

**Annexure A** to this report and is also uploaded on the website of the Company at the following link: <https://www.icicisecurities.com/UPLOAD/ARTICLEIMAGES/ddp2017.pdf>.

**TRANSFER OF UNCLAIMED/UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND (‘IEPF’)**

In terms of the provisions of Section 124 of the Companies Act, 2013 (‘the Act’) and the rules made thereunder, the provisions of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (‘IEPF Rules’) and other applicable provisions, all monies remaining unpaid or unclaimed for a period of seven years from the date of transfer to unpaid/unclaimed dividend account, are required to be transferred to IEPF.

Pursuant to the provisions of Rule 7 of IEPF Rules, Raju Nanwani, Senior Vice President & Company Secretary of the Company was appointed as the Nodal Officer during the year for the purposes of verification of claims and co-ordination with IEPF Authority under IEPF Rules. Further, Rupesh Jadhav, Senior Manager, Secretarial was appointed as the Deputy Nodal Officer to assist the Nodal Officer in connection with the verification of claims and for co-ordination with IEPF Authority. The said details can be viewed at [https://www.icicisecurities.com/Upload/ArticleAttachments/Details\\_of\\_NodalDeputy\\_Nodal\\_officer\\_of\\_the\\_Company\\_for\\_coordination\\_with\\_IEPF.pdf](https://www.icicisecurities.com/Upload/ArticleAttachments/Details_of_NodalDeputy_Nodal_officer_of_the_Company_for_coordination_with_IEPF.pdf).

Information relating to unclaimed dividend and the due dates by which it can be claimed by the shareholders are as under:

Financial Year	Date of Declaration	Last date for claiming unpaid dividend
2017-18 (Final dividend)	August 30, 2018	September 30, 2025
2018-19 (Interim dividend)	October 19, 2018	November 18, 2025
2018-19 (Final dividend)	August 2, 2019	September 2, 2026
2019-20 (Interim dividend)	October 22, 2019	November 21, 2026

**SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES**

At March 31, 2020, the Company has two subsidiaries (including step-down subsidiary) and has no associate and joint venture companies.

The subsidiaries are:

- a. ICICI Securities, Inc.; and
- b. ICICI Securities Holdings, Inc. (subsidiary of ICICI Securities, Inc.).

During FY2020, no Company has become or ceased to be Subsidiary, Joint Venture or Associate Company of the Company.

A separate statement containing the salient features of the financial statements of the subsidiaries required to be disclosed under Form AOC-1 is enclosed as **Annexure B** to this Report.

**RISK MANAGEMENT FRAMEWORK**

Our Board oversees our risk management and has constituted a Risk Management Committee, which frames and reviews risk management processes and controls. A comprehensive system for risk management and internal controls for all our businesses has been established to manage the risks we are exposed to. The objective of our risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and to ensure a systematic response in the case of crystallisation of such risks.

The key risks associated with our business have been classified into implied market risk, market risk, operational risk, information technology/cyber security risk, liquidity risk, credit risk and reputation risk. The policies have been framed with respect to such risks which set forth limits, mitigation strategies and internal controls. These policies include a corporate risk and investment policy, a liquidity risk management policy, an operational risk management policy, an outsourcing policy, a fraud risk management policy, an information technology risk management policy, an information security management policy, a cyber security & cyber resilience policy, a business continuity policy and a surveillance policy.

We particularly are sensitive to risks emanating from the introduction of new products and services. All new products are approved by the Committees constituted by the Board. In case a product entails taking credit risk or market risk on the Company’s books or entails offering margin based products to clients, then, the risk management framework for such products is approved by our Risk Management Committee. In case of all other new product offerings, approval is sought from our Product Committee which is a Committee constituted by our Board. Before we launch a new product or service, it is also reviewed and approved by

our Risk Management Group, Compliance and Operations Groups and the Process Approval Committee set up for this purpose. These Groups and Committees review the product/service through the lenses of regulatory compliance, risk management and integration with the existing risk management systems.

During February and March 2020, the operations of the Company were impacted by the onset of the COVID-19 pandemic. The business continuity plan was invoked and several initiatives were undertaken to ensure that operations of the Company continued without disruptions. The initiatives undertaken included operating critical functions from multiple locations, rolling out Work From Home initiatives, accessing various applications through use of virtual private networks and rapidly enhancing digitisation across all levels within the organisation. During this period, the focus was on proactive and real-time risk management in wake of high volatility and operational challenges on account of limited mobility of staff. The risk management framework and digital capabilities of the Company responded well to the situation.

### WHISTLE BLOWER POLICY

The Company has in place a Whistle Blower Policy ('the Policy') which aims to set up a mechanism that enables employees to report about potentially illegal and/or unacceptable practices. It seeks to enable employees to report such practices without fear of victimisation and reprisal. The Policy aims to administer good governance practices in the Company and to ensure that serious concerns are properly raised and addressed.

The purpose of the Policy is to enable a person who observes an unethical practice (whether or not a violation of law) to approach Head - Compliance & Legal/Chairman of Audit Committee without necessarily informing his/her supervisors and without revealing his/her identity, if he/she so chooses. The Policy governs reporting and investigation of allegations of suspected improper activities.

The employees of the Company are encouraged to use guidance provided in the Policy for reporting all allegations of suspected improper activities. In all instances, the Company retains the prerogative to determine when circumstances warrant an investigation and in conformity with the Policy and applicable laws and regulations, the appropriate investigative process is employed. The Policy complies with the requirements of vigil mechanism as stipulated under Section 177 of the Act. The details of establishment of the Whistle Blower Policy/vigil mechanism have been disclosed on the

website of the Company. Excerpts of Whistle Blower Policy can be viewed at

[https://www.icicisecurities.com/UPLOAD/ARTICLEIMAGES/Whistleblower\\_Policy\\_One\\_Pager.pdf](https://www.icicisecurities.com/UPLOAD/ARTICLEIMAGES/Whistleblower_Policy_One_Pager.pdf).

### INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

The internal financial controls with reference to financial statements as designed and implemented by the Company are adequate. The internal financial controls procedure adopted by the Company is adequate for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. Further, the Statutory Auditors have verified the systems and processes and confirmed that the internal financial controls over financial reporting are adequate and such controls are operating effectively.

### STATUTORY AUDITORS REPORT

There were no qualifications, reservations, adverse remarks or disclaimers in the report of Statutory Auditors of the Company.

No frauds were reported by the auditors under Section 143 (12) of the Act.

### EXTRACT OF THE ANNUAL RETURN

An extract of the annual return as provided under Section 92 (3) of the Act is given in **Annexure C** enclosed to this report.

The annual return filed by the Company for FY2019 with the Registrar of Companies can be viewed at the following link: [https://www.icicisecurities.com/UPLOAD/ArticleAttachments/Annual\\_Return\\_for\\_Financial\\_Year\\_2018\\_2019.pdf](https://www.icicisecurities.com/UPLOAD/ArticleAttachments/Annual_Return_for_Financial_Year_2018_2019.pdf).

### PUBLIC DEPOSITS

Your Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and investments covered under Section 186 of the Act are given in **Annexure D** to this report.

## RELATED PARTY TRANSACTIONS

The Company has put in place a policy for related party transactions ('RPT policy') which has been approved by the Board of Directors. The RPT policy provides for identification of related party transactions, necessary approvals by the Audit Committee/Board of Directors/Shareholders, reporting and disclosure requirements in compliance with the Act and Listing Regulations.

The said RPT policy has been uploaded on the website of the Company and can be accessed at the following link: [https://www.icicisecurities.com/UPLOAD/ARTICLEIMAGES/Policy\\_on\\_RPT.pdf](https://www.icicisecurities.com/UPLOAD/ARTICLEIMAGES/Policy_on_RPT.pdf).

All transactions executed by the Company during the financial year with related parties were on arm's length basis and in ordinary course of business. All such related party transactions were placed before the Audit Committee for approval, wherever applicable.

Pursuant to the provisions of Regulation 23 (4) of Listing Regulations, approval of the Members was obtained through Postal Ballot for material related party transaction(s) with ICICI Bank Limited ('the Bank') (Holding Company) to avail short term borrowings by way of credit facility from the Bank on such term(s) and condition(s) as may be agreed, subject to the maximum outstanding balance on any day not exceeding ₹ 15.00 billion.

The details of related party transactions under Section 188 (1) of the Act required to be disclosed under Form AOC-2 pursuant to Section 134 (3) of the Act are given in **Annexure E** enclosed to this report.

## DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company as at March 31, 2020 consists of eight Directors, out of which four are Independent Directors, two are Non-executive Non-independent Directors and two are Whole-time Directors.

As at the end of FY2020, Vijay Chandok (DIN: 01545262) - Managing Director & CEO, Ajay Saraf (DIN: 00074885) - Executive Director, Harvinder Jaspal - Chief Financial Officer and Raju Nanwani - Company Secretary are the key managerial personnel as per the provisions of the Act and the rules made thereunder.

## Changes in the composition of the Board of Directors and other Key Managerial Personnel

The Board of Directors had, at its Meeting held on April 23, 2019 re-appointed Vinod Kumar Dhall (DIN: 02591373) as an Independent Director of the Company for a period of five (5) consecutive years with effect from October 28, 2019 upto October 27, 2024, subject to the approval of the Members of the Company by way of Special Resolution. The Members of the Company at the Twenty-Fourth Annual General Meeting ('AGM') of the Company held on August 2, 2019 approved the re-appointment of Vinod Kumar Dhall (DIN: 02591373) by way of Special Resolution. Vinod Kumar Dhall (DIN: 02591373) is a person of high repute, integrity and has rich and varied experience which is an invaluable input to the Company's strategic direction and decision making. His contributions and guidance during the deliberations at the Board and Committee meetings have been of immense help to the Company. Pursuant to the provisions of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, Vinod Kumar Dhall (DIN: 02591373) is not required to pass an online proficiency self-assessment test conducted by the 'Indian Institute of Corporate Affairs at Manesar' as he has served as director in a listed public company for a period of more than ten years as on the date of inclusion of his name in the databank.

