Being there never mattered more

Integrated Annual Report **2020-21**

Contents

Being there never **mattered more**

FY2021 was an extraordinary year with overwhelming challenges in our operating environment. However, this was the time when our stakeholders, particularly our customers, needed us the most and we were there. We were prepared and proactive in serving the requirements of our existing and new clients across all lines of businesses. Truly, being there never mattered more for our clients and for us as well.

Our customers needed the comfort and assurance of being able to access their investments at all times and benefit from right advice. We delivered on their expectations through various initiatives by launching innovative products with a strong digital ecosystem to help them navigate the environment.

Our teams served customers and we looked after their needs by ensuring a safe work environment, and security of employment. We also provided our teams the convenience and safety of working from home, constantly checked on their wellbeing and helped them whenever needed. Serving the community through our various outreach initiatives was also a priority for us during the year.

Upholding our culture of transparency, we regularly informed our investors and other stakeholders about our performance, adhered to a high level of corporate governance and a strong risk-management framework. Our scenario analysis and risk mapping ensured that we were able to capitalise on the market opportunity without taking unnecessary risks, so that the interests of our customers, investors and other stakeholders are protected.

- **Powered by innovation and partnerships** - By harnessing our internal knowledge and partnering with leading external organisations, we use new technology and digital expertise to deliver an excellent customer experience. (Read more on 24)
- **Leveraging technology** - Our primary focus during the current pandemic has been to support and do what is right for our customers. We continued to enhance our digital propositions, with a focus on speed, convenience, personalisation and control. (Read more on 26)
- **Leading customer experience** – Building deeper relationships and evolving our propositions to meet the needs of our customers throughout their lives. (Read more on 28)

FY2021 highlights

Financial

Revenue

₹ 25,862 Mn

▲ 50%

PAT

₹ 10,677 Mn

▲ 97%

Return on Equity

70%

Operational

Total client assets

₹ 3.8 Tn

▲ 85%

Active clients

1.91 Mn

▲ 29%

Client Base

5.4 Mn

To read or download this report, please log on to **www.icicisecurities.com**

Report Profile

About our Integrated Report

We are committed to serve and create lasting value for all stakeholders and build a more sustainable future for all. In continuance of that overarching objective, we consider it essential to share insights into our progress, milestones, challenges and prospects with all our valued stakeholders annually.

Scope of Reporting

Reporting period
This Report is produced and published annually. It provides material information relating to our strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance, from April 1, 2020 to March 31, 2021.

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

Financial and non-financial reporting
The Report extends beyond financial reporting and includes non-financial performance, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create value.

Our capitals
All organisations depend on various forms of capital for their value creation. Our ability to create long-term value is interrelated and fundamentally dependent on various forms of capitals available to us (inputs), how we use them (value-accretive activities), our impact on them and the value we deliver (outputs and outcomes).

Stakeholders
Our relationships with our stakeholders play a key role in our efficiency to deliver integrated business solutions to our customers.

- Customers
- Communities
- Government and regulatory bodies
- Business partners and vendors
- Shareholders and investors
- Employees

Read more on 38

Strategy
We aim to be the most comprehensive digital platform serving the life stage investment, protection and borrowing needs of Indians.

Our strategic anchors

- S1 Ramping up scale and volume
- S2 Monetising client value
- S3 Improving customer experience
- S4 Robust technology and digital agility
- S5 Operating leverage through cost efficiency

Read more on 40

Standards and framework

The non-statutory section of the Report follows the Integrated Reporting Framework recommended by the International Integrated Reporting Council (IIRC). The other statutory reports, including the Directors' Report, its annexures, including the Management Discussion and Analysis (MDA), and the Corporate Governance Report, are as per the Companies Act, 2013 (including the Rules framed thereunder), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the revised Secretarial Standards issued by The Institute of Company Secretaries of India. The financial statements are in accordance with the Indian Accounting Standards.

Board responsibility statement

The Board of Directors acknowledges its responsibilities to ensure the integrity of this Integrated Report. The Board has accordingly applied its collective mind and believes the Report addresses all material issues and presents the integrated performance of the Company and its impact in a fair and accurate manner.

Feedback

We welcome feedback on our report to ensure that we continue to disclose information that is pertinent and conducive to stakeholder decision-making. Please refer queries or suggestions to ir@icicisecurities.com.

Report navigation

- Financial capital
- Intellectual capital
- Human capital
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FY2021 in Summary

Progress Made during the Year

Our technology platforms and strong processes quickly adapted to the lockdown period and continued to meet the expectations of our customers through digital means. We focused more on providing services to our customers through our digital platforms and seamless trading experience. While we served our customers without any interruption through an increased digital mode, at the same time we took care of the safety and well being for our employees. During the year, our franchise strengthened, our business became more open architecture and we added more products, helping us diversify our revenues across various retail product revenue streams.

Leveraging digital

- Digitised the entire client onboarding process from completely manual to end-to-end online
- Added Chatbot and Whatsapp to the various servicing options for clients to provide 24/7 instant assistance using artificial intelligence
- Digital sourcing engines started adding customers at a faster pace
- Strengthened digital tools and solutions that helped customers to regularly take stock of their investments

New products launched

- Introduced ICICI NEO as discount brokerage offering in the trading segment, where it offered zero brokerage in futures, ₹ 20 in Options and Intraday per order
- Launched a plethora of tools and solutions like iTrack, iAlert, iLens and Payoff analyser
- Scaled One-Click Portfolio range, offering our customers proprietary in research baskets of stocks with seamless execution with a one-click platform both through the mobile and on the web platforms

Expanded portfolio

- Scaled up distribution of loan products by adding 12 more offerings like Home Loans, Loan against Property (LAP), Lease Rental Discounting (LRD), Business Loans etc., which further fills our offerings in the financial life-cycle needs of our customers across investments, protection and borrowing.
- Scaled our non-brokerage (allied) revenues in the equity business by scaling up or launching slew of value propositions including loan products, subscription fees and other value added services
- Launched commodity derivatives trading, where we have added 50k customers since its launch

Enhanced partnerships

- Partnered with Federal Bank for offering 3-in-1 accounts
- Tied up with multiple lending partners for higher approval rates and more choices for our customers. Post tie-ups with new lending partners such as banks, NBFCs and HFCs, more choices are now available under one roof for our customers
- Expanded protection offering by on-boarding Max Bupa Health Insurance Company Limited on our platform, thereby bringing more choice to customers.

Global investment platform

- Launched the global Investments platform through which ICICIdirect customers can now invest in the US securities seamlessly and digitally. The facility has since then been extended to five new markers – UK, Japan, Singapore, Hong Kong, and Germany

Who we are

India's leading Full-service Fintech Powerhouse

ICICI Securities is an integrated technology-based securities firm offering a wide range of services including retail and institutional broking, financial products distribution, private wealth management, and issuer and advisory services.

It is one of the pioneers in the e-brokerage business in India. ICICI Securities operates www.icicidirect.com, India's leading virtual financial supermarket, meeting the three need sets of its clients - investments, protection, and borrowing.

We endeavour to become a comprehensive fintech solutions provider to life cycle investment, protection and borrowing needs of retail Indians in a digital and open architecture format. We are well placed as a leading name in the industry driven by end-to-end technology platforms, experienced management, diversified product portfolio and supported by physical presence at strategic locations to support the digital business.

What makes us different

Sustainable and responsible business
We promote social and economic development by supporting sustainable finance, being a responsible company and promoting inclusive communities.

Unwavering client focus
We provide differentiated experiences to customers through product and technology innovation.

Extensive reach through omni-channel model
We have a robust reach through online channel, led by our unique platform and seamlessly supported by a pan India relationship network.

Domain expertise
We have deep understanding of capital markets and financial needs of customers across profiles, products and services. We have a robust research team, relationship managers and product specialists.

Trusted brand
We have earned the trust of all our stakeholders by providing consistent experiences, valuable insights and by keeping their interests at the centre of our business for over two decades. We take pride in partnering our clients across their life journey in achieving their goals and humbly act as a custodian of their life time savings and assets.

One-stop digital financial supermarket
We have implemented digital solutions across business value chain for higher operational efficiency.

Sound risk culture
Risk management is an integral part of ensuring that we deliver on the promises we have made to our customers. We have developed a culture of stringent risk management for identifying, assessing and managing risks throughout the organisation.

Key facts

One of the largest equity franchise

Total assets*

₹ 3.8 Tn

Client base#

5.4 Mn

Overall active clients#

1.91 Mn

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

As at FY2021, active clients are for trailing 12 months

Who we are

Business Segments

Overview	Products and services	Performance
Retail equity Offer all investment and trading solutions across asset classes to retail investors through our comprehensive platform and a bouquet of digital properties	Investment and trading across asset classes including equity, commodity, derivatives, currency, margin trading funding, offshore investments etc	Retail equity and allied revenue **₹ 15,983 Mn** **70%**
Distribution of financial products We service the wide client base with a bouquet of proprietary as well as third party products designed for varied life stage needs. Our omni-channel model which is a combination of platform and platform assisted approaches, offers a hyper personalised experience to our clients	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 and Overdraft	Distribution revenue **₹ 4,279 Mn** **1%** Mutual Fund revenue **₹ 2,385 Mn** **5%**
Private wealth management Service High Networth clients by providing innovative products and solutions across their investment, business and allied needs	Investment solutions like Equity, Fixed Income, Offshore and Alternate Investments; value-added services like Protection, Mortgages & Loans, Tax Advisory and Estate Planning Engagement with customers on business needs like raising equity capital, debt syndication and monetising assets	Total AUM **~ ₹ 1.68 Tn** **102%** Revenue **₹ 4,503 Mn** **74%**

Overview	Products and services	Performance
Institutional equity Offers domestic and international institutional clients brokerage services and is empanelled with a large cross section of institutional clients. We also work with trade aggregators. We also provide solutions like block deals, which provide liquidity and enable them to trade on Indian stock exchanges as per their specific requirements.	Equity brokerage service for domestic and international institutional clients Value-added products and services, including Block Deal, Algo Trading, Corporate Access, Investor Meets, and Equity Research	Revenue **₹ 1,599 Mn** **24%** Research coverage **308 companies** Institutional research analysts ranked in top 5 of Asiamoneypoll **9**
Issuer and advisory services Services include M&A advisory, structured products, private equity, restructuring advisory etc. across US, Europe, Asia and India	Full-service investment bank providing services including, Equity Capital Market, Debt Advisory, Mergers & Acquisitions, Advisory, Private Equity Services, Structured Products and Restructuring	Revenue **₹ 1,613 Mn** **111%** Ranking in ECM fund raise[1] **#1** ECM mobilisation[1] **~₹ 1.9 Tn** ECM mobilisation market share[1] **76%**

Source:
1 Prime database, FY2021

Our Capitals

Resources We Deploy to Create and Protect Value

All organisations depend on various forms of capital for their value creation. We comprehend that doing business in a sustainable and responsible manner is important to ensuring our future viability. We use our six capitals to generate and sustain value for all our stakeholders.

Financial Capital

Financial capital (includes shareholders' equity and debt) is a critical input in executing business activities and in generating, accessing and deploying other forms of capital. Over the years, we have leveraged our strong financial capital to invest in business expansion to sustain market leadership.

Revenue

₹ 25,862 Mn

Dividend paid*

₹ 21.5 per share

*Including proposed final dividend of ₹ 13.5 per share

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Manufactured Capital

Manufactured capital is the Company's tangible and intangible assets used for value creation through continued business activities.

Branches

148

Presence through partners*

18,400+

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

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Human Capital

Our employees are pivotal to our success, and we are committed to provide them with all the tools necessary to maximise their capabilities.

Employees

3,766

Average training hours per employee

41.14

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Intellectual Capital

The collective expertise and knowledge of our people, our digital capabilities and our ability to provide best-in-class offerings to our customers provide us with a sustainable competitive edge.

New products and product enhancements

600+

Expenditure on technology infrastructure

₹ 154 Mn

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Social and Relationship Capital

It refers to the relationships the Company fosters with its clients, investors, regulators, suppliers and the community at large to create societal value as a responsible corporate citizen. At ICICI Securities, we believe that as a responsible corporate, we have a larger role to play in supporting and helping create social and economic value for all stakeholders.

New customers added

0.69 Mn

Indirect jobs created through Fintech Incubator programme

700

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Natural Capital

Our operations rely on natural resources and we recognise the impact of our operations on the natural ecosystem. We focus on utilising the scarce natural resources in an optimal manner.

Carbon emissions offset by optimising electricity usage

1,650 MT

Y-o-Y reduction in paper consumption

73%

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Message from the Chairperson

Mixing Maturity and Agility to Deliver Value

"Your Company has immense reserves of inherent strengths to capitalise on the opportunities. The biggest amongst these is its ability to constantly reinvent itself to remain relevant for the customer's changing and evolving needs."

Vinod Kumar Dhall
Chairman

Dear Shareholders,

It has been an exceptionally trying time for the world, including for our country. The COVID-19 induced pandemic, a typical black swan event, that swept across the world has ravaged the global economy at a scale never seen before. The post-pandemic world will in many ways be unlike the world before.

Seeing the big picture unfold

Mankind however is resilient enough to confront new challenges and adjust to developing situations. Significant changes in human history have evolved in response to major crises. For instance, the American civil war was followed by the end of slavery. The World War II was followed by the creation of peace keeping institutions like the United Nations, which became an influential organisation for preventing the recurrence of such large scale transnational conflicts. Similarly, the global financial crisis of mid to late 2000s led to tighter banking regulations.

We see such examples even at home. In times of major crises, the system has responded forcefully. Food shortage during the early decades of independence led to the green revolution, transforming the farm sector and ultimately making India a net exporter of food products from being an importer earlier. The 1992 stock market scam gave birth to electronic trading and better regulation. The balance of payments crisis in 1991 led to the liberalisation of the Indian economy. These tectonic reforms short-circuited years of incremental change.

Swift response by governments globally

When the global economy went into recession in 2020 due to the COVID-19 impact, central banks embarked on record monetary stimuli and governments across the globe adopted a counter-cyclical fiscal policies by embarking on unprecedented fiscal spending to pull their respective economies out of the recession caused by the once-in-a-century crisis; these measures met with visible success. Growth recovered in the second half of Calendar Year 2020 and high frequency economic indicators such as global Purchasing Managers' Index (PMI) showed that the momentum in economic recovery continues.

At home too, the Indian government took series of measures to minimise the impact of the pandemic and to kickstart the economy. Measures like the stimulus package, the Atmanirbhar Bharat campaign, liberalisation of FDI rules, focused industry-specific incentives, and financial and food assistance to the needy helped to cushion the dire effects of the pandemic. Steps like support to MSMEs, permission for commercial mining, agri reforms etc. are expected to further help in achieving the broader goals of economic growth and self-reliance.

Gradually, after the government eased covid related restrictions on mobility, economic activity has started limping back and we closed the year with Q4FY2021 real GDP growth of 1.6%, which was the strongest quarter of the year. The IMF expects India to be the fastest growing economy in the world during CY2021 at 12.5% GDP growth. Structural reforms and pro-growth policies of the Government have the potential to extend the growth momentum for India beyond CY2021.

The global GDP too is expected to grow by 6% in CY2021, after contracting by 3.3% in CY2020. Emerging economies are expected to grow faster at 6.7% than advanced economies at 5.1%.

Message from the Chairperson

The Indian equity markets had an eventful year: first, the bourses dipped into bear territory but soon reversed to a spectacular bull run, with the benchmark index NIFTY50 rallying 71% during FY2021. The rally was secular and broad-based, with small and midcaps outperforming headline indices. This was on the back of mirroring global markets as well as the expansionary FY2022 Union Budget which incorporated a counter-cyclical fiscal policy with focus on reviving growth.

The year saw record number (up ~3x Y-o-Y) of new demat account holders entering the market. There was significant surge in trading volumes (average daily turnover almost doubled) led by historic levels of volatility arising out of the pandemic, lower interest rate regime in the market, and aided by the work-from-home environment.

Demand for retail financial products like loans, fixed income products, corporate bonds, deposits, insurance, etc. was impacted in the first half of the financial year, as these businesses are largely contact based and got affected by the COVID-19 related restrictions, with business improving only in the second half of the financial year. While direct equity investments gained popularity, as indicated by the number of new demat accounts opened, the managed products saw muted investor interest. Even as Mutual Fund Investor accounts registered a growth of 10% to reach 99 Million accounts in FY2021, average monthly SIP inflows saw a dip of 4%.

Your Company has been a beneficiary of the broader market trend playing out in the form of formalisation of savings and huge retail interest in equity, that is reflected in its stellar FY2021 financial and operational performance.

Our value-creation opportunity

Your Company has been a beneficiary of the broader market trend playing out in the form of formalisation of savings and huge retail interest in equity, that is reflected in its stellar FY2021 financial and operational performance. Going forward, we see a long runway for growth as under almost all financial parameters like penetration of direct or managed equity, ratio of physical vs. financial assets etc. we have a long way to catch up with the rest of the world.

India has a large youth population joining the workforce every year. The younger millennials and Gen Z are digital natives. They think, act, spend, or invest differently. Their objectives and aspirations are different from those of the previous generations. And they also need to be served differently. This is one big area of focus for your Company as it readies the next generation of tools and features to cater to these customers.

Your Company has immense reserves of inherent strengths to capitalise on the opportunities. The biggest amongst these is its ability to constantly reinvent itself to remain relevant for the customer's changing and evolving needs. The Company has constantly innovated and added products, features and services to its arsenal, many of which have gone on to become industry standards.

Your Company partnered with IIT-Kanpur to successfully develop ground-up, a completely indigenized, portable and affordable ventilator.

Compassion for the Community

Reflecting your Company's deep commitment to social responsibility, during the year, it undertook various community initiatives in the areas of skills development, sustainable livelihood, creation of job opportunities, healthcare, empowering of women, and senior citizens' welfare. In healthcare, we humbly contributed ₹ 100 Million towards The Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund in order to support the Government in its fight against the pandemic. In another initiative, which may have a long term impact in making the country self-sustained in medical devices, your Company partnered with IIT-Kanpur to successfully develop ground-up, a completely indigenized, portable and affordable ventilator.

With respect to creation of new jobs and businesses, besides partnering with the ICICI Foundation for Inclusive Growth (ICICI Foundation) in its job-oriented skill training, we initiated a unique programme, in partnership with the N.S. Raghavan Centre of Entrepreneurial Learning (NSRCEL) at the Indian Institute of Management Bangalore (IIMB), to provide assistance to 10 fintech startups as we believe they have the potential to quickly generate large scale employment. Through this initiative, around 150 direct and 700 indirect jobs have been created. We have also tied up with an agency to train people in eldercare, meeting the twin needs of fulfilling a demand gap in shortage of trained care givers and employment generation.

For women empowerment, we are engaged with the World Wildlife Fund's (WWF) Hameri programme, under which women around the Jim Corbett National Park area in Uttarakhand are trained in community-based food processing and handicraft enterprises. This also reduces their dependency on the forest, thus, aiding environment conservation.

The Company, in association with HelpAge India, has taken up the project to set up Model Old Age Homes with Active Ageing Concept across 3 cities of Gurdaspur in Punjab, Cuddalore in Tamil Nadu, and Shey Village in Leh, Ladakh. Various activities and initiatives have been undertaken in these centres for the overall wellness of the elderly.

Your Company has joined hands with the Society for Innovation and Entrepreneurship (SINE), a not-for-profit Technology Business Incubator (TBI), at IIT Bombay, to support a couple of projects that have potential large scale social impact. The first project is in the area of Integrated Water Technology (IWT) for treating sewage/dirty water and reuse in farming, gardening, etc. The second project is in baggage screening using Artificial Intelligence, for enhancing security in public places such as metro/railway stations, airports, etc.

In conclusion

I would like to reiterate that ICICI Securities Limited is 26-year-old company but yet a young enterprise in mindset. It works with the maturity of an established firm and agility of a startup. As a consumer-centric organisation, while we are proud of our legacy, we do not rest on our laurels. We have kept augmenting customer trust, refreshed our talent, invested substantially in technology, maintained high level of corporate governance, and constantly endeavored to give back to the society. We continue to invest in people, processes, and technology towards greater stakeholder value creation.

I take this opportunity to thank all of you - and our customers, partners, associates, employees, communities, and the regulators - for the continued support and trust by all in our long-term story, and solicit your continued support going forward. And finally, along with all of you, we look forward to a brighter, stronger post-covid future for our country and its people.

Regards

Vinod Kumar Dhall

Chairman

Message from the MD and CEO

Strengthening the Core Anchors of our Business

As we remain focused on meeting and exceeding our customers' expectation, we continue to expand the horizons of our business.

Vijay Chandok
MD & CEO

Consolidated revenue

₹ 25,862 Mn
~50%

Retail client base

~5.4 Mn

Consolidated Profit after Tax

10,677 Mn
97%

EPS

₹ 33.14

Dear Shareholders,
The year that went by was an apocalyptical one as we faced the a-once-in-a-century kind of disruption which brought life as we knew it, to a virtual standstill.

For us, being there for our customers and stakeholders during these trying times, therefore never mattered more. In this context I wish to acknowledge the exemplary contribution of our employees, who ensured business continuity, despite huge challenges.

The COVID-19 induced pandemic has redefined the way we humans communicate, do commerce, and maintain relationships. Even now, the challenges remain in the form of scars left behind by the second wave and preparing for any future wave.

A new business paradigm

The pandemic has bought about significant change for our business. To begin with, we have seen a strong behavioural shift of customer accessing and making investments digitally. This change has happened in a very short period of time which under normal circumstances, would have taken many years. More and more young people and from smaller cities and towns are now entering the capitals and financial market.

During this period, we saw that in order to prepare themselves for an uncertain business environment, corporates have undertaken conserving capital and strengthening their balance sheet in a big way. This led to many of them raising capital from the market through a multitude of ways including IPOs/OFS/ Rights issuances etc.

The pandemic has triggered investor mind-set towards savings, investments and protection. People have increasingly begun to prioritise these over discretionary spends to prepare themselves better for an uncertain tomorrow.

We are witnessing the trend of consolidation of market share towards digital players or those who are able to fulfil a large part of customers' needs digitally. This is true across categories and can be witnessed if we look around us and compare our own consumption pattern now compared to even 15 -18 months ago.

These changes have an immediate and long-term impact on your Company. The number of newcomers in the market has gone up by a factor of almost 3, with a record 14.3 Million demat accounts being opened in FY2021, against 5 Million in FY2020. Similarly, the average daily turnover (ADTO) on our bourses have almost doubled during FY2021 as compared to FY2020. The year saw one of the largest fundraising by India Inc. with ₹ 2,505 Billion being raised through various routes in FY2021 as compared with ₹ 1,472 Billion raised in FY2020.

Strengthening our core

Our strategy - be a comprehensive fintech solutions provider by meeting retail Indians' life cycle needs in a digital and open architecture format - unveiled by us two years ago has remained more relevant now than ever. It has helped us broad-base our presence in the financial services landscape, diversify our offerings and granularise our revenue streams.

Our approach has been to strengthen the core aspects of our business, while building for the future by focusing on five key strategic anchors, which are: Ramp-up scale and value, Monetise Client Value, Enhance Customer Experience, increase Digital Agility, and demonstrate Cost Efficiency. We have made significant progress against all these anchors.

While the number of customers sourced through ICICI Bank channels has scaled up in FY2021, our open architecture and digitally sourced ones have also resulted

Message from the MD and CEO

in diversification of our channel mix with ~55% of new customers coming through this channel in FY2021, as compared with 20% in FY2020. During the year, we on-boarded Federal Bank as our partner by offering our trading platform to their customers, which we expect will further add to diversification of new account sourcing going forward.

During the year, we launched a number of products and services such as Neo (our zero brokerage plan), Global Investments (to facilitate investments to other markets such as the US, UK, Hong Kong, Singapore, Japan, and Germany), expansion of 1Click equity portfolios, iAlert (to alert customers against risky trades), ICICIdirect Money app (to simplify buying and selling of MFs), and many more to enhance customer experience and monitise client value. The result is that we improved our cross-sell ratio from 1.64 to 1.78 and currently have over a Million clients utilising more than one product from our stable.

ICICIdirect platform is known for its stability, safety, and speed. It has handled traffic of 102,000+ concurrent users, processing at peak 4.1 Million orders plus trades in a day. We have launched our APIs which is integrated with a diverse set of fintech players and other partners. We constantly analyse the market for unique offerings, which would be of benefit for our clients. We are currently in the process of re-engineering our mobile app including introducing the new UI/UX.

Strong performance backed by growth across all KPIs

We have delivered robust performance for the year with consolidated revenue increasing by 50% to ₹ 25.86 Billion in FY2021 and consolidated profit after tax increasing by 97% to ₹ 10.68 Billion. Our net profit margin increased to 41% in FY2021, compared to 31% a year ago. The Board has proposed a final dividend of ₹ 13.5/ share, which would take the full year dividend to ₹ 21.5/share compared to ₹ 11/share paid in FY2020.

Retail & Institutional Equity

During the year, we had our best ever retail client addition of ~0.7 Million and a total retail client base of ~5.4 Million with over 1.91 Million active clients and over 1.58 Million NSE active clients. More than half of new customers were below 30 years of age and about 2/3rd are from tier II & III cities. Our fully digital customer acquisition capabilities and open architecture model aided us in adding momentum to our client acquisition initiatives.

The Retail Equity and Allied income grew by 70% from ₹ 9.41 Billion in FY2020 to ₹ 15.98 Billion in FY2021. Revenue from our institutional equity business increased by 24% from ₹ 1.29 Billion in FY2020 to ₹ 1.60 Billion in FY2021.

Improved traction in both retail and institutional client base helped us improve our blended equity market share to 10.4% in FY2021 from 8.7% in FY2020.

Distribution of Financial Products

Your Company is a leading distributor of financial products such as Mutual Funds (MFs), Exchange Traded Funds (ETFs), National Pension Scheme (NPS), Sovereign Gold Bonds (SGBs), RBI bonds, Corporate Fixed Deposits (CFD), REITs (Real Estate Investment Trusts), protection and loan products. Our distribution revenues increased marginally from ₹ 4.23 Billion to ₹ 4.28 Billion. Due to pandemic related restrictions, most of the first half of the year remained muted with growth returning only in the second half.

We remain the second largest non-bank MF distributor with our MF AUM reaching an all-time high of ₹ 455 Billion as at March 2021. Our market share in SGB has now expanded to ~10% for FY2021 and share in non-institutional ETF assets stands at 13% for March 2021.

Cross-sell ratio

1.78

Private Wealth Management

Our Private Wealth Management revenue jumped 74% to ₹ 4.50 Billion in FY2021 on the back of an expanded client base of ~47,400, up from ~32,000 a year ago, leading to an assets under management of ₹ 1.68 Trillion as at March 31, 2021, up by 102% from ₹ 0.83 Trillion in as at March 31, 2020.

Issuer & advisory services

Owing to a significant uptick in capital raising and deal activities, our Issuer and Advisory Services business reported a 111% rise in revenue from ₹ 0.76 Billion in FY2020 to ₹ 1.61 Billion in FY2021. During the year, we successfully managed 56 deals compared to 30 in FY2020.

Beyond Business

Our endeavour has been to participate wholeheartedly in every element of wider societal opportunity. We have redoubled our commitment towards Environment, Societal, and Governance (ESG) efforts. This would be the second year we would be disclosing our ESG initiatives with a commitment to further improve upon them. Our CSR initiatives have been very focused towards COVID relief and healthcare, senior citizen welfare, environment protection, and employment generation. During the year, besides other initiatives, we also contributed towards PM Cares to help fight the pandemic.

Our endeavour has been to participate wholeheartedly in every element of wider societal opportunity

Putting customers at the center of our growth strategy

The pandemic has changed the business landscape at a fast pace. Green shoots are visible in some of the secular and structural trends in terms of accelerated digital embracement for investment transactions, increased pace of formalisation, digitisation, and equitisation of savings. In such a context we are continuously digitising to remain at the center of evolving customer preferences. We do believe this focus would be pivotal to sustain and accelerate the growth momentum in the market place.

Your Company has historically demonstrated its capability to continuously innovate and sustain market leadership position across market cycles. Our business is a business of Trust and we remain focussed in our efforts to reinforce the trust that we have earned in the last two plus decades of our existence. As at March 31, 2021, we had client assets worth ₹ 3.8 Trillion against ₹ 2.1 Trillion a year ago, a strong validation of the trust that our clients repose in us.

Way ahead

We feel excited at the opportunity that lies ahead. The canvass is very broad. On one hand, we have a demographic dividend with a whole new generation, the GenZ, commencing their economic life and on the other hand, we have large pool of wealth getting created and transmitted at the upper end of the spectrum with growing affluence, growing need for retirement corpus etc.

We see ourselves as life stage partners in this journey straddling full spectrum and are gearing our platform to play a pivotal role in all the financial needs of customers in this journey.

We are enriching our product stack to tap into white spaces that have opened up and also as propositions to attract new to platform clientele. Our channel stack comprising our omni-channel model and our approach of partnerships are aimed at creating a strong network effect propelling the scale of our impact universe.

We are looking at using data driven analytical insights to personalise the manner of engagement with clients. Our approach is to view ecosystems rather than just segments and provide comprehensive solutions.

This journey of transforming the platform to a market place for entire gamut of financial products as well as a community , a partner in the life journey will need investments and execution. We are making investments in technology, people and our brand to realise the opportunity ahead of us.

Together with my colleagues, and encouraged by the support of all our stakeholders, we will continue to forge ahead and contribute to India's transformational journey towards self-reliance. I would also like to thank our customers and shareholders for their continued faith in our abilities and for their unwavering support for all our endeavours. Along with the right team and strategy, we are confident of delivering long-term sustainable growth for all our stakeholders.

With best wishes,

Vijay Chandok

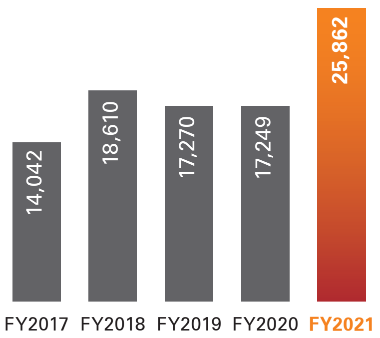
MD & CEO

Key Performance Indicators

Delivering Stable and Profitable Growth

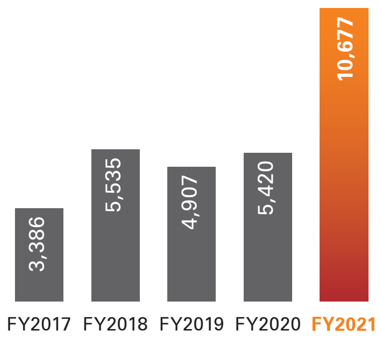
FY2021 was a year marked by huge economic volatility and overall uncertainty in the market. In such an environment, our financial performance was strong on the back of our business model and resilient franchise.

Revenue (₹ Million)



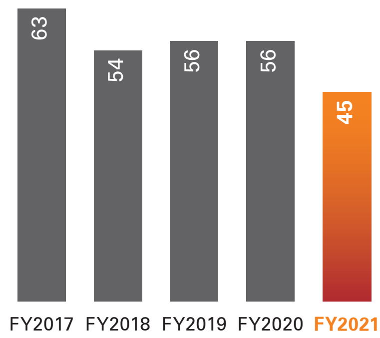
Revenue during the year increased by 50% on account of growth across all businesses

PAT (₹ Million)



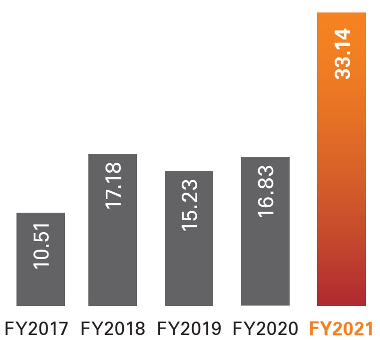
PAT growth was driven by revenue increase along with continued focus on enhancing operating leverage which driven by reduction in branch and employee count

Cost to income ratio (%)



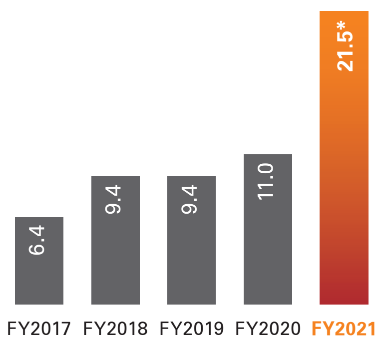
Cost to income ratio stood at 45% due to improved operating leverage achieved through cost efficiency measures

Earnings Per Share (₹)



FY2021 EPS grew by 97% Y-o-Y

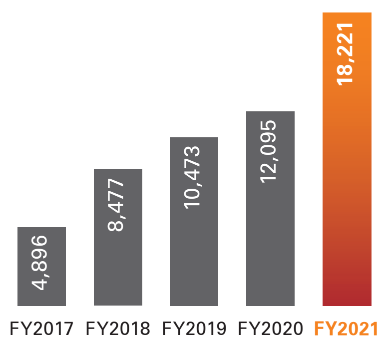
Dividend Per Share (₹)



We have been consistently paying over 50% of our PAT as dividend for the past few years. In FY2021 our dividend pay out ratio was 65%

*Including interim dividend of ₹ 8.00 and proposed final dividend of ₹ 13.5 per share

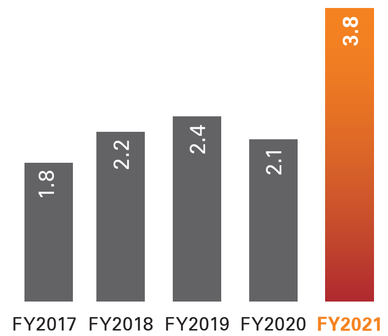
Networth (₹ Million)



Networth grew by 51% Y-o-Y, led by PAT growth

We proactively invested resources to scale up our digital acquisition of customers across markets and also launched new products by partnering with various Fintech companies with all possible required services.

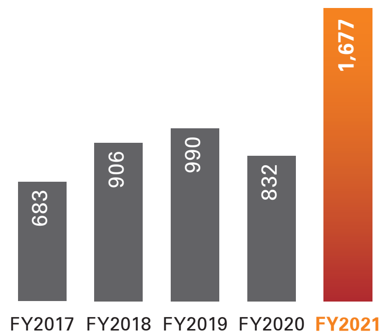
Total Assets* (₹ Trillion)



Assets of our clients grew by 85% to over ₹ 3.8 Trillion, driven by all-round growth across businesses led by strong client flows and buoyant equity markets

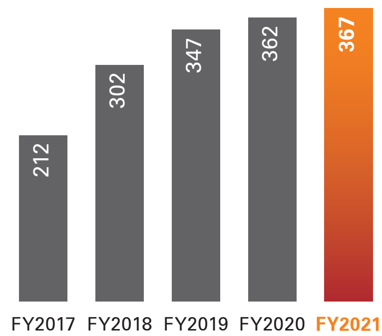
* Assets of our clients including equity demat assets maintained with ICICI Bank and excluding promoter holding

Assets – Wealth Management (₹ Billion)



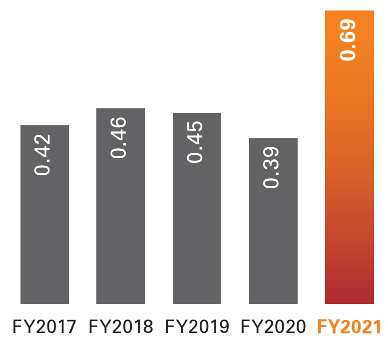
Total assets of our wealth management clients increased to ₹ 1.7 trillion, a growth of 102% Y-o-Y

Mutual Fund Average AUM (₹ Billion)



Sustained focus on input parameters like one click portfolio, SIP, ICICIdirect Money app helped our Mutual fund AUM to reach at an all time high in FY2021

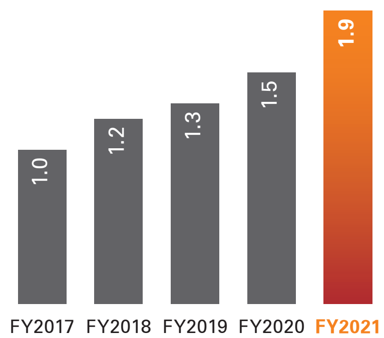
New Customers Acquired (Million)



Digital sourcing helped in scaling of new client acquisition

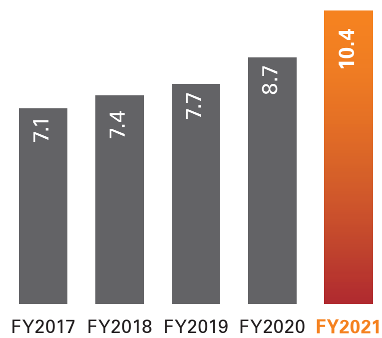
Active Clients (Million)

(all products)



Our focus on micro-segmenting our client base by providing a personalised experience using analytics, new age tools etc. helped us increase our cross sell ratios which led to expansion in our overall active customer base

Equity Market Share (%)



Expanding customer acquisition channels augmented by our distinct product and service propositions like Prime/Prepaid/NEO helped us grow our equity market share

COVID-19 Response

Stepping up the Fight against the Pandemic

The COVID-19 pandemic has had a profound impact on markets and people across the world, disrupting the way we live and work. Our business, too, faced several challenges, but we responded rapidly and with agility to sail through this storm. Our success is built on our ability to anticipate and respond to the challenges and opportunities we face today and in the future. During the pandemic outbreak, our focus was on largely three areas: ensuring safety of employees, ensuring business continuity, and reaching out to customers and other stakeholders virtually.

Business continuity

As our Company is a part of the 'essential services' in the country, we made sure that our services were available, and customers had access to their investments and markets at all times. During these uncertain times, we observed that customers had a greater need to reach out to their Relationship Managers (RMs). Given the pandemic situation, keeping the safety of our employees in mind, we ensured a large part of our workforce and relationship management teams were enabled to work from home with necessary digital tools and enablers to connect and serve the customers.

To manage market risks, we have a comprehensive system for risk management and internal controls, whose objective is to ensure that various risks are identified, measured and mitigated. Proactive, prudent and real-time risk management polices backed by our robust technology helped us navigate better, amid a high level of market volatility.

Employee health and safety

As a caring organisation, we value employee well-being and safety. During the pandemic, we ensured the safety and sanitisation of our premises with utmost diligence as per the guidelines issued by various local authorities. We provided sanitisers, masks, face shields to our employees / associates who had to come to our premises on a rostered basis. In larger offices or central locations, we started conducting proactive RTPCR tests for our people.

We continued to reach out to employees through digital medium to enquire about their and their immediate family wellbeing and extend necessary support wherever required. We arranged for isolation facility for our employees and their family members in six cities, who were suffering from COVID-19 and needed to be isolated. Digital engagement platforms were provided to employees to facilitate virtual team meetings. Digital learning programmes were offered to employees in order to help them adapt to the new normal.

In order to check on employee well-being, 20 HR managers were made responsible to connect with 20 employees each on a daily basis everyday till October 2020. We tied up with a mobile based medical concierge service provider for employees and their dependents to seek online consultation during the pandemic period. In FY2021, 486 consultations were held, of which 74 were psychologist consultation sessions.

Wherever required, the hospitalisation of employees &/ or their immediate family members was also arranged. We took care of hospitalisation expenses of employees even beyond the regular claim limits. We also assisted employees in getting themselves and eligible family members vaccinated in line with the Government's defined eligibility norms.

Consultations held for employees with respect to physical health and mental well-being

486

Technology preparedness

The recent market volatility tested the robustness and the ability of our technology platform to deal with concurrent users, uptime, response time, and so on. Our platform passed this 'stress test' with flying colours. We handled record volumes of 4 Million+ orders and trades processed in a day on our platform. We also managed peak concurrent users of over 1,02,000 without any downtime.

Peak Trade orders executed on our platform

4 Mn +

Peak concurrent users managed without any downtime

1,02,000

Innovation

Being Ahead with Advanced Technology, Partnerships and Product Propositions

We leverage our resources to expand our customer base and provide best-in-class products and services. By focusing on our knowledge and partnering with leading external organisations, we adopt advanced technology and digital expertise and endeavor to deliver an excellent customer experience.

A well integrated open architecture platform

We introduced our open architecture system in FY2021 to make our electronic brokerage platform seamless and inter-operable by allowing our customers to link any bank account to their trading and demat account and provide them greater flexibility in the use of their money. This has increased our addressable market size by opening new customer sourcing channels.

Our technological architecture integrates the internal systems and the systems of third parties whose products we distribute. The underlying IT infrastructure is robust and scalable, designed with redundancy in mind and with a three-tier disaster recovery process. The platform allows the customers to transact across different assets classes and asset managers, review portfolio and extract reports. For example, clients have access to best of the breed Portfolio Management Schemes, high performing Alternate Investment funds, etc.

ICICIdirect Money

Introduced 'ICICIdirect Money' mobile app, which provides a vast array of services related to mutual funds such as investment, redemption, setting up or cancellation of SIP mandates, one click basket of Mutual Funds, our theme based investment baskets, among others. It is seeing a healthy download traction and has high-user rating.

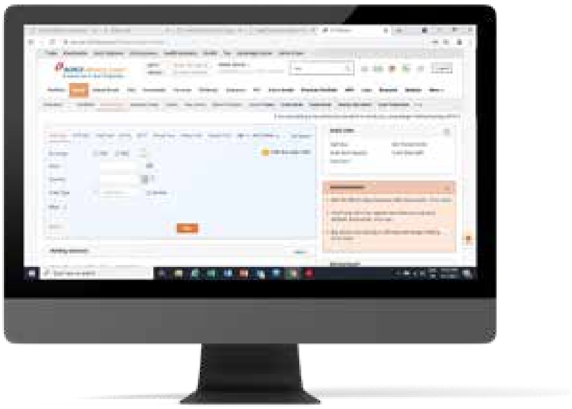
ICICI direct Neo

a path-breaking zero brokerage plan

This is a one-of-its-kind plan targeted at equity and derivative traders, offering unlimited trading with zero brokerage on all Futures trades and flat ₹ 20 per order for intra day and Options trades.

ICICIdirect Neo customers also get a host of additional distinctive features comprising:

- Instant liquidity, where customers get cash within 30 minutes of selling stocks as per their chosen plan
- Access to ICICIdirect's award winning research with 300+ companies under fundamental coverage
- Access to One-Click Portfolios - baskets of research-curated and theme-based (fundamental or technical or a combination of both) stocks or MFs
- Access to proprietary and third-party trading tools to get the best out of any market situation
- Margin Trading Funding at attractive market leading pricing



Collaborated with Interactive Brokers LLC to invest in the US markets

We have partnered with Interactive Brokers, a US-based multinational brokerage firm, operating the largest electronic trading platform in the U.S. by number of daily average revenue trades. The partnership was launched in Aug 2020 and by March 31, 2021, close to 4,000 customers have invested about $14 million in US securities through this initiative. The alliance will enable our 5.4+ Million clients to diversify their investments outside of the Indian market and access multi-asset investment opportunities. Domestic investors can trade in US markets across stocks, ETFs, and fixed income products as well as five additional markets - UK, HK, Singapore, Japan, and Germany.

ICICIdirect customers can now invest in US, UK, HK, Singapore, Japan, and Germany

Commodity derivatives trading

Launched commodity derivatives trading on the icicidirect.com platform. With this, I-Sec's ~5.4 Million client base can now trade in commodities futures on the Multi Commodity Exchange (MCX), India's largest commodity exchange with a market share of over 94%.

New partnerships add value

- Launched Sensibull, a third-party derivative strategy platform, to offer advanced trading suggestions and strategies for ICICIdirect customers
- Launched i-Lens (Integration of Traders Tool) which provides screeners to help customers identify stocks, based on pre-defined conditions or trends
- Integration with Federal Bank to provide the ICICIdirect trading platform for Federal Bank's demat account customers
- A new Private Wealth Management partner universe has been created. It provides a dashboard in which summary and detailed information of linked customers can be seen

Number of customers registered for commodity trading

75,000

Digital

Being Able to Enhance Capabilities in Smarter Ways

Digital revolution and the rapid pace of technological advancement is reshaping the way we work. Evolution and quick adoption of a wide range of technologies and platforms (mobile, analytics, social media, artificial intelligence, machine learning, RPA, NLP Cloud) are presenting new opportunities for business growth and sustainability. The adoption of digital technologies is not only redefining the way we work, but also the way systems and processes enable us to maximise human potential.

Key facts

Peak Order + Trade:

4+ Mn

25% vs FY2020

Average (Order + Trade):

2.8+ Mn

90% vs FY2020

Peak Execution:

0.88 Mn

16% vs FY2020

Response time:

<40 milliseconds

App Downloads in FY2021:

ICICIdirect:

1+ Mn

Using digital ecosystem for customer sourcing and service

Our digital ecosystem is robust, scalable and makes the customer onboarding seamless, while ensuring convenience at every step of the customer's life cycle.

- We moved business processes and customer engagement from physical to 'phygital' and 'digital', enabling the online account opening journey to under 10 minutes. This includes online KYC verification, account setup and activation. Online Account Opening (OAO) has been integrated from Facebook messenger as well.
- Customer servicing has also moved on to the digital and Do-It-Yourself (DIY) mode, with chat bot and co browsing implementation. ICICIdirect WhatsApp is a 24X7 go-to platform for all routine enquiries about investments – from checking their portfolio profits, to knowing status of the orders, etc.

Going ahead

- We are implementing Customer Data Platform to hosts transaction and customer interaction detail, enabling 360-degree view of the customer that can be used for various campaigns, cross-sell, upsell and other such actionable analytics
- We are in the process of incorporating data mining, data exploration & visualisation, and machine learning for advanced data analytics and data science capability to mine customer data. The goal is to achieve various business insights like market share, business-wise analysis, etc.

Being omni-channel is being always available

- The use of digital assets is helping us make significant differences in the way we service our customers. We offer new-age self-servicing channels such as Chatbot, Whatsapp bot, iCommunity along with traditional channels including phone, email, Chats as well as walk-in to our branches. Being there when customer needs assistance is what drives satisfaction in the online investment world. Pre-empting and offering help is taking customer service to the next level.
- Looking at the complexities of the products that we deal in, a lot of effort is put in to ensure that our service officers are well-trained and equipped to respond to customer queries quickly and correctly. The call centre and email services are hosted using state-of-the-art technology to respond to the customers. The team uses a sophisticated CRM system and an integrated platform for Inbound/Outbound and email interactions. During the pandemic, the team ensured the continuity of services by adopting the 'Work from Home' model. The entire customer service team has been enabled for WFH to ensure continuous services to our customers. The year saw our icommunity registrations crossing 5 Lakh customers and an average of 1 Lakh/ month unique customers using chatbot services. Investments, monitoring, rebalancing, and liquidation of portfolios can be done in a single click.

icommunity registrations

5 Lakh

Customer Satisfaction

Being Able to Elevate Customer Experience Proactively

At ICICI Securities, customer service is one of the key differentiators. Customer expectations are ever evolving – from the speed and ease of service to the degree of choice and personalisation available to them. We are determined to anticipate, meet and surpass these expectations. Our focus is on earning our customers' trust through a suite of products that are easy to understand, provide value for money, achieve lifecycle investment goals and are supported by superior service architecture.

