

## NOTICE

**NOTICE** is hereby given that the Extra-ordinary General Meeting of the Members of ICICI Securities Limited will be held at a shorter notice on Tuesday, July 25, 2017 at 12.00 noon at ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400 020, to transact the following business:

### **SPECIAL BUSINESS:**

1. To consider and if thought fit, to pass, with or without modifications, the following Resolution, as a Special Resolution:

**RESOLVED** that in supersession of all the earlier resolutions passed by the Company, the consent of the Members under the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company, be and is hereby accorded to the borrowings by the Board of Directors of the Company from time to time of such moneys or sums of moneys, subject to the prevailing laws, rules, regulations and guidelines to the extent they are applicable, in any manner, from time to time, with or without security and upon such terms and conditions as the Board may think fit, notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, provided that the total amount so borrowed and outstanding at any time shall not exceed the sum of ₹ 2500,00,00,000/- (Rupees Two Thousand Five Hundred Crore only).

**RESOLVED further** that the Board of Directors of the Company be and is hereby authorised to execute such documents, deeds, writings, papers, agreements and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable to give effect to the aforesaid resolution on behalf of the Company and to settle any doubts, difficulties or questions as may arise in this regard and to take such steps as may be necessary to give effect to this resolution.

2. To consider and if thought fit, to pass, with or without modifications, the following Resolution, as a Special Resolution:

**RESOLVED** that pursuant to the provisions of Section 186 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company, the consent of the Members be and is hereby accorded to the Board of Directors of the Company to grant loan(s) & advances or make investment in securities of any other body corporate or provide security(ies) or guarantee(s) for such an amount that the aggregate of the loans and investments so far made, the amounts for which guarantee or

security so far provided to or in all other bodies corporate or person, along with the investment, loan, guarantee or security proposed to be made or given by the Board may exceed 60% of the Company's paid-up capital and its free reserves and securities premium account or 100% of its free reserves and securities premium, whichever is more, as the Board of Directors may think fit provided that the total loans or investments made, guarantees given and securities provided shall not any time exceed ₹ 1500,00,00,000/- (One Thousand Five Hundred Crore only).

**RESOLVED further** that the Board of Directors of the Company be and is hereby authorised to execute such documents, deeds, writings, papers, agreements and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable to give effect to the aforesaid resolution on behalf of the Company and to settle any doubts, difficulties or questions as may arise in this regard and to take such steps as may be necessary to give effect to this resolution.

