2019-20
Annual Report

ICICI Securities

FOR YOU

Always

TRUST

VALUES

INNOVATION

TECHNOLOGY

Contents

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Forward-looking statements

In this report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee their realisation, although we believe we have been prudent in our assumptions. Our actual results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

INTRODUCTION TO OUR INTEGRATED REPORT

OUR APPROACH TO ADOPTION OF INTEGRATED REPORTING

Our FY2020 Report is the second year of adoption of the International Integrated Reporting Council's ('IIRC') Integrated Reporting <IR> framework, which is steadily emerging as a globally accepted best practice. With our <IR>, we present to our stakeholders a holistic and transparent depiction of our value creation process, enabling them to make informed decisions regarding their association with us. We have used both qualitative and quantitative information across financial and non-financial capitals i.e. Manufactured, Intellectual, Human, Social and Relationship, and Natural Capitals to ensure completeness of information. We have further provided insights into our strategies, issues that materially impact us, risks and opportunities in the context of the operating environment.

OUR SIX CAPITALS

Financial Capital

It represents our shareholders' equity and funding from investors and clients that we prudently employ to support business operations, achieve business strategy and generate surplus for our shareholders.

Manufactured Capital

It represents our operational processes as well as physical and technology infrastructure – ICICIdirect platform, branches and customer support centres – that provide a framework of how we operate business and create value. We are continuously investing in technological capabilities to effectively reach and serve customers and drive higher operational efficiency.

Human Capital

It represents our culture and motivated employees that enable us to run and grow business efficiently. We are continually investing in the welfare, engagement, skilling, health and safety to ensure a sustained outcome.

Intellectual Capital

It represents our brand and franchise value as well as our technical expertise – capital market knowledge, research capabilities and expertise in stock broking, investment management, customer advisory and servicing. It maximises our ability to create wealth for customers and gain their trust, thus providing us a competitive edge.

Social and Relationship Capital

It represents the quality of relationship with clients, business partners (institutional and corporate clients, financial products' principals, partners, sub-brokers, IFAs, IAs and ICICI Bank), regulators and the community. These long-term relationships drive our business growth as we play a critical role in building a thriving society and financial ecosystem.

Natural Capital

It represents the impact that our operations and business activities have on natural resources. We are continually investing to make our operations sustainable.

REPORTING PRINCIPLE

The financial and statutory data in this Report are in line with the requirements of the Companies Act, 2013 (including the Rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Secretarial Standards. The Report is also guided by the principles of <IR> as stated by IIRC.

REPORTING PERIOD

The Report discloses financial and non-financial performance of ICICI Securities' operations across India for the period April 1, 2019, to March 31, 2020. It covers significant material events up to the Board Meeting held on May 7, 2020. Comparative figures of past years have been provided, wherever necessary, to present a holistic view of our performance and capture our long-term value creation process.

REPORTING BOUNDARY

The non-financial information in the integrated report largely covers data on the India operations of ICICI Securities.

FOR YOU

Always

At ICICI Securities, every decision, every action, and every investment is centred around YOU – our customer, employee, business partner and shareholder.

Through products, services, processes, and governance policies that are based on the principle of supporting 'you', we have devised a strategy of sustainable and ethical profitability. All of this is held together by a keen focus on leveraging technology for operating ease, security, and transparency.

Within the organisation, too, we are focussed on 'you', as represented by our employees, because their commitment and creativity form the core of our business.

In our communities as well, we bring innovation and progress to the 'you' that is represented by the Indian people, who are the force behind national development.

All our endeavours have won us deep and unshakeable trust. The result is reflected in our consistent performance and rising stakeholder satisfaction.

With 20 years in the financial services industry behind us, we are drawing upon our accumulated knowledge and nurturing new ideas to maximise value creation for you.

At ICICI Securities, we are putting YOU first.

A Business Built Around Your Needs

Access to professional finance management is becoming increasingly important for individuals, corporate entities, and government undertakings. At ICICI Securities, we provide a full suite of products and services catering to every requirement related to managing and growing financial assets.

WHO WE ARE

WE ARE A DIGITALLY-LED AND KNOWLEDGE-DRIVEN FINANCIAL SERVICES FIRM STEERED BY THE GOAL OF FULFILLING THE FINANCIAL NEEDS OF OUR CUSTOMERS THROUGHOUT THEIR LIFE CYCLE JOURNEY. WE ARE INDIA'S LEADING FULL-SERVICE FINANCIAL POWERHOUSE, OFFERING A WIDE RANGE OF PRODUCTS AND SERVICES SPANNING EQUITY SERVICES, FINANCIAL PRODUCT DISTRIBUTION, INVESTMENT BANKING AND PRIVATE WEALTH MANAGEMENT.

WE WERE AMONG THE PIONEERS OF ONLINE EQUITY TRADING IN INDIA WHEN WE LAUNCHED ICICIDIRECT.COM IN THE YEAR 2000. OVER TIME, ICICIDIRECT HAS EMERGED AS A ONE-STOP DIGITAL FINANCIAL SUPERMARKET, MEETING ALL THE THREE FINANCIAL NEEDS OF OUR CUSTOMER – INVESTMENTS, PROTECTION, AND BORROWING.

OUR BUSINESS SEGMENTS AND OFFERINGS

Business segment	Products and services	Strengths and differentiators
Retail Equity	Full suite of investment and trading solution across asset classes including Equity, Derivatives, Currency, Margin Trading Funding, etc.	• India's leading retail-led equity house with over 4.8 million customers • Proprietary and full-service trading platform ICICIdirect.com • Strong research team covering 307 companies across sectors • Highly capable mutual fund, technical analysis, and derivatives desk • Secure and robust trading platform capable • Innovative and customer-centric products and solutions like eATM (instant liquidity on share sale), Prime (a subscription service which comes with host of benefits), VTC (Valid Till Cancel order on equity purchase) etc.
Distribution of Retail Financial Products	MF (Mutual Fund), Gold Bonds, ETFs (Exchange Traded Funds), NPS (National Pension Scheme), Corporate FDs (Fixed Deposits) and Bonds, Insurance (Life, General and Business), Credit (Home Loans, Loan against Securities / Property / FD / Bonds / MF), Rental Discounting, Asset Financing, Overdraft	• India's second-largest non-bank MF distributor • Large distribution network with 172 ICICIdirect branches across 70 cities supported by 9,400+ sub-brokers, authorised persons, IFAs (Independent Financial Associates) IAs (Independent Associates) • Third-party investment, protection, and loan products offered to ICICI Securities clients digitally
Private Wealth Management	• Investment solutions like Equity, Fixed Income, Offshore and Alternate Investments; value-added services like Protection, Mortgages & Loans, Tax Advisory, Estate Planning & Real Estate • Engagement with customers on their business needs like raising equity capital, debt syndication and monetising assets	• Unique Brand-Platform-Relationship Manager led business model • Open architecture model with robust risk and product selection framework • A stable and experienced team of 16 members at senior leadership level and 300+ members that includes relationship, product, advisory, service and Family Office team members • Sticky client base – over half of Private Wealth Management revenue comes from clients who are with us for over 10 years
Institutional Equity	• Equity brokerage service for domestic and international institutional clients • A range of value-added products and services including Block Deal, Algo Trading, Corporate Access, Investor Meets, and Equity Research	• Full-service institutional equity broker • Empanelled with a large cross-section of institutional clients, including foreign institutional investors • Strong relationship with institutional investors across the United States, Europe, and Asia, especially India • Dedicated sales team across India, South East Asia, and the US • 37-member research team covering 282 Indian stocks • Regularly conduction of investor conferences to bring together investors and corporates
Issuer Services and Advisory*	Full service investment bank providing the entire spectrum of services including Equity Capital Market, debt advisory, Mergers & Acquisitions, Advisory, Private Equity Services, Structured Products, and Restructuring	• 60+ strong team with deep domain knowledge and experience across all industry verticals • Capabilities include origination and execution of all types of fundraising such as Initial Public Offerings, Qualified Institutional Placements, Rights Issuances, Follow-on Offerings, Preferential Issues, among others • Team has advised and managed some of the biggest and complex open offers (takeovers), delisting, buybacks, scheme of arrangements, merger and acquisitions in India

** Referred to as Advisory in our financial statements segments and as Corporate Finance business in our earlier annual reports.*

Growing Stronger With Your Trust

Our FY2020 performance is an indicator of what trust between a pioneering organisation and its clients can achieve. Even in a year of multiple challenges, we have reached the finish line with numbers that prove our capability and bolster our association with stakeholders.

Asset-light high operating leverage business

Revenue
₹17.25 Bn

Profit After Tax (PAT)
₹5.42 Bn
↑ 10%#

Net Profit Margin
31.4%
↑ 28.4%#

Net Worth
₹12.10 Bn
↑ 15%#

Dividend per Share*
₹11
↑ 17%#

Earnings per Share
₹16.83
↑ 10%#

Dividend Payout Ratio
65%

Return on Equity
~ 48%

**including Interim dividend of ₹ 4.25 and proposed final dividend of ₹ 6.75*

Strong, growing and sticky customer franchise

Operational Accounts
4.8 Mn
↑ 8%#

Overall Active Clients
1.5 Mn
↑ 16%#

NSE Active Clients
1.1 Mn
↑ 27%#

NSE Active Market Share
10 %
↑ 40bps#

37% of clients who traded 14 years ago with us are still active

>65% of Revenues[1] contributed by clients with more than 5 years vintage

[1] based on retail equity revenues for each of the years from FY2014 to FY2020

Total Assets[2] of our clients
Over ₹2.1 Tn

[2] Assets of our Clients including equity demat assets maintained with ICICI Bank and excluding promoter holding

Assets of Wealth Clients
₹0.83 Tn

MF Assets
₹362 Bn

#Comparison over FY2019

Competitive position

Equity Market Share
8.7%
↑ 100 bps#

Mutual Fund Distribution Revenues Market Share
4.5%
↑ 50 bps#

Mutual Fund Average Assets Market Share
3.3%

ECM Market Share
28%

Second largest non-bank distributor of mutual funds in terms of Revenues and Assets

Leading wealth franchise with over 32,000 clients

#Comparison over FY2019

Extensive reach through a brick and click model

ICICI Bank Branches
4,500+
in 2,300+ cities and towns

Own Branches
172
in 70+ cities

Presence through Partners
9,400+
partners*

Partner Points of Presence
800+
Cities

**Independent Advisors (IA), Independent Financial Advisors (IFA), Sub brokers, Authorised Personnels (AP)*

ONLINE PRESENCE IN OVER 26,000 PINCODES IN INDIA AND OVER 150 COUNTRIES

Key product launches during the year

ICICI Direct Insta account

Any bank customers can now trade on icicidirect.com post opening an account through a completely digital on-boarding process.

ICICI direct Prime

An annual subscription-based plan that provides a package of privilege pricing, exclusive research, and higher eATM (payout within 30 mins of selling stocks) limits per day.

'One Click Investments' series of products

Research-curated baskets of Mutual Fund schemes and stocks.

ETF-Intelligent Portfolios (EIP)

A unique investment product that invests in a multi-asset basket of Exchange Traded Funds.

SIP Protect

Free term life insurance cover on MF SIP investments.

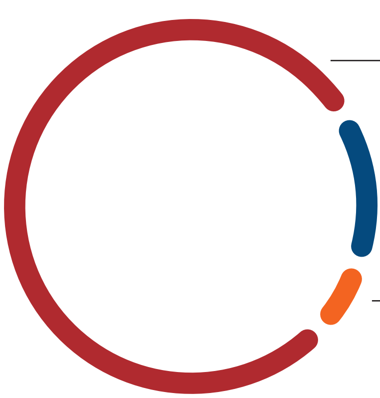
Portfolio Management Services

Entered into the financial products manufacturing space with the launch of proprietary Portfolio Management Services (PMS) for private wealth clients. The inaugural fund is Active Index Portfolio, which follows a passive two-factor model.

New research products

Stock Tales, Golden Portfolio Midcaps, Quant Covered Portfolio, Weekly Expiry Options, and Automated Bank NIFTY Strategy launched.

Ownership structure*



Promoter and Promoter group	79.22%
Institutions	14.61%
Retail	6.17%

** As on March 31, 2020*

MESSAGES FROM THE CHAIRPERSON AND THE CEO

Message from the Chairperson

Your Company has been able to successfully innovate and transform itself over the last two decades to remain a leading edge player in a competitive and technology-driven industry.

Dear Shareholders,

For ICICI Securities Limited, FY2020 has been another year of rewarding and enriching experiences. As Chairman of the very distinguished Board of your Company with a highly motivated and skilled Management, it has been my privilege to be witness to this interesting journey. The year was marked by significant developments in the business environment as well in our efforts to transform the business model of your Company.

At a macro-economic level and from the capital market performance point of view, due to global and local factors, the year remained muted for most part barring Q3FY2020 and early part of Q4FY2020, which unfortunately then ended on a sombre note following the events relating to the COVID-19 pandemic outbreak.

Apart from the capital market developments which affected your Company's performance, the industry also witnessed a series of events. The competitive intensity increased with newer format players entering the industry and using technology and pricing-based disruptions.

On the regulatory front, a slew of regulations were released by the regulator to protect the interests of retail investors and it also took several measures to reduce speculative manoeuvres in the market. We believe these steps are good for the orderly and sustainable growth of the capital market.

This was also a year where the retail participation in equity markets saw an unprecedented increase. The total number of new demat accounts opened in the country and the total number of clients transacting on NSE (NSE-active) saw an increase of 25% and 23% respectively compared to decline of 2% and growth of 6% in the last fiscal respectively. There is a gradual and persistent trend of customers reposing increasing faith in reliability, trust and brand to partner within their life cycle journey of investments, a trend which is definitely beneficial to your Company with its strong systems and trusted brand.

The COVID-19 pandemic outbreak tested the resilience, adaptability and ingenuity of a wide range of business sectors showing us, in the financial securities field, how our priorities should be revisited and re-organised. The coming fiscal will be largely driven by how and in what manner the recovery from events pertaining to COVID-19 unfolds.

At ICICI Securities, the executive management under the new leadership and in extensive consultation with the Board, charted out a vision of transforming your Company from an equity investments-oriented securities firm to a broader positioning of being a one-stop financial market for life time investments, protection and borrowing needs of Indians, powered digitally. The objective is to make the business model more robust, broad-based and granular.

Your Company has been able to successfully innovate and transform itself over the last two decades to remain a leading edge player in a competitive and technology-driven industry. The vision to traverse the next phase of transformation is supported by a detailed action plan. Various initiatives were taken by your Company in line with the articulated strategy.

Dealing with COVID-19 also tested the resilience of our business model and our capabilities. We saw record market participation during the most volatile period with investors either rebalancing their portfolios, making opportune trades during volatile times or finding a good entry point with prices at a multi-year low. During March-April-May 2020 when COVID-19 cases in India were rising exponentially, we have witnessed the revolutionary power of emerging technologies. Large scale work from home, client engagements exclusively through electronic channels and large volumes of online sales proved the vital role of digitalisation in sustainable business growth and cost savings.

Steps taken by the executive management, who had placed emphasis on employee safety, business continuity, data security and harnessing state-of-the-art digital infrastructure, have ensured that we emerged stronger during this time.

While as a Company, we are providing individuals with the best means and choices to grow their wealth, we also continue to be a responsible and sustainable corporate citizen. Our CSR initiatives directly promote financial literacy amongst communities and facilitate skill development and entrepreneurship. We tied up with the Indian Institute of Management Bangalore to seed fund 10 fintech start-ups. We believe fintechs have immense potential to spur economic growth and create large scale jobs in the country. Through our programmes Hameri and Siddhika, we have embarked on empowering women through livelihood generation opportunities. Hameri, a World Wide Fund for Nature (WWF) programme, aims to train women in livelihood generation and reduce dependency on natural forest resources. Siddhika aims to train underprivileged women to become Independent Financial Associates (IFAs). We are also associated with Vision Foundation of India (VFI) to fund cataract surgeries of senior citizens below the poverty line. Additionally, we have undertaken a programme on modelling an old-age home to provide active ageing support to senior citizens.

We are also working towards minimising our environmental impact by reducing paper consumption, controlling water and energy consumption and managing waste efficiently. This year, we additionally contributed towards COVID-19 relief efforts.

I am thankful to all of you – our valued stakeholders who have unflinchingly supported the Company and its Management. Your support and inspiration have greatly helped us in building a value-accreting organisation. A special word of thanks to our staff and employees who have admirably and calmly risen to the challenge thrown up by COVID-19. I am confident of the future of the Company which is built on strong values, capabilities and a brand and is a part of an exciting industry in the growing Indian landscape. Your Company is always there for you and together we can achieve greater success.

I extend my best wishes for all of you and your families during this very challenging time faced by our country.

With best wishes,

Vinod Kumar Dhall
Chairman

Message from the Managing Director & Chief Executive Officer

Dear Shareholders,

We, at ICICI Securities, cherish your association with us and remain committed to delivering value to you sustainably.

This, year we embarked on a journey to transform the business model of your Company to a more broad-based, granular and comprehensive marketplace for meeting financial investments, protection and borrowing needs of our customers, delivered predominantly through a digital architecture. It has been an eventful year and I am happy to report that our strategy helped us emerge stronger.

It has been an eventful year and I am happy to report that our strategy helped us emerge stronger.

AN EVENTFUL YEAR

FY2020 can best be described as a tale of three distinct phases. In the first phase, which lasted till about September 2020, we saw global economies facing slowdown fears and India's GDP growth slowing down to 5.1% in Q2FY2020, a 26 quarters low. As a result, financial markets remained tepid throughout the first half of FY2020.

The second phase commencing from the beginning of Q3FY2020 to early part of Q4FY2020 saw some green shoots owing to the fear of US slowdown fading and trade tensions between US and China easing. During this period, interest rate regime was turning expansionary, aiding liquidity and driving global financial markets. Key policy interventions by India, announced in Q2FY2020 including FDI (Foreign Direct Investment) policy reforms, recapitalisation of public sector banks, and cuts announced in corporate tax rate started helping market sentiments and attracting flows into our capital market despite weak macros, resulting in a broader market rally with the NIFTY and Sensex touching their lifetime highs in January 2020.

The third phase commenced in early March with the tide rapidly turning, starting with the crude shock, followed by the rapid proliferation of COVID-19 pandemic. India enforced one of the strictest and longest lockdowns in the world on March 25, 2020, resulting in a plunging drop in consumption and production. Flight to safety triggered major sell offs and emerging economies also saw huge capital outflows, growing bond spreads and currency depreciations. NIFTY recorded one of its biggest quarterly fall, declining by 29% during the quarter, falling 23% in March alone. For the full year, NIFTY, was down 26%; while NIFTY midcap 100 and NIFTY smallcap 100 indices fell by 36% and 46% respectively.

The regulatory stance continued to centre around retail customers and the SEBI (Securities & Exchange Board of India) came out with a slew of regulations to ensure that the retail investors remain in control of their securities. These changes did not impact our Company as we have always followed utmost standards of responsibility while dealing with clients' securities and monies. Our clients have full control over their funds and securities at all times. In fact some of these practices central to our model coupled with the trust investors put in our brand are tailwinds for our Company and have helped us gain newer customers.

OUR STRATEGY AND NEW INITIATIVES

In order to propel the Company to the next phase of growth and transform into a company with a broader positioning, we articulated a strategy at the start of the year comprising focus on five elements viz. scale creation, capturing the full wallet share of our clients, providing better engagement experience, bringing in digital agility, and enhancing operational efficiency. Towards this, we executed various initiatives during the course of the year which held us in good stead on various performance metrics.

We expanded our scale through various distribution and product interventions. We enhanced focus on ICICI Bank partnership to penetrate deeper into the affluent client segment. In another significant initiative, we launched completely digital on-boarding process whereby clients can open ICICIdirect Insta accounts from the comfort of their homes all by themselves. We went open architecture in design of this process, allowing all bank customers to open these accounts, giving us access to a large market. We also focussed on scaling up our partner network, which grew by 32% to reach over 9,400 IFAs (Independent Financial Associates), IA (Independent Associates), sub brokers and APs (Authorised Persons). This resulted in a run rate of clients sourced through partners growing by over 70% during the year. Further, we made available our full array of loan products comprising home loan, two-wheeler loans, auto loans, personal loans, loan against property, gold loans, lease rent discounting, credit/travel cards etc. on our platform.

Over **0.31 million**

Prime subscribers as on March 31, 2020

These initiatives have helped expand the depth and breadth of our distribution network. This was supported by the launch of a new product proposition – ICICI direct Prime, a subscription-based plan whereby our clients get privileged pricing, curated research and a high eATM (a unique offering that allows clients to avail near real-time liquidity of their equity sale proceeds) limit. As at March 31, 2020, we have over 0.31 million Prime subscribers.

These initiatives have helped us gain market share in terms of active clients from 9.6% in Q4FY2019 to 10% in Q4FY2020 as well as increase volume market share of equity average daily turnovers consistently through the year from 7.4% in Q4FY2019 to 9.1% in Q4FY2020.

To augment our scope of offering and capture a higher wallet share of our clients' financial journey, we launched various initiatives and product lines. In the equities business, we focussed on interest income generating products like MTF (Margin Trading Facility) and ESOP (Employee Stock Option Plan) Financing, scaling up synergistic loan books which helped us gain clients as well add interest income generating product line. Together with the subscription fees, non-brokerage income line items have started contributing 12% to the equities revenues for FY2020.

Message from the Managing Director & Chief Executive Officer

We expanded our depth and breadth of distribution business by making available a full array of loan products comprising home loan, two-wheeler loans, auto loans, personal loans, loan against property, gold loans, lease rent discounting, credit/travel cards *etc*. on our platform. Strategically, these initiatives are notable in our journey to transform ICICI Securities into a broader digital marketplace.

We also reorganised our wealth management business to specifically cater to the HNI/UHNI (High/Ultra High Network Individuals) clients with a dedicated wealth management team. The focus is to service our 32,000+ clients holistically on their overall wealth portfolio.

With the intention of enhancing client experience, engaging clients digitally and offering simple clutter-free product and solutions, we launched One-Click investment products, comprising baskets of research-advised mutual funds, Exchange Traded Funds, and individual stocks. We also worked with our principals to launch intuitive product combinations such as 'SIP Protect', combining MF (Mutual Fund), SIP (Systematic Investment Plan) investments with free insurance cover. These products enable simple, disciplined investing to our clients in a simple, clutter-free format.

With the combined set of initiatives, we have been able to enhance the total number of revenue giving clients (active clients) by 16% and within that, increase in revenue giving clients in equity business (NSE Active clients) by 27%; diversify our revenue sources, grow the market share both in terms of NSE (National Stock Exchange) active clients and equity volumes, and demonstrate growth in equity business revenues.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Our consolidated revenues were ₹ 17,249 million, while PAT (Profit After Tax) grew by 10% to ₹ 5,420 million. While the revenue remained broadly flat for the full year, it grew by 13% in the last quarter of the fiscal led by over 32% growth in equity and allied business as above-mentioned strategy started playing out.

We were able to diversify and granularise our revenue sources in all businesses. In the retail equity business, non-brokerage revenue, comprising interest income, subscription annual fees etc., contributed 14% to overall revenue in Q4FY2020 up from 9% in Q4FY2019. In distribution business, while mutual fund distribution revenues declined as a result of regulatory changes pertaining to TER (Total Expense Ratio), we were able to grow non MF (Mutual Fund) revenues by 13% (Q4FY2020 vs. Q4FY2019) led by fixed income, life insurance distribution revenues.

> We believe that our strategy of broad-basing our business model is more relevant now than ever and we would continue to focus on all five elements of our strategy with renewed intensity.

Similarly, in the institutional equities business, increased revenues from block deals enhanced our market shares in equity as well as futures segments. In the Issuer Services and Advisory business, revenue contribution from non-IPO (Initial Public Offerings) deals increased in a year which was tepid for IPOs.

Our focus on operating efficiencies have helped us reduce non-finance costs by 3%. In fact, accounting for two one-off impacts in FY2020, the like-to-like non-finance expenses reduced by 6.5%.

The full year Return on Equity stood at a robust 48%. The Board has proposed a final dividend of ₹ 6.75 per share. With this, the dividend for full year stands at ₹ 11 per share which translates into 65% of Profit after Tax for the year as payout ratio, in line with our philosophy of being asset-light and high shareholder return Company.

DEALING WITH COVID-19

In the current fiscal, COVID-19 outbreak impacted in the last few days of March which tested the resilience of business models across industries. For our Company, the challenges emanated from a strict lockdown regime coupled with unprecedented spike in volatility as well as transaction volumes on our platform. The resilience of our business model and our capabilities, on which we have invested over the years, got tested and I am happy to report that we came out stronger and resilient.

ICICI Securities, being linked to the capital markets, comes under essential services and has been in operation consistently during the lockdown period. Our predominantly digital business model, with 97% of equity transactions and 94% of MF transactions conducted online by clients themselves, held us in good stead.

Our digital capabilities ensured that the platform was available for our customers at all times and was able to handle the unprecedented spike in volumes reaching 3.2 million orders plus trades per day, against earlier peak of 2 million, and over 64,000 concurrent customers being served, compared to average of 23,000, and earlier peak of 48,000. Our proactive and real-time risk management framework ensured that we dealt with market volatility satisfactorily.

We enabled our teams to work-from-home and took steps to make our workplace safer. Our business continuity protocols and technological capabilities ensured minimalistic onsite presence.

The Company also played its role as a corporate citizen to mitigate the impact of COVID-19 on the community. Apart from contributing ₹ 100 million towards PM CARES Fund, and distributing personal protective equipment, we also tied up with IIT Kanpur towards development of affordable ventilators.

OUTLOOK AND KEY PRIORITIES

The near term and the medium-term outlook at a macro-economic level, for capital markets as well as for our industry would be very strongly influenced by the outcomes pertaining to the COVID-19 pandemic and the manner and duration of recovery.

The post COVID-19 world is going to be different. During this outbreak, we have witnessed new ways of operating. Consumers are embracing digitisation at scales nobody has visualised before. Now that we have seen its benefits, we will be focussed on making this business as usual.

We believe that our strategy of broad-basing our business model is more relevant now than ever and we would continue to focus on all five elements of our strategy with renewed intensity. In addition, we would put enhanced focus on accelerating digitalisation across all levels to make as many products and services available online as possible.

In an uncertain and challenging environment that we are likely to face in the immediate term, operating leverage becomes extremely critical and cost efficiency would be the second area of enhanced focus. Using technology, we are evaluating the opportunity to bring down the need of physical processes and infrastructure *etc*.

We will continue to invest in cutting-edge technologies to remain in the forefront. Our technology infrastructure and digital capabilities are a key differentiator in helping us compete in the emerging environment. It is our intention to deepen our technological edge by investing in advanced capabilities. Key focus areas are on building advanced data analytics capabilities and infrastructure implementing best-in-class CRM (customer relationship management) tools, enhancing cyber security, and improving user interface for enhanced customer experience.

We feel that the current time is an opportunity to help us in transforming the Company by infusing high quality talent with contemporary skills into our existing talent pool.

IN CONCLUSION

The outlook of the financial securities industry appears challenging in the immediate short term on the macro-economic front as the time taken for and manner of a full macro-economic recovery cannot be precisely estimated. However, given the liquidity scenario prevailing globally, capital markets may not get impacted to the extent of underlying fundamentals of the economy. As a proactive Company, we are undertaking every possible measure to remain ahead of the curve.

We believe our business construct has inherent strengths like having low balance sheet risk from credit risk perspective, no physical inventory, low receivables risk, digital delivery of products and services, high RoE, and a strong liquidity position. In the current environment, investors are looking at sound advice, trusted partner, and a reliable platform, and we feel ICICI Securities scores high on all these. Our approach is to build lifetime associations with our clients and thereby maximise the lifetime value for us. Our inherent strengths coupled with tailwinds of massive under penetration in our products and services, growing affluence and changing consumer preference towards trusted partners, and digital manner of engagement present a very exciting opportunity for us.

I once again thank all our stakeholders for their unstinted support. Your trust and confidence in us have helped us build a remarkable organisation, whose future has never been more promising.

Yours sincerely,

Vijay Chandok
Managing Director & Chief Executive Officer

A Journey Inspired By You

Our five-year highlights show our progress on several key business metrics. Beyond the numbers, these are indicators of how we have grown along with you, inspired by our common goal of servicing all your financial needs.

OPERATIONAL CLIENTS (In Mn)

CAGR

11%

ACTIVE CLIENTS OVERALL (ALL PRODUCTS) (In Mn)

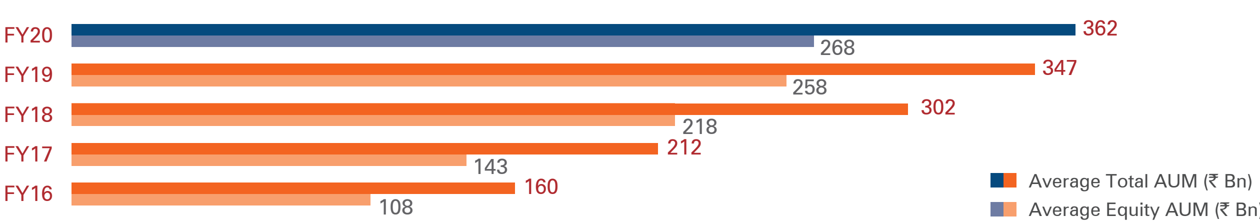
CAGR

16%

EQUITY MARKET SHARE (%)

MF REVENUE MARKET SHARE (%)

MUTUAL FUND AUM (In ₹ Bn)



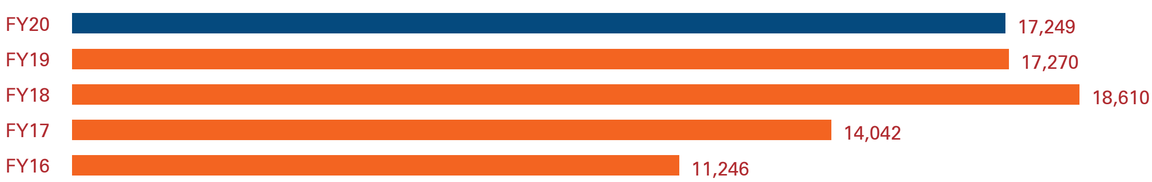
TOTAL ASSETS* (In ₹ Tn)

** Assets of our clients including equity demat assets maintained with ICICI Bank and excluding promoter holdings.*

REVENUE GROWTH (In ₹ Mn)

CAGR

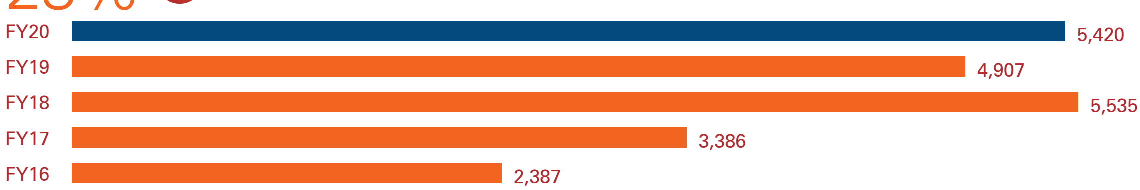
11%



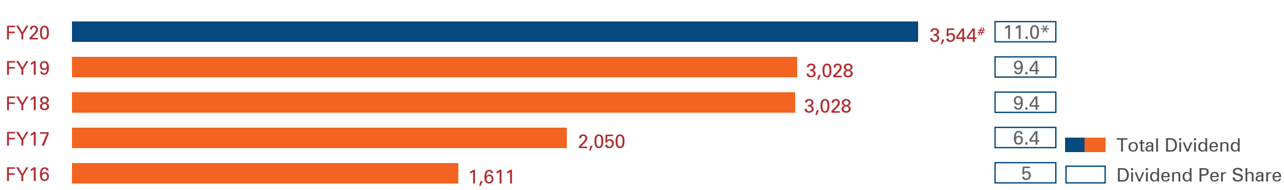
PAT (In ₹ Mn)

CAGR

23%



TOTAL DIVIDEND (In ₹ Mn) AND DIVIDEND PER SHARE (In ₹)



** including interim dividend of ₹ 4.25 and proposed final dividend of ₹ 6.75 per share*
 # after final dividend payout

Creating Value for You

Our intensely customer-centric business model is designed to maximise value creation for all stakeholders while effectively responding to the dynamic and competitive macro-economic environment. We responsibly manage our resources to deliver the best possible outcomes.

INPUT

Financial Capital

Total equity	₹ 12,095 Mn
Outstanding debt securities	₹ 14,975.3 Mn

Manufactured Capital

Capex on infrastructure in FY2020	₹ 116 Mn
No. of call centre facilities	2
No. of call centre executives (monthly average)	120

Intellectual Capital

Capex on technology infrastructure in FY2020	₹ 76 Mn
Specialised Resources	
- Research analysts	
- Retail research team	42
- Institutional research team	37
- Investment banking team	60+
Mutual Funds schemes available for distribution	2,600+

Human Capital

Talented employees	3,790
Training and development	96,687 hours*
Percentage of employees below 30 years	47%
Percentage of employee coverage under training	94%
Gender diversity (Male : Female)	77:23

Social and Relationship Capital

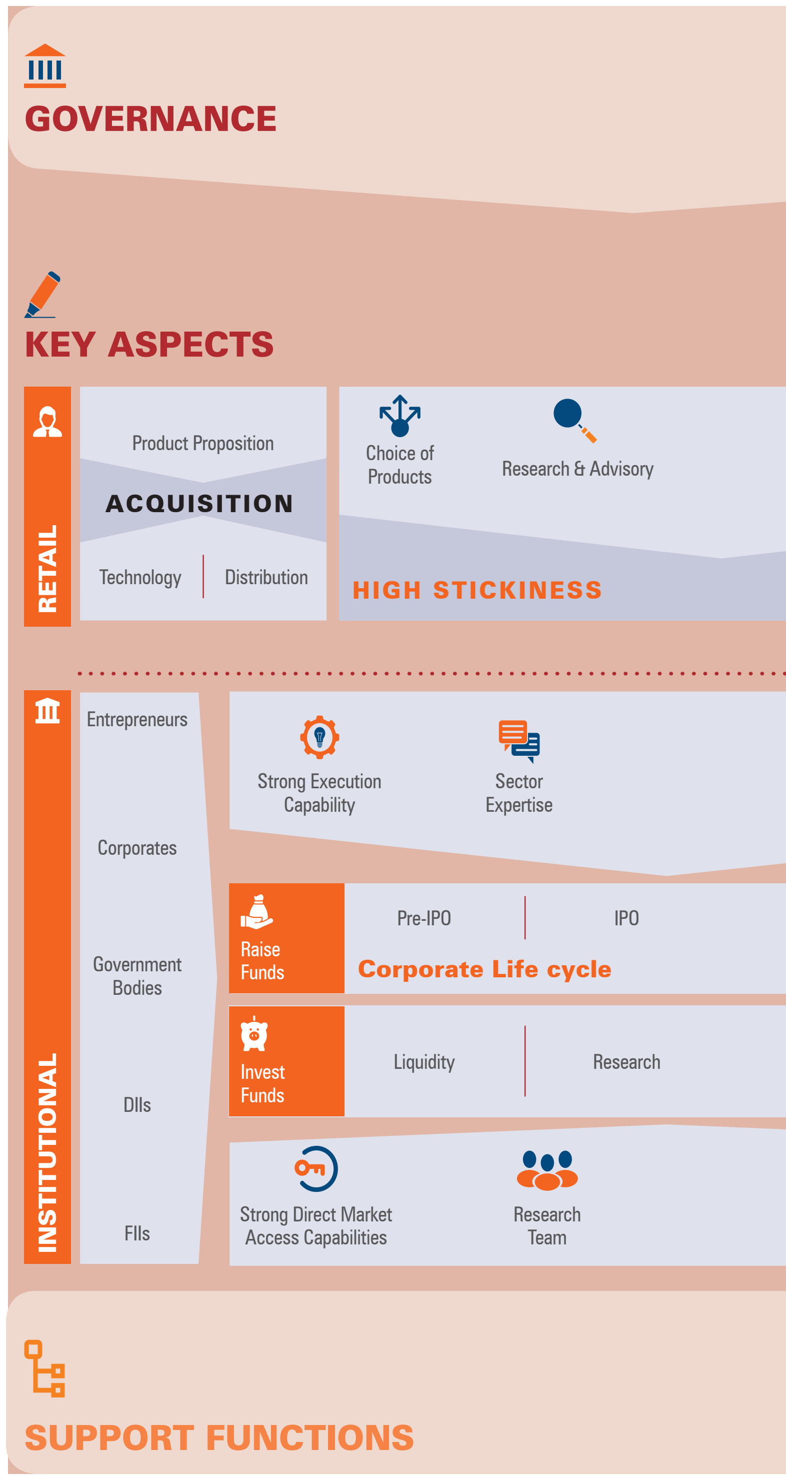
Spent on CSR initiatives	₹ 144.4 Mn
• Directly	₹ 35.3 Mn
• ICICI Foundation for Inclusive Growth	₹ 109.1 Mn
Retail client base	4.8 Mn
Active clients	1.48 Mn
Sub-brokers, Authorised persons, IFAs and IAs	9,400+

Natural Capital

Key resources used	Water, Electricity, Land

** Aggregate number of training hours (does not include man hours invested on mandatory certifications done by employees. This number for FY2020 was 81,534 hours)*

BUSINESS MODEL SHOWING PRINCIPAL ACTIVITIES



Numbers pertain to FY2020

Vision, Mission, Code of Conduct, and Policy Framework Governance Structure

Stakeholder Engagement, Risks and Opportunities, Digital Infrastructure and Data Analytics, Knowledge Bank and Research Prowess, Strategy and Resource Allocation, Performance, Outlook

Trust

Customer Insights & Advanced Analytics

ENGAGEMENT

Research

Advisory & Deal Mentorship

Post-IPO

Corporate Access

Long-lasting Relationship

Equity Franchise of the ICICI Group

Human Resources, Finance and Accounts, Compliance, IT, Customer Service, Legal, Risk, Secretarial, Research, Facilities Management, Corporate Communications, Marketing, CSR

OUTCOME

No. of Customers added

0.39 Mn

Growth in active clients

16%

Average daily turnover

₹ 764 Bn

Equity market share

8.7%

Total Assets

₹ 2.1 Tn

Mutual Fund average Assets Under Management

₹ 362 Bn

Mutual Fund Revenue market share

4.5%

Investment Banking deals

30

OUTPUT

Financial Capital

Revenue	
- Retail Equity and Allied	₹ 9,354 Mn
- Institutional Broking	₹ 1,289 Mn
- Distribution	₹ 4,229 Mn
- Issuer Services and Advisory#	₹ 764 Mn
PAT	₹ 5,420 Mn
EPS	₹ 16.83/share
Dividend	₹ 11/share*
RoE	48%
Cost to Income ratio	56%
Credit Rating	CRISIL & ICRA – Short-Term: A1+; Long-Term: AAA/Stable
Total Assets	₹ 44,428.2 Mn

**including interim dividend of ₹ 4.25 and proposed final dividend of ₹ 6.75 per share*
 # Referred to as Advisory in our financial statements segments and as Corporate Finance business in our earlier annual reports.

Manufactured Capital

Branches	172
Cities	70
ICICI Bank branches presence	4,500+
Peak orders processed	3.2 Mn orders + Trades
Response time	32 ms

Intellectual Capital

New products and product enhancements	~400
Retail broking research coverage	307 companies
Institutional broking research coverage	282 companies
Research reports published	4,500+
Retail research strike rate	~70%

Human Capital

Revenue generated per employee	₹ 4.6 Mn
Total employees with 5 years & more vintage with ICICI Group	29%
Senior Management with more than 5 years of vintage in the Company (Including with ICICI Group)	78%

Social and Relationship Capital

Contribution to the Exchequer	₹ 5,066.3 Mn
ICICI Foundation for Inclusive Growth	Contributed to ICICI Foundation's activities in skill development and rural livelihood generation. The efforts of the Foundation impacted ~0.12 mn lives in FY2020.
Women empowerment	Siddhika and Hameri. Under Mission Siddhika, 261 women have cleared NISM's Series V-A Mutual Fund Distributor Exam. Have partnered with WWF for their Hameri programme, which is a women empowerment initiative through livelihood generation, in Uttarakhand.
Senior citizen welfare	Building a model senior citizen community centre at Gurdaspur, Punjab. 1,389 cataract surgeries for BPL senior citizens carried out
COVID -19 care initiatives	Contributed ₹ 100 million towards the PM CARES fund. Distributed personal protective equipment for frontline corona warriors. Tied-up with IIT Kanpur for development of affordable ventilators.
Fintech startup Incubation (in association with IIM B) for creation of jobs and economic growth	Programme launched January 2020. By March 2021, ten selected startups would receive seed funding
"iCaniWill" (will awareness)	0.2 million people reached
Percentage of complaints to total transactions	0.02%
Clients active for >14 years	37%

Natural Capital

Mutual fund transactions performed online	94%
Equity transactions performed online	97%
Digital contract notes and digital invoices raised	96+%
Reduction in paper consumption (YoY)	54%
Reduction in air travel (YoY)	37%
Solar power generated	34,832 units
Reduction of energy consumption (YoY)	4,20,000 +units

A Sustainable Future for You

Our strategy is to serve the lifecycle needs of customers across protection, investment, and borrowing through a digital and open architecture format. The key priority is to strengthen the core of our business and build a strong and sustainable foundation through five main elements.

Strategic Focus

Strengthening the core and laying the foundation for the future

Strategic Element (SE) 1

Ramping up scale and value by augmenting and aligning growth engines

Strategic Element (SE) 2

Monetising client value

Strategic Element (SE) 3

Improving customer experience

Strategic Element (SE) 4

Robust technology and digital agility

Strategic Element (SE) 5

Operating leverage through cost efficiency

Strategic value drivers

Client focus

We provide superior experiences to customers through product and technology innovation.

Extensive reach

We have a robust reach through online channel, supported by pan-India distribution.

Knowledge

We have deep understanding of capital markets and financial needs of customers across profiles, products, and services. This is backed by decades of accumulated knowledge covering macro-economy and diverse sectors.

Expert team

We have a robust research team, relationship managers and product specialists.

Digital edge

We have implemented digital solutions across business value chain for higher operational efficiency. We are also using advanced technologies like analytics to provide customised solutions, open API architecture to support fintech partnership and AI chatbots for instant customer assistance.

STRATEGIC ELEMENTS: UPDATE

SE 1 Ramping up scale and value by augmenting and aligning growth engines
(diversifying client sourcing)

INITIATIVES

Bank win-win partnership

- Entered into unique arrangements with ICICI Bank to facilitate higher activation rate and improve the quality of customers, acquiring from more affluent and relevant segments
- Targeting NRI customers by sharing digital leads with overseas branches of banks and leveraging 20-minute tab-based instant account opening process for pre-existing bank customers

Digital onboarding

- Re-engineering the entire onboarding process with digital technology to make it seamless and deliver superior experience
- Focus on refining process to make 20-minute onboarding process open architecture
- Launch of completely digital Insta Idirect accounts. This allows clients to open accounts without any need for physical meeting and also give Power of Attorney digitally to immediately start transacting

Business partners

- Partner sub-brokers, IFAs and APs, especially in Tier II and Tier III cities, to increase market penetration cost-effectively
- Offering digital B2B2C proposition, which facilitates clients to onboard partner system and partners on our system
- Entered into an arrangement with SEBI-registered ecosystem players who are investment advisors (IA) for sourcing clients

RESULT

- NSE active client share up 40 bps to 10% in FY2020
- Blended equity market share up 100 bps to 8.7% in FY2020
- Activation rate of 58% for clients sourced through ICICI Bank, up from 32% in FY2019
- Over 0.31 million Prime subscriptions, giving annuity revenues of ₹ 196 million
- Monthly run rate of tab-based instant account opening (T20) touched 11,500. More than 6,000 Insta Idirect accounts opened in ~40 days
- Number of clients acquired through the business partner network is up 43% YoY

SE 2 Monetising client value *(Building non-cyclical revenue stream)*

INITIATIVES

Strengthening wealth management franchise
- Proprietary Portfolio Management Service for HNI and private banking wealth clients as a comprehensive proposition, including curated offering

Margin trading facility and ESOP
- MTF has been extended on NSE. Offering 365-day margin financing product
- Leveraging ESOP funding to build high-quality client sourcing and enhancing revenue stream

Expanding insurance portfolio
- Ramping up digital distribution of health insurance and enhancing product choice and options

Focus on loans as a new asset class
- Initiated offering real-time digital personal loans, auto and home loan topups and credit card through ICICI Bank for customers' borrowing needs. This will help build a non cyclical revenue stream and mark our presence across financial planning value chain
- Open architecture in home loans
- Physical distribution of Home Loans and LAS

RESULT

- Built a strong private wealth practice, servicing over 32,000 clients across 21 cities with AUM of ₹ 0.83 trillion
- Launched proprietary Portfolio Management Service product, which has already reached an AUM size of ₹ 1.1 billion
- MTF & ESOP book size as at March 31, 2020 was ₹ 5.8 billion compared to ₹ 4.6 billion as at March 31, 2019
- Added 39 new corporates for ESOP funding in FY2020
- Religare and Star Health and ICICI Lombard have been added as partners
- Over 0.9 million ICICI Securities customers are pre-approved and credit cleared to avail of personal loan without any documentation

SE 3 Improving customer experience
(Enhancing engagement for client retention and penetration)

INITIATIVES

Focus on deepening relationships to enhance life-time value, increasing cross sell ratio, winning back clients who have stopped trading and activating clients by
- Identifying transaction behaviour and using inputs to target clients for better quality acquisition and to enhance engagement
- Making product experience unique to the cluster of usage
- Personalising information within the clusters
- Offering smart execution tools for research and trading strategies
- Increasing penetration of Prime

RESULT

- Formed 400+ product combinations, top 23 identified for personalisation
- Launched unique products like eATM and Option pricing plan (Option 20)
- Launched smart execution tools like One click Investments, ETF Intelligent Portfolios, seamless execution for clients buying advisory services from advisory partners and trading strategy formulation tool for derivatives
- Ring-fenced 0.43 million customers, 40% of NSE Active

SE 4 Robust technology and digital agility

INITIATIVES

Robust technology platform

- Built a secure, stable and fast system
- Established framework for managing customer privacy and information security
- 3-tier recovery system and strong business continuity processes

Digital agility

- Launched API architecture to expedite integration with diverse fintech players and other such partners
- Actively working with various fintechs to identify winning solutions for customers
- Technology transformation – building a big data stack using advanced analytics platform and tools, and infusing new skills in the field of data sciences, Artificial Intelligence and Big Data
- Built a new web interface and also working on re-engineering mobile app with new UI/UX in line with customer behaviour

RESULT

- ICICIdirect has proved its mettle during the lockdown by successfully serving an unprecedented number of concurrent users with very high trading volumes. In March 2020, the platform ensured unrestricted services, even with volumes touching unprecedented peaks of 3.2 million orders plus trades per day, up from earlier peak of 2 million. It successfully served over 64,000 concurrent customers, compared to the average 23,000, and earlier peak of 48,000 users
- Launched completely digitalised account opening
- Multiple digital initiatives, such as automated portfolio evaluation, insurance comparison tools, chatbots *etc.* were launched

SE 5 Operating leverage through cost efficiency

INITIATIVES

- Re-evaluated branch infrastructure cost based on productivity, area efficiency and rentals
- Centralised certain verticals to optimise infrastructure and manpower cost
- Process re-engineering to optimise acquisition-related cost
- Harnessing synergies within teams and business groups to optimise manpower
- Migrating to digital/low touch coverage models

RESULT

172 branches as on March 31, 2020, against 199 as on March 31, 2019

Decline in non-finance cost by 3% in FY2020 due to focus on cost optimisation

Building Relationships with You

We engage proactively and vigorously with our stakeholders, ever keen to understand and respond to their concerns and expectations. This helps us build lasting relationships based on transparency and mutually beneficial decisions.

STAKEHOLDER ENGAGEMENT FRAMEWORK

Our stakeholder engagement framework is aligned with our corporate strategy. As a business and responsible corporate citizen, it is our constant endeavour to understand our stakeholders' needs and expectations so that we can enjoy a symbiotic relationship.

Stakeholder category, their importance and expectation	Engagement method	ICICI Securities response
SHAREHOLDERS AND INVESTORS They provide us with funds and expect long-term, sustainable returns through a clear strategy, strong governance, and full access to the required Company data.	• Quarterly results • Investor presentations • Annual Report • Annual General Meeting • Investor/analysts calls and meet • Media releases • Website	• Robust business strategy in place to support efficient and sustainable scaling of operations • Strong leadership
GOVERNMENT AND REGULATORY BODIES They develop legislation and policies that have a bearing on our business, provide sanctions and clearances, and have the ability to revoke a licence. They expect us to comply with statutory and legal guidelines and contribute to national development.	• Meetings • Written communications • Presentations • Industry associations	• Timely contribution to exchequer • Strict adherence to laws for a thriving society and sustainable capital market practices • Ethical business practices • Participation in industry bodies and forums to contribute to policy formation and table discussions relevant to business environment and industry • Provide feedback to regulator on various business operating aspects
BUSINESS PARTNERS AND VENDORS They support us and help grow our operations and strengthen our market reputation. They expect us to fulfil contractual obligations, ensure ease of doing business, long-term business sustainability, and transparent practices.	• Channel partner meets, workshops, conferences and forums • One-to-one meetings • Telephonic and email communication • Channel partner management portal and app	• Adherence with obligations • Maintaining good long-term relationships • Supporting with digital tools, advanced technologies and training • Regular business with opportunity to grow

Stakeholder category, their importance and expectation	Engagement method	ICICI Securities response
EMPLOYEES Their skills, knowledge and commitment drive our continued success. They expect fair reward and recognition, job security, and career development opportunities and enabling work environment.	• Senior leaders' communication/talk • Town hall briefings • Review meetings • HR newsletter and portal • Workshops, learning and training interventions • Engagement, wellness initiatives and off-sites • Surveys	• Training, development and mentoring • Communicating organisation strategy and key focus areas with all employees • Technology skilling • Performance linked rewards. • Grievance redressal system • Reward and Recognition programmes • Employee engagement activities
COMMUNITIES They give us the social licence to operate and expect us to undertake developmental and welfare initiatives, generating employment opportunities.	• Community projects • Workshops and campaigns • Partners • Social media	• Financial contribution • Driving economic and social transformation through business activities • Project-specific partnership with recognised NGOs • Environment sustainability initiatives
CUSTOMERS They are central to our business success. They expect superior experience, competitive pricing, innovative products and services, and robust advice from us to grow their wealth.	• Multi-modal distribution network and engagement (email, SMS, app, calls, chatbot, postal communication, call centre, digital platform, website) channels • Customer satisfaction measurement and relationship management • Media campaigns, advertising, road / reverse road shows • Special engagement services for senior citizens and women • Dedicated RMs • iCommunity engagement platform for investment community	• Sustained investments in new and advanced technologies • Systematic upgrade of customer care centres for better service • Wide and innovative range of products and services • Employing knowledgeable staff

We Endeavour for Your Delight

Our business continuity, market reputation, and success depend on delighting our customers, and they are at the centre of everything we do. Using insight and tech-led innovation, we develop unique offerings and services for a superior customer experience.

KEY INITIATIVES TO MAXIMISE CUSTOMER VALUE

Multi-modal service architecture

Different customer segments have different requirements on knowledge, research, and tools to help them take a trading or an investment decision. Based on this, we have built a multi-modal architecture comprising online model for emerging affluent customers and online-plus-relationship model for the mass affluent and affluent, the wealth and private customer segments.

Developing relevant new products

We continually evolve our customer proposition, designing products relevant to each micro-segment of target clients, leveraging deep understanding of client behaviour and preferences. Some of the key products launched during FY2020 are:

- **ICICIdirect Prime:** A subscription-based offering, this is a package of exclusive research, reasonable pricing, and best-in-class liquidity, with a unique proposition of transferring funds to a client's account within 30 minutes. It is targeted at sourcing higher quality clients, activating dormant customers, and adding annuity revenue to the equity business lines.

- **Option 20 (pilot):** A new derivative pricing plan to attract Options traders, who form the majority of the F&O market.

- **One Click Investment Plan:** Targeted at increasing engagement with MF clients, this product offers an easy and automated method of allocating a pre-defined amount periodically into a curated basket of research-recommended MFs. We offer 25 curated baskets, offering a variety of investment options ranging from equity to debt to hybrid, both for lumpsum and SIP purchase.

- **ETF-Intelligent Portfolios (EIP):** This product is designed to provide advisory-based capabilities. It offers the facility of investing in a multi-asset basket of low-cost ETFs, based on clients' risk profile. The investments are monitored daily and allocations are adjusted based on market conditions. Customers can invest across different asset classes in a single click. The portfolio has no brokerage fee on the buy and rebalance transactions.

- **SIP Protect:** It provides investors with free life insurance cover up to 120x of their SIP investments with 70 Mutual Fund schemes.

CONTINUITY OF SERVICE AND ENGAGEMENT DURING COVID-19

During a crisis, it is of utmost importance to be readily available to customers to address their concerns, provide the right advice, and help them take necessary actions on their portfolio. Our Company, supported by the technology team and our robust digital infrastructure, ensured unrestricted service. Also, we created a safe work environment for our client-interfacing employees. In March 2020, when the markets were extremely volatile, with panic over the COVID-19 contagion spreading fast, our ICICIdirect platform functioned in an uninterrupted manner, even with volumes touching unprecedented peaks of 3.2 million orders plus trades per day, up from the earlier peak of 2 million. During the period, the platform successfully served over 64,000 concurrent customers, compared to the average 23,000, and earlier peak of 48,000 users.

Optimising Business Partner Performance

Our business partners are essential value chain enabling us to widen our reach, better serve customers and strengthen our market position. We strive to build mutually-beneficial sustainable relationships with them, while empowering them with our expertise and technology.

KEY PRIORITIES FOR FY2020

In order to increase our reach, we continued on our mission to add more Business Partners to our network. During the year, our partner network, comprising sub brokers, Independent Financial Associates and Independent Associates, rose by ~32%, expanding our reach to 800 cities and towns in the country.

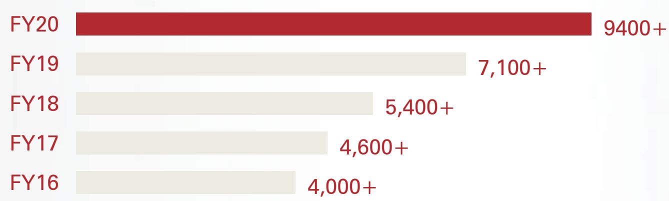
Another priority area was training, which has led to higher end-customer engagement. As we launched more products and services, we made sure that our partners were adequately trained and equipped with all tools to take these to the market.

INITIATIVES TO UPGRADE BUSINESS PARTNER PERFORMANCE

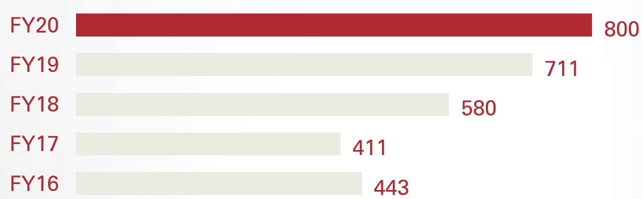
1. **App launched:** We launched a dedicated mobile app for our Business Partners, primarily independent financial associates (IFAs) and authorised persons (APs), to help them serve customers efficiently and on the go. Its unique 'Push Transaction' feature allows them to prefill a digital form for a Mutual Fund transaction which is then 'pushed' to customers' app and gets executed after their approval. The app also features a powerful dashboard. It also allows Business Partners to inform customers about market trends and investment opportunities, thereby perpetuating the relationship with customers and bringing us more business.

2. **Launch of partner portal:** A new, upgraded version of our partners' portal has been launched to help them enhance their business. The portal comes with an intuitive and user-friendly interface, and multiple business trackers. The dashboard includes key business enablers like client acquisition, activation, AUM, and product-wise transaction summary. Our Business Partners get proactively notified with the latest updates, promotions, payouts, and customer activation drives across products. They can also get queries resolved through the Business Partners Forum on the portal.

PARTNER COUNT



PARTNER SPREAD (cities and towns covered)



PARTNER VOICE

The wide range of products offered to me by ICICI Securities has enabled me to give nothing but the best to my customers! Through ICICI Securities, I can successfully cater to the ever-evolving financial needs of my clients and help them achieve their goals.

Mr. Krishna Kumar Agarwal
Channel Partner, Patna, Bihar

The transparent model with which ICICI Securities operates has increased my customers' faith in me. I don't think there could have been a better way than this to start a business without huge investments.

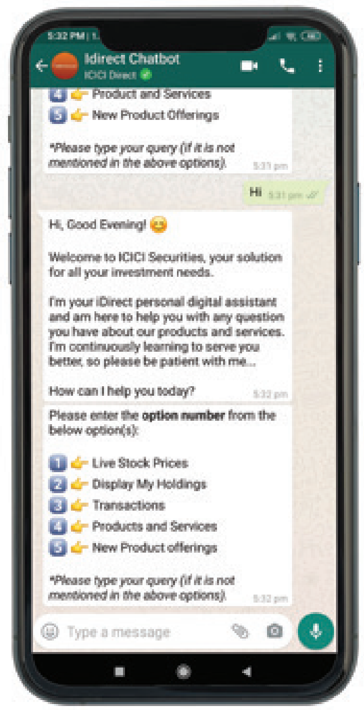
Mr. Anil Tiwary
Channel Partner, Singrauli, Madhya Pradesh

I wanted to foray into a knowledge-based industry, with complete transparency of payments and services with my franchisor. ICICI Securities offered just such a platform, which is why I signed on, seeing the long-term potential. Within the first few months, I acquired more than 500 customers. The automated risk management system and a scalable platform ensured that I faced no customer-servicing issues, even as my business grew exponentially. ICICI Securities has always been the trendsetter in adding new products like FDs and Home Loans, which helps us offer different products to different customers, based on their need, risk profile, and financial objective, thus helping us expand our network.

Mr. R. P. Trehan
Authorised Person, Chandigarh

Your Innovative Digital Universe

ICICI Securities pioneered online trading in India more than 20 years ago, with the launch of icicidirect.com. Since then, our Company has been at the forefront of innovation, launching pioneering products and services.



IN SPITE OF BEING A PIONEER IN THE DIGITAL SPACE, OUR TECHNOLOGICAL BACKBONE IS NEXT-GEN AND FUTURE-READY.

The preparedness and convenience of our digital platform were tested and proven when the nationwide lockdown forced everyone indoors from March 25, 2020, during which time most financial transactions got limited to the digital space. There was a huge surge in volumes on icicidirect.com, and the platform handled it very smoothly, without any disruption. During the period, volumes touched unprecedented peaks of 3.2 million orders plus trades per day, up from earlier peak of 2 million. The platform successfully served over 64,000 concurrent customers, compared to average 23,000, and earlier peak of 48,000 users.

Even when it came to enabling our employees to work from home during the lockdown, our digital infrastructure proved to be excellent. Our Company seamlessly transformed itself to remotely provide unrestricted services to customers, while maintaining customer privacy and information security.

Our digital initiatives are designed to empower customers with all the tools to fulfil their lifetime financial requirements, covering investments, protection, and loans. Customer acquisition, onboarding, and servicing can all be done online. Our philosophy is ‘Build, Buy, or Ally’ to bring the best digital experience for our customers. What we cannot build ourselves, will either buy from the market, or partner with an existing service provider to make it available for our customers.

KEY DIGITAL INITIATIVES LAUNCHED

During the year, we embarked on our journey to become open architecture in digital capabilities. We launched an API architecture to help us quickly integrate with a diverse set of fintech players and other partners. We evaluated more than 90 projects with many in different stages of development. Some of our key initiatives are:

Client onboarding process has been made completely digital

Complete online ESOP funding and repayment tools

Added chatbot and WhatsApp as client servicing options to provide 24/7 instant assistance using Artificial Intelligence

Launched Automated Integrated Portfolio Evaluation, which provides a consolidated view of a client's portfolio, with risk behaviour and advisory

Launched One Click Investment Plan, a simplified research-based portfolio of MFs, ETFs, and stocks

MR. YAGNESH PARIKH

Chief Technology & Digital Officer, ICICI Securities

We were the early adopter of "digital transformation" two decades ago, when the term was not even coined. Having said that, we are now focussing on current trends of digital transformation with Reimagined Customer Interface, Digital Analytics, Digital Acquisition, Innovation, and open API-based trading. We continue to invest in innovative products and in our state-of-the-art platform to leverage emerging technologies for an improved and safer investment experience.

Empowering Our People

Our culture and human capital are the key factors instrumental in our success.

CULTURE: THE DIFFERENTIATOR

We enjoy a mutually valuable relationship with our employees. This relationship is characterised by the investment the Company makes towards providing challenging roles and assignments, opportunities for personal growth, relevant and timely performance support, training and an enabling environment. We have strived hard and succeeded in creating a workplace which co-holds achievement orientation and care for all its stakeholders.