Passionate about doing it right

We are passionate about customer service and security and are continuously looking for innovative ways to solve our customers' issues to elevate their experience. To deliver consistent service, we have customer service council and dedicated customer experience officers. To give our customers the best browsing experience, we monitor even the minutest of issues on our portal on a real-time basis to resolve it within the shortest possible time frame. We are proud of our effective governance, comprising of a well-defined customer grievance redressal mechanism and a product governance forum which looks at suitability of products to a customer type.

Bringing innovation to our products

- Expanded our OneClick equity investments portfolio offering to include research-backed, small ticket, and theme-based baskets of stocks and ETFs. Here entire baskets can be bought or sold in a single click
- Our Consolidated Portfolio Analysis helps in getting an in-depth analysis and single-window view of the customer's overall portfolio across advisors and asset classes. Customers can upload their NSDL-CAS/ CAM / Karvy statements and get a single view instantly
- Launched insta loan against mutual fund facility on ICICIdirect. A unique proposition which provides an seamless solution to a liquidity challenge that our clients may face, and prevents them from having to dip into their savings
- Launched currency trading on ICICIdirect mobile app
- Launched Premium Portfolio facility for the mass affluent customers where ICICIdirect and third-party research backed portfolio of stocks is offered to customers. Investments, monitoring, rebalancing, and liquidation of portfolios can be done in a single click

Measuring ourselves to improve service

We use Net Promoter Score (NPS) to measure the overall experience of our customers with our processes and services. NPS as a tool is used to understand the customer experience around various touch points such as account opening, website response time and application, RM/ Advisor/ Partner and overall service quality. The NPS scores have shown an improvement from 22% in Q1 FY2021 to 30.4% in Q4 FY2021.

NPS score in Q4 FY2021

30.4%

i-Alert – to safeguard customers' investments

Launched 'i-Alert', an automated alert mechanism on ICICI direct platform, to help investors gauge the risks associated with the stocks that they choose to buy. The system prompts the customers when they commence the purchase of stocks of a particular company about the fundamentals of the company, and rule / AI driven algorithms alert our clients in case the stock selection by the client is risky based on our research. Enabling them to be aware of the risks associated and take an informed decision.

Business Model

Leveraging Strengths to Create Lasting Value

Capitals _ Inputs

Financial

Financial
- Total equity ₹ **18,221 Million**
- Borrowings ₹ **35,210 Million**

Manufactured

Manufactured
- Call centre executives **108**
- Number of call centre facilities **2**
- Expenditure on infrastructure ₹ **257 Million**
- Investment to create open architecture **fully digital platform** capability for client acquisition

Intellectual

Intellectual
- Mutual Funds schemes available for distribution **2,600+**
- Expenditure on technology infrastructure ₹ **154 Million**
- Retail research team **39**
- Institutional research team **31**
- Investment banking team **60+**

Human

Human
- Number of employees **3,766**
- Total Training hours **1,54,927***
- Gender diversity **76:24**
- Workforce under 30 yrs **38%**

*Does not include man hours invested in mandatory certifications like AMFI, IRDA, etc.

Social and relationship

Social and relationship
- CSR spend ₹ **160 Million**
- Retail client base **5.4 Million**
- Active clients **1.91 Million**
- Sub-brokers, Authorised persons, IFAs and IAs **18,400+**

Natural

Natural
- Key resources used **Water, Land, Power**

Principal activities

Governance

Vision

Mission

Key Aspects

INDIVIDUAL

Retail

Mass affluent

Affluent

HNI

Ultra HNI

Family Office

Product Proposition

Choice of Products

Acquisition

Engagement

Technology

Distribution

Research & Advisory

Advanced Analytics

INSTITUTIONAL

Entrepreneurs

Corporates

Government Bodies

DIIs

FIIs

Strong Execution Capability

Sector Expertise

Raise Funds

Pre-IPO

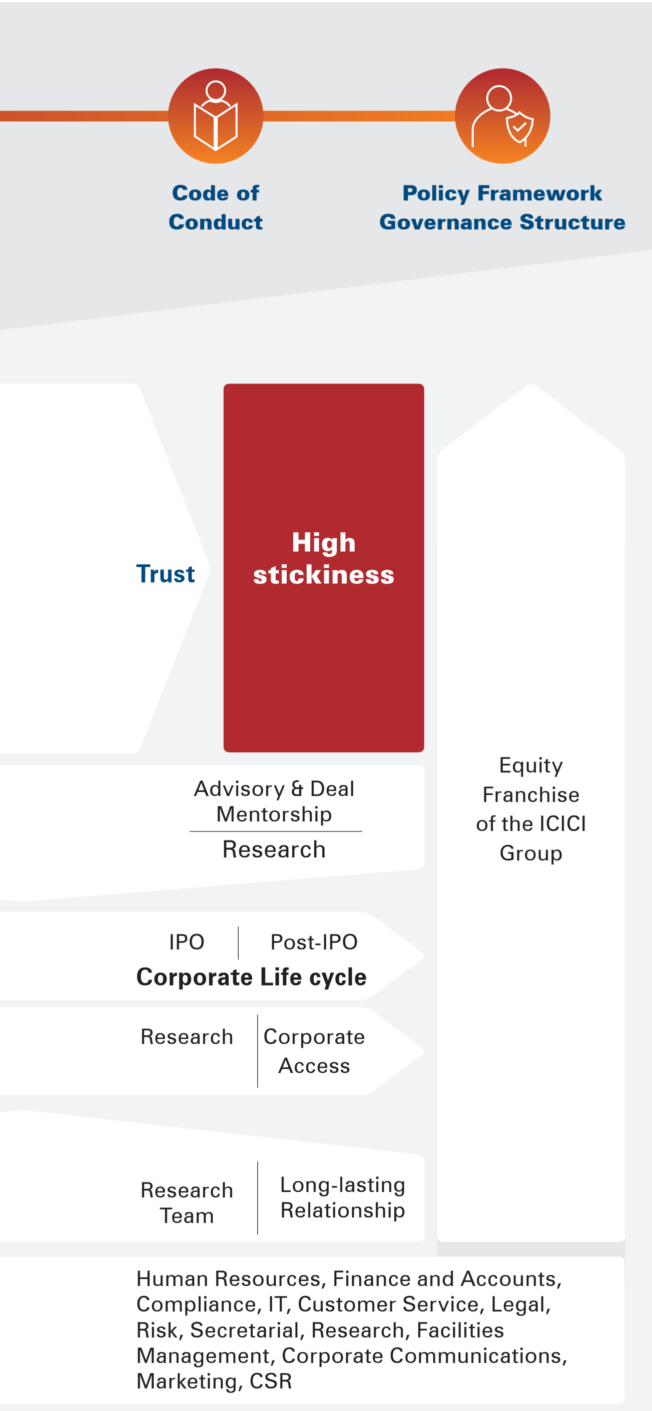
Invest Funds

Liquidity

Strong Direct Market Access Capabilities

Support functions

At ICICI Securities, we focus on delivering sustainable value to our customers and the wider fraternity of stakeholders, despite challenges such as industry volatilities or economic hardships. We take a longer view of the business and evolve an appropriate roadmap to strengthen the core fundamentals of our business.



Value generated

For providers of financial capital

We deliver consistent, profitable and responsible growth.

For customers

Value to customers by providing superior products.

For our people

We strive to provide equal opportunities to all our employees, ensure capacity building, training, and a safe work environment.

For business partners

We engage and collaborate with our partners closely for knowledge enhancement, process improvements and product applications

For communities around us

We contribute towards improving the living conditions of community's around us through our CSR activities; at the same time we ensure that our production processes do not have any adverse impact on the environment around us.

Outcomes

Financial

- Revenue ₹ **25,862** Million (Y-o-Y 50%)
- PAT ₹ **10,677** Million (Y-o-Y 97%)
- EPS ₹ **33.14**
- RoE **70%**
- Dividend ₹ **21.5** per share (includes interim and final dividend)

Manufactured

- Branches **148**
- Cities **70**
- ICICI Bank branches presence **~4,350+**
- Response time **<40 ms**
- Reach expanded to **26,000+** pincodes in India and over **150** countries

Intellectual

- Products launched and enhanced **600+**
- Retail broking research coverage **350** companies
- Institutional broking research coverage **308** companies
- Research reports published **2,100** (Institutional) **3,030** (Retail)
- Retail research strike rate **~75%**

Human

- Employees trained **99.20%**
- Revenue generated per employee **₹ 6.9 Million**
- Average endorsement score of Employee Alignment study **88**

Social and relationship

- Number of customer added **0.69 Million**
- Growth in active clients **29%**
- Contributed to the PM CARES Fund **₹ 100 Million**
- Tied-up with IIT K for development of **affordable ventilators**
- Joined hands with NSRCEL, IIM-B to support **10 fintech startups**

Natural

- Reduction in paper consumption **58% Y-o-Y**
- Solar power generated **~32,965 units**
- Reduction in power consumption **~2,012,590 units Y-o-Y**

Operating Context

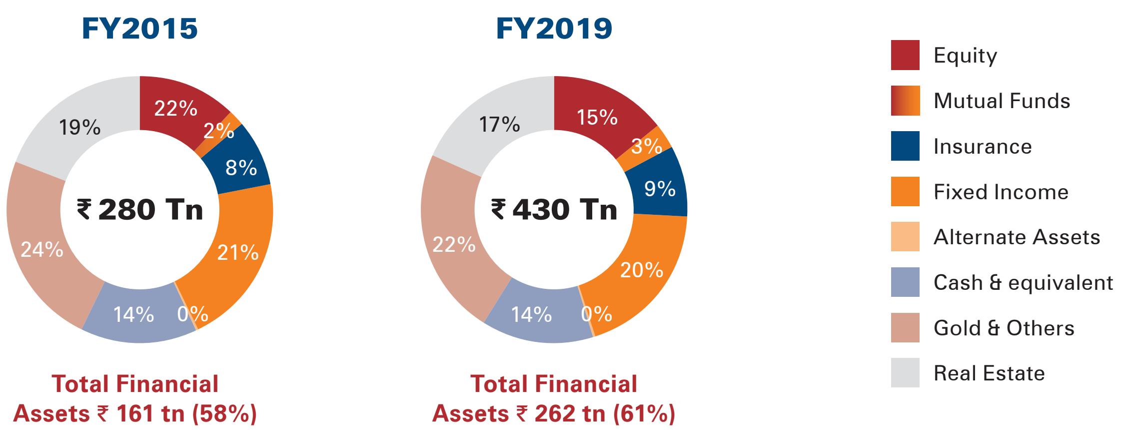
Participating in Dynamic Trends

Although the pandemic has adversely impacted every aspect of life, it has catalysed digitalisation, enhanced household savings and retail participation in India's financial markets like never before, which are positive trends for our business. Our objective is to refine our strategies in line with broad trends and take advantage of emerging opportunities, while minimising our risk index.

Financialisation of savings to continue to grow

Household financial savings in India should continue to grow, given that India has traditionally been a high-savings economy. High level of savings and investments are key to India's persistent and robust long-term growth. Going forward, the share of savings in financial assets is also expected to increase, propelled by lower attractiveness of gold and real estate as well as enhanced financial literacy. This, along with the ease of accessibility with different investment products on a single platform will also bolster growth. The share of financial assets has been increasing steadily growing from 58% in 2015 to 61% in 2019. Within that the share of equity, Mutual funds has been growing steadily to increase from (MF+Equity)% in 2015 to 18%. It is expected to grow further to 26% in 2024 as per Industry research reports.

Allocation of wealth into assets

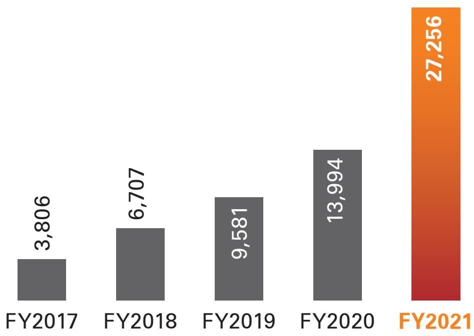


Source: Industry research reports FY2015, 2019; Financial assets: Total assets excluding Gold and Real Estate

Continued growth in equities and innovative products

To bolster India's economic growth further and at a faster pace, growth of capital markets is important. The Indian equity market is growing in terms of number of listed companies and market capitalisation, extending the playing field for equity firms. Advanced products segment is growing rapidly, demonstrated by the steep rise in the growth of derivatives trading. Growing retail participation helps tap the untapped market. Also, growing financial awareness is likely to increase the proportion of population participating in this market.

Gross derivative average daily turnover (in ₹ Billion)



Source: NSE, BSE, SEBI

Favourable demographics

Millennials and Gen Z are the most significant demographic and economic force of our times. India is among the few nations with the highest youth population, with a median age of 28 years. Such a large share of the working population, expected growth of Indian economy, increasing urbanisation and rising consumerism are some of the key drivers implying market growth potential for established financial service providers in India.

In addition, there's a large number of retirees who have specific financial needs related to wealth protection and transfer. There is also an opportunity arising from growing affluence of the middle class segment which is demanding a superior experience and are willing to participate actively in financial investments. An established and trusted brand like us with a nationwide physical presence is ideally suited to serve these emerging demographic opportunities.

Rising scope for wealth management

According to Industry research reports, by 2024 the individual wealth in India is estimated to have a healthy growth rate of 13% to reach ₹ 799 lakh crore. This is almost double the current wealth of ₹ 465 lakh crore. The financial assets allocation is projected to be 66%, while the physical asset allocation would be 34%. With an increasing amount of understanding and exposure, people want to enjoy the luxuries of life and therefore have a desire to save for lifestyle needs. Subsequently, the inclination to hire a professional advisor to manage one's wealth has been increasing.

Digitalisation engine moves faster

Digital technologies have emerged as a key growth enabler, providing increased expediency and transparency. Further, the rapidly rising internet penetration, creation of smart devices and the government's 'Digital India' initiative are driving innovation in the securities space as well. Today, customers are increasingly preferring to access digital channels for availing their needs. Digital transactions via mobile and other means have seen faster adoption of emerging technologies by customers. According to The Internet and Mobile Association of India (IAMAI) Kantar 'ICUBE 2020' report, the total active internet population is likely to touch 900 Million by 2025.

Our response

Over the years, we have endeavoured to diversify our product and service offerings, which combined with our strong brand and large customer base, place us to be the recipient of growth in digitisation and transformational changes in the Indian financial savings market. We have been a leader in driving digitalisation in the Indian securities industry. We continue to invest in best available technologies to improve processes, train and reskill resources, and strengthen our digital platforms for customers, distributors and business partners. We are also leveraging data analytics tools for deriving actionable insights to improve customer experience.

Leadership Views

Leading with Excellence

From a period of uncertainty to record capital rise by India Inc., the year was very eventful. Given the backdrop of COVID, the need of the hour was to decipher the market, instill confidence and filter out noise from reality. We navigated the situation using this approach which helped us catch the trend early and launch the first IPO since the pandemic hit. This incidentally was also the first all-digital IPO for India- meaning all legs of the IPO process were concluded digitally, hitherto unthinkable. We eventually closed the year at the top of the Leagues Table.

Ajay Saraf
Executive Director and Head -
Investment Banking & Institutional Equities

Right from the start of the pandemic, we remained available for our clients and stood by them to help them sail smoothly throughout their investment journey. We worked towards their two key priorities; ensuring continuous access to markets and their investments, and help them navigate the uncertain environment by leveraging our research expertise. We further strengthened our digital platform by launching a number of simplified and innovative products and features to keep our clients stay ahead in a dynamic market environment. We value the trust that our clients place on us and are driven to deliver on this trust.

Vishal Gulechha
Head – Retail Equities

We were available for our clients, largely owing to the indomitable spirit of team ISEC. Our people, undoubtedly are our greatest assets. We took extreme care of all of our team and partner's staff by enabling Work from Home, creating a roster, and isolation bubbles at various strategic locations from where our teams could operate at the bare minimum capacity. We constantly monitored the dynamic situation to ensure business continuity and strict adherence to all health and safety protocols. We helped employees and their family members access doctors, hospitals and other specialists/ agencies in their time of need. We also tied up with a medical concierge for providing 24X7 assistance and are currently focused on getting all eligible employees (including family members) and colleagues from partner / vendor organisations to get vaccinated quickly.

Sohandeep Hattar
Head – HR

The pandemic presented a scenario specific to Private Wealth where the engagement model has traditionally been high touch oriented. We took a number of steps to navigate this; first by proactively reaching out to clients and assuring them our availability to help them see through the uncertain times. Second, we digitised the entire client onboarding and engagement journey including researching, transacting, and reviewing portfolio in just a few clicks, from the safety of their homes. We also came out with enhanced digital proposition and innovative products so that they can continue with their wealth creation journeys despite any pandemic led constrains.

Anupam Guha
Head – Private Wealth Management

Leadership Views

As an organisation and as a relationship team, we managed the triple priority of - safety of our employees, well-being and interests of our clients, and business continuity. Our teams rose up to the challenge and apart from being available to our clients throughout this period, went beyond the call of duty in helping clients secure hospital availability, access appropriate medical advice etc. in their times of need. We found customers were increasingly searching for protection products, particularly health, and understanding their immediate need, we ramped up our digital health insurance offerings and broadened our partner network to create an insurance market place. We also launched a simplified MF investment app called Idirect Money through which an investor can buy/sell MFs and also access research.

Kedar Deshpande
Head – Retail Distribution

We kept our ears to the ground and sensed the changing environment quickly. We intensified our engagement via digital modes and leveraged our knowledge of Indian landscape through our differentiated research, sales and corporate access. We served our clients spanning full tapestry of Indian economy – corporates, DIIs, FIIs as well as Government by providing them actionable insights and timely, topical, and differentiated access to experts, and policy makers to explain and explore relevant and emerging issues.

Jaideep Goswami
Head – Institutional Equities

While the client facing organisation was focused on being available for the clients, the backend teams worked tirelessly to ensure the right balance between safety of our employees, managing risk for the firm, as well as meeting customer expectations. We ensured smooth settlements, transactions, reportings, etc. in a business-as-usual-mode. We managed to quickly implement, a fully digital on-boarding as soon as regulatory enablements were notified. We also transitioned and implemented several changes to the operating processes as required by new digital environment, new regulatory requirements and several business originated initiatives.

Prasannan Keshavan
Head – Operations

This was by far one of the most intense year for the technology landscape for the Company and our time tested, robust platform stood yet another test of a truly trying times. We successfully made progress on our transformation agenda by implementing fully digital on-boarding and launching 619 products and features. Along with that we were able to ensure availability of the platform, high uptime, response times less than 40 ms with 3X the peak load compared to last year. We worked towards serving our businesses and other teams to ensure continuity of their operations. Another factor that we diverted substantial attention this year was cyber risk and information security to make our environment extremely secure despite an almost 100% work from home for the entire organisation.

Subhash Kelkar
Chief Technology & Digital Officer

Stakeholder Engagement

Fostering Long-term Relationships

Listening, connecting, and partnering with stakeholders help us better analyse their expectations and concerns and produce positive outcomes for customers, partners, investors, society and the environment.

Our accountability to our stakeholders begins with acknowledging that our success comes from understanding their interests and requirements. It is our constant endeavour to find common, collaborative solutions for progress. We consider our key stakeholders to be those who can create considerable business impact and be significantly impacted by it.

The stakeholders are determined based on the significance of their impact on the business and the impact of the business on them. Key concerns were discovered through our interactions over the course of the business and through various modes of engagement with them.

Key stakeholders	Importance and expectations	Engagement methods	Our response	How we deliver value
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.	• Omni-channel 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	• Wide bouquet of products and services • Continuous innovation to develop next in class propositions • Further developing systems and processes
Government and Regulators	They formulate legislations 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 with key regulatory bodies • Written communications • Presentations • Industry associations	• Timely contribution to exchequer • Strict adherence to relevant and prevailing laws to support India's socio-economic growth 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	• Suggestions and views in industry issues • High compliances with regulations • Support government initiatives

Key stakeholders	Importance and expectations	Engagement methods	Our response	How we deliver value
Shareholders and Investors	They provide us with funds and expect long-term, sustainable returns through a clear consistent strategy, strong governance framework, 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 and Board supervision	• ₹ 21.5 per share – Dividend* (95% Y-o-Y growth) • Market capitalisation up by ~38% over the previous year *Including proposed final dividend of ₹ 13.5
Communities	They give us the social licence to operate and expect us to undertake developmental and welfare initiatives, generating employment opportunities.	• Community Development Initiatives • Proposals and Requests for New Initiatives • Interviews with local NGOs and community representatives • Meetings with associations/ NGOs • Local community meetings • Press releases • Social media • Joint R&D projects	• Financial contribution • Driving economic and social transformation through business activities • Project-specific partnership with recognised NGOs • Environment sustainability Initiatives	• Invested ₹ 160.4 million as CSR funds towards ongoing livelihoods and other programmes for communities • Supported livelihoods of the under-served communities through our CSR programmes and partnerships
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 • Vendor communications and relationships	• Adherence with obligations • Maintaining good long-term relationships • Supporting with digital tools, advanced technologies and training • Regular business with opportunity to grow	• Timely payments to partners and vendors • Prompt resolution of issues • Guidance, tools and support to grow their business
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 intervention • 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	• 99% Training coverage • World-class performance management and career development programmes for employees

Strategy

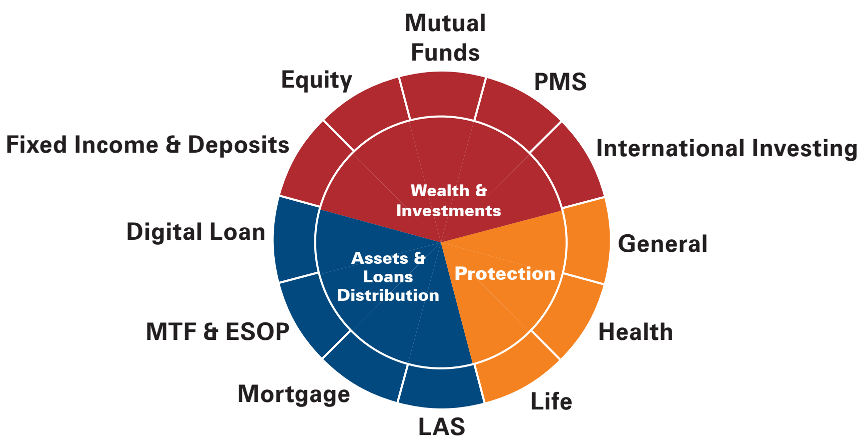
Making Decisive Moves To Deliver Value

Our strategy aims to deliver strong and sustainable returns to our shareholders, best-in-class and innovative products to customers and consistent value to all stakeholders.

We have positioned ourselves as a partner of our clients through their complete financial life-cycle journey, straddling their investments, protection as well as borrowing needs. This we wish to achieve through a highly personalised, digital, and open architecture format. To achieve this, we are making investments in technology, people and our brand.

	S1	S2	S3	S4	S5
Strategic anchors	Ramping up scale and volume	Monetising client value	Enhancing customer experience	Digital agility & robust technology	Cost efficiency
Imperatives	• Broad basing business model • Diverse and granular revenue streams				
Intended outcome	Increase our competitiveness	Profitability	Loyalty & penetration	Attract millennials and improve customer experience	Operating leverage

Broadening the positioning by focusing on strategic anchors



To emerge as a provider of financial services requirements across life stages of Retail Indian powered digitally in an open architecture format

Our strategic anchors

S1 Ramping up scale and value by augmenting and aligning growth engines

Progress made during the year

- Arrangement with ICICI Bank to help deepen penetration in higher value segment
- Open architecture digital sourcing
- Launched products like Prime and Neo to attract customers
- Ramped up business partner network to augment reach in Tier II and III cities
- Tie up with additional banking partner e.g. Federal Bank

Business outcomes

- Scaled up sourcing 3X from 30,000 pm in FY2020 to 100,000+ pm exit FY2021
- Diversified sourcing mix with contribution of non-bank channels up from 20% in FY2020 to 55% in FY2021
- Tapped into new customer and geography base
  - 50% of new clients < 30 years
  - 65% new clients from Tier II/ III cities
- Quality of sourcing improved from 60% in FY2020 to 78% in FY2021

Priorities for 2021-22

- Leverage the scale of client acquisition already built to enhance business
- Augment the scale of client acquisition by

(i) scaling up digital channel

(ii) augmenting digital and phygital partnerships

(iii) setting up new engagement interfaces like money app

(iv) enabling more product categories to acquire new platform customers

Capitals impacted

S2 Monetising client value

Progress made during the year

- Focus on Margin Trade Financing (MTF) and Employee Stock Options Plan (ESOP) financing
- Launched global investing, commodity trading, proprietary PMS
- Expanded the suite of loan products that we originate for our partners to 12
- Tied up with Care Health Insurance Company Limited and Star Health and Allied Insurance Company Limited to offer full suite of Health Insurance products to our customers online
- Added new revenue streams in equity business by products like Prime and Neo

Business outcomes

- Scaled up average MTF and ESOP book 2X from ₹ 8.3 Billion in FY2020 to ₹ 17.9 Billion in FY2021
- Developing traction in new products launched
  - $14 Million AUM in global investing
  - ₹ 2.2 Billion AUM of Proprietary PMS
  - ₹ 14.3 Billion loans disbursed in FY2021
  - Prime subscribers up from over 3.1 Lakh to 6.5 Lakh
- Non brokerage revenues including Prime subscription fees, Neo fees and charges, interest income etc. make up for 16% of retail equity business revenues

Priorities for 2021-22

- Create a financial products market place
- Leverage and develop digital properties to cross sell across the life stage needs of the customers

Capitals impacted

Strategy

S3 Improving customer experience

Progress made during the year

- Designed and launched a series of products and experiences to engage customers digitally
- One Click range of products for portfolio investing in equities and mutual funds
- Tools like Sensibull, iTrack, iAlert, iLens, Payoff analyser
- Used analytics to provide hyper personalised experience
- Launched iDirect Money App as a simple interface for non-equity investments
- Upgraded the website and focused on client journey to enhance experience

Business outcomes

- Cross sell ratio up from 1.64 to 1.78
- 1.02 Million clients have >1 products
- Increase in total revenue generating clients from 1.48 Million to 1.91 Million
- Increase in client assets from ₹ 2.1 Trillion to ₹ 3.8 Trillion

  (Assets of our clients including equity demat assets maintained with ICICI Bank and excluding promoter holding)
- Increase in Net Promoter Score (NPS - a measure of client satisfaction) from 20.8% in Q4-FY2020 to 30.4% in Q4-FY2021

Priorities for 2021-22

- Follow an ecosystem approach to identify gaps and provide solutions
- Integrate customer experience across all digital properties
- Hyper-personalised experience through persona based marketing and omni channel engagement model
- Invest in skills and capabilities in domain of data science and analytics

Capitals impacted

S4 Robust technology and digital agility

Progress made during the year

- Created an agile tech architecture using APIs to help integrate with ecosystem players and niche new age fintechs
- Created an open architecture format to enable linking with any bank account seamlessly
- Invested in data infrastructure comprising warehousing, analysis and leveraging AI/ML for varied use cases, ranging from client experience, servicing, personalisation and more
- Rapidly invested in creating additional layers of safety (towards cyber risk protection) and in enhancing spare capacity to take on higher business loads

Business outcomes

- 102,000 concurrent users (Peak)
- 4.1 Million orders plus trades in a day (Peak)
- Integrated with 17 partners and created as many products in conjunction with them

Priorities for 2021-22

- Partnership with Fintechs for enhancing digital experiences
- Upgrading/re-engineering client engagement platforms including new UI/UX
- Enhance agility
- Investments in Cyber risk
- Right skill hiring in cloud, ML, AI etc.

Capitals impacted

S5 Operating leverage through cost efficiency

Progress made during the year

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

Business outcomes

- 148 branches as on March 31, 2021 as compared to 172 in March 31, 2020
- Variable cost contribution increased to >40% in Q4-FY2021 from <30% in Q1-FY2020

Priorities for 2021-22

- Optimise expenses and keep rationalising branch count

Capitals impacted

Financial Capital | Manufactured Capital | Human Capital | Intellectual Capital | Social and Relationship Capital | Natural Capital

Corporate Governance

An Entrenched Culture of Integrity and Ethical Behaviour

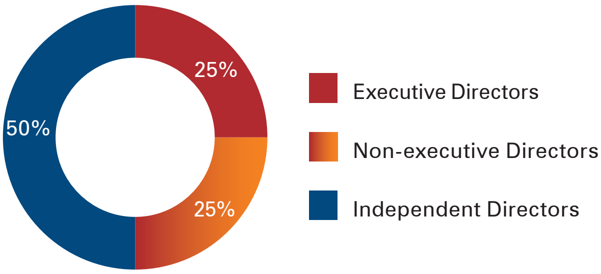
We are dedicated to the principles of transparency, accountability and independence to augment value for all investors and other stakeholders.

At ICICI Securities, strong ethics and sound corporate governance underpin our policies and strategies. They are embedded in our organisational culture and are fundamental to the effective delivery of our business mandate. Our deep-rooted ethical culture establishes us as a reliable partner and ensures long-term business growth.

Board's roles and responsibilities

Our Board of Directors leads from the front to ensure effective governance at all times. We have a diversified Board with skilled leaders drawn from varied professional and academic backgrounds. Their rigour of ensuring adherence to all compliance and regulatory requirements is crucial to earning and retaining the trust of our stakeholders.

Board balance chart



Board Profile

>20 years experience
100%

Age - 56-70 years
50%

Age - 36-55 years
50%

Average tenure of Independent Directors
4.6 years

Average attendance rate in Board meetings
100%

Number of board meetings held in FY2021
07

Number of Additional Board Level Committees/Councils/ Forums Constituted
10

Board Committees

The Board has delegated its authority to various Board committees with the mandate to deal with governance issues and report to the Board on their activities after every quarter. Each committee operates under terms of reference which set out roles and responsibilities, composition and scope of authority. These are reviewed annually.

- **Audit Committee**
- **Nomination & Remuneration Committee**
- **Corporate Social Responsibility Committee**
- **Stakeholders Relationship Committee**
- **Risk Management Committee**

Board of Directors

Providing Informed Guidance and Oversight

Mr. Vinod Kumar Dhall
Chairman (Independent Director)
C M

Mr. Ashvin Parekh
Independent Director
C C M

Mr. Anup Bagchi
Non-Executive Director
M

Mr. Pramod Rao
Non-Executive Director
M

Audit Committee

Nomination and Remuneration Committee

Corporate Social Responsibility Committee

C Committee Chairperson

M Committee Member

Mr. Subrata Mukherji
Independent Director
M M

Ms. Vijayalakshmi Iyer
Independent Director
C C M

Mr. Vijay Chandok
Managing Director & CEO
M M M

Mr. Ajay Saraf
Executive Director
M M M

Stakeholders Relationship Committee

Risk Management Committee

Risk Management

Managing and Mitigating Evolving Challenges

The potential risks in our operating environment are many owing to multiple factors. Therefore an efficient risk management is important to the successful delivery of the Company's strategy and purpose of creating long-term stakeholder value.

We are exposed to a range of external as well as internal risks that have a significant impact on our performance. In order to efficiently manage these, we have built a strong risk management architecture. We identify, quantify, manage and report on the principal risks that could affect our ability to implement our strategies and deliver on our commitments. Our robust enterprise risk management program propels our culture of informed and responsible risk handling to achieve the desired growth.

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:

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.
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.
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 pandemic triggered a 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.

Risk	Description	Mitigation measures	Capitals impacted
Market risk	Risks arising from fluctuation in the value of financial instruments 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 terminals 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	
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	

People

Unlocking Possibilities of our Talent pool

At ICICI Securities, we believe that our people are the cornerstones of our long-term success story. We are committed to providing them with an enabling work environment that encourages collaboration and a cross-pollination of ideas.

Our business is built around the cultural ethos of strong customer focus, innovation and agility within the guardrails of compliance with conscience and risk management. Our work culture enables and empowers our growing talent pool to shoulder more responsibilities, realise their professional and personal ambitions and care for our customers and all other stakeholders.

Strengthening a culture of learning and entrepreneurship

We enjoy a mutually valuable relationship with our employees. This relationship is characterised by the investment we make towards providing challenging roles and assignments, opportunities for personal growth, relevant and timely performance support, training and an enabling environment.

Our cultural ethos is embodied in our DNA Anchors (Leadership Competencies). There are a total of 10 DNA anchors, which explain the expectations (in terms of leadership behaviours) from all employees.

People Leadership

- Nurturing Talent
- Collaboration
- Sensitivity

Task Leadership

- Leadership through Execution
- Strategic Agility
- Leading Change
- Organisation Capability

Threshold

- Passion
- Customer First
- Compliance with Conscience

These DNA Anchors also articulate a set of behaviours called DYNAMIC behaviours, which stand for Digital, Young, Nurturing, Agile, Mindful, Inclusive and Connected.

The DYNAMIC behaviours have been articulated to reinforce certain behaviors in the context of evolving environment. These behaviours remind us that we have been leaders and we need to continue to be DYNAMIC to remain leaders.

Vision 2025

Vision 2025 is a strategic initiative wherein around 90 high performing employees were identified to articulate the Company's growth strategy for the next five years. Their mandate was to reimagine and redesign the business, keeping in mind the evolving needs of customers, market opportunity, regulations and competitive landscape.

This has led to identification and creation of around 25 new themes/projects, which will further accentuate the Company's strategic impact. The project groups have now been further organised into smaller implementation teams, called squads, with each squad working on their identified sub-project for faster delivery.

#Ideas to Execution (#I2E)

With our continued focus on creating an innovation-led organisation, we launched #I2E for employees to share ideas on-the-go. Every idea that gets shared on the platform is evaluated and the final selected ideas are put to implementation. In FY2021, since the launch of #I2E in September 2020, 702 ideas were received and put to evaluation and subsequent implementation.

ICICI Securities Day

It is the single biggest platform which celebrates those individuals and teams who demonstrate the Company's cultural ethos as well as achievement orientation. In FY2021, ICICI Securities Day celebrated the spirit of 1I-Sec (One I-Sec) and was organised virtually for all employees of the Company. The celebration was designed around strengthening the theme of working together, transcending functional/product/business boundaries. It also provided a platform to recognise success stories of teams/individuals who have delivered outstanding results by working together as a single unit.

Key people demographics

We are a people-centric organisation and value the contributions our employees make towards the organisation's growth. Their sense of purpose and commitment propel the business forward.

The headcount of the Company, as on March 31, 2021 was 3,766 employees. The Company has around 24% of the workforce comprising women employees. About 38% of the total workforce is under 30 years, with the average age being 32 years. We believe in the power of youth and around 55% of FY2021 hiring was conducted through campuses.

We continue to augment our teams by lateral hiring of critical, new and niche skills across business verticals in line with our business strategy. Our senior management team has an average work experience of around 22+ years and around 71% have a vintage of 5+ years with either the Company or ICICI Group.

We provide growth opportunities to deserving employees with consistent performance track record. In FY2021, around 15% of the total workforce got promoted to take up larger job responsibilities as career growth. The Company offers long term incentives (LTI), both in cash & ESOPs, to high performing/high potential employees.

The Company has a framework of Leadership Cover Index (LCI) wherein key and critical positions are identified in advance and necessary leadership cover (immediate successor & successor bench) is maintained from within the Company as well as from the ICICI Group.

Total workforce	Women employees	Workforce less than 30 years
3,766	**24%**	**38%**

Building future-readiness

Learning and growth are a key employee value proposition, and the Company facilitates capability building through a blended learning model that uses an optimal mix of classroom, self-paced learning and on-the-job training. Employees demonstrating specialised skills/ leadership potential/high performance are also offered job rotation opportunities and opportunities for career progression. The learning & development initiatives at ICICI Securities is based on a holistic approach which focuses on building the domain expertise along-with nurturing the leadership skills at various levels.

Total training hours

1,54,927

We experienced a complete transition from physical training delivery to virtual training delivery in FY2021 due to the COVID-19 pandemic.

Training hours and coverage

	FY2021	FY2020	FY2019
Total training hours*	1,54,927	96,687	81,534
Total employees as on March 31, 2021	3,766	3,790	4,051
Training coverage (% of employees covered)	99%	94%	88%

*Does not include man hours invested in mandatory certifications done by employees like AMFI, IRDA, and so on (16,082 additional person hours in FY2021 for 593 employees)

The learning framework operates on a 4 tier model and the key initiatives taken in FY2021 under each

New Hire Assimilation - ~850 employees

- 100 day induction for campus hires & sourcing teams upto 6 days of induction for non sourcing teams

Domain & Selling Skills - ~2,100 employees

- BLEND - Product training suite covering Mutual Fund, Equity, Fixed Income, Insurance and Loans.
- Financial modelling and business evaluation
- Nomination based external workshops
- Virtual effectiveness
- Creating Relationship Value (CRV)
- Influencing deal closures

Managerial Effectiveness - ~460 employees

- Growing Together
- Build your brand
- ilead

Leadership Development - ~350 employees

- Leadership Mentoring programme
- Leadership engagement series

Mandatory Workshops

- Prevention of Sexual Harassment at Workplace
- Anti Money Laundering
- Women Safety
- Information Security Awareness

Performance Management

The performance management philosophy is committed to uphold meritocracy which is also one of the key pillars of employee value proposition ('Pledge').
The performance management process involves setting high performance standards and linking rewards to performance through the Balanced Scorecard (BSC) framework keeping in mind the organisation's strategy, which further cascades into department and employee level goals. The multi-level review and ratification serves as a check & balance mechanism to ensure fairness and equity.

PLEDGE
EMPLOYEE VALUE PROPOSITION

We launched our employee value proposition (EVP) called 'PLEDGE' which is a formal articulation of what we as a company promise to our employees.

The five anchors of PLEDGE are Pride @ Workplace, Care, Growth & Learning, Enabling Work Environment & Meritocracy. Each of the five anchors specifies value promise statements that we aim to deliver to employees at all times.

We promote a culture wherein employees can freely raise and discuss issues concerning themselves with their Superiors, or Regional HR Managers. We have several channels through which employees can discuss, have an engagement, and seek clarifications on their issues. We have a robust policy on Prevention of Sexual Harassment at the Workplace (POSH) and a formal process for dealing with harassment or discrimination complaints. It is ensured that all complaints are resolved within defined timelines and mandatory training is provided to all employees to create awareness.

Employees covered under POSH training in FY2021

3,200

Communication and engagement

We believe active communication and engagement lead to successful team effort. This is facilitated by providing various platforms and forums to employees to engage regularly with the senior leadership as well as with each other.

CEO Connect: Regular sessions for all employees through our virtual platform 'CEO Connect' through which the Managing Director and CEO directly engages with all employees and informs them about the Company's performance, strategy updates and key themes.

Townhalls: We conduct regular townhalls with business leaders, focused group meetings with employees to communicate the strategy, business outlook as well as address the concerns/ queries of employees.

Feedback: Integral to the Company's way of working, feedback is a continuous process and we encourage feedback through various forms (on-job feedback, project-based feedback sessions as well as feedback on overall performance at the time of annual assessments).

360 Degree Feedback Process

This process is used to provide feedback to employees in middle management and above levels around the leadership competencies and behaviours. The feedback obtained from this process is also used as one of the inputs for identification of leadership potential and identifying leadership bench, and also as a developmental tool for the employees.

An Employee Engagement study was conducted in August 2020 to understand how employees experience the EVP. About 3,500 employees participated. At the company level, the average endorsement score was 88%, indicating 88% of the employees have either marked a strongly agree or an agree response to all the propositions. At an anchor level, the endorsement % varies from 96% for Pride @ workplace to 86% for Growth & Learning.

Top 3 endorsements in each PLEDGE anchors

PLEDGE Anchor	Statement
Care	I am aware about workplace safety measures
	ICICI Securities is a caring organisation
	At ICICI Securities, colleagues provide support during personal emergencies
Meritocracy	At ICICI Securities, there is no discrimination based on caste, colour, religion, region, etc.
	High performers are recognised at ICICI Securities
	For a performing employee, the longer he / she spends at ICICI Securities, better are the growth prospects
Growth and Learning	I see ICICI Securities as a long term career option
	I can look up to my colleagues and other seniors for my development
	At ICICI Securities, there is freedom to try out new ideas and learn from the experience
Enabling Work Environment	At ICICI Securities, superiors are accessible
	ICICI Securities provides an enabling work environment
	I have clarity about my current goalsheet
Pride @ Workplace	I am proud to be an employee of ICICI Securities
	I understand how my work contributes in achieving the current strategy of ICICI Securities
	ICICI Securities is a trusted partner to its clients/customers for their investment needs

Corporate Social Responsibility

Engaging Closely with our Communities

We are a responsible corporate citizen and are determined to create value for our communities and play a proactive role in their upliftment. We leverage our position within the financial services industry to nurture an ecosystem that multiplies value for both our customers and the communities within which we operate. For us, acting responsibly and giving back is synonymous with good business practice and creating value for society by protecting and supporting our communities.

Our corporate social responsibility policy is focused on skilling for sustainable livelihood generation, health care, women empowerment and senior citizens' welfare.

Skill development and sustainable livelihood - ICICI Foundation for Inclusive Growth

Over 14,000 youth have been trained in FY2021 with women participation of 49%. ICICI Foundation has undertaken training through digital medium and practical training was commenced in smaller batches. The National Skill Development Corporation (NSDC) had accredited the digital courses of ICICI Foundation. The market for job placements has been severely impacted during the pandemic. The overall placement for FY2021 is close to 84%. Cumulatively the initiative has reached out to over 159,000 lesser privileged youth till date.

Youth trained in FY2021

14,000

Youth reached out till date

159,000

Women participation

49%

Training to care givers

ICICI Securities has tied up with Age Ventures India to train people in eldercare, meeting the twin need of fulfilling a demand gap in shortage of trained care givers and employment generation for the trained. Awareness generation activities were conducted to mobilise youth for taking up training included door-to-door campaign and auto announcements, etc.

The first batch has been enrolled and classroom-based trainings have commenced. The training uses blended approach wherein expert lectures, self and group learning are rendered. Besides key domain vocational skills, youth is also being provided training on soft skills like Interpersonal skills and workplace communication.

Creation of jobs through Fintech Incubator Programme

Promoting entrepreneurship and incubating innovative ideas by leveraging technological developments are essential to achieve sustainability and create job opportunities. Job creation can only be successful if there is a pool of talent with the requisite entrepreneurial skills needed to supply the demand. With the immense potential of the Financial Technology (Fintech) as a key element in economic growth and creating job opportunities, we have partnered with N.S. Raghavan Centre of Entrepreneurial Learning (NSRCEL) at the Indian Institute of Management Bangalore (IIMB), which is one of the oldest incubator cells in the country. The programme received over 240 applications from all over the country, of which 25 ventures underwent a three months pre-incubation programme. These ventures went through mentoring sessions in various areas such as articulating their value proposition, Public Relations, Marketing, raising funds, business, launch and product growth strategy, regulatory and compliance sessions apart from providing them networking skills.

10 ventures were finally selected for an intensive nine-month incubation journey with funding from the CSR fund of ICICI Securities. Through this initiative, around 200 direct jobs and an estimated 500 indirect jobs have been created. There are around 20,000 users who have used the products and/or services.

The senior management of ICICI Securities Limited also provided mentoring sessions and were part of the panel to select the top 10 ventures. The selection criteria were based on the problem areas being addressed, proposed solution fitment, team's ability to build the product and progress during pre-incubation phase.

Jobs created

~700

Fintechs incubated

10

Users who have used products and services

20,000

Corporate Social Responsibility

Empowering women through livelihood generation opportunities

The World Wide Fund for Nature - India (WWF-India) 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 initiative commenced in January 2020, and in spite of lockdown slowing down the execution, 510 women got trained during the year. The team has on-boarded a consultant for developing online marketing platform. Exposure visits of SHG members on Food Processing and Handicraft based activities are being planned.

Women trained through World Wide Life Fund

510

The details are being worked on support for product development, standardization, packaging, promotion, market linkage and sale of products for 50 SHGs including GST registration and setting up of food processing and handicraft-based micro enterprise units.

Senior citizen welfare

ICICI Securities, in association with HelpAge India, has taken up the project to set up Model Old Age Homes, with Active Ageing Concept across 3 cities:

a. Gurdaspur, Punjab **b. Cuddalore, Tamil Nadu** **c. Shey Village, Leh, Ladakh**

Gurdaspur

The project commenced in January 2020 but due to the COVID-19 pandemic, it got carry forwarded to FY2021. It started by conducting a location study, developing the layout, designing the plan, marking the areas, levelling the ground surface, mounting the physiotherapy equipment for an Elders' Gym. Fixing benches and setting up the kitchen garden. The facility was formally launched on October 1, 2020, which is also International Day of Older Persons.

Cuddalore

Tamaraikulam Elders Village was set up by HelpAge India, to provide shelter for Tsunami affected elders. ICICI Securities launched an Active Ageing Centre, on January 25, 2021. Through this initiative, ICICI Securities has ensured that the inmates living in this home have holistic wellness care that include physiotherapy centre, mental care centre, games centre, skills training etc.

Shey Village

Shey village, in Leh, Ladakh was the worst affected by flash floods, that had created people homeless. The Model Old-age home in Leh, Ladakh is being set to:

(i) To establish age friendly community living facility for the elderly

(ii) To provide social, psychological and emotional support to the residents and also giving opportunities for recreation activities to overcome social isolation.

The construction is currently in process. At the same time, procurement of essential items is in process.

Contribution to Society for Innovation and Entrepreneurship (SINE)

SINE is a not-for-profit Technology Business Incubator (TBI), hosted in IIT Bombay. ICICI Securities has partnered with SINE, to support a couple of startup ventures that have potential social impact. The first venture is working on a project is in the area of Integrated Water Technology (IWT) for treating sewage/ dirty water and reuse the water for farming, gardening, city beautification initiatives like clean lakes, etc. The second venture is in baggage screening using Artificial Intelligence, for enhancing security in public places such as metro/railway stations, airports, etc.

Development of indigenised affordable mechanical ventilator

ICICI Securities partnered with IIT-Kanpur as a 'Technology Development Partner' for a Research and Development project to make a completely indigenised, invasive, portable and affordable mechanical ventilator, that would be used as a life support to the COVID-19 patients. Prototypes were developed and used for a series of testing and validation such as in-house testing and validation, pre-clinical and clinical testing. The ventilator has been certified by the technical evaluation committee of the Directorate General of Health Services. The ventilator, branded as Noccarc V310, has been successfully launched for treating patients.

COVID-19 initiatives

Contribution to 'Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund' ('PM CARES Fund'): We provided financial support to help the Government in it's fight against COVID-19 by contributing ₹ 100 Million to PM CARES Fund under CSR activities of the Company for FY2021.

