

## Corporate Governance

### 1. Company's philosophy on code of governance

Our corporate governance policies recognise the accountability of the Board and the importance of its decisions to all our constituents, including customers, investors, employees and the regulatory authorities, and to demonstrate that the shareholders are the cause of and ultimate beneficiaries of our economic activities. The functions of the Board and the executive management are well-defined and are distinct from one another. We have taken a series of steps including the setting up of sub-committees of the Board to oversee the functions of executive management. These sub-committees of the Board which mainly consists of non-executive directors, meet regularly to discharge their objectives.

### 2. Board of Directors

Our Board consists of eight members, and is responsible for the management of our business. The Board's role, functions, responsibility and accountability are clearly defined. In addition to its primary role of monitoring corporate performance, the functions of the Board include :

- approving corporate philosophy and mission;
- participating in the formulation of strategic and business plans;
- reviewing and approving financial plans and budgets;
- monitoring corporate performance against strategic and business plans, including overseeing operations;
- ensuring ethical behaviour and compliance with laws and regulations;
- reviewing and approving borrowing limits;
- formulating exposure limits; and
- keeping shareholders informed regarding plans, strategies and performance.

To enable the Board to discharge its responsibilities effectively, our executive management places detailed reports on our performance on a quarterly basis.

The composition of our Board reflects the principal shareholdings held by ICICI and the requirements of the Banking Regulation Act, 1949. The following are the members of the Board :

Shri K. V. Kamath – Nominee Director of ICICI Limited (Promoting Company of the Bank) having specialised knowledge of finance

Smt. Lalita D. Gupte – Nominee Director of ICICI Limited (Promoting Company of the Bank) having specialised knowledge of finance

Shri R. Rajamani – Independent Non-Executive Director having specialised knowledge of banking, finance and administration

Shri B. V. Bhargava – Independent Non-Executive Director having specialised knowledge of finance and law

Shri Somesh R. Sathe – Independent Non-Executive Director having specialised knowledge of small scale industries

Dr. Satish C. Jha – Independent Non-Executive Director having specialised knowledge of agriculture and rural economy

Shri Uday M. Chitale – Independent Non-Executive Director - a chartered accountant by profession

Shri H. N. Sinor – Managing Director and Chief Executive Officer having specialised knowledge of banking, finance and administration

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The meetings are generally chaired by Shri K. V. Kamath. 15 meetings of the Board (BM) were held during the period April 1, 1999 to March 31, 2000. They were held on 22.4.1999, 26.5.1999, 14.6.1999, 23.7.1999, 25.8.1999, 27.9.1999, 27.10.1999, 30.11.1999, 14.12.1999, 27.12.1999, 19.1.2000, 24.1.2000, 9.2.2000, 21.2.2000 and 14.3.2000.

### 3. Audit and Risk Committee

The Audit and Risk Committee consists of five directors, all of which are independent directors. It provides direction to and oversees the audit and risk management function, reviews the financial accounts, interacts with statutory auditors and reviews matters of special interest.

Shri Uday M. Chitale, Smt. Lalita D. Gupte, Shri R. Rajamani, Shri B. V. Bhargava and Dr. Satish C. Jha are the members of the Committee.

The meetings are generally chaired by Shri Uday M. Chitale. 6 meetings of the Audit and Risk Committee (ARCM) were held during the period April 1, 1999 to March 31, 2000. They were held on 22.4.1999, 23.7.1999, 25.8.1999, 27.9.1999, 30.11.1999 and 21.2.2000.

### 4. Committee of Directors

The Committee of Directors consists of five directors, including the Managing Director and Chief Executive Officer. This Committee has delegated financial powers and approves loan proposals and expenditures within the broad parameters of the delegated authority.

Shri K. V. Kamath, Smt. Lalita D. Gupte, Shri B. V. Bhargava, Shri Uday M. Chitale and Shri H. N. Sinor are the members of the Committee.

The meetings are generally chaired by Shri K. V. Kamath. 15 meetings of the Committee of Directors (CODM) were held during the period April 1, 1999 to March 31, 2000. They were held on 22.4.1999, 13.5.1999, 26.5.1999, 14.6.1999, 8.7.1999, 23.7.1999, 5.8.1999, 25.8.1999, 27.9.1999, 27.10.1999, 19.11.1999, 30.11.1999, 27.12.1999, 21.2.2000 and 14.3.2000.

