



**Anchoring Your World
of Finance** **DIGITALLY**

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www.icicisecurities.com

FY2022 Highlights

FINANCIAL

Revenue

₹34,385 Mn⁵
20% CAGR (FY17-22)

PAT

₹13,826 Mn⁵
32% CAGR (FY17-22)

Return on Equity⁵

65%

OPERATIONAL

Client Base

7.56 Mn³
16% CAGR (FY17-22)

Active Clients

~3.4 Mn
(up 77% y-o-y)

Dividend (interim + final)

₹24/share

Total Client Assets

₹5.64 Tn¹
26% CAGR (FY17-22)

With 2 or More Products

1.15 Mn clients⁴
(Up from 0.66 Million in FY17, as at Q4, FY22)

Peak trade order executed on our platform

5 Mn +

Wealth Assets

₹2.86 Tn²
33% CAGR (FY17-22)

Reduction in carbon emission (over FY20)

37%

1. Assets of our clients including equity demat assets maintained with ICICI Bank and excluding promoter holding, as on March 31, 2022

2. Assets of our clients with more than ₹ 10 Million AUM at individual level including equity demat assets maintained with ICICI Bank and excluding promoter holding, as on March 31, 2022

3. As on March 31, 2022 | 4. For Q4 FY2022 | 5. FY2022

Anchoring Your World of Finance **DIGITALLY**

In the fast-changing financial world, ICICI Securities has embarked on a transformation journey to create an all-encompassing value proposition for Indians.



We have continuously aligned our business to the transformations and evolving trends in the macro environment to effectively harness the emerging opportunities, while minimising associated risks.

We have moved into a new phase of evolution, aimed at creating a broad-based and inclusive platform powered by digitalisation. It is our endeavour to serve the lifecycle needs of customers – from investments, savings, and wealth management, to life, health, and assets insurance, to meeting their various borrowing needs. We believe that our efforts will strengthen the financial anchors of our customers to bring ease, and ensure their fiscal security, through every step of their journey.

- Led by our nuanced insights of customer behaviour and their changing preferences, we have adapted our business strategy to deliver to the unique aspirations and requirements of clearly-defined customer ecosystems

- We are striving to keep the world of finance anchored for our customers through their lifecycle, with our strategic shift from product-centric focus to lifetime value delivery and promoting financial inclusion, and eventually facilitate financial freedom
- We have articulated a highly-evolved digital strategy to serve our customers in their preferred mode, across a wide gamut of robust channels

With this multi-pronged hyper-personalised approach, we shall continue to build on the trust of Indians across segments, demographics and regions. We aim to be the preferred choice of Indians looking for robust anchors to keep them firmly connected with the world of personal finance through various stages of their life.

About this Integrated Report

Led by our responsibility ethos, we are committed to creating sustainable long-term value for all our stakeholders. We remain focussed on working towards a sustainable future for all. In line with this philosophy, we share our progress, milestones, challenges and opportunities with our valued shareholders annually, through our Integrated Report.

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, 2021 to March 31, 2022.

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. It 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.

STANDARDS & 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 and its annexures, and also including the Management Discussion and Analysis (MDA) as well as 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.

FORWARD-LOOKING STATEMENTS

In this Report, we have made certain forward-looking statements to enable our investors to take informed investment decisions. These set out the anticipated results based on the Management's plans and assumptions. Wherever possible, we have tried to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in reference to any statement or discussion relating to future prospects or performance. While we have been prudent in making such assumptions, we cannot guarantee that these forward-looking statements will be realised as the information shared therein is subject to risks, uncertainties and even inaccurate assumptions. Should any known or unknown risks or uncertainties materialise, or should the underlying assumptions prove inaccurate, the actual results could vary materially from those anticipated, estimated or projected.

FEEDBACK

We welcome feedback on our Report to ensure that we continue to disclose information that is pertinent and conducive to stakeholder decision-making. For queries or suggestions, please write to us at ir@icicisecurities.com.



Corporate Information

Board of Directors

Mr. Vinod Kumar Dhall
Chairman (Independent Director)

Mr. Ashvin Parekh
Independent Director

Mr. Subrata Mukherji
Independent Director

Ms. Vijayalakshmi Iyer
Independent Director

Mr. Anup Bagchi
Non-Executive Director

Mr. Prasanna Balachander
Non-Executive Director

Mr. Vijay Chandok
Managing Director & CEO

Mr. Ajay Saraf
Executive Director

Key Management Personnel

Mr. Harvinder Jaspal
Chief Financial Officer

Mr. Raju Nanwani
Company Secretary

Mandatory Board Committees

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

Bankers

ICICI Bank Limited

Statutory Auditors

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

Registered Office

ICICI Venture House, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025

Corporate Office

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



India's Neo Financial Service Provider

ICICI Securities Limited (I-Sec / the Company) is India's leading integrated technology-based financial services firm, offering holistic financial solutions and services to Indians seeking seamless access to the world of finance.

A subsidiary of ICICI Bank Ltd., I-Sec offers a large bouquet of services, including retail and institutional broking, financial products distribution, private wealth management, as well as issuer and advisory services. I-Sec operates www.icicidirect.com, India's leading virtual financial marketplace. This helps us keep our customers anchored to the financial framework across the areas of investment, insurance, and borrowing. We serve 7.6+ Million customers comprising retail investors, corporates, financial institutions, High Net Worth Individuals (HNIs) and Ultra HNIs in meeting their financial goals by providing them with research, advisory and execution services through our Omnichannel network comprising strong online digital presence, branches in ~ 70 cities in India, 33,000+ business partners, and wholly-owned subsidiary in US and its branch in Singapore. I-Sec is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). It is the only listed wealth tech company to be rated as AAA.

What We Do

A glance at our Business Segments, and our portfolio of products and services:

	Overview	Products & Services	Performance
 RETAIL EQUITY	<p>We offer investment and trading solutions, to retail and HNI investors through our comprehensive platform and a bouquet of digital properties.</p>	<p>Investment and trading across asset classes, including equity, commodity, derivatives, currency, margin trading funding, offshore investments, etc.</p>	<p>₹20,128 Mn Retail equity & allied revenue ⬆ 26% y-o-y</p>
 DISTRIBUTION OF FINANCIAL PRODUCTS	<p>We service our large client base with a bouquet of proprietary and third-party products, designed to meet their varied life stage needs. We provide them with a personalised experience through our omnichannel model – a combination of platform and platform-assisted approaches.</p>	<p>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).</p>	<p>₹5,996 Mn Distribution revenue ⬆ 43% y-o-y</p> <p>₹3,505 Mn Mutual Fund revenue</p>

Overview



PRIVATE WEALTH MANAGEMENT

We service High Net-worth Individual (HNI) clients by providing innovative products and solutions across their investment, business and allied needs.

Products & Services

- Investment solutions, such as Equity, Fixed Income, Offshore and Alternate Investments;
- Value-added services like Insurance, Mortgages & Loans, Tax Advisory and Estate Planning;
- Customer engagement on their business needs, like raising equity capital, debt syndication and monetising assets.

Performance

₹2.86 Tn
Total AUM
⬆ 70% y-o-y

₹9,242 Mn
Revenue
⬆ 105% y-o-y



INSTITUTIONAL EQUITY

We offer domestic and international institutional clients brokerage services. We are empanelled with a large cross-section of institutional clients and also offer Direct Market Access (DMA) to them. We also work with trade aggregators. Further, we provide solutions like block deals, which give our clients 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.

₹2,538 Mn
Revenue
⬆ 24% y-o-y



ISSUER AND ADVISORY SERVICES

Our services in this area include M&A advisory, structured products, private equity, restructuring advisory etc., across US, Europe, Asia and India.

Full-service investment banking services, including Equity Capital Market, Debt Advisory, Mergers & Acquisitions, Advisory, Private Equity Services, Structured Products and Restructuring.

₹2,956 Mn
Revenue
⬆ 83% y-o-y

⬆ y-o-y growth

Our Value Proposition

We offer a bouquet of products and services, catering to the life stage needs of the entire spectrum of customers through an omnichannel engagement.

Who We Serve



Retail Investors



Foreign Institutional Investors



Domestic Institutional Investors



Government



Family Office



High Net worth Individuals



Mass Affluent



Entrepreneurs



Corporates

How We Serve



Website



Apps



Relationship Managers



Branch Network



Business Partners



Contact Centre

What We Serve



Equities & Derivatives



Mutual Funds



Commodities



Currency



Portfolio Management Schemes



Global Investing



Sovereign Gold Bonds



Life Insurance



Health Insurance



General Insurance



Fixed Income Products



National Pension Scheme



Loans



Equity Capital Markets / Debt Capital Market



Corporate Access



Advisory



Digital one-stop shop for investments, insurance, and loan products, supported by a multi-modal delivery channel.

High quality proprietary research with deep knowledge and understanding of markets and asset classes.

Our key differentiators

We have, over the years, developed a robust strategic edge, built on our core anchors.

Low cost and unique innovative features like eATM (instant liquidity on sale of shares) and MTF.

High trust and brand reputation built by strong corporate governance framework and risk management culture. Sustainable and responsible business approach is part of our DNA.

Our Approach to Lifecycle Value Creation

OUR BUSINESS MODEL

We have in place an agile, scalable and sustainable business model, aligned to the transforming business eco-system. The business model drives our strategy to deliver bespoke products and solutions across customer eco-systems, in their preferred mode.

OUR CAPITALS

We are continuously deploying resources comprising Financial Capital, Manufactured Capital, Intellectual Capital, Human Capital, Social & Relationship Capital and Natural Capital to drive our value-accretive journey for ensuring long-term growth.



Financial Capital



Manufactured Capital



Intellectual Capital



Human Capital



Social & Relationship Capital



Natural Capital



OUR STRATEGY

We aim to be the most comprehensive financial services marketplace serving the life stage investments, savings, and wealth management, insurance and borrowing needs of Indians.

We realise that retail investors are not homogenous in their requirements and increasingly client segments are becoming varied with prominent behaviours. Our approach is to identify ecosystems of customers by factoring in their investment behaviour, needs, and expectations. This has enabled us to create appropriate sub ecosystems for every client e.g. Gen Z and Young Millennials, Mass Affluent and High Net-worth Individuals (HNIs), Self Employed, Salaried, Retiree clients etc.

To leverage the entire lifetime opportunity of such customer eco-systems, we are enhancing our product stack to offer more tailored products to meet their diverse needs. The other lever that is being used is a comprehensive channel stack. We have scaled up our digital capabilities and are also augmenting relationship capital through our various relationship touchpoints to serve these customers with an omnichannel approach.

With advanced analytical capabilities, we aim to map the correct product offering to the correct ecosystem / sub ecosystem and then reach them via the channel they use the most. This is the path we have envisioned to become the most Customer-Centric Neo Financial Marketplace that serves as an anchor to the lifetime financial needs and aspirations of Indians.

VALUE CREATION FOR ALL OUR STAKEHOLDERS THROUGH OUR SUSTAINABILITY FOCUS

We are committed to creating a sustainable and responsible business that strives to meet the expectations of and creates value for all our stakeholders.



Customers



Government and regulatory bodies



Shareholders and investors



Communities



Business partners and vendors



Employees

Our ESG framework is our anchor and guide in inculcating a culture of highest level of governance and ethics that shape our business practices and help us manage ESG risks.

 [Read more here](#)

Message from the Chairman



The consolidation of clients and volumes with digital players like us in the industry was another noticeable trend that pushed the growth momentum.

Dear Shareholders

FY2022 proved to be an encouraging year for the equity market amid a calibrated opening up of economic activities in India, despite the lingering on of the COVID-19 pandemic. Strong retail participation translated into growth in market volumes, and flows into the mutual fund industry turned positive during the fiscal. This was also a year of record fund-raising activities and heightened levels of transactions in terms of deals in the primary market, despite the headwinds triggered by the geopolitical turmoil towards the end of the financial year. Investments in financial products like mutual fund, etc., witnessed traction, which, in turn, led to growth in SIPs.

The consolidation of clients and volumes with digital players in the industry was another noticeable trend that pushed the growth momentum. With pricing pressure stabilising, the focus has shifted to providing better experiences to consumers through their life cycles.

MARKETS ON THE UPTICK

Coupled with the continuing vaccination drive, the positive industry developments significantly boosted the market sentiment during the year, with corporate earnings also contributing to a strong market rally. The stock markets witnessed a massive influx of new investors amid the work-from-home trend during the pandemic. Both in terms of NSE active clients and the total number of Demat accounts as a proxy, FY2022 witnessed year-on-year growth in retail client additions. The number of new demat accounts being opened during the year increased from 14.3 Million in FY2021 to 34.6 Million in FY2022, a growth of almost 2.5X, making FY2022 the year with highest number of demat accounts opened in any financial year till date.

Indian equities closed FY2022 with robust gains of 19% for the NIFTY50, with the broader indices (mid and small caps) outperforming the NIFTY50. The escalated geopolitical tension due to Russia-Ukraine war and the Fed announcements in the US of quantitative tightening in the latter part of the year kept the benchmark indices range-bound in the second half of FY2022 after hitting an all-time high in October 2021.

34.6 Million
New demat accounts
opened in FY2022

During the year, we witnessed a very interesting phenomenon, which to my mind, displays the maturity of Indian markets and investors. While the Foreign Portfolio Investors (FPI) outflows in FY2022 (US\$26.7 Billion) exceeded the outflow seen post the Global Financial Crisis (GFC) of FY2009, it had a relatively low impact on the benchmark indices (large, mid and small caps) as Domestic Institutional Investors (DII) absorbed FPI selling pressure and arrested any deep correction, which has usually happened during periods of past FPI pull-outs. DIIs were net buyers across FY2022 totalling US\$29.5 Billion.

REGULATORY INTERVENTIONS INFUSE POSITIVITY

Amid these industry and market transformations, India also witnessed a series of significant developments on the regulatory front. The new margin trading norms have taken full effect in FY2022 and the industry has settled around it. To further strengthen investors' protection, SEBI has discontinued pooling of funds and/or units by stock brokers / clearing members in any form for mutual fund transactions, curbing the risk of any misuse of clients' funds and securities by the brokers. As against the T+2 settlement cycle earlier, industry players are now required to undertake phase-wise implementation of T+1 settlement cycle, giving investors quicker access to cash on sale, and securities when buying.

At ICICI Securities, we have geared up our systems and processes to comply with the new regulatory guidelines, which signal well for domestic retail investors. We believe this shift will increase market liquidity and trading turnover, while minimising settlement and other systemic risks.

RESPONDING WITH A STRATEGIC SHIFT


The industry positivity, coupled with government policies and interventions, has catalysed fresh growth across all our business segments. Led by our deep-rooted resilience, our massive digital transformation, as well as our sustained focus on building operational and cost efficiencies, we are successfully harnessing the unfolding opportunities to give an impetus to our business. We have strategically-focussed our approach on enhancing the digital and lifecycle engagement of clients. We have given out a clear guidance that we want to move to a lifetime value, away from a product-centric or yield-centric focus.

In line with this transformational approach, we are morphing our business model to make it more broad-based and evolve into a neo financial supermall. We are looking at the customer as an avenue for cross-selling multiple products over the long term, against being principally equities driven in the medium term. This strategy is designed to help us continue to leverage our existing customer base, while simplifying journeys so that a product can be consumed by a larger base of customer.

PROPELLING A DIVERSIFIED APPROACH

Diversification has emerged as the new mantra of our transformational growth strategy, and we are focussed on offering our customers a tailor-made basket of products and service, in tune with their financial goals and risk profile. This is possible through extensive use of big data and analytics. There has been a distinct scale-up in our distribution and wealth revenues too as a result of our diversification efforts.

We have also centred our efforts around continuous improvement in the client mix and profile. I am happy to share that our digital marketing thrust has triggered significant client traction in Tier-II and Tier-III cities, particularly in the younger demographic population of under thirty. Of the new customer acquisitions in



While value creation for our clients continues to be central to our business model, we remain equally committed to delivering on our Environmental, Social, and Governance (ESG) commitment.

FY2022, 65% came from the under-30 age group, while in terms of geographical spread, 84% new clients came from Tier-II and Tier-III cities.

ANCHORING THE CORE DIGITALLY

It is a matter of pride for us that we are one of the most digital delivery capable companies across product categories. Many of the products that we have successfully digitised are still sold physically in the broader industry, such as the global investment platform we had launched in the previous fiscal. I am happy to share that we have made this product completely digital. We are currently in the process of digitising other products that have some element of physicality involved, such as our distribution products of loans, insurance and wealth. We have also gone open architecture in our insurance business, where we have recently added new partners.

EQUITABLE AND SUSTAINABLE GROWTH

We firmly believe that shareholder value is intrinsically tied to stakeholder value. While value creation for our clients continues to be central to our business model, we remain equally committed to delivering on our Environmental, Social, and Governance (ESG) commitment.

Over the last few years, we have been voluntarily disclosing our ESG performance. I urge you to go through this year's ESG report too, which has been uploaded on our website. Here, we have tracked key parameters across Environmental, Social, & Governance and how we have progressed against each.



During FY2022, we deepened our foray in the areas of skill development initiatives for sustainable livelihood, fostering entrepreneurship by incubating start-ups and R&D projects, healthcare initiatives, senior citizens' welfare, women empowerment and rural development as part of our CSR projects.

Under the aegis of Mission Bharat O2 (MBO2), your Company joined hands with IIT Kanpur's start-up incubator to support Research and Development of oxygen concentrators on scale and setting up medical oxygen plants. We also partnered with similar incubator setups of IIT Bombay and IIM Bangalore to support start-ups promoting entrepreneurship, and projects / start-ups with potential for creating large and beneficial social impact.

We also helped set up high capacity oxygen plants at five hospitals of the Border Security Force (BSF), benefiting not just our uniformed forces, but also communities living around such hospitals as they also access these facilities. We supplied COVID and cancer medicines, equipment, ambulance etc. to hospitals, supported surgery of children and senior citizens belonging to the economically weaker sections of the society.

Project Hameri continues to work with Women Self Help Groups in Greater Corbett Landscape in training, equipment, and creation of market linkages for handicraft and food items like jams and pickles they produce. This year, we set up another model old-age home in Leh.

WAY FORWARD

In conclusion, I would like to reiterate that the transformational agenda on which we have firmly embarked will continue to drive our inclusive growth and development. We have identified several underserved pockets of immense potential for future

growth. These include young professionals and new entrants to the job market, along with retirees, NRIs etc. We shall further sharpen our delivery and overall value proposition to meet their diverse needs and unique investment objectives, adopting a personalisation approach to complete our digital transition. Our continued investments in next-gen skillsets, tools, platforms and capabilities equip us to offer highly customised solutions matching an investor's risk appetite and goals. We also have a set of innovative initiatives and products in the pipeline to further expand our market share.

We have a long runway for growth, given India's favourable demographics, secular GDP growth, and low penetration of any financial product against the global average.

On this positive note, let me take the opportunity to thank all of you for your sustained trust and confidence in our credentials and growth story. I would also like to extend my gratitude to our customers, partners, associates, regulators, employees, as well as the communities from whom we get our licence to operate, for their continued support. The future outlook appears to be promising, and together, we shall capitalise on the opportunities that will help us drive greater growth and value creation.

Regards

Vinod Kumar Dhall

Chairman

Message from the MD & CEO



The new strategic approach we adopted during the year is mapped to the emerging opportunities activated by the transformational landscape.

Dear Shareholders

The global volatility of the past two years has put the spotlight on India's robust economic foundations. During the year, global markets faced upheavals due to unprecedented inflation as a result of accommodative fiscal policy followed by most central banks, supply chain disruptions post COVID-19 pandemic, and further compounded by the Russia-Ukraine conflict.



Despite global pressures, Indian markets were relatively less impacted due to the resilience of Indian entrepreneurs, business owners, supportive government policies, and strong retail inflow – direct as well as through the mutual fund route. NIFTY50, the benchmark index tracked by major global market participants, closed the year with a 19% gain. The number of new participants entering the market touched a lifetime high of 34.6 Million during the year.

This was also the time when the Indian investors, having experienced the benefits of digital transactions in the big way, began to demand a higher level of targeted and customised financial solutions for their lifestage needs. With our new products and solutions, we, at ICICI Securities, have re-strategised our priorities to align with the new reality.

TOWARDS A 'NEO FINANCIAL SERVICES' MARKETPLACE

The new strategic approach we adopted during the year is mapped to the emerging opportunities activated by the transformational landscape. It defines the roadmap for the next phase of the Company's growth, underpinned by our three-fold focus on: de-risking our product and business segment dependence, remaining cutting edge with customers through digitalisation, and augmenting growth through an omnichannel approach. It envisions the evolution of ICICI Securities as a 'Neo Financial Services' marketplace, through an ecosystem-led approach and focus on harnessing the customer lifetime value.

As we look into the future, we see a few clear themes playing out –

- Growing affluence of Indians as India progresses;
- Growing penetration of digital devices in the hands of Indians, backed now by a well-developed digital infrastructure and modernising regulations; and
- Growing financialisation of savings.

All these trends throw open significant opportunities for our business. We see in the marketplace the emergence of two very distinct customer segments:

- The mass affluent and the wealthy customers on one side, and
- The young emerging Indian customer on the other.

When we look at the first segment, we clearly sense a behavioural shift. They are not only increasingly accessing and availing of services in a more digital mode, they are also demanding greater levels of personalisation. Their ask is for superior digital experience, superior physical experience, and also superior omnichannel experience, depending on whichever mode they choose to connect with us.

The young emerging Indians or Gen Z as they are called, are the people born in mid 90s and after. Many

Our aim is to serve these customers well by giving them the experience they seek, treating them fairly, and keeping their interest at heart.

of them have started entering the marketplace. Going forward, an estimated 15 Million such young people will be doing so annually, for the next 8-10 years at the very least. These young Indians have a very different perspective and drivers, with their thinking, goals, methods of making a choice being very different from those from any other generation. They have high 'social' engagement, which means that while seeking information or taking a decision, social platforms are their first port of call. A lot of emphasis is placed on the brand experience, and they demand real-time, simple and personalised service.

In order to serve these two distinct customer segments, all our efforts and investments are focussed in two directions –

- Constantly identify and fill gaps in our products, services, and channel offering; and
- Add better and more relevant experience layers on our platform and app.

Together, they will lead to higher customer and stickiness. For this, we are significantly enhancing our capabilities, particularly in technology-heavy areas like Artificial Intelligence, Machine Learning, Analytics, and Big Data capabilities. Using these tools, we will be able to offer social experiences in their investment journey and personalised financial learnings in an interactive format.

Our aim is to serve these customers well by giving them the experience they seek, treating them fairly, and keeping their interest at heart. In return, we believe, we will get enormous opportunities to meet their savings, investments, insurance, and borrowing needs as they progress through their life stages. In the current context, with pricing and technology (which used to be differentiators in the past) having become commoditised, what has not is the overall customer experience and trust. We are striving to provide a superior experience to ensure that the customers' entire lifecycle journey with us is smooth and seamless, and towards this we are focussed on enhancing the Net Promoter Score (NPS), so that our customers become our best brand ambassadors themselves.

Our new strategy is designed to address this twin objective, with responsibility embedded in its ethos. We have launched a host of breakthrough initiatives designed to protect and grow the wealth of investors through a triumvirate of tools in the areas of alerting them of impending risks, timely and appropriate research recommendations, and easy to surf tools - again backed by research - in the form of basket investment strategies. We have combined research with digital tools to deliver easy to understand and use investment products. These make a very strong proposition in the minds of the customer.

One of our focus areas is on investor education, so that we are able to guide them and share knowledge which will aid them in meeting their investment goals. As a part of this initiative, we have put up exhaustive information and educative content on our website, which is open to all.

This is the strategic journey we have undertaken. As a Digital Neo Financial supermall, our revenue will be lot more diversified beyond equity with reasonable representation from other segments of our portfolio.

SCALING GROWTH THROUGH FOCUSED EFFORTS

The focus at ICICI Securities, as part of our new strategic orientation, is on ramp-up of both scale and value, across our business segments. FY2022 witnessed a massive scale-up of our efforts to push digital sourcing, coupled with healthy adoption of our product propositions. We made significant investments in analytics-based technologies to accelerate the pace of our transformational journey. We continue on our path of increasing digitisation, and introduction of new plans and products have opened bigger vistas to keep our customers rooted to the world of finance. Our new plans and tools are seeing good traction at the back of our digital marketing efforts.

We continue to expand our partnership across levels to offer better experience and more choice to our customers. Our sourcing channel continues to expand the funnel by working with various partners, which has resulted in the highest customer acquisition in any fiscal in FY2022. Our distribution business has also added more principals in insurance, and loan products. In our equities business, we have added external partners in offering curated baskets for our customers. We have 20 plus partners across the fintech world to offer next-gen digital products and solutions on our platform.

RAISING THE PERFORMANCE BAR

I am happy to share that our innovative efforts are cumulatively creating an enabling environment for the Company's growth. Our consolidated revenues rose by 33% over FY2021 to ₹ 34,385 Million, while consolidated profit after tax increased by 29% to ₹ 13,826 Million

₹13,826 Million
PAT in FY2022
29% ↑

in FY2022. The Company's Board has proposed a final dividend of ₹ 12.75 per share, taking the full-year dividend to ₹ 24 per share.

Retail & Institutional Equity

During FY2022, we saw significant growth in our retail client addition. Our NSE active client base grew 92% y-o-y, with an incremental market share of 8.5% as on March 31, 2022. With our investments in enriching the content section of our website with digital educational properties, traffic to our platform saw a significant uptick. This has helped us increase acquisition through organic channels, as manifested in the 3.4 Million overall active clients who are on board with ICICI Securities as of March 31, 2022 – up by 77% vs FY2021.

In value terms, our Retail Equity and Allied income grew 26%, from ₹ 15,983 Million in FY2021 to ₹ 20,128 Million in FY2022, driven by growth in MTF and ESOP interest income. Revenue from our institutional equities and allied business went up by 24% to ₹ 2,538 Million in this period, consolidating our position among the top domestic institutions. We are focussed on strengthening the FII franchise by entering into partnerships.

During the year, we further fortified our digital properties with the launch of a dedicated trading app – ICICIdirect Markets – which has been well appreciated by the market. This is in addition to the ICICIdirect Money app launched last fiscal for those looking at investing in MFs, ETFs, and other non-direct equity and fixed income products, besides buying insurance products and taking loans. Recently, we launched our learnings app – ICICIdirect iLearn – which will allow our customers and non-customers alike to consume multimedia content related to markets, investments, equity, personal finance etc. at their convenience.

Distribution of Financial Products

The distribution income went up 43% to ₹ 5,996 Million year-on-year, with Mutual Fund revenue reporting an impressive 47% y-o-y growth. The ISEC MF AUM reached an all-time high of ₹ 577 Billion in March 2022, up 27% y-o-y. Our AUM market share has gone up

from 1.5% to 1.7% in FY2022, with our revamped Money app helping us acquire new-to-MF category customers. We are also working on several other initiatives in this area, the gains of which are already visible at granular level, like increase in SIPs market share, from 3.6% in FY2021 to 3.9% in FY2022.

Private Wealth Management

In the Private Wealth Management segment, revenue rose 105% to ₹ 9,240 Million in FY2022, aided by growth in the client base. This, in turn, led to assets under management standing at ₹ 2.86 Trillion as at March 31, 2022 – an increase of 70% over FY2021.

Issuer & Advisory Services

Led by a strong IPO pipeline, our Issuer Services & Advisory revenue jumped 83% to ₹ 2,956 Million in FY2022, as we successfully managed 52 deals amounting to ₹ 1,681 Billion. We rank today at #1 in IPO/FPO/InvIT/REIT issuance. We are strategically focussing also on building our non-IPO revenue, in line with our diversification strategy.

REINFORCING TRUST, ENRICHING LIVES

Amid the transforming landscape and our strategic focus on capitalising the business opportunity, we have remained firmly focussed on upholding our ESG commitment through the year. During the fiscal, we augmented our investments in our people and our CSR programmes to promote the welfare of the communities around us amid the pandemic crisis. Our efforts to enhance our focus on transparency and ethics also continued to boost stakeholder confidence and ensure protection of their interests.

Do go through the CSR and ESG sections in this Report and our FY2022 ESG Report, which has been uploaded on our website.

WAY FORWARD

In terms of business environment, we do see headwinds in the form of geopolitical tension (Russia-Ukraine war) which has impacted crude oil prices and supply chain, leading to inflation, Fed and other central banks tightening money supply, continued impact of corona pandemic in parts of world like China etc. These are likely to keep markets volatile in the near term. However, strong domestic support, continued inflow of retail investors to the market, beginning of capex cycle by India Inc., and robust corporate profitability growth give us lot of comfort that once global sentiment and flows turn positive, India would be a larger beneficiary.

Change in global geopolitical equations is likely to redrawing of economic blocks which could benefit India in a big way if we play our cards well. We are touted as one of the natural alternative to fill the void left by Russia

Going forward, we shall continue to invest actively in both the visible and hidden aspects of technology across our business segments.

and Ukraine on food security, and in manufacturing, by the post-pandemic China+1 tilt.

As a business, we have come a long way in our collective journey for inclusive growth and development. But the prospects ahead seem even more exciting. Our omnichannel model, positions us ideally to reap the benefits of the demographic dividend. Our diversified product and service portfolio is designed to serve the lifestage needs of our clients.

Going forward, we shall continue to invest actively in both the visible and hidden aspects of technology across our business segments. Our focus is on enhancing our technological and digital capabilities with a view to improving resilience and stability of our platform, ensuring top of the line cyber security, response time, and risk tools to provide a safe, secure, and reliable trading experience. We shall remain focussed on growth through diversification in all our product categories, enabling us to monetise value across the lifecycle of customer product needs. As India moves towards a greater post-pandemic revival, we see a commensurate resurgence in GDP growth amid the build-up of a positive sentiment around investment revival. ICICI Securities is more than well-equipped to capture the resultant growth opportunity that we expect to see unfolding in the financial markets going forward.