Contribution to PM CARES

₹ 100 Mn

Environment

Optimising Resource Consumption

A key part of our responsibility to society is to reduce our impact on the environment. As one of the leading securities firm, we remain steadfast to responsible environment stewardship to ensure our operations have minimum impact on the surrounding environment. Our approach towards environment protection and conservation of natural resources is guided by our internal policies and applicable external standards. As we are progressing, we are ensuring that our business model becomes more inclusive and sustainable.

Building sustainable green workspace

Being a financial services organisation, our environmental impact and carbon footprint are inherently low. It is limited to the extent of natural resources we consume and how we reduce, recycle and reuse them. We offset carbon emissions of 2,493 metric tonnes (MT) (1,650 in electricity + 123 in Paper and Plastic +719 in Travel + 0.56 in Toner usage), by undertaking measures, wherever possible, to contribute towards a cleaner and greener world. We endeavour to reduce our carbon footprint by focusing on digitising processes across the organisation, minimising paper, energy and water consumption, eliminating use of plastics and increasing the use of renewable energy.

Carbon emission offset by undertaking measures towards a cleaner and greener world

2,493 MT*

Optimising the usage of conventional resources

As a financial services provider, we do not operate energy- or resource-intensive processes in the offices and data centres that comprise our direct business operations, nor are we aware of any environmental incidents relating to these activities. We seek to incorporate climate considerations into management actions across our business. We take steps to mitigate the environmental impact of our direct operations, for example by minimising our energy consumption and using renewable electricity.

- 24 Degree Temperature policy is being followed and monitored this keeps the ACs working at standard optimum Temperatures
- Regular electrical audits are carried out and improvement areas are addressed
- We as a firm always make it a point to procure equipments which have the highest rating as per the standards set by respective bodies thus maintaining uniformity and energy efficiency
- 698 units of LED lights have been procured in FY2021 for 69 branches across India
- We also track and monitor the breakdown and subsequent repair of critical equipments so that the rectification is not delayed and thus maintaining health and effective working of the equipment
- We also make sure all critical equipments are covered under AMCs so as to get the first hand rectification done by the OEMs thus preserving quality of parts and longevity of equipments
- We have invested ₹1,288,665 in procuring energy efficient air conditioners and LED Lights also conducted electrical hygiene audits which has helped us save our overall consumption of 2,012,590 units and saved approximately ₹16,100,717 over FY2020.

Carbon emissions offset by optimising electricity usage

1,650 MT*

Y-o-Y percentage reduction in power reduction

~20,12,590 units

Harnessing energy from renewable sources

The solar panels installed at our registered Corporate Office in Mumbai produced ~32,965 units of green power in FY2021 and the same has been utilized by ICICI Bank , ICICI Securities and ICICI Securities Primary Dealership.

*Amount of CO_2 - a key greenhouse gas - which has been prevented from being released into atmosphere due to environment friendly initiatives taken

Environment

Water optimisation

We recognise the importance of water as a scarce resource. While our water consumption is primarily for drinking and sanitation purposes, we are undertaking measures like putting visual reminders, installing water efficient fixtures and sensor-based urinal flush fittings and sensitising employees to avoid wastage. Our next focus area is to install rainwater harvesting facility across large offices for which feasibility analysis is being conducted.

Y-o-Y Reduction in water consumption in FY2021

~2,272 kl

Paper and plastic use optimisation

We have implemented strong measures for digitising processes to reduce the need for paper. Minimising the usage of paper across offices is an ongoing activity. Customer accounts have now transitioned to digital opening. The documents required as supporting are also uploaded digitally. We have started issuing and receiving Digital invoices. Issuance has increased as compared to last year. Usage of paper based office stationary is being controlled and monitored which has helped us save paper equivalent of ~6,259 trees for FY2021.

Carbon emission offset by optimising and cutting down of paper and plastic usage

123 MT*

Y-o-Y reduction in paper consumption in FY2021

73%

Travel optimisation

We have implemented automated end-to-end travel process through Online Booking Tool and increased usage of audio/video conferencing for meetings to reduce the overall number of trips, which in turn has reduced traffic and pollution. Our focus on remote working necessitated by COVID-19 is helping us further curbtrips. We encourage carpooling and also provide bus services to the employees. We have tied up with an electric car operator, which will further help us in reducing fossil fuel-based travelling. We have offset 719 metric tonnes of carbon emission in FY2021 by optimising travel.

Carbon emission offset by optimising travel

719 MT*

*Amount of CO_2 - a key greenhouse gas - which has been prevented from being released into atmosphere due to environment friendly initiatives taken

Sensitising employees

We believe that behavioral change is the key to achieving long-term and sustainable positive impact on the environment. We are undertaking various initiatives to spread awareness among the employees. This includes organising the “Environmental Week” on World Environment Day and starting the ‘Save Trees Save Earth’ initiative which focuses on planting trees. We have also implemented an organisation-wide Go Green drive, whereby all our electronic assets remain off when not in use, and the Go Paperless drive.

Waste management

We have eliminated plastic by commencing the use of glass bottles and discarding the distribution of plastic folders for stationery supplies. We use 100% biodegradable plastic garbage bags above 50 microns for collection/disposal of dry and wet waste. We are also ensuring eco-friendly disposal of e-waste which includes computers, servers, scanners, printers, and fax machines. are in contract with canon for printer and toners, they take care of recycling of the empty toners at their end. We offset 0.56 MT of carbon emission in FY2021 by reduced use of toners.

Carbon emission offset by reduced use of toners

0.56 MT*

Customer Testimonials

When Our Customers Speak for Us

ICICI Securities has been the most incredible partner in helping me out with my personal finances. With their expertise, their proactive teams take out the hassles of managing my portfolio on a day-to-day basis and allow me to focus on what I do best. My relationship manager keeps me updated on exciting new opportunities and helps me to choose the right one.

I also appreciate the fact I can invest in global markets through their platform. It truly makes a difference for me. For other clients that are considering Private Wealth management with ICICI Securities, I would say 'Do it!'. 'It's a great company that you can trust for all your investments."

Mr. Akshaypat Singhania
CMD J K Intl Ltd, Director - J K Organisation, Former Whole Time Director & Promoter-Raymond Ltd

I can vouch for the credibility and performance of ICICI Securities as a happy customer. The Company manages all my family accounts. I truly appreciate the Company's platter of investment offerings and best experiences on one of the most advanced and user-friendly web-based platforms. I prefer the Company's intuitiveness, informative digital content, and above all customer-friendly, dedicated knowledgeable workforce."

Narasareddy Kunam
Hyderabad

I am holding an ICICI direct account since 2007, and their products and services are one of the best in the industry. I found the ICICI direct portal most user-friendly, with multiple offerings of all kinds of financial products such as PMS, Insurance, Bonds, Mutual funds FD, and so on.

I sincerely appreciate ICICI Direct's efforts in my financial journey."

Mitul Patel
Vadodara

We want to place on record our sincere thanks and appreciation on the various services provided by ICICI Securities. We have been a customer for many years and both my wife and I are very happy and extremely satisfied in doing all our investments through ICICI Securities.

As senior citizens we greatly value your timely advice and suggestions - which has greatly benefited us all along. Your new web-based platforms are very user-friendly and informative. Having used many other web portals - your portal is the BEST in all respects. You have done an excellent work in developing a very competent, knowledgeable and helpful team. Keep up the good work!

We wish you all the very best and look forward to a long and pleasant association with your organisation.

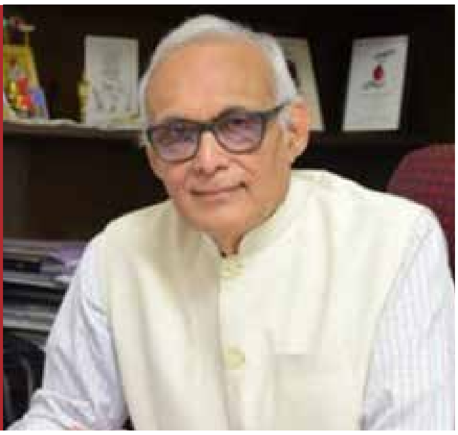
K V Iyer & Geetha Iyer
Hyderabad

ICICI Securities is a one-stop solution for my financial needs. In this market, where investment firms and advisories are in every nook and corner, faith in the brand and top-notch services have been the most attractive proposition for me to invest with ICICI Securities."

Mr. Amardeep Singh Harbhajan Singh Sethi
Nagpur

"I am using the ICICI Direct portal since January 2021 after my superannuation. I find the site very user-friendly and responsive. It offers facilities such as online help from RM (who is extremely helpful), VTC, instant payment eATM, research and corporate news. Honestly, without the help and support of the friendly and helpful teams at ICICI Direct, I would have got nowhere. To say the least, I am enjoying multiplying my savings and regret that I did not use it till I completed 65 years of age."

Hitesh Bhat
Anand, Gujarat



Awards

Honours that Motivate Us

Outlook Business Retail Broker of the Year Award 2021 – Gold

'Private Wealth Management Experts of the Year – India' by 'APAC Insider Business Awards, 2020'

'Outstanding Private Banking Technology Platform Offering' by Private Banker International (PBI), Private Banking & Wealth Management London Awards, 2020

'Excellence in BCP for Corporates' by 'iNFHRA Workplace excellence awards 2020-2021'

Outlook Business - Institutional financial Distributors of the year Award 2021 – Silver

'PROGRESSIVE 100-CIO WINNERS': Mr. Subhash Kelkar, Chief technology and digital officer by 'CIO100 symposium and awards, 2020'

'Digital Wealth Manager of the Year – India' by 'The Asset Triple A, Digital Awards, 2021

'Best analyst for Metal and mining': Mr. Abhijit Mitra by 'Asiamoney Broker poll, 2020'

'Best Customer Experience of the Year' for the ICICIdirect Global platform by 'ETBFSI, Excellence Awards, 2020'

'Best analyst for Utility': Mr. Rahul Modi, by 'Asiamoney Broker poll, 2020'

Directors' Report

To the Members

The Directors are pleased to present the Twenty-Sixth Annual Report of ICICI Securities Limited ('the Company') along with the audited financial statements for the financial year ended at March 31, 2021.

Performance

Industry overview

Most global equity markets rallied in FY2021 as Central Banks across the world embarked on record monetary stimulus while Governments adopted a counter-cyclical fiscal policy by embarking on fiscal spending to pull their respective economies out of recession.

Indian equities entered a bull market environment in FY2021 after first dipping into bear market towards the end of FY2020 on COVID-19 fears. In one of the most spectacular rallies since FY2010 post the GFC (Global Financial Crisis), Indian benchmark index (NIFTY50) rallied 71% during FY2021. Unlike the pre-COVID period, the rally was broad-based with small and midcaps outperforming headline indices like the NIFTY50. Also, there were signs of a return to value investing from growth investing after several years of underperformance by the former class of stocks.

Bullish sentiment for Indian equities was further fueled by the expansionary FY2022 Union Budget which provided for a counter-cyclical fiscal policy with focus on reviving growth while ensuring adequate resources for tackling the pandemic by expanding the fiscal deficit to a higher than expected level of 9.5% for FY2021 and 6.8% for FY2022.

In FY2021, Domestic Institutional Investors ('DIIs') were net sellers of ₹ 1,340 billion of equities while Foreign Portfolio Investors ('FPIs') bought ₹ 2,761 billion. FII buying sustained throughout FY2021 with very little volatility in flows. Funds raised through equity remained range bound during the year and witnessed recovery in FY2021 with fund raising *via* Initial Public Offerings (IPOs), Follow-on Public Offerings (FPOs), InvIT and REIT, Offer for Sale (OFS), Qualified Institutional Placement (QIP) and Rights issues rising from ₹ 1.5 Trillion in FY2020 to ₹ 2.5 Trillion in FY2021.

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 amongst the leading equity house in the country with ~5.4 Million customers and total client assets worth ₹ 3.8 Lakh Crore (assets of our clients including equity demat assets maintained with ICICI Bank Limited and excluding promoter holding). The Company 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 (HNI) 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 wholly-owned subsidiary in US and its branch in Singapore.

Financial highlights

The table below summarises the key financials of your Company for FY2021:

₹ Million

Particulars	Standalone			Consolidated		
	FY2020	FY2021	Change %	FY2020	FY2021	Change %
Gross Income	17,220.6	25,854.4	50.1	17,249.4	25,861.7	49.9
Profit/(Loss) before Depreciation and Tax	8,088.0	14,849.3	83.6	8,143.3	14,849.6	82.4
Depreciation	611.7	541.6	(11.5)	614.0	541.8	(11.8)
Profit/(Loss) before Tax	7,476.3	14,307.7	91.4	7,529.3	14,307.8	90.0
Provision for Tax	2,109.2	3,632.2	72.2	2,109.3	3,630.6	72.1
Profit/(Loss) After Tax	5,367.1	10,675.5	98.9	5,420.0	10,677.2	97.0
Other Comprehensive Income (net of tax)	(59.1)	25.1	(142.5)	(59.1)	25.1	(142.5)
Total comprehensive income	5,308.0	10,700.6	101.6	5,360.9	10,702.3	99.6
Balance brought forward from previous year	7,534.0	8,977.3	19.2	7,613.3	9,109.5	19.7
Amount available for appropriation	12,842.0	19,677.9	53.2	12,974.2	19,811.8	52.7
Surplus carried forward	8,977.3	14,925.8	66.3	9,109.5	15,059.7	65.3
Earnings per share on equity shares of ₹ 5 each						
Basic (in ₹)	16.66	33.14	98.9	16.83	33.14	96.9
Diluted (in ₹)	16.65	33.07	98.6	16.81	33.08	96.8

Note: Figures in parenthesis are negative

Appropriations

Your Company has ₹ 19,677.9 Million available for appropriation, comprising total comprehensive income of ₹ 10,700.6 Million for FY2021 and balance of ₹ 8,977.3 Million brought forward from the previous financial year.

An appropriation of ₹ 4,752.1 Million towards interim and final dividend has been approved by the Board resulting in profit of ₹ 14,925.8 Million being the surplus carried forward. Your Company does not propose any transfer to reserves.

₹ Million

Particulars	Standalone	
	FY2020	FY2021
Balance brought forward from previous year	7,534.0	8,977.3
Add: Total comprehensive income	5,308.0	10,700.6
Amount available for appropriation*	12,842.0	19,677.9
Appropriations:		
Transfer to Reserves	-	-
Equity Dividend	3,205.8	4,752.1
Tax on Equity Dividend	658.9	-
Surplus carried forward	8,977.3	14,925.8

**amount available for appropriation includes other comprehensive income of ₹ (109.4) Million as at March 31, 2021 [₹ (134.5) Million as at March 31, 2020] which is not available for distribution as dividend*

Dividend

The Board has recommended a final dividend of ₹ 13.5 per equity share (270%) for FY2021. The Board had also approved payment of interim dividend of ₹ 8 (160%) per equity share for FY2021, aggregating to ₹ 21.5 per equity share (430%) for FY2021 *vs* ₹ 11/- per equity share (220%) paid in FY2020. The payment of interim dividend along with the proposed final dividend would result in cumulative dividend payout ratio of 65% of the standalone 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.

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 is the Nodal Officer for the purposes of verification of claims and co-ordination with IEPF Authority under IEPF Rules. Further, Rupesh Jadhav, Senior Manager, Secretarial is 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 the following link: 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
2019-20 (Final dividend)	August 11, 2020	September 15, 2027
2020-21 (Interim dividend)	October 28, 2020	December 3, 2027

Subsidiary, Associate and Joint Venture Companies

At March 31, 2021, 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 FY2021, 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 A** 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 corporate risk and investment policy, liquidity risk management policy, operational risk management policy, outsourcing policy, fraud risk management policy, information technology risk management policy, information security management policy, cyber-security & cyber resilience policy, business continuity policy and surveillance policy.

We are particularly sensitive to the 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 the year, 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 the 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.

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.

Annual Return

The annual return for FY2021 comprising of the information available upto the date of this report can be viewed at the following link:

https://www.icicisecurities.com/Upload/ArticleAttachments/Annual_Return_FY2020_21.pdf.

The said annual return shall be further updated as soon as possible but not later than sixty days from the date of the AGM.

Share Capital

During FY2021, the Company has allotted 80,970 equity shares of ₹ 5/- each pursuant to exercise of stock options under the ICICI Securities Limited - Employees Stock Option Scheme – 2017.

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 B** 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('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 at the Annual General Meeting held on August 11, 2020 for:

- enhancement of the existing limit of 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 of ₹ 25.00 Billion on any day-end; and
- approval of material related party transaction(s) with ICICI Bank Limited ('the Bank') (Holding Company) to place fixed deposits with the Bank on such term(s) and condition(s) as may be agreed, subject to the maximum outstanding balance of ₹ 5.00 Billion (excluding accrued interest thereon).

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 C** enclosed to this report.

Directors and other Key Managerial Personnel

The Board of Directors of the Company as at March 31, 2021 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 FY2021, 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, at its meeting held on April 21, 2021, based on the recommendation of the Nomination & Remuneration Committee, have re-appointed Ashvin Parekh (DIN: 06559989) as an Independent Director of the Company for a period of 5 (five) consecutive years with effect from August 25, 2021 upto August 24, 2026, subject to the approval of the Members of the Company by way of Special Resolution. Accordingly, approval of the Members is being sought at the ensuing AGM for his re-appointment. Ashvin Parekh (DIN: 06559989) is a person of high repute, integrity and has rich and varied experience which will be 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, Ashvin Parekh (DIN: 06559989) is not required to pass an online proficiency self-assessment test conducted by the 'Indian Institute of Corporate Affairs at Manesar'.

The Board of Directors, at its meeting held on April 21, 2021, based on the recommendation of the Nomination & Remuneration Committee, have re-appointed Ajay Saraf (DIN: 00074885) as an Executive Director of the Company for a period of 5 (five) consecutive years or uptil his retirement, whichever is earlier, with effect from May 25, 2021 upto May 24, 2026, subject to the approval of the Members of the Company. Accordingly, approval of the Members is being sought at the ensuing AGM for his re-appointment. Ajay Saraf currently heads the Investment Banking and Institutional Broking divisions at the Company and the continued association of Ajay Saraf would be beneficial to the Company and it is desirable to continue to avail his services as Executive Director 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, Anup Bagchi (DIN: 00105962), 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 Directors proposed to be re-appointed as required under Regulation 36 (3) of Listing Regulations are provided in the Notice of the ensuing AGM.

Corporate Governance and Compliance

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.

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 various policies and best practices towards ensuring compliance with Corporate Governance norms. 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 through adoption of various policies, the details in respect of which are as under:

Code of Conduct and Business Ethics

The Code of Conduct and Business Ethics ('Code') of the Company aims at ensuring consistent standards of conduct and ethical business practices across the Company. This Code is reviewed atleast once in two years 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.

Code of Conduct for Prohibition of Insider Trading

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.

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 accordingly, 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.

Any employee who makes a disclosure or raises a concern under the Policy will be protected, if the employee discloses his/her identity, discloses the information in good faith, believes it to be substantially true, does not act maliciously nor makes false allegations and does not seek any personal or financial gain. The Company strictly prohibits any attempt of retaliation by anyone against any employee who raises a concern under the Policy in good faith. Nothing in this Policy precludes or is intended to preclude a complainant from seeking a monetary award from a Government, administrative or law enforcement authority, as provided for by law.

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 the following link:

https://www.icicisecurities.com/UPLOAD/ARTICLEIMAGES/Whistleblower_Policy_One_Pager.pdf.

Dividend Distribution Policy

In accordance with Regulation 43A of Listing Regulations, your Company has formulated a Dividend Distribution Policy and the same is given in **Annexure D** 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.

Policy on Related Party Transactions

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

Policy for Determining Material Subsidiaries

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

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 following 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.

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:

₹ Million

Payments to the auditor	For the year ended March 31, 2021	For the year ended March 31, 2020
For audit fees	7.3	6.7
For taxation matters	0.7	0.7
For other services	1.5	2.6
For reimbursement of expenses	0.7	1.2
Total	**10.2**	**11.2**

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 Million)	Ratings Given	Issue Date/ Revalidation	Validity of Rating	If Rating Downgraded (Specify reason)
CRISIL	Non-Convertible Debentures	500.0	AAA/Stable	March 8, 2021	180 days	Rating not downgraded
CRISIL	Commercial Papers	45,000.0	CRISIL A1+	March 8, 2021	30 days	Rating not downgraded
ICRA	Non-Convertible Debentures	500.0	AAA/Stable	March 12, 2021	Review on annual basis	Rating not downgraded
ICRA	Commercial Papers	45,000.0	ICRA A1+	March 5, 2021	3 months	Rating not downgraded

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, 2021 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 FY2021 on May 7, 2020, May 28, 2020, July 22, 2020, August 26, 2020, October 28, 2020, January 25, 2021 and March 25, 2021.

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, 2021, 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 FY2021 are set out in the following table:

Name of the Director	Number of Board Meetings		Attendance at the last AGM held on August 11, 2020	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	3	0	5	3
Subrata Mukherji (DIN: 00057492)	7	7	Present	0	0	1	0
Vijayalakshmi Iyer (DIN: 05242960)	7	7	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	7	Present	2	0	1	0
Executive Directors							
Vijay Chandok (DIN: 01545262)	7	7	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.

Details of Directorships held in other listed entities by the Directors of the Company as at the end of FY2021 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)	1. ICICI Lombard General Insurance Company Limited 2. Nippon Life India Asset Management Limited	1. Independent Director 2. Independent Director
Subrata Mukherji (DIN: 00057492)	Nil	-
Vijayalakshmi Iyer (DIN: 05242960)	1. Religare Enterprises Limited 2. GIC Housing Finance Limited 3. Magma Fincorp Limited 4. Aditya Birla Capital Limited 5. Computer Age Management Services Limited	1. Independent Director 2. Independent Director 3. Independent Director 4. Independent Director 5. 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/Chairperson 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 • MSME (Mirco, Small & Medium Enterprise) Business
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 • Mentoring entrepreneurs and start-ups • Online dispute resolution • Fintech & start-up collaborations
Vijay Chandok	• Business Strategy • SME banking • Retail Broking • Institutional Broking • Commercial banking • International and Corporate Banking • Retail and rural banking • Business Management • Capital Markets • Private Equity Fund Management • Investment Banking • Retail equity and Distribution • Wealth Management
Ajay Saraf	• Investment Banking • Institutional Broking • Corporate Banking • SME banking • Business Strategy • Business Management • Finance

Separate Meeting of Independent Directors

During FY2021, a separate meeting of the Independent Directors was held on May 6, 2020, 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 FY2021 are set out below:

Audit Committee

Terms of Reference

a. To oversee the financial statements, the process of Company's financial reporting and the disclosure of its financial information to ensure that the financial statement is 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. Review of housekeeping note placed.

d. To review, with the Management, the quarterly financial statements and the certificate in respect of internal controls over financial reporting, before submission to the Board for approval.

e. To review, with the Management, the quarterly, half-yearly and annual financial statements alongwith 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 exercise of prudent judgement and estimates by management;

    iii) Modified opinions in 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 director's 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 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.

f. 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.

g. To approve payment to statutory auditors for any other services rendered by the statutory auditors.

h. To review and monitor, with the management, performance of statutory auditors, the auditor's independence and effectiveness of audit process.

i. To discuss with 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.

j. To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statements before their submission to the Board and also to discuss any related issues with the internal and statutory auditors and the management of the Company.

k. 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.

l. To appoint Auditors for SEBI half-yearly Internal Audit.

m. To review, with the management, performance of internal auditors.

n. 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.

o. To set up procedures and processes to address all concerns relating to adequacy of checks and control mechanisms.

p. 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.

q. To review:

    i) Code of Conduct & Business Ethics

    ii) Anti-Bribery and Anti-Corruption Policy

    iii) Conflict of Interest Policy

    iv) Code of Conduct for Prevention of Insider Trading

    v) Whistle Blower Policy

r. 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.

s. 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.

t. To review internal reports on internal controls 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.

u. To review, with the management, the adequacy of the internal control systems.

v. To monitor the compliance function and the Company's risk profile in respect of compliance with external laws and regulations and internal policies.

w. To evaluate internal financial controls and risk management systems.

x. To report any significant findings (including Audit Issue Rectification Index [AIRI]) to the Risk Management Committee of the Company on a quarterly basis.

y. To discuss with the internal auditors of any significant findings and follow up thereon.

z. 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.

aa. 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.

bb. 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.

cc. To approve compliance programmes, review their effectiveness on a regular basis and review material compliance issues or matters.

dd. 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.

ee. 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.

ff. To investigate any activity within its terms of reference.

gg. 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.

hh. To engage, without seeking Board approval, independent counsel and other advisors, as it determines necessary to carry out its duties.

ii. To scrutinise inter-corporate loans and investments.

jj. To undertake valuation of undertakings or assets of the Company, wherever it is necessary.

kk. 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 utilized for 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").

ll. 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.

mm. To review the utilization 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.

nn. Approval of appointment of 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; and

oo. 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 FY2021, 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 FY2021, there was no change in the constitution of the Audit Committee.

As at the end of FY2021, 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 FY2021, eight meetings of the Audit Committee were held on April 22, 2020, May 7, 2020, July 15, 2020, July 22, 2020, October 15, 2020, October 28, 2020, January 15, 2021 and January 25, 2021. 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)	8	8
Subrata Mukherji	8	8
Vijayalakshmi Iyer	8	8
Pramod Rao	8	8

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, if required and based on merits, to the Board Governance, Remuneration and Nomination Committee of ICICI Bank Limited (BGRNC 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 FY2021, 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 FY2021, there was no change in the constitution of NRC.

As at the end of FY2021, 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 FY2021, four meetings of NRC were held on May 7, 2020, May 28, 2020, July 22, 2020 and October 28, 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)	4	4
Vinod Kumar Dhall	4	4
Anup Bagchi	4	4

Corporate Social Responsibility Committee

Terms of Reference

1. 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;

2. To review proposals, approve and recommend the amount of expenditure which shall be incurred on the activities indicated in the Corporate Social Responsibility Policy;

3. To identify Corporate Social Responsibility Policy partners and Corporate Social Responsibility Policy programmes;

4. 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;

5. To monitor the implementation of Corporate Social Responsibility Policy of the Company and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

6. To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities; and

7. 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 FY2021, 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 FY2021, there was no change in the constitution of the CSR Committee.

As at the end of FY2021, 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 FY2021, four meetings of CSR Committee were held on May 6, 2020, July 22, 2020, October 28, 2020 and January 22, 2021. 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)	4	4
Vijay Chandok	4	4
Ajay Saraf	4	4

The Annual Report on Corporate Social Responsibility as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in **Annexure E** 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 FY2021, 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 FY2021, there was no change in the constitution of the Stakeholders Relationship Committee.

As at the end of FY2021, 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 FY2021, four meetings of SRC were held on April 22, 2020, July 15, 2020, October 15, 2020 and January 14, 2021. 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
Vijay Chandok	4	4
Ajay Saraf	4	4

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 one complaint from the shareholders during FY2021. As at the end of FY2021, 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 analyze 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 Limited 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 analyze 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 FY2021, the composition of the Risk Management Committee ('RMC') of the Company was in compliance with the provisions of Regulation 21 of Listing Regulations.

During FY2021, there was no change in the constitution of the Risk Management Committee.

As at the end of FY2021, 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 FY2021, four meetings of RMC were held on April 22, 2020, July 15, 2020, October 15, 2020 and January 14, 2021. 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	4
Ashvin Parekh	4	4
Subrata Mukherji	4	4
Vijay Chandok	4	4
Ajay Saraf	4	4
Ripujit Chaudhuri	4	4
Harvinder Jaspal	4	4

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 F**.

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 G**.

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 following 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 Securities Limited - Employees Stock Option Scheme - 2017.

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

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 FY2021.

b) No changes were proposed to be made in the Remuneration Policy for the Non-executive Directors of the Company during FY2021.

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 FY2021

The following table sets out the details of remuneration (including perquisites and retiral benefits) paid to Whole-time Directors during FY2021:

Particulars	Details of remuneration (₹)	
	Vijay Chandok – Managing Director & CEO	Ajay Saraf – Executive Director
Period	April 1, 2020 – March 31, 2021	April 1, 2020 – March 31, 2021
Basic	2,22,24,250	94,93,900
Performance Bonus paid out in FY2021[1]	92,44,249	1,05,16,243
Allowances[2]	2,37,84,280	1,16,20,392
Perquisites[3]	82,87,906	37,99,198
Contribution to provident fund	26,66,903	11,39,268
Contribution to gratuity fund	18,51,280	7,90,843
Stock Options of the Company (Numbers)		
Granted in FY2021 (for FY2020)	5,86,000	1,32,500
Granted in FY2020 (for FY2019)	-	1,99,600
Stock Options of ICICI Bank Limited (Numbers)		
Granted in FY2021 (for FY2020)	-	-
Granted in FY2020 (for FY2019)	-	41,400

Note: For the year ended March 31, 2021, the remuneration details pertain to the amount paid/options granted during FY2021. Given the prevailing scenario and the unprecedented challenges posed by COVID-19 pandemic, the WTDs had voluntarily opted to take a 10% salary reduction effective May 2020 in their basic, retirals and supplementary allowances for the remaining months in FY2021. Further, Mr. Vijay Chandok (DIN: 01545262) has also voluntarily decided to forgo performance bonus and stock options for FY2021 and any increase in salary for FY2022.

[1] The bonus amount paid in FY2021 includes the deferred portion of bonus approved in earlier years, wherever applicable.

[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 FY2021, the Directors were paid an amount of ₹ 1,00,000/- as sitting fees for attending each meeting of the Board and the Audit Committee and ₹ 50,000/- 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 FY2021 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)	11,00,000/-
Ashvin Parekh (DIN: 06559989)	19,00,000/-
Subrata Mukherji (DIN: 00057492)	17,00,000/-
Vijayalakshmi Iyer (DIN: 05242960)	19,00,000/-

As per the remuneration framework of the Company for the Non-executive Directors, profit related commission of ₹ 10,00,000/- was paid to each of the Independent Directors during FY2021 for their tenure during FY2020.

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 = 48:1

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

Vinod Kumar Dhall, Chairman and Independent Director = 4.53:1

Ashvin Parekh, Independent Director = 6.26:1

Subrata Mukherji, Independent Director = 5.82:1

Vijayalakshmi Iyer, Independent Director = 6.26:1

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 was nil.

(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 5.8%.

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

Employee headcount at March 31, 2021 was 3,766.

(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 FY2021 was around 3%, while the increase in the remuneration of the Key Managerial Personnel was nil.

(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 a 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-Fifth AGM	Tuesday, August 11, 2020 at 4:00 p.m. (IST)	AGM was held through Video Conferencing/Other Audio Visual Means (Deemed venue for the AGM was the Registered Office: ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai - 400 020)	• Enhancement of the existing borrowing limit under Section 180 of the Companies Act, 2013.
Twenty-Fourth AGM	Friday, August 2, 2019 at 2:30 p.m. (IST)	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.

General Body Meeting	Day, Date and Time	Venue	Special Resolution(s) passed
Twenty-Third AGM	Thursday, August 30, 2018 at 2:30 p.m. (IST)	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.

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

During FY2021, following Special Resolutions were passed through Postal Ballot by remote *e*-voting system on December 17, 2020:

- Enhancement of the existing borrowing limit under Section 180 of the Companies Act, 2013; and
- Enhancement of the existing limit under Section 186 of the Companies Act, 2013.

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 read with General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 33/2020 dated September 28, 2020 issued by the Ministry of Corporate Affairs ('MCA Circulars') and other applicable laws and regulations. The Company had sought approval of the Members on the Special Resolutions, through Postal Ballot by remote *e*-voting system only. The Board of Directors of the Company had 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 votes cast through postal ballot voting process. Considering the results of the Postal Ballot, the resolutions were approved on December 17, 2020. The results were declared on December 18, 2020 and communicated to the Stock Exchanges and displayed on the Company's website at the following link: https://www.icicisecurities.com/Upload/ArticleAttachments/Postal_Ballot_November_2020_Voting_Results.pdf.

The details of the voting pattern are as under:

i. Enhancement of the existing borrowing limit under Section 180 of the Companies Act, 2013:

Total No. of Equity Shares (1)	32,21,95,110
No. of Votes Polled (2)	28,05,22,380
% of Votes polled on Outstanding shares (3) = [(2)/(1)]*100	87.0660
No. of Votes in Favour (4)	28,02,73,007
No. of Votes Against (5)	2,49,373
% of Votes in favour on Votes polled (6)=[(4)/(2)]*100	99.9111
% of Votes Against on Votes polled (7)=[(5)/(2)]*100	0.0889

ii. Enhancement of the existing limit under Section 186 of the Companies Act, 2013:

Total No. of Equity Shares (1)	32,21,95,110
No. of Votes Polled (2)	28,05,22,380
% of Votes polled on Outstanding shares (3) = [(2)/(1)]*100	87.0660
No. of Votes in Favour (4)	27,98,10,712
No. of Votes Against (5)	7,11,668
% of Votes in favour on Votes polled (6)=[(4)/(2)]*100	99.7463
% of Votes Against on Votes polled (7)=[(5)/(2)]*100	0.2537

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 had 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 FY2021. The Secretarial Audit Report is given in **Annexure H** enclosed to this report.

There are no adverse observations in the Secretarial Audit Report.

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

The 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:

₹ Million

	FY2020	FY2021
Earnings	174.9	214.0
Outgo	384.5	401.5

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, 2021 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.

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 FY2021, two complaints on sexual harassment were filed, of which one complaint was disposed off during the year and one complaint is pending as at March 31, 2021, and is well within the timeline as provided under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Further, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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 as at March 31, 2021 are given below:

Particulars	Details
Number of options outstanding at the beginning of the year	13,29,300
Number of options granted during the year	13,37,200
Number of options forfeited/lapsed during the year	47,350
Number of options vested during the year	3,98,790
Number of options exercised during the year*	90,800
Number of shares arising as a result of exercise of options	80,970
Money realized by exercise of options (INR), if scheme is implemented directly by the company**	₹ 1,84,98,374/-
Loan repaid by the trust during the year from exercise price received	Nil
Number of options outstanding at the end of the year	25,28,350
Number of options exercisable at the end of the year	3,45,250

** number of options includes options exercised but pending allotment of shares.*

*** money realised do not include share application money received in respect of options exercised but pending allotment of shares.*

Particulars of options granted by the Company during FY2021:

During FY2021, the Company granted 13,37,200 options to its employees including Whole-time directors, Key Managerial Personnel, Senior Managerial Personnel 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 FY2021 are given below:

Financial Year	Date of Grant	Fair value of the option granted (₹) per share
FY2021	May 7, 2020	134.04
FY2021	October 28, 2020	179.55

The key assumptions used to estimate the fair value of options granted during FY2021 are given below:

Risk-free interest rate	4.82% to 5.70%
Expected life	3.51 to 5.51 years
Expected volatility	46.15% to 48.78%
Expected dividend yield	2.35% to 2.76%

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/ESOPExcelUploadRpt.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 at https://www.icicisecurities.com/Upload/ArticleAttachments/Business_Responsibility_Report_FY_2020_2021.pdf.

Integrated Reporting

The Company has adopted the principles of the International Integrated Reporting Framework as developed by the International Integrated Reporting Council (IIRC) since FY2019 in its Annual Report. The Annual Reports can be viewed on the website of the Company (www.icicisecurities.com).

Change in Nature of Business, if any

None

Compliance with Secretarial Standards

The Company has been in compliance with the applicable Secretarial Standards during FY2021.

Commercial Papers

The Company continues to meet the liquidity needs primarily through short-term borrowings through Commercial Papers ('CPs') being commercially most optimal. The Company also continues to list its CPs on BSE Limited ('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-Sixth AGM	Wednesday, August 18, 2021 at 4:30 p.m. (IST)	AGM will be held through Video Conferencing/Other Audio Visual Means (Deemed venue for the AGM will be Stanrose House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025).

Financial Year: April 1, 2020 to March 31, 2021

Book Closure: Thursday, August 12, 2021 to Wednesday, August 18, 2021 (both days inclusive)

Dividend Payment Date: On or before September 17, 2021

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

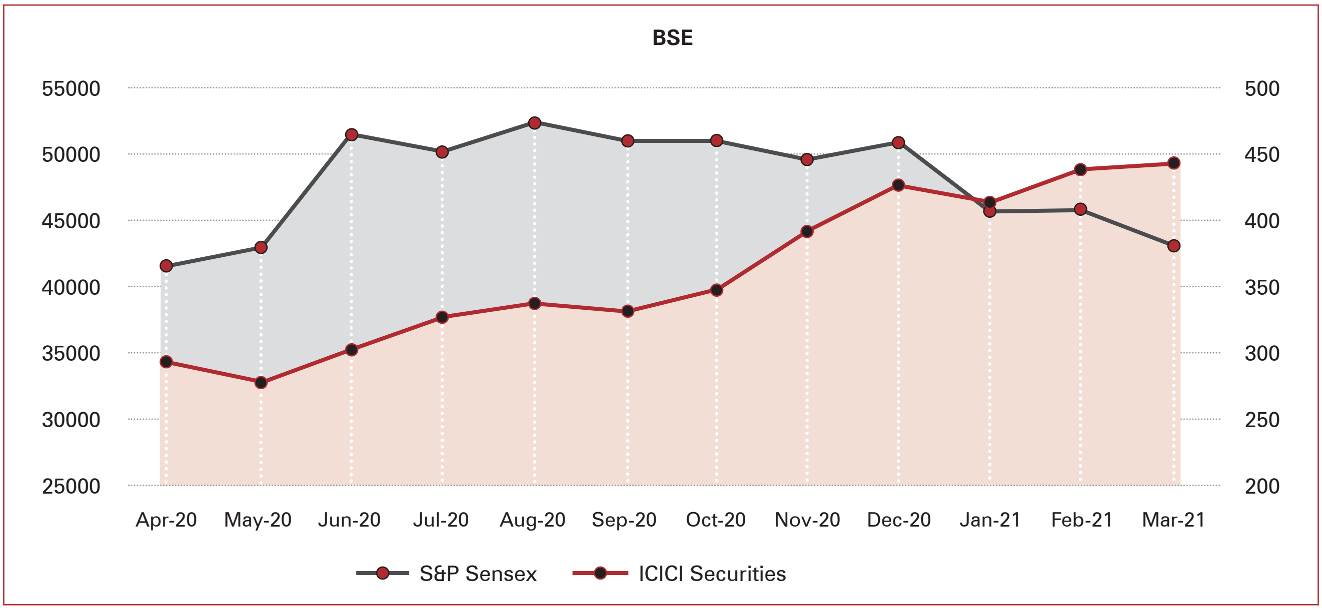
The Company has paid annual listing fees for FY2021 to NSE and BSE where its equity shares are listed. Further, the Company continues to make necessary payment of listing fees to BSE at the time of listing of Commercial Papers.

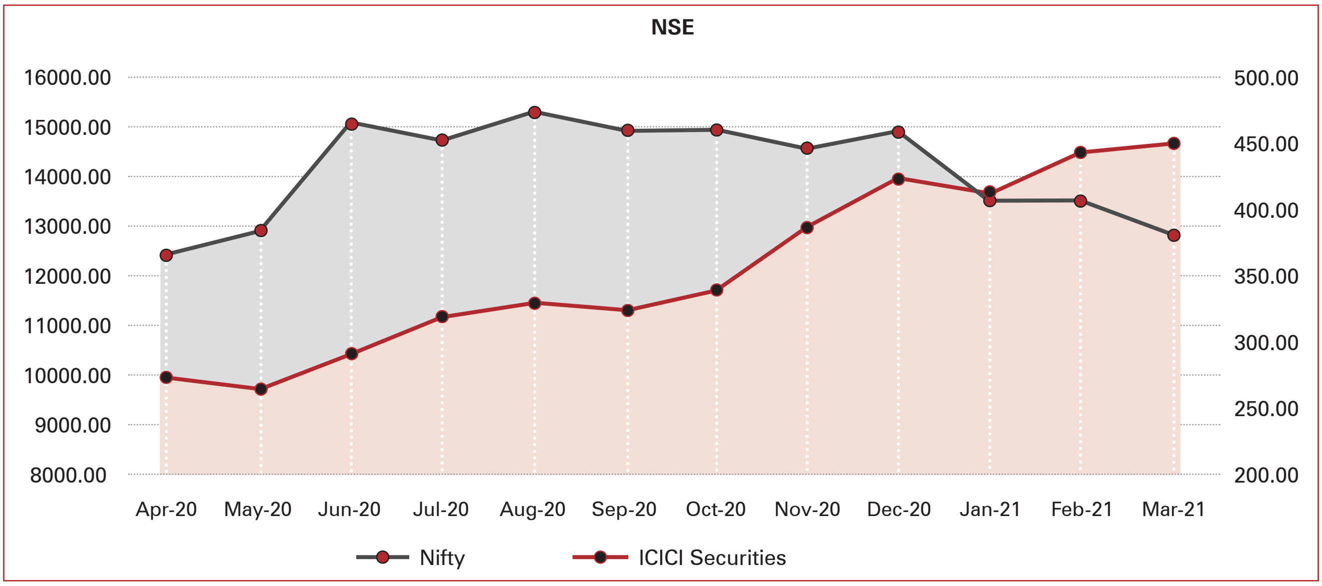
Market Price Information

The reported high and low prices and volume of equity shares of the Company traded from April 1, 2020 to March 31, 2021 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 2020	373.05	272.00	7,590,349	372.10	272.15	423,638	8,013,987
May 2020	430.00	342.05	11,158,913	429.00	343.10	452,785	11,611,698
June 2020	496.55	381.40	11,215,930	496.05	371.00	598,480	11,814,410
July 2020	568.90	445.05	16,597,964	568.75	445.00	932,710	17,530,674
August 2020	512.40	445.80	25,459,762	511.90	446.00	2,021,548	27,481,310
September 2020	496.00	425.00	8,036,654	495.05	425.25	708,053	8,744,707
October 2020	498.80	415.00	7,580,989	496.90	415.00	351,481	7,932,470
November 2020	473.85	430.00	5,594,757	473.70	430.00	448,792	6,043,549
December 2020	484.85	415.85	18,278,059	484.90	416.65	906,467	19,184,526
January 2021	472.65	401.45	16,353,884	472.85	357.00	995,263	17,349,147
February 2021	436.30	395.20	12,604,851	436.10	395.25	1,083,021	13,687,872
March 2021	423.00	376.90	11,165,860	422.75	377.00	757,313	11,923,173

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, 2020 to March 31, 2021 is given in the following chart:





Share Transfer System

KFin Technologies Private Limited is the Registrar and Share Transfer Agent of the Company. 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 entire Promoters' holding is in dematerialised form and the same is in line with the directives issued by SEBI. As at March 31, 2021, 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 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad - 500 032, Telangana
E-mail id: einward.ris@kfintech.com
Toll Free No.: 1800-309-4001

Information on shareholding

Shareholding pattern of the Company at March 31, 2021:

Sr. No.	Category	Number of shares	% of total number of shares
1.	Promoters	241,652,692	75.00
2.	Mutual Funds	18,187,985	5.64
3.	Alternate Investment Funds	4,427,657	1.37
4.	Foreign Portfolio Investors	12,056,474	3.74
5.	Financial Institutions	38,444	0.01
6.	Qualified Institutional Buyers	6,462,088	2.01
7.	NBFCs registered with RBI	900	0.00
8.	Individuals	30,068,811	9.33
9.	Trusts	306,315	0.10
10.	Non-Resident Indian (NRI)	2,282,922	0.71
11.	Clearing Members	989,894	0.31
12.	Bodies Corporate	4,801,427	1.49
13.	HUF	946,761	0.29
	Total	**322,222,370**	**100.00**

Shareholders of the Company with more than 1% holding at March 31, 2021 (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)	6,547,849	2.03
2.	IDFC Mutual Fund (under its various Schemes)	3,980,600	1.24
3.	HDFC Life Insurance Company Limited	3,242,389	1.01

Distribution of shareholding of the Company at March 31, 2021

Category (in ₹)	No. of Folios	% of Members	Total Shares	% of shares
1 - 5,000	152,611	96.74	16,013,542	4.97
5,001 - 10,000	2,825	1.79	3,961,454	1.23
10,001 - 20,000	1,171	0.74	3,253,380	1.01
20,001 - 30,000	386	0.24	1,889,700	0.59
30,001 - 40,000	186	0.12	1,300,989	0.40
40,001 - 50,000	108	0.07	997,045	0.31
50,001 - 100,000	221	0.14	3,123,213	0.97
100,001 & Above	239	0.15	291,683,047	90.52
Total	**157,747**	**100.00**	**322,222,370**	**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 FY2021.

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 is exposed to foreign exchange risk on account of its proprietary positions. Also in the capacity of trading/clearing member, the Company is exposed to foreign exchange risk as well as commodity price risk on account of its customers' positions. 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. Commodity price risk and 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 interval.

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 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad - 500 032, Telangana
E-mail id: einward.ris@kfintech.com
Toll Free No.: 1800-309-4001

For queries on Annual Report or investors' assistance:

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

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

investors@icicisecurities.com, IR@icicisecurities.com

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

Disclosures

a) There are no materially significant transactions that may have potential conflict with the interests of the Company.

b) No penalties or strictures have been imposed on the Company by any of the Stock Exchanges, SEBI or any other statutory authority, for any non-compliance on any matter relating to capital markets, during the last three years.

c) In terms of the Whistle Blower Policy of the Company, no employee of the Company has been denied access to the Audit Committee.

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

NIL

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; and

2. 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/Registrar and Share Transfer Agent of 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

1. Best Customer Experience of the Year - by ETBFSI, Excellence Awards, 2020 (for ICICIdirect Global platform)

2. Outstanding Private Banking Technology Platform Offering - by Private Banker International, Private Banking & Wealth Management London Awards 2020

3. Private Wealth Management Experts of the Year – India - by APAC Insider Business Awards, 2020

4. Digital Wealth Manager of the Year – India - by The Asset Triple A, Digital Awards 2021

For and on behalf of the Board

Sd/-
Vinod Kumar Dhall
DIN: 02591373
Chairman

Date: April 21, 2021
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, 2021.