### 5. Compensation Committee

The Compensation Committee consists of four directors, including the Managing Director and Chief Executive Officer. The functions of the committee include considering and recommending to the Board the amount of compensation payable to the executive directors, fees payable to other directors and framing the guidelines for and management of the employee stock option scheme.

Smt. Lalita D. Gupte, Shri Somesh Sathe, Shri Uday M. Chitale and Shri H. N. Sinor are the members of the Committee.

The meetings are generally chaired by Smt. Lalita D. Gupte. 4 meetings of the Compensation Committee (CCM) were held during the period April 1, 1999 to March 31, 2000. They were held on 22.4.1999, 24.1.2000, 21.2.2000 and 14.3.2000.

### 6. Nomination Committee

The Nomination Committee consists of four directors, including the Managing Director and Chief Executive Officer. The functions of the committee include the submission of recommendations to the Board to fill vacancies on the Board or in senior management positions.

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Shri K. V. Kamath, Shri R. Rajamani, Shri B. V. Bhargava and Shri H. N. Sinor are the members of the Committee.

The meetings are generally chaired by Shri K. V. Kamath. 3 meetings of the Nomination Committee (NCM) were held during the period April 1, 1999 to March 31, 2000. They were held on 22.4.1999, 21.2.2000 and 14.3.2000.

### 7. Share Transfer Committee

The Share Transfer Committee consists of four directors, including the Managing Director and Chief Executive Officer. This committee reviews and approves transfers of equity shares and debentures.

Smt. Lalita D. Gupte, Shri B. V. Bhargava, Shri Uday M. Chitale and Shri H. N. Sinor are the members of the committee.

The meetings are generally chaired by Shri B. V. Bhargava. 27 meetings of the Share Transfer Committee (STCM) were held during the period April 1, 1999 to March 31, 2000. They were held on 15.4.1999, 22.4.1999, 13.5.1999, 26.5.1999, 3.6.1999, 29.6.1999, 8.7.1999, 23.7.1999, 5.8.1999, 25.8.1999, 15.9.1999, 27.9.1999, 18.10.1999, 27.10.1999, 19.11.1999, 30.11.1999, 20.12.1999, 27.12.1999, 14.1.2000, 19.1.2000, 9.2.2000, 21.2.2000, 2.3.2000, 8.3.2000, 14.3.2000, 18.3.2000 and 23.3.2000.

Shri Bhashyam Seshan, Company Secretary, is the Compliance Officer of the Company.

During the financial year ended March 31, 2000, the Company received 2,597 complaints, resolved 2,589 complaints and 8 complaints were pending.

The Company ensures that the transfer of shares are effected within one month of their lodgement.

### 8. The details of attendance of Directors at the meetings of the Board and various committees of the Board during the period from April 1, 1999 to March 31, 2000 were as follows :

Names of the Directors	No. of meetings attended					
	BM (15)	ARCM (6)	CODM (15)	CCM (4)	NCM (3)	STCM (27)
Shri K. V. Kamath	12	N. A.	11	N. A.	3	N. A.
Smt. Lalita D. Gupte	13	5	13	4	N. A.	20
Shri R. Rajamani	13	5	N. A.	N. A.	2	N. A.
Shri B. V. Bhargava	13	5	11	N. A.	3	23
Shri Somesh R. Sathe	15	N. A.	N. A.	4	N. A.	N. A.
Dr. Satish C. Jha	11	4	N. A.	N. A.	N. A.	N. A.
Shri Uday M. Chitale	14	6	15	3	N. A.	24
Shri H. N. Sinor	15	N. A.	15	4	3	24

The figures within the bracket denote the number of meetings held during the period from April 1, 1999 to March 31, 2000.

N. A. - Not Applicable

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### 9. General Body Meetings

Nature of Meeting	Date and Time	Venue
Third Annual General Meeting	May 2, 1997 12.00 noon	ICICI Banking Corporation Limited Landmark, Race Course Vadodara 390 015
Fourth Annual General Meeting	June 15, 1998 3.00 p.m.	Mahatma Gandhi Nagargruh Opposite Pratap Talkies Near Jubilee Garden Mahatma Gandhi Road, Vadodara 390 001
Fifth Annual General Meeting	June 14, 1999 3.00 p.m.	Professor Chandravadan Mehta (Professor C. C. Mehta) Auditorium General Education Centre Opposite D. N. Hall Ground
Third Extraordinary General Meeting	February 21, 2000 3.00 p.m.	The Maharaja Sayajirao University Pratapgunj, Vadodara 390 002

The previous Annual General Meeting was held on Monday, June 14, 1999 and the last extraordinary general meeting was held on Monday, February 21, 2000.