**By Order of the Board of Directors  
For ICICI Securities Limited**

**Sd/-**

Place: Mumbai  
Date: July 24, 2017

**Raju Nanwani  
Senior Vice President &  
Company Secretary**

**CIN:** U67120MH1995PLC086241

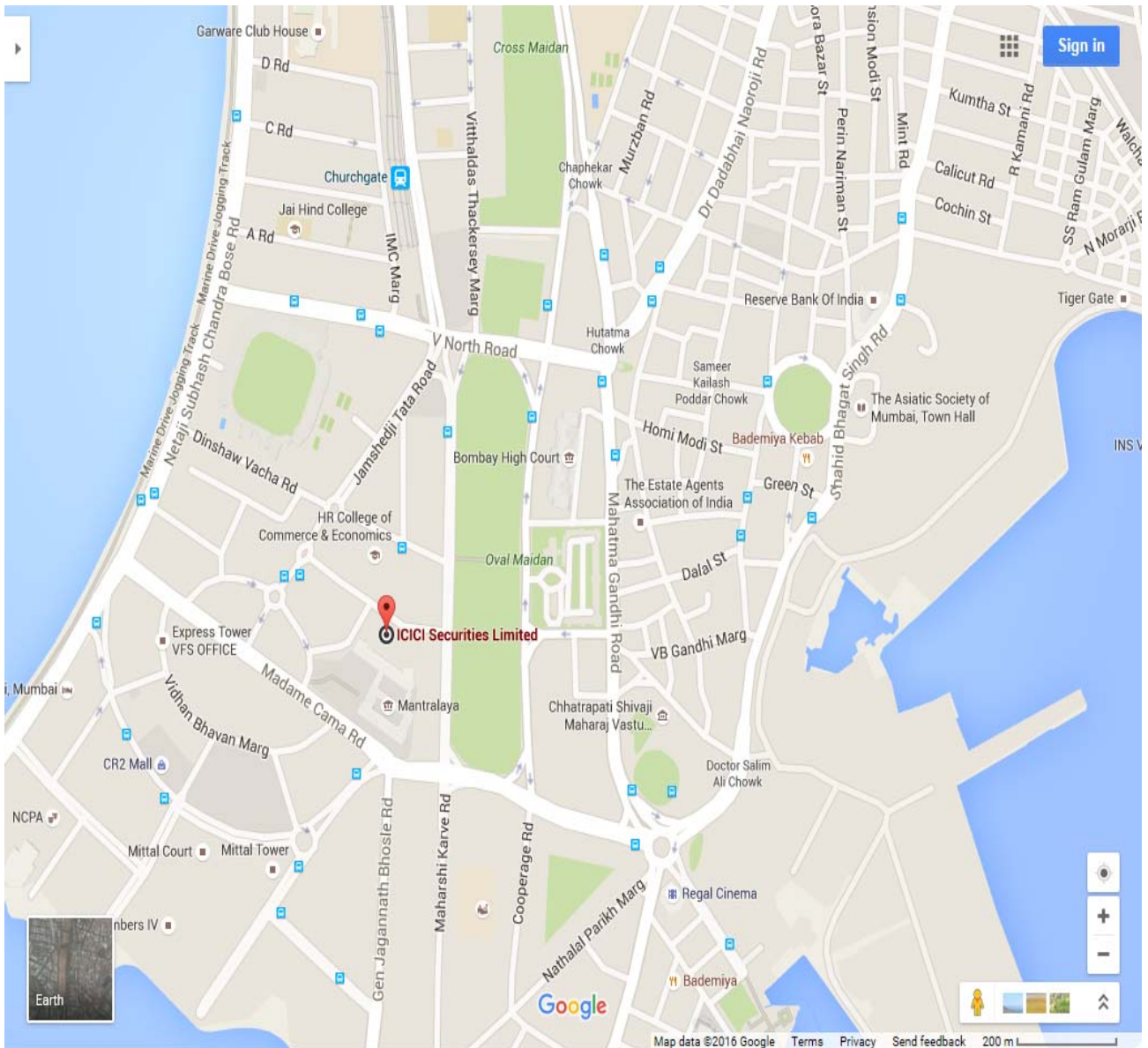
**Website:** [www.icicisecurities.com](http://www.icicisecurities.com)

**Registered Office:** ICICI Center, H.T. Parekh Marg,  
Churchgate, Mumbai – 400 020

**NOTES:**

- (a) A statement pursuant to Section 102 (1) of the Companies Act, 2013 setting out the material facts concerning each item of special business in respect of item nos. 1 and 2 set out above is annexed hereto.
- (b) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a Member of the Company. The proxy, in order to be effective, must be duly completed, stamped and signed and should be received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (c) Members are requested to notify immediately, change in their addresses, if any, to 3i Infotech Limited, at International Infotech Park, Tower No.5, 3<sup>rd</sup> to 6<sup>th</sup> Floor, Vashi, Navi Mumbai – 400 703, quoting their Folio Number, to ensure prompt response.
- (d) Members / proxies should bring the Attendance slip duly filled in for attending the meeting.
- (e) Corporate Members intending to send their representatives to attend the Meeting are requested to send to the Company a certified copy of the board resolution authorizing their representatives to attend and vote at the Meeting on their behalf.

(f) Map of the venue of the Extra Ordinary General Meeting is given below:



**Statement pursuant to Section 102 (1) of the Companies Act, 2013,  
setting out the material facts concerning item of special business**

**Item No. 1:**

Section 180 (1) (c) of the Companies Act, 2013 ("the Act") provides that the Board of Directors shall not, without the consent of the Company in general meeting by way of Special Resolution, borrow money together with the money already borrowed by the Company exceeding the aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course business.

Accordingly, the Company has requisite approvals from the shareholders of the Company under Section 180 (1) (c) of the Act for borrowing monies upto ₹ 15,000,000,000/- (Rupees One Thousand Five Hundred Crore only).

Securities Exchange and Board of India ("SEBI") *vide* circular no. CIR/MRD/DP/54/2017 dated June 13, 2017 has issued a comprehensive framework on Margin Trading Facility ("MTF") including disclosure norms and eligibility requirements for brokers to provide it to clients. The brief details in this regard are as under:

Conditions for MTF:

- The MTF is executed with borrowed funds or securities that enable investors to take exposure in the market over and above their resources;
- Only corporate brokers with net-worth of at least ₹ 3 Crore are eligible for providing MTF to their clients.
- The brokers need to submit to the exchange a half-yearly certificate from an auditor confirming the net worth.
- For providing MTF, a broker may use his own funds or borrow from Scheduled Commercial Banks or Non-banking Financial Companies ("NBFCs") regulated by the Reserve Bank of India ("RBI").
- At any point of time, the total indebtedness of a broker for Margin Trading product should not exceed five times of its net-worth. The Company's net-worth as on March 31, 2017 was ₹ 415 Crore.
- The total exposure of the broker towards MTF should not exceed the borrowed funds and 50% of his net-worth.
- Brokers have to ensure that the exposure to a single client does not exceed 10% of the total exposure of the broker.