I am optimistic that, together with the sustained support and trust of our customers and other stakeholders, and continued efforts of our people, we will succeed in delivering on our aim to be the truly digitally integrated financial lifecycle partner for our growing clientele across segments, demographics and geographies. On this note, I would like to thank all of you for your unwavering trust and cooperation, which lends us the confidence in our own ability to create an inclusive financial ecosystem.

With best wishes,

Vijay Chandok
MD & CEO

Nurturing Our Capitals to Drive Our Neo Strategy

Creating and delivering sustained value for all our stakeholders is central to our business philosophy. We have anchored our value proposition to our capitals, and continue to invest regularly in them to drive sustainable business. We consider our capitals to be our value stocks, which are directly affected by our business activities and determine our organisational outputs.



Financial Capital

Our Financial Capital includes the shareholders' equity and debt. We leverage our strong financial capital to execute our plans, and also to invest in business growth and expansion. This enables us to maintain our market leadership position. Our financial capital also enables us to generate, access and deploy other forms of capitals.



Manufactured Capital

Our infrastructure, along with all our tangible and intangible assets, constitutes our Manufactured Capital. We use these assets to create value through sustained business operations.



Human Capital

Our employees are a critical engine for the success of our business strategy. We remain committed to nurturing our people, and empowering them with all the tools needed to maximise their capabilities and steer their progress.



Intellectual Capital

We have a robust repository of knowledge and capabilities to propel our business strategy. The repository comprises the collective expertise and knowledge of our people and our digital capabilities, along with our ability to provide best-in-class offerings to our customers. This gives us a sustainable competitive edge.



Social and Relationship Capital

We have deep-rooted relationships with our clients, investors, regulators, suppliers and the community at large. We are continuously nurturing these relationships to create societal value as a responsible corporate citizen. This is in line with our philosophy which commits us to playing a bigger role in aiding and helping create social and economic value for all stakeholders.



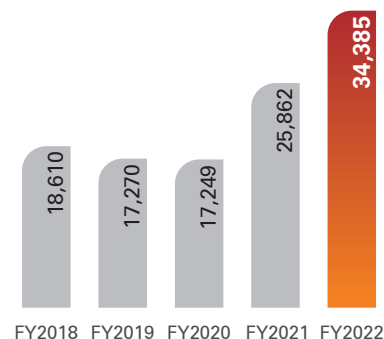
Natural Capital

It is our constant endeavour to minimise the impact of our business operations on the natural ecosystem. We strive continuously to reduce our dependency on, and make optimal use of natural resources.

5-Year Results at a Glance

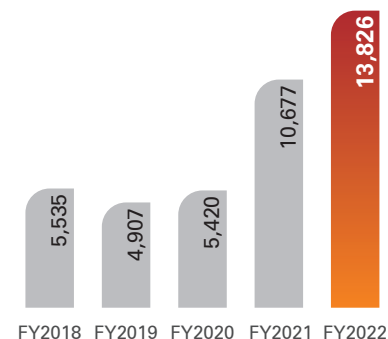
Revenue

(₹ Million)



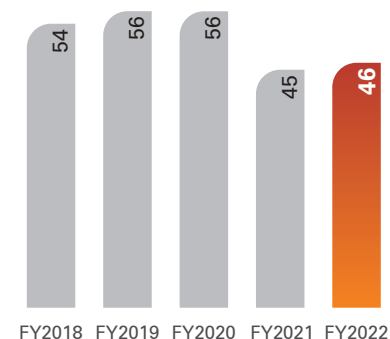
PAT

(₹ Million)



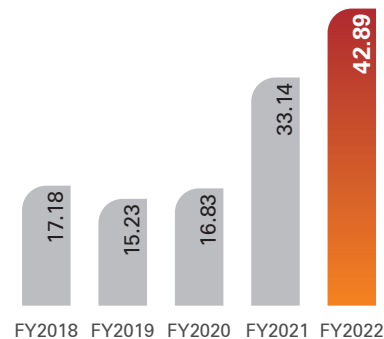
Cost to Income Ratio

(%)



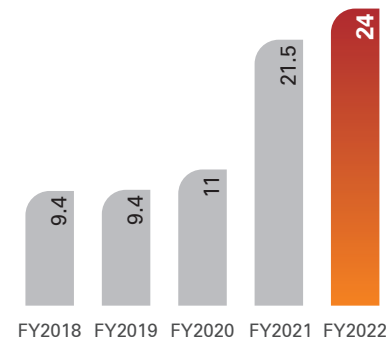
Earnings Per Share

(₹)



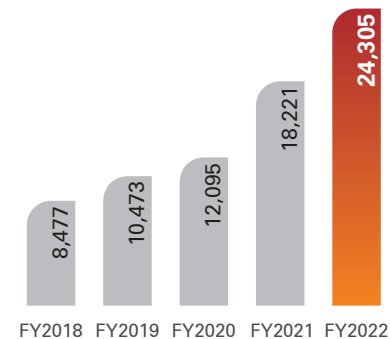
Dividend Per Share

(₹)



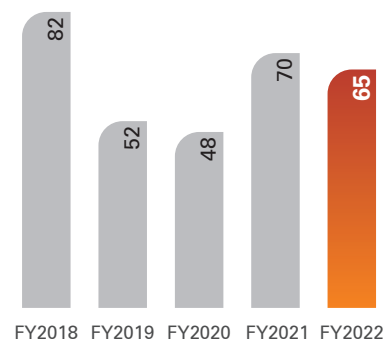
Net Worth

(₹ Million)



Return on Net Worth

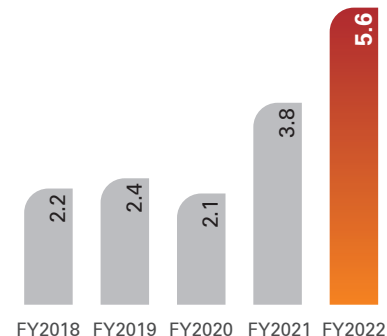
(%)





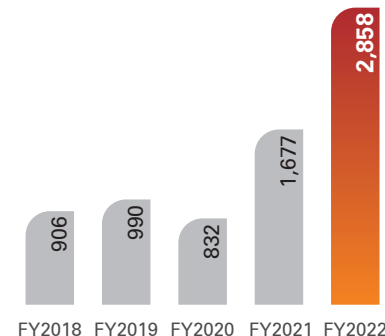
Total Assets

(₹ Trillion)



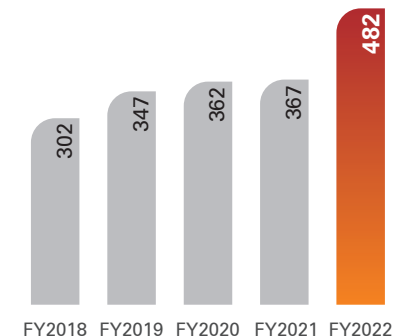
Assets-Wealth Management

(₹ Billion)



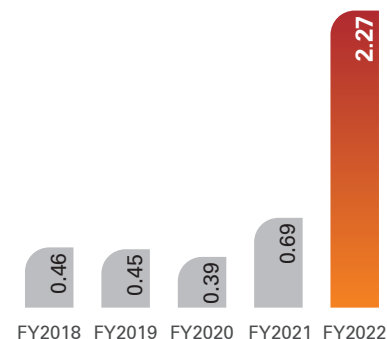
Mutual Fund Average AUM

(₹ Billion)



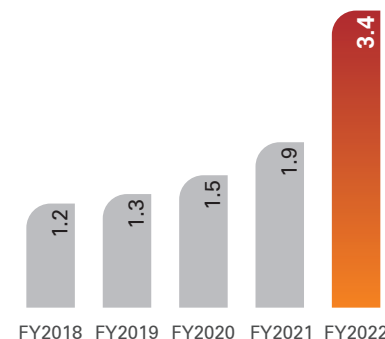
New Customers Acquired

(In Million)



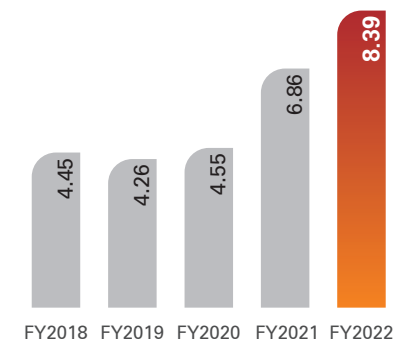
Active Clients

(In Million)



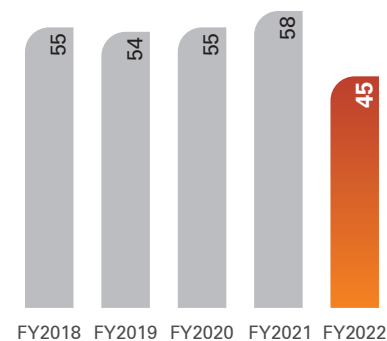
Revenue Per Employee

(₹ Million)



Revenue Diversification

(Broking % of total business)



Our Approach to Value Creation

Building on Our Neo Platform

CAPITALS >>> INPUTS



Financial

Financial

- Total equity - ₹ 24,305 Million
- Borrowings - ₹ 77,392 Million



Manufactured

Manufactured

- Call centre executives - 101
- Number of call centre facilities - 2
- Expenditure on infrastructure - ₹ 392 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 - ₹ 193 Million
- Retail research team - 48
- Institutional research team - 39
- Investment banking team - 72



Human

Human

- Number of employees - 4,094
- Total training hours - 2,44,711
- Average training hours - ~60/employee/year
- Gender diversity - 25% women employees
- Workforce under 30 years - 46%
- Average age - 32 years

Man hours invested in regulatory certifications like AMFI, IRDA, etc. are additional to the above training hours



Social and Relationship

Social and Relationship

- CSR spend ~₹ 200 Million
- Retail client base - 7.6 Million
- Active clients - 3.4 Million
- Business partners, authorised persons, and Independent Financial Associates - 33,000+



Natural

Natural

- Key resources used - water, land, power

>>> PRINCIPAL ACTIVITIES

GOVERNANCE

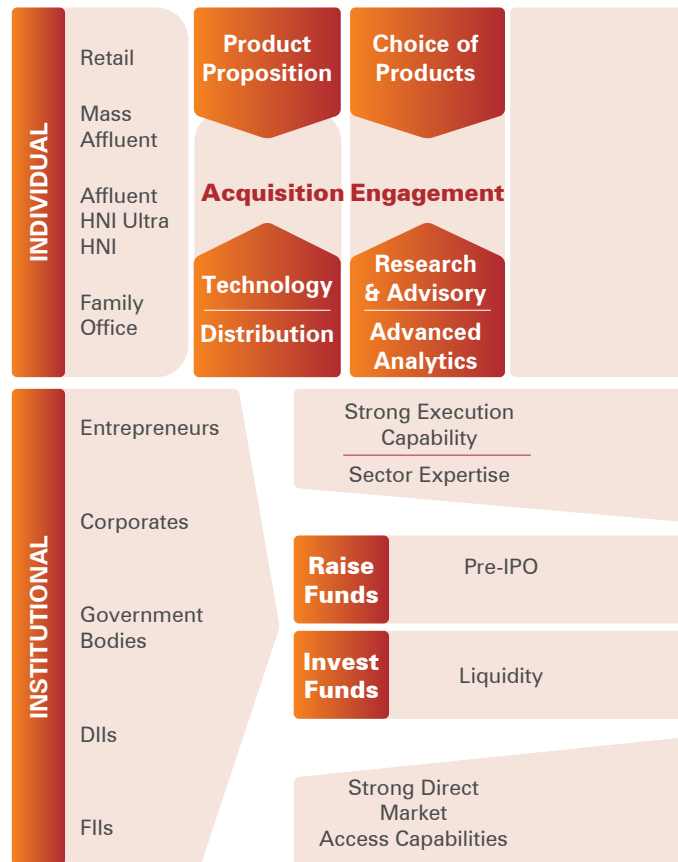


Vision



Mission

KEY ASPECTS



SUPPORT FUNCTIONS

Our agile response to the transforming business eco-system enables us to deliver sustained and long-term value to all our stakeholders even in a volatile and challenging environment. Steering this value proposition is our sustainable business model, focussed on our core anchors. Our digital and scalable business model has a high operating leverage, and steers our strategic approach to ensure continuous strengthening of our core anchors across our capitals.

»» VALUE GENERATED »» OUTCOMES



Code of Conduct



Policy Framework Governance Structure

Trust

High Stickiness

Advisory & Deal
Mentorship
Research

EQUITY
FRANCHISE
OF ICICI GROUP

IPO | Post-IPO
Corporate Lifecycle

Research | Corporate
Access

Research Team | Long-lasting
Relationship

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

For providers of Financial Capital

We deliver consistent, profitable and responsible growth.

For customers

We provide value to customers through superior products.

For our people

We endeavour to provide equal opportunities to all our employees and ensure capability building and training, in a safe work environment.

For our 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 elevating the living conditions of the communities around us through our CSR interventions. We also ensure that our production processes do not have any adverse impact on the environment around us.

Financial

- Revenue - ₹ 34,385 Million
- PAT - ₹ 13,826 Million
- EPS - ₹ 42.89
- RoE - 65%
- Dividend - ₹ 24 per share (includes interim and final)

Manufactured

- Branches - 139
- Cities - ~70
- ICICI Bank branches presence - 5,483
- Response time - <40 Ms
- Peak concurrent users - 0.2 Million
- Count of products launched and/or enhanced - 807
- Peak trade order executed on our platform - 5 Million +
- Reach expanded to 26,000+ pin codes in India and over 150 countries

Intellectual

- Products launched and enhanced - 807
- Retail broking research coverage - 369 companies
- Institutional broking research coverage - 340+ companies
- Research reports published 1,697 (Institutional) - 3,244 (Retail)
- Retail research strike rate - ~70%
- Asiamoney 2021 Poll - Four #1 positions
- Seven #1-3 positions
- Eleven #1-5 positions
- Twenty #1-10 positions

Human

- Employees trained - 3,930 (96%)
- Revenue generated per employee - ~₹ 8.4 Million

Social and Relationship

- Number of customers added - 2.15 Million
- Growth in active clients - 1.58 Million
- Cross-sell ratio - 1.65
- Partnered with IIT Kanpur for R&D of domestic manufacturing of oxygen concentrators and oxygen plants
- Set up high capacity oxygen plants at 5 BSF hospitals
- Supplied essential COVID-19 medicines and medical equipment
- Supported treatment of needy cancer patients in Tata Memorial Hospital, Mumbai and supplied medical equipment, ambulances and bus for patients for a new cancer hospital in Punjab
- Supported surgery of needy children and conducted free cataract surgery for senior citizens belonging to economically weaker sections of society
- Set up a model old-age home in Leh

Natural

- Carbon emission reduction (FY2022 over FY2020)
 - In paper consumption - 72%
 - In electricity consumption - 31%
 - In travel - 70%
 - Total emission reduction - 37%
 - Solar power generated - 17,642 units*

* For the period I-Sec occupied ICICI Centre, Churchgate which has the facility

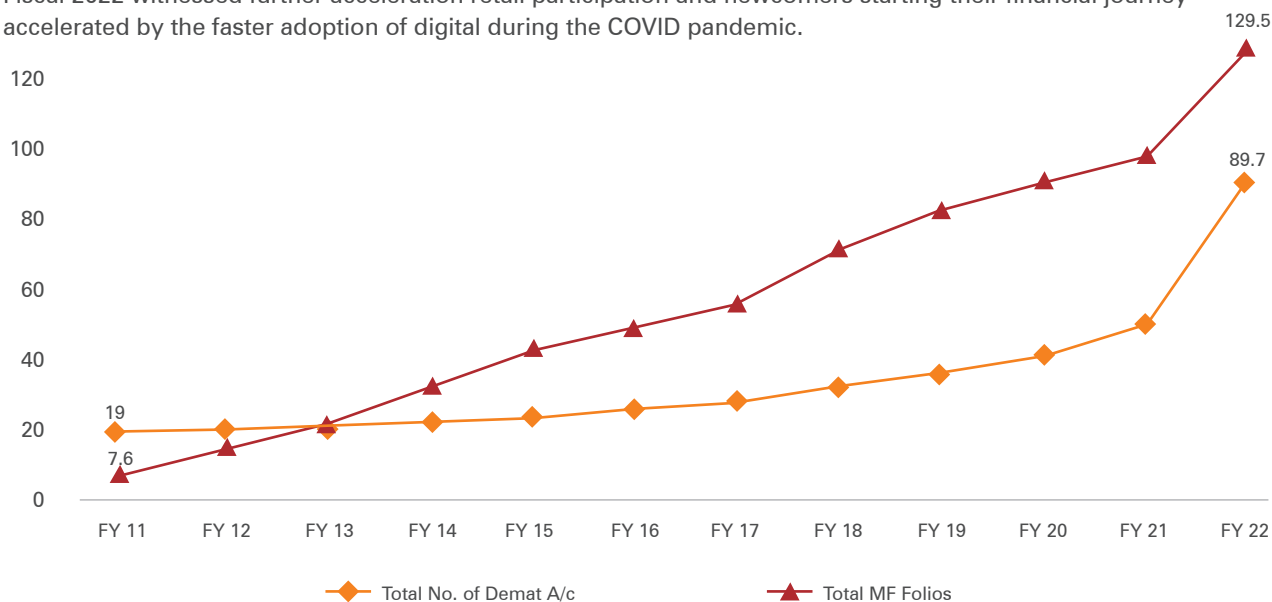
Emerging Trends in the World of Finance

The Indian landscape is at a transformational juncture on many counts. The demographic construct ensures that there are growing cohorts of customer segments leading to continued demands for our products and services. Relative underpenetration, continued policy push towards digital as well as growing affluence are some of the drivers that are expected to propel our businesses.



Significant Growth in Number of Indians Entering Capital Markets

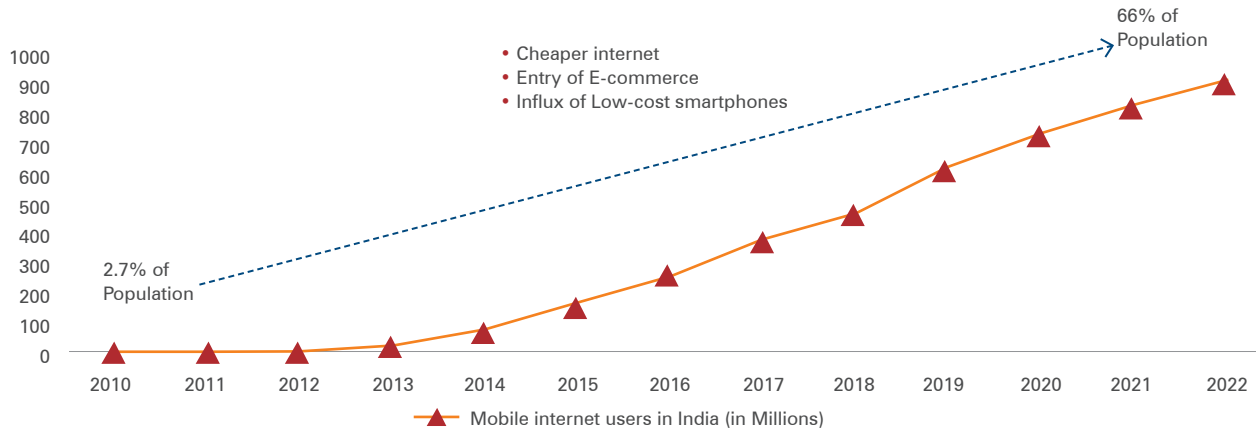
Fiscal 2022 witnessed further acceleration retail participation and newcomers starting their financial journey accelerated by the faster adoption of digital during the COVID pandemic.



DIGITAL AND E-FINANCE INFRASTRUCTURE IS IMPROVING ACCESS

'Digital India' initiative, high smartphone penetration along with rapid expansion in telecom infrastructure providing low-cost data services have propelled digital adoption and growth in e-commerce in India. Measures such as Aadhaar, UPI, Digilocker etc. have helped India reach high penetration of services including financial services digitally.

India had 40%+ share of global real-time digital payments in 2021 and digital transactions on UPI crossed US\$1 Trillion in fiscal 2022. Going forward, the roll out of 5G as well as policy initiatives under Digital India such as Broadband Highways, Universal Access to Mobile Connectivity, Public Internet Access Programme, Electronic Delivery of Services and Information for all are expected to further enhance reach and penetration of financial products and services.

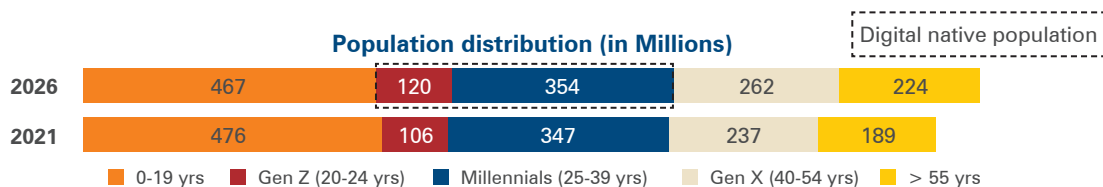


GROWTH IN DIGITAL NATIVES COHORT

The immediate beneficiaries as well as the predominant users of this growing digital infrastructure are the Gen Z & the young Millennials who prefer to use digital channels & platforms to interact with the world. Digital natives comprising Gen Z and young Millennials are

expected to increase by 15-20 Million annually for the next 10 years*. For meeting the demand of this growing demographics, everything from information to investment instruments to engagement methods, need to be digital.

*Census of India



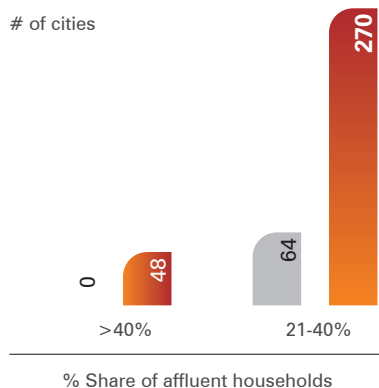
GROWING AFFLUENCE AND PREFERENCE TOWARDS FINANCIAL ASSETS

India's growing per capita GDP has resulted in an increased investment inflow into financial assets.

GDP PER CAPITA ('000 US\$)

FY15	1.16
FY20	1.96
FY25	2.91

Further, the growth of affluence is not limited to top few cities but is spreading across Indian cities and towns. It is estimated that cities/towns with over 20% of population having annual household income greater than ₹ 1 Million will increase to 318 from 64, as per a BCG report. This would require a low-cost digital distribution architecture to tap into this opportunity.



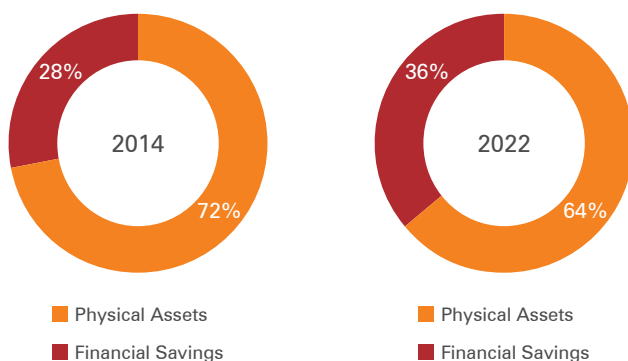
Cities/towns with over 20% of population having annual household income greater than ₹ 1 Million will increase to 318 from 64

■ 2016 ■ 2025

Source: Jefferies report on Indian household assets & Liabilities 2022

Another notable shift is the preference shifting towards financial assets driven by growing awareness about equities as an asset class, higher adoption by younger customers and also easier widespread access enabled by digitisation.

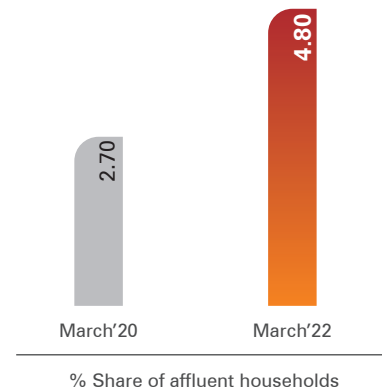
Physical assets have lost about 8 percentage point share to financial savings since the trend began in 2014



Key Drivers for this growth:

- Growing Awareness about Equities
- Social Media – Improving Awareness Regarding Demat Accounts
- Digitisation Improving Technology
- Rise in affluence and understanding about Equity instruments

% of household savings into equities



REGULATORY ENVIRONMENT

The regulatory environment has been conducive for faster integration of technology and has been continuously evolving to ensure safety of retail investors' interests. These developments have set the industry for orderly and sustainable growth and will continue to be an important factor going forward as well.

The Account Aggregator (AA) framework, to facilitate smoother and safer access to financial data across institutions, is gaining traction and getting support from policy makers. The framework grants control to users over their data and enables secured sharing of financial information after explicit consent. Increased adoption and traction of the AA framework is expected to power multiple use cases for financial platforms lending and also for customising experiences across investment products such as mutual funds etc., healthcare, pension and securities.

Our Strategic Approach to Building Customer Anchors

The fast-transforming external environment has catalysed a notable shift in the needs and aspirations of customers. The demand for integrated service platforms has seen a significant rise, with customers seeking more cohesive frameworks to stay connected with the world of finance through every stage of their life.

Amid these developments, we, at ICICI Securities, have transformed ourselves from a predominantly single-product e-broker to a comprehensive wealth-tech platform of choice for customers. Our efforts are focussed to evolve into a digital 'NEO financial services' marketplace' that is personalised, experiential, mobile first and can serve as an anchor for lifecycle investment, insurance and borrowing needs of Indians in a completely digital and open architecture format.

- Led by our deep understanding of customer aspirations and expectations, we have adopted an Ecosystem approach, hyper-personalised around clearly-defined customer groups
- Our Product Stack is being customised to the needs of the various ecosystems and sub-ecosystems through data analytics and curated content, with focus on rebooting core products like Broking, Investment, Insurance & Loans while innovating new proprietary offerings
- We are strengthening our Delivery Stack to ensure seamless availability of products to customers through digital, partner-led and relationship channels

We believe this strategy will help steer our progressive journey of inclusive growth and value creation for all our stakeholders through diversification across multiple revenue stream categories. Driven by a customer ecosystem lens, it will deepen our relationship with clients and enable all-encompassing engagement, leading to growth in our market share and greater customer stickiness.

We have clustered customers with respect to their needs, investing behaviour, disposable income and various other parameters. Such clustering has led to development of various sub ecosystems.

With extensive persona mapping and conducting user research, we have been able to recognise the demand and needs of our customers belonging to each ecosystem which includes Gen Z and young millennials, retiree, investors, active traders, NRIs, self-employed professions, salaried individuals etc.



Crafting the Right-fit Financial Product Stack

Our customer-centric approach to designing product is centred around keeping the interests of customer paramount. We endeavour to create propositions customised to the profile of customers considering life stage, investment style (active or passive), risk appetite, goals, affluence etc. Our product governance framework helps in mapping the product suitability for various customer archetypes. We also keep investing in various digital tools to further guide customers in their journey of wealth creation and preservation, e.g. our iAlert is a rules engine based tool that nudges a client in making appropriate investment choices e.g. selling a stock just before dividend date etc.

During the year, we revamped our product stack by launching and scaling up various propositions based on deep understanding of our customer segments and their evolving needs.

INVESTOR

Investors value research, ability to take long positions and choice of multiple asset classes. We leveraged our research capabilities, strong balance sheet position,

technology and innovation capability to strengthen the entire proposition for investors:

- **Strengthened Prime and Prepaid:** Our unique innovative proposition that offers curated research, unique E-ATM facility (instant credit of sales proceeds within five minutes rather than credit after two working days) and competitive pricing. This resulted in base of Prime/Prepaid subscribers crossing 1 Million this year. This proposition helps us attract and retain high intent investors
- **Scaled-up Margin Trade Finance (MTF):** We leveraged our balance sheet strength to offer compelling rates, our technology capabilities to design simplified journeys and our research to offer recommendations suitable to investors opting for MTF. This helped us scale up MTF by 3.6 times with market share reaching 22%
- **Traction in Commodities:** Introduced Commodities on our mobile app as well as supported it with better features and journeys. Reached market share of 3.35%



ACTIVE TRADER

For active traders, we launched a set of tools and experiences by leveraging our research, technology, and partnerships with fintechs. Some of the key launches for the year:

- Trading APIs (Application Programme Interfaces) that lets traders connect to our system technologically for executing their orders seamlessly
- One Click Derivatives lets you choose from a range of strategies curated by our research team by analysing over 170 F&O stocks with different expiries in real time
- Basket order helps F&O traders place multiple multi-legged strategy orders in a single click by way of a fast and simple process
- Pay-off Analyser is built with advanced analytics to enable options traders create strategies and view pay-off charts to suit their risk/reward profile
- Option Express is a smart analytical tool that helps the trader by suggesting various risk-controlled strategies based on their market view through easy-to-use interface
- Integration with various specialist fintech partners like Trade Tron and Trading View has enabled traders access various F&O strategies and advanced charting capabilities

AFFLUENT AND HNI CLIENTS

Affluent and HNI clients value choice of asset classes, knowledge inputs as well as capabilities to manage and grow their entire portfolio. We leveraged our domain expertise, platform capabilities and strong brand to address these needs.

- Scaled up our Proprietary Portfolio Management Service (PMS) to cross ₹ 7.00 Billion leveraging our domain knowledge. Smart Beta strategy launched during the year combines the benefits of passive and active investing in a quantitative, rules-based and transparent manner
- Masters of the Street is a property created on our platform that provides customers access to portfolios curated by marquee SEBI Registered Investment Advisors (RIA)
- Strengthened Global investing proposition by expanding access of iDirect Global to UK, Japan, HK, Germany and Singapore markets, in addition to USA. We also launched premium equity portfolios through

our tie-up with Interactive Advisors where more than 25 renowned and award-winning fund managers curated portfolios of up to 25 stocks

- Portfolio analysis for investments made through ICICIdirect or otherwise across multiple products (Equity, Mutual Funds, Bonds etc.), market capitalisations, sectors, credit ratings etc.

PRODUCT SUITE FOR LIFE STAGE NEEDS

To make our product stack comprehensive and commensurate with our ambition of being the anchor of life stage needs of our clients, we expanded our suite by forging strategic partnerships and leveraging technology.