Based on the notices received from a Member under Section 160 of the Act and the recommendation of the Nomination & Remuneration Committee ('NRC'), the Board of Directors had approved the appointment of Anup Bagchi (DIN: 00105962) and Pramod Rao (DIN: 02218756) as the Directors of the Company (in the category of Non-executive Directors) with effect from the date of the Twenty-Fourth AGM, subject to the approval of the Members at the ensuing AGM. Accordingly, the Members of the Company at the Twenty-Fourth AGM of the Company held on August 2, 2019, approved the appointment of Anup Bagchi (DIN: 00105962) and Pramod Rao (DIN: 02218756) as the Directors of the Company (in the category of Non-executive Directors).

The Board of Directors pursuant to the provisions of Section 161 of the Act, appointed Vijay Chandok (DIN: 01545262) as an Additional Director with effect from May 7, 2019 up to the date of the Twenty-Fourth AGM. Further, he was also appointed as the Managing Director & CEO of the Company in place of Shilpa Kumar

pursuant to the provisions of Section 196 of the Act for a period of five (5) years with effect from May 7, 2019 upto May 6, 2024 subject to the approval of the Members of the Company and regulatory approvals, if any. The requisite approvals were obtained in this regard. Based on the notice received from a Member under Section 160 of the Act and the recommendation of the NRC, the Board of Directors had approved the appointment of Vijay Chandok (DIN: 01545262) as a Director of the Company (in the category of Executive Director) with effect from the date of the Twenty-Fourth AGM, subject to the approval of the Members at the ensuing AGM. Accordingly, the Members of the Company at the Twenty-Fourth AGM of the Company held on August 2, 2019, approved the appointment of Vijay Chandok (DIN: 01545262) as the Director of the Company (in the category of Executive Director) and also as the Managing Director & CEO of the Company.

**Declaration of Independence**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the Act and Regulation 16 of Listing Regulations which have been relied upon by the Company.

Based on the declarations received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfil the criteria of independence as specified in Listing Regulations and the Act and are independent of the Management.

All Independent Directors have given declarations that they have complied with the Code for Independent Directors prescribed in Schedule IV of the Act and Code of Conduct and Business Ethics of the Company.

**Retirement by rotation**

In terms of Section 152 of the Act and the Articles of Association of the Company, Pramod Rao (DIN: 02218756), Director of the Company, would retire by rotation at the ensuing AGM and being eligible for re-appointment, has offered himself for re-appointment.

Brief details of the Director proposed to be re-appointed as required under Regulation 36 (3) of Listing Regulations are provided in the Notice of the ensuing AGM.

**BOARD AND COMMITTEES OF THE BOARD**

The Company’s Board is constituted in compliance with the Act and Listing Regulations. The Board of the Company at March 31, 2020 consisted of eight Directors, comprising of four Independent Directors, two Non-executive Non-independent Directors and two Whole-time Directors. Except the Managing Director & CEO and the Executive Director, all other Directors including the Chairman of the Board are Non-executive Directors. There is a clear segregation of responsibility and authority between the Directors and the executive management. The Managing Director & CEO and the Executive Director oversee implementation of strategy, achievement of the business plans and day-to-day operations. There is an appropriate mix of Executive, Non-executive and Independent Directors. The Board has one Independent Woman Director. The Board functions either as a full Board or through various Committees constituted to oversee specific areas. The Board has, *inter alia*, constituted requisite mandatory Committees, *viz.*, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The constitution of these Committees is in compliance with the provisions of the Act and Listing Regulations.

The Board of Directors of the Company meets at regular intervals to discuss and decide on business policy and strategy apart from other business. The Board of Directors met seven times during FY2020 on April 23, 2019, May 17, 2019, July 12, 2019, July 22, 2019, October 22, 2019, January 6, 2020 and January 20, 2020.

There were no *inter-se* relationships between any of the Directors of the Company. Further, except Anup Bagchi (DIN: 00105962), Non-executive Non-independent Director who holds 1,932 equity shares of the Company as on March 31, 2020, none of the Non-executive Directors hold any equity shares or convertible instruments of the Company.

The names of the Directors, their attendance at Board Meetings during the financial year, attendance at the last AGM and the number of other directorships and committee memberships held by them as at the end of FY2020 are set out in the following table:

Name of the Director	Number of Board Meetings		Attendance at the last AGM held on August 2, 2019	No. of Directorships in other Companies		Number of Committee Memberships (including this Company) <sup>#</sup>	
	Entitled to Attend	Attended		Public Companies	Other Companies	No. of Memberships held in Companies <sup>#</sup>	No. of post of Chairperson held in Listed entities <sup>#@</sup>
<b>Independent Directors</b>							
Vinod Kumar Dhall, Chairman (DIN: 02591373)	7	7	Present	3	0	2	1
Ashvin Parekh (DIN: 06559989)	7	7	Present	2	0	3	2
Subrata Mukherji (DIN: 00057492)	7	7	Present	0	0	1	0
Vijayalakshmi Iyer (DIN: 05242960)	7	6	Present	9	0	10	4
<b>Non-executive Non-Independent Directors</b>							
Anup Bagchi (DIN: 00105962)	7	7	Present	5	0	1	0
Pramod Rao (DIN: 02218756)	7	6	Present	2	0	1	0
<b>Executive Directors</b>							
Shilpa Kumar (DIN: 02404667)*	1	1	N.A. (Not a Director as on the date of AGM)	N.A.	N.A.	N.A.	N.A.
Vijay Chandok (DIN: 01545262)^	6	6	Present	0	0	1	0
Ajay Saraf (DIN: 00074885)	7	7	Present	0	0	1	0

<sup>#</sup>Membership/Chairmanship of only Audit Committee and Stakeholders Relationship Committee has been considered.

<sup>@</sup>For the purpose of computation of listed entities, listed entities as per the Ministry of Corporate Affairs (MCA) Portal have been considered.

\*Shilpa Kumar resigned from the Board of Directors of the Company w.e.f. May 6, 2019.

^Vijay Chandok was appointed as an Additional Director and as the Managing Director & CEO of the Company w.e.f. May 7, 2019.

Details of Directorships held in other listed entities by the Directors of the Company as at the end of FY2020 and the Category of their Directorship are set out in the following table:

Name of the Director	Name of the Listed Entity®	Category
<b>Independent Directors</b>		
Vinod Kumar Dhall, Chairman (DIN: 02591373)	1. Schneider Electric Infrastructure Limited 2. Advani Hotels & Resorts (India) Limited	1. Independent Director 2. Independent Director
Ashvin Parekh (DIN: 06559989)	ICICI Lombard General Insurance Company Limited	Independent Director
Subrata Mukherji (DIN: 00057492)	Nil	-
Vijayalakshmi Iyer (DIN: 05242960)	1. Religare Enterprises Limited 2. Magma Fincorp Limited 3. Aditya Birla Capital Limited 4. GIC Housing Finance Limited	1. Independent Director 2. Independent Director 3. Independent Director 4. Independent Director
<b>Non-executive Non-Independent Directors</b>		
Anup Bagchi (DIN: 00105962)	1. ICICI Bank Limited 2. ICICI Prudential Life Insurance Company Limited	1. Executive Director 2. Non-Executive Director
Pramod Rao (DIN: 02218756)	Nil	-
<b>Executive Directors</b>		
Vijay Chandok (DIN: 01545262)	Nil	-
Ajay Saraf (DIN: 00074885)	Nil	-

®For the purpose of computation of listed entities, listed entities as per the Ministry of Corporate Affairs (MCA) Portal have been considered.

The number of committees (Audit Committee and Stakeholders Relationship Committee) of public limited companies in which a Director is a member/chairman were within the limits provided under Listing Regulations, for all the Directors of the Company. The number of directorships of each Independent Director is also within the limits prescribed under Listing Regulations.

**Core skills/expertise/competencies of the Board of Directors**

As required under Regulation 34 read with Schedule V of Listing Regulations in the context of the Company’s business for effective functioning, the Company has distinguished individuals on its Board of Directors with each of the Directors having the requisite core skills/expertise/competence as well as several years of vast experience and knowledge in various diversified functions and fields, viz., corporate & international banking, treasury, corporate planning, project & portfolio/asset management, economics, capital markets, investment banking, institutional & retail broking, private equity fund management, financial services, competition & corporate law, corporate affairs, commerce, economic regulations, technology, business strategies and management,

institutional strengthening & business transformation, banking & finance, corporate laws, business and finance laws, insurance, human resources development, venture capital, retail & rural banking, SME/Commercial banking, rural and inclusive banking, etc. The Board has a right blend of dynamism, leadership and experience.

The Independent Directors are members of the Board of Directors of various reputed companies including listed entities and they provide their treasured inputs and guidance at the Meetings of the Board which have been of immense help to the Company in pursuing strategic goals.

The Board is suitably equipped to understand the ever changing business dynamics of the stock broking, distribution, wealth management and investment banking sectors in which the Company operates and ensures that appropriate strategies are articulated benefitting the Company in the long run.

The details of the core skills/expertise/competencies possessed by the existing directors of the Company are detailed as under:

Name of the Director	Areas of Expertise
Vinod Kumar Dhall	<ul style="list-style-type: none"> <li>• Corporate Affairs</li> <li>• Competition and Corporate Law</li> <li>• Finance &amp; Banking</li> <li>• Economic Regulation</li> <li>• Business Strategy</li> <li>• Business Management</li> <li>• Insurance</li> <li>• Investment Banking</li> </ul>
Ashvin Parekh	<ul style="list-style-type: none"> <li>• Business Strategy</li> <li>• Corporate Planning</li> <li>• Institutional Strengthening</li> <li>• Business Transformation</li> <li>• Technology</li> <li>• Finance</li> <li>• Business Management</li> <li>• Portfolio/Asset Management</li> <li>• Project Management</li> <li>• Legal and Regulatory</li> </ul>
Subrata Mukherji	<ul style="list-style-type: none"> <li>• Business Strategy</li> <li>• Banking &amp; Finance</li> <li>• Investment Banking</li> <li>• Economics</li> <li>• Business Management</li> <li>• Venture Capital</li> </ul>
Vijayalakshmi Iyer	<ul style="list-style-type: none"> <li>• Business Strategy</li> <li>• Banking &amp; Finance</li> <li>• Investment Banking</li> <li>• Insurance</li> <li>• Business Management</li> <li>• Technology</li> <li>• Human Resources Development</li> <li>• Portfolio/Asset and Project Management</li> <li>• Risk Management</li> </ul>
Anup Bagchi	<ul style="list-style-type: none"> <li>• Business Strategy</li> <li>• Retail Banking</li> <li>• Retail Broking</li> <li>• Information Technology</li> <li>• Rural and Inclusive Banking, Corporate Banking and Investment Banking</li> <li>• Treasury control and services</li> <li>• Financial Services</li> <li>• Business Management</li> <li>• Capital Markets</li> </ul>
Pramod Rao	<ul style="list-style-type: none"> <li>• Banking and Finance Laws</li> <li>• Competition and Corporate Law</li> <li>• Finance &amp; Banking</li> <li>• Economic Regulation</li> <li>• Financial Services</li> <li>• Business Management</li> <li>• Capital Markets</li> <li>• Corporate Governance</li> <li>• Law &amp; Technology</li> <li>• Corporate Project &amp; Structured Finance</li> <li>• Restructuring, Insolvency &amp; Bankruptcy</li> <li>• Joint ventures</li> </ul>