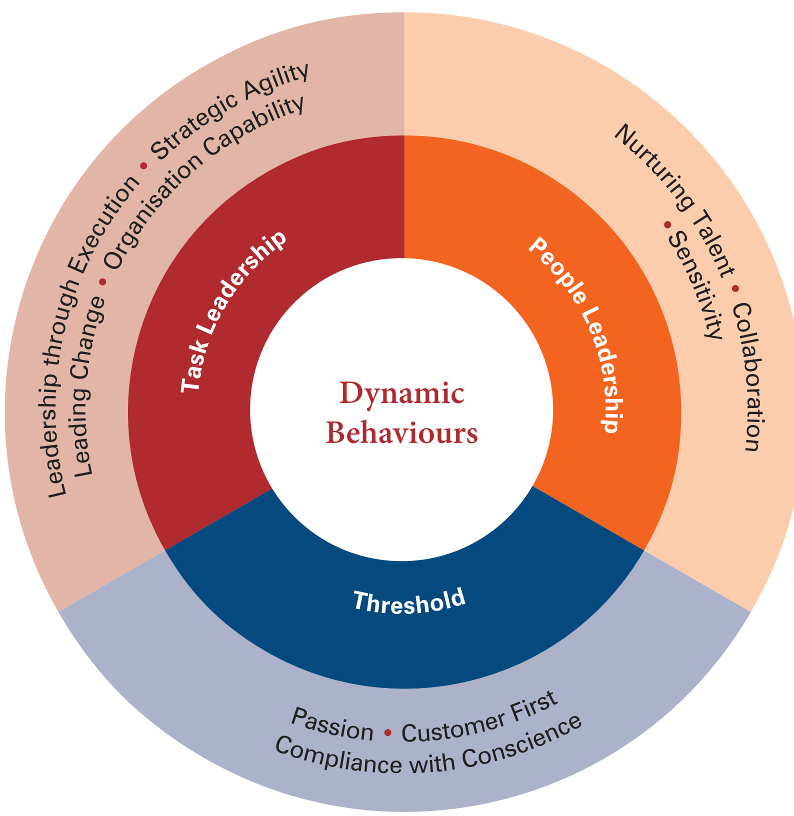
Our cultural ethos is built around leading change and innovation, continuous learning-unlearning and re-learning, taking end-to-end ownership and building trust. Constant innovation and challenging the status quo have been the key aspects of the Company's culture.

We encourage our employees to act like entrepreneurs and take calculated risks. The Company is known for its nimbleness and agility in reacting to changing market dynamics.

Our cultural ethos is embodied in our DNA Anchors (Leadership Competencies). There are a total of 10 DNA anchors which detail out expectation (in terms of leadership behaviours) from all employees. These DNA Anchors also articulate a set of behaviours called DYNAMIC behaviours which stand for Digital, Young, Nurturing, Agile, Mindful, Inclusive and Connected.

These leadership competencies form the bedrock for the robust leadership potential assessment and leadership development processes followed by the Company. These processes identify and groom leaders for the future and also enable succession planning for critical positions in the Company.

OUR DNAs - LEADERSHIP COMPETENCIES



Culturally, we have created an ecosystem around the DNA Anchors which employees are expected to demonstrate in all engagements. All our people policies and practices are designed around building a high performance culture right from hiring the right cultural fit, managing performance and succession planning.

We conduct regular townhalls, focus group interactions with employees to communicate the strategy, business outlook as well as address their concerns/queries. We host regular sessions for all employees through our virtual platform 'CEO Connect' through which our Managing Director & CEO along with other business heads, directly engage with all employees.

RETENTION OF KEY TALENT

We believe that our success and growth in brand reputation, business performance, and market positioning is due to the professionalism and domain expertise of our senior leadership team and their long association with the ICICI Group.

Our senior management team members (Senior Vice-President, Executive Vice-President and Executive Director) have an average total work experience of around 22 years. Around 66% of our senior leadership team has a vintage of 5 years or more with the Company and 78% of them has a vintage of 5 years or more in the ICICI Group.

PERFORMANCE MANAGEMENT

ICICI Securities is a caring meritocracy. We believe in nurturing talent by creating work enablers and providing employees with challenging and enriching jobs. All employees have a well-articulated goal sheet and key deliverables. In addition, distinguishing competencies which are critical for organisational success are also articulated. Performance assessment is carried out against key deliverables with linkage to rewards. Progress is regularly monitored and feedback is provided in addition to any support required in the form of functional/behavioural training.

We conduct our performance management process in a transparent and a fair manner. Post the annual process, our leadership team conducts townhall to discuss the annual performance (and key highlights) of the Company for the year, and its impact on compensation and other people related processes.

We regularly conduct various rewards and recognition programmes for our front line/customer facing teams.

CAPABILITY BUILDING

We invest in building the skills and capabilities of it's employees. Capability development is achieved through four broad formats of classroom, e-learning, on-the-job and project-based learnings. Some of the development programmes/initiatives that we use successfully to build sustained learning are:

100 days assimilation programmes

In addition to hiring laterally, we are a large recruiter (amongst broking companies) on management and graduate campuses. A step by step assimilation programmes has been implemented for all such frontline campus hires to induct them into the ICICI Securities way of relationship management. The initiative starts with pre-joining engagements comprising introduction to essential domain knowledge, mandatory certifications and experience sharing by business leaders. It is followed with a 6-day extensive induction upon joining and a series of selling skills, behavioural and domain interventions spread over the first 100 days. In FY2020, 100% of our new hires in front line sales roles were covered under these programmes.

Blend is a product learning suite comprising a combination of classroom, e-learning and simulation based training on core products like equity, Mutual Funds and Insurance products distributed by the Company.

Winning Together is a perspective sharing platform for campus hires wherein they get to engage with the entire senior leadership team on their experience and transition journey from campus to being a professional. The platform also reinforces service orientation and investment planning for self. The outstanding campus hires are felicitated by the MD & CEO and other business leaders as part of Winning Together celebration.

Leadership Mentoring Programme (LMP) and perspective-sharing workshops for senior management and mid management teams to build ability to deal with "adaptive" leadership challenges.

Leadership Engagement Series

We had conducted leadership engagement series in FY2020 to provide a forum to senior and mid-management teams to gain insights from industry experts. Prominent Business leaders from the Industry were invited to share their perspective and give insights on their journey to success. Some of the topics covered in the Leadership Engagement series were 'Trading Mantra for Millennials', 'Success mantra of Micro finance business', and 'The power of long-term equity investing'. 95% employees amongst the mid to senior management level attended these sessions.

iLead was conducted for first-time managers in sales and advisory roles to orient them towards managing the self and team effectively. In FY2020, we covered 283 first-time managers in front line sales roles.

Reflection sessions were conducted for the Investment Banking team by internal subject matter experts as well as lawyers, and fund managers on business development, deal structuring and execution.

Learning and Development Initiatives:

Heading	FY2020	FY2019	FY2018
Total Training hours*	96,687	81,534	56,482
% of employees covered through various training initiatives	94%	88%	74%

**Aggregate number of training hours. This does not include man hours invested on mandatory certifications done by employees.*

HEALTH, SAFETY & WELLBEING

Employees' health and safety are of prime importance to the Company. We conduct periodic training like basic fire safety training and evacuation drills for floor marshals/ ERT (Emergency Response Team) and employees across all the large offices. Periodic fire evacuation drills and electrical and fire safety audits are also conducted

to sensitise employees about fire safety norms and regulations.

We also conduct comprehensive safety training for women employees, who are trained on situation reaction and self-defence, and are updated on legal provisions relevant to their safety. Educative content on Health, Safety & Environment (HSE), women's safety, and road safety are circulated periodically on the intranet platform on employee interface.

We have a policy on Prevention of Sexual Harassment (POSH) and a formal process for dealing with complaints of harassment or discrimination. The said policy is in line with the relevant Act passed by Parliament in 2013. The Company ensures that all such complaints are resolved within defined timelines. We conduct mandatory trainings for all employees at regular periodicity to create awareness about POSH. There is zero tolerance towards any such incidents; we aim to ensure a safe and healthy workplace for all employees irrespective of their gender, caste, religion, sexual orientation etc.

During the ongoing COVID-19 pandemic, our offices have been fumigated / disinfected regularly. Work from home (WFH) has been enabled for a large number of employees; only for critical processes, a limited staff has worked at offices following all the guidelines prescribed by the authorities. These guidelines included online declaration of health and fitness to be given on a daily basis; temperature checks at entry points, compulsory social distancing, wearing of masks, hand sanitiser stations, regular sanitisation of high-touch surfaces like table tops, mouse, keyboard, staircase railings, lift buttons etc.; re-arranging of canteen seats, assigning workstations in such a way that social distancing is observed even while working; providing pick-up and drop in sanitised vehicles, *etc*.

For the physical and mental wellbeing of our employees, we conduct various initiatives like Cycle On, an annual cycling tournament for employees with their families, Cricket and Table Tennis tournaments, Yoga and Zumba classes, tie-ups with various hospital networks across the country for assistance on regular health

check-ups, various health check-up campaigns *etc*. Health-related reading material is also published regularly on our intranet.

In order to recharge themselves and keep performing optimally, employees are encouraged to take at least a minimum number of annual leave days every year, including mandatory block leaves for employees in certain functions. Apart from maternity/adoption leaves, women employees have an additional option to take a sabbatical to take care of the newborn child.

We also provide paternity leave of five calendar days to our male employees. We have empanelled crèches across the country for providing crèche facilities to our women employees. Our employee friendly policies, including Work From Home (WFH) options, empower employees to manage their work and personal priorities.

Managing Risks Effectively

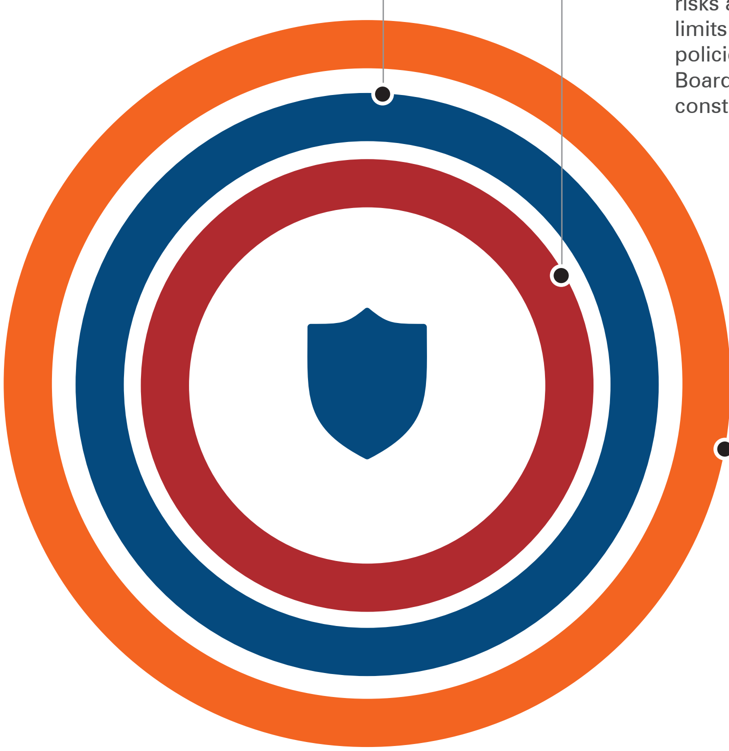
We are continually improving our prudent risk management framework and integrating efficient online and offline practices to mitigate identified and anticipated risks. This safeguards our business in critical times.

RISK MANAGEMENT FRAMEWORK

Our Board oversees the Risk Management Committee, frames and reviews risk management processes and controls.

We have a comprehensive system of risk management and internal controls, whose objective is to ensure that various risks are identified, measured, and mitigated, and also that policies, procedures and standards are established to address these risks.

Our risk management system features a 'three lines of defence' approach:



The first line of defence:

This comprises our operational departments, which assume primary responsibility for their own risks and operate within the limits stipulated in various policies approved by the Board or by committees constituted by the Board.

The second line of defence:

This comprises specialised departments such as risk management and compliance. They employ specialised methods to identify and assess risks faced by the operational departments, and provide these departments with specialised risk management tools and methods; facilitate and monitor the implementation of effective risk management practices; develop monitoring tools for risk management, internal control and compliance; report risk-related information; and promote the adoption of appropriate risk prevention measures.

The third line of defence:

This comprises the Internal Audit department and External Audit functions. They monitor and conduct periodic evaluations of the risk management, internal control and compliance activities to ensure the adequacy of risk controls and appropriate risk governance.

Top emerging risks

COVID-19 risk

The onset of COVID-19 in India triggered significant sell-off in the market and resulted in investors becoming wary of the future. At such times, risk management becomes extremely critical. Our proactive and real-time risk management, backed by the best available technology and prudent risk management framework helped us tide over the market volatility without any material impact. We entered into risk-mitigation mode in March 2020 and systematically reduced exposure to products like MTF and ESOP. We also took a cautious approach with respect to our offerings of margin-based products.

RIPUJIT CHAUDHURI

Head, Risk Management, ICICI Securities

The external environment has experienced rapid transformation in terms of the range of products and their modes of delivery. Additionally, the markets have seen unprecedented volatility in the recent past due to the onset of the COVID-19 pandemic. These conditions underline the need for a robust strategic framework for risk management to ensure sustainable value creation and value protection for you.

RISK AND MITIGATION

	RISK DESCRIPTION	MITIGATION
MARKET RISK	Risks arising from fluctuation in the value of financial instrument due to volatility in market variables such as stock prices, interest rates, currency rates, credit spreads and other asset prices. Being a financial services intermediary, our business is vulnerable to such risks, including that pertaining to our proprietary trading activities.	**Market risks relating to clients' transactions** Our products allow clients to take leveraged positions by placing requisite upfront margins with us, which may not be sufficient to cover the losses in case of extreme volatility. **Mitigation** • A robust Corporate Risk and Investment Policy that specifies risk management measures and controls to minimise the impact of possible financial loss • In our institutional broking business, we have set terminal and dealer level limits to mitigate the risk of erroneous order flows **Market Risk Management Related to Treasury Group Transactions** • The Corporate Risk and Investment Policy specifies various risk management limits and guidelines that govern transactions in financial instruments by the treasury group • Limit set for overall exposure – Value at risk limit, stress test limit *etc*.
CREDIT RISK	Risks arising due to investments in fixed income instruments as well as those arising out of receivables from our customers and clearing house of stock exchanges.	• Overall and counter-party level exposure limits for investments in fixed income instruments specified in Corporate Risk and Investment Policy • Receivables from clearing houses is low-risk because of low probability of them defaulting. Also, such receivables are short-term in nature related to securities settlement • Receivables from customers primarily comprise collateralised receivables relating to securities transactions and have low credit risk, because of the value of the collateral received and their short-term nature

	RISK DESCRIPTION	MITIGATION
LIQUIDITY RISK	Risk arising on account of our capital market-related business and trading and investment activities.	• Liquidity Risk Management Policy to guide our actions • Continual monitoring of asset-liability gaps across maturity buckets to assess the liquidity requirements
OPERATIONAL RISK	Inability to effectively manage operations and come up with effective products and services may lead to losses.	• Operational Risk Management Policy, Outsourcing Policy and Fraud Risk Management Policy to address the diverse types of operational risk • Approval of new products by Risk Management Committee / Product Committee and review of new processes / products by Product and Process Approval Committee • Periodic monitoring of the risk management, internal control, and compliance activities by the Internal Audit department
TECHNOLOGY RISK	Risks arising from growing competition from fintechs and non-discount brokers, evolving customer needs for technology-based servicing as well as the need to protect IT systems and processes from damage and cyber threats.	• Digital agility through API architecture to seamlessly on-board customers alongside making sustained investment in emerging technologies to deliver superior service • Investment in building a stable, secure, and reliable technology system • Information Technology risk management framework for safeguarding IT assets and data • Information Security Management Policy and Cyber Security and Cyber Resilience Policy for protecting the organisation's cyberspace against cyber-attacks, threats and vulnerabilities • Business Continuity Plan (BCP) in place for critical processes to address any service disruption, ensure operational continuity and limit losses

Into a Better, Greener World with You

The success of our business is incomplete until we can share the fruits with the community and conserve the environment that makes all business activity possible. These are the purposes served by our Corporate Social Responsibility programme.

SUSTAINABILITY VISION

The ICICI Securities sustainability philosophy is based on the belief that what's good for stakeholders is good for us. As a business that has always taken a long-term view, our actions target sustainable socio-economic development. Our Corporate Social Responsibility programme is focussed on livelihood generation ability, financial literacy, health care, women's empowerment, welfare for the needy, and conservation of natural resources.

KEY CSR PRIORITIES FOR FY2020

During the year, we initiated eight activities across five areas directly or through partners. The activities were in the areas of skill development; creation of jobs through start-up incubation; health care and preventive health care; women's empowerment; and welfare of senior citizens.

UN Sustainability Goals targeted

SUSTAINABLE LIVELIHOOD GENERATION

We partner with ICICI Foundation For Inclusive Growth, ICICI Group's CSR arm, on its various initiatives. During the year, ICICI Foundation's various activities across the nation in skill development and rural livelihood generation, impacted ~0.12 million lives. These initiatives were:

a. **ICICI Academy for Skills**

Vocational training through skill academies is a national initiative to create sustainable livelihood opportunities for the underprivileged youth. The training is provided free of cost and all the youth who successfully complete the training are provided employment opportunities.

b. **Rural Livelihood**

The objective of the rural livelihood programme is to provide sustainable livelihood to the rural population of the country within their existing ecosystem and thereby expand the reach of CSR activities. Under this programme, vocational training is provided based on needs of the local economy and the aspirations of the villagers. The training is free of cost. To ensure a steady market for the products and services, ICICI Foundation assists the trainees in forging market linkages with small producers, local firms and cooperatives and other market participants.

CREATION OF JOBS THROUGH FINTECH INCUBATOR PROGRAMME

We partnered with the N S Raghavan Centre of Entrepreneurial Learning (NSRCEL) of the Indian Institute of Management Bangalore (IIM-B), which is among the country's oldest incubator cells, to seed fund 10 fintech startups. Fintechs have immense potential to drive economic growth and create largescale employment in the country. The holistic programme focusses on identifying, incubating, and mentoring these startups. The activity commenced during the year and is expected to be completed in FY2021.

EMPOWERING WOMEN THROUGH LIVELIHOOD GENERATION OPPORTUNITIES

We engaged in two women empowerment programmes, namely WWF's 'Hameri' and 'Siddhika'.

The World Wide Fund for Nature's Hameri programme aims to train women in livelihood generation through the promotion of community-based food processing and handicrafts and by reducing dependency on natural forest resources for environment conservation. The activity commenced during the year and is expected to be completed in FY2021.

In the Siddhika programme, which trains women to become independent financial associates, we provided training to 435 women candidates across Mumbai, Vadodara and Surat, of which 261 passed the NISM exam.

HEALTHCARE AND PREVENTIVE HEALTHCARE

We associated with Vision Foundation of India (VFI), a non-government not-for-profit charitable trust, to fund cataract surgeries of about 1,300 senior citizens below the poverty line. The activity commenced during the year and is expected to be completed in FY2021.

SENIOR CITIZEN WELFARE THROUGH ACTIVE AGEING SUPPORT

We initiated the programme of modelling an old-age home to provide active ageing support to senior citizens. It identified an old-age home in Gurdaspur, Punjab, and is working with HelpAge India through its implementation partner Gramodya Samajik Sansthan. The programme includes building an open-air gym and a vegetable garden. The activity commenced during the year and is expected to be completed in FY2021.

PRESERVATION AND TRANSMISSION OF WEALTH THROUGH THE 'I CAN I WILL' INITIATIVE

We intend to educate people on the importance and process of drafting a Will; we do this through informative content and by breaking myths. We created awareness and educated over 0.2 million people through a film.

COVID-19 RESPONSE

We have humbly contributed ₹ 100 million towards PM CARES fund in April 2020. We have additionally distributed protective kits, namely 532 litres of hand sanitiser and 1,550 pieces of N95 masks to police personnel in Mumbai and other parts of Maharashtra through the ICICI Foundation.

ENVIRONMENT PROTECTION

Ours being a predominantly online business model, it entails limited use of natural resources. However, we recognise the impact of our regular operations on the environment due to consumption of resources like energy, water, paper, waste, travel *etc*. Hence, we regularly undertake activities such as resource conservation campaigns, electrical audit to plug energy leakage, and automating and digitising of internal and external processes to mitigate this impact to the extent possible.

Renewable Energy: We have installed solar panels at our corporate office, in Mumbai, producing ~35,000 units of green power in FY2020.

Energy conservation initiatives: We have replaced old lights with energy saving LED lights.

Installation of sensor-based lighting system in common areas has led to reduction of power wastage.

After an electrical audit, we moved from two separate UPS to one, without any loss of redundancy, resulting in savings of ~8,760 units of power in FY2020.

We installed 126 HP VRV (Variable Air Volume) AC systems by replacing 150 TR centralized packaged AC units. Also old split ACs were changed to 5 Star inverter ACs. These measures resulted in saving of ~67,323 units of power for our corporate office in FY2020.

Overall, there has been a reduction of 4,20,000+ units of electricity consumption in FY2020 against FY2019.

Paper usage reduction: Minimising the usage of papers across offices is an ongoing activity. Through automation and process tweaks, we have reduced paper usage in the processing of bills, checklists, claim sheet etc., along with initiatives like duplex printing, password protected printing *etc.* have resulted in savings of ~6,000+ reams of paper. Our paper consumption in FY2020 registered a decline of 54% over FY2019.

We encourage the use of digital communication with our stakeholders, and our Annual Report hard copy printing has gone down from ~30,000 in FY2018 to ~17,000 in FY2019. For FY2020, due to the relaxation granted by MCA (Ministry of Corporate Affairs) and SEBI to send the Annual Reports through *e*-mail to the Shareholders, there will not be any printing of physical copies.

Travel footprint reduction: The use of digital modes of meeting has resulted in fewer business trips undertaken by Company personnel. The number dropped by 3,678 (flight + train) trips from FY2019 to FY2020, a decline of 31%. The remote work systems necessitated by COVID-19 will help us curb trips further.

Within a city, we promote car-pooling and provide a bus service for employees, thereby reducing many individual trips. Our tie-up with a electric car operator for local employee commute has contributed to reducing air pollution.

Water management: Our water consumption is primarily for drinking and sanitation only. To avoid wastage, we have put visual reminders at each source, installed water-efficient fixtures and sensor-based urinal flush fittings. Compulsory daily checks on water leakage are undertaken. These efforts have helped reduce our water consumption.

Waste management: Being in the service industry, our solid waste material is chiefly paper and kitchen waste. We have restricted plastic by replacing plastic bottles with glass bottles at feasible locations, and stopped the distribution of plastic folders as stationery supplies. We use 100% biodegradable plastic garbage bags above 50 microns for collection/disposal of dry and wet waste.

On e-waste, in FY2020, we disposed of old UPS lead batteries through our empanelled battery vendors, who in turn take the batteries, through a designated take-back service provider of the producer, to an authorised dismantler or recycler. We did not generate any e-waste related to computers and electronic peripherals during the financial year.

Corporate Information

Mr. Vinod Kumar Dhall
Chairman (Independent Director)
2 3

Mr. Ashvin Parekh
Independent Director
1 2 5

Mr. Subrata Mukherji
Independent Director
1 5

Ms. Vijayalakshmi Iyer
Independent Director
1 4 5

Mr. Anup Bagchi
Non-Executive Director
2

Mr. Pramod Rao
Non-Executive Director
1

Mr. Vijay Chandok
Managing Director & CEO
3 4 5

Mr. Ajay Saraf
Executive Director
3 4 5

KEY MANAGEMENT PERSONNEL

Mr. Harvinder Jaspal
Chief Financial Officer

Mr. Raju Nanwani
Company Secretary

Board Committee memberships

1. Audit Committee
2. Nomination & Remuneration Committee
3. Corporate Social Responsibility Committee
4. Stakeholders Relationship Committee
5. Risk Management Committee

● Chairperson of committee ● Member of committee

BANKERS
ICICI Bank Limited

STATUTORY AUDITORS
B S R & Co. LLP
Chartered Accountants
(Registration number 101248W/W-100022)

REGISTERED OFFICE
ICICI Centre, H. T. Parekh Marg,
Churchgate, Mumbai - 400 020

CORPORATE OFFICE
ICICI Securities Limited
Shree Sawan Knowledge Park,
Plot No. D-507,
T.T.C. Industrial Area MIDC, Turbhe,
Navi Mumbai - 400 705

Awards & Recognition

Outlook Money Retail Broker of the Year

ICICI Securities won the Gold Award in the "Retail Broker of the Year" category at the Outlook Money Conclave 2020. Mr. Vijay Chandok, MD & CEO, ICICI Securities, received the award from Mr. Arindam Mukherjee, Editor, Outlook Money.

iNFHRA Workplace Excellence Award

ICICI Securities was awarded the "Workplace Excellence Award" under the Corporate Real Estate category, by the iNFHRA (The Infrastructure, Facility, Human Resource & Realty Association), an industry body. The company operates in over 70 cities in India and has a network of over 170 offices.

League of American Communications Professionals (LACP) Spotlight Awards 2019 - Gold Award for Annual Report

ICICI Securities' FY2019 Annual Report received Gold at the prestigious League of American Communications Professionals (LACP) Spotlight Awards 2019. The LACP Awards is amongst world's most popular award competition for publications and the competition is widely regarded as the Oscars of Annual Reports.

Corp Com & PR Excellence Awards – Best Annual Report of the Year

ICICI Securities' FY2019 Annual Report received the Best Annual Report of the Year Award at the Corporate Communications & Public Relations Excellence Awards event.

Big Bang Awards for Media and Wellness Bronze Award for #icaniwill campaign

ICICI Securities' CSR campaign - #icaniwill won Bronze Award at the Advertising Club Bangalore's Big Bang Awards for Media and Wellness. The initiative is focussed on educating people on the importance of drafting a will and breaking myths associated with it.

Customer Testimonials

We were delighted to have ICICI Securities advise us on our fund-raise as we continue on our transformational growth journey. ICICI Securities' teams across investment banking and institutional equities delivered an exceptional end-to-end transaction for us, in a short span of time. The high-quality investor engagements and demand generation for our fund-raise demonstrate the strength of the ICICI Securities platform.

Mr. Vishwavir Ahuja
Managing Director & CEO, RBL Bank

ICICI Securities has been one of the most prominent partners in our journey so far. Their huge network has helped take Mutual Funds to all segments of investors. With the launch of "One Click" investment tool providing a Goal-based and Solution-oriented approach, ICICI Securities has taken investing to the next level.

Mr. Swarup Mohanty
Chief Executive Officer, Mirae Asset Investment Managers India Private Limited

I am an ICICI direct customer for over a decade. I use the website for almost all types of financial transactions like equity shares, F&O, mutual funds (equity, debt, hybrid, liquid), bonds, IPO, corporate FD, gold, NPS, insurance etc. The website is extremely user-friendly and easy to navigate. I like the way all assets are clubbed together in Portfolio and statements. Research recommendations are also quite good.

Mr. Nabarun Pal
Navi Mumbai

ICICI Securities has been extremely innovative and versatile in its approach in online investing. It has grown from just having a digital asset, to offering multiple user-friendly features for transacting. It gives a quick, easy and comfortable experience to its clients. Over the years, it has evolved as a platform and continues to be a pioneer in the online transaction space.

Mr. Chandresh Kumar Nigam
MD & CEO,
Axis Asset Management Co Ltd.

Our relationship with ICICI Securities spans more than 25 years and it has been a fulfilling association with them as a partner in our growth. With their superior technology, ICICI Securities has elevated the entire customer experience of mutual fund investing online. The effective use of technology throughout the customer journey by providing them with the relevant tools has enabled a seamless and effective process for investors. The ease of transaction ensures that our joint customers enjoy the convenience that one seeks while investing and keeps coming back given their positive experience.

Mr. A. Balasubramanian
MD & CEO, Aditya Birla Sun Life AMC Limited

I have been using ICICIdirect.com for over 10 years now and have had a great digital experience on it. The platform is very user-friendly and provides me with all the information and tools needed to make informed investment decisions. In spite of not being very tech-savvy, I am able to perform all my transactions by myself. I have used the platform to purchase / sell not just direct stocks but also Mutual Funds and SGBs. Their added features like long-term & short-term capital gains statements help understand the tax components related to redeeming my investments.

Mr. Achal Dhruva
Retail Investor, Mumbai

Dealing with the ICICI Securities team has been a rewarding experience. Their responses to my queries have been prompt and knowledgeable. They also keep me informed of news that could impact the investment climate in general as well as my specific portfolio. My good wishes to the team and hope they keep up the high standards set by them.

Mr. Arun Joseph,
PWM Client, Chennai

ICICI Securities has deep knowledge across various asset classes and they thrive hard to bring the best advice to their clients. This enables an environment of trust and long-term partnership.

Mr. Vikash Kandoi
PWM Client, Kolkata

I have been associated with ICICI Securities for over three years now. I can safely attest to the fact that the service they provide is among the best in the industry having dealt with other brokers as well. My dedicated Relationship Manager is prompt in his responses and if there is something he doesn't know, he quickly finds someone who can help me solve my problem. That's the kind of service I expect in an industry where time is money.

Mr. Bikram Ahuja
PWM Client, Kolkata

ESG Highlights

Societal impact and Environmental, Social and Governance (ESG) matters are steadily gaining prominence among stakeholders. At ICICI Securities, we are creating a strong foundation for effective management of ESG matters through our robust, responsible and transparent governance practices and integrating them into our business operations and strategy. We are also embedding relevant matters into our risk management framework and product and service offerings to enhance our performance on these parameters, while benefiting our diverse stakeholders.

ESG is an extension of our commitment to think beyond profit and address the challenges of society while adopting responsible practices in every aspect of our business. During the year, we have made steady progress in bringing a meaningful difference to our stakeholders.

We have continued to launch innovative products and services to meet the diversified and evolving needs of our customers alongside investing in contemporary digital technology to improve service excellence and protect customer data. Effective use of technology also facilitated in delivering unrestricted access to our customers during the COVID-19 pandemic, when volumes had reached unprecedented peaks. We are empowering our business partners with better technology infrastructure which helps serve our customers and ensure sustainable business growth and provide them with the necessary support and training across our journey of growth.

We are steadily progressing on our aspirations of creating a workplace of achievers with a sustained focus on meritocracy. We continue to train, develop, and undertake engagement and wellbeing activities to keep them motivated. We ensured their safety during the COVID-19 pandemic by facilitating Work From Home and implementing necessary safety protocols for those working at office.

We are a strong advocate of environment sustainability and community prosperity and have aligned ourselves with the United Nations Sustainable Development Goals. Our corporate motto remains to Reduce, Recycle and Reuse. Towards this end, we have undertaken several measures to reduce energy and water consumption, minimise our carbon footprint and ensure responsible use of resources.

We are undertaking initiatives to create sustainable livelihood opportunities for the marginalised sections of society, promote education, overall wellbeing and good health. As a small step, we distributed protective kits to the police personnel in Maharashtra to combat the spread of the Novel Coronavirus pandemic.

Further, we underline our prominence on conducting business responsibly, transparently and ethically at all times. Our Board of Directors are actively involved in strengthening our governance function and lead from the front to set an example for the entire organisation. The Board's independence, presence of diversified and skilled directors, implementation of strong policies enable us to enhance stakeholders' trust and ensure adherence to regulations. We have robust policies on Anti-Bribery & Anti-Corruption, Code of Business Conduct and Ethics, Whistle Blower, Prohibition of Insider Trading, Prevention of Sexual Harassment, Preventing Fraud and Anti-Money Laundering, and Information Security Management and Cyber Security and Cyber Resilience. Our policies and frameworks are implemented rigorously and reviewed periodically in addition to being benchmarked to global best practices. We have also established a comprehensive risk management and internal controls systems along with policies, procedures and standards to effectively mitigate all risks.

Key ESG highlights for FY2020

₹144.4 Mn
CSR spend

96,867
Hours of training to employees

~4,20,000+ units
Reduction in power consumption in FY2020 against FY2019

3,678
Decline in number of travel trips led by use of digital conferencing

Directors' Report

To the Members

The Directors are pleased to present the Twenty-Fifth Annual Report of ICICI Securities Limited ('the Company') along with the audited financial statements for the financial year ended at March 31, 2020.

PERFORMANCE

Industry overview

FY2020 was a year of extreme volatility with the NIFTY 50 index hitting an all-time high in January 2020 followed by one of the sharpest monthly declines in March 2020 due to fears of COVID-19 impact on the economy. Sharp correction in March 2020 resulted in large-caps giving up their modest gains and ending FY2020 with a decline of 26% (NIFTY 50) while the NIFTY midcap 100 and NIFTY smallcap 100 Indices fell by 36% and 46% respectively.

FY2020 started on a positive note for equities although the market continued to remain polarised with a handful of stocks contributing to the bulk of the performance. Risks of global slowdown started building up as the US yield curve inverted and the US economy entered the longest period of economic expansion in history in the backdrop of an escalating trade war and other geo-political risks such as Brexit.

Acknowledging the risks to global growth, most central banks such as the US FED, ECB and PBOC turned dovish in the second half of calendar year 2019, thereby improving the outlook for interest rates and liquidity. Improving outlook for global liquidity resulted in a pick-up in Emerging Market equities including India from the beginning of third quarter of FY2020. Rising risk appetite also resulted in a pick-up in broader markets in the form of mid and small caps until March 2020 crash.

For FY2020, Domestic Institutional Investors (DIIs) were net buyers of US $ 17.9 billion of equities while Foreign Institutional Investors ('FIIs') sold US $ 645 million. FII buying saw a reversal in the last quarter of FY2020, as FIIs sold equities worth US $ 6.6 billion.

In FY2020, capital markets witnessed mixed bag of activities. While Initial Public Offerings ('IPOs') saw traction in the first half of the year, it remained muted to almost non-existent in the second half with limited issuances. For the full year, IPO issuance (including InvITs) was almost flat at ₹ 226.56 billion against Rights issue mop-up which was however up 28 times to ₹ 560 billion. Offer for Sale aggregate fell ~20% to ₹ 173.3 billion in FY2020. Overall ₹ 1.5 trillion was raised in FY2020 against ₹ 569 billion in FY2019.

Mutual Funds (Equity) witnessed ~10% growth in Average Assets under Management ('AAUM') in FY2020 despite market volatility primarily due to steady SIP inflows, surge in Arbitrage inflows and increase in assets of Direct Plan. The AAUM of equity Direct Plan increased by ~24%, higher than the overall industry and its contribution to total equity assets increased from ~16% in FY2019 to ~18% in FY2020. Average monthly gross inflows in equity category in FY2020 were at ₹ 336.4 billion, up by 13% from FY2019. The average monthly net inflows in equity category were at ₹ 58.0 billion in FY2020, falling by 40% as compared to FY2019.

Average monthly SIP inflows in FY2020 was at ₹ 83.4 billion - 8% higher than FY2019 and SIP AAUM in Equity category witnessed increase of ~23% in FY2020, faster than overall equity assets. At the industry level, number of folios across all categories of Mutual Fund continued to rise steadily – from a monthly average of 77.1 million in FY2019 to 84.8 million in FY2020 registering a growth of ~10%.

Company overview

Your Company registered consolidated revenue of ₹ 17,249.4 million for FY2020 as compared to ₹ 17,270.2 million for FY2019. Consolidated profit after tax (PAT) for FY2020 was ₹ 5,420.0 million as compared to ₹ 4,907.3 million for FY2019. We were able to maintain our costs with total cost increasing marginally from ₹ 9,697.9 million in FY2019 to ₹ 9,720.1 million in FY2020.

In the secondary market (equity business), your Company achieved an overall market share of 7.9%, based on total average daily turnover. Broking business reported revenues of ₹ 9,475.6 million in FY2020 against ₹ 9,328.3 million in FY2019.

Your Company is also a leading distribution franchise, being the second largest non-bank mutual fund distributor as per the latest available industry numbers for FY2019. Apart from mutual funds, the Company was also among the leading distributors in other financial products like Life Insurance, IPOs, Portfolio Management Schemes (PMS), Alternate Investment Funds (AIFs), Sovereign Gold Bonds, Bharat 22 Exchange Traded Fund, National Pension Scheme (NPS), *etc.* The distribution business reported revenues of ₹ 4,229.3 million in FY2020 against ₹ 4,635.3 million in FY2019, a decline of 9% mainly on account of decrease in mutual fund revenue due to reduction in Total Expense Ratio (TER) w.e.f. April 2019 partly offset by increase in distribution income from non-mutual fund products which were focused on during the year. Distribution business contributed 25% towards the Company's top-line during FY2020.

Institutional equities reported revenues of ₹ 1,288.5 million in FY2020 against ₹ 1,174.2 million in FY2019, an increase of 10% mainly on account of increased traction in block deals. Issuer Services and Advisory business reported revenues of ₹ 763.9 million in FY2020 against ₹ 990.6 million in FY2019, a decline of 23% mainly on account of subdued market activities.

Financial highlights

The table below summarises the key financials of your Company for FY2020:

₹ millions

Particulars	Standalone			Consolidated		
	FY2019	FY2020	Change %	FY2019	FY2020	Change %
Gross Income	17,258.0	17,220.6	(0.2)	17,270.2	17,249.4	(0.1)
Profit/(Loss) before Depreciation and Tax	7,700.3	8,088.0	5.0	7,721.8	8,143.3	5.5
Depreciation	149.3	611.7	309.8	149.5	614.0	310.8
Profit/(Loss) before Tax	7,551.0	7,476.3	(1.0)	7,572.3	7,529.3	(0.6)
Provision for Tax	2,681.8	2,109.2	(21.4)	2,665.0	2,109.3	(20.9)
Profit/(Loss) After Tax	4,869.2	5,367.1	10.2	4,907.3	5,420.0	10.4
Other Comprehensive Income (net of tax)	(25.9)	(59.1)	128.1	(25.9)	(59.1)	128.1
Total comprehensive income	4,843.3	5,308.0	9.6	4,881.4	5,360.9	9.8
Balance brought forward from previous year	5,641.8	7,534.0	33.5	5,683.0	7,613.3	34.0
Amount available for appropriation	10,485.1	12,842.0	22.5	10,564.4	12,974.2	22.8
Surplus carried forward	7,534.0	8,977.3	19.2	7,613.3	9,109.5	19.7
Earnings per share on equity shares of ₹ 5 each						
Basic (in ₹)	15.12	16.66	10.2	15.23	16.83	10.5
Diluted (in ₹)	15.11	16.65	10.2	15.23	16.81	10.4

Note: Figures in parenthesis are negative

APPROPRIATIONS

Your Company has ₹ 12,842.0 million available for appropriation, comprising total comprehensive income of ₹ 5,308.0 million for FY2020 and balance of ₹ 7,534.0 million brought forward from the previous financial year. An appropriation of ₹ 3,864.7 million towards interim and final dividend, including dividend distribution tax has been approved by the Board resulting in profit of ₹ 8,977.3 million being the surplus carried forward. Your Company does not propose any transfer to reserves.

₹ millions

Particulars	Standalone	
	FY2019	FY2020
Balance brought forward from previous year	5,641.8	7,534.0
Add: Total comprehensive income	4,843.3	5,308.0
Disposable Profit	**10,485.1**	**12,842.0**
Appropriations:		
Transfer to Reserves	-	-
Equity Dividend	2,447.8	3,205.8
Tax on Equity Dividend	503.3	658.9
Surplus carried forward	7,534.0	8,977.3

DIVIDEND

The Board has recommended a final dividend of ₹ 6.75 (135%) per equity share for FY2020. The Board had also approved payment of interim dividend of ₹ 4.25 (85%) per equity share for FY2020, aggregating to ₹ 1,650.5 million, including dividend distribution tax of ₹ 281.4 million. The payment of interim dividend along with the proposed final dividend would result in cumulative dividend payout ratio of 65% of the profits. The final dividend is subject to the approval of the Members at the ensuing Annual General Meeting ('AGM'). The payment of interim and final dividend is in line with the Dividend Distribution Policy of the Company.

DIVIDEND DISTRIBUTION POLICY

In accordance with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), your Company has formulated a Dividend Distribution Policy and the same is given in

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.

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.

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.

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.

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)#	
	Entitled to Attend	Attended		Public Companies	Other Companies	No. of Memberships held in Companies#	No. of post of Chairperson held in Listed entities#@
Independent Directors							
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
Non-executive Non-Independent Directors							
Anup Bagchi (DIN: 00105962)	7	7	Present	5	0	1	0
Pramod Rao (DIN: 02218756)	7	6	Present	2	0	1	0
Executive Directors							
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

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

@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
Independent Directors		
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
Non-executive Non-Independent Directors		
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	-
Executive Directors		
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	• Corporate Affairs • Competition and Corporate Law • Finance & Banking • Economic Regulation • Business Strategy • Business Management • Insurance • Investment Banking
Ashvin Parekh	• Business Strategy • Corporate Planning • Institutional Strengthening • Business Transformation • Technology • Finance • Business Management • Portfolio/Asset Management • Project Management • Legal and Regulatory
Subrata Mukherji	• Business Strategy • Banking & Finance • Investment Banking • Economics • Business Management • Venture Capital
Vijayalakshmi Iyer	• Business Strategy • Banking & Finance • Investment Banking • Insurance • Business Management • Technology • Human Resources Development • Portfolio/Asset and Project Management • Risk Management
Anup Bagchi	• Business Strategy • Retail Banking • Retail Broking • Information Technology • Rural and Inclusive Banking, Corporate Banking and Investment Banking • Treasury control and services • Financial Services • Business Management • Capital Markets
Pramod Rao	• Banking and Finance Laws • Competition and Corporate Law • Finance & Banking • Economic Regulation • Financial Services • Business Management • Capital Markets • Corporate Governance • Law & Technology • Corporate Project & Structured Finance • Restructuring, Insolvency & Bankruptcy • Joint ventures

Name of the Director	Areas of Expertise
Vijay Chandok	• Business Strategy • SME banking • Retail Broking • Commercial banking • International and Corporate Banking • Retail and rural banking • Business Management • Capital Markets • Private Equity Fund Management
Ajay Saraf	• Investment Banking • Institutional Broking • Corporate Banking • SME banking • Business Strategy • Business Management • Finance

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 it 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.

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

a) 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

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 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.

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[1]	-	10,193,887	11,402,177
Allowances[2]	21,737,335	12,793,080	1,776,169
Perquisites[3]	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
Stock Options of the Company (Numbers)			
Granted in FY2020	-	199,600	250,200
Granted in FY2019	-	53,900	122,800
Stock Options of ICICI Bank Limited (Numbers)			
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.

[1] The bonus amount paid in FY2020 includes the deferred portion of bonus approved in earlier years.

[2] 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.

[3] 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	• Re-appointment of Mr. Vinod Kumar Dhall (DIN: 02591373) as an Independent Director of the Company.
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	• Ratification and approval of the Employees Stock Option Scheme - 2017 for eligible employees of the Company and grant of options. • Ratification and approval of the Employees Stock Option Scheme - 2017 for eligible employees of the Subsidiaries of the Company and grant of options. • Ratification and approval of the Employees Stock Option Scheme - 2017 for eligible employees of the Holding Company of the Company and grant of options.
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.

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, 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.

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). 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.

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) 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

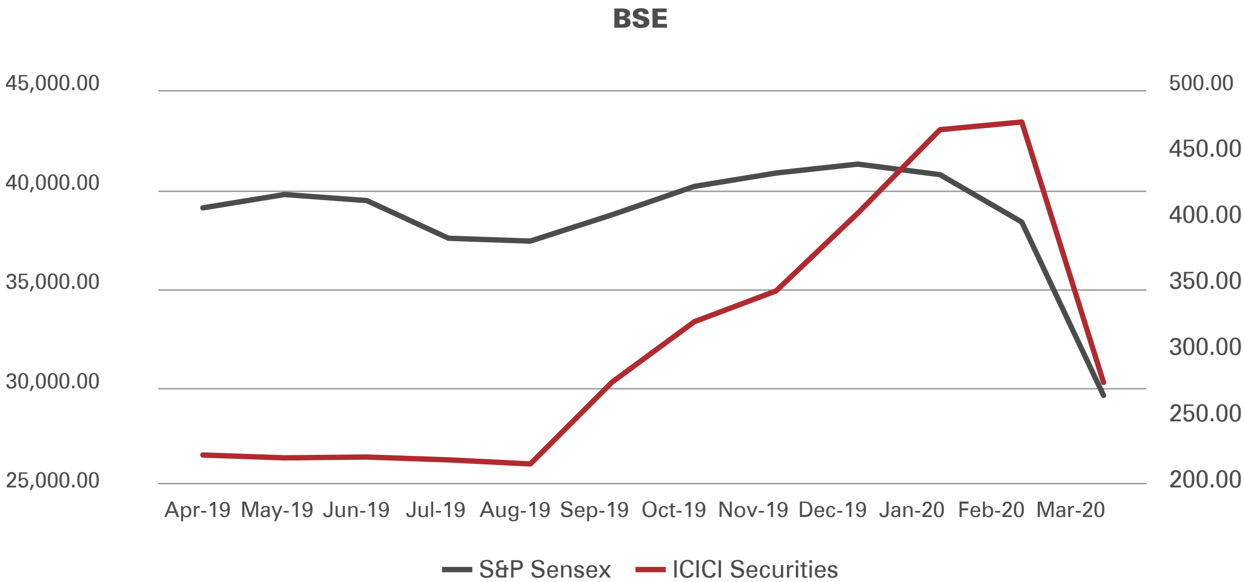
The Company has paid annual listing fees for FY2020 to NSE and BSE where its equity shares are listed. Further, the Company continues to make necessary payment of listing fees to BSE at the time of listing of Commercial Papers.

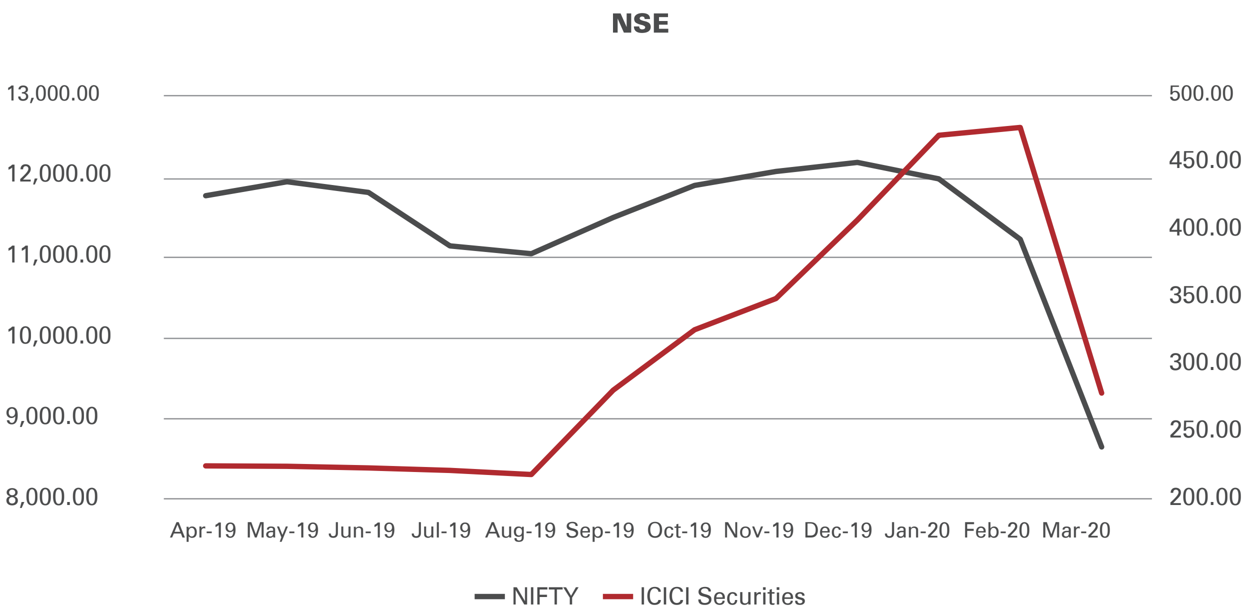
Market Price Information

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:

	FY2018 Shares of face value ₹ 2/-	FY2019 Shares of face value ₹ 5/-	FY2020 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
	Total	**322,141,400**	**100.00**

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
Total	**126,876**	**100.00**	**322,141,400**	**100.00**

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

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.

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

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.

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.

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
Total	**11.2**	**12.6**

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.

ACKNOWLEDGEMENTS

The Company is grateful to the Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited, National Securities Depository Limited, Central Depository Services (India) Limited, The Insurance Regulatory and Development Authority of India, The Pension Fund Regulatory and Development Authority, other statutory authorities, its bankers and lenders for their continued co-operation, support and guidance. The Company wishes to thank its investors for their support.

The Directors express their gratitude for the support and guidance received from the Company's Holding Company, *viz.*, ICICI Bank Limited and other group companies and also expresses their warm appreciation to all the employees of the Company for their commendable teamwork, professionalism and contribution during the year. The Directors extend their sincere thanks to the clients of the Company for their support.

AWARDS & RECOGNITION

- Outlook Money Retail Broker of the Year
- iNFHRA Workplace Excellence Award (Corporate Real Estate category)
- Big Bang Awards for Media and Wellness Bronze Award for #icaniwill campaign
- Corp Com & PR Excellence Awards – Best Annual Report of the Year
- League of American Communications Professionals (LACP) Spotlight Awards 2019 - Gold Award for Annual Report

For and on behalf of the Board

Sd/-
Vinod Kumar Dhall
DIN: 02591373
Chairman

Date: May 7, 2020
Place: Noida

DECLARATION BY THE CEO UNDER SCHEDULE V (D) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

I confirm that all Directors and Members of the senior management have affirmed compliance with the Code of Conduct and Business Ethics for the year ended at March 31, 2020.

For and on behalf of the Board

Sd/-
Vijay Chandok
DIN: 01545262
Managing Director & CEO

Date: May 7, 2020
Place: Mumbai

ANNEXURE A

Dividend Distribution Policy

1. **Introduction**

ICICI Securities Limited (the "Company") has been paying dividends in accordance with the Companies Act, 1956 and Companies Act, 2013. This policy documents the guidelines on payment of dividends, and sets out the key considerations for arriving at the dividend payment decision. The Board will have the flexibility to determine the level of dividend based on the considerations laid out in the policy and other relevant aspects.

2. **Statutory and regulatory requirements**

The company while proposing equity share dividend will ensure compliance with the provisions of Companies Act, 2013 and the rules made thereunder to the extent applicable, the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and guidelines provided under the section titled "Dividend Policy" in the Articles of Association (AOA) of the Company. Following are some of the brief provisions governing the declaration of dividend by the Company:

a) The Companies Act, 2013

As per the provisions of the Companies Act, 2013, the Company may declare interim/final dividend and has the option to transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company. In case of inadequacy or absence of profits in any financial year, the Company may declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be prescribed in this behalf.

In case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years.

b) Requirements under Articles of Association

In addition to the regulatory requirements, the payment of dividends would be as per the guidelines provided under the section titled "Dividends" in the Articles of Association (AOA) of the Company.

3. **Approval process**

The Board of Directors of the Company would take into account the following aspects, including the financial parameters, while deciding on the proposal for dividend:

1. Profitability and key financial metrics;
2. The interim dividend paid, if any;
3. The auditors' qualifications pertaining to the statement of accounts, if any;
4. Whether dividend/coupon payments for non-equity capital instruments have been made;
5. The applicable regulatory requirements.

The decision for declaration of dividend would also be subject to consideration of other relevant internal and external factors, including, for example:

- External factors including state of the domestic and global economy, capital market conditions and dividend policy of competitors and tax implications including applicability and rate of dividend distribution tax;
- Internal factors like shareholder expectations.

The decision regarding dividend shall be taken only by the Board at its meeting and not by a Committee of the Board or by way of a Resolution passed by circulation. Final dividend shall be paid only after approval at an Annual General Meeting (AGM) of the Company. Shareholder approval is not required for payment of interim dividend.

4. Utilisation of retained earnings

The Company would utilise the retained earnings for general corporate purposes, including organic and inorganic growth, investments in subsidiary and/or appropriations/drawdowns as per the regulatory framework. The Board may decide to employ the retained earnings in meeting the Company's future growth plans, other strategic purposes and/or distribution to shareholders, subject to applicable laws.

5. Parameters for various class of shares

Currently, the Company has only one class of equity shareholders. In the absence of any other class of equity shares and/or equity shares with differential voting rights, the entire distributable profit for the purpose of declaration of dividend is considered for the equity shareholders.

6. Circumstances under which the shareholders may or may not expect dividend

The Board of the Company may vary the level of dividend or not recommend any dividend based on the regulatory eligibility criteria for recommendation of dividend, including any regulatory restriction placed on the Company on declaration of dividend. There may also be obligations that the company could have undertaken under the terms of perpetual non-cumulative preference shares or debt capital instruments pursuant to applicable laws which might prohibit the Company from declaring dividend in certain circumstances. The Board of the Company may vary the level of dividend or not recommend any dividend based on the capital position of the Company. The Board may recommend lower or no dividends if it is of the view that there is a need to conserve capital. The Board may recommend higher dividends in any form, including special dividend, subject to applicable laws, if the capital and reserves position supports a higher distribution to the shareholders.

7. Review

The dividend policy of the Company would be reviewed annually, or earlier if material changes take place in the applicable laws.

ANNEXURE B

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ 000's)

Sl. No	Particulars	Subsidiary	Step Down Subsidiary
1.	Name of the subsidiary	ICICI Securities Holdings, Inc.	ICICI Securities, Inc.
2.	The date since when subsidiary was acquired	May 2007	May 2007
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR US $ 1= ₹ 75.67	INR US $ 1= ₹ 75.67
5.	Share capital	7,28,206	5,71,667
6.	Reserves & surplus	(5,96,480)	(3,03,982)
7.	Total assets	1,32,672	3,49,023
8.	Total Liabilities*	946	81,338
9.	Investments	94,498	-
10.	Turnover	3,211	2,22,165
11.	Profit before taxation	2,320	50,571
12.	Provision for taxation	(517)	610
13.	Profit after taxation	2,837	49,961
14.	Proposed Dividend	-	-
15.	Extent of shareholding (in percentage)	100% held by ICICI Securities Limited	100% held by ICICI Securities Holdings, Inc.