- Lifestage Investments for You (Lifey) is an innovative robo-based product aimed at helping customers to accomplish their 'lifestage' milestones by regimented investing for 7 pre-defined life goals such as car, home, marriage, travel, education, retirement or wealth accumulation or can customise a portfolio as per their unique needs
 - Expanded the insurance product suite for meeting insurance needs by entering into partnerships with HDFC Life and Niva Bupa health insurance adding 10 new products (83 in total) to our insurance suite
 - Expanded suite of corporate bonds across sectors, ratings and primary issuers to provide one of the widest bouquet of fixed income products

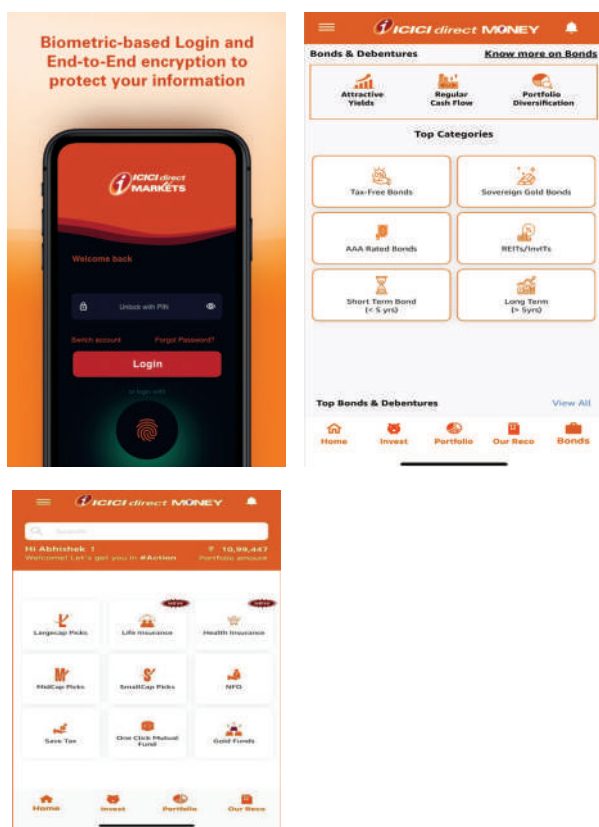


BUILDING EXPERIENTIAL CUSTOMER CONNECTS

We are investing in capabilities to make our platform experiential. We believe that the new entrants to the markets especially younger clients value learning content, simpler products, superior experience, and mobile interfaces. We have designed digital properties and our products keeping these aspects in mind. Some of the more significant upgrades were:

Client onboarding was improved by deploying UI/UX design capabilities, deeper integration with partners for seamless journeys and use of contemporary features. For instance, eliminating steps & clicks in onboarding journey for partner referred customers to reduce the time to activate an account & making onboarding journey multi-lingual, appealing to a much wider set of customers.

New Age Apps



ICICIdirect Markets and ICICIdirect Money App

Built after extensive customer consultation, particularly with the Gen Z client groups and young millennials, have been innovated to enhance customer experience through a simple, fast and intuitive UI and UX design. The ICICIdirect Markets app offers customers the next generation of hassle-free investing and trading experience combining entire gamut of equity, F&O, commodities and currencies products along with our unique features such as e-ATM, One Click research curated portfolios, best-in-class analytics and interfaces.

Similarly, the ICICIdirect Money app offers a range of financial products including mutual funds, fixed income, Exchange Traded Funds, Insurance along with extremely simplified journeys and unique features like e-ATM for Mutual Fund, demat, One Click baskets.

Both Apps are well rated on App Store and Play Store and in aggregate had over 1.2 Million downloads.

Voice-related Digital solutions are becoming tools for enhancing experience and engagement with the wide spectrum of our customers. We leveraged analytics and technology to launch the following services in this domain:

- Voice-based personalised interactive video platform, which enables real-time interactive dashboard and reports about video engagement and conversion. This solution can be effectively used in new customer onboarding, product walkthrough, portfolio statement, educational videos etc.
- Automated IVR (Interactive Voice Response) in regional languages and VIVA (Vernacular Intelligent Voice Assistant), which uses speech recognition and natural language processing technologies help us understand callers' queries and resolves the same through conversations in their local language
- At the back-end, we also do virtual quality analysis on voice and text interaction, which helps us in gaining actionable insights into all customer interactions

iLearn App and investonomics microsite is designed to help Millions of Gen Z entering the job market every year by providing high quality content related to market developments, investments and personal finance and to boost engagement. The content is free and available for all.



A separate education app – iLearn, launched recently serves as a hub for educational and original content in all formats – audio, video, and text available under one umbrella – from byte size to deep dives, macros to company-specific, product launches and reviews.

We are using technology extensively to democratise this offering by making it available in multiple languages through real-time voice-to-text translation or even voice-to-voice.

Our customer management framework helps us drive customer-centricity as a culture: We have a well-defined customer management framework comprising continuous monitoring of Net Promoter Score (NPS), oversight by Customer Service Council and product governance framework for ensuring best interests of customers are considered in all our products and solutions. To ensure continuous customer experience enhancement, we regularly measure Net Promoter Score (NPS) – a well-established methodology to gauge customer loyalty, satisfaction, and enthusiasm with a company. On the back of several customer-centric initiatives undertaken during the year, we improved our NPS score in Q4 FY2022 to 39.5% (3M rolling average) from 30.4% in Q4 FY2021 (3M average).

CREATING OMNICHANNEL DELIVERY STACK TO KEEP CUSTOMERS ANCHORED

We recognise that serving multitude of diverse customer ecosystems requires us to be present in our clients' preferred medium of interaction. Every client archetype has a preferred channel ranging from a seamless digital mode to a light touch assisted digital channel to relationship-based mode of interaction. During the year, we further strengthened our omnichannel presence by scaling digital sourcing, enhancing bank partnerships and scaling our partner network.

Enhanced digital sourcing and digital partnerships:

We adopted an open architecture digital model of sourcing last year to help enhance our reach geographically and increase our addressable market. Clients can now instantly open their accounts linking their existing bank accounts using our fully digital process. During the year, we focussed on enhancing traffic by deploying high quality content, leveraged our new digital properties Markets and Money App as well as our partnerships with various digital ecosystems like payment apps, ecommerce apps etc. Digital sourcing helped us scale our overall client acquisition and diversify our client mix as well as channel mix.

Scale-up of overall client acquisition by over 3X from 0.69 Million customers last year to 2.3 Million in FY2022 which was our ever-highest sourcing in a year.

Client base diversification: ~65% of the new customers acquired in FY2022 were of age < 30 years and 84% of customers were Tier II & below geography. Acquiring Gen Z and Millennials provide us with opportunity to partner the customers from a very young age in their financial journey.

Sourcing channel diversification: 79% of the customers were sourced from channels apart from ICICI Bank.

Our new digital properties (ICICIdirect Money and ICICIdirect Markets apps) are attracting customers and building traction with over 1.2 Mn+ downloads and are well rated.

Deepening existing partnerships and embarking on new partnerships with banks: We deepened our partnership with ICICI Bank by embedding our account opening and transaction journeys in key digital properties of ICICI Bank like iMobile app and website as well as by increasing our client acquisition through bank branches in India and NRI acquisition through branches outside India. We are also expanding our partner bank universe leveraging our open architecture model. We have entered into a strategic partnership with HSBC Bank, which we believe will give access to high quality client pool.

Enabling scale-up of Partner universe: We have upgraded the capabilities of our mobile app for Business partners, who comprise authorised persons, and Independent Financial Associates, which helps them on-the-move to access their business performance and know more about their clients and their investment details at a click-of-a-button. The app now assists our partners to execute transactions on behalf of their customers – through a push transaction – with all safety mechanisms and processes built-in. The app has multiple features, including allowing communication with mapped customers on latest market trend, upcoming investment opportunity etc. Further, we expanded our partner network in the current year from 18,400+ in FY2021 to 33,000+ in FY2022.

STRENGTHENING THE ANCHORS THROUGH TECH-CENTRIC INVESTMENTS

Technology and analytics are most important enablers powering our ecosystem approach. During the year, we leveraged our open architecture and integrable technology to partner with fintechs and other tech

partners. We also invested in new-age technologies and talent to enhance our scalability, reliability, speed-to-market and innovation capabilities. We are also making investments in our data analysis capabilities to deliver personalisation at scale and enhance cross-sell.

The ICICIdirect Markets app has clocked 0.86 Million downloads since launch till March 2022. The ICICIdirect Money app registered 0.42 Million downloads since launch till March 31, 2022.

APIfication: Making full suite of Standard APIs Application Programming Interface (API), is a software intermediary that allows two applications to talk to each other. During the year, we launched Trading API – Breeze, which allows market participants to use the power of programming to interact with the market. Of the many use cases of Trading API, some of the common ones are – building a personalised trading system to create and execute your strategies, accessing historical data (as granular as 1 minute) for back testing, or get live data feed. We are also using APIs for deployment of software to verifying clients' documents and appropriateness of live photo captured as well as in partnering with various fintechs and partners in bringing best-in-class experiences to our customers.



Key Outcome: Digital Integrated Platform via Open Architecture



Security and reliability: In order to make the customer journey stable and keep ICICIdirect always available, we have upgraded our disaster recovery (DR) site capable to manage 100% load of our primary site. We have also been continuously improving our cyber security stance and are investing in advanced tools and capabilities. We believe these aspects are helping us ensure stability and build trust among customers and API consuming partners.

Investing in modern technologies and talent: We are investing in cloud, Artificial Intelligence (AI), Machine Learning (ML), advanced data handling infrastructure, revamping our DevOps approach and adopting agile methodology of delivering innovations. Our investments into AI/ML capabilities are helping us design unique propositions e.g. use of AI to identify accuracy of live photo has helped reduce drop off rates, use of rules engine have helped create personalised stock-specific actionable alerts, use of ML algorithms to power our voice-based solutions etc. We have also made investments in talent and have doubled our tech talent pool.

Leveraging data and gaining insights through analytics: We are using our vast pool of data strategically to micro segment our client base and design personalised experiences for them. During

the year, we invested in enrichment of available data, infrastructure for handling and analysing data, in marketing technology tools and in talent. These investments are helping us sharpen the targeting of relevant products and services propositions from our bouquet to our vast client base, thereby improve cross sell ratio and also user experiences.

Products per customer

1.65

FY2022

Active client ratio

45%

FY2022

35%

FY2021

Ensuring Sustainability-led Growth for Our Stakeholders

At ICICI Securities, sustainability is deeply embedded in our systems, processes and functions. It is driven by our strong commitment to see beyond profit, address societal concerns, and propel sustainable growth and development across our ecosystem. It is in our DNA to look at our business decisions and strategy from the sustainability lens, ensuring long-term development, financial sustainability, security and value for all our stakeholders.

In 2022, we constituted our ESG Executive Forum that oversees the strategy, linkages, and initiatives that we aim to take as a company to achieve our ESG goals. With executive team members from different functions of ICICI Securities, the ESG forum brings in expertise, formulate policies, and protocols and set standards for our business operations with a key focus on sustainability and ESG issues.





Our robust ESG framework and governance system is designed to integrate ESG risks into our decision-making process when making proprietary investments. We consciously refrain from investing in and/or limit exposure to certain selected industries as part of an investment universe guided by our ESG commitments. We also do not finance or lend money to any institutions.

As a Company, we are committed to creating a meaningful and positive impact on our surrounding environment, our society, and our internal governance structure and practices.

Meeting Stakeholder Expectations

As a responsible corporate, we are committed to heeding the voice of our stakeholders, understanding their evolving needs, and responding proactively to them at every step of their lifecycle journeys. We partner with our stakeholders, whom we have identified basis the impact we have on one another, to ensure impactful, mutually beneficial, sustainable outcomes in the long term.

We have in place a robust framework for the identification of stakeholder expectations and sustained engagement with them, through which we respond to their needs and aspirations, and ensure value delivery.

	Importance & Expectations	Engagement Methods	Our Response	How We Deliver Value
 CUSTOMERS	<p>They are central to our business success. They expect superior experience, competitive pricing, innovative products and services, and robust advice from us to accumulate, grow and conserve their wealth.</p>	<ul style="list-style-type: none"> • Omnichannel 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 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Wide bouquet of products and services • Continuous innovation to develop next in class propositions • Further developing systems and processes
 BUSINESS PARTNERS AND VENDORS	<p>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.</p>	<ul style="list-style-type: none"> • Channel partner meets, workshops, conferences and forums • One-to-one meetings • Telephonic and email communication • Vendor communications and relationships 	<ul style="list-style-type: none"> • Adherence with obligations • Maintaining good long-term relationships • Supporting with digital tools, advanced technologies and training • Regular business with opportunity to grow 	<ul style="list-style-type: none"> • Timely payments to partners and vendors • Prompt resolution of issues • Guidance, tools and support to grow their business



GOVERNMENT AND REGULATORS

Importance & Expectations

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.

Engagement Methods

- Meetings with key regulatory bodies
- Written communications
- Presentations
- Industry associations

Our Response

- 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

How We Deliver Value

- Suggestions and views in industry issues
- High compliances with regulations
- Support government initiatives



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
- ESG/Sustainability 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

- ₹ 24 per share – dividend (including proposed final dividend of ₹ 12.75)
- Market capitalisation up by ~62% over the previous year



	Importance & Expectations	Engagement Methods	Our Response	How We Deliver Value
 COMMUNITIES	<p>They give us an opportunity to operate and expect us to undertake developmental and welfare initiatives, generating employment opportunities.</p>	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Financial contribution • Driving social transformation through business activities • Project-specific partnership with recognised NGOs • Environment sustainability initiatives 	<ul style="list-style-type: none"> • Invested ₹ 201.1 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
 EMPLOYEES	<p>Their skills, knowledge and commitment drive our continued success. They expect fair reward and recognition, job security, Equity Opportunity & Meritocracy and career development opportunities and enabling work environment.</p>	<ul style="list-style-type: none"> • Senior leaders' communication/talk • Town hall briefings • Regular Review meetings • Workshops, learning and training intervention • Engagement, wellness initiatives and off-sites • Employee Alignment Study 	<ul style="list-style-type: none"> • Training, development and mentoring • Communicating organisation strategy and key focus areas with all employees • Technology skilling • Performance & merit linked rewards • Equal opportunity based on meritocracy • Grievance redressal system • Reward and Recognition Programmes • Employee engagement activities 	<ul style="list-style-type: none"> • Average training man hour of 60 hours per person. Specialised workshops on technology & data science • 100% employees vaccinated for COVID-19 & covered under various insurance benefits • Gender ratio at 25% women employees • 100% employees covered under performance management

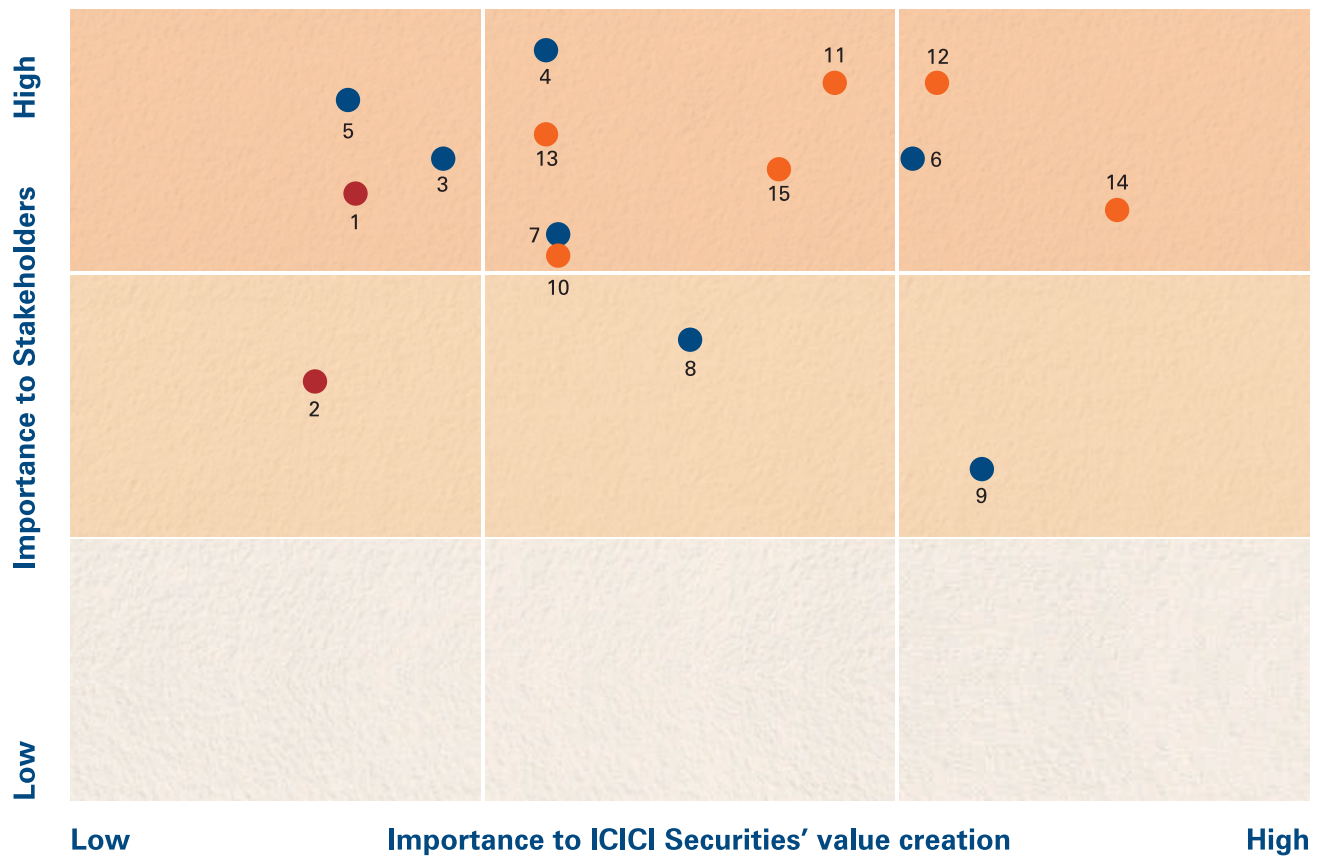
Our Material ESG Matters

Through an extensive assessment exercise undertaken in FY2021, we, at ICICI Securities, identified a set of material matters and issues that can affect our ability to create long-term sustainable value for our stakeholders. These are issues we feel can impact the realisation of our vision and purpose. We have identified these through a detailed analysis of our business objectives, risks and the transforming global trends.

The exercise, conducted across both internal and external stakeholders, has helped us identify our ESG focus areas. We undertake regular analysis of these material topics through stakeholder interaction and feedback mechanisms, across metrics such as client satisfaction surveys and review meet, employee engagement scores, industry and regulatory reports, etc.

Analysis of the material issues helps us design, implement and sustain the right process interventions.



**MATERIALITY MATRIX****MATERIAL ISSUES****Environment**

1. Climate Change & Sustainable Practices
2. Waste Management

Social

3. Employee Engagement & Human Capital Development
4. Diversity and Equal Opportunity
5. Community and Social Impact
6. Efficient Customer Service
7. Transparency in Product & Service Offerings
8. Innovative Products
9. IT Development & Automation

Governance

10. Sustainable Finance/ Responsible Investments
11. Financial Performance
12. Business Ethics, Anti-Bribery & Anti-Corruption
13. Risk & Crisis Management
14. Corporate Governance Structures
15. Privacy and Data Security

PRIORITISING ESG MATERIAL ISSUES


Based on our assessment and analysis, we have prioritised the key ESG material issues with the help of over 100 external and internal stakeholders. These are listed below:

Material Issues

Business Ethics, Anti-Bribery & Anti-Corruption

Materiality Reason

Ensuring integrity and ethical behaviour in all business practices is a key responsibility for financial institutions.


 [For more details, refer to ESG Report.](#)

Linkage to SDGs



Corporate Governance Structures


The highest levels of corporate governance are material for us to maximise operational transparency for investors, regulators and other stakeholders, besides preserving minority shareholder's interests and reducing potential reputation risk.

 [For more details, refer to ESG Report.](#)



Efficient Customer Service


Our business success is directly linked with ensuring efficient customer service and we take various initiatives on a regular basis to enhance customer experience.

 [For more details, refer to ESG Report.](#)



Financial Performance


Expanding the ambit of existing stakeholders and attracting new ones requires consistent return on equity, leading to infusion of fresh capital to augment growth.

 [For more details, refer to ESG Report.](#)



Privacy and Data Security

A robust information security structure (software, expert manpower, and operational practices) enables reduction in cyber threats, and ensures privacy and data security for all our stakeholders' privileged information.

 [For more details, refer to ESG Report.](#)






Material Issues

IT Deployment & Automation

Materiality Reason

Robust digital ecosystem has become essential amid the evolving customer preferences.


 *For more details, refer to ESG Report.*

Linkage to SDGs



Diversity & Equal Opportunity


As a people-centric organisation, we value every employee making it important for us to have an inclusive and progressive workplace.

 *For more details, refer to ESG Report.*



Risk & Crisis Management


Robust risk policies, procedures and supervisory system are critical for minimising all forms of risks and bringing them to acceptable levels.

 *For more details, refer to ESG Report.*



Transparency in Product & Service Offerings


Mis-selling / miss-advisory could adversely affect the client's experience and affect our performance in the long run. It is thus important for us to ensure transparency in products/services offered, timely communications, as well as training of front office staff to reduce / eliminate any mis-selling, miss-advisory possibilities.

 *For more details, refer to ESG Report.*



Sustainable Finance

Promotion of environmental sustainability and equitable growth through sustainable finance practices is vital for sustained business growth and value creation.

 *For more details, refer to ESG Report.*




Material Issues

Innovative Products

Materiality Reason

Cognisant of the importance of product innovation to our success, we focus on providing intuitive, relevant, contextualised and hyper-personalised experiences to our customers.


 For more details, refer to ESG Report.

Linkage to SDGs



Local Communities


Strengthening community engagement is vital for creating an impact in the society we operate in, and we take many such impactful initiatives through ICICI Foundation and other partners.

 For more details, refer to ESG Report.



Employee Engagement & Human Capital Development


Employees partner us in ensuring sustained positive performance and taking care of their holistic well-being is thus an absolute imperative.

 For more details, refer to ESG Report.



Climate Change & Sustainable Practices


Creation of an environmentally friendly and conscious workplace makes sense from a sustainable point of view, and also from the perspective of long-term economic and operational benefits.

 For more details, refer to ESG Report.



Waste Management

Reduction of costs and ensuring optimal resource consumption requires effective waste management, as underscored by our reduce, reuse and recycle philosophy.

 For more details, refer to ESG Report.



Environmental

Reducing Our Carbon Footprint



CSR spent in FY2022

₹201 Mn

Beneficiaries reached till date

2,00,000+

We are committed to reducing our carbon footprint and raising consciousness towards use of natural resources. We follow a multi-pronged approach comprising -

1. Adopting business practices that inherently have a very low carbon footprint
2. Judicious use of environment-friendly materials
3. Continuous monitoring and benchmarking of natural resources being used – Energy, Water, Paper, Plastic to optimise usage
4. Responsible waste management protocols
5. Building a culture of environment sensitivity

Our digital business model is light on natural resources. Aligning ourselves to India's COP21 obligations, we began monitoring and reporting our emissions in FY2019. In FY2021, Board of Directors approved our Environmental Policy to guide our approach towards the use of natural resources. During the year, we were able to make significant progress across many aspects:



NATURAL RESOURCES

- Scope I and II emissions were down 37% and Scope III emissions were down 85% with respect to FY2019 baseline
- Energy consumption was 37% lower than respective FY2019 base lines and was up 5% from FY2021 despite substantial growth in business and corresponding activities; Optimised electricity and diesel usage by continuous monitoring, investing in energy-efficient equipments and by raising awareness
- Paper consumption was 82% lower than FY2019 base line. We introduced environment-friendly (wheat straw) paper-based stationery and digitisation of processes
- We had set targets to reduce our Energy and Paper consumption/footprint by 20% and travel by 35% by FY2025. However, by improving our control over data recording, monitoring and analysis by using technological improvements, we are confident that we will be able to better our set targets. Hence, we are revising our target of Paper to 35% for Travel and Paper combined which is also considered in Scope III emissions. We have set the target for Energy the same at 20% as we have future plans for expansion.

We introduced environment-friendly (wheat straw) paper-based stationery and digitisation of processes.

ENVIRONMENT SENSITIVITY

- Reduction of limited use plastic by stopping procurement of plastic folders, jacket folders, plastic bottles and plastic stationery, and encouraged employees to use glass bottles and discard plastic bottles
- Use of 100% biodegradable plastic garbage bags across all our facilities to collect and dispose of dry and wet waste
- Responsible waste management by ensuring 100% e-waste is disposed in environment-friendly manner through specialist service providers and by ensuring wet and dry waste is recycled and/or composted through third parties. In FY2022, we generated 2.17 tonnes of dry, and 3.03 tonnes of wet waste, of which 2 tonnes was recycled/reused and 3.03 tonnes composted, generating ~300 kg of organic manure.
- Raising sensitivity by regular plantation drives and campaigns conducted on environment such as celebrating World Earth Day, arranging quizzes, sending mailers etc.



Sapling Plantation at Corporate offices

We have received Gold Certification from the United States Green Building Council for our new Prabhadevi location.



Social

Reinforcing Our Social Responsibility



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

We have in place a committee to look at community/social projects as well as sustainability-related activities within the organisation. The committee members include two Whole Time Directors and one Independent Director.



Hameri, a Self-Help Group

ICICI Foundation for Inclusive Growth

ICICI Foundation has been implementing ICICI Group's CSR programmes with primary focus on promoting employment, improving vocational skills, and strengthening livelihoods and public health. We have worked on the development of over 2,100 communities in 31 states and union territories, with the ICICI Foundation administered programmes having reached over a Million people in India's various regions and communities so far.

An impact assessment study was conducted with the help of an external agency to assess the impact generated through the various skill development CSR projects of FY2021. The impact of the programmes were analysed for four key areas: inclusiveness, relevance, impact created, and service delivery.

[Further information and the detailed impact assessment study can be accessed here](#)



Water treatment in villages under our IIT SINE partnership

Providing Healthcare Support

Amid the second wave of COVID that affected many, the Company undertook several new CSR projects with enhanced focussed on healthcare, while continuing with its ongoing projects. All the initiatives were implemented directly or through partners (including ICICI Foundation).

- We joined hands with the Foundation for Innovation & Research in Science & Technology (FIRST), a Technology Business Incubator (TBI) of IIT Kanpur, to support Research and Development (R&D) of domestic manufacturing of oxygen concentrators. Through this partnership, we set up medical oxygen plants under the aegis of Mission Bharat O2 (MBO2), with the aim to create decentralised manufacturing pockets for rapid delivery of medical oxygen
- We helped set up high capacity oxygen plants at five hospitals of the Border Security Force (BSF). Communities living around the BSF hospitals also access these hospitals for availing medical treatment and are potential beneficiaries
- We supplied essential medicines and medical equipment for treatment of COVID patients in Lokmanya Tilak Municipal College and General Hospital, Sion (Mumbai)



Facilitating supply of oxygen concentrators



The Homi Bhabha Cancer Hospital and Research Centre (HBCH & RC), Mullanpur, Punjab

**ACTIVE AGEING FOR
SENIOR CITIZENS**



**LAKSHMI
WALKS
AGAIN**

CUDDALORE

- With TATA Memorial Hospital, we supported treatment of needy cancer patients in Mumbai and supplied high-end medical equipment, ambulances and a bus for patients for a new cancer hospital – The Homi Bhabha Cancer Hospital and Research Centre (HBCH & RC), Mullanpur, Punjab
- We also supported surgery of needy children under the Children's Surgery Support Programme, and conducted free cataract surgery for senior citizens belonging to economically weaker sections of society
- Further, we supported SINE incubated start-ups, focussing on R&D of finding solutions to health disorders like cancer, Parkinson's Disease, rapid testing of mosquito borne diseases, prosthesis limb having senses, etc., with potential of creating large and beneficial social impact
- Drinking water treatment at Kishor and Edvan village: Clean drinking water is a basic necessity of life. We had supported a start-up of SINE-IIT Bombay, to instal two water treatment units at 2 villages, each filtering that filters 2.5 Lakh daily



Bandarjua Self-Help Group Hameri & I-Sec team

Other CSR Initiatives

- In community development and sustainability, through WWF India, and under Project Hameri, we helped members of the Women Self-Help Groups (SHGs) in the Greater Corbett Landscape by creating market linkages and equipment for handicraft and food processing items like jams and pickles
- To improve the quality of life of elders, with HelpAge India, we are setting up a Model Old Age Home in Leh and Cuddalore. The objective of ICICI Securities' CSR activity at Tamaraikulam Elders Village, Cuddalore is to assure the holistic wellbeing of the elderly by constructing setting a model old age home based on the idea of active ageing. The active ageing centre's purpose is to bring positive change in the life of the elderly who need care and support for a healthy life, while engaging in physical exercises, health facilities and having access to basic necessities of life to ensure mental and physical wellbeing
- In skill development, we continued to collaborate with ICICI Foundation and, through another partner, we have initiated training of youth in elder care to make them employable
- Along with NSRCEL, IIM Bangalore, we supported start-ups, promoting entrepreneurship and projects / start-ups with potential of creating large and beneficial social impact. The ongoing Fintech initiative had 10 start-ups that had undergone through the incubation programme raised ₹ 95 Crore cumulatively.



'Beekeeping' initiative

- A total of 15,000 trees were planted in Villupuram district of Tamil Nadu as part of our sustainability efforts
- In association with WWF-India, we have done a pilot project in Uttarakhand region in beekeeping, which will not only generate economic value for the farmers but also help in restoration of ecological balance

Social

Harnessing Our Human Resources

At ICICI Securities, we believe that our people are the key towards success for the long-term growth strategy of the Company. With new-age and ever-changing business complexities and volatility in business environment, innovative thought leadership and new-age skills of our team define how we shape the future of the Company. Our entire outlook on people philosophy & practices is designed towards building a culture of trust, meritocracy, inclusion, empowerment and freedom of thought to drive high performance through constant innovation.



