
505, Tulsiani Chambers, Free Press Journal Marg, 212, Nariman Point, Mumbai – 400 021.

September 27, 2022

To,
Ms. Preksha Kedia,
Principal Officer and Director
ICICI Investment Management Company Limited.
ICICI Bank Towers,
Bandra Kurla Complex, Bandra East,
Mumbai Maharashtra 400 051,
India

Kind Attention: **Ms. Preksha Kedia**

Sub: Submission of annual audit report in respect of compliance with Investment Adviser Regulations for financial year 2021-2022

Please find enclosed herewith the Report on annual audit of ICICI Investment Management Company Limited in respect of compliance with the Investment Adviser Regulations 2013 for the period 01 April 2021 to March 31, 2022.

Kindly acknowledge the receipt of same.

Yours truly,
For **Nipun Sudhir & Associates**
Chartered Accountants
Firm Reg. No:0126168W

Gaurav
Harakchand
Keniya

Digitally signed by Gaurav
Harakchand Keniya
Date: 2022.09.27 18:34:02
+05'30'

Gaurav Keniya
Partner
M. No.: 162583
UDIN: 22162583AVQQSG4723

Place: Mumbai

ANNUAL COMPLIANCE REPORT FINANCIAL YEAR 21-22

- Audited by Nipun Sudhir and Associates

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ICICI INVESTMENT MANAGEMENT COMPANY LTD
INVESTMENT ADVISER BEARING SEBI REGISTRATION No.: INA000013785
SEBI ANNUAL AUDIT (FINANCIAL YEAR 2021-22)

I – Overview

ICICI Investment Management Company Ltd (hereinafter referred to as 'IIMCL' or 'Investment adviser') is a Registered Investment Advisor with the Securities Exchange Board of India (SEBI). They are fully owned subsidiary of ICICI Bank. Their registration number is INA000013785.

Sebi regulations for Investment advisor mandate as per clause 9 that every Investment Advisor shall ensure to conduct annual audit in respect of compliance with Investment Adviser Regulations and these guidelines from a chartered accountant or a company secretary.

We, Nipun Sudhir and Associates (Chartered Accountants), have been appointed to conduct the annual audit of the company and report on its compliance with respect to the Investment Adviser Regulations 2013.

Period of Audit: 01 April 2021 to March 31, 2022

II – Objective and Sampling

Objective

The objective is to have an independent evaluation of review of compliance with Investment Adviser Regulations 2013 as amended from time to time. Our objective is to confirm the existence of processes, systems and controls and to identify weaknesses, if any, and to initiate improvements in the related areas.

Sampling

Our review is based on samples. The sampling size is basis our understanding of processes, criticality and commensurate to enable us to give our opinion of its compliance to the regulation.

III – Conclusion

There is no reportable non-compliance with regards to Investment Adviser Regulations 2013.

Recommendations are made which has been accepted and actioned by the company.

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SEBI ANNUAL AUDIT (FINANCIAL YEAR 2021-22)

IV. AUDIT REPORT AS PER FORMAT SPECIFIED BY BASL

Name of BASL enrolled Investment Adviser	ICICI Investment Management Company Limited
BASL Membership ID.	1678
SEBI Registration No.	INA000013785
Annual compliance Audit Report for FY ended	2021- 2022

Annual Compliance Audit Report F.Y.2021-2022				
Regulation	Particulars	Compliance Status	Reason for non- compliance/ non-applicability	Action taken on adverse findings (duly approved by the individual IA / management of the non-individual IA)
Regulation 3	<u>Application for grant of certificate</u> No person shall act as an investment adviser or hold itself out as an investment adviser unless he has obtained a certificate of registration from the Board under these regulations.	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable	-	-
Regulation 6	<u>Consideration of application and eligibility criteria</u> Regulation 6 states all matters, which are relevant for the purpose of grant of certificate of registration.	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable	-	-
Regulation 7	<u>Qualification requirement and Certification</u> An individual investment adviser or a principal officer of a non-individual investment adviser registered as an investment adviser under these regulations and persons associated with investment	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable	-	-