**Total Liabilities excludes capital and reserves.*

Notes:

1. Names of subsidiaries which are yet to commence operations: NA

2. Names of subsidiaries which have been liquidated or sold during the year: NA

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: NA

Name of Associates or Joint Ventures	Name 1	Name 2
1. Latest audited Balance Sheet Date	-	-
2. Date on which the Associate or Joint Venture was associated or acquired	-	-
3. Shares of Associate or Joint Ventures held by the company on the year end	-	-
No.	-	-
Amount of Investment in Associates/Joint Venture	-	-
Extent of Holding (in percentage)	-	-
4. Description of how there is significant influence	-	-
5. Reason why the associate/joint venture is not consolidated	-	-
6. Networth attributable to Shareholding as per latest audited Balance Sheet	-	-
7. Profit or Loss for the year	-	-
i. Considered in Consolidation	-	-
ii. Not Considered in Consolidation	-	-

Notes:

1. Names of associates or joint ventures which are yet to commence operations: NA

2. Names of associates or joint ventures which have been liquidated or sold during the year: NA

For and on behalf of the Board of Directors

Sd/-
Ashvin Parekh
DIN: 06559989
Director

Sd/-
Vijay Chandok
DIN: 01545262
Managing Director & CEO

Sd/-
Ajay Saraf
DIN: 00074885
Executive Director

Sd/-
Raju Nanwani
Company Secretary

Sd/-
Harvinder Jaspal
Chief Financial Officer

Date: May 7, 2020
Place: Mumbai

ANNEXURE C

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L67120MH1995PLC086241
ii)	Registration Date	March 9, 1995
iii)	Name of the Company	ICICI Securities Limited
iv)	Category/Sub-Category of the Company	Public Company Limited by shares/ Indian Non-Government Company
v)	Address of the Registered office and contact details	ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai – 400020 Tel: +91 22 2288 2460/70
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032 Tel: +91 40 6716 2222

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Broking	66120	55
2.	Merchant Banking and distribution of financial products	66190	30

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	ICICI Bank Limited ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara - 390007, Gujarat, India	L65190GJ1994PLC021012	Holding Company	79.22	2 (46)
2.	ICICI Securities Holdings, Inc. 1120 Avenue of the Americas, 4th Floor, New York, NY 10036, USA	NA	Wholly-owned Subsidiary	100	2 (87)
3.	ICICI Securities, Inc. 1120 Avenue of the Americas, 4th Floor, New York, NY 10036, USA	NA	Step-down Subsidiary	100	2 (87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2019)				No. of Shares held at the end of the year (March 31, 2020)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
a)	Individual/HUF	1,200	0	1,200	0.00	0	0	0	0.00	0.00
b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
d)	Bodies Corporates	200	0	200	0.00	0	0	0	0.00	0.00
e)	Banks/Financial Institutions	255,214,695	0	255,214,695	79.22	255,216,095	0	255,216,095	79.22	0.00
f)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A)(1)	**255,216,095**	**0**	**255,216,095**	**79.22**	**255,216,095**	**0**	**255,216,095**	**79.22**	**0.00**
(2)	**Foreign**									
a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b)	Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d)	Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total shareholding of Promoters (A) = (A)(1)+(A)(2)	**255,216,095**	**0**	**255,216,095**	**79.22**	**255,216,095**	**0**	**255,216,095**	**79.22**	**0.00**
B.	**Public Shareholding**									
(1)	**Institutions**									
a)	Mutual Funds	41,427,081	0	41,427,081	12.86	33,298,441	0	33,298,441	10.34	-2.52
b)	Banks/Financial Institutions	1,058,506	0	1,058,506	0.33	638,877	0	638,877	0.20	-0.13
c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g)	FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i)	Others									
	Alternate Investment Funds	2,053,068	0	2,053,068	0.64	2,494,797	0	2,494,797	0.77	0.13
	Foreign Portfolio Investors	4,500,829	0	4,500,829	1.40	10,175,240	0	10,175,240	3.16	1.76
	Qualified Institutional Buyers	0	0	0	0.00	447,118	0	447,118	0.14	0.14
	Sub-total (B)(1)	**49,039,484**	**0**	**49,039,484**	**15.23**	**47,054,473**	**0**	**47,054,473**	**14.61**	**-0.62**
(2)	**Non-Institutions**									
a)	Bodies Corporates									
i	Indian	2,849,468	0	2,849,468	0.88	2,038,680	0	2,038,680	0.63	-0.25
ii	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b)	Individuals									
i	Individual shareholders holding nominal share capital upto ₹ 1 lakh	11,786,593	105	11,786,698	3.66	13,719,422	105	13,719,527	4.26	0.60
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,350,101	0	1,350,101	0.42	1,946,740	0	1,946,740	0.60	0.18
c)	Others									
	Trusts	1,503	0	1,503	0.00	277,400	0	277,400	0.09	0.09
	HUF	389,173	0	389,173	0.12	414,472	0	414,472	0.13	0.01
	Non-Resident Indian (NRI)	1,036,624	0	1,036,624	0.32	1,119,673	0	1,119,673	0.35	0.03
	NBFCs	291,538	0	291,538	0.09	0	0	0	0.00	-0.09
	Clearing Members	180,716	0	180,716	0.06	354,340	0	354,340	0.11	0.05
	Sub-total (B)(2)	**17,885,716**	**105**	**17,885,821**	**5.55**	**19,870,727**	**105**	**19,870,832**	**6.17**	**0.62**
	Total Public Shareholding (B) = (B)(1)+(B)(2)	**66,925,200**	**105**	**66,925,305**	**20.78**	**66,925,200**	**105**	**66,925,305**	**20.78**	**0.00**
C.	**Shares held by Custodian for GDRs & ADRs**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Grand Total (A+B+C)	**322,141,295**	**105**	**322,141,400**	**100.00**	**322,141,295**	**105**	**322,141,400**	**100.00**	**0.00**

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2019)			Shareholding at the end of the year (March 31, 2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	ICICI Bank Limited	255,214,695	79.22	0.00	255,216,095	79.22	0.00	0.00
2.	ICICI Securities Primary Dealership Limited (As a Nominee of and jointly with ICICI Bank Limited)	200	0.00	0.00	0	0.00	0.00	0.00
3.	Piyush Garg (As a Nominee of and jointly with ICICI Bank Limited)	200	0.00	0.00	0	0.00	0.00	0.00
4.	Ripujit Chaudhuri (As a Nominee of and jointly with ICICI Bank Limited)	200	0.00	0.00	0	0.00	0.00	0.00
5.	Sohandeep Singh Hattar (As a Nominee of and jointly with ICICI Bank Limited)	200	0.00	0.00	0	0.00	0.00	0.00
6.	Ketan Rajnikant Karkhanis (As a Nominee of and jointly with ICICI Bank Limited)	200	0.00	0.00	0	0.00	0.00	0.00
7.	Shilpa Kumar (As a Nominee of and jointly with ICICI Bank Limited)	200	0.00	0.00	0	0.00	0.00	0.00
8.	Ajay Saraf (As a Nominee of and jointly with ICICI Bank Limited)	200	0.00	0.00	0	0.00	0.00	0.00
	Total	**255,216,095**	**79.22**	**0.00**	**255,216,095**	**79.22**	**0.00**	**0.00**

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2019)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	ICICI Bank Limited				
	At the beginning of the year	255,214,695	79.22		
	Transfer of equity shares on November 5, 2019	1,400	0.00	255,216,095	79.22
	At the end of the year			255,216,095	79.22
2.	ICICI Securities Primary Dealership Limited (As a Nominee of and jointly with ICICI Bank Limited)				
	At the beginning of the year	200	0.00		
	Transfer of equity shares on November 5, 2019	(200)	0.00	0	0.00
	At the end of the year			0	0.00
3.	Piyush Garg (As a Nominee of and jointly with ICICI Bank Limited)				
	At the beginning of the year	200	0.00		
	Transfer of equity shares on November 5, 2019	(200)	0.00	0	0.00
	At the end of the year			0	0.00
4.	Ripujit Chaudhuri (As a Nominee of and jointly with ICICI Bank Limited)				
	At the beginning of the year	200	0.00		
	Transfer of equity shares on November 5, 2019	(200)	0.00	0	0.00
	At the end of the year			0	0.00
5.	Sohandeep Singh Hattar (As a Nominee of and jointly with ICICI Bank Limited)				
	At the beginning of the year	200	0.00		
	Transfer of equity shares on November 5, 2019	(200)	0.00	0	0.00
	At the end of the year			0	0.00

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2019)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6.	Ketan Rajnikant Karkhanis (As a Nominee of and jointly with ICICI Bank Limited)				
	At the beginning of the year	200	0.00		
	Transfer of equity shares on November 5, 2019	(200)	0.00	0	0.00
	At the end of the year			0	0.00
7.	Shilpa Kumar (As a Nominee of and jointly with ICICI Bank Limited)				
	At the beginning of the year	200	0.00		
	Transfer of equity shares on November 5, 2019	(200)	0.00	0	0.00
	At the end of the year			0	0.00
8.	Ajay Saraf (As a Nominee of and jointly with ICICI Bank Limited)				
	At the beginning of the year	200	0.00		
	Transfer of equity shares on November 5, 2019	(200)	0.00	0	0.00
	At the end of the year			0	0.00

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)*

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2019)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	ICICI PRUDENTIAL MUTUAL FUND (under its various Schemes)#				
	At the beginning of the year	7,696,280	2.39		
	Purchase 17.05.2019	68	0.00	7,696,348	2.39
	Purchase 24.05.2019	34	0.00	7,696,382	2.39
	Purchase 05.07.2019	6,068	0.00	7,702,450	2.39
	Purchase 12.07.2019	591,423	0.18	8,293,873	2.57
	Purchase 19.07.2019	66,600	0.02	8,360,473	2.60
	Purchase 26.07.2019	547,541	0.17	8,908,014	2.77
	Purchase 02.08.2019	134,943	0.04	9,042,957	2.81
	Purchase 09.08.2019	472,623	0.15	9,515,580	2.95
	Purchase 16.08.2019	35	0.00	9,515,615	2.95
	Purchase 23.08.2019	37	0.00	9,515,652	2.95
	Purchase 30.08.2019	35	0.00	9,515,687	2.95
	Purchase 27.09.2019	62	0.00	9,515,749	2.95
	Purchase 30.09.2019	34	0.00	9,515,783	2.95
	Purchase 04.10.2019	34	0.00	9,515,817	2.95
	Purchase 11.10.2019	34	0.00	9,515,851	2.95
	Purchase 18.10.2019	5	0.00	9,515,856	2.95
	Purchase 25.10.2019	34	0.00	9,515,890	2.95
	Purchase 01.11.2019	1	0.00	9,515,891	2.95
	Sale 08.11.2019	-6,600	0.00	9,509,291	2.95
	Purchase 22.11.2019	34	0.00	9,509,325	2.95
	Purchase 13.12.2019	81,111	0.03	9,590,436	2.98
	Purchase 27.12.2019	5,358	0.00	9,595,794	2.98

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2019)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Purchase 10.01.2020	34	0.00	9,595,828	2.98
	Purchase 31.01.2020	668	0.00	9,596,496	2.98
	Purchase 07.02.2020	34	0.00	9,596,530	2.98
	Purchase 14.02.2020	17	0.00	9,596,547	2.98
	Sale 14.02.2020	-16	0.00	9,596,531	2.98
	Sale 28.02.2020	-152,349	-0.05	9,444,182	2.93
	Purchase 06.03.2020	85	0.00	9,444,267	2.93
	Purchase 13.03.2020	384	0.00	9,444,651	2.93
	Purchase 20.03.2020	505	0.00	9,445,156	2.93
	Purchase 27.03.2020	335	0.00	9,445,491	2.93
	Purchase 31.03.2020	402	0.00	9,445,893	2.93
	At the end of the year			9,445,893	2.93
2.	IDFC MUTUAL FUND (under its various Schemes)#				
	At the beginning of the year	6,979,006	2.17		
	Purchase 05.04.2019	285,046	0.09	7,264,052	2.25
	Purchase 31.05.2019	200,000	0.06	7,464,052	2.32
	Purchase 07.06.2019	10,000	0.00	7,474,052	2.32
	Purchase 20.09.2019	14,304	0.00	7,488,356	2.32
	Purchase 27.09.2019	105,407	0.03	7,593,763	2.36
	Purchase 30.09.2019	10,006	0.00	7,603,769	2.36
	Purchase 18.10.2019	13,810	0.00	7,617,579	2.36
	Purchase 25.10.2019	15,387	0.00	7,632,966	2.37
	Purchase 08.11.2019	24,613	0.01	7,657,579	2.38
	Purchase 06.12.2019	15,000	0.00	7,672,579	2.38
	Sale 06.12.2019	-9,080	0.00	7,663,499	2.38
	Sale 20.12.2019	-55,198	-0.02	7,608,301	2.36
	Sale 31.12.2019	-29,690	-0.01	7,578,611	2.35
	Sale 17.01.2020	-5,500	0.00	7,573,111	2.35
	Sale 07.02.2020	-1,645	0.00	7,571,466	2.35
	Sale 14.02.2020	-20,997	-0.01	7,550,469	2.34
	Sale 21.02.2020	-11,891	0.00	7,538,578	2.34
	Sale 28.02.2020	-22,162	-0.01	7,516,416	2.33
	Sale 06.03.2020	-32,205	-0.01	7,484,211	2.32
	Purchase 13.03.2020	31,255	0.01	7,515,466	2.33
	Purchase 20.03.2020	73,044	0.02	7,588,510	2.36
	Purchase 27.03.2020	15,000	0.00	7,603,510	2.36
	Sale 27.03.2020	-81,096	-0.03	7,522,414	2.34
	Sale 31.03.2020	-38,512	-0.01	7,483,902	2.32
	At the end of the year			7,483,902	2.32
3.	L&T MUTUAL FUND (under its various Schemes)#				
	At the beginning of the year	8,222,043	2.55		
	Purchase 31.05.2019	486,154	0.15	8,708,197	2.70
	Purchase 28.06.2019	10,000	0.00	8,718,197	2.71
	Purchase 05.07.2019	50,000	0.02	8,768,197	2.72
	Purchase 02.08.2019	50,000	0.02	8,818,197	2.74
	Purchase 09.08.2019	500,000	0.16	9,318,197	2.89

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2019)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Purchase 16.08.2019	6,021	0.00	9,324,218	2.89
	Purchase 23.08.2019	31,711	0.01	9,355,929	2.90
	Purchase 30.08.2019	72,268	0.02	9,428,197	2.93
	Purchase 06.09.2019	5,000	0.00	9,433,197	2.93
	Purchase 13.09.2019	20,000	0.01	9,453,197	2.93
	Purchase 20.09.2019	40,570	0.01	9,493,767	2.95
	Purchase 27.09.2019	133,070	0.04	9,626,837	2.99
	Sale 27.09.2019	-834,841	-0.26	8,791,996	2.73
	Purchase 11.10.2019	21,042	0.01	8,813,038	2.74
	Sale 25.10.2019	-600,000	-0.19	8,213,038	2.55
	Purchase 01.11.2019	104,547	0.03	8,317,585	2.58
	Purchase 15.11.2019	46,137	0.01	8,363,722	2.60
	Purchase 29.11.2019	44,312	0.01	8,408,034	2.61
	Purchase 06.12.2019	183,235	0.06	8,591,269	2.67
	Sale 31.12.2019	-318,869	-0.10	8,272,400	2.57
	Sale 03.01.2020	-35,181	-0.01	8,237,219	2.56
	Sale 10.01.2020	-147,545	-0.05	8,089,674	2.51
	Sale 17.01.2020	-289,874	-0.09	7,799,800	2.42
	Sale 31.01.2020	-189,616	-0.06	7,610,184	2.36
	Sale 07.02.2020	-3,270	0.00	7,606,914	2.36
	Sale 14.02.2020	-466,395	-0.14	7,140,519	2.22
	Sale 21.02.2020	-49,247	-0.02	7,091,272	2.20
	Sale 28.02.2020	-280,000	-0.09	6,811,272	2.11
	Purchase 20.03.2020	145,600	0.05	6,956,872	2.16
	Sale 27.03.2020	-102,730	-0.03	6,854,142	2.13
	At the end of the year			6,854,142	2.13
4.	SUNDARAM MUTUAL FUND (under its various Schemes)#				
	At the beginning of the year	3,025,243	0.94		
	Sale 17.05.2019	-45,510	-0.01	2,979,733	0.92
	Purchase 07.06.2019	12,722	0.00	2,992,455	0.93
	Sale 26.07.2019	-362,284	-0.11	2,630,171	0.82
	Purchase 27.09.2019	555,917	0.17	3,186,088	0.99
	Sale 13.12.2019	-28,941	-0.01	3,157,147	0.98
	Purchase 31.12.2019	126,714	0.04	3,283,861	1.02
	Sale 10.01.2020	-33,881	-0.01	3,249,980	1.01
	Sale 17.01.2020	-66,119	-0.02	3,183,861	0.99
	Sale 24.01.2020	-155,713	-0.05	3,028,148	0.94
	Sale 31.01.2020	-57,756	-0.02	2,970,392	0.92
	Sale 07.02.2020	-100,000	-0.03	2,870,392	0.89
	Sale 28.02.2020	-3,515	0.00	2,866,877	0.89
	Purchase 27.03.2020	41,689	0.01	2,908,566	0.90
	At the end of the year			2,908,566	0.90
5.	UTI MUTUAL FUND (under its various Schemes)#				
	At the beginning of the year	1,493,086	0.46		
	Purchase 05.04.2019	201,370	0.06	1,694,456	0.53
	Purchase 19.04.2019	120,000	0.04	1,814,456	0.56

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2019)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Purchase 24.05.2019	50,000	0.02	1,864,456	0.58
	Purchase 31.05.2019	243,000	0.08	2,107,456	0.65
	Purchase 26.07.2019	156,570	0.05	2,264,026	0.70
	Purchase 02.08.2019	108,248	0.03	2,372,274	0.74
	Purchase 09.08.2019	114,752	0.04	2,487,026	0.77
	Purchase 30.08.2019	30,000	0.01	2,517,026	0.78
	Purchase 06.09.2019	57,587	0.02	2,574,613	0.80
	Purchase 20.09.2019	6,738	0.00	2,581,351	0.80
	Sale 31.12.2019	-83,026	-0.03	2,498,325	0.78
	Sale 31.01.2020	-25,000	-0.01	2,473,325	0.77
	Sale 14.02.2020	-25,000	-0.01	2,448,325	0.76
	Sale 28.02.2020	-25,000	-0.01	2,423,325	0.75
	Sale 20.03.2020	-71,315	-0.02	2,352,010	0.73
	At the end of the year			2,352,010	0.73
6.	FIDELITY FUNDS - INDIA FOCUS FUND@				
	At the beginning of the year	0	0		
	Purchase 27.09.2019	2,796,261	0.87	2,796,261	0.87
	Sale 20.03.2020	-270,844	-0.08	2,525,417	0.78
	Sale 27.03.2020	-254,553	-0.08	2,270,864	0.70
	At the end of the year			2,270,864	0.70
7.	ADITYA BIRLA SUN LIFE MUTUAL FUND (under its various Schemes)#				
	At the beginning of the year	2,206,000	0.68		
	Sale 26.04.2019	-45,500	-0.01	2,160,500	0.67
	Sale 23.08.2019	-2,000	0.00	2,158,500	0.67
	Sale 27.09.2019	-800,000	-0.25	1,358,500	0.42
	Sale 20.03.2020	-8,929	0.00	1,349,571	0.42
	At the end of the year			1,349,571	0.42
8.	ABAKKUS GROWTH FUND - 1#				
	At the beginning of the year	1,200,000	0.37		
	Sale 13.03.2020	-20,000	-0.01	1,180,000	0.37
	At the end of the year			1,180,000	0.37
9.	AXIS MUTUAL FUND (under its various Schemes)@				
	At the beginning of the year	0	0.00		
	Purchase 17.01.2020	294,978	0.09	294,978	0.09
	Purchase 24.01.2020	198,019	0.06	492,997	0.15
	Purchase 31.01.2020	275,799	0.09	768,796	0.24
	Purchase 07.02.2020	39,825	0.01	808,621	0.25
	Purchase 14.02.2020	64,995	0.02	873,616	0.27
	Purchase 20.03.2020	177,512	0.06	1,051,128	0.33
	Purchase 27.03.2020	25,757	0.01	1,076,885	0.33
	At the end of the year			1,076,885	0.33
10.	SBI MUTUAL FUND (under its various Schemes)#				
	At the beginning of the year	2,361,548	0.73		
	Sale 24.05.2019	-691,433	-0.21	1,670,115	0.52
	Sale 31.05.2019	-708,567	-0.22	961,548	0.30

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2019)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Sale 14.06.2019	-128,969	-0.04	832,579	0.26
	Sale 05.07.2019	-832,579	-0.26	0	0.00
	Purchase 23.08.2019	90,000	0.03	90,000	0.03
	Purchase 29.11.2019	332,484	0.10	422,484	0.13
	Purchase 13.12.2019	233,774	0.07	656,258	0.20
	Purchase 20.12.2019	208,742	0.06	865,000	0.27
	At the end of the year			865,000	0.27
11.	RELIANCE MUTUAL FUND (under its various Schemes) ^				
	At the beginning of the year	2,560,175	0.79		
	Purchase 05.04.2019	532	0.00	2,560,707	0.79
	Sale 05.04.2019	-185,674	-0.06	2,375,033	0.74
	Purchase 12.04.2019	1,224	0.00	2,376,257	0.74
	Sale 12.04.2019	-72,147	-0.02	2,304,110	0.72
	Purchase 19.04.2019	476	0.00	2,304,586	0.72
	Purchase 26.04.2019	136	0.00	2,304,722	0.72
	Sale 26.04.2019	-24,463	-0.01	2,280,259	0.71
	Purchase 03.05.2019	110	0.00	2,280,369	0.71
	Sale 10.05.2019	-57,743	-0.02	2,222,626	0.69
	Purchase 17.05.2019	340	0.00	2,222,966	0.69
	Sale 17.05.2019	-159,440	-0.05	2,063,526	0.64
	Purchase 24.05.2019	152	0.00	2,063,678	0.64
	Sale 24.05.2019	-722,149	-0.22	1,341,529	0.42
	Purchase 31.05.2019	1,887	0.00	1,343,416	0.42
	Sale 31.05.2019	-636,412	-0.20	707,004	0.22
	Purchase 07.06.2019	408	0.00	707,412	0.22
	Sale 14.06.2019	-85	0.00	707,327	0.22
	Purchase 21.06.2019	187	0.00	707,514	0.22
	Purchase 28.06.2019	8	0.00	707,522	0.22
	Purchase 05.07.2019	510	0.00	708,032	0.22
	Purchase 12.07.2019	221	0.00	708,253	0.22
	Purchase 19.07.2019	452	0.00	708,705	0.22
	Purchase 26.07.2019	204	0.00	708,909	0.22
	Purchase 02.08.2019	7	0.00	708,916	0.22
	Sale 02.08.2019	-120,075	-0.04	588,841	0.18
	Purchase 09.08.2019	10,625	0.00	599,466	0.19
	Sale 09.08.2019	-588,841	-0.18	10,625	0.00
	Purchase 16.08.2019	85	0.00	10,710	0.00
	Purchase 23.08.2019	102	0.00	10,812	0.00
	Purchase 30.08.2019	233	0.00	11,045	0.00
	Purchase 06.09.2019	51	0.00	11,096	0.00
	Purchase 13.09.2019	119	0.00	11,215	0.00
	Purchase 20.09.2019	119	0.00	11,334	0.00
	Purchase 27.09.2019	4,078	0.00	15,412	0.00
	Purchase 04.10.2019	68	0.00	15,480	0.00
	Purchase 11.10.2019	408	0.00	15,888	0.00

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2019)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Purchase 18.10.2019	102	0.00	15,990	0.00
	Purchase 01.11.2019	153	0.00	16,143	0.01
	Purchase 08.11.2019	51	0.00	16,194	0.01
	Sale 15.11.2019	-223	0.00	15,971	0.00
	Sale 22.11.2019	-207	0.00	15,764	0.00
	Sale 29.11.2019	-4,331	0.00	11,433	0.00
	Sale 06.12.2019	-815	0.00	10,618	0.00
	Purchase 13.12.2019	101	0.00	10,719	0.00
	Purchase 20.12.2019	8	0.00	10,727	0.00
	Purchase 27.12.2019	751	0.00	11,478	0.00
	Purchase 31.12.2019	17	0.00	11,495	0.00
	Purchase 03.01.2020	510	0.00	12,005	0.00
	Purchase 10.01.2020	34	0.00	12,039	0.00
	Purchase 17.01.2020	867	0.00	12,906	0.00
	Purchase 24.01.2020	663	0.00	13,569	0.00
	Sale 31.01.2020	-561	0.00	13,008	0.00
	Purchase 07.02.2020	863	0.00	13,871	0.00
	Purchase 14.02.2020	119	0.00	13,990	0.00
	Sale 21.02.2020	-782	0.00	13,208	0.00
	Sale 28.02.2020	-68	0.00	13,140	0.00
	Purchase 06.03.2020	510	0.00	13,650	0.00
	Purchase 13.03.2020	2,890	0.00	16,540	0.01
	Sale 20.03.2020	-1,721	0.00	14,819	0.00
	Purchase 27.03.2020	58,058	0.02	72,877	0.02
	Sale 27.03.2020	-119	0.00	72,758	0.02
	Purchase 31.03.2020	901	0.00	73,659	0.02
	At the end of the year			73,659	0.02
12.	HDFC MUTUAL FUND (under its various Schemes)^				
	At the beginning of the year	2,422,672	0.75		
	Sale 12.04.2019	-91,000	-0.03	2,331,672	0.72
	Sale 19.04.2019	-190,083	-0.06	2,141,589	0.66
	Sale 26.04.2019	-68,000	-0.02	2,073,589	0.64
	Sale 03.05.2019	-29,200	-0.01	2,044,389	0.63
	Sale 17.05.2019	-20,000	-0.01	2,024,389	0.63
	Sale 24.05.2019	-185,000	-0.06	1,839,389	0.57
	Sale 31.05.2019	-1,839,389	-0.57	0	0.00
	At the end of the year			0	0.00

**The above mentioned details have been provided by our RTA and relied upon.*

#Common top 10 shareholders as on April 1, 2019 and March 31, 2020.

^Top 10 shareholders only as on April 1, 2019.

@Top 10 shareholders only as on March 31, 2020.

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (April 1, 2019)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Shilpa Kumar (As a Nominee of and jointly with ICICI Bank Limited)				
	At the beginning of the year	200[1]	0.00		
	Transfer of equity shares on November 5, 2019	(200)	0.00	0	0.00
	At the end of the year			0	0.00
2.	Ajay Saraf				
	At the beginning of the year	8,700[2]	0.00		
	Transfer of equity shares on November 5, 2019	(200)	0.00	8,500	0.00
	At the end of the year			8,500	0.00
3.	Anup Bagchi				
	At the beginning of the year	1,932	0.00		
	Change during the year	0	0.00	1,932	0.00
	At the end of the year			1,932	0.00

[1] Shilpa Kumar resigned from the Board of Directors of the Company w.e.f. May 6, 2019.

[2] Out of 8,700 equity shares, 200 shares were held as a nominee of and jointly with ICICI Bank Limited.

Note: No other Director and Key Managerial Personnel held equity shares in the Company during FY2020.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ millions

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	4,434.6	-	4,434.6
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	38.4	-	38.4
Total (i+ii+iii)	**-**	**4,473.0**	**-**	**4,473.0**
Change in Indebtedness during the financial year				
• Addition	-	72,700.0	-	72,700.0
• Reduction	-	62,278.9	-	62,278.9
Net Change	**-**	**10,421.1**	**-**	**10,421.1**
Indebtedness at the end of the financial year				
i) Principal Amount	-	14,855.7	-	14,855.7
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	119.6	-	119.6
Total (i+ii+iii)	**-**	**14,975.3**	**-**	**14,975.3**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

₹ millions

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Vijay Chandok (DIN: 01545262) MD & CEO (*w.e.f.* May 7, 2019)	Ajay Saraf (DIN: 00074885) Executive Director	Shilpa Kumar (DIN: 02404667) Erstwhile MD & CEO (till May 6, 2019)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	41.6	32.9	14.5	89.0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.6	1.2	1.0	4.8
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option* (No. of Equity Shares)	-	199,600	250,200	449,800
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others (Medical Allowance)	0.0	0.0	0.0	0.0
	Total (1a +1b+1c) Total remuneration paid in fiscal 2020	**44.2**	**34.1**	**15.5**	**93.8**
	Ceiling as per the Companies Act, 2013	**381.5**	**381.5**	**381.5**	**763.0**

**The holding company (ICICI Bank Limited) had granted stock options to erstwhile Managing Director & CEO and Executive Director. The number of such stock options exercised by the Directors during FY2020 are 1,217,375.*

₹ 0 million indicates values are lower than ₹ 0.1 million.

B. Remuneration to other directors

₹ millions

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Vinod Kumar Dhall (DIN: 02591373)	Ashvin Parekh (DIN: 06559989)	Subrata Mukherji (DIN: 00057492)	Vijayalakshmi Iyer (DIN: 05242960)	
1.	Independent Directors					
	• Fee for attending Board/Committee meetings	0.91	1.26	1.14	1.11	4.42
	• Commission	1.00	1.00	1.00	1.00	4.00
	• Others, please specify	-	-	-	-	-
	Total (1)	**1.91**	**2.26**	**2.14**	**2.11**	**8.42**
2.	Other Non-Executive Directors					
	• Fee for attending Board/Committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**1.91**	**2.26**	**2.14**	**2.11**	**8.42**
	Total Managerial Remuneration	**-**	**-**	**-**	**-**	**102.22**
	Overall Ceiling as per the Companies Act, 2013					**839.3**

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

₹ millions

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	CFO	
		Raju Nanwani	Harvinder Jaspal	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10.4	12.4	22.8
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.2	0.4	0.6
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option (No. of Equity Shares)	10,800	12,200	23,000
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others (Medical Allowance)	0.0	0.0	0.0
	Total	**10.6**	**12.8**	**23.4**

₹ 0 million indicates values are lower than ₹ 0.1 million.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES - NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

Sd/-
Vinod Kumar Dhall
DIN: 02591373
Chairman

Date: May 7, 2020
Place: Noida

ANNEXURE D

LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees or investment under Section 186 of the Companies Act, 2013 are as under:

Sl. No.	Particulars of the loans given, investments made or guarantees given or security provided	Purpose for which the loans or guarantees or security is proposed to be utilised by the recipient of the loans or guarantees or security	Amount ₹ millions
A.	**Investments made**		
1.	Subsidiary – ICICI Securities Holdings, Inc.	Long term investment	122.7
2.	BSE Limited	Long term investment	3.4
3.	Universal Trustees Private Limited	Long term investment	2.1
4.	Receivable Exchange of India Limited	Long term investment	19.2
B.	**Securities held for Trade**	Short term investment	3,057.8
C.	**Loans**		
1.	Given to customers	To invest in ESOPs	3,033.7
2.	Given to customers	Margin Trade Funding	2,675.0

Notes:

1) Investments have been valued at fair value in accordance with Ind AS 109.

2) Securities held as securities for trade include instruments classified as "securities" as per Section 186 of the Companies Act, 2013.

3) No guarantees were given as per Section 186 of the Companies Act, 2013.

For and on behalf of the Board

Sd/-
Vinod Kumar Dhall
DIN: 02591373
Chairman

Date: May 7, 2020
Place: Noida

ANNEXURE E

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL

2. Details of material contracts or arrangement or transactions at arm's length basis:

The details of material related party transactions at an aggregate level for the year ended March 31, 2020:

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements /transactions	Duration of contracts/ arrangements/ transactions	Salient terms of Contracts/ arrangements/ transactions	₹ in million	Date(s) of approval by the Board	Amount paid as advance
ICICI Bank Limited	Holding Company	Bank Balance lying in ICICI bank accounts	-	Outstanding balance at March 31, 2020 in current accounts and fixed deposits maintained for normal banking transactions.	3,439.9	-	-

For and on behalf of the Board

Sd/-
Vinod Kumar Dhall
DIN: 02591373
Chairman

Date: May 7, 2020
Place: Noida

ANNEXURE F

Annual Report on Corporate Social Responsibility (CSR) Activities

1. **A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

   Corporate Social Responsibility ('CSR') has been a long-standing commitment at ICICI Securities Limited ('the Company'). The Company's objective is to pro-actively support meaningful socio-economic development in India and enable a larger number of people to participate and benefit in India's economic progress.

   Further, the Company has articulated its CSR philosophy as supporting the causes of education, healthcare including preventive healthcare, skill-development and sustainable livelihood, creation of job opportunities through technology incubation of start-ups and financial inclusion.

   During the year, the Company undertook several initiatives in addition to the initiatives undertaken by ICICI Foundation for Inclusive Growth in providing sustainable livelihood through vocational skill development projects. The initiatives were directly or through partners in the areas of skill-development and sustainable livelihood, creation of job opportunities, healthcare including preventive healthcare, empowering women and senior citizen welfare.

   I. **Creation of job opportunities**

      Creation of jobs is one major area that is required in our country and this is one of the key focus areas in our CSR initiatives.

      The growth in the financial intermediation using technology and digital inventions, Fintech has the potential to increase economic growth through greater market participation, new and improved products and services, lowering costs, improving productivity and better experience, thereby it has the potential to usher more competition, innovation and job creation in our economy.

      With the immense potential of the Fintech space to be a key element in the creation of jobs and economic growth, the Company has partnered with NS Raghavan Centre of Entrepreneurial Learning ('NSRCEL') of the Indian Institute of Management, Bangalore ('IIMB') which is one of the oldest incubator cells in the country.

      The programme will involve a structured end-to-end approach, broadly entailing reaching out to individuals having ideas, screening of applicants, mentoring by academicians and industry experts and incubating these ventures.

      The initiative commenced in January 2020 and is expected to be completed by FY2021, wherein over 25 start-ups would be part of the initiative and of which ten selected ventures would receive the seed funding.

   II. **Healthcare and preventive healthcare**

      a. **Coronavirus protection kit**

         In view of the spread of the Corona Virus (COVID-19) and its declaration by the World Health Organization (WHO) as a pandemic and our Country's effort to control the spread of the virus, the Company as an immediate preventive measure, through ICICI Foundation for Inclusive Growth provided protective kits consisting of sanitisers (532 litres) and N95 masks (1,550 in number) to the police personnel in Mumbai and other places in Maharashtra.

      b. **Old age healthcare**

         The Company associated with Vision Foundation of India ('VFI'), a non-government not-for-profit charitable trust. The Company contributed to VFI for 1,389 free cataract surgeries for senior citizens below poverty line. Around 300 surgeries have been performed from 7 states/cities, the balance surgeries could not happen due to the coronavirus pandemic and would take place in FY2021.

III. Empowering women

a. Hameri - World Wide Fund for Nature – India initiative

The Company is engaged with the World Wide Fund for Nature (WWF) Hameri programme. Hameri is a women empowerment initiative to train women in livelihood generation through promotion of community-based food processing and handicraft enterprises and reduce resource dependency in the forest natural resources, thus aiding in environment conservation. The initiative commenced in January 2020 and is expected to be completed by FY2021. The initial progress has started with 10 consultation meetings with Self Help Group ('SHG') members in 17 villages in Uttarakhand area reaching out to the women and representatives of the earlier SHG and discussing their experiences and way forward.

b. Siddhika – IFA

The Company trained 435 women candidates in financial knowledge to facilitate helping them clear NISM exam for becoming a Mutual Fund Distributor. The activity was carried across 3 cities - Mumbai, Vadodara and Surat. 261 candidates passed the NISM exam and the Company initiated Association of Mutual Funds in India (AMFI) registration process for them.

IV. Senior citizen welfare

The Company believes in the overall welfare and dignity of all citizens and more so, for the abandoned senior citizens. The insight being that while most old age homes may have decent basic facilities like clean rooms, bed, food, drinking water and shelter, the Company also realized that these senior citizens miss an opportunity of "Active Ageing", because of the limited or zero outdoor facilities. The initiative commenced in December 2019 and is expected to be completed by FY2021. An old age home has been identified in Gurdaspur, Punjab with a plan to build an open gymkhana and a vegetable garden. The objective is to be able to make a model old-age home that can be replicated across other old-age homes in the country.

V. 'iCaniWill '- An education initiative to create awareness

The initiative is focused on educating people on the importance of drafting a Will. The objective is to make people understand the importance and process of Will drafting through informative content and breaking myths associated with Wills. The Company used digital mediums to create awareness and educated over 2 lakh people through a film.

The CSR Policy of the Company sets out the framework guiding its CSR activities. It outlines the governance structure, operating framework, monitoring mechanism and nature of CSR activities that would be undertaken by the Company. The CSR Committee of the Board is the governing body that articulates the scope of CSR activities and ensures compliance with the CSR Policy.

The revised CSR Policy was approved by the Committee and the Board on July 22, 2019 and subsequently hosted on the Company's website. Web-link to the CSR Policy: https://www.icicisecurities.com/UPLOAD/ARTICLEIMAGES/CSR_Policy.pdf.

2. Composition of the CSR Committee:

The CSR Committee of the Company comprises of three Directors including one Independent Director who chairs the Committee. The composition of the Committee is set out below:

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

3. Particulars of CSR spending by the Company during the year ended March 31, 2020:

The average net profit of the Company for the last three financial years calculated as specified by the Companies Act, 2013 was ₹ 7,220.6 million.

Prescribed CSR Expenditure: 2% of average net profit of last 3 years, *i.e.* 2% of ₹ 7,220.6 million is ₹ 144.4 million.

4. Details of CSR spending during the financial year 2019-20:

(a) Total amount to be spent for the financial year: ₹ 144.4 million

(b) Amount actually spent: ₹ 144.4 million

(c) Amount unspent, if any: NIL

(d) Manner in which the amount was spent during the financial year is detailed below:

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Amount outlay (budget) project or program-wise (₹ in million)	Projects or programs 1. Local area or other 2. Specify the State and district where projects or program was undertaken	Amount spent on the projects or programs Sub-heads 1. Direct expenditure on projects or programs 2. Overheads (₹ in million)	Cumulative expenditure upto the reporting period (₹ in million)	Amount spent direct or through implementing agency
1.	Projects of ICICI Foundation for Inclusive Growth	Promoting employment, enhancing vocational skills and livelihood enhancement projects	108.3	PAN India	108.3	380.4	Amount spent through ICICI Foundation for Inclusive Growth ('the Foundation'). The Foundation was set up in 2008 to focus on activities in the areas of CSR.
2.	Job creation opportunities through incubation of Fintech startups	Promoting employment opportunities in the ecosystem	21.8	PAN India	21.7	21.7	Amount spent through NS Raghavan Centre of Entrepreneurial Learning of the Indian Institute of Management, Bangalore.
3.	Women Empowerment Project - Siddhika	Skill development and sustainable livelihoods	3.5	Uttarakhand - around Corbett National Park.	3.0	3.0	Amount spent through World Wide Fund for Nature (WWF).
4.	Women Empowerment Project - Siddhika	Skill development and sustainable livelihoods	1.9	Women from 3 cities - Mumbai, Vadodara and Surat were trained to become Independent Financial Associates.	1.9	10.4	Amount spent through Indeed Agency.
5.	Project of Vision Foundation of India	Old age health Care	2.5	Participated in the Rashtriya Netra Yagna project and sponsored 1,389 surgeries of senior citizens belonging to Below Poverty Line in India.	2.5	4.1	Amount spent through Vision Foundation of India ('Vision Foundation'). Vision Foundation was founded in 1993 with an objective to reduce treatable blindness and treat eye diseases from the lower socioeconomic strata of the society.
6.	Welfare of Senior Citizens	Model senior citizen home	3.8	Gurdaspur, Punjab.	3.6	3.6	Amount spent through Gramodaya Samajik Sansthan.
7.	Projects of ICICI Foundation for Inclusive Growth	Disaster management including preventive relief	0.0	Contributed towards buying sanitisers and masks to Mumbai and Maharashtra Police during Corona pandemic.	0.8	0.8	Amount spent through ICICI Foundation for Inclusive Growth ('the Foundation'). The Foundation was set up in 2008 to focus on activities in the areas of CSR.
8.	iCaniWill	Promoting education	2.5	Focused on educating people on the importance of drafting a Will (PAN India).	2.5	13.5	Amount spent through I-Prospect.

The CSR Committee hereby confirms that the implementation and monitoring of CSR activities is in compliance with CSR objectives and the CSR Policy of the Company.

For and on behalf of the Board

Sd/-
Vijay Chandok
DIN: 01545262
Managing Director & CEO

Date: May 7, 2020
Place: Mumbai

For and on behalf of the Board

Sd/-
Vinod Kumar Dhall
DIN: 02591373
Chairman, CSR Committee

Date: May 7, 2020
Place: Noida

ANNEXURE G

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended March 31, 2020

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ICICI Securities Limited,
ICICI Centre, H. T. Parekh Marg,
Churchgate, Mumbai - 400020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ICICI Securities Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment; **(External Commercial Borrowings and Foreign Direct Investment Not Applicable to the Company during the Audit Period);**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(Not Applicable to the Company during the Audit Period)**

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- The Securities and Exchange Board of India (Research Analysts) Regulations, 2014;
- The Securities and Exchange Board of India (Merchant Bankers) Regulations,1992;
- The Securities and Exchange Board of India (Underwriters) Regulations, 1993;
- The Securities and Exchange Board of India (Stockbrokers) Regulations, 1992 and Rules, Regulations and Bye-laws of Stock Exchanges;
- The Securities and Exchange Board of India {KYC (Know Your Client) Registration Agency} Regulations, 2011;
- The Securities and Exchange Board of India (Investment Advisers) Regulations, 2013;
- The Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007;
- The IRDA (Registration of Corporate Agents) Regulations, 2015;
- The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993; and The Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 effective from January 16, 2020.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit report, the Company has passed special resolution *via* Postal Ballot on February 20, 2020 for the purpose of approval for enhancement of existing limit under Section 186 of the Companies Act, 2013.

We further report that during the audit report,

1) The Company has filed Settlement Application under SEBI (Settlement Proceedings) Regulations, 2018 on April 3, 2019 and has paid settlement amount for the Show Cause Notice issued by SEBI dated October 5, 2018 in the matter of two trading accounts that were opened with the Company in January 2007 and July 2008 by account holders by misrepresenting their identities.

2) NSE has levied a penalty of Rs. 4000/- and Rs. 1500/- on the Company 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 (Stockbrokers) Regulations, 1992 (as amended).

For Makarand M. Joshi & Co.

Sd/-
Makarand Joshi
Partner
FCS No. 5533
CP No. 3662
UDIN: F005533B000168553
Peer Review No: P2009MH007000

Place: Mumbai
Date: 20/04/2020

This report is to be read with our letter of even date which is annexed as **Annexure** and forms an integral part of this report.

Annexure

To,
The Members,
ICICI Securities Limited,
ICICI Centre,
H. T. Parekh Marg,
Chruchgate, Mumbai - 400020

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events *etc.*

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Makarand M. Joshi & Co.

Sd/-
Makarand Joshi
Partner
FCS No. 5533
CP No. 3662
UDIN: F005533B000168553
Peer Review No: P2009MH007000

Place: Mumbai
Date: 20/04/2020

ANNEXURE H

Corporate Governance Compliance Certificate

To
The Members,
ICICI Securities Limited

We have examined the compliance of conditions of Corporate Governance by ICICI Securities Limited ("the Company") for the year ended on March 31, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Makarand M. Joshi & Co.

Sd/-
Makarand Joshi
Partner
FCS No. 5533
CP No. 3662
Peer Review No: P2009MH007000

Place: Mumbai
Date: 20/04/2020

ANNEXURE I

Certificate Of Non-Disqualification Of Directors

(Pursuant to Regulation 34 (3) and Schedule V Para C Clause (10) (i) of
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
ICICI SECURITIES LIMITED
ICICI Centre, H. T. Parekh Marg,
Churchgate, Mumbai - 400 020

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to **ICICI SECURITIES LIMITED** having **CIN L67120MH1995PLC086241** and having registered office at **ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai - 400 020** (hereinafter referred to as **'the Company'**) for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and documents available on the website of the Ministry of Corporate Affairs and Stock Exchanges as on March 31, 2020, and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and based on the disclosures of the Directors, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority for the period ended as on March 31, 2020.

Table A

Sr. No.	Name of the Directors	Director Identification Number	Date of appointment in Company
1.	Mr. Vinod Kumar Dhall	02591373	28/10/2014
2.	Mr. Ashvin Dhirajlal Parekh	06559989	25/08/2016
3.	Mr. Subrata Mukherji	00057492	29/11/2017
4.	Ms. Vijayalakshmi Rajaram Iyer	05242960	29/11/2017
5.	Mr. Anup Bagchi	00105962	11/10/2018
6.	Mr. Pramod Rao	02218756	11/10/2018
7.	Mr. Vijay Kumar Chandok	01545262	07/05/2019
8.	Mr. Ajay Saraf	00074885	25/05/2011

For Makarand M. Joshi & Co.
Practicing Company Secretaries

Sd/-
Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690

Place: Mumbai
Date: 27/04/2020

Management Discussion and Analysis

ECONOMIC REVIEW

Global Economic Overview

The global economy has been buffeted by headwinds since the beginning of 2019, and all the international and regional crises were aggravated by the coronavirus pandemic of early 2020, which dominated the entire first half of the year. Trade tensions between the United States and China, which had eased briefly in early 2019, worsened again later in the year as both the countries imposed more tariff barriers on each other. This affected investor sentiment globally and led to lower manufacturing activity. Service sector activity, however, remained relatively stable. Monetary policy updates in major economies cushioned, to a degree, the impact of trade tensions.

The US economy, however, remained relatively resilient. It started 2019 on a strong note, by posting a growth of 3.1%. Although the growth slowed in the subsequent quarters, full-year growth in 2019 came in at 2.3%. China saw a weakened economy as well, with its Gross Domestic Product (GDP) growth in 2019 falling to an estimated three-decade low at 6.1%.

From the beginning of CY2020, the novel coronavirus outbreak of Wuhan, China, started adversely affecting the world, and by early March 2020, it was officially a global health crisis. The rapid spread of COVID-19 and the resultant lockdowns across the world led to a drastic lowering of growth forecasts and rapid depreciation in Emerging Market currencies, triggering risk-off sentiment and causing sharp market falls. As the crisis deepened, economists predicted a recession in key economies in 2020 and a slow recovery in 2021. International Monetary Fund (IMF) Managing Director Kristalina Georgieva added that she expected a recession that is as bad as or worse than the 2008 global financial crisis.

COVID-19 is an evolving crisis that has already resulted in tens of thousands of job losses around the world and the near decimation of some sectors that are entirely reliant on human mobility. Its economic impact will depend on how efficiently countries are able to contain its spread.

Indian Economic Overview

During FY2020, India's economic growth decelerated continuously as the year progressed. As per provisional estimates, real GDP growth for the first two quarters of FY2020 came in at 5.2% and 4.4% respectively. A variety of factors were responsible for this deceleration in growth including delayed onset and spatially skewed distribution of monsoon, continued slowdown in manufacturing and weak private consumption. While there were hopes of a turnaround in H2FY2020, the economy's performance slid further in Q3FY2020 as real GDP growth plunged to 4.1% on the back of broad-based deceleration in industry and services. However, strong growth in government expenditure provided the much-needed support to headline growth during the first three quarters of FY2020 as the government tried to cushion the impact of slowdown. Coronavirus and the resultant lockdown weighed heavily on the economy in the last quarter of FY2020 and real GDP growth plunged to just 3.1%, taking full year growth to 4.2%.

Headline retail inflation, as measured by Consumer Price Index (CPI), was benign in the beginning of FY2020. CPI started inching up sharply from September-October 2019 due to higher food prices. However, towards the end of FY2020, normalisation of food prices and easing oil prices led to easing of inflation.

Equity Markets

FY2020 was a year of extreme volatility for Indian equity markets. While the fiscal year started on a positive note for equities, the market continued to remain polarised, with a handful of stocks contributing to the bulk of the performance. In the second quarter, risks of a global slowdown started building up as the US yield curve inverted and the US economy entered the longest period of economic expansion in history in the backdrop of an escalating trade war and other geo-political risks such as Brexit.

Acknowledging the risks to global growth, most central banks such as the Federal Reserve System aka US Fed, ECB (European Central Bank), and PBOC (People's Bank of China) turned dovish in the second half of CY2019, thereby improving the outlook for interest rates and global liquidity. This resulted in a pick-up in Emerging Market (EM) equities, including that of India, from the beginning of third quarter of FY2020.

Indian equities were also buoyed by tax cuts for the corporate sector. The rising risk appetite resulted in a pick-up in broader markets in the form of mid and small caps. The NIFTY 50 index hit an all-time high in January 2020, only to plunge in March 2020 due to fears of the COVID-19 impact on the economy. The slide resulted in large-caps giving up their modest gains and ending FY2020 with a decline of 26% (NIFTY 50) while the NIFTY midcap 100 and NIFTY smallcap 100 Indices fell by 36% and 46%, respectively.

During the fiscal year, Domestic Institutional Investors (DIIs) were net buyers of US$ 17.9 billion of equities, while Foreign Institutional Investors (FIIs) sold US$ 645 million worth of equities. FII buying saw a reversal in the last quarter of FY2020, as they sold equities worth US$ 6.6 billion. Funds raised through equity witnessed recovery in FY2020 with fundraising *via* Initial Public Offerings (IPOs), Follow-on Public Offerings (FPOs), InvIT and REIT, Offer for Sale (OFS), and Rights Issue rising from ₹ 569 billion in FY2019 to ₹ 1.5 trillion in FY2020.

INDUSTRY OVERVIEW

Retail Equity

The industry volumes Average Daily Turnover (excluding proprietary) was up by 55% YoY. In this, while the gross equity ADTO increased by 11%, delivery ADTO contribution decreased to 24%. Equity derivatives ADTO grew by 46%, primarily driven by weekly Options contracts. In the Futures segment, volumes were flat, year-on-year. There was a substantial growth in the number of new retail investors entering the equity market, as witnessed through the number of NSDL and CDSL demat accounts being opened in FY2020, which was up by 25% as compared to FY2019.

Amidst tightening regulatory framework and competition, the industry over the years has consolidated in favour of larger financial institutions. As a result, the market share of the top 10 brokers increased from 26% to 39%, from FY2015 to FY2020, of the trading turnover in the NSE cash equities market. The top 50 brokers accounted for 76% of the trading turnover in the NSE cash equities market in FY2020.

The Indian brokerage industry has witnessed the entry of a new category of brokers – discount brokers, who offer basic transactional service for a low fixed brokerage fee, irrespective of the size of trade quantum. Apart from transactional service, these brokers provide various products used for analysis and research services for an additional fee.

The Indian broking industry is transitioning from a transaction-based model to service or fee-based model, offering services such as wealth management and investment advisory. A shift towards a fee-based model is already in the works with brokers focussing on building advisory model (wealth AUM). Apart from advisory services, focus on fund-based activities like margin funding and loan against shares is on the rise, enabling brokers to build sustainable earnings. Cyclicality of income from volatile markets/volumes is seen abating as pure brokerage income forms ~50-60% of overall revenue for each player *vs* 80-90% a few years ago.

With the Securities and Exchange Board of India (SEBI) coming out with a slew of regulations to protect investor interest like tightening of norms on handling clients' securities by brokers, bank-led brokerages stand to gain both as quick enablers of funding and trust on safety of demat holdings.

In March 2020, global, including Indian markets witnessed a downward spiral on account of COVID-19. The widespread panic over COVID-19 has led to three kinds of damages in the Indian stock market. First, at the index level, there was a correction of ~23% in March 2020. Second, the leverage positions have taken a large hit, as positions had to be unwound. Third, there was an overall impact on investor sentiment due to the sharp slide.

The following table shows the market share by turnover of brokers in NSE and BSE cash equity market for the periods mentioned therein:

	BSE					NSE				
	Top 5	Top 6-10	Top 11-25	Top 26-50	>51	Top 5	Top 6-10	Top 11-25	Top 26-50	>51
FY2013	14%	8%	16%	16%	45%	14%	10%	22%	16%	37%
FY2014	16%	8%	16%	17%	42%	14%	11%	21%	18%	36%
FY2015	18%	11%	19%	17%	36%	15%	11%	20%	18%	36%
FY2016	21%	10%	19%	16%	34%	18%	11%	21%	17%	32%
FY2017	19%	10%	20%	17%	34%	18%	10%	22%	17%	32%
FY2018	21%	12%	22%	15%	30%	20%	11%	21%	17%	32%
FY2019	24%	14%	23%	13%	26%	22%	12%	20%	18%	28%
FY2020	26%	14%	24%	11%	25%	25%	14%	21%	16%	24%

Distribution of Retail Financial Products

The traction in financial assets continued unabated in FY2020 till February, notwithstanding regulatory changes, volatility and slew of credit defaults and downgrades, as reflected by steady domestic inflows. However, March 2020 was a different story. Fear, anxiety and chaos summed up the global scenario as the COVID-19 outbreak became a pandemic. In line with global markets, Indian equity markets witnessed a swift downturn.

While incumbent financial distributors continue to remain quintessentially important for increasing the reach of financial products, especially in smaller cities and towns, the market saw the emergence and rapid growth of a few fintech distribution channels that aimed to provide improved investment experience and low-cost investment options.

Mutual Funds (Equity) witnessed ~10% growth in Average Assets under Management (AAUM) in FY2020 despite market volatility, primarily due to steady Systematic Investment Plan (SIP) inflows and increase in assets of Direct Plan. The AAUM of equity Direct Plan increased by ~24%, higher than the overall industry, and its contribution to total equity assets increased from ~16% in FY2019 to ~18% in FY2020. Average monthly gross inflows in equity category in FY2020 were at ₹ 336.4 billion, up by 13% from FY2019, primarily because Direct Plan recorded an increase of 56% in FY2020 over FY2019. The average monthly net inflows in equity category were at ₹ 58.0 billion in FY2020, falling by 40% as compared to FY2019. Average monthly net inflows in Direct Plan remained strong, recording an increase of 110% in FY2020 over FY2019.

Average monthly SIP inflows in FY2020 was at ₹ 83.4 billion, 8% higher than FY2019, and SIP AAUM in Equity category witnessed increase of ~23% in FY2020, faster than overall equity assets. At the industry level, a number of folios across all categories of Mutual Fund continued to rise steadily – from a monthly average of 77.1 million in FY2019 to 84.8 million in FY2020, registering a growth of ~10%.

The financial year witnessed the implementation of regulatory change, rationalising the Total Expense Ratio (TER) based on the AUM of the Mutual Fund schemes, bouts of volatility, credit events, and the black swan event of COVID-19.

Due to several corporate defaults in FY2020, investor interest in Non-Convertible Debentures (NCDs) was low. In FY2020, YoY drop of ~51% was witnessed in fund raising by NBFCs *via* NCDs in the retail segment. There were ~ 25 major NCD issues in the primary market with retail issue size of ₹ 91 billion in FY2020, as compared to 20 such issues in FY2019 with retail issuances of ₹ 187 billion.

In the life insurance space, new business premiums* during FY2020 grew by 6%, of which the private sector life insurance industry registered a growth of 5% and market share growth of 57%. In the health insurance space, premiums grew by 27% YoY in FY2020*.

**Life insurance premium accounted for new business premium above are only for retail business (excluding group business) of regular premium and single premium plans (single premium plans considered with 10% weightage).*

Private Wealth Management

The Indian wealth management industry continued its growth journey in FY2020, albeit at a slower pace, given the volatile market conditions. India continues to outpace global High Net Worth Individuals (HNIs) growth, mirroring the economic growth in the country. With the incremental allocation of wealth being higher in financial assets as compared to physical assets, the wealth management industry is emerging as a big beneficiary.

As per the latest Credit Suisse report, the number of Indian individuals with US$ 1million+ is approximately 7,59,000 and this number is expected to grow to 11,86,000 by 2024. The total HNI wealth is expected to be US$ 2.2 trillion. Alternative Investment Funds (AIFs) and Portfolio Management Service (PMS), which typically attract HNI investments, have become a sizeable category today. As per the latest available data, AIFs saw the cumulative net commitment growing to ₹ 482 billion (December 2019) and the PMS industry Assets Under Management (AUM) in listed equity stood at ₹ 1.44 trillion (February 2020).

Institutional Equity

Institutional equity volumes Average Daily Turnover (ADTO) was up by 10% YoY and derivative ADTO up by over 100% (Source: SEBI bulletin). Institutional derivative volume is mainly driven by proprietary accounts of institutional clients in Options category and is catered to by MNC brokers only having access to these clients.

Foreign Portfolio Investors (FPI) were net buyers for most of FY2020, but significantly high selling in March 2020, amounting to US$ 8.4 billion, due to the global COVID-19 panic, resulted in net outflows of US$ 645 million for the year. However, unprecedented monetary expansion by most central banks of developed economies such as the US Fed, European Central Bank, and Bank of Japan, along with record low interest rates, augur well for FPI flows towards Emerging Markets (EM) like India once the COVID-19 related fear abates.

Domestic Institutional Investors (DIIs) continued to make robust investments, led by high investments in Mutual Funds and resulting in net inflows of US$ 17.9 billion for the year. The Mutual Fund industry has witnessed net inflows of approximately ₹ 1.5 trillion in FY2020 in Equity and related schemes. Healthy participation by DIIs provided stability to the capital markets, offsetting the outflow of investments made by Foreign Institutional Investors (FII) towards the end of FY2020.

The Indian capital markets, over the past few years, have witnessed net buying by FPIs and DIIs on a combined basis, accounting for the bulk of investments. These institutional investors facilitate adequate liquidity to both the cash equities and the equity derivatives markets.

Domestic Alternative Investment Funds (AIFs) and passive Exchange Traded Funds (ETFs) have gained momentum in the past few years, as evidenced by the domestic ETF Assets Under Management (AUM) reaching ₹ 1.5 trillion by March 2020 (up 101% YoY). As institutional investors become more sophisticated, their requirements are rising in terms of proprietary fundamental research and differentiated product offerings.

Issuer Services and Advisory*

In FY2020, capital markets witnessed a mixed bag of activities. While IPOs saw traction in the first half of the year, it remained muted to almost non-existent in the second half, with limited issuances. The same was evidenced by limited fund-raising mainly through Qualified Institutional Placements (QIP) in the second half of the fiscal year. While the public markets comparatively slowed down, activity in the private equity side saw some traction. This was supported by the valuation corrections in the market which made the target company more attractive to the PE funds. Similarly, Merger & Acquisition (M&A) activity also picked up to some extent due to the same reason.

The last few months of the fiscal were impacted by the spread of the COVID-19 pandemic in deal-making on the primary side and also significantly impacted valuations in the listed space. The market, as a result, witnessed a certain amount of consolidation, with the announcement of a few buybacks and open offers and a few Offer for Sale (OFS) transactions towards the end of the fiscal year.

Key Highlights:

- 14 IPOs (including InvITs) aggregated ₹ 226.56 billion in FY2020, as compared to 17 IPOs (including InvITs & REIT) that aggregated ₹ 226.90 billion in FY2019. The fund-raising growth was flat
- 13 Rights Issues aggregated ₹ 560 billion in FY2020, as compared to 8 Rights Issues that aggregated ₹ 20 billion in FY2019, showing an increase of 2,700%
- 26 OFS deals aggregated ₹ 173.3 billion in FY2020, as compared to 28 such transactions that aggregated ₹ 216.9 billion in FY2019, representing a decrease of ~20%
- 13 QIPs aggregated ₹ 512.2 billion in FY2020, as compared to 13 QIPs that aggregated ₹ 104.9 billion in FY2019, representing a big increase of ~5 times
- 52 Buybacks aggregated ₹ 199.7 billion in FY2020, as compared to 63 Buybacks that aggregated ₹ 555.9 billion in FY2019, representing a decline of ~64% and
- 61 Open Offers aggregated ₹ 214.6 billion in FY2020, as compared to 67 Open Offers that aggregated ₹ 279.6 billion in FY2019, representing a decline of ~23%

Equity Markets: Resources raised by corporates:

(₹ billion)

	IPO/FPO/InvIT/REIT	OFS (SE)	Rights	QIP	IPPs	Total
FY16	145	198	92	144	-	579
FY17	282	84	33	137	-	536
FY18	889	174	214	575	47	1,899
FY19	227	217	20	105	-	569
FY20	227	173	560	512	-	1,472

No. of deals	IPO/FPO/InvIT/REIT	OFS (SE)	Rights	QIP	IPPs	Total
FY16	24	18	12	20		74
FY17	25	28	12	22		87
FY18	47	37	20	51	2	157
FY19	17	28	8	13	-	66
FY20	14	26	13	13	-	66

** Referred to as Advisory in our financial statements segments and as Corporate Finance business in our earlier annual reports.*

COMPANY OVERVIEW

ICICI Securities Limited is a leading technology-based securities firm in India, operating across capital market segments, including retail and institutional equity, financial product distribution, private wealth management, and investment banking. The Company is among the leading equity houses in the country. ICICI Securities operates www.icicidirect.com, India's leading virtual financial supermarket, meeting the three need sets of its clients – investments, protection, and borrowing. The Company assists its customers like retail investors, corporates, financial institutions, High Net Worth Individuals (HNIs) and Ultra HNIs in meeting their financial goals by providing them with research, advisory and execution services. Headquartered in Mumbai, the Company operates out of ~70 cities in India and a wholly-owned subsidiary in the United States and its branch in Singapore.

OUR BUSINESSES

Retail Equity

The Company's business is anchored by its retail investors, to whom it offers products and services through the electronic platform – www.icicidirect.com and various distribution channels. Launched 20 years back, icicidirect.com is a pioneer in online trading The Company offers all investment and trading solutions across asset classes through its comprehensive website and mobile app. Along with its "3-in-1 account", where trading and demat account is linked with ICICI Bank Limited (ICICI Bank) savings account, the Company has also introduced an open architecture that allows its customers to link any bank account to their trading and demat account. This seamless and inter-operable feature of its electronic brokerage platform provides clients with greater flexibility in the use of their money.

This proprietary electronic brokerage platform has a plug-and-play architecture that easily integrates the platform with the internal systems and the systems of third parties whose products it distributes. The information technology infrastructure underlying this platform is robust and scalable, designed with redundancy in mind with a three-tier disaster recovery process. The Company's risk management systems are also fully integrated with the platform, which allows it to manage risks in real time, including through automated changes in margin requirements by tracking trigger prices for every client position with a margin. The ICICI direct platform is accessible 24X7 *via* the Internet browser as well as mobile app, empowering investors with personalised key information on their portfolio with real-time capital gains calculation. The platform has strong security features and is capable of handling traffic many times its current load, with a very low response time of ~32 milliseconds.

The retail equity business primarily consists of services like trading equities, equity derivatives, currency derivatives, ETFs, and overseas securities. The Company earns revenues based on the volume and size of transactions its customers enter into. The primary revenue products offered to customers for trading are:

- **Equities**: Stocks listed on the NSE and the BSE. The Company also offers margin financing to customers who desire higher leverage and Systematic Equity Plan (SEPs), which allows customers to purchase a fixed value or a fixed quantity of equities at regular intervals.
- **Equity Derivatives**: Futures and Options related to stocks/index.
- **Currency Derivatives**: Futures contracts in US$/INR, EUR/INR, GBP/INR and JPY/INR.
- **Exchange Traded Funds:** Over 90 ETFs from various asset management companies.
- **Overseas Securities:** Stocks from over 40 stock exchanges in more than 25 countries outside India, pursuant to a partnership with a leading global online broker.

In addition to the above,

- In FY2020, the Company launched ICICIdirect Prime, a subscription-based service for all its customers that offers instant payout of funds, reduced brokerage rates, and exclusive research. At the end of FY2020, the Company had more than 0.31 million customers who opted for ICICIdirect Prime
- In FY2020, the Company's ESOP funding business scaled up and provided gateway to HNI customers
- The holding period in the Company's margin financing business was extended from T+180 days to T+365 days in NSE and BSE. With ICICIdirect Prime, interest rates were reduced to as low as 8.9% per annum to provide support to leverage positions. The Company witnessed healthy growth in its margin financing book before the COVID-19 pandemic. In order to tide over the highly volatile phase, the Company proactively engaged with clients to reduce leverage positions to a level commensurate with mutual risk profile
- The growth in these products and features have helped diversify the revenue base in the Equities business. Revenues from interest income and Prime subscription fees contributed to over 12% of FY2020 equity business revenues, growing from ~9% in FY2019

- The new arrangement for sourcing of clients with ICICI Bank in FY2020 has seen greater synergy between both companies, leading to better quality of clients being sourced, which in turn resulted in higher client activation during the year

The Company's 42-strong Retail Research team covers 307 companies across various sectors. A strong Mutual Fund, Technical and Derivatives desk delivers quality research to over 4.8 million customers of icicidirect.com. In addition to the quarterly earnings reports and regular event updates, the team publishes various sector reports, thematic reports, model portfolios, IPO recommendations, mutual fund advice, and technical and derivative picks.

Distribution of Financial Products

The Company is a leading distribution franchise, being the second largest non-bank mutual fund distributor based on revenue. Its distribution business primarily consists of the distribution of financial products and services offered by third parties to its customers. These products include mutual funds, life and general insurance, corporate fixed deposits, loans, tax services, and pension products. The Company earns commission from third parties for the distribution of their products, which may be in the form of recurring commissions for longer-term products.

To be a part of the entire lifecycle of customers and serve them end-to-end, the Company has embarked on distribution of loan products, which would help it to serve customers across Investments, Protection, Borrowing requirements. It has curated 12 loan products like Home Loans, Loan against Property (LAP), Lease Rental Discounting (LRD), Business Loans, SME Loans, Personal Loans, Credit Cards, Auto Loans, Two-Wheeler Loans, Loans against Securities (LAS), Remittances and Forex Services.

ICICI Securities has tied up with multiple lending partners for higher approval rates and more choices for its customers. After tie-ups with new lending partners like ICICI Bank, ICICI HFC, HDFC Ltd., BOB, PNB HFC, TATA Capital for Home Loans, LAP and LRD, more choices are now available under one roof for all customers. This has further strengthened ICICI Securities' offering on mortgages.

The Company is scaling up the distribution of 'Digital Loans' for its pre-approved customers. It is offering Personal Loans, Credit Cards, Top-up on Home loans, and Auto Loans top-up through icicidirect.com. Over 0.9 million ICICI Securities customers are already pre-approved and credit-cleared for availing of a Personal Loan without any documentation, with the amount getting credited into their account within 3 seconds. For such credit-cleared customers, a credit card can be issued in 3 minutes with him/her able to shop online after that, and subsequently receiving the physical card in a week's time. This would help ICICI Securities establish itself as a "one-stop shop" for all financial needs from Investments to protection to borrowing.

ICICI Securities has one of the largest pan-India distribution network of 172 ICICIdirect offices in over 70 cities, 9,400+ sub-brokers, authorised persons, Independent Financial Associates (IFAs) and Independent Associates (IAs). As on March 31, 2020, the Company distributed over 2,600 mutual fund schemes. In FY2020, the Company continued its growth with a focus on increasing the number of clients and total AUM.

Private Wealth Management

The Private Wealth Management (PWM) business at ICICI Securities is a home-grown franchise, which was set up in 2010 to service the existing ICICIdirect affluent customers. As India's economic progress continued, many of these customers climbed up the ladder of wealth, and the Company's private wealth practice today has morphed into one of the leading wealth management franchises in India. Over the years, the PWM business has built a stable and experienced team that comprises 16 members at senior leadership, and more than 300 members that includes relationship, product, advisory, service, and Family Office team members. The PWM business operates through an open architecture model with robust risk and product selection framework. It services clients through its enhanced digital platform and has value-added features as per evolving HNI needs.

PWM is a unique Brand-Platform-RM-led business model. The business leverages its strong brand name and a robust and seamless digital platform to attract customers. With a comprehensive product offering that caters to clients' financial and allied needs, the platform allows customers to transact across different asset classes and asset managers, review portfolio, and extract reports. This helps the Company to scale up the business through the platform. Coupled with this, an experienced team of relationship managers (RMs) with deep domain expertise handholds and advises clients on their bespoke requirements. By virtue of this unique platform-led business model and RM-led servicing, ICICI Securities is able to build a scalable and digital wealth management practice.

The product solutions of PWM are curated based on the insights gathered through years of servicing different investment needs of clients. These are made available digitally through the ICICI direct platform. A few such innovative solutions include Comprehensive Portfolio Analysis (CPA) through Consolidated Account Statement (CAS) upload in ICICI direct, One-click Baskets for Mutual Fund portfolio creation, *etc*.

The Company is able to engage with the clients across their entire financial journey of wealth creation, preservation, and transfer. Today, its offerings comprise investment solutions like Equity, Fixed Income, Offshore and Alternative investments; value-added services like protection, mortgages & loans, *tax advisory, *estate planning & *real estate. Customers' business needs like raising equity capital, debt syndication and monetising asset are also serviced by the Company. Its platform-led engagement has ensured client stickiness; in fact, 54% of its revenue comes from clients who are with the Company for over 10 years.

*(*through referral arrangement)*

Institutional Equity

The Company offers its domestic and international institutional clients brokerage services and is empanelled with a large cross-section of institutional clients. It also works with trade aggregators. The Company provides solutions like block deals, which provide liquidity and enable them to trade on Indian stock exchanges as per their specific requirements.

ICICI Securities' corporate access team has strong relationships across different sectors and has regularly conducted international investor conferences in the past year. The Company also provides its institutional clients with direct market access to the NSE and the BSE and offers a range of algorithms that can be customised as per their needs.

The institutional research team has coverage of 282 companies, spread across diversified sectors and large-cap and mid-cap stocks. The 37-strong institutional research team is dedicated to servicing clients around the world through its differentiated approach. The team publishes a variety of sector thematic reports as well. Many Company analysts have been ranked high in investor polls and surveys like Asiamoney and Institutional Investor.

Issuer Services and Advisory

The ICICI Securities investment banking business consists of equity capital market services and financial advisory services that cater to corporate clients, the government, and financial sponsors. The Company is familiar with its clients' business models and the financial solutions are tailored to meet their needs at different stages of development.