For and on behalf of the Board

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

Date: April 21, 2021
Place: Mumbai

Annexure A

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= ₹ 73.11	INR US $ 1= ₹ 73.11
5.	Share capital	7,28,206	5,71,667
6.	Reserves & surplus	(5,97,772)	(2,99,987)
7.	Total assets	1,31,129	3,64,615
8.	Total Liabilities*	695	92,935
9.	Investments	94,498	-
10.	Turnover	(1,257)	1,72,191
11.	Profit before taxation	(2,510)	2,691
12.	Provision for taxation	(1,218)	(447)
13.	Profit after taxation	(1,292)	3,138
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/-
Subrata Mukherji
DIN: 00057492
Director

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

Sd/-
Ajay Saraf
DIN: 00074885
Executive Director

Date: April 21, 2021
Place: Mumbai

Sd/-
Raju Nanwani
Company Secretary

Sd/-
Harvinder Jaspal
Chief Financial Officer

Annexure B

Loans, Guarantees or Investments

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

Sr. 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 ₹ Million
A.	**Investments made**		
1.	Subsidiary – ICICI Securities Holdings, Inc.	Long term investment	123.6
2.	BSE Limited	Long term investment	6.5
3.	Receivable Exchange of India Limited	Long term investment	20.5
4.	Universal Trustees Private Limited	Long term investment	1.8
B.	**Securities held for Trade**	Short term investment	337.6
C.	**Loans**		
1.	Given to customers	To invest in ESOPs	5,202.5
2.	Given to customers	Margin Trade Funding	23,812.0

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: April 21, 2021
Place: Noida

Annexure C

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, 2021:

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, 2021 in current accounts and fixed deposits maintained for normal banking transactions.	4,255.9	-	-

For and on behalf of the Board

Sd/-
Vinod Kumar Dhall
DIN: 02591373
Chairman

Date: April 21, 2021
Place: Noida

Annexure D

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 and criteria to be considered for dividend payout

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 including outlook over the medium term/next 2-3 years;
2. Investment requirements for the Company including
   a. inorganic growth opportunities, acquisition of brands or businesses or stakes as a part of its strategy;
   b. Expansion or modernization of existing businesses; and
   c. Additional investments in other businesses.
3. Expected future capital/liquidity requirements as well as extent of borrowings;
4. Stability of the dividend pay-out ratio;
5. The interim dividend paid, if any;
6. The auditors' qualifications pertaining to the statement of accounts, if any;
7. Whether dividend/coupon payments for non-equity capital instruments have been made;
8. The applicable regulatory requirements; and
9. Other factors and/or material events which the Board may consider.

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, government policies, capital market conditions and dividend policy of competitors and tax implications including applicability and rate of dividend distribution tax;
- Internal factors like shareholder expectations, including institutional and individual shareholders.

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.

After giving due consideration to the aforementioned factors, the Board will endeavour to maintain a dividend pay-out (interim, if any, and final, put together) of at least 50 per cent of profits after tax (PAT) every financial year on a standalone financials. However, the Board may amend the pay-out, whenever considered appropriate by it, keeping in mind the aforesaid factors having a bearing on the dividend pay-out decision.

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 Company may not distribute a dividend or may distribute a reduced quantum of dividend when there is absence or inadequacy of profits. Also, if one or more of the criterion for recommendation of dividend is not fulfilled by the Company, including any regulatory restriction placed on the Company on declaration of dividend, or if in the light of the evolving and dynamic nature of the business environment, the Board is of the opinion that it would be prudent to conserve capital for growth or other exigencies, as per the assessment of the Board, dividend may not be declared or reduced dividend may be declared. There may also be obligations that the company could undertake under the terms of preference shares or other debt capital instruments pursuant to applicable laws which might prohibit the Company from declaring dividend in certain circumstances. 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. Conflict in Policy

In the event of a conflict between this policy and the extant regulations, the regulations shall prevail.

8. Disclosure of Policy

The Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and placed on the Company's website, www.icicisecurities.com.

9. Amendments

Any subsequent amendment/modification in the Companies Act, 2013, SEBI regulations and/or other applicable laws in this regard shall automatically apply to this Policy.

10. Review

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

Annexure E

Annual Report on CSR activities (Applicable for the financial year commencing on or after April 1, 2020)

1. Brief outline on CSR Policy of the Company:

Corporate Social Responsibility ('CSR') has been a long-standing commitment at ICICI Securities Limited ('the Company'). Our 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 cause of education, healthcare including preventive healthcare, women empowerment, welfare of senior citizens, skill-development training for a sustainable livelihood, contributing to incubators for promoting a culture of entrepreneurship through incubation of new ventures/ start-ups which may create jobs and financial inclusion.

During the year the Company focused on helping fight the COVID-19 pandemic. In FY2021, the Company undertook eight CSR initiatives, in addition to the Initiatives undertaken by ICICI Foundation for Inclusive Growth ('ICICI Foundation') in specific areas particularly skill development. There were four initiatives pertaining to FY2020 that were carried forward to FY2021, due to the pandemic/lockdown. All initiatives were implemented directly or through partners (including ICICI Foundation) in the areas of skill-development and sustainable livelihood, creation of job opportunities, initiatives for relief as well as to support research projects in essential medical equipment for critical COVID-19 patients, research and development projects in technology and engineering (through incubators), healthcare including preventive healthcare, empowering women and senior citizen welfare.

2. Composition of CSR Committee:

Sl. No.	Name of Directors	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Vinod Kumar Dhall (Chairman of the Committee)	Independent Director	4	4
2.	Vijay Chandok	Managing Director & CEO	4	4
3.	Ajay Saraf	Executive Director	4	4

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

Web-link to view the composition of the CSR Committee: https://www.icicisecurities.com/Upload/ResearchAttachments/Composition_of_Committees_of_the_Directors.pdf

Web-link to view the CSR Policy:

https://www.icicisecurities.com/UPLOAD/ARTICLEIMAGES/CSR_Policy.pdf

Web-link to view the CSR projects approved by the Board:

https://www.icicisecurities.com/CSR.aspx

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Refer **Annexure**.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Not Applicable.

6. Average net profit of the Company as per section 135 (5): ₹ 8,019.1 million.

7.

a)	Two percent of average net profit of the company as per section 135 (5)	₹ 160.4 million
b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
c)	Amount required to be set off for the financial year, if any	Nil
d)	Total CSR obligation for the financial year (7a+7b-7c)	₹ 160.4 million

8. a. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
160.4 million	Nil	N.A.	N.A.	Nil	N.A.

b. Details of CSR amount spent against ongoing projects for the financial year 2021:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration (Years)	Amount allocated for the project (in ₹ Million)	Amount spent in the current financial Year (in ₹ Million)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in ₹ Million)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Contribution to World Wide Fund for Nature ('WWF') - India, for Project Hameri, a Women Empowerment initiative	Promoting gender equality and empowering women	Yes	Uttarakhand	Nainital – Corbett	3	3	3	Not Applicable	No	WWF – India	Not applicable as project MoU signed before April 2021
2	Contribution for Model Old Age Home aimed for Welfare of senior citizens - HelpAge India - Leh Ladakh	Setting up old age homes, day care centres and such other facilities for senior citizens	Yes	Ladakh (UT)	Leh	3	6.6	6.6	Not Applicable	No	HelpAge India	Not applicable as project MoU signed before April 2021
3.	Contribution for Skill development - training to care givers	Promoting employment, enhancing vocational skills and livelihood enhancement projects	Yes	New Delhi NCR	New Delhi NCR	2	2.23	2.23	Not Applicable	No	Age Ventures India	Not applicable as projects are of period before April 2021
Total							**11.83**	**11.83**				

c. Details of CSR amount spent against other than ongoing projects for the financial year 2021:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹ Million)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Contribution to PM CARES Fund	Relief and help for initiatives in COVID-19	Yes	PAN INDIA		100	Yes	Not Applicable	
2.	Contribution to Skill development projects through ICICI Foundation for Inclusive Growth	Promoting employment, enhancing vocational skills and livelihood enhancement projects	Yes	PAN INDIA		35	No	ICICI Foundation for Inclusive Growth	Not applicable as projects are of period before April 2021
3.	Contribution to IIT Kanpur (NOCCARC Robotics - a startup of IIT Kanpur) for invasive ventilator, R & D projects, pertaining to healthcare	R & D projects, pertaining to Health Tech	Yes	Maharashtra	Pune	5	No	IIT Kanpur	Not applicable as project MoU signed before April 2021
4.	Contribution to Society for Innovation and Entrepreneurship (SINE)	Contribution to incubators for research and development projects in the field of technology and engineering - funded by the Central Government	Yes	Maharashtra	Mumbai	3	No	Society for Innovation and Entrepreneurship (SINE)	Not applicable as projects are of period before April 2021
5.	Contribution for Model Old Age Home aimed for Welfare of senior citizens - HelpAge India – Cuddalore	Setting up old age homes, day care centres and such other facilities for senior citizens	Yes	Tamil Nadu	Cuddalore	4.06	No	HelpAge India	Not applicable as projects are of period before April 2021
6.	Contribution to Vision Foundation of India for free cataract eye surgeries to senior citizens' from lower economic strata	Healthcare and preventive healthcare	Yes	Gujarat	Different districts across Gujarat	1.5	No	Vision Foundation of India	Not applicable as projects are of period before April 2021
Total						**148.57**			

(d) Amount spent in Administrative Overheads: NIL
(e) Amount spent on Impact Assessment, if applicable: NIL
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) (₹ Million): 160.4
(g) Excess amount for set off, if any: NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not applicable, as the Company has spent the full CSR amount in all the three preceding financial years.
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135 (5): Not Applicable

For and on behalf of the Board

Sd/-	Sd/-
Vijay Chandok	**Vinod Kumar Dhall**
DIN: 01545262	DIN: 02591373
Managing Director & CEO	Chairman, CSR Committee
Date: April 21, 2021	Date: April 21, 2021
Place: Mumbai	Place: Noida

Annexure

Impact Assessment Report | FY2019-20 ICICI Foundation for Inclusive Growth: Livelihood Initiative - "ICICI Academy for Skills"

ICICI Foundation for Inclusive Growth ("ICICI Foundation") has set up the "ICICI Academy for Skills" to provide free skill development training to lesser privileged youth to enable them to pursue a sustainable livelihood. Impact assessment has been conducted for this program by an external agency Renalysis Consultants Pvt. Ltd (CSRBOX). The Independent Assessment Report by CSRBOX ("Report") has been uploaded on the Company's website.

For the purpose of conducting the impact assessment, CSRBOX had adopted a mixed-method approach of qualitative and quantitative data collection, using primary and secondary data which helped in gathering valuable impact-related insights from a 360-degree perspective involving all the stakeholders. Further, a stratified sampling approach was used to ensure a representative sample set for the impact study.

The program's performance and impact have been analysed in four key areas - inclusiveness, relevance, impact created and service delivery. The program has received high scores across all areas. Key findings have been listed as under:

- The overall profile of the respondents reflected inclusiveness of the project. The gender ratio in the FY2020 batches were 1:1. Two-thirds of the trainees in non-technical courses were females and two-thirds of the candidates came from tier 2 and tier 3 cities/towns. The Academy gets trainees from diverse educational backgrounds and is able to cater to varying levels of educational qualifications.
- The training provided at the centres was found to be highly relevant by trainees as well as employers. As per the assessment, 85% employers found the skill training and technical know-how sound and industry-relevant; 84% of employers found the candidates to have the right attitude and adapt to the workplace culture; 70% of the candidates had clarity on career prospects and 98% students mentioned that they would refer their friends/relatives to join the Academy.
- In terms of impact created, the project had a high placement ratio with 97% of the candidates receiving placement offer letters; 74% of the candidates believe the Academy has substantially contributed to improving their livelihood; 84% of the candidates are part of the active workforce and 16% are pursuing advanced courses.
- The quality of service delivery across the training centres of ICICI Academy for Skills was found to be consistent on various rating parameters.

The Report mentions that for every rupee invested, the social returns are over 10 times.

The assessment further found that the Academy had been able to maintain the quality in terms of candidates, training, infrastructure and placements, along with the massive scale at which the programme operates. The programme is delivering better than many of its peers on parameters like inclusiveness, placements and average salary of the candidates.

Link to access the impact assessment report: https://www.icicisecurities.com/Upload/ArticleAttachments/Impact_Assessment_Report_FY_2019_2020.pdf

Annexure F

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, 2021, 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
UDIN NO. : F005533C000275759

Place: Mumbai
Date: 19/04/2021

Annexure G

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, 2021, 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, 2021.

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 Parekh	06559989	25/08/2016
3.	Mr. Subrata Mukherji	00057492	29/11/2017
4.	Ms. Vijaylakshmi Iyer	05242960	29/11/2017
5.	Mr. Anup Bagchi	00105962	11/10/2018
6.	Mr. Pramod Rao	02218756	11/10/2018
7.	Mr. Vijay 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
UDIN: F006667C000024003

Place: Mumbai
Date: 05.04.2021

Annexure H

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended March 31, 2021

[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, 2021 (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, 2021 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, 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. There was no change in Directors during Audit Period.

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 period, the Company has

1. Enhanced the existing borrowing and investment limits to ₹ 60.00 billion under Section 180 (1) (c) and Section 186 of the Act respectively vide Special Resolutions passed through Postal Ballot on 17th December, 2020.

2. Allotted 80,970 Equity Shares of face value of ₹ 5/- each towards exercise of options vested under ICICI Securities Limited – Employees Stock Option Schemes 2017.

For Makarand M. Joshi & Co.

Sd/-
Makarand Joshi
Partner
FCS No. 5533
CP No. 3662
UDIN: F005533C000133144
Peer Review No: P2009MH007000

Place: Mumbai
Date: 19th April, 2021

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,
Churchgate, 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: F005533C000133144
Peer Review No: P2009MH007000

Place: Mumbai
Date: 19th April, 2021

Management Discussion and Analysis

Operating Environment

Global Economy

Global economy went into recession during 2020 as COVID-19 severely impacted economic activities and human mobility. International Monitory Fund (IMF) in its latest forecast has estimated that the contraction in global growth for 2020 stood at 3.3%. Global central banks embarked on record monetary stimulus while governments across the globe adopted a counter-cyclical fiscal policy by embarking on fiscal spending to pull their respective economies out of the once-in-a-century crisis recession. Growth recovery in the second half of Calendar Year (CY) 2020 has been better than expected, resulting in upgrades to global Gross Domestic Product (GDP) for CY2021 and CY2022 which have been revised to 6% and 4.4% respectively by the IMF. Further fiscal measures by countries like the United States (US) which announced additional US$1.9 Trillion fiscal stimulus in March 2021 and is also working on a US$ 2 Trillion infrastructure programme which will help accelerate the global growth momentum going ahead.

Reflecting faster than expected economic growth, US bond yields started rising towards the end of FY2021 on fears of rising inflation and reflation trade, resulting in heavy losses for bond portfolios and some volatility in equity markets as well. However, the US Federal Reserve continued to maintain an accommodative stance by keeping the interest rates low as employment levels remain weak and core inflation is subdued. The central banks of other advanced economies also followed the same dovish approach.

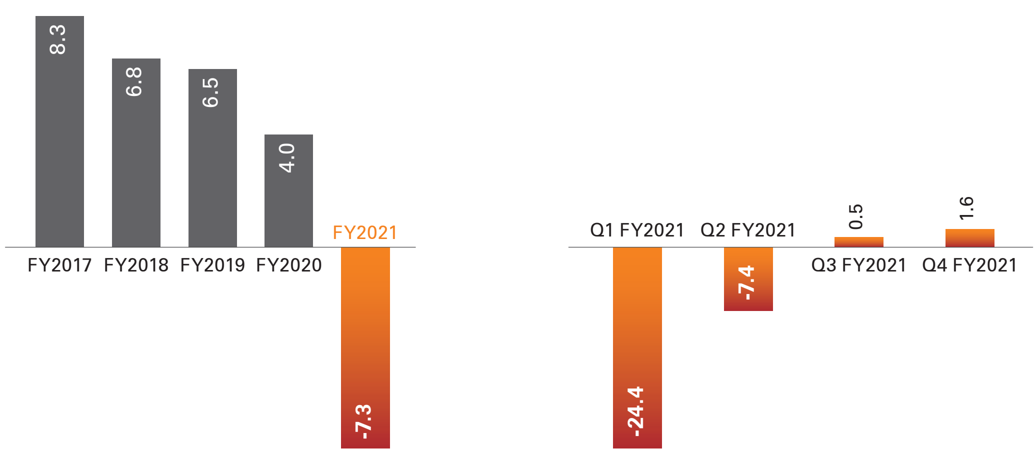
Approvals for various vaccines globally and their rapid administration is providing hope for an end to the pandemic in 2021. High frequency economic indicators such as global Purchasing Managers' Index (PMI) are showing that the momentum in economic recovery continues.

Indian Economy

COVID-19 pandemic spread rapidly throughout the world from the beginning of FY2021. Most governments imposed restrictions on movement in their respective countries to control the spread of the virus. In India, the 'lockdown' restrictions were stringent and took a toll on the economy. In Q1 FY2021, the Indian economy contracted by a record 24.4% YoY. Contact-intensive sectors such as trade, construction, manufacturing activities, travel & tourism, films, hospitality etc. were among the worst affected.

Gradually, as the government eased the restrictions on mobility, economic activity started limping back to normalcy. In Q2 of FY2021, the economy contracted by 7.4% YoY, primarily aided by stronger-than-expected performance by the manufacturing sector and gradual resumption in construction and trade sectors. As the year progressed further, growth returned to the economy in small measure (+0.5% in Q3 FY2021) on the back of festive season and pent-up demand entering the market. Expectedly, Q4 FY2021 was the strongest quarter of the year with real GDP growth of 1.6% YoY, taking full year growth to -7.3%. Better-than-expected performance by manufacturing and construction sectors drove the growth in Q4 FY2021 while contact-intensive services such as trade and public admin continued to languish.

GDP growth (YoY%)



Source: Ministry of Statistics and Program Implementation (MOSPI)

Consumer Price Index (CPI) inflation remaining high during Apr-Nov 2020 as lockdown restrictions and supply-side constraints kept food prices elevated. Inflation during the first eight months of the fiscal year averaged 6.9%, almost one percentage point higher than the Monetary Policy Committee's (MPC) comfort level. During this period, the wedge between wholesale and retail inflation also widened sharply, reflecting difficulties faced in transporting goods during the lockdown. However, recognising that monetary policy cannot tackle supply-constraint driven inflation, the committee looked through the high headline retail inflation and kept the monetary stance facilitative. Inflation eased towards the end of the year and fell within the MPC's target band of 2-6%.

Towards the end of FY2021, there has been a resurgence of COVID-19 cases in India, and a surge in crude oil prices which are emerging as key risks to the nascent economic recovery. However, given the availability of vaccines and their administration drive, there is a higher confidence in tackling the rising cases of COVID-19 as compared to the scenario in 2020. Also, crude oil price surge has been exacerbated by temporary supply issues which will abate in FY2022.

Outlook of Global and Indian Economy

As per the International Monetary Forum (IMF), the global economy is expected to post a V shaped recovery in CY2021 on the back of normalcy returning post vaccination drives across countries. The global GDP expected to grow by 6% after contracting by 3.3% in CY2020. Emerging economies are expected to grow faster than Advanced economies at 6.7% and 5.1% respectively.

With the economic activity gaining momentum post COVID-19 lockdown, and rollout of coronavirus vaccines, the Indian economy is likely to do better. However, the second wave of COVID-19 currently sweeping the country, rising input prices, stress in the Micro, Small and Medium-sized Enterprises sector, and a weak labour market are some of the headwinds facing the India's economic revival. Monetary and fiscal support will remain crucial.

As per IMF, India is expected to be the fastest growing economy in the world for CY2021 at 12.5%. Structural reforms and pro-growth policies of the Government have the potential to extend the growth momentum for India beyond CY2021.

Inflation in advanced economies, although rising on the back of improving aggregate demand and firming commodity prices, remains well below the target range of central banks including that of Monetary Policy Committee (MPC) in India. This is expected to allow central banks including Reserve Bank of India (RBI) to remain accommodative at least for the medium term which will further augment global liquidity.

Equity Markets

Most global equity markets rallied in FY2021 as central banks across the world embarked on record monetary stimulus while governments adopted a counter-cyclical fiscal policy by embarking on fiscal spending to pull their respective economies out of recession.

Indian equities entered a bull market environment in FY2021 after first dipping into bear market towards the end of FY2020 on COVID-19 fears. In one of the most spectacular rallies since FY2010 post the GFC (Global Financial Crisis), Indian benchmark index (NIFTY50) rallied 71% during FY2021. Unlike the pre-COVID period, the rally was broad-based with small and midcaps outperforming headline indices like the NIFTY50. Also there were signs of a return to value investing from growth investing after several years of underperformance by the former class of stocks.

Bullish sentiment for Indian equities was further fueled by the expansionary FY2022 Union Budget. It provided for a counter-cyclical fiscal policy with focus on reviving growth, while ensuring adequate resources for tackling the pandemic, by expanding the fiscal deficit to a higher than expected level of 9.5% for FY2021 and 6.8% for FY2022.

Strong growth in retail investors entering equity markets and trading volumes

FY2021 was a landmark year for the Indian capital markets with record number of demat accounts being opened and significant surge in equity and derivatives volume growth. This was led by historic volatility arising out of the pandemic, lower interest rate regime in the market and aided by work-from-home environment.

The number of National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) demat accounts opened increased from 5.0 Million in FY2020 to 14.3 Million in FY2021, a growth of 188% making this the year with highest number of demat accounts opened in any financial year till date.

14.3 Million Up~3X

Demat accounts opened in FY2021

The gross industry Average Daily Turnover or ADTO was up by 94% YoY. Within this, the equity ADTO increased by 69% and derivatives ADTO grew by 95%, primarily driven by weekly Options contracts. In the Futures segment, volumes were up 24%.

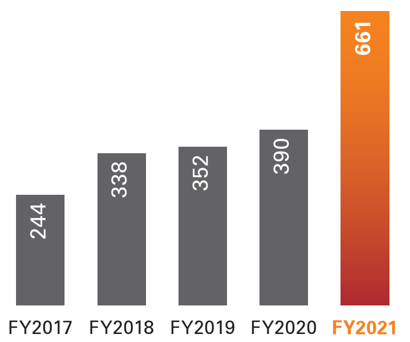
94%

Industry average daily turnover YoY growth

Notable trends this year were an increase in retail and others contribution. The retail and others contribution increased in equity from 55% in FY2020 to 58% in FY2021, resulting in retail and others ADTO growing by 80%. Secondly, delivery ADTO increased by ~44% in FY2021 as compared to FY2020. The institutional ADTO also registered impressive increase of 24% and 27% in equity and derivative segments respectively (Source: SEBI bulletin).

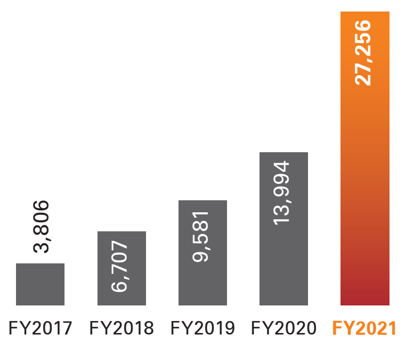
Gross equity ADTO

(in ₹ Billion)



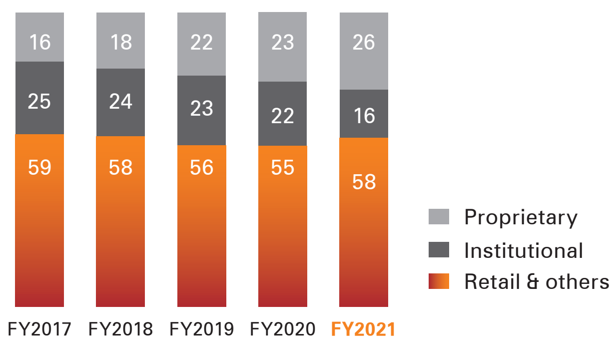
Gross Derivative ADTO

(in ₹ Billion)



Category-wise contribution of Turnover in equity Segment

(%)



Strong flows from Foreign Portfolio Investors (FPIs) although muted domestic flows into equity capital markets

The Indian capital markets over the past few years have witnessed net buying by Foreign Portfolio Investors (FPIs) and Domestic Institutional Investors (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.

FPIs were net buyers across FY2021 totalling ₹ 2,761 Billion. While 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 augurs well for FPI flows towards Emerging Markets (EM) like India going forward, dollar strengthening remains a risk.

This swing in market movement was also reflected in FPI flows. FPIs pulled out ₹ 689 Billion equity between March 2020 and April 2020. The trend however reversed in May with FPI becoming net buyers for the remainder of the year (₹ 2,809 Billion equity).

On the other hand, DIIs investments countered FPI flows, with aggregate outflows of ₹ 1,340 Billion for the year. The mutual fund industry has witnessed net outflows of approximately ₹ 407 Billion in FY2021 in Equity and related schemes. SIPs continued to remain resilient despite the market volatility with cumulative SIP flows of ₹ 961 Billion in FY2021 vis-à-vis ₹ 1,001 Billion in FY2020.

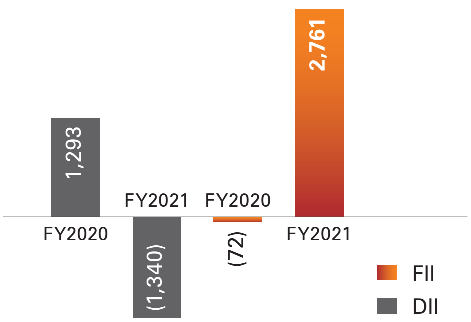
Another trend that is relevant in the institutional client base is that Domestic Alternative Investment Funds (AIFs) and passive Exchange Traded Funds (ETFs) have gained momentum in the past few years as evidenced by the domestic ETF Asset Under Management (AUM) – equity and debt ETFs-- reaching ₹ 2.8 Billion by March 2021 (up 88% YoY). As institutional investors become more sophisticated, their requirements are rising in terms of proprietary fundamental research and differentiated product offerings.

₹ 2,761 Billion

FPI fund inflow into Indian equities in FY2021

Institutional inflow into Indian equities in FY2021

in ₹ billion



Demand for Retail Financial Products picked up in the second half

While direct equity investments gained popularity, as indicated by number of demat accounts opened, the managed products saw muted investor interest with preference being towards passive investment options like Exchange traded funds, which as a category saw growth in FY2021 over FY2020.

Distribution of other products like loans, fixed income, corporate bonds, deposits, insurance, Alternate Investment Funds (AIF), Portfolio Management Scheme (PMS), etc., were impacted as a significant portion of these businesses are contact based and the COVID-19 related environment effected fulfilment of their sales in the first half with business improving only in the second half as economic activities started resuming.

Investment Products

Mutual Funds

Mutual Fund Investor accounts (folio count including Exchange Traded Funds - ETF) registered a growth of 10% (similar to that of last year) to reach 99 Million accounts in FY2021. Growing digitisation of the processes right from account opening to managing investments across the distribution channels aided the Mutual Fund (MF) industry during the lockdown.

Mutual Funds (Equity) witnessed 6% increase in Average Assets under Management (AAUM) in FY2021, attributed to lower base (March 2020 lows), mark-to-market gains led by broad-based market rally, steady Systematic Investment Plan (SIP) inflows and NFOs. When the Nifty crossed the previous highs in July 2020, investors started booking profits as the uncertain environment still prevailed. The average monthly equity net inflows turned negative, amounting to outflows of ₹ 62 Billion for the next three quarters (i.e. Q2 FY2021 to Q4 FY2021). Direct Plan contribution to equity assets increased marginally to 20% in FY2021 (exit) compared to ~19% in FY2020 (exit).

Average monthly SIP inflows saw a dip of 4% from ₹ 83.4 Billion in FY2020 to ₹ 80 Billion in FY2021. New SIP (Systematic Investment Plan) registrations were higher by 20% in FY2021, to average ~1.2 Million per month indicating staggering of investments. The period also saw growth in small ticket size SIPs from tier II and III towns

20%

New SIP registrations YoY growth

During FY2021, passive investing gained rhythm with ETFs (excluding gold) seeing net inflows through the year. There was 129% rise in the Exchange Traded Funds (ETF) folios in FY2021. Debt ETFs also contributed to the increasing ETF flows. Net ETF folio added increased by 160%YoY.

The year also witnessed growing popularity of categories and themes like Environment, Social & Governance (ESG), International investment, Multi Assets & Dynamic asset allocation funds. Fund-of-Fund investing Overseas also saw good traction with average monthly net inflows ~ ₹ 6.6 Billion for the year FY2021 compared to negligible flows in the previous years. Buoyant domestic as well international markets led to flurry of New Fund Offerings (NFO). The 82 New fund offerings across categories mobilised ~ ₹ 409 Billion of assets in FY2021.

Fixed Income

Heightened uncertainty in economic activity due to COVID-19 led disruptions, coupled with volatility in capital markets forced investors to divert attention to fixed income instruments for their investments. In an attempt to de-stress the financial ecosystem & revive growth, RBI resorted to a cumulative reduction of 115bps in repo rate, from 5.15% in March 2020 to 4.00% in March 2021 thereby bringing down interest rates to decadal low. Monetary policy Committee (MPC) action lead to a decline in G-Sec yields. Average yield on 3-year AAA corporate bond reduced from 8.47% on 26th March 2020 to 5.40% on 31st March 2021 making them less attractive for fresh investments. Muted economic activity and lower demand affected fund raising by corporates throughout the year. In FY2021 fund raising by NBFCs through NCD issuances dropped to ~₹ 105 Billion compared to issuances of ₹ 150 Billion in FY2020.

In uncertain economic environment, gold as an asset class garnered interest amongst investors. Gold price rose from a low of ₹ 40,200 in March 2020 to a high of ₹ 55,400 in August 2020 before correcting to low of ₹ 43,980 in March 2021. Digital gold investments like Government of India's Sovereign Gold Bond (SGB) saw increased demand from investors. Subscription to SGB tranches increased to ₹ 160.48 Billion in FY2021 compared to ₹ 23.16 Billion in FY2020 registering a growth of 593% YoY.

Alternates

The search for better inflation-adjusted and uncorrelated returns has led to the shift towards alternates, as an asset class. The increasing pool of wealthy Indians and their need for customized solutions will continue to fuel growth of this segment in the years to come. With other investment avenues getting increasingly commoditized, the alternates space offers flexibility and scope for alpha generation to asset managers well within the regulatory boundaries set by SEBI.

The Alternate Investment Fund (AIF) industry crossed another milestone in FY2021 with total fund raise topping ₹ 2.3 trillion, a growth of 23% over FY2020 and a CAGR of

39% in the last three years. Of this, Category 2 AIFs, which comprises of Private Equity, Real Estate, Venture Debt, etc., and is the largest (~₹ 1.6 trillion), grew almost 30% YoY in FY2021. This bodes well for the healthy development of a strong ecosystem for start-up funding in the country.

Portfolio Management Scheme (PMS), being a more matured product segment, its AUM has also seen a healthy growth of more than 7% CAGR over 5 years ended Mar-2020. Since then, it has grown another 9% until Oct-2020 (last published data by SEBI) to cross ₹ 4.6 trillion (excluding EPFO/PFs).

Protection Products

Life insurance

The Life Insurance Industry had a muted start to FY2021, amidst the outbreak of the pandemic which prevented any contact and hence fulfilment, registering a decline of 7% on H1 exit. Second half of the year saw a recovery as lockdown restrictions started easing. FY2021 For New Business premiums* grew by 3% with ₹ 756.58 Billion premium collection. While Life Insurance Corporation of India (LIC) posted a decline of 3%, private sector players registered a growth of 8%. The private player's market share in retail new business premium stood at 60% in FY2021. While Term & Protection plans continued to see increased interests from customers, positive traction was seen in Non-Participating (Guaranteed return plans) registering growth of 25% & Annuity growth of 39% in FY2021.

*Retail 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 & Annuity plans considered with 10% weightage)

Source: IRDA

General insurance

General Insurance business had a growth of 5.2% in FY2021 with premiums at ₹ 1.98 Trillion up from ₹ 1.88 Trillion in FY2020. The 4 Segments (Fire, Health, Motor & Crop Insurance) contributed approximately 90% of total Industry business. While Fire Insurance & Health insurance saw annual growth of 28% & 13.4% respectively, the dominant Motor Insurance & Crop Insurance shrank due to lockdowns and saw de-growth of 1.7% & 3.3% respectively.

Health insurance

In the health insurance space, SAHI (Stand-alone Health Insurance companies) continued the growth trajectory with premiums growing by 11.08% YoY at ₹ 157.20 Billion in FY2021. The SAHI players put together hold 7.9% market share.

Looking ahead, structural drivers like a young working population, rising affluence, digitisation, financialisation of savings, under penetration of insurance across categories and increasing share of Insurance in financial savings are expected to be the growth drivers in the sector.

Loans & Mortgages

Bank credit growth remained subdued as demand languished and risk aversion continued to grip the banking system. Scheduled commercial bank credit growth slowed to 5.6% YoY in FY2021 compared to 6.1% in FY2020. Slowdown in credit growth has been broad based across all major sectors except agriculture and medium enterprise. Credit to medium enterprises registered a growth of 2.8% in March 2021 compared to 0.7% year ago. Retail loan growth softened to 10% YoY from 15% a year ago while Housing loans grew by 9.1% YoY in March 2021. The industry witnessed a pent-up demand in Q2 to Q4 of FY2021, seeing a robust housing sales across the top cities aided largely by offers and discount being doled out by developers all across and limited stamp duty cut in states by the governments. The outstanding book of Home loan market is ~ ₹ 24 Trillion. The outlook for home loans market continues to be promising and is backed by increasing urbanisation and affordable mortgages rate. Housing-for-All by 2022 and PMAY have pushed the supply side of affordable housing which would be a key driver for real estate in FY2021-FY2022.

Strong growth in primary capital market activity

Q1 FY2021 was subdued for primary capital market activities on back of a weak Nifty till about late May 2020 but then witnessed a recovery. The 20%+ rally in Nifty from mid May 2020 to late July 2020 built the foundation for capital market activity for the remainder of the year.

Initial Public Offering (IPO) market saw a revival in Q2 FY2021 with nine IPOs in that quarter. The second half of the year witnessed healthy IPO activity with 21 companies going public. The year also saw 31 Qualified Institutional Placements (QIP) take place. Other products like rights, Offer For Sale (OFS), InvIT, ReIT, buybacks etc. also saw robust activity. The total equity fund raising eventually turned out to be strong to hit an all-time high of ₹ 2,505 Billion (vis-à-vis ₹ 1,472 Billion in FY2020).

Private Equity (PE) investments during FY2021 amounted to $42.1 Billion (including two large ticket Reliance Group deals cumulatively worth $16.3 Billion) vis-à-vis $29.4 Billion in FY2020. Merger & Acquisition (M&A) activity during FY2021 remained flat at $38.2 Billion (vis-à-vis $38.4 Billion in FY20) . The deal activity on the advisory side was subdued in the first quarter of the fiscal as deal making was significantly impacted due to COVID-19.

Key Highlights (Source: Prime Database and SEBI Filings):

- 34 IPOs (including FPOs, InvITs, ReITs) aggregated ₹ 798 Billion in FY2021 as compared to 14 IPOs (including FPOs, InvITs & ReITs) which aggregated ₹ 227 Billion in FY2020, representing an increase of 143% and 252% in count and mobilisation terms respectively
- 31 QIPs aggregated ₹ 780 Billion in FY2021 as compared to 13 QIPs which aggregated ₹ 512 Billion in FY2020, representing an increase of 138% and 52% in count and mobilisation terms respectively
- 20 Rights Issues aggregated ₹ 643 Billion in FY2021 as compared to 13 Rights Issue which aggregating ₹ 560 Billion in FY2020, representing an increase of 54% and 15% in count and mobilisation terms respectively
- 38 Offer-for-Sale aggregated ₹ 284 Billion in FY2021 as compared to 26 Offer-for-Sale which aggregated ₹ 173

Billion in FY2020, representing an increase of 46% and 64% in count and mobilisation terms respectively

- 46 open offers aggregating to offer amount of ₹ 250 Billion in FY2021 as compared to 61 open offers aggregating to ₹ 215 Billion in FY2020, representing a decline of 25% and increase of 17% in count and mobilisation terms respectively
- 61 Buybacks aggregating to total offer amount of ₹ 393 Billion in FY21 as compared to 52 Buybacks aggregating to ₹ 200 Billion in FY20, representing an increase of 17% and 97% in count and mobilisation terms respectively
- 180 PE investments (greater than $20 Million) aggregating to deal size of $42.1 Billion in FY2021 as compared to 234 PE investments aggregating to $29.4 Billion in FY2020, representing a decline of 23% and increase of 43% in volume and value terms respectively
- 103 M&A deals (greater than $20 Million) aggregating to deal size of $38.2 Billion in FY2021 as compared to 152 M&A deals aggregating to $38.4 Billion in FY2020, representing a decline of 32% and 1% in volume and value terms respectively

Equity Markets Activity (Source: Prime Database and SEBI Filings):

	Issuances Amount (in ₹ Billion)				
Particulars	**FY2017**	**FY2018**	**FY2019**	**FY2020**	**FY2021**
IPO/FPO/InvIT/REIT	282	889	227	227	798
QIP/IPP	137	622	105	512	780
Rights Issue	33	214	20	560	643
OFS	84	174	217	173	284
Open Offer	59	26	280	215	250
Buy Back	345	533	556	200	393
Total	**940**	**2,458**	**1,405**	**1,886**	**3,148**

	Deal count				
Particulars	**FY2017**	**FY2018**	**FY2019**	**FY2020**	**FY2021**
IPO/FPO/InvIT/REIT	25	47	17	14	34
QIP/IPP	22	53	13	13	31
Rights Issue	12	20	8	13	20
OFS	28	37	28	26	38
Open Offer	57	58	67	61	46
Buy Back	49	59	63	52	61
Total	**193**	**274**	**196**	**179**	**230**

Regulatory Direction

Regulatory Authorities have taken a slew of measures to ensure smooth conduct of business during the COVID pandemic and continue to work in the direction of enhancing transparency, protecting investor interests, and also enabling the industry to serve the customer by adopting technology. Some of the notable regulatory developments that were articulated or enacted in the current fiscal include:

In light of disruptions caused by the pandemic, SEBI announced several measures which provided relaxations to issuers as well as intermediaries.

1. **For issuers**
   - SEBI gave relaxation from compliance with certain provisions of the Listing Obligations and Disclosure Requirements (LODR). For FY2020, the top 100 companies by market capitalisation were allowed to hold their Annual General Meetings (AGM) within nine months from close of the financial year. The listed companies were given an extension to file the fourth quarter financial results and one-month extension to file results for FY2020.
   - Listed companies were allowed to conduct their AGM through video conferencing while banks and insurance companies were given the option of submitting only the standalone numbers instead of consolidated financials. Further, norms related to sending physical copies of annual reports or publishing certain statutory advertisements were also relaxed.
   - The 25% minimum public shareholding norm was relaxed and exchanges were advised not to take penal action.
   - Listed entities were asked to evaluate the impact of COVID-19 pandemic on their business, performance and financials, both qualitatively and quantitatively, to the extent possible and disseminate the same to investors.

2. **For Market Intermediaries**
   - In view of the prevailing situation due to COVID-19 pandemic and representations received from various market intermediaries, timelines for compliance with the regulatory requirements by the

[1] Equity fund raising includes IPO/FPO, InvIT, REIT QIP, OFS & Right issue

[2] M&A activity excludes PE control deals as they are getting captured in PE investments. Both M&A and PE investment values are for deals greater than $20 Million

trading members / clearing members/ depository participants were further extended.

Protecting investor interest

- **Equity Business: New Margin Norms**
  SEBI had introduced new uniform margin norms for the equity broking industry that require standardised margins to be collected for all products from the customer upfront before entering a trade. The regulations are to be implemented in four phases starting December 1, 2020 followed by March 1, 2021, June 1, 2021 and September 1, 2021.

- **Equity Business: Treatment of client securities**
  SEBI has also issued certain guidelines regarding the method of margin finance with regards to pledging/ re-pledging of securities. Securities as margin to be collected only in the form of a pledge to ensure safe guards for investors' securities.

- **Distribution of Financial Products: Segregation of Distribution and Advisory**
  Norms of segregation of distribution and advisory customers have also been issued by SEBI during the year.

- **Distribution of Financial Products: Portfolio Management Services (PMS)**
  SEBI dis-continued upfront commissions for distributors of PMS. Secondly minimum investment in PMS amount was increased from ₹ 25 Lakh to ₹ 50 Lakh under the new regulations.

- **Distribution of Financial Products: Mutual Funds (MFs)**
  Implementation of regulatory changes with respect to valuations of debt securities, changes in Mutual Fund exposure limits to single issuer, new rule regarding applicability of Net Asset Value (NAV) on realisation of funds and portfolio based risk classification with introduction of a new risk-o-meter having a "Very high risk category". Based on the new regulation many of the equity schemes got reclassified to very high-risk category from high risk

Our Strategy

We endeavour to emerge as full stack open architecture digital platform for life cycle investment, protection and borrowing needs of a retail Indian. Our strategy is intended to help us broad base our business model and diversify and granularise revenue streams. We have also articulated our approach of achieving this by strengthening the core aspects of business while building for the future for focusing on five key strategic anchors:

- Ramping up scale and quality of customers by expanding customer acquisition channels augmented by our distinct product and service propositions
- Monetising client value expanding revenue streams to build non-cyclical revenue streams and also mark our presence in the entire financial planning journey of our customer's lifecycle
- Enhancing customer experience by using analytics to provide hyper personalized experience to increase loyalty and penetration of existing client base
- Achieve digital agility by investing in next gen technological capabilities to remain cutting edge
- Continued focus on operating leverage along with investments in area which provide amplification of revenue.

Operating Performance of Business Verticals

The Company reported strong growth in number of equity revenue generating clients (i.e. NSE active clients) from 1.08 Million in FY2020 to 1.58 Million for FY2021. Our strategy of ramping up scale helped us acquire new clients at a substantially faster pace with 0.69 Million new clients added in the year, up from 0.39 Million in FY2020. Additionally, our innovative propositions like Prime, Neo, One Click equity investments etc. helped us attract quality clients and in enhance vibrancy of transacting clients on our platform.

Retail Equity

The Retail equity and allied income grew strongly by 70% from ₹ 9,409 Million in FY2020 to 15,983 Million in FY2021 led by growth in our retail brokerage revenue from ₹ 8,187 Million in FY2020 to ₹ 13,447 Million in FY2021, growth of 64%. Our allied income grew by 108% in ₹ 1,222 Million FY2020 to ₹ 2,537 Million in FY2021.

The strong growth in allied revenues was led by growth in interest income earned on our MTF and ESOP books as well as increase in subscription fees and other charges earned on our various product propositions including Prime, Neo etc. The interest income registered a strong growth of 76% from ₹ 970 Million for FY2020 to ₹ 1,707 Million for FY2021 because of growth of our daily average MTF and ESOP funding books from ₹ 8.3 Billion for FY2020 to ₹ 17.9 Billion for FY2021

Institutional Equity

The revenue from our institutional equity business increased by 24% from ₹ 1,289 Million in FY2020 to ₹ 1,599 Million in FY2021 on the back of traction with clients across India, Asia Pacific, UK and US. The growth in revenue was driven by increased flow business, gain in market shares and traction in marquee block deals. We gained market shares on account of better rankings with highly active clients, significant performance in block deals/ block crossing and increased wallet share from existing clients.

During FY2021, the Company continued to focus on enhanced engagement in a digital format. By way of plethora of investor calls, across sectors, with industry stalwarts and domain experts, that furnished timely insights and helped clients understand the ground reality and navigate the COVID-19 related crisis better. During the year, we organised three virtual conferences, including our flagship BFSI Conference, which was highly appreciated and well received by the institutional investor fraternity. The event was inaugurated by Shri Anurag Thakur, Honourable Minister of State for Finance and Corporate Affairs with participation from about 50 banks and financial institutions, (both listed and unlisted), as well as 15 sessions with industry stalwarts. We also consolidated our position with investors in the US and UK by organising virtual interactions with senior management of relevant companies for these geographies during times that were convenient to the investors based on their time zones.

Improved traction in both retail and institutional client base helped us improve our blended equity market share to 10.4% in FY2021 from 8.7% in FY2020, an improvement of 170 bps.

Distribution of Financial Products

In FY2021, our distribution revenues increased marginally from ₹ 4,229 Million to ₹ 4,279 Million. Due to the pandemic related restrictions, most of the first half of the year remained muted and growth returned only in the second half with the last quarter registering robust growth of 22%.

Within distribution revenues, MF revenues grew 5% YoY to ₹ 2,385 Million in FY2021 compared to ₹ 2,263 Million in FY2020. We continued to strengthen our position amongst the largest distributors of MFs with our MF AUM reaching an all-time high of ₹ 455 Billion by March 2021. The growth in AUM was aided by marginal growth of 2% in equity inflows compared to a decline of 7% for the industry and higher SIP net flows.

We continued to promote regular and disciplined saving habit through the Systematic Investment Plan (SIP) amongst our investors through digital and customer engagement initiatives as well as through our innovative, simplified and customer-centric “iDirect One-Click” mutual fund baskets to help address concerns of investors who usually struggle selecting the right funds to invest. As a result, our SIP flow increased by 6% YoY in FY2021, growing faster than Industry growth of (4)% YoY leading to an increase in our market share on SIP book from 3.3% in FY2020 to 3.6% in FY2021.

Volume of loan distributed in Q4FY21

₹ 5.3 Billion

144% YoY

3rd

Largest SIP book in the industry.

Revenues from distribution of non-MF financial products increased by 1 % led by increase in revenues from insurance and also growth in revenues from distribution of fixed income products, loan products and other financial products.

In the uncertain economic environment, customers preferred to choose investments with fixed returns and low volatility. Customers also favoured ETFs, as majority indices delivered double-digit returns. Considering customers’ preference, company during the year has expanded its offerings in alternative investments like ETF, Sovereign Gold Bonds (SGBs), RBI bonds, Corporate Fixed Deposits (CFD), REITs (Real Estate Investment Trusts) etc. Company’s market share in SGB has now expanded to ~10% and share in non-institutional ETF assets stands at 13% in March 2021.

Loan distribution and Insurance business both started with a weak first half of the year but recovered in the second half registering robust growth in the last quarter of the year.

Life Insurance business registered a decline of 40% in new premium collection in H1 FY2021, however recovered in H2 FY2021 with a 30% YoY growth which helped us close the year with positive growth of 2% for FY2021. This resulted in our commission from distribution of life insurance growing marginally from ₹ 490 Million to ₹ 509 Million. General Insurance though in nascent stage registered growth in premium and policies.

During the year, we curated 12 loans product 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 for our customers. Loans distributed by us grew by 42% for the year however grew by 144% in the last quarter with ₹ 5.3 Billion of loans being distributed, our ever highest in a quarter.

Private Wealth Management

Our Private Wealth Management business, which comprises revenues and assets across equity products and third party financial products from clients with individual assets of more ₹ 10 Million, registered strong growth in revenues, assets and client base. As at March 2021, there were ~47,400 clients, up from ~32,000 clients, as at March 2020 with an asset under management of ₹ 1.68 Trillion, which was up by 102% from ₹ 0.83 Trillion at FY2020. Revenues were up 74% from ₹ 2.59 Billion in FY2020 to ~₹ 4.50 Billion in FY2021.

