

Details of ongoing adjudication and recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Subsidiary Company, its promoters and directors:

Considering the language of clause (a) of SEBI's comment in NSE letter dated November 28, 2023 and BSE letter dated November 29, 2023, the purpose of the disclosure and its relevance to the proposed Scheme, the Subsidiary Company is making disclosure of (i) enforcement action taken by regulatory/government bodies against the Subsidiary Company and/or its directors (if any) in the last 3 years (i.e. November 30, 2020 to November 30, 2023); and (ii) ongoing recovery proceedings against the Subsidiary Company and its directors (if any), as at November 30, 2023.

In line with accounting standards, a provision is created where an unfavorable outcome is deemed probable and in respect of which a reliable estimate can be made. The Subsidiary Company does not hold any provision as at September 30, 2023, where an unfavorable outcome was deemed probable and in respect of which a reliable estimate could be made. For cases where an unfavorable outcome is deemed to be reasonably possible but not probable, the amount of claims is included in contingent liabilities. As at September 30, 2023, such claims amounted to a total of ₹ 157.27 Crore relating to 36 cases. For cases where the possibility of an unfavorable outcome is deemed remote, the Subsidiary Company has not made a provision and has not included the amount of the claims in these cases under contingent liabilities.

The following annexures are enclosed.

- I. Enforcement action taken against the Subsidiary Company (if any) by regulatory/government body in the last 3 years (i.e. November 30, 2020 to November 30, 2023):

Enclosed as Annexure I

- II. Ongoing recovery proceedings against the Subsidiary Company and/or its directors (if any), as at November 30, 2023:

Enclosed as Annexure II

Member of National Stock Exchange of India Ltd, BSE Ltd and Multi Commodity Exchange of India Ltd.

SEBI Registration: INZ000183631

CIN No.: L67120MH1995PLC086241

ICICI Securities Limited

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We hereby confirm that there are no on-going adjudication & recovery proceedings, prosecution initiated and other enforcement action taken against the directors of ICICI Securities Limited in their capacity as the directors of ICICI Securities Limited.

For **ICICI Securities Limited**

RAJU

NANIKRAM

NANWANI

Digitally signed by
RAJU NANIKRAM
NANWANI
Date: 2023.12.19
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Raju Nanwani

Company Secretary

Annexure I

Enforcement action taken against the Subsidiary Company and/or its directors (if any) by regulatory/government body in the last 3 years (i.e. November 30, 2020 to November 30, 2023)

A. Action taken/pending from SEBI

1. SEBI has, *vide* letter dated December 07, 2020, cautioned the Company with respect to the Equity Research Report issued by the Company on Vedanta Ltd. SEBI had observed certain mis-statements in the Research report. Necessary clarification were issued on the Equity Research Report. Necessary corrective actions were taken on the observations of SEBI. The matter stands closed.
2. SEBI has, *vide* letter dated May 06, 2021, issued a warning to the Company with respect to the Initial Public Offer (IPO) of POWERGRID Infrastructure Investment Trust. SEBI had observed that the allotment lot in the IPO was not in line with the "Guidelines for determination of allotment and trading lot size for Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)". Necessary corrective actions were taken by the Company on the observations of SEBI. The matter stands closed.
3. SEBI has, *vide* letter dated October 25, 2021, cautioned the Company with respect to the IPO of Aditya Birla Sunlife AMC Limited. SEBI had observed that details of certain promoter group entities were not disclosed in the offer document. Necessary corrective actions were taken by the Company on the observations of SEBI. The matter stands closed.
4. SEBI has, *vide* its letter dated October 11, 2022, issued an administrative warning to the Company with respect to the open offer made by Endeavor Trade and Investment Ltd to the shareholders of ACC Limited and Ambuja Cement Limited. SEBI had observed that certain changes suggested by SEBI to be made to the Letter of Offer (LOF) were not incorporated therein before the LOF was despatched to the shareholders. All changes suggested by SEBI were incorporated in relevant documents. Necessary corrective actions were taken by the Company on the observations of SEBI. The matter stands closed.
5. SEBI along with Stock Exchanges conducted a joint on-site inspection of the broking activities of the Company covering the period from April 1, 2020 to January 31, 2022. Pursuant to the inspection, NSE issued its findings and the Company submitted its reply to the same. The matter was placed before the Disciplinary Committee of NSE (referred to as MCSGFC) on November 22, 2022. The MCSGFC Committee, *vide* order dated January 05, 2023, has levied a penalty of ₹ 10,58,500/- on the Company. SEBI observed irregularities in reporting of the margin collected from clients and penalty passed on to clients on short collection of margin amongst other things. The Company has paid the penalty. The Company has *vide* letter dated January 18, 2023 made a representation to the MCSGFC Committee for waiver of the penalty and revocation of direction to refund the penalty passed on to the clients. No further communication has been received by the Company from NSE in this regard.