The Company has occupied the top position in the investment banking league tables for quite some time. This business has a strong Equity Capital Market (ECM) practice that cuts across all fund-raising and consolidation products. A team of 60+ people helps the Company in providing a complete suite of ECM, Debt Capital Market (DCM), Mergers & Acquisition (M&A), advisory, and private equity advisory services to its clients.

The team comprises bankers who cover the majority of corporate firms across almost all industry verticals. The team has deep understanding of the sectors it covers as well as a long-standing relationship with leading corporates / conglomerates of the country and overseas. The team also covers the financial sponsors, private equity houses, sovereign wealth funds, special situation funds, funds dedicated to stressed assets, and Family Office funds. The business also has an excellent execution team that provides end-to-end product solutions for the clients, including DCM and structured finance products. This team has deep understanding of the regulatory framework for the primary and secondary market products.

Over the years, the Company has expanded its coverage of sectors and client base. It has thus been able to encompass services (such as M&A and PE advisory) beyond ECM products in its suite of offerings. This has helped the Company to stay relevant with the clients through their complete corporate finance cycle and offer meaningful advice in both bull and bear markets.

The capabilities of the Issuer Services and Advisory team include origination and execution of all types of fund-raising such as initial public offerings, qualified institutions placements, rights issuances, follow on offerings, preferential issues, among others. On the consolidation side, the team has advised and managed some of the biggest and complex open offers (takeovers), delisting, buybacks, scheme of arrangements, merger and acquisitions in the country.

Competition

Competition in the field of financial services is continuously changing and giving rise to numerous and different forms of competitors. ICICI Securities' competitors range from traditional brokers, bank-affiliated brokers, and discount brokers to a set of emerging players who are effectively technology companies that have created vibrant ecosystems and are now looking to offer equity/financial products distribution services to their customers.

** Referred to as Advisory in our financial statements segments and as Corporate Finance business in our earlier annual reports.*

Evolving nature of Competition

Traditional investment houses	Bank affiliated investment houses	New generation discount brokers	Potential emergence of ecosystem players/ techfins
Branch and sub-broker driven outreach, Diversified presence into NBFC/HFCs/AMCs and wealth	Focussed on leveraging synergies with the bank	Low barriers to entry	Product expansion, not fundamentally a financial player

Regulatory Direction

SEBI is a very proactive regulator, keeping the long-term interest of investors in mind while framing policies. While some policies may have a short-term business impact, the Company believes overall, what is good for the customer is good for business. Some regulatory changes have the following business impact:

- Emphasis on lowering of intermediary margins to enhance customer returns
- Greater focus on transparency and risk management
- Increased compliance cost

In the recent past, the regulator has come out with the following norms:

Equity business: Margin Norms, Treatment of client securities

Wealth: Distribution *vs* Advisory, No upfront in PMS, PMS client definition

Distribution: No upfront in MF, TER regulations

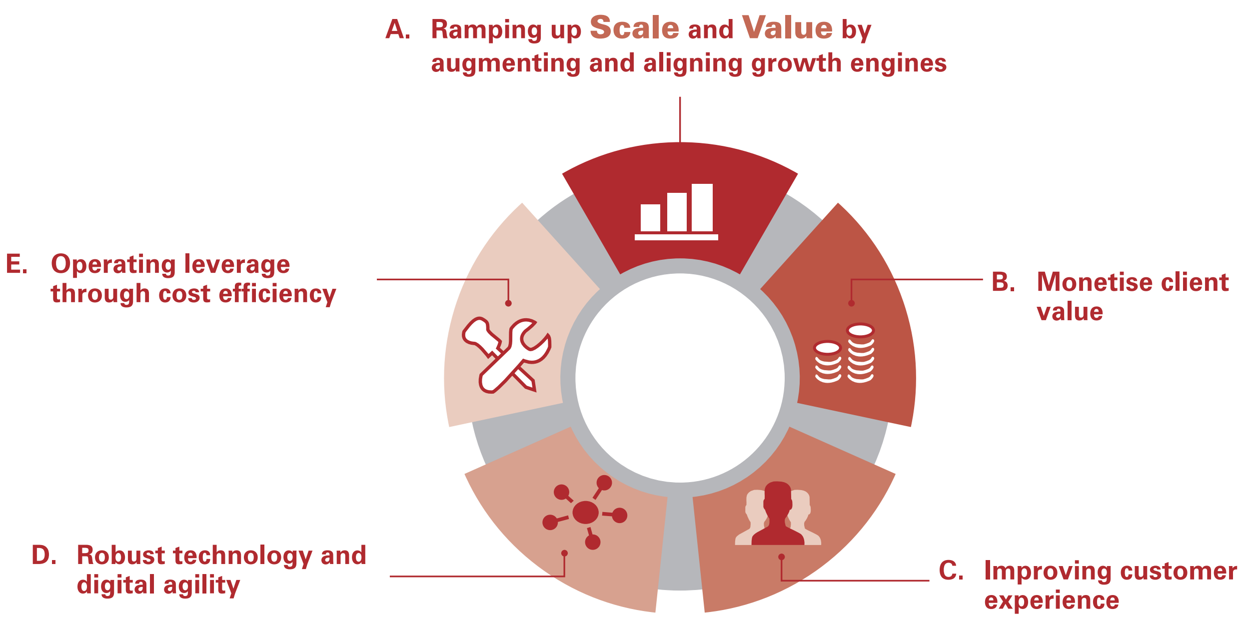
Company Strategy

ICICI Securities has articulated a strategy of broad-basing the business model by widening its comprehensive suite of products and services to a complete bouquet of investment, loan and protection needs. It has strengthened the core aspects of business while building for the future for focussing on five key strategic priorities, which are:

(i) Ramping up scale of business with a focus on quality;

(ii) Monetising client value;

Strategy: Strengthening the core and building the future



Working towards broadening the positioning

Imperatives:

- Broad-basing business model
- Diverse and granular revenue stream

To be seen as comprehensive financial solutions provider for the affluent Indian - Powered digitally

(iii) Improving customer experience and engagement across spectrum of customer segments, including wealth segment;
(iv) Making the company more digitally agile; and
(v) Focussing on cost efficiencies.

Progress on strategic priorities

i) Ramping up scale of business with a focus on quality

The Company's strategy is to ramp up scale and value by expanding new customer acquisition channels, augmented by its distinctive product and service propositions. The Company is diversifying its client sourcing which, as of now, is mainly dependent on ICICI Bank. There are encouraging run rates of ICICI direct Prime, a subscription-based plan offering privileged pricing, liquidity and curated research. Prime subscribers stood at over 0.31 million as on March 31, 2020, up from ~0.1 million as on June 30, 2019. Prime is helping ICICI Securities in many ways: as an attractive product proposition to source higher quality clients; as a tool to activate dormant customers; and by adding annuity revenue of subscription fees to the equity business line. Revenue from Prime subscription fees, which was non-existent in FY2019, stood at ₹ 196 million in FY2020.

As the Company had envisaged, the ICICI Bank arrangement effective from the start of the fiscal year has shown encouraging signs. Activation rate for bank-sourced clients is now at 58% in FY2020, up from 32% in FY2019, showing a shift in the quality of customers towards the more affluent and relevant segments. With regard to the Company's focus on NRI customers, it has started sharing digital leads with overseas branches of the bank to enable fulfilment and is also making the onboarding process much smoother for customers. With a view to making client onboarding more efficient for its field force associated with ICICI Bank, the Company has developed a tab-based instant account opening process, using which a pre-existing bank customer can get his/her account opened on the ICICI direct TAB within 20 minutes. The Company's monthly run rate for FY2020 was over 11,500 accounts.

The scale of the Company's digital sourcing engine is also being enhanced. It has launched a 20-minute completely online, customer-driven onboarding process, comparable to the best in the industry, leading to improvement in the daily run rate of accounts opened completely online. On February 25, 2020, the Company launched its Insta Idirect accounts, wherein it went for open architecture with respect to bank accounts and also digitised the process of acquiring Power of Attorney (PoA) from customers to do away with in-person meetings. Customers now need to open only trading and demat accounts (2-in-1), which can be seamlessly linked to their existing bank accounts, wallets, UPI, *etc.* completely online. ICICI Securities is enthused by the initial response and it has opened over 6,000 accounts till March 31, 2020.

The third engine of growing scale is the business partner network, which witnessed a strong growth of 32% year-on-year and was at 9,400+ in FY2020. This is expected to help the Company grow its customer franchise further, not only in certain pockets of Tier I cities but also in Tier II and III markets. The new clients acquired through this network grew by 43% in FY2020.

1. Broking Revenue generating NCA increased by 43% from 0.15 million customers for FY2019 to 0.22 million customers for the same period in FY2020.
2. Gross NCA was down to 0.39 million in FY2020 *vs* 0.45 million in FY2019, thereby reducing wastage and inefficiency.
3. The Company's market share, based on NSE active client, has improved from 9.6% to 10%, implying it has been able to increase active clients at a rate faster than market. This is partly because of the better quality of sourcing, as evidenced by the ratio of clients starting to give revenue to total clients sourced (activation ratio) improving from 37% to 60%.

All these initiatives have helped us grow our market share in NSE active clients from 9.6% as on March 31, 2019, to 10.0% as on March 31, 2020. This has also helped us improve our blended equity market share to 8.7% in FY2020 from 7.7% in FY2019, an improvement of 100 bps.

ii) Monetising client value

The Company's aim is to provide comprehensive proposition for wealth clients. Continuing with this endeavour, it built a proprietary Portfolio Management Service (PMS) programme and is witnessing encouraging demand for it. Its AUM as on March 31, 2020, was over ₹ 1.1 billion. The Company wants to leverage its ESOP funding for building high-quality client sourcing, and it has been able to enhance its revenue stream by adding 39 new corporates during the year. In September 2019, it also extended its Margin Trading Facility (MTF) to NSE; this is an up to 365-day margin financing product and was hitherto available only on BSE. Both ESOP funding and MTF add interest income as a source of revenue. Average ESOP and MTF book scaled up from ~ ₹ 5.7 billion in FY2019 to ₹ 8.3 billion in FY2020.

With regard to the objective of distributing protection services, in addition to ICICI Lombard General Insurance Company Limited, the Company is developing the online proposition for its recently added partners. In this context, it is in the process of integration of Religare Health Insurance Company Limited and Star Health and Allied Insurance Company Limited with icicidirect.com to offer a full suite of health insurance products.

In line with its stated objective of catering to borrowing needs of customers, the Company has started distribution of digital loans. This, it believes, will be a new non-cyclical revenue stream. The proposition is to provide a virtually real-time digital delivery of credit to pre-approved customers without any need for physical interface. Under this initiative, it has identified personal loans, credit cards, home loan top-ups, auto loan top-ups and loan against securities as offerings and has a total of 0.9 million of ICICI Securities customers eligible for these loans. The Company has started broad-basing loans and has gone for an open architecture in home loans.

iii) Enhancing engagement and improving customer experience

The large pool of existing clients offers ICICI Securities a tremendous headroom for growing from within. Engagement initiatives are focussed on reaching out to these clients with a hyper-personalisation approach, digitally and at scale. The Company has segmented its client base, using 400 product combinations, and identified 23 clusters for personalisation. These have been identified by dipping into their transactions and analysing their online behaviour and preferences. These clusters are being used for designing propositions customised for them and for engaging them to come on the platform and transact on more line items.

The Company has used its in-depth understanding of customer behaviour to design propositions that are relevant and enhance user experience. Some of the examples of this approach launched during the year are as under:

- Developed product propositions like **Icicidirect Prime, eATM, Options 20** (a unique plan being piloted in the Options space) which have found traction. In order to grow the derivative business and increase engagement, the Company has just introduced a new strategic pricing plan for Options. The pilot was initiated on September 30, 2019, to a select set of customers and has received an encouraging initial response. Given its understanding of customer behaviour and preferences, the Company believes that this plan will find favour with its client base.
- With the objective of increasing engagement with clients on MFs, the Company launched the **One-Click** investment plan, which offers an easy and automated method of allocating a pre-decided amount periodically into a curated basket of research-recommended mutual funds. It has launched a suite of 25 curated baskets offering a variety of investment options, ranging from equity to debt to hybrid, both for lump sum and SIP purchase. Similarly, ETF Intelligent Portfolios (EIP) is a product for investing in a multi-asset basket of low-cost ETFs, based on clients' risk profile. The investments are monitored daily and allocations adjusted based on market conditions. This provides customers an opportunity to invest across different asset classes (Equity-Large cap, Equity-Mid cap, Government securities and Gold) through ETFs in a single click. The portfolio consists of ETFs that have a significantly lower expense ratio, with no brokerage fee on the buy and rebalance transactions.
- For its derivative customers who need tools to form and test trading strategies, the Company has identified a fintech partner, Sensibull.
- The Automated Integrated Portfolio Evaluation is a tool through which customers can upload all their holding statements across different asset classes and also across different distributors. The tool provides clients one view for all their investments even though all the assets may not be with ICICI Securities.

Investments and folios in mutual funds have been growing consistently and there is a need to cater to clients who may not have a direct equity investment mindset. They would, therefore, want a simpler app just to benefit from one view, easy transactions, and availability of recommendations and one-click portfolios. To this end, the Company is in advanced stages of creating a separate platform suitable for clients who need a very simple tool and are primarily interested in mutual funds.

ICICI Securities will continue to sharpen its proposition of personalisation and is investing in capabilities like data sciences, analytics, *etc*. to further micro-segment customers in order to give them a personalised experience at scale. The Company calls this strategy "N=1", denoting the aspiration to identify customers' unique preferences down to the individual client level, where the micro-segment is of only one client.

iv) Digital agility and capability

The ICICI Securities business is built on digital capabilities. Over the years, the Company's approach has been to invest in creating a robust technology platform. This platform has stood the test of time on parameters of safety, security, reliability, and speed. Paramount importance is given to information security, cyber security, uptime, and transaction response times, ensuring the highest standards of service for clients. As a case in point, during the recent volatile environment witnessed in March 2020, the Company's digital platform handled traffic of more than 64,000 concurrent users, processing at its peak 3.2 million orders plus trades in a day with 98 orders per second.

During the year, the Company embarked on its journey to become open architecture in digital capabilities. It launched an API architecture in September to quickly integrate with a diverse set of fintech players and other partners. It has created a digital team to scan the environment and identify new technologies and opportunities. Global best practices and business needs are considered to develop projects, products, and experiences. As many as 91 projects were evaluated through the year. Various projects are in different stages of development, and some of the important ones are as follows:

- Integration in progress for a derivatives platform for trading customers.
- Partnership and integration with two eco-system partners whose clients can execute transactions seamlessly on the Company's platform.
- Comparison engine for insurance plans is in testing phase.
- Implemented Automated Integrated Portfolio Evaluation.

- Implemented One-Click Portfolio approach based on concept from the digital team.
- Added Chatbot and WhatsApp to servicing options for clients to provide 24x7 instant assistance using Artificial Intelligence.
- Digitised the entire client on-boarding process from completely manual to end-to-end online.

Also, ICICI Securities is in the process of launching a new web interface and has engaged a company for re-engineering its mobile app, including new UI/UX.

v) Focussing on cost efficiencies

The Company is working on branch network rationalisation and has successfully closed several low-yielding branches. Its branch network is now at 172, down from 199 in FY2019. Its employee count was 3,790 in FY2020, compared to 4,051 in FY2019, a decline of 6% with employee cost down by 4% YoY. Although overall costs were flat compared to the previous year, the expenses excluding interest expenses (including impact of Ind AS 116) were down by 3%. Increase in interest expenses was commensurate with the interest income rise due to the growth in the Company's MTF and ESOP books.

BUSINESS PERFORMANCE

Retail Equity

The Company continued to expand its client base across various customer segments and geographies, both domestic and international, touching a milestone of 4.8 million customers in FY2020, which is distinctively the highest amongst retail brokers.

Client activation (NSE active) witnessed ~27% increase in FY2020 to 1.08 million as compared to 0.84 million in FY2019. The focus of the Company was on improving the quality of customer accounts and so emphasis was laid on revenue generating new clients acquired rather than gross new clients acquired. During the year, the Company acquired ~0.39 million new clients. Broking revenue generating clients from among bank-sourced clients increased by 55%, with activation rates up from 32% in FY2019 to 58% in FY2020. Retail brokerage revenue grew marginally from ₹ 8,154.2 million in FY2019 to ₹ 8,187.1 million in FY2020.

Distribution of Financial Products

In FY2020, the Company kept its focus on mutual funds by introducing new investment solutions for better client retention and penetration. It launched 'One-Click Investment' – carefully curated baskets of mutual fund schemes; 'SIP Protect' – provides free term insurance while investing through SIP in schemes of select mutual funds; and 'ICICI Prudential Freedom SIP' – a first-of-its-kind offering that gives customers flexibility to invest their monthly surplus through SIP, in line with their expectation of a fixed monthly income in coming years. ICICI Securities was among the first online distributors to offer SIP Protect and ICICI Prudential Freedom SIP.

The Company's distribution revenues witnessed a decline, primarily on account of the decline in mutual fund revenues by 16% from ₹ 2,695.0 million in FY2019 to ₹ 2,263.2 million in FY2020. This was on account of regulatory changes in TER, partly offset by increase in non-mutual fund distribution revenue. It includes a group of products that are in focus for growing the overall distribution revenue, such as insurance, PMS, AIF, Bonds, NPS, Deposits, *etc*. and excludes income such as IPO, marketing fees, and paid educational programmes.

The Company's MF average AUM (excluding direct) increased by 4% compared to the market average AUM (including direct) growth of 10%. During the period, SIP count fell slightly from 0.67 million as on March 31, 2019, to 0.66 million in March 31, 2020. Life insurance premium declined by 10% and revenue registered an increase of 3% from ₹ 474 million in FY2019 to ₹ 490 million in FY2020 due to increased focus on protection (term) and traditional products amid higher volatility.

Private Wealth Management

During FY2020, the Company realigned its relationship teams for a sharper focus on its Private Wealth Management business. The business recognises its wealth management clients as those with over than ₹ 10 million of assets. The customers are predominantly entrepreneurs, professionals, CXOs and inheritors belonging to the affluent segment, which is seeing a rapid expansion. As of FY2020, there were ~32,000 such clients, creating an asset base of ₹ 832 billion. The Company generated ₹ 2.59 billion in revenue from these clients in FY2020, up by 19% from ₹ 2.18 billion in FY2019.

Out of the total assets, 79% were transactional and 21% recurring. However, 42% of the revenue was generated from transactional assets and 58% was generated from recurring. The assets had a blended annualised yield of 0.28%. Yields are calculated on average assets for the current and preceding period.

Our client base is sticky, with 54% revenue coming from clients who are with us for over 10 years. We continue to focus on acquiring profitable clients – those acquired during the past 5 years have higher average AUM and better Average Revenue Per User (ARPU) than the ones on-boarded during 2000-2015. Our key strategies for FY2021 are improving the yield on transactional assets and increasing recurring assets.

Institutional Equity

The year under review saw an increase in traction with clients across geographies. Dedicated sales teams across India, Asia Pacific, and the US resulted in higher equity income. The Company focussed on increasing the flow business and continued traction in block deals. It was able to gain institutional equity market share on account of significant improvement in ranking with highly active clients, significant performance in block deals/block crossing and increased wallet share from existing clients. Additionally, it was able to increase institutional future market share on account of activation of inactive global banks, increased wallet shares from existing customers and focussing on AIFs and regional hedge funds.

During FY2020, the Company hosted several conferences and delegations to give its clients an opportunity to interact with policymakers and corporate leaders, both domestic and global. The Company also hosted a financial conference in the US and six domestic/sectoral conferences – five in Mumbai and one in Bengaluru during this period.

The revenue from the institutional equity business increased by 10% from ₹1,174 million in FY2019 to ₹ 1,289 million in FY2020.

Issuer Services and Advisory*

Revenue from the Company's investment banking business decreased by over 23% from ₹ 990.6 million in FY2019 to ₹ 763.9 million in FY2020 due to a decline in primary market activities amid uncertain domestic and global economic environments. During this year, the focus was on building up non-IPO revenue sources, as a result of which the contribution of non-IPO revenue increased in FY2020 as compared to FY2019.

The Company managed 5 IPOs (including InvITs) in FY2020 with a market share of 32% (in terms of issue size) (Source: Prime Database).

The amount raised through equity public issuances managed by the Company during FY2020 was ₹ 72.80 billion, which included the IPOs of Indiamart Intermesh Ltd, Affle (India) Ltd, Spandana Sphoorty Financial Ltd, and Sterling & Wilson Solar Ltd, and InvIT of Oriental Infratrust.

The Company successfully completed the rights issue for Bharti Airtel Ltd, Patel Engineering Ltd, and Piramal Enterprises Ltd, amounting to ₹ 287.8 billion.

Offers for Sale managed by the Company in FY2020 for an amount of ₹ 7.3 billion was completed, which included the OFS of L&T Technology Services Ltd and Central Depository Services (India) Ltd.

The Company also managed the public debt issuance for India Infoline Finance Ltd, aggregating to ₹ 2.4 billion, during FY2020.

The Company successfully completed the buybacks of SQS India BFSI Ltd, Smartlink Holdings Ltd, Jagran Prakashan Ltd, amounting to ₹ 1.7 billion in FY2020.

The Company acted as an advisor for Open Offer amounting to ₹ 18 billion in FY2020, including the Open Offer of Linde India Ltd, International Paper APPM Ltd., and DFM Foods Ltd.

The Company rendered advisory services in several transactions during the year in sectors ranging across Banking, Financial Services, Pharma, Media, Consumer Goods and other related industries. It managed 10 deals in FY2020 as compared to 12 in FY2019.

Economic Outlook

Towards the end of March 2020, the spread of COVID-19 weighed on the global economy. Although the pandemic originated in China, the epicentre quickly shifted to western countries and hit countries like the US, France, Italy, and the UK hard. Many large economies posted contraction in Q12020 due to the lockdowns imposed to contain COVID-19. As a response, systemically important central banks cut rates to multi-year lows, launched large credit lines, bond purchases and other support measures to minimise the impact of the pandemic on their economies.

COVID-19 affected the Indian economy as well. Real GDP growth fell to 3.1% in Q4FY2020 and full year growth fell to 4.2%. In response, the government announced large fiscal stimulus package aimed at key sectors in the economy while the RBI cut repo rate to an all-time low of 4%. Despite these measures, the Indian economy is likely to contract in FY2021 as measures to contain the pandemic keep economic activity in several sectors at suboptimal level. However, the economy is likely to post robust recovery in FY2022 on the back of monetary and fiscal stimulus and pent up demand. Inflation is expected to remain under control in FY2021 due to weak aggregate demand. Structurally low global oil prices are a big positive for India and could result in current account surplus in FY2021.

OPPORTUNITIES AND BUSINESS OUTLOOK

ICICI Securities businesses are expected to benefit from the structural shift in the financial savings environment as well as the improving technology infrastructure of India. Some of the broad macro trends that underline the opportunities are:

** Referred to as Advisory in our financial statements segments and as Corporate Finance business in our earlier annual reports.*

- Despite the short-term impact of COVID-19, India is expected to be a relatively high growth economy in the medium to longer term and this augurs well for the capital markets.
- India has been and is expected to remain a high savings economy. The young working population is expected to increasingly channel a higher share of their savings into financial assets. The growing preference for equity among retail investors, as an asset class coupled with and the relative under-penetration in terms of both market capitalisation to GDP ratio or ratio of investments in shares and debentures to GDP, signify a positive outlook for equity-based businesses in India.
- Increase in overall economic activity, scaling up of domestic corporate institutions and professionalisation of promoter-driven set-ups would continue to fuel demand for capital raising and advisory services.
- Advances in technology, increasing smartphone penetration, and increasing digitisation at systemic level are expected to lead more retail consumers to adopt and consume financial services through electronic media.

The Company's businesses, which are primarily driven by retail and institutional clients' need for financial products and services, are expected to benefit from the emerging macro trends.

The retail equity, distribution, and wealth management businesses are expected to benefit from rising income levels of the target customer segments, and increasing financialisation and equitisation of savings. The online retail equity landscape remains poised for robust growth; however, pricing-led competition remains intense. ICICI Securities' strong digital platform, knowledge-based services and brand would continue to attract customers.

Technology, customer-centricity, and timely and effective advisory services are vital for growth. The cities beyond the top 15 cities are also increasingly witnessing strong demand for financial products like mutual fund, as awareness and access improves, leading to expansion of the distribution footprint.

Private Wealth Management is poised for healthy growth over the next few years as the Indian populace moves up the wealth pyramid.

Recent changes in the regulatory framework have been beneficial to investors and have also simplified the investment and advisory business frameworks. This provided a much-needed clarity on business operations and client treatment.

The Company's Distribution franchise will get support from in-house manufacturing and investment advisory platforms, besides the core offerings of equity broking and Issuer Services and Advisory*, thereby reducing the cyclicality of the business further.

The Institutional Equity business would benefit from expected inflows from FIIs as well as increasing flows into DIIs predominantly mutual fund, insurance, *etc.* The Company's research, corporate access and deep-rooted relationships with institutional investors, particularly DIIs, will help it expand the institutional equity business.

The Issuer Services and Advisory* business is expected to benefit from the strong IPO pipeline built in FY2020 that is expected to hit the market in a more stable environment. With the tightening of credit outflow by banks and increased regulatory impositions on NBFCs, corporate firms are expected to resort to capital markets for funding their capital expenditure cycle.

Products like Private Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs) are expected to gain ground due to the increased interest in such products by foreign investors. Also, buybacks are gaining popularity in the Indian capital markets; they can be used to repay the shareholder instead of dividends. Further, the Company will continue its pursuits with the Government divestments through Offer for Sale. Its sector expertise, corporate relationships, strong distribution franchise, and ability to navigate varied stakeholders will help it to benefit from an increase in capital market transactions and in growing its advisory business.

As the impact of COVID-19 on the economy shows up, the first quarter results for FY2021 of Indian corporate firms will provide an assessment of the extent of slowdown. Early trends indicate that there is a sharp drop in revenue across sectors. More importantly, investors are not sure about the timing and extent of rebound in the market, which has resulted in sharp outflows by FIIs towards the end of FY2020. The Company is looking at a modest improvement in business sentiment in the second half of FY2021 and a resultant improvement in the institutional equity business.

Company's COVID-19 preparedness

During the initial days of the pandemic and the announcement of a nationwide lockdown by the Government of India, the Company's focus areas were: ensuring the safety of employees; ensuring business continuity by prudent risk management; and reaching out to customers and investors digitally.

** Referred to as Advisory in our financial statements segments and as Corporate Finance business in our earlier annual reports.*

As part of the 'essential services' sector, ICICI Securities made sure that its services were open and customers had access to their investments at all times. Even during these uncertain times, customers might need to reach out to their relationship managers (RMs) for advice. Therefore, the Company put in place a Business Continuity Plan (BCP) that ensured sanitised and segregated offices and Work From Home initiatives by equipping employees with the necessary tools. Digital engagement with customers and institutional investors was intensified and the same quality of service was offered. The technology team made it possible to deliver unrestricted services even without any prior exposure to a crisis of this nature and magnitude.

The recent market volatility tested the robustness and ability of our technology platform with respect to concurrent users, uptime, response time, *etc*. The ICICI Securities platform passed this 'stress test' with flying colours. It handled record volumes of over 3.2 million orders plus trades processed in a day. It also managed peak concurrent users numbering over 64,000 without any downtime, as against the usual average of 23,000, and the previous high being 48,000 (during the 2019 general election results day).

To manage market risks, the Company has a comprehensive system for risk management and internal controls, whose objective is to ensure that various risks are identified, measured and mitigated. Proactive and real-time risk management focus in the wake of high level activity & volatility backed by robust technology and a prudent Risks and Concerns policy has helped the Company tide over the market volatility. It entered risk-off mode in March 2020 and systematically reduced its exposure to loan products like MTF and ESOP. Its combined loan book now stands at ₹ 5.8 billion down from ₹ 11.5 billion as on December 31, 2019. In addition, its conservative risk position in the face of extreme volatility in March resulted in a decline in derivative trading activity, dragging down its derivative market share by 20 bps in FY2020.

FINANCIAL PERFORMANCE

Overview

The Company registered consolidated revenue of ₹ 17,249.4 million for FY2020 as compared to ₹ 17,270.2 million for FY2019. Consolidated Profit after Tax (PAT) for FY2020 was ₹ 5,420.0 million compared to ₹ 4,907.3 million for FY2019. It was able to control costs, with total cost increasing marginally from ₹ 9,697.9 million to ₹ 9,720.1 million in FY2020, an increase of 0.2%, implying a net margin of 31% in FY2020, which is higher by 3 percentage points compared to FY2019.

ANALYSIS OF CONSOLIDATED FINANCIAL STATEMENTS

a. Results of Operations

Extract of Consolidated Statement of Profit and Loss

(₹ in million)

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Revenue from operations		
(i)	Interest income	2,350.0	1,792.0
(ii)	Dividend income	0.4	4.9
(iii)	Fees and commission income		
	- Brokerage income	9,475.6	9,328.3
	- Income from services	5,217.5	5,732.8
(iv)	Net gain on fair value changes	-	166.0
(v)	Net gain on derecognition of financial instruments under amortised cost category	3.0	-
(vi)	Others	15.7	21.7
(I)	**Total Revenue from operations**	**17,062.2**	**17,045.7**
(II)	Other income	187.2	224.5
(III)	**Total Income (I+II)**	**17,249.4**	**17,270.2**
	Expenses		
(i)	Finance costs	863.9	423.4
(ii)	Fees and commission expense	437.0	375.0
(iii)	Net loss on fair value changes	36.1	-
(iv)	Impairment on financial instruments	106.7	26.9

(₹ in million)

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
(v)	Operating expense	586.8	850.9
(vi)	Employee benefits expenses	5,337.7	5,544.9
(vii)	Depreciation, amortisation and impairment	614.0	149.5
(viii)	Others expenses	1,737.9	2,327.3
(IV)	**Total Expenses**	**9,720.1**	**9,697.9**
(V)	Profit/(loss) before tax (III-IV)	7,529.3	7,572.3
(VI)	Tax Expense:		
	(1) Current tax	1,961.0	2,722.2
	(2) Deferred tax	148.3	(57.2)
		2,109.3	**2,665.0**
(VII)	**Profit/(loss) for the period (V-VI)**	**5,420.0**	**4,907.3**
(VIII)	**Other comprehensive income (net of taxes)**	**(59.1)**	**(25.9)**
(IX)	**Total comprehensive income for the period (VII+VIII) (comprising profit/(loss) and other comprehensive income for the period)**	**5,360.9**	**4,881.4**

Interest income

Interest and other operating income increased from ₹ 1,792.0 million for the year ended March 31, 2019, to ₹ 2,350.0 million in the year ended March 31, 2020, an increase of 31%. This was primarily due to three reasons. First, an increase in interest on retail fund-based products like ESOP and MTF. The Company's combined average ESOP and MTF book increased from ₹ 5.7 billion in FY2019 to ₹ 8.3 billion in FY2020. Second, interest earned on bank fixed deposits held with exchanges as margin for its brokerage business. The Company's average fixed deposits book increased from ₹ 13.0 billion in FY2019 to ₹ 14.5 billion in FY2020. Third, interest earned on securities held for stock.

Fees and commission income

Brokerage Income

The Company's brokerage income increased from ₹ 9,328.3 million for the year ended March 31, 2019, to ₹ 9,475.6 million for the year ended March 31, 2020, an increase of 2%. The retail brokerage revenue grew marginally from ₹ 8,154.2 million in FY2019 to 8,187.1 million in FY2020. This was primarily due to the increase in volumes on account of increased equity-revenue-giving new clients by 43% and enhanced client engagement offset by decline in blended yield due to the Company's subscription-based plan Prime. The revenue from its institutional equity business increased by 10% from ₹ 1,174.1 million in FY2019 to ₹ 1,288.5 million in FY2020.

Income from services

Income from services decreased from ₹ 5,732.8 million for the year ended March 31, 2019, to ₹ 5,217.5 million for the year ended March 31, 2020, a decrease of 9%. This was primarily due to a decrease in commissions from the distribution of third-party mutual funds from ₹ 2,695.0 million to ₹ 2,263.2 million, a decrease of 16%, in the same period partly offset by increase in income from distribution of non-mutual funds products. Also, income from advisory services decreased by 23% from ₹ 990.6 million in FY2019 to ₹ 763.9 million in FY2020. This was primarily due to a decrease in equity capital market activities.

Net gain on fair value changes

Net gain/loss on fair value changes decreased from a gain of ₹ 166.0 million for the year ended March 31, 2019, to a loss of ₹ 36.1 million for the year ended March 31, 2020. This was primarily due to loss of ₹ 138.1 million in Q4 FY2020 on account of market environment and increased volatility in the second half of March 2020 due to the COVID-19 pandemic.

Other Income

Other income of ₹ 187.2 million for the year ended March 31, 2020, includes interest on income tax refund of ₹ 147.5 million. Other income of ₹ 224.5 million for the year ended March 31, 2019, includes interest on income tax refund of ₹ 207.1 million.

Employee benefits expenses

Employee benefits expenses decreased from ₹ 5,544.9 million for the year ended March 31, 2019, to ₹ 5,337.7 million for the year ended March 31, 2020, a decrease of 4%. This was primarily due to reduction in employee headcount by 6% to 3,790 in March 2020, aided by lower variable pay provisions partly offset by annual increments.

Operating expenses

Operating expenses decreased from ₹ 850.9 million for the year ended March 31, 2019, to ₹ 586.8 million for the year ended March 31, 2020, a decrease of 31%, primarily due to a decrease in custodian and depository charges and call centre charges.

Fees and commission expense

Fees and commission expense increased from ₹ 375.0 million for the year ended March 31, 2019, to ₹ 437.0 million for the year ended March 31, 2020, an increase of 17%. This increase was primarily due to an increase in payout to ICICI Bank in relation to a new sourcing arrangement effective from the beginning of this financial year, partly offset by the decrease in variable payouts linked to primary market deals as well as brokerage and commission paid to sub-brokers, authorised persons, IFAs and IAs.

Finance costs

Finance costs increased from ₹ 423.4 million for the year ended March 31, 2019, to ₹ 863.9 million for the year ended March 31, 2020, an increase of 104%. This was primarily due to an increase in borrowings from ₹ 4.5 billion in March 2019 to ₹ 15.0 billion in March 2020, following an increase in retail fund-based assets and, hence, the interest expense thereon, and also due to the transition to a new accounting standard (Ind AS 116) on Leases.

Effective April 1, 2019, the Company has adopted Ind AS 116 on Leases and applied the same to all lease contracts existing on April 1, 2019, using the modified retrospective approach with right-of-use of asset recognised at an amount equal to the adjusted lease liability. Recognition of lease liabilities resulted in an increase in finance costs of ₹ 141.4 million. Effect of Ind AS adjustments have not been retrospectively adjusted and, accordingly, comparatives for the year ended March 31, 2019, have not been restated.

Depreciation and amortisation expense

Depreciation and amortisation expense increased from ₹ 149.5 million for the year ended March 31, 2019, to ₹ 614.0 million for the year ended March 31, 2020, an increase of 311%. This was primarily on account of depreciation on right-of-use asset recognised as per Ind AS 116 for Leases amounting to ₹ 451.9 million.

Other expenses

Other expenses decreased from ₹ 2,327.3 million for the year ended March 31, 2019, to ₹ 1,737.9 million for the year ended March 31, 2020, a decrease of 25%, primarily on account of new accounting standard (Ind AS 116) for Leases, which resulted in increase of finance cost and depreciation and decrease in lease expenses.

Profit

As a result of the above, profit before tax decreased from ₹ 7,572.3 million for the year ended March 31, 2019, to ₹ 7,529.3 million for the year ended March 31, 2020, a decrease of 1% on account of flat revenues and expenses.

Total tax expense decreased from ₹ 2,665.0 million for the year ended March 31, 2019, to ₹ 2,109.3 million for the year ended March 31, 2020, a decrease of 21%. This was primarily on account of a decrease in corporate statutory tax rate to 25.17% from 34.94%, consequent to changes made in the Finance Act, 2019. The full impact of this change arising out of revaluation of Deferred Tax Assets as on March 31, 2019, aggregating to ₹ 201.4 million, has been recognised during the year. The effective income tax rate for the year ended March 31, 2020, is 28.01%, where as on March 31, 2019, it was 35.19%.

Profit after tax increased from ₹ 4,907.3 million for the year ended March 31, 2019, to ₹ 5,420.0 million for the year ended March 31, 2020, an increase of 10%.

b. Segment-wise Performance

(₹ in million)

Segments	For the year ended			
	March 31, 2020		March 31, 2019	
	Segment Revenue	Segment Results	Segment Revenue	Segment Results
Broking and Commission	15,939.5	7,354.8	15,807.4	6,976.0
Advisory Services	763.9	176.6	990.6	252.5
Investment and Trading	398.5	(149.6)	265.1	136.7
Total*	**17,249.4**	**7,529.3**	**17,270.2**	**7,572.3**

** Note: Unallocated amount of ₹ 147.5 million for FY2020 (₹ 207.1 million for FY2019) is included in total revenue and results and pertains to interest on income tax refund.*

Revenue from the Company's broking and commission segment increased from ₹ 15,807.4 million for the year ended March 31, 2019, to ₹ 15,939.5 million for the year ended March 31, 2020, an increase of 1%, primarily due to increase in brokerage revenue. During the same time period, the result from the broking and commission segments increased by 5%, primarily due to the increase in revenue aided by decrease in expenses by 3% in this segment.

Revenue from the advisory services segment decreased from ₹ 990.6 million for the year ended March 31, 2019, to ₹ 763.9 million for the year ended March 31, 2020, a decrease of 23%, primarily due to muted equity capital markets. During the same time period, the results from the advisory services segment decreased by 30%, primarily due to decrease in revenue, offset in part by decrease in expenses by 20% in this segment.

Revenue from the investment and trading segment increased from ₹ 265.1 million for the year ended March 31, 2019, to ₹ 398.5 million for the year ended March 31, 2020, an increase of 50%, primarily due to an increase in interest income related to securities held for trade. During the same period, the results from the investment and trading segment contributed a net loss of ₹ 149.6 million, primarily on account of loss booked on DHFL NCD and due to the market environment and increased volatility in the second half of March 2020 due to the COVID-19 pandemic.

c. Financial Position

The following table sets forth, at the dates indicated, the summary balance sheet:

(₹ in million)

	Particulars	**As on March 31, 2020**	**As on March 31, 2019**
	ASSETS		
1	**Financial assets**		
(a)	Cash and cash equivalents	5,420.0	18,841.1
(b)	Bank balance other than (a) above	18,694.0	12,645.2
(c)	Securities for trade	8,351.1	2,563.1
(d)	Receivables		
	(I) Trade receivables	887.9	4,769.8
(e)	Loans	5,708.7	4,032.7
(f)	Investments	24.7	28.5
(g)	Other financial assets	774.9	816.4
		39,861.3	**43,696.8**
2	**Non-financial assets**		
(a)	Current tax assets (net)	1,502.8	1,306.5
(b)	Deferred tax assets (net)	595.5	737.5
(c)	Property, plant and equipment	295.2	294.8
(d)	Right-of-use assets	1,529.1	-
(e)	Capital work-in-progress	32.9	12.4
(f)	Intangible assets under development	48.4	27.4
(g)	Other intangible assets	155.4	141.0
(h)	Other non-financial assets	407.6	429.5
		4,566.9	**2,949.1**
	Total Assets	**44,428.2**	**46,645.9**

(₹ in million)

	Particulars	As at March 31, 2020	As at March 31, 2019
	LIABILITIES AND EQUITY		
	LIABILITIES		
1	**Financial liabilities**		
(a)	Derivative financial instruments	-	17.0
(b)	Payables		
	(I) Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,926.4	23,362.0
(c)	Debt securities	14,975.3	4,473.0
(d)	Borrowings (Other than debt securities)	-	-
(e)	Deposits	22.3	45.3
(f)	Lease liabilities	1,574.4	-
(g)	Other financial liabilities	2,694.6	2,284.9
		26,193.0	**30,182.2**
2	**Non-financial liabilities**		
(a)	Current tax liabilities (net)	-	41.5
(b)	Provisions	828.7	663.6
(c)	Other non-financial liabilities	5,311.1	5,285.9
		6,139.8	**5,991.0**
3	**EQUITY**		
(a)	Equity share capital	1,610.7	1,610.7
(b)	Other equity	10,484.7	8,862.0
		12,095.4	**10,472.7**
	Total Liabilities and Equity	**44,428.2**	**46,645.9**

Total assets decreased from ₹ 46.6 billion as on March 31, 2019, to ₹ 44.4 billion as on March 31, 2020, a decrease of 5%. This was primarily due to a decrease in cash and cash equivalents, bank balances and trade receivables, partially offset by an increase in securities for trade, loans and recognition of right-of-use assets pursuant to new accounting standard Ind AS 116 on Leases. The cash and cash equivalents as on March 31, 2019, includes funds of approx. ₹ 17 billion lying in the bank account of the Company, pursuant to a large value secondary market transaction that was remitted to the client subsequently.

Total liabilities decreased from ₹ 36.2 billion as on March 31, 2019, to ₹ 32.3 billion as on March 31, 2020, a decrease of 11, primarily due to a decrease in trade payables, partly offset by increase in debt securities and recognition of lease liabilities pursuant to new accounting standard Ind AS 116 on Leases. The decrease in trade payables was due to open trade positions of customers at the period ending March 31, 2019, including a client payable of approx. ₹ 17 billion lying in the bank account of the Company, pursuant to a large value secondary market transaction that was remitted to the client subsequently.

d. Cash Flows

The following table sets forth, for the periods indicated, a summary of cash flows:

(₹ in million)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flow (used in) / generated from operating activities	(18,783.4)	22,892.9
Cash flow used in investing activities	(225.9)	(207.7)
Cash flow generated from / (used in) financing activities	5,588.2	(5,614.8)

Cash used in operating activities

Net cash generated from/(used in) operating activities changed from ₹ 22,892.9 million for the year ended March 31, 2019 to ₹ (18,783.4) million for the year ended March 31, 2020. This change was primarily due to a decrease in trade payables, which included exceptional item relating to one of the offer for sale transactions handled by the Company, amounting to approx. ₹ 17 billion outstanding as on March 31, 2019, that was remitted to the client during the year. Further, net usage of funds in operating activity was due to incremental deployment of funds in deposits of ₹ 6,048.8 million, securities for trade of ₹ 5,951.2 million, loan assets of ₹ 1,766.0 million, partly offset by decrease in trade receivables of ₹ 3,872.0 million during the year.

Cash used in investing activities

Net cash used in investing activities changed from ₹ (207.7) million for the year ended March 31, 2019 to ₹ (225.9) million for the year ended March 31, 2020. Net cash usage in investing activity primarily represents purchase of property, plant and equipment during the year.

Cash generated from financing activities

Net cash generated from/(used in) financing activities changed from ₹ (5,614.8) million during the year ended March 31, 2019, to ₹ 5,588.2 million during the year ended March 31, 2020. This change was primarily due to an increase in borrowings from ₹ 4,473.0 million to ₹ 14,975.3 million, resulting in net generation of ₹ 10,502.3 million during the year and a higher dividend pay-out in the year ended March 31, 2020, as compared to the previous year.

Contingent Liabilities

As on March 31, 2020, the Company has ₹ 1,286.5 million in statutory tax demands in dispute, which are not provided for (March 31, 2019 figure was ₹ 1,444.6 million).

Borrowings

As on March 31, 2020, the Company has short-term borrowings of ₹ 14,975.3 million and total equity of ₹ 12,095.4 million.

The short-term borrowings primarily consist of commercial papers and have received a domestic rating of A1+ by CRISIL and ICRA. The Company has received a domestic rating of AAA from CRISIL and ICRA for long-term debt, which primarily consists of non-convertible debentures.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor

Particulars	FY 2019-20	FY 2018-19	Change %
1. Debt Equity Ratio (Times)	1.24	0.43	188.4
2. Debtors turnover (Times)	5.19	3.83	35.7
3. Interest coverage ratio (Times)	11.42	18.88	(39.5)
4. Return on Net Worth (%)	48%	52%	(7.7)

Explanation:

1. Debt Equity Ratio increased from 0.43 in FY2019 to 1.24 in FY2020 primarily due to an increase in short-term borrowings from ₹ 4,473.0 million in FY2019 to ₹ 14,975.3 million in FY2020 and increase in shareholders' equity (share capital and other equity) from ₹ 8,862.0 million in FY2019 to ₹ 10,484.7 million in FY2020 due to retention of profits earned during the year.

2. Debtor turnover increased from 3.83 in FY2019 to 5.19 in FY2020 primarily due to decrease in trade debtors from ₹ 4,769.8 million in FY2019 to ₹ 887.9 million in FY2020.

3. Interest coverage ratio decreased from 18.88 in FY2019 to 11.42 in FY2020 primarily due to increase in interest expense from ₹ 423.4 million in FY2019 to ₹ 722.5 million in FY2020.

4. Return on Net Worth calculated as "PAT: Average net worth excluding other comprehensive income and translation reserve" decreased from 52% for FY2019 to 48% for FY2020 mainly on account of increase in average net worth by 19.6% from ₹ 9,470 million in FY2019 to ₹ 11,321 million in FY2020 due to retention of profits earned during the period.

SUBSIDIARY PERFORMANCE

Overview

The Company has a 100% owned subsidiary ICICI Securities Holdings, Inc. and a step-down subsidiary ICICI Securities, Inc.

ICICI Securities Holding, Inc. is the holding company of the indirect subsidiary ICICI Securities, Inc., which, through its offices in the US and Singapore, is engaged in referring foreign institutional clients to the Company for transactions on the Indian stock exchanges.

Financial performance

- The revenues of ICICI Securities, Inc. on standalone basis increased by 5%, from ₹ 210.8 million in FY2019 to ₹ 222.2 million in FY2020 and the standalone PAT increased from ₹ 36.5 million in FY2019 to ₹ 50.0 million in FY2020. The higher PAT was due to an increase in interest income and reduction in employee benefits expenses. The total assets increased from ₹ 338.9 million as on March 31, 2019, to ₹ 349.0 million as on March 31, 2020.
- Financial assets increased from ₹ 319.3 million as on March 31, 2019, to ₹ 327.2 million as at March 31, 2020, primarily due to increase in bank balance, partially offset by reduction in trade receivable.
- Non-financial assets increased from ₹ 19.6 million as on March 31, 2019, to ₹ 21.8 million as on March 31, 2020, on account of recognition of deferred tax asset and right-of-use asset pursuant to new accounting standard Ind AS 116 on Leases.
- Financial liabilities decreased from ₹ 37.4 million as on March 31, 2019, to ₹ 14.8 million as on March 31, 2020, primarily on account of settlements of liabilities.

RISKS, CONCERNS AND THREATS

As the Company's performance is dependent on the health of capital markets, it faces the risk of a downturn in the event of slowing economic growth and/or worsening macro-economic environment. Any events that impact the broader economy, such as rising crude oil prices, depreciating currency, worsening current account deficit, rising inflation, a bad monsoon, slowdown in corporate earnings, rising NPAs, slowdown in foreign investment inflows, *etc*. impact the capital market, thereby posing risks to the Company. Other challenges that may drive away the DIIs include rising real estate and gold prices, which may provide other attractive investment options.

Global events may also pose challenges to the growth of the Company as they directly impact foreign inflows and indirectly have a bearing on the Indian economy. Risks from geo-political tensions, global financial market volatility led by rise in interest rates, and the threat of trade protectionism all pose significant risks to the operations of the Company.

The Company faces significant competition from other businesses seeking to attract its customers'/clients' financial assets. In particular, it competes with other Indian and foreign brokerage houses, discount brokerage companies, investment banks, public and private sector commercial banks and asset managers, among others, operating in the markets in which it is present. The Company competes on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation, price and convenience.

The Company also faces threats from the tightening and ever-evolving regulatory framework and any unfavourable policy changes, such as the introduction of long-term capital gains tax. Internal threats to the Company arise from a failure of compliance or overlooking of any misrepresentations/fraud in the operations of the Company.

During the last quarter of FY2020, economies worldwide were impacted significantly by the onset of the COVID-19 pandemic resulting in a downturn in economic growth across most countries. This also resulted in a significant increase in volatility in capital markets. The measures taken by governments to control the spread of the pandemic included country-wide lockdowns which have significantly impacted economic activity. The spread and severity of the pandemic over the next few months would have a bearing on the economy and accordingly on the performance of the Company. The Company has focussed on proactive and real-time risk management in wake of high volatility in the capital markets. The Company has also taken measures to manage operational challenges arising out of limited mobility of staff.

RISK MANAGEMENT

The Company has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed to. The objective of its 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 ensure a systematic response in the case of crystallisation of such risks.

The Company has classified the key risks associated with its business into implied market risk, market risk, operational risk, information technology / cyber security risk, liquidity risk, credit risk and reputation risk. It has established various policies with respect to such risks which set forth limits, mitigation strategies and internal controls to be implemented by a 'three lines of defence' approach. 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, cyber security and cyber resilience policy and a surveillance policy. The Company also has a Business Continuity Policy and Disaster Recovery Plan.

The Company is particularly sensitive to risks emanating from the introduction of new products and services. All new products are approved by the Committees constituted by the Board. Before the launch of any new product or service, it is reviewed and approved by the risk management group, compliance and operations groups and a process approval committee. These groups and committees review the product/service through the lenses of regulatory compliance, risk management and integration with the existing risk management systems.

The Board oversees the Company's risk management and has constituted a Risk Management Committee, which frames and reviews risk management processes and controls.

The risk management system features a 'three lines of defence' approach:

1. The first line of defence comprises its operational departments, which assume primary responsibility for their own risks and operate within the limits stipulated in various policies approved by the Board or by committees constituted by the Board.

2. The second line of defence comprises specialised departments such as risk management and compliance. They employ specialised methods to identify and assess risks faced by the operational departments and provide them with specialised risk management tools and methods, facilitate and monitor the implementation of effective risk management practices, develop monitoring tools for risk management, internal control and compliance, report risk related information and promote the adoption of appropriate risk prevention measures.

3. The third line of defence comprises the internal audit department and external audit functions. They monitor and conduct periodic evaluations of the risk management, internal control and compliance activities to ensure the adequacy of risk controls and appropriate risk governance and provide the Board with comprehensive feedback.

During February and March 2020, the operations of the Company were impacted by the COVID-19 pandemic. Details of how the company initiated its Business Continuity Plan are under **'Company's COVID-19 preparedness'** section earlier. The risk management framework and digital capabilities of the Company responded well to the situation.

INTERNAL CONTROL SYSTEMS

The internal control system of the Company is designed to suit the complexity of its business operations. Based on the criteria of essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls, the Company has established and maintained internal financial controls. This enhances the reliability of financial reporting and robustness of preparation of financial statements. Internal control systems are driven through various policies, procedures and certifications. An internal committee periodically reviews the processes and controls. Any deviations observed in the process of evaluation are highlighted to the Board, which initiates prompt corrective measures. The internal control system ensures strict adherence to all applicable statutes and regulations governing the business operations.

The internal financial controls with reference to financial statements as designed and implemented by the Company are adequate. The internal financial control 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 operating effectively.

HUMAN RESOURCES

Intellectual capital is one of the key resources of the Company to ensure business sustainability and growth. The Company has an experienced and talented pool of employees who play a key role in enhancing business efficiency, devising strategies, setting-up systems and evolving business in line with its growth aspirations. The Company provides regular skill and personnel development training to enhance employee productivity. As part of group processes, the Company follows a robust leadership potential assessment and leadership development process. These processes identify and groom leaders for the future and also enable succession planning for critical positions in the Company.

Being a growth-oriented and performance driven organisation, the Company follows the principles of meritocracy and care for its employees. The Company has a strong culture of innovation and challenging the status quo. The business leaders and employees in the Company are encouraged to think like entrepreneurs and create value for all stakeholders. The Company has embarked on several human resource initiatives to create business enablers to enhance the productivity of the organisation and its employees. The Company endeavours to provide a safe, conducive and productive work environment.

The number of permanent employees on the rolls of the Company as on March 31, 2020, was 3,790.

CORPORATE SOCIAL RESPONSIBILITY

The CSR policy of ICICI Securities sets out the framework guiding its CSR activities. It outlines the governance structure, operating framework, monitoring mechanism and nature of CSR activities. The CSR Committee of the Board is the governing body that articulates the scope of activities and ensures compliance with the CSR policy.

The revised CSR policy was approved by the CSR Committee and the Board on July 22, 2019 and the same is also hosted on the Company's website: https://www.icicisecurities.com/UPLOAD/ARTICLEIMAGES/CSR_Policy.pdf.

During the year, the Company undertook several initiatives in addition to the initiatives undertaken by ICICI Foundation for Inclusive Growth in providing sustainable livelihood through vocational skill development projects. The initiatives were undertaken directly or through partners in the areas of skill-development and sustainable livelihood, creation of job opportunities, healthcare including preventive healthcare, empowering women and senior citizen welfare. The details in this regard are as under:

1. Creation of job opportunities

The growth in financial intermediation using technology and digital inventions has the potential to increase economic growth through greater market participation, new and improved products and services, lower costs, improved productivity and better experience. Fintech has a great potential for job creation.

The Company has partnered with the N.S. Raghavan Centre of Entrepreneurial Learning (NSRCEL) of the Indian Institute of Management Bangalore, one of the oldest incubator cells in the country. The programme will involve a structured end-to-end approach, broadly entailing reaching out to individuals having ideas, screening of applicants, mentoring by academicians and industry experts, and incubating these ventures.

The initiative commenced in January 2020 and is expected to be completed by FY2021. Over 25 start-ups would be part of the initiative, of which 10 selected ventures would receive seed funding.

2. Healthcare and preventive healthcare

a. Coronavirus protection kit

In view of the COVID-19 pandemic, the Company, through the ICICI Foundation for Inclusive Growth, provided protective kits consisting of sanitisers (532 litres) and N-95 masks (1,550 in number) to police personnel in Mumbai and the rest of Maharashtra.

b. Old-age healthcare

The Company is associated with the Vision Foundation of India (VFI), a non-government not-for-profit charitable trust. The Company contributed to VFI for 1,389 free cataract surgeries for senior citizens below poverty line.

3. Empowering women

a. Hameri – World Wide Fund for Nature – India initiative

The Company is engaged with the World Wide Fund for Nature (WWF) Hameri programme. Hameri is a women's empowerment initiative to train women in livelihood generation through promotion of community-based food processing and handicraft enterprises. It also reduces resource dependency on the forest, thus aiding environment conservation. The initiative commenced in January 2020 and is expected to be completed in FY2021. The initial progress has started with 10 consultation meetings were held with Self Help Group members in 17 villages in Uttarakhand area reaching out to the women and representatives of the earlier SHG and discussing their experiences and way forward.

b. Siddhika – IFA

The Company trained 435 candidates across 3 cities, Mumbai, Vadodara and Surat for Independent Financial Associate (IFA). There were

261 candidates that passed the National Institute of Securities Markets (NISM) exam and the Company initiated Association of Mutual Funds in India (AMFI) registration process for them.

4. **Senior citizen welfare**

   The Company believes in the welfare and dignity of all citizens, and more so for abandoned senior citizens. While old-age homes may have decent basic facilities like clean rooms, bed, food, drinking water and shelter, the senior citizens miss the opportunity of "active ageing", because of the limited or zero outdoor facilities. The Company's initiative commenced in December 2019 and is expected to be completed by FY2021. An old-age home has been identified in Gurdaspur, Punjab, with a plan to build an open gymkhana and a vegetable garden. The objective is to make a model old-age home that can be replicated across the country.

5. **'iCan iWill' initiative**

   The initiative is focussed on educating people on the importance of drafting of a Will. The objective is to make people understand the importance and process of Will drafting through informative content and breaking myths associated with Will. The Company has used digital mediums to create awareness and educated over 0.2 million people through a film.

CAUTIONARY STATEMENTS

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions.

The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Independent Auditors' Report

To the Members of ICICI Securities Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the standalone financial statements of ICICI Securities Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Key audit matter	How the matter was addressed in our audit
Information Technology (IT)	

IT systems and controls
The Company's key financial accounting and reporting processes are dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could impact the financial accounting and reporting significantly. The Company uses SAP system for its overall financial reporting.
 	
The Company's General Ledger system used in financial reporting is interfaced with other IT systems which process transactions of account relevant for financial reporting.
 	
We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.
	Our audit procedures to assess the IT systems and controls included the following:
	• Testing the design of General IT Controls (GITCs) for the audit period which included controls over access to program and data, program changes, system changes, program development, computer operations (job processing, data backup, system backup, incident management) over financial accounting and reporting systems and related IT systems (referred to as 'in-scope systems').
	• Testing the operating effectiveness of GITCs for the audit period over the in-scope systems as follows:
	  ◦ User access creation, modification and revocation process;
	  ◦ User access review process;
	  ◦ Segregation of duties;
	  ◦ password policies;
	  ◦ Application change management procedures; and
	  ◦ Computer Operations process (automated job processes, backups and incident management).

Key audit matter	How the matter was addressed in our audit
Information Technology (IT)	
	• Understanding IT application controls for the audit period for significant accounts, testing interfaces, reports, reconciliations and system processing for significant accounts determined by us during our risk assessment. We tested the controls to determine that these controls remained unchanged during the audit period and incase of changes, were changes followed the standard change management process. • Understanding IT infrastructure records for the in-scope systems i.e. operating systems and databases. Based on procedures performed above, wherever required, we extended our audit procedures over other IT application controls, periodic reconciliations, manual approval processes, tests on identified key changes and additional substantive testing.