Culture of Learning, Experimentation & Digitisation

The strategic, structural and business delivery model choices made by the Company, determine the skillset and competencies required by employees. We, in accordance with our strategy and business model, conduct an annual assessment of skill requirements and accordingly recalibrate the training design, content, curriculum and pedagogy. Each business group is analysed for new skillset requirement. If required, the training programmes are redesigned to meet the requirements or new programmes are launched. We have actively engaged with our training partners to revise and redesign training curriculum at regular intervals.

We offer a series of programmes to employees in technical skills, behavioural and leadership domain at different levels of the organisation. In the domain of leadership development, we offer Leadership Mentoring Programme which is conducted for middle and senior management.

Total Training Hours	1,54,927	2,44,711
Employee Count	3,766	4,094
Avg Training Hours	41	60
Employee Coverage*	99%	96%

Year **2021** **2022**

* Employees who joined in the last quarter of the financial year and had partially completed their training journey till March 31, 2022 are not considered as coverage in the above table. Further, there is a 100% coverage on all regulatory certifications for employees in FY2022



ENHANCING LEARNING ON-THE-GO

In FY2022, we launched 68 e-learning modules on domain knowledge and selling skills, with enhanced focus on self-learning and virtual content delivery. The modules were customised to the needs of the various frontline sales teams through the mobile-based e-learning application 'MPower'.

Our Learning Suite



LEARNING INITIATIVES IN FY2022

During the year, we focussed our learning initiatives around:



DESIGN THINKING

To develop agility and customer-centricity in product and process innovations, we conducted a Design Thinking programme for Employees in mid to senior management level across core functions of product, technology, business & process groups.



CUSTOMER FIRST BEHAVIOUR

For all retail business and support groups, a threefold initiative around customer first behaviour was driven; it comprised an awareness quiz campaign, orientation session and a detailed programme emphasising the importance of 'Customer First'.

3,500 employees were covered in FY2022. The initiative is now an integral part of all new hire induction.



CREATING SYNERGIES THROUGH COLLABORATION

To re-emphasise the key aspect of 'Working together' as One Team, employees across product, process & corporate service teams were trained on effective communication and collaboration through digital simulations in a real lifelike scenario.

FURTHER UPSKILLING INITIATIVES

Certification programmes were conducted for wealth management relationship team and equity relationship teams during the fiscal.

- **PWM Wealth Academy** – launched as a finishing school for relationship managers covering effective client engagement. Concepts like, Macroeconomic Indicators – Policies, Debt Market Analytics, Equity Analysis, Alternative Investments, and Asset Allocation through case study based approach
- **Equity Knowledge Academy** – covering Equity & Derivative Analysis, Fundamental & Technical Analysis and ALGO Trading
- **Digital Tools & ALGO** – certification programmes and workshops for data science, technology and business process engineering teams on topics like data science & machine learning, devops, tableau and API

transparency. We remain committed to attract and nurture a diverse and young workforce. The Company offers a work environment that values every individual for their unique skills, experiences and perspectives.

As part of our hiring programme across business verticals, we hired 30% from campuses since we strongly believe in the power of youth. We continue to augment our teams with lateral hiring of critical, new and niche skills across technology, data science & business verticals.

Building an Inclusive & Vibrant Team

PEOPLE DEMOGRAPHICS

As an equal opportunity employer, the Company does not differentiate basis gender, caste, sexuality, colour, religion etc. All people processes are based on the philosophy of meritocracy and

4,097

Total Workforce
(Permanent & Fixed Term Contract)

32 years

Average employee age

25%

Women employees

30%

Hiring done through campuses

46%

Workforce under 30 years of age

32

Employees are self-declared as differently abled

(As on March 31, 2022)



Our senior management team has an average work experience of around 23+ years. Around 67% have a vintage of 5+ years with either the Company or ICICI Group.

GOVERNANCE FOCUS

Every employee in the Company is expected to work with the principle of 'Compliance with Conscience' which is a threshold DNA of the Company. We follow a zero tolerance policy towards any violation or misconduct on grounds of non-compliance. We have in place a well-articulated Code of Conduct & Business Ethics, Prevention of Sexual Harassment at the Workplace Policy, Whistle-blower Policy and the Employee Grievance Redressal Policy, all of which are designed to provide a safe and secure workplace. All employees are expected to adhere to the code/policies. Our internal policy on Talent Acquisition, Diversity, Equity and Inclusion Policy and Human Rights Policy reaffirm the Company's commitment to being an equal opportunity, meritocratic employer. The Company is governed by the Code of Conduct for Stock Brokers issued by SEBI, covering aspects such as integrity and fairness to clients.



Vijay Chandok, MD&CEO, speaking at I-Sec Day

We regularly conduct awareness campaigns to familiarise employees with the various policies to ensure adherence. We also have a detailed grievance redressal process for employees to ensure that all grievances are suitably addressed within defined timelines and with utmost confidentiality.

Fostering Growth & Leadership

We have adopted the 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.

We provide growth opportunities to performing and high potential employees to take up larger jobs within the Company. Around 30% of critical/title positions were fulfilled through internal movements in FY2022.

Performance Meritocracy

We have a structured performance management process aligned to the Company KPIs as set out by the Board. The Company KPIs are cascaded in the form of functional KPIs through the Balanced Scorecard process and further as individual KPIs based on the nature of role and responsibilities. All employees of the Company undergo performance appraisal process as determined by the Company and in accordance with their career progression plan. Career development is achieved through a mix of trainings, higher roles (promotions) and lateral movements or job enhancements.

Employee Value Proposition PLEDGE

The 'PLEDGE' employee value proposition, formally articulated in FY2021, is a promise of what our employees should expect from the Company. It is anchored around - Pride @ Workplace, Care, Growth & Learning, Enabling Work Environment & Meritocracy. We conduct employee pulse check & feedbacks in regular intervals through various engagement platforms & surveys to monitor the delivery of values promised to the employees.

Launch of AMIGO

A key theme of our Pledge anchor (Enabling Work Environment) is digitisation of internal processes and policies, towards which we launched AMIGO during FY2022. AMIGO is an employee mobile application that is a one-stop solution for their day to day work needs, query resolution, productivity tracking, approvals and communication. AMIGO enables transaction management of various employee

benefits; easy viewing and access to documents like salary slips, tax details, ID cards etc.; policies-related query resolution through chatbot; safe marking during calamities with provision to raise alarm during exigency; wishing work anniversaries, birthdays etc; and viewing videos/podcasts/photos of various Company-driven initiatives & learning content.

Enhancing Pride @ Workplace

Nurturing this anchor, we held a 'Daan Utsav' during the year in collaboration with ICICI Foundation and GiveIndia, providing employees with the opportunity to contribute towards the betterment of the society. Plant seeds were distributed to employees as part of the Green Environment Initiative, while under the Sapling & Tree plantation initiative, employees got the opportunity to plant trees and saplings.





Staying Engaged with Employees

At ICICI Securities, we have developed various platforms and forums to enable our employees to engage regularly with the senior leadership and with one another.

- **CEO Connect:** Regular sessions are held for all employees through our virtual platform 'CEO Connect'. Our Managing Director and CEO engage directly with all employees on this platform, and keep them apprised about the Company's performance, strategy updates and employee wellbeing
- **Senior Leadership Townhalls:** We conduct regular townhalls with cross team business leaders, giving employees the opportunity to interact with the senior leadership
- **ICICI Securities Day:** We mark the ICICI Securities Day every year as an acknowledgement and celebration of our success as an organisation. On the occasion, we also recognise and felicitate individuals and teams who exemplify our achievement orientation and cultural ethos. This year's theme was 'Working together'
- **Employee Feedback:** At I-Sec, feedback is a continuous process, and we have integrated a feedback application with our 'AMIGO' mobile application to take feedback from employees on real-time basis. We also seek such feedback through branch visits, focussed group discussions, etc.
- **Employee Wellness:** Besides ensuring a safe and secured infrastructure for employees to work, we also conduct periodic communication and sessions on various safety aspects. Extending support to employees to meet any exigency in their personal life, we have arranged for dedicated doctors at two of our corporate offices on daily basis. Our mobile application 'AMIGO' helps employees mark themselves safe during any pandemic/natural calamities and raise an alarm during exigency. We follow stringent guidelines to ensure safety of employees and visitors. Other employee wellness initiatives include monitoring the air quality at our corporate offices and conducting quarterly fire drill training at all our branches and corporate offices.

During FY2022, we launched several initiatives to promote the physical and mental well-being of the employees. We have enhanced the employee benefits, such as Group Term insurance and Personal Accident insurance. Several sessions on health & well-being were conducted in FY2022. 100% of employees who were medically fit for COVID vaccination were vaccinated. Through our 24x7, mobile-based medical concierge facility, 1,908 unique employees and 1,154 family members availed medical consultation including mental health and counselling sessions

Rewards & Recognition

The Company believes in rewarding and recognising performing employees. As in previous years, we felicitated such employees at our Company-wide platform - I-Sec Day, during FY2022.

Respective businesses also conduct various rewards and recognition programmes for employees on regular basis.

EMPLOYEE BENEFIT POLICIES

- Salary advance to employees – to provide financial assistance in case of exigency
- Leave policy – to meet various life stage needs of employees
- Flexible/hybrid work arrangements – provided on need basis
- Higher education policy (HEP) – facilitating employees to pursue their desire for professional qualification
- Internal job posting (IJP) – employees can apply for varied jobs against internal job openings basis the eligibility criteria
- Insurance policies – protection to employees & their applicable dependents under various insurance covers like Health Insurance including maternity expenses, Personal Accident & Life Insurance, besides facilitating employees on their family's specific hospitalisation needs
- Employees' children scholarship scheme – to meet educational requirements of employees' children who are outstanding in their studies
- Gym & gaming facilities – on-site, at prominent offices with high workforce concentration
- Retirement benefits – Board-approved policy to cover post-retirement benefits for employees retiring from Company's services





Supporting Employees during COVID

The Company continued to ensure zero compromise on employee health and safety during the COVID pandemic crisis, providing quick assistance for any health emergency.

- Stringent adherence to high standards of personal, public hygiene & social distancing; Regular disinfection of public hotspots in offices premises and reminders on COVID protocols
- Mobile e-pass application designed and integrated with the Government's Aarogya Setu app, with employees required to mandatorily generate e-pass by declaring their health & safety conditions
- Frequent RT-PCR tests for employees and also for employees of service providers like security, housekeeping, canteen, etc.
- Support to employees & their families in hospitalisation, arranging of oxygen cylinders and ventilators during the 2nd wave, assistance to family dependents of deceased employees, etc.
- Developed new mobile app to help track the vaccination status of employees, enable them to book appointment for vaccination, and update their vaccination status; Conducted multiple vaccination drives for employees & their family members

100%

Of medically-fit employees fully vaccinated

(As on March 31, 2022)

- Tie-up with a 24x7, mobile-based free medical concierge facility for employees and their immediate family members to access specialist doctors for medical consultation

3,000+

Unique consultations done through the facility

(During FY2022)

11

Health sessions conducted

- IT/digital tools provided to enable Work from Home, with adequate data and security measures; Offered employees digital learning programmes to adapt to the new normal

Social

Sharpening Our Customer-Centric Focus

Customers power our business and occupy centrestage in our thinking when it comes to design all operating aspects of our business. Their expectations from us comprise a superlative experience, a comprehensive product suite to help them create, grow and conserve their wealth, exemplary service, trust and transparency in dealings and assurance of protecting their information and privacy. We consistently endeavour to exceed our customers' expectations on these fronts through our comprehensive customer management approach.



CUSTOMER SERVICE COUNCIL: APEX EXECUTIVE BODY OVERSEEING CUSTOMER EXPERIENCE

We have constituted a Customer Service Council, headed by Managing Director & CEO, that is responsible for reviewing all aspects and customer service and quality standards in all our interactions with customers. The Council thoroughly reviews customer feedback, complaints, deliberates on proactive measures for enhancing customer experience and monitors NPS across an exhaustive spectrum of touchpoints.

PRODUCT GOVERNANCE FORUM

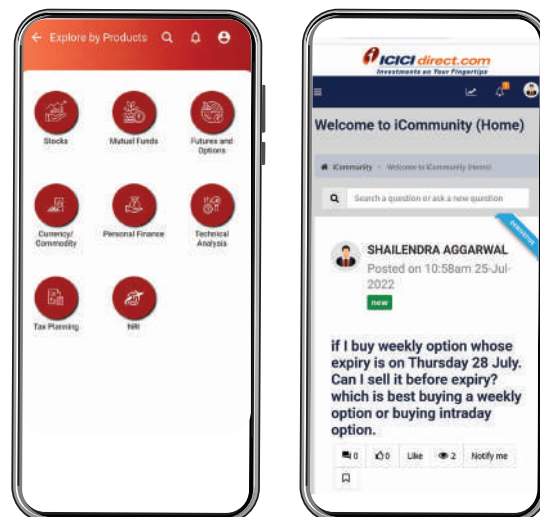
We have constituted a Product Governance Forum comprising Business, Research, Risk & Compliance to oversee new third-party products to be distributed by the Company. The forum focusses on reviewing such products keeping the customer's best interest in mind. Towards this end, the forum reviews areas such as product features, suitability and merits / demerits of products and tie-ups with third parties.

Channels of communication and engagement

For resolving grievances, we have a call centre, a corporate office and 139 customer service locations across the country, with the major tasks of helping clients address and resolve their queries. Turnaround times have been defined and are monitored by Customer Service Council and regular updates are provided through email, SMS or Whatsapp notifications.

For engaging customers, we have designed i-Community, a platform where users can share and gain knowledge as well as connect with like-minded fellow investors. The platform includes a chat bot that assists clients in understanding our product offers.


For learning, we have designed a micro-site, Investonomics, as well as more recently launched an app - iLearn. These help customers stay updated on latest market developments, views from experts as well as learn about various aspects of personal finance in a simple engaging format.



 Read more on pages 30-31 of this annual report

COMPREHENSIVE PRODUCT AND SERVICES PORTFOLIO

Our broad product offerings meet a wide spectrum of our clients' financial demands. Our advanced digital platform enables users to effortlessly transact across asset classes, analyse their portfolio, and retrieve information. Our skilled relationship managers counsel customers on their specific requirements. The platform-led business model and the network of relationship managers have worked together to enable us to develop a scalable and digital wealth management practice.

 Read more about how we deliver value to all our stakeholders in our ESG report.

PROTECTING CUSTOMER PRIVACY DATA

To address cyber security, we've implemented a policy that establishes limitations, mitigating techniques, and internal controls. Information Security Management Policy, as well as Cyber Security and Cyber Resilience Policy, are in place to safeguard the organisation's cyberspace from cyber-attacks, threats, and vulnerabilities.

We have a Personal Data Protection Standard in place to ensure that all Personal Data is kept secure using appropriate technical and organisational means, such as the policies, processes, and controls that are required. We also comply with applicable laws and regulations by implementing and monitoring information security standards and frameworks.

Governance

Fortifying Our Corporate Governance Strategy

Employee education and training on numerous compliance aspects is a key facet of our governance strategy. Our people, who comprise our workers, partners and communities, are at the heart of our transformation programme. We are focussed on developing our people so that they can generate value for the Company and their ecosystems while experiencing meaningful lives. Our corporate governance philosophy is imbued across our organisational systems and principles. It is central to our business model and strategic approach, founded on our partnership-driven methodology.



- Our robust and well-articulated Code of Conduct and Ethics, which is conveyed to employees, assists us in addressing important legal, ethical and compliance risk areas. New joiners are mandatorily required to affirm the Code
- To safeguard the interests of our stakeholders, we adhere to the highest standards of ethics, transparency, disclosure, and governance
- Due to our business' nature, ICICI Securities is also regulated by SEBI's Code of Conduct for Stockbrokers to ensure transaction integrity and equitable treatment of all customers
- We also have clearly-defined policies to ensure transparency, ethical conduct, gender safety etc. These include Anti-Bribery and Anti-Corruption, Whistleblower, Prevention of Sexual Harassment, Prohibition of Insider Trading and Related Party Transactions policies, among others

100%

Of our Workers have acquired
Code of Conduct training

IT Infrastructure & Cyber Security

During the pandemic, we enabled all employees to work from home, and with the help of secured two-factor authentication, eased access to a list of apps with all secured parameters in place, such as WebEx and Office 365. This ensured business continuity while maintaining high degree of security. Our Information Technology architecture protects the interests of not just employees but also our customers. It has the following features:

- To increase employee awareness of data security, phishing drills and training sessions are done on a regular basis. A notification is sent to users to raise awareness
- The business risk management board includes an IT and cyber security risk management committee
- When launching a new product, process automation and high security are implemented to make the application available to users and to make the system error-free while increasing productivity
- We pursue a comprehensive information and cyber security programme that includes a Information Security Policy, Cyber Security Policy and Standards based on best industry practices, in accordance with regulatory guidelines, and in alignment with regulatory directives on information and cyber security
- We have a Cyber Security Squad led by the Group's Chief Information Security Officer (CISO). The Chief Risk Officer creates and maintains systems for assessing, identifying, and mitigating information and cyber security threats
- The IT Risk and Information/Cyber Security Committee (IT Risk Committee) assesses the Company's IT risk readiness and oversees execution of risk mitigation measures. It comprises the Managing Director, Executive Director, Chief Technology Officer, Head Risk, and members from key business divisions





At ICICI Securities, the systems and processes we deploy to keep our customer anchored to the financial universe are rooted in a culture of ethics and transparency. We adhere stringently to the principles of accountability and independence to steer our value creation journey. We have in place a robust corporate governance framework, pillared on these principles and backed by strong ethics.

Our corporate governance philosophy is imbued across our organisational systems and principles. It is central to our business model and strategic approach, founded on our partnership-driven methodology.

Board's Roles and Responsibilities

We ensure the effective implementation of our corporate governance model through our experienced, skilled and diversified Board of Directors. With their collective professional expertise and backgrounds, they propel the realisation of the Company's vision and strategy. They are mandated to ensure strict adherence to all compliance and regulatory requirements to nurture the trust of our stakeholders.

BOARD CONSTITUTION

2

Executive
Directors

2

Non-Executive
Directors

4

Independent
Directors

Board Committees

Day-to-day functional execution of the Board's roles and responsibilities is facilitated by our various Board Committees. The functioning of these Committees is governed by the clearly laid out terms of reference of each of the Committees which clearly set out their responsibilities and scope of authority. The terms of reference are reviewed annually. The Committees report to the Board on their activities on a periodic basis.



BOARD DIVERSITY

Our Board has a diverse mix of education, skills, qualifications, gender and age, to give a holistic vision to our strategy and ensure the highest standards of governance.

100%

>20 years of experience

50%

Age - 56-70 years

50%

Age - 36-55 years

BOARD PROFILE

5.4 years

Average tenure of Independent Directors

96%

Average attendance rate in Board meetings

6

Number of Board meetings held in FY2022

13

Number of Additional Board Level Committees/ Councils/Forums Constituted

Governance

Managing Risks Effectively

We have in place a comprehensive risk management strategy to effectively handle the various external and internal risks that can impact our business performance. The strategy involves identification, quantification and management and reporting of the principal risks that have the potential to affect our ability to create and deliver long-term value to our stakeholders.

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. Our risk management and internal controls are

aimed at ensuring timely identification, measurement and mitigation of the various risks. They guide us in establishing the policies, procedures and standards needed to address these risks.

Three Lines of Defence



First line of defence – This relates to 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.

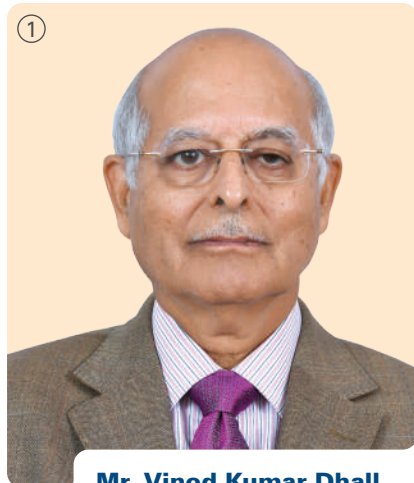
Second line of defence – This covers specialised departments, such as risk management and compliance, which employ specialised methods to identify and assess risks faced by the operational departments. This helps equip these departments with specialised risk management tools and methods; besides facilitating and monitoring the implementation of effective risk management practices. It also enables the development of monitoring tools for risk management, internal control and compliance; reporting of risk-related information; and promotion of 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.

Risk	Description	Mitigation measures	Capitals impacted
 Market risk	<p>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.</p>	<p>Market risks relating to clients' transactions</p> <p>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.</p> <p>Mitigation</p> <ul style="list-style-type: none"> • 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 • 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	<p>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.</p>	<ul style="list-style-type: none"> • 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	<p>Risk arising on account of our capital market related business and trading and investment activities.</p>	<ul style="list-style-type: none"> • Liquidity Risk Management Policy to guide our actions • Continual monitoring of asset-liability gaps across maturity buckets to assess the liquidity requirements 	
 Operational risk	<p>Inability to effectively manage operations and come up with effective products and services may lead to losses.</p>	<ul style="list-style-type: none"> • 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	<p>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.</p>	<ul style="list-style-type: none"> • 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 	  

Governance

Board of Directors



Mr. Vinod Kumar Dhall
Chairman



Mr. Ashvin Parekh
Independent Director




Mr. Subrata Mukherji
Independent Director




Ms. Vijayalakshmi Iyer
Independent Director



 Audit Committee

 Nomination & Remuneration Committee

 Corporate Social Responsibility Committee

 Stakeholders Relationship Committee

 Risk Management Committee

C Committee Chairperson

M Committee Member



Mr. Anup Bagchi

Non-Executive Director



Mr. Prasanna Balachander

Non-Executive Director



Mr. Vijay Chandok

Managing Director & CEO



Mr. Ajay Saraf

Executive Director



To view individual Director's profile, please visit www.icicisecurities.com --> About us --> Board of Directors

Testimonials and External Validations



As a customer of ICICIdirect for about 18 years now, I have had a fruitful investment journey. I find their latest service of Premium Portfolios particularly helpful in guiding customers through this journey. Various types of portfolios are available as part of this initiative to enable the investors to choose as per their objective. This product bridges the gap between a diversified mutual fund, which dilutes the earnings, and individual stock selection, which an individual investor may not be always able to track.

Dr. Sunil Chhaya



Having come a long way since its inception in 1995, ICICI Securities now offers a variety of services tailored to the clients' diverse requirements and potential. Their management is diverse in experience and knowledge, and the Portfolio/Account Managers have a very personal relationship with clients. I find their webinars very useful, helping clients like us understand the markets, and most importantly, giving us the necessary confidence to move forward on our path of wealth creation.

Barnabas Prakash

Dynamic Positioning Consultant



Before I became an ICICIdirect customer, my entire investment portfolio was quite unorganised. The team invested time in understanding my requirements and helping me put a proper structure in place. It also suggested some fundamental changes to my investment approach and helped me streamline my existing investments by advising me to exit some funds and focus on some other growth avenues. I feel confident that with I-Sec's knowledge and support, I will be able to achieve my financial goals.

Sumit Dey

PWM Customer, Bengaluru



ICICI Securities, with its strong digital infrastructure and seamless investment journey, has redefined investor experience. Their digital platforms, built on the latest technologies, are one of the best in the industry. They have enhanced investor experience across the spectrum, be it retail or HNIs. Our association with them goes back over 20 years, and their professionalism and expertise has enabled us to build a strong combined investor base over the years. We believe our association in the coming years will aid in further deepening financial penetration in the country.

D. P. Singh

Dy Managing Director & Chief Business Officer,
SBI Funds Management Limited



We are extremely happy to have partnered with ICICI Securities for one of the key milestones in our Company's growth journey – the IPO. Their inputs, throughout the deal, have been very valuable. They have been proactive in anticipating and addressing the challenges that came through the course of the transaction. The high-quality investors brought in by ICICI Securities in tough market conditions demonstrates the strength of their platform. We thank ICICI Securities for their good work and wish them well for the future.

Ravi Modi

Chairman & Managing Director,
Vedant Fashions Limited



ICICI Securities has been a trusted and dedicated partner in our growth journey. During our long-term association with ICICI Securities, they provided us with invaluable strategic guidance and advice that helped in meeting the objectives during the IPO process/subsequent transactions and finding the right set of investors.

Diwakar Nigam

Chairman & MD,
Newgen Software Technologies Limited



As we move into a post-pandemic world, Indian investors are increasingly preferring digital channels to research and implement their investment decisions. ICICI Securities continues to be at the forefront in providing a one-stop, convenient solution that helps investors take research-based, informed decisions. ICICI Securities' industry-leading platform has helped traditional savers transition to mutual funds, and build wealth by encouraging a long-term, objective investment process aided by their unique guidance and insights.

Vishal Kapoor

CEO,
IDFC Asset Management Company Limited



ICICI Securities has been a trusted partner in an association spanning over two decades. It is well recognised in the financial services industry for its use of robust technology, sound processes and customer-friendly platforms. We applaud their research capabilities, wide distribution reach and an innovative mindset. India remains an underpenetrated market for capital market products particularly mutual funds and together with ICICI Securities, we look forward to scaling new heights.

Navneet Munot

MD and CEO,
HDFC Asset Management Company Limited



ICICI Securities played a significant role in helping us navigate and achieve a successful IPO. They helped in maximising value both for the company and investors and advocated for the best possible outcome at every point during the process. Their deep understanding of the Company and the sector helped position us accurately for investors and was in accordance with the excellence we associate with I-Sec. Congratulations and many thanks for a job well done.

Alok Bansal

Co-founder & Exec Vice Chairman,
PB Fintech Limited



India is distinctly the most diverse country in multiple ways including varied investor base. Many financial institutions have been putting a lot of emphasis on bringing financial inclusion through their products and offerings. ICICI Securities (I-Sec) through its digital systems, virtual relationship teams & physical branches spread across India has played a vital role in catering to retail as well as HNI & UHNI investor base across India. Moreover, they have contributed significantly to the growth of economy by channelising household savings into capital market through their seamless digital ecosystem. Our 25 years+ partnership with I-Sec continues to grow strong year-after-year and we hope to contribute to large investor base across the country in their journey of wealth creation.

Sundeep Sikka

ED & CEO,
Nippon Life India Asset Management Company
Limited



Ketharaman Swaminathan
@ketharaman

Replying to @icicidirectcare

I saw another alert today. Since I was short of time, I didn't screenshot it. I was about to SELL a stock. I got an alert that I'd get dividend if I held on to this stock for 3 days. I aborted my order. This is an extremely customer-centric use of tech. Kudos to @ICICI_Direct.

9:28 PM · Nov 22, 2021 · Twitter Web App



Rinu George
@astrageorge

Icici direct has lightning speed mobile app and web version with ChartIQ and trading view and can use stock as collateral for F&O and equity with no interest and no cash and avail margin funding at 7.9% and multileg order to hedge and pay less margin.

10:07 AM · Mar 21, 2022 · Twitter for iPhone



Gautam Sarkar
@sarkarg

Replying to @vibhaj @ANONYMOUS4928288 and @AshishNanda

Icici direct doesn't charge interest on pledged securities for F&O segment. You need to take the prime plan. You pay marginally more on brokerage. I shifted from Kotak to icici for precisely this reason.

1:34 AM · Oct 1, 2021 · Twitter for Android



Ajay Kunder
@ajaykunder

@ICICI_Direct is doing excellent research n providing very good advice. Their relationship manager r honest n are keeping client interest on priority. Highly recommended

11:48 AM · Mar 22, 2022 · Twitter for Android

Awards & Accolades



Business Icon of India 2022

to Mr. Vijay Chandok
by Marksmen Media



National CSR Award in Financial Services Sector

By 'Global Safety Summit Awards'



Asia's Promising Business Leaders 2021-22

to Mr. Vijay Chandok, by The Economic Times



Business Icon of India 2022

to Mr. Vijay Chandok by Marksmen Media



ICICI Securities – The Best Securities House in India

By AsiaMoney Best Securities Houses Awards 2021



Best deal of South Asia: POWERGRID InvIT IPO

By 'Finance Asia'



Best Wealth Management Platform Of The Year

Quantic Annual BFSI Technology Excellence Awards 2022


Best Domestic Private Bank – India

Asian Private Banker, Awards for Distinction 2021


Best Wealth Management Provider – India - 2021

World Finance, Wealth Management Awards 2021-22


Best Financial Management Specialists – India

APAC Insider, Business Awards 2021


**‘Best Analyst for Utility’:
Mr. Rahul Modi,**

By ‘AsiaMoney Broker Poll, 2021’


‘Company Advisor of the Year’

By ‘Franklin Templeton at Perspectives Awards, 2021’


**‘Best Analyst for Telecom’:
Mr. Sanjesh Jain,**

By ‘AsiaMoney Broker Poll, 2021’


‘Best Analyst for Consumer Staples and Discretionary’: Mr. Manoj Menon,

By ‘AsiaMoney Broker Poll, 2021’


‘Best Private Bank – India’

Finance Asia Country Awards, 2022

CFO of the Year - Medium Enterprises - Servicing Industry
to Mr. Harvinder Jaspal by The Financial Express



Directors' Report

To the Members

The Directors are pleased to present the Twenty-Seventh Annual Report of ICICI Securities Limited ('the Company') along with the audited financial statements for the financial year ended at March 31, 2022.

PERFORMANCE

Industry overview

The global economy recovered strongly from recession in CY2021 as the severity of COVID-19's impact began to recede. The International Monetary Fund (IMF), in its latest World Economic Outlook (released January 25, 2022), estimated that world GDP grew 5.9% in CY2021, after contracting 3.1% in CY2020. Prior to the outbreak of Russia-Ukraine war, the IMF forecast 4.4% growth in global real GDP for CY2022 and 3.8% for CY2023. Indian economy, after contracting by 6.6% in FY2021 primarily on account of the nation-wide lockdown that caused real GDP to contract 23.8% YoY in Q1-FY2021, real GDP expanded 10.6% YoY in the first 3 quarters of FY2022.