6. SEBI has, *vide* its letter dated August 30, 2023, issued an administrative warning to the Company with respect to the proposed IPO of EbixCash Limited. Certain irregularities were observed by SEBI in the disclosure of information with respect to an arbitration ruling and one of the objects of the issue in Draft Red Herring Prospectus. Necessary corrective actions were taken by the Company on the observations of SEBI and intimated to SEBI. The matter stands closed.
7. SEBI has, *vide* letter dated September 20, 2023, issued an administrative warning with respect to the inspection conducted of the Merchant Banking business of the Company. SEBI has further initiated adjudication proceeding by issuance of Show Cause Notice dated October 31, 2023 under Rule 4 of the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 ("Adjudication Proceedings"). The Company has filed an application for settlement of the Adjudication Proceedings under SEBI (Settlement Proceedings) Regulations, 2018 on November 9, 2023 ("Settlement Application"). The Settlement Application is pending with SEBI for disposal as on date.

B. Action taken/pending from RBI: NIL

C. Action taken/pending from IRDA: NIL

D. Action taken/pending from ED-PMLA: NIL

E. Action taken/pending from ED-FEMA: NIL

Annexure II

Ongoing recovery proceedings against the Subsidiary Company and/or its directors (if any), as at November 30, 2023

There are no other ongoing recovery proceedings against the Subsidiary Company and its directors, as at November 30, 2023. However, considering the language of clause (a) of SEBI's comment in NSE letter dated November 28, 2023 and BSE letter dated November 29, 2023, the purpose of the disclosure and its relevance to the proposed Scheme, the Subsidiary Company is making disclosure of the following tax related matters.

Tax Related Matters:

At November 30, 2023, the Subsidiary Company's contingent tax liability was assessed at an aggregate of ₹ 154.18 Crore, mainly pertaining to income tax, service tax, goods and services tax and sales tax/value added tax demands by the Government of India's tax authorities for past years. The Subsidiary Company has appealed against each of these tax demands. Based on consultation with tax advisors and favourable decisions in the Subsidiary Company's own cases and other similar cases as set out below, the Subsidiary Company believes that the tax authorities are not likely to be able to substantiate their tax assessments and accordingly, the Subsidiary Company has not provided for these tax demands at November, 30 2023. Disputed tax issues that are classified as remote are not disclosed as contingent liabilities by the Subsidiary Company.

Of the contingent tax liability of ₹ 154.18 Crore:

- ₹ 71.40 Crore related to appeals filed by the Subsidiary Company or the tax authorities with respect to assessments mainly pertaining to income tax and interest, where the Subsidiary Company is relying on favourable precedent decisions of the appellate authorities in own cases, similar other cases and opinions from its tax advisors. The key disputed liabilities were:
 - ₹ 26.98 Crore related to interest levied by tax authorities for short payment of taxes arising due to various disallowances made by Assessing Officer (AO) in past years. Out of total interest, ₹ 12.77 Crore pertains to cases wherein the Subsidiary Company have received the favourable orders and submitted to tax authorities for giving effects and post receiving order giving effects the said liability will be reduced and balance interest of ₹ 14.21 Crore pertains to cases wherein the Subsidiary Company have preferred appeal before appellate authorities and have relied on the favourable decision by appellate authorities in the company's own cases, other similar cases and favourable opinion from tax advisors

- ₹ 18.21 Crore related to the disallowance of commission expenses paid to Sub-brokers, agents etc. towards procurement by sourcing of clients for the various financial products like IPO, FPO and Bonds Issues, etc. We have relied on the favourable opinion from tax advisor and CBDT circular clarifying various provisions relating to tax deduction at source.
- ₹ 14.60 Crore related to disallowance of write off of Non-Convertible Debentures held as stock in trade. We have relied on the favourable opinion from tax advisor and past decision by the appellate authorities in other similar cases.
- ₹ 9.42 Crore related to disallowances of various expenses such as staff welfare expenses, year-end expense provisions and foreign payments for non-deduction of taxes, bad debts written off, client assistance charges, etc. We have relied on the favourable opinion from tax advisor and CBDT circular clarifying various provisions relating to tax deduction at source.
- ₹ 1.08 Crore related to whether interest expenses can be attributed to earning tax-exempt income. We believe that no interest can be allocated as there are no borrowings earmarked for investments in shares as the investments are made out of own funds. We have relied on the favourable opinion from tax advisors and past decisions by appellate the authorities in the company's own cases and other similar cases.
- ₹ 1.11 Crore related to tax demand on account of non-deduction of tax on foreign expenses. We have relied on the favourable opinion from tax advisors and past decisions by the appellate authorities in other similar cases.
- ₹ 82.78 Crore was in respect of service tax, goods and service tax, value added tax matters which mainly pertain to the demands along with interest and penalty levied by the service tax, goods and service tax, value added tax authorities wherein we are relying on favourable opinion from tax advisors. The key disputed liabilities were:
 - ₹ 35.68 Crore related to service tax, interest and penalty levied on consideration received for brokerage services provided to NRI and FII clients. We have relied on favourable opinion from tax advisor.
 - ₹ 21.30 Crore related to service tax, interest levied on registration fees collected from clients towards KYC documentation and account opening, reimbursement of expenses and disallowance of input credit on expenses. We have relied on the favourable opinion from tax advisor.
 - ₹ 22.08 Crore related to disallowance of input tax credit on expenses on account of exempt supply. We have relied on the favourable opinion from tax advisor.