OTHER INFORMATION

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S AND BOARD OF DIRECTOR'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 33 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Milind Ranade
Partner
Membership No: 100564
UDIN: 20100564AAAADP9911

Place: Mumbai
Date: 7 May 2020

Annexure A to the Independent Auditor's Report of even date on the Standalone Financial Statements of ICICI Securities Limited

The Annexure referred to in the Independent Auditor's Report to the members of ICICI Securities Limited (the "Company") on the standalone financial statements for the year ended 31 March 2020, we report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified at the end of the financial year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties. Accordingly, para 3(i) (c) of the Order is not applicable to the Company.

ii. The Company does not hold any securities in physical form. The securities for trade held in dematerialized form are verified with the statement of holding received by management from the custodian at regular intervals. No material discrepancies were noticed on such verification.

iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, para 3(iii) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees and securities under Section 185 of the Act. The Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of grant of loans and making investments. The Company has not provided any guarantees and securities. Accordingly, para 3(iv) of the Order is not applicable to that extent.

v. According to the information and explanation given to us, the Company has not accepted any deposits from the public to which directives issued by Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed thereunder apply. Accordingly, para 3(v) of the Order is not applicable.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, value added tax, goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of sales tax, customs and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, value added tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the following dues outstanding of income tax, service tax, value added tax and stamp duty have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in ₹ million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax (including interest but excluding penalty)	516.1	Financial Year ("FY") 2010-2011, FY 2012-2013 & FY 13-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax (including interest but excluding penalty)	142.1	FY 2000-2001 to FY 2009-2010	Commissioner of Income Tax
Income Tax Act, 1961	Income tax (including interest but excluding penalty)	0.5	FY 2007-2008 to FY 2009-2010	Commissioner of Income Tax - TDS
Service Tax	Service tax (excluding interest and including penalty)	258.6	FY 2006-2007 to FY 2014-2015	Commissioner of Service Tax
Service Tax	Service tax (including interest and penalty)	356.8	Aug 2012 to Sep 2014	Central Excise & Service Tax Appellate Tribunal
Service Tax	Service tax (excluding interest and including penalty)	6.7	FY 2008-2009	Central Excise & Service Tax Appellate Tribunal
Maharashtra Value Added Tax, 2002	Value added tax (including interest & penalty)	2.2	FY 2008-2009 and FY 2016-17	Commissioner of VAT (Appeals)
Rajasthan Stamp Duty	Stamp Duty	3.3	FY 2005-06 and FY 2006-07	Office of registration and stamps, Jaipur, Rajasthan

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company did not have any borrowings from Government or debenture holders during the year.

ix. In our opinion and according to the information and explanations given to us, the monies raised by way of debt instruments in the nature of commercial paper by the Company have been applied for the purpose for which they were raised. The Company did not raise money by way of further public offer.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations give to us and based on our examination of the books and records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals prescribed by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable Indian accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the books and records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable.

xv. According to the information and explanations given to us and based on our examination of the books and records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Milind Ranade
Partner

Place: Mumbai
Date: 7 May 2020

Membership No: 100564
UDIN: 20100564AAAADP9911

Annexure "B" to the Independent Auditors' Report of even date on the Standalone Financial Statements of ICICI Securities Limited

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of ICICI Securities Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of 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, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Milind Ranade
Partner
Membership No: 100564
UDIN: 20100564AAAADP9911

Place: Mumbai
Date: 7 May 2020

Standalone Balance Sheet

as at March 31, 2020

(₹ million)

		Notes	As at March 31, 2020	As at March 31, 2019
	ASSETS			
1	**Financial Assets**			
	(a) Cash and cash equivalents	3 (a)	5,240.2	18,632.5
	(b) Bank balance other than (a) above	3 (b)	18,537.9	12,575.4
	(c) Securities for trade	5	8,351.1	2,563.1
	(d) Receivables			
	(I) Trade receivables	6	886.2	4,766.7
	(e) Loans	7	5,708.7	4,032.7
	(f) Investments	8	147.4	151.2
	(g) Other financial assets	9	768.0	810.4
			39,639.5	**43,532.0**
2	**Non-financial Assets**			
	(a) Current tax assets (net)	10	1,503.3	1,307.6
	(b) Deferred tax assets (net)	40	577.1	720.1
	(c) Property, plant and equipment	11	294.8	294.5
	(d) Right-of-use assets	36	1,528.1	-
	(e) Capital work-in-progress		32.9	12.4
	(f) Intangible assets under development		48.4	27.4
	(g) Other intangible assets	11	155.4	141.0
	(h) Other non-financial assets	12	405.5	427.6
			4,545.5	**2,930.6**
	Total Assets		**44,185.0**	**46,462.6**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial liabilities**			
	(a) Derivative financial instruments	4	-	17.0
	(b) Payables	13		
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		6,931.5	23,391.2
	(c) Debt securities	14	14,975.3	4,473.0
	(d) Borrowings (Other than debt securities)	15	-	-
	(e) Deposits	16	22.3	45.3
	(f) Lease liabilities	36	1,573.6	-
	(g) Other financial liabilities	17	2,694.6	2,284.9
			26,197.3	**30,211.4**
2	**Non-financial Liabilities**			
	(a) Current tax liabilities (net)		-	41.5
	(b) Provisions	18	828.7	663.6
	(c) Other non-financial liabilities	19	5,245.1	5,202.0
			6,073.8	**5,907.1**
3	**EQUITY**			
	(a) Equity share capital	20	1,610.7	1,610.7
	(b) Other equity	21	10,303.2	8,733.4
			11,913.9	**10,344.1**
	Total Liabilities and Equity		**44,185.0**	**46,462.6**
Significant accounting policies		2		

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.:101248W/W-100022

Milind Ranade
Partner
Membership No.: 100564

Date : May 07, 2020
Place : Mumbai

For and on behalf of Board of Directors

Ashvin Parekh
Director
DIN - 06559989

Vijay Chandok
Managing Director & CEO
DIN - 01545262

Ajay Saraf
Executive Director
DIN - 00074885

Raju Nanwani
Company Secretary

Harvinder Jaspal
Chief Financial Officer

Standalone Statement of Profit and Loss

for the year ended March 31, 2020

(₹ million)

		Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
	Revenue from operations			
(i)	Interest income	22	2,346.1	1,791.4
(ii)	Dividend income		0.4	4.9
(iii)	Fees and commission income			
	- Brokerage income		9,475.6	9,325.2
	- Income from services		5,214.3	5,732.8
(iv)	Net gain on fair value changes	23	-	166.0
(v)	Net gain on derecognition of financial instruments under amortised cost category		3.0	-
(vi)	Others		15.7	21.7
(I)	**Total revenue from operations**		**17,055.1**	**17,042.0**
(II)	Other income	24	165.5	216.0
(III)	**Total income (I+II)**		**17,220.6**	**17,258.0**
	Expenses			
(i)	Finance costs	25	859.5	419.7
(ii)	Fees and commission expense		628.8	572.8
(iii)	Net loss on fair value changes	23	36.1	-
(iv)	Impairment on financial instruments	26	106.7	26.9
(v)	Operating expense	27	585.5	849.6
(vi)	Employee benefits expenses	28	5,224.4	5,413.0
(vii)	Depreciation, amortisation and impairment	11 & 36	611.7	149.3
(viii)	Other expenses	29	1,691.6	2,275.7
(IV)	**Total expenses (IV)**		**9,744.3**	**9,707.0**
(V)	Profit/(loss) before tax (III -IV)		**7,476.3**	**7,551.0**
(VI)	Tax expense:	40		
	(1) Current tax		1,961.5	2,721.5
	(2) Deferred tax		147.7	(39.7)
			2,109.2	**2,681.8**
(VII)	**Profit/(loss) for the year (V-VI)**		**5,367.1**	**4,869.2**
(VIII)	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined employee benefit plans		(63.8)	(40.2)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		4.7	14.3
	Other comprehensive income		**(59.1)**	**(25.9)**
(IX)	**Total comprehensive income for the year (VII+VIII) [comprising profit/(loss) and other comprehensive income for the year]**		**5,308.0**	**4,843.3**
(X)	**Earnings per equity share: (Face value ₹ 5/- per share)**	30		
	Basic (in ₹)		16.66	15.12
	Diluted (in ₹)		16.65	15.11
Significant accounting policies		2		

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.:101248W/W-100022

Milind Ranade
Partner
Membership No.: 100564

Date : May 07, 2020
Place : Mumbai

For and on behalf of Board of Directors

Ashvin Parekh
Director
DIN - 06559989

Vijay Chandok
Managing Director & CEO
DIN - 01545262

Ajay Saraf
Executive Director
DIN - 00074885

Raju Nanwani
Company Secretary

Harvinder Jaspal
Chief Financial Officer

Standalone Statement of Changes in Equity

for the year ended March 31, 2020

A Equity share capital

(₹ million)

Balance as at April 1, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
1,610.7	-	1,610.7

(₹ million)

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
1,610.7	**-**	**1,610.7**

B Other Equity

(₹ million)

	Reserves and Surplus				Exchange Difference on translating the financial statements of a foreign operation	Deemed Equity Contribution from the Parent*	Total
	Securities Premium	General Reserve	Share based payment reserve	Retained Earnings			
Balance as at April 1, 2018	244.0	666.8	-	5,641.8	17.9	205.3	**6,775.8**
Profit for the year	-	-		4,869.2	-	-	**4,869.2**
Items of OCI for the year, net of tax:							
Remeasurement benefit of defined benefit plans	-	-	-	(25.9)	-	-	**(25.9)**
Total Comprehensive Income for the year	-	-	-	4,843.3	-	-	**4,843.3**
Dividend (including tax on dividend)	-	-	-	(2,951.1)	-	-	**(2,951.1)**
Any other changes:							
Additions during the year (net)	-	-	4.1	-	0.6	60.7	**65.4**
Balance as at March 31, 2019	**244.0**	**666.8**	**4.1**	**7,534.0**	**18.5**	**266.0**	**8,733.4**
Balance as at April 1, 2019	244.0	666.8	4.1	7,534.0	18.5	266.0	**8,733.4**
Profit for the year	-	-	-	5,367.1		-	**5,367.1**
Items of OCI for the year, net of tax:							
Remeasurement benefit of defined benefit plans	-	-	-	(59.1)	-	-	**(59.1)**
Total Comprehensive Income for the year	-	-	-	5,308.0	-	-	**5,308.0**
Dividend (including tax on dividend)	-	-	-	(3,864.7)	-	-	**(3,864.7)**
Any other changes:							
Additions during the year (net)	-	-	52.9	-	-	73.6	**126.5**
Balance as at March 31, 2020	**244.0**	**666.8**	**57.0**	**8,977.3**	**18.5**	**339.6**	**10,303.2**

* Net of share based arrangement of parent entity amounting to ₹ 13.9 million

Significant accounting policies (Note 2)

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.:101248W/W-100022

Milind Ranade
Partner
Membership No.: 100564

Date : May 07, 2020
Place : Mumbai

For and on behalf of Board of Directors

Ashvin Parekh
Director
DIN - 06559989

Vijay Chandok
Managing Director & CEO
DIN - 01545262

Ajay Saraf
Executive Director
DIN - 00074885

Raju Nanwani
Company Secretary

Harvinder Jaspal
Chief Financial Officer

Standalone Cash Flow Statement

for the year ended March 31, 2020

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
A	**Cash flow (used in) / generated from operating activities**		
	Profit before tax	7,476.3	7,551.0
	Add /(less): Adjustments		
	- Net loss on derecognition of property, plant and equipment	8.1	4.6
	- Depreciation and amortisation	611.7	149.3
	- (Reversal of) /impariment loss on financial assets measured at FVTPL	0.7	1.2
	- Net (gain)/loss arising on financial assets measured at FVTPL	158.2	5.0
	- Interest expense	848.6	412.6
	- Dividend income on equity securities	(0.3)	(0.4)
	- Share based payments to employees	126.5	64.8
	- Bad and doubtful debts	106.9	49.3
	- Interest on income tax refund	(147.5)	(207.1)
	- Provision written back	(34.7)	-
	- Unrealised foreign exchange (gain)/loss	1.2	(8.9)
	Operating profit before working capital changes	9,155.7	8,021.4
	Adjustments for changes in working capital:		
	- (Increase) / decrease in other bank balances	(5,962.5)	1,113.6
	- (Increase) / decrease in securities for trade	(5,951.2)	(2,179.3)
	- (Increase) / decrease in receivables	3,870.6	(1,709.0)
	- (Increase) / decrease in loans	(1,766.0)	1,749.7
	- (Increase) / decrease other financial assets	42.4	397.6
	- (Increase) / decrease other non- financial assets	(43.8)	182.8
	- Increase / (decrease) in derivative financial instruments	(17.0)	15.4
	- Increase / (decrease) in trade payables	(16,425.0)	17,192.5
	- Increase / (decrease) in deposits	(23.0)	(1.4)
	- Increase / (decrease) in other financial liabilities	409.7	656.8
	- Increase / (decrease) in provisions	101.3	88.6
	- Increase / (decrease) in other non-financial liabilities	43.2	76.1
		(25,721.3)	17,583.4
	Cash generated from operations	(16,565.6)	25,604.8
	Income tax paid (net)	(2,051.2)	(2,716.9)
	Net cash (used in) / generated from operating activities (A)	**(18,616.8)**	**22,887.9**
B	**Cash flow (used in) / generated from investing activities**		
	- Dividend income received	0.3	0.4
	- Purchase of property, plant and equipment	(233.7)	(226.1)
	- Proceeds from sale of property, plant and equipment	7.7	18.0
	Net cash (used in) / generated from investing activities (B)	**(225.7)**	**(207.7)**

Standalone Cash Flow Statement

for the year ended March 31, 2020

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
C	**Cash flow generated from / (used in) financing activities**		
	- Proceeds from commercial paper borrowings	72,700.0	22,988.1
	- Repayment of commercial paper borrowings	(62,278.9)	(25,251.6)
	- Interest paid on borrowings	(626.3)	(400.2)
	- Dividend and dividend tax paid	(3,864.7)	(2,951.1)
	- Interest paid on lease liabilities	(141.2)	-
	- Repayment of lease liabilities	(338.7)	-
	Net cash generated from / (used in) financing activities (C)	**5,450.2**	**(5,614.8)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(13,392.3)	17,065.4
	Cash and cash equivalents at the beginning of the year	18,632.5	1,567.1
	Cash and cash equivalents at the end of the year	**5,240.2**	**18,632.5**
	Components of cash and cash equivalents		
	Cash and Cash Equivalents comprises of :		
(a)	Cash on hand	-	0.0
(b)	Balances with Banks (of the nature of cash and cash equivalents)		
	In current accounts with banks		
	- In India with scheduled banks	2,304.7	18,251.3
	- Outside India	5.8	30.8
(c)	Cheques, drafts on hand	-	0.3
(d)	Others		
	- Fixed Deposit with original maturity of less than three months	2,928.0	350.0
	- Interest accrued on fixed deposits	1.7	0.1
	Total cash and cash equivalents (Note 3)	**5,240.2**	**18,632.5**
	₹ 0.0 million indicates values are lower than ₹ 0.1 million, where applicable		

Note :

(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

(ii) Also refer note 37 for Change in liabilities arising from financing activities.

Significant accounting policies (Note 2)

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.:101248W/W-100022

Milind Ranade
Partner
Membership No.: 100564

Date : May 07, 2020
Place : Mumbai

For and on behalf of Board of Directors

Ashvin Parekh
Director
DIN - 06559989

Vijay Chandok
Managing Director & CEO
DIN - 01545262

Ajay Saraf
Executive Director
DIN - 00074885

Raju Nanwani
Company Secretary

Harvinder Jaspal
Chief Financial Officer

Notes
to standalone financial statements for the year ended March 31, 2020

1. CORPORATE INFORMATION

ICICI Securities Limited ("the Company"), incorporated in March 09, 1995, is a public company engaged in the business of broking (institutional and retail), distribution of financial products, merchant banking and advisory services. The Company is incorporated and domiciled in India. The equity shares of the Company are listed. The address of the Registered Office is ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai - 400020.

The Company was a wholly owned subsidiary of ICICI Bank Limited till March 30, 2018. During the year ended March 31, 2018, the Company completed its Initial Public Offering (IPO). The Equity shares of the Company were listed on the National Stock Exchange of India Limited and BSE Limited on April 4, 2018. ICICI Bank Limited, the holding company, owns 79.22% of the Company's equity share capital as on March 31, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, other financial assets held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value.

Accounting policies have been consistently applied except where newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest million, except when otherwise indicated.

The standalone financial statements for the year ended March 31, 2020 are being authorised for issue in accordance with a resolution of the directors on May 07, 2020.

(ii) Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the income and expense for the reporting period. The actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The Company makes certain judgments and estimates for valuation and impairment of financial instruments, fair valuation of employee stock options, incentive plans, useful life of property, plant and equipment, deferred tax assets and retirement benefit obligations. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

a) **Determination of the estimated useful lives of tangible assets:** Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) **Recognition and measurement of defined benefit obligations:** The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in note 42.

c) **Recognition of deferred tax assets / liabilities:** Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised. Further details are disclosed in note 40.

d) **Recognition and measurement of provision and contingencies:** The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

e) **Fair valuation of employee share options:** The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Further details are discussed in note 38.

f) **Determining whether an arrangement contains a lease:** In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

g) **Impairment of financial assets:** The Company recognises loss allowances for expected credit losses on its financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(iii) Revenue from Contracts with Customers

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Notes
to standalone financial statements for the year ended March 31, 2020

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company recognises revenue from the following sources:

a. Income from services rendered as a broker is recognised upon rendering of the services on a trade date basis, in accordance with the terms of contract.

b. Fee income including investment banking, advisory fees, debt syndication, financial advisory services, etc., is recognised based on the stage of completion of assignments and terms of agreement with the client.

c. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant.

d. Interest income is recognised using the effective interest rate method.

e. Dividend income is recognised when the right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

f. Training fee income from financial education program is recognised on the basis of completion of training.

(iv) Property, Plant and Equipment (PPE)

Recognition and Measurement:

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount.

Items of property, plant and equipment are initially recorded at cost. Cost comprises acquisition cost, borrowing cost if capitalization criteria are met, and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefit associated with these will flow with the Company and the cost of the item can be measured reliably.

Depreciation:

Depreciation provided on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by management.

The estimated useful lives of assets are as follows:

Tangible Asset	Estimated by Management
Leasehold improvements	Over the lease period
Office equipment's comprising air conditioners, photo-copying machines, etc.	5 years
Computers	3 years
Servers and Networks	6 years
Furniture and fixtures*	6.67 years
Motor vehicles*	5 years

*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

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Depreciation is provided on a straight-line basis from the date the asset is ready for its intended use. In respect of assets sold, depreciation is provided up to the date of disposal.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and changes if any, are accounted for on a prospective basis.

Capital work-in-progress and Capital advances:
Capital work-in-progress are property, plant and equipment which are not yet ready for their intended use. Advances given towards acquisition of fixed assets outstanding at each reporting date are shown as other non-financial assets.

Depreciation is not recorded on capital work-in-progress until construction and installation is completed and assets are ready for its intended use.

De-recognition:
The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition, disposal or retirement of an item of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of de-recognition, disposal or retirement.

(v) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation.

Development expenditure on software is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognised in the profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation
Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives and is included in the depreciation and amortisation in the statement of profit and loss.

Intangible asset	Useful life / Amortisation period
Computer software	4 years

(vi) Financial instruments

The Company recognises all the financial assets and liabilities at its fair value on initial recognition; In the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset that are not at fair value through profit or loss are added to the fair value on initial recognition. The financial assets are accounted on a trade date basis.

For subsequent measurement, financial assets are categorised into:

a. **Amortised cost:** The Company classifies the financial assets at amortised cost if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows. The gains and losses resulting from fluctuations in fair value are not recognised for financial assets classified in amortised cost measurement category.

b. **Fair value through other comprehensive income (FVOCI):** The Company classifies the financial assets

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as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the Company's business model is achieved by both collecting contractual cash flow and selling financial assets. In case of debt instruments measured at FVOCI, changes in fair value are recognised in other comprehensive income. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method are recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is re-classified from equity to profit or loss as a reclassification adjustment. In case of equity instruments irrevocably designated at FVOCI, gains / losses including relating to foreign exchange, are recognised through other comprehensive income. Further, cumulative gains or losses previously recognised in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition.

c. **Fair value through profit or loss (FVTPL):** The financial assets are classified as FVTPL if these do not meet the criteria for classifying at amortised cost or FVOCI. Further, in certain cases to eliminate or significantly reduce a measurement or recognition inconsistency (accounting mismatch), the Company irrevocably designates certain financial instruments at FVTPL at initial recognition. In case of financial assets measured at FVTPL, changes in fair value are recognised in profit or loss.

Profit or loss on sale of investments is determined on the basis of first-in-first-out (FIFO) basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

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Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

Based on the Company's business model for managing the investments, the Company has classified its investments and securities for trade at FVTPL.

Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables the carrying amount approximates the fair value due to short maturity of these instruments.

d. **Impairment of financial assets:** In accordance with Ind AS 109, the Company applies expected credit loss model (ECL) for measurement and recognition of impairment loss. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses whether the loans have been impaired. The Company is exposed to credit risk when the customer defaults on his contractual obligations. For the computation of ECL, the loan receivables are classified into three stages based on the default and the aging of the outstanding. If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance account accordingly. The write-back is recognised in the statement of profit and loss. The Company recognises life time expected credit loss for trade receivables and has adopted the simplified method of computation as per Ind AS 109. The Company considers outstanding overdue for more than 90 days for calculation of expected credit loss. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(vii) Employee benefits

a. **Short term employee benefits**

Short term employee benefits include salaries and short term cash bonus. A liability is under short-term cash bonus or target based incentives if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. These costs are recognised as an expense in the Statement of Profit and Loss at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

b. **Gratuity**

The Company pays gratuity, a defined benefit plan, to its employees whose employment terminates after a minimum period of five years of continuous service on account of retirement or resignation. In the case of employees at overseas locations, same will be paid as per rules in force in the respective countries. The Company makes contributions to the ICICI Securities Employees Gratuity Fund which is managed by ICICI Prudential Life Insurance Company Limited for the settlement of gratuity liability.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset / (liability), which need to be provided for in the books of accounts of the Company.

As required by the Ind AS 19, the discount rate used to arrive at the present value of

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the defined benefit obligations is based on the Indian Government security yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a net asset position, the recognised asset is limited to the present value of economic benefits available in form of reductions in future contributions.

Remeasurements arising from defined benefit plans comprises of actuarial gains and losses on benefit obligations, the return on plan assets in excess of what has been estimated and the effect of asset ceiling, if any, in case of over funded plans. The Company recognises these items of remeasurements in other comprehensive income and all the other expenses related to defined benefit plans as employee benefit expenses in their profit and loss account.

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognised immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

With respect to Oman Branch, the Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

c. **Provident fund**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as part of retirement benefits to its employees. The contributions during the year are charged to the statement of profit and loss.

With respect to Oman branch, for Omani national employees, the Company makes contributions to the Omani Public Authority for Social Insurance Scheme calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when incurred.

d. **Compensated absence**

The employees can carry forward a portion of the unutilised accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase the entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial losses/gains are recognised in the statement of profit and loss as and when they are incurred.

e. **Long term incentive**

The Company has a long term incentive plan which is paid in three annual tranches. The Company accounts for the liability as per an actuarial valuation. The actuarial valuation of the long term incentives liability is calculated based on certain assumptions regarding prevailing market yields of Indian government securities and staff attrition as per the projected unit credit method made at the end of each reporting period. The actuarial losses/gains are recognised in the statement of profit and loss in the period in which they arise.

f. **Share based payment arrangements**

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

ICICI Bank Limited, the parent, also grants options to eligible employees of the Company under ICICI Bank Employee Stock Option Scheme. The options vest over a period of three years. The fair value determined on the grant date is expensed on a straight line basis over the vesting period with a corresponding increase in the equity as a contribution from the parent.

g. **Other defined contribution plans**

The Defined contribution plans are the plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or constrictive obligation to pay additional sums. The Company makes contributions towards National Pension Scheme ("NPS") which is a defined contribution retirement benefit plans for employees who have opted for the contribution towards NPS. The Company also makes contribution towards Employee State Insurance Scheme ("ESIC") which is a contributory scheme providing medical, sickness, maternity, and disability benefits to the insured employees under the Employees State Insurance Act, 1948 in respect of qualifying employees.

(viii) Borrowing costs

Borrowing costs include interest expense as per the effective interest rate (EIR) and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the year in which they are incurred.

The difference between the discounted amount mobilised and redemption value of commercial papers is recognised in the statement of profit and loss over the life of the instrument using the EIR.

(ix) Foreign exchange transactions

The functional currency and the presentation currency of the Company is Indian Rupees. Transactions in foreign currency are recorded on initial recognition using the exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on the settlement or translation of monetary items are recognised in the statement of profit and loss in the period in which they arise.

Assets and liabilities of foreign operations are translated at the closing rate at each reporting period. Income and expenses of foreign operations are translated at monthly average rates. The resultant exchange differences are recognised in other comprehensive income in case of foreign operation whose functional currency is different from the presentation currency and in the statement of profit and loss for other foreign operations. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(x) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the

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Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate of the Company, specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(xi) Income tax

The income tax expense comprises current and deferred tax incurred by the Company. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity or OCI, in which case the tax effect is recognised in equity or OCI. Income tax payable on profits is based on the applicable tax laws in each tax jurisdiction and is recognised as an expense in the period in which profit arises. Current tax is the expected tax payable/receivable on the taxable income or loss for the period, using tax rates enacted for the reporting period and any adjustment to tax payable/receivable in respect of previous years. Current tax assets and liabilities are offset only if, the Company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts for tax purposes. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised, for all deductible temporary differences, to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, such reductions are reversed when the probability of future taxable profits improves.

The tax effects of income tax losses, available for carry forward, are recognised as deferred tax asset, when it is probable that future taxable profits will be available against which these losses can be set-off.

Additional taxes that arise from the distribution of dividends by the Company are recognised directly in equity at the same time as the liability to pay the related dividend is recognised.

(xii) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with the banks and demand deposits with bank with an original maturity of three months or less, and accrued interest thereon.

(xiii) Impairment of non-financial assets

The Company assesses at the reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or

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groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in statement of profit and loss.

(xiv) Provisions

Provision is recognised when an enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at the balance sheet date and adjusted to reflect the current management estimates.

(xv) Contingent liabilities and assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability. The existence of a contingent liability is disclosed in note 33 to the financial statements. Contingent assets are neither recognised nor disclosed.

(xvi) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

(xvii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

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3. (a) CASH AND CASH EQUIVALENTS

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(a)	Cash on hand *	-	0.0
(b)	Balances with banks (of the nature of cash and cash equivalents)		
	In current accounts with banks		
	- In India with scheduled banks	2,304.7	18,251.3
	- Outside India	5.8	30.8
(c)	Cheques, drafts on hand	-	0.3
(d)	Others		
	- Fixed deposit with original maturity less than 3 months	2,928.0	350.0
	- Interest accrued on Fixed deposits	1.7	0.1
	Total	**5,240.2**	**18,632.5**

3. (b) BANK BALANCE OTHER THAN (a) ABOVE

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(a)	Earmarked balances with banks		
	- Unclaimed dividend	1.1	-
(b)	Fixed deposits with banks**		
	- In India	17,955.1	12,107.9
	- Outside India	9.8	9.0
		17,964.9	12,116.9
(c)	Interest receivable	571.9	458.5
	Total	**18,537.9**	**12,575.4**

** ₹ 0.0 million indicates values are lower than ₹ 0.1 million, where applicable*

*** Fixed deposits under lien with stock exchanges amounted to ₹ 16,584.7 million (March 31, 2019 : ₹ 10,604.3 million) and kept as collateral security towards bank guarantees issued amounted to ₹ 12.2 million (March 31, 2019 : ₹ 393.9 million) and kept as collateral security against bank overdraft facility amounted to ₹ 1,115.1 million (March 31, 2019 : ₹ 1,115.0 million) and others ₹ 252.9 million (March 31, 2019 : ₹ 3.7 million)*

4. DERIVATIVE FINANCIAL INSTRUMENTS

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(i)	Equity linked derivatives	-	17.0
	Total	**-**	**17.0**
	Notional amounts	-	3,893.8
	Fair value - assets	-	-
	Fair value - liabilities	-	17.0

Note :
- *The derivatives are used for the purpose trading.*
- *Refer note 44 for management of risks arising from derivatives.*

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5. SECURITIES FOR TRADE

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(A)	**At Fair Value through profit or loss**		
	Securities for trade in India		
(i)	Mutual funds:		
-	Nippon India Liquid Fund Direct Growth Plan Growth Option	1,507.2	-
-	Invesco India Liquid Fund Direct Growth Plan	1,003.8	-
-	ICICI Prudential Liquid Fund Direct Growth Plan	716.6	-
-	ICICI Prudential Mutual fund Value FD SR 18 (17-05-2021)	0.9	1.1
		3,228.5	**1.1**
(ii)	Debt securities:		
(a)	Non-convertible debentures:-		
-	8.75%, Edelweiss Retail Finance Limited (22-03-2021)	44.7	143.5
-	9.25%, Reliance Jio Infocommunication Limited (16-06-2024)	1.1	-
-	9.10 % Dewan Housing Finance Corp Limited (16-08-2019)	-	143.8
		45.8	**287.3**
(b)	Bonds:		
-	8.58%, Housing Development Finance Corporation Limited (18-03-2022)	256.6	-
-	7.16%, Government Securities (20-05-2023)	52.6	-
-	8.55%, Cholamandalam Investment and Finance Company Limited (13-11-2026)	2.0	-
-	7.26%,Government Securities (14-01-2029)	262.2	-
-	8.85%,HDB Financial Services Limited (07-06-2029)	96.4	-
-	8.30%, Rural Electrification Corporation Limited (25-06-2029)	6.3	-
-	7.35%, Indian Railway Finance Corporation Limited (22-03-2031)	91.9	-
-	10.50%,INDUSIND Bank Limited (28-03-2099)	1.0	-
-	8.85%,HDFC Bank Limited (12-05-2099)	97.5	-
-	8.65%, Bank of Baroda (11-08-2099)	131.9	-
-	8.50%,State Bank of India (22-11-2099)	290.2	-
-	8.70%, Bank of Baroda (28-11-2099)	38.7	-
-	8.49%, Housing Development Finance Corporation Limited (27-04-2020)	-	501.1
-	7.50%, Housing Development Finance Corporation Limited (07-07-2020)	-	495.3
-	8.80 % LIC Housing Finance Limited (24-12-2020)	-	504.3
-	8.30 % LIC Housing Finance Limited (15-07-2021)	-	100.1
-	8.41 % Housing and Urban Development Corporation Limited (15-03-2029)	-	76.0
-	8.30%, Indian Railway Finance Corporation Limited (25-03-2029)	-	100.9
-	8.75 % Axis Bank (14-12-2099)	-	2.9
		1,327.3	**1,780.6**
(c)	Commercial paper:		
-	National Bank for Agriculture and Rural Development (03-04-2020)	1,999.5	-
-	Kotak Mahindra Investment Limited (17-01-2020)	-	469.4
		1,999.5	**469.4**

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(₹ million)

		As at March 31, 2020	As at March 31, 2019
(d)	Fixed Deposits:		
-	8.25%, Housing Development Finance Corporation Limited FD (03-06-2020)	500.0	-
-	8%, Housing Development Finance Corporation Limited FD (21-07-2020)	750.0	-
-	7.4% Bajaj Finance FD (25-03-2021)	500.0	-
		1,750.0	**-**
(iii)	Equity instruments:		
-	IRB InvIT Fund-Equity	-	24.7
		-	**24.7**
	Total (A) - Gross	**8,351.1**	**2,563.1**
	Less: Impairment Loss Allowance	**-**	**-**
	Total (A) - Net	**8,351.1**	**2,563.1**

6. TRADE RECEIVABLES

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(a)	Considered good - Secured	349.8	3,994.0
(b)	Considered good - Unsecured	536.4	772.7
(c)	Receivables - credit impaired	158.0	149.6
	Less: Impairment Loss Allowance	(158.0)	(149.6)
	Total	**886.2**	**4,766.7**

No trade or other receivable are due from directors of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

7. LOANS

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(A)	**At amortised cost**		
	Term Loans :		
(i)	Margin trade funding	2,760.8	3,449.4
(ii)	ESOP funding	3,040.6	586.0
	Total (A) - Gross	**5,801.4**	**4,035.4**
	Less:Impairment loss allowance [refer note 44(a)]	(92.7)	(2.7)
	Total (A) - Net	**5,708.7**	**4,032.7**

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(₹ million)

		As at March 31, 2020	As at March 31, 2019
(I)	**Secured by:**		
(i)	Secured by tangible assets		
	- Collateral in the form of cash, securities, Fixed Deposit Receipt (FDR) in case of Margin trade funding	2,760.5	3,424.6
	- Shares under ESOP in case of ESOP funding	3,024.7	586.0
(ii)	Unsecured :		
	- in case of Margin trade funding	0.3	24.8
	- in case of ESOP funding	15.9	-
	Total (I) - Gross	**5,801.4**	**4,035.4**
	Less:Impairment loss allowance	(92.7)	(2.7)
	Total (I) - Net	**5,708.7**	**4,032.7**
(II)	**Loans in India**		
(i)	Margin trade funding & ESOP funding	5,801.4	4,035.4
	Total (II) - Gross	**5,801.4**	**4,035.4**
	Less:Impairment loss allowance	(92.7)	(2.7)
	Total (II) - Net	**5,708.7**	**4,032.7**
(B)	**At fair value through other comprehensive income**	-	-
(C)	**At fair value through profit or loss**	-	-
(D)	**At fair value designated at fair value through profit or loss**	-	-
	Total (A) + (B) + (C) + (D)	**5,708.7**	**4,032.7**

8. INVESTMENTS

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(A)	**At fair value through profit or loss**		
(i)	**Investments in India**		
	Equity instruments:		
-	BSE Limited	3.4	7.0
-	Receivable Exchange of India Limited	19.2	18.8
-	Universal Trustees Private Limited	2.1	2.7
	Total - (A)	**24.7**	**28.5**
(B)	**At fair value through other comprehensive income**	-	-
(C)	**At amortised cost**	-	-
(D)	**At fair value designated at fair value through profit or loss**	-	-
(E)	**Others***		
(i)	**Investments outside India**		
	Equity Instruments :		
-	Subsidiary - ICICI Securities Holding Inc	122.7	122.7
	Less:Impairment loss allowance	-	-
	Total - (E)	**122.7**	**122.7**
	Total (A) + (B) + (C) + (D) + (E)	**147.4**	**151.2**

** The Company has elected to measure investment in subsidiaries at deemed cost as per Ind AS 27.*

Notes

to standalone financial statements for the year ended March 31, 2020

9. OTHER FINANCIAL ASSETS

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(i)	Security deposits :		
	Unsecured, considered good		
	(a) Security deposit for leased premises and assets	194.4	198.8
	(b) Security deposit with stock exchanges	29.8	60.3
	(c) Other Security deposits	3.5	9.4
	(d) Margin deposits with stock exchange	110.0	54.6
	(e) Security deposit with related parties		
	- ICICI Bank Limited	2.4	2.3
	- ICICI Lombard General Insurance Company Limited	0.1	0.1
		340.2	**325.5**
(ii)	Others :		
	(a) Accrued income from services	286.8	358.4
	(b) Accrued interest	133.9	96.3
	(c) Others *	15.3	30.2
	Less:Impairment loss allowance	(8.2)	-
		427.8	**484.9**
	Total (i) + (ii)	**768.0**	**810.4**

** Others includes amounts due from ICICI Bank Ltd ₹ Nil (Previous year : ₹ 0.6 million) towards reimbursement of IPO expenses.*

10. CURRENT TAX ASSETS (NET)

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(i)	Advance payment of income tax (net) [net of provision for tax of ₹ 17,332.9 million (March 31, 2019 : ₹ 12,642.9)]	1,503.3	1,307.6
	Total	**1,503.3**	**1,307.6**

Notes
to standalone financial statements for the year ended March 31, 2020

11. PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS

(₹ million)

	PROPERTY, PLANT AND EQUIPMENT						OTHER INTANGIBLE ASSETS			
	Computers	Furniture and fixtures	Office equipment	Vehicles	Lease hold improvements	Total (A)	Computer Software	CMA membership right	Total (B)	TOTAL (A+B)
Gross Carrying amount (At Cost)										
Balance at April 1, 2018	112.7	14.8	40.6	61.6	98.5	**328.2**	98.8	0.1	**98.9**	**427.1**
Additions	87.7	3.1	12.3	16.4	6.0	**125.5**	101.0	1.6	**102.6**	**228.1**
Disposal / Adjustment *	21.0	0.3	8.1	26.3	1.8	**57.5**	26.5	-	**26.5**	**84.0**
Balance at March 31, 2019	**179.4**	**17.6**	**44.8**	**51.7**	**102.7**	**396.2**	**173.3**	**1.7**	**175.0**	**571.2**
Additions	73.9	4.8	5.8	19.5	12.1	**116.1**	76.3	-	**76.3**	**192.4**
Disposal / Adjustment *	4.5	4.3	8.4	13.2	38.4	**68.8**	(0.1)	(2.3)	**(2.4)**	**66.4**
Balance at March 31, 2020	**248.8**	**18.1**	**42.2**	**58.0**	**76.4**	**443.5**	**249.7**	**4.0**	**253.7**	**697.2**
Accumulated depreciation/ amortisation										
Balance at April 1, 2018	6.3	2.5	9.9	0.2	12.7	**31.6**	13.4	0.1	13.5	**45.1**
Depreciation for the year	42.7	5.8	17.2	21.6	17.3	**104.6**	44.7	-	**44.7**	**149.3**
Disposal / Adjustment *	16.4	(0.0)	1.1	15.6	1.4	**34.5**	25.8	(1.6)	**24.2**	**58.7**
Balance at March 31, 2019	**32.6**	**8.3**	**26.0**	**6.2**	**28.6**	**101.7**	**32.3**	**1.7**	**34.0**	**135.7**
Depreciation for the year	51.5	3.8	8.9	19.7	16.2	**100.1**	61.8	-	**61.8**	**161.9**
Disposal / Adjustment *	1.1	2.7	7.2	11.0	31.1	**53.1**	(0.1)	(2.4)	**(2.5)**	**50.6**
Balance at March 31, 2020	**83.0**	**9.4**	**27.7**	**14.9**	**13.7**	**148.7**	**94.2**	**4.1**	**98.3**	**247.0**
Carrying amounts (net)										
Balance at March 31, 2019	**146.8**	**9.3**	**18.8**	**45.5**	**74.1**	**294.5**	**141.0**	**0.0**	**141.0**	**435.5**
Balance at March 31, 2020	**165.8**	**8.7**	**14.5**	**43.1**	**62.7**	**294.8**	**155.5**	**(0.1)**	**155.4**	**450.2**

Notes: (₹ in million)

*Balance at March 31, 2019 * Fixed assets sale / adjustments includes effect of foreign currency translation amounting to ₹ 2.5 million (March 31, 2018 ₹ 0.0 million).*

Balance at March 31, 2020 *Fixed assets sale / adjustments includes effect of foreign currency translation amounting to ₹ 0.3 million (March 31, 2019 ₹ 2.5 million).

Notes

to standalone financial statements for the year ended March 31, 2020

12. OTHER NON-FINANCIAL ASSETS

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(i)	Advances other than capital advances:		
	- Prepaid expenses	68.9	166.2
	- Advance to suppliers	99.5	93.7
	- Others	237.1	167.7
	Total	**405.5**	**427.6**

13. PAYABLES

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(I)	**Trade payables :**		
	(a) total outstanding dues of micro enterprises and small enterprises (Refer note 35 for details of dues to micro and small enterprises)	-	-
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	6,931.5	23,391.2
	Total	**6,931.5**	**23,391.2**

14. DEBT SECURITIES

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(A)	**At amortised cost**		
	Debt securities in India		
(i)	Commercial paper * (refer note 46)	14,975.3	4,473.0
	(repayable within one year)		
(B)	**At fair value through profit or loss**	-	-
(C)	**Designated at fair value through profit or loss**	-	-
	Total	**14,975.3**	**4,473.0**
	*** Note:**		
	Commercial paper (unsecured)		
	Amount oustanding	14,975.3	4,473.0
	Tenure	71 days to 90 days	59 days to 88 days
	Rate of interest	5.73% to 6.40%	7.58% to 7.75%
	Repayment schedule	At maturity	At maturity

Notes
to standalone financial statements for the year ended March 31, 2020

15. BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(A)	**At amortised cost**		
(i)	Secured loans		
	Bank overdraft	-	-
	(Secured against first charge on all receivables, book debts, cash flows and proceeds arising therefrom and a lien on fixed deposits including but not limited to the Company's cash in hand both present and future)		
	Total	**-**	**-**

16. DEPOSITS

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(A)	**At amortised cost**		
(i)	From Others - Security Deposits	22.3	45.3
	Total	**22.3**	**45.3**

17. OTHER FINANCIAL LIABILITIES

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(i)	Margin money	2,681.8	2,283.5
(ii)	Unclaimed dividend	1.1	-
(iii)	Others	11.7	1.4
	Total	**2,694.6**	**2,284.9**

18. PROVISIONS

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(i)	Provision for employee benefits		
	(a) Provision for gratuity (refer note 42)	706.0	563.2
	(b) Provision for compensated absence (refer note 42)	122.7	100.4
	Total	**828.7**	**663.6**

19. OTHER NON-FINANCIAL LIABILITIES

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(a)	Revenue received in advance		
	- Income received in advance	264.6	81.3
(b)	Other advances		
	- Prepaid Brokerage	2,568.8	2,610.3
(c)	Other		
(i)	Statutory liabilities	710.0	555.5
(ii)	Employee related liabilities	1,696.5	1,937.7
(iii)	Other liabilities	5.2	17.2
		2,411.7	2,510.4
	Total	**5,245.1**	**5,202.0**

Notes

to standalone financial statements for the year ended March 31, 2020

20. SHARE CAPITAL

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(a)	**Authorised:**		
	400,000,000 equity shares of ₹ 5/- each (March 31, 2019 : 400,000,000 equity shares of ₹ 5/- each)	2,000.0	2,000.0
	5,000,000 preference shares of ₹ 100/- each (March 31, 2019 : 5,000,000 of preference shares of ₹ 100/- each)	500.0	500.0
		2,500.0	**2,500.0**
(b)	**Issued, subscribed and fully paid-up shares:**		
	322,141,400 equity shares of ₹ 5/- each, fully paid (March 31, 2019 : 322,141,400 equity shares of ₹ 5/- each, fully paid)	1,610.7	1,610.7
	Total issued, subscribed and fully paid-up share capital	**1,610.7**	**1,610.7**

(c) Reconciliation of the shares at the beginning and at the end of the reporting year

Equity shares	As at March 31, 2020		As at March 31, 2019	
	Nos	(₹ million)	Nos	(₹ million)
At the beginning of the year	322,141,400	1,610.7	322,141,400.0	1,610.7
Increase/ (decrease) during the year	-	-	-	-
Outstanding at the end of the year	322,141,400	1,610.7	322,141,400.0	1,610.7

(d) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend

During the year ended March 31, 2020, the Company has paid a final dividend for the year ended March 31, 2019 of ₹ 5.7 per equity share as approved by its members at the Annual General Meeting held on August 2, 2019. The Board of Directors at its meeting held on October 22, 2019 had approved and paid an interim dividend of ₹ 4.25 per equity share. The Board has recommended a final dividend of ₹ 6.75 per equity share for FY2020.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(e) Pattern of shareholding

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Shareholder	As at March 31, 2020		As at March 31, 2019	
	Nos	% of Holding	Nos	% of Holding
ICICI Bank Limited (Parent)*	255,216,095	79.22%	255,216,095	79.22%
Total	**255,216,095**	**79.22%**	**255,216,095**	**79.22%**

**Including its nominees as at March 31, 2019*

Notes

to standalone financial statements for the year ended March 31, 2020

(f) There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment.

(g) There are no shares allotted as fully paid up by way of bonus shares or allotted as fully paid up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.

(h) **Capital management:**

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and short term debt. The Company is not subject to any externally imposed capital requirements.

21. OTHER EQUITY

(₹ million)

	As at March 31, 2020	As at March 31, 2019
(i) Reserves and surplus		
(a) Securities premium		
Opening balance	244.0	244.0
Add : Additions during the year (net)	-	-
Closing balance	**244.0**	**244.0**
(b) General reserve		
Opening balance	666.8	666.8
Add : Additions during the year (net)	-	-
Closing balance	**666.8**	**666.8**
(c) Equity-settled share-based payment reserve		
(refer note 38 for details on share based payment)		
Opening balance	4.1	-
Add : Additions during the year (net)	52.9	4.1
Closing balance	**57.0**	**4.1**
(d) Retained earnings		
Opening balance	7,534.0	5,641.8
Add: Other comprehensive income for the year	(59.1)	(25.9)
Add: Profit after tax for the year	5,367.1	4,869.2
	12,842.0	**10,485.1**
Less: Appropriations		
- Dividend on equity shares	3,205.8	2,447.8
- Dividend distribution tax on equity dividend	658.9	503.3
Closing balance	**8,977.3**	**7,534.0**

Notes

to standalone financial statements for the year ended March 31, 2020

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(ii)	Exchange difference on translating the financial statements of a foreign operation		
	Opening balance	18.5	17.9
	Add : Additions during the year (net)	-	0.6
	Closing balance	**18.5**	**18.5**
(iii)	Deemed equity contribution from the parent		
	(refer note 38 for details on share based payment)		
	Opening balance	266.0	205.3
	Add : Additions during the year (net)	73.6	60.7
	Closing balance	**339.6**	**266.0**
	Total	**10,303.2**	**8,733.4**

Nature and purpose of reserve

(A) Securities premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes such as issuance of bonus shares, writing off the preliminary expenses in accordance with the provisions of the Companies Act, 2013.

(B) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(C) Equity-settled share-based payment reserve

This reserve is created by debiting the statement of profit and loss account with the fair value of share options granted to the employees by the Company. On exercise of the options so granted, the reserve will move to share capital and securities premium and unvested portion if any, will be transferred to general reserve account.

(D) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. It also includes actuarial gains and losses on defined benefit plans recognised in other comprehensive income (net of taxes).

(E) Exchange difference on translating the financial statements of a foreign operation

Where the functional currency of the foreign operation is different from the functional currency of the reporting entity, the translation differences are accounted in the other comprehensive income and disclosed under Other Equity.

(F) Deemed equity contribution from the parent

This reserve is created by debiting the statement of profit and loss account with the fair value of share options granted to the employees by ICICI Bank Ltd ("parent"). This reserve is in the nature of an equity contribution by the parent in respect of options granted and not available for distribution to shareholders as dividend.

Notes
to standalone financial statements for the year ended March 31, 2020

22. INTEREST INCOME

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(A)	**Interest income on financial assets measured at amortised cost :**		
	(i) Fixed deposits with Banks	1,083.1	969.9
	(ii) Funding and late payments	970.5	769.6
	(iii) Other deposits	0.2	0.2
(B)	**Interest income on financial assets measured at fair value through profit or loss :**		
	(i) Securities held for trade	292.3	51.7
(C)	**Interest income on financial assets measured at fair value through OCI :**	-	-
	Total	**2,346.1**	**1,791.4**

23. NET GAIN / (LOSS) ON FAIR VALUE CHANGES

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(A)	**Net gain/ (loss) on financial instruments at fair value through profit or loss**		
	(i) Profit/(loss) on sale of derivatives held for trade (net)	(160.8)	73.0
	(ii) Profit/(loss) on other securities held for trade	128.6	103.8
(B)	**Others**		
	- Profit/(loss) on sale of investments (net) at fair value through profit or loss	(3.9)	(10.8)
(C)	**Total net gain/(loss) on fair value changes**	**(36.1)**	**166.0**
(D)	**Fair value changes:**		
	- Realised	118.9	161.4
	- Unrealised	(155.0)	4.6
	Total	**(36.1)**	**166.0**

24. OTHER INCOME

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(i)	Net gain on foreign currency transaction and translation	-	8.9
(ii)	Interest on income tax refund	147.5	207.1
(iii)	Income from sub-lease	18.0	-
		165.5	**216.0**

Notes

to standalone financial statements for the year ended March 31, 2020

25. FINANCE COSTS

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(A)	**On financial liabilities measured at fair value through profit or loss**	-	-
(B)	**On financial liabilities measured at amortised cost:**		
(a)	Interest on borrowings	3.6	2.4
(b)	Interest on lease liabilities	141.2	-
(c)	Interest on debt securities	703.8	410.2
(d)	Other borrowing cost	10.9	7.1
	Total	**859.5**	**419.7**

26. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(A)	**On financial instruments measured at fair value through OCI:**	-	-
(B)	**On financial instruments measured at amortised cost:**		
(a)	Loans	90.0	(1.9)
(b)	Others		
	- On trade receivables	8.5	28.8
	- On accrued interest	8.2	-
	Total	**106.7**	**26.9**

27. OPERATING EXPENSES

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Bad and doubtful debts	0.2	22.3
(b)	Transaction charges	125.2	104.4
(c)	Turnover fees and stamp duty	43.6	38.1
(d)	Custodial and depository charges	121.7	342.3
(e)	Call centre charges	100.2	122.0
(f)	Franking charges	164.8	152.5
(g)	Scanning expenses	39.7	25.4
(h)	Customer loss compensation	(29.4)	5.4
(i)	Other operating expenses	19.5	37.2
	Total	**585.5**	**849.6**

Notes
to standalone financial statements for the year ended March 31, 2020

28. EMPLOYEE BENEFITS EXPENSES

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Salaries and wages	4,541.1	4,805.5
(b)	Contribution to gratuity / provident and other funds (refer note 42)	317.1	280.4
(c)	Share based payments to employees (refer note 38)	126.5	64.8
(d)	Staff welfare expenses	239.7	262.3
	Total	**5,224.4**	**5,413.0**

29. OTHER EXPENSES

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Rent and amenities	132.8	664.2
(b)	Insurance	3.0	4.1
(c)	Travelling and conveyance expenses	187.1	243.9
(d)	Business promotion expenses	83.8	90.9
(e)	Repairs, maintenance, upkeep and others	424.2	431.5
(f)	Rates and taxes	26.5	51.4
(g)	Electricity expenses	83.9	77.5
(h)	Communication expenses	169.4	166.7
(i)	Net loss on derecognition of property, plant and equipment	8.1	4.6
(j)	Advertisement and publicity	100.6	83.4
(k)	Printing and stationery	25.6	32.4
(l)	Subscription and periodicals	88.4	91.0
(m)	Legal and professional charges	111.4	104.5
(n)	Director's fees, allowances and expenses	9.4	6.5
(o)	Auditor's fees and expenses (refer note below) #	11.2	12.6
(p)	Corporate Social Responsibility (CSR) expenses (refer note 32)	144.4	118.4
(q)	Recruitment expenses	22.2	27.8
(r)	Net loss on foreign currency transaction and translation	1.2	-
(s)	Royalty expenses	49.1	55.8
(t)	Miscellaneous Expenses	9.3	8.5
	Total	**1,691.6**	**2,275.7**

(₹ million)

#	**Payments to the auditor**	For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	for audit fees	6.7	8.4
(b)	for taxation matters	0.7	0.7
(c)	for other services (certification)	2.6	2.6
(d)	for reimbursement of expenses	1.2	0.9
	Total	**11.2**	**12.6**

Notes

to standalone financial statements for the year ended March 31, 2020

30. EARNINGS PER SHARE

The computation of basic and diluted earnings per share is given below:

(₹ million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net profit after tax (₹ million) (A)	5,367.1	4,869.2
Weighted average number of equity shares outstanding for basic EPS (in million) (B)	322.1	322.1
Basic earnings per share for continuing operations (₹) (A) / (B)	16.66	15.12
Add: Weighted average number of potential equity shares on account of employee stock options (in millions) (C)	0.3	0.1
Weighted average number of equity shares outstanding for diluted EPS (in million) (D) = (B)+(C)	322.4	322.2
Diluted earnings per share for continuing operations (₹) (A) / (D)	16.65	15.11
Nominal value per share (₹)	5.00	5.00

31. RELATED PARTY DISCLOSURES

As per Indian Accounting Standard on related party disclosures (Ind AS 24), the names of the related parties of the Company are as follows:

A. Related party where control exists irrespective whether transactions have occurred or not

Holding Company	:	ICICI Bank Limited
Subsidiary Companies	:	ICICI Securities Holding Inc.
		ICICI Securities Inc. (Step down Subsidiary)

B. Other related parties where transactions have occurred during the year

a. Fellow Subsidiaries:

ICICI Securities Primary Dealership Limited; ICICI Prudential Life Insurance Company Limited; ICICI Lombard General Insurance Company Limited; ICICI Prudential Asset Management Company Limited; ICICI Home Finance Company Limited; ICICI Venture Funds Management Company Limited.

b. Post-employment benefit plan: ICICI Securities Employees Group Gratuity Fund

c. Directors and Key Management Personnel of the Company

i)	Vinod Kumar Dhall	– Chairman & Independent Director
ii)	Ashvin Parekh	– Independent Director
iii)	Subrata Mukherji	– Independent Director
iv)	Vijayalakshmi Iyer	– Independent Director
v)	Anup Bagchi	– Non Executive Director
vi)	Pramod Rao	– Non Executive Director
vii)	Vijay Chandok	– Managing Director and CEO (w.e.f May 7, 2019)
viii)	Shilpa Kumar	– Managing Director and CEO (till May 6, 2019)
ix)	Ajay Saraf	– Executive Director

Notes
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d. Key Management Personnel of Parent

i)	Sandeep Bakhshi	– Managing Director and CEO of ICICI Bank Limited
ii)	Vijay Chandok	– Executive Director of ICICI Bank Limited (till May 6, 2019)
iii)	Anup Bagchi	– Executive Director of ICICI Bank Limited
iv)	Uday Chitale	– Independent Director of ICICI Bank Limited
v)	Subramanian Madhavan	– Independent Director of ICICI Bank Limited
vi)	Vishakha Mulye	– Executive Director of ICICI Bank Limited
vii)	Girish Chandra Chaturvedi	– Non-Executive (part-time) Chairman of ICICI Bank Limited

e. Relatives of Key Management Personnel

i)	Sarika Saraf	– Spouse of Mr. Ajay Saraf
ii)	Ayuj Saraf	– Son of Mr. Ajay Saraf
iii)	Prafulla Shirgaokar	– Father of Ms. Shilpa Kumar
iv)	Animesh Bagchi	– Father of Mr. Anup Bagchi
v)	Shishir Bagchi	– Brother of Mr. Anup Bagchi
vi)	Vignesh Mulye	– Son of Ms. Vishakha Mulye
vii)	Vivek Mulye	– Spouse of Ms. Vishakha Mulye
viii)	Ashvin Pradhan	– Son-in-law of Mr. Sandeep Bakhshi
ix)	Shivam Bakhshi	– Son of Mr. Sandeep Bakhshi
x)	Mona Bakshi	– Spouse of Mr. Sandeep Bakhshi
xi)	Minal Bakshi	– Daughter of Mr. Sandeep Bakhshi
xii)	Esha Bakshi	– Daughter of Mr. Sandeep Bakhshi
xiii)	Neena Kumar	– Sister of Mr. Lalit Kumar Chandel
xiv)	Rajani Chaturvedi	– Spouse of Mr. Girish Chandra Chaturvedi

f. Entity controlled or jointly controlled by KMP of ICICI Bank Limited: ICICI Foundation for Inclusive Growth

The following transactions were carried out with the related parties in the ordinary course of business.

Income and Expense items:
(For the year ended)

(₹ million)

Nature of Transaction	Holding Company		Subsidiary Company		Fellow Subsidiary Companies	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Income from services and brokerage (commission and fees)	109.8	254.3	-	-	-	-
ICICI Home Finance Company Limited	-	-	-	-	20.2	9.6
ICICI Prudential Life Insurance Company Limited	-	-	-	-	525.1	549.9
ICICI Securities Primary Dealership Limited	-	-	-	-	0.0	0.5
ICICI Lombard General Insurance Company Limited	-	-	-	-	9.1	10.8

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(₹ million)

Nature of Transaction	Holding Company		Subsidiary Company		Fellow Subsidiary Companies	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
ICICI Prudential Asset Management Company Limited	-	-	-	-	116.3	142.2
ICICI Venture Funds Management Company Limited	-	-	-	-	17.7	0.5
Interest income	95.5	107.9	-	-	-	-
Staff expenses	12.3	25.1	-	-	-	-
ICICI Securities Primary Dealership Limited	-	-	-	-	(0.4)	(0.4)
ICICI Prudential Life Insurance Company Limited [1]	-	-	-	-	3.5	0.7
ICICI Lombard General Insurance Company Limited [2]	-	-	-	-	106.5	94.5
ICICI Prudential Asset Management Company Limited	-	-	-	-	-	3.9
Operating expenses	334.8	469.3	-	-	-	-
ICICI Securities Inc	-	-	191.8	197.8	-	-
Other expenses	262.6	249.7	-	-	-	-
ICICI Securities Inc	-	-	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	1.8	3.0
ICICI Securities Primary Dealership Limited	-	-	-	-	1.9	1.5
ICICI Prudential Life Insurance Company Limited	-	-	-	-	2.0	1.9
ICICI Venture Funds Management Company Limited	-	-	-	-	0.0	-
Finance cost [3]	8.4	2.4	-	-	-	-
Dividend paid	2,539.4[4]	1,939.6	-	-	-	-
Purchase of bond	680.1	-	-	-	-	-
ICICI Securities Primary Dealership Limited	-	-	-	-	972.7	-
Sale of bond	311.4	-	-	-	-	-
ICICI Securities Primary Dealership Limited	-	-	-	-	-	250.6

[1] Excludes an amount of Nil (March 31, 2019: ₹ 4.1 million), received as premium by ICICI Prudential Life Insurance Company Limited from customers of the Company under the Group Insurance Policy. The premium is paid by the customers directly to ICICI Prudential Life Insurance Company Limited.

Also excludes an amount of ₹ 0.6 million (March 31, 2019: Nil) as claims paid directly by ICICI Prudential Life Insurance Company Limited pertaining to the employees of the Company.

[2] Excludes an amount of ₹ 31.4 million (March 31, 2019: ₹ 34.4 million) received towards reimbursement of claims submitted by the employees under group health insurance policy.

[3] The Company has a credit facility of ₹ 6,000.0 million (March 31, 2019: ₹5,900.0 million) from ICICI Bank Limited. The balance outstanding as on March 31, 2020 is Nil (March 31, 2019: Nil).

[4] Includes final dividend for Financial year 2019 and interim dividend for Financial Year 2020.

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The Company has contributed ₹ 25.0 million (March 31, 2019: ₹ 35.0 million) to ICICI Securities Group Gratuity Fund during the year.

The Company has contributed ₹ 109.1 million (March 31, 2019: ₹ 88.8 million) to ICICI Foundation for contribution towards CSR.

Balance Sheet Items:
(Outstanding as on)

(₹ million)

Nature of Transaction	Holding Company		Subsidiary Company		Fellow Subsidiary Companies	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Share capital	1,276.1	1,276.1	-	-	-	-
Payables	263.4	113.8	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	0.2	0.6
ICICI Prudential Life Insurance Company Limited	-	-	-	-	0.0	0.4
ICICI Securities Primary Dealership Limited	-	-	-	-	1.0	-
ICICI Venture Funds Management Company Limited	-	-	-	-	0.0	-
ICICI Securities Inc	-	-	20.8	35.1	-	-
Other liabilities	40.6	-	-	-	-	-
Fixed assets purchases	4.6	0.8	-	-	-	-
Fixed assets sold	0.7	-	-	-	-	-
Investment	-	-	-	-	-	-
ICICI Securities Holding Inc.	-	-	122.7	122.7	-	-
Fixed deposits (₹ 2.5 kept as collateral security towards bank guarantees. Previous year ₹ 374.2)	1,148.4	1,492.9	-	-	-	-
Accrued interest Income	44.8	64.0	-	-	-	-
Bank balance (Net of current liabilities of ₹ 0.0 Previous year ₹ 0.8)	2,291.5	18,226.0	-	-	-	-
Deposit	2.4	2.3	-	-	-	-
ICICI Lombard General Insurance Company Limited	-		-	-	0.1	0.1
Loans & advances (including prepaid expenses)	3.5	0.6	-	-	-	
ICICI Lombard General Insurance Company Limited	-	-	-	-	2.7	3.7

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(₹ million)

Nature of Transaction	Holding Company		Subsidiary Company		Fellow Subsidiary Companies	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
ICICI Prudential Life Insurance Company Limited	-	-	-	-	2.4	2.8
ICICI Securities Primary Dealership Limited	-	-	-	-	0.2	0.1
Other assets	39.2	0.6	-	-	-	-
Receivables	-	-	-	-	-	-
ICICI Prudential Life Insurance Company Limited	-	-	-	-	18.6	72.3
ICICI Lombard General Insurance Company Limited	-	-	-	-	0.6	0.5
ICICI Prudential Asset Management Company Limited	-	-	-	-	39.5	10.1
ICICI Home Finance Company Limited	-	-	-	-	2.1	3.9
ICICI Securities Primary Dealership Limited	-	-	-	-	-	0.6
ICICI Venture Funds Management Company Limited	-	-	-	-	-	0.6
Accrued income	4.7	13.1	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	0.4	0.5
ICICI Prudential Asset Management Company Limited	-	-	-	-	12.7	34.5
ICICI Home Finance Company Limited	-	-	-	-	0.3	0.8
ICICI Venture Funds Management Company Limited	-	-	-	-	17.7	-

Key Management Personnel

The details of compensation paid for the year ended March 31, 2020 as below –

(₹ million)

Particulars	Vijay Chandok		Shilpa Kumar		Ajay Saraf		Anup Bagchi	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Short-term employee benefits	42.0	-	15.6	40.2	34.7	31.3	1.5	3.2
Post-employment benefits*	6.7	-	0.2	2.6	2.1	2.0	-	-
Total	**48.7**	-	**15.8**	42.8	**36.8**	33.3	**1.5**	3.2

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*As the liabilities for gratuity and leave compensation are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel is not included above.

The compensation paid includes bonus paid, long term incentives paid and contribution to provident fund.

The Directors have received share options of ICICI Bank Limited and ICICI Securities Limited. The cost of the options granted to the Directors for the year ended March 31, 2020 is ₹ 96.8 million (Previous year ₹ 53.0 million).

The Company has paid ₹ 1.0 million (Previous year ₹ 0.5 million) to the relative of director towards scholarship under employee benefit policy. Also the Company has received brokerage amounting to ₹ 1.4 million (Previous year ₹ 2.1 million) from the key management personnel and ₹ 0.2 million (Previous year ₹ 0.1 million) from relatives of the key management personnel.

During the year ended March 31, 2020, the Company paid dividend amounting to ₹ 0.1 million (Previous year ₹ 0.2 million) to its KMPs and their relatives who are shareholders.

During the year ended March 31, 2020, the Company has paid ₹ 4.4 million (Previous year ₹ 3.5 million) sitting fees to the Directors of the Company. The Company also provided for commission for Financial Year 2020 amounting to ₹ 4.0 million (Previous year ₹ 3.0 million) to the Independent Directors of the Company.

₹ 0.0 million indicates values are lower than ₹ 0.1 million, where applicable.

32. STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The Company undertook seven initiatives in addition to the initiatives undertaken by ICICI Foundation for Inclusive Growth in specific areas particularly skill development. The initiatives were directly or through its partners in the areas of skill-development and sustainable livelihood, creation of job opportunities, healthcare including preventive healthcare, empowering women and senior citizen welfare.

(₹ million)

		Year ended March 31, 2020	Year ended March 31, 2019
a	Gross amount required to be spent during the year	144.4	118.4
b	Amount spent during the period on		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above - in cash	144.4	118.4
Out of the above, contribution made to related party is as below:			
ICICI Foundation for Inclusive Growth		109.1	88.8

Refer Directors' Report - Annexure F for Annual Report on Corporate Social Responsibility (CSR) activities.

33. CONTINGENT LIABILITIES

A. Contingent Liabilities shall be classified as (to the extent not provided for) :

(₹ million)

		As at March 31, 2020	As at March 31, 2019
a)	**Claims against the company not acknowledged as debt :**	3.3	-
b)	**In respect of Tax matters:**		
	- Disputed direct tax matters under appeal	658.8	960.6
	- Disputed indirect tax matters under appeal	624.4	484.0

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B. There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

Note:

i. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.

ii. The Company's pending litigations comprise of claims against the Company pertaining to proceedings pending with Income Tax, Sales tax/VAT, Service tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

iii. The Company does not expect any reimbursements in respect of the above contingent liabilities.

34. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 44.1 million (March 31, 2019: ₹ 45.8 million).