FY2022 was a landmark year for the Indian capital markets with record number of demat accounts opened and significant surge in equity and derivatives volume growth. The number of demat accounts opened in FY2022 increased to 35.0 million from 14.3 million in FY2021, a growth of 145%, making this the year with highest number of demat accounts opened in any financial year till date.

Financial highlights

The table below summarises the key financials of your Company for FY2022:

₹ Million

Particulars	Standalone			Consolidated		
	FY2021	FY2022	Change%	FY2021	FY2022	Change%
Gross Income	25,854.4	34,369.0	32.9	25,861.7	34,384.8	33.0
Profit/(Loss) before Depreciation and Tax	14,849.3	19,122.9	28.8	14,849.6	19,152.9	29.0
Depreciation	541.6	625.1	15.4	541.8	625.3	15.4
Profit/(Loss) before Tax	14,307.7	18,497.8	29.3	14,307.8	18,527.6	29.5
Provision for Tax	3,632.2	4,702.4	29.5	3,630.6	4,701.6	29.5
Profit/(Loss) After Tax	10,675.5	13,795.4	29.2	10,677.2	13,826.0	29.5
Other Comprehensive Income (net of tax)	25.1	(2.6)	(110.4)	25.1	(2.6)	(110.4)
Total comprehensive income	10,700.6	13,792.8	28.9	10,702.3	13,823.4	29.2
Balance brought forward from previous year	8,977.3	14,925.8	66.3	9,109.5	15,059.7	65.3
Amount available for appropriation	19,677.9	28,718.6	45.9	19,811.8	28,883.1	45.8
Surplus carried forward	14,925.8	20,734.6	38.9	15,059.7	20,899.1	38.8
Earnings per share on equity shares of ₹ 5 each						
Basic (in ₹)	33.14	42.77	29.1	33.14	42.86	29.3
Diluted (in ₹)	33.07	42.59	28.8	33.08	42.69	29.1

Note: Figures in parenthesis are negative

Despite the volatility, Indian equities still closed FY2022 with robust gains of around 20% for the NIFTY50, while the broader indices (mid and small caps) outperformed the NIFTY50. Indian equities saw significant jump in domestic flows into equities (USD 29.5 billion) which absorbed to a large extent the highest selling by FPIs (USD 36.6 billion) since the global financial crisis of 2008.

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 ~ 7+ million customers and total client assets worth ₹ 5.6 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 ('HNIs') and Ultra HNIs in meeting their financial goals by providing them with research, advisory and execution services. Headquartered in Mumbai, the Company operates out of ~ 70 cities in India and wholly-owned subsidiary in US and its branch in Singapore.

APPROPRIATIONS

Your Company has ₹ 28,718.6 million available for appropriation, comprising total comprehensive income of ₹ 13,792.8 million for FY2022 and balance of ₹ 14,925.8 million brought forward from the previous financial year.

An appropriation of ₹ 7,984.0 million towards interim and final dividend has been approved by the Board resulting in profit of ₹ 20,734.6 million being the surplus carried forward. Your Company does not propose any transfer to reserves.

Particulars	₹ Million	
	Standalone	
	FY2021	FY2022
Balance brought forward from previous year	8,977.3	14,925.8
Add: Total comprehensive income	10,700.6	13,792.8
Amount available for appropriation*	19,677.9	28,718.6
Appropriations:		
Equity Dividend	4,752.1	7,984.0
Surplus carried forward	14,925.8	20,734.6

*₹ (112.0) million as at March 31, 2022 [₹ (109.4) million as at March 31, 2021] out of the total amount available for appropriation pertains to other comprehensive income which is not available for distribution as dividend.

DIVIDEND

The Board has recommended a final dividend of ₹ 12.75 per equity share (255%) for FY2022. The Board had also approved payment of interim dividend of ₹ 11.25 (225%) per equity share for FY2022, aggregating to ₹ 24 per equity share (480%) for FY2022 vs ₹ 21.5 per equity share (430%) paid in FY2021. The payment of interim dividend along with the proposed final dividend would result in cumulative dividend pay-out ratio of 56% 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, 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, Chief 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

https://www.icicisecurities.com/Upload/ArticleAttachments/Details_of_Nodal_Deputy_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
2020-21 (Final dividend)	August 18, 2021	September 18, 2028
2021-22 (Interim dividend)	October 19, 2021	November 25, 2028

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

At March 31, 2022, the Company has two subsidiaries (including step-down subsidiary) and has no associate and joint venture companies. The subsidiaries are:

- ICICI Securities, Inc.; and
- ICICI Securities Holdings, Inc. (subsidiary of ICICI Securities, Inc.).

During FY2022, 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 due to continuation of the COVID-19 pandemic. The business continuity plan was relied upon 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 FY2022 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_FY2021_22.pdf

The said annual return shall be further updated as soon as possible but no later than sixty days from the date of the AGM.

SHARE CAPITAL

During FY2022, the Company has allotted 4,56,351 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 AGM 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 Board of Directors, at its meeting held on April 20, 2022, based on the recommendation of the Audit Committee and subject to the approval of the Members, have approved availing of credit facility(s) from ICICI Bank Limited, a related party as well as the Banker to the Company, which may exceed the limit specified under Regulation 23 (1) of Listing Regulations, viz., rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, but not exceeding credit facilities of ₹ 60.00 billion, provided that the said contract(s)/arrangement(s)/transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

The Board of Directors, at its meeting held on April 20, 2022, based on the recommendation of the Audit Committee and subject to the approval of the Members, have approved:

- placing of deposits in fixed deposits accounts, recurring deposit accounts (in any form and by whatever name called) ('Deposits') with ICICI Bank Limited, a related party as well as the Banker to the Company, subject to maximum outstanding balance not exceeding ₹ 10.00 billion (excluding accrued interest thereon) and subject to such transaction being on arm's length and in the ordinary course of business; and
- placement of current account deposits by the Company whether by way of fresh deposit(s) or any extension(s) or modification(s) of earlier contract(s)/arrangement(s)/transaction(s) or otherwise, from time to time, with ICICI Bank Limited, a related party as well as the Banker to the Company, on such term(s) and condition(s) as may be agreed, notwithstanding the fact that the maximum balance at any day, may exceed the limit specified under Regulation 23 (1) of Listing Regulations, provided that the said contract(s)/arrangement(s)/transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

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 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 FY2022, 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, had 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, the Members of the Company, at the AGM held on August 18, 2021, have approved the re-appointment of Ashvin Parekh (DIN: 06559989), as an Independent Director of the Company for a second term of 5 (five) years with effect from August 25, 2021 till August 24, 2026.

The Board of Directors, at its meeting held on April 21, 2021, based on the recommendation of the Nomination & Remuneration Committee, had re-appointed Ajay Saraf (DIN: 00074885) as an Executive Director of the Company for a period of 5 (five) consecutive years or upto 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, the Members of the Company, at the AGM held on August 18, 2021, have approved the re-appointment of Ajay Saraf (DIN: 00074885) as an Executive Director of the Company for a period of 5 (five) years or upto his retirement, whichever is earlier, with effect from May 25, 2021 till May 24, 2026.

The Board of Directors, at its meeting held on April 20, 2022, based on the recommendation of the Nomination & Remuneration Committee, have re-appointed Subrata Mukherji (DIN: 00057492) as an Independent Director of the Company for a second term of 5 (five) consecutive years with effect from November 29, 2022 upto November 28, 2027, 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. Subrata Mukherji (DIN: 00057492) 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, Subrata Mukherji (DIN: 00057492) 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 20, 2022, based on the recommendation of the Nomination & Remuneration Committee, have re-appointed Vijayalakshmi Iyer (DIN: 05242960) as an Independent Director of the Company for a second term of 5 (five) consecutive years with effect from November 29, 2022 upto November 28, 2027, 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 her re-appointment. Vijayalakshmi Iyer (DIN: 05242960) 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. Her 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, Vijayalakshmi Iyer (DIN: 05242960) is not required to pass an online proficiency self-assessment test conducted by the 'Indian Institute of Corporate Affairs at Manesar'.

Pramod Rao (DIN: 02218756), Non-Executive Non-Independent Director of the Company tendered his resignation from the Board of Directors of the Company with effect from June 30, 2022.

The Board of Directors, pursuant to the provisions of Section 161 of the Act, *vide* circular resolution passed on June 28, 2022, appointed Pankaj Gadgil (DIN: 08521239) as an Additional Director (Non-executive Non-Independent Director) on the Board of Directors of the Company with effect from June 30, 2022, subject to regulatory approvals, to hold office upto the date of the Twenty-Seventh AGM. The regulatory approvals have since been received. Pankaj Gadgil (DIN: 08521239), Additional Director (Non-Executive Non-Independent Director) of the Company tendered his resignation from the Board of Directors of the Company with effect from July 19, 2022.

The Board of Directors, at its meeting held on July 21, 2022, pursuant to the provisions of Section 161 of the Act, have appointed Prasanna Balachander (DIN: 02257744) as an Additional Director (Non-executive Non-Independent Director) on the Board of Directors of the Company with effect from July 21, 2022, subject to regulatory approvals,

to hold office upto the date of the Twenty-Seventh AGM. Further, the Board of Directors, at its meeting held on July 21, 2022, based on the notice received from a Member under Section 160 of the Act and the recommendation of the Nomination & Remuneration Committee, have also appointed Prasanna Balachander (DIN: 02257744) as a Non-Executive Non-Independent Director of the Company with effect from the date of the Twenty-Seventh AGM, subject to the approval of the Members of the Company. Accordingly, the approval of the Members is being sought at the ensuing AGM for his appointment.

The Board of Directors, at its meeting held on July 21, 2022, based on the notice received from a Member under Section 160 of the Act and the recommendation of the Nomination & Remuneration Committee, have appointed Dr. Gopichand Katragadda (DIN: 02475721) as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from August 26, 2022 upto August 25, 2027, subject to the approval of the Members of the Company by way of Special Resolution and other regulatory approvals, if any. Accordingly, the approval of the Members is being sought at the ensuing AGM for his appointment. Dr. Gopichand Katragadda (DIN: 02475721) 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. Pursuant to the provisions of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, Dr. Gopichand Katragadda (DIN: 02475721) has passed an online proficiency self-assessment test conducted by the 'Indian Institute of Corporate Affairs at Manesar'.

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 during FY2022.

Retirement by rotation

In terms of Section 152 of the Act and the Articles of Association of the Company, Ajay Saraf (DIN: 00074885), 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 appointed and 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:

Environment Social & Governance (ESG) Framework

Environment Social & Governance ('ESG') generally refers to the accountability of the Board of Directors towards various stakeholders of the Company, viz., shareholders, employees, suppliers, customers,

society and environment in general. It ensures Board's accountability for providing the Company with a fair, efficient and transparent administration which eventually results in benefitting all the stakeholders. The Company's ESG Framework aims at ensuring the conditions whereby the Company's Management and the Board of Directors act in the interest of the Company and its stakeholders and ensure the means by which the Management is held accountable to various stakeholders.

It is believed that strong governance and compliance practices are of paramount importance to maintain the trust and confidence of its stakeholders and the reputation of the Company. To ensure transparency, fairness and objectivity in the organisation's functioning and unquestioned integrity of all personnel involved, the Company has proactively adopted best practices with regard to ESG. The Company's policy on compliance with regulatory requirements is backed by stringent internal policies, codes, standards and principles towards ensuring compliance with law, maintenance of confidentiality of client information and prevention of insider trading. The Company has developed policies that have a bearing on its businesses. The Company is committed to conducting its business in accordance with applicable laws, rules and regulations with highest standards of business ethics and ethical conduct. The Company has processes in place towards complying with all the applicable laws, rules and regulations in letter and spirit.

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 at least 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 and Regulation 22 of Listing Regulations.

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 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 following 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 following 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/Research Attachments/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, 2022
For audit fees	7.3	8.4
For taxation matters	0.7	0.8
For other services	1.5	1.9
For reimbursement of expenses	0.7	0.8
Total	10.2	11.9

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 2, 2022	180 days	Rating not downgraded
CRISIL	Commercial Papers	110,000.0	CRISIL A1+	March 2, 2022	30 days	Rating not downgraded
ICRA	Non-Convertible Debentures	500.0	AAA/ Stable	March 3, 2022	Review on annual basis	Rating not downgraded
ICRA	Commercial Papers	110,000.0	ICRA A1+	March 3, 2022	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, 2022 consisted of eight Directors, out of which four are Independent Directors, two are Non-executive Non-independent Directors and two are 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 six times during FY2022 on April 21, 2021, July 20, 2021, September 24, 2021, October 19, 2021, January 18, 2022 and March 7, 2022.

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, 2022, 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 FY2022 are set out in the following table:

Name of the Director	Number of Board Meetings		Attendance at the last AGM held on August 18, 2021	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 public Companies#	No. of post of Chairperson held in Listed entities#@
Independent Directors							
Vinod Kumar Dhall, Chairman (DIN: 02591373)	6	6	Present	3	0	3	1
Ashvin Parekh (DIN: 06559989)	6	6	Present	3	0	5	3
Subrata Mukherji (DIN: 00057492)	6	6	Absent	0	0	1	0
Vijayalakshmi Iyer (DIN: 05242960)	6	4	Present	9	0	10	4
Non-executive Non-Independent Directors							
Anup Bagchi (DIN: 00105962)	6	6	Present	5	0	1	0
Pramod Rao (DIN: 02218756)*	6	6	Present	2	0	1	0
Prasanna Balachander (DIN: 02257744)*				N.A.			
Executive Directors							
Vijay Chandok (DIN: 01545262)	6	6	Present	0	0	1	0
Ajay Saraf (DIN: 00074885)	6	6	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.

* Pramod Rao (DIN: 02218756) Non-Executive Non-Independent Director resigned with effect from June 30, 2022 and Prasanna Balachander (DIN: 02257744) was appointed as an Additional Director (Non-Executive Non-Independent Director) with effect from July 21, 2022.

Details of Directorships held in other listed entities by the Directors of the Company as at the end of FY2022 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. Poonawalla Fincorp Limited (formerly known as Magma Fincorp Limited) 3. Aditya Birla Capital Limited 4. GIC Housing Finance 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	-
Prasanna Balachander (DIN: 02257744)*	N.A.	-
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.

* Pramod Rao (DIN: 02218756) Non-Executive Non-Independent Director resigned with effect from June 30, 2022 and Prasanna Balachander (DIN: 02257744) was appointed as an Additional Director (Non-Executive Non-Independent Director) with effect from July 21, 2022.

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 wide-ranging business activities, the Company has diversity of distinguished individuals on its Board of Directors with each of the Directors having the requisite core skills/expertise/competence as well as vast experience and knowledge in one or more of the various diversified functions and fields, viz., corporate planning, project & portfolio/asset management, economics,

capital markets, investment banking, institutional & retail broking, private equity fund management, financial services, corporate & international banking, treasury, competition & corporate laws, business and finance laws, corporate affairs, commerce, economic regulations, technology, business strategies and management, institutional strengthening & business transformation, banking & finance, 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	<ul style="list-style-type: none"> • Corporate Affairs • Competition and Corporate Law • Finance & Banking • Economic Regulation • Business Strategy • Business Management • Insurance • Investment Banking
Ashvin Parekh	<ul style="list-style-type: none"> • Business Strategy • Corporate Planning • Institutional Strengthening • Business Transformation • Technology • Finance • Business Management • Portfolio/Asset Management • Project Management • Legal and Regulatory
Subrata Mukherji	<ul style="list-style-type: none"> • Business Strategy • Banking & Finance • Investment Banking • Economics • Business Management • Venture Capital
Vijayalakshmi Iyer	<ul style="list-style-type: none"> • Business Strategy • Banking & Finance • Investment Banking • Insurance • Business Management • Technology • Human Resources Development • Portfolio/Asset and Project Management • Risk Management • Treasury and Funds Management

Name of the Director	Areas of Expertise
Anup Bagchi	<ul style="list-style-type: none"> • 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
Prasanna Balachander	<ul style="list-style-type: none"> • Finance • Treasury including Foreign currency, Derivatives and Fixed Income • Economic Research • Sales & Distribution • Product Development
Vijay Chandok	<ul style="list-style-type: none"> • 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 • Digitalisation of business
Ajay Saraf	<ul style="list-style-type: none"> • Investment Banking • Institutional Broking • Corporate Banking • SME banking • Business Strategy • Business Management • Finance

Separate Meeting of Independent Directors

During FY2022, a separate meeting of the Independent Directors was held on April 21, 2021, 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 FY2022 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;
- 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.
- 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.

- 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;
- oo. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, *etc.*, on the listed entity and its shareholders; and
- pp. 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 FY2022, 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 FY2022, there was no change in the constitution of the Audit Committee.

As at the end of FY2022, the Audit Committee comprised of following as its 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 (*Resigned w.e.f. June 30, 2022*)

Accordingly, the Audit Committee currently comprises only of Independent Directors.

During FY2022, nine meetings of the Audit Committee were held on April 15, 2021, April 21, 2021, July 15, 2021, July 20, 2021, October 13, 2021, October 19, 2021, January 13, 2022, January 18, 2022 and March 7, 2022. 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)	9	9
Subrata Mukherji	9	9
Vijayalakshmi Iyer	9	6
Pramod Rao	9	9

Nomination & Remuneration Committee

Terms of Reference

- To submit recommendations to the Board with regard to –
 - 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;
 - Directors liable to retire by rotation;
 - 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 (BGNRC of ICICI Bank) for its recommendation to the Board of ICICI Bank for the grant of Employee Stock Options of ICICI Bank to the whole-time Directors of the Company.
8. To formulate the criteria for determining qualifications, positive attributes and independence of a director.
9. To formulate the criteria for evaluation of performance of independent directors and the board of directors and to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

10. To determine and recommend to the Board from time to time, the amount of commission and fees payable to the Directors within the applicable provisions of the Companies Act, 2013 and other applicable statutes, if any.
11. To devise a policy on diversity of the Board.
12. Performing such functions as are required to be performed by the Committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time.
13. Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, 2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.

Composition

During FY2022, 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 FY2022, there was no change in the constitution of NRC.

As at the end of FY2022, 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 FY2022, two meetings of NRC were held on April 21, 2021 and July 20, 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)	2	2
Vinod Kumar Dhall	2	2
Anup Bagchi	2	2

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 Companies Act, 2013;
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 FY2022, 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 FY2022, there was no change in the constitution of CSR Committee.

As at the end of FY2022, 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 FY2022, four meetings of CSR Committee were held on April 15, 2021, July 15, 2021, October 13, 2021 and February 17, 2022. 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 D** 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 and 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 FY2022, 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 FY2022, there was no change in the constitution of SRC.

As at the end of FY2022, 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 FY2022, four meetings of SRC were held on April 15, 2021, July 15, 2021, October 13, 2021 and January 13, 2022. 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	3
Vijay Chandok	4	4
Ajay Saraf	4	4

Raju Nanwani, 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 3 complaints from the shareholders during FY2022. As at the end of FY2022, no complaints were pending.

Risk Management Committee

Terms of Reference

1. Formulate risk management policies which shall include the framework for identification of internal and external risks and measures for risk mitigation including systems and processes for internal control of identified risks:
 - a. To approve and review risk management policies in respect of the following:
 - i. Financial Risk,

- ii. Sectoral Risk,
- iii. Market Risk,
- iv. Credit Risk,
- v. Operations Risk,
- vi. Fraud Risk,
- vii. Information Technology Risk,
- viii. Information Security and Cyber Security Risk,
- ix. Liquidity Risk,
- x. Surveillance Policy,
- xi. Business Continuity and Disaster Recovery Plans, and
- xii. Environmental Social & Governance (ESG) related risks.

- b. To periodically review the above risk management policies, at least once in two years, including by considering the changing industry dynamics and evolving complexities.
- c. To monitor and oversee the implementation of various risk management policies, including evaluating the adequacy of risk management systems.
- d. 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. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company:

- 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 adequacy of the internal controls to mitigate Information Technology, Information Security and Cyber Security risks.
 - f. 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.
 6. To review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
 7. To keep the board of directors informed about the nature and content of Committee discussions, recommendations and actions to be taken.
 8. To co-ordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

Composition

During FY2022, the composition of the Risk Management Committee ('RMC') of the Company was in compliance with the provisions of Regulation 21 of Listing Regulations.

During FY2022, there was no change in the constitution of RMC.

As at the end of FY2022, 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.

Note:

- Pankaj Gadgil (DIN: 08521239) was a Member of RMC during the period from June 30, 2022 to July 19, 2022.
- Prasanna Balachander (DIN: 02257744) has been inducted into RMC with effect from July 21, 2022.

During FY2022, four meetings of RMC were held on April 15, 2021, July 15, 2021, October 13, 2021 and January 13, 2022. The details of the attendance at the meetings are set out in the following table:

Name of the Member	Number of Meetings held during the tenure of the Member	Number of Meetings attended
Vijayalakshmi Iyer (Chairperson)	4	3
Ashvin Parekh	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 E**.

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 F**.

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 organizational 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 during FY2022

- a) The Nomination & Remuneration Committee of the Company and the Board of Directors of the Company at its meeting held on April 21, 2021 approved the following changes in the Compensation Policy for the Whole-time Directors and Key Managerial Personnel as well as other employees of the Company:
1. Fixed and Variable Pay (Point 1.5) - The quantum of bonus for the directors will not exceed 70% of the total fixed pay in a year. If the quantum of cash bonus is greater than or equal to ₹ 25 lacs, 50% of the bonus will be paid upfront and the balance will be equally deferred over next three years.

2. Employee Stock Option Scheme (Point 1.11) - Eligible Employees who may be granted Stock Options under the ICICI Bank's Employees Stock Option Scheme (ESOS), will be governed by the Scheme details of ICICI Bank's ESOS for all such grants. If the Participant's employment is terminated by the Company for the Cause, the participant's vested Options, to the extent then unexercised, shall thereupon cease to be Exercisable and shall lapse and stand terminated and expired forthwith. Similarly, in event of cash bonus being deferred, it may be subject to performance adjustment clause.
3. Employee Stock Option Scheme (Point 1.12) - Merged with point 1.11 & point 1.13 and removed as a separate point.
4. Employee Stock Option Scheme (Point 1.13 which is point 1.12 in the revised policy) - Employees eligible for stock options may be granted options under ICICI Securities Limited - Employees Stock Option Scheme - 2017 ("the Scheme") as may be recommended and approved by NRC & the Board of ICICI Securities Limited. If the Participant's employment is terminated by the Company for the Cause, the participant's vested Options, to the extent then unexercised, shall thereupon cease to be Exercisable and shall lapse and stand terminated and expired forthwith. Similarly, in event of cash bonus being deferred, it may be subject to performance adjustment clause.
- b) No changes were proposed to be made in the Remuneration Policy for the Non-executive Directors of the Company during FY2022.

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. The 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 FY2022

The following table sets out the details of remuneration (including perquisites and retiral benefits) paid to Whole-time Directors during FY2022:

(₹)

Particulars	Vijay Chandok – Managing Director & CEO	Ajay Saraf – Executive Director
Period	April 1, 2021 – March 31, 2022	April 1, 2021 – March 31, 2022
Basic	2,44,67,040	1,09,74,600
Performance Bonus paid out in FY2022 ¹	-	1,14,06,911
Allowances ²	2,44,54,548	1,34,32,752
Perquisites ³	57,02,526	7,20,021
Contribution to provident fund	29,36,040	13,16,952
Contribution to gratuity fund	20,38,104	9,14,184
Stock Options of the Company (Numbers)		
Granted in FY2022	-	1,36,000
Granted in FY2021	5,86,000	1,32,500
Stock Options of ICICI Bank Limited (Numbers)		
Granted in FY2022	Nil	Nil
Granted in FY2021	Nil	Nil

Note: For the year ended March 31, 2022, the remuneration details pertain to the amount paid/options granted during FY2022.

¹ The bonus amount paid in FY2022 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, supplementary allowance.

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 FY2022, 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 Independent Director during FY2022 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)	9,00,000
Ashvin Parekh (DIN: 06559989)	18,50,000
Subrata Mukherji (DIN: 00057492)	17,50,000
Vijayalakshmi Iyer (DIN: 05242960)	13,00,000

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 FY2022 for their tenure during FY2021.

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 = 96:1

Ajay Saraf, Executive Director = 51:1

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

Vinod Kumar Dhall, Chairman and Independent Director = 3.75 :1

Ashvin Parekh, Independent Director = 5.63:1

Subrata Mukherji, Independent Director = 5.43:1

Vijayalakshmi Iyer, Independent Director = 4.54:1

Non-executive Non-independent Directors do not draw any remuneration from the Company.

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

The percentage increase in remuneration of Whole-time Directors, Chief Financial Officer and Company Secretary was 8%.

(iii) The percentage increase in the median remuneration of employees, who are part of the annual review plan in the financial year:

The percentage increase in the median remuneration of employees, who were part of the annual review plan, in the financial year was around 8%.

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

Employee headcount at March 31, 2022 was 4,094.

(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 FY2022 was around 8%, while the increase in the remuneration of the Key Managerial Personnel was 8%.

(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-Sixth AGM	Wednesday, August 18, 2021 at 4:30 p.m. (IST)	AGM was held through Video Conferencing/Other Audio Visual Means (Deemed venue for the AGM was Stanrose House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025)	<ul style="list-style-type: none"> • Re-appointment of Mr. Ashvin Parekh (DIN: 06559989) as an Independent Director of the Company. • Enhancement of the existing borrowing limit under Section 180 of the Companies Act, 2013. • Enhancement of the existing limit under Section 186 of the Companies Act, 2013.
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)	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Re-appointment of Mr. Vinod Kumar Dhall (DIN: 02591373) as an Independent Director of the Company.

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

No resolution was passed through Postal Ballot during FY2022.

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.

Pursuant to the provisions of Section 139 (2) of the Act, B S R & Co. LLP, Chartered Accountants, are eligible for re-appointment as Statutory Auditors of the Company for the 2nd term of five consecutive years and accordingly, the Board of Directors, at its meeting held on April 20, 2022, based on the recommendation of the Audit Committee, have approved the re-appointment of B S R & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company for the 2nd term of five consecutive years, from the conclusion of the Twenty-Seventh AGM till the conclusion of the Thirty-Second AGM, subject to the approval of the Members of the Company. Accordingly, approval of the Members is being sought at the ensuing AGM for re-appointment of and payment of remuneration to B S R & Co. LLP.

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 FY2022. The Secretarial Audit Report is given in **Annexure G** 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	
	FY2021	FY2022
Earnings	214.0	375.1
Outgo	401.5	493.6

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, 2022 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 AND 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 FY2022, three complaints on sexual harassment were filed and all complaints were disposed-off during the year and no complaint is pending as at March 31, 2022.

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.

ICICI SECURITIES LIMITED - EMPLOYEES STOCK OPTION SCHEME - 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, 2022 are given below:

Particulars	Details
Number of options outstanding at the beginning of the year	25,28,350
Number of options granted during the year	9,53,000
Number of options forfeited/lapsed during the year	93,000
Number of options vested during the year	7,74,558
Number of options exercised during the year*	4,49,071
Number of shares arising as a result of exercise of options	4,56,351
Money realized by exercise of options (INR), if scheme is implemented directly by the company**	₹ 11,38,40,034
Loan repaid by the trust during the year from exercise price received	Not applicable
Number of options outstanding at the end of the year	29,39,279
Number of options exercisable at the end of the year	20,41,139

* 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 FY2022:

During FY2022, the Company granted 9,53,000 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 FY2022 are given below:

Financial Year	Date of Grant	Fair value of the option granted (₹) per share
FY2022	April 21, 2021	151.44
FY2022	July 20, 2021	294.68

The key assumptions used to estimate the fair value of options granted during FY2022 are given below:

Risk-free interest rate	5.26% to 5.99%
Expected life of options	3.51 to 5.51 years
Expected volatility	47.34% to 49.49%
Expected dividend yield	2.78% to 3.47%

The relevant disclosures as per Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 have been uploaded on our website and can be accessed at <https://www.icicisecurities.com/ESOPExcelUploadRpt.aspx>

ICICI SECURITIES LIMITED – EMPLOYEES STOCK UNIT SCHEME – 2022

The Board of Directors, at its meeting held on July 21, 2022, based on the recommendation of the Nomination & Remuneration Committee, approved the adoption of ICICI Securities Limited - Employees Stock Unit Scheme - 2022 ('the Scheme 2022'), subject to the approval of the Members of the Company by way of Special Resolution. Accordingly, the approval of the Members is being sought at the ensuing AGM for the adoption of the Scheme 2022 and granting of options to Eligible Employees pursuant to the Scheme 2022 through Item nos. 16 and 17.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Business Responsibility and Sustainability 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_2021_2022.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 FY2022.

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)/Digital Portal 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-Seventh AGM	Friday, August 26, 2022 at 4:30 p.m. (IST)	AGM will be held through Video Conferencing/Other Audio Visual Means (Deemed venue for the AGM will be the Registered Office: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025).