Name of the Director	Areas of Expertise
Vijay Chandok	<ul style="list-style-type: none"> <li>• Business Strategy</li> <li>• SME banking</li> <li>• Retail Broking</li> <li>• Commercial banking</li> <li>• International and Corporate Banking</li> <li>• Retail and rural banking</li> <li>• Business Management</li> <li>• Capital Markets</li> <li>• Private Equity Fund Management</li> </ul>
Ajay Saraf	<ul style="list-style-type: none"> <li>• Investment Banking</li> <li>• Institutional Broking</li> <li>• Corporate Banking</li> <li>• SME banking</li> <li>• Business Strategy</li> <li>• Business Management</li> <li>• Finance</li> </ul>

**Separate Meeting of Independent Directors**

During FY2020, a separate meeting of the Independent Directors was held on April 23, 2019, which was chaired by Vinod Kumar Dhall (DIN: 02591373), Independent Director.

The terms of reference of the mandatory Committees constituted by the Board, their composition and attendance of the respective members at the various Committee Meetings held during FY2020 are set out below:

**Audit Committee**

**Terms of Reference**

- (a) To oversee the financial statements, the process of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (b) To oversee the procedures and processes established to attend to issues relating to maintenance of books of account, administration procedures, transactions and other matters having a bearing on the financial position of the Company, whether raised by the auditors or by any other person;
- (c) To review, with the Management, the quarterly financial statements and the certificate in respect of internal controls over financial reporting as per the requirements of Sarbanes Oxley Act, 2002, before submission to the Board for approval;

- (d) To review, with the Management, the quarterly, half-yearly and annual financial statements along with the auditors' report thereon before submission to the Board for approval, with particular reference to:
- i. Any changes in accounting policies and practices;
  - ii. Major accounting entries based on the exercise of prudent judgment and estimates by management;
  - iii. Modified opinion(s) in the draft audit report;
  - iv. Significant adjustments arising out of audit;
  - v. Compliance with listing and other legal requirements concerning financial statements;
  - vi. To review the management discussion and analysis of financial condition and results of operations;
  - vii. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - viii. Any related party transactions *i.e.* transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, *etc.* that may have a potential conflict with the interests of the Company at large; and
  - ix. To approve any subsequent modification of transactions of the Company with related parties, provided, that the Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- (e) To recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and/or branch auditor and the fixation of audit fees;
- (f) To approve the payment to statutory auditors for any other services rendered by the statutory auditors;
- (g) To review and monitor, with the management, performance of statutory auditor's, the auditor's independence and effectiveness of audit process;
- (h) To discuss with the statutory auditors before the audit commences about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- (i) To call for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of the financial statements before their submission to the Board and also to discuss any related issues with the internal and statutory auditors and management of the Company;
  - (j) To recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the internal auditors/concurrent auditors/special auditors and the fixation of their remuneration;
  - (k) To review, with the management, performance of internal auditors;
  - (l) To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
  - (m) To set up procedures and processes to address all concerns relating to adequacy of checks and control mechanism;
  - (n) To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - (o) To review, with the management, the adequacy of the internal control systems;
  - (p) To monitor the compliance function and the Company's risk profile in respect of compliance with external laws and regulations and internal policies;
  - (q) To review reports on (o) and (p) above and on proactive compliance activities aimed at increasing the Company's ability to meet its legal and ethical obligations, on identified weaknesses, lapses, breaches or violations and the controls and other measures in place to help detect and address the same;
  - (r) To evaluate internal financial controls and risk management systems;



- (s) To report any significant findings [including Audit Issue Rectification Index (AIRI)] to the Risk Management Committee of the Company on a quarterly basis;
- (t) To discuss with the internal auditors of any significant finding and follow up thereon;
- (u) To review the following:
  - i. Penal action taken against the Company under various laws and statutes;
  - ii. Reports of inspection by regulatory authorities viz. SEBI, BSE, NSE, IRDA, PFRDA, AMFI;
  - iii. Follow-up action on the inspection reports;
  - iv. Compliance with the inspection reports of regulatory authorities;
  - v. Accountability for unsatisfactory compliance with inspection reports, delay in compliance and non-rectification of deficiencies;
- (v) To review the following matters:
  - i. Reports of the audits conducted by the statutory auditors and their periodicity and scheduling;
  - ii. Compliance with the observations of the statutory auditors;
- (w) To review the following matters:
  - i. Reports of the different types of audits conducted by the internal auditors and their periodicity and scheduling;
  - ii. Follow-up action on the audit reports, particularly concerning unsatisfactory areas of operations;
  - iii. Compliance with the observations of the internal auditors;
  - iv. Omissions on the part of the auditing team to detect serious irregularities;
- (x) To approve compliance programmes, review their effectiveness on a regular basis and review material compliance issues or matters;
- (y) To review the Anti-Money Laundering (AML)/ Counter-Financing of Terrorism (CFT) policy annually and review the implementation of the Company's AML/CFT programme;
- (z) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and to look into substantial delays in the payment to creditors;
  - (aa) To review the functioning of the Whistle Blower mechanism or other confidential mechanisms for employees to report ethical and compliance concerns or potential breaches or violations;
  - (ab) To investigate any activity within its terms of reference;
  - (ac) To seek information from any employee; to obtain outside legal or other professional advice; and to secure attendance of outsiders with relevant expertise, if it considers necessary;
  - (ad) To establish procedures for:
    - i. The receipt, retention and treatment of complaints received regarding accounting, internal accounting controls or auditing matters; and
    - ii. The confidential, anonymous submission by employees regarding questionable accounting or auditing matters;
  - (ae) To engage, without seeking Board approval, independent counsel and other advisors, as it determines necessary to carry out its duties;
  - (af) To formulate/amend code of ethics and governance, insider trading code and whistle blower policy;
  - (ag) To scrutinise inter-corporate loans and investments;
  - (ah) To the extent applicable, review with the management, Statement of deviations, specifically, the quarterly statement of deviation submitted to the stock exchanges under Regulation 32 (1) and the annual statement of funds utilised for the purposes other than those stated in the offer documents under Regulation 32 (7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations');
  - (ai) To undertake valuation of undertakings or assets of the Company, wherever it is necessary;
  - (aj) To investigate into any matter in relation to the terms of reference of the Audit Committee or referred to it by the Board and for this purpose, to obtain professional advice from external sources and have

full access to information contained in the records of the Company;

- (ak) Approval of the appointment of the Chief Financial Officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, *etc.* of the candidate;
- (al) To review the housekeeping note;
- (am) To review the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 1 billion or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments; and
- (an) To carry out any other function, if any, as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Listing Regulations or by any other regulatory authority.

**Composition**

During FY2020, the composition of the Audit Committee was in compliance with the provisions of Section 177 (2), other applicable provisions of the Act and Listing Regulations.

During FY2020, there was no change in the constitution of the Audit Committee.

As at the end of FY2020, the Audit Committee comprised of following as its members:

- Ashvin Parekh (DIN: 06559989), Independent Director (Chairman);
- Subrata Mukherji (DIN: 00057492), Independent Director;
- Vijayalakshmi Iyer (DIN: 05242960), Independent Director; and
- Pramod Rao (DIN: 02218756), Non-executive Non-independent Director.

During FY2020, seven meetings of the Audit Committee were held on April 23, 2019, July 17, 2019, July 22, 2019, October 15, 2019, October 22, 2019, January 15, 2020 and January 20, 2020.

The details of the attendance at the meetings are set out in the following table:

Name of the Director	Number of Meetings held during the tenure of the Director	Number of Meetings attended
Ashvin Parekh (Chairman)	7	7
Subrata Mukherji	7	7
Vijayalakshmi Iyer	7	6
Pramod Rao	7	5

**Nomination & Remuneration Committee**

**Terms of Reference**

1. To submit recommendations to the Board with regard to:
  - a. Filling up of vacancies in the Board that might occur from time to time and appointment of additional non whole-time Directors. In making these recommendations, the Committee shall take into account the provisions of the Articles of Association and the special professional skills required for efficient discharge of the Board’s functions;
  - b. Directors liable to retire by rotation;
  - c. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.

“Senior Management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include Company Secretary and the Chief Financial Officer.

2. To evaluate the performance of the whole-time Directors of the Company.
3. To evaluate the performance of the Board, the individual Members of the Board and the Committees of the Board on certain pre-determined parameters as may be laid down by the Board as part of a self-evaluation process or get such performance evaluation done by an independent external agency and review its implementation and compliance.

4. To determine and recommend to the Board from time to time all remuneration, in whatever form, including performance or achievement bonus, Long Term Incentives and perquisites payable to the whole-time Directors and the senior management of the Company.
5. a. To approve the policy for and quantum of variable pay payable to the employees of the Company.
- b. To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
6. To formulate code of ethics and governance.
7. To recommend to the Board Governance, Remuneration and Nomination Committee of ICICI Bank Limited (BGNRC of ICICI Bank) for its recommendation to the Board of ICICI Bank for the grant of Employee Stock Options of ICICI Bank to the whole-time Directors of the Company.
8. To formulate the criteria for determining qualifications, positive attributes and independence of a director.
9. To formulate the criteria for evaluation of performance of independent directors and the board of directors and to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
10. To determine and recommend to the Board from time to time, the amount of commission and fees payable to the Directors within the applicable provisions of the Companies Act, 2013 and other applicable statutes, if any.
11. To devise a policy on diversity of the Board.
12. Performing such functions as are required to be performed by the Committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time.
13. Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, 2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.

**Composition**

During FY2020, the composition of the Nomination & Remuneration Committee ('NRC') was in compliance with the provisions of Section 178, other applicable provisions of the Act and Listing Regulations.

