities and efficiencies into rural life. ICICI is supporting a pilot project by the Sustainable Access in Rural India (SARI) programme to bring the Internet to rural Madurai. The SARI programme comprises the MIT Media Laboratory, Harvard University, IIT Madras and the I-Gyan Foundation. The project envisages establishment of over a hundred kiosks.

In pursuit of its community goals, ICICI works actively with research agencies, non-Governmental organizations, private corporations and Government departments. Spreading the concept of corporate social responsibility within Indian companies is another important element of our strategy so that we can find more partners for our work in the social sector.

We believe that modern technologies would prove to be important facilitators. ICICI has delivered its expertise in technology and e-commerce to the social sector by launching the Website, ICICIcommunities.org. This is a portal that aims to build the capacities of non-Government organizations by providing access to services in areas such as accounting, computerization, marketing and donor management. At present, ICICIcommunities provides the following services:

- An online donation facility (operated by the Give Foundation), where users can directly contribute to specific development activities organized by select non-Government organizations; and
- An online shopping mall (operated by Craftsbridge.com) through which non-Government organizations and artisans can access global markets, thereby bringing the benefits of e-commerce to the poor.

In addition to the above initiatives, ICICI continued to fulfil its responsibility to the nation in times of crisis, such as the Gujarat earthquake in January 2001. Apart from rushing relief material immediately, ICICI contributed to the long-term rehabilitation activities by adopting a village in Gujarat.

PUBLIC RECOGNITION TO ICICI

In the last year, ICICI received several awards from renowned organizations in recognition of the best practices followed by it in terms of employee welfare, transparency in financial reporting and in discharging its responsibilities as a corporate citizen. The Far Eastern Economic Review in its survey of Asian Companies adjudged ICICI as the fourth among the top 10 leading companies in India. Similarly, Hewitt Associates - the HR consulting firm adjudged ICICI as the fourth best company to work for in India, in a survey done for the magazine Business Today. The objective of this study had been to find out which companies had really changed the "emotional and intellectual energy" of their managerial employees. In the field of transparency in financial reporting, ICICI received the award for the best presented accounts given by the Institute of Chartered Accountants of India. ICICI has won this award for the second consecutive year in the category of 'Banks and FIs'. ICICI received from the Secretary General of the Commonwealth, the "Rio Tinto Award for long-term commitment". This award has been instituted by "Worldaware", a UK-based charity organization, to recognise companies showing strong commitment to development,.