Financial Year: April 1, 2021 to March 31, 2022

Book Closure: Saturday, August 20, 2022 to Friday, August 26, 2022 (both days inclusive)

Dividend Payment Date: On or before September 25, 2022

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

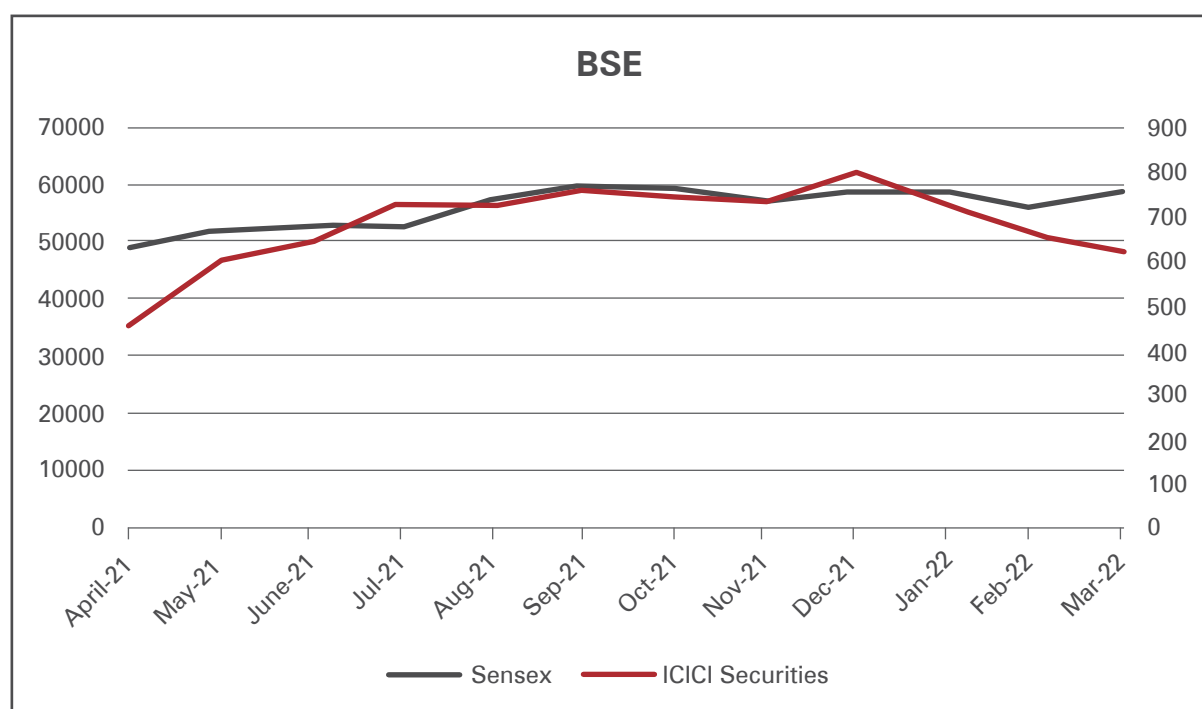
The Company has paid annual listing fees for FY2022 to NSE and BSE where its equity shares are listed. Further, the Company continues to make necessary payment of listing fees to BSE at the time of listing of Commercial Papers.

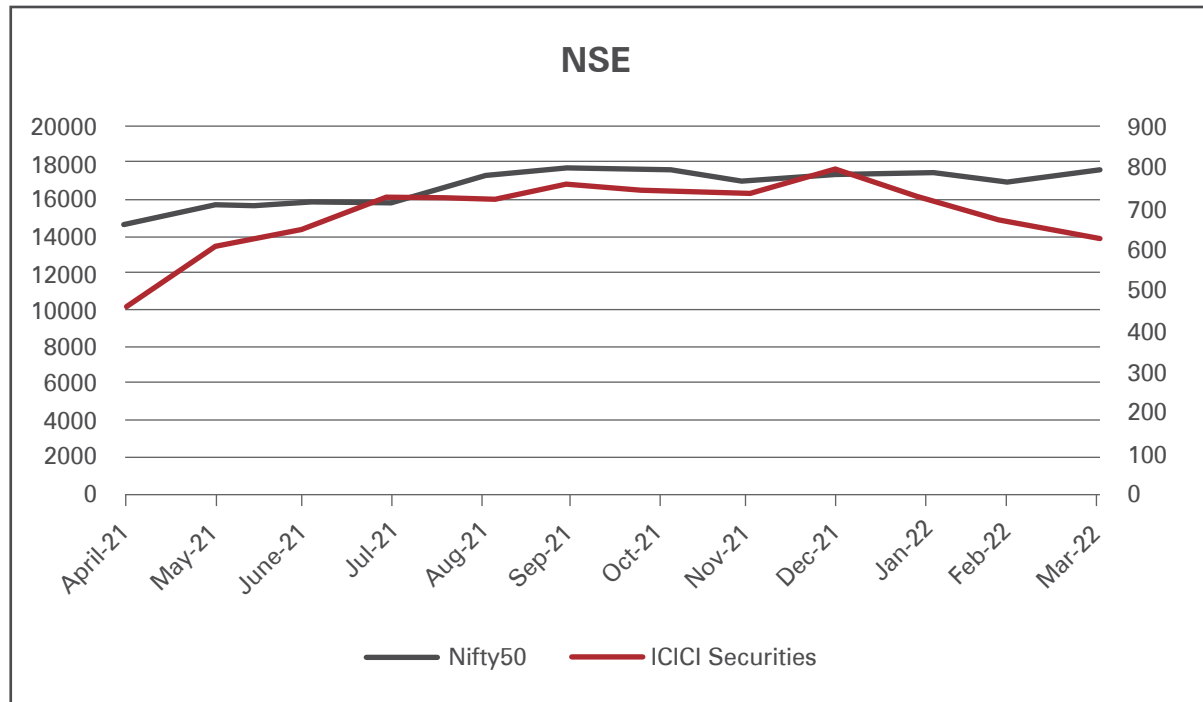
Market Price Information

The reported high and low closing prices and volume of equity shares of the Company traded from April 1, 2021 to March 31, 2022 on NSE and BSE are set out in the following table:

Month	NSE			BSE			Total Volume on NSE and BSE (in Million)
	High (in ₹)	Low (in ₹)	Volume (in Million)	High (in ₹)	Low (in ₹)	Volume (in Million)	
April 2021	481.2	380	21.77	480.35	379.3	1.38	23.15
May 2021	613.7	444	29.91	613.65	444.65	1.82	31.73
June 2021	678.7	566.5	16.94	678	566.6	1.45	18.39
July 2021	802.7	630.25	27.62	802.05	637.75	1.81	29.43
August 2021	762.75	641.45	14.24	763.15	641.7	0.78	15.02
September 2021	788.95	711.1	11.61	788.05	712.15	0.60	12.21
October 2021	896.05	701.2	18.09	895.6	700.6	1.19	19.28
November 2021	814.95	715.05	7.31	814.6	715	0.35	7.66
December 2021	810	724	6.28	809	721.4	0.43	6.71
January 2022	838	691	9.29	838	691	0.46	9.75
February 2022	750	620.55	7.22	750	620.5	0.33	7.52
March 2022	686.85	579.25	9.47	686	575.5	0.47	9.94

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, 2021 to March 31, 2022 is given in the following chart:





Share Transfer System

KFin Technologies Limited (formerly known as 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, 2022, 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 Limited (formerly known as KFin Technologies Private Limited), the Company's Registrar and Share Transfer Agent is as follows:

KFin Technologies 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, 2022:

Sr. No.	Category	Number of shares	% of total number of shares
1.	Promoters	241,652,692	74.89
2.	Mutual Funds	8,265,397	2.56
3.	Alternate Investment Funds	3,841,779	1.19
4.	Foreign Portfolio Investors	23,619,740	7.32
5.	Qualified Institutional Buyers	10,738,446	3.33
6.	Individuals	26,400,783	8.18
7.	NBFCs registered with RBI	8,355	0.00
8.	Trusts	312,716	0.10
9.	Overseas Corporate Bodies	29	0.00
10.	Non-Resident Indian (NRI)	2,258,793	0.70
11.	Clearing Members	226,719	0.07
12.	Bodies Corporate	4,630,716	1.44
13.	HUF	722,556	0.22
Total		322,678,721	100.00

Shareholders of the Company with more than 1% holding at March 31, 2022 (other than promoters of the Company)

Sr. No.	Name of the Shareholder	Number of shares	% of total number of shares
1.	Life Insurance Corporation of India	75,00,153	2.32
2.	Government Pension Fund Global	33,92,539	1.05
3.	Smallcap World Fund, Inc	32,93,062	1.02

Distribution of shareholding of the Company at March 31, 2022

Category (in ₹)	No. of Folios	% of Members	Total Shares	% of shares
1 - 5,000	186,959	97.70	14,437,589	4.47
5,001 - 10,000	2,281	1.19	3,229,054	1.00
10,001 - 20,000	1,006	0.53	2,817,976	0.87
20,001 - 30,000	401	0.21	1,974,362	0.61
30,001 - 40,000	149	0.08	1,045,695	0.32
40,001 - 50,000	102	0.05	935,275	0.29
50,001 - 100,000	189	0.10	2,739,583	0.85
100,001 & Above	270	0.14	295,499,187	91.58
Total	191,357	100.00	322,678,721	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 FY2022.

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 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 Venture House,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025
Tel No.: +91 22 6807 7100
Fax No.: +91 22 6807 7803

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;
2. Separate posts of Chairman and Managing Director & CEO; and
3. Reporting of internal auditor directly to the Audit Committee.

GREEN INITIATIVES IN CORPORATE GOVERNANCE

In line with the 'Green Initiative', the Company has effected electronic delivery of Notice of AGM, Annual Report and Postal Ballot Notices to those Members whose e-mail IDs are registered with the Company/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

- 'National CSR Award in Financial Services Sector' By 'Global Safety Summit Awards'
- Asia's Promising Business leaders 2021-22 to Mr. Vijay Chandok, by The Economic Times
- Business Icon of India 2022 to Mr. Vijay Chandok by Marksmen Media
- CFO of the Year - Medium Enterprises - Servicing industry to Mr. Harvinder Jaspal by The Financial Express
- Best Wealth Management Platform of The Year Quantic Annual BFSI Technology Excellence Awards 2022
- Best Domestic Private Bank – India Asian Private Banker, Awards for Distinction 2021
- Best Financial Management Specialists – India APAC Insider, Business awards 2021
- Best Wealth Management Provider – India - 2021 World Finance, Wealth Management Awards 2021-22
- Best private bank - HNWIs, India Asset Triple A, Private Capital Awards 2021
- Best private bank for self-directed investments, Asia PWM Wealth Tech Awards 2021



- 'Best Financial Management Specialists – India' By 'APAC Insider Business Awards, 2021'
- 'Best Content Digital Marketing Campaign' By 'Investonomics at Digital Dragons Awards, 2021'
- 'Best Content Digital Marketing' By 'Investonomics at Mobexx Awards, 2021'
- 'PROGRESSIVE 100-CIO WINNERS': Mr. Subhash Kelkar, Chief Technology and Digital Officer By 'CIO100 symposium and Awards, 2021'
- 'Best analyst for Utility': Mr. Rahul Modi, By 'Asiamoney Broker Poll, 2021'
- 'Best analyst for Consumer Staples and Discretionary': Mr. Manoj Menon, By 'Asiamoney Broker Poll, 2021'
- 'Best analyst for Telecom': Mr. Sanjesh Jain, By 'Asiamoney Broker Poll, 2021'
- ICICI Securities – The Best Securities House in India By AsiaMoney Best Securities Houses Awards 2021
- Best deal of South Asia: POWERGRID InvIT IPO By 'Finance Asia'
- 'Digital Wealth Manager of the year- India' By 'The Asset Triple A Digital Awards 2022'
- 'Outstanding Transformation in Digital CX by a Wealth Manager' By 'Digital Banker, Digital CX Awards 2022'
- 'Best Marketing Campaign for a Banking Enterprise: ICICI Direct Investonomics' By 'NAME Awards at Indian Business Council'
- 'Best Digital Campaign in Financial Services: ICICI Direct Investonomics' By 'Drivers of Digital awards and summit'
- 'Company Advisor of the Year' By 'Franklin Templeton at Perspectives Awards, 2021'
- 'Best Private Bank – India' By 'Finance Asia Country Awards, 2022'

For and on behalf of the Board

Sd/-

Vinod Kumar Dhall

DIN: 02591373

Chairman

Date: July 21, 2022

Place: Mumbai

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, 2022.

For and on behalf of the Board

Sd/-

Vijay Chandok

DIN: 01545262

Managing Director & CEO

Date: July 21, 2022

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 = ₹ 75.7925	INR US \$ 1 = ₹ 75.7925
5.	Share capital	7,28,206	5,71,667
6.	Reserves & surplus	(5,97,441)	(2,67,860)
7.	Total assets	1,31,485	3,82,509
8.	Total Liabilities*	720	78,702
9.	Investments	94,498	-
10.	Turnover	1,302	1,96,201
11.	Profit before taxation	331	29,163
12.	Provision for taxation	-	(815)
13.	Profit after taxation	331	29,978
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:

- Names of associates or joint ventures which are yet to commence operations: NA
- 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/-

Vinod Kumar Dhall

DIN: 02591373

Chairman

Sd/-

Vijay Chandok

DIN: 01545262

Managing Director & CEO

Sd/-

Ajay Saraf

DIN: 00074885

Executive Director

Date: April 20, 2022

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 as at March 31, 2022 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	125.7
2.	BSE Limited	Long term investment	32.3
3.	Receivable Exchange of India Limited	Long term investment	17.6
4.	Universal Trustees Private Limited	Long term investment	1.6
5.	Asknbid Innovation Factory India Private Limited	Long term investment	55.6
B. Securities held for Trade			
		Short term investment	822.9
C. Loans			
1.	Given to customers	To invest in ESOPs	13,873.9
2.	Given to customers	Margin Trade Funding	54,692.8

Notes:

- Investments have been valued at fair value in accordance with Ind AS 109.
- Securities held as securities for trade include instruments classified as “securities” as per Section 186 of the Companies Act, 2013.
- 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: July 21, 2022

Place: Mumbai

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, 2022:

Name(s) of the related party	Nature of the 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, 2022 in current accounts and fixed deposits maintained for normal banking transactions.	9,092.8	-	-

For and on behalf of the Board

Sd/-

Vinod Kumar Dhall

DIN: 02591373

Chairman

Date: July 21, 2022

Place: Mumbai

Annexure D

ANNUAL REPORT ON CSR ACTIVITIES (APPLICABLE FOR THE FINANCIAL YEAR COMMENCING ON OR AFTER APRIL 1, 2020)

- 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 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 sustainable livelihood, contributing to incubators for promoting a culture of entrepreneurship through incubation of new ventures/start-ups which may create jobs and promote financial inclusion.

During the year, the Company focused on helping fight the COVID-19 pandemic. In FY2022, the Company undertook fifteen CSR initiatives, including the two initiatives implemented through ICICI Foundation for Inclusive Growth ('ICICI Foundation') in specific areas particularly, skill development and healthcare. 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.

- 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

- 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>

- 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**

- 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): ₹ 9,995.2 million.

7. a.	Two percent of average net profit of the company as per section 135(5)	₹ 199.90 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)	₹ 199.90 million

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

Total Amount Spent for the Financial Year (in ₹ Million)	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
199.90	Nil	N.A.	N.A.	Nil	N.A.

b. Details of CSR amount spent against on-going projects for the financial year 2022:

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	0	0	Not Applicable	No	WWF-India	CSR000 00257 - However, this is Not applicable as project MoU signed before April 2021 (January 6, 2020)
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	2.5	2.5	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	2.49	2.49	Not Applicable	No	Age Ventures India	Not applicable as projects are of period before April 2021
4.	Contribution for Preserving traditional Himalayan Beekeeping Practices	Rural developments	Yes	Uttarakhand	Nainital-Terai	3	1.1	1.1	Not Applicable	No	WWF-India	CSR00000257
Total							6.09	6.09				

c. Details of CSR amount spent against other than ongoing projects for the financial year 2022:

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 (₹ Million)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State & District			Name	CSR Registration number
1.	Contribution to Skill development projects through ICICI Foundation for Inclusive Growth	Promoting employment, enhancing vocational skills and livelihood enhancement projects	Yes	PAN INDIA	97.5	No	ICICI Foundation for Inclusive Growth	CSR00001979
2.	Contribution to installing oxygen plants in 5 BSF hospitals - project through ICICI Foundation for Inclusive Growth	Healthcare and preventive healthcare	Yes	PAN INDIA - Delhi, Jalandhar, Agartala, Jodhpur and Kadamtala (West Bengal)	20	No	ICICI Foundation for Inclusive Growth	CSR00001979
3.	Contribution to Foundation for Innovation & Research in Science & Technology ("FIRST"), Technology Business incubator of Indian Institute of Technology (IIT), Kanpur	Contribution to incubators - funded by the Central Government	Yes	PAN INDIA	5	Yes	Not applicable as project is direct - Contribution to incubators - funded by the Central Government	
4.	Contribution to Society for Innovation and Entrepreneurship (SINE)	Contribution to incubators - funded by the Central Government	Yes	PAN INDIA	15	Yes	Not applicable as project is direct - Contribution to incubators - funded by the Central Government	
5.	Contribution to Indian Institute of Management N S Raghvan Centre of Entrepreneurial Learning (NSRCEL) – Bangalore	Contribution to incubators - funded by the Central Government	Yes	PAN INDIA	9.7	Yes	Not applicable as project is direct - Contribution to incubators - funded by the Central Government	
6.	Contribution to Vision Foundation of India for free cataract eye surgeries to needy elders and senior citizens' from lower economic strata	Healthcare and preventive healthcare	Yes	PAN INDIA	2.5	No	Vision Foundation of India	CSR00002065
7.	Contribution to TATA MEMORIAL CENTRE ('TMC') towards medical treatment support for TMC, Mumbai	Healthcare and preventive healthcare	Yes	Maharashtra, Mumbai	11.5	No	TATA MEMORIAL CENTRE	CSR00001287
8.	Contribution to TATA MEMORIAL CENTRE ('TMC') towards medical equipment, transport support, treatment support for TMC	Healthcare and preventive healthcare	Yes	Punjab, Mullanpur	24.04	No	TATA MEMORIAL CENTRE	CSR00001287
9.	Contribution to EKAM FOUNDATION MUMBAI towards medicines and medical equipment support for treatment of COVID patients in LTMGCH, Mumbai	Healthcare and preventive healthcare	Yes	Maharashtra, Mumbai	5.0	No	EKAM FOUNDATION MUMBAI	CSR00004951

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 (₹ Million)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State & District			Name	CSR Registration number
10.	Contribution to EKAM FOUNDATION MUMBAI to 'Surgery Support Programme'	Healthcare and preventive healthcare	Yes	PAN INDIA	3.5	No	EKAM FOUNDATION MUMBAI	CSR00004951
11.	Contribution for planting trees for biodiversity, empowerment of rural communities and enhancing wildlife habitat	Environmental sustainability	Yes	Tamil Nadu, Viluppuram	1.27	No	IMPACT GURU FOUNDATION	CSR00000991
Total					195.01			

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): 201.1

g. Excess amount for set off, if any: (₹ Million): 1.2

9. a. Details of Unspent CSR amount for the preceding three financial years: Nil

b. Details of CSR amount spent in the financial year for on-going projects of the preceding financial year(s): 4.99 million

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

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

Date: July 21, 2022
 Place: Mumbai

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

Date: July 21, 2022
 Place: Mumbai

Annexure

IMPACT ASSESSMENT REPORT | FY2020-21 ICICI FOUNDATION FOR INCLUSIVE GROWTH: LIVELIHOOD INITIATIVE - "ICICI ACADEMY FOR SKILLS"

Executive Summary

Skill development is an important driver to address poverty reduction by improving employability, productivity and helping sustainable enterprise development and inclusive growth. This report maps the impact created through the interventions of ICICI Academy for Skills in the FY2020- 2021.

The project performance and impacts have been analysed using IRECS framework along with area-wise impact snapshots:

Inclusiveness

- Overall the batch has 1:1 male to female ratio, presenting strong gender inclusive characteristic.
- Female trainees constitute 97 percent of non-technical trainees, with preference in Office Administration and Selling Skills Courses.
- Multi Skill Technician Online and Electrical & Home Appliances Repair are receiving good participation from female trainees.
- Centres in Tier2 cities are catering to 59% of the trainees.
- Trainees from varied socio economic background.

Relevance

- 64% of the candidates had clarity for skill-course and career prospect.
- 29% of the candidates enrolled for educational value of the course.
- Employers have rated ICICI Academy for Skills as 4 on its industrial relevance for its programme (Scale of 5, where 5 is the highest).

Expectations

- 86% of the candidates have received placements/ offer letters.
- 72% of the candidates are part of the current workforce whereas 28% are pursuing advance courses on upskilling.

- INR 10242 monthly average salary offered (all courses).
- INR 10675 monthly average salary of Non-technical Courses whereas INR 9224 is the Monthly average salary of Technical Courses.
- 91% of the candidates believe that the Academy has substantially or partially contributed in their better livelihoods prospect.
- 97% of the trainees feel that the Academy has contributed by building their confidence
- Employers' average rating of 9 on a scale of 10 for their consistent assistance in meeting the employers' job demands.

Convergence

- ICICI Foundation has collaborated with various companies to provide the course curriculum and training the teachers on the latest technologies and terminologies.
- Joint Certification Programme with all the knowledge partners has been made available.
- ICICI Foundation is associated with NSDC, government of Madhya Pradesh and few more state governments and all its courses are in alignment with the government curriculum.

Service Delivery

- Overall value-chain is scored at 85%.
- The Academy's effectiveness during COVID and teaching staff receives the highest rating, with 89%.
- Distribution of scores based on centres indicates that the overall service delivery received highest ratings for Mumbai and Karnal.

Link to access the impact assessment report:

https://www.icicisecurities.com/Upload/ArticleAttachments/ICICI_Foundation_2020_21_Impact_Assessment_CB.pdf

Annexure E

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members,
ICICI Securities Limited
ICICI Venture House, Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025

We have examined the compliance of conditions of Corporate Governance by ICICI Securities Limited ("the Company") for the year ended on March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) 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) and (t) 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.
Practicing Company Secretaries

Sd/-

Makarand M. Joshi

Partner
FCS No. F5533
CP No. 3662
UDIN: F005533D000140140
Peer Review No: 640/2019

Place: Mumbai
Date: April 18, 2022

Annexure F

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 Venture House,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400 025

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 Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025** (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, 2022, 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, 2022.

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. Vijayalakshmi 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
Place: Mumbai
Date: April 15, 2022
UDIN: F006667D000126754

Annexure G

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended March 31, 2022

[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 Venture House,

Appasaheb Marathe Marg,

Prabhadevi, Mumbai – 400 025

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, 2022 (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, 2022 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 Foreign Direct Investment and Overseas Direct Investment; **(External Commercial Borrowings 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 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 to the extent of listing of commercial papers;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)** and

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(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, 2021;
- 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. The re-appointment of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the audit period, the Company has

1. Enhanced the existing borrowing limit to ₹ 110.00 billion under Section 180 (1) (c) of the Act by passing Special Resolution at Annual General Meeting held on August 18, 2021.
2. Enhanced the existing limit under section 186 of the Act to ₹ 110.00 billion to grant loan and advances or make investments in securities of any other body corporate or provide securities or guarantees by passing Special Resolution at Annual General Meeting held on August 18, 2021.
3. Allotted 4,56,351 Equity Shares of face value of ₹ 5/- each towards exercise of options vested under ICICI Securities Limited – Employees Stock Option Scheme 2017.

For Makarand M. Joshi & Co.
Practicing Company Secretaries

Sd/-

Makarand M. Joshi

Partner
FCS No. 5533
CP No. 3662
UDIN: F005533D000140063
Peer Review No: 640/2019

Place: Mumbai
Date: April 18, 2022

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 Venture House, Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400 025

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.
Practicing Company Secretaries

Sd/-

Makarand M. Joshi

Partner
FCS No. 5533
CP No. 3662
UDIN: F005533D000140063
Peer Review No: 640/2019

Place: Mumbai
Date: April 18, 2022

Management Discussion and Analysis

OPERATING ENVIRONMENT

Global Economy

The global economy recovered strongly from recession in 2021 as the severity of COVID-19's impact began to recede, albeit with continuing episodic and localized disruptions to economic activity and human mobility. The International Monetary Fund (IMF), in its latest World Economic Outlook (released April 19, 2022), estimated that world Gross Domestic Product (GDP) grew 6.1% in 2021, after contracting 3.1% in 2020. A strong rebound in global trade was key to the global economic rebound in 2021. The value of world trade increased 25% in 2021 according to United Nations Conference on Trade and Development's (UNCTAD) estimate (rising 13% above the pre-COVID level of 2019), although semiconductor shortages curtailed the output of some sectors (vehicles, mobile phones etc.) in fourth quarter (Q4) of fiscal year (FY) 2021. Accommodative central bank policy aided the rebound, but at the expense of a sharp rise in inflation – with headline Consumer Price Index (CPI) inflation rising in the United States (US) to a 40-year high in January-February 2022, requiring the US Federal Reserve to begin an aggressive tightening of monetary conditions at its March 2022 meeting.

The Russia-Ukraine war (that began on February 24, 2022) added to uncertainty for the global economy, with oil and other commodity prices (particularly for metals and wheat) rising sharply. Prior to the outbreak of war, the IMF forecasted 4.4% growth in global real GDP for FY2022 and 3.8% for FY2023. The 2022 forecast was predicated on 3.9% growth for advanced economies (4% for the US) and 4.8% for developing economies (4.8% for China, 9% for India etc.). However, at its meeting on March 14, 2022, the US Federal Open Market Committee (FOMC) lowered its forecast for the US from 4% to 2.8%, and the inversion of the US yield curve in early April 2022 suggests a US recession is near-certain to begin by April 2024 (or a few months sooner).

The European Central Bank (ECB) has lowered its growth and inflation forecasts only marginally, and reiterated at its March 2022 meeting that its policy would remain accommodative. However, with headline CPI inflation in March 2022 at 7.5% YoY (far above the ECB's 2% target), the ECB will most likely abandon its ultra-loose monetary policy soon in order to retain credibility. Eurozone core inflation is already 3% YoY, but the ECB formally targets headline inflation (unlike the US FED, which targets the

core Personal Consumption Expenditure (PCE) inflation rate), so continued asset purchases are untenable at a time when inflation is so far above target.

Despite rising rates of vaccination around the world, COVID-19 has remained a health threat, with the US seeing a third wave of infections (January-February 2022), Europe (Germany, France, UK, Spain) seeing a fourth wave (February-April 2022) and several Asian countries (South Korea, Vietnam) being severely affected in February-March 2022. India's third wave in January 2022 proved relatively short-lived on account of near-universal vaccination rates.

Indian Economy

After contracting by 6.6% in FY2021, primarily on account of the nation-wide lockdown that caused real GDP to contract 23.8% YoY in Q1 FY2021, India's real GDP expanded 10.6% YoY in the first 3 quarters of FY2022. The rebound was less robust than expected because a second wave of COVID-19 disrupted the economic recovery in Q1 FY2022 and in the early weeks of the next quarter, thereby ensuring that real GDP failed to surpass the pre COVID-19 levels of FY2020 during Q1 FY2022 (April-June 2021), and grew a modest 20.3% YoY (about 10-12 pp slower than the likely growth rate in the absence of the second COVID-19 wave). In the subsequent two quarters, real GDP was 1.3% and 6.2% higher than the FY2020 (July-September 2019, October-December 2019) levels respectively despite disruptions to the global supply of semiconductors and ships.

A vital factor contributing to India's strong recovery in Calendar Year (CY) 2021 was the export rebound. For the first time since 2010, global trade volumes grew twice as fast as the world's real GDP in CY2021, and India benefitted immensely. India's merchandise exports grew by 42% and services exports by 15% in CY21. Merchandise exports in China, South Korea and Taiwan also had their strongest year since 2010, but each grew less than 30%, meanwhile exports of Vietnam and Bangladesh grew less than 20%. India's imports also grew rapidly, especially as oil prices surged in January-March 2022, but strong net exports of services ensured that the current account deficit remained modest at 1% of GDP in CY21 – albeit a deterioration from the surplus of 1.5% of GDP in CY20.

Consumer Price Index (CPI) inflation edged above the Reserve Bank of India's (RBI) preferred target range (2-6% YoY) during the second COVID-19 wave (April-June

2021), then returned to that target range over the next half year. The renewed surge in fuel prices triggered by the Russia-Ukraine war pushed the CPI marginally above 6% in January-March 2022, obliging the RBI to bring forward its rate-hiking plans. However, India's broad money (M3) had grown at an average pace of just 11.2% YoY during the pandemic (March 2020-February 2022), slower than India's pre-pandemic average of 15.4% YoY during the previous 30 years. By contrast, US broad money (M2) growth had averaged 18.6% YoY in March 2020-February 2022, faster than the 60-year pre-pandemic average of 6.8% YoY M2 growth. While the US clearly needs to roll-back its extraordinary monetary accommodation in the post-pandemic phase (with headline CPI inflation at 40 year highs), India's monetary growth had been more restrained relative to its own history, and hence would not require a significant pull-back.

Outlook of Global and Indian Economy

We expect world real GDP growth to slow to 3% in 2022, slowing from the IMF's January 2022 forecast of 4.4% real GDP growth, as central banks in the developed economies are obliged to sharply scale back their aggressive monetary expansion in the face of a virulent spurt in inflation to levels not seen in 4 decades. Our global growth estimate is predicated on 2% growth for developed economies in 2022, and 4% growth for emerging economies (slower than the IMF's January 22 forecasts of 3.9% and 4.8% respectively).

Despite the disruptions to domestic mobility and production, most economies have succeeded in shielding their export sectors from COVID-19 related restrictions. Rolling domestic disruptions to varying parts of the global economy have stimulated greater demand for imports, helping to generate a strong revival in global trade. We expect these trends to continue in 2022, with global trade again growing at least twice as fast as global real GDP. With many major supply side reforms over the past 2 years, e.g. lowest corporate tax rates in Asia (especially for new manufacturing units), flexible labour market with the simplification of labour codes, and Production Linked Incentives (PLI) spurring new investments in export-oriented manufacturing of both labour-intensive and high-tech products – India is poised to experience a second year of export-led growth.

With the US Federal Reserve and the ECB having to hastily scale back their extraordinarily loose monetary policies to counter a wage-price spiral, the slower pace of real GDP will confine world trade volume growth to just 7%. Although we expect India's export growth to again be among the fastest in the world in FY2023, other sources of growth will need to kick in as well. The centerpiece

of the Budget for FY2023 was a big 34% surge in public investment, partly predicated on the states ramping up their infrastructure spending.

Strong revenue growth in FY2022 (especially for corporate and personal income taxes, custom duties and GST) will likely ensure a much smaller fiscal deficit than officially projected. The higher revenue base for FY2022 should also ensure that actual government revenues in FY2023 far outpace the official projections, ensuring that the fiscal deficit declines to 5% of GDP (versus the official projection of 6.4%). The government's consequently lower borrowing requirement will help crowd-in a rebound in private investment spending, helping to shield India from a slowing global economy in CY2023. We expect real GDP to grow 8.2% in FY2023, and accelerate to 9% in FY2024 as the crowding-in of private investment gains pace, and the PLI-induced broadening of employment in manufactured-export sectors contributes to a strengthening of private consumption.