During FY2020, there was no change in the constitution of NRC.

As at the end of FY2020, NRC comprised of following as its members:

- Ashvin Parekh (DIN: 06559989), Independent Director (Chairman);
- Vinod Kumar Dhall (DIN: 02591373), Independent Director; and
- Anup Bagchi (DIN: 00105962), Non-executive Non-independent Director.

During FY2020, four meetings of NRC were held on April 23, 2019, May 17, 2019, July 22, 2019 and October 22, 2019. The details of the attendance at the meetings are set out in the following table:

Name of the Director	Number of Meetings held during the tenure of the Director	Number of Meetings attended
Ashvin Parekh (Chairman)	4	4
Vinod Kumar Dhall	4	4
Anup Bagchi	4	4

**Corporate Social Responsibility Committee**

**Terms of Reference**

- a. To formulate and recommend to the Board a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- b. To review proposals, approve and recommend the amount of expenditure which shall be incurred on the activities indicated in the corporate social responsibility policy;
- c. To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- d. To recommend the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by our Company;

- e. To monitor the implementation of the corporate social responsibility policy of the Company and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- f. To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities; and
- g. Perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of our Company.

**Composition**

During FY2020, the composition of the Corporate Social Responsibility ('CSR') Committee of the Company was in compliance with Section 135 and other applicable provisions of the Act.

During FY2020, CSR Committee was re-constituted by the Board of Directors in its meeting held on April 23, 2019 by inducting Vijay Chandok (DIN: 01545262) as a Member of the Committee in place of Shilpa Kumar (DIN: 02404667) with effect from May 7, 2019.

As at the end of FY2020, CSR Committee comprised of following as its members:

- Vinod Kumar Dhall (DIN: 02591373), Independent Director (Chairman);
- Vijay Chandok (DIN: 01545262), Managing Director & CEO; and
- Ajay Saraf (DIN: 00074885), Executive Director.

During FY2020, three meetings of CSR Committee were held on April 23, 2019, July 22, 2019 and October 22, 2019. The details of the attendance at the meetings are set out in the following table:

Name of the Director	Number of Meetings held during the tenure of the Director	Number of Meetings attended
Vinod Kumar Dhall (Chairman)	3	3
Shilpa Kumar*	1	1
Vijay Chandok*	2	2
Ajay Saraf	3	3

\*Vijay Chandok was appointed as a Member of the Committee w.e.f. May 7, 2019 in place of Shilpa Kumar.

Details about the policy developed and implemented by the Company on Corporate Social Responsibility and initiatives taken during the year are given in **Annexure F** enclosed to this report.

**Stakeholders Relationship Committee**

**Terms of Reference**

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
2. Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
3. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
4. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
5. Review of measures taken for effective exercise of voting rights by shareholders;
6. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
7. Review of various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
8. Carrying out any other function as may be decided by the Board or prescribed under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or any other applicable law.

**Composition**

During FY2020, the composition of the Stakeholders Relationship Committee ('SRC') of the Company was in compliance with Section 178 (5), other applicable provisions of the Act and Listing Regulations.

During FY2020, the SRC was re-constituted by the Board of Directors in its meeting held on April 23, 2019 by inducting Vijay Chandok (DIN: 01545262) as a Member of the Committee in place of Shilpa Kumar (DIN: 02404667) with effect from May 7, 2019.

As at the end of FY2020, SRC comprised of following as its members:

- Vijayalakshmi Iyer (DIN: 05242960), Independent Director (Chairperson);
- Vijay Chandok (DIN: 01545262), Managing Director & CEO; and
- Ajay Saraf (DIN: 00074885), Executive Director.

During FY2020, four meetings of SRC were held on April 22, 2019, July 16, 2019, October 15, 2019 and January 15, 2020. The details of the attendance at the meetings are set out in the following table:

Name of the Director	Number of Meetings held during the tenure of the Director	Number of Meetings attended
Vijayalakshmi Iyer (Chairperson)	4	4
Shilpa Kumar*	1	1
Vijay Chandok*	3	2
Ajay Saraf	4	3

\*Vijay Chandok was appointed as a Member of the Committee w.e.f. May 7, 2019 in place of Shilpa Kumar.

Raju Nanwani, Senior Vice President & Company Secretary is the Compliance Officer of the Company pursuant to the requirements of Listing Regulations.

The SCORES website of SEBI for redressal of grievances of the investors is being visited at regular intervals by the officials of the Company. The Company had received 2 complaints from the shareholders during FY2020. As at the end of FY2020, no complaints were pending.

**Risk Management Committee**

**Terms of Reference**

**1. Risk Management Policies**

- a. To approve and review risk management policies in respect of the following:
  - i. Market Risk,
  - ii. Credit Risk,
  - iii. Operations Risk,

- iv. Fraud Risk,
  - v. Information Technology Risk,
  - vi. Information Security and Cyber Security Risk,
  - vii. Liquidity Risk,
  - viii. Surveillance Policy,
  - ix. Business Continuity and Disaster Recovery.
- b. To monitor the implementation of various risk management policies.
  - c. To analyse and monitor various product limits as well as the credit and market risks associated with the different business activities of the Company.

**2. ICAAP and Stress Testing:**

- a. To review stress testing results.
- b. To review the submission made to ICICI Bank Ltd for Internal Capital Adequacy Assessment Process (ICAAP).

**3. Risk Dashboard**

To review key risk indicators with respect to major risk categories as detailed below on a quarterly basis:

- a. Credit risk,
- b. Market risk and implied market risk,
- c. Liquidity risk,
- d. Operational risk,
- e. Technology risk including Cyber-Security threats,
- f. Reputation risk.

**4. Other risk related reviews**

- a. To review the operational loss data.
- b. To assess the risk of investments in securities undertaken by the proprietary desk of the Company.
- c. To analyse and monitor various products/processes/policies of the Company from the operational risk perspective as well and suggest risk controls to ensure that the residual risk of various business activities undertaken is within tolerable limits.
- d. To ensure that all ongoing outsourcing decisions taken by the Company and the activities undertaken by the third-party are in accordance with the Outsourcing Policy of the Company.
- e. To review the macro-economic changes, global emerging trends and regulatory changes/requirements so that the Company is positioned to face the changes in the external environment and internal developments.

**5. Oversight on risks of subsidiaries**

Review the risk profile of the subsidiaries.

**Composition**

During FY2020, the composition of the Risk Management Committee ('RMC') of the Company was in compliance with the provisions of Regulation 21 of Listing Regulations.

RMC was re-constituted by the Board of Directors at its meeting held on April 23, 2019 with effect from May 7, 2019 by induction of Ashvin Parekh (DIN: 06559989), Subrata Mukherji (DIN: 00057492) and Vijay Chandok (DIN: 01545262) as the Members of the Committee and cessation of Shilpa Kumar (DIN: 02404667).

As at the end of FY2020, RMC comprised of following as its members:

- Vijayalakshmi Iyer (DIN: 05242960), Independent Director (Chairperson);
- Ashvin Parekh (DIN: 06559989), Independent Director;
- Subrata Mukherji (DIN: 00057492), Independent Director;
- Vijay Chandok (DIN: 01545262), Managing Director & CEO;
- Ajay Saraf (DIN: 00074885), Executive Director;
- Ripujit Chaudhuri, Head - Risk; and
- Harvinder Jaspal, Chief Financial Officer.

During FY2020, four meetings of RMC were held on April 15, 2019, July 16, 2019, October 16, 2019 and January 15, 2020. The details of the attendance at the meetings are set out in the following table:

Name of the Member	Number of Meetings held during the tenure of the Member	Number of Meetings attended
Vijayalakshmi Iyer (Chairperson)	4	3
Ashvin Parekh*	3	3
Subrata Mukherji*	3	3
Shilpa Kumar#	1	1
Vijay Chandok*	3	2
Ajay Saraf	4	4
Ripujit Chaudhuri	4	4
Harvinder Jaspal	4	3

\*Ashvin Parekh, Subrata Mukherji and Vijay Chandok were appointed as the Members of the Committee w.e.f. May 7, 2019.

#Shilpa Kumar ceased to be a Member of the Committee w.e.f. May 6, 2019.

**PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND DIRECTORS**

The Company has in place an evaluation framework for evaluation of the Board, Directors and Chairman. The Board also carries out an evaluation of the working of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The evaluation of the Committees is based on the assessment of the compliance with the terms of reference of the Committees.

The evaluations for the Directors and the Board were done through circulation of questionnaires for evaluation of the performance of the Board, the Committees of the Board and the individual members of the Board, which assessed the performance of the Board on selected parameters related to roles, responsibilities and obligations of the Board and functioning of the Committees including assessing the quality, quantity and timeliness of flow of information between the Company management and the Board that was necessary for the Board to effectively and reasonably perform their duties. The evaluation criteria for the Directors (including Independent Directors) was based on their participation, contribution and offering guidance to and understanding of the areas that were relevant to them in their capacity as members of the Board.

With respect to the Whole-time Directors, the NRC has oversight over payment of compensation. The NRC defines key performance indicators ('KPIs') for Whole-time Directors and the organisational performance norms. The KPIs include both quantitative and qualitative aspects. The NRC assesses organisational performance as well as the individual performance of the Whole-time Directors.

**POLICY/CRITERIA FOR DIRECTORS' APPOINTMENT**

The Company with the approval of its NRC has put in place a policy on Directors' appointment and remuneration including the criteria for determining qualifications, positive attributes and independence of a Director. The NRC evaluates the composition of the Board and vacancies arising in the Board from time to time. The NRC, as and when required while recommending candidature of a Director, considers the requisite special knowledge or expertise possessed by the candidate. The NRC assesses the fit and proper credentials of the candidate. The NRC also evaluates the prospective candidate for the position of Director from the perspective of the criteria for independence prescribed under the Act. The NRC based on the above assessment makes suitable recommendations on the appointment of Directors to the Board. The NRC evaluates the performance of the Executive Directors of the Company on an annual basis.

### Remuneration policy for non-Executive Directors

The remuneration payable to non-executive/independent Directors ('NEDs') of ICICI Bank Limited is governed by the provisions of Banking Regulation Act, 1949, RBI guidelines issued from time to time and the provisions of the Act and its applicable rules to the extent it is not inconsistent with the provisions of the Banking Regulation Act, 1949/RBI guidelines. The Company, being a subsidiary of ICICI Bank Limited, has adopted practices on these lines with respect to remuneration payable to non-executive/ independent Directors of the Company.