Safe Harbour Clause

approvals, disbursements and exposure
state-wise

(Rs billion)	Approvals				Disbursements				Cumulative upto March 31, 2001				Exposure at March 31,			
	Fiscal 2000		Fiscal 2001		Fiscal 2000		Fiscal 2001		Approvals		Disbursements		2000		2001	
State	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Andhra Pradesh	34.07	7.8	14.55	2.6	12.76	4.9	8.42	2.6	139.67	5.7	77.18	5.3	41.90	6.4	39.46	5.1
Bihar	1.63	0.4	0.63	0.1	1.76	0.7	0.58	0.2	4.33	0.2	4.28	0.3	2.62	0.4	3.70	0.5
Chhattisgarh	3.77	0.9	2.96	0.5	0.90	0.4	5.43	1.7	14.51	0.6	10.37	0.7	3.36	0.5	4.23	0.5
Delhi	57.39	13.2	57.08	10.2	38.72	15.0	39.84	12.5	166.96	6.7	104.31	7.1	39.45	6.0	62.26	8.1
Gujarat	56.72	13.0	80.49	14.3	36.80	14.2	23.25	7.3	404.93	16.4	219.78	15.0	112.72	17.2	126.64	16.4
Haryana	9.60	2.2	11.24	2.0	7.35	2.9	8.19	2.6	51.23	2.1	34.31	2.4	17.54	2.7	15.83	2.0
Jharkhand	4.45	1.0	1.12	0.2	3.37	1.3	0.89	0.3	22.88	0.9	18.27	1.3	5.95	0.9	4.47	0.6
Karnataka	26.89	6.2	36.50	6.5	21.79	8.4	19.69	6.2	156.15	6.3	98.53	6.7	51.28	7.8	60.99	7.9
Kerala	1.62	0.4	2.23	0.4	1.73	0.7	1.05	0.3	17.89	0.7	10.56	0.7	4.78	0.7	4.86	0.6
Madhya Pradesh	2.23	0.5	14.04	2.5	1.76	0.7	4.62	1.4	74.18	3.0	37.00	2.5	14.32	2.2	16.28	2.1
Maharashtra	108.29	24.9	176.66	31.5	64.19	24.9	89.97	28.1	725.67	29.3	425.62	29.1	157.95	24.1	180.79	23.4
Orissa	22.75	5.2	4.02	0.7	5.03	2.0	5.31	1.7	48.19	1.9	19.76	1.4	19.10	2.9	20.98	2.7
Punjab	4.36	1.0	6.47	1.2	2.65	1.0	6.37	2.0	29.81	1.2	19.22	1.3	6.59	1.0	11.60	1.5
Rajasthan	4.19	1.0	12.54	2.2	2.79	1.1	6.30	2.0	61.10	2.5	39.99	2.7	15.37	2.3	18.89	2.4
Tamil Nadu	37.96	8.7	29.29	5.2	19.22	7.4	21.36	6.7	215.15	8.7	117.80	8.1	58.93	9.0	70.04	9.1
Uttar Pradesh	21.01	4.8	20.31	3.6	9.68	3.7	14.85	4.6	102.96	4.2	66.54	4.6	40.88	6.3	46.74	6.1
Uttaranchal	0.12	0.0	4.93	0.9	0.00	0.0	0.37	0.1	7.77	0.3	2.65	0.2	0.68	0.1	0.56	0.1
West Bengal	19.18	4.4	22.63	4.0	17.34	6.7	20.40	6.4	112.11	4.5	78.83	5.4	39.56	6.1	42.57	5.5
Other States & Union Territories	9.63	2.2	21.63	4.0	3.44	1.3	8.12	2.5	64.92	2.6	30.75	2.1	17.43	2.7	21.50	2.8
Retail Finance	9.37	2.2	41.60	7.4	7.08	2.7	34.64	10.8	55.17	2.2	45.92	3.1	4.54	0.7	20.40	2.6
Total	**435.23**	**100.0**	**560.92**	**100.0**	**258.36**	**100.0**	**319.65**	**100.0**	**2475.58**	**100.0**	**1461.67**	**100.0**	**654.95**	**100.0**	**772.79**	**100.0**