- ₹ 2.94 Crore related to demand of GST, interest and penalty levied on interest charged from clients and disallowance of input tax credits. We have relied on the circulars and clarification issues by the tax authorities and further relied on the favourable opinion from tax advisor.
- ₹ 0.78 Crore related to disallowance of input tax credit on various expenses. We have relied on the favourable opinion from tax advisor.

Based on judicial precedents in other cases, and upon consultation with the tax advisors/counsel, we believe that it is more likely that our tax position will be sustained and accordingly, no provision has been made in the accounts.

Details of ongoing adjudication and recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Holding Company, its promoters and directors, as filed by the Holding Company before the NCLT, in its Company Application CA (CAA)/ 71 (AHM)/ 2023

Considering the language of clause (a) of SEBI's comment in NSE observation letter dated November 28, 2023 and BSE observation letter dated November 29, 2023, the purpose of the disclosure and its relevance to the proposed Scheme, the Holding Company is making disclosure of (i) enforcement action taken against the Holding Company and/or its directors (if any), by regulatory/government bodies, in the last 3 years (i.e. November 30, 2020 to November 30, 2023) (ii) ongoing criminal matters against the directors of the Holding Company, as at November 30, 2023 and (iii) ongoing recovery proceedings against the Holding Company and/or its directors (if any), as at November 30, 2023. The Holding Company has no promoters.

A number of litigations are filed against the Holding Company and its directors, in the normal course of business, and are pending before various forums, which mainly arise in connection with allegations of service deficiencies, property or labour disputes, fraudulent transactions. The Holding Company is also subject to counterclaims arising in connection with the Holding Company's enforcement of contracts and loans.

In line with accounting standards, a provision is created where an unfavorable outcome is deemed probable and in respect of which a reliable estimate can be made. As at September 30, 2023, the Holding Company held a total provision of Rs. 895 million for 676 cases, with claims totalling to Rs. 2.3 billion, where an unfavorable outcome was deemed probable and in respect of which a reliable estimate could be made. For cases where an unfavorable outcome is deemed to be reasonably possible but not probable, the amount of claims is included in contingent liabilities. As at September 30, 2023, such claims amounted to a total of Rs. 3.9 billion relating to 48 cases. For cases where the possibility of an unfavorable outcome is deemed remote, the Holding Company has not made a provision and has not included the amount of the claims in these cases in contingent liabilities.

In some instances, civil litigants have named the directors of the Holding Company as co-defendants in legal proceedings against the Holding Company. As at September 30, 2023, there were 405 such cases. As at September 30, 2023, there were 143 ongoing litigations (including those where the likelihood of the Holding Company incurring liability is assessed as "probable", "possible" and "remote"), each involving a claim of Rs. 10 million or above against the Holding Company, with an aggregate amount of Rs. 779.1 billion (to the extent quantifiable and including amounts claimed jointly and severally from the Holding Company and other parties).

The following annexures (as mentioned above) are enclosed.

- I. Enforcement action taken against the Holding Company and/or its directors (if any) by regulatory/government bodies, in the last 3 years (i.e. November 30, 2020 to November 30, 2023):

Enclosed as Annexure I

- II. Ongoing criminal matters against directors of the Holding Company, as at November 30, 2023:

Enclosed as Annexure II

- III. Ongoing recovery proceedings against the Holding Company and/or its directors (if any), as at November 30, 2023:

Enclosed as Annexure III

Enforcement action taken against the Holding Company and/or its directors (if any) by regulatory/government bodies in the last 3 years (i.e. November 30, 2020 to November 30, 2023), as filed by the Holding Company before the NCLT, in its Company Application CA (CAA)/ 71 (AHM)/ 2023

A. Action taken/pending by Securities and Exchange Board of India (SEBI)

1. SEBI, vide letter dated March 2, 2023, had issued an administrative warning for the observation identified during the inspection of Designated Depository Participant (DDP) activities conducted for the FY 2020-21. The observations were pertaining to collection of registration fees before submission of Common Application Form (CAF) and collection of balance fees in case of re-categorization of Foreign Portfolio Investor (FPI) category and non-updation of operational manual with specific section to deal with specific entities. The Holding Company submitted the action taken report (ATR) and corrective actions taken on the observation of SEBI and has also informed SEBI about these actions taken.
2. SEBI, vide letter dated October 14, 2022, had issued an administrative warning for the observations identified during the inspection of custodian activities conducted for the FY 2019-20. The observations were failure to transfer monetary corporate benefits pertaining to written off securities to the Investor Protection and Education Fund, within prescribed timelines and delay in updation of Operational Manual after issuance of regulations / guidelines. The Holding Company submitted to SEBI the action taken report (ATR) on the observations of SEBI.
3. The Holding Company, in its capacity as Designated Depository Participant (DDP), had received a show-cause notice (SCN) dated December 28, 2020 from SEBI, for alleged violation of SEBI (Foreign Portfolio Investors) Regulations, 2019/2014 and other related Guidelines. SEBI, vide the SCN, has alleged that the Holding Company (as DDP) did not report to SEBI the delay in intimation of change in grouping information of two Foreign Portfolio Investors (FPIs) and these delay in reporting were beyond six months. The Holding Company has submitted its response to the SCN to SEBI. Personal hearing was also held with SEBI in the said matter. After considering the detailed/additional submissions made by the Holding Company, SEBI issued the Adjudication Order (AO) wherein no violation has been established in respect of the Holding Company and the Holding Company has been discharged from the said proceedings.
4. SEBI, vide letter dated December 3, 2021, has issued an administrative warning for erroneous submission of monthly Assets Under Custody (AUC) data, in the capacity of custodian, to NSDL for the month ending December 2020 and January 2021, which resulted in incorrect disclosures on the websites of the depositories and SEBI. As advised by SEBI, the additional controls were put in place as the corrective action taken and SEBI was informed of the same by the Holding Company.