Considering the above, the permitted modes of remuneration for the NEDs, would be sitting fee for attending each meeting of the Committee/Board as approved by the Board from time to time and profit related commission, within the limits as provided under the Act and related rules thereunder.

All the non-executive Directors/independent Directors would be entitled to reimbursement of expenses for attending Board/Committee meetings, official visits and participation in various forums on behalf of the Company.

### Profit related Commission

The NEDs would be entitled for profit related commission, in compliance with the provisions of the Act (as amended from time to time) and other applicable law.

### Disclosure

The Company would make the requisite disclosure on remuneration paid to NEDs in the Annual Financial Statements.

### Review

The Policy would be reviewed annually by the NRC.

## COMPENSATION POLICY FOR THE WHOLE-TIME DIRECTORS AND KEY MANAGERIAL PERSONNEL AS WELL AS OTHER EMPLOYEES

The Company already has in place a Compensation Policy applicable to Whole-time Directors (WTDs), Key Managerial Personnel (KMP), Senior Management and other employees.

The Compensation Policy is available on the website of the Company under the section titled 'Corporate Policies' and can be accessed on the link: [https://www.icicisecurities.com/UPLOAD/ARTICLEIMAGES/Compensation\\_Policy.pdf](https://www.icicisecurities.com/UPLOAD/ARTICLEIMAGES/Compensation_Policy.pdf).

### Key features and objectives of Compensation Policy

The Compensation Policy of the Company is applicable for the Whole-time Directors, Key Managerial Personnel, Senior Management and all other employees of the Company. The Compensation Policy is framed under the guidance of the Nomination & Remuneration Committee ('NRC' or 'the Committee') to ensure effective governance and drive meritocracy under a prudent risk framework.

The Committee defines Key Performance Indicators ('KPIs') for the organisation based on the financial and strategic plan approved by the Board. The KPIs include both quantitative and qualitative aspects. The NRC assesses organisational performance as well as the individual performance of Whole-time Directors. Based on its assessment, it makes recommendations to the Board regarding compensation for Whole-time Directors, Key Managerial Personnel and Senior Management along-with bonus and long term incentive plan (LTIP) for employees. Eligible employees are covered under the ICICI Bank's Employee Stock Option Scheme (ESOS) and/or under ICICI Securities Limited - Employees Stock Option Scheme - 2017 as governed by respective Scheme details.

The Company follows a philosophy of meritocracy, which is the relative differentiation of employees based on performance delivered. The design of the variable pay is linked to individual employee's performance rating which is arrived at basis assessment of performance delivered against a set of pre-defined performance objectives. These objectives are a balanced mix of financial, customer, process and compliance related objectives. To ensure effective alignment of compensation with prudent risk parameters, the Company will take into account various risk parameters along with other pre-defined performance objectives of the Company. Acts of gross negligence and integrity breach and reasonable evidence of deterioration in financial performance shall be covered under the purview of the Compensation Policy. The deferred part of the performance bonus (variable pay) will be subject to malus, under which the Company will prevent vesting of all or part of the variable pay in the event of an enquiry determining gross negligence or integrity breach.

### Changes in the Compensation Policy during FY2020

- No changes were proposed to be made in the Company's Compensation Policy for the Whole-time Directors, Key Managerial Personnel, Senior Management and other employees of the Company during FY2020.

b) No changes were proposed to be made in the remuneration policy for the Non-executive Directors of the Company during FY2020.

pecuniary relationship of the Non-executive Directors with the Company. Non-executive Non-independent Directors neither draw any remuneration from the Company nor receive any sitting fees.

**PECUNIARY RELATIONSHIP OF THE NON-EXECUTIVE DIRECTORS WITH THE COMPANY**

Apart from receiving sitting fees for attending Board and Committee meetings and profit related commission by the Non-executive Directors of the Company, there is no

**DETAILS OF REMUNERATION PAID TO WHOLE-TIME DIRECTORS DURING FY2020**

The following table sets out the details of remuneration (including perquisites and retiral benefits) paid to Whole-time Directors during FY2020:

Particulars	Details of Remuneration (₹)		
	Vijay Chandok - Managing Director & CEO	Ajay Saraf - Executive Director	Shilpa Kumar - erstwhile Managing Director & CEO
Period	May 7, 2019 – March 31, 2020	April 1, 2019 – March 31, 2020	April 1, 2019 – May 6, 2019
Basic	22,033,490	10,452,000	1,338,791
Performance Bonus paid out in FY2020 <sup>1</sup>	-	10,193,887	11,402,177
Allowances <sup>2</sup>	21,737,335	12,793,080	1,776,169
Perquisites <sup>3</sup>	396,143	1,229,840	970,573
Contribution to provident fund	2,644,015	1,254,240	160,655
Contribution to gratuity fund	1,835,389	870,648	111,522
<b>Stock Options of the Company (Numbers)</b>			
Granted in FY2020	-	199,600	250,200
Granted in FY2019	-	53,900	122,800
<b>Stock Options of ICICI Bank Limited (Numbers)</b>			
Granted in FY2020	-	41,400	51,900
Granted in FY2019	-	106,400	242,500

Note: For the year ended March 31, 2020 the remuneration details pertain to the amount paid/options granted during FY2020.

<sup>1</sup> The bonus amount paid in FY2020 includes the deferred portion of bonus approved in earlier years.

<sup>2</sup> Allowances include components like house rent allowance, running and maintenance expenses of car (including fuel, repairs and maintenance, insurance, driver's salary), leave travel allowance, personal pay, domiciliary medical reimbursement of ₹ 15,000/- per annum.

<sup>3</sup> Perquisites (evaluated as per Income-Tax rules wherever applicable and otherwise at actual cost to the Company) such as the benefit of the gas, electricity, soft furnishing, club fees, group insurances like mediclaim, personal accident and life insurance, Company car (including fuel, repairs and maintenance, insurance, driver's salary), telephone and internet usage at residence or reimbursement of expenses in lieu thereof, domiciliary medical reimbursement, leave, children education benefits, interest subsidy on home loan, were provided in accordance with the scheme(s) and rule(s) applicable from time to time.

**DETAILS OF REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS**

As per the provisions of Section 197 of the Act, the fees payable to a Non-executive Director for attending a Meeting of the Board or Committee thereof are decided by the Board of Directors from time to time within the limits prescribed by the Act and the rules thereunder.

During FY2020, the Directors were paid an amount of ₹ 1,00,000/- as sitting fees for attending each Meeting of the Board, ₹ 50,000/- as sitting fees for attending each Meeting of the Audit Committee and ₹ 30,000/- as sitting fees for attending each Meeting of other Committees of the Board.

Information on the total sitting fees paid to each Non-executive Director during FY2020 for attending meetings of the Board and its Committees is set out in the following table:

Name of the Director	Amount (₹)
Vinod Kumar Dhall (DIN: 02591373)	910,000/-
Ashvin Parekh (DIN: 06559989)	1,260,000/-
Subrata Mukherji (DIN: 00057492)	1,140,000/-
Vijayalakshmi Iyer (DIN: 05242960)	1,110,000/-

As per the remuneration framework of the Company for the Non-executive Directors, the Board approved the payment of profit related commission to the Independent Directors.



Accordingly, profit related commission of ₹ 1,000,000/- was paid to each Independent Director during FY2020 for their tenure during FY2019.

### **Disclosures required with respect to Section 197 (12) of the Act**

The ratio of remuneration of each Director to the median employee's remuneration and such other details in terms of Section 197 (12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided below:

#### **(i) The ratio of the remuneration of each director to the median fixed pay of the employees of the Company for the financial year:**

The ratio of remuneration for the Whole-time Directors is as under:

Vijay Chandok, Managing Director & CEO = 104:1

Ajay Saraf, Executive Director = 53:1

The ratio of remuneration for the Independent Directors is as under:

Vinod Kumar Dhall, Chairman and Independent Director = 4.11:1

Ashvin Parekh, Independent Director = 4.86:1

Subrata Mukherji, Independent Director = 4.60:1

Vijayalakshmi Iyer, Independent Director = 4.54:1

Non-executive Non-independent Directors do not draw any remuneration from the Company.

#### **(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

The percentage increase in remuneration of Whole-time Directors, Chief Financial Officer and Company Secretary ranged between 6% and 7.5%.

#### **(iii) The percentage increase in the median remuneration of employees, who are part of the annual review plan in the financial year:**

The percentage increase in the median remuneration of employees, who were part of the annual review plan, in the financial year was around 8%.

#### **(iv) The number of permanent employees on the rolls of Company:**

Employee headcount at March 31, 2020 was 3,790.

#### **(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average percentage increase in the salaries of total employees other than the Key Managerial Personnel for FY2020 was around 8%, while the increase in the remuneration of the Key Managerial Personnel was in the range of 6% to 7.5%.

#### **(vi) Affirmation that the remuneration is as per the remuneration policy of the Company:**

Yes

#### **(vii) Details of Top 10 Employees as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

The statement containing the particulars of employees as required under Section 197 (12) of the Act, read with Rule 5 (2) of the Companies (Appointment and Remuneration) Rules, 2014 is set out in an Annexure and forms part of this report. In terms of Section 136 (1) of the Act, the report and the accounts are being sent to the members excluding the aforesaid Annexure. Any member interested in obtaining soft copy of the Annexure may send an e-mail to the Company Secretary at investors@icicisecurities.com.

**GENERAL BODY MEETINGS**

**a) Annual General Meetings:**

The details of General Body Meetings held in the last three years and the special resolutions passed thereat are given below:

General Body Meeting	Day, Date and Time	Venue	Special Resolution(s) passed
Twenty-Fourth AGM	Friday, August 2, 2019 at 2:30 p.m.	Rama & Sundri Watumull Auditorium, Kishinchand Chellaram College, Vidyasagar Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai - 400 020	<ul style="list-style-type: none"> <li>Re-appointment of Mr. Vinod Kumar Dhall (DIN: 02591373) as an Independent Director of the Company.</li> </ul>
Twenty-Third AGM	Thursday, August 30, 2018 at 2:30 p.m.	Rama & Sundri Watumull Auditorium, Kishinchand Chellaram College, Vidyasagar Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai - 400 020	<ul style="list-style-type: none"> <li>Ratification and approval of the Employees Stock Option Scheme - 2017 for eligible employees of the Company and grant of options.</li> <li>Ratification and approval of the Employees Stock Option Scheme - 2017 for eligible employees of the Subsidiaries of the Company and grant of options.</li> <li>Ratification and approval of the Employees Stock Option Scheme - 2017 for eligible employees of the Holding Company of the Company and grant of options.</li> </ul>
Twenty-Second AGM	Friday, June 9, 2017 at 11.30 a.m.	ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai - 400 020	No Special Resolution was passed.