- Further, brokers would not be allowed to use the funds of any client for providing the facility to another client, even if the same is authorised by the first client.
- In addition, the brokers have to disclose to the stock exchanges certain details, viz., gross exposure including name of the clients and the PAN, category of holding (promoter and non-promoter), names of the scrips (collateral and funded) and if they have borrowed funds for the facility, name of the lenders and amount borrowed, etc.
- Besides, the exposure towards stocks purchased under MTF and collateral kept in the form of stocks needs to be well diversified.

MTF is available for Group 1 securities and those that meet the conditions for inclusion in the derivatives segment of the stock exchanges.

In view of the above, the Company, being a Stock Broker, is presently offering similar product, viz., T+90 on BSE / T+5 on NSE whereby the clients can take exposure in the market and pay the monies later. The book size as on June 30, 2017 was approximately ₹ 600 Crore (Amount funded was shown as Trade Receivables).

The Company is estimating to have book size of ₹ 1,000 Crore for MTF. Further, the Company also seeks to increase its ESOP funding facility up to ₹ 300 Crore (As on June 30, 2017: ₹ 11 Crore).

Accordingly, towards meeting the aforesaid business requirement, it was proposed to increase the borrowing limit under Section 180 (1) (c) upto ₹ 2,500 Crore.

The expected utilization of the above limit is as follows:

(₹) in Crore	
<b>Purpose</b>	<b>Expected utilization</b>
Margin Trading	1,000
ESOP Funding	300
Proprietary positions	700
Other requirements	500
<b>Total</b>	<b>2,500</b>

Accordingly, the Board has, at its meeting held on July 24, 2017, subject to approval of the shareholders of the Company, approved the borrowing limit under Section 180 (1) (c) of the Act upto ₹ 2,500 Crore.

In view of the above, the approval of the shareholders of the Company would be required to be obtained for increase in the borrowing limits from ₹ 1500,00,00,000/- (Rupees One Thousand Five Hundred Crore only) to ₹ 2500,00,00,000/- (Rupees Two Thousand Five Hundred Crore only) by way of a Special Resolution.



Accordingly, the Directors recommend the adoption of the Special Resolution as contained in item no. 1 of the Notice of the Extra-ordinary General Meeting.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution as contained in the Notice.

The documents relevant to the item no. 1 are available for inspection during the meeting as well as at the Registered Office of the Company during business hours on any working day of the Company without payment of fee.

### **Item No. 2:**

As per Section 186 (2) of the Companies Act, 2013 ("the Act"), the Company can give loan, advances, guarantee or provide any security in connection with the loan or acquire by way of subscription, purchase or otherwise, the securities of any other body corporate:

- upto 60% of its paid-up share capital, free reserves and security premium account; or
- 100% of its free reserves and securities premium account, whichever is more.

Further, the Company can give loans, advances, guarantee or provide any security in connection with the loan or acquire by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding the above limits, after taking prior approval of members by means of Special Resolution at a General Meeting of the Company.

Securities Exchange and Board of India ("SEBI") *vide* circular no. CIR/MRD/DP/54/2017 dated June 13, 2017 has issued a comprehensive framework on Margin Trading Facility ("MTF") including disclosure norms and eligibility requirements for brokers to provide it to clients. The brief details in this regard are as under:

#### Conditions for MTF:

- The MTF is executed with borrowed funds or securities that enable investors to take exposure in the market over and above their resources;
- Only corporate brokers with net-worth of at least ₹ 3 Crore are eligible for providing MTF to their clients.
- The brokers need to submit to the exchange a half-yearly certificate from an auditor confirming the net worth.
- For providing MTF, a broker may use his own funds or borrow from Scheduled Commercial Banks or Non-banking Financial Companies ("NBFCs") regulated by the Reserve Bank of India ("RBI").