Equity Markets

Significant volatility in global equity markets was observed towards the second half of FY2022 due to big events such as;

- (a) The signaling of the withdrawal of quantitative easing (QE) by the US federal reserve and announcement of interest rate hikes
- (b) Rise in fresh COVID-19 cases in many major economies
- (c) Rise in geopolitical risk due to the Russia-Ukraine conflict leading to crude oil price spiking above US\$ 100 per barrel (Brent crude prices crossed US\$ 130 per barrel on March 8, 2022).

Despite the volatility, Indian equities still managed to close FY2022 with robust gains of around 19% for the NIFTY50 while the broader indices (mid and small caps) outperforming the NIFTY50. Mid and small cap outperformance can be attributed to the pent-up demand and opening up of contact intensive sectors such as leisure, retail and travel which are pre-dominantly in this space along with small financing companies. However, the escalated geo-political tension due to Russia-Ukraine war has kept the benchmark indices range-bound in second half (H2) of FY2022 after hitting an all-time high in October 2021.

Amongst large caps the outperformance continued from capital intensive sectors such as energy, metals, infrastructure, corporate banks and industrials along with export oriented stocks. Above stocks were also augmented by a pro-growth union budget which focused on enhancing capex spend on infrastructure. Another reason has been elevated commodity prices which are

augmenting the profitability of capital intensive sectors such as metals and energy. However, the elevated commodity prices would adversely impact the earnings of consumer goods companies.

Strong growth in retail investors entering equity markets and trading volumes

FY2022 was a landmark year for the Indian capital markets with record number of Demat accounts being opened and a significant surge in equity and derivative volumes 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 new National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) Demat accounts being opened in FY2022 increased from 14.3 million in FY2021 to 34.6 million in FY2022, a growth of 142% YoY, making FY2022 the year with highest number of demat accounts opened in any financial year till date.

34.5 Million
Up~2.5X

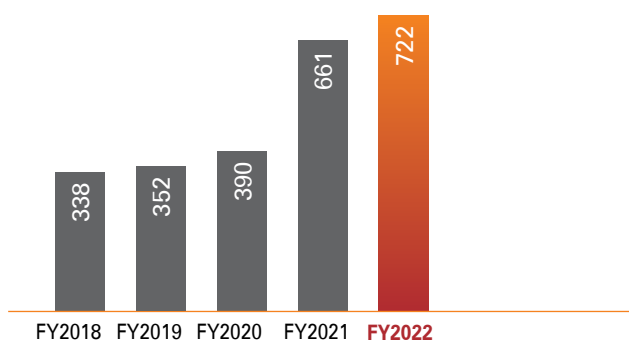
Demat accounts opened in FY2022

The gross industry Average Daily Turnover (ADTO) was up by 157% YoY. Within this, the equity ADTO increased by 9% and derivatives ADTO grew by 161%, primarily driven by weekly Options contracts.

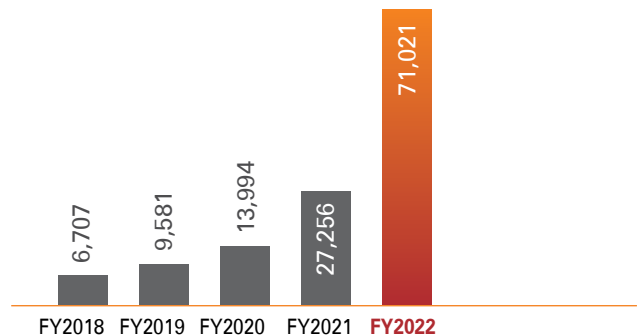
157%
Industry average daily turnover
YoY growth

Notable trends this year were an increase in retail and others contribution. The institutional ADTO also registered impressive increase of 21% and 74% in equity and derivative segments respectively (Source: SEBI bulletin).

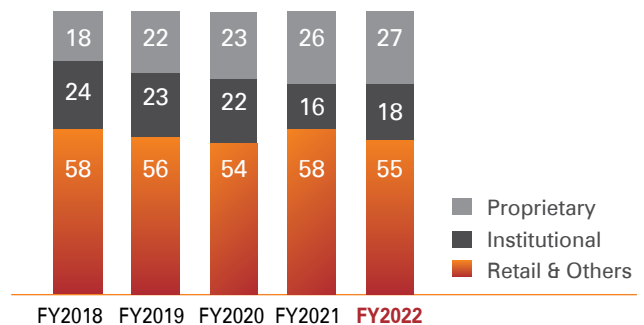
GROSS EQUITY ADTO (in ₹ Billion)



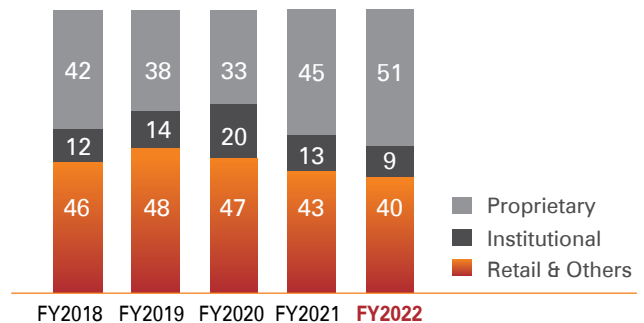
GROSS DERIVATIVE ADTO (in ₹ Billion)



CATEGORY-WISE CONTRIBUTION OF TURNOVER IN EQUITY SEGMENT (%)



COMPOSITION % OF DERIVATIVE (%)



Strong flows from retail and domestic institutional investors balanced outflows from Foreign Portfolio Investors

Foreign Portfolio Investors (FPI) selling during FY2022 exceeded the outflow seen post the Global Financial Crisis (GFC) of FY2009, but has relatively low impact on benchmark indices (large, mid and small caps) as Domestic Institutional Investors (DII) inflows surprised on the upside.

Secondary market witnessed the highest outflow of Foreign Portfolio Investors (FPIs) since the GFC totalling

to US\$ 36.6 billion. However, including the primary market inflows, the selling was much lower at US\$ 17 billion in FY2022. FPIs were net buyers in the 1st half of FY2022 totalling US\$ 1.2 billion although the trend reversed in the 2nd half of FY2022 with FPI becoming net seller resulting in massive outflow of US\$ 18.3 billion. Consequently, aggregate FPI equity asset stood at ₹ 46.90 trillion as of March 31, 2022. Indian debt market which witnessed continuous outflow over past few years by Foreign Portfolio Investors (FPIs) saw marginal inflow of US\$ 20 million in FY2022.

In contrast, the Indian capital markets saw consistent buying by domestic investors in the face of unprecedented selling by FPIs during rare and extreme fear-inducing events seen over the past year (COVID-19 pandemic, QE reversal, US Federal reserve interest rate hike and global brinkmanship due to the Russia-Ukraine conflict).

DII were net buyers across FY2022 totalling US\$ 29.5 billion and absorbed selling pressure of FPIs. SIPs continued to remain resilient despite the market volatility with cumulative SIP flows of ₹ 1,246 billion in FY2022 vis-à-vis ₹ 961 billion in FY2021 signifying rise of retail investors. Further, domestic equity Asset Under Management (AUM) has increased by 41% to ₹ 14.42 trillion from ₹ 10.2 trillion in March 2021.

Demand for non-equity Retail Financial Products picked up in the second half

While direct equity investments gained popularity, as indicated by number of Demat accounts opened, the demand for other non - equity products saw a reversal on the back of a weak FY2021. Mutual fund flows turned positive and within that SIP flows were strong. 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 (MF) Industry grew as witnessed by average Assets under Management growing from 28 trillion in FY21 to over 36 trillion in FY22.

There was an active participation from both individual and institutional investors throughout the year, thanks to availability of ample liquidity and strong retail participation.

Value of assets held by individual investors in MF increased from ₹ 17.2 trillion in March 2021 to ₹ 20.8 trillion in March 2022, a 21% increase. Institutional investors assets rose more moderately from ₹ 14.9 trillion in March 2021 to ₹ 16.8 trillion in March 2022, 13% growth.

Total number of Demat accounts in FY2022 were 90 million, up from 55 million accounts in FY2021 i.e. registering 63% growth. The same was witnessed in Equity MF folios as well. The total number of MF folios have grown up by 32% and crossed 129 million as on March 31, 2022 which was at 98 million on March 31, 2021. In FY2022, out of the total MF folios, Retail folios stood at 103 million.

The year saw healthy growth in Systematic Investment Plans (SIP) inflows with monthly SIP inflows breaching ₹ 100 billion mark seven times, and the year closed with a net addition of ₹ 1.24 trillion in FY22 from ₹ 961 billion in FY2021 i.e up by 30%. Industry wide SIP accounts now stand at 52.8 million. The industry witnessed 12.5 million net SIP additions (Folios) i.e. 180% rise as against the closing of March 2021.

AMCs cashed in on the positive sentiments by launching a slew of New Fund Offerings (NFO). In the last 12 months, Equity funds have mobilized ₹ 807.36 billion (with 70 NFO's) against ₹ 238.69 billion done in FY2021 (with 55 NFO's) i.e a growth of 238% in NFO AUM. Flexicap and Balanced Advantage funds (BAF) are the most preferred choice amongst equity funds investors and FY2022 witnessed some of the highest mobilization into equity funds at NFO launch.

Individual investors hold primarily equity schemes with an average ticket size of ₹ 1.6 Lacs, while debt and liquid schemes are dominated by institutions with an average ticket size of ₹ 16.5 Lacs. Almost 78% of individual investor assets are held in equity schemes, while 66% of institutions/corporates assets are held in liquid and debt schemes.

As equity funds rule the space this year, the proportionate share of equity-oriented schemes is now at 48.9% of the industry assets in March 2022, up from 42.6% in March 2021 i.e. up by 21%. Debt funds saw outflows in last FY with the proportionate share of debt-oriented schemes at 23.1% of industry assets in March 2022, down from 31.1% in March 2021.

Individual investors now hold a relatively higher share of industry assets, i.e. 55.5% in March 2022, compared with 53.7% in March 2021. Institutional investors account for 44.8% of the assets, of which corporates are 96%, with the balance being Indian and foreign institutions and banks.

*** (Institutions include domestic and foreign institutions and banks. HNIs are investors who invest with a ticket size of ₹ 2 lacs or above. Equity-oriented schemes include equity and balanced funds)*

22% of retail investors chose to invest in direct plans while for high networth individuals its 24%. 56% i.e. about ₹ 16 trillion of assets of individuals in tier-3 cities are bought through distributors. 46% of total mutual fund industry is through direct route. This is predominantly in non-equity oriented schemes for institutions.

Direct plans by retail investors in FY2022 was ₹ 3.8 trillion while in it was FY2021 ₹ 3.1 trillion i.e. up by 25%. Gold and other Exchange Traded Fund's (ETF) account for 12% of industry AUM at ₹ 4.3 trillion in FY2022 Vs ₹ 1.5 trillion in FY2021 i.e. up by 187% while Retail ETF folio count in FY2022 stood at 14.7 million which was 2.4 million in FY2021 i.e. up by 500%.

Life Insurance

Since the privatization of the insurance industry two decades ago, the fallout from the COVID-19 pandemic has possibly been the most epochal for the industry.

The need for life insurance has gained significant visibility since the pandemic struck, as the uncertainties of life have become starkly visible. Increased awareness and need for protection helped the industry to turn the headwinds into tailwinds.

During FY2022 the retail new business premium* grew by 16% to ₹ 875.74 billion of premium collection, up from ₹ 756.58 billion in FY2021. The growth was led by the private players posting a YoY growth of 22%, while at the same time Life Insurance Corporation (LIC) posted a YoY growth of 7%. The private players share in retail new business premium is at 63% on FY2022 exit.

The Industry witnessed radical shifts in customer needs, behaviours and preferred methods of insurance buying. Life Insurance selling which was heavily dependent on in person interactions, moved to customers interacting digitally with advisors on various platforms and also comfortable buying digitally.

In addition to the pandemic induced uncertainties, volatile markets, falling interest rates, have played a pivotal role in increased demand for solutions offering Guaranteed returns and assured savings for long periods of time.

Looking ahead the low penetration of insurance will provide significant head room for the industry to grow in the coming years led by digital agility, innovation, product solutions that cater to customer needs of Income fulfilment, custom fit solutions, and goal linked requirements like Retirement and child products.

*Retail New Business Premium – Above mentioned new business premium is only retail business (excluding group business) of regular premium and single premium plans (Single premium and Annuity plans considered with 10% weightage)

Source: IRDA website

General Insurance

As per General Insurance Council (GI Council) data, the health segment has grown strongly (25.4% YoY for FY2022). Motor as a segment has ended the year on a slow note (with 3.98% YoY growth). Overall General Insurance industry grew by 11.10% YoY and ended the year with a gross premium of ₹ 2.20 trillion, vis-à-vis ₹ 1.98 trillion in FY2021.

FY2022 was a mixed year for the non-life industry. Health insurance has emerged as the primary product segment wherein industry has gathered the maximum premium from. Whole of FY2021 and part of FY2022 was majorly focussed on the pandemic, but this also drove home the case to have adequate risk protection resulting in insurers expanding their customer base. In a non-stratified environment, the industry has evolved to issuing health insurance in a non-contact format. Personalized products, automation for faster claims, advanced analytics, Insurtech partnerships and blockchain are some of the key drivers expected to strengthen the industry further. The insurance industry is expected to grow at approximately 15% in a 3-5 year horizon while rapidly adopting digital and big data.

Health Insurance

Health insurance has emerged as the primary product segment under the general insurance industry to have gathered the maximum premium. For FY2022, the Indian GI industry posted notable 11.10% YoY Gross Direct Premium Income (GDPI) growth, aided by 25.4% growth in the health segment and strong growth in the smaller segment of personal accident (35.06%). The motor segment which has been the largest contributor amongst non-life insurance product segments for a considerable period of time ended with a marginal 3.98% GDPI growth for Year to date (YTD) FY2022. This disparity in growth across segments resulted in Standalone Health Insurance (SAHI) companies registering a strong 32.44%

growth YoY followed by private insurers at 11.98% and the 4 Public Sector Undertaking (PSU) insurers ended the year with a muffled growth of 4.56%. To summarize because of significant growth in the health segment and subdued growth in the motor segment, health-focused freestanding health insurers (SAHIs) have increased their market share, while multiline insurers (private and PSU) continue to confront issues.

Despite the fact that COVID-19, particularly the second wave, was detrimental to the health insurance industry in terms of a large surge in claims, it drove awareness growth for the segment. With an unusually large share of out-of-pocket expenditure, poor status of government health facilities, and rising affluence among the public - insurers have witnessed higher level of interest from masses across multiple platforms. The pandemic boosted top-line

growth in health insurance, which is now considered as an important financial tool, due to a variety of variables.

Strong growth followed by sharp decline in primary capital market activity

Initial Public Offering (IPO) market saw a robust growth in FY2022 with a total of 58 IPOs (including FPOs, InvITs, RelTs). The market peaked in Q3FY2022 with 23 IPOs (including FPOs, InvITs, RelTs) in the quarter and slowed down significantly to only 7 IPOs (including FPOs, InvITs, RelTs) in Q4FY2022 due to global factors. The year also saw 29 Qualified Institutional Placements (QIPs) take place. Other products like Rights, Offer for Sale (OFS), Infrastructure Investment Trusts (InvIT), Real Estate Investment Trusts (REIT), REIT-QIPs, buybacks etc. also saw a decent mobilization of funds. The total number of equity capital market deals in FY2022 were 235 as compared to 230 in FY2021.

Equity Markets Activity (Source: Prime Database):

Sr. No.	Particulars	FY2021		FY2022	
		No. of Deals	Offer Amount (in ₹ Billion)	No. of Deals	Offer Amount (in ₹ Billion)
1	IPOs (including FPOs, InvITs, RelTs)	34	798	58	1,297
2	QIPs	31	780	29	285
3	Rights Issues	20	643	10	253
4	Offer for Sale (SE)	38	284	22	145
5	Open Offer	46	250	76	255
6	Buybacks	61	393	40	313
	Total	230	3,148	235	2,548

Regulatory Direction

Regulatory Authorities continued to work in the direction of enhancing transparency, protecting investor interests and also enabling the industry to serve the customer by adopting new technology. Some of the notable regulatory developments that were articulated or enacted in the current fiscal include:

- In order to classify investors better, Securities and Exchange Board of India (SEBI) now requires brokers to collect annual income information of their customers too, as part of their Know Your Customer Process.
- The new margin trading norms have taken full effect in FY2022.
- SEBI has introduced a framework for 'Accredited Investors' in the Indian securities market. Accredited Investor are class of investors who may be considered as well informed or well advised about investment products and they will have the flexibility to participate in investment products with

an investment amount lesser than the minimum amount mandated in the Alternative Investment Funds (AIF) Regulations and Portfolio Managers (PMS) Regulations. These investors will also enjoy relaxation from certain regulatory requirements of SEBI (PMS) Regulation, SEBI (AIF) Regulation and SEBI (Investment Advisor) Regulation.

- Once introduced, this will introduce a new class of investors to the Indian securities market who can take exposure to such products with a smaller ticket size, thereby expanding the overall market for such investment products.
- SEBI has reduced the minimum ticket size for Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) with the revised minimum application value within the range of ₹ 10,000-15,000 and the revised trading lot of one unit.
- SEBI has discontinued pooling of funds and/ or units by stock brokers / clearing members in any form or

manner for mutual fund transactions with effect from April 1, 2022, which got extended to July 1, 2022. Pursuant to this change, clients' funds and units for mutual fund transactions will be directly transferred between AMC and investors. It will curb the risk of any misuse of clients funds and securities by the brokers.

- Brokers have been prohibited from investing client funds in any Liquid Mutual Funds, Gilt Funds, Government Securities or any other liquid funds.
- SEBI has introduced the facility of Block Mechanism, under which when the client intends to make a sale transaction, shares will be blocked in the Demat account in favor of Clearing Corporation and only if sale transaction is executed, shares will be moved from client's Demat account for early pay-in to broker's pool account. Currently, said block mechanism is optional and Early pay-in mechanism shall also continue.
- This protects investors from any misuse of securities, as securities will move to broker's pool account only if a trade is executed.
- SEBI has introduced T+1 rolling settlement on an optional basis, where a Stock Exchange may choose to offer T+1 settlement cycle on any of the scrips.
- SEBI has approved the creation of the Social Stock Exchange (SSE) for fund raising by social enterprises (SE). Once operational, social enterprises and those in the development sector will now be able raise capital and list on the special stock exchange. Framework for Gold Exchange is also on the works, allowing investors to invest and trade in Electronic Gold Receipt (EGR). SEBI and Exchanges have issued circulars regarding Vault Managers, Product specification, settlement etc.
- Some changes in the AIFs classification has been made by SEBI to make them more investor friendly. PMS and AIF regulations have been tweaked to facilitate Co-investment by investors of Alternative Investment Funds (AIF) through portfolio management route.

OPERATING PERFORMANCE OF BUSINESS VERTICALS

The Company registered consolidated revenue growth of 33% to ₹ 34,384.8 million for FY2022 as compared to ₹ 25,861.7 million for FY2021. Consolidated Profit after tax (PAT) increased by 29.5% to ₹ 13,826.0 million in FY2022 as compared to ₹ 10,677.2 million in FY2021. During the year our Total assets grew 48.4% to ₹ 5.64 tn and yield on the same stood at 0.4%.

The company built on strong momentum of growth across all business as Retail Equities and Allied grew 26%, Institutional Equities and Allied grew 24%, Distribution grew 43%, Wealth Management grew 105% and Issuer Services and advisory grew 83%. The company was successful in diversifying its revenue as broking contribution reduced from 58% in FY2021 to 45% in FY2022, while our Distribution and Wealth businesses continued to scale well

Our strategy of ramping up scale of clients helped us acquire new clients at a substantially faster pace with 2.2 million new clients added in the year up from 0.69 million in FY21. Our FY22 client acquisition was highest ever in a FY and was a result of the company leveraging its digital capability. We diversified our customer base as well as ~65% of the new customers acquired in FY22 were of age < 30 years, 84% of customers were from Tier II & below geography and 79% of the customers were sourced from channels apart from ICICI Bank. Acquiring GenZ and Millennials provides us with opportunity to partner the customers from a very young age in their financial journey.

Retail Equity

The retail equity and allied income grew strongly by 26% from ₹ 15,983 million in FY2021 to ₹ 20,128 million in FY2022 led by growth in our allied income which grew by 152% from ₹ 2,537 million in FY2021 to ₹ 6,382 million in FY2022. The growth in brokerage income was led by strong growth in number of equity revenue generating clients (i.e. NSE active clients) from 1.58 million in FY2021 to 3.03 million for FY2022.

We diversified our Retail equity revenue as allied revenue contribution increased from 16% in FY21 to 32% in FY22. The strong growth in allied revenues was led by our new product launches like Prime, MTF, NEO etc as they contributed to growth in interest income, increase in subscription fees and other charges earned. The interest income registered a strong growth of 192% from ₹ 1,707 million for FY2021 to ₹ 4,980 million for FY2022.

Our newly launched innovative propositions gained traction as they helped us attract quality clients and enhance vibrancy of transacting clients on our platform. Prime customer base crossed significant milestone of 1 million and continues to grow. Similarly, our MTF book grew 3.6 times in FY22 as we ended the year as market leaders with ~22% market share. Prime and Prepaid revenue combined now contributes 64% of Retail Broking revenue in FY22. Our NEO customer base increased more than 4 times in FY22 and now stands at 0.22 million.

Our Retail ADTO increased by 14.7% in FY22 as our Retail Cash Market share stood at 9.9% and Retail Derivative market share at 3.6%. Our retail market share in commodities which we recently launched stands at 3.4% as on FY22.

Institutional Equity

The revenue from our institutional equity and allied business increased by 24% from ₹ 2,053 million in FY2021 to ₹ 2,538 million in FY2022 driven by increased flow business, steady market share and traction in marquee deals. Institutional equity revenue grew 11% to ₹ 1,780 million in FY2022 from ₹ 1,600 million in FY2021 led by traction with clients across India, Asia Pacific, UK and the US. Institutional Allied revenue registered strong growth of 67% to ₹ 758 million in FY2022 from ₹ 453 million in FY2021 on back of strong performance in primary capital markets. We continued to maintain rankings with highly active clients, significant performance in block deals/block crossing and increased wallet share from existing clients.

During FY2022, 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 the first of its kind ESG (Environment, Social, Governance) conference, with focus on ESG efforts made by the companies, which was highly appreciated by the participating companies and clients, since we were able to successfully deliver as per the theme. Our flagship BFSI Conference, was also highly appreciated and well received by the institutional investor fraternity. We hosted industry stalwarts, policy makers, and subject matter experts as key note speakers. We also saw participation from about 50 banks and financial institutions, (both listed and unlisted), as well as 10 sessions with Fintech companies. 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.

Distribution of Financial Products

Our distribution business grew by 43% to ₹ 5,996 million in FY2022 from ₹ 4,202 million in FY2021, which was a significant breakout from the trajectory of past few years. Scaling of Distribution business has helped increase diversification as it now contributes to 17.4% of overall revenue up from 16% last year despite a strong growth in overall revenue. The healthy growth in the business was led by growth in all major product categories as MF revenues grew 47% YoY to ₹ 3,505 million, Life Insurance Revenue grew 38% to ₹ 701 million and other product revenue grew 37% to ₹ 1,790 million in FY2022.

We continued to strengthen our position amongst the largest distributors of MFs with our MF AUM reaching an all-time high of ₹ 577 billion in March 2022 which was 27% higher than March 2021.

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 41% YoY in FY2021, growing faster than Industry growth of 30% YoY leading to an increase in our market share on SIP book from 3.6% in FY2021 to 3.9% in FY2022. We were the 4th largest SIP distributor in the industry with our SIP count touching almost ~1 mn mark in March 2022.



1 million+

SIP book size

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. The Company has a market share of 7.5% in distribution of Sovereign Gold Bonds.

In Insurance segment, we are working on multiple prongs to harness entire opportunity. We expanded our offerings to provide our customers their insurance partner of choice and hence we increased our product partners from 4 to 6 across Life, Health and General Insurance segments. We are working on creating intuitive customer journeys, which is highlighted by our recent partnership with Coverfox to enhance our product suite and help us to provide an analytical-driven personalized experience for our customer. General Insurance, though in nascent stage, registered growth in premium and policies.

Loan distribution also fared well as banks and other lending institutions continued their focus on retail loans. We disbursed 22.6 bn in FY2022 against 14.3 bn in FY2021, a growth of 58%. Home Loans gained traction led by factors such as low interest rates and correction in real estate prices. Proportion of Home Loans to total loans disbursed decreased from 82% in FY2021 to 70% in FY2022 as the company expanded its portfolio to other loan products (such as Loan against property, Business and SME loans, Lease rent discounting, Auto loans etc.) which registered a growth on 166% in FY2022. We launched the Digital Integrated journey for Home Loans with ICICI Bank as a result of which our customers get pre-approved offers depending on their credit profile.

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 2022, there were ~ 68,000 clients, up from ~ 47,400 clients, as at March 2021 with an asset under management of ₹ 2.86 Trillion, which was up by 70% from ₹ 1.68 Trillion at FY2021. PWM revenues were up 105% from ₹ 4.50 Billion in FY2021 to ~ ₹ 9.24 Billion in FY2022. Our client base is sticky, with 53% 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 before last 5 years.

ICICI Securities won 8 awards during FY2022 for excellence in private wealth management.

ICICI Securities launched proprietary Portfolio Management Service (PMS) in FY2019, offering a wide range of PMS strategies across market capitalization and investment styles. It is 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, smart beta strategies - Active Index and I-Sec Momentum Quality Dynamic Advantage Portfolio, and an asset allocation strategy driven through the Multi asset PMS. The Ace Equity and Ace Multi Asset portfolios are also available in non-discretionary format which are aimed at prudent asset allocation of customers. The total assets under management in ICICI Securities PMS grew by 225% from ₹ 2.20 billion to ₹ 7.15 billion as of March 31, 2022.

The company had launched Premium Portfolio product in FY2021. These are exquisite baskets of stocks available completely digitally. Customers can get access to these portfolios by paying a subscription fee and invest in a curated manner for long term wealth creation. The product also features portfolios by India's leading registered investment advisors under the "Masters of the Street" banner. The product has been a big success for the franchise with more than 6,500 subscriptions as of March 31, 2022.

The company launched a comprehensive portfolio analysis tool during FY2021. This tool, available in ICICIdirect, provides a complete view of client's portfolio across multiple advisors, brokers or wealth managers. The portfolio values are updated real time for direct equity and by end of the day for the remaining products. Clients can upload and manage multiple portfolios and track seamlessly. The tool helps in evaluating a portfolio

through various lenses and provides ICICIdirect house view against the holdings.

Issuer and advisory services

The revenue from our issuer and advisory services business increased by 83% from ₹ 1,613 million in FY2021 to ₹ 2,956 million in FY2022 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.

There was increased traction across IPOs, QIPs, Rights issues, advisory transactions, etc. across Consumer Technology, Pharma, Chemicals and other sectors. The Company managed 30 IPOs and InvITs in FY2022 with a market share of ~71% (in terms of issue size) (Source: Prime Database). The amount raised through such issuances managed by the Company during FY2022 was ₹ 920.33 billion, which included the IPOs of Aditya Birla Sunlife AMC Limited, Nuvoco Vistas Corporation Limited, Metro Brands Limited, Star Health and Allied Insurance Limited, Adani Wilmar Limited, Sriram Properties Limited, PB Fintech Limited, Tatva Chintan Pharma Chemicals Limited, Aptus Value Housing Limited, Chemplast Sanmar, Marcotech Developers Limited; and InvITs of National Highways Infra Trust, Shrem Trust and Powergrid Infrastructure Investment Trust.

The Company successfully completed 9 QIPs in FY2022 cumulatively amounting to ₹ 139.04 billion with a market share of 48.7% (in terms of issue size) (Source: Prime Database) for Shriram Transport Finance Co. Ltd., Indian Bank, Punjab National Bank, Bank of Maharashtra, Canara Bank, Bank of India, Phillips Carbon Black Ltd., HFCL Ltd. and The Indian Hotels Company Ltd.

In FY2022, the Company successfully completed 2 rights issues cumulatively amounting to ₹ 211.52 billion with a market share of 83.6% (in terms of issue size) (Source: Prime Database) for Bharti Airtel Ltd. and Texmaco Rail and Engineering Ltd. Offer for Sale (OFS) managed by the Company in FY2022 for an amount of ₹ 113.65 billion was completed with a market share of 78.2% (in terms of offer size) (Source: Prime Database), which included the OFS of Axis Bank Ltd., NMDC Ltd. and Hindustan Copper Ltd.

The Company acted as an advisor for the open offer of Clariant Chemicals (India) Ltd. having size of ₹ 2.96 billion in FY2022. The Company also successfully completed the buybacks of Smartlink Holdings Ltd. and SIS Ltd. amounting to ₹ 1.32 billion in FY2022.

The company successfully closed 7 advisory transactions in FY2022 across sectors spanning from

BFSI, Manufacturing and Technology. This included 2 M&A transactions and 5 private fund raise/stake sale advisory deals. Select advisory deals done during FY2022 include:

- Advisor to the group restructuring of Shriram Capital involving merger of Shriram City Union Finance and Shriram Capital Ltd with Shriram Transport and demerger of non-lending entities. This was one of the largest M&A transactions in FY2022 in India
- Advisor to ABB group for demerger of power grid division and managing entire restructuring including NCLT process
- The company raised funds for South Indian Bank and Midland Microfinance

- Sale side advisor for stake sale in National Stock exchange and Newgen Software Technologies.

FINANCIAL PERFORMANCE

Overview

The Company registered consolidated revenue of ₹ 34,384.8 million for FY2022 as compared to ₹ 25,861.7 million for FY2021, an increase of 33.0%. Consolidated Profit after tax (PAT) for FY2022 was ₹ 13,826.0 million compared to ₹ 10,677.2 million for FY2021, an increase of 29.5%. Our total cost increased from ₹ 11,553.9 million in FY2021 to ₹ 15,857.2 million in FY2022, an increase of 37.2% on account of increasing business activities.