5. SEBI, vide letter dated November 11, 2020, has issued an administrative warning and advisory letter for two discrepancies/deficiencies related to Merchant Banking activity of the Holding Company, observed during their inspection, conducted in the month of September 2019, for the inspection period April 1, 2018 to March 31, 2019. The observations were non-disclosure of the track record of performance of the public issue handled by the Holding Company on its website and non-submission of statement specifying demarcation of responsibilities amongst all the lead merchant bankers to SEBI for the public issue of NCD of a corporate. The Holding Company submitted the action taken report (ATR) to SEBI, vide its letter dated December 9, 2020. The findings of inspection along with the corrective steps taken by the Holding Company were placed before the Board of directors of the Holding Company, at their meeting held on January 30, 2021. The Board took note of the observation/corrective steps taken and advised the Holding Company to follow the control mechanism as cited in the SEBI Regulation in letter and spirit and the same was informed to SEBI, vide email dated February 22, 2021.
6. SEBI issued a show cause notice (SCN) dated January 30, 2020 wherein they have alleged that the Holding Company has failed to provide appropriate protection against victimisation of the complainant and thus violated the provisions of Regulation 22(2) of the SEBI LODR Regulations, 2015. The Holding Company submitted its reply to the SCN on March 23, 2020. To bring closure to the matter, the Holding Company submitted a settlement application dated July 17, 2020 with SEBI under Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018. SEBI issued a Settlement Order dated January 29, 2021 mentioning that the adjudication proceedings in the said matter is disposed of in terms of section 15JB of the SEBI Act, 1992 read with regulation 23(1) of Settlement Regulations, on the basis of the settlement terms.
7. SEBI issued an Adjudication Order on September 12, 2019 imposing a penalty of ₹ 5 lakh each under Section 15 HB of SEBI Act and Section 23E of Securities Contracts (Regulation) Act, 1956 on the Holding Company and ₹ 2 lakhs under Section 15HB of SEBI Act, 1992 on the ex-compliance officer (ex-CO) on alleged delayed disclosure of an agreement relating to merger of the Holding Company with erstwhile Bank of Rajasthan. The ex-CO and the Holding Company had filed an appeal against SEBI's order with the Securities Appellate Tribunal ("SAT") and SAT, vide its orders, converted the monetary penalty imposed on the Holding Company and ex-CO to warning, respectively. Subsequently, SEBI filed an appeal before the Supreme Court of India against the aforementioned SAT orders. To bring closure to the matter, the ex-CO and the Holding Company filed the settlement application under SEBI (Settlement Proceedings) Regulations, 2018 with SEBI and paid the settlement amount to SEBI. Pursuant to applications filed by the Holding Company and the ex-CO, Supreme Court, vide its order dated January 4, 2022, disposed off all the appeals in view of the settlement and the matter stands closed.
8. The Holding Company and its ex-Managing Director & CEO, had received a Show Cause Notice (SCN) from SEBI on May 24, 2018 under Rule 4(1) of SCR (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules

2005 requiring responses on matters relating to alleged non-compliance with certain provisions of the erstwhile Listing Agreement and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Holding Company submitted its reply to SEBI and attended personal hearing at SEBI. Replies were also submitted to a modified SCN (MSCN) issued by SEBI to the Holding Company in relation to the above wherein it included Clause 2 of Uniform Listing Agreement and Section 21 of Securities Contracts (Regulations) Act, 1956 in addition to the existing cited provisions. The Holding Company submitted its response to the MSCN to SEBI and attended personal hearing with SEBI in the said matter. Further, Ex-MD and CEO filed an appeal with Securities Appellate Tribunal (SAT) against SEBI which was heard on June 10, 2022. SAT issued an order dated June 14, 2022 directing Ex-MD and CEO to file a fresh application with SEBI, indicating with clarity and precision of documents sought for inspection, within two weeks from the date of order. SEBI, vide letter dated August 18, 2022 sought documents/materials from the Holding Company with reference to adjudication proceedings, which was submitted to SEBI on September 1, 2022. Subsequently, SEBI sought certain documents, which were submitted to SEBI. No further communication has been received by the Holding Company from SEBI in this regard.

In addition to the above, enquiries by government authorities and regulatory agencies in the matter are continuing and the Holding Company is cooperating with such enquiries and requests.

B. Details of penalties imposed/show cause notice (SCN) issued by Reserve Bank of India (RBI)

1. The Holding Company has received show cause notice dated February 17, 2023 from RBI under Sections 35, 35A, 46 and 47A of the Banking Regulation Act, 1949- Non-compliance with the statutory provisions and the Reserve Bank of India (RBI) directions observed during statutory inspections with reference to financial position at March 31, 2020 and March 31, 2021. The SCN highlights four specifically observed acts/omissions leading to stated contravention of directions issued by RBI. The Holding Company has submitted its response to RBI on March 10, 2023.