**b) Special Resolution passed through Postal Ballot during the year under review:**

During FY2020, special resolution was passed through postal ballot (including electronic voting) process on February 20, 2020 for enhancement of the exiting limit under Section 186 of the Act.

The Company followed the procedure as prescribed under the Act, the Companies (Management and Administration), Rules, 2014, as amended, the Secretarial Standard 2 issued by the Institute of Company Secretaries of India and Regulation 44 of Listing Regulations and other applicable laws and regulations. The Members were provided the facility to cast their votes through electronic voting (e-voting) or through postal ballot. The Board of

Directors of the Company, appointed Dholakia & Associates LLP, Practising Company Secretaries as the Scrutiniser for conducting the postal ballot voting process. Bhumitra V. Dholakia, Designated Partner of Dholakia & Associates LLP acted as the Scrutiniser and submitted his report after completion of the scrutiny of the postal ballots (including e-voting). Considering the combined results of the Postal Ballot via postal ballot forms and e-voting facility, the resolution was approved on February 20, 2020. The results were declared on February 20, 2020 and communicated to the Stock Exchanges and displayed on the Company’s website at [https://www.icicisecurities.com/UPLOAD/ArticleAttachments/Postal\\_Ballot\\_Jan2020\\_Submission\\_of\\_VotingResults.pdf](https://www.icicisecurities.com/UPLOAD/ArticleAttachments/Postal_Ballot_Jan2020_Submission_of_VotingResults.pdf).

The details of the voting pattern are as under:

Total No. of Equity Shares (1)	32,21,41,400
No. of Votes Polled (2)	28,05,64,954
% of Votes polled on Outstanding shares (3) = [(2)/(1)]*100	87.0937
No. of Votes in Favour (4)	28,05,07,397
No. of Votes Against (5)	57,557
% of Votes in Favour on Votes polled (6)=[(4)/(2)]*100	99.9795
% of Votes Against on Votes polled (7)=[(5)/(2)]*100	0.0205

**Whether any Special Resolution is proposed to be conducted through Postal Ballot:**

Till the date of this report, the Company does not intend or propose to pass any Special Resolution through Postal Ballot.

**STATUTORY AUDITORS**

At the AGM held on June 9, 2017, the Members approved the appointment of B S R & Co. LLP, Chartered Accountants as the Statutory Auditors for a period of five years, to hold office from the conclusion of the Twenty-Second AGM till the conclusion of the Twenty-Seventh AGM subject to the ratification by the Members at every AGM. Pursuant to the amendment in Section 139 of the Act *vide* Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement relating to ratification of appointment of Statutory Auditors by the Members of the Company at every AGM was dispensed with. Accordingly, the Members, at the Twenty-Fourth AGM of the Company held on August 2, 2019, dispensed with the requirement of annual ratification of appointment of B S R & Co. LLP as the Statutory Auditors of the Company.

**SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Makarand M. Joshi & Co., Practicing Company Secretaries as the Secretarial Auditor of the Company, to undertake the Secretarial Audit of the Company for FY2020. The Secretarial Audit Report is given in **Annexure G** enclosed to this report.

There are no adverse observations in the secretarial audit report. The auditors have only commented about the Settlement Application filed under SEBI (Settlement Proceedings) Regulations, 2018 on April 3, 2019 and the penalty of ₹ 4,000/- and ₹ 1,500/- levied on the Company by NSE based on two operational instances pointed out in the Report of Internal Auditors as part of SEBI half-yearly Internal Audit carried out pursuant to the SEBI (Stock Brokers) Regulations, 1992 (as amended).

**DISCLOSURE ABOUT MAINTENANCE OF COST RECORDS**

The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for the services rendered by the Company.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Details of foreign exchange earnings and outgo required under Section 134 (3) (m) of the Act read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 are as under:

	₹ millions	
	FY2019	FY2020
Earnings	131.8	174.9
Outgo	621.5	384.5

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

In view of the nature of business activities of the Company, the information relating to conservation of energy and technology absorption, as required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules 2014, is not required to be given. The Company has, however, used information technology extensively in its operations.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There were no material changes and commitments between the end of the year under review and the date of this report, which could have an impact on the Company's operation in the future or its status as a 'going concern'.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY AND ITS FUTURE OPERATIONS**

During the year, there were no such orders passed by the Court or Tribunals which will have material impact on the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors of the Company confirm:

- i. that the applicable accounting standards have been followed in the preparation of the annual accounts and that there are no material departures;

- ii. that such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at March 31, 2020 and of the profit of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- iv. that the annual accounts have been prepared on a 'going concern' basis;
- v. that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**CORPORATE PHILOSOPHY AND COMPLIANCE**

The Company firmly believes that strong corporate governance and compliance practices are of paramount importance to maintain the trust and confidence of its stakeholders and the reputation of the Company. To ensure transparency, fairness and objectivity in the organisation's functioning and unquestioned integrity of all personnel involved, the Company has proactively adopted best practices with regard to corporate governance and compliance. The Company's policy on compliance with external regulatory requirements is backed by stringent internal policies and principles to ensure, *inter alia*, maintenance of confidentiality of client information and prevention of insider trading.

**INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has a policy against sexual harassment and has a formal process for dealing with complaints of harassment or discrimination. The said policy is in line with relevant Act passed by the Parliament in 2013. The Company believes in providing a safe working

environment at the workplace. On an ongoing basis, the Company creates education and awareness amongst employees. During FY2020, two complaints on sexual harassment were filed, which were investigated and disposed-off. There are no pending complaints as at March 31, 2020.

**EMPLOYEE STOCK OPTION SCHEME**

**ESOS 2017**

Pursuant to the recommendation of the Board of Directors in their Meeting held on December 6, 2017, the Members of the Company at the Extra-ordinary General Meeting held on December 8, 2017 approved the ICICI Securities Limited - Employees Stock Option Scheme - 2017. Subsequently, ICICI Securities Limited - Employees Stock Option Scheme - 2017 along-with amendments therein ('the Scheme') was approved by the Board of Directors of the Company in its meeting held on July 23, 2018 and by the Members of the Company at the Annual General Meeting held on August 30, 2018. During the year, there was no change in the scheme.

The Scheme aims at achieving the twin objectives of (i) enabling employees to participate in the long term growth of the Company; and (ii) retention of key talent. Through employee stock option grants, the Company seeks to foster a culture of long-term sustainable value creation. The Scheme is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014.

The Scheme provides that the maximum number of options granted to any Eligible Employee in a financial year shall not, except with the approval of the Board of Directors of the Company, exceed 0.10% of the issued shares of the Company at the time of grant of options and the aggregate of all such options granted to the eligible employees shall not exceed 5% of the aggregate of the number of issued shares of the Company, from time to time, (ii) on the date(s) of grant of option(s). The eligible employees include employees as defined in the Scheme. Grants will be made by the NRC based on determination of eligibility criteria prescribed under the Scheme and vesting period will be indicated in the grant letter with minimum period of one year between the date of granting and vesting of options or such other period as may be required under applicable laws. The options may be exercised at any time after vesting but not exceeding five years from the date of vesting of the options or as may be determined by the NRC.

Particulars of options granted by the Company up to March 31, 2020 are given below:

Options granted till March 31, 2020	1,329,300
Options forfeited/lapsed	Nil
Options vested	53,010
Options exercised	Nil
Total number of options in force	1,329,300
Number of shares allotted pursuant to exercise of options	Nil
Extinguishment or modifications of options	Nil
Amount realized by exercise of options INR	Nil

Particulars of options granted by the Company during FY2020:

During FY2020, the Company granted 11,52,600 options to its employees including Whole-time directors, key Managerial Personnel and senior management and other employees.

All options were granted as per the Scheme. The stock option grant will have a vesting schedule of three years, in the ratio of 30%-30%-40% starting one year from the date of the grant of the options. The Exercise Period would commence from the date of vesting and expire on completion of five years from the date of vesting of Options.

The fair value of the underlying shares has been determined by an independent valuer. The calculation of fair value of grants is in accordance with the Black-Scholes options pricing model. The fair value of the options granted in FY2020 is ₹ 72.32.

The key assumptions used to estimate the fair value of options granted during FY2020 are given below:

Risk-free interest rate	7.00% to 7.27%
Expected life	3.51 to 5.51 years
Expected volatility	43.00% to 43.44%
Expected dividend yield	4.24%

The relevant disclosures as per Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 and Circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 have been uploaded on our website and can be accessed at <https://www.icicisecurities.com/InvestorRelation.aspx>.

### BUSINESS RESPONSIBILITY REPORTING

The Business Responsibility Report as stipulated under Regulation 34 of Listing Regulations has been hosted on the website of the Company [https://www.icicisecurities.com/UPLOAD/ArticleAttachments/Business\\_Responsibility\\_Report\\_FY\\_2019\\_2020.pdf](https://www.icicisecurities.com/UPLOAD/ArticleAttachments/Business_Responsibility_Report_FY_2019_2020.pdf).

### CHANGE IN NATURE OF BUSINESS, IF ANY

None

### COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has been in compliance with the applicable Secretarial Standards during FY2020.

### CODE OF CONDUCT AS PRESCRIBED UNDER SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has instituted a comprehensive code of conduct to regulate, monitor and report trading activities of its directors, employees and other connected persons in the securities of the Company as a listed entity and in the securities of all the listed companies as SEBI registered intermediary.

### COMPLIANCE WITH THE CODE OF CONDUCT AND BUSINESS ETHICS

The Code of Conduct and Business Ethics of the Company ('Code') aims at ensuring consistent standards of conduct and ethical business practices across the Company. This Code is reviewed on an annual basis and the latest Code is available on the website of the Company ([www.icicisecurities.com](http://www.icicisecurities.com)). Pursuant to Listing Regulations, a confirmation from the Managing Director & CEO regarding compliance with the Code by all the Directors and senior management of the Company forms part of the Annual Report.