35. MICRO, SMALL AND MEDIUM ENTERPRISES

There are no micro, small and medium enterprises, to which company owes dues, as at March 31, 2020. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 that has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Particulars	As at March 31, 2020	As at March 31, 2019
The amounts remaining unpaid to any supplier at the end of the year:		
1. Principal amount	-	-
2. Interest amount	-	-
The amounts of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

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36. LEASE

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company's lease asset classes primarily consist of leases for premises and leasehold improvements. The Company assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases (underlying asset of less than ₹ 1,50,000). For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company has recognised ₹ 26.6 million towards short term lease and ₹ 4.4 million towards low value assets during the year ended March 31, 2020.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any prepaid lease plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rate of the company. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment on whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments of ₹ 479.9 million have been classified as financing cash flows.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. The company has recognised ₹ 18.0 million towards income from sub-lease.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and right of use asset equal to lease liability adjusted by the prepaid rent component. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

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The weighted average incremental borrowing rate of 7.94% determined by calculating the expense of each quarter on the opening liability for the respective quarter, has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

The following is the summary of practical expedients elected on initial application:

1. Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
2. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17. Therefore, contracts that were not identified as lease under Ind AS 17 were not re-assessed.
4. Used a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment).
5. Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The details of Right to use Asset of the company are as follows:

(₹ million)

Asset Class	Carrying values		
	Leasehold property	Leasehold improvements	Total
Balance as of April 1, 2019	1,914.9	67.0	1,981.9
Reclassified on account of adoption of Ind AS 116	65.0	2.2	67.2
Add: Additions during the period	169.6	-	169.6
Less: Deductions during the period	240.8	-	240.8
Less: Depreciation	423.0	26.8	449.8
Total	**1,485.7**	**42.4**	**1,528.1**

Following is the movement in lease liabilities for the period:

(₹ million)

	For the year ended March 31, 2020		
	Leasehold Property	Leasehold improvements	Total
Balance as of April 1, 2019	1,914.5	67.0	1,981.5
Additions during the period	169.5	-	169.5
Deductions during the period	238.9	-	238.9
Interest Expense	136.9	4.3	141.2
Less: Lease Payments	451.3	28.4	479.7
Total	**1,530.7**	**42.9**	**1,573.6**

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37. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(₹ million)

Particulars	April 1, 2019	Cash flows	Changes in fair values	Others*	March 31, 2020
Debt securities	4,473.0	10,421.1	-	81.2	14,975.3

Particulars	April 1, 2018	Cash flows	Changes in fair values	Others*	March 31, 2019
Debt securities	6,724.2	(2,263.5)	-	12.3	4,473.0

includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

38. SHARE BASED PAYMENTS

A. Employees Stock Option Scheme, 2017 (ESOS- 2017)

The Company has formulated the ICICI Securities Limited - Employees Stock Option Scheme, 2017 (ESOS- 2017). This scheme envisaged grant of share options to eligible employees to enhance employee motivation, to enable employees to participate in the long term growth and financial success of the Company and to act as a retention mechanism, by enabling employee participation in the business as an active stakeholder to usher in an 'owner-manager' culture.

The Members of the Company had, at the Extra-ordinary General Meeting held on December 8, 2017, approved the ICICI Securities Limited - Employees Stock Option Scheme, 2017 (ESOS- 2017) Scheme. Pursuant to Regulation 12 of the SEBI Regulations, the Company could not make any fresh grant which involved allotment or transfer of shares to its employees under any scheme formulated prior to its initial public offer and listing of its equity shares, unless such scheme is ratified by the shareholders of the Company. The equity shares of the Company were listed on National Stock Exchange of India Limited and BSE Limited with effect from April 4, 2018 and accordingly, the Scheme alongwith some amendments, was ratified by the shareholders of the Company at the Annual General Meeting held on August 30, 2018. The amendments were done to align the Scheme to ICICI Group norms and market practice. No grants had been made under the Scheme before its ratification.

The scheme is compliant with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014, options are granted by the Board Governance, Remuneration & Nomination Committee (BGRNC) and approved by the Board.

Eligibility as defined in the scheme "ESOS – 2017" means (i) permanent employee of the Company who has been working in India or outside India, or (ii) a director of the Company whether a whole time director or not but excluding an independent director, or (iii) employees of the Subsidiaries of the Company (the 'Subsidiaries'), or (iv) employees of the Holding Company of the Company (the 'Holding Company'). Under this scheme, the maximum number of options granted to any eligible employee/director in a financial year shall not, except with the approval of the Board of Directors of ICICI Securities Limited, 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, on the date(s) of grant of option(s). The options granted but not vested and the options vested but not exercised in accordance with this Scheme or the Award Confirmation or the Vesting Confirmation shall terminate and the shares covered by such terminated options shall become available for future grant under this Scheme. The options granted represents an European call option that provides a right but not an obligation to the employees of the Company to exercise the option by paying the strike price at any time on completion of the vesting period, subject to an outer boundary on the exercise period.

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Details in respect of options granted to its eligible employees is as follows:

Scheme	Year	Date of Grant	Number of options granted	Vesting Conditions	Exercise Period	Exercise Price (₹) per share
ESOS -2017	2019	October 19, 2018	176,700	30% of the options would vest on October 19, 2019, 30% of the options would - vest on October 19, 2020 and the balance 40% of the options would - vest on October 19, 2021.	5 years from date of vesting.	256.55
ESOS -2017	2020	April 23, 2019	11,52,600	30% of the options would vest on April 23, 2020, 30% of the options would vest on April 23, 2021 and the balance 40% of the options would vest on April 23, 2022.	5 years from date of vesting.	221.45

The activity in the stock option plan is summarised below:

Scheme	Year	Outstanding at the beginning of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Outstanding at the end of the year	Exercisable at the end of the year
ESOS -2017	FY 2020	176,700	11,52,600	Nil	Nil	Nil	13,29,300	53,010
ESOS -2017	FY 2019	Nil	176,700	Nil	Nil	Nil	176,700	Nil

The fair value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with the Black- Scholes options pricing model. The fair value of the options granted in Financial Year 2020 is ₹ 72.32 (Financial Year 2019 is ₹ 90.08)

	Year ended March 31, 2020	Year ended March 31, 2019
Risk free interest rate	7.00% to 7.27%	7.74% to 7.89%
Expected life of options	3.51 to 5.51 years	3.51 to 5.51 years
Expected volatility	42.64% to 43.44%	41.94% to 43.71%
Expected dividend yield	4.24%	3.66%

The period for volatility has to be adequate to represent a consistent trend in price movements. The Company was listed on April 4, 2018. Hence, due to insufficiency of data, the Company has considered market prices of peer companies for calculating volatility.

During the year, ₹ 39.0 million was charged to the profit and loss account in respect of equity-settled share-based payment transactions (March 2019: ₹ 4.1 million).

B. ICICI Bank Employee Stock Option Scheme

During the year, ₹ 87.5 million was charged to the profit and loss account in respect of equity-settled share-based payment transactions (March 2019: ₹ 60.7 million). This expense, which was computed from the fair values of the share-based payment transactions when granted, arose under employee share options made in accordance with the reward structure of ICICI Bank Limited.

The details of the options granted to eligible employees of the Company by ICICI Bank Limited are as follows:

In terms of the ESOS of the Parent Bank, the options are granted to eligible employees and Directors of the Bank

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and its subsidiaries. As per the ESOS, as amended, the maximum number of options granted to any eligible employees/Directors in a financial year shall not exceed 0.05% of the Parent Bank's issued equity shares at the time of the grant of the options and aggregate of all such options shall not exceed 10% of the aggregate number of the Parent Bank's issued equity shares on the date(s) of the grant of options in line with SEBI Regulations.

Options granted prior to March 2014, vested in a graded manner over a four-year period with 20%, 20%, 30% and 30% of the grants vesting in each year, commencing from the end of 12 months from the date of grant. Options granted after March 2014, vest in a graded manner over a three-year period with 30%, 30% and 40% of the grant vesting in each year, commencing from the end of 12 months from the date of grant.

In April 2016, the Parent bank modified the exercise period from 10 years from the date of grant or five years from the date of vesting, whichever is later, to 10 years from the date of vesting of options. In June 2017, the exercise period was further modified by the Parent Bank to not exceed 10 years from the date of vesting of options as may be determined by the Board Governance, Remuneration & Nomination Committee of the Parent Bank to be applicable for future grants. In May 2018, exercise period was further modified by the Parent Bank to not exceed 5 years from the date of vesting of options as may be determined by the Board Governance, Remuneration & Nomination Committee of the Parent Bank to be applicable for future grants.

39. SIGNIFICANT INVESTMENT IN THE SUBSIDIARIES

Name of the Company	Principal place of business	Holding/ Subsidiary/ Associate	% of shares held
ICICI Securities Holdings, Inc	2711 Centerville Road Suite 400 Wilmington, DE 19808 United States of America	Wholly-owned Subsidiary	100%
ICICI Securities, Inc	2711 Centerville Road Suite 400 Wilmington, DE 19808 United States of America	Step-down Subsidiary	100%

40. INCOME TAXES

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the period ended September 30, 2019 and re-measured its Deferred Tax Assets. The full impact of this change arising out of revaluation of Deferred Tax Assets as at March 31, 2019, aggregating to ₹ 201.4 million has been recognised in the quarter and period ended September 30, 2019.

A. The major components of income tax expense for the year are as under:

(₹ million)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Current tax		
In respect of current year	1,961.5	2,721.5
Total (A)	**1,961.5**	**2,721.5**
Deferred Tax		
Origination and reversal of temporary differences	(43.1)	(33.5)
Impact of change in tax rate	190.8	(6.2)
Total (B)	**147.7**	**(39.7)**
Income Tax recognised in the statement of Profit and Loss (A+B)	**2,109.2**	**2,681.8**

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(₹ million)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Income tax expenses recognised in OCI		
Re-measurement of defined employee benefit plans	(63.8)	(40.2)
Income tax relating to items that will not be classified to profit or loss	4.7	14.3
Total	**(59.1)**	**(25.9)**

B. Reconciliation of tax expenses and the accounting profit for the year is as under:

(₹ million)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit before tax	**7,476.3**	**7,551.0**
Enacted tax rate in India	25.17%	34.944%
Income tax expenses calculated	1,881.8	2,638.6
Decrease / Increase in tax rate	190.8	(6.2)
Tax on expense not tax deductible	36.7	51.1
Tax on income exempt from tax	(0.1)	(1.7)
Total tax expenses as per profit and loss	**2,109.2**	**2,681.8**

The effective income tax rate for the year ended March 31, 2020 is 28.21% (March 31, 2019 is 35.52%)

The applicable Indian corporate statutory tax rate for the year ended March 31, 2020 and March 31, 2019 is 25.17 % and 34.944% respectively. The decrease in corporate statutory tax rate to 25.17% is consequent to changes made in the Taxation Laws (Amendment) Ordinance, 2019.

Movement of deferred tax assets and liabilities

As at March 31, 2020

(₹ million)

Movement during the year ended March 31, 2020	As at April 1, 2019	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2020
Property, Plant and Equipment and Intangible assets	56.9	(18.2)	-	38.7
Provision for expected credit losses	56.4	10.3	-	66.7
Employee benefits obligations	400.8	(106.0)	-	294.8
Fair value gain/(loss) on investments	(2.4)	1.9	-	(0.5)
Provision for post-retirement benefit	196.8	(23.9)	4.7	177.6
Other temporary differences	11.6	(11.8)	-	(0.2)
Net deferred tax assets/ (liabilities)	**720.1**	**(147.7)**	**4.7**	**577.1**

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As at March 31, 2019

(₹ million)

Movement during the year ended March 31, 2019	As at April 1, 2018	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2019
Property, Plant and Equipment and Intangible assets	58.6	(1.7)	-	56.9
Provision for expected credit losses	46.5	9.9	-	56.4
Employee benefits obligations	385.6	15.2	-	400.8
Fair value gain/(loss) on investments	(3.6)	1.2	-	(2.4)
Provision for post-retirement benefit	161.5	21.0	14.3	196.8
Other temporary differences	17.5	(5.9)	-	11.6
Net deferred tax assets/ (liabilities)	**666.1**	**39.7**	**14.3**	**720.1**

C. **The Company has the following unused tax losses for which no deferred tax asset has been recognised in the Balance Sheet.**

(₹ million)

Particulars	Financial Year	As at March 31, 2020	Expiry Date	As at March 31, 2019	Expiry Date
Capital loss under Income Tax Act, 1961	2012-13	0.7	March 31, 2021	0.7	March 31, 2021
Capital loss under Income Tax Act, 1961	2017-18	67.8	March 31, 2026	67.8	March 31, 2026
TOTAL		**68.5**		**68.5**	

41. SEGMENT REPORTING

The company publishes this financial statement along with the consolidated financial statements. In accordance with Ind AS 108 on Operating Segments, the company has disclosed the segment information in the consolidated financial statements.

42. EMPLOYEE BENEFITS

Defined Contribution Plan

The Company makes contributions towards Provident Fund, Family Pension Fund, National Pension Scheme, and Employee State Insurance Scheme which are defined contribution retirement benefit plans for qualifying employees.

Amount of ₹ 198.8 million (Previous Year ₹ 175.9 million) is recognised as expenses, which is classified as a part of "Contribution to gratuity / provident and other funds". (Refer Note No. 28)

Defined Benefit Plan
Gratuity

Governance of the Plan:

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan.

Funding arrangements and Policy:

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The

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insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively. There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan. The expected contribution payable to the plan next year is ₹ 40.0 million.

The following table summarises the components of net expenses for gratuity benefits recognised in the statement of profit and loss, other comprehensive income and the amounts recognised in the balance sheet.

(₹ million)

Sr. No	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Reconciliation of defined benefit obligation (DBO) :		
	Change in Defined Benefit Obligation		
(i)	Opening defined benefit obligation	569.0	468.3
(ii)	Current Service cost	70.5	61.6
(iii)	Past service cost	-	-
(iv)	Interest cost	36.6	31.1
(v)	Actuarial (gain) / loss from changes in financial assumptions	37.6	10.0
(vi)	Actuarial (gain) / loss from changes in demographic assumptions	4.7	5.4
(vii)	Actuarial (gain) / loss on account of experience changes	22.2	25.7
(viii)	Benefits paid	(60.5)	(34.2)
(ix)	Liabilities assumed on inter group transfer	48.7	1.1
(x)	**Closing defined benefit obligation**	**728.8**	**569.0**
	Movement in Plan assets		
(i)	Opening fair value of plan assets	9.2	6.3
(ii)	Interest on plan assets	0.0	0.0
(iii)	Actual return on plan assets less interest on plan assets	0.7	0.9
(iv)	Contributions by employer	25.0	35.0
(v)	Assets acquired / (settled)	48.7	1.2
(vi)	Benefits paid	(60.5)	(34.2)
	Closing fair value of plan assets	**23.1**	**9.2**
	Balance sheet		
	Net asset / (liability) recognised in the balance sheet:		
(i)	Present value of the funded defined benefit obligation	728.8	569.0
(ii)	Fair value of plan assets at the end of the year	23.1	9.2
	Liability recognised in the balance sheet (i-ii)	**705.7**	**559.8**
	Statement of profit and loss		
	Expenses recognised in the Statement of Profit and Loss:		
(i)	Current Service cost	70.5	61.6
(ii)	Interest on net defined benefit obligation	36.6	31.1
(iii)	Past Service Cost	-	-
	Total included in 'Employee benefits expense (i+ii+iii)	**107.1**	**92.7**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Statement of other Comprehensive Income (OCI)		
Opening amount recognised in OCI outside statement of profit and loss	116.0	75.8
Remeasurements during the period due to		
- changes in financial assumptions	37.6	10.0
- changes in demographic assumptions	4.7	5.4

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Particulars	Year ended March 31, 2020	Year ended March 31, 2019
- Experience adjustment	22.2	25.7
- Annual return on plan assets less interest on plan assets	(0.7)	(0.9)
Closing amount recognised in OCI outside statement of profit and loss	**179.8**	**116.0**
Assumptions used for Gratuity		
Interest rate (p.a.)	6.20%	7.00%
Salary escalation rate (p.a.)	7.00%	7.00%
Estimated rate of return on plan assets (p.a.)	8.00%	8.00%

Sensitivity Analysis

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarises the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	Discount Rate	Salary Escalation rate
Defined Benefit obligation on increase in 50 bps	704.9	753.8
Impact of increase in 50 bps on DBO	-3.28%	3.42%
Defined Benefit obligation on decrease in 50 bps	754.2	705.1
Impact of decrease in 50 bps on DBO	3.48%	-3.26%

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

Investment details of plan assets

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Insurer managed funds	22.4	8.7
Others	0.7	0.5
Reconciliation of plan assets during the inter-valuation period		
Opening fair value of plan assets	9.2	6.3
Employer contributions	25.0	35.0
Settlements from the Fund	(60.5)	(34.2)
Interest accrued to the Fund	0.7	0.9
Actual return on plan assets less interest on plan assets	-	-
Assets acquired / (settled)	48.7	1.2
Closing fair value of plan assets	**23.1**	**9.2**

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Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Maturity profile	₹
Expected benefits for year 1	93,960,720
Expected benefits for year 2	80,320,730
Expected benefits for year 3	75,748,272
Expected benefits for year 4	72,761,567
Expected benefits for year 5	71,426,821
Expected benefits for year 6	110,861,867
Expected benefits for year 7	62,372,428
Expected benefits for year 8	79,745,904
Expected benefits for year 9	49,673,164
Expected benefits for year 10 and above	492,355,128

The weighted average duration to the payment of these cash flows is 6.75 years

The Company has made a provision towards gratuity for its employees of the Oman Branch amounting to Nil (Previous year ₹ 3.1 million)

Compensated Absence

The liability towards compensated absences for the year ended March 31, 2020 is based on actuarial valuation carried out by using the projected unit credit method.

Assumptions	Year ended March 31, 2020	Year ended March 31, 2019
Interest rate (p.a.)	6.20%	7.00%
Salary escalation rate (p.a.)	7.00%	7.00%

Long Term Incentive Plan

Liability for the scheme is determined based on actuarial valuation which has been carried out using the projected unit credit method.

Assumptions	Year ended March 31, 2020	Year ended March 31, 2019
Interest rate (p.a.)	5.05%	6.65%

Interest rate assumption in case of subsidiary is 0.23% (Previous year 2.25%)

43. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company is engaged in the business of retail and institutional broking, distribution of financial products and investment banking. In accordance with Ind AS 115, Revenue from Contracts with Customers, the revenue is accounted in the following manner for each head: -

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A) Brokerage income:

The Company provides trade execution and settlement services to the customers in retail and institutional segment. There is only one performance obligation of execution of the trade and settlement of the transaction which is satisfied at a point in time. The brokerage charged is the transaction price and is recognised as revenue on trade date basis. Related receivables are generally recovered in a period of 2 days as per the settlement cycle. Amount not recovered and which remain overdue for a period exceeding 90 days, are provided for.

B) Income from service:

Income from service consists of income from distribution of financial products and income from investment banking activities (advisory income).

1) Distribution of financial products:

The Company distributes various financial products and other services to the customers on behalf of third party i.e. the Company acts as an intermediary for distribution of financial products and services. The Company executes contracts with the Principal, viz AMC's, Mutual Funds, Bank, Insurance Company etc. to procure customers for its products. As a consideration, the Company earns commission income from the third parties for the distribution of their financial products. The commission is accounted net of claw back if any, due to non-fulfilment of contract by the customer with the principal. The customer obtains control of the service on the date when customer enters into a contract with principal and hence subscription or contract date is considered as the point in time when the performance obligation has been satisfied. In case of continuing services, the same are recognised over a period of time.

The Company also conducts:

a. education training programs

b. Provide financial planning services to its customers.

The Company recognises the revenue on completion of the performance obligation either on point in time or over a period of time, as the case may be.

In case of third party financial products, transaction price is determined as per contract and mutual terms agreed between the parties. The commission is a percentage of transaction value.

The distribution fee earned from the following products contributed to a major proportion of overall fee earned from distribution of financial products in Financial Year 2020 :

i. Mutual funds

ii. Life insurance policies

iii. Portfolio management products

2) Advisory income:

The Company provides investment banking services to its customers and earns revenue in the form of advisory fees on issue management services, mergers and acquisitions, debt syndication, sale of business etc.

In case of these advisory transactions, the performance obligation and its transaction price is enumerated in contract with the customer. For arrangements with a fixed term, the Company may commit to deliver services in the future. Revenue associated with these remaining performance obligations typically depends on the occurrence of future events or underlying asset values, and is not recognised until the outcome of those events or values are known. The right to receive the fees is based on the milestones defined in accordance with the terms of the contracts entered into between the company and the counterparty which also defines its performance obligation. In case of contracts, which have a component of success fee or variable fee, the same is considered in the transaction price when the uncertainty regarding the consideration is resolved.

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The Company has used practical expedient and have not disclosed the amount of remaining performance obligations since its contract with customers have duration of less than one year.

Contract Liability relates to payments received in advance of performance under the contract. Contract Liabilities are recognised as revenue on completing the performance obligation.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period and the movement thereof: -

(₹ million)

Nature of contract	Opening Balance		Revenue recognised during the year		Closing Balance	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Financial Planning Services	50.8	3.8	81.5	77.8	5.2	50.8
Training Fees	25.2	10.0	42.8	49.9	-	25.2
Signing Fee	13.3	5.0	18.5	5.0	23.1	13.3
Prime Subscription	-	-	155.0	-	221.5	-
Prepaid Brokerage	2,610.3	2,320.5	980.6	1,064.5	2,568.8	2,610.3

Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price.

(₹ million)

Particulars	2019-20	2018-19
Revenue from the Contracts (as per Contract)	15,110.8	15,787.3
Less : - Discounts/Incentive to Customers	420.9	729.3
Revenue from the Contracts (as per Statement of Profit and Loss)	14,689.9	15,058.0

44. FINANCIAL INSTRUMENTS

Refer to financial instruments by category table below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

The following table shows the carrying amounts of financial instruments as at March 31, 2020 which are classified as Amortised cost, Fair value through profit and loss, Fair value through other comprehensive Income:

(₹ million)

	Amortised cost	Fair value through P&L	Fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	5,240.2	-	-	5,240.2	5,240.2
Other balances with banks	18,537.9	-	-	18,537.9	18,537.9
Securities for trade	-	8,351.1	-	8,351.1	8,351.1
Trade receivables	886.2	-	-	886.2	886.2
Loans	5,708.7	-	-	5,708.7	5,708.7
Investments (excluding subsidiary)	-	24.7	-	24.7	24.7
Other financial assets	768.0	-	-	768.0	768.0
Total	**31,141.0**	**8,375.8**	-	**39,516.8**	**39,516.8**

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(₹ million)

	Amortised cost	Fair value through P&L	Fair value through OCI	Total carrying value	Total fair value
Liabilities:					
Derivative financial instruments	-	-	-	-	-
Trade payables	6,931.5	-	-	6,931.5	6,931.5
Debt Securities	14,975.3	-	-	14,975.3	14,975.3
Deposits	22.3	-	-	22.3	22.3
Lease Liabilities	1,573.6	-	-	1,573.6	1,573.6
Other financial liabilities	2,694.6	-	-	2,694.6	2,694.6
Total	**26,197.3**	-	-	**26,197.3**	**26,197.3**

The following table shows the carrying amounts of financial instruments as at March 31, 2019 which are classified as Amortised cost, Fair value through profit and loss, Fair value through other comprehensive Income:

(₹ million)

	Amortised cost	Fair value through P&L	Fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	18,632.5	-	-	18,632.5	18,632.5
Other balances with banks	12,575.4	-	-	12,575.4	12,575.4
Securities for trade	-	2,563.1	-	2,563.1	2,563.1
Trade receivables	4,766.7	-	-	4,766.7	4,766.7
Loans	4,032.7	-	-	4,032.7	4,032.7
Investments (excluding subsidiary)	-	28.5	-	28.5	28.5
Other financial assets	810.4	-	-	810.4	810.4
Total	**40,817.7**	**2,591.6**	**-**	**43,409.3**	**43,409.3**
Liabilities:					
Derivative financial instruments	-	17.0	-	17.0	17.0
Trade payables	23,391.2	-	-	23,391.2	23,391.2
Debt Securities	4,473.0	-	-	4,473.0	4,473.0
Deposits	45.3	-	-	45.3	45.3
Other financial liabilities	2,284.9	-	-	2,284.9	2,284.9
Total	**30,194.4**	**17.0**	**-**	**30,211.4**	**30,211.4**

Fair value hierarchy:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The investments included in level 1 of fair value hierarchy have been valued using quoted prices for instruments in an active market. The investments included in level 2 of fair value hierarchy have been valued using valuation techniques based on observable market data. The investments included in Level 3 of fair value hierarchy have been valued using the income approach and break-up value to arrive at their fair value. There is no movement from between Level 1, Level 2 and Level 3. There is no change in Inputs use for measuring Level 3 fair value.

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The following table summarises financial instruments measured at fair value on recurring basis:

(₹ million)

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial instruments :				
Derivatives	-	-	-	-
Mutual fund units	-	3,228.6	-	3,228.6
Equity shares	3.4	-	21.3	24.7
Debt Instruments	2,814.0	2,308.5	-	5,122.5
Total	**2,817.4**	**5,537.1**	**21.3**	**8,375.8**

(₹ million)

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial instruments :				
Derivatives	17.0	-	-	17.0
Mutual fund units	-	1.1	-	1.1
Equity shares	31.7	-	21.5	53.2
Debt Instruments	818.6	1,718.7	-	2,537.3
Total	**867.3**	**1,719.8**	**21.5**	**2,608.6**

Movements in Level 3 financial instruments measured at fair value.

The Following table shows a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value.

(₹ million)

Particulars	March 31, 2020	March 31, 2019
Opening Balance	21.5	30.6
Purchase	-	-
Less: Sales	-	-
Add: Gain / (Loss)	(0.2)	(9.1)
Transfer in Level 3	-	-
Les: Transfer from Level 3	-	-
Closing Balance	21.3	21.5

Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data.

As at March 31, 2020

Type of Financial Instrument	Valuation technique	Significant unobservable input	Range of estimates for unobservable input	Increase in unobservable input	Change in fair value due to increase in unobservable input	Decrease in unobservable input	Change in fair value due to decrease in unobservable input
Investment in unquoted equity shares categorised at Level 3	Net Asset Method	Net Asset value per share	₹ 6.71 per share	5%	₹ 0.1 million	5%	₹ (0.1) million
	Discounted projected cash flow	WACC%	22.67%	100 basis points	₹ (1.3) million	100 basis points	₹ 1.4 million
		Perpetual Growth Rate %	5.00%	100 basis points	₹ 0.7 million	100 basis points	₹ (0.6) million

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As at March 31, 2019

Type of Financial Instrument	Valuation technique	Significant unobservable input	Range of estimates for unobservable input	Increase in unobservable input	Change in fair value due to increase in unobservable input	Decrease in unobservable input	Change in fair value due to decrease in unobservable input
Investment in unquoted equity shares categorised at Level 3	Net Asset Method	Net Asset value per share	₹ 8.88 per share	5%	₹ 0.1 million	5%	₹ (0.1) million
	Discounted projected cash flow	WACC%	21.29%	100 basis points	₹ (1.4) million	100 basis points	₹ 1.6 million
		Perpetual Growth Rate %	5.00%	100 basis points	₹ 0.9 million	100 basis points	₹ (0.8) million

Financial assets subject to offsetting, netting arrangements

Exchange settlement obligations (disclosed as a part of trade receivable) are subject to netting as the Company intends to settle it on a net basis. The table below presents the gross balances of asset and lability.

(₹ million)

Particulars	Effects on Balance sheet		
	Gross Amount (Asset)	Gross amount set off in the balance sheet	Net amount presented in the balance sheet
Exchange Settlement Obligations			
At March 31, 2020	12.5	2,277.1	(2,264.6)
At March 31, 2019	3,391.3	79.7	3,311.6

There are no instruments which are eligible for netting and not netted off.

Financial risk management

Risk management framework

The Company has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed to. The objective of its 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 ensure a systematic response in the case of crystallisation of such risks.

The Company has exposure to the following risk arising from financial instruments:

a) Credit risk

b) Liquidity risk

c) Market risk

The Company has established various policies with respect to such risks which set forth limits, mitigation strategies and internal controls to be implemented by the three lines of defence approach provided below. The Board oversees the Company's risk management and has constituted a Risk Management Committee ("RMC"), which frames and reviews risk management processes and controls.

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The risk management system features a "three lines of defence" approach:

1. The first line of defence comprises its operational departments, which assume primary responsibility for their own risks and operate within the limits stipulated in various policies approved by the Board or by committees constituted by the Board.
2. The second line of defence comprises specialised departments such as risk management and compliance. They employ specialised methods to identify and assess risks faced by the operational departments and provide them with specialised risk management tools and methods, facilitate and monitor the implementation of effective risk management practices, develop monitoring tools for risk management, internal control and compliance, report risk related information and promote the adoption of appropriate risk prevention measures.
3. The third line of defence comprises the internal audit department and external audit functions. They monitor and conduct periodic evaluations of the risk management, internal control and compliance activities to ensure the adequacy of risk controls and appropriate risk governance, and provide the Board with comprehensive feedback.

a) Credit risk:

It is risk of financial loss that the Company will incur a loss because its customer or counterparty to financial instruments fails to meet its contractual obligation.

The Company's financial assets comprise of Cash and bank balance, Securities for trade, Trade receivables, Loans, Investments and Other financial assets which comprise mainly of deposits and unbilled revenues.

The maximum exposure to credit risk at the reporting date is primarily from Company's trade receivable and loans.

Following provides exposure to credit risk for trade receivables and loans:

(₹ million)

	March, 31 2020	March, 31 2019
Trade and Other Debtors(net of impairment)	886.2	4,766.7
Loans (net of impairment)	5,708.7	4,032.7
Total	**6,594.9**	**8,799.4**

Trade Receivables: The Company has followed simplified method of ECL in case of Trade receivables and the Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses the impairment requirements.

Based on the industry practices and business environment in which the entity operates, management considers that the trade receivables are in default if the payment is 90 days overdue. Out of the total trade receivables of ₹ 1,044.2 million (previous year ₹ 4,916.3 million) ₹ 158.0 million (previous year ₹ 149.6 million) are overdue for a period in excess of 90 days. Probability of default (PD) on this balance is considered at 100% and treated as credit impaired.

Loans: Loans comprise of margin trade funding and ESOP funding for which a staged approach is followed for determination of ECL.

Stage 1: All Open positions in the MTF and ESOP loan book are considered as stage 1 assets for computation of expected credit loss. Exposure at default (EAD) for stage 1 assets is computed considering different scenarios of market movements based on an analysis of historical price movements of the index and macro-economic environment.

Stage 2: Exposures under stage 2 include dues upto 30 days pertaining to principal amount on closed positions and interest on all open positions of MTF and ESOP loan book.

Stage 3: Exposures under stage 3 include dues past 30 days pertaining to principal amount on closed positions and interest on all open positions of MTF and ESOP loan book.

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Based on historical data, the company assigns PD to stage 1 and stage 2 and applies it to the EAD to compute the ECL. For Stage 3 assets PD is considered as 100%

Following table provides information about exposure to credit risk and ECL on Loan

(₹ million)

Bucketing (Stage)	March 31, 2020		March 31, 2019	
	Carrying Value	ECL	Carrying Value	ECL
Stage 1	5,791.0	87.7	4,029.1	0.1
Stage 2	8.9	3.5	4.4	0.7
Stage 3	1.5	1.5	1.9	1.9
Total	**5,801.4**	**92.7**	**4,035.4**	**2.7**

Movements in the allowances for impairment in respect of trade receivables and loans is as follows:

(₹ million)

	March 31, 2020	March 31, 2019
Opening Balance	152.3	125.3
Amount written off	(0.3)	(22.3)
Net remeasurement of loss allowance	7.9	49.3
Additional provision	90.8	-
Closing Balance	**250.7**	**152.3**

Collaterals held:

The Company holds collateral and other credit enhancements against certain of its credit exposures. The following tables sets out the principal types of collateral held against different types of financial assets.

Instrument Type	Percentage of exposure that is subject to collateral requirements		Principal type of collateral held
	As at March 31, 2020	As at March 31, 2019	
Trade Receivables and Loans	93.0%	91.0%	Collateral in the form of: - Cash, Securities, Fixed Deposit Receipt (FDR) in case of Margin trade funding. - Equity Shares under ESOP in case of ESOP Funding. - Equity shares in case of trade receivables.

Other financial assets considered to have a low credit risk:

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments comprise of Quoted Equity instruments, Bonds, Mutual Funds and Commercial papers which are market tradeable. Other financial assets include deposits for assets acquired on lease and with qualified clearing counterparties and exchanges as per the prescribed statutory limits.

b) Liquidity risk

Liquidity represents the ability of the Company to generate sufficient cash flow to meet its financial obligations on time, both in normal and in stressed conditions, without having to liquidate assets or raise funds at unfavourable terms thus compromising its earnings and capital.

Liquidity risk is the risk that the Company may not be able to generate sufficient cash flow at reasonable cost to meet expected and / or unexpected claims. It arises in the funding of lending, trading and investment activities and in the management of trading positions.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflow on financial liabilities.

Notes
to standalone financial statements for the year ended March 31, 2020

Funds required for short period is taken care by borrowings through issuing Commercial paper and utilising overdraft facility from ICICI Bank

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2020.

(₹ million)

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total Carrying Amount
Assets					
Cash and bank balances	14,368.5	8,556.3	840.5	12.8	23,778.1
Securities for Trade	8,351.1	-	-	-	8,351.1
Trade receivables	886.2	-	-	-	886.2
Loans	3,541.9	2,166.8	-	-	5,708.7
Investments	-	-	-	147.4	147.4
Other financial assets	522.6	45.7	10.1	189.6	768.0
Total	**27,670.3**	**10,768.8**	**850.6**	**349.8**	**39,639.5**
Liabilities					
Derivative financial instruments	-	-	-	-	-
Trade Payables	6,931.5	-	-	-	6,931.5
Debt Securities	14,975.3	-	-	-	14,975.3
Deposits	-	-	22.3	-	22.3
Lease Liabilities	7.0	47.3	1,154.9	364.4	1,573.6
Other Financial Liabilities	2,694.6	-	-	-	2,694.6
Total	**24,608.4**	**47.3**	**1,177.2**	**364.4**	**26,197.3**
Net excess / (shortfall)	**3,061.9**	**10,721.5**	**(326.6)**	**(14.6)**	**13,442.2**

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2019.

(₹ million)

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total Carrying Amount
Assets					
Cash and bank balances	26,212.1	4,617.8	366.2	11.8	31,207.9
Securities for Trade	2,563.1	-	-	-	2,563.1
Trade receivables	4,766.7	-	-	-	4,766.7
Loans	3,626.4	228.3	178.0	-	4,032.7
Investments	-	-	-	151.2	151.2
Other financial assets	484.3	15.8	61.1	249.2	810.4
Total	**37,652.6**	**4,861.9**	**605.3**	**412.2**	**43,532.0**
Liabilities					
Derivative financial instruments	17.0	-	-	-	17.0
Trade Payables	23,391.2	-	-	-	23,391.2
Debt Securities	4,473.0	-	-	-	4,473.0
Deposits	-	-	45.3	-	45.3
Other Financial Liabilities	2,284.9	-	-	-	2,284.9
Total	**30,166.1**	**-**	**45.3**	-	**30,211.4**
Net excess / (shortfall)	**7,486.5**	**4,861.9**	**560.0**	**412.2**	**13,320.6**

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to standalone financial statements for the year ended March 31, 2020

c) **Market risk**

Market risk arises when movements in market factors (foreign exchange rates, interest rates, credit spreads and equity prices) impact the Company's income or the market value of its portfolios. The Company, in its course of business, is exposed to market risk due to change in equity prices, interest rates and foreign exchange rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximise returns. The Company classifies exposures to market risk into either trading or non-trading portfolios. Both the portfolios are managed using the following sensitivity analyses:

i) Equity Price Risk

ii) Interest Rate Risk

iii) Currency Risk

Total market risk exposure:

(₹ million)

	March 31, 2020			
	Carrying amount	**Traded risk**	**Non traded risk**	**Primary risk sensitivity**
Assets				
Cash and cash equivalent and other bank balances	23,778.1	-	23,778.1	
Financial assets at FVTPL	8,375.8	8,351.1	24.7	Interest rate, Equity Price and Currency
Trade Receivables	886.2	-	886.2	Equity Price and Currency
Loans	5,708.7	-	5,708.7	Equity Price
Investment in Subsidiary	122.7	-	122.7	
Other Financial assets at amortised cost	768.0	-	768.0	
Total	**39,639.5**	**8,351.1**	**31,288.4**	
Liabilities				
Derivative financial instruments	-	-	-	Currency and Equity Price
Trade payable	6,931.5	-	6,931.5	Equity Price and Currency
Debt Securities	14,975.3	-	14,975.3	
Deposits	22.3	-	22.3	
Lease Liabilities	1,573.6	-	1,573.6	
Other financial liabilities	2,694.6	-	2,694.6	
Total	**26,197.3**	**-**	**26,197.3**	

(₹ million)

	March 31, 2019			
	Carrying amount	**Traded risk**	**Non traded risk**	**Primary risk sensitivity**
Assets				
Cash and cash equivalent and other bank balances	31,207.9	-	31,207.9	
Financial assets at FVTPL	2,591.6	2,563.1	28.5	Interest rate, Equity Price and Currency
Trade Receivables	4,766.7	-	4,766.7	Equity Price and Currency
Loans	4,032.7	-	4,032.7	Equity Price
Investment in Subsidiary	122.7	-	122.7	
Other Financial assets at amortised cost	810.4	-	810.4	
Total	**43,532.0**	**2,563.1**	**40,968.9**	
Liabilities				
Derivative financial instruments	17.0	17.0	-	Currency and Equity Price
Trade payable	23,391.2	-	23,391.2	Equity Price and Currency
Debt Securities	4,473.0	-	4,473.0	
Deposits	45.3	-	45.3	
Other financial liabilities	2,284.9	-	2,284.9	
Total	**30,211.4**	**17.0**	**30,194.4**	

Notes
to standalone financial statements for the year ended March 31, 2020

i) Equity Price Risk

The Company's exposure to equity price risk arises primarily on account of its proprietary positions and on account of margin-based positions of its clients in equity cash and derivative segments.

The Company's equity price risk is managed in accordance with its Corporate Risk and Investment Policy (CRIP) approved by its Risk Management Committee. The CRIP specifies exposure limits and risk limits for the proprietary desk of the Company and stipulates risk-based margin requirements for margin-based trading in equity cash and derivative segment by its clients.

The below sensitivity depicts a scenario where a 10% movement in equity prices, everything else remaining constant, would result in an exchange obligation for both Traded and Non-traded (client) positions and their impact on statement of profit and loss account considering that the entire shortfall would be made good by the Company.

(₹ million)

	Impact on statement of profit and loss	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Equity Prices up by 10%	0.3	(5.7)
Equity Prices down by 10%	(0.4)	(104.5)

ii) Interest Rate Risk

The Company's exposure to interest rate risk arises primarily on account of its proprietary positions (refer note no. 5 on securities for trade) and on account of margin based positions of its clients in exchange traded interest rate derivatives on government securities.

The Company's interest rate risk is managed in accordance with its CRIP approved by its Risk Management Committee. The CRIP specifies exposure limits and risk limits for the proprietary desk of the Company and stipulates risk-based margin requirements for margin based trading in interest rate derivatives by its clients.

As at March 31, 2020 and March 31, 2019 a parallel shift of 2.50% in the yield curve would result in the following impact on the statement of profit and loss.

(₹ million)

	Impact on statement of profit and loss	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Parallel upward shift of 2.50%	(152.6)	(113.5)
Parallel downward shift of 2.50%	182.0	128.3

The non-traded Financial Assets and liabilities are fixed rate instruments and are valued at amortised cost. Any shifts in yield curve will not impact their carrying amount and will therefore not have any impact on the Company's statement of profit and loss.

iii) Foreign Exchange Risk/Currency Risk

The Company's exposure to currency risk arises primarily on account of its proprietary positions and on account of margin positions of its clients in exchange traded currency derivatives.

The fluctuations in foreign currency may also affect statement of profit and loss, other comprehensive income and equity as the Company also operates in US and Singapore through its subsidiaries.

Notes

to standalone financial statements for the year ended March 31, 2020

The Company's currency risk is managed in accordance with its CRIP, approved by its Risk Management Committee. The CRIP specifies gross open position limit and risk limits for the proprietary desk of the Company and stipulates risk-based margin requirements for margin based trading in currency derivatives by its clients.

As at March 31, 2020 and March 31, 2019, an appreciation/depreciation of 15% of Indian Rupee against all the currencies would result in the following impact on the statement of profit and loss.

(₹ million)

	Impact on statement of profit and loss	
	For the year ended March 31, 2020	For the year ended March 31, 2019
₹ Depreciation of 15%	(116.1)	(27.4)
₹ Appreciation of 15%	(19.0)	(55.4)

The table below indicates the currencies to which the Company had significant exposure at the end of the reported periods for the non-traded component. The analysis calculates the effect of a reasonably possible movement of the currency rate against the INR (all other variables being constant) on the statement of profit and loss.

(₹ million)

Currency	Change in currency rate in %	For the year ended March 31, 2020	For the year ended March 31, 2019
USD	Depreciation of 15%	(1.5)	1.0
	Appreciation of 15%	1.5	(1.0)
SGD	Depreciation of 15%	0.1	-
	Appreciation of 15%	(0.1)	-
GBP	Depreciation of 15%	(0.0)	-
	Appreciation of 15%	0.0	-
JPY	Depreciation of 15%	-	1.1
	Appreciation of 15%	-	(1.1)

45. MATURITY ANALYSIS

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ million)

	As at March 31, 2020	Within 12 months	After 12 months
ASSETS			
Financial Assets			
Cash and cash equivalents	5,240.2	5,240.2	-
Bank balance other than (a) above	18,537.9	17,684.6	853.3
Securities for trade	8,351.1	8,351.1	-
Receivables			
(I) Trade receivables	886.2	886.2	-
Loans	5,708.7	5,708.7	-
Investments	147.4	-	147.4
Other financial assets	768.0	568.3	199.7
	39,639.5	**38,439.1**	**1,200.4**
Non-financial Assets			
Current tax assets (net)	1,503.3	-	1,503.3

Notes

to standalone financial statements for the year ended March 31, 2020

(₹ million)

	As at March 31, 2020	Within 12 months	After 12 months
Deferred tax assets (net)	577.1	-	577.1
Property, plant and equipment	294.8	-	294.8
Right-of-use of assets	1,528.1	53.6	1,474.5
Capital work-in-progress	32.9	-	32.9
Intangible assets under development	48.4	-	48.4
Other intangible assets	155.4	-	155.4
Other non-financial assets	405.5	366.6	38.9
	4,545.5	**420.2**	**4,125.3**
Total Assets	**44,185.0**	**38,859.3**	**5,325.7**
LIABILITIES			
Financial liabilities			
Derivative financial instruments			-
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,931.5	6,931.5	-
Debt securities	14,975.3	14,975.3	-
Borrowings (Other than debt securities)	-	-	-
Deposits	22.3	-	22.3
Lease Liabilities	1,573.6	54.3	1,519.3
Other financial liabilities	2,694.6	2,694.6	-
	26,197.3	**24,655.7**	**1,541.6**
Non-financial Liabilities			
Current tax liabilities (net)	-	-	-
Provisions	828.7	100.7	728.0
Other non-financial liabilities	5,245.1	4,267.5	977.6
	6,073.8	**4,368.2**	**1,705.6**
Total Liabilities	**32,271.1**	**29,023.9**	**3,247.2**
Net	**11,913.9**	**9,835.4**	**2,078.5**

(₹ million)

	As at March 31, 2019	Within 12 months	After 12 months
ASSETS			
Financial Assets			
Cash and cash equivalents	18,632.5	18,632.5	-
Bank balance other than (a) above	12,575.4	12,197.4	378.0
Securities for trade	2,563.1	2,563.1	-
Receivables			
(I) Trade receivables	4,766.7	4,766.7	-
Loans	4,032.7	3,854.7	178.0
Investments	151.2	-	151.2
Other financial assets	810.4	500.1	310.3
	43,532.0	**42,514.5**	**1,017.5**

Notes

to standalone financial statements for the year ended March 31, 2020

(₹ million)

	As at March 31, 2019	Within 12 months	After 12 months
Non-financial Assets			
Current tax assets (net)	1,307.6	-	1,307.6
Deferred tax assets (net)	720.1	-	720.1
Property, plant and equipment	294.5	-	294.5
Capital work-in-progress	12.4	-	12.4
Intangible assets under development	27.4	-	27.4
Other intangible assets	141.0	-	141.0
Other non-financial assets	427.6	427.6	-
	2,930.6	**427.6**	**2,503.0**
Total Assets	**46,462.6**	**42,942.1**	**3,520.5**
LIABILITIES			
Financial liabilities			
Derivative financial instruments	17.0	17.0	-
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	23,391.2	23,391.2	-
Debt securities	4,473.0	4,473.0	-
Borrowings (Other than debt securities)	-	-	-
Deposits	45.3	-	45.3
Other financial liabilities	2,284.9	2,284.9	-
	30,211.4	**30,166.1**	**45.3**
Non-financial Liabilities			
Current tax liabilities (net)	41.5	41.5	-
Provisions	663.6	115.4	548.2
Other non-financial liabilities	5,202.0	4,543.0	659.0
	5,907.1	**4,699.9**	**1,207.2**
Total Liabilities	**36,118.5**	**34,866.0**	**1,252.5**
Net	**10,344.1**	**8,117.6**	**2,226.5**

46. INFORMATION AS REQUIRED PURSUANT TO REGULATION 52(4) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015:

a. Details of Credit Rating:

Instrument Category	CRISIL	ICRA
i) Non-Convertible Debenture Programme		
Ratings	CRISIL AAA/Stable	ICRA AAA/Stable
Amount in ₹ million	₹ 500.0	₹ 500.0
ii) Commercial Paper Programme		
Ratings	CRISIL A1+	ICRA A1+
Amount in ₹ million	₹ 25,000.0	₹ 25,000.0

Notes

to standalone financial statements for the year ended March 31, 2020

b. Key Financial Information

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Debt Equity Ratio *	1.26 Times	0.43 Times
Debt Service Coverage Ratio **	0.52 Times	1.63 Times
Interest Services Coverage Ratio ***	11.41 Times	18.99 Times
Net Worth ****	₹ 11,913.9 million	₹ 10,344.1 million
Net Profit after tax	₹ 5,367.1 million	₹ 4,869.2 million
Earnings per share (Diluted) (Face Value ₹ 5/- per share)	₹ 16.65	₹ 15.11
Asset cover available, in case of non-convertible debt securities	Not Applicable	Not Applicable
Outstanding redeemable preference shares	Not Applicable	Not Applicable
Capital redemption / Debenture redemption reserve	Not Applicable	Not Applicable

** Debt Equity Ratio = Debt (Borrowings + Accrued Interest) / Equity (Equity share capital + Other Equity)*

*** Debt Service Coverage Ratio = Profit before interest and tax / (Interest expenses (excludes interest costs on leases as per Ind AS 116 on Leases) + Principal Repayments)*

**** Interest Service Coverage Ratio = Profit before interest and tax / Interest expenses (excludes interest costs on leases as per Ind AS 116 on Leases)*

***** Net Worth = Equity + Other Equity*

c. Details of previous due date, next due date for the payment of interest and repayment of commercial papers:

Sr. No.	Commercial Paper – Date of Issue	Redemption Amount (₹ million)	Previous due date (from April 01, 2019 to March 31, 2020) Principal & Interest	Whether paid or not	Next due date Principal & Interest
1	01-Feb-19	500.0	30-Apr-19	Yes	NA
2	01-Feb-19	1,000.0	30-Apr-19	Yes	NA
3	12-Feb-19	500.0	12-Apr-19	Yes	NA
4	20-Feb-19	500.0	23-Apr-19	Yes	NA
5	20-Feb-19	1,000.0	23-Apr-19	Yes	NA
6	18-Mar-19	500.0	17-May-19	Yes	NA
7	18-Mar-19	500.0	17-May-19	Yes	NA
8	04-Apr-19	500.0	03-Jun-19	Yes	NA
9	04-Apr-19	1,000.0	03-Jun-19	Yes	NA
10	12-Apr-19	1,000.0	11-Jun-19	Yes	NA
11	18-Apr-19	1,000.0	17-Jun-19	Yes	NA
12	18-Apr-19	1,500.0	17-Jun-19	Yes	NA
13	30-Apr-19	750.0	28-Jun-19	Yes	NA
14	30-Apr-19	750.0	28-Jun-19	Yes	NA
15	13-May-19	500.0	28-Jun-19	Yes	NA
16	27-May-19	500.0	19-Jul-19	Yes	NA
17	27-May-19	500.0	19-Jul-19	Yes	NA
18	31-May-19	1,000.0	30-Jul-19	Yes	NA
19	13-Jun-19	3,000.0	02-Aug-19	Yes	NA
20	13-Jun-19	500.0	02-Aug-19	Yes	NA
21	13-Jun-19	500.0	02-Aug-19	Yes	NA
22	14-Jun-19	1,000.0	02-Aug-19	Yes	NA
23	27-Jun-19	500.0	25-Sep-19	Yes	NA
24	15-Jul-19	500.0	25-Sep-19	Yes	NA
25	15-Jul-19	500.0	25-Sep-19	Yes	NA
26	29-Jul-19	1,000.0	27-Sep-19	Yes	NA
27	29-Jul-19	1,000.0	27-Sep-19	Yes	NA
28	02-Aug-19	2,000.0	03-Oct-19	Yes	NA
29	02-Aug-19	2,000.0	17-Sep-19	Yes	NA

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to standalone financial statements for the year ended March 31, 2020

Sr. No.	Commercial Paper – Date of Issue	Redemption Amount (₹ million)	Previous due date (from April 01, 2019 to March 31, 2020) Principal & Interest	Whether paid or not	Next due date Principal & Interest
30	06-Aug-19	1,000.0	31-Oct-19	Yes	NA
31	29-Aug-19	1,000.0	25-Oct-19	Yes	NA
32	29-Aug-19	250.0	25-Oct-19	Yes	NA
33	17-Sep-19	1,500.0	15-Nov-19	Yes	NA
34	17-Sep-19	500.0	15-Nov-19	Yes	NA
35	17-Sep-19	500.0	15-Nov-19	Yes	NA
36	19-Sep-19	2,500.0	19-Nov-19	Yes	NA
37	27-Sep-19	450.0	28-Nov-19	Yes	NA
38	27-Sep-19	500.0	28-Nov-19	Yes	NA
39	03-Oct-19	1,500.0	03-Dec-19	Yes	NA
40	14-Oct-19	1,000.0	13-Dec-19	Yes	NA
41	25-Oct-19	2,000.0	19-Dec-19	Yes	NA
42	29-Oct-19	2,000.0	27-Dec-19	Yes	NA
43	04-Dec-19	400.0	13-Dec-19	Yes	NA
44	04-Dec-19	500.0	13-Dec-19	Yes	NA
45	04-Dec-19	100.0	13-Dec-19	Yes	NA
46	04-Dec-19	250.0	13-Dec-19	Yes	NA
47	04-Dec-19	250.0	13-Dec-19	Yes	NA
48	15-Nov-19	1,500.0	14-Jan-20	Yes	NA
49	15-Nov-19	1,000.0	14-Jan-20	Yes	NA
50	15-Nov-19	750.0	14-Jan-20	Yes	NA
51	19-Nov-19	1,000.0	17-Jan-20	Yes	NA
52	19-Nov-19	1,500.0	17-Jan-20	Yes	NA
53	19-Nov-19	500.0	17-Jan-20	Yes	NA
54	19-Nov-19	500.0	17-Jan-20	Yes	NA
55	28-Nov-19	1,750.0	28-Jan-20	Yes	NA
56	13-Dec-19	1,000.0	12-Mar-20	Yes	NA
57	13-Dec-19	500.0	12-Mar-20	Yes	NA
58	19-Dec-19	2,000.0	17-Feb-20	Yes	NA
59	26-Dec-19	2,500.0	24-Feb-20	Yes	NA
60	26-Dec-19	500.0	24-Feb-20	Yes	NA
61	17-Jan-20	450.0	24-Mar-20	Yes	NA
62	17-Jan-20	1,500.0	24-Mar-20	Yes	NA
63	17-Jan-20	1,500.0	23-Mar-20	Yes	NA
64	17-Jan-20	1,500.0	23-Mar-20	Yes	NA
65	14-Jan-20	1,000.0	NA	Yes*	03-Apr-20
66	14-Jan-20	2,000.0	NA	Yes*	03-Apr-20
67	17-Jan-20	50.0	NA	Yes*	09-Apr-20
68	27-Jan-20	2,000.0	NA	Yes*	16-Apr-20
69	29-Jan-20	1,500.0	NA	Yes*	15-Apr-20
70	17-Feb-20	1,750.0	NA	-	15-May-20
71	17-Feb-20	250.0	NA	-	15-May-20
72	24-Feb-20	2,500.0	NA	-	22-May-20
73	26-Feb-20	500.0	NA	-	26-May-20
74	05-Mar-20	3,000.0	NA	-	15-May-20
75	05-Mar-20	500.0	NA	-	15-May-20

** Commercial papers stands redeemed on respective next due date as mentioned in the aforesaid table.*

Notes

to standalone financial statements for the year ended March 31, 2020

47. SUBSEQUENT EVENT - PROPOSED DIVIDEND

The Board of Directors at its meeting held on May 07, 2020, have recommended a final dividend of ₹ 6.75 per equity share (on face value of ₹ 5 per equity share), subject to the approval of the members at the ensuing annual general meeting. In terms of Ind AS 10 "Events after the Reporting Period", the company has not recognised final dividend (including tax, if any) as a liability at the end of the reporting period.

48. ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, notifies new standards or/and amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

49. ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC ON COVID-19

Covid-19 outbreak was declared as a global pandemic by World Health Organisation (WHO) on March 11, 2020. Indian authorities have followed an approach of complete lockdown since March 24, 2020 starting with three-week complete lockdown, during which only defined essential services were operating with limited capacity. The lockdown kept on getting extended with gradual and modest relaxations. Stock broking service has been declared as an essential service and accordingly, the Company has been in operation consistently with minimal permitted staff. Accordingly, as of March 31, 2020, based on the facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

50. EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.:101248W/W-100022

Milind Ranade
Partner
Membership No.: 100564

Date : May 07, 2020
Place : Mumbai

For and on behalf of Board of Directors

Ashvin Parekh
Director
DIN - 06559989

Vijay Chandok
Managing Director & CEO
DIN - 01545262

Ajay Saraf
Executive Director
DIN - 00074885

Raju Nanwani
Company Secretary

Harvinder Jaspal
Chief Financial Officer

Independent Auditors' Report

To the Members of ICICI Securities Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of ICICI Securities Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of such subsidiaries were audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2020, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with in accordance with these requirements. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Key audit matter	How the matter was addressed in our audit
Information Technology (IT)	

IT systems and controls
The Company's key financial accounting and reporting processes are dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could impact the financial accounting and reporting significantly. The Company uses SAP system for its overall financial reporting.
 	
The Company's General Ledger system used in financial reporting is interfaced with other IT systems which process transactions of account relevant for financial reporting.
 	
We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.
	Our audit procedures to assess the IT systems and controls included the following:
	• Testing the design of General IT Controls (GITCs) for the audit period which included controls over access to program and data, program changes, system changes, program development, computer operations (job processing, data backup, system backup, incident management) over financial accounting and reporting systems and related IT systems (referred to as 'in-scope systems').
	• Testing the operating effectiveness of GITCs for the audit period over the in-scope systems as follows:
	  • User access creation, modification and revocation process;
	  • User access review process;
	  • Segregation of duties;
	  • Password policies;
	  • Application change management procedures; and
	  • Computer Operations process (automated job processes, backups and incident management).

Key audit matter	How the matter was addressed in our audit
Information Technology (IT)	
	• Understanding IT application controls for the audit period for significant accounts, testing interfaces, reports, reconciliations and system processing for significant accounts determined by us during our risk assessment. We tested the controls to determine that these controls remained unchanged during the audit period and incase of changes, were changes followed the standard change management process. • Understanding IT infrastructure records for the in-scope systems i.e. operating systems and databases. Based on procedures performed above, wherever required, we extended our audit procedures over other IT application controls, periodic reconciliations, manual approval processes, tests on identified key changes and additional substantive testing.

OTHER INFORMATION

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the consolidated financial statements of ICICI Securities Holding Inc., whose consolidated financial statements reflect consolidated total assets of ₹ 243.2 million as at 31 March 2020, consolidated total revenues of ₹ 28.8 million and consolidated net cash outflows amounting to ₹ 28.7 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit reports of the other auditors.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

  a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

  b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

  c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

  d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

  e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

  f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

  i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group. Refer Note 32 to the financial statements;

  ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020;

  iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2020. Since the subsidiaries are incorporated outside India, the provisions of the Act relating to Investor Education and Protection Fund are not applicable and hence not commented upon; and

  iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

  In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us. Since the subsidiaries are incorporated outside India, the provisions of the Act relating to section 197 are not applicable and hence not commented upon.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Milind Ranade
Partner
Membership No: 100564
UDIN: 20100564AAAADQ7075

Place: Mumbai
Date: 7 May 2020

Annexure "A" to the Independent Auditors' Report of even date on the Consolidated Financial Statements of ICICI Securities Limited

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of ICICI Securities Limited (hereinafter referred to as "the Holding Company"), incorporated in India under the Companies Act, 2013, as of that date. In accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"), companies incorporated outside India are not required to comply with requirements of clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013, hence no report is done for such entities.