As at March 31, 2021, out of the total assets, 84% were transactional revenue generating assets (where revenue is earned when a transaction is initiated by a customer e.g. equity assets) and 16% were recurring revenue generating assets (where recurring revenue is earned e.g. Mutual funds, MTF etc.). However, 50% of the revenue was transactional and 50% was recurring in nature. The assets had a blended annualised yield of 0.36% in FY2021 up from 0.28% in FY2020.

Our client base is sticky, with 52% of assets coming from clients who are with us for over 10 years. We continue to focus on acquiring profitable clients - clients acquired during preceding 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 were improving the yield on transactional assets and increasing recurring assets.

ICICI Securities launched proprietary Portfolio Management Service (PMS) last year in March, offering a wide range of PMS strategies across market capitalisation and investment styles. It an ideal investment avenue for high net worth investors (HNI) with benefits like regular reviews, risk management and flexibility and convenience. ICICI Securities currently has three distinguished offerings –

an actively managed ACE Equity portfolio, a smart beta strategy - Active Index, and a Multi asset PMS which invests in three asset classes – Equity, Fixed income and Gold. It also assists on customised portfolios in non-discretionary PMS with major focus on higher risk adjusted returns. The total assets under management in our PMS grew from ₹ 1.1 Billion as at March 31, 2020 to ₹ 2.20 Billion as at March 31, 2021.

₹ 1.68 Trillion

Private Wealth AUM

Issuer & advisory services

The revenue from our issuer and advisory services business increased by 111% from ₹ 764 Million in FY2020 to ₹ 1,613 Million in FY2021 with both our issuer services as well as advisory revenues growing over last year. The increase in revenue was driven by a sharp increase in deal activity in the market as well as gains in market share across products. During the year, we successfully managed 56 deals compared to 30 deals for FY2020. There was increased traction across IPOs, QIPs, Rights issues, advisory transactions, Buybacks etc. across BFSI, Telecom, diversified, consumer retail and other sectors.

The Company managed 17 IPOs (including FPO, InvIT, REIT) in FY2021 with a market share of 78% (in terms of issue size) (Source: Prime Database). The amount raised through such issuances managed by the Company during FY2021 was ₹ 622 Billion, which included the IPOs of Rossari Biotech Ltd., Happiest Minds Technologies Ltd., Route Mobile Ltd., Computer Age Management Services Ltd., Angel Broking Ltd., UTI Asset Management Co. Ltd., Mrs Bector's Food Specialities Ltd, Indian Railway Finance Corp. Ltd., Indigo Paints Ltd., Home First Finance Co. India Ltd., Railtel Corp. of India Ltd., Kalyan Jewellers India Ltd., Nazara Technologies Ltd., Suryoday Small Finance Bank Ltd.; FPO of Yes Bank Ltd.; InvIT of Tower Infrastructure Trust and REIT of Mindspace Business Parks.

The Company successfully completed 13 QIPs in FY2021 cumulatively amounting to ₹ 533 Billion with a market share of 68% (in terms of issue size) for JM Financial Ltd., Axis Bank Ltd., Housing Development Finance Corp. Ltd., ICICI Bank Ltd., Credit Access Grameen Ltd, Inox Leisure Ltd., Canara Bank, IDBI Bank Ltd., Punjab National Bank, Poly Medicure Ltd., Indiamart Intermesh Ltd., Bank of Baroda and IDFC First Bank Ltd.

In FY2021, the Company successfully completed 7 rights issues cumulatively amounting to ₹ 619 Billion with a market share of 96% (in terms of issue size) for Reliance Industries Ltd., Aditya Birla Fashion and Retail Ltd., Shriram Transport Finance Co. Ltd., Mahindra and Mahindra Financial Services Ltd., Gateway Distriparks Ltd., Spencer's Retail Ltd. and L&T Finance Holdings Ltd.

Offer for Sale (OFS) managed by the Company in FY2021 for an amount of ₹ 128 Billion was completed with a market share of 45% (in terms of offer size), which included the OFS of ICICI Securities Ltd., Indian Railway Catering & Tourism Corp. Ltd., Steel Authority of India Ltd. and Tata Communications Ltd.

The Company acted as an advisor for open offers amounting to ₹ 24 Billion in FY2021 with a market share of 10% (basis offer size), including the Open Offer of ABB Power Products & Systems India Ltd. and J.B. Chemicals & Pharmaceuticals Ltd. The Company also acted as advisor for delisting offer of Ineos Styrolution India Ltd. of ₹ 2 Billion in FY2021.

The Company successfully completed the buybacks of Kalpataru Power Transmission Ltd., Hindustan Petroleum Corp. Ltd. and VRL Logistics Ltd. amounting to ₹ 28 Billion in FY2021.

Select advisory deals done during FY2021 include –

- Advisor to Future Group in the Reliance Retail-Future Group deal (reorganisation of Future Group's businesses involving the merger of key group companies including Future Retail, Future Lifestyle Fashions, Future Consumer, Future Supply Chains and Future Market Networks into Future Enterprises Limited (FEL) and Slump Sale of Retail & Wholesale Business to Reliance Retail and Fashion Lifestyle Limited (RRFLL) and Logistics & Warehouse Business to Reliance Retail Ventures Limited (RRVL))
- Buy side advisor to TA Associates for their stake purchase in NSE
- Sell side advisor to True North for its stake sale in SeedWorks International
- Sell side advisor to Tata Capital and Shriji Polymer for their stake sale / fund raise in Shriji Polymer
- Sell side advisor to Inventia for their fund raise from InvAscent
- Sell side Advisor to Samara Capital and promoter of Cogencis Information Services for their stake sale in Cogencis Information Services
- Sell side advisor to Dodla Dairy for their fund raise from IFC
- Sell side Advisor to Citizen Industries for its strategic sale to Daikin

(Sources: Prime Database, Venture Intelligence)

Opportunities and Business Outlook

Our businesses are expected to benefit from the structural shift in the financial savings environment as well as improving technology infrastructure of India. Some of the broad trends which underline the opportunities facing our businesses are:

Macro economic construct is favourable to financial services business

- 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 augurs well for the capital markets in India.
- India has been, and is expected to continue to be a high savings economy. The young working population

is expected to increasingly channelise a higher share of a growing pie of their savings into financial assets. Increasingly, the preference of retail investors to participate in equity as an asset class coupled with 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-up would continue to fuel demand for capital raising and advisory services.

Demographic factors are creating new and large pools of prospective clients

- There is growing section of Gen Z who are beginning their economic life and its expected to that approx. 15 Million young Indians would be entering earning age every year. These are digital natives and more inclined towards financial assets thereby building strong investment asset pools.
- As the baby boomer generation is approaching retirement, it has become a prime segment for wealth managers looking at preservation and eventually intergenerational transfer.
- 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 distribution footprint, more so for digital businesses.
- Growing affluence is a structural trend as Indians move up the wealth pyramid.

As per industry reports, the count of adults with over a Million $ wealth in India has grown from 0.76 Million in 2019 to 0.91 Million in 2020. While for adults with more than US$100,000 wealth, the count has increased from 15 Million in 2019 to over 20 Million in 2020. This underscores the growth and opportunity size of wealth management in India. (Source: Credit Suisse Global wealth report 2020, 2019)

- India continues to outpace global High Networth 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.

Consumer preferences are evolving including rapid adoption of digital, accelerated by COVID

- Advances in technology, increasing smartphone penetration, and increasing digitisation at systemic level are expected to propel more retail consumers to adopt and consume financial services through electronic media
- Technology is playing a key role in enhancing customer experiences, engaging them digitally, and in providing personalised solutions at scale.
- With evolved platforms, customers are also becoming digitally savvy. With an enhanced proposition and a platform, they are comfortable to do business in Do-It-Yourself (DIY) mode.
- The personal finance space is going through a digital transformation worldwide. The rise of evolved platforms has given an impetus to this trend. At the same time, there is a conscious shift from product based to solution based, and more holistic approach of client engagement.
- Passive investing is gaining prominence in India. Products like ETF, index funds and factor based portfolios will emerge as a new category. ESG investment opportunities are also gaining popularity. These trends are conducive to digital platform businesses garnering scale.

Implications for our businesses

Our retail equity, distribution and wealth management businesses are expected to benefit from rising income levels of our target customer segment, being young working class and self-employed professionals, entrepreneurs and increasing financialisation and equitisation of savings.

Online retail equity business is expected to benefit from rising retail participation and also the trend of consolidation in the industry. Amidst tightening regulatory framework and competition, industry over the years, has consolidated in favour of larger and digital players. As a result, the market-share of the top ten brokers increased from 26% of the trading turnover in the NSE cash equities market in FY2015 to 44% in FY2021. Top 5 brokers accounted for over 65% of the incremental NSE active clients in FY2021 and all of them were digital players.

Our distribution and wealth management business would benefit from growing democratisation of wealth management in a hyper personalised manner, delivered digitally. For the higher end of the client spectrum, where there is a need for relationship support, a omni channel model of RM and digital engagement is emerging. Execution is moving to digital first delivery mode. With the COVID-19 impetus, the traditional offline model is fast changing to digital across products.

We expect our strong digital platform and associated technical capabilities, knowledge capital including domain expertise in developing products and solutions in-house, experienced relationship managers, research capabilities and our trusted brand would continue to help us in attracting customers.

Our institutional equity business would benefit from expected inflows from FPIs as well as increasing flows into DIIs, pre-dominantly mutual fund, insurance, etc. Our research, corporate access and deep-rooted relationships with institutional investors particularly DIIs will help us expand our institutional equity businesses.

Our Issuer services and advisory business is expected to benefit from the positive momentum for IPOs which is likely to continue in FY2022. Our IPO pipeline Sec remains strong, having filed 12 DRHPs with SEBI (as on 9 April 2021). We are expecting the market to move towards larger sized IPOs and we are also expecting several tech companies to go public.

QIPs are expected to continue to be in vogue driven by BFSI companies seeking growth capital and companies seeking capital to tide over the pandemic etc. Other capital market products like rights, OFS, REIT, InvIT, blocks etc. are expected to witness robust activity as well. On the advisory front, we expect to see strong activity driven by consolidation, platform plays, deployment by PE funds, etc.

Our sector expertise and relationships with corporates and financial sponsors are expected to hold us in good stead to maintain our leadership position in capital market transactions and to grow our advisory business.

Financial Performance

Overview

The Company registered consolidated revenue of ₹ 25,861.7 Million for FY2021 as compared to ₹ 17,249.4 Million for FY2020, an increase of 49.9%. Consolidated Profit after tax (PAT) for FY2021 was ₹ 10,677.2 Million compared to ₹ 5,420.0 Million for FY2020, an increase of 97.0%. Our total cost increased from ₹ 9,720.1 Million in FY2020 to ₹ 11,553.9 Million in FY2021, an increase of 18.9% on account of increasing business activities implying net margin of 41% in FY2021 compared to 31% in FY2020.

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, 2021	For the year ended March 31, 2020
	Revenue from operations		
(i)	Interest income	3,448.7	2,350.0
(ii)	Dividend income	0.2	0.4
(iii)	Fees and commission income		
	- Brokerage income	15,045.2	9,475.6
	- Income from services	6,960.7	5,217.5
(iv)	Net gain on fair value changes	386.4	-
(v)	Net gain on derecognition of financial instruments under amortised cost category	-	3.0
(vi)	Others	20.5	15.7
(I)	**Total Revenue from operations**	**25,861.7**	**17,062.2**
(II)	Other income	-	187.2
(III)	**Total Income (I+II)**	**25,861.7**	**17,249.4**
	Expenses		
(i)	Finance costs	1,072.8	863.9
(ii)	Fees and commission expense	1,221.6	437.0
(iii)	Net loss on fair value changes	-	36.1
(iii)	Impairment on financial instruments	(41.0)	106.7
(iv)	Operating expense	769.0	586.8
(v)	Employee benefits expenses	5,879.6	5,337.7
(vi)	Depreciation, amortization and impairment	541.8	614.0
(vii)	Others expenses	2,110.1	1,737.9
(IV)	**Total Expenses (IV)**	**11,553.9**	**9,720.1**
(V)	Profit/(loss) before tax (III -IV)	14,307.8	7,529.3
(VI)	Tax expense:		
	(1) Current tax	3,604.2	1,961.0
	(2) Deferred tax	26.4	148.3
		3,630.6	**2,109.3**
(VII)	**Profit/(loss) for the period (V-VI)**	**10,677.2**	**5,420.0**
(VIII)	**Other comprehensive income (net of taxes)**	**25.1**	**(59.1)**
(IX)	**Total comprehensive income for the period (VII+VIII) (comprising profit/(loss) and other comprehensive income for the period)**	**10,702.3**	**5,360.9**

Interest income

Interest income increased from ₹ 2,350.0 Million for the year ended March 31, 2020, to ₹ 3,448.7 Million in the year ended March 31, 2021, an increase of 46.8%. This was primarily due to two reasons. First, an increase in interest on retail fund-based products like ESOP and MTF. The Company's combined daily average ESOP and MT book increased from ₹ 8.3 Billion in FY2020 to ₹ 17.9 Billion in FY2021. Second, interest earned on bank fixed deposits held with exchanges as margin for its brokerage business. The Company's daily average fixed deposits book increased from ₹ 14.5 Billion in FY2020 to ₹ 27.9 Billion in FY2021.

Fees and commission income

Brokerage Income

Our brokerage income increased from ₹ 9,475.6 Million for the year ended March 31, 2020 to ₹ 15,045.2 Million for the year ended March 31, 2021, an increase of 58.8% driven by an increase in retail brokerage revenue from ₹ 8,187.1 Million in FY2020 to ₹ 13,446.5 Million in FY2021 and growth in revenue from our institutional equity business from ₹ 1,288.5 Million in FY2020 to ₹ 1,598.7 Million in FY2021.

Income from services

Income from services Increased from ₹ 5,217.5 Million for the year ended March 31, 2020 to ₹ 6,960.7 Million for the year ended March 31, 2021, an increase of 33.4%. This was primarily due to an increase in issuer services & advisory fee income by 111.1% from ₹ 763.9 Million in FY2020 to ₹ 1,612.7 Million in FY2021. Our distribution business income marginally increased from ₹ 4,229.3 Million to ₹ 4,279.2 Million despite contact based business remaining muted during large part of the year and lower AUM.

Net gain on fair value changes

Net gain on fair value changes was ₹ 386.4 Million for the year ended March 31, 2021, primarily due to fair value changes in our treasury segment and other investment portfolio held as our stock in trade, as against net loss on fair value changes in FY2020.

Other Income

Other income of ₹ 187.2 Million for the year ended March 31, 2020 includes ₹ 147.5 Million Interest on income tax refund.

Finance costs

Finance costs increased from ₹ 863.9 Million for the year ended March 31, 2020 to ₹ 1,072.8 Million for the year ended March 31, 2021, an increase of 24.2%. This was primarily due to an increase in borrowings from ₹ 15.0 Billion in March 2020 to ₹ 35.2 Billion in March 2021, following an increase in retail fund-based assets and, hence the interest expense thereon, offset in part by a decline in cost of borrowing.

Fees and commission expense

Fees and commission expense increased from ₹ 437.0 Million for the year ended March 31, 2020 to ₹ 1,221.6 Million for the year ended March 31, 2021, an increase of 179.5%. This increase was primarily due to increases in revenue linked payout to business partners including ICICI Bank and variable payouts related to issuer and advisory services business.

Net loss on fair value changes

Net loss on fair value changes was ₹ 36.1 Million in FY2020 compared to FY2021 where, being a gain, it was classified under income. It was mainly because of loss on trading activity due to market environment and increased volatility in the second half of the Q4 FY2020 due to outbreak of COVID-19 pandemic.

Impairment on financial instruments

Company creates a provision on loans and receivables based on ageing criteria, which gets reversed on subsequent realisation of receivables. Impairment on financial instruments decreased to ₹ (41.0) Million on account of the reversal of certain old receivables that were provided for earlier now being accounted under operating expenses subsequent to their write off following an ageing criteria. The impairment on financial instruments of FY2020 of ₹ 106.7 million was primarily on account of a one time contingency provision of ₹ 90.8 Million created on client's position to allow for any scenario of extreme volatility that may arise in future due to COVID-19.

Operating expenses

Operating expenses increased from ₹ 586.8 Million for FY2020 to ₹ 769.0 Million in FY2021, increased of 31.0% mainly due to increase in operating expenses linked to volumes and on account of certain old receivables that were provided for earlier now being accounted under operating expenses subsequent to their write off following an ageing criteria partly offset by reduction of acquisition cost due to digitisation of account opening process.

Employee benefits expenses

Employee benefits expenses increased from ₹ 5,337.7 Million for the year ended March 31, 2020 to ₹ 5,879.6 Million for the year ended March 31, 2021, an increase of 10.2%. This was primarily due to increase in variable pay pursuant to strong growth in revenues.

Depreciation and amortisation expense

Depreciation and amortisation expense decreased from ₹ 614.0 Million for FY2020 to ₹ 541.8 Million in FY2021, primarily on account of decrease in depreciation on right of use asset due to consolidation of branches.

Other expenses

Other expenses increased from ₹ 1,737.9 Million for the year ended March 31, 2020 to ₹ 2,110.1 Million for the year ended March 31, 2021, an increase of 21.4%. This increase was primarily on account of digital marketing initiatives taken during the year partly offset by reduction in travelling and conveyance expenses.

Profit

As a result of the above, profit before tax increased from ₹ 7,529.3 Million for the year ended March 31, 2020 to ₹ 14,307.8 Million for the year ended March 31, 2021, an increase of 90.0%.

Our total tax expense increased from ₹ 2,109.3 Million for the year ended March 31, 2020 to ₹ 3,630.6 Million for the year ended March 31, 2021, an increase of 72.1%.

The effective income tax rate for the year ended March 31, 2021 is 25.4% (March 31, 2020 is 28.0%)

Profit after tax increased from ₹ 5,420.0 Million for the year ended March 31, 2020 to ₹ 10,677.2 Million for the year ended March 31, 2021, an increase of 97.0%.

b. Segment-wise performance

(₹ in Million)

Segments	For the year ended			
	March 31, 2021		March 31, 2020	
	Segment Revenue	Segment Results	Segment Revenue	Segment Results
Broking & distribution	23,584.6	13,124.0	15,939.5	7,354.8
Issuer services & advisory	1,612.7	811.9	763.9	176.6
Treasury	664.4	371.9	398.5	(149.6)
Total*	**25,861.7**	**14,307.8**	**17,249.4**	**7,529.3**

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

Revenue from our Broking & distribution segment increased from ₹ 15,939.5 Million for the year ended March 31, 2020 to ₹ 23,584.6 Million for the year ended March 31, 2021, an increase of 48.0%. This increase was primarily due to increase in brokerage revenue. During the same time period, our result from the broking and commission segments increased by 78.4%, primarily due to the increase in revenue in this segment partly offset by increase in expenses.

Revenue from our Issuer services & advisory segment increased from ₹ 763.9 Million for the year ended March 31, 2020 to ₹ 1,612.7 Million for the year ended March 31, 2021, an increase of 111.1%. This increase on account of unprecedented level of activities in equity capital market during FY2021, our results from the Issuer services & advisory segment increased by 359.7%, primarily due to increase in revenue in this segment partly offset by increase in expenses.

Revenue from our Treasury segment increased from ₹ 398.5 Million for the year ended March 31, 2020 to ₹ 664.4 Million for the year ended March 31, 2021, an increase of 66.7%. This increase was primarily due to increase in income from trading activities during the year and gain on fair value changes on securities as against loss in FY2020. Loss in FY2020 was primarily on account of loss booked on DHFL NCD, market environment, and increased volatility in the second half of March 2020 on account of COVID-19 pandemic.

c. Financial Position

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

(₹ in Million)

Particulars	As at March 31, 2021	As at March 31, 2020
ASSETS		
1 Financial assets		
(a) Cash and cash equivalents	3,093.5	5,420.0
(b) Bank balance other than (a) above	35,699.2	18,694.0
(c) Securities for trade	4,661.7	8,351.1
(d) Receivables		
(I) Trade receivables	4,586.1	887.9
(II) Other receivables	-	-
(e) Loans	29,014.5	5,708.7
(f) Investments	28.8	24.7
(g) Other financial assets	767.3	774.9
	77,851.1	**39,861.3**
2 Non-financial assets		
(a) Current tax assets (net)	1,189.3	1,502.8
(b) Deferred tax assets (net)	560.1	595.5
(c) Property, plant and equipment	420.0	295.2
(d) Right-of-use assets	962.0	1,529.1
(e) Capital work-in-progress	39.4	32.9
(f) Intangible assets under development	39.3	48.4
(g) Other intangible assets	227.4	155.4
(h) Other non-financial assets	520.5	407.6
	3,958.0	**4,566.9**
Total Assets	**81,809.1**	**44,428.2**

(₹ in Million)

	Particulars	As at March 31, 2021	As at March 31, 2020
	LIABILITIES AND EQUITY		
	LIABILITIES		
1	**Financial liabilities**		
(a)	Derivative financial instruments	4.5	
(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	10,264.6	6,926.4
(c)	Debt securities	35,209.6	14,975.3
(d)	Borrowings (Other than debt securities)	-	-
(e)	Deposits	28.7	22.3
(f)	Lease liabilities	1,060.8	1,574.4
(g)	Other financial liabilities	10,440.5	2,694.6
		57,008.7	**26,193.0**
2	**Non-financial liabilities**		
(a)	Current tax liabilities (net)	5.7	-
(b)	Provisions	606.1	828.7
(c)	Other non-financial liabilities	5,967.5	5,311.1
		6,579.3	**6,139.8**
3	**EQUITY**		
(a)	Equity share capital	1,611.1	1,610.7
(b)	Other equity	16,610.0	10,484.7
		18,221.1	**12,095.4**
	Total Liabilities and Equity	**81,809.1**	**44,428.2**

Total assets increased from ₹ 44.4 Billion as at March 31, 2020 to ₹ 81.8 Billion as at March 31, 2021, an increase of 84%. This increase was primarily due to increase in bank balances, trade receivables, loans partially offset by decrease in cash and cash equivalent and stock in trade.

Total liabilities increased from ₹ 32.3 Billion as at March 31, 2020 to ₹ 63.6 Billion as at March 31, 2021, an increase of 97%. This increase was primarily due to increase in trade payables, debt securities and other financial liabilities.

d. Cash Flows

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow (used in) / generated from operating activities	(16,095.0)	(18,783.4)
Cash flow used in investing activities	(401.7)	(225.9)
Cash flow generated from / (used in) financing activities	14,170.2	5,588.2

Cash used in operating activities

Net cash generated from/(used in) operating activities changed from ₹ (18,783.4) Million for the year ended March 31, 2020 to ₹ (16,095.0) Million for the year ended March 31, 2021. This change was primarily due to deployment of funds in loans ₹ 23,301.7 Million offset by trade payables and other financial liabilities by ₹ 11,084.1 Million.

Cash used in investing activities

Net cash used in investing activities changed from ₹ (225.9) Million for the year ended March 31, 2020 to ₹ (401.7) Million for the year ended March 31, 2021. Net cash usage in investing activity primarily represents capital expenditure towards technology and non technology spends during the year.

Cash generated from financing activities

Net cash generated from financing activities changed from ₹ 5,588.2 Million for the year ended March 31, 2020 to ₹ 14,170.2 Million for the year ended March 31, 2021. This change was primarily due to an increase in borrowings from ₹ 14,975.3 Million to ₹ 35,209.6 Million, resulting in net generation of ₹ 20,234.3 Million during the year offset by higher dividend pay-out in the year ended March 31, 2021, as compared to the previous year.

Contingent Liabilities

As at March 31, 2021, we have ₹ 1487.6 Million as claims against the Company not acknowledged as debt (March 31, 2020 ₹ 1,286.5).

Borrowings

As at March 31, 2021, we have short-term borrowings of ₹ 35,209.6 Million and total equity of ₹ 18,221.1 Million.

Our short-term borrowings primarily consist of commercial papers and have received a domestic rating of A1+ by CRISIL and ICRA.

We have received a domestic rating of AAA for long-term debt from CRISIL and ICRA which primarily consist 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 thereof

Particulars	FY2021	FY2020	Change %
1. Debt Equity Ratio (Times)	1.93	1.24	55.6%
2. Return on Net Worth (%)	70%	48%	45.8%
3. Debtors Turnover (Times)	8.04	5.19	54.9%
4. Interest Coverage Ratio (Times)	15.67	11.42	37.2%
5. Net Profit Margin (%)	41%	31%	31.4%

Explanation:

1. Debt Equity Ratio increased from 1.24 in FY2020 to 1.93 in FY2021 primarily due to an increase in short term borrowings from ₹ 14,975.3 Million in FY 2020 to ₹ 35,209.6 million in FY2021 and increase in shareholders' equity (share capital and other equity) from ₹ 12,095.4 Million in FY2020 to ₹ 18,221.1 Million in FY2021 due to retention of profits earned during the year.

2. Return on Net Worth calculated as "PAT divided by Average networth excluding other comprehensive income and translation reserve" increased from 48% in FY 2020 to 70% in FY2021 primarily due to an increase in average net worth by 34.4% from ₹ 11,321.2 Million in FY2020 to ₹ 15,212.4 Million in FY2021 and increase in profits by 97.0% from ₹ 5,420.0 Million in FY2020 to ₹ 10,677.2 Million in FY2021.

3. Debtors Turnover increased from 5.19 in FY2020 to 8.04 in FY2021 primarily due to an increase in fee and commission income from ₹ 14,693.1 Million for the year ended March 31, 2020 to ₹ 22,005.9 Million for the year ended March 31, 2021.

4. Interest Coverage Ratio increased from 11.42 in FY2020 to 15.67 in FY2021 primarily due to an increase in profit before interest and tax from ₹ 8,252.0 Million for the year ended March 31, 2020 to ₹ 15,283.3 Million for the year ended March 31, 2021.

5. Net Profit Margin increased from 31% in FY2020 to 41% to FY2021 primarily due to an increase in profit after tax from ₹ 5,420.0 Million for the year ended March 31, 2020 to ₹ 10,677.2 Million for the year ended March 31, 2021.

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

Financial performance

- This decrease in PAT is mainly due to decline in foreign exchange rates used for conversion of subsidiary financials into the Company's reporting currency as well as decrease in cost which is the base for revenue as per cost plus model. The total assets increased from ₹ 349.0 Million at March 31, 2020 to ₹ 364.6 Million at March 31, 2021.

- Financial assets increased from ₹ 327.2 Million at March 31, 2020 to ₹ 343.9 Million at March 31, 2021 primarily due to increase in cash and cash equivalents and bank balances.

- Non - Financial assets has remained flat from ₹ 21.8 Million at March 31, 2020 to ₹ 20.7 Million at March 31, 2021.

- Financial liabilities increased from ₹ 14.8 Million at March 31, 2020 to ₹ 24.0 Million at March 31, 2021 primarily on account of increase in trade payables.

Risks, Concerns and Threats

As the Company's performance is dependent on the health of capital markets, it faces the risk of downturn in the event of slowing down of economic growth and/or worsening macro-economic environment. Any events which impact the broader economy like 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 which 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 it directly impacts foreign inflows and indirectly will have a bearing on the Indian economy. Risks from geo-political tensions, global financial market volatility and the threat of trade protectionism all pose significant risks to the operations of the Company.

The Company faces significant competition from companies seeking to attract its customers'/clients' financial assets. In particular, it competes with other Indian and foreign brokerage houses, discount brokerage companies, fintech companies, specialist wealth management firms and M&A advisory firms, 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 the ever-evolving regulatory framework and any unfavourable policy changes. Internal threat to the Company arises from failure of compliance or overlooking of any misrepresentations/fraud in the operations of the Company. The Company is also exposed to information technology risks such as software / hardware defects and bugs as well as cyber risk arising out of events such as ransom-ware attacks, data theft and malware injection.

During the year, economies worldwide were impacted significantly by the onset of the COVID-19 pandemic resulting in a downturn in economic growth across most countries. This had 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 had significantly impacted economic activity. 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.

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 materialize 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 Auditor's 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 2021, and 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 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 (the "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 2021, the profit and other comprehensive income, 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

<table>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>Information Technology
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.</td><td>Our audit procedures to assess the IT systems and controls included the following:
• Performed 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).
• 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 change management controls to determine that these controls remained unchanged during the audit period and incase of changes, were changes followed the standard process.
• Understanding IT infrastructure records for the in-scope systems i.e. operating systems and databases.</td></tr>
</table>

Other Information

The Company's management and the 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 standalone 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 the Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and the 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 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, the Management and the 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 the Board of Directors 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 the Board of Directors.
- Conclude on the appropriateness of Management and the Board of Directors 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 auditor's 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.

2. (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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 Auditor's 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 2021 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 are no amounts which are 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 2021.

(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: 21100564AAAAAT3258

Mumbai
21 April 2021

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 2021, 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. In accordance with this programme, all the fixed assets have been physically verified by management during the year and 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 Act 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, 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, value added tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2021 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)	Amount paid under protest (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	33.9	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 (including interest and penalty)	356.8	8.9	Aug 2012 to Sep 2014	Central Excise & Service Tax Appellate Tribunal
Service Tax	Service tax (excluding interest and including penalty)	441.5	11.5	FY 2006-2007 to FY 2014-2015	Central Excise & Service Tax Appellate Tribunal
Maharashtra/ Rajasthan Value Added Tax, 2002/2003	Value added tax (including interest & penalty)	2.2	0.03	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 borrowings to banks. The Company did not have any loan from Banks, loan or borrowings from financial institution, 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 mandated 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 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 Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the order is not applicable.

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

Milind Ranade
Partner
Membership No: 100564
UDIN: 21100564AAAAAT3258

Mumbai
21 April 2021

Annexure "B" to the Independent Auditor's 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 2(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 2021 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 the standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, 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").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone 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 the standalone 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 the standalone 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 the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone 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 the standalone financial statements.

Meaning of Internal Financial controls with Reference to the Financial Statements

A company's internal financial controls with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the 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 the 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 the standalone 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 the Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to the standalone 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: 21100564AAAAAT3258

Mumbai
21 April 2021

Standalone Balance Sheet

as at March 31, 2021

(₹ million)

		Notes	As at March 31, 2021	As at March 31, 2020
ASSETS				
1	**Financial Assets**			
(a)	Cash and cash equivalents	3 (a)	2,903.3	5,240.2
(b)	Bank balance other than (a) above	3 (b)	35,544.4	18,537.9
(c)	Securities for trade	5	4,661.7	8,351.1
(d)	Receivables			
	(I) Trade receivables	6	4,584.5	886.2
(e)	Loans	7	29,014.5	5,708.7
(f)	Investments	8	152.4	147.4
(g)	Other financial assets	9	758.6	768.0
			77,619.4	**39,639.5**
2	**Non-financial Assets**			
(a)	Current tax assets (net)	10	1,190.0	1,503.3
(b)	Deferred tax assets (net)	40	542.0	577.1
(c)	Property, plant and equipment	11	419.4	294.8
(d)	Right-of-use assets	36	962.0	1,528.1
(e)	Capital work-in-progress		39.4	32.9
(f)	Intangible assets under development		39.3	48.4
(g)	Other intangible assets	11	227.4	155.4
(h)	Other non-financial assets	12	518.4	405.5
			3,937.9	**4,545.5**
Total Assets			**81,557.3**	**44,185.0**
LIABILITIES AND EQUITY				
LIABILITIES				
1	**Financial liabilities**			
(a)	Derivative financial instruments	4	4.5	-
(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		10,263.6	6,931.5
(c)	Debt securities	14	35,209.6	14,975.3
(d)	Borrowings (Other than debt securities)	15	-	-
(e)	Deposits	16	28.7	22.3
(f)	Lease liabilities	36	1,060.8	1,573.6
(g)	Other financial liabilities	17	10,440.5	2,694.6
			57,007.7	**26,197.3**
2	**Non-financial Liabilities**			
(a)	Current tax liabilities (net)		5.7	-
(b)	Provisions	18	606.1	828.7
(c)	Other non-financial liabilities	19	5,899.9	5,245.1
			6,511.7	**6,073.8**
3	**EQUITY**			
(a)	Equity share capital	20	1,611.1	1,610.7
(b)	Other equity	21	16,426.8	10,303.2
			18,037.9	**11,913.9**
	Total Liabilities and Equity		**81,557.3**	**44,185.0**
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

Mumbai, April 21, 2021

For and on behalf of the Board of Directors

SUBRATA MUKHERJI
Director
DIN - 00057492

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, 2021

(₹ million)

		Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations				
(i)	Interest income	22	3,444.7	2,346.1
(ii)	Dividend income		0.2	0.4
(iii)	Fees and commission income			
	- Brokerage income		15,045.2	9,475.6
	- Income from services		6,957.4	5,214.3
(iv)	Net gain on fair value changes	23	386.4	-
(v)	Net gain on derecognition of financial instruments under amortised cost category		-	3.0
(vi)	Others		20.5	15.7
(I)	**Total revenue from operations**		**25,854.4**	**17,055.1**
(II)	Other income	24	-	165.5
(III)	**Total income (I+II)**		**25,854.4**	**17,220.6**
Expenses				
(i)	Finance costs	25	1,067.6	859.5
(ii)	Fees and commission expense		1,397.2	628.8
(iii)	Net loss on fair value changes	23	-	36.1
(iv)	Impairment on financial instruments	26	(41.0)	106.7
(v)	Operating expense	27	767.6	585.5
(vi)	Employee benefits expenses	28	5,749.9	5,224.4
(vii)	Depreciation, amortization and impairment	11 & 36	541.6	611.7
(viii)	Other expenses	29	2,063.8	1,691.6
(IV)	**Total expenses (IV)**		**11,546.7**	**9,744.3**
(V)	Profit/(loss) before tax (III -IV)		**14,307.7**	**7,476.3**
(VI)	Tax expense:	40		
	(1) Current tax		3,605.4	1,961.5
	(2) Deferred tax		26.8	147.7
			3,632.2	**2,109.2**
(VII)	**Profit/(loss) for the year (V-VI)**		**10,675.5**	**5,367.1**
(VIII)	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined employee benefit plans		33.4	(63.8)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(8.3)	4.7
	Other comprehensive income		**25.1**	**(59.1)**
(IX)	**Total comprehensive income for the year (VII+VIII) [comprising profit/(loss) and other comprehensive income for the year]**		**10,700.6**	**5,308.0**
(X)	**Earnings per equity share: (Face value ₹ 5/- per share)**	30		
	Basic (in ₹)		33.14	16.66
	Diluted (in ₹)		33.07	16.65

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

Mumbai, April 21, 2021

For and on behalf of the Board of Directors

SUBRATA MUKHERJI
Director
DIN - 00057492

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, 2021

A Equity share capital

(₹ million)

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

(₹ million)

Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as on March 31, 2021
1,610.7	0.4	1,611.1

B Other Equity

(₹ million)

	Share application money pending allotment	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, 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 on March 31, 2020	**-**	**244.0**	**666.8**	**57.0**	**8,977.3**	**18.5**	**339.6**	**10,303.2**
Balance as at April 1, 2020	-	244.0	666.8	57.0	8,977.3	18.5	339.6	10,303.2
Profit for the year	-	-	-	-	10,675.5		-	10,675.5
Items of OCI for the year, net of tax:								
-Remeasurement benefit of defined benefit plans	-	-	-	-	25.1	-	-	25.1
Total Comprehensive Income for the year	-	-	-	-	10,700.6	-	-	10,700.6
Dividend (including tax on dividend)	-	-	-	-	(4,752.1)	-	-	(4,752.1)
Any other changes:								-
- Additions during the year (net)	2.2	24.2	-	113.1	-	-	35.6	175.1
Balance as on March 31, 2021	**2.2**	**268.2**	**666.8**	**170.1**	**14,925.8**	**18.5**	**375.2**	**16,426.8**

* Net of share based arrangement of parent entity amounting to ₹ 8.1 million (March 31, 2020: ₹ 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

Mumbai, April 21, 2021

For and on behalf of the Board of Directors

SUBRATA MUKHERJI
Director
DIN - 00057492

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, 2021

(₹ million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
A	**Cash flow used in operating activities**		
	Profit before tax	14,307.7	7,476.3
	Add /(less): Adjustments		
	- Net (gain)/loss on derecognition of property, plant and equipment	6.9	8.1
	- Depreciation and amortisation	541.6	611.7
	- (Reversal of) /impairment loss on financial assets measured at FVTPL	0.3	0.7
	- Net (gain)/loss (unrealised) arising on financial assets measured at FVTPL	(7.5)	158.2
	- Interest expense	1,044.8	848.6
	- Dividend income on equity securities	(0.2)	(0.3)
	- Share based payments to employees	154.0	126.5
	- Bad and doubtful debts	40.6	106.9
	- Interest on income tax refund	-	(147.5)
	- Provision written back	-	(34.7)
	- Unrealised foreign exchange (gain)/loss	0.5	1.2
	Operating profit before working capital changes	**16,088.7**	**9,155.7**
	Adjustments for changes in working capital:		
	- (Increase) / decrease in other bank balances	(17,006.5)	(5,962.5)
	- (Increase) / decrease in securities for trade	3,696.6	(5,951.2)
	- (Increase) / decrease in receivables	(3,743.5)	3,870.6
	- (Increase) / decrease in loans	(23,301.7)	(1,766.0)
	- (Increase) / decrease other financial assets	5.3	42.4
	- (Increase) / decrease other non- financial assets	(112.7)	(43.8)
	- Increase / (decrease) in derivative financial instruments	4.5	(17.0)
	- Increase / (decrease) in trade payables	3,332.1	(16,425.0)
	- Increase / (decrease) in deposits	6.4	(23.0)
	- Increase / (decrease) in other financial liabilities	7,745.9	409.7
	- Increase / (decrease) in provisions	(189.2)	101.3
	- Increase / (decrease) in other non-financial liabilities	654.7	43.2
		(28,908.1)	**(25,721.3)**
	Cash generated from operations	(12,819.4)	(16,565.6)
	Income tax paid (net)	(3,286.4)	(2,051.2)
	Net cash used in operating activities (A)	**(16,105.8)**	**(18,616.8)**
B	**Cash flow used in investing activities**		
	- Dividend income received	0.2	0.3
	- Purchase of property, plant and equipment	(406.6)	(233.7)
	- Proceeds from sale of property, plant and equipment	5.1	7.7
	Net cash used in investing activities (B)	**(401.3)**	**(225.7)**

Standalone Cash Flow Statement

for the year ended March 31, 2021

(₹ million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
C	**Cash flow generated from financing activities**		
	- Proceeds from commercial paper borrowings	107,209.6	72,700.0
	- Repayment of commercial paper borrowings	(87,085.5)	(62,278.9)
	- Interest paid on borrowings	(837.3)	(626.3)
	- Dividend and dividend tax paid	(4,752.1)	(3,864.7)
	- Interest paid on lease liabilities	(97.3)	(141.2)
	- Repayment of lease liabilities	(287.5)	(338.7)
	- Issue of shares on exercise of options	18.5	-
	- Share application money pending allotment	1.8	-
	Net cash generated from financing activities (C)	**14,170.2**	**5,450.2**
	Net decrease in cash and cash equivalents (A+B+C)	(2,336.9)	(13,392.3)
	Cash and cash equivalents at the beginning of the year	5,240.2	18,632.5
	Cash and cash equivalents at the end of the year	**2,903.3**	**5,240.2**
	Components of cash and cash equivalents		
	Cash and Cash Equivalents comprises of :		
(a)	Cash on hand	-	-
(b)	Balances with Banks (of the nature of cash and cash equivalents)		
	In current accounts with banks	1,758.6	2,310.5
(c)	Cheques, drafts on hand	-	-
(d)	Others		
	- Fixed Deposit with original maturity of less than three months	1,144.4	2,928.0
	- Interest accrued on fixed deposits	0.3	1.7
	Total cash and cash equivalents [Note 3 (a)]	**2,903.3**	**5,240.2**

₹ 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

Mumbai, April 21, 2021

For and on behalf of the Board of Directors

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Director
DIN - 00057492

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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, 2021

Company Overview and Significant Accounting Policies:

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 75.00% of the Company's equity share capital as on March 31, 2021.

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, 2021 are being authorised for issue in accordance with a resolution of the directors on April 21, 2021.

(ii) Presentation of financial statements

The Company 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 45.

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) 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

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to standalone financial statements for the year ended March 31, 2021

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 recognized 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 recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. 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 recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Company assesses whether financial assets carried at amortized 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.

(iv) 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.

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.

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to standalone financial statements for the year ended March 31, 2021

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 recognized using the effective interest rate method. Interest is earned on delayed payments from customers and is recognised on a time proportion basis taking into account the amount outstanding from customers and the rates applicable.

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.

(v) 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 capitalized 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.

Items of Property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value or net realisable value and are shown separately in the financial statements, if any.

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 remaining period of the lease
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.

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 derecognized 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.

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to standalone financial statements for the year ended March 31, 2021

(vi) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization. Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Development expenditure on software is capitalized 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 recognized in the profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortization 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 amortization in the statement of profit and loss.

Intangible asset	Useful life / Amortisation period
Computer software	4 years

The carrying amount of an item of intangible assets is derecognized 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 intangible assets 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) Financial instruments

Recognition and Initial Measurement

The Company recognizes 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 are added to the fair value on initial recognition. The financial assets are accounted on a trade date basis.

Classification and subsequent measurement of financial asset: 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 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.

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to standalone financial statements for the year ended March 31, 2021

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.

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. **Derecognition**: The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

e. **Offsetting**: Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

f. **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

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to standalone financial statements for the year ended March 31, 2021

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.

(viii) 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 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 recognized 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 recognizes 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 recognized 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 unutilized 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 recognized in the statement of profit and loss as and when they are incurred.

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to standalone financial statements for the year ended March 31, 2021

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.

(ix) 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 capitalized. Other borrowing costs are recognized as an expense in the year in which they are incurred. The difference between the discounted amount mobilized and redemption value of commercial papers is recognized in the statement of profit and loss over the life of the instrument using the EIR.

Repo transactions are treated as collateralized lending and borrowing transactions, with an agreement to repurchase/resale, on the agreed terms and accordingly disclosed in the financial statements. The difference between consideration amount of the first leg and the second leg of the repo transaction is reckoned as Repo Interest. As regards repo/ reverse repo transactions outstanding on the balance sheet date, only the accrued income/ expenditure till the balance sheet date is taken to the Statement of Profit and Loss. Any repo income/ expenditure for the remaining period is reckoned in the next accounting period.

(x) 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 recognized 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 recognized 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.

(xi) 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 Company is reasonably certain not

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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.

(xii) 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 realized, 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.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

(xiii) 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.

(xiv) 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 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.

(xv) 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.

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(xvi) 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.

(xvii) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

(xviii) Earnings per share

Basic earnings per share is 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 is 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, 2021	As at March 31, 2020
(a)	Cash on hand *	-	-
(b)	Balances with banks (of the nature of cash and cash equivalents)		
	In current accounts with banks	1,758.6	2,310.5
(c)	Cheques, drafts on hand	-	-
(d)	Others		
	- Fixed deposit with original maturity less than 3 months	1,144.4	2,928.0
	- Interest accrued on Fixed deposits	0.3	1.7
	Total	**2,903.3**	**5,240.2**

3 (b) Bank Balance other than (a) above

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(a)	Earmarked balances with banks		
	- Unclaimed dividend	1.8	1.1
(b)	Fixed deposits with banks**	34,667.0	17,964.9
(c)	Interest receivable	875.6	571.9
	Total	**35,544.4**	**18,537.9**

* ₹ 0.0 million indicates values are lower than ₹ 0.1 million, where applicable

** Fixed deposits under lien with stock exchanges amounted to ₹ 32,656.1 million (March 31, 2020 : ₹ 16,584.7 million) and kept as collateral security towards bank guarantees issued amounted to ₹ 3.0 million (March 31, 2020 : ₹ 12.2 million) and kept as collateral security against bank overdraft facility amounted to ₹ 1,505.0 million (March 31, 2020 : ₹ 1,115.1 million) and others ₹ 502.9 million (March 31, 2020 : ₹ 252.9 million)

4 Derivative Financial Instruments

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(i)	Equity linked derivatives	4.5	-
	Total	**4.5**	**-**
	Notional amounts	1,620.8	-
	Fair value - assets	-	-
	Fair value - liabilities	4.5	-

Note :
- The derivatives are used for the purpose of trading.
- Refer note 44 for management of risks arising from derivatives.