Subsequently, RBI has, by an order dated October 17, 2023, imposed a monetary penalty of ₹12.19 crore (Rupees Twelve crore and nineteen lakh only) on the Holding Company for three specifically observed acts/omissions leading to stated contravention of directions issued by RBI. This penalty has been imposed in exercise of powers vested in RBI under the provisions of section 47 A (1) (c) read with section 46 (4) (i) of the Banking Regulation Act (BR Act), 1949 and emanates from statutory inspections for supervisory evaluation for fiscal 2020 and fiscal 2021 for contravention of Section 20(1) of the BR Act read with directions issued by RBI on 'Loans and Advances – Statutory and Other restrictions', Section 6(2) and Section 8 of the BR Act read with directions issued by the RBI on 'Financial Services provided by the Banks', and non-compliance with the RBI directions on 'Frauds classification and reporting by commercial banks and select FIs'. The Holding Company has paid the penalty. With regards to the specifically observed act/omission pertaining to upload of accounts on Central KYC Registry (CKYCR), no penalty has been levied on the Holding Company.

2. The Holding Company received a show cause notice dated November 21, 2022 from RBI under Sections 35, 35A, 46 and 47A of Banking Regulation Act, 1949 relating to non-compliance with RBI Know Your Customer (KYC) Directions, 2016, for one account, based on a high value fraud reported by a Holding Company. The Holding Company submitted its response to RBI on December 9, 2022. RBI through letter dated January 30, 2023 informed that they have dropped the charges against the Holding Company and hence the matter stands closed.
3. The Reserve Bank of India (RBI) has by an order dated December 13, 2021 (received by the Holding Company on December 15, 2021) imposed a monetary penalty of ₹ 3 million on the Holding Company under the provisions of Section 46(4) (i) read with Section 47A (1) of Banking Regulation Act 1949 for non-compliance with certain directions issued by RBI on 'Levy of Penal charges on non-maintenance of minimum balance in savings bank accounts' dated November 20, 2014. The Holding Company was levying charge of ₹ 100/- plus a percentage of shortfall between the minimum average balance (MAB) required to be maintained and actual balance maintained in the saving account as agreed upon at the time of account opening. RBI has held that levy of charges for non-maintenance of MAB were not directly proportionate to the extent of the shortfall observed in the required MAB and actual balance maintained. The Holding Company has taken steps to align the charge levied for non-maintenance of MAB with the above direction of RBI effective from November 2021. The Holding Company has paid the penalty on December 23, 2021.
4. The Reserve Bank of India has, by an order dated May 3, 2021, imposed a monetary penalty of ₹ 30 million on the Holding Company. This penalty has been imposed under the provisions of section 47 A (1)(c) read with sections 46 (4) (I) of the Banking Regulation Act, 1949 for shifting certain investments from 'Held to Maturity' (HTM) category to 'Available For Sale' (AFS) category in May 2017. The Holding Company had transferred two separate categories of securities on two different dates from HTM to AFS in April and May of 2017, which it believed was permissible as per Master Circular on Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks dated July 1, 2015. RBI has held that the shifting of securities the second time in May 2017 without explicit permission was in contravention of RBI directions. The Holding Company has paid the penalty on May 14, 2021.
5. The Reserve Bank of India (RBI), in December 2020, issued a Show Cause Notice (SCN) for continued operations in InstaSave Salary accounts despite aggregate balances exceeding permissible limits. Subsequently, in May, 2021 RBI has cautioned the Holding Company to be careful in future in the matter.

C. Details of show cause notice (SCN) received from Insurance Regulatory Development Authority of India (IRDAI)

1. The Holding Company had received a Show Cause Notice on May 22, 2020 for onsite inspection held during June 4 - 8, 2018 with regard to corporate agency activities performed by the Holding Company. The Holding Company has

received final order dated July 27, 2022 based on the response submitted via email dated June 29, 2020 and submissions made during hearing held on May 13, 2022. The order comprised of advisories & direction and no penalty was imposed.

2. The Holding Company had received a Show Cause Notice on May 9, 2019 for receipt of payment in relation to administration support expenses from ICICI Prudential Life Company Ltd during FY2016. The Holding Company submitted its response on May 17, 2019 stating that the payment was in line with applicable laws, properly disclosed in financial statements and was stopped w.e.f. April 1, 2017, i.e. post promulgation of new commission regulations. The officials of the Holding Company represented its point of view during the personal hearing with IRDAI on January 29, 2020 and has not received any further communication on the same.

D. Details of Foreign Exchange Management Act (FEMA) related matters and Anti Money Laundering (AML) related matters:

1. The Holding Company had been served a Show Cause Notice (SCN) by Directorate of Enforcement on Feb 6, 2015 stating as to why adjudication proceedings under Foreign Exchange Management Act (FEMA), 1999 should not be held in relation to Overseas Direct Investment transaction undertaken by Aamby Valley Limited (AVL) in 2010, where the Holding Company had acted in the capacity of Authorized Dealer. The Holding Company is alleged to contravene Section 10(5) of FEMA, 1999 by permitting remittances without being reasonably satisfied considering that promoter and Director of AVL were under SEBI investigation. The Holding Company had submitted its detailed response to SCN on May 15, 2015 and submitted that the Holding Company is not in any contravention of the above mentioned provisions of FEMA. The Holding Company had requested for personal hearing on the matter.