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Annual Compliance Audit Report F.Y.2021-2022				
Regulation	Particulars	Compliance Status	Reason for non- compliance/ non-applicability	Action taken on adverse findings (duly approved by the individual IA / management of the non-individual IA)
	advice shall have minimum qualification and certification requirements as mentioned in Regulation 7(1) and 7(2).			
SEBI/HO/IMD/DF1/C IR/P/2020/182 (Dated September 23, 2020) Clause (iv)	<u>Qualification and certification requirement</u> Existing individual IAs above fifty years of age shall not be required to comply with the qualification and experience requirements specified under Regulation 7(1) (a) and 7(1) (b) of the amended IA Regulations. However, such IAs shall hold NISM accredited certifications and comply with other conditions as specifies under Regulation 7(2) of the amended IA regulations at all times.	<input type="checkbox"/> Complied <input type="checkbox"/> Not- Complied <input checked="" type="checkbox"/> Not Applicable	-	-
Regulation 8	<u>Net worth</u> (1) Investment advisers who are non-individuals shall have a net worth of not less than fifty lakh rupees. (2) Investment advisers who are individuals shall have net tangible assets of value not less than five lakh rupees.	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable	-	-
Regulation 13	<u>Conditions of certificate</u> (b) The investment adviser shall inform the Board in writing, if any information or particulars previously submitted to the Board are found to be false or misleading in any material particular or if there is any material change in the information already submitted.	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable	-	-

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SEBI/HO/IMD/DF1/ CIR/P/2020/182 (Dated September 23, 2020) Clause 2(v)	<u>Registration as Non-Individual Investment Advisor.</u> An individual IA, whose number of clients exceed one hundred and fifty in total, shall apply for registration as non- individual investment adviser within such time as specified under this clause.	<input type="checkbox"/> Complied <input type="checkbox"/> Not- Complied <input checked="" type="checkbox"/> Not Applicable	-	-
Regulation 15	<u>General Responsibility</u> The regulation 15 imposes certain responsibilities on the Investment Adviser for the transactions it undertakes on behalf of its clients.	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable	-	-
Regulation 15 A	<u>Fees</u> Investment Adviser shall be entitled to charge fees for providing investment advice from a client in the manner as specified by the Board.	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable	-	-
SEBI/HO/IMD/DF1/ CIR/P/2020/182 (Dated September 23, 2020) Clause 2(iii)	<u>Fees</u> Investment Advisers shall charge fees from the clients in either Assets under Advice (AUA) mode or Fixed fee mode.	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable	-	-
Regulation 16	<u>Risk profiling</u>		-	-

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Regulation	Particulars	Compliance Status	Reason for non- compliance/ non-applicability	Action taken on adverse findings (duly approved by the individual IA / management of the non-individual IA)
	This involves profiling, assessing the risk appetite of each client individually, and communication of such profile to the respective client.	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable		
Regulation 17	<u>Suitability</u> Investment adviser shall ensure suitability of the advice being provided to the client.	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable	-	-
SEBI/HO/IMD/DF1/ CIR/P/2020/182 (Dated September 23, 2020) Clause 2(viii)	<u>Risk profiling and suitability for non- individual clients.</u> (b) In case of non-individual clients, IA shall use the investment policy as approved by board/management team of such non-individual clients for risk profiling and suitability analysis. (c) The discretion to share the investment policy/relevant excerpts of the policy shall lie with the non-individual client. However, IA shall have discretion not to onboard non-individual clients if they are unable to do risk profiling of the non- individual client in the absence of investment policy.	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable	-	-
Regulation 18	<u>Disclosure to clients</u> This involves disclosure of all necessary information by the investment adviser to its clients.	<input checked="" type="checkbox"/> Partially Complied <input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable	IIMCL has disclosed it referral arrangement with ICICI Bank Ltd in its client agreement. Further IIMCL has disclosed in the agreement that ICICI Prudential Asset Management	Though all ICICI subsidiaries carry ICICI as a prefix, we will incorporate the below link which captures all ICICI group companies:

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Regulation	Particulars	Compliance Status	Reason for non- compliance/ non-applicability	Action taken on adverse findings (duly approved by the individual IA / management of the non-individual IA)
			<p>Company Limited, ICICI Prudential Life Insurance Company Limited, ICICI Lombard General Insurance Company Limited and ICICI Securities Limited are affiliates of IIMCL.</p> <p>IIMCL has received commission income from ICICI Home Finance Company Limited (a wholly owned subsidiary of ICICI Bank Ltd) in the financial year 2021-22. We recommend that the said arrangement should be disclosed to all its clients.</p>	ICICI Bank.com : About Us ICICI Group Companies
Regulation 19	<p><u>Maintenance of records</u></p> <p>This regulation requires maintenance of certain records, preservation of the same and audit of such records by the prescribed professional.</p>	<input checked="" type="checkbox"/> Partially Complied <input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable	-	-
SEBI/HO/IMD/DF1/ CIR/P/2020/182 (Dated September 23, 2020) Clause 2(vi)	<p><u>Maintenance of record.</u></p> <p>IA shall maintain and preserve records of interactions, with all clients including prospective clients, where any conversation related to advice has taken place, in the form as specified under this clause.</p>	<input checked="" type="checkbox"/> Partially Complied <input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable	As per the regulations IA shall maintain records of interactions ,with all clients including prospective clients (prior to onboarding), where any conversation related to advice has taken place inter alia, in the form of:	Though oral advice rendered is being captured over mail & advisory register which are legally verifiable records we will also incorporate VRM as process enhancement.