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of 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, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Milind Ranade
Partner
Membership No: 100564
UDIN: 20100564AAAADQ7075

Place: Mumbai
Date: 7 May 2020

Consolidated Balance Sheet

as at March 31, 2020

(₹ million)

		Notes	As at March 31, 2020	As at March 31, 2019
	ASSETS			
1	**Financial assets**			
	(a) Cash and cash equivalents	3 (a)	5,420.0	18,841.1
	(b) Bank balance other than (a) above	3 (b)	18,694.0	12,645.2
	(c) Securities for trade	5	8,351.1	2,563.1
	(d) Receivables			
	(I) Trade receivables	6	887.9	4,769.8
	(e) Loans	7	5,708.7	4,032.7
	(f) Investments	8	24.7	28.5
	(g) Other financial assets	9	774.9	816.4
			39,861.3	**43,696.8**
2	**Non-financial assets**			
	(a) Current tax assets (net)	10	1,502.8	1,306.5
	(b) Deferred tax assets (net)	39	595.5	737.5
	(c) Property, plant and equipment	11	295.2	294.8
	(d) Right-of-use assets	35	1,529.1	-
	(e) Capital work-in-progress		32.9	12.4
	(f) Intangible assets under development		48.4	27.4
	(g) Other intangible assets	11	155.4	141.0
	(h) Other non-financial assets	12	407.6	429.5
			4,566.9	**2,949.1**
	Total Assets		**44,428.2**	**46,645.9**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial liabilities**			
	(a) Derivative financial instruments	4	-	17.0
	(b) Payables	13		
	(I) Trade payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		6,926.4	23,362.0
	(c) Debt securities	14	14,975.3	4,473.0
	(d) Borrowings (Other than debt securities)	15	-	-
	(e) Deposits	16	22.3	45.3
	(f) Lease liabilities	35	1,574.4	-
	(g) Other financial liabilities	17	2,694.6	2,284.9
			26,193.0	**30,182.2**
2	**Non-financial liabilities**			
	(a) Current tax liabilities (net)		-	41.5
	(b) Provisions	18	828.7	663.6
	(c) Other non-financial liabilities	19	5,311.1	5,285.9
			6,139.8	**5,991.0**
3	**EQUITY**			
	(a) Equity share capital	20	1,610.7	1,610.7
	(b) Other equity	21	10,484.7	8,862.0
			12,095.4	**10,472.7**
	Total Liabilities and Equity		**44,428.2**	**46,645.9**
	Significant accounting policies	2		

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.:101248W/W-100022

Milind Ranade
Partner
Membership No.: 100564

Date : May 07, 2020
Place : Mumbai

For and on behalf of Board of Directors

Ashvin Parekh
Director
DIN - 06559989

Vijay Chandok
Managing Director & CEO
DIN - 01545262

Ajay Saraf
Executive Director
DIN - 00074885

Raju Nanwani
Company Secretary

Harvinder Jaspal
Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(₹ million)

		Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
	Revenue from operations			
(i)	Interest income	22	2,350.0	1,792.0
(ii)	Dividend income		0.4	4.9
(iii)	Fees and commission income			
	- Brokerage income		9,475.6	9,328.3
	- Income from services		5,217.5	5,732.8
(iv)	Net gain on fair value changes	23	-	166.0
(v)	Net gain on derecognition of financial instruments under amortised cost category		3.0	-
(vi)	Others		15.7	21.7
(I)	**Total Revenue from operations**		**17,062.2**	**17,045.7**
(II)	Other income	24	187.2	224.5
(III)	**Total Income (I+II)**		**17,249.4**	**17,270.2**
	Expenses			
(i)	Finance costs	25	863.9	423.4
(ii)	Fees and commission expense		437.0	375.0
(iii)	Net loss on fair value changes	23	36.1	-
(iii)	Impairment on financial instruments	26	106.7	26.9
(iv)	Operating expense	27	586.8	850.9
(v)	Employee benefits expenses	28	5,337.7	5,544.9
(vi)	Depreciation, amortisation and impairment	11 & 35	614.0	149.5
(vii)	Others expenses	29	1,737.9	2,327.3
(IV)	**Total Expenses (IV)**		**9,720.1**	**9,697.9**
(V)	Profit/(loss) before tax (III -IV)		**7,529.3**	**7,572.3**
(VI)	Tax expense:	39		
	(1) Current tax		1,961.0	2,722.2
	(2) Deferred tax		148.3	(57.2)
			2,109.3	**2,665.0**
(VII)	**Profit/(loss) for the year (V-VI)**		**5,420.0**	**4,907.3**
(VIII)	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined employee benefit plans		(63.8)	(40.2)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		4.7	14.3
	Other comprehensive income		**(59.1)**	**(25.9)**
(IX)	**Total comprehensive income for the year (VII+VIII) [comprising profit/(loss) and other comprehensive income for the year]**		**5,360.9**	**4,881.4**
(X)	**Earnings per equity share: (Face value ₹ 5/- per share)**	30		
	Basic (in ₹)		16.83	15.23
	Diluted (in ₹)		16.81	15.23
Significant accounting policies		2		

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.:101248W/W-100022

Milind Ranade
Partner
Membership No.: 100564

Date : May 07, 2020
Place : Mumbai

For and on behalf of Board of Directors

Ashvin Parekh
Director
DIN - 06559989

Vijay Chandok
Managing Director & CEO
DIN - 01545262

Ajay Saraf
Executive Director
DIN - 00074885

Raju Nanwani
Company Secretary

Harvinder Jaspal
Chief Financial Officer

Consolidated Statement of Changes in Equity
for the year ended March 31, 2020

A Equity share capital

(₹ million)

Balance as at April 1, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
1,610.7	-	1,610.7

(₹ million)

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
1,610.7	**-**	**1,610.7**

B Other Equity

(₹ million)

	Reserves and Surplus				Exchange Difference on translating the financial statements of a foreign operation	Deemed Equity Contribution from the Parent*	Total
	Securities Premium Reserve	General Reserve	Share based payment reserve	Retained Earnings			
Balance as at April 1, 2018	244.0	666.8	-	5,683.0	67.3	205.3	**6,866.4**
Profit for the year				4,907.3			**4,907.3**
Items of OCI for the year, net of tax:							
Remeasurement benefit of defined benefit plans	-	-		(25.9)	-	-	**(25.9)**
Total Comprehensive Income for the year	-	-	-	4,881.4	-	-	**4,881.4**
Dividend (including tax on dividend)	-	-		(2,951.1)	-	-	**(2,951.1)**
Any other changes:							
Additions during the year (net)	-	-	4.1	-	0.5	60.7	**65.3**
Balance as at March 31, 2019	**244.0**	**666.8**	**4.1**	**7,613.3**	**67.8**	**266.0**	**8,862.0**
Balance as at April 1, 2019	244.0	666.8	4.1	7,613.3	67.8	266.0	**8,862.0**
Profit for the year	-	-	-	5,420.0	-	-	**5,420.0**
Items of OCI for the year, net of tax:							
Remeasurement benefit of defined benefit plans	-	-	-	(59.1)	-	-	**(59.1)**
Total Comprehensive Income for the year	-	-	-	5,360.9	-	-	**5,360.9**
Dividend (including tax on dividend)	-	-	-	(3,864.7)	-	-	**(3,864.7)**
Any other changes:							
Additions during the year (net)	-	-	52.9	-	-	73.6	**126.5**
Balance as at March 31, 2020	**244.0**	**666.8**	**57.0**	**9,109.5**	**67.8**	**339.6**	**10,484.7**

* Net of share based arrangement of parent entity amounting to ₹ 13.9 million

Significant accounting policies (Note 2)

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.:101248W/W-100022

Milind Ranade
Partner
Membership No.: 100564

Date : May 07, 2020
Place : Mumbai

For and on behalf of Board of Directors

Ashvin Parekh
Director
DIN - 06559989

Vijay Chandok
Managing Director & CEO
DIN - 01545262

Ajay Saraf
Executive Director
DIN - 00074885

Raju Nanwani
Company Secretary

Harvinder Jaspal
Chief Financial Officer

Consolidated Cash Flow Statement
for the year ended March 31, 2020

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
A	**Cash flow (used in) / generated from operating activities**		
	Profit before tax	7,529.3	7,572.3
	Add /(less): Adjustments		
	- Net loss on derecognition of property, plant and equipment	8.1	4.6
	- Depreciation and amortisation	614.0	149.5
	- (Reversal of) /impariment loss on financial assets measured at FVTPL	0.7	1.2
	- Net (gain)/loss arising on financial assets measured at FVTPL	158.2	5.0
	- Interest expense	707.4	412.6
	- Dividend income on equity securities	(0.3)	(0.4)
	- Share based payments to employees	126.5	64.8
	- Bad and doubtful debts	106.9	49.3
	- Interest on income tax refund	(147.5)	(207.1)
	- Provision written back	(34.7)	-
	- Unrealised foreign exchange (gain)/loss	(21.7)	(17.4)
	Operating profit before working capital changes	9,046.9	8,034.4
	Adjustments for changes in working capital:		
	- (Increase) / decrease in bank balance	(6,048.8)	1,043.8
	- (Increase) / decrease in securities for trade	(5,951.2)	(2,178.8)
	- (Increase) / decrease in receivables	3,872.0	(1,709.2)
	- (Increase) / decrease in loans	(1,766.0)	1,749.7
	- (Increase) / decrease other financial assets	64.4	405.8
	- (Increase) / decrease other non- financial assets	(43.1)	184.3
	- Increase / (decrease) in derivative financial instruments	(17.0)	15.4
	- Increase / (decrease) in trade payables	(16,400.9)	17,245.2
	- Increase / (decrease) in deposits	(23.0)	(1.7)
	- Increase / (decrease) in other financial liabilities	409.7	656.8
	- (Increase) / decrease in provisions	101.3	88.7
	- (Increase) / decrease in other non-financial liabilities	23.6	76.6
		(25,779.0)	17,576.6
	Cash generated from operations	(16,732.1)	25,611.0
	Income tax paid (net)	(2,051.3)	(2,718.1)
	Net cash (used in) / generated from operating activities (A)	**(18,783.4)**	**22,892.9**
B	**Cash flow (used in) / generated from investing activities**		
	- Dividend income received	0.3	0.4
	- Purchase of property, plant and equipment	(233.9)	(226.1)
	- Proceeds from sale of property, plant and equipment	7.7	18.0
	Net cash (used in) / generated from investing activities (B)	**(225.9)**	**(207.7)**

Consolidated Cash Flow Statement
for the year ended March 31, 2020

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
C	**Cash flow generated from / (used in) financing activities**		
	- Proceeds from commercial paper borrowings	72,700.0	22,988.1
	- Repayment of commercial paper borrowings	(62,278.9)	(25,251.6)
	- Interest paid on borrowings	(484.9)	(400.2)
	- Dividend and dividend tax paid	(3,864.7)	(2,951.1)
	- Interest paid on lease liabilities	(141.4)	-
	- Repayment of lease liabllltles	(341.9)	-
	Net cash generated from / (used in) financing activities (C)	**5,588.2**	**(5,614.8)**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	(13,421.1)	17,070.4
	Cash and cash equivalents at the beginning of the year	18,841.1	1,770.7
	Cash and cash equivalents at the end of the year	**5,420.0**	**18,841.1**
	Components of cash and cash equivalents		
	Cash and Cash Equivalents comprises of :		
(a)	Cash on hand	-	0.0
(b)	Balances with Banks (of the nature of cash and cash equivalents)		
	In current accounts with banks		
	- In India with scheduled banks	2,304.7	18,251.3
	- Outside India	185.6	239.4
(c)	Cheques, drafts on hand	-	0.3
(d)	Others		
	- Fixed Deposit with original maturity of less than three months	2,928.0	350.0
	- Interest accrued on fixed deposits	1.7	0.1
	Total cash and cash equivalents (Note 3)	**5,420.0**	**18,841.1**
	₹ 0.0 million indicates values are lower than ₹ 0.1 million, where applicable		

Note :

(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

(ii) Also refer note 36 for Change in liabilities arising from financing activities.

Significant accounting policies (Note 2)

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.:101248W/W-100022

For and on behalf of Board of Directors

Ashvin Parekh
Director
DIN - 06559989

Vijay Chandok
Managing Director & CEO
DIN - 01545262

Milind Ranade
Partner
Membership No.: 100564

Ajay Saraf
Executive Director
DIN - 00074885

Raju Nanwani
Company Secretary

Harvinder Jaspal
Chief Financial Officer

Date : May 07, 2020
Place : Mumbai

Notes

to consolidated financial statements for the year ended March 31, 2020

1. CORPORATE INFORMATION

ICICI Securities Limited ("the Company"), incorporated on March 09, 1995, is a public company engaged in the business of broking (institutional and retail), distribution of financial products, merchant banking and advisory services. The Company is incorporated and domiciled in India. The equity shares of the Company are listed. The address of the Registered Office is ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai - 400020.

The Company was a wholly owned subsidiary of ICICI Bank Limited till March 30, 2018. During the year ended March 31, 2018, the Company completed its Initial Public Offering (IPO). The Equity shares of the Company were listed on the National Stock Exchange of India Limited and BSE Limited on April 4, 2018. ICICI Bank Limited, the holding company, owns 79.22% of the Company's equity share capital as on March 31, 2020.

The consolidated financial statements of the Group include results of ICICI Securities Limited and its subsidiaries ICICI Securities Holdings Inc. and ICICI Securities Inc incorporated in USA.

2. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation

The consolidated financial statements relate to ICICI Securities Limited ('the Company') and its subsidiaries (together 'the Group'). These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The consolidated financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, other financial assets held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value.

The Group's financial statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest million, except when otherwise indicated.

The consolidated financial statements for the year ended March 31, 2020 are being authorised for issue in accordance with a resolution of the Board of Directors on May 07, 2020.

(ii) Presentation of financial statements

The Group presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 43.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

a. The normal course of business
b. The event of default
c. The event of insolvency or bankruptcy of the Group and/or its counterparties

(iii) Basis of consolidation

The subsidiaries are entities controlled by the Holding company. The Holding company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group transactions, balances and unrealised gains on transactions between entities within the Group

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to consolidated financial statements for the year ended March 31, 2020

are eliminated. Similarly, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. However, no subsidiaries have followed different accounting policies than those followed by the Group for the preparation of these consolidated financial statements.

Details of Subsidiaries

The subsidiaries considered in the consolidated financial statements are:

(i) Direct Subsidiary

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2020	% of Holding as on 31.03.2019
ICICI Securities Holdings, Inc	United States of America	100%	100%

(ii) Step-down Subsidiary

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2020	% of Holding as on 31.03.2019
ICICI Securities, Inc	United States of America	100%	100%

The principal place of business of the entities mentioned above is the same as the respective country of incorporation.

(iv) Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the income and expense for the reporting period. The actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The Group makes certain judgments and estimates for valuation and impairment of financial instruments, fair valuation of employee stock options, incentive plans, useful life of property, plant and equipment, deferred tax assets and retirement benefit obligations. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

a) **Determination of the estimated useful lives of tangible assets:** Useful lives of property, plant and equipment are taken as prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they

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to consolidated financial statements for the year ended March 31, 2020

are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) **Recognition and measurement of defined benefit obligations:** The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in note 40.

c) **Recognition of deferred tax assets / liabilities:** Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised. Further details are disclosed in note 39.

d) **Recognition and measurement of provision and contingencies:** The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

e) **Fair valuation of employee share options:** The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Further details are discussed in note 37.

f) **Determining whether an arrangement contains a lease:** In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

g) **Impairment of financial assets:** The Company recognises loss allowances for expected credit losses on its financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(v) Revenue from Contracts with Customers

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115, Revenue from contracts with customers, outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

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to consolidated financial statements for the year ended March 31, 2020

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group recognises revenue from the following sources:

a. Income from services rendered as a broker is recognised upon rendering of the services on a trade date basis, in accordance with the terms of contract.

b. Fee income including investment banking, advisory fees, debt syndication, financial advisory services, etc., is recognised based on the stage of completion of assignments and terms of agreement with the client.

c. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant.

d. Interest income is recognised using the effective interest rate method.

e. Dividend income is recognised when the right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

f. Training fee income from financial education program is recognised on the basis of completion of training.

(vi) Property, Plant and Equipment (PPE)

Recognition and Measurement:

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount.

Items of property, plant and equipment are initially recorded at cost. Cost comprises acquisition cost, borrowing cost if capitalisation criteria are met, and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefit associated with these will flow with the Group and the cost of the item can be measured reliably.

Depreciation:

Depreciation provided on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by management.

The estimated useful lives of assets are as follows:

Tangible Asset	Estimated by Management
Leasehold improvements	Over the lease period
Office equipment's comprising air conditioners, photo-copying machines, etc.	5 years
Computers	3 years
Servers and Networks	6 years
Furniture and fixtures*	6.67 years
Motor vehicles*	5 years

*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these

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assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation is provided on a straight-line basis from the date the asset is ready for its intended use. In respect of assets sold, depreciation is provided up to the date of disposal.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and changes if any, are accounted for on a prospective basis.

Capital work-in-progress and Capital advances:

Capital work-in-progress are property, plant and equipment which are not yet ready for their intended use. Advances given towards acquisition of fixed assets outstanding at each reporting date are shown as other non-financial assets.

Depreciation is not recorded on capital work-in-progress until construction and installation is completed and assets are ready for its intended use.

De-recognition:

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition, disposal or retirement of an item of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of de-recognition, disposal or retirement.

(vii) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation.

Development expenditure on software is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognised in the profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives and is included in the depreciation and amortisation in the statement of profit and loss.

Intangible asset	Useful life / Amortisation period
Computer software	4 years

(viii) Financial instruments

The Group recognises all the financial assets and liabilities at its fair value on initial recognition; In the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset that are not at fair value through profit or loss are added to the fair value on initial recognition. The financial assets are accounted on a trade date basis.

For subsequent measurement, financial assets are categorised into:

a. **Amortised cost:** The Group classifies the financial assets at amortised cost if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows. The gains and losses resulting from fluctuations in fair value are not recognised for financial assets classified in amortised cost measurement category.

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to consolidated financial statements for the year ended March 31, 2020

b. **Fair value through other comprehensive income (FVOCI):** The Group classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the Group's business model is achieved by both collecting contractual cash flow and selling financial assets. In case of debt instruments measured at FVOCI, changes in fair value are recognised in other comprehensive income. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method are recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is re-classified from equity to profit or loss as a reclassification adjustment. In case of equity instruments irrevocably designated at FVOCI, gains / losses including relating to foreign exchange, are recognised through other comprehensive income. Further, cumulative gains or losses previously recognised in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition.

c. **Fair value through profit or loss (FVTPL):** The financial assets are classified as FVTPL if these do not meet the criteria for classifying at amortised cost or FVOCI. Further, in certain cases to eliminate or significantly reduce a measurement or recognition inconsistency (accounting mismatch), the Group irrevocably designates certain financial instruments at FVTPL at initial recognition. In case of financial assets measured at FVTPL, changes in fair value are recognised in profit or loss.

Profit or loss on sale of investments is determined on the basis of first-in-first-out (FIFO) basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable

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market data available over the entire period of the instrument's life.

Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

Based on the Group's business model for managing the investments, the Group has classified its investments and securities for trade at FVTPL.

Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables the carrying amount approximates the fair value due to short maturity of these instruments.

d. **Impairment of financial assets:** In accordance with Ind AS 109, the Group applies expected credit loss model (ECL) for measurement and recognition of impairment loss. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. At each reporting date, the Group assesses whether the loans have been impaired. The Group is exposed to credit risk when the customer defaults on his contractual obligations. For the computation of ECL, the loan receivables are classified into three stages based on the default and the aging of the outstanding. If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance account accordingly. The write-back is recognised in the statement of profit and loss. The Group recognises life time expected credit loss for trade receivables and has adopted the simplified method of computation as per Ind AS 109. The Group considers outstanding overdue for more than 90 days for calculation of expected credit loss. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ix) Employee benefits

a. Short term employee benefits

Short term employee benefits include salaries and short term cash bonus. A liability is under short-term cash bonus or target based incentives if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. These costs are recognised as an expense in the Statement of Profit and Loss at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Group.

b. Gratuity

The Group pays gratuity, a defined benefit plan, to its employees whose employment terminates after a minimum period of five years of continuous service on account of retirement or resignation. In the case of employees at overseas locations, same will be paid as per rules in force in the respective countries. The Group makes contributions to the ICICI Securities Employees Gratuity Fund which is managed by ICICI Prudential Life Insurance Company Limited for the settlement of gratuity liability.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset / (liability), which need to be provided for in the books of accounts of the Group.

As required by the Ind AS 19, the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian Government security yields

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prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a net asset position, the recognised asset is limited to the present value of economic benefits available in form of reductions in future contributions.

Remeasurements arising from defined benefit plans comprises of actuarial gains and losses on benefit obligations, the return on plan assets in excess of what has been estimated and the effect of asset ceiling, if any, in case of over funded plans. The Group recognises these items of remeasurements in other comprehensive income and all the other expenses related to defined benefit plans as employee benefit expenses in their profit and loss account.

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognised immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

With respect to Oman Branch, the Group provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

c. Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as part of retirement benefits to its employees. The contributions during the year are charged to the statement of profit and loss.

With respect to Oman branch, for Omani national employees, the Group makes contributions to the Omani Public Authority for Social Insurance Scheme calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when incurred.

d. Compensated absence

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase the entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial losses/gains are recognised in the statement of profit and loss as and when they are incurred.

e. Long term incentive

The Group has a long term incentive plan which is paid in three annual tranches. The Group accounts for the liability as per an actuarial valuation. The actuarial valuation of the long term incentives liability is calculated based on certain assumptions regarding prevailing market yields of Indian government securities and staff attrition as per the projected unit credit method made at the end of each reporting period. The actuarial losses/gains are recognised in the statement of profit and loss in the period in which they arise.

f. Share based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant

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date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

ICICI Bank Limited, the parent, also grants options to eligible employees of the Group under ICICI Bank Employee Stock Option Scheme. The options vest over a period of three years. The fair value determined on the grant date is expensed on a straight line basis over the vesting period with a corresponding increase in the equity as a contribution from the parent.

g. Other defined contribution plans

The Defined contribution plans are the plans in which the Group pays pre-defined amounts to separate funds and does not have any legal or constrictive obligation to pay additional sums. The Group makes contributions towards National Pension Scheme ("NPS") which is a defined contribution retirement benefit plans for employees who have opted for the contribution towards NPS. The Group also makes contribution towards Employee State Insurance Scheme ("ESIC") which is a contributory scheme providing medical, sickness, maternity, and disability benefits to the insured employees under the Employees State Insurance Act, 1948 in respect of qualifying employees.

(x) Borrowing costs

Borrowing costs include interest expense as per the effective interest rate (EIR) and other costs incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the year in which they are incurred.

The difference between the discounted amount mobilised and redemption value of commercial papers is recognised in the statement of profit and loss over the life of the instrument using the EIR.

(xi) Foreign exchange transactions

The functional currency and the presentation currency of the Group is Indian Rupees. Transactions in foreign currency are recorded on initial recognition using the exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on the settlement or translation of monetary items are recognised in the statement of profit and loss in the period in which they arise.

Assets and liabilities of foreign operations are translated at the closing rate at each reporting period. Income and expenses of foreign operations are translated at monthly average rates. The resultant exchange differences are recognised in other comprehensive income in case of foreign operation whose functional currency is different from the presentation currency and in the statement of profit and loss for other foreign operations. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(xii) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment.

The Group uses significant judgement in assessing the lease term (including anticipated renewals). The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain to not exercise that option. In assessing whether the Group is reasonably

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certain to exercise an option to extend a lease it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend or terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate of the Group, specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(xiii) Income tax

The income tax expense comprises current and deferred tax incurred by the Group. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity or OCI, in which case the tax effect is recognised in equity or OCI. Income tax payable on profits is based on the applicable tax laws in each tax jurisdiction and is recognised as an expense in the period in which profit arises. Current tax is the expected tax payable/receivable on the taxable income or loss for the period, using tax rates enacted for the reporting period and any adjustment to tax payable/receivable in respect of previous years. Current tax assets and liabilities are offset only if, the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts for tax purposes. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised, for all deductible temporary differences, to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, such reductions are reversed when the probability of future taxable profits improves.

The tax effects of income tax losses, available for carry forward, are recognised as deferred tax asset, when it is probable that future taxable profits will be available against which these losses can be set-off.

Additional taxes that arise from the distribution of dividends by the Group are recognised directly in equity at the same time as the liability to pay the related dividend is recognised.

(xiv) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with the banks and demand deposits with bank with an original maturity of three months or less, and accrued interest thereon.

(xv) Impairment of non-financial assets

The Group assesses at the reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present

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value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in statement of profit and loss.

(xvi) Provisions

Provision is recognised when an enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at the balance sheet date and adjusted to reflect the current management estimates.

(xvii) Contingent liabilities and assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability. The existence of a contingent liability is disclosed in note 32 to the financial statements.

Contingent assets are neither recognised nor disclosed.

(xviii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

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3. (a) CASH AND CASH EQUIVALENTS

(₹ million)

	As at March 31, 2020	As at March 31, 2019
(a) Cash on hand *	-	0.0
(b) Balances with banks (of the nature of cash and cash equivalents)		
In current accounts with banks		
- In India with scheduled banks	2,304.7	18,251.3
- Outside India	185.6	239.4
(c) Cheques, drafts on hand	-	0.3
(d) Others (specify nature)		
Fixed Deposit with original maturity less than 3 months	2,928.0	350.0
Interest accrued on Fixed Deposits	1.7	0.1
Total	**5,420.0**	**18,841.1**

3. (b) BANK BALANCE OTHER THAN (a) ABOVE

(₹ million)

	As at March 31, 2020	As at March 31, 2019
(a) Earmarked balances with banks		
- Unclaimed dividend	1.1	-
(b) Fixed deposits with banks**		
- In India	18,106.4	12,107.9
- Outside India	9.8	78.8
	18,116.2	12,186.7
(c) Interest receivable	576.7	458.5
Total	**18,694.0**	**12,645.2**

** ₹ 0.0 million indicates values are lower than ₹ 0.1 million, where applicable*

*** Fixed deposits under lien with stock exchanges amounted to ₹ 16,584.7 million (March 31, 2019 : ₹ 10,604.3 million) and kept as collateral security towards bank guarantees issued amounted to ₹ 12.2 million (March 31, 2019 : ₹ 393.9 million) and kept as collateral security against bank overdraft facility amounted to ₹ 1,115.1 million (March 31, 2019 : ₹ 1,115.0 million) and others ₹ 252.9 million (March 31, 2019 : ₹ 3.7 million)*

4. DERIVATIVE FINANCIAL INSTRUMENTS

(₹ million)

	As at March 31, 2020	As at March 31, 2019
(i) Equity linked derivatives	-	17.0
Total	**-**	**17.0**
Notional amounts	-	3,893.8
Fair value - assets	-	-
Fair value - liabilities	-	17.0

Note :
- *The derivatives are used for the purpose trading.*
- *Refer note 42 for management of risks arising from derivatives.*

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to consolidated financial statements for the year ended March 31, 2020

5. SECURITIES FOR TRADE

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(A)	**At Fair Value through profit or loss**		
	Securities for trade in India		
(i)	Mutual funds:		
-	Nippon India Liquid Fund Direct Growth Plan Growth Option	1,507.2	-
-	Invesco India Liquid Fund Direct Growth Plan	1,003.8	-
-	ICICI Prudential Liquid Fund Direct Growth Plan	716.6	-
-	ICICI Prudential Mutual fund Value FD SR 18 (17-05-2021)	0.9	1.1
		3,228.5	**1.1**
(ii)	Debt securities:		
(a)	Non-convertible debentures:-		
-	8.75%, Edelweiss Retail Finance Limited (22-03-2021)	44.7	143.5
-	9.25%, Reliance Jio Infocommunication Limited (16-06-2024)	1.1	-
-	9.10 % Dewan Housing Finance Corp Limited (16-08-2019)	-	143.8
		45.8	**287.3**
(b)	Bonds:		
-	8.58%, Housing Development Finance Corporation Limited (18-03-2022)	256.6	-
-	7.16%, Government Securities (20-05-2023)	52.6	-
-	8.55%, Cholamandalam Investment and Finance Company Limited (13-11-2026)	2.0	-
-	7.26%,Government Securities (14-01-2029)	262.2	-
-	8.85%,HDB Financial Services Limited (07-06-2029)	96.4	-
-	8.30%, Rural Electrification Corporation Limited (25-06-2029)	6.3	-
-	7.35%, Indian Railway Finance Corporation Limited (22-03-2031)	91.9	-
-	10.50%,INDUSIND Bank Limited (28-03-2099)	1.0	-
-	8.85%,HDFC Bank Limited (12-05-2099)	97.5	-
-	8.65%, Bank of Baroda (11-08-2099)	131.9	-
-	8.50%,State Bank of India (22-11-2099)	290.2	-
-	8.70%, Bank of Baroda (28-11-2099)	38.7	-
-	8.49%, Housing Development Finance Corporation Limited (27-04-2020)	-	501.1
-	7.50%, Housing Development Finance Corporation Limited (07-07-2020)	-	495.3
-	8.80 % LIC Housing Finance Limited (24-12-2020)	-	504.3
-	8.30 % LIC Housing Finance Limited (15-07-2021)	-	100.1
-	8.41 % Housing and Urban Development Corporation Limited (15-03-2029)	-	76.0
-	8.30%, Indian Railway Finance Corporation Limited (25-03-2029)	-	100.9
-	8.75 % Axis Bank (14-12-2099)	-	2.9
		1,327.3	**1,780.6**
(c)	Commercial paper:		
-	National Bank for Agriculture and Rural Development (03-04-2020)	1,999.5	-
-	Kotak Mahindra Investment Limited (17-01-2020)	-	469.3
		1,999.5	**469.3**

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to consolidated financial statements for the year ended March 31, 2020

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(d)	Fixed Deposits:		
-	8.25%, Housing Development Finance Corporation Limited FD (03-06-2020)	500.0	-
-	8%, Housing Development Finance Corporation Limited FD (21-07-2020)	750.0	-
-	7.4% Bajaj Finance FD (25-03-2021)	500.0	-
		1,750.0	**-**
(iii)	Equity instruments		
-	IRB InvIT Fund-Equity	-	24.8
		-	**24.8**
	Total (A) - Gross	**8,351.1**	**2,563.1**
	Less: Impairment Loss Allowance	-	-
	Total (A) - Net	**8,351.1**	**2,563.1**

6. TRADE RECEIVABLES

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(a)	Considered good - Secured	349.8	3,997.1
(b)	Considered good - Unsecured	538.1	772.7
(c)	Receivables - credit impaired	158.0	149.6
	Less: Impairment loss allowance	(158.0)	(149.6)
	Total	**887.9**	**4,769.8**

No trade or other receivable are due from directors of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

7. LOANS

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(A)	**At amortised cost**		
	Term Loans :		
(i)	Margin trade funding	2,760.8	3,449.4
(ii)	ESOP funding	3,040.6	586.0
	Total (A) - Gross	**5,801.4**	**4,035.4**
	Less:Impairment loss allowance [refer note 42(a)]	(92.7)	(2.7)
	Total (A) - Net	**5,708.7**	**4,032.7**

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(₹ million)

		As at March 31, 2020	As at March 31, 2019
(I)	**Secured by :**		
(i)	Secured by tangible assets		
	- Collateral in the form of cash and securities in case of Margin trade funding	2,760.5	3,424.6
	- Shares under ESOP in case of ESOP funding	3,024.7	586.0
(ii)	Unsecured :		
	- in case of Margin trade funding	0.3	24.8
	- in case of ESOP funding	15.9	-
	Total (I) - Gross	**5,801.4**	**4,035.4**
	Less:Impairment loss allowance	(92.7)	(2.7)
	Total (I) - Net	**5,708.7**	**4,032.7**
(II)	**Loans in India**		
(i)	Margin trade funding & ESOP funding	5,801.4	4,035.4
	Total (II) - Gross	**5,801.4**	**4,035.4**
	Less:Impairment loss allowance	(92.7)	(2.7)
	Total (II) - Net	**5,708.7**	**4,032.7**
(B)	**At fair value through other comprehensive income**	-	-
(C)	**At fair value through profit or loss**	-	-
(D)	**At fair value designated at fair value through profit or loss**	-	-
	Total (A) + (B) + (C) + (D)	**5,708.7**	**4,032.7**

8. INVESTMENTS

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(A)	**At fair value through profit or loss**		
(i)	**Investments in India**		
	Equity instruments		
-	BSE Limited	3.4	7.0
-	Receivable Exchange of India Limited	19.2	18.8
-	Universal Trustees Private Limited	2.1	2.7
	Total - (A)	**24.7**	**28.5**
(B)	**At fair value through other comprehensive income**	-	-
(C)	**At amortised cost**	-	-
(D)	**At fair value designated at fair value through profit or loss**	-	-
	Total (A) + (B) + (C) + (D)	**24.7**	**28.5**

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9. OTHER FINANCIAL ASSETS

(₹ million)

	As at March 31, 2020	As at March 31, 2019
(i) Security deposits :		
Unsecured, considered good		
(a) Security deposit for leased premises and assets	195.5	199.7
(b) Security deposit with stock exchanges	35.1	65.4
(c) Other Security deposits	4.0	9.4
(d) Margin deposits with stock exchange	110.0	54.6
(e) Security deposit with related parties		
(a) ICICI Bank Limited	2.4	2.3
(b) ICICI Lombard General Insurance Company Limited	0.1	0.1
	347.1	**331.5**
(ii) Others :		
(a) Accrued income from services	286.8	358.4
(b) Accrued interest	133.9	96.3
(c) Others *	15.3	30.2
Less:Impairment loss allowance	(8.2)	-
	427.8	**484.9**
Total	**774.9**	**816.4**

**Others includes amounts due from ICICI Bank Ltd Nil (Previous year : ₹ 0.6 million) towards reimbursement of IPO expenses.*

10. CURRENT TAX ASSETS (NET)

(₹ million)

	As at March 31, 2020	As at March 31, 2019
Advance payment of income tax (net)		
[net of provision for tax of ₹ 17,333.4 million (March 31, 2019 : ₹ 12,642.9)]	1,502.8	1,306.5
Total	**1,502.8**	**1,306.5**

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11. PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS

(₹ million)

	PROPERTY, PLANT AND EQUIPMENT						OTHER INTANGIBLE ASSETS			
	Computers	Furniture and fixtures	Office equipment	Vehicles	Lease hold improvements	Total (A)	Computer Software	CMA membership right	Total (B)	TOTAL (A+B)
Gross Carrying amount (At Cost)										
Balance at April 1, 2018	113.7	14.9	40.7	61.4	98.1	**328.8**	98.8	0.0	**98.8**	**427.6**
Additions	87.9	3.1	12.3	16.4	6.0	**125.7**	101.0	1.6	**102.6**	**228.3**
Disposal / Adjustment *	21.0	0.3	8.1	26.3	1.8	**57.5**	26.5	-	**26.5**	**84.0**
Balance at March 31, 2019	**180.6**	**17.7**	**44.9**	**51.5**	**102.3**	**397.0**	**173.3**	**1.6**	**174.9**	**571.9**
Additions	74.1	4.8	5.8	19.5	12.1	**116.3**	76.3	-	**76.3**	**192.6**
Disposal / Adjustment *	4.6	4.2	8.5	13.2	38.4	**68.9**	(0.1)	(2.4)	**(2.5)**	**66.4**
Balance at March 31, 2020	**250.1**	**18.3**	**42.2**	**57.8**	**76.0**	**444.4**	**249.7**	**4.0**	**253.7**	**698.1**
Accumulated depreciation/ amortisation										
Balance at April 1, 2018	7.2	6.3	6.1	(0.0)	12.2	**31.8**	13.4	0.0	13.4	**45.2**
Depreciation for the year	42.8	5.9	17.2	21.6	17.3	**104.8**	44.7	-	**44.7**	**149.5**
Disposal / Adjustment *	16.4	(0.0)	1.1	15.5	1.4	**34.4**	25.8	(1.6)	**24.2**	**58.6**
Balance at March 31, 2019	**33.6**	**12.2**	**22.2**	**6.1**	**28.1**	**102.2**	**32.3**	**1.6**	**33.9**	**136.1**
Depreciation for the year	51.7	3.8	8.9	19.7	16.2	**100.3**	61.8	-	**61.8**	**162.1**
Disposal / Adjustment *	1.2	2.7	7.2	11.0	31.2	**53.3**	(0.2)	(2.4)	**(2.6)**	**50.7**
Balance at March 31, 2020	**84.1**	**13.3**	**23.9**	**14.8**	**13.1**	**149.2**	**94.3**	**4.0**	**98.3**	**247.5**
Carrying amounts (net)										
Balance at March 31, 2019	**147.0**	**5.5**	**22.7**	**45.4**	**74.2**	**294.8**	**141.0**	**(0.0)**	**141.0**	**435.8**
Balance at March 31, 2020	**166.0**	**5.0**	**18.3**	**43.0**	**62.9**	**295.2**	**155.4**	**(0.0)**	**155.4**	**450.6**

Notes: (₹ in million)

*Balance at March 31, 2019 * Fixed assets sale / adjustments includes effect of foreign currency translation amounting to ₹ 2.5 million (March 31, 2018 ₹ 0.0 million).*

Balance at March 31, 2020 *Fixed assets sale / adjustments includes effect of foreign currency translation amounting to ₹ 0.3 million (March 31, 2019 ₹ 2.5 million).

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12. OTHER NON-FINANCIAL ASSETS

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(i)	Advances other than capital advances:		
	- Prepaid expenses	70.6	167.9
	- Advance to suppliers	100.0	93.9
	- Others	237.0	167.7
	Total	**407.6**	**429.5**

13. PAYABLES

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(I)	**Trade payables :**		
	(a) total outstanding dues of micro enterprises and small enterprises (Refer note 34 for details of dues to micro and small enterprises)	-	-
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	6,926.4	23,362.0
	Total	**6,926.4**	**23,362.0**

14. DEBT SECURITIES

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(A)	**At amortised cost**		
	Debt securities in India		
(i)	Commercial paper * (refer note 44)	14,975.3	4,473.0
	(repayable within one year)		
(B)	**At fair value through profit or loss**	-	-
(C)	**Designated at fair value through profit or loss**	-	-
	Total	**14,975.3**	**4,473.0**
	*** Note:**		
	Commercial paper (unsecured)		
	Amount oustanding	14,975.3	4,473.0
	Tenure	71 days to 90 days	59 days to 88 days
	Rate of interest	5.73% to 6.40%	7.58% to 7.75%
	Repayment schedule	At maturity	At maturity

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15. BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(A)	**At amortised cost**		
(i)	Secured loans		
	Bank overdraft	-	-
	(Secured against first charge on all receivables, book debts, cash flows and proceeds arising therefrom and a lien on fixed deposits including but not limited to the Group's cash in hand both present and future)		
		-	**-**

16. DEPOSITS

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(A)	**At amortised cost**		
(i)	From Others - Security Deposits	22.3	45.3
	Total	**22.3**	**45.3**

17. OTHER FINANCIAL LIABILITIES

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(i)	Margin money	2,681.8	2,283.5
(ii)	Unclaimed dividend	1.1	-
(iii)	Others	11.7	1.4
	Total	**2,694.6**	**2,284.9**

18. PROVISIONS

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(i)	Provision for employee benefits		
	(a) Provision for gratuity (Refer Note 40)	706.0	563.2
	(b) Provision for compensated absence (refer note 40)	122.7	100.4
	Total	**828.7**	**663.6**

19. OTHER NON-FINANCIAL LIABILITIES

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(a)	Revenue received in advance		
	- Income received in advance	264.6	81.3
(b)	Other advances		
	- Prepaid Brokerage	2,568.8	2,610.3
(c)	Other		
(i)	Statutory liabilities	710.5	556.9
(ii)	Employee related liabilities	1,761.3	2,019.1
(iii)	Other liabilities	5.9	18.3
		2,477.7	2,594.3
	Total	**5,311.1**	**5,285.9**

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20. SHARE CAPITAL

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(a)	**Authorised:**		
	400,000,000 equity shares of ₹ 5/- each (March 31, 2019 : 400,000,000 equity shares of ₹ 5/- each)	2,000.0	2,000.0
	5,000,000 preference shares of ₹ 100/- each (March 31, 2019 : 5,000,000 of preference shares of ₹ 100/- each)	500.0	500.0
		2,500.0	**2,500.0**
(b)	**Issued, subscribed and fully paid-up shares:**		
	322,141,400 equity shares of ₹ 5/- each, fully paid (March 31, 2019 : 322,141,400 equity shares of ₹ 5/- each, fully paid)	1,610.7	1,610.7
	Total issued, subscribed and fully paid-up share capital	**1,610.7**	**1,610.7**

(c) Reconciliation of the shares at the beginning and at the end of the reporting year

Equity shares	As at March 31, 2020		As at March 31, 2019	
	Nos	(₹ million)	Nos	(₹ million)
At the beginning of the year	322,141,400	1,610.7	322,141,400.0	1,610.7
Increase/ (decrease) during the year	-	-	-	-
Outstanding at the end of the year	**322,141,400**	**1,610.7**	322,141,400.0	1,610.7

(d) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

During the year ended March 31, 2020, the Company has paid a final dividend for the year ended March 31, 2019 of ₹ 5.7 per equity share as approved by its members at the Annual General Meeting held on August 2, 2019. The Board of Directors at its meeting held on October 22, 2019 had approved and paid an interim dividend of ₹ 4.25 per equity share. The Board has recommended a final dividend of ₹ 6.75 per equity share for FY2020.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(e) Pattern of shareholding

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Shareholder	As at March 31, 2020		As at March 31, 2019	
	Nos	% of Holding	Nos	% of Holding
ICICI Bank Limited (Parent)*	255,216,095	79.22%	255,216,095	79.22%
Total	**255,216,095**	**79.22%**	**255,216,095**	**79.22%**

**Including its nominees as at March 31, 2019*

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(f) There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment.

(g) There are no shares allotted as fully paid up by way of bonus shares or allotted as fully paid up pursuant to contract without payment being received in cash, or bought back during the period of five years immediately preceding the reporting date.

(h) **Capital management:**

The Group's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and short term debt. The Group is not subject to any externally imposed capital requirements.

21. OTHER EQUITY

(₹ million)

	As at March 31, 2020	As at March 31, 2019
(i) Reserves and surplus		
(a) Securities premium		
Opening balance	244.0	244.0
Add : Additions during the year (net)	-	-
Closing balance	**244.0**	**244.0**
(b) General reserve		
Opening balance	666.8	666.8
Add : Additions during the year (net)	-	-
Closing balance	**666.8**	**666.8**
(c) Equity-settled share-based payment reserve		
(refer note 37 for details on share based payment)		
Opening balance	4.1	-
Add : Additions during the year (net)	52.9	4.1
Closing balance	**57.0**	**4.1**
(d) Retained earnings		
Opening balance	7,613.3	5,683.0
Add: Other comprehensive income for the year	(59.1)	(25.9)
Add: Profit after tax for the year	5,420.0	4,907.3
	12,974.2	**10,564.4**
Less: Appropriations		
- Dividend on equity shares	3,205.8	2,447.8
- Dividend distribution tax on equity dividend	658.9	503.3
Closing balance	**9,109.5**	**7,613.3**

Notes

to consolidated financial statements for the year ended March 31, 2020

(₹ million)

		As at March 31, 2020	As at March 31, 2019
(ii)	Exchange difference on translating the financial statements of a foreign operation		
	Opening balance	67.8	67.3
	Add : Additions during the year (net)	-	0.5
	Closing balance	**67.8**	**67.8**
(iii)	Deemed equity contribution from the parent		
	(refer note 37 for details on share based payment)		
	Opening balance	266.0	205.3
	Add : Additions during the year (net)	73.6	60.7
	Closing balance	**339.6**	**266.0**
	Total	**10,484.7**	**8,862.0**

Nature and purpose of reserve

(A) Securities premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes such as issuance of bonus shares, writing off the preliminary expenses in accordance with the provisions of the Companies Act, 2013.

(B) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(C) Equity-settled share-based payment reserve

This reserve is created by debiting the statement of profit and loss account with the fair value of share options granted to the employees by the Company. On exercise of the options so granted, the reserve will move to share capital and securities premium and unvested portion if any, will be transferred to general reserve account.

(D) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. It also includes actuarial gains and losses on defined benefit plans recognised in other comprehensive income (net of taxes).

(E) Exchange difference on translating the financial statements of a foreign operation

Where the functional currency of the foreign operation is different from the functional currency of the reporting entity, the translation differences are accounted in the other comprehensive income and disclosed under Other Equity.

(F) Deemed equity contribution from the parent

This reserve is created by debiting the statement of profit and loss account with the fair value of share options granted to the employees by ICICI Bank Ltd ("parent"). This reserve is in the nature of an equity contribution by the parent in respect of options granted and not available for distribution to shareholders as dividend.

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to consolidated financial statements for the year ended March 31, 2020

22. INTEREST INCOME

(₹ million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) Interest income on financial assets measured at amortised cost :		
(i) Fixed deposits with Banks	1,087.0	969.9
(ii) Funding and late payments	970.5	769.6
(iii) Other deposits	0.2	0.2
(B) Interest income on financial assets measured at fair value through profit or loss :		
(i) Securities held for trade	292.3	52.3
(C) Interest income on financial assets measured at fair value through OCI :	-	-
Total	**2,350.0**	**1,792.0**

23. NET GAIN / (LOSS) ON FAIR VALUE CHANGES

(₹ million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
(i) Profit/(loss) on sale of derivatives held for trade (net)	(160.8)	73.0
(ii) Profit/(loss) on other securities held for trade	128.6	103.8
(B) Others		
- Profit/(loss) on sale of investments (net) at fair value through profit or loss	(3.9)	(10.8)
(C) Total net gain/(loss) on fair value changes	**(36.1)**	**166.0**
(D) Fair value changes:		
- Realised	118.9	161.4
- Unrealised	(155.0)	4.6
Total	**(36.1)**	**166.0**

24. OTHER INCOME

(₹ million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Net gain on foreign currency transaction and translation	21.7	17.4
(ii) Interest on income tax refund	147.5	207.1
(iii) Income from sub-lease	18.0	-
Total	**187.2**	**224.5**

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to consolidated financial statements for the year ended March 31, 2020

25. FINANCE COSTS

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(A)	**Net gain/ (loss) on financial liabilities measured at fair value through profit or loss**	-	-
(B)	**On financial liabilities measured at amortised cost :**		
(a)	Interest on borrowings	3.6	-
(b)	Interest on lease liabilities	141.4	-
(c)	Interest on debt securities	703.8	412.6
(d)	Other borrowing cost	15.1	10.8
	Total	**863.9**	**423.4**

26. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(A)	**On financial instruments measured at fair value through OCI:**	-	-
(B)	**On financial instruments measured at amortised cost:**		
(a)	Loans	90.0	(1.9)
(b)	Others		
	- On trade receivables	8.5	28.8
	- On accrued interest	8.2	-
	Total	**106.7**	**26.9**

27. OPERATING EXPENSES

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Bad and doubtful debts	0.2	22.3
(b)	Transaction charges	125.2	104.4
(c)	Turnover fees and stamp duty	43.6	38.1
(d)	Custodial and depository charges	121.7	342.3
(e)	Call centre charges	100.2	122.0
(f)	Franking charges	164.8	152.5
(g)	Scanning expenses	39.7	25.4
(h)	Customer loss compensation	(29.4)	5.4
(i)	Other operating expenses	20.8	38.5
	Total	**586.8**	**850.9**

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to consolidated financial statements for the year ended March 31, 2020

28. EMPLOYEE BENEFITS EXPENSES

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Salaries and wages	4,647.2	4,930.7
(b)	Contribution to gratuity / provident and other funds (refer note 40)	317.1	280.4
(c)	Share based payments to employees (refer note 37)	126.5	64.8
(d)	Staff welfare expenses	246.9	269.0
	Total	**5,337.7**	**5,544.9**

29. OTHER EXPENSES

(₹ million)

		For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Rent and amenities	137.7	670.6
(b)	Insurance	3.5	4.4
(c)	Travelling and conveyance expenses	196.3	253.8
(d)	Business promotion expenses	87.6	97.3
(e)	Repairs, maintenance, upkeep and others	426.3	433.9
(f)	Rates and taxes	27.5	52.2
(g)	Electricity expenses	83.9	77.5
(h)	Communication expenses	171.6	168.8
(i)	Net loss on derecognition of property, plant and equipment	8.1	4.6
(j)	Advertisement and publicity	100.6	83.4
(k)	Printing and stationery	26.1	33.0
(l)	Subscription and periodicals	95.2	98.2
(m)	Legal and professional charges	121.0	120.0
(n)	Director's fees, allowances and expenses	9.4	6.5
(o)	Auditor's fees and expenses	18.1	12.6
(p)	Corporate Social Responsibility (CSR) expenses	144.4	118.4
(q)	Recruitment expenses	22.2	27.8
(r)	Royalty expenses	49.1	55.8
(s)	Miscellaneous Expenses	9.3	8.5
	Total	**1,737.9**	**2,327.3**

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to consolidated financial statements for the year ended March 31, 2020

30. EARNINGS PER SHARE

The computation of basic and diluted earnings per share is given below:

(₹ million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net profit after tax (₹ million) (A)	5,420.0	4,907.3
Weighted average number of equity shares outstanding for basic EPS (in million) (B)	322.1	322.1
Basic earnings per share for continuing operations (₹) (A) / (B)	16.83	15.23
Add: Weighted average number of potential equity shares on account of employee stock options (in millions) (C)	0.3	0.1
Weighted average number of equity shares outstanding for diluted EPS (in million) (D) = (B)+(C)	322.4	322.2
Diluted earnings per share for continuing operations (₹) (A) / (D)	16.81	15.23
Nominal value per share (₹)	5.00	5.00

31. RELATED PARTY DISCLOSURES

As per Indian Accounting Standard on related party disclosures (Ind AS 24), the names of the related parties of the Group are as follows:

A. Related party where control exists irrespective whether transactions have occurred or not

Holding Company : ICICI Bank Limited

B. Other related parties where transactions have occurred during the year

a. Fellow Subsidiaries:

ICICI Securities Primary Dealership Limited; ICICI Prudential Life Insurance Company Limited; ICICI Lombard General Insurance Company Limited; ICICI Prudential Asset Management Company Limited; ICICI Home Finance Company Limited; ICICI Venture Funds Management Company Limited.

b. Post-employment benefit plan - ICICI Securities Employees Group Gratuity Fund

c. Key Management Personnel of the Group

i) Vinod Kumar Dhall – Chairman & Independent Director
ii) Ashvin Parekh – Independent Director
iii) Subrata Mukherji – Independent Director
iv) Vijayalakshmi Iyer – Independent Director
v) Anup Bagchi – Non Executive Director
vi) Pramod Rao – Non Executive Director
vii) Vijay Chandok – Managing Director and CEO (w.e.f May 7, 2019)
viii) Shilpa Kumar – Managing Director and CEO (till May 6, 2019)
ix) Ajay Saraf – Executive Director

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d. Key Management Personnel of Parent

i)	Sandeep Bakhshi	– Managing Director and CEO of ICICI Bank Limited
ii)	Vijay Chandok	– Executive Director of ICICI Bank Limited (till May 6, 2019)
iii)	Anup Bagchi	– Executive Director of ICICI Bank Limited
iv)	Uday Chitale	– Independent Director of ICICI Bank Limited
v)	Subramanian Madhavan	– Independent Director of ICICI Bank Limited
vi)	Vishakha Mulye	– Executive Director of ICICI Bank Limited
vii)	Girish Chandra Chaturvedi	– Non-Executive (part-time) Chairman of ICICI Bank Limited

e. Relatives of Key Management Personnel

i)	Sarika Saraf	– Spouse of Mr. Ajay Saraf
ii)	Ayuj Saraf	– Son of Mr. Ajay Saraf
iii)	Prafulla Shirgaokar	– Father of Ms. Shilpa Kumar
iv)	Animesh Bagchi	– Father of Mr. Anup Bagchi
v)	Shishir Bagchi	– Brother of Mr. Anup Bagchi
vi)	Vignesh Mulye	– Son of Ms. Vishakha Mulye
vii)	Vivek Mulye	– Spouse of Ms. Vishakha Mulye
viii)	Ashvin Pradhan	– Son-in-law of Mr. Sandeep Bakhshi
ix)	Shivam Bakhshi	– Son of Mr. Sandeep Bakhshi
x)	Mona Bakshi	– Spouse of Mr. Sandeep Bakhshi
xi)	Minal Bakshi	– Daughter of Mr. Sandeep Bakhshi
xii)	Esha Bakshi	– Daughter of Mr. Sandeep Bakhshi
xiii)	Neena Kumar	– Sister of Mr. Lalit Kumar Chandel
xiv)	Rajani Chaturvedi	– Spouse of Mr. Girish Chandra Chaturvedi

f. Entity controlled or jointly controlled by KMP of ICICI Bank Limited: ICICI Foundation for Inclusive Growth

The following transactions were carried out with the related parties in the ordinary course of business.

Income and Expense items:
(For the year ended)

(₹ million)

Nature of Transaction	Holding Company		Fellow Subsidiary Companies	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Income from services and brokerage (commission and fees)	109.8	254.3	-	-
ICICI Home Finance Company Limited	-	-	20.2	9.6
ICICI Prudential Life Insurance Company Limited	-	-	525.1	549.9
ICICI Securities Primary Dealership Limited	-	-	3.2	3.6
ICICI Lombard General Insurance Company Limited	-	-	9.1	10.8
ICICI Prudential Asset Management Company Limited	-	-	116.3	142.2
ICICI Venture Funds Management Company Limited	-	-	17.7	0.5

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to consolidated financial statements for the year ended March 31, 2020

(₹ million)

Nature of Transaction	Holding Company		Fellow Subsidiary Companies	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Interest income	95.5	107.9	-	-
Staff expenses	12.3	25.1	-	-
ICICI Securities Primary Dealership Limited	-	-	(0.4)	(0.4)
ICICI Prudential Life Insurance Company Limited [1]	-	-	3.5	0.7
ICICI Lombard General Insurance Company Limited [2]	-	-	106.5	94.5
ICICI Prudential Asset Management Company Limited	-	-	-	3.9
Operating expenses	334.8	469.3	-	-
Other expenses	262.6	249.7	-	-
ICICI Lombard General Insurance Company Limited	-	-	1.8	3.0
ICICI Securities Primary Dealership Limited	-	-	1.9	1.5
ICICI Prudential Life Insurance Company Limited	-	-	2.0	1.9
ICICI Venture Funds Management Company Limited	-	-	0.0	-
Finance cost [3]	12.3	2.4	-	-
Dividend paid	2,539.4[4]	1,939.6	-	-
Purchase of bond	680.1	-	-	-
ICICI Securities Primary Dealership Limited	-	-	972.7	-
Sale of bond	311.4	-	-	-
ICICI Securities Primary Dealership Limited	-	-	-	250.6

[1] Excludes an amount of Nil (March 31, 2019: ₹ 4.1 million), received as premium by ICICI Prudential Life Insurance Company Limited from customers of the Group under the Company Insurance Policy. The premium is paid by the customers directly to ICICI Prudential Life Insurance Company Limited.

Also excludes an amount of ₹ 0.6 million (March 31, 2019: Nil) as claims paid directly by ICICI Prudential Life Insurance Company Limited pertaining to the employees of the Company.

[2] Excludes an amount of ₹ 31.4 million (March 31, 2019: ₹ 34.4 million) received towards reimbursement of claims submitted by the employees under Company health insurance policy.

[3] The Company has a credit facility of ₹ 6,000.0 million (March 31, 2019: ₹ 5,900.0 million) from ICICI Bank Limited. The balance outstanding as on March 31, 2020 is Nil (March 31, 2019: Nil).

[4] Includes final dividend for Financial year 2019 and interim dividend for Financial Year 2020.

The Group has contributed ₹ 25.0 million (March 31, 2019: ₹ 35.0 million) to ICICI Securities Company Gratuity Fund during the year.

The Company has contributed ₹ 109.1 million (March 31, 2019: ₹ 88.8 million) to ICICI Foundation for contribution towards CSR.

Notes

to consolidated financial statements for the year ended March 31, 2020

Balance Sheet Items:
(Outstanding as on)

(₹ million)

Nature of Transaction	Holding Company		Fellow Subsidiary Companies	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Share capital	1,276.1	1,276.1	-	-
Payables	263.4	113.6	-	-
ICICI Lombard General Insurance Company Limited	-	-	0.2	0.6
ICICI Prudential Life Insurance Company Limited	-		0.0	0.4
ICICI Securities Primary Dealership Limited	-	-	1.0	-
ICICI Venture Funds Management Company Limited	-	-	0.0	-
Other liabilities	40.6	-	-	-
Fixed assets purchases	4.6	0.8	-	-
Fixed assets sold	0.7	-	-	-
Fixed deposits (₹ 2.5 kept as collateral security towards bank guarantees. (Previous year ₹ 374.2))	1,148.4	1,492.9	-	-
Accrued interest Income	44.8	64.0	-	-
Bank balance (Net of current liabilities of ₹ 0.0 (Previous year ₹ 0.8))	2,291.5	18,226.0	-	-
Deposit	2.4	2.3	-	-
ICICI Lombard General Insurance Company Limited	-		0.1	0.1
Loans & advances (including prepaid expenses)	3.5	0.6	-	
ICICI Lombard General Insurance Company Limited	-	-	2.7	3.7
ICICI Prudential Life Insurance Company Limited	-	-	2.4	2.8
ICICI Securities Primary Dealership Limited	-	-	0.2	0.1
Other assets	39.2	0.6	-	-
Receivables	-	-	-	-
ICICI Prudential Life Insurance Company Limited	-	-	18.6	72.3
ICICI Lombard General Insurance Company Limited	-	-	0.6	0.5
ICICI Prudential Asset Management Company Limited	-	-	39.5	10.1
ICICI Home Finance Company Limited	-	-	2.1	3.9
ICICI Securities Primary Dealership Limited	-	-	1.7	3.7
ICICI Venture Funds Management Company Limited	-	-	-	0.6
Accrued income	4.7	13.1	-	-

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to consolidated financial statements for the year ended March 31, 2020

(₹ million)

Nature of Transaction	Holding Company		Fellow Subsidiary Companies	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
ICICI Lombard General Insurance Company Limited	-	-	0.4	0.5
ICICI Prudential Asset Management Company Limited	-	-	12.7	34.5
ICICI Home Finance Company Limited	-	-	0.3	0.8
ICICI Venture Funds Management Company Limited	-	-	17.7	-

Key Management Personnel

The details of compensation paid for the year ended March 31, 2020 as below –

(₹ million)

Particulars	Vijay Chandok		Shilpa Kumar		Ajay Saraf		Anup Bagchi	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Short-term employee benefits	42.0	-	15.6	40.2	34.7	31.3	1.5	3.2
Post-employment benefits*	6.7	-	0.2	2.6	2.1	2.0	-	-
Total	**48.7**	**-**	**15.8**	**42.8**	**36.8**	**33.3**	**1.5**	**3.2**

**As the liabilities for gratuity and leave compensation are provided on an actuarial basis for the Group as a whole, the amounts pertaining to the key management personnel is not included above.*

The compensation paid includes bonus paid, long term incentives paid and contribution to provident fund.

The Directors have received share options of ICICI Bank Limited and ICICI Securities Limited. The cost of the options granted to the Directors for the year ended March 31, 2020 is ₹ 96.8 million (March 31, 2019: ₹ 53.0 million)

The Group has paid ₹ 1.0 million (March 31, 2019: ₹ 0.5 million) to the relative of director towards scholarship under employee benefit policy. Also the Group has received brokerage amounting to ₹ 1.4 million (March 31, 2019: ₹ 2.1 million) from the key management personnel and ₹ 0.2 million (March 31, 2019: ₹ 0.1 million) from relatives of the key management personnel.

During the year ended March 31, 2020, the Company paid dividend amounting to ₹ 0.1 million (March 31, 2019: ₹ 0.2 million) to its KMPs and their relatives who are shareholders.

During the year ended March 31, 2020, the Company has paid ₹ 4.4 million (March 31, 2019: ₹ 3.5 million) sitting fees to the Directors of the Company. The Company also provided for commission for Financial Year 2020 amounting to ₹ 4.0 million (March 31, 2019: ₹ 3.0 million) to the Independent Directors of the Company.

32. CONTINGENT LIABILITIES

A. Contingent Liabilities shall be classified as (to the extent not provided for):

(₹ million)

	As at March 31, 2020	As at March 31, 2019
a) Claims against the Group not acknowledged as debt :	3.3	-
b) In respect of Tax matters:		
- Disputed direct tax matters under appeal	658.8	960.6
- Disputed indirect tax matters under appeal	624.4	484.0

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to consolidated financial statements for the year ended March 31, 2020

B. There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. The Group will continue to assess any further developments in this matter for the implications on financial statements, if any.

Note:

i. It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.

ii. The Group's pending litigations comprise of claims against the Group pertaining to proceedings pending with Income Tax, Sales tax/VAT, Service tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

iii. The Group does not expect any reimbursements in respect of the above contingent liabilities.

33. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 44.1 million (March 31, 2019: ₹ 45.8 million).

34. MICRO, SMALL AND MEDIUM ENTERPRISES

There are no micro, small and medium enterprises, to which Group owes dues, as at March 31, 2020. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) that has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

Particulars	As at March 31, 2020	As at March 31, 2019
The amounts remaining unpaid to any supplier at the end of the year:		
1. Principal amount	-	-
2. Interest amount	-	-
The amounts of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

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to consolidated financial statements for the year ended March 31, 2020

35. LEASE

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group's lease asset classes primarily consist of leases for premises and leasehold improvements. The Group assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases (underlying asset of less than ₹ 1,50,000). For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company has recognised ₹ 26.6 million towards short term lease and ₹ 4.4 million towards low value assets during the year ended March 31, 2020.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any prepaid lease plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rate of the Group. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Group changes its assessment on whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments of ₹ 483.3 million have been classified as financing cash flows.

Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis over the lease term. The Group has recognised ₹ 18.0 million towards income from sub-lease.

Transition

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and right of use asset equal to lease liability adjusted by the prepaid rent component. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

The weighted average incremental borrowing rate of 7.94% determined by calculating the expense of each quarter on the opening liability for the respective quarter, has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

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The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Group has chosen to apply the practical expedient as per the standard.

The following is the summary of practical expedients elected on initial application:

1. Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
2. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17. Therefore, contracts that were not identified as lease under Ind AS 17 were not re-assessed.
4. Used a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment).
5. Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The details of Right to use Asset of the Group are as follows:

(₹ million)

Asset Class	Carrying values		
	Premises	Leasehold improvements	Total
Balance as of April 1, 2019	1,917.5	67.0	1,984.5
Reclassified on account of adoption of Ind AS 116	65.0	2.2	67.2
Additions during the period	170.1	-	170.1
Deductions during the period	240.8	-	240.8
Less: Depreciation	425.1	26.8	451.9
Total	**1,486.7**	**42.4**	**1,529.1**

Following is the movement in lease liabilities for the year:

(₹ million)

	For the year ended March 31, 2020		
	Leasehold Property	Leasehold improvements	Total
Balance as of April 1, 2019	1,917.5	67.0	1,984.5
Additions during the period	170.9	-	170.9
Deductions during the period	238.9	-	238.9
Interest Expense	136.9	4.3	141.2
Less: Lease Payments	454.9	28.4	483.3
Total	**1,531.5**	**42.9**	**1,574.4**

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36. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(₹ million)

Particulars	April 1, 2019	Cash flows	Changes in fair values	Others*	March 31, 2020
Debt securities	4,473.0	10,421.1	-	81.2	14,975.3

Particulars	April 1, 2018	Cash flows	Changes in fair values	Others*	March 31, 2019
Debt securities	6,724.2	(2,263.5)	-	12.3	4,473.0

**Includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.*

37. SHARE BASED PAYMENTS

A. Employees Stock Option Scheme, 2017 (ESOS- 2017)

The Group has formulated the ICICI Securities Limited - Employees Stock Option Scheme, 2017 (ESOS- 2017). This scheme envisaged grant of share options to eligible employees to enhance employee motivation, to enable employees to participate in the long term growth and financial success of the Group and to act as a retention mechanism, by enabling employee participation in the business as an active stakeholder to usher in an 'owner-manager' culture.

The Members of the Group had, at the Extra-ordinary General Meeting held on December 8, 2017, approved the ICICI Securities Limited - Employees Stock Option Scheme, 2017 (ESOS- 2017) Scheme. Pursuant to Regulation 12 of the SEBI Regulations, the Group could not make any fresh grant which involved allotment or transfer of shares to its employees under any scheme formulated prior to its initial public offer and listing of its equity shares, unless such scheme is ratified by the shareholders of the Group. The equity shares of the Group were listed on National Stock Exchange of India Limited and BSE Limited with effect from April 4, 2018 and accordingly, the Scheme alongwith some amendments, was ratified by the shareholders of the Group at the Annual General Meeting held on August 30, 2018. The amendments were done to align the Scheme to ICICI Group norms and market practice. No grants had been made under the Scheme before its ratification.

The scheme is compliant with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014, options are granted by the Board Governance, Remuneration & Nomination Committee (BGRNC) and approved by the Board.

Eligibility as defined in the scheme "ESOS – 2017" means (i) permanent employee of the Group who has been working in India or outside India, or (ii) a director of the Group whether a whole time director or not but excluding an independent director, or (iii) employees of the Subsidiaries of the Group (the 'Subsidiaries'), or (iv) employees of the Holding Group of the Group (the 'Holding Group'). Under this scheme, the maximum number of options granted to any eligible employee/director in a financial year shall not, except with the approval of the Board of Directors of ICICI Securities Limited, exceed 0.10% of the issued shares of the Group 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 Group, from time to time, on the date(s) of grant of option(s). The options granted but not vested and the options vested but not exercised in accordance with this Scheme or the Award Confirmation or the Vesting Confirmation shall terminate and the shares covered by such terminated options shall become available for future grant under this Scheme. The options granted represents an European call option that provides a right but not an obligation to the employees of the group to exercise the option by paying the strike price at any time on completion of the vesting period, subject to an outer boundary on the exercise period.

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Details in respect of options granted to its eligible employees is as follows:

Scheme	Year	Date of Grant	Number of options granted	Vesting Conditions	Exercise Period	Exercise Price (₹) per share
ESOS -2017	2019	October 19, 2018	1,76,700	30% of the options would vest on October 19, 2019, 30% of the options would vest on October 19, 2020 and the balance 40% of the options would vest on October 19, 2021.	5 years from date of vesting.	256.55
ESOS -2017	2020	April 23, 2019	11,52,600	30% of the options would vest on April 23, 2020, 30% of the options would vest on April 23, 2021 and the balance 40% of the options would vest on April 23, 2022.	5 years from date of vesting.	221.45

The activity in the stock option plan is summarised below:

Scheme	Year	Outstanding at the beginning of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Outstanding at the end of the year	Exercisable at the end of the year
ESOS -2017	FY 2020	176,700	11,52,600	Nil	Nil	Nil	13,29,300	53,010
ESOS -2017	FY 2019	Nil	176,700	Nil	Nil	Nil	176,700	Nil

The fair value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with the Black-Scholes options pricing model. The fair value of the options granted in Financial Year 2020 is ₹ 72.32 (Financial Year 2019 is ₹ 90.08).