Subsequently, in the same matter, the Holding Company has received a notice dated July 17, 2023 from the Directorate of Enforcement (DOE) for Adjudication proceedings under FEMA, 1999 and was directed to appear for personal hearing which was scheduled on August 21, 2023. During the hearing, the legal counsel representing the Holding Company has sought permission for inspection of documents/records relied upon by DOE. No further communication has been received in this regard from DOE.

2. The Financial Intelligence Unit (FIU-IND), vide its order dated July 30, 2021, issued a warning to the Holding Company under Section 13 of Prevention of Money Laundering Act, 2002 (PMLA) for non-compliance with provisions of Section 12 of PMLA. The said warning was issued for failing to have an effective internal mechanism to detect and report complete information in respect of Cross Border Wire Transfer Reports. The FIU-IND, in its order, has also mentioned that resubmission of the entire cross border wire transfer data by the Holding Company according to the guidelines is a mitigating factor in favour of the Holding Company.

3. The Directorate of Enforcement (DOE) in March 2019, issued six Show Cause Notices (SCN) against the Holding Company and certain other entities and persons alleging certain violations under FEMA Act, 1999 mainly pertaining to the sale of foreign exchange travel cards to travellers. For two SCNs, charges against the Holding Company and its employee have been dropped. In rest of four SCNs, the Holding Company has filed an appeal against DOE order imposing penalty on them and the employee.

Overseas

AML – Holding Company's branch in the United States

In October 2022, the Holding Company's New York Federal Branch ("New York Branch") entered into a consent order with its federal banking supervisor, the Office of the Comptroller of the Currency, which required the New York Branch to enhance certain processes in its Bank Secrecy Act/Anti-Money Laundering program, and establish and maintain an effective sanctions compliance program. The Consent Order did not involve any monetary penalty. The New York Branch is committed to taking all necessary and appropriate steps to address the aspects identified and implement the necessary corrective actions as approved by the Office of the Comptroller of the Currency. The New York Branch provides a quarterly update to the Office of the Comptroller of the Currency on the progress of the corrective actions being undertaken and OCC is carrying out inspections on the remediation being undertaken by the New York Branch.

Ongoing criminal matters against directors of the Holding Company, as at November 30, 2023, as filed by the Holding Company before the NCLT, in its Company Application CA (CAA)/ 71 (AHM)/ 2023:

In the ordinary course of banking business, several customers and borrowers of the Holding Company file criminal suits for deficiency in services or for wrongful recovery of assets/monies. While most criminal complaints are filed against the Holding Company and unnamed officials with their designations, in some cases the customers / borrowers also implead the directors of the Holding Company, in their personal capacity, by name in order to exert pressure on the Holding Company to come forward for a settlement. In case of a criminal offense, mens-rea, i.e., a guilty mind is an essential ingredient of a crime. However, none of the directors of the Holding Company are directly involved in the alleged offense which at times may be carried out at the branch level or by some outsourced agents of the Holding Company. Despite this, the director concerned has to go through the proceedings till their names are deleted from the complaint or the complaints are disposed off.

I. Ongoing criminal cases against Mr. Sandeep Bakhshi:

As on November 30, 2023 there are 11 criminal complaints where Mr. Sandeep Bakhshi has been impleaded as one of the parties including the Holding Company and in some cases other officials and directors of the Holding Company.

CRIMINAL CASES BY NAME

1. Sudeep Kumar Moitra: is a delinquent home loan customer (Primary Applicant). He alleges that the Holding Company has forged the signature of the Co-Applicant in loan documents, and collected EMIs and on default taken actions under SARFAESI. Cognizance has not been taken by the Court and matter is posted for verification of the complaint by complainant.
2. Harpreet Kaur: has filed a criminal defamation complaint against Holding Company. She alleged to have applied for loan from other bank, which was rejected as she was reported as defaulter in her CIBIL report. Cognizance taken by lower court but Punjab & Haryana High Court have stayed further proceeding.
3. Sundeep Srivastava: is a delinquent home loan borrower who has filed a criminal appeal against dismissal of his perjury application, u/s. 340 Code of Criminal Procedure, 1973, against Holding Company and ICICI Home Finance Company Limited. The borrower alleges that a wrong affidavit was filed by the Holding Company in their complaint filed for his cheque bounce u/s. 138 of Negotiable Instrument Act, 1881. Matter is pending for argument on maintainability.
4. Sanjay Kumar Kejriwal is a delinquent home loan customer who has filed criminal complaint against Holding Company and developer alleging Holding Company in collusion with developer disbursed the loan amount without any scrutiny of the project and its construction stage. Cognizance taken by lower court and further proceedings are stayed by Session Court on the Criminal Revision filed by Holding Company.

