

January 23, 2006

The Managing Director & Chief Executive Officer,  
ICICI Bank Ltd.  
ICICI Bank Tower, South Tower  
Bandra-Kurla Complex  
Mumbai –400 051

Dear Sir,

**Violations of RBI instructions etc. – Imposition of Penalty**

Please refer to our letter No. DBS. CO. PP. No.9305/11.01.021/2005-06 dated December 29, 2005, and your response letter dated January 6, 2006 in connection with imposition of penalty under Section 47A (1) (b) of the Banking Regulation Act, 1949.

2. After examining the bank's reply and the oral submission on January 20, 2006, the Reserve Bank of India held, inter-alia, that the bank had violated RBI guidelines/directives/instructions relating to opening of accounts, and monitoring of transactions for adherence to KYC norms, there was failure of internal control and acceptance of account payee cheques across the counter without proper authorization.

3. In view of the above, the Reserve Bank of India has imposed a penalty of Rs.5.00 lakh (Rupees five lakh only) on the bank.

4. You may also note to disclose the particulars of the above penalty in the "Notes on Accounts" to the Balance Sheet in the Annual Report in terms of RBI Circular No. DBOD. BP. BC .49/21.04.018/2004-05 dated October 19, 2004.

Yours faithfully

(G. Gopalakrishna)  
Chief General Manager-In-Charge