### CORPORATE GOVERNANCE

#### Philosophy on Corporate Governance

The Company's corporate governance philosophy encompasses regulatory and legal requirements, which aims at a high level of business ethics, effective supervision and enhancement of value for all stakeholders.

The Company considers its stakeholders as partners in success and the Company remains committed to maximising stakeholders' value. The Company believes that sound corporate governance mechanism is critical to retain and enhance stakeholders' trust. The Company is committed to exercise overall responsibilities rigorously and diligently throughout the organisation, managing its affairs in a manner consistent with corporate governance requirements. The Company's corporate governance philosophy is based on an effective independent Board, the separation of Board's supervisory role from the executive management and the Board Committees, generally comprising a majority of Independent/Non-executive Directors and chaired by Independent Directors, to oversee critical areas.

## MATERIAL SUBSIDIARIES

According to Regulation 16 (1) (c) of Listing Regulations a 'Material subsidiary' shall mean a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. There are no material subsidiaries of the Company as per the said provision.

## FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programmes at the time of their appointment as Directors and through presentations on economy and industry overview, global and domestic macro-economic outlook, key regulatory developments, strategy and performance which are made to the Directors from time to time. The details of the familiarisation programmes have been hosted on the website of the Company and can be accessed on the link:

[https://www.icicisecurities.com/Upload/ResearchAttachments/Familiarisation\\_Programme\\_for\\_Independent\\_Directors.pdf](https://www.icicisecurities.com/Upload/ResearchAttachments/Familiarisation_Programme_for_Independent_Directors.pdf)

## CEO/CFO CERTIFICATION

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

## COMMERCIAL PAPERS

The Company, apart from its own funds, meets the liquidity needs primarily through short-term borrowings through Commercial Papers ('CPs') being commercially most optimal. The Board of Directors had, at its meeting held on January 14, 2019, accorded approval for borrowing of money by issuance of CPs for a sum not exceeding ₹ 25 billion outstanding at any point of time. Accordingly, the Company had been issuing unlisted CPs as and when required.

Pursuant to SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019, mutual fund schemes are not allowed to invest in unlisted CPs effective January 1, 2020. Further, all the fresh investments by mutual fund schemes in CPs could be made only in listed CPs or to be listed CPs on a Stock Exchange. SEBI vide Circular no. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019 had

issued 'Framework for listing of Commercial Paper' specifying the details required to be submitted to the Stock Exchange(s) for listing of CPs. Accordingly, the Company had made applications for listing of CPs to BSE Limited ('BSE') which were listed subsequently and continues to list its CPs on BSE on an on-going basis.

## MEANS OF COMMUNICATION

It is the Company's belief that all stakeholders should have access to complete information regarding its position to enable them to accurately assess its future potential. The Company disseminates information on its operations and initiatives on a regular basis. The Company's website ([www.icicisecurities.com](http://www.icicisecurities.com)) serves as a key awareness facility for all its stakeholders, allowing them to access information at their convenience. It provides comprehensive information on the Company's strategy, financial performance, operational performance and the latest press releases.

The Company's investor relations personnel respond to specific queries and play a proactive role in disseminating information to both analysts and investors. All information having a material bearing on the Company's share price is released as per regulatory requirements. The information is also disseminated to National Stock Exchange of India Limited ('NSE') and BSE from time to time.

The financial results, presentations made to the institutional investors or to the analysts, other information and various compliances as required/prescribed under Listing Regulations are filed electronically with NSE through NSE Electronic Application Processing System (NEAPS) and BSE through BSE Listing Centre and are also available on their respective websites in addition to the Company's website. Additionally, the information is also disseminated to NSE/BSE, by e-mail, as and when required.

The Company's quarterly financial results are published in English language national daily newspaper circulating in the whole or substantially the whole of India *i.e.* Business Standard/The Free Press Journal and in one daily newspaper published in the Marathi language *i.e.* Navshakti.

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

**General Shareholder Information**

Annual General Meeting	Day, Date & Time	Venue
Twenty-Fifth AGM	Tuesday, August 11, 2020 at 4:00 p.m. (IST)	AGM will be held through Video Conferencing/Other Audio Visual Means (Deemed venue for the AGM will be the Registered Office: ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai - 400 020).

**Financial Year:** April 1, 2019 to March 31, 2020

**Book Closure:** Wednesday, August 5, 2020 to Tuesday, August 11, 2020 (both days inclusive)

**Dividend Payment Date:** On or before September 10, 2020

**Listing of equity shares on the Stock Exchanges**

Stock Exchange	Code of the Company
National Stock Exchange of India Limited (NSE) Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	ISEC
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	541179

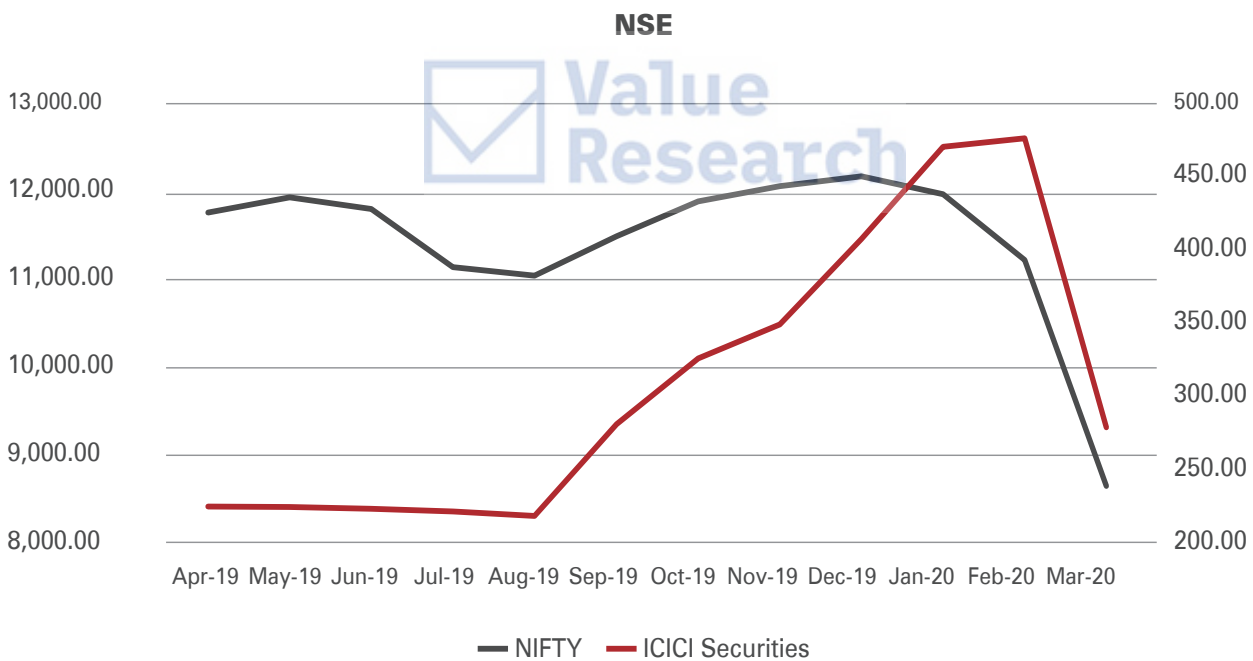
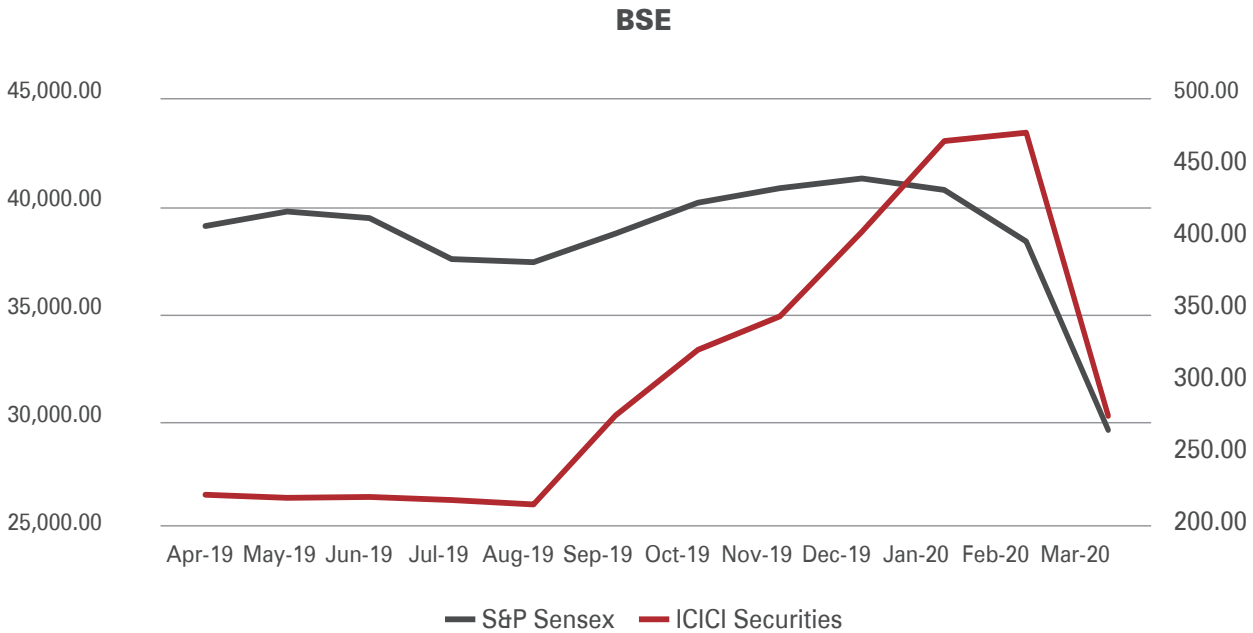
The Company has paid annual listing fees for FY2020 to NSE and BSE where its equity shares are listed. Further, the Company continues to make necessary payment of listing fees to BSE at the time of listing of Commercial Papers.