5. Vinod Kumar Mittal: is an ex-employee of Holding Company who came on roll post-merger of Bank of Rajasthan in 2010 and was retired in 2012 as a Provident Fund Optee. He filed a Criminal Revision petition as Court had not taken cognizance and rejected his complaint filed u/s. 29 and 34 of Industrial Disputes Act, 1947 alleging denial of his pension application as non-compliance of Bi-Partite Settlement through which the Pension Scheme was adopted by then Bank of Rajasthan. Matter is pending for completion of pleadings.

CRIMINAL CASES BY TITLE

6. **Kamal Kumar Bansal**: is a delinquent loan against property borrower who filed a criminal complaint against Holding Company alleging recovery of excess loan amount by rescheduling the tenure/rate of interest without his knowledge, wrongful initiation of SARFAESI action and incorrect reporting of loan status to CIBIL. Cognizance has been taken by lower court but further proceedings are stayed by Session Court, pursuant to the Criminal Revision filed by Holding Company.
7. **Padam Chand Bansal**: is a delinquent loan against property borrower who filed a criminal complaint against Holding Company alleging recovery of excess loan amount by rescheduling the tenure/rate of interest without his knowledge, wrongful initiation of SARFAESI action and incorrect reporting of loan status to CIBIL. Cognizance has been taken by lower court but further proceedings are stayed by Session Court, pursuant to the Criminal Revision filed by Holding Company.
8. **Kamal Kumar**: is a delinquent loan against property borrower who filed a criminal revision against the dismissal of his complaint alleging misreporting of his loan account status to CIBIL by Holding Bank. Matter is posted for final arguments.
9. **Balkrishna Sales Corporation**: is a delinquent borrower who has filed criminal case alleging that Holding Company has charged excessive rate of interest and also taking legal action against their properties which is not mortgaged against the loan. Cognizance taken by lower court but further proceedings are stayed by Session Court, pursuant to the Criminal Revision filed by Holding Company.
10. **Mahadev Hari Sarmalkar**: filed a Criminal Writ Petition alleging creation of forged and fraudulent documents and opening fraudulent accounts in his name in CKP Co-operative Bank, Dadar branch and alleging disturbance, obstruction and interference in the right, title and interest of his property on which loan was granted by Holding Company as he never received any loan amount. He also challenges the SARFAESI recovery actions initiated by Holding Company. Writ is pending admission.
11. **GM Naveen**: is a saving account customer alleging that the Holding Company had colluded with other accused persons in providing his KYC documents to open a fraudulent loan account in his name with Bajaj Finance Limited. Lower Court has taken the cognizance but proceedings are stayed by Karnataka High Court.

II. Ongoing criminal cases against non-executive directors:

As on November 30, 2023, there is a criminal complaint where Mr. Hari Laxminarayan Mundra, Mr. Subramanyam Madhavan, Ms Neelam Dhawan, Mr. Balasubramanyan Sriram, Mr. Radhakrishna Nair, Mr. Uday Madhav Chitale have been impleaded as one of the parties including the Holding Company, other officials and directors of the Holding Company.

CRIMINAL CASE BY NAME

Sundeep Srivastava: is a delinquent home loan borrower who has filed a criminal appeal against dismissal of his perjury application, u/s. 340 Code of Criminal Procedure, 1973, against Holding Company and ICICI Home Finance Company Limited. The borrower alleges that a wrong affidavit was filed by the Holding Company in their complaint filed for his cheque bounce u/s. 138 of Negotiable Instrument Act, 1881. Matter is pending for argument on maintainability.

III. Ongoing criminal cases against Mr. Girish Chandra Chaturvedi

As on November 30, 2023, there are 2 criminal complaint where Mr. Girish Chandra Chaturvedi, Chairman has been impleaded as one of the parties including the Holding Company, other officials and directors of the Holding Company.

CRIMINAL CASE BY NAME

- 1. Sundeep Srivastava:** is a delinquent home loan borrower who has filed a criminal appeal against dismissal of his perjury application, u/s. 340 Code of Criminal Procedure, 1973, against Holding Company and ICICI Home Finance Company Limited. The borrower alleges that a wrong affidavit was filed by the Holding Company in their complaint filed for his cheque bounce u/s. 138 of Negotiable Instrument Act, 1881. Matter is pending for argument on maintainability.
- 2. Mahadev Hari Sarmalkar:** filed a Criminal Writ Petition alleging creation of forged and fraudulent documents and opening fraudulent accounts in his name in CKP Co-operative Bank, Dadar branch and alleging disturbance, obstruction and interference in the right, title and interest of his property on which loan was granted by Holding Company as he never received any loan amount. He also challenges the SARFAESI recovery actions initiated by Holding Company. Writ is pending admission.

Ongoing recovery proceedings against the Holding Company and/or its directors (if any), as at November 30, 2023, as filed by the Holding Company before the NCLT, in its Company Application CA (CAA)/ 71 (AHM)/ 2023:

There are no ongoing recovery proceedings against the Holding Company and/or its directors, as at November 30, 2023. However, considering the language of clause (a) of SEBI's comment in NSE observation letter dated November 28, 2023 and BSE observation letter dated November 29, 2023, the purpose of the disclosure and relevance to the proposed Scheme, the Holding Company is making disclosure of the following tax related matters.