Smt. Lalita D. Gupte, Shri R. Rajamani, Shri Somesh R. Sathe, Dr. Satish C. Jha, Shri Uday M. Chitale and Shri H. N. Sinor, Directors, were present at the Fifth Annual General Meeting.

Shri K.V. Kamath, Smt. Lalita D. Gupte, Shri R. Rajamani, Shri B. V. Bhargava, Shri Somesh R. Sathe, Dr. Satish C. Jha, Shri Uday M. Chitale and Shri H. N. Sinor, Directors, were present at the Third Extraordinary General Meeting.

#### **Special Resolutions/Businesses transacted at the last four general body meetings :**

##### At the Third Annual General Meeting held on May 2, 1997

- Appointment of statutory auditors under Section 224A of the Companies Act, 1956 (the Act).
- Appointment of Dr. Satish C. Jha as a Director of the Company under Section 257 of the Act.
- Fixing of remuneration of Shri P. V. Maiya, the then Chairman of the Company under Sections 198, 269, 309 and Schedule XIII of the Act.
- Issue of 1,50,00,000 shares to the promoters of the Company, Industrial Credit and Investment Corporation of India Limited (ICICI).

##### At the Fourth Annual General Meeting held on June 15, 1998

- Appointment of statutory auditors under Section 224A of the Act.
- Appointment of Shri Uday M. Chitale as a Director of the Company under Section 257 of the Act.
- Appointment of Shri Somesh R. Sathe as a Director of the Company under Section 257 of the Act.
- Appointment of Shri H. N. Sinor as a Director of the Company under Section 257 of the Act.
- Appointment and remuneration payable to Shri H. N. Sinor as the Managing Director and Chief Executive Officer of the Company under Sections 269, 309 and Schedule XIII of the Act and Section 10-B of the Banking Regulation Act, 1949.
- Increasing the borrowing powers of the Company to Rs. 3,000 crores under Section 293(1)(d) of the Act.

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At the Fifth Annual General Meeting held on June 14, 1999

- Appointment of statutory auditors under Section 224A of the Act.
- Change of name of the Company from ICICI Banking Corporation Limited to ICICI Bank Limited.
- Seeking exemption from annual audit for select existing and new branches of the Company.

At the Third Extraordinary General Meeting held on February 21, 2000

- Employee Stock Option Scheme for the employees and directors (including whole-time directors) of the Company.
- Employee Stock Option Scheme for the employees and directors (including whole-time directors) of holding and subsidiary companies of the Company.
- Issue of additional Capital up to 15 per cent of the Authorised Share Capital of the Company.

Although postal ballot is envisaged in the Companies Bill 1997, the same is not yet enacted and as such, postal ballot was not conducted in any of the general body meetings held so far by the Company.

### 10. Disclosure

- There are no materially significant related transactions with ICICI Limited, the holding company, the directors or the management that would have potential conflict with the interests of the Company at large.
- No strictures have been imposed on the Company by any regulatory authority for non-compliance of any laws.

### 11. Means of Communication

- The Board of Directors of the Company approve the audited financial accounts on a quarterly basis within one month of the quarter for which the accounts are adopted. The Board further takes on record the audited financial results in the prescribed proforma of the stock exchanges within one month of close of the quarter and announces forthwith the results to all the stock exchanges where the shares of the Company are listed as also to various news and wire agencies all over India. Further, the highlights of quarterly audited financial results are also published in two newspapers within 48 hours of the conclusion of the meeting of the Board in which they are taken on record. Generally, the quarterly results in the prescribed proforma is published in Financial Express (in English) at Mumbai and in Sandesh (in Gujarati) at Vadodara, the place of the Registered Office of the Company. The Management's Discussion and Analysis about the performance of the Bank for the year ended March 31, 2000 is included in the current annual report.
- The quarterly results as well as press releases of the Company are put on the Company's Website at <http://www.icicibank.com>.

### 12. General Shareholder Information

- Share transfer system :

The Company has formed two committees viz., Share Transfer Committee of Executives and Share Transfer Committee of Directors for considering transfers and allied activities.