	Year ended March 31, 2020	Year ended March 31, 2019
Risk free interest rate	7.00% to 7.27%	7.74% to 7.89%
Expected life of options	3.51 to 5.51 years	3.51 to 5.51 years
Expected volatility	42.64% to 43.44%	41.94% to 43.71%
Expected dividend yield	4.24%	3.66%

The period for volatility has to be adequate to represent a consistent trend in price movements. The Company was listed on April 4, 2018. Hence, due to insufficiency of data, the Company has considered market prices of peer companies for calculating volatility.

During the year, ₹ 39.0 million was charged to the profit and loss account in respect of equity-settled share-based payment transactions (March 2019: ₹ 4.1 million).

B. ICICI Bank Employee Stock Option Scheme

During the year, ₹ 87.5 million was charged to the profit and loss account in respect of equity-settled share-based payment transactions (March 2019: ₹ 60.7 million). This expense, which was computed from the fair values of the share-based payment transactions when granted, arose under employee share options made in accordance with the reward structure of ICICI Bank Limited.

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The details of the options granted to eligible employees of the Group by ICICI Bank Limited are as follows:

In terms of the ESOS of the Parent Bank, the options are granted to eligible employees and Directors of the Bank and its subsidiaries. As per the ESOS, as amended, the maximum number of options granted to any eligible employees/Directors in a financial year shall not exceed 0.05% of the Parent Bank's issued equity shares at the time of the grant of the options and aggregate of all such options shall not exceed 10% of the aggregate number of the Parent Bank's issued equity shares on the date(s) of the grant of options in line with SEBI Regulations.

Options granted prior to March 2014, vested in a graded manner over a four-year period with 20%, 20%, 30% and 30% of the grants vesting in each year, commencing from the end of 12 months from the date of grant. Options granted after March 2014, vest in a graded manner over a three-year period with 30%, 30% and 40% of the grant vesting in each year, commencing from the end of 12 months from the date of grant.

In April 2016, the Parent bank modified the exercise period from 10 years from the date of grant or five years from the date of vesting, whichever is later, to 10 years from the date of vesting of options. In June 2017, the exercise period was further modified by the Parent Bank to not exceed 10 years from the date of vesting of options as may be determined by the Board Governance, Remuneration & Nomination Committee of the Parent Bank to be applicable for future grants. In May 2018, exercise period was further modified by the Parent Bank to not exceed 5 years from the date of vesting of options as may be determined by the Board Governance, Remuneration & Nomination Committee of the Parent Bank to be applicable for future grants.

38. SEGMENT INFORMATION

The Group is presenting consolidated financial statements and hence in accordance with Indian Accounting Standard 108 – Segment Reporting, segment information is disclosed in the consolidated financial statements

(a) Description of segment and principal activities

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's business is organised into three segments as mentioned below. Segments have been identified and reported taking into account the nature of services, the differing risks and returns and internal financial reporting. The Group has determined the following reporting segments based on information reviewed by the Chief Operating Decision Maker (CODM). The Managing Director and Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Chief Operating Decision-Maker.

Identified business Segments	The business segments comprises
Investment & Trading	Income from treasury, investment income
Broking & Commission	Broking and other related activities, Distribution of third party products like Mutual Fund, Life Insurance, etc. and sales credit for referred business and interest earned on our funds used in brokerage business
Advisory Services	Financial advisory services such as equity-debt issue management services, merger and acquisition advice and other related activities.

Broking and other related activities, distribution of third party products like Mutual Fund, Life Insurance, etc. and sales credit for referred business and interest earned on our funds used in brokerage business are aggregated into one reportable segment being agency nature of business under "Broking & Commission" in accordance with aggregation criteria. Aggregation is done due to the similarities of the products and services provided to the customers, similarities in method used to provide services and regulatory environment.

The Accounting principles and policies adopted in the preparation of the financial statements are also consistently applied to record income/ expenditure and assets/ liabilities in individual segments.

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Revenue and expenses directly attributable to segments are reported under each reportable operating segment. Certain revenue and expenses, which form component of total revenue and expenses, are not identifiable to specific reporting segments as the underlying resources are used interchangeably, have been allocated on the reasonable basis to respective segment. Revenue and expenses, which relate to Group as a whole and are not allocable on reasonable basis, have been disclosed under "Unallocated expenses/income". Similarly, assets and liabilities in relation to segments are categorised based on items that are individually identifiable to specific reporting segments. Certain assets and liabilities, which form component of total assets and liabilities, are not identifiable to specific reporting segments as the underlying resources are used interchangeably, have been allocated on the reasonable basis to respective segment. Assets and liabilities, which relate to Group as a whole and are not allocable on reasonable basis, have been disclosed under "Unallocated assets/liabilities".

(b) Details of operating segments

Following are the disclosures for the three identified segments

(For the year ended)

(₹ million)

Particulars	Investment & trading		Broking & commission		Advisory services		Unallocated		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1. Segment Revenue	398.5	265.1	15,939.5	15,807.4	763.9	990.6	147.5	207.1	17,249.4	17,270.2
• Inter Segment Revenue	-	-		-	-	-	-	-	-	-
2. Segment Results	(149.6)	136.7	7,354.8	6,976.0	176.6	252.5	147.5	207.1	7,529.3	7,572.3
Segment results before income tax include										
• Interest revenue	395.5	128.1	1,954.5	1,663.9	-	-	-	-	2,350.0	1,792.0
• Interest expense	297.8	71.3	549.2	341.3	1.8	-	-	-	848.8	412.6
• Depreciation and amortisation	1.8	0.4	589.5	144.4	22.7	4.7	-	-	614.0	149.5
Other material non-cash items - Impairment losses on non-financial assets - Reversal of impairment losses on non-financial assets	-	-	-	-	-	-	-	-	-	-
3. Income Tax expenses (net of deferred tax credit)	-	-	-	-	-	-	2,109.3	2,665.0	2,109.3	2,665.0
4. Net profit after tax (2-3)	-	-	-	-	-	-	-	-	5,420.0	4,907.3

(₹ million)

Particulars	Investment & trading		Broking & commission		Advisory services		Unallocated		Total	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	March 31, 2019	As at March 31, 2020	March 31, 2019
5 Segment Assets	6,527.2	3,665.4	35,598.5	40,703.1	204.2	233.4	2,098.3	2,044.0	44,428.2	46,645.9
6. Segment Liabilities	2,582.0	2,541.8	29,239.2	32,996.9	511.6	593.0	-	41.5	32,332.8	36,173.2
7. Cost of Acquisition of segment assets	0.8	2.1	182.8	226.1	8.9	0.1	-	-	192.5	228.3

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a. Additional information by Geographies

Although the group's operations are managed by products and services, we provide additional information based on geographies.

(₹ million)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue by Geographical Market		
India	16,088.0	16,148.0
Outside India	1,161.4	1,122.2
Total	**17,249.4**	**17,270.2**

	As at March 31, 2020	As at March 31, 2019
Carrying Amount of Segment Assets		
India	3,828.8	1,872.2
Outside India	1.7	2.1
Total	**3,830.5**	**1,874.3**

(b) Revenue from major customers

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of group's total revenue revenues from transactions with any single external customer for the year ended March 31, 2020 and March 31, 2019.

39. INCOME TAXES

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the period ended September 30, 2019 and re-measured its Deferred Tax Assets. The full impact of this change arising out of revaluation of Deferred Tax Assets as at March 31, 2019, aggregating to ₹ 201.4 million has been recognised in the quarter and period ended September 30, 2019.

A. The major components of income tax expense for the year are as under:

(₹ million)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Current tax		
In respect of current year	1,961.5	2,722.2
In respect of changes in estimates of previous year	(0.5)	-
Total (A)	**1,961.0**	**2,722.2**
Deferred Tax		
Origination and reversal of temporary differences	(42.5)	(51.0)
Impact of change in tax rate	190.8	(6.2)
Total (B)	**148.3**	**(57.2)**
Income Tax recognised in the statement of Profit and Loss (A+B)	**2,109.3**	**2,665.0**
Income tax expenses recognised in OCI		
Re-measurement of defined employee benefit plans	(63.8)	(40.2)
Income tax relating to items that will not be classified to profit or loss	4.7	14.3
Total	**(59.1)**	**(25.9)**

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B. Reconciliation of tax expenses and the accounting profit for the year is as under:

(₹ million)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Profit before tax	**7,529.3**	**7,572.3**
Enacted tax rate in India	25.17%	34.944%
Income tax expenses calculated (Refer Note below)	1,895.1	2,646.1
Decrease / Increase in tax rate	190.8	(6.2)
Tax effect of non-deductible expenses	36.8	51.2
Effect of income that is exempt	(0.1)	(1.7)
Effect on different tax rates in the components	(13.3)	(24.4)
Total tax expenses as per profit and loss	**2,109.3**	**2,665.0**

The effective income tax rate for the year ended March 31, 2020 is 28.01% (March 31, 2019 is 35.19%)

The applicable Indian corporate statutory tax rate for the year ended March 31, 2020 and March 31, 2019 is 25.17% and 34.944% respectively. The decrease in corporate statutory tax rate to 25.17% is consequent to changes made in the Taxation Laws (Amendment) Ordinance, 2019. Amount reflecting in the foreign jurisdiction represents state and city taxes paid by the company. In case of foreign subsidiaries, current year's profit has been set off against brought forward losses and hence there is no federal tax expense for year under consideration.

C. Movement of deferred tax assets and liabilities

As at March 31, 2020

(₹ million)

Movement during the year ended March 31, 2020	As at April 1, 2019	Credit/ (charge) in the Statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	Exchange difference	As at March 31, 2020
Property, Plant and Equipment and Intangible assets	56.9	(18.2)	-	-	38.7
Provision for expected credit losses	56.4	10.3	-	-	66.7
Employee benefits obligations	400.8	(106.0)	-	-	294.8
Fair value gain/(loss) on investments	(2.4)	1.9	-	-	(0.5)
Provision for post-retirement benefit	196.8	(23.9)	4.7	-	177.6
Other temporary differences	11.6	(11.8)	-	-	(0.2)
Unused tax losses of Subsidiary	17.4	(0.6)	-	1.6	18.4
Net deferred tax assets/ (liabilities)	**737.5**	**(148.3)**	**4.7**	**1.6**	**595.5**

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As at March 31, 2019

(₹ million)

Movement during the year ended March 31, 2019	As at April 1, 2018	Credit/ (charge) in the Statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	Exchange difference	As at March 31, 2019
Property, Plant and Equipment and Intangible assets	58.6	(1.7)	-	-	56.9
Provision for expected credit losses	46.5	9.9	-	-	56.4
Employee benefits obligations	385.6	15.2	-	-	400.8
Fair value gain/(loss) on investments	(3.6)	1.2	-	-	(2.4)
Provision for post-retirement benefit	161.5	21.0	14.3	-	196.8
Other temporary differences	17.5	(5.9)	-	-	11.6
Unused tax losses of Subsidiary	-	17.5	-	(0.1)	17.4
Net deferred tax assets/ (liabilities)	**666.1**	**57.2**	**14.3**	**(0.1)**	**737.5**

D. The Group has the following unused tax losses for which no deferred tax asset has been recognised in the Balance Sheet.

(₹ million)

Particulars	Financial Year	As at March 31, 2020	Expiry Date	As at March 31, 2019	Expiry Date
Business Loss	2007-2008	112.9	March 31, 2028	115.8	March 31, 2028
Business Loss	2008-2009	222.7	March 31, 2029	203.5	March 31, 2029
Business Loss	2009-2010	51.9	March 31, 2030	47.4	March 31, 2030
Business Loss	2010-2011	44.7	March 31, 2031	40.9	March 31, 2031
Business Loss	2012-2013	59.0	March 31, 2033	53.9	March 31, 2033
Capital Loss	2012-2013	0.7*	March 31, 2021	0.7*	March 31, 2021
Business Loss	2016-2017	24.2	March 31, 2037	22.1	March 31, 2037
Capital Loss	2017-2018	67.8*	March 31, 2026	67.8*	March 31, 2026
TOTAL		**583.9**		**552.1**	

Note: - The increase in business loss for FY 2008-09 and subsequent years is due to increase in closing exchange rate in March 2020 as compared to March 2019.

** ₹ 0.7 and ₹ 67.8 are capital losses as per Indian Income Tax Act. Rest all the losses are as per US Federal Tax Law which can be carried forward for 20 years.*

40. EMPLOYEE BENEFITS

Defined Contribution Plan

The Group makes contributions towards Provident Fund, Family Pension Fund, National Pension Scheme, and Employee State Insurance Scheme which are defined contribution retirement benefit plans for qualifying employees.

Amount of ₹ 198.8 million (Previous Year ₹ 175.9 million) is recognised as expenses, which is classified as a part of "Contribution to gratuity / provident and other funds". (Refer Note No. 28)

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Defined Benefit Plan

Gratuity

Governance of the Plan:

The Group has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan.

Funding arrangements and Policy:

The money contributed by the Group to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance Group. The insurance Group in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively. There is no compulsion on the part of the Group to fully pre fund the liability of the Plan. Group's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan. The expected contribution payable to the plan next year is ₹ 40.0 million

The following table summarises the components of net expenses for gratuity benefits recognised in the statement of profit and loss, other comprehensive income and the amounts recognised in the balance sheet.

(₹ million)

Sr. No	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Reconciliation of defined benefit obligation (DBO) :		
	Change in Defined Benefit Obligation		
(i)	Opening defined benefit obligation	569.0	468.3
(ii)	Current Service cost	70.5	61.6
(iii)	Past service cost	-	-
(iv)	Interest cost	36.6	31.1
(v)	Actuarial (gain) / loss from changes in financial assumptions	37.6	10.0
(vi)	Actuarial (gain) / loss from changes in demographic assumptions	4.7	5.4
(vii)	Actuarial (gain) / loss on account of experience changes	22.2	25.7
(viii)	Benefits paid	(60.5)	(34.2)
(ix)	Liabilities assumed on inter group transfer	48.7	1.1
(x)	**Closing defined benefit obligation**	**728.8**	**569.0**
	Movement in Plan assets		
(i)	Opening fair value of plan assets	9.2	6.3
(ii)	Interest on plan assets	0.0	0.0
(iii)	Actual return on plan assets less interest on plan assets	0.7	0.9
(iv)	Contributions by employer	25.0	35.0
(v)	Assets acquired / (settled)	48.7	1.2
(vi)	Benefits paid	(60.5)	(34.2)
	Closing fair value of plan assets	**23.1**	**9.2**
	Balance sheet		
	Net asset / (liability) recognised in the balance sheet:		
(i)	Present value of the funded defined benefit obligation	728.8	569.0
(ii)	Fair value of plan assets at the end of the year	23.1	9.2
	Liability recognised in the balance sheet (i-ii)	**705.7**	**559.8**
	Statement of profit and loss		
	Expenses recognised in the Statement of Profit and Loss:		
(i)	Current Service cost	70.5	61.6
(ii)	Interest on net defined benefit obligation	36.6	31.1
(iii)	Past Service Cost	-	-
	Total included in 'Employee benefits expense (i+ii+iii)	**107.1**	**92.7**

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Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Statement of other Comprehensive Income (OCI)		
Opening amount recognised in OCI outside statement of profit and loss	116.0	75.8
Remeasurements during the period due to		
- changes in financial assumptions	37.6	10.0
- changes in demographic assumptions	4.7	5.4
- Experience adjustment	22.2	25.7
- Annual return on plan assets less interest on plan assets	(0.7)	(0.9)
Closing amount recognised in OCI outside statement of profit and loss	**179.8**	**116.0**
Assumptions used for Gratuity		
Interest rate (p.a.)	6.20%	7.00%
Salary escalation rate (p.a.)	7.00%	7.00%
Estimated rate of return on plan assets (p.a.)	8.00%	8.00%

Sensitivity Analysis

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarises the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	Discount Rate	Salary Escalation rate
Defined Benefit obligation on increase in 50 bps	704.9	753.8
Impact of increase in 50 bps on DBO	-3.28%	3.42%
Defined Benefit obligation on decrease in 50 bps	754.2	705.1
Impact of decrease in 50 bps on DBO	3.48%	-3.26%

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

Investment details of plan assets

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Insurer managed funds	22.4	8.7
Others	0.7	0.5
Reconciliation of plan assets during the inter-valuation period		
Opening fair value of plan assets	9.2	6.3
Employer contributions	25.0	35.0
Settlements from the Fund	(60.5)	(34.2)
Interest accrued to the Fund	0.7	0.9
Actual return on plan assets less interest on plan assets	-	-
Assets acquired / (settled)	48.7	1.2
Closing fair value of plan assets	**23.1**	**9.2**

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Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Maturity profile	₹
Expected benefits for year 1	93,960,720
Expected benefits for year 2	80,320,730
Expected benefits for year 3	75,748,272
Expected benefits for year 4	72,761,567
Expected benefits for year 5	71,426,821
Expected benefits for year 6	110,861,867
Expected benefits for year 7	62,372,428
Expected benefits for year 8	79,745,904
Expected benefits for year 9	49,673,164
Expected benefits for year 10 and above	492,355,128

The weighted average duration to the payment of these cash flows is 6.75 years.

The Group has made a provision towards gratuity for its employees of the Oman Branch amounting to Nil (March 2019: ₹ 3.1 million)

Compensated Absence

The liability towards compensated absences for the year ended March 31, 2020 is based on actuarial valuation carried out by using the projected unit credit method.

Assumptions	Year ended March 31, 2020	Year ended March 31, 2019
Interest rate (p.a.)	6.20%	7.00%
Salary escalation rate (p.a.)	7.00%	7.00%

Long Term Incentive Plan

Liability for the scheme is determined based on actuarial valuation which has been carried out using the projected unit credit method.

Assumptions	Year ended March 31, 2020	Year ended March 31, 2019
Interest rate (p.a.)	5.05%	6.65%

Interest rate assumption in case of subsidiary is 0.23% (March 31, 2019: 2.25%)

41. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group is engaged in the business of retail and institutional broking, distribution of financial products and investment banking. In accordance with Ind AS 115, Revenue from Contracts with Customers, the revenue is accounted in the following manner for each head: -

A) Brokerage income:

The Group is providing trade execution and settlement services to the customers in retail and institutional segment. There is only one performance obligation of execution of the trade and settlement of the transaction which is satisfied at a point in time. The brokerage charged is the transaction price and is recognised as revenue on trade date basis. Related receivables are generally recovered in a period of 2 days as per the settlement cycle. Amount not recovered and which remain overdue for a period exceeding 90 days, are provided for.

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B) Income from service:

Income from service consists of income from distribution of financial products and income from investment banking activities (advisory income).

i Distribution of financial products:

The Group distributes various financial products and other services to the customers on behalf of third party i.e. the Group acts as an intermediary for distribution of financial products and services. The Group executes contracts with the Principal, viz AMC's, Mutual Funds, Bank, Insurance Group etc. to procure customers for its products. As a consideration, the Group earns commission income from the third parties for the distribution of their financial products. The commission is accounted net of claw back if any, due to non-fulfilment of contract by the customer with the principal. The customer obtains control of the service on the date when customer enters into a contract with principal and hence subscription or contract date is considered as the point in time when the performance obligation has been satisfied. In case of continuing services, the same are recognised over a period of time.

The Group also conducts

a. Education training programs

b. Provide financial planning services to its customers.

The Group recognises the revenue on completion of the performance obligation either on point in time or over a period of time, as the case may be.

In case of third party financial products, transaction price is determined as per contract and mutual terms agreed between the parties. The commission is a percentage of transaction value.

The distribution fee earned from the following products contributed to a major proportion of overall fee earned from distribution of financial products in Financial Year 2019.

a. Mutual funds

b. Life insurance policies

c. Portfolio management products

ii Advisory income:

The Group provides investment banking services to its customers and earns revenue in the form of advisory fees on issue management services, mergers and acquisitions, debt syndication, sale of business etc.

In case of these advisory transactions, the performance obligation and its transaction price is enumerated in contract with the customer. For arrangements with a fixed term, the Group may commit to deliver services in the future. Revenue associated with these remaining performance obligations typically depends on the occurrence of future events or underlying asset values, and is not recognised until the outcome of those events or values are known. The right to receive the fees is based on the milestones defined in accordance with the terms of the contracts entered into between the company and the counterparty which also defines its performance obligation. In case of contracts, which have a component of success fee or variable fee the same is considered in the transaction price when the uncertainty regarding the consideration is resolved.

The Group has used practical expedient and have not disclosed the amount of remaining performance obligations since its contract with customers have duration of less than one year.

Contract Liability relates to payments received in advance of performance under the contract. Contract Liabilities are recognised as revenue on completing the performance obligation.

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Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period and the movement thereof: -

(₹ million)

Nature of contract	Opening Balance		Revenue recognised during the year		Closing Balance	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Financial Planning Services	50.8	3.8	81.5	77.8	5.2	50.8
Training Fees	25.2	10.0	42.8	49.9	-	25.2
Signing Fee	13.3	5.0	18.5	5.0	23.1	13.3
Prime Subscription	-	-	155.0	-	221.5	-
Prepaid Brokerage	2,610.3	2,320.5	980.6	1,064.5	2,568.8	2,610.3

Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price.

Particulars	2019-20	2018-19
Revenue from the Contracts (as per Contract)	15,114.0	15,790.4
Less : - Discounts/Incentive to Customers	420.9	729.3
Revenue from the Contracts (as per Statement of Profit and Loss)	**14,693.1**	**15,061.1**

42. FINANCIAL INSTRUMENTS

Refer to financial instruments by category table below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

The following table shows the carrying amounts of financial instruments as at March 31, 2020 which are classified as Amortised cost, Fair value through profit and loss, Fair value through other comprehensive Income:

(₹ million)

	Amortised cost	Fair value through P&L	Fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	5,420.0	-	-	5,420.0	5,420.0
Other balances with banks	18,694.0	-	-	18,694.0	18,694.0
Securities for trade	-	8,351.1	-	8,351.1	8,351.1
Trade receivables	887.9	-	-	887.9	887.9
Loans	5,708.7	-	-	5,708.7	5,708.7
Investments	-	24.7	-	24.7	24.7
Other financial assets	774.9	-	-	774.9	774.9
Total	**31,485.5**	**8,375.8**	-	**39,861.3**	**39,861.3**
Liabilities:					
Derivative financial instruments	-	-	-	-	-
Trade payables	6,926.4	-	-	6,926.4	6,926.4
Debt Securities	14,975.3	-	-	14,975.3	14,975.3
Deposits	22.3	-	-	22.3	22.3
Lease Liabilities	1,574.4	-	-	1,574.4	1,574.4
Other financial liabilities	2,694.6	-	-	2,694.6	2,694.6
Total	**26,193.0**	-	-	**26,193.0**	**26,193.0**

Notes

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The following table shows the carrying amounts of financial instruments as at March 31, 2019 which are classified as Amortised cost, Fair value through profit and loss, Fair value through other comprehensive Income:

(₹ million)

	Amortised cost	Fair value through P&L	Fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	18,841.1	-	-	18,841.1	18,841.1
Other balances with banks	12,645.2	-	-	12,645.2	12,645.2
Securities for trade	-	2,563.1	-	2,563.1	2,563.1
Trade receivables	4,769.8	-	-	4,769.8	4,769.8
Loans	4,032.7	-	-	4,032.7	4,032.7
Investments	-	28.5	-	28.5	28.5
Other financial assets	816.4	-	-	816.4	816.4
Total	**41,105.2**	**2,591.6**	**-**	**43,696.8**	**43,696.8**
Liabilities:					
Derivative financial instruments	-	17.0	-	17.0	17.0
Trade payables	23,362.0	-	-	23,362.0	23,362.0
Debt Securities	4,473.0	-	-	4,473.0	4,473.0
Deposits	45.3	-	-	45.3	45.3
Other financial liabilities	2,284.9	-	-	2,284.9	2,284.9
Total	**30,165.2**	**17.0**	**-**	**30,182.2**	**30,182.2**

Fair value hierarchy:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The investments included in level 1 of fair value hierarchy have been valued using quoted prices for identical instruments in an active market. The investments included in level 2 of fair value hierarchy have been valued using valuation techniques based on observable market data. The investments included in Level 3 of fair value hierarchy have been valued using the income approach and break-up value to arrive at their fair value. There is no movement from between Level 1, Level 2 and Level 3. There is no change in Inputs use for measuring Level 3 fair value.

The following table summarises financial instruments measured at fair value on recurring basis:

(₹ million)

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial instruments :				
Derivatives	-	-	-	-
Mutual fund units	-	3,228.6	-	3,228.6
Equity shares	3.4	-	21.3	24.7
Debt Instruments	2,814.0	2,308.5	-	5,122.5
Total	**2,817.4**	**5,537.1**	**21.3**	**8,375.8**

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(₹ million)

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial instruments :				
Derivatives	17.0	-	-	17.0
Mutual fund units	-	1.1	-	1.1
Equity shares	31.7	-	21.5	53.2
Debt Instruments	818.6	1,718.7	-	2,537.3
Total	**867.3**	**1,719.8**	**21.5**	**2,608.6**

Movements in Level 3 financial instruments measured at fair value.

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value.

Particulars	March 31, 2020	March 31, 2019
Opening Balance	21.5	30.6
Purchase	-	-
Less: Sales	-	-
Add: Gain / (Loss)	(0.2)	(9.1)
Transfer in Level 3	-	-
Les: Transfer from Level 3	-	-
Closing Balance	21.3	21.5

Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data.

As at March 31, 2020

Type of Financial Instrument	Valuation technique	Significant unobservable input	Range of estimates for unobservable input	Increase in unobservable input	Change in fair value due to increase in unobservable input	Decrease in unobservable input	Change in fair value due to decrease in unobservable input
Investment in unquoted equity shares categorised at Level 3	Net Asset Method	Net Asset value per share	₹ 6.71 per share	5%	₹ 0.1 million	5%	₹ (0.1) million
	Discounted projected cash flow	WACC%	22.67%	100 basis points	₹ (1.3) million	100 basis points	₹ 1.4 million
		Perpetual Growth Rate %	5.00%	100 basis points	₹ 0.7 million	100 basis points	₹ (0.6) million

As at March 31, 2019

Type of Financial Instrument	Valuation technique	Significant unobservable input	Range of estimates for unobservable input	Increase in unobservable input	Change in fair value due to increase in unobservable input	Decrease in unobservable input	Change in fair value due to decrease in unobservable input
Investment in unquoted equity shares categorised at Level 3	Net Asset Method	Net Asset value per share	₹ 8.88 per share	5%	₹ 0.1 million	5%	₹ (0.1) million
	Discounted projected cash flow	WACC%	21.29%	100 basis points	₹ (1.4) million	100 basis points	₹ 1.6 million
		Perpetual Growth Rate %	5.00%	100 basis points	₹ 0.9 million	100 basis points	₹ (0.8) million

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Financial assets subject to offsetting, netting arrangements

Exchange settlement obligations (disclosed as a part of trade receivable) are subject to netting as the Group intends to settle it on a net basis. The table below presents the gross balances of asset and liability.

(₹ million)

Particulars	Effects on Balance sheet		
	Gross Amount (Asset)	Gross amount set off in the balance sheet	Net amount presented in the balance sheet
Exchange Settlement Obligations			
At March 31,2020	12.5	2,277.1	(2,264.6)
At March 31, 2019	3,391.3	79.7	3,311.6

There are no instruments which are eligible for netting and not netted off.

Financial risk management

Risk management framework

The Group has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed to. The objective of its 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 ensure a systematic response in the case of crystallisation of such risks.

The Group has exposure to the following risk arising from financial instruments:

a) Credit risk

b) Liquidity risk

c) Market risk

The Group has established various policies with respect to such risks which set forth limits, mitigation strategies and internal controls to be implemented by the three lines of defence approach provided below. The Board oversees the Group's risk management and has constituted a Risk Management Committee ("RMC"), which frames and reviews risk management processes and controls.

The risk management system features a "three lines of defence" approach:

1. The first line of defence comprises its operational departments, which assume primary responsibility for their own risks and operate within the limits stipulated in various policies approved by the Board or by committees constituted by the Board.

2. The second line of defence comprises specialised departments such as risk management and compliance. They employ specialised methods to identify and assess risks faced by the operational departments and provide them with specialised risk management tools and methods, facilitate and monitor the implementation of effective risk management practices, develop monitoring tools for risk management, internal control and compliance, report risk related information and promote the adoption of appropriate risk prevention measures.

3. The third line of defense comprises the internal audit department and external audit functions. They monitor and conduct periodic evaluations of the risk management, internal control and compliance activities to ensure the adequacy of risk controls and appropriate risk governance, and provide the Board with comprehensive feedback.

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a) Credit risk:

It is risk of financial loss that the Group will incur a loss because its customer or counterparty to financial instruments fails to meet its contractual obligation.

The consolidated financial assets comprise of Cash and bank balance, Securities for trade, Trade receivables, Loans, Investments and Other financial assets which comprise mainly of deposits and unbilled revenues.

The maximum exposure to credit risk at the reporting date is primarily from Group's trade receivable and loans.

Following is the exposure to the credit risk for trade receivables and loans:

(₹ million)

	March, 31 2020	March, 31 2019
Trade and Other Debtors(net of impairment)	887.9	4,769.8
Loans (net of impairment)	5,708.7	4,032.7
Total	**6,596.6**	**8,802.5**

Trade Receivables: The Group has followed simplified method of ECL in case of Trade receivables and the Group recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date, the Group assesses the impairment requirements.

Based on the industry practices and business environment in which the entity operates, management considers that the trade receivables are in default if the payment is more than 90 days overdue. Out of the total trade receivables of ₹ 1,045.9 million (March 31, 2019: ₹ 4,919.4 million) ₹ 158.0 million (March 31, 2019: ₹ 149.6 million) are overdue for a period in excess of 90 days. Probability of default (PD) on this balance is considered at 100% and treated as credit impaired.

Loans: Loans comprise of margin trade funding and ESOP funding for which a staged approach is followed for determination of ECL.

Stage 1: All Open positions in the MTF and ESOP loan book are considered as stage 1 assets for computation of expected credit loss. Exposure at default (EAD) for stage 1 assets is computed considering different scenarios of market movements based on an analysis of historical price movements of the index and macro-economic environment.

Stage 2: Exposures under stage 2 include dues upto 30 days pertaining to principal amount on closed positions and interest on all open positions of MTF and ESOP loan book.

Stage 3: Exposures under stage 3 include dues past 30 days pertaining to principal amount on closed positions and interest on all open positions of MTF and ESOP loan book.

Based on historical data, the Group assigns PD to stage 1 and stage 2 and applies it to the EAD to compute the ECL. For Stage 3 assets PD is considered as 100%.

Following table provides information about exposure to credit risk and ECL on Loan:

(₹ million)

Bucketing (Stage)	March 31, 2020		March 31, 2019	
	Carrying Value	ECL	Carrying Value	ECL
Stage 1	5,791.0	87.7	4,029.1	0.1
Stage 2	8.9	3.5	4.4	0.7
Stage 3	1.5	1.5	1.9	1.9
Total	**5,801.4**	**92.7**	**4,035.4**	**2.7**

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to consolidated financial statements for the year ended March 31, 2020

Movements in the allowances for impairment in respect of trade receivables and loans is as follows:

(₹ million)

	March 31, 2020	March 31, 2019
Opening Balance	152.3	125.3
Amount written off	(0.3)	(22.3)
Net remeasurement of loss allowance	7.9	49.3
Additional provision	90.8	-
Closing Balance	250.7	152.3

Collaterals held:

The Group holds collateral and other credit enhancements against certain of its credit exposures. The following tables sets out the principal types of collateral held against different types of financial assets.

Instrument Type	Percentage of exposure that is subject to collateral requirements		Principal type of collateral held
	As at March 31, 2020	As at March 31, 2019	
Trade Receivables and Loans	93.0%	91.0%	Collateral in the form of: - Cash, Securities, Fixed Deposit Receipt (FDR) in case of Margin trade funding. - Equity Shares under ESOP in case of ESOP Funding. - Equity shares in case of trade receivables.

Other financial assets considered to have a low credit risk:

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments comprise of Quoted Equity instruments, Bonds, Mutual Funds and Commercial papers which are traded actively in the market. Other financial assets include deposits for assets acquired on lease and with qualified clearing counterparties and exchanges as per the prescribed statutory limits.

b) Liquidity risk

Liquidity represents the ability of the Group to generate sufficient cash flow to meet its financial obligations on time, both in normal and in stressed conditions, without having to liquidate assets or raise funds at unfavourable terms thus compromising its earnings and capital.

Liquidity risk is the risk that the Group may not be able to generate sufficient cash flow at reasonable cost to meet expected and/or unexpected claims. It arises in the funding of lending, trading and investment activities and in the management of trading positions.

The Group aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflow on financial liabilities.

Funds required for short period is taken care by borrowings through issuing commercial paper and utilising overdraft facility from ICICI Bank.

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at March 31, 2020.

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to consolidated financial statements for the year ended March 31, 2020

(₹ million)

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total Carrying Amount
Assets					
Cash and bank balances	14,548.3	8,634.2	918.4	13.1	24,114.0
Securities for Trade	8,351.1	-	-	-	8,351.1
Trade receivables	887.9	-	-	-	887.9
Loans	3,541.9	2,166.8	-	-	5,708.7
Investments	-	-	-	24.7	24.7
Other financial assets	522.6	46.0	10.1	196.2	774.9
Total	**27,851.8**	**10,847.0**	**928.5**	**234.0**	**39,861.3**
Liabilities					
Derivative financial instruments	-	-	-	-	-
Trade Payables	6,926.4	-	-	-	6,926.4
Debt Securities	14,975.3	-	-	-	14,975.3
Deposits	-	-	22.3	-	22.3
Lease Liabilities	7.8	47.3	1,154.9	364.4	1,574.4
Other Financial Liabilities	2,694.6	-	-	-	2,694.6
Total	**24,604.1**	**47.3**	**1,177.2**	**364.4**	**26,193.0**
Net excess / (shortfall)	**3,247.7**	**10,799.7**	**(248.7)**	**(130.4)**	**13,668.3**

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at March 31, 2019.

(₹ million)

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total Carrying Amount
Assets					
Cash and bank balances	26,420.0	4,617.8	436.7	11.8	31,486.3
Securities for Trade	2,563.1	-	-	-	2,563.1
Trade receivables	4,769.8	-	-	-	4,769.8
Loans	3,626.4	228.3	178.0		4,032.7
Investments	-	-	-	28.5	28.5
Other financial assets	485.2	15.8	61.1	254.3	816.4
Total	**37,864.5**	**4,861.9**	**675.8**	**294.6**	**43,696.8**
Liabilities					
Derivative financial instruments	17.0	-	-	-	17.0
Trade Payables	23,362.0	-	-	-	23,362.0
Debt Securities	4,473.0	-	-	-	4,473.0
Deposits	-	-	45.3	-	45.3
Other Financial Liabilities	2,284.9	-	-	-	2,284.9
Total	**30,136.9**	**-**	**45.3**	-	**30,182.2**
Net excess / (shortfall)	**7,727.6**	**4,861.9**	**630.5**	**294.6**	**13,514.6**

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c) Market risk

Market risk arises when movements in market factors (foreign exchange rates, interest rates, credit spreads and equity prices) impact the Group's income or the market value of its portfolios. The Group, in its course of business, is exposed to market risk due to change in equity prices, interest rates and foreign exchange rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns. The Group classifies exposures to market risk into either trading or non-trading portfolios. Both the portfolios are managed using the following sensitivity analyses:

i) Equity Price Risk

ii) Interest Rate Risk

iii) Currency Risk

Total market risk exposure:

(₹ million)

	March 31, 2020			
	Carrying amount	Traded risk	Non traded risk	Primary risk sensitivity
Assets				
Cash and cash equivalent and other bank balances	24,114.0	-	24,114.0	
Financial assets at FVTPL	8,375.8	8,351.1	24.7	Interest rate, Equity Price and Currency
Trade Receivables	887.9	-	887.9	Currency and Equity Price
Loans	5,708.7	-	5,708.7	Equity Price
Other Financial assets at amortised cost	774.9	-	774.9	
Total	**39,861.3**	**8,351.1**	**31,510.2**	
Liabilities				
Derivative financial instruments	-	-	-	Currency and Equity Price
Trade payable	6,926.4	-	6,926.4	Currency and Equity Price
Debt Securities	14,975.3	-	14,975.3	
Deposits	22.3	-	22.3	
Lease Liabilities	1,574.4	-	1,574.4	
Other financial liabilities	2,694.6	-	2,694.6	
Total	**26,193.0**	**-**	**26,193.0**	

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(₹ million)

	March 31, 2019			
	Carrying amount	**Traded risk**	**Non traded risk**	**Primary risk sensitivity**
Assets				
Cash and cash equivalent and other bank balances	31,486.3	-	31,486.3	
Financial assets at FVTPL	2,591.6	2,563.1	28.5	Interest rate, Equity Price and Currency
Trade Receivables	4,769.8	-	4,769.8	Currency and Equity Price
Loans	4,032.7	-	4,032.7	Equity Price
Other Financial assets at amortised cost	816.4	-	816.4	
Total	**43,696.8**	**2,563.1**	**41,133.7**	
Liabilities				
Derivative financial instruments	17.0	17.0	-	Currency and Equity Price
Trade payable	23,362.0	-	23,362.0	Currency and Equity Price
Debt Securities	4,473.0	-	4,473.0	
Deposits	45.3	-	45.3	
Other financial liabilities	2,284.9	-	2,284.9	
Total	**30,182.2**	**17.0**	**30,165.2**	

i) Equity Price Risk

The Group's exposure to equity price risk arises primarily on account of its proprietary positions and on account of margin-based positions of its clients in equity cash and derivative segments.

The Group's equity price risk is managed in accordance with its Corporate Risk and Investment Policy (CRIP) approved by its Risk Management Committee. The CRIP specifies exposure limits and risk limits for the proprietary desk of the Group and stipulates risk-based margin requirements for margin-based trading in equity cash and derivative segment by its clients.

The below sensitivity depicts a scenario where a 10% movement in equity prices, everything else remaining constant, would result in an exchange obligation for both Traded and Non-traded (client) positions and their impact on statement of profit and loss account considering that the entire shortfall would be made good by the Group.

(₹ million)

	Impact on statement of profit and loss	
	For the year ended March 31, 2020	**For the year ended March 31, 2019**
Equity Prices up by 10%	0.3	(5.7)
Equity Prices down by 10%	(0.4)	(104.5)

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ii) Interest Rate Risk

The Group's exposure to interest rate risk arises primarily on account of its proprietary positions (refer note no. 5 on securities for trade) and on account of margin based positions of its clients in exchange traded interest rate derivatives on government securities.

The Group's interest rate risk is managed in accordance with its CRIP approved by its Risk Management Committee. The CRIP specifies exposure limits and risk limits for the proprietary desk of the Group and stipulates risk-based margin requirements for margin based trading in interest rate derivatives by its clients.

As at March 31, 2020 and March 31, 2019 a parallel shift of 2.5% in the yield curve would result in the following impact on the statement of profit and loss.

(₹ million)

	Impact on statement of profit and loss	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Parallel upward shift of 2.50%	(152.6)	(113.5)
Parallel downward shift of 2.50%	182.0	128.3

The non-traded Financial Assets and liabilities are fixed rate instruments and are valued at amortised cost. Any shifts in yield curve will not impact their carrying amount and will therefore not have any impact on the Group's statement of profit and loss.

iii) Foreign Exchange Risk/Currency Risk

The Group's exposure to currency risk arises primarily on account of its proprietary positions and on account of margin positions of its clients in exchange traded currency derivatives.

The fluctuations in foreign currency may also affect statement of profit and loss, other comprehensive income and equity as the Group also operates in US and Singapore through its subsidiaries.

The Group's currency risk is managed in accordance with its CRIP, approved by its Risk Management Committee. The CRIP specifies gross open position limit and risk limits for the proprietary desk of the Group and stipulates risk-based margin requirements for margin based trading in currency derivatives by its clients.

As at March 31, 2020 and March 31, 2019, an appreciation/depreciation of 15% of Indian Rupee against all the currencies would result in the following impact on the statement of profit and loss.

(₹ million)

	Impact on statement of profit and loss	
	For the year ended March 31, 2020	For the year ended March 31, 2019
₹ Depreciation of 15%	(116.1)	(27.4)
₹ Appreciation of 15%	(19.0)	(55.4)

The table below indicates the currencies to which the Group had significant exposure at the end of the reported periods for the non-traded component. The analysis calculates the effect of a reasonably possible movement of the currency rate against the INR (all other variables being constant) on the statement of profit and loss.

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(₹ million)

Currency	Change in currency rate in %	For the year ended March 31, 2020	For the year ended March 31, 2019
USD	Depreciation of 15%	(1.5)	1.0
	Appreciation of 15%	1.5	(1.0)
SGD	Depreciation of 15%	0.1	-
	Appreciation of 15%	(0.1)	-
GBP	Depreciation of 15%	(0.0)	-
	Appreciation of 15%	0.0	-
JPY	Depreciation of 15%	-	1.1
	Appreciation of 15%	-	(1.1)

43. MATURITY ANALYSIS

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ million)

	As at March 31, 2020	Within 12 months	After 12 months
ASSETS			
Financial Assets			
Cash and cash equivalents	5,420.0	5,420.0	-
Bank balance other than (a) above	18,694.0	17,762.5	931.5
Securities for trade	8,351.1	8,351.1	-
Receivables			
(I) Trade receivables	887.9	887.9	-
Loans	5,708.7	5,708.7	-
Investments	24.7	-	24.7
Other financial assets	774.9	568.6	206.3
	39,861.3	**38,698.8**	**1,162.5**
Non-financial Assets			
Current tax assets (net)	1,502.8	-	1,502.8
Deferred tax assets (net)	595.5	-	595.5
Property, plant and equipment	295.2	-	295.2
Right-of-use of assets	1,529.1	53.6	1,475.5
Capital work-in-progress	32.9	-	32.9
Intangible assets under development	48.4	-	48.4
Other intangible assets	155.4	-	155.4
Other non-financial assets	407.6	368.8	38.8
	4,566.9	**422.4**	**4,144.5**
Total Assets	**44,428.2**	**39,121.2**	**5,307.0**

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to consolidated financial statements for the year ended March 31, 2020

(₹ million)

	As at March 31, 2020	Within 12 months	After 12 months
LIABILITIES			
Financial liabilities			
Derivative financial instruments			-
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,926.4	6,926.4	-
Debt securities	14,975.3	14,975.3	-
Borrowings (Other than debt securities)	-	-	-
Deposits	22.3	-	22.3
Lease Liabilities	1,574.4	55.1	1,519.3
Other financial liabilities	2,694.6	2,694.6	-
	26,193.0	**24,651.4**	**1,541.6**
Non-financial Liabilities			
Current tax liabilities (net)	-	-	-
Provisions	828.7	100.7	728.0
Other non-financial liabilities	5,311.1	4,271.8	1,039.3
	6,139.8	**4,372.5**	**1,767.3**
Total Liabilities	**32,332.8**	**29,023.9**	**3,308.9**
Net	**12,095.4**	**10,097.3**	**1,998.1**

(₹ million)

	As at March 31, 2019	Within 12 months	After 12 months
ASSETS			
Financial Assets			
Cash and cash equivalents	18,841.1	18,841.1	-
Bank balance other than (a) above	12,645.2	12,196.7	448.5
Securities for trade	2,563.1	2,563.1	-
Receivables			-
(I) Trade receivables	4,769.8	4,769.8	-
Loans	4,032.7	3,854.7	178.0
Investments	28.5	-	28.5
Other financial assets	816.4	501.0	315.4
	43,696.8	**42,726.4**	**970.4**
Non-financial Assets			
Current tax assets (net)	1,306.5	-	1,306.5
Deferred tax assets (net)	737.5	-	737.5
Property, plant and equipment	294.8	-	294.8
Capital work-in-progress	12.4	-	12.4
Intangible assets under development	27.4	-	27.4

Notes

to consolidated financial statements for the year ended March 31, 2020

(₹ million)

	As at March 31, 2019	Within 12 months	After 12 months
Other intangible assets	141.0	-	141.0
Other non-financial assets	429.5	429.5	-
	2,949.1	**429.5**	**2,519.6**
Total Assets	**46,645.9**	**43,155.9**	**3,490.0**
LIABILITIES			
Financial liabilities			
Derivative financial instruments	17.0	17.0	-
Payables			-
(I) Trade payables			-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	23,362.0	23,362.0	-
Debt securities	4,473.0	4,473.0	-
Borrowings (Other than debt securities)	-	-	-
Deposits	45.3	-	45.3
Other financial liabilities	2,284.9	2,284.9	-
	30,182.2	**30,136.9**	**45.3**
Non-financial Liabilities			
Current tax liabilities (net)	41.5	41.5	-
Provisions	663.6	115.4	548.2
Other non-financial liabilities	5,285.9	4,626.9	659.0
	5,991.0	**4,783.8**	**1,207.2**
Total Liabilities	**36,173.2**	**34,920.7**	**1,252.5**
Net	**10,472.7**	**8,235.2**	**2,237.5**

44. INFORMATION AS REQUIRED PURSUANT TO REGULATION 52(4) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015:

a. Details of Credit Rating:

Instrument Category		CRISIL	ICRA
i)	Non-Convertible Debenture Programme		
	Ratings	CRISIL AAA/Stable	ICRA AAA/Stable
	Amount in ₹ million	₹ 500.0	₹ 500.0
ii)	Commercial Paper Programme		
	Ratings	CRISIL A1+	ICRA A1+
	Amount in ₹ million	₹ 25,000.0	₹ 25,000.0

Notes
to consolidated financial statements for the year ended March 31, 2020

b. Key Financial Information

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Debt Equity Ratio *	1.24 Times	0.43 Times
Debt Service Coverage Ratio **	0.53 Times	1.63 Times
Interest Services Coverage Ratio ***	11.42 Times	18.88 Times
Net Worth ****	₹ 12,095.4 million	₹ 10,472.7 million
Net Profit after tax	₹ 5,420.0 million	₹ 4,907.3 million
Earnings per share (Diluted) (Face Value ₹ 5/- per share)	₹ 16.81	₹ 15.23
Asset cover available, in case of non-convertible debt securities	Not Applicable	Not Applicable
Outstanding redeemable preference shares	Not Applicable	Not Applicable
Capital redemption / Debenture redemption reserve	Not Applicable	Not Applicable

** Debt Equity Ratio = Debt (Borrowings + Accrued Interest) / Equity (Equity share capital + Other Equity)*

*** Debt Service Coverage Ratio = Profit before interest and tax / (Interest expenses (excludes interest costs on leases as per Ind AS 116 on Leases) + Principal Repayments)*

**** Interest Service Coverage Ratio = Profit before interest and tax / Interest expenses (excludes interest costs on leases as per Ind AS 116 on Leases)*

***** Net Worth = Equity + Other Equity*

c. Details of previous due date, next due date for the payment of interest and repayment of commercial papers:

Sr. No.	Commercial Paper – Date of Issue	Redemption Amount (₹ million)	Previous due date (from April 01, 2019 to March 31, 2020) Principal & Interest	Whether paid or not	Next due date Principal & Interest
1	01-Feb-19	500.0	30-Apr-19	Yes	NA
2	01-Feb-19	1,000.0	30-Apr-19	Yes	NA
3	12-Feb-19	500.0	12-Apr-19	Yes	NA
4	20-Feb-19	500.0	23-Apr-19	Yes	NA
5	20-Feb-19	1,000.0	23-Apr-19	Yes	NA
6	18-Mar-19	500.0	17-May-19	Yes	NA
7	18-Mar-19	500.0	17-May-19	Yes	NA
8	04-Apr-19	500.0	03-Jun-19	Yes	NA
9	04-Apr-19	1,000.0	03-Jun-19	Yes	NA
10	12-Apr-19	1,000.0	11-Jun-19	Yes	NA
11	18-Apr-19	1,000.0	17-Jun-19	Yes	NA
12	18-Apr-19	1,500.0	17-Jun-19	Yes	NA
13	30-Apr-19	750.0	28-Jun-19	Yes	NA
14	30-Apr-19	750.0	28-Jun-19	Yes	NA
15	13-May-19	500.0	28-Jun-19	Yes	NA
16	27-May-19	500.0	19-Jul-19	Yes	NA
17	27-May-19	500.0	19-Jul-19	Yes	NA
18	31-May-19	1,000.0	30-Jul-19	Yes	NA
19	13-Jun-19	3,000.0	02-Aug-19	Yes	NA
20	13-Jun-19	500.0	02-Aug-19	Yes	NA
21	13-Jun-19	500.0	02-Aug-19	Yes	NA
22	14-Jun-19	1,000.0	02-Aug-19	Yes	NA
23	27-Jun-19	500.0	25-Sep-19	Yes	NA
24	15-Jul-19	500.0	25-Sep-19	Yes	NA
25	15-Jul-19	500.0	25-Sep-19	Yes	NA
26	29-Jul-19	1,000.0	27-Sep-19	Yes	NA
27	29-Jul-19	1,000.0	27-Sep-19	Yes	NA
28	02-Aug-19	2,000.0	03-Oct-19	Yes	NA

Notes
to consolidated financial statements for the year ended March 31, 2020

Sr. No.	Commercial Paper – Date of Issue	Redemption Amount (₹ million)	Previous due date (from April 01, 2019 to March 31, 2020) Principal & Interest	Whether paid or not	Next due date Principal & Interest
29	02-Aug-19	2,000.0	17-Sep-19	Yes	NA
30	06-Aug-19	1,000.0	31-Oct-19	Yes	NA
31	29-Aug-19	1,000.0	25-Oct-19	Yes	NA
32	29-Aug-19	250.0	25-Oct-19	Yes	NA
33	17-Sep-19	1,500.0	15-Nov-19	Yes	NA
34	17-Sep-19	500.0	15-Nov-19	Yes	NA
35	17-Sep-19	500.0	15-Nov-19	Yes	NA
36	19-Sep-19	2,500.0	19-Nov-19	Yes	NA
37	27-Sep-19	450.0	28-Nov-19	Yes	NA
38	27-Sep-19	500.0	28-Nov-19	Yes	NA
39	03-Oct-19	1,500.0	03-Dec-19	Yes	NA
40	14-Oct-19	1,000.0	13-Dec-19	Yes	NA
41	25-Oct-19	2,000.0	19-Dec-19	Yes	NA
42	29-Oct-19	2,000.0	27-Dec-19	Yes	NA
43	04-Dec-19	400.0	13-Dec-19	Yes	NA
44	04-Dec-19	500.0	13-Dec-19	Yes	NA
45	04-Dec-19	100.0	13-Dec-19	Yes	NA
46	04-Dec-19	250.0	13-Dec-19	Yes	NA
47	04-Dec-19	250.0	13-Dec-19	Yes	NA
48	15-Nov-19	1,500.0	14-Jan-20	Yes	NA
49	15-Nov-19	1,000.0	14-Jan-20	Yes	NA
50	15-Nov-19	750.0	14-Jan-20	Yes	NA
51	19-Nov-19	1,000.0	17-Jan-20	Yes	NA
52	19-Nov-19	1,500.0	17-Jan-20	Yes	NA
53	19-Nov-19	500.0	17-Jan-20	Yes	NA
54	19-Nov-19	500.0	17-Jan-20	Yes	NA
55	28-Nov-19	1,750.0	28-Jan-20	Yes	NA
56	13-Dec-19	1,000.0	12-Mar-20	Yes	NA
57	13-Dec-19	500.0	12-Mar-20	Yes	NA
58	19-Dec-19	2,000.0	17-Feb-20	Yes	NA
59	26-Dec-19	2,500.0	24-Feb-20	Yes	NA
60	26-Dec-19	500.0	24-Feb-20	Yes	NA
61	17-Jan-20	450.0	24-Mar-20	Yes	NA
62	17-Jan-20	1,500.0	24-Mar-20	Yes	NA
63	17-Jan-20	1,500.0	23-Mar-20	Yes	NA
64	17-Jan-20	1,500.0	23-Mar-20	Yes	NA
65	14-Jan-20	1,000.0	NA	Yes*	03-Apr-20
66	14-Jan-20	2,000.0	NA	Yes*	03-Apr-20
67	17-Jan-20	50.0	NA	Yes*	09-Apr-20
68	27-Jan-20	2,000.0	NA	Yes*	16-Apr-20
69	29-Jan-20	1,500.0	NA	Yes*	15-Apr-20
70	17-Feb-20	1,750.0	NA	-	15-May-20
71	17-Feb-20	250.0	NA	-	15-May-20
72	24-Feb-20	2,500.0	NA	-	22-May-20
73	26-Feb-20	500.0	NA	-	26-May-20
74	05-Mar-20	3,000.0	NA	-	15-May-20
75	05-Mar-20	500.0	NA	-	15-May-20

**Commercial papers stands redeemed on respective next due date as mentioned in the aforesaid table.*

Notes

to consolidated financial statements for the year ended March 31, 2020

45. SUBSEQUENT EVENT - PROPOSED DIVIDEND

The Board of Directors at its meeting held on May 07, 2020, have recommended a final dividend of ₹ 6.75 per equity share (on face value of ₹ 5 per equity share), subject to the approval of the members at the ensuing annual general meeting. In terms of Ind AS 10 "Events after the Reporting Period", the company has not recognised final dividend (including tax, if any) as a liability at the end of the reporting period.

46. RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, notifies new standards or/and amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

47. ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC ON COVID-19

Covid-19 outbreak was declared as a global pandemic by World Health Organisation (WHO) on March 11, 2020. Indian authorities have followed an approach of complete lockdown since March 24, 2020 starting with three-week complete lockdown, during which only defined essential services were operating with limited capacity. The lockdown kept on getting extended with gradual and modest relaxations. Stock broking service has been declared as an essential service and accordingly, the Company has been in operation consistently with minimal permitted staff. Accordingly, as of March 31, 2020, based on the facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

48. EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.:101248W/W-100022

Milind Ranade
Partner
Membership No.: 100564

Date : May 07, 2020
Place : Mumbai

For and on behalf of Board of Directors

Ashvin Parekh
Director
DIN - 06559989

Vijay Chandok
Managing Director & CEO
DIN - 01545262

Ajay Saraf
Executive Director
DIN - 00074885

Raju Nanwani
Company Secretary

Harvinder Jaspal
Chief Financial Officer

Glossary and Abbreviations

Sr. No	Term	Description
1	AAUM	Average Assets under Management
2	ADTO	Average Daily Turnover
3	AI	Artificial Intelligence
4	AIF	Alternate Investment Funds
5	Algo Trading	Algorithmic trading, a method of executing orders using automated pre-programmed trading instructions, taking out any human intervention or biases.
6	Allied Income	Income derived from lending towards ESOP & MTF, and Prime subscription fees.
7	AGM	Annual General Meeting
8	AMC	Asset Management Company
9	AMFI	Associate of Mutual Funds in India
10	AoA	Articles of Association
11	AP	Authorised Persons
12	API	Application Programme Interface
13	ARPU	Average Revenue Per User
14	ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
15	AUM	Assets Under Management, total market value of investments which a financial institution manages on behalf of its clients
16	AVP	Assistant Vice President
17	BCP	Business Continuity Plan
18	BFSI	Banking, Financial Services and Insurance
19	BPL	Below Poverty Line
20	BSE	BSE Limited
21	Current Account Deficit	A measurement of a nation's trade when it imports more goods, services and capital than it exports
22	CAGR	Compounded Annual Growth Rate
23	CAS	Consolidated Account Statement
24	CDSL	Central Depository Services (India) Limited
25	CFRT	Committee on Financial and Regulatory Technologies
26	CII	The Confederation of Indian Industry
27	Corporate Fixed Deposits	A term deposit of a corporate held at a fixed rate of interest over a prescribed period
28	Cost to income ratio	Company's costs in relation to its income
29	CPA	Comprehensive Portfolio Analysis
30	CPI	Consumer Price Index
31	CRISIL	Credit Rating Information Services of India Limited,a subsidiary of American company S&P Global
32	CRM	Customer relationship management
33	CRV	Creating Relationship Value
34	CSR	Corporate Social Responsibility
35	DCM	Debt Capital Market
36	Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
37	DII	Domestic Institutional Investors
38	Dividend Payout Ratio	Portion of net income a company pays to its stockholders in dividends
39	DP	Depository Participant
40	DP ID	Depository Participant's Identification Number
41	e-ATM	equity-ATM, ICICI Securities' instant liquidity product where customers get the share sale proceeds into their linked bank account within 30 minutes of trade.
42	ECB	European Central Bank
43	ECM	Equity Capital Market
44	EM	Emerging Market
45	EPS	Earnings Per Share
46	ESG	Environmental, Social, and Governance (ESG) refers to the three central factors in measuring the sustainability and societal impact of an investment in a company or business.
47	ESOP	Employee Stock Option Plan
48	ESOS	Employees Stock Option Scheme
49	ETF	Exchange Traded Funds, an investment fund traded on a stock exchange
50	FCNR Account	Foreign Currency Non-Resident Account
51	FD	Fixed Deposit
52	FDI	Foreign Direct Investment
53	FI	Financial Institution
54	FICCI	The Federation of Indian Chambers of Commerce and Industry
55	FII	Foreign Institutional Investors
56	FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
57	FPO	Follow-on Public Offer
58	GDP	Gross Domestic Product
59	GoI	Government of India
60	HNI	High Networth Individual
61	HPRM	High Performance Relationship Management
62	HSE	Health, Safety & Environment
63	IA	Independent Advisors
64	IBA	Indian Banks' Association
65	ICAI	Institute of Chartered Accountants of India
66	ICICI Foundation	ICICI Foundation for Inclusive Growth
67	ICRA	Investment Information and Credit Rating Agency of India Limited
68	IFA	Independent Financial Advisors
69	IIM B	Indian Institute of Management-Bangalore
70	IMF	International Monetary Fund
71	iNFHRA	The Infrastructure, Facility, Human Resource & Realty Association
72	IIRC	International Integrated Reporting Council, is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs. The coalition is promoting communication about value creation as the next step in the evolution of corporate reporting
73	InvIT	Infrastructure Investment Trust
74	IPO	Initial Public Offering
75	IPP	Institutional Placement Programme
76	IR	Integrated Reporting <IR> in corporate communication is a "process that results in communication, most visibly a periodic "integrated report", about value creation over time. An <IR> is a concise communication about how an organisation's strategy, governance, performance and prospects lead to the creation of value over the short, medium and long term.

Sr. No	Term	Description
77	IRDAI	Insurance Regulatory and Development Authority of India
78	Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
79	Issuer/ Company	The Issuer proposing the Initial Public Offering/Follow-on Public Offering as applicable
80	KFINTECH	KFin Technologies Private Limited (R&TA)
81	KMP	Key Managerial Personnel
82	KPIs	Key Performance Indicators
83	LACP	League of American Communications Professionals
84	LAS	Loan Against Security, loan taken against investment of securities
85	Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
86	LMP	Leadership Mentoring Programmes
87	MCA	Ministry of Corporate Affairs
88	MF AUM	Mutual Fund AUM
89	MTF	Margin Trading Facility
90	Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
91	M&A	Mergers and Acquisitions
92	NBFC	Non-Banking Financial Company
93	NCA	New Customer Acquisition
94	NCD	Non-Convertible Debentures
95	NECS	National Electronic Clearing Service
96	NEFT	National Electronic Fund Transfer
97	NGO	Non-Governmental Organisation
98	NISM	National Institute of Securities Markets
99	NMIMS	Narsee Monjee Institute of Management Studies, Mumbai
100	Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
101	NPS	National Pension Scheme, a government sponsored voluntary pension scheme
102	NRE	Non-Resident External Account
103	NRC	Nomination and Remuneration Committee of the Board
104	NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
105	NRO	Account Non-Resident Ordinary Account
106	NSDL	National Securities Depository Limited
107	NSE	National Stock Exchange of India Limited
108	NSRCEL	N S Raghavan Centre of Entrepreneurial Learning
109	OFS	Offer For Sale
110	PA	Personal Accident
111	PAT	Profit After Tax
112	PBOC	People's Bank of China

Sr. No	Term	Description
113	PE	Private Equity
114	PMS	Portfolio Management Service
115	PoA	Power of Attorney
116	POSH	Prevention of Sexual Harassment
117	PWM	Private Wealth Management
118	Qualified Institutional Buyers or QIBs	As defined under SEBI Regulations
119	QIP	Qualified Institutional Placement
120	RBI	Reserve Bank of India
121	REIT	Real Estate Investment Trust
122	Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals other than the members of the Syndicate.
123	Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB category and the remaining shares to be allotted on proportionate basis.
124	Retail Equity	Income or business from retail equity holders
125	Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
126	Rights Issue	Invitation to existing shareholders to purchase new securities
127	RM	Relationship Manager
128	RoC	The Registrar of Companies
129	ROE	Return on Equity
130	RTGS	Real Time Gross Settlement
131	R&TA	Registrar and Share Transfer Agent
132	SEBI	Securities and Exchange Board of India
133	SGB	Sovereign Gold Bonds, alternatives for holding physical gold
134	SHG	Self Help Group
135	SIP	Systematic Investment Plan
136	SMAC	Secondary Markets Advisory Committee
137	SME	Small and Medium Enterprises
138	SMS	Short Messaging Service
139	SOP	Standard Operating Procedure
140	SE	Stock Exchanges
141	STT	Securities and Transaction Tax
142	TER	Total Expense Ratio, total cost of a fund to the investor
143	The Act	The Companies Act, 2013
144	UHNI	Ultra High Net-worth Individuals
145	UI	User Interface
146	ULIP	Unit-linked Insurance Plan, a policy that gives both insurance cover and investment
147	UPI	Unified Payments Interface
148	UTI MF	UTI Mutual Fund
149	UX	User Experience
150	VFI	Vision Foundation of India
151	WFH	Work From Home
152	WWF	World Wide Fund for Nature
153	YoY	Year-on-Year

ICICI Securities

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