Tax Related Matters:

At November 30, 2023, the Holding Company's contingent tax liability was assessed at an aggregate of Rs. 81.6 billion, mainly pertaining to income tax, service tax, goods and services tax and sales tax/value added tax demands by the Government of India's tax authorities for past years. The Holding Company has appealed against each of these tax demands. Based on consultation with counsel and favorable decisions in the Holding Company's own cases and other similar cases as set out below, the Holding Company believes that the tax authorities are not likely to be able to substantiate their tax assessments and, accordingly, the Holding Company has not provided for these tax demands at November 30, 2023. Disputed tax issues that are classified as remote are not disclosed as contingent liabilities by the Holding Company.

Of the contingent tax liability of Rs. 81.6 billion:

- Rs. 73.9 billion related to appeals filed by the Holding Company or the tax authorities with respect to assessments mainly pertaining to income tax and interest tax, where the Holding Company is relying on favorable precedent decisions of the appellate authorities and opinions from counsel. The key disputed liabilities were:
 - Rs. 28.3 billion related to whether interest expenses can be attributed to earning tax-exempt income. The Holding Company believes that no interest can be allocated as there are no borrowings earmarked for investments in shares/tax free bonds and the Holding Company's interest free funds are sufficient to cover investments in the underlying tax free securities. The Holding Company has relied on favorable opinion from counsel and past decisions by the appellate authorities in the Holding Company's own cases and other similar cases;
 - Rs. 15.0 billion related to the disallowance of mark-to-market losses on derivative transactions treated by the tax authorities as notional losses. The Holding Company has relied on favourable opinion from counsel and past decisions by the appellate authorities in the Holding Company's own cases and other similar cases, which had allowed deduction of mark-to-market losses from business income;
 - Rs. 6.6 billion related to disallowance of provision for operating expense by the tax authorities treating it as contingent in nature. The Holding Company has relied on favorable opinion from counsel and past decisions by the appellate authorities in other similar cases;
 - Rs. 6.9 billion related to the disallowance of interest paid on perpetual bonds as the tax authorities do not deem these as borrowings and therefore the interest

- paid on these bonds has not been allowed as a deduction. The Holding Company has relied on a favorable opinion from legal counsel and past decision by the appellate authorities in the Holding Company's own case;
- Rs. 4.7 billion related to the disallowance of depreciation claims on leased assets, due to treatment of the lease transactions as loan transactions by the tax authorities. The Holding Company has relied on favorable opinion from counsel and past decisions by the appellate authorities in the Holding Company's own case and other similar cases;
 - Rs. 4.0 billion related to the disallowance of written-off amounts for credit cards for claiming bad debt write-offs. It was disallowed on the ground that the credit card business is neither a banking business nor pertaining to money lending and hence did not fulfill conditions for claim of bad debt write-off. The Holding Company has relied on a favorable opinion from counsel and past decision by the appellate authorities in the Holding Company's own case;
 - Rs. 3.7 billion relates to interest on non-performing assets de-recognized as per the Reserve Bank of India guidelines after 90 days. Interest income is assessed to tax on the ground that tax provisions have 180 days limit as against 90 days followed by the Holding Company. The Holding Company has relied on favorable opinion from counsel and past decisions by the appellate authorities in the Holding Company's own cases and other similar cases;
 - Rs. 1.0 billion related to taxability of amounts withdrawn from the special reserve. The Holding Company had maintained two special reserve accounts, which included a special reserve created up to assessment year fiscal 1998. Withdrawals from the account were assessed as taxable by the tax authorities for the assessment years fiscal 1999 to fiscal 2001. The Holding Company has received favorable orders in respect of these assessment years. However, the income tax authorities have preferred further appeal against the favorable orders
- Rs. 6.5 billion was in respect of service tax and goods and service tax matters which mainly pertain to the demands along with interest and penalty levied by the service tax and goods and service tax authorities wherein we are relying on favorable opinion from counsel. The key disputed liabilities were:
 - Rs. 2.1 billion relates to disallowance of input credit on ATM interchange fees paid to acquiring banks and switching fee paid to settlement agency on the basis of monthly statement and 100% penalty on the same. The Holding Company has relied on favorable opinion from counsel;
 - Rs. 1.5 billion relates to service tax and interest on interchange fees received by us as an issuing bank. The Holding Company has relied on favorable opinion from counsel;
 - Rs. 1.2 billion pertained to sales tax/value added tax demand. The matters mainly relate to procedural issues like submission of statutory forms and adhoc additions in turnover. The Holding Company has relied on favorable opinions from the counsels and decisions in Holding Company's own cases/other similar cases.

Based on judicial precedents in the Holding Company's own cases and other similar cases, and upon consultation with the tax counsel, the Holding Company believes that

it is more likely that the Holding Company's tax position will be sustained and accordingly, no provision has been made in the accounts.

The above contingent liabilities do not include Rs. 32.2 billion, considered as remote. Of the total disputed tax demands classified as remote, Rs. 27.5 billion pertained mainly to the deduction of bad debts, broken period interest and levy of penalties which are covered by favorable Supreme Court of India decisions in the Holding Company's own cases/other similar cases and Rs. 3.8 billion pertained to error requiring rectification by tax authorities. Therefore, they were not required to be disclosed as contingent liability.