approvals, disbursements and outstanding

industry-wise

Industry	Approvals				Disbursements				Cumulative upto March 31, 2001				Exposure as at March 31			
	Fiscal 1999	Fiscal 2000	Fiscal 2001		Fiscal 1999	Fiscal 2000	Fiscal 2001		Approvals		Disbursements		1999	2000	2001	
	%	%	Amount Rs. bn.	%	%	%	Amount Rs. bn.	%	Amount Rs. bn.	%	Amount Rs. bn.	%	%	%	Amount Rs. bn.	%
Power	13.6	14.8	64.24	11.5	5.2	8.5	24.00	7.5	288.02	11.6	99.95	6.8	9.6	11.6	85.31	11.0
Telecom	7.1	3.1	29.06	5.2	1.2	2.4	14.41	4.5	108.09	4.4	33.42	2.3	2.3	3.6	27.68	3.6
Road/Port/Railways	2.2	0.2	13.94	2.5	4.0	0.4	5.33	1.7	44.03	1.8	24.36	1.7	3.7	2.8	17.05	2.2
Mining	4.5	1.3	8.28	1.5	4.7	2.7	6.88	2.2	33.14	1.3	27.03	1.8	1.9	1.8	8.31	1.1
Other Infrastructure Projects	1.0	0.0	30.80	5.5	0.0	0.0	0.03	0.0	33.95	1.4	0.03	0.0	0.0	0.0	0.03	0.0
Cement	1.2	2.4	19.28	3.4	2.1	3.3	14.69	4.6	72.83	2.9	58.61	4.0	3.3	2.9	30.31	3.9
Chemicals & Chemical Products	4.8	8.1	39.78	7.1	6.7	7.2	21.10	6.6	215.76	8.7	131.40	9.0	8.7	7.6	66.32	7.3
Crude Petroleum & Petro–Refining	15.9	11.7	59.88	10.7	18.0	15.8	35.14	11.0	229.58	9.3	143.13	9.8	10.1	9.0	73.29	9.5
Electrical Equipment	3.3	2.8	11.49	2.0	4.0	4.1	3.49	1.1	84.53	3.4	52.89	3.6	2.7	2.1	17.43	2.3
Electronics	2.0	2.3	19.31	3.4	2.2	3.1	9.66	3.0	67.50	2.7	43.44	3.0	2.3	2.2	19.12	2.5
Fertilisers & Pesticides	4.8	6.2	8.54	1.5	3.3	4.7	12.13	3.8	91.19	3.7	55.74	3.8	3.9	3.8	20.36	2.6
Machinery	3.4	1.9	4.77	0.9	3.0	2.1	4.41	1.4	69.67	2.8	52.15	3.6	3.4	3.2	18.67	2.4
Manmade Fibres	0.8	0.2	2.59	0.5	0.2	0.7	1.39	0.5	45.76	1.8	31.24	2.1	2.4	2.0	14.15	1.8
Metal & Metal Products																
- Iron & Steel	3.9	3.9	21.56	3.8	6.0	5.9	15.21	4.8	149.72	6.0	103.37	7.1	10.9	10.8	88.13	11.4
- Non-Ferrous	0.7	2.2	2.67	0.5	1.2	0.6	3.36	1.1	29.96	1.2	13.08	0.9	1.1	0.8	5.32	0.7
- Metal Products	0.8	0.3	2.41	0.4	1.0	0.7	1.08	0.3	26.17	1.1	19.63	1.3	1.5	1.4	8.97	1.2
Other Food Products	0.7	0.5	2.99	0.5	0.6	0.7	2.65	0.8	23.88	1.0	18.79	1.3	1.3	1.2	10.37	1.4
Paper & Paper Products	1.7	0.5	4.57	0.8	1.8	1.1	2.31	0.7	31.87	1.3	23.03	1.6	2.7	2.6	18.10	2.3
Rubber & Rubber Products	1.1	0.6	2.44	0.4	0.8	0.7	2.36	0.7	23.39	0.9	12.15	0.8	0.8	0.8	3.91	0.5
Sugar	0.4	1.2	2.94	0.5	0.8	1.2	3.34	1.0	27.36	1.1	20.25	1.4	1.5	1.6	10.93	1.4
Textiles	3.1	3.8	16.01	2.9	7.2	3.6	14.35	4.5	133.56	5.4	102.21	7.0	7.1	6.7	54.97	7.1
Transport Equipment	4.6	3.8	15.96	2.8	5.0	4.5	7.74	2.4	95.99	3.9	60.81	4.2	4.1	3.9	24.04	3.1
Services-Finance	10.0	13.4	59.90	10.7	12.1	14.9	47.00	14.7	203.19	8.2	142.15	9.8	5.1	6.9	55.83	7.2
Services-Others	2.4	9.4	61.57	11.0	0.4	4.1	24.74	7.7	156.87	6.3	62.09	4.2	3.0	3.9	43.25	5.6
Shipping	1.7	1.1	0.99	0.2	2.5	1.0	0.49	0.2	46.87	1.9	28.12	1.9	2.6	2.4	12.61	1.7
Other Industries	3.0	2.1	13.35	2.4	3.8	3.3	7.72	2.4	87.53	3.5	56.68	3.9	3.9	3.7	27.93	3.6
Retail Finance	1.3	2.2	41.60	7.4	2.2	2.7	34.64	10.8	55.17	2.2	45.92	3.1	0.1	0.7	20.40	2.6
Total	**100.0**	**100.0**	**560.92**	**100.0**	**100.0**	**100.0**	**319.65**	**100.0**	**2475.58**	**100.0**	**1461.67**	**100.0**	**100.0**	**100.0**	**772.79**	**100.0**