5 Securities for Trade

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(A)	**At Fair Value through profit or loss**		
	Securities for trade in India		
(i)	**Mutual funds:**		
-	Nippon India Liquid Fund - Direct Plan - Growth Option	-	1,507.2
-	Invesco India Liquid Fund - Direct Plan - Growth Option	500.3	1,003.8
-	ICICI Prudential Liquid Fund - Direct Plan - Growth Option	-	716.6
-	ICICI Prudential Mutual fund Value FD SR 18 (17-05-2021)	1.4	0.9
-	Mirae Asset Cash Management Fund - Direct Plan - Growth Option	500.3	-
-	ABSL Liquid Fund - Direct Plan - Growth Option	782.1	-

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(₹ million)

		As at March 31, 2021	As at March 31, 2020
-	DSP Mutual Fund - Liquid ETF	0.0	-
-	Nippon India Mutual Fund - ETF Liquid BeES	0.1	-
		1,784.2	**3,228.5**
(ii)	**Debt securities:**		
(a)	Non-convertible debentures:-		
-	7.95 % L & T Infrastructure Finance Company Limited (28-07-2025)	1.1	-
-	7.00 % Power Finance Corporation Limited (22-01-2031)	5.0	-
-	8.75%, Edelweiss Retail Finance Limited (22-03-2021)	-	44.7
-	9.25%, Reliance Jio Infocommunication Limited (16-06-2024)	-	1.1
-	9.10 % Dewan Housing Finance Corp Limited (16-08-2019)	-	-
		6.1	**45.8**
(b)	Bonds:-		
-	5.15% Government Securities (09-11-2025)	488.9	-
-	8.20% Housing and Urban Development Corporation (05-03-2027)	23.9	-
-	8.46% India Infrastructure Finance Company Limited (30-08-2028)	168.6	-
-	8.37% Rural Electrification Corporation (07-12-2028)	5.5	-
-	6.45% Government Securities (07-10-2029)	251.0	
-	7.75 % Power Finance Corporation Limited (11-06-2030)	7.3	-
-	7.28% National Highways Authority of India (18-09-2030)	38.4	-
-	7.64 % Indian Railway Finance Corporation (22-03-2031)	29.6	-
-	7.35% National Bank for Agriculture and Rural Development (23-03-2031)	1.2	-
-	8.30 % Rural Electrification Corporation (25-06-2029)	4.3	-
-	8.50 % Bank of Baroda (28-07-2099)	39.8	-
-	7.74 % State Bank of India (09-09-2099)	10.9	-
-	8.70% Bank of Baroda (28-11-2099)	1.0	-
-	9.56 % State Bank of India (04-12-2099)	1.0	-
-	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
		1,071.4	**1,327.3**
(c)	Commercial paper:		
-	National Bank for Agriculture and Rural Development (03-04-2020)	-	1,999.5
		-	**1,999.5**
(d)	Fixed Deposits:		
-	7% LIC Housing Finance FD (30-06-2021)	200.0	-
-	7% LIC Housing Finance FD (06-07-2021)	200.0	-
-	5.65% LIC Housing Finance FD (23-10-2021)	200.0	-
-	5.65% LIC Housing Finance FD (03-03-2022)	200.0	-
-	4.55% HDFC FD (22-09-2021)	1,000.0	-
-	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
		1,800.0	**1,750.0**

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(₹ million)

		As at March 31, 2021	As at March 31, 2020
(iii)	**Equity instruments:**		
-	PI Industries Limited	0.0	-
-	Yes Bank Limited	0.0	-
		0.0	**-**
	Total	**4,661.7**	**8,351.1**

6 Trade Receivables

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(a)	Receivables considered good - Secured	3,075.6	349.8
(b)	Receivables considered good - Unsecured	1,508.9	536.4
(c)	Receivables - credit impaired	121.2	158.0
	Less: Impairment Loss Allowance	(121.2)	(158.0)
	Total	**4,584.5**	**886.2**

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, 2021	As at March 31, 2020
(A)	**At amortised cost**		
	Term Loans :		
(i)	Margin trade funding	23,824.0	2,760.8
(ii)	ESOP funding	5,279.3	3,040.6
	Total (A) - Gross	**29,103.3**	**5,801.4**
	Less:Impairment loss allowance [refer note 44(a)]	(88.8)	(92.7)
	Total (A) - Net	**29,014.5**	**5,708.7**
(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	23,823.2	2,760.5
-	Shares under ESOP in case of ESOP funding	5,242.3	3,024.7
(ii)	Unsecured :		
	- in case of Margin trade funding	0.8	0.3
	- in case of ESOP funding	37.0	15.9
	Total (I) - Gross	**29,103.3**	**5,801.4**
	Less:Impairment loss allowance	(88.8)	(92.7)
	Total (I) - Net	**29,014.5**	**5,708.7**
(II)	**Loans in India**		
(i)	Margin trade funding	23,824.0	2,760.8
(ii)	ESOP funding	5,279.3	3,040.6
	Total (II) - Gross	**29,103.3**	**5,801.4**
	Less:Impairment loss allowance	(88.8)	(92.7)
	Total (II) - Net	**29,014.5**	**5,708.7**
(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)	**29,014.5**	**5,708.7**

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8 Investments

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(A)	**At fair value through profit or loss**		
(i)	**Investments in India**		
	Equity instruments:		
-	BSE Limited	6.5	3.4
-	Receivable Exchange of India Limited	20.5	19.2
-	Universal Trustees Private Limited	1.8	2.1
	Total	**28.8**	**24.7**
(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	123.6	122.7
	Less:Impairment loss allowance	-	-
	Total - (E)	**123.6**	**122.7**
	Total (A) + (B) + (C) + (D) + (E)	**152.4**	**147.4**

* The Company has elected to measure investment in subsidiaries at deemed cost as per Ind AS 27.

9 Other Financial Assets

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(i)	**Security deposits :**		
	Unsecured, considered good		
	(a) Security deposit for leased premises and assets	157.2	194.4
	(b) Security deposit with stock exchanges	28.8	29.8
	(c) Other Security deposits	4.5	3.5
	(d) Margin deposits with stock exchange	35.9	110.0
	(e) Security deposit with related parties		
	- ICICI Bank Limited	-	2.4
	- ICICI Lombard General Insurance Company Limited	0.1	0.1
		226.5	**340.2**
(ii)	**Others :**		
	(a) Accrued income from services	463.6	286.8
	(b) Accrued interest	41.4	133.9
	(c) Others *	35.3	15.3
	Less:Impairment loss allowance	(8.2)	(8.2)
		532.1	**427.8**
	Total (i) + (ii)	**758.6**	**768.0**

* 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, 2021	As at March 31, 2020
(i)	Advance payment of income tax (net)	1,190.0	1,503.3
	[net of provision for tax of ₹ 17,167.5 million (March 31, 2020 : ₹ 17,332.9)]		
	Total	**1,190.0**	**1,503.3**

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11 Property, Plant and Equipment and Other Intangible Assets

(₹ million)

	Property, Plant and Equipment						Other Intangible Assets			Total (A+B)
	Computers	**Furniture and fixtures**	**Office equipment**	**Vehicles**	**Lease hold improvements**	**Total (A)**	**Computer Software**	**CMA membership right**	**Total (B)**	
Gross Carrying amount (At Cost)										
Balance at April 1, 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**
Additions	214.7	6.3	9.2	8.2	18.2	256.6	153.7	-	153.7	410.3
Disposal / Adjustment *	38.4	7.5	10.9	12.2	41.4	110.4	27.9	4.0	31.9	142.3
Balance at March 31, 2021	**425.1**	**16.9**	**40.5**	**54.0**	**53.2**	**589.7**	**375.5**	**-**	**375.5**	**965.2**
Accumulated depreciation/amortisation										
Balance at April 1, 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	(0.2)	(2.3)	(2.5)	50.6
Balance at March 31, 2020	**83.0**	**9.4**	**27.7**	**14.9**	**13.7**	**148.7**	**94.3**	**4.0**	**98.3**	**247.0**
Depreciation for the year	70.7	4.8	6.9	18.0	14.1	114.5	78.2	-	78.2	192.7
Disposal / Adjustment *	38.1	5.8	8.3	10.1	30.6	92.9	24.4	4.0	28.4	121.3
Balance at March 31, 2021	**115.6**	**8.4**	**26.3**	**22.8**	**(2.8)**	**170.3**	**148.1**	**-**	**148.1**	**318.4**
Carrying amounts (net)										
Balance at March 31, 2020	**165.8**	**8.7**	**14.5**	**43.1**	**62.7**	**294.8**	**155.4**	**-**	**155.4**	**450.2**
Balance at March 31, 2021	**309.5**	**8.5**	**14.2**	**31.2**	**56.1**	**419.4**	**227.4**	**-**	**227.4**	**646.8**

Notes: (₹ in 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).

Balance at March 31, 2021 *Fixed assets sale / adjustments includes effect of foreign currency translation amounting to Nil (March 31, 2020 ₹ 0.3 million).

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12 Other Non-Financial Assets

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(i)	Capital advances	-	-
(i)	Advances other than capital advances:		
	- Prepaid expenses	65.4	68.9
	- Advance to suppliers	43.4	99.5
	- Others	409.6	237.1
	Total	**518.4**	**405.5**

13 Payables

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(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	10,263.6	6,931.5
	Total	**10,263.6**	**6,931.5**

14 Debt Securities

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(A)	**At amortised cost**		
	Debt securities in India		
(i)	**Commercial paper * (refer note 46)**	35,209.6	14,975.3
	(repayable within one year)		
(B)	**At fair value through profit or loss**	-	-
(C)	**Designated at fair value through profit or loss**	-	-
	Total	**35,209.6**	**14,975.3**
	* Note:		
	Commercial paper (unsecured)		
	Amount oustanding	35,209.6	14,975.3
	Tenure	64 days to 364 days	71 days to 90 days
	Rate of interest	3.51% to 4.87%	5.73% to 6.40%
	Repayment schedule	At maturity	At maturity

15 Borrowings (other than Debt Securities)

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(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	**-**	**-**

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16 Deposits

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(A)	**At amortised cost**		
(i)	From Others - Security Deposits	28.7	22.3
	Total	**28.7**	**22.3**

17 Other Financial Liabilities

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(i)	Margin money	7,388.0	2,681.8
(ii)	Unclaimed dividend	1.7	1.0
(iii)	Others	3,050.8	11.8
	Total	**10,440.5**	**2,694.6**

18 Provisions

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(i)	Provision for employee benefits		
	(a) Provision for gratuity (refer note 42)	446.4	706.0
	(b) Provision for compensated absence (refer note 42)	159.7	122.7
	Total	**606.1**	**828.7**

19 Other Non-Financial Liabilities

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(a)	Revenue received in advance		
	- Income received in advance	376.4	264.6
(b)	Other advances		
	- Prepaid Brokerage	2,483.2	2,568.8
(c)	Others		
	(i) Statutory liabilities	1,023.1	710.0
	(ii) Employee related liabilities	2,010.6	1,696.5
	(iii) Other liabilities	6.6	5.2
		3,040.3	**2,411.7**
	Total	**5,899.9**	**5,245.1**

20 Share Capital

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(a)	**Authorised:**		
	400,000,000 equity shares of ₹ 5/- each (March 31, 2020 : 400,000,000 equity shares of ₹ 5/- each)	2,000.0	2,000.0
	5,000,000 preference shares of ₹ 100/- each (March 31, 2020 : 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:**		
	322,222,370 equity shares of ₹ 5/- each, fully paid (March 31, 2020 : 322,141,400 equity shares of ₹ 5/- each, fully paid)	1,611.1	1,610.7
	Total issued, subscribed and fully paid-up share capital	**1,611.1**	**1,610.7**

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(c) Reconciliation of the shares at the beginning and at the end of the reporting year

Equity shares

	As at March 31, 2021		As at March 31, 2020	
	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			-	-
- Bonus issue	-	-	-	-
- ESOP	80,970	0.4	-	-
Outstanding at the end of the year	322,222,370	1,611.1	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, 2021, the Company has paid a final dividend for the year ended March 31, 2020 of ₹ 6.75 per equity share as approved by its members at the Annual General Meeting held on August 11, 2020. The Board of Directors at its meeting held on October 28, 2020 had approved and paid an interim dividend of ₹ 8.00 per equity share. The Board has recommended a final dividend of ₹ 13.50 per equity share for FY2021.

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, 2021		As at March 31, 2020	
	Nos	% of Holding	Nos	% of Holding
Shares held by Holding Company				
ICICI Bank Limited	241,652,692	75.00%	255,216,095	79.22%
Total	**241,652,692**	**75.00%**	**255,216,095**	**79.22%**

(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.

Notes

to standalone financial statements for the year ended March 31, 2021

21 Other Equity

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(i)	**Reserves and surplus**		
	(a) Securities premium		
	Opening balance	244.0	244.0
	Add : Additions during the year (net)	24.2	-
	Closing balance	**268.2**	**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	57.0	4.1
	Add : Additions during the year (net)	113.1	52.9
	Closing balance	**170.1**	**57.0**
	(d) Retained earnings		
	Opening balance	8,977.3	7,534.0
	Add: Other comprehensive income for the year	25.1	(59.1)
	Add: Profit after tax for the year	10,675.5	5,367.1
		19,677.9	**12,842.0**
	Less: Appropriations		
	- Dividend on equity shares	4,752.1	3,205.8
	- Dividend distribution tax on equity dividend	-	658.9
	Closing balance	**14,925.8**	**8,977.3**
(ii)	**Exchange difference on translating the financial statements of a foreign operation**		
	Opening balance	18.5	18.5
	Add : Additions during the year (net)	-	-
	Closing balance	**18.5**	**18.5**
(iii)	**Deemed equity contribution from the parent**		
	(refer note 38 for details on share based payment)		
	Opening balance	**339.6**	**266.0**
	Add : Additions during the year (net)	35.6	73.6
	Closing balance	**375.2**	**339.6**
(iv)	**Share application money pending allotment**		
	Opening balance		
	Add : Additions during the year (net)	-	-
	Closing balance	2.2	-
		2.2	**-**
	Total	**16,426.8**	**10,303.2**

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to standalone financial statements for the year ended March 31, 2021

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 recognized 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.

22 Interest Income

(₹ million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) Interest income on financial assets measured at amortised cost :		
(i) Fixed deposits with Banks	1,480.0	1,083.1
(ii) Funding and late payments	1,710.4	970.5
(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	254.1	292.3
(C) Interest income on financial assets measured at fair value through OCI :	-	-
Total	**3,444.7**	**2,346.1**

23 Net Gain / (Loss) on Fair Value Changes

(₹ million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
(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)	80.3	(160.8)
(ii) Profit/(loss) on other securities held for trade	302.0	128.6
(B) Others		
- Profit/(loss) on sale of investments (net) at fair value through profit or loss	4.1	(3.9)
(C) Total net gain/(loss) on fair value changes	**386.4**	**(36.1)**

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to standalone financial statements for the year ended March 31, 2021

(₹ million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(D)	**Fair value changes:**		
	- Realised	379.2	118.9
	- Unrealised	7.2	(155.0)
	Total	**386.4**	**(36.1)**

24 Other Income

(₹ million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	Interest on income tax refund	-	147.5
(ii)	Income from sub-lease	-	18.0
		-	**165.5**

25 Finance Costs

(₹ million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(A)	**On financial liabilities measured at fair value through profit or loss**	-	-
(B)	**On financial liabilities measured at amortised cost:**		
(a)	Interest on borrowings	20.6	3.6
(b)	Interest on lease liabilities	97.3	141.2
(c)	Interest on debt securities	926.9	703.8
(d)	Other borrowing cost	22.8	10.9
	Total	**1,067.6**	**859.5**

26 Impairment on Financial Instruments

(₹ million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(A)	**On financial instruments measured at fair value through OCI:**	-	-
(B)	**On financial instruments measured at amortised cost:**		
(a)	Loans	(4.1)	90.0
(b)	Others		
	- On trade receivables	(36.9)	8.5
	- On accrued interest	-	8.2
	TOTAL	**(41.0)**	**106.7**

27 Operating Expenses

(₹ million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	Bad and doubtful debts	81.6	0.2
(b)	Transaction charges	129.0	125.2
(c)	Turnover fees and stamp duty	48.2	43.6
(d)	Custodial and depository charges	165.9	121.7
(e)	Call centre charges	163.9	100.2
(f)	Franking charges	46.9	164.8
(g)	Scanning expenses	37.8	39.7
(h)	Customer loss compensation	61.6	(29.4)
(i)	Other operating expenses	32.7	19.5
	Total	**767.6**	**585.5**

Notes

to standalone financial statements for the year ended March 31, 2021

28 Employee Benefits Expenses

(₹ million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	Salaries and wages	5,095.4	4,541.1
(b)	Contribution to gratuity / provident and other funds (refer note 42)	323.8	317.1
(c)	Share based payments to employees (refer note 38)	154.0	126.5
(d)	Staff welfare expenses	176.7	239.7
	Total	**5,749.9**	**5,224.4**

29 Other Expenses

(₹ million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	Rent and amenities	156.1	132.8
(b)	Insurance	6.1	3.0
(c)	Travelling and conveyance expenses	83.0	187.1
(d)	Business promotion expenses	116.5	83.8
(e)	Repairs, maintenance, upkeep and others	461.4	424.2
(f)	Rates and taxes	65.9	26.5
(g)	Electricity expenses	59.4	83.9
(h)	Communication expenses	169.0	169.4
(i)	Net loss on derecognition of property, plant and equipment	6.9	8.1
(j)	Advertisement and publicity	424.7	100.6
(k)	Printing and stationery	19.4	25.6
(l)	Subscription and periodicals	85.8	88.4
(m)	Legal and professional charges	161.7	111.4
(n)	Director's fees, allowances and expenses	10.6	9.4
(o)	Auditor's fees and expenses (refer note below) #	10.2	11.2
(p)	Corporate Social Responsibility (CSR) expenses (refer note 32)	160.4	144.4
(q)	Recruitment expenses	6.8	22.2
(r)	Net loss on foreign currency transaction and translation	0.5	1.2
(s)	Royalty expenses	54.2	49.1
(t)	Miscellaneous Expenses	5.2	9.3
	Total	**2,063.8**	**1,691.6**

(₹ million)

#	**Payments to the auditor**	For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	for audit fees	7.3	6.7
(b)	for taxation matters	0.7	0.7
(c)	for other services	1.5	2.6
(d)	for reimbursement of expenses	0.7	1.2
	Total	**10.2**	**11.2**

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to standalone financial statements for the year ended March 31, 2021

30. Earnings per share

The computation of basic and diluted earnings per share is given below:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net profit after tax (₹ million) (A)	10,675.5	5,367.1
Weighted average number of equity shares outstanding for basic EPS (in million) (B)	322.2	322.1
Basic earnings per share for continuing operations (₹) (A) / (B)	33.14	16.66
Add: Weighted average number of potential equity shares on account of employee stock options (in millions) (C)	0.6	0.3
Weighted average number of equity shares outstanding for diluted EPS (in million) (D) = (B)+(C)	322.8	322.4
Diluted earnings per share for continuing operations (₹) (A) / (D)	33.07	16.65
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 Holdings, 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 ('KMP') 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

viii) Shilpa Kumar – Managing Director and CEO (till May 6, 2019)

ix) Ajay Saraf – Executive Director

d. Key Management Personnel of Parent

i) Sandeep Bakhshi – Managing Director and CEO of ICICI Bank Limited

ii) Anup Bagchi – Executive Director of ICICI Bank Limited

iii) Uday Chitale – Independent Director of ICICI Bank Limited

iv) Subramanian Madhavan – Independent Director of ICICI Bank Limited

v) Vishakha Mulye – Executive Director of ICICI Bank Limited

vi) Girish Chandra Chaturvedi – Non-Executive (part-time) Chairman of ICICI Bank Limited

vii) Lalit Kumar Chandel – Government Nominee Director of ICICI Bank Limited

viii) Sandeep Batra – Executive Director of ICICI Bank Limited

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e. Relatives of Key Management Personnel

i) Sarika Saraf – Spouse of Mr. Ajay Saraf

ii) Ayuj Saraf – Son of Mr. Ajay Saraf

iii) Animesh Bagchi – Father of Mr. Anup Bagchi

iv) Neena Kumar – Sister of Mr. Lalit Kumar Chandel

v) Krishnakumar Subramanian – Brother of Ms. Vijayalakshmi Iyer

vi) Mona Bakshi – Spouse of Mr. Sandeep Bakhshi

vii) Minal Bakshi – Daughter of Mr. Sandeep Bakhshi

viii) Esha Bakshi – Daughter of Mr. Sandeep Bakhshi

ix) Shivam Bakhshi – Son of Mr. Sandeep Bakhshi

x) Ashwin Pradhan – Son-in-law of Mr. Sandeep Bakhshi

xi) Rajani Chaturvedi – Spouse of Mr. Girish Chandra Chaturvedi

xii) Ajay Saraf - HUF – HUF of Mr. Ajay Saraf

xiii) Poonam Chandok – Spouse of Mr. Vijay Chandok

xiv) Simran Chandok – Daughter of Mr. Vijay Chandok

xv) Shishir Bagchi – Brother of Mr. Anup Bagchi

xvi) Pranav Batra – Son of Mr. Sandeep Batra

xvii) Vignesh Mulye – Son of Ms. Vishakha Mulye

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 Companies		Fellow Subsidiary Companies	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Income from services and brokerage (commission and fees)	564.2	109.8	-	-	-	-
ICICI Home Finance Company Limited	-	-	-	-	8.8	20.2
ICICI Prudential Life Insurance Company Limited	-	-	-	-	557.5	525.1
ICICI Securities Primary Dealership Limited	-	-	-	-	0.0	0.0
ICICI Lombard General Insurance Company Limited	-	-	-	-	13.1	9.1
ICICI Prudential Asset Management Company Limited	-	-	-	-	140.3	116.3
ICICI Venture Funds Management Company Limited	-	-	-	-	3.1	17.7
Interest income	84.3	95.5	-	-	-	-
Other revenue from operations	-	-	-	-	-	-
ICICI Home Finance Company Limited	-	-	-	-	0.4	-

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(₹ million)

Nature of Transaction	Holding Company		Subsidiary Companies		Fellow Subsidiary Companies	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Staff expenses	9.3	12.3	-	-	-	-
ICICI Securities Primary Dealership Limited	-	-	-	-	(0.0)	(0.4)
ICICI Prudential Life Insurance Company Limited [1]	-	-	-	-	3.4	3.5
ICICI Lombard General Insurance Company Limited [2]	-	-	-	-	105.6	106.5
Operating expenses	919.0	334.8	-	-	-	-
ICICI Securities, Inc.	-	-	175.6	191.8	-	-
Other expenses [3]	263.6	262.6	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	3.6	1.8
ICICI Securities Primary Dealership Limited	-	-	-	-	0.7	1.9
ICICI Prudential Life Insurance Company Limited	-	-	-	-	1.6	2.0
ICICI Venture Funds Management Company Limited	-	-	-	-	0.8	0.0
Finance cost [4]	32.1	8.4	-	-	-	-
Dividend paid	3,712.9	2,539.4	-	-	-	-
Purchase of bond	353.6	680.1	-	-	-	-
ICICI Securities Primary Dealership Limited	-	-	-	-	1,460.5	972.7
Sale of bond	762.6	311.4	-	-	-	-
ICICI Prudential Life Insurance Company Limited	-	-	-	-	555.5	-

[1] Excludes an amount of ₹ 0.6 million (March 31, 2020: ₹ 0.6 million) as claims paid directly by ICICI Prudential Life Insurance Company Limited pertaining to the employees of the Company.

[2] Excludes an amount of ₹ 28.6 million (March 31, 2020: ₹ 31.4 million) received towards reimbursement of claims submitted by the employees under group health insurance policy. The Company has also received an amount of ₹ 0.6 million (March 31, 2020: Nil) towards asset insurance claims.

[3] Includes amount paid of ₹ 54.2 million (March 31, 2020: ₹ 49.1 million) towards royalty / license fees to the bank for use of "ICICI" trademarks.

[4] The Company has a credit facility of ₹ 6,425.0 million (March 31, 2020: ₹ 6,000.0 million) from ICICI Bank Limited. The balance outstanding as on March 31, 2021 is Nil (March 31, 2020: Nil).

The Company has contributed ₹ 350.0 million (March 31, 2020: ₹ 25.0 million) to ICICI Securities Group Gratuity Fund during the year.

The Company has contributed ₹ 35.0 million (March 31, 2020: ₹ 109.1 million) to ICICI Foundation for contribution towards CSR.

Notes

to standalone financial statements for the year ended March 31, 2021

Balance Sheet Items:
(Outstanding as on)

(₹ million)

Nature of Transaction	Holding Company		Subsidiary Companies		Fellow Subsidiary Companies	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Share capital [1]	1,208.3	1,276.1	-	-	-	-
Payables	818.0	263.4	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	0.0	0.2
ICICI Prudential Life Insurance Company Limited	-	-	-	-	0.0	0.0
ICICI Securities Primary Dealership Limited	-	-	-	-	0.2	1.0
ICICI Venture Funds Management Company Limited	-	-	-	-	0.8	0.0
ICICI Securities, Inc.	-	-	23.9	20.8	-	-
Other liabilities	18.0	40.6	-	-	-	-
Fixed assets purchases	-	4.6	-	-	-	-
Fixed assets sold	0.2	0.7	-	-	-	-
Investment	-	-	-	-	-	-
ICICI Securities Holdings, Inc. [2]	-	-	123.6	122.7	-	-
Bank overdraft	0.0	-	-	-	-	-
Fixed deposits (₹ 3.0 kept as collateral security towards bank guarantees) (Previous year ₹ 2.5)	2,655.3	1,148.4	-	-	-	-
Accrued interest income	47.0	44.8	-	-	-	-
Bank balance (Net of current liabilities of ₹ Nil) (Previous year ₹ 0.0)	1,600.6	2,291.5	-	-	-	-
Deposit	(0.0)	2.4	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	0.1	0.1
Loans & advances (including prepaid expenses)	6.6	3.5	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	8.6	2.7
ICICI Prudential Life Insurance Company Limited	-	-	-	-	1.6	2.4
ICICI Securities Primary Dealership Limited	-	-	-	-	0.1	0.2
Other assets	12.3	39.2	-	-	-	-
Receivables	-	-	-	-	-	-
ICICI Prudential Life Insurance Company Limited	-	-	-	-	46.9	18.6
ICICI Lombard General Insurance Company Limited	-	-	-	-	1.5	0.6
ICICI Prudential Asset Management Company Limited	-	-	-	-	32.0	39.5
ICICI Home Finance Company Limited	-	-	-	-	1.5	2.1

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to standalone financial statements for the year ended March 31, 2021

(₹ million)

Nature of Transaction	Holding Company		Subsidiary Companies		Fellow Subsidiary Companies	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Accrued income	25.9	4.7	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	1.0	0.4
ICICI Prudential Asset Management Company Limited	-	-	-	-	42.7	12.7
ICICI Home Finance Company Limited	-	-	-	-	0.1	0.3
ICICI Venture Funds Management Company Limited	-	-	-	-	-	17.7

[1] ICICI Bank Limited has sold 13,563,403 equity shares of face value of ₹ 5 each of the Company, during the year ended March 31, 2021 and accordingly the investment by ICICI Bank Limited in share capital of the Company has decreased from ₹ 1,276.1 million as at March 31, 2020 to ₹ 1,208.3 million as at March 31, 2021.

[2] The Company has Employee Stock Option Plans (ESOP) in force. Based on such ESOP schemes, the Company has granted ESOP Options to the employees of the step down subsidiary company ICICI Securities Inc. that would vest in a graded manner to employees of ICICI Securities Inc. and accordingly the deemed cost of investment in subsidiary ICICI Securities Holdings, Inc. has increased from ₹ 122.7 million as at March 31, 2020 to ₹ 123.6 million as at March 31, 2021.

Key Management Personnel

The details of compensation paid for the year ended March 31, 2021 are as below :

(₹ million)

Particulars	Vijay Chandok		Shilpa Kumar		Ajay Saraf		Anup Bagchi	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Short-term employee benefits	61.3	42.0	4.7	15.6	35.4	34.7	1.5	1.5
Post-employment benefits*	4.9	6.7	-	0.2	1.1	2.1	-	-
Total	**66.2**	**48.7**	**4.7**	**15.8**	**36.5**	**36.8**	**1.5**	**1.5**

*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 and employees 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, 2021 is ₹ 99.2 million (Previous year ₹ 96.8 million).

During the year ended March 31, 2021, 16,170 employee stock options with exercise value of ₹ 4.1 million were exercised by the key management personnel of the company.

The Company has paid ₹ 0.5 million (March 31, 2020: ₹ 1.0 million) to the relative of director towards scholarship under employee benefit policy. Also the Company has received brokerage amounting to ₹ 1.4 million (March 31, 2020: ₹ 1.4 million) from the key management personnel and ₹ 0.4 million (March 31, 2020: ₹ 0.2 million) from relatives of the key management personnel.

During the year ended March 31, 2021, the Company paid dividend amounting to ₹ 0.3 million (March 31, 2020: ₹ 0.1 million) to its KMPs and their relatives who are shareholders.

During the year ended March 31, 2021, the Company has paid ₹ 6.6 million (March 31, 2020: ₹ 4.4 million) sitting fees to the Directors of the Company. The Company also provided for commission for Financial Year 2021 amounting to ₹ 4.0 million (March 31, 2020: ₹ 4.0 million) to the Independent Directors of the Company.

₹ 0.0 million indicates values are lower than ₹ 0.1 million, where applicable.

Notes

to standalone financial statements for the year ended March 31, 2021

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 eight 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, 2021	Year ended March 31, 2020
a	Gross amount required to be spent during the year	160.4	144.4
b	Amount spent during the year on		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above - in cash	160.4	144.4
Out of the above, contribution made to related party is as below:			
ICICI Foundation for Inclusive Growth		35.0	109.1

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, 2021	As at March 31, 2020
Claims against the company not acknowledged as debt	1,487.6	1,286.5

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 ₹ 43.6 million (March 31, 2020: ₹ 44.1 million).

35. Micro, Small and Medium enterprises

There are no micro, small and medium enterprises, to which company owes dues, as at March 31, 2021. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006

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('MSMED 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.

(₹ million

Particulars	As at March 31, 2021	As at March 31, 2020
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	-	-

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 recognizes 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 recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company has recognised ₹ 3.6 million towards short term lease (March 31, 2020: ₹ 26.6 million) and ₹ 2.1 million towards low value assets (March 31, 2020: ₹ 4.4 million) during the year ended March 31, 2021.

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 recognized 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 amortized 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 ₹ 384.8 million (March 31, 2020: ₹ 479.9 million) have been classified as cash flow generated from financing activity.

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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 ₹ Nil million (March 31, 2020: ₹ 18.0 million towards income from sub-lease.

The details of Right to use Asset of the company are as follows:

(₹ million)

March 31, 2021	Carrying values		
Asset Class	Leasehold property	Leasehold improvements	Total
Balance as of April 1, 2020	1,485.7	42.4	1,528.1
Add: Additions during the period	23.9	-	23.9
Less: Deductions during the period	240.7	-	240.7
Less: Depreciation	324.6	24.7	349.3
Total	**944.3**	**17.7**	**962.0**

(₹ million)

March 31, 2020	Carrying values		
Asset Class	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)

Asset Class	For the year ended March 31, 2021		
	Leasehold Property	Leasehold improvements	Total
Balance as of April 1, 2020	1,530.7	42.9	1,573.6
Additions during the period	23.9	-	23.9
Deductions during the period	249.2	-	249.2
Interest Expense	93.5	3.8	97.3
Less: Lease Payments	357.0	27.8	384.8
Total	**1,041.9**	**18.9**	**1,060.8**

(₹ million)

Asset Class	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, 2020	Cash flows	Changes in fair values	Others*	March 31, 2021
Debt securities	14,975.3	20,124.1	-	110.2	35,209.6

(₹ 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

*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 a 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
ESOS -2017	2021	May 7, 2020	13,33,000	30% of the options would vest on May 7, 2021, 30% of the options would vest on May 7, 2022 and the balance 40% of the options would vest on May 7, 2023.	5 years from date of vesting.	361.00
ESOS -2017	2021	October 28, 2020	4,200	30% of the options would vest on October 28, 2021, 30% of the options would vest on October 28, 2022 and the balance 40% of the options would vest on October 28, 2023.	5 years from date of vesting.	468.10

The activity in the stock option plan is summarized 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 2021	13,29,300	13,37,200	47,350	90,800	Nil	25,28,350	3,45,250
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 and fair value of the options granted is as follows:

Scheme	Financial Year	Date of Grant	Fair value of the options granted (₹) per share
ESOS -2017	2019	October 19, 2018	90.08
ESOS -2017	2020	April 23, 2019	72.32
ESOS -2017	2021	May 7, 2020	134.04
ESOS -2017	2021	October 28, 2020	179.55

The following assumptions were used for calculation of fair value of grants in accordance with the Black- Scholes options pricing model.

	Year ended March 31, 2021	Year ended March 31, 2020
Risk free interest rate	4.82% to 5.70%	7.00% to 7.27%
Expected life of options	3.51 to 5.51 years	3.51 to 5.51 years
Expected volatility	46.15% to 48.78%	42.64% to 43.44%
Expected dividend yield	2.35% to 2.76%	4.24%

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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, ₹ 110.3 million was charged to the profit and loss account in respect of equity-settled share-based payment transactions (March 2020: ₹ 39.0 million).

B. ICICI Bank Employee Stock Option Scheme

During the year, ₹ 43.7 million was charged to the profit and loss account in respect of equity-settled share-based payment transactions (March 2020: ₹ 87.5 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 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	1120 Avenue of the Americas 4th Floor New York, NY 10036, United States of America	Wholly-owned Subsidiary	100%
ICICI Securities, Inc	1120 Avenue of the Americas 4th Floor New York, NY 10036, 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.

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A. The major components of income tax expense for the year are as under:

(₹ million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax		
In respect of current year	3,608.2	1,961.5
In respect of prior years	(2.8)	-
Total (A)	**3,605.4**	**1,961.5**
Deferred Tax		
Origination and reversal of temporary differences	26.8	(43.1)
Impact of change in tax rate	-	190.8
Total (B)	**26.8**	**147.7**
Income Tax recognised in the statement of Profit and Loss (A+B)	**3,632.2**	**2,109.2**
Income tax expenses recognized in OCI		
Re-measurement of defined employee benefit plans	33.4	(63.8)
Income tax relating to items that will not be classified to profit or loss	(8.3)	4.7
Total	**25.1**	**(59.1)**

B. Reconciliation of tax expenses and the accounting profit for the year is as under:

(₹ million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	14,307.7	7,476.3
Enacted tax rate in India	25.17%	25.17%
Income tax expenses calculated	3,601.2	1,881.8
Decrease / Increase in tax rate	-	190.8
Tax on expense not tax deductible	33.8	36.7
Tax on income exempt from tax	(2.8)	(0.1)
Total tax expenses as per profit and loss	**3,632.2**	**2,109.2**

The effective income tax rate for the year ended March 31, 2021 is 25.39% (March 31, 2020 is 28.21%)

The applicable Indian corporate statutory tax rate for the year ended March 31, 2021 and March 31, 2020 is 25.17%. 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, 2021

(₹ million)

Movement during the year ended March 31, 2021	As at April 1, 2020	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2021
Property, Plant and Equipment and Intangible assets	38.7	(9.0)	-	29.7
Provision for expected credit losses	66.7	(11.6)	-	55.1
Employee benefits obligations	294.8	10.5	-	305.3
Fair value gain/(loss) on investments	(0.5)	(1.0)	-	(1.5)
Provision for post-retirement benefit	177.6	(56.9)	(8.3)	112.4
Other temporary differences	(0.2)	41.2	-	41.0
Net deferred tax assets/ (liabilities)	**577.1**	**(26.8)**	**(8.3)**	**542.0**

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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**

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, 2021	Expiry Date	As at March 31, 2020	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
Capital loss under Income Tax Act, 1961	2019-20	0.7	March 31, 2028	-	
TOTAL		**69.2**		**68.5**	

41. Segment Reporting

The Company also prepares 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 ₹ 189.7 Million (March 31, 2020 : ₹ 198.8 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 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.

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The following table summarizes 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, 2021	Year ended March 31, 2020
	Reconciliation of defined benefit obligation (DBO) :		
	Change in Defined Benefit Obligation		
(i)	Opening defined benefit obligation	728.8	569.0
(ii)	Current Service cost	81.6	70.5
(iii)	Past service cost	-	-
(iv)	Interest cost	42.4	36.6
(v)	Actuarial (gain) / loss from changes in financial assumptions	13.7	37.6
(vi)	Actuarial (gain) / loss from changes in demographic assumptions	(13.4)	4.7
(vii)	Actuarial (gain) / loss on account of experience changes	(27.1)	22.2
(viii)	Benefits paid	(68.2)	(60.5)
(ix)	Liabilities assumed on inter group transfer	-	48.7
(x)	**Closing defined benefit obligation**	**757.8**	**728.8**
	Movement in Plan assets		
(i)	Opening fair value of plan assets	23.1	9.2
(ii)	Interest on plan assets	-	-
(iii)	Actual return on plan assets less interest on plan assets	6.5	0.7
(iv)	Contributions by employer	350.0	25.0
(v)	Assets acquired / (settled)	-	48.7
(vi)	Benefits paid	(68.2)	(60.5)
	Closing fair value of plan assets	**311.4**	**23.1**
	Balance sheet		
	Net asset / (liability) recognised in the balance sheet:		
(i)	Present value of the funded defined benefit obligation	757.8	728.8
(ii)	Fair value of plan assets at the end of the year	311.4	23.1
	Liability recognized in the balance sheet (i-ii)	**446.4**	**705.7**
	Statement of profit and loss		
	Expenses recognised in the Statement of Profit and Loss:		
(i)	Current Service cost	81.6	70.5
(ii)	Interest on net defined benefit obligation	42.4	36.6
(iii)	Past Service Cost	-	-
	Total included in 'Employee benefits expense (i+ii+iii)	**124.0**	**107.1**

(₹ million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Statement of other Comprehensive Income (OCI)		
Opening amount recognised in OCI outside statement of profit and loss	179.8	116.0
Remeasurements during the period due to		
- changes in financial assumptions	13.7	37.6
- changes in demographic assumptions	(13.4)	4.7
- Experience adjustment	(27.1)	22.2
- Annual return on plan assets less interest on plan assets	(6.6)	(0.7)
Closing amount recognised in OCI outside statement of profit and loss	**146.4**	**179.8**

Assumptions used for Gratuity	Year ended March 31, 2021	Year ended March 31, 2020
Interest rate (p.a.)	5.90%	6.20%
Salary escalation rate (p.a.)	7.00%	7.00%
Estimated rate of return on plan assets (p.a.)	8.00%	8.00%

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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 summarizes 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	735.0	780.9
Impact of increase in 50 bps on DBO	-2.98%	3.08%
Defined Benefit obligation on decrease in 50 bps	781.4	735.3
Impact of decrease in 50 bps on DBO	3.14%	-2.95%

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

(₹ million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Insurer managed funds	310.5	22.4
Others	0.9	0.7
Reconciliation of plan assets during the inter-valuation period		
Opening fair value of plan assets	23.1	9.2
Employer contributions	350.0	25.0
Settlements from the Fund	(68.2)	(60.5)
Interest accrued to the Fund	6.5	0.7
Actual return on plan assets less interest on plan assets	-	-
Assets acquired / (settled)	-	48.7
Closing fair value of plan assets	**311.4**	**23.1**

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	Amount in ₹
Expected benefits for year 1	110,292,602
Expected benefits for year 2	97,210,397
Expected benefits for year 3	83,547,175
Expected benefits for year 4	78,629,123
Expected benefits for year 5	110,293,729
Expected benefits for year 6	71,956,413
Expected benefits for year 7	83,093,970
Expected benefits for year 8	57,460,685
Expected benefits for year 9	46,804,196
Expected benefits for year 10 and above	409,707,592

The weighted average duration to the payment of these cash flows is 6.12 years

The Company has made a provision towards gratuity for its employees of the Oman Branch amounting to ₹ Nil million (March 31, 2020: Nil)

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Compensated Absence

The liability towards compensated absences for the year ended March 31, 2021 is based on actuarial valuation carried out by using the projected unit credit method.

Assumptions	Year ended March 31, 2021	Year ended March 31, 2020
Interest rate (p.a.)	5.90%	6.20%
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, 2021	Year ended March 31, 2020
Interest rate (p.a.)	4.15%	5.05%

Interest rate assumption in case of subsidiary is 0.13% (March 31, 2020: 0.23%)

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:

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 recognizes 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.

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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 2021:

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 recognized 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 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 recognized 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	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Financial Planning Services	5.2	50.8	5.1	81.5	0.1	5.2
Training Fees	-	25.2	-	42.8	-	-
Signing Fee	23.1	13.3	7.1	18.5	20.5	23.1
Prime Subscription	221.5	-	535.1	155.0	339.4	221.5
Prepaid Brokerage	2,568.8	2,610.3	1,181.7	980.6	2,483.2	2,568.8
Subscription Fees	-	-	7.9	-	6.2	-

Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price.

(₹ million)

Particulars	2020-21	2019-20
Revenue from the Contracts (as per Contract)	22,014.6	15,110.8
Less :- Discounts/Incentive to Customers	12.0	420.9
Revenue from the Contracts (as per Statement of Profit and Loss)	**22,002.6**	**14,689.9**

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.

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The following table shows the carrying amounts of financial instruments as at March 31, 2021 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	2,903.3	-	-	2,903.3	2,903.3
Other balances with banks	35,544.4	-	-	35,544.4	35,544.4
Securities for trade	-	4,661.7	-	4,661.7	4,661.7
Trade receivables	4,584.5	-	-	4,584.5	4,584.5
Loans	29,014.5	-	-	29,014.5	29,014.5
Investments (excluding subsidiary)	-	28.8	-	28.8	28.8
Other financial assets	758.6	-	-	758.6	758.6
Total	**72,805.3**	**4,690.5**	**-**	**77,495.8**	**77,495.8**
Liabilities:					
Derivative financial instruments	-	4.5	-	4.5	4.5
Trade payables	10,263.6	-	-	10,263.6	10,263.6
Debt Securities	35,209.6	-	-	35,209.6	35,209.6
Deposits	28.7	-	-	28.7	28.7
Lease Liabilities	1,060.8	-	-	1,060.8	1,060.8
Other financial liabilities	10,440.5	-	-	10,440.5	10,440.5
Total	**57,003.2**	**4.5**	**-**	**57,007.7**	**57,007.7**

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**
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**

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.

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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.

The following table summarises financial instruments measured at fair value on recurring basis:

(₹ million)

As at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial instruments :				
Derivatives	4.5	-	-	4.5
Mutual fund units	-	1,784.2	-	1,784.2
Equity shares	6.5	-	22.3	28.8
Debt Instruments	1,077.5	1,800.0	-	2,877.5
Total	**1,088.5**	**3,584.2**	**22.3**	**4,695.0**

(₹ 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**

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, 2021	March 31, 2020
Opening Balance	21.3	21.5
Purchase	-	-
Less: Sales	-	-
Add: Gain / (Loss)	1.0	(0.2)
Transfer in Level 3	-	-
Les: Transfer from Level 3	-	-
Closing Balance	**22.3**	**21.3**

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, 2021

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	₹ 5.83 per share	5%	₹ 0.1 Million	5%	₹ (0.1) Million
	Discounted projected cash flow	WACC%	17.00%	100 basis points	₹ (1.4) Million	100 basis points	₹ 1.6 Million
		Perpetual Growth Rate %	5.00%	100 basis points	₹ 1.1 Million	100 basis points	₹ (0.9) Million

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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

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 31,2021	3,210.4	963.9	2,246.5
At March 31, 2020	12.5	2,277.1	(2,264.6)

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.

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.

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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)

Particulars	March 31, 2021	March 31, 2020
Trade and Other Debtors(net of impairment)	4,584.5	886.2
Loans (net of impairment)	29,014.5	5,708.7
Total	**33,599.0**	**6,594.9**

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 ₹ 4,705.7 million (March 31, 2020: ₹ 1,044.2 million) ₹ 121.2 million (March 31, 2020: ₹ 158.0 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 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, 2021		March 31, 2020	
	Carrying Value	ECL	Carrying Value	ECL
Stage 1	29,082.2	77.0	5,791.0	87.7
Stage 2	10.1	0.8	8.9	3.5
Stage 3	11.0	11.0	1.5	1.5
Total	**29,103.3**	**88.8**	**5,801.4**	**92.7**

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Movements in the allowances for impairment in respect of trade receivables and loans is as follows:

(₹ million)

	March 31, 2021	March 31, 2020
Opening Balance	250.7	152.3
Amount written off	(81.6)	(0.3)
Net re-measurement of loss allowance	50.0	7.9
Additional provision	(9.1)	90.8
Closing Balance	**210.0**	**250.7**

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, 2021	As at March 31, 2020	
Trade Receivables and Loans	95.8%	93.0%	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.

Funds required for short period is taken care by borrowings through issuing Commercial paper and utilizing overdraft facility from ICICI Bank

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The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2021.

(₹ million)

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total Carrying Amount
Financial Assets					
Cash and bank balances	2,905.1	35,538.1	1.4	3.1	38,447.7
Securities for Trade	4,661.7	-	-	-	4,661.7
Trade receivables	4,584.5	-	-	-	4,584.5
Loans	2,158.0	26,856.5	-	-	29,014.5
Investments	-	-	-	152.4	152.4
Other financial assets	535.1	95.7	-	127.8	758.6
Total	**14,844.4**	**62,490.3**	**1.4**	**283.3**	**77,619.4**
Financial Liabilities					
Derivative financial instruments	4.5	-	-	-	4.5
Trade Payables	10,263.6	-	-	-	10,263.6
Debt Securities	30,875.6	4,334.0	-	-	35,209.6
Deposits	-	-	28.7	-	28.7
Lease Liabilities	2.9	4.1	928.0	125.8	1,060.8
Other Financial Liabilities	10,440.5	-	-	-	10,440.5
Total	**51,587.1**	**4,338.1**	**956.7**	**125.8**	**57,007.7**
Net excess / (shortfall)	**(36,742.7)**	**58,152.2**	**(955.3)**	**157.5**	**20,611.7**

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
Financial 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**
Financial 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**

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

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maximize 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
iv) Commodity Risk

Total market risk exposure:

(₹ million)

March 31, 2021	Carrying amount	Traded risk	Non traded risk	Primary risk sensitivity
Financial Assets				
Cash and cash equivalent and other bank balances	38,447.7	-	38,447.7	
Financial assets at FVTPL	4,690.5	4,661.7	28.8	Interest rate, Equity Price and Currency
Trade Receivables	4,584.5	-	4,584.5	Equity Price and Currency
Loans	29,014.5	-	29,014.5	Equity Price
Investment in Subsidiary	123.6	-	123.6	
Other Financial assets at amortised cost	758.6	-	758.6	
Total	**77,619.4**	**4,661.7**	**72,957.7**	
Financial Liabilities				
Derivative financial instruments	4.5	-	4.5	Currency and Equity Price
Trade payable	10,263.6	-	10,263.6	Equity Price and Currency
Debt Securities	35,209.6	-	35,209.6	
Deposits	28.7	-	28.7	
Lease Liabilities	1,060.8	-	1,060.8	
Other financial liabilities	10,440.5	-	10,440.5	
Total	**57,007.7**	**-**	**57,007.7**	

(₹ million)

March 31, 2020	Carrying amount	Traded risk	Non traded risk	Primary risk sensitivity
Financial 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**	
Financial 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**	

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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 severe movement in equity prices, everything else remaining constant, would result in following impact on both proprietary positions and clients positions.

(₹ million)

	Impact on statement of profit and loss	
	At 19.41% movement	At 10.00% movement
	For the year ended March 31, 2021	For the year ended March 31, 2020
Impact of upward movement	(104.7)	0.3
Impact of downward movement	(213.9)	(0.4)

Movement of 19.41% represents highest single day market (nifty) movement in last 15 years. The Company, based on past experience, is able to recover 66% of the client's default therefore the loss on client's position included in the above figures is post considering recoveries from clients.

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.

The below sensitivity depicts a scenario where a parallel shift in the yield curve would result in following impact for both proprietary positions and client positions.

(₹ million)

	Impact on statement of profit and loss	
	At 2.06% shift	At 2.50% shift
	For the year ended March 31, 2021	For the year ended March 31, 2020
Parallel upward shift	(137.6)	(152.6)
Parallel downward shift	159.1	182.0

Shift of 2.06% represents highest 10 consecutive days' yield movement in last 15 years among AAA/AA/AA+/AA- rated debt instruments with 5 year maturity period.

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.

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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.

The below sensitivity depicts a scenario where a severe movement in foreign exchange rates, everything else remaining constant, would result in following impact for both proprietary positions and client positions.

(₹ million)

	Impact on statement of profit and loss	
	At 10.81% Movement	At 15% Movement
	For the year ended March 31, 2021	For the year ended March 31, 2020
₹ Depreciation	(23.0)	(116.1)
₹ Appreciation	(10.9)	(19.0)

Movement of 10.81% represents highest single day price movement in last 15 years across currency pairs. The Company, based on past experience, is able to recover 66% of the client's default therefore the loss on client's position included in the above figures is post considering recoveries from clients.