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			<p>i. Physical record written & signed by client, ii. Telephone recording, iii. Email from registered email id, iv. Record of SMS messages, v. Any other legally verifiable record.</p> <p>IIMCL occasionally advises clients over telephone. The minutes of these conversations are maintained. We recommended to maintain telephone recording of all conversations as required by the regulations.</p>	
SEBI/HO/IMD/DF1/ CIR/P/2020/182 (Dated September 23, 2020) Clause 2(ii)	<u>Agreement between IA and the client.</u> IA shall enter into an investment advisory agreement with its clients as prescribed under this clause and shall ensure that neither any investment advice is rendered, nor any fee is charged until the client has signed the aforesaid agreement.	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable	IIMCL has complied with all the requirements of agreements with its clients. Clause as prescribed in the notifications are covered except for clause no 14 on POA which was inadvertently missed.	IIMCL has incorporated the clause on POA in its revised agreement
Regulation 20	<u>Appointment of Compliance officer</u> An investment adviser shall appoint a compliance officer who shall be	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable	-	-

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	responsible for monitoring the compliance by the investment adviser.			
Regulation 21	<u>Redressal of client grievances</u> Investment adviser shall redress client grievances promptly through an adequate procedure.	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable	-	-
Regulation 22	<u>Client level segregation of advisory and distribution activities.</u> (1) An individual investment adviser shall not provide distribution services. (2) The family of an individual investment adviser shall not provide distribution services to the client advised by the individual investment adviser and no individual investment adviser shall provide advice to a client who is receiving distribution services from other familymembers. (3) A non-individual investment adviser shall have client level segregation at group level for investment advisory and distribution services. (4) Non-individual investment adviser shall maintain an arm's length relationship between its activities as investment adviser and distributor by providing advisory services through a	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable	-	-

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	separately identifiable department or division.			
SEBI/HO/IMD/DF1/ CIR/P/2020/182 (Dated September 23, 2020) Clause 2(i)	<u>Client Level Segregation of Advisory and Distribution Activities</u> Compliance and monitoring process for client segregation at group or family level shall be in accordance with the guidelines as specified under this clause.	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable	-	-
Regulation 22A	<u>Implementation of advice or execution</u> (1) Investment adviser may provide implementation services to advisory clients, provided no consideration shall be obtained directly or indirectly either at group level or at family level. (2) Investment adviser shall provide implementation services only through direct schemes. (3) Investment adviser or group or family of investment adviser shall not charge any implementation fees from the client. (4) The client shall not be under any obligation to avail implementation services offered by the investment adviser.	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable	-	-
SEBI/HO/IMD/DF1/	<u>Display of details on website and in other communication channels.</u>	<input checked="" type="checkbox"/> Complied	-	-

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CIR/P/2020/182 (Dated September 23, 2020) Clause 2(ix)	IAs shall prominently display the information as specified under this clause, on its website, mobile app, printed or electronic materials, know your client forms, client agreements and other correspondences with the clients.	<input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable		
(SEBI/HO/MIRSD2/DOR/CIR/P/2020/21) dated November 03, 2020)	Compliance of the SEBI circular for Advisory for financial Sector Organizations regarding Software as a Service (SaaS) based solutions for half-yearly ended 31st March 2022 and 30th September 2022.	<input type="checkbox"/> Complied <input type="checkbox"/> Not- Complied <input checked="" type="checkbox"/> Not Applicable	-	-
SEBI/HO/IMD/II CIS/P/CIR/ 2021/0686 (Dated December 13, 2021)	<u>Publishing Investor Charter and disclosure of Investor Complaints</u> (2) All registered investment advisers are required to publish investor charter on their websites and mobile applications. If registered investment adviser does not have websites/mobile applications, then as a one-time measure, send investor charter to the investors on their registered e-mail address. (3) All registered investment advisers are required to disclose the details of investor complaints by seventh of the succeeding month on a monthly basis on their websites and mobile applications. If investment adviser does not have websites/mobile applications, then	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not- Complied <input type="checkbox"/> Not Applicable	-	-

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Regulation	Particulars	Compliance Status	Reason for non- compliance/ non-applicability	Action taken on adverse findings (duly approved by the individual IA / management of the non- individual IA)
	send status of investor complaints to the investors on their registered email on a monthly basis.			