**Market Price Information**

The reported high and low closing prices and volume of equity shares of the Company traded from April 1, 2019 to March 31, 2020 on NSE and BSE are set out in the following table:

Month	NSE			BSE			Total Volume on NSE and BSE
	High (in ₹)	Low (in ₹)	Volume	High (in ₹)	Low (in ₹)	Volume	
April 2019	249.00	214.05	3,142,974	248.85	215.00	308,072	3,451,046
May 2019	225.00	197.00	10,946,129	225.00	197.55	724,483	11,670,612
June 2019	235.70	210.15	2,593,737	235.00	210.10	161,723	2,755,460
July 2019	231.00	213.00	2,993,162	230.80	213.20	885,875	3,879,037
August 2019	233.00	195.30	3,855,905	232.50	191.00	190,101	4,046,006
September 2019	310.00	210.05	8,083,711	310.00	208.60	335,966	8,419,677
October 2019	351.80	259.00	4,608,844	351.50	255.40	406,327	5,015,171
November 2019	350.00	292.00	5,070,568	350.25	290.20	318,502	5,389,070
December 2019	452.00	333.55	16,327,286	452.10	333.75	1,359,202	17,686,488
January 2020	498.75	384.10	12,905,668	498.60	384.65	1,204,899	14,110,567
February 2020	524.65	431.00	8,390,884	524.75	430.85	670,003	9,060,887
March 2020	492.25	203.60	10,780,304	489.90	203.60	1,074,348	11,854,652

The performance of the Company’s equity shares relative to the S&P BSE Sensitive Index (Sensex) and NIFTY 50 during the period April 1, 2019 to March 31, 2020 is given in the following chart:



**Share Transfer System**

The name of the Registrar and Share Transfer Agent of the Company has been changed from Karvy Fintech Private Limited to KFin Technologies Private Limited with effect from December 5, 2019. The Company’s shares are compulsorily traded in demat mode on NSE and BSE.

Link Intime India Private Limited is the Registrar and Transfer Agent of the Company for the purpose of issuance of Commercial Papers.

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

	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>
	Shares of face value ₹ 2/-	Shares of face value ₹ 5/-	Shares of face value ₹ 5/-
Number of transfer deeds	3	Nil	Nil
Number of shares transferred	1,500	Nil	Nil



The entire Promoters' holding is in dematerialised form and the same is in line with the directives issued by SEBI. During FY2020, 7 Nominee shareholders, who were holding 200 shares each jointly with and as Nominees of ICICI Bank Limited (the Promoter of the Company), have transferred their shares to ICICI Bank Limited and accordingly, 1,400 shares have been added in the total holding of the Promoter. As at March 31, 2020, the entire paid-up equity share capital of the Company (except 105 equity shares) is held in dematerialised form.

### Registrar and Transfer Agents

The address of KFin Technologies Private Limited, the Company's Registrar and Share Transfer Agent is as follows:

#### KFin Technologies Private Limited

Selenium Tower - B, Plot No. 31 & 32,  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad - 500 032  
E-mail id: einward.ris@kfintech.com  
Tel No.: 040-67162222  
Fax No.: 040-23001153  
Toll Free No.: 1800-3454-001

### Information on shareholding

Shareholding pattern of the Company at March 31, 2020:

Sr. No.	Category	Number of shares	% of total number of shares
1.	Promoters	255,216,095	79.22
2.	Mutual Funds	33,298,441	10.34
3.	Alternate Investment Funds	2,494,797	0.77
4.	Foreign Portfolio Investors	10,175,240	3.16
5.	Financial Institutions	38,454	0.01
6.	Banks	600,423	0.19
7.	Qualified Institutional Buyers	447,118	0.14
8.	Individuals	15,666,267	4.86
9.	Trusts	277,400	0.09
10.	Non-Resident Indian (NRI)	1,119,673	0.35
11.	Clearing Members	354,340	0.11
12.	Bodies Corporate	2,038,680	0.63
13.	HUF	414,472	0.13
	<b>Total</b>	<b>322,141,400</b>	<b>100.00</b>

### Shareholders of the Company with more than 1% holding at March 31, 2020 (other than promoters of the Company)

Sr. No.	Name of the Shareholder	Number of shares	% of total number of shares
1.	ICICI Prudential Mutual Fund (under its various schemes)	9,445,893	2.93
2.	IDFC Mutual Fund (under its various schemes)	7,483,902	2.32
3.	L & T Mutual Fund (under its various schemes)	6,854,142	2.13

**Distribution of shareholding of the Company at March 31, 2020**

Category (in ₹)	No. of Folios	% of Members	Total Shares	% of shares
1 - 5,000	124,828	98.38	10,763,385	3.34
5,001 - 10,000	1,106	0.87	1,601,245	0.50
10,001 - 20,000	451	0.36	1,281,661	0.40
20,001 - 30,000	119	0.09	589,828	0.18
30,001 - 40,000	70	0.06	482,879	0.15
40,001 - 50,000	46	0.04	423,760	0.13
50,001 - 100,000	90	0.07	1,321,050	0.41
100,001 & Above	166	0.13	305,677,592	94.89
<b>Total</b>	<b>126,876</b>	<b>100.00</b>	<b>322,141,400</b>	<b>100.00</b>

**Disclosures with respect to demat suspense account/unclaimed suspense account**

There were no shares lying in the demat suspense account/unclaimed suspense account during FY2020.

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

Not applicable

**Commodity price risk or foreign exchange risk and hedging activities and disclosures as per the format prescribed, if applicable**

The Company neither trades in commodity segment nor offers trading facility in commodity segment to its client. However, the Company may be exposed to foreign exchange risk on account of its proprietary positions as well as its customers' positions in the capacity of trading/clearing member. Foreign exchange risk of proprietary positions is managed by applying the overall open position limit and various other risk limits approved by the Risk Management Committee. Foreign exchange risk on customers' positions is mitigated by collecting upfront margins from customers and monitoring of customers' positions by marking them to market at regular intervals.

**Plant Locations**

Not applicable

**Credit Ratings obtained by the Company**

Your Company has obtained credit rating from:

Name of the credit rating agency	Credit rating obtained in respect of various securities	Amount (₹ in millions)	Ratings Given	Issue Date / Revalidation	Validity of Rating	If Rating Downgraded (Specify reason)
CRISIL	Non-Convertible Debentures	500.0	AAA/ Stable	December 10, 2019	180 days	Rating not downgraded
CRISIL	Commercial Papers	25,000.0	CRISIL A1+	March 27, 2020	60 days	Rating not downgraded
ICRA	Non-Convertible Debentures	500.0	AAA/ Stable	December 18, 2019	Review on annual basis	Rating not downgraded
ICRA	Commercial Papers	25,000.0	ICRA A1+	March 27, 2020	3 months	Rating not downgraded

**Address for Correspondence**

For share transfer/dematerialisation of shares/other queries relating to the equity shares:

KFin Technologies Private Limited  
Unit: ICICI Securities Limited  
Selenium Tower - B, Plot No. 31 & 32,  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad - 500 032  
E-mail id: einward.ris@kfintech.com  
Tel No.: 040-67162222  
Fax No.: 040-23001153  
Toll Free No.: 1800-3454-001

**For queries on Annual Report or investors' assistance:**

Raju Nanwani,  
Company Secretary & Compliance Officer,  
ICICI Securities Limited  
ICICI Centre, H. T. Parekh Marg  
Churchgate, Mumbai - 400 020  
Tel No.: +91 22 2288 2460/70  
Fax No.: +91 22 2288 2455

**Investors can register their complaints/grievances at the Company's e-mail ids:**

investors@icicisecurities.com, IR@icicisecurities.com

The aforesaid e-mail ids and other relevant details have been displayed on the website of the Company.

**DISCLOSURES**

- a) There are no materially significant transactions that may have potential conflict with the interests of the Company.
- b) No penalties or strictures have been imposed on the Company by any of the Stock Exchanges, SEBI or any other statutory authority, for any non-compliance on any matter relating to capital markets, during the last three years.
- c) In terms of the Whistle Blower Policy of the Company, no employee of the Company has been denied access to the Audit Committee.
- e) The Company has a policy for determining ‘material’ subsidiaries which can be viewed on the web-link:  
[https://www.icicisecurities.com/UPLOAD/ARTICLEIMAGES/Policy\\_for\\_Determining\\_Material\\_Subsidiaries.pdf](https://www.icicisecurities.com/UPLOAD/ARTICLEIMAGES/Policy_for_Determining_Material_Subsidiaries.pdf).
- f) The Company has a policy on dealing with related party transactions which can be viewed on the web-link:  
[https://www.icicisecurities.com/UPLOAD/ARTICLEIMAGES/Policy\\_on\\_RPT.pdf](https://www.icicisecurities.com/UPLOAD/ARTICLEIMAGES/Policy_on_RPT.pdf).

**Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:**

₹ millions

Payments to the auditor	For the year ended March 31, 2020	For the year ended March 31, 2019
For audit fees	6.7	8.4
For taxation matters	0.7	0.7
For other services (certification)	2.6	2.6
For reimbursement of expenses	1.2	0.9
<b>Total</b>	<b>11.2</b>	<b>12.6</b>

**Non-compliance of any requirement of Corporate Governance Report as per Schedule V (C) (2) to (10) of Listing Regulations**

NIL

**COMPLIANCE CERTIFICATE FROM THE AUDITORS**

The certificate obtained from a practicing company secretary regarding compliance of conditions of Corporate Governance as stipulated in Listing Regulations is given in **Annexure H**.

A certificate from a company secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority as stipulated in Listing Regulations is given in **Annexure I**.

**ADOPTION OF MANDATORY AND NON-MANDATORY REQUIREMENTS**

The Company has complied with all mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 and some of the non-mandatory requirements pertaining to Corporate Governance stipulated under Listing Regulations.

The Company has adopted following non-mandatory requirements:

1. Financial Statements with unmodified audit opinion;
2. Separate posts of Chairman and Managing Director & CEO; and
3. Reporting of internal auditor directly to the Audit Committee.

**GREEN INITIATIVES IN CORPORATE GOVERNANCE**

In line with the ‘Green Initiative’, the Company has effected electronic delivery of Notice of AGM, Annual Report and Postal Ballot Notices to those Members whose e-mail IDs are registered with the Company/ respective Depository Participants, viz. NSDL/CDSL. The Act and the underlying rules as well as Regulation 36 of Listing Regulations, permit the dissemination of financial statements and annual report in electronic mode to the Members. Your Directors are thankful to the Members for actively participating in the Green Initiative and seek your continued support for implementation of the Green Initiative. In order to support the cause, we will continue to request members to register/update their e-mail ids with their Depository Participants so as to enable the Company to send various communications through electronic mode. We believe and endorse the ‘Green Initiative’ as it would not only rationalise the use of paper but also ensure prompt communication, avoid loss in transit and have reference value of the communication.