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, 2021	For the year ended March 31, 2020
USD	Depreciation of 15%	(1.3)	(1.5)
	Appreciation of 15%	1.3	1.5
SGD	Depreciation of 15%	-	0.1
	Appreciation of 15%	-	(0.1)
GBP	Depreciation of 15%	(0.0)	(0.0)
	Appreciation of 15%	0.0	0.0

iv) Commodity Risk

The Company's exposure to commodity risk arises primarily on account of margin positions of its clients in exchange traded commodity derivatives.

The Company's commodity risk is managed in accordance with its CRIP, approved by its Risk Management Committee. The CRIP stipulates risk-based margin requirements for margin based trading in commodity derivatives by its clients.

The below sensitivity depicts a scenario where a severe movement in commodity prices, everything else remaining constant, would result in following impact on clients positions.

(₹ million)

	Impact on statement of profit and loss	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Impact of upward movement	(1.3)	-
Impact of downward movement	(8.4)	-

Impact has been derived based on highest single day commodity specific movement in last 15 years (data available for 11 years). The Company, based on past experience, is able to recover 66% of the client's default therefore the loss on client's position included in the above figures is post considering recoveries from clients.

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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, 2021	Within 12 months	After 12 months
ASSETS			
Financial Assets			
Cash and cash equivalents	2,903.3	2,903.3	-
Bank balance other than (a) above	35,544.4	35,539.9	4.5
Securities for trade	4,661.7	4,661.7	-
Receivables			
(I) Trade receivables	4,584.5	4,584.5	-
Loans	29,014.5	29,014.5	-
Investments	152.4	-	152.4
Other financial assets	758.6	630.8	127.8
	77,619.4	**77,334.7**	**284.7**
Non-financial Assets			
Current tax assets (net)	1,190.0	-	1,190.0
Deferred tax assets (net)	542.0	-	542.0
Property, plant and equipment	419.4	-	419.4
Right-of-use of assets	962.0	7.0	955.0
Capital work-in-progress	39.4	-	39.4
Intangible assets under development	39.3	-	39.3
Other intangible assets	227.4	-	227.4
Other non-financial assets	518.4	433.9	84.5
	3,937.9	**440.9**	**3,497.0**
Total Assets	**81,557.3**	**77,775.6**	**3,781.7**
LIABILITIES			
Financial liabilities			
Derivative financial instruments	4.5	4.5	-
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	10,263.6	10,263.6	-
Debt securities	35,209.6	35,209.6	-
Borrowings (Other than debt securities)	-	-	-
Deposits	28.7	-	28.7
Lease Liabilities	1,060.8	7.0	1,053.8
Other financial liabilities	10,440.5	10,440.5	-
	57,007.7	**55,925.2**	**1,082.5**
Non-financial Liabilities			
Current tax liabilities (net)	5.7	5.7	-
Provisions	606.1	41.3	564.8
Other non-financial liabilities	5,899.9	4,900.0	999.9
	6,511.7	**4,947.0**	**1,564.7**
Total Liabilities	**63,519.4**	**60,872.2**	**2,647.2**
Net	**18,037.9**	**16,903.4**	**1,134.5**

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to standalone financial statements for the year ended March 31, 2021

(₹ 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
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**

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to standalone financial statements for the year ended March 31, 2021

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	₹ 45,000.0	₹ 45,000.0

^ During the year ended March 31, 2021, the Company's Commercial paper programme was enhanced from ₹ 25,000.0 million to ₹ 45,000.0 million. Rating agencies CRISIL and ICRA have assigned a rating of CRISIL A1+ and ICRA A1+ respectively, to the additional ₹ 20,000.0 million Commercial paper programme of the company.

b. Key Financial Information

(₹ million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Debt Equity Ratio *	1.95 Times	1.26 Times
Debt Service Coverage Ratio **	0.42 Times	0.52 Times
Interest Services Coverage Ratio ***	15.75 Times	11.41 Times
Net Worth ****	₹ 18,037.9 Million	₹ 11,913.9 Million
Net Profit after tax	₹ 10,675.5 Million	₹ 5,367.1 Million
Earnings per share (Diluted) (Face Value ₹ 5/- per share)	₹ 33.07	₹ 16.65
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, 2020 to March 31, 2021) Principal & Interest	Whether paid or not	Next due date Principal & Interest
1	14-Jan-20	1,000.0	03-Apr-20	Yes	NA
2	14-Jan-20	2,000.0	03-Apr-20	Yes	NA
3	17-Jan-20	50.0	09-Apr-20	Yes	NA
4	27-Jan-20	2,000.0	16-Apr-20	Yes	NA
5	29-Jan-20	1,500.0	15-Apr-20	Yes	NA
6	17-Feb-20	1,750.0	15-May-20	Yes	NA
7	17-Feb-20	250.0	15-May-20	Yes	NA
8	24-Feb-20	2,500.0	22-May-20	Yes	NA
9	26-Feb-20	500.0	26-May-20	Yes	NA
10	05-Mar-20	3,000.0	15-May-20	Yes	NA
11	05-Mar-20	500.0	15-May-20	Yes	NA
12	09-Apr-20	2,500.0	09-Jun-20	Yes	NA
13	21-Apr-20	500.0	19-Jun-20	Yes	NA
14	21-Apr-20	500.0	19-Jun-20	Yes	NA

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Sr. No.	Commercial Paper – Date of Issue	Redemption Amount (₹ Million)	Previous due date (from April 01, 2020 to March 31, 2021) Principal & Interest	Whether paid or not	Next due date Principal & Interest
15	21-Apr-20	500.0	19-Jun-20	Yes	NA
16	15-May-20	2,500.0	13-Aug-20	Yes	NA
17	15-May-20	2,000.0	26-Jun-20	Yes	NA
18	15-May-20	500.0	26-Jun-20	Yes	NA
19	19-May-20	250.0	17-Jul-20	Yes	NA
20	19-May-20	250.0	17-Jul-20	Yes	NA
21	19-May-20	1,000.0	17-Jul-20	Yes	NA
22	21-May-20	2,500.0	19-Aug-20	Yes	NA
23	26-May-20	1,500.0	21-Aug-20	Yes	NA
24	03-Jun-20	1,000.0	01-Sep-20	Yes	NA
25	09-Jun-20	2,500.0	04-Sep-20	Yes	NA
26	12-Jun-20	1,000.0	21-Aug-20	Yes	NA
27	19-Jun-20	750.0	17-Sep-20	Yes	NA
28	19-Jun-20	750.0	17-Sep-20	Yes	NA
29	19-Jun-20	1,000.0	10-Sep-20	Yes	NA
30	19-Jun-20	500.0	10-Sep-20	Yes	NA
31	24-Jun-20	2,000.0	22-Sep-20	Yes	NA
32	26-Jun-20	2,000.0	24-Sep-20	Yes	NA
33	26-Jun-20	1,000.0	24-Sep-20	Yes	NA
34	17-Jul-20	750.0	11-Sep-20	Yes	NA
35	24-Jul-20	350.0	22-Oct-20	Yes	NA
36	24-Jul-20	500.0	22-Oct-20	Yes	NA
37	24-Jul-20	250.0	22-Oct-20	Yes	NA
38	29-Jul-20	1,500.0	28-Aug-20	Yes	NA
39	30-Jul-20	1,500.0	28-Oct-20	Yes	NA
40	30-Jul-20	1,000.0	10-Aug-20	Yes	NA
41	14-Aug-20	1,000.0	12-Nov-20	Yes	NA
42	14-Aug-20	750.0	12-Nov-20	Yes	NA
43	14-Aug-20	500.0	12-Nov-20	Yes	NA
44	19-Aug-20	3,000.0	17-Nov-20	Yes	NA
45	20-Aug-20	3,500.0	18-Nov-20	Yes	NA
46	27-Aug-20	1,500.0	25-Nov-20	Yes	NA
47	27-Aug-20	3,000.0	25-Nov-20	Yes	NA
48	27-Aug-20	500.0	25-Nov-20	Yes	NA
49	04-Sep-20	1,000.0	03-Dec-20	Yes	NA
50	10-Sep-20	2,000.0	27-Nov-20	Yes	NA
51	10-Sep-20	500.0	27-Nov-20	Yes	NA
52	23-Sep-20	750.0	30-Sep-20	Yes	NA
53	24-Sep-20	1,250.0	23-Dec-20	Yes	NA
54	24-Sep-20	750.0	23-Dec-20	Yes	NA
55	29-Sep-20	1,000.0	15-Dec-20	Yes	NA
56	30-Sep-20	500.0	24-Dec-20	Yes	NA
57	30-Sep-20	500.0	24-Dec-20	Yes	NA
58	01-Oct-20	500.0	06-Nov-20	Yes	NA
59	01-Oct-20	500.0	06-Nov-20	Yes	NA
60	03-Nov-20	2,000.0	01-Feb-21	Yes	NA
61	06-Nov-20	500.0	29-Jan-21	Yes	NA
62	06-Nov-20	1,000.0	31-Dec-20	Yes	NA
63	18-Nov-20	1,000.0	16-Feb-21	Yes	NA
64	18-Nov-20	500.0	16-Feb-21	Yes	NA
65	18-Nov-20	500.0	24-Mar-21	Yes	NA

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to standalone financial statements for the year ended March 31, 2021

Sr. No.	Commercial Paper – Date of Issue	Redemption Amount (₹ Million)	Previous due date (from April 01, 2020 to March 31, 2021) Principal & Interest	Whether paid or not	Next due date Principal & Interest
66	18-Nov-20	500.0	24-Mar-21	Yes	NA
67	18-Nov-20	750.0	16-Feb-21	Yes	NA
68	18-Nov-20	250.0	16-Feb-21	Yes	NA
69	18-Nov-20	500.0	16-Feb-21	Yes	NA
70	26-Nov-20	500.0	24-Feb-21	Yes	NA
71	26-Nov-20	250.0	24-Feb-21	Yes	NA
72	27-Nov-20	3,000.0	25-Feb-21	Yes	NA
73	27-Nov-20	250.0	25-Feb-21	Yes	NA
74	24-Dec-20	2,000.0	15-Mar-21	Yes	NA
75	24-Dec-20	500.0	15-Mar-21	Yes	NA
76	11-Jan-21	2,000.0	26-Mar-21	Yes	NA
77	10-Mar-21	1,000.0	26-Mar-21	Yes	NA
78	27-Oct-20	1,000.0	NA	-	25-Jun-21
79	27-Oct-20	500.0	NA	-	25-Jun-21
80	06-Nov-20	500.0	NA	-	25-Jun-21
81	12-Nov-20	100.0	NA	-	25-Jun-21
82	12-Nov-20	500.0	NA	-	25-Jun-21
83	12-Nov-20	2,000.0	NA	-	28-May-21
84	12-Nov-20	1,000.0	NA	-	28-May-21
85	23-Nov-20	1,500.0	NA	-	21-May-21
86	23-Nov-20	500.0	NA	-	21-May-21
87	04-Dec-20	1,000.0	NA	-	03-Dec-21
88	15-Dec-20	1,000.0	NA	-	10-Dec-21
89	11-Jan-21	500.0	NA	-	28-Jun-21
90	11-Jan-21	500.0	NA	-	28-Jun-21
91	28-Jan-21	1,000.0	NA	-	28-Apr-21
92	28-Jan-21	1,000.0	NA	-	28-Apr-21
93	28-Jan-21	500.0	NA	-	28-Apr-21
94	01-Feb-21	1,000.0	NA	-	30-Apr-21
95	01-Feb-21	1,000.0	NA	-	30-Apr-21
96	16-Feb-21	1,000.0	NA	-	17-May-21
97	16-Feb-21	1,000.0	NA	-	15-Jul-21
98	16-Feb-21	250.0	NA	-	15-Jul-21
99	16-Feb-21	500.0	NA	-	11-Aug-21
100	16-Feb-21	250.0	NA	-	11-Aug-21
101	24-Feb-21	3,000.0	NA	-	30-Apr-21
102	24-Feb-21	1,500.0	NA	-	25-May-21
103	24-Feb-21	500.0	NA	-	23-Aug-21
104	24-Feb-21	1,000.0	NA	-	23-Aug-21
105	01-Mar-21	1,500.0	NA	-	04-May-21
106	03-Mar-21	500.0	NA	-	25-Aug-21
107	03-Mar-21	1,500.0	NA	-	06-Aug-21
108	15-Mar-21	2,000.0	NA	-	11-Jun-21
109	15-Mar-21	500.0	NA	-	11-Jun-21
110	18-Mar-21	250.0	NA	-	11-Mar-22
111	18-Mar-21	250.0	NA	-	11-Mar-22
112	18-Mar-21	2,000.0	NA	-	11-Mar-22
113	26-Mar-21	3,000.0	NA	-	08-Jun-21

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to standalone financial statements for the year ended March 31, 2021

47. Subsequent event - Proposed dividend

The Board of Directors at its meeting held on April 21, 2021, have recommended a final dividend of ₹ 13.50 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. Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of The Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

Key amendments relating to Division III which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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. The Company being classified as an essential service has been in operation consistently with minimal staff. As of March 31, 2021, 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.

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

Mumbai, April 21, 2021

For and on behalf of the Board of Directors

SUBRATA MUKHERJI
Director
DIN - 00057492

VIJAY CHANDOK
Managing Director & CEO
DIN - 01545262

AJAY SARAF
Executive Director
DIN - 00074885

RAJU NANWANI
Company Secretary

HARVINDER JASPAL
Chief Financial Officer

Independent Auditor's 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 (the Holding Company and its subsidiaries together referred to as the "Group"), which comprise the consolidated balance sheet as at 31 March 2021, 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 the separate consolidated financial statements of such subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "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 2021, of its consolidated profit and other comprehensive income, 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 these requirements. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in "Other Matters" paragraph below, 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

The key audit matter	How the matter was addressed in our audit
Information Technology **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: • Performed 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). • 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 change management controls to determine that these controls remained unchanged during the audit period and incase of changes, were changes followed the standard process. • Understanding IT infrastructure records for the in-scope systems i.e. operating systems and databases.

Other Information

The Holding Company's Management and the 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 consolidated financial statements and our auditor's 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 auditor, 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 the Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and the 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 the 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 Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and the 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 Management and the Board of Directors.
- Conclude on the appropriateness of Management and the Board of Directors use of the going concern basis of accounting in preparation of the 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 para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in 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 auditor's 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 ₹ 251.8 million as at 31 March 2021, consolidated total revenues of ₹ 7.3 million and consolidated net cash inflows amounting to ₹ 10.4 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has 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 this subsidiary, is based solely on the audit report of the other auditor.

This subsidiary is located outside India whose consolidated financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which have been audited by other auditor under generally accepted auditing standards applicable in its country. The Holding Company's management has converted the consolidated financial statements of such subsidiary located outside India from accounting principles generally accepted in its country 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 the subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by 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 auditor and the consolidated 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 report of the other auditor on separate consolidated financial statements of such subsidiary as was audited by other auditor, as noted in '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 report of the other auditor.

   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 2021 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 2021 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 the consolidated 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 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 and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group. Refer Note 32 to the consolidated financial statements.

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

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company. Since the subsidiary is 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 consolidated financial statements since they do not pertain to the financial year ended 31 March 2021.

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: 21100564AAAAAU1361

Mumbai
21 April 2021

Annexure "A" to the Independent Auditor's 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 2021, we have audited the internal financial controls with reference to the consolidated financial statements of ICICI Securities Limited (hereinafter referred to as the "Holding Company"), incorporated in India under the Companies Act, 2013 (the "Act") , 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 Act, 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 the consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to the consolidated financial statements criteria established by the Holding Company 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to the 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 the 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 the 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 the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements included obtaining an understanding of internal financial controls with reference to the 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 the consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to the 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 the 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 the Financial Statements

Because of the inherent limitations of internal financial controls with reference to the 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 the 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: 21100564AAAAAU1361

Mumbai
21 April 2021

Consolidated Balance Sheet

as at March 31, 2021

(₹ million)

		Notes	As at March 31, 2021	As at March 31, 2020
ASSETS				
1	**Financial assets**			
(a)	Cash and cash equivalents	3 (a)	3,093.5	5,420.0
(b)	Bank balance other than (a) above	3 (a)	35,699.2	18,694.0
(c)	Securities for trade	5	4,661.7	8,351.1
(d)	Receivables			
	(I) Trade receivables	6	4,586.1	887.9
(e)	Loans	7	29,014.5	5,708.7
(f)	Investments	8	28.8	24.7
(g)	Other financial assets	9	767.3	774.9
			77,851.1	**39,861.3**
2	**Non-financial assets**			
(a)	Current tax assets (net)	10	1,189.3	1,502.8
(b)	Deferred tax assets (net)	39	560.1	595.5
(c)	Property, plant and equipment	11	420.0	295.2
(d)	Right-of-use assets	35	962.0	1,529.1
(e)	Capital work-in-progress		39.4	32.9
(f)	Intangible assets under development		39.3	48.4
(g)	Other intangible assets	11	227.4	155.4
(h)	Other non-financial assets	12	520.5	407.6
			3,958.0	**4,566.9**
Total Assets			**81,809.1**	**44,428.2**
LIABILITIES AND EQUITY				
LIABILITIES				
1	**Financial liabilities**			
(a)	Derivative financial instruments	4	4.5	-
(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		10,264.6	6,926.4
(c)	Debt securities	14	35,209.6	14,975.3
(d)	Borrowings (Other than debt securities)	15	-	-
(e)	Deposits	16	28.7	22.3
(f)	Lease liabilities	35	1,060.8	1,574.4
(g)	Other financial liabilities	17	10,440.5	2,694.6
			57,008.7	**26,193.0**
2	**Non-financial liabilities**			
(a)	Current tax liabilities (net)		5.7	-
(b)	Provisions	18	606.1	828.7
(c)	Other non-financial liabilities	19	5,967.5	5,311.1
			6,579.3	**6,139.8**
3	**EQUITY**			
(a)	Equity share capital	20	1,611.1	1,610.7
(b)	Other equity	21	16,610.0	10,484.7
			18,221.1	**12,095.4**
	Total Liabilities and Equity		**81,809.1**	**44,428.2**

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

Mumbai, April 21, 2021

For and on behalf of the Board of Directors

SUBRATA MUKHERJI
Director
DIN - 00057492

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, 2021

(₹ million)

		Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations				
(i)	Interest income	22	3,448.7	2,350.0
(ii)	Dividend income		0.2	0.4
(iii)	Fees and commission income			
	- Brokerage income		15,045.2	9,475.6
	- Income from services		6,960.7	5,217.5
(iv)	Net gain on fair value changes	23	386.4	-
(v)	Net gain on derecognition of financial instruments under amortised cost category		-	3.0
(vi)	Others		20.5	15.7
(I)	**Total Revenue from operations**		**25,861.7**	**17,062.2**
(II)	Other income	24	-	187.2
(III)	**Total Income (I+II)**		**25,861.7**	**17,249.4**
Expenses				
(i)	Finance costs	25	1,072.8	863.9
(ii)	Fees and commission expense		1,221.6	437.0
(iii)	Net loss on fair value changes	23	-	36.1
(iv)	Impairment on financial instruments	26	(41.0)	106.7
(v)	Operating expense	27	769.0	586.8
(vi)	Employee benefits expenses	28	5,879.6	5,337.7
(vii)	Depreciation, amortization and impairment	11 & 35	541.8	614.0
(viii)	Other expenses	29	2,110.1	1,737.9
(IV)	**Total Expenses (IV)**		**11,553.9**	**9,720.1**
(V)	**Profit/(loss) before tax (III -IV)**		**14,307.8**	**7,529.3**
(VI)	Tax expense:	39		
	(1) Current tax		3,604.2	1,961.0
	(2) Deferred tax		26.4	148.3
			3,630.6	**2,109.3**
(VII)	**Profit/(loss) for the year (V-VI)**		**10,677.2**	**5,420.0**
(VIII)	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined employee benefit plans		33.4	(63.8)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(8.3)	4.7
	Other comprehensive income		**25.1**	**(59.1)**
(IX)	**Total comprehensive income for the year (VII+VIII) [comprising profit/(loss) and other comprehensive income for the year]**		**10,702.3**	**5,360.9**
(X)	**Earnings per equity share: (Face value ₹ 5/- per share)**	30		
	Basic (in ₹)		33.14	16.83
	Diluted (in ₹)		33.08	16.81

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

Mumbai, April 21, 2021

For and on behalf of the Board of Directors

SUBRATA MUKHERJI
Director
DIN - 00057492

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, 2021

A Equity share capital

(₹ million)

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as on March 31, 2020
1610.7	-	1,610.7

(₹ million)

Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as on March 31, 2021
1,610.7	0.4	1,611.1

B Other Equity

(₹ million)

	Share application money pending allotment	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, 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 on March 31, 2020	**-**	**244.0**	**666.8**	**57.0**	**9,109.5**	**67.8**	**339.6**	**10,484.7**
Balance as at April 1, 2020	-	244.0	666.8	57.0	9,109.5	67.8	339.6	10,484.7
Profit for the year	-	-	-	-	10,677.2	-	-	10,677.2
Items of OCI for the year, net of tax:								
- Remeasurement benefit of defined benefit plans	-	-	-	-	25.1	-	-	25.1
Total Comprehensive Income for the year	-	-	-	-	10,702.3	-	-	10,702.3
Dividend (including tax on dividend)	-	-	-	-	(4,752.1)	-	-	(4,752.1)
Any other changes:								
- Additions during the year (net)	2.2	24.2	-	113.1	-	-	35.6	175.1
Balance as on March 31, 2021	**2.2**	**268.2**	**666.8**	**170.1**	**15,059.7**	**67.8**	**375.2**	**16,610.0**

* Net of share based arrangement of parent entity amounting to ₹ 8.1 million (March 31, 2020: ₹ 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

Mumbai, April 21, 2021

For and on behalf of the Board of Directors

SUBRATA MUKHERJI
Director
DIN - 00057492

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, 2021

(₹ million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
A	**Cash flow used in operating activities**		
	Profit before tax	14,307.8	7,529.3
	Add /(less): Adjustments		
	- Net (gain)/loss on derecognition of property, plant and equipment	6.9	8.1
	- Depreciation and amortisation	541.8	614.0
	- (Reversal of) /impairment loss on financial assets measured at FVTPL	0.3	0.7
	- Net (gain)/loss (unrealised) arising on financial assets measured at FVTPL	(7.5)	158.2
	- Interest expense	1,044.8	707.4
	- Dividend income on equity securities	(0.2)	(0.3)
	- Share based payments to employees	154.9	126.5
	- Bad and doubtful debts	40.6	106.9
	- Interest on income tax refund	-	(147.5)
	- Provision written back	-	(34.7)
	- Unrealised foreign exchange (gain)/loss	9.9	(21.7)
	Operating profit before working capital changes	**16,099.3**	**9,046.9**
	Adjustments for changes in working capital:		
	- (Increase) / decrease in bank balance	(17,005.2)	(6,048.8)
	- (Increase) / decrease in securities for trade	3,696.6	(5,951.2)
	- (Increase) / decrease in receivables	(3,743.4)	3,872.0
	- (Increase) / decrease in loans	(23,301.7)	(1,766.0)
	- (Increase) / decrease other financial assets	(5.9)	64.4
	- (Increase) / decrease other non- financial assets	(112.5)	(43.1)
	- Increase / (decrease) in derivative financial instruments	4.5	(17.0)
	- Increase / (decrease) in trade payables	3,338.2	(16,400.9)
	- Increase / (decrease) in deposits	6.4	(23.0)
	- Increase / (decrease) in other financial liabilities	7,745.9	409.7
	- (Increase) / decrease in provisions	(189.2)	101.3
	- (Increase) / decrease in other non-financial liabilities	657.0	23.6
		(28,909.3)	**(25,779.0)**
	Cash generated from operations	(12,810.0)	(16,732.1)
	Income tax paid (net)	(3,285.0)	(2,051.3)
	Net cash used in operating activities (A)	**(16,095.0)**	**(18,783.4)**
B	**Cash flow used in investing activities**		
	- Dividend income received	0.2	0.3
	- Purchase of property, plant and equipment	(407.0)	(233.9)
	- Proceeds from sale of property, plant and equipment	5.1	7.7
	Net cash used in investing activities (B)	**(401.7)**	**(225.9)**

Consolidated Cash Flow Statement

for the year ended March 31, 2021

(₹ million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
C	**Cash flow generated from financing activities**		
	- Proceeds from commercial paper borrowings	107,209.6	72,700.0
	- Repayment of commercial paper borrowings	(87,085.5)	(62,278.9)
	- Interest paid on borrowings	(837.3)	(484.9)
	- Dividend and dividend tax paid	(4,752.1)	(3,864.7)
	- Interest paid on lease liabilities	(97.3)	(141.4)
	- Repayment of lease liablIltles	(287.5)	(341.9)
	- Issue of shares on exercise of options	18.5	-
	- Share application money pending allotment	1.8	-
	Net cash generated from financing activities (C)	**14,170.2**	**5,588.2**
	Net decrease in cash and cash equivalents (A+B+C)	(2,326.5)	(13,421.1)
	Cash and cash equivalents at the beginning of the year	5,420.0	18,841.1
	Cash and cash equivalents at the end of the year	**3,093.5**	**5,420.0**
	Components of cash and cash equivalents		
	Cash and Cash Equivalents comprises of :		
(a)	Cash on hand	-	-
(b)	Balances with Banks (of the nature of cash and cash equivalents)		
	In current accounts with banks	1,948.8	2,490.3
(c)	Cheques, drafts on hand	-	-
(d)	Others		
	- Fixed Deposit with original maturity of less than three months	1,144.4	2,928.0
	- Interest accrued on fixed deposits	0.3	1.7
	Total cash and cash equivalents [Note 3 (a)]	**3,093.5**	**5,420.0**

₹ 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

MILIND RANADE
Partner
Membership No.: 100564

Mumbai, April 21, 2021

For and on behalf of the Board of Directors

SUBRATA MUKHERJI
Director
DIN - 00057492

VIJAY CHANDOK
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DIN - 01545262

AJAY SARAF
Executive Director
DIN - 00074885

RAJU NANWANI
Company Secretary

HARVINDER JASPAL
Chief Financial Officer

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Company Overview and Significant Accounting Policies

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 75.00% of the Company's equity share capital as on March 31, 2021.

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 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, 2021 are being authorised for issue in accordance with a resolution of the Board of Directors on April 21, 2021.

(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 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.

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Details of Subsidiaries

(i) Subsidiary

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2021	% of Holding as on 31.03.2020
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 31.03.2021	% of Holding as on 31.03.2020
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 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 recognized 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 recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. 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.

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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 recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. At each reporting date, the Company assesses whether financial assets carried at amortized 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.

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 recognized using the effective interest rate method. Interest is earned on delayed payments from customers and is recognised on a time proportion basis taking into account the amount outstanding from customers and the rates applicable.

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 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 capitalized 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.

Items of Property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value or net realisable value and are shown separately in the financial statements, if any.

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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 remaining period of the lease
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.

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 derecognized 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 amortization. Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Development expenditure on software is capitalized 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 recognized in the profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortization 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 amortization in the statement of profit and loss.

Intangible asset	Useful life / Amortisation period
Computer software	4 years

The carrying amount of an item of intangible assets is derecognized 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 intangible assets 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.

(viii) Financial instruments

Recognition and Initial Measurement

The Group recognizes 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 are added to the fair value on initial recognition. The financial assets are accounted on a trade date basis.

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Classification and subsequent measurement of financial asset: 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.

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 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

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approximates the fair value due to short maturity of these instruments.

d. **Derecognition:** The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

e. **Offsetting:** Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

f. **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 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 recognized 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 recognizes 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,

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or the gain or loss on curtailment or settlement, is recognized 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 unutilized accrued compensated absences and utilize 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 recognized 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 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 capitalized. Other borrowing costs are recognized as an expense in the year in which they are incurred. The difference between the discounted amount mobilized and redemption value of commercial papers is recognized in the statement of profit and loss over the life of the instrument using the EIR.

Repo transactions are treated as collateralized lending and borrowing transactions, with an agreement to repurchase/resale, on the agreed terms and accordingly disclosed in the financial statements. The difference between consideration amount of the first leg and the second leg of the repo transaction is reckoned as Repo Interest. As regards repo/ reverse repo transactions outstanding on the balance sheet date, only the accrued income/ expenditure till the balance sheet date is taken to the Statement of Profit and Loss. Any repo income/ expenditure for the remaining period is reckoned in the next accounting period.

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(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 recognized 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 recognized 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 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 realized, 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.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

(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

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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 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 is 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 is 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, 2021	As at March 31, 2020
(a)	Cash on hand *	-	-
(b)	Balances with banks (of the nature of cash and cash equivalents)		
	In current accounts with banks	1,948.8	2,490.3
(c)	Cheques, drafts on hand	-	-
(d)	Others (specify nature)		
	Fixed Deposit with original maturity less than 3 months	1,144.4	2,928.0
	Interest accrued on Fixed Deposits	0.3	1.7
	Total	**3,093.5**	**5,420.0**

3 (b) Bank Balance other than (a) above

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(a)	Earmarked balances with banks		
	- Unclaimed dividend	1.8	1.1
(b)	Fixed deposits with banks**	34,817.7	18,116.2
(c)	Interest receivable	879.7	576.7
	Total	**35,699.2**	**18,694.0**

* ₹ 0.0 million indicates values are lower than ₹ 0.1 million, where applicable

** Fixed deposits under lien with stock exchanges amounted to ₹ 32,656.1 million (March 31, 2020 : ₹ 16,584.7 million) and kept as collateral security towards bank guarantees issued amounted to ₹ 3.0 million (March 31, 2020 : ₹ 12.2 million) and kept as collateral security against bank overdraft facility amounted to ₹ 1,505.0 million (March 31, 2020 : ₹ 1,115.1 million) and others ₹ 502.9 million (March 31, 2020 : ₹ 252.9 million)

4 Derivative Financial Instruments

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(i)	Equity linked derivatives	4.5	-
	Total	**4.5**	**-**
	Notional amounts	1,620.8	3,893.8
	Fair value - assets	-	-
	Fair value - liabilities	4.5	-

Note :
- The derivatives are used for the purpose of trading.
- Refer note 42 for management of risks arising from derivatives.

5 Securities for Trade

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(A)	**At fair value through profit or loss**		
	Securities for trade in India		
(i)	**Mutual funds:**		
-	Nippon India Liquid Fund - Direct Plan - Growth Option	-	1,507.2
-	Invesco India Liquid Fund - Direct Plan - Growth Option	500.3	1,003.8
-	ICICI Prudential Liquid Fund - Direct Plan - Growth Option	-	716.6
-	ICICI Prudential Mutual fund Value FD SR 18 (17-05-2021)	1.4	0.9
-	Mirae Asset Cash Management Fund - Direct Plan - Growth Option	500.3	-
-	ABSL Liquid Fund - Direct Plan - Growth Option	782.1	-
-	DSP Mutual Fund - Liquid ETF	0.0	-

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(₹ million)

		As at March 31, 2021	As at March 31, 2020
	Nippon India Mutual Fund - ETF Liquid BeES	0.1	-
		1,784.2	**3,228.5**
(ii)	**Debt securities:**		
(a)	Non-convertible debentures:-		
-	7.95 % L & T Infrastructure Finance Company Limited (28-07-2025)	1.1	-
-	7.00 % Power Finance Corporation Limited (22-01-2031)	5.0	-
-	8.75% Edelweiss Retail Finance Limited (22-03-2021)	-	44.7
-	9.25% Reliance Jio Infocommunication Limited (16-06-2024)	-	1.1
-	9.10 % Dewan Housing Finance Corp Limited (16-08-2019)	-	-
		6.1	**45.8**
(b)	Bonds:-		
-	5.15% Government Securities (09-11-2025)	488.9	-
-	8.20% Housing and Urban Development Corporation (05-03-2027)	23.9	-
-	8.46% India Infrastructure Finance Company Limited (30-08-2028)	168.6	-
-	8.37% Rural Electrification Corporation (07-12-2028)	5.5	-
-	6.45% Government Securities (07-10-2029)	251.0	
-	7.75 % Power Finance Corporation Limited (11-06-2030)	7.3	-
-	7.28% National Highways Authority of India (18-09-2030)	38.4	-
-	7.64 % Indian Railway Finance Corporation (22-03-2031)	29.6	-
-	7.35% National Bank for Agriculture and Rural Development (23-03-2031)	1.2	-
-	8.30 % Rural Electrification Corporation (25-06-2029)	4.3	-
-	8.50 % Bank of Baroda (28-07-2099)	39.8	-
-	7.74 % State Bank of India (09-09-2099)	10.9	-
-	8.70% Bank of Baroda (28-11-2099)	1.0	-
	9.56 % State Bank of India (04-12-2099)	1.0	
-	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
		1,071.4	**1,327.3**
(c)	Commercial paper:		
-	National Bank for Agriculture and Rural Development (03-04-2020)	-	1,999.5
		-	**1,999.5**
(d)	Fixed Deposits		
-	7% LIC Housing Finance FD (30-06-2021)	200.0	-
-	7% LIC Housing Finance FD (06-07-2021)	200.0	-
-	5.65% LIC Housing Finance FD (23-10-2021)	200.0	-
-	5.65% LIC Housing Finance FD (03-03-2022)	200.0	-
-	4.55% HDFC FD (22-09-2021)	1,000.0	-
-	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
		1,800.0	**1,750.0**

Notes

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(₹ million)

		As at March 31, 2021	As at March 31, 2020
(iii)	**Equity instruments**		
-	PI Industries Limited	0.0	-
-	Yes Bank Limited	0.0	-
		0.0	**-**
	Total	**4,661.7**	**8,351.1**

6 Trade Receivables

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(a)	Receivables considered good - Secured	3,075.6	349.8
(b)	Receivables considered good - Unsecured	1,510.5	538.1
(c)	Receivables - credit impaired	121.2	158.0
	Less: Impairment loss allowance	(121.2)	(158.0)
		-	**-**
	Total	**4,586.1**	**887.9**

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, 2021	As at March 31, 2020
(A)	**At amortised cost**		
	Term Loans :		
(i)	Margin trade funding	23,824.0	2,760.8
(ii)	ESOP funding	5,279.3	3,040.6
	Total (A) - Gross	**29,103.3**	**5,801.4**
	Less:Impairment loss allowance [refer note 42(a)]	(88.8)	(92.7)
	Total (A) - Net	**29,014.5**	**5,708.7**
(I)	**Secured by :**		
(i)	Secured by tangible assets		
-	Collateral in the form of cash and securities in case of Margin trade funding	23,823.2	2,760.5
-	Shares under ESOP in case of ESOP funding	5,242.3	3,024.7
(ii)	Unsecured :		
	- in case of Margin trade funding	0.8	0.3
	- in case of ESOP funding	37.0	15.9
	Total (I) - Gross	**29,103.3**	**5,801.4**
	Less:Impairment loss allowance	(88.8)	(92.7)
	Total (I) - Net	**29,014.5**	**5,708.7**
(II)	**Loans in India**		
(i)	Margin trade funding	23,824.0	2,760.8
(ii)	ESOP funding	5,279.3	3,040.6
	Total (II) - Gross	**29,103.3**	**5,801.4**
	Less:Impairment loss allowance	(88.8)	(92.7)
	Total (II) - Net	**29,014.5**	**5,708.7**
(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)	**29,014.5**	**5,708.7**

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8 Investments

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(A)	**At fair value through profit or loss**		
(i)	**Investments in India**		
	Equity instruments		
-	BSE Limited	6.5	3.4
-	Receivable Exchange of India Limited	20.5	19.2
-	Universal Trustees Private Limited	1.8	2.1
	Total	**28.8**	**24.7**
(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)	**28.8**	**24.7**

9 Other Financial Assets

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(i)	**Security deposits :**		
	Unsecured, considered good		
	(a) Security deposit for leased premises and assets	157.6	195.5
	(b) Security deposit with stock exchanges	34.2	35.1
	(c) Other Security deposits	5.0	4.0
	(d) Margin deposits with stock exchange	35.9	110.0
	(e) Security deposit with related parties		
	(a) ICICI Bank Limited	-	2.4
	(b) ICICI Lombard General Insurance Company Limited	0.1	0.1
		232.8	**347.1**
(ii)	**Others :**		
	(a) Accrued income from services	463.6	286.8
	(b) Accrued interest	41.4	133.9
	(c) Others *	37.7	15.3
	Less:Impairment loss allowance	(8.2)	(8.2)
		534.5	**427.8**
	Total	**767.3**	**774.9**

*Others includes amounts due from ICICI Bank Ltd ₹ Nil (Previous year : ₹ 0.6 million) towards reimbursement of IPO expenses.

10 Current Tax Assets (Net)

	As at March 31, 2021	As at March 31, 2020
Advance payment of income tax (net)		
[net of provision for tax of ₹ 17,168.2 million (March 31, 2020 : ₹ 17,333.4)]	1,189.3	1,502.8
Total	**1,189.3**	**1,502.8**

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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, 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**
Additions	214.7	6.3	9.2	8.2	18.2	256.6	153.7	-	153.7	410.3
Disposal / Adjustment *	38.4	7.5	10.9	12.2	41.4	110.4	27.9	4.0	31.9	142.3
Balance at March 31, 2021	**426.4**	**17.1**	**40.5**	**53.8**	**52.8**	**590.6**	**375.5**	**-**	**375.5**	**966.1**
Accumulated depreciation/amortisation										
Balance at April 1, 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**
Depreciation for the year	70.7	4.8	6.9	18.0	14.1	114.5	78.2	-	78.2	192.7
Disposal / Adjustment *	38.1	5.8	8.3	10.1	30.8	93.1	24.4	4.0	28.4	121.5
Balance at March 31, 2021	**116.7**	**12.3**	**22.5**	**22.7**	**(3.6)**	**170.6**	**148.1**	**-**	**148.1**	**318.7**
Carrying amounts (net)										
Balance at March 31, 2020	**166.0**	**5.0**	**18.3**	**43.0**	**62.9**	**295.2**	**155.4**	**-**	**155.4**	**450.6**
Balance at March 31, 2021	**309.7**	**4.8**	**18.0**	**31.1**	**56.5**	**420.0**	**227.4**	**-**	**227.4**	**647.4**

Notes: (₹ in 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).

Balance at March 31, 2021 *Fixed assets sale / adjustments includes effect of foreign currency translation amounting to Nil (March 31, 2020 ₹ 0.3 million).

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12 Other Non-Financial Assets

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(i)	Capital advances	-	-
(i)	Advances other than capital advances:		
	- Prepaid expenses	67.1	70.6
	- Advance to suppliers	43.8	100.0
	- Others	409.6	237.0
	Total	**520.5**	**407.6**

13 Payables

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(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	10,264.6	6,926.4
	Total	**10,264.6**	**6,926.4**

14 Debt Securities

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(A)	**At amortised cost**		
	Debt securities in India		
(i)	**Commercial paper * (refer note 44)**	35,209.6	14,975.3
	(repayable within one year)		
(B)	**At fair value through profit or loss**	-	-
(C)	**Designated at fair value through profit or loss**	-	-
	Total	**35,209.6**	**14,975.3**
	* Note:		
	Commercial paper (unsecured)		
	Amount oustanding	35,209.6	14,975.3
	Tenure	64 days to 364 days	71 days to 90 days
	Rate of interest	3.51% to 4.87%	5.73% to 6.40%
	Repayment schedule	At maturity	At maturity

15 Borrowings (Other than Debt Securities)

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(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)		
	Total	**-**	**-**

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16 Deposits

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(A)	**At amortised cost**		
(i)	From Others - Security Deposits	28.7	22.3
	Total	**28.7**	**22.3**

17 Other Financial Liabilities

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(i)	Margin money	7,388.0	2,681.8
(ii)	Unclaimed dividend	1.7	1.0
(iii)	Others	3,050.8	11.8
	Total	**10,440.5**	**2,694.6**

18 Provisions

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(i)	Provision for employee benefits		
	(a) Provision for gratuity (Refer Note 40)	446.4	706.0
	(b) Provision for compensated absence (refer note 40)	159.7	122.7
	Total	**606.1**	**828.7**

19 Other Non-Financial Liabilities

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(a)	Revenue received in advance		
	- Income received in advance	376.4	264.6
(b)	Other advances		
	- Prepaid Brokerage	2,483.2	2,568.8
(c)	Others		
	(i) Statutory liabilities	1,023.7	710.5
	(ii) Employee related liabilities	2,076.9	1,761.3
	(iii) Other liabilities	7.3	5.9
		3,107.9	**2,477.7**
	Total	**5,967.5**	**5,311.1**

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20 Share Capital

(₹ million)

		As at March 31, 2021	As at March 31, 2020
(a)	**Authorised:**		
	400,000,000 equity shares of ₹ 5/- each (March 31, 2020 : 400,000,000 equity shares of ₹ 5/- each)	2,000.0	2,000.0
	5,000,000 preference shares of ₹ 100/- each (March 31, 2020 : 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:**		
	322,222,370 equity shares of ₹ 5/- each, fully paid (March 31, 2020 : 322,141,400 equity shares of ₹ 5/- each, fully paid)	1,611.1	1,610.7
	Total issued, subscribed and fully paid-up share capital	**1,611.1**	**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, 2021		As at March 31, 2020	
	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			-	-
- Bonus issue	-	-	-	-
- ESOP	80,970	0.4	-	-
Outstanding at the end of the year	322,222,370	1,611.1	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, 2021, the Company has paid a final dividend for the year ended March 31, 2020 of ₹ 6.75 per equity share as approved by its members at the Annual General Meeting held on August 11, 2020. The Board of Directors at its meeting held on October 28, 2020 had approved and paid an interim dividend of ₹ 8.00 per equity share. The Board has recommended a final dividend of ₹ 13.50 per equity share for FY2021.

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, 2021		As at March 31, 2020	
	Nos	% of Holding	Nos	% of Holding
Shares held by Holding Company				
ICICI Bank Limited	241,652,692	75.00%	255,216,095	79.22%
Total	**241,652,692**	**75.00%**	**255,216,095**	**79.22%**

(f) There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment.

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(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, 2021	As at March 31, 2020
(i) Reserves and surplus		
(a) Securities premium		
Opening balance	244.0	244.0
Add : Additions during the year (net)	24.2	-
Closing balance	**268.2**	**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	57.0	4.1
Add : Additions during the year (net)	113.1	52.9
Closing balance	**170.1**	**57.0**
(e) Retained earnings		
Opening balance	9,109.5	7,613.3
Add: Other comprehensive income for the year	25.1	(59.1)
Add: profit after tax for the year	10,677.2	5,420.0
	19,811.8	**12,974.2**
Less: Appropriations		
- Dividend on equity shares	4,752.1	3,205.8
- Dividend distribution tax on equity dividend	-	658.9
Closing balance	**15,059.7**	**9,109.5**
(ii) Exchange difference on translating the financial statements of a foreign operation		
Opening balance	67.8	67.8
Add : Additions during the year (net)	-	-
Closing balance	**67.8**	**67.8**
(iii) Deemed equity contribution from the parent		
(refer note 37 for details on share based payment)		
Opening balance	339.6	266.0
Add : Additions during the year (net)	35.6	73.6
Closing balance	**375.2**	**339.6**
(iv) Share application money pending allotment		
Opening balance	-	-
Add : Additions during the year (net)	2.2	-
Closing balance	**2.2**	**-**
Total	**16,610.0**	**10,484.7**

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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.