- At any point of time, the total indebtedness of a broker for Margin Trading product should not exceed five times of its net-worth. The Company's net-worth as on March 31, 2017 was ₹ 415 Crore.
- The total exposure of the broker towards MTF should not exceed the borrowed funds and 50% of his net-worth.
- Brokers have to ensure that the exposure to a single client does not exceed 10% of the total exposure of the broker.
- Further, brokers would not be allowed to use the funds of any client for providing the facility to another client, even if the same is authorised by the first client.
- In addition, the brokers have to disclose to the stock exchanges certain details, viz., gross exposure including name of the clients and the PAN, category of holding (promoter and non-promoter), name of the scrips (collateral and funded) and if they have borrowed funds for the facility, name of the lenders and amount borrowed, etc.
- Besides, the exposure towards stocks purchased under MTF and collateral kept in the form of stocks needs to be well diversified.

MTF is available for Group 1 securities and those that meet the conditions for inclusion in the derivatives segment of the stock exchanges.

In view of the above, the Company, being a Stock Broker, is presently offering similar product, viz., T+90 on BSE / T+5 on NSE whereby the clients can take exposure in the market and pay the monies later. The book size as on June 30, 2017 was approximately ₹ 600 Crore (Amount funded was shown as Trade Receivables and not under Loans and Advances.)

The Company is estimating to have book size of ₹ 1,000 Crore for MTF. Further, the Company also seeks to increase its ESOP funding facility up to ₹ 300 Crore (As on June 30, 2017: ₹ 11 Crore). Moreover, the increased limits will also enable the Company to absorb the devolved portion out of the hard underwriting commitments, if any, in the future.

As on March 31, 2017, the Company can provide loans and advances, make investment or give guarantee(s) or provide any security(ies) as per the limits provided under Section 186 of the Act upto ₹ 303 Crore. Towards meeting the aforesaid business requirement, the Company would require the limit in this regard to be upto ₹ 1,500/- Crore.

Hence, it was proposed to exceed the limit of giving loans and advances, making investment or giving guarantee(s) or providing any security(ies) under Section 186 of the Act upto ₹ 1,500 Crore.

Accordingly, the Board has, at its meeting held on July 24, 2017, subject to approval of the shareholders of the Company, approved the limit of giving loans and advances, making



investment or giving guarantee(s) or providing any security(ies) under Section 186 of the Act upto ₹ 1,500/- Crore.

In view of the above, the approval of the shareholders of the Company would be required to be obtained for exceeding the limit of giving loans and advances, making investment or giving guarantee(s) or providing any security(ies) under Section 186 of the Act by way of a Special Resolution.

Accordingly, the Directors recommend the adoption of the special resolution as contained in item no. 2 of the Notice of the Extra-ordinary General Meeting.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution as contained in the Notice.

The documents relevant to the item no. 2 are available for inspection during the meeting as well as at the Registered Office of the Company during business hours on any working day of the Company without payment of fee.

**By Order of the Board of Directors**

**Sd/-**

Place : Mumbai  
Date : July 24, 2017

**Raju Nanwani  
Senior Vice President &  
Company Secretary**

**ATTENDANCE SLIP**

I/We hereby record my/our presence at the Extra Ordinary General Meeting of the Company to be held on July 25, 2017 at 12.00 noon at ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400 020.

Full Name of Member (in BLOCK LETTERS)

\_\_\_\_\_

Regd. Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Full Name of Proxy (in BLOCK LETTERS)

\_\_\_\_\_

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Signature of the Member/proxy present

*Please complete and sign the attendance slip and hand over at the entrance of the meeting hall. Only Member(s) or their Proxies with the attendance slip will be allowed entry to the Meeting.*

Registered Office:

ICICI Centre, H.T. Parekh Marg, Tel (91 22) 2288 2460/70  
Churchgate, Mumbai 400 020 Fax (91 22) 2284 5572

**PROXY FORM**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

CIN: U67120MH1995PLC086241

Name of the Company: ICICI Securities Limited

Registered Office: ICICI Centre, H.T. Parekh Marg,  
Churchgate, Mumbai 400 020

Tel ( 91 22) 2288 2460/70

Fax (91 22) 2284 2445

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the member(s) of ..... shares of the above named Company, hereby appoint

1. Name: .....

Address:

E-mail Id:

Signature:....., or failing him

2. Name: .....

Address:

E-mail Id:

Signature:....., or failing him

3. Name: .....

Address:

E-mail Id:

Signature:.....

as my/our Proxy to attend and vote (on poll) for me/us and on my/our behalf at the Extra Ordinary General Meeting of the Company to be held on Tuesday, July 25, 2017 at 12.00 noon at ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1.....

2.....

3.....

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signature of shareholder

Signature of Proxy holder(s)

Affix Re. 1/-  
Revenue  
Stamp