The Share Transfer Committee of Executives comprises 4 members including the Managing Director and Chief Executive Officer. The other members are senior officials of the Bank. This committee considers transfer request for lodgement of transfers up to 1,000 shares per folio per lodgement. This committee meets

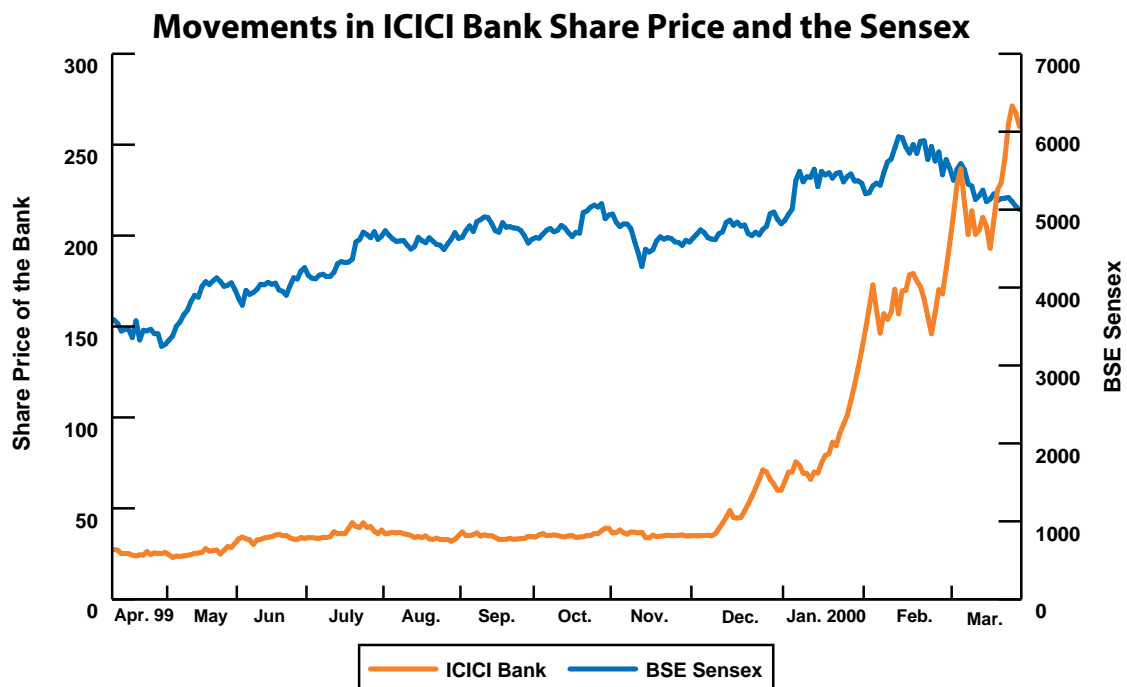
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at an interval of 7 days or thereabout. The meetings are generally chaired by the Managing Director and Chief Executive Officer. 38 meetings of the committee were held during the year from April 1, 1999 to March 31, 2000.

The Share Transfer Committee of Directors (referred at point No. 7 above) comprises 4 directors of the Company. This committee considers transfer request for lodgement of shares above 1,000 per folio per lodgement and other allied matters. This committee meets every fortnight or thereabout.

The Company ensures that all transfers are duly effected within a period of one month from the date of their lodgement. As at March 31, 2000, 520 share transfers, received during the previous 4 days, were pending for transfer.

- The performance of the Bank's equity shares vis-à-vis the BSE sensex is as follows :



### 13. The Citizen's Charter

The Government of India, Ministry of Law, Justice and Company Affairs has issued a Citizen's Charter which is a declaration by the Department of Company Affairs about its mission, values and standards, and its commitment to achieve excellence in the formulation and implementation of policies and procedures of the Department for the benefit of the public, investors and corporate sector, who are partners in its progress.

The Citizen's Charter deals with various services provided by the Department, their commitment towards business partners, their expectations from the corporate sector and the standards set by them for discharging their duties and obligations.

The Citizen's Charter is available at the web site of the Department at <http://www.nic.in/dca>

### 14. A quick reference guide for investors from the Securities and Exchange Board of India

The Securities and Exchange Board of India has brought out a quick reference guide for investors. These guidelines are printed as an annexure for information of Members.