22 Interest Income

(₹ million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) Interest income on financial assets measured at amortised cost :		
(i) Fixed deposits with Banks	1,484.0	1,087.0
(ii) Funding and late payments	1,710.4	970.5
(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	254.1	292.3
(C) Interest income on financial assets measured at fair value through OCI :	-	-
Total	**3,448.7**	**2,350.0**

23 Net Gain / (Loss) on Fair Value Changes

(₹ million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
(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)	80.3	(160.8)
(ii) Profit/(loss) on other securities held for trade	302.0	128.6

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(₹ million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(B)	**Others**		
	- Profit/(loss) on sale of investments (net) at fair value through profit or loss	4.1	(3.9)
(C)	**Total net gain/(loss) on fair value changes**	**386.4**	**(36.1)**
(D)	**Fair value changes:**		
	- Realised	379.2	118.9
	- Unrealised	7.2	(155.0)
		386.4	**(36.1)**

24 Other Income

(₹ million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(i)	Net gain on foreign currency transaction and translation	-	21.7
(ii)	Interest on income tax refund	-	147.5
(iii)	Income from sub-lease	-	18.0
	Total	**-**	**187.2**

25 Finance Costs

(₹ million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(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	20.6	3.6
(b)	Interest on lease liabilities	97.3	141.4
(c)	Interest on debt securities	926.9	703.8
(d)	Other borrowing cost	28.0	15.1
	Total	**1,072.8**	**863.9**

26 Impairment on Financial Instruments

(₹ million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(A)	**On financial instruments measured at fair value through OCI:**	-	-
(B)	**On financial instruments measured at amortised cost:**		
(a)	Loans	(4.1)	90.0
(b)	Others		
	- On trade receivables	(36.9)	8.5
	- On accrued interest	-	8.2
	Total	**(41.0)**	**106.7**

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27 Operating Expenses

(₹ million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	Bad and doubtful debts	81.6	0.2
(b)	Transaction charges	129.0	125.2
(c)	Turnover fees and stamp duty	48.2	43.6
(d)	Custodial and depository charges	165.9	121.7
(e)	Call centre charges	163.9	100.2
(f)	Franking charges	46.9	164.8
(g)	Scanning expenses	37.8	39.7
(h)	Customer loss compensation	61.6	(29.4)
(i)	Other operating expenses	34.1	20.8
	Total	**769.0**	**586.8**

28 Employee Benefits Expenses

(₹ million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	Salaries and wages	5,218.9	4,647.2
(b)	Contribution to gratuity / provident and other funds (refer note 40)	323.8	317.1
(c)	Share based payments to employees (refer note 37)	154.9	126.5
(d)	Staff welfare expenses	182.0	246.9
	Total	**5,879.6**	**5,337.7**

29 Other Expenses

(₹ million)

		For the year ended March 31, 2021	For the year ended March 31, 2020
(a)	Rent and amenities	163.8	137.7
(b)	Insurance	6.6	3.5
(c)	Travelling and conveyance expenses	83.6	196.3
(d)	Business promotion expenses	116.5	87.6
(e)	Repairs, maintenance, upkeep and others	462.7	426.3
(f)	Rates and taxes	66.8	27.5
(g)	Electricity expenses	59.4	83.9
(h)	Communication expenses	170.9	171.6
(i)	Net loss on derecognition of property, plant and equipment	6.9	8.1
(j)	Advertisement and publicity	424.7	100.6
(k)	Printing and stationery	19.8	26.1
(l)	Subscription and periodicals	92.5	95.2
(m)	Legal and Professional charges	172.8	121.0
(n)	Director's fees, allowances and expenses	10.6	9.4
(o)	Auditor's fees and expenses	16.0	18.1
(p)	Corporate Social Responsibility (CSR) expenses	160.4	144.4
(q)	Recruitment expenses	6.8	22.2
(r)	Net loss on foreign currency transaction and translation	9.9	-
(r)	Royalty expenses	54.2	49.1
(s)	Miscellaneous Expenses	5.2	9.3
	Total	**2,110.1**	**1,737.9**

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30. Earnings per share

The computation of basic and diluted earnings per share is given below:

(₹ million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net profit after tax (₹ million) (A)	10,677.2	5,420.0
Weighted average number of equity shares outstanding for basic EPS (in million) (B)	322.2	322.1
Basic earnings per share for continuing operations (₹) (A)/(B)	33.14	16.83
Add: Weighted average number of potential equity shares on account of employee stock options (in million) (C)	0.6	0.3
Weighted average number of equity shares outstanding for diluted EPS (in million) (D) = (B)+(C)	322.8	322.4
Diluted earnings per share for continuing operations (₹) (A) / (D)	33.08	16.81
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. Directors and Key Management Personnel('KMP') 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

viii) Shilpa Kumar – Managing Director and CEO (till May 6, 2019)

ix) Ajay Saraf – Executive Director

d. Key Management Personnel of Parent

i) Sandeep Bakhshi – Managing Director and CEO of ICICI Bank Limited

ii) Anup Bagchi – Executive Director of ICICI Bank Limited

iii) Uday Chitale – Independent Director of ICICI Bank Limited

iv) Subramanian Madhavan – Independent Director of ICICI Bank Limited

v) Vishakha Mulye – Executive Director of ICICI Bank Limited

vi) Girish Chandra Chaturvedi – Non-Executive (part-time) Chairman of ICICI Bank Limited

vii) Lalit Kumar Chandel – Government Nominee Director of ICICI Bank Limited

viii) Sandeep Batra – Executive Director of ICICI Bank Limited

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e. Relatives of Key Management Personnel

i) Sarika Saraf – Spouse of Mr. Ajay Saraf

ii) Ayuj Saraf – Son of Mr. Ajay Saraf

iii) Animesh Bagchi – Father of Mr. Anup Bagchi

iv) Neena Kumar – Sister of Mr. Lalit Kumar Chandel

v) Krishnakumar Subramanian – Brother of Ms. Vijayalakshmi Iyer

vi) Mona Bakshi – Spouse of Mr. Sandeep Bakhshi

vii) Minal Bakshi – Daughter of Mr. Sandeep Bakhshi

viii) Esha Bakshi – Daughter of Mr. Sandeep Bakhshi

ix) Shivam Bakhshi – Son of Mr. Sandeep Bakhshi

x) Ashwin Pradhan – Son-in-law of Mr. Sandeep Bakhshi

xi) Rajani Chaturvedi – Spouse of Mr. Girish Chandra Chaturvedi

xii) Ajay Saraf - HUF – HUF of Mr. Ajay Saraf

xiii) Poonam Chandok – Spouse of Mr. Vijay Chandok

xiv) Simran Chandok – Daughter of Mr. Vijay Chandok

xv) Shishir Bagchi – Brother of Mr. Anup Bagchi

xvi) Pranav Batra – Son of Mr. Sandeep Batra

xvii) Vignesh Mulye – Son of Ms. Vishakha Mulye

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Income from services and brokerage (commission and fees)	564.2	109.8	-	-
ICICI Home Finance Company Limited	-	-	8.8	20.2
ICICI Prudential Life Insurance Company Limited	-	-	557.5	525.1
ICICI Securities Primary Dealership Limited	-	-	3.4	3.2
ICICI Lombard General Insurance Company Limited	-	-	13.1	9.1
ICICI Prudential Asset Management Company Limited	-	-	140.3	116.3
ICICI Venture Funds Management Company Limited	-	-	3.1	17.7
Interest income	84.3	95.5	-	-
Other revenue from operations	-	-	-	-
ICICI Home Finance Company Limited	-	-	0.4	-
Staff expenses	6.9	12.3	-	-
ICICI Securities Primary Dealership Limited	-	-	(0.0)	(0.4)
ICICI Prudential Life Insurance Company Limited [1]	-	-	3.4	3.5
ICICI Lombard General Insurance Company Limited [2]	-	-	105.6	106.5
Operating expenses	919.0	334.8	-	-
Other expenses [3]	263.6	262.6	-	-
ICICI Lombard General Insurance Company Limited	-	-	3.6	1.8
ICICI Securities Primary Dealership Limited	-	-	0.7	1.9

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(₹ million)

Nature of Transaction	Holding Company		Fellow Subsidiary Companies	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
ICICI Prudential Life Insurance Company Limited	-	-	1.6	2.0
ICICI Venture Funds Management Company Limited	-	-	0.8	0.0
Finance cost [4]	36.7	12.3	-	-
Dividend paid	3,712.9	2,539.4	-	-
Purchase of bond	353.6	680.1	-	-
ICICI Securities Primary Dealership Limited	-	-	1,460.5	972.7
Sale of bond	762.6	311.4	-	-
ICICI Prudential Life Insurance Company Limited	-	-	555.5	-

[1] Excludes an amount of ₹ 0.6 million (March 31, 2020: ₹ 0.6 million) as claims paid directly by ICICI Prudential Life Insurance Company Limited pertaining to the employees of the Company.

[2] Excludes an amount of ₹ 28.6 million (March 31, 2020: ₹ 31.4 million) received towards reimbursement of claims submitted by the employees under Company health insurance policy. The Company has also received an amount of ₹ 0.6 million (March 31, 2020: Nil) towards asset insurance claims.

[3] Includes amount paid of ₹ 54.2 million (March 31, 2020: ₹ 49.1 million) towards royalty / license fees to the bank for use of "ICICI" trademarks.

[4] The Company has a credit facility of ₹ 6,425.0 million (March 31, 2020: ₹ 6,000.0 million) from ICICI Bank Limited. The balance outstanding as on March 31, 2021 is Nil (March 31, 2020: Nil).

The Group has contributed ₹ 350.0 million (March 31, 2020: ₹ 25.0 million) to ICICI Securities Company Gratuity Fund during the year.

The Company has contributed ₹ 35.0 million (March 31, 2020: ₹ 109.1 million) to ICICI Foundation for contribution towards CSR.

Balance Sheet Items:

(Outstanding as on)

(₹ million)

Nature of Transaction	Holding Company		Fellow Subsidiary Companies	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Share capital [1]	1,208.3	1,276.1	-	-
Payables	815.6	263.4	-	-
ICICI Lombard General Insurance Company Limited	-	-	0.0	0.2
ICICI Prudential Life Insurance Company Limited	-	-	0.0	0.0
ICICI Securities Primary Dealership Limited	-	-	0.2	1.0
ICICI Venture Funds Management Company Limited	-	-	0.8	0.0
Other liabilities	18.0	40.6	-	-
Fixed assets purchases	-	4.6	-	-
Fixed assets sold	0.2	0.7	-	-
Bank Overdraft	0.0	-	-	-
Fixed deposits (₹ 3.0 kept as Collateral security towards bank guarantees) (Previous year ₹ 2.5)	2,655.3	1,148.4	-	-
Accrued interest income	47.0	44.8	-	-
Bank balance (Net of current liabilities of ₹ Nil) (Previous year ₹0.8)	1,600.6	2,291.5	-	-
Deposit	(0.0)	2.4	-	-
ICICI Lombard General Insurance Company Limited	-	-	0.1	0.1
Loans & advances (including prepaid expenses)	6.6	3.5	-	-
ICICI Lombard General Insurance Company Limited	-	-	8.6	2.7
ICICI Prudential Life Insurance Company Limited	-	-	1.6	2.4
ICICI Securities Primary Dealership Limited	-	-	0.1	0.2

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(₹ million)

Nature of Transaction	Holding Company		Fellow Subsidiary Companies	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Other assets	12.3	39.2	-	-
Receivables	-	-	-	-
ICICI Prudential Life Insurance Company Limited	-	-	46.9	18.6
ICICI Lombard General Insurance Company Limited	-	-	1.5	0.6
ICICI Prudential Asset Management Company Limited	-	-	32.0	39.5
ICICI Home Finance Company Limited	-	-	1.5	2.1
ICICI Securities Primary Dealership Limited	-	-	1.6	1.7
Accrued income	25.9	4.7	-	-
ICICI Lombard General Insurance Company Limited	-	-	1.0	0.4
ICICI Prudential Asset Management Company Limited	-	-	42.7	12.7
ICICI Home Finance Company Limited	-	-	0.1	0.3
ICICI Venture Funds Management Company Limited	-	-	-	17.7

[1] ICICI Bank Limited has sold 13,563,403 equity shares of face value of ₹ 5 each of the Company, during the year ended March 31, 2021 and accordingly the investment by ICICI Bank Limited in share capital of the Company has decreased from ₹ 1,276.1 million as at March 31, 2020 to ₹ 1,208.3 million as at March 31, 2021.

Key Management Personnel

The details of compensation paid for the year ended March 31, 2021 are as below –

(₹ million)

Particulars	Vijay Chandok		Shilpa Kumar		Ajay Saraf		Anup Bagchi	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Short-term employee benefits	61.3	42.0	4.7	15.6	35.4	34.7	1.5	1.5
Post-employment benefits*	4.9	6.7	-	0.2	1.1	2.1	-	-
Total	**66.2**	**48.7**	**4.7**	**15.8**	**36.5**	**36.8**	**1.5**	**1.5**

*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 and employees 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, 2021 is ₹ 99.2 million (March 31, 2020: ₹ 96.8 million)

During the year ended March 31, 2021, 16,170 employee stock options with exercise value of ₹ 4.1 million were exercised by the key management personnel of the company.

The Group has paid ₹ 0.5 million (March 31, 2020: ₹ 1.0 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, 2020: ₹ 1.4 million) from the key management personnel and ₹ 0.4 million (March 31, 2020: ₹ 0.2 million) from relatives of the key management personnel.

During the year ended March 31, 2021, the Company paid dividend amounting to ₹ 0.3 million (March 31, 2020: ₹ 0.1 million) to its KMPs and their relatives who are shareholders.

During the year ended March 31, 2021, the Company has paid ₹ 6.6 million (March 31, 2020: ₹ 4.4 million) sitting fees to the Directors of the Company. The Company also provided for commission for Financial Year 2021 amounting to ₹ 4.0 million (March 31, 2020: ₹ 4.0 million) to the Independent Directors of the Company.

₹ 0.0 million indicates values are lower than ₹ 0.1 million, where applicable.

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32. Contingent liabilities

A. Contingent Liabilities shall be classified as (to the extent not provided for):

(₹ million

	As at March 31, 2021	As at March 31, 2020
Claims against the Group not acknowledged as debt	1,487.6	1,286.5

B. There has been a Supreme Court (SC) judgement dated 28th February, 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 ₹ 43.6 million (March 31, 2020: ₹ 44.1 million).

34. Micro, Small and Medium enterprises

There are no micro, small and medium enterprises, to which Group owes dues, as at March 31, 2021. 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.

(₹ million

Particulars	As at March 31, 2021	As at March 31, 2020
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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35. Leases

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 recognizes 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 recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company has recognised ₹ 3.6 million towards short term lease (March 31, 2020: ₹ 26.6 million) and ₹ 2.1 million towards low value assets (March 31, 2020: ₹ 4.4 million) during the year ended March 31, 2021.

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 recognized 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 amortized 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 ₹ 384.8 million (March 31, 2020: ₹ 483.3 million) have been classified as as cash flow generated from financing activity.

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 ₹ Nil million (March 31, 2020: ₹ 18.0 million) towards income from sub-lease.

The details of Right to use Asset of the Group are as follows:

(₹ million)

March 31, 2021	Carrying values		
Asset Class	Leasehold property	Leasehold improvements	Total
Balance as of April 1, 2020	1,486.7	42.4	1,529.1
Additions during the period	23.9	-	23.9
Deductions during the period	241.7	-	241.7
Less: Depreciation	324.6	24.7	349.3
Total	**944.3**	**17.7**	**962.0**

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(₹ million)

March 31, 2020	Carrying values		
Asset Class	**Leasehold property**	**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)

Asset Class	For the year ended March 31, 2021		
	Leasehold Property	**Leasehold improvements**	**Total**
Balance as of April 1, 2020	1,531.5	42.9	1,574.4
Additions during the period	23.9	-	23.9
Deductions during the period	250.0	-	250.0
Interest Expense	93.5	3.8	97.3
Less: Lease Payments	357.0	27.8	384.8
Total	**1,041.9**	**18.9**	**1,060.8**

(₹ million)

Asset Class	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**

36. Change in liabilities arising from financing activities

(₹ million)

Particulars	April 1, 2020	Cash flows	Changes in fair values	Others*	March 31, 2021
Debt securities	14,975.3	20,124.1	-	110.2	35,209.6

(₹ 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

*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.

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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 a 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.

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
ESOS -2017	2021	May 7, 2020	13,33,000	30% of the options would vest on May 7, 2021, 30% of the options would vest on May 7, 2022 and the balance 40% of the options would vest on May 7, 2023.	5 years from date of vesting.	361.00
ESOS -2017	2021	October 28, 2020	4,200	30% of the options would vest on October 28, 2021, 30% of the options would vest on October 28, 2022 and the balance 40% of the options would vest on October 28, 2023.	5 years from date of vesting.	468.10

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The activity in the stock option plan is summarized 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 2021	13,29,300	13,37,200	47,350	90,800	Nil	25,28,350	3,45,250
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 and fair value of the options granted is as follows:

Scheme	Financial Year	Date of Grant	Fair value of the options granted (₹) per share
ESOS -2017	2019	October 19, 2018	90.08
ESOS -2017	2020	April 23, 2019	72.32
ESOS -2017	2021	May 7, 2020	134.04
ESOS -2017	2021	October 28, 2020	179.55

The following assumptions were used for calculation of fair value of grants in accordance with the Black-Scholes options pricing model.

	Year ended March 31, 2021	Year ended March 31, 2020
Risk free interest rate	4.82% to 5.70%	7.00% to 7.27%
Expected life of options	3.51 to 5.51 years	3.51 to 5.51 years
Expected volatility	46.15% to 48.78%	42.64% to 43.44%
Expected dividend yield	2.35% to 2.76%	4.24%

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, ₹ 111.2 million was charged to the profit and loss account in respect of equity-settled share-based payment transactions (March 2020: ₹ 39.0 million).

B. ICICI Bank Employee Stock Option Scheme

During the year, ₹ 43.7 million was charged to the profit and loss account in respect of equity-settled share-based payment transactions (March 2020: ₹ 87.5 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 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.

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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 CODM.

Identified business Segments	The business segments comprises
Treasury	Income from treasury, investment income
Broking & distribution	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
Issuer services & advisory	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 & distribution" 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. The Group Operating Segment's nomenclature has been changed for better representation to the stakeholders, the classification of segment allocation has remain unchanged. Nomenclature's of the segment's has been changed to 'Treasury' from erstwhile 'Investment & trading', 'Broking & distribution' from erstwhile 'Broking & commission' and 'Issuer services & advisory' from erstwhile 'Advisory services'.

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".

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(b) Details of operating segments

Following are the disclosures for the three identified segments
(For the year ended)

(₹ million)

Particulars	Treasury		Broking & distribution		Issuer services & advisory		Unallocated		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
1. Segment Revenue	664.4	398.5	23,584.6	15,939.5	1,612.7	763.9	-	147.5	25,861.7	17,249.4
• Inter Segment Revenue	-	-			-	-	-	-	-	-
2. Segment Results	371.9	(149.6)	13,124.0	7,354.8	811.9	176.6	-	147.5	14,307.8	7,529.3
Segment results before income tax include										
• Interest revenue	389.5	395.5	3,059.2	1,954.5	-	-	-	-	3,448.7	2,350.0
• Interest expense	217.1	297.8	827.1	549.2	0.6	1.8	-	-	1,044.8	848.8
• Depreciation and amortization	1.7	1.8	522.8	589.5	17.3	22.7	-	-	541.8	614.0
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)	-	-	-	-	-	-	3,630.6	2,109.3	3,630.6	2,109.3
4. Net profit after tax (2-3)	-	-	-	-	-	-	-	-	10,677.2	5,420.0
5. Segment Assets	7,526.7	6,527.2	72,072.9	35,598.5	460.1	204.2	1,749.4	2,098.3	81,809.1	44,428.2
6. Segment Liabilities	5,992.4	2,582.0	57,385.0	29,239.2	204.9	511.6	5.7	-	63,588.0	32,332.8
7. Cost of Acquisition of segment assets	1.5	0.8	391.0	182.8	18.2	8.9	-	-	410.7	192.5

(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, 2021	For the year ended March 31, 2020
Revenue by Geographical Market		
India	24,111.4	16,088.0
Outside India	1,750.3	1,161.4
Total	**25,861.7**	**17,249.4**

(₹ million

	For the year ended March 31, 2021	For the year ended March 31, 2020
Carrying Amount of Segment Assets		
India	2,961.1	3,828.8
Outside India	0.6	1.7
Total	**2,961.7**	**3,830.5**

(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, 2021 and March 31, 2020.

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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, 2021	Year ended March 31, 2020
Current tax		
In respect of current year	3,608.2	1,961.5
In respect of changes in estimates of previous year	(4.0)	(0.5)
Total (A)	**3,604.2**	**1,961.0**
Deferred Tax		
Origination and reversal of temporary differences	26.4	(42.5)
Impact of change in tax rate	-	190.8
Total (B)	**26.4**	**148.3**
Income Tax recognised in the statement of Profit and Loss (A+B)	**3,630.6**	**2,109.3**
Income tax expenses recognized in OCI		
Re-measurement of defined employee benefit plans	33.4	(63.8)
Income tax relating to items that will not be classified to profit or loss	(8.3)	4.7
Total	**25.1**	**(59.1)**

B. Reconciliation of tax expenses and the accounting profit for the year is as under:

(₹ million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	14,307.8	7,529.3
Enacted tax rate in India	25.17%	25.17%
Income tax expenses calculated (Refer Note below)	3,601.3	1,895.1
Decrease / Increase in tax rate	-	190.8
Tax effect of non-deductible expenses	33.8	36.8
Effect of income that is exempt	-	(0.1)
Effect on different tax rates in the components	(0.4)	(13.3)
Tax pertaining to prior years	(4.1)	-
Total tax expenses as per profit and loss	**3,630.6**	**2,109.3**

The effective income tax rate for the year ended March 31, 2021 is 25.37% (March 31, 2020 is 28.01%)

The applicable Indian corporate statutory tax rate for the year ended March 31, 2021 and March 31, 2020 is 25.17%. 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 reversal of state and city taxes provided by the company. Since, as per the changes in Internal Revenue Service guidelines, broker dealers are not required to pay tax to state/city for the revenues generated outside the state. Company was paying minimum tax based on capital/assets in previous years and accordingly used to make provision in earlier years. 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 the year under consideration.

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C. Movement of deferred tax assets and liabilities

As at March 31, 2021

(₹ million)

Movement during the year ended March 31, 2021	As at April 1, 2020	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	Exchange difference	As at March 31, 2021
Property, Plant and Equipment and Intangible assets	38.7	(9.0)	-	-	29.7
Provision for expected credit losses	66.7	(11.6)	-	-	55.1
Employee benefits obligations	294.8	10.5	-	-	305.3
Fair value gain/(loss) on investments	(0.5)	(1.0)	-	-	(1.5)
Provision for post-retirement benefit	177.6	(56.9)	(8.3)	-	112.4
Other temporary differences	(0.2)	41.2	-	-	41.0
Unused tax losses of Subsidiary	18.4	0.4	-	(0.7)	18.1
Net deferred tax assets/ (liabilities)	**595.5**	**(26.4)**	**(8.3)**	**(0.7)**	**560.1**

As at March 31, 2020

(₹ million)

Movement during the year ended March 31, 2020	As at April 1, 2019	Credit/ (charge) in the Statement ofProfit 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**

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, 2021	Expiry Date	As at March 31, 2020	Expiry Date
Business Loss	2007-2008	74.2	March 31, 2028	112.9	March 31, 2028
Business Loss	2008-2009	215.1	March 31, 2029	222.7	March 31, 2029
Business Loss	2009-2010	50.1	March 31, 2030	51.9	March 31, 2030
Business Loss	2010-2011	43.2	March 31, 2031	44.7	March 31, 2031
Business Loss	2012-2013	57.0	March 31, 2033	59.0	March 31, 2033
Capital Loss	2012-2013	0.7*	March 31, 2021	0.7*	March 31, 2021
Business Loss	2016-2017	23.4	March 31, 2037	24.2	March 31, 2037
Capital Loss	2017-2018	67.8*	March 31, 2026	67.8*	March 31, 2026
Capital loss	2019-20	0.7*	March 31, 2028	-	-
Total		**532.2**		**583.9**	

Note: - The increase in business loss for FY 2008-09 and subsequent years is due to increase in closing exchange rate in March 2021 as compared to March 2020.

* represents 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.

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Amount of ₹ 189.7 Million (March 31, 2020 : ₹ 198.8 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 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 summarizes 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, 2021	Year ended March 31, 2020
	Reconciliation of defined benefit obligation (DBO) :		
	Change in Defined Benefit Obligation		
(i)	Opening defined benefit obligation	728.8	569.0
(ii)	Current Service cost	81.6	70.5
(iii)	Past service cost	-	-
(iv)	Interest cost	42.4	36.6
(v)	Actuarial (gain) / loss from changes in financial assumptions	13.7	37.6
(vi)	Actuarial (gain) / loss from changes in demographic assumptions	(13.4)	4.7
(vii)	Actuarial (gain) / loss on account of experience changes	(27.1)	22.2
(viii)	Benefits paid	(68.2)	(60.5)
(ix)	Liabilities assumed on inter Group transfer	-	48.7
(x)	**Closing defined benefit obligation**	**757.8**	**728.8**
	Movement in Plan assets		
(i)	Opening fair value of plan assets	23.1	9.2
(ii)	Interest on plan assets	-	0.0
(iii)	Actual return on plan assets less interest on plan assets	6.5	0.7
(iv)	Contributions by employer	350.0	25.0
(v)	Assets acquired / (settled)	-	48.7
(vi)	Benefits paid	(68.2)	(60.5)
	Closing fair value of plan assets	**311.4**	**23.1**
	Balance sheet		
	Net asset / (liability) recognised in the balance sheet:		
(i)	Present value of the funded defined benefit obligation	757.8	728.8
(ii)	Fair value of plan assets at the end of the year	311.4	23.1
	Liability recognized in the balance sheet (i-ii)	**446.4**	**705.7**
	Statement of profit and loss		
	Expenses recognised in the Statement of Profit and Loss:		
(i)	Current Service cost	81.6	70.5
(ii)	Interest on net defined benefit obligation	42.4	36.6
(iii)	Past Service Cost	-	-
	Total included in Employee benefits expense (i+ii+iii)	**124.0**	**107.1**

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(₹ million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Statement of other Comprehensive Income (OCI)		
Opening amount recognised in OCI outside statement of profit and loss	179.8	116.0
Remeasurements during the period due to		
- changes in financial assumptions	13.7	37.6
- changes in demographic assumptions	(13.4)	4.7
- Experience adjustment	(27.1)	22.2
- Annual return on plan assets less interest on plan assets	(6.6)	(0.7)
Closing amount recognised in OCI outside statement of profit and loss	**146.4**	**179.8**

Assumptions used for Gratuity	Year ended March 31, 2021	Year ended March 31, 2020
Interest rate (p.a.)	5.90%	6.20%
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 summarizes 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	735.0	780.9
Impact of increase in 50 bps on DBO	-2.98%	3.08%
Defined Benefit obligation on decrease in 50 bps	781.4	735.3
Impact of decrease in 50 bps on DBO	3.14%	-2.95%

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

(₹ million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Insurer managed funds	310.5	22.4
Others	0.9	0.7
Reconciliation of plan assets during the inter-valuation period		
Opening fair value of plan assets	23.1	9.2
Employer contributions	350.0	25.0
Settlements from the Fund	(68.2)	(60.5)
Interest accrued to the Fund	6.5	0.7
Actual return on plan assets less interest on plan assets	-	-
Assets acquired / (settled)	-	48.7
Closing fair value of plan assets	**311.4**	**23.1**

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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	Amount in ₹
Expected benefits for year 1	110,292,602
Expected benefits for year 2	97,210,397
Expected benefits for year 3	83,547,175
Expected benefits for year 4	78,629,123
Expected benefits for year 5	110,293,729
Expected benefits for year 6	71,956,413
Expected benefits for year 7	83,093,970
Expected benefits for year 8	57,460,685
Expected benefits for year 9	46,804,196
Expected benefits for year 10 and above	409,707,592

The weighted average duration to the payment of these cash flows is 6.12 years.

The Group has made a provision towards gratuity for its employees of the Oman Branch amounting to Nil (March 2020: Nil)

Compensated Absence

The liability towards compensated absences for the year ended March 31, 2021 is based on actuarial valuation carried out by using the projected unit credit method.

Assumptions	Year ended March 31, 2021	Year ended March 31, 2020
Interest rate (p.a.)	5.90%	6.20%
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, 2021	Year ended March 31, 2020
Interest rate (p.a.)	4.15%	5.05%

Interest rate assumption in case of subsidiary is 0.13% (March 31, 2020: 0.23%)

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 recognizes 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 2021.

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 recognized 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 recognized 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	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Financial Planning Services	5.2	50.8	5.1	81.5	0.1	5.2
Training Fees	-	25.2	-	42.8	-	-
Signing Fee	23.1	13.3	7.1	18.5	20.5	23.1
Prime Subscription	221.5	-	535.1	155.0	339.4	221.5
Prepaid Brokerage	2,568.8	2,610.3	1,181.7	980.6	2,483.2	2,568.8
Subscription Fees	-	-	7.9	-	6.2	-

Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price.

(₹ million)

Particulars	2020-21	2019-20
Revenue from the Contracts (as per Contract)	22,017.9	15,114.0
Less :- Discounts/Incentive to Customers	12.0	420.9
Revenue from the Contracts (as per Statement of Profit and Loss)	**22,005.9**	**14,693.1**

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, 2021 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	3,093.5	-	-	3,093.5	3,093.5
Other balances with banks	35,699.2	-	-	35,699.2	35,699.2
Securities for trade	-	4,661.7	-	4,661.7	4,661.7
Trade receivables	4,586.1	-	-	4,586.1	4,586.1
Loans	29,014.5	-	-	29,014.5	29,014.5
Investments (excluding subsidiary)	-	28.8	-	28.8	28.8
Other financial assets	767.3	-	-	767.3	767.3
Total	**73,160.6**	**4,690.5**	**-**	**77,851.1**	**77,851.1**
Liabilities:					
Derivative financial instruments	-	4.5	-	4.5	4.5
Trade payables	10,264.6	-	-	10,264.6	10,264.6
Debt Securities	35,209.6	-	-	35,209.6	35,209.6
Deposits	28.7	-	-	28.7	28.7
Lease Liabilities	1,060.8	-	-	1,060.8	1,060.8
Other financial liabilities	10,440.5	-	-	10,440.5	10,440.5
Total	**57,004.2**	**4.5**	**-**	**57,008.7**	**57,008.7**

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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 (excluding subsidiary)	-	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**

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, 2021	Level 1	Level 2	Level 3	Total
Financial instruments :				
Derivatives	4.5	-	-	4.5
Mutual fund units	-	1,784.2	-	1,784.2
Equity shares	6.5	-	22.3	28.8
Debt Instruments	1,077.5	1,800.0	-	2,877.5
Total	**1,088.5**	**3,584.2**	**22.3**	**4,695.0**

(₹ 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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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.

(₹ million)

Particulars	March 31, 2021	March 31, 2020
Opening Balance	21.3	21.5
Purchase	-	-
Less: Sales	-	-
Add: Gain / (Loss)	1.0	(0.2)
Transfer in Level 3	-	-
Less: Transfer from Level 3	-	-
Closing Balance	**22.3**	**21.3**

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, 2021

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	₹ 5.83 per share	5%	₹ 0.1 Million	5%	₹ (0.1) Million
	Discounted projected cash flow	WACC%	17.00%	100 basis points	₹ (1.4) Million	100 basis points	₹ 1.6 Million
		Perpetual Growth Rate %	5.00%	100 basis points	₹ 1.1 Million	100 basis points	₹ (0.9) Million

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

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, 2021	3,210.4	963.9	2,246.5
At March 31, 2020	12.5	2,277.1	(2,264.6)

There are no instruments which are eligible for netting and not netted off.

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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.

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)

Particulars	March 31, 2021	March 31, 2020
Trade and Other Debtors (net of impairment)	4,586.1	887.9
Loans (net of impairment)	29,014.5	5,708.7
Total	**33,600.6**	**6,596.6**

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 ₹ 4,707.3 million (March 31, 2020: ₹ 1,045.9 million) ₹ 121.2 million (March 31, 2020: ₹ 158.0 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.

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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, 2021		March 31, 2020	
	Carrying Value	ECL	Carrying Value	ECL
Stage 1	29,082.2	77.0	5,791.0	87.7
Stage 2	10.1	0.8	8.9	3.5
Stage 3	11.0	11.0	1.5	1.5
Total	**29,103.3**	**88.8**	**5,801.4**	**92.7**

Movements in the allowances for impairment in respect of trade receivables and loans is as follows:

(₹ million)

	March 31, 2021	March 31, 2020
Opening Balance	250.7	152.3
Amount written off	(81.6)	(0.3)
Net remeasurement of loss allowance	50.0	7.9
Additional provision	(9.1)	90.8
Closing Balance	**210.0**	**250.7**

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, 2021	As at March 31, 2020	
Trade Receivables and Loans	95.8%	93.0%	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.

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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 utilizing 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, 2021.

(₹ million)

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total Carrying Amount
Financial Assets					
Cash and bank balances	3,095.3	35,692.9	1.4	3.1	38,792.7
Securities for Trade	4,661.7	-	-	-	4,661.7
Trade receivables	4,586.1	-	-	-	4,586.1
Loans	2,158.0	26,856.5	-	-	29,014.5
Investments	-	-	-	28.8	28.8
Other financial assets	543.8	95.7	-	127.8	767.3
Total	**15,044.9**	**62,645.1**	**1.4**	**159.7**	**77,851.1**
Financial Liabilities					
Derivative financial instruments	4.5	-	-	-	4.5
Trade Payables	10,264.6	-	-	-	10,264.6
Debt Securities	30,875.6	4,334.0	-	-	35,209.6
Deposits	-	-	28.7	-	28.7
Lease Liabilities	2.9	4.1	928.0	125.8	1,060.8
Other Financial Liabilities	10,440.5	-	-	-	10,440.5
Total	**51,588.1**	**4,338.1**	**956.7**	**125.8**	**57,008.7**
Net excess / (shortfall)	**(36,543.2)**	**58,307.0**	**(955.3)**	**33.9**	**20,842.4**

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.

(₹ million)

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total Carrying Amount
Financial 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**
Financial 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**

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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
iv) Commodity Risk

Total market risk exposure:

(₹ million)

March 31, 2021	Carrying amount	Traded risk	Non traded risk	Primary risk sensitivity
Financial Assets				
Cash and cash equivalent and other bank balances	38,792.7	-	38,792.7	
Financial assets at FVTPL	4,690.5	4,661.7	28.8	Interest rate, Equity Price and Currency
Trade Receivables	4,586.1	-	4,586.1	Currency and Equity Price
Loans	29,014.5	-	29,014.5	Equity Price
Other Financial assets at amortised cost	767.3	-	767.3	
Total	**77,851.1**	**4,661.7**	**73,189.4**	
Financial Liabilities				
Derivative financial instruments	4.5	-	4.5	Currency and Equity Price
Trade payables	10,264.6	-	10,264.6	Currency and Equity Price
Debt Securities	35,209.6	-	35,209.6	
Deposits	28.7	-	28.7	
Lease Liabilities	1,060.8	-	1,060.8	
Other financial liabilities	10,440.5	-	10,440.5	
Total	**57,008.7**	**-**	**57,008.7**	

(₹ million)

March 31, 2020	Carrying amount	Traded risk	Non traded risk	Primary risk sensitivity
Financial 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**	
Financial 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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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 severe movement in equity prices, everything else remaining constant, would result in following impact on both proprietary positions and clients' positions.

(₹ million)

	Impact on statement of profit and loss	
	At 19.41% movement	At 10.00% movement
	For the year ended March 31, 2021	For the year ended March 31, 2020
Impact of upward movement	(104.7)	0.3
Impact of downward movement	(213.9)	(0.4)

Movement of 19.41% represents highest single day market (nifty) movement in last 15 years. The Company, based on past experience, is able to recover 66% of the client's default therefore the loss on client's position included in the above figures is post considering recoveries from clients.

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.

The below sensitivity depicts a scenario where a parallel shift in the yield curve would result in following impact for both proprietary positions and client positions.

(₹ million)

	Impact on statement of profit and loss	
	At 2.06% shift	At 2.50% shift
	For the year ended March 31, 2021	For the year ended March 31, 2020
Parallel upward shift	(137.6)	(152.6)
Parallel downward shift	159.1	182.0

Shift of 2.06% represents highest 10 consecutive days' yield movement in last 15 years among AAA/AA/AA+/AA- rated debt instruments with 5 year maturity period.

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.

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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.

The below sensitivity depicts a scenario where a severe movement in foreign exchange rates, everything else remaining constant, would result in following impact for both proprietary positions and client positions.

(₹ million)

	Impact on statement of profit and loss	
	At 10.81% Movement	At 15% Movement
	For the year ended March 31, 2021	For the year ended March 31, 2020
₹ Depreciation	(23.0)	(116.1)
₹ Appreciation	(10.9)	(19.0)

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.

(₹ million)

Currency	Change in currency rate in %	For the year ended March 31, 2021	For the year ended March 31, 2020
USD	Depreciation of 15%	(1.3)	(1.5)
	Appreciation of 15%	1.3	1.5
SGD	Depreciation of 15%	-	0.1
	Appreciation of 15%	-	(0.1)
GBP	Depreciation of 15%	(0.0)	(0.0)
	Appreciation of 15%	0.0	0.0

iv) Commodity Risk

The Group's exposure to commodity risk arises primarily on account of margin positions of its clients in exchange traded commodity derivatives.

The Group's commodity risk is managed in accordance with its CRIP, approved by its Risk Management Committee. The CRIP stipulates risk-based margin requirements for margin based trading in commodity derivatives by its clients.

The below sensitivity depicts a scenario where a severe movement in commodity prices, everything else remaining constant, would result in following impact on clients positions.

(₹ million)

	Impact on statement of profit and loss	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Impact of upward movement	(1.3)	-
Impact of downward movement	(8.4)	-

Impact has been derived based on highest single day commodity specific movement in last 15 years (data available for 11 years). The Company, based on past experience, is able to recover 66% of the client's default therefore the loss on client's position included in the above figures is post considering recoveries from clients.

Notes

to Consolidated financial statements for the year ended March 31, 2021

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, 2021	Within 12 months	After 12 months
ASSETS			
Financial Assets			
Cash and cash equivalents	3,093.5	3,093.5	-
Bank balance other than (a) above	35,699.2	35,694.7	4.5
Derivative financial instruments	-	-	-
Securities for trade	4,661.7	4,661.7	-
Receivables			
(I) Trade receivables	4,586.1	4,586.1	-
Loans	29,014.5	29,014.5	-
Investments	28.8	-	28.8
Other financial assets	767.3	639.5	127.8
	77,851.1	**77,690.0**	**161.1**
Non-financial Assets			
Current tax assets (net)	1,189.3	-	1,189.3
Deferred tax assets (net)	560.1	-	560.1
Property, plant and equipment	420.0	-	420.0
Right-of-use of assets	962.0	7.0	955.0
Capital work-in-progress	39.4	-	39.4
Intangible assets under development	39.3	-	39.3
Other intangible assets	227.4	-	227.4
Other non-financial assets	520.5	436.0	84.5
	3,958.0	**443.0**	**3,515.0**
Total Assets	**81,809.1**	**78,133.0**	**3,676.1**
LIABILITIES			
Financial liabilities			
Derivative financial instruments	4.5	4.5	
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	10,264.6	10,264.6	-
Debt securities	35,209.6	35,209.6	-
Borrowings (Other than debt securities)	-	-	-
Deposits	28.7	-	28.7
Lease Liabilities	1,060.8	7.0	1,053.8
Other financial liabilities	10,440.5	10,440.5	-
	57,008.7	**55,926.2**	**1,082.5**
Non-financial Liabilities			
Current tax liabilities (net)	5.7	5.7	-
Provisions	606.1	41.3	564.8
Other non-financial liabilities	5,967.5	4,967.6	999.9
	6,579.3	**5,014.6**	**1,564.7**
Total Liabilities	**63,588.0**	**60,940.8**	**2,647.2**
Net	**18,221.1**	**17,192.2**	**1,028.9**

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(₹ 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**
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**

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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	₹ 45,000.0	₹ 45,000.0

^ During the year ended March 31, 2021, Company's Commercial paper programme was enhanced from ₹ 25,000.0 million to ₹ 45,000.0 million. Rating agencies CRISIL and ICRA have assigned a rating of CRISIL A1+ and ICRA A1+ respectively, to the additional ₹ 20,000.0 million commercial paper programme of the company.

b. Key Financial Information

(₹ million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Debt Equity Ratio *	1.93 Times	1.24 Times
Debt Service Coverage Ratio **	0.42 Times	0.53 Times
Interest Services Coverage Ratio ***	15.67 Times	11.42 Times
Net Worth ****	₹ 18,221.1 Million	₹ 12,095.4 Million
Net Profit after tax	₹ 10,677.2 Million	₹ 5,420.0 Million
Earnings per share (Diluted) (Face Value ₹ 5/- per share)	₹ 33.08	₹ 16.81
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, 2020 to March 31, 2021) Principal & Interest	Whether paid or not	Next due date Principal & Interest
1	14-Jan-20	1,000.0	03-Apr-20	Yes	NA
2	14-Jan-20	2,000.0	03-Apr-20	Yes	NA
3	17-Jan-20	50.0	09-Apr-20	Yes	NA
4	27-Jan-20	2,000.0	16-Apr-20	Yes	NA
5	29-Jan-20	1,500.0	15-Apr-20	Yes	NA
6	17-Feb-20	1,750.0	15-May-20	Yes	NA
7	17-Feb-20	250.0	15-May-20	Yes	NA
8	24-Feb-20	2,500.0	22-May-20	Yes	NA
9	26-Feb-20	500.0	26-May-20	Yes	NA
10	05-Mar-20	3,000.0	15-May-20	Yes	NA
11	05-Mar-20	500.0	15-May-20	Yes	NA
12	09-Apr-20	2,500.0	09-Jun-20	Yes	NA
13	21-Apr-20	500.0	19-Jun-20	Yes	NA

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Sr. No.	Commercial Paper – Date of Issue	Redemption Amount	Previous due date (from April 01, 2020 to March 31, 2021)	Whether paid or not	Next due date
		(₹ Million)	Principal & Interest		Principal & Interest
14	21-Apr-20	500.0	19-Jun-20	Yes	NA
15	21-Apr-20	500.0	19-Jun-20	Yes	NA
16	15-May-20	2,500.0	13-Aug-20	Yes	NA
17	15-May-20	2,000.0	26-Jun-20	Yes	NA
18	15-May-20	500.0	26-Jun-20	Yes	NA
19	19-May-20	250.0	17-Jul-20	Yes	NA
20	19-May-20	250.0	17-Jul-20	Yes	NA
21	19-May-20	1,000.0	17-Jul-20	Yes	NA
22	21-May-20	2,500.0	19-Aug-20	Yes	NA
23	26-May-20	1,500.0	21-Aug-20	Yes	NA
24	03-Jun-20	1,000.0	01-Sep-20	Yes	NA
25	09-Jun-20	2,500.0	04-Sep-20	Yes	NA
26	12-Jun-20	1,000.0	21-Aug-20	Yes	NA
27	19-Jun-20	750.0	17-Sep-20	Yes	NA
28	19-Jun-20	750.0	17-Sep-20	Yes	NA
29	19-Jun-20	1,000.0	10-Sep-20	Yes	NA
30	19-Jun-20	500.0	10-Sep-20	Yes	NA
31	24-Jun-20	2,000.0	22-Sep-20	Yes	NA
32	26-Jun-20	2,000.0	24-Sep-20	Yes	NA
33	26-Jun-20	1,000.0	24-Sep-20	Yes	NA
34	17-Jul-20	750.0	11-Sep-20	Yes	NA
35	24-Jul-20	350.0	22-Oct-20	Yes	NA
36	24-Jul-20	500.0	22-Oct-20	Yes	NA
37	24-Jul-20	250.0	22-Oct-20	Yes	NA
38	29-Jul-20	1,500.0	28-Aug-20	Yes	NA
39	30-Jul-20	1,500.0	28-Oct-20	Yes	NA
40	30-Jul-20	1,000.0	10-Aug-20	Yes	NA
41	14-Aug-20	1,000.0	12-Nov-20	Yes	NA
42	14-Aug-20	750.0	12-Nov-20	Yes	NA
43	14-Aug-20	500.0	12-Nov-20	Yes	NA
44	19-Aug-20	3,000.0	17-Nov-20	Yes	NA
45	20-Aug-20	3,500.0	18-Nov-20	Yes	NA
46	27-Aug-20	1,500.0	25-Nov-20	Yes	NA
47	27-Aug-20	3,000.0	25-Nov-20	Yes	NA
48	27-Aug-20	500.0	25-Nov-20	Yes	NA
49	04-Sep-20	1,000.0	03-Dec-20	Yes	NA
50	10-Sep-20	2,000.0	27-Nov-20	Yes	NA
51	10-Sep-20	500.0	27-Nov-20	Yes	NA
52	23-Sep-20	750.0	30-Sep-20	Yes	NA
53	24-Sep-20	1,250.0	23-Dec-20	Yes	NA
54	24-Sep-20	750.0	23-Dec-20	Yes	NA
55	29-Sep-20	1,000.0	15-Dec-20	Yes	NA
56	30-Sep-20	500.0	24-Dec-20	Yes	NA
57	30-Sep-20	500.0	24-Dec-20	Yes	NA
58	01-Oct-20	500.0	06-Nov-20	Yes	NA
59	01-Oct-20	500.0	06-Nov-20	Yes	NA
60	03-Nov-20	2,000.0	01-Feb-21	Yes	NA
61	06-Nov-20	500.0	29-Jan-21	Yes	NA
62	06-Nov-20	1,000.0	31-Dec-20	Yes	NA
63	18-Nov-20	1,000.0	16-Feb-21	Yes	NA
64	18-Nov-20	500.0	16-Feb-21	Yes	NA

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Sr. No.	Commercial Paper – Date of Issue	Redemption Amount	Previous due date (from April 01, 2020 to March 31, 2021)	Whether paid or not	Next due date
		(₹ Million)	Principal & Interest		Principal & Interest
65	18-Nov-20	500.0	24-Mar-21	Yes	NA
66	18-Nov-20	500.0	24-Mar-21	Yes	NA
67	18-Nov-20	750.0	16-Feb-21	Yes	NA
68	18-Nov-20	250.0	16-Feb-21	Yes	NA
69	18-Nov-20	500.0	16-Feb-21	Yes	NA
70	26-Nov-20	500.0	24-Feb-21	Yes	NA
71	26-Nov-20	250.0	24-Feb-21	Yes	NA
72	27-Nov-20	3,000.0	25-Feb-21	Yes	NA
73	27-Nov-20	250.0	25-Feb-21	Yes	NA
74	24-Dec-20	2,000.0	15-Mar-21	Yes	NA
75	24-Dec-20	500.0	15-Mar-21	Yes	NA
76	11-Jan-21	2,000.0	26-Mar-21	Yes	NA
77	10-Mar-21	1,000.0	26-Mar-21	Yes	NA
78	27-Oct-20	1,000.0	NA	-	25-Jun-21
79	27-Oct-20	500.0	NA	-	25-Jun-21
80	06-Nov-20	500.0	NA	-	25-Jun-21
81	12-Nov-20	100.0	NA	-	25-Jun-21
82	12-Nov-20	500.0	NA	-	25-Jun-21
83	12-Nov-20	2,000.0	NA	-	28-May-21
84	12-Nov-20	1,000.0	NA	-	28-May-21
85	23-Nov-20	1,500.0	NA	-	21-May-21
86	23-Nov-20	500.0	NA	-	21-May-21
87	04-Dec-20	1,000.0	NA	-	03-Dec-21
88	15-Dec-20	1,000.0	NA	-	10-Dec-21
89	11-Jan-21	500.0	NA	-	28-Jun-21
90	11-Jan-21	500.0	NA	-	28-Jun-21
91	28-Jan-21	1,000.0	NA	-	28-Apr-21
92	28-Jan-21	1,000.0	NA	-	28-Apr-21
93	28-Jan-21	500.0	NA	-	28-Apr-21
94	01-Feb-21	1,000.0	NA	-	30-Apr-21
95	01-Feb-21	1,000.0	NA	-	30-Apr-21
96	16-Feb-21	1,000.0	NA	-	17-May-21
97	16-Feb-21	1,000.0	NA	-	15-Jul-21
98	16-Feb-21	250.0	NA	-	15-Jul-21
99	16-Feb-21	500.0	NA	-	11-Aug-21
100	16-Feb-21	250.0	NA	-	11-Aug-21
101	24-Feb-21	3,000.0	NA	-	30-Apr-21
102	24-Feb-21	1,500.0	NA	-	25-May-21
103	24-Feb-21	500.0	NA	-	23-Aug-21
104	24-Feb-21	1,000.0	NA	-	23-Aug-21
105	01-Mar-21	1,500.0	NA	-	04-May-21
106	03-Mar-21	500.0	NA	-	25-Aug-21
107	03-Mar-21	1,500.0	NA	-	06-Aug-21
108	15-Mar-21	2,000.0	NA	-	11-Jun-21
109	15-Mar-21	500.0	NA	-	11-Jun-21
110	18-Mar-21	250.0	NA	-	11-Mar-22
111	18-Mar-21	250.0	NA	-	11-Mar-22
112	18-Mar-21	2,000.0	NA	-	11-Mar-22
113	26-Mar-21	3,000.0	NA	-	08-Jun-21

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45. Subsequent event - Proposed dividend

The Board of Directors at its meeting held on April 21, 2021, have recommended a final dividend of ₹ 13.50 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 pronouncements

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of The Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

Key amendments relating to Division III which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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. The Company being classified as an essential service has been in operation consistently with minimal staff. As of March 31, 2021, 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.

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

Mumbai, April 21, 2021

For and on behalf of the Board of Directors

SUBRATA MUKHERJI
Director
DIN - 00057492

VIJAY CHANDOK
Managing Director & CEO
DIN - 01545262

AJAY SARAF
Executive Director
DIN - 00074885

RAJU NANWANI
Company Secretary

HARVINDER JASPAL
Chief Financial Officer

Corporate Information

Key Management Personnel

Mr. Harvinder Jaspal
Chief Financial Officer

Mr. Raju Nanwani
Company Secretary

Board Committees

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

ICICI Securities Limited

Registered Office: ICICI Centre, H.T. Parekh Marg,
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