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, 2022	For the year ended March 31, 2021
Revenue from operations		
(i) Interest income	7,185.1	3,448.7
(ii) Dividend income	0.4	0.2
(iii) Fees and commission income		
- Brokerage income	15,525.9	15,045.2
- Income from services	11,020.2	6,960.7
(iv) Net gain on fair value changes	588.7	386.4
(v) Others	29.5	20.5
(I) Total Revenue from operations	34,349.8	25,861.7
(II) Other income	35.0	-
(III) Total Income (I+II)	34,384.8	25,861.7
Expenses		
(i) Finance costs	2,736.8	1,072.8
(ii) Fees and commission expense	1,665.6	1,221.6
(iii) Impairment on financial instruments	(69.4)	(41.0)
(iv) Operating expense	1,139.6	769.0
(v) Employee benefits expenses	6,644.1	5,879.6
(vi) Depreciation, amortization and impairment	625.3	541.8
(vii) Others expenses	3,115.2	2,110.1
(IV) Total Expenses (IV)	15,857.2	11,553.9
(V) Profit/(loss) before tax (III -IV)	18,527.6	14,307.8
(VI) Tax expense:		
(1) Current tax	4,564.0	3,604.2
(2) Deferred tax	137.6	26.4
	4,701.6	3,630.6
(VII) Profit/(loss) for the year (V-VI)	13,826.0	10,677.2
(VIII) Other comprehensive income (net of taxes)	(2.6)	25.1
(IX) Total comprehensive income for the year (VII+VIII) (comprising profit/(loss) and other comprehensive income for the year)	13,823.4	10,702.3

Interest income

Interest and other operating income increased from ₹ 3,448.7 million for the year ended March 31, 2021, to ₹ 7,185.1 million in the year ended March 31, 2022, an increase of 108.3%. 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 MTF book increased from ₹ 17.9 billion in FY2021 to ₹ 56.5 billion in FY2022. 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 ₹ 27.9 billion in FY2021 to ₹ 45.5 billion in FY2022.

Fees and commission income

Brokerage Income

Our brokerage income increased from ₹ 15,045.2 million for the year ended March 31, 2021 to ₹ 15,525.9 million for the year ended March 31, 2022, a marginal increase of 3.2%. While, retail cash ADTO has remained flat, the retail derivative ADTO has more than doubled for the last year however offset by reduction in yields owing to higher adoption of our Prime and NEO propositions.

Income from services

Income from services Increased from ₹ 6,960.7 million for the year ended March 31, 2021 to ₹ 11,020.2 million for the year ended March 31, 2022, an increase of 58.3%. This was primarily due to an increase in issuer services and advisory fee income by 83.3% from ₹ 1,612.7 million in FY2021 to ₹ 2,955.8 million in FY2022. Our distribution business income also increased significantly from ₹ 4,202.2 million to ₹ 5,996.2 million mainly on account of increase in Mutual Fund and Insurance selling.

Net gain on fair value changes

Net gain on fair value changes was ₹ 588.7 million for the year ended March 31, 2022, primarily due to fair value changes in our treasury segment and other investment portfolio held as our stock in trade.

Other Income

Other income of ₹ 35.0 million for the year ended March 31, 2022 is mainly on account foreign currency transaction and translation.

Finance costs

Finance costs increased from ₹ 1,072.8 million for the year ended March 31, 2021 to ₹ 2,736.8 million for the year ended March 31, 2022, an increase of 155.1%. This was primarily due to increase in borrowings from ₹ 35.2 billion in March 2021 to ₹ 77.4 billion in March 2022,

following an increase in retail fund-based assets and, hence, the interest expense thereon.

Fees and commission expense

Fees and commission expense increased from ₹ 1,221.6 million for the year ended March 31, 2021 to ₹ 1,665.6 million for the year ended March 31, 2022, an increase of 36.3%. This increase was primarily due to increases in revenue linked pay out to business partners including ICICI Bank and variable pay-outs related to issuer and advisory services business.

Impairment on financial instruments

Company creates a provision on loans and receivables based on ageing criteria, which gets reversed on subsequent realization of receivables. Impairment on financial instruments decreased to ₹ (69.4) 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, whereas charge of one-time contingency provision of ₹ 72.4 million created on client's position on account of expected extreme volatility due to COVID-19 in FY2020 has also been reversed because of lack of any adverse experience on this count.

Operating expenses

Operating expenses increased from ₹ 769.0 million for FY2021 to ₹ 1,139.6 million in FY2022, increased of 48.2% mainly due to increase in operating expenses linked to volumes and augmentation of capacity in the low touch call center to assist the digitally acquired clients for their onboarding.

Employee benefits expenses

Employee benefits expenses increased from ₹ 5,879.6 million for the year ended March 31, 2021 to ₹ 6,644.1 million for the year ended March 31, 2022, an increase of 13.0%. This was primarily due to increase in variable pay pursuant to strong growth in revenues.

Depreciation and amortisation expense

Depreciation and amortisation expense increased from ₹ 541.8 million for FY2021 to ₹ 625.3 million in FY2022, primarily on account of depreciation on additions of technology related assets.

Other expenses

Other expenses increased from ₹ 2,110.1 million for the year ended March 31, 2021 to ₹ 3,115.2 million for the year ended March 31, 2022, an increase of 47.6%. This increase was primarily on account of digital marketing initiatives taken as well as increase in technology related expenses during the year.

Profit

As a result of the above, profit before tax increased from ₹ 14,307.8 million for the year ended March 31, 2021 to ₹ 18,527.6 million for the year ended March 31, 2022, an increase of 29.5%.

Our total tax expense increased from ₹ 3,630.6 million for the year ended March 31, 2021 to ₹ 4,701.6 million for the year ended March 31, 2022, an increase of 29.5%.

The effective income tax rate for the year ended March 31, 2022 is 25.4% (March 31, 2021 is 25.4%)

Profit after tax increased from ₹ 10,677.2 million for the year ended March 31, 2021 to ₹ 13,826.0 million for the year ended March 31, 2022, an increase of 29.5%.

b. Segment-wise performance

(in ₹ Million)

Segments	For the year ended			
	March 31, 2022		March 31, 2021	
	Segment Revenue	Segment Results	Segment Revenue	Segment Results
Broking and distribution	30,521.1	16,114.9	23,584.6	13,124.0
Issuer services and advisory	2,955.8	1,893.9	1,612.7	811.9
Treasury	907.9	518.8	664.4	371.9
Total	34,384.8	18,527.6	25,861.7	14,307.8

Revenue from our Broking and distribution segment increased from ₹ 23,584.6 million for the year ended March 31, 2021 to ₹ 30,521.1 million for the year ended March 31, 2022, an increase of 29.4%. This increase was primarily due to increase in distribution income by 43% and growth in retail equity and allied income by 26%.

Revenue from our Issuer services and advisory segment increased from ₹ 1,612.7 million for the year ended March 31, 2021 to ₹ 2,955.8 for the year ended March 31, 2022, an increase of 83.3%. This increase is on account of

unprecedented level of activities in equity capital market during FY2022. Our results from the advisory services segment increased by 133.2%, primarily due to increase in revenue in this segment partly offset by increase in expenses.

Revenue from our Treasury segment increased from ₹ 664.4 million for the year ended March 31, 2021 to ₹ 907.9 million for the year ended March 31, 2022, an increase of 36.6%. This increase was primarily due to increase in income from trading activities during the year and gain on fair value changes on securities.

c. Financial Position

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

(in ₹ Million)

Particulars	As at March 31, 2022	As at March 31, 2021
ASSETS		
1 Financial assets		
(a) Cash and cash equivalents	7,735.9	3,093.5
(b) Bank balance other than (a) above	48,430.2	35,699.2
(c) Derivative financial instruments	0.8	
(d) Securities for trade	2,430.2	4,661.7
(e) Receivables		
(i) Trade receivables	3,848.3	4,586.1
(f) Loans	68,566.7	29,014.5
(g) Investments	107.1	28.8
(h) Other financial assets	1,135.7	767.3
	1,32,254.9	77,851.1
2 Non-financial assets		
(a) Current tax assets (net)	1,247.1	1,189.3
(b) Deferred tax assets (net)	424.1	560.1

(in ₹ Million)

Particulars	As at March 31, 2022	As at March 31, 2021
(c) Property, plant and equipment	627.2	420.0
(d) Right-of-use assets	899.0	962.0
(e) Capital work-in-progress	109.6	39.4
(f) Intangible assets under development	32.6	39.3
(g) Other intangible assets	309.5	227.4
(h) Other non-financial assets	558.2	520.5
	4,207.3	3,958.0
Total Assets	1,36,462.2	81,809.1

(in ₹ Million)

Particulars	As at March 31, 2022	As at March 31, 2021
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	10,776.1	10,264.6
(c) Debt securities	77,392.3	35,209.6
(d) Borrowings (Other than debt securities)	-	-
(e) Deposits	43.6	28.7
(f) Lease liabilities	1,019.4	1,060.8
(g) Other financial liabilities	16,521.6	10,440.5
	1,05,753.0	57,008.7
2 Non-financial liabilities		
(a) Current tax liabilities (net)	-	5.7
(b) Provisions	151.0	606.1
(c) Other non-financial liabilities	6252.9	5,967.5
	6,403.9	6,579.3
3 EQUITY		
(a) Equity share capital	1,613.4	1,611.1
(b) Other equity	22,691.9	16,610.0
	24,305.3	18,221.1
Total Liabilities and Equity	1,36,462.2	81,809.1

Total assets increased from ₹ 81.8 billion as at March 31, 2021 to ₹ 136.46 billion as at March 31, 2022, an increase of 67%. This increase was primarily due to increase in bank balances, loans partially offset by decrease in trade receivables and securities for trade.

Total liabilities increased from ₹ 63.6 billion as at March 31, 2021 to ₹ 112.16 billion as at March 31, 2022, an increase of 76%. This increase was primarily due to increase in debt securities and other financial liabilities.

d. Cash Flows

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

(in ₹ Million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow used in operating activities	(25,974.6)	(16,095.0)
Cash flow used in investing activities	(687.6)	(401.7)
Cash flow generated from financing activities	31,304.6	14,170.2

Cash used in operating activities

Net cash flow used in operating activities changed from ₹ (16,095.0) million for the year ended March 31, 2021 to ₹ (25,974.6) million for the year ended March 31, 2022. This change was primarily due to deployment of funds in loans ₹ 39,475.7 million offset by trade payables and other financial liabilities by ₹ 6,592.6 million.

Cash used in investing activities

Net cash used in investing activities changed from ₹ (401.7) million for the year ended March 31, 2021 to ₹ (687.6) million for the year ended March 31, 2022. Net cash usage in investing activity primarily represents purchase of property, plant and equipment during the year.

Cash generated from financing activities

Net cash generated from financing activities changed from ₹ 14,170.2 million for the year ended March 31, 2021 to ₹ 31,304.6 million for the year ended March 31, 2022. This change was primarily due to an increase in borrowings from ₹ 35,209.6 million to ₹ 77,392.3 million, resulting in net generation of ₹ 42,182.7 million during the year and a higher dividend pay-out in the year ended March 31, 2022, as compared to the previous year.

Contingent Liabilities

As at March 31, 2022, we have ₹ 1,497.2 million as claims against the Company not acknowledged as debt (March 31, 2021 ₹ 1,487.6 million).

Borrowings

As at March 31, 2022, we have short-term borrowings of ₹ 77,392.3 million and total equity of ₹ 24,305.3 million.

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

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

Particulars	FY2022	FY2021	Change %
1. Interest Coverage Ratio (Times)	7.99	15.67	(49.0)%
2. Debt Equity Ratio (Times)	3.18	1.93	64.8%

Explanation

- Interest Coverage Ratio decreased from 15.67 in FY 2021 to 7.99 in FY 2022 primarily due to an increase in

Interest expenses (excludes interest costs on leases as per Ind AS 116 on Leases) from ₹ 975.5 million for the year ended March 31, 2021 to ₹ 2,648.7 million for the year ended March 31, 2022.

- Debt Equity Ratio increased from 1.93 in FY 2021 to 3.18 in FY 2022 primarily due to an increase in short term borrowings from ₹ 35,209.6 million in FY 2021 to ₹ 77,392.3 million in FY 2022 and increase in shareholders' equity (share capital and other equity) from ₹ 18,221.1 million in FY 2021 to ₹ 24,305.3 million in FY 2022 due to retention of profits earned during the year.

B. Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof

Particulars	FY2022	FY2021
Return on Net Worth (%)	65%	70%

Explanation

Return on Net Worth calculated as "PAT: Average networth excluding other comprehensive income and translation reserve" decreased from 70% in FY 2021 to 65% in FY 2022 primarily due to an increase in average net worth by 40.1% from ₹ 15,212.4 million in FY 2021 to ₹ 21,315.4 million in FY 2022 which is higher in percentage terms vis-à-vis increase in profits by 29.5% from ₹ 10,677.2 million in FY 2021 to ₹ 13,826.0 million in FY 2022.

SUBSIDIARY PERFORMANCE

Overview

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

- The revenues of ICICI Securities, Inc. on standalone basis increased by 14% from ₹ 172.2 million in FY2021 to ₹ 196.2 million in FY2022 and the standalone PAT increased from ₹ 3 million in FY2021 to ₹ 29.9 million in FY2022. The total assets increased from ₹ 364.6 million at March 31, 2021 to ₹ 382.5 million at March 31, 2022.
- Financial assets increased from ₹ 343.9 million at March 31, 2021 to ₹ 360.2 million at March 31, 2022 primarily due to increase in cash and cash equivalents and bank balances.

- Non-Financial assets has increased from ₹ 20.7 million at March 31, 2021 to ₹ 22.3 million at March 31, 2022.
- Financial liabilities decreased from ₹ 24.0 million at March 31, 2021 to ₹ 22.1 million at March 31, 2022 primarily on account of decrease in other financial liabilities.

OPPORTUNITIES AND BUSINESS OUTLOOK

Our businesses are expected to benefit from the structural shifts 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:

Macroeconomic construct is favourable to financial services business

- Despite the impact of COVID-19, India is expected to remain a relatively high growth economy in the medium to longer term and that augurs well for the capital markets in India.
- India has been traditionally and is expected to continue to be a high savings economy. The young working population is expected to increasingly channelise a higher share 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 of new and large pools of prospective clients

- There is growing section of **Gen Z** who are beginning their economic life and it is expected that approximately 15 million young Indians would be entering earning age every year. These are digital natives and are more inclined towards financial assets, thereby building strong investment asset pools.
- As the **baby boomer generation** is approaching retirement, they are looking at preservation and

eventually intergenerational transfer. hence they have become a prime segment for wealth managers

- The **cities beyond the top 15** are increasingly witnessing strong demand for financial products (like mutual fund) as awareness and access improves leading to expansion of distribution footprint, most prominently through digital channels.
- **Growing affluence** is a structural trend as Indians move up the wealth pyramid.
- India continues to outpace global High Net worth Individuals (HNIs) growth, mirroring the economic growth in the country. With the incremental allocation of wealth to 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-19

- Advances in technology, increasing smartphone penetration and increasing digitisation at systemic level are expected to propel more retail consumers to avail financial services through electronic media
- Technology is a key driver for enhancing customer experiences, engaging them digitally and in providing personalized solutions.
- With evolved platforms, digitally savvy customers, 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 digital platforms has given an impetus to this trend. At the same time, there is a conscious shift from product based to solution based positioning, with a holistic approach for 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 and existing 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 72% of the incremental NSE active clients in FY2021 and all of them are digital players.

Our distribution and wealth management business would benefit from growing democratization of wealth management by providing hyper personalized solutions, delivered digitally.

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

Our institutional equity business would benefit from expected inflows from FII as well as increasing flows into DILs, pre-dominantly mutual fund, insurance, etc. Our research, corporate access and deep-rooted relationships with institutional investors particularly DILs 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 FY2023. Our IPO pipeline Sec remains strong, having filed 15 Draft Red Herring Prospectus DRHPs with SEBI (as on April 8, 2022).

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 Private Equity (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 grow our advisory business.

HUMAN RESOURCES

The number of permanent employees on Company payroll as on March 31, 2022 was 4,094 including probation. For details on our HR ethos and practices, please refer to pages 50-57.

INTERNAL CONTROL SYSTEMS

The internal control system of the Company is designed to suit the complexity of its business operations. Based on the criteria of essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls, the Company has established and maintained internal financial controls. This enhances the reliability of financial reporting and robustness of preparation of financial statements. Internal control systems are driven through various policies, procedures and certifications. An internal committee periodically reviews the processes and controls. Any deviations observed in the process of evaluation are highlighted to the Board, which initiates prompt corrective measures. The internal control system ensures strict adherence to all applicable statutes and regulations governing the business operations. The internal financial controls with reference to financial statements as designed and implemented by the Company are adequate. The internal financial control procedure adopted by the Company is adequate for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. Further, the statutory auditors have verified the systems and processes and confirmed that the internal financial controls over financial reporting are adequate and operating effectively.

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 slowdown of economic growth and/or worsening macro-economic environment. Many 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 pose risks to the Company. Other challenges which may drive away the DILs include rising real estate and gold

prices, which may provide other attractive investment options.

Global events 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 also 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, fin-tech companies, specialist wealth management firms and M&A advisory firm, investment banks, public and private sector commercial banks and asset managers, among others, operating in the markets in which it is present. The Company competes on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation, price and convenience.

The Company also faces threats from the tightening and ever-evolving regulatory framework and any unfavourable policy changes may affect the performance of the Company. Internal threat to the Company arises from failure to complying or overlooking of any misrepresentations/fraud in the operations of the Company.

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 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 had significantly impacted economic activity. Towards the later part of this year, the geo-political developments relating to the

Russia-Ukraine conflict also resulted in an increase in the volatility in the markets. 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.

There is an increase in the cyber security threat due to adoption of Work from Home, increased focus on new age digital solutions and constantly evolving cyber threat landscape globally. The Company has taken steps to enhance controls related to cyber threats and risks.

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 any known or unknown risks or uncertainties materialize or should the 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 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of 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 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Description of Key Audit Matter Information Technology

The key audit matter

Information Technology (IT) IT systems and controls

The Company's key financial accounting and reporting processes are dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could impact the financial accounting and reporting significantly.

The Company uses an ERP system for its overall financial reporting. The Company's General Ledger used in financial reporting is interfaced with other IT systems which process transactions of accounts relevant for financial reporting.

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 obtained by us 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.

How the matter was addressed in our audit

Our audit procedures to assess the IT systems and controls included the following:

- Performed testing of 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
 - Computer Operations process (automated jobs)



The key audit matter	How the matter was addressed in our audit
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.	<ul style="list-style-type: none"> 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 in case of changes, whether standard process was followed. Understanding IT infrastructure records for the in-scope systems i.e., operating systems and databases.

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 auditor's report thereon.

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

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

Management's and Board of Directors' Responsibilities 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and 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 intend 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 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 standalone 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 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 (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 33 to the standalone financial statements.
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d) (i) Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party; or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material mis-statement.

e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Vaibhav Shah

Partner

Place: Mumbai

Membership No. 117377

Date: 20 April 2022

UDIN: 22117377AHKTHB2129

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 2022, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner at the end of the financial year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering broking services (including allied services of extending Margin Trade funding and ESOP funding), distribution of financial products,

merchant banking and advisory services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, granted secured loans to companies, limited liability partnership and other parties.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made and the terms and conditions of the grant of loans and advances are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been generally regular during the year ended 31 March 2022. The overdue cases as at 31 March 2022 comprise of individually small value accounts pertaining to the Margin Trading Funding and ESOP Funding amounting to ₹ 7.26 million and ₹ 3.88 million, respectively. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company at 31 March 2022, the aggregate overdue amount for more than ninety days in respect of loans given is ₹ 5.05 million. Further, the Company has not given



any advances in the nature of loans to any party during the year.

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to some parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 of the Companies Act, 2013 are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the services provided by it. Accordingly, clause 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 Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹ mn)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income tax (including interest but excluding penalty)	516.1	Financial Year ("FY") 2010-2011, FY 2012-2013 & FY 2013-14	Commissioner of Income Tax (Appeals)	Amount paid under protest is ₹ 34 million.
Income Tax Act, 1961	Income tax (including interest but excluding penalty)	142.1	FY 2000-2001 to FY 2006-2007	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	Aug 2012 to Sep 2014	Central Excise & Service Tax Appellate Tribunal	Amount paid under protest is ₹ 9 million.
Service Tax	Service tax (excluding interest and penalty)	441.5	FY 2006-2007 to FY 2014-2015	Central Excise & Service Tax Appellate Tribunal	Amount paid under protest is ₹ 18.4 million.
Service Tax	Service tax (excluding interest and including penalty)	4.7	FY 2015-16 to FY 2017-18	Commissioner of Service Tax (Appeals)	Amount paid under protest is ₹ 0.02 million.
Gujarat Goods and Service Tax	Goods and Service Tax (including interest & penalty)	4.8	FY 2018-2019	Commissioner of GST (Appeals)	
Maharashtra Value Added Tax, 2002	Value added tax (including interest & penalty)	1.7	FY 2008-2009	Commissioner of VAT (Appeals)	
Rajasthan Value Added Tax, 2002	Value added tax (including interest & penalty)	0.5	FY 2016-17	Commissioner of VAT (Appeals)	Amount paid under protest is ₹ 0.03 million.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks or financial institutions during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by management, no term loans were obtained by the Company.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under Companies Act, 2013.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary (as defined under Companies Act, 2013).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the 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. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.



(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not

capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(xxi) According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Company (which are prepared separately) which are incorporated in India, except the Holding company. The Companies (Auditor's Report) Order, 2020 of the Holding Company did not include any unfavourable answers or qualifications or adverse remarks.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Vaibhav Shah

Partner

Place: Mumbai

Date: 20 April 2022

Membership No. 117377

UDIN: 22117377AHKTHB2129

Annexure “B” to the Independent Auditor’s report on the stand-alone financial statements of ICICI Securities Limited for the year ended 31 March 2022

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 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, 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 financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial controls with Reference to Financial Statements**

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Vaibhav Shah

Partner

Place: Mumbai

Membership No. 117377

Date: 20 April 2022

UDIN: 22117377AHKTHB2129

Standalone Balance Sheet

as at March 31, 2022

(₹ million)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
1 Financial Assets			
(a) Cash and cash equivalents	3 (a)	7,515.1	2,903.3
(b) Bank balance other than (a) above	3 (b)	48,268.9	35,544.4
(c) Derivative financial instruments	4	0.8	-
(d) Securities for trade	5	2,430.2	4,661.7
(e) Receivables			
(i) Trade receivables	6	3,846.6	4,584.5
(f) Loans	7	68,566.7	29,014.5
(g) Investments	8	232.8	152.4
(h) Other financial assets	9	1,129.0	758.6
		131,990.1	77,619.4
2 Non-financial Assets			
(a) Current tax assets (net)	10	1,247.8	1,190.0
(b) Deferred tax assets (net)	40	404.5	542.0
(c) Property, plant and equipment	11 (a)	627.0	419.4
(d) Right-of-use assets	36	899.0	962.0
(e) Capital work-in-progress	11 (b)	109.6	39.4
(f) Intangible assets under development	11 (c)	32.6	39.3
(g) Other intangible assets	11 (a)	309.5	227.4
(h) Other non-financial assets	12	555.9	518.4
		4,185.9	3,937.9
Total Assets		136,176.0	81,557.3
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		10,776.7	10,263.6
(c) Debt securities	14	77,392.3	35,209.6
(d) Borrowings (Other than debt securities)	15	-	-
(e) Deposits	16	43.6	28.7
(f) Lease liabilities	36	1,019.4	1,060.8
(g) Other financial liabilities	17	16,521.6	10,440.5
		105,753.6	57,007.7
2 Non-financial Liabilities			
(a) Current tax liabilities (net)		-	5.7
(b) Provisions	18	151.0	606.1
(c) Other non-financial liabilities	19	6,179.9	5,899.9
		6,330.9	6,511.7
3 EQUITY			
(a) Equity share capital	20	1,613.4	1,611.1
(b) Other equity	21	22,478.1	16,426.8
		24,091.5	18,037.9
Total Liabilities and Equity		136,176.0	81,557.3

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 and on behalf of the Board of Directors

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W-100022

VAIBHAV SHAH

Partner

Membership No : 117377

Mumbai, April 20, 2022

VINOD KUMAR DHALL

Chairman

DIN - 02591373

VIJAY CHANDOK

Managing Director & CEO

DIN - 01545262

RAJU NANWANI

Company Secretary

AJAY SARAF

Executive Director

DIN - 00074885

HARVINDER JASPAL

Chief Financial Officer



Standalone Statement of Profit and Loss

for the year ended March 31, 2022

(₹ million)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations			
(i) Interest income	22	7,184.3	3,444.7
(ii) Dividend income		0.4	0.2
(iii) Fees and commission income			
- Brokerage income		15,525.9	15,045.2
- Income from services		11,016.8	6,957.4
(iv) Net gain on fair value changes	23	588.7	386.4
(v) Others		29.5	20.5
(I) Total revenue from operations		34,345.6	25,854.4
(II) Other income	24	23.4	-
(III) Total income (I+II)		34,369.0	25,854.4
Expenses			
(i) Finance costs	25	2,731.7	1,067.6
(ii) Fees and commission expense		1,846.8	1,397.2
(iii) Impairment on financial instruments	26	(69.4)	(41.0)
(iv) Operating expense	27	1,139.6	767.6
(v) Employee benefits expenses	28	6,517.2	5,749.9
(vi) Depreciation, amortization and impairment	11 & 36	625.1	541.6
(vii) Other expenses	29	3,080.2	2,063.8
(IV) Total expenses (IV)		15,871.2	11,546.7
(V) Profit/(loss) before tax (III -IV)		18,497.8	14,307.7
(VI) Tax expense:	40		
(1) Current tax		4,564.0	3,605.4
(2) Deferred tax		138.4	26.8
		4,702.4	3,632.2
(VII) Profit/(loss) for the year (V-VI)		13,795.4	10,675.5
(VIII) Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined employee benefit plans		(3.5)	33.4
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.9	(8.3)
Other comprehensive income		(2.6)	25.1
(IX) Total comprehensive income for the year (VII+VIII) [comprising profit/(loss) and other comprehensive income for the year]		13,792.8	10,700.6
(X) Earnings per equity share: (Face value ₹ 5/- per share)	30		
Basic (in ₹)		42.77	33.14
Diluted (in ₹)		42.59	33.07

Significant accounting policies

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

As per our report of even date attached

For and on behalf of the Board of Directors

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.:101248W/W-100022

VAIBHAV SHAH

Partner

Membership No : 117377

Mumbai, April 20, 2022

VINOD KUMAR DHALL

Chairman

DIN - 02591373

VIJAY CHANDOK

Managing Director & CEO

DIN - 01545262

RAJU NANWANI

Company Secretary

AJAY SARAF

Executive Director

DIN - 00074885

HARVINDER JASPAL

Chief Financial Officer

Standalone Statement Of Changes In Equity

for the year ended March 31, 2022

A EQUITY SHARE CAPITAL

(₹ million)

Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as on March 31, 2022
1,611.1	-	1,611.1	2.3	1,613.4

(₹ million)

Balance as at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year	Balance as on March 31, 2021
1,610.7	-	1,610.7	0.4	1,611.1

B OTHER EQUITY

(₹ million)

	Share application money pending allotment	Securities Premium	General Reserve	Share based payment reserve	Retained Earnings	Exchange Difference on translating the financial statements of a foreign operation	Deemed Equity Contribution from the Parent / Group*	Total
Balance as at April 1, 2021	2.2	268.2	666.8	170.1	14,925.8	18.5	375.2	16,426.8
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated Balance as of April 1, 2021	2.2	268.2	666.8	170.1	14,925.8	18.5	375.2	16,426.8
Profit for the year	-	-	-	-	13,795.4	-	-	13,795.4
Items of OCI for the year, net of tax:								
-Remeasurement benefit of defined benefit plans	-	-	-	-	(2.6)	-	-	(2.6)
Total Comprehensive Income for the year	-	-	-	-	13,792.8	-	-	13,792.8
Dividend	-	-	-	-	(7,984.0)	-	-	(7,984.0)
Any other changes:								
- Additions during the year (net)	(1.6)	150.3	-	100.5	-	(18.5)	11.8	242.5
Balance as on March 31, 2022	0.6	418.5	666.8	270.6	20,734.6	-	387.0	22,478.1
Balance as at April 1, 2020	-	244.0	666.8	57.0	8,977.3	18.5	339.6	10,303.2
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated 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	-	-	-	-	(4,752.1)	-	-	(4,752.1)
Transfer to retained earnings	-	-	-	-	-	-	-	-
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 ₹ 25.8 million (March 31, 2021: ₹ 8.1 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

VAIBHAV SHAH

Partner

Membership No : 117377

Mumbai, April 20, 2022

For and on behalf of the Board of Directors

VINOD KUMAR DHALL

Chairman

DIN - 02591373

VIJAY CHANDOK

Managing Director & CEO

DIN - 01545262

RAJU NANWANI

Company Secretary

AJAY SARAF

Executive Director

DIN - 00074885

HARVINDER JASPAL

Chief Financial Officer



Standalone Cash Flow Statement

for the year ended March 31, 2022

(₹ million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
A Cash flow used in operating activities		
Profit before tax	18,497.8	14,307.7
Add /(less): Adjustments		
- Net (gain)/loss on derecognition of property, plant and equipment	(8.1)	6.9
- Depreciation and amortisation	625.1	541.6
- (Reversal of) /impairment loss on financial assets measured at FVTPL	0.1	0.3
- Net (gain)/loss (unrealised) arising on financial assets measured at FVTPL	(201.8)	(7.5)
- Interest expense	2,690.6	1,044.8
- Dividend income on equity securities	(0.2)	(0.2)
- Share based payments to employees	148.8	154.0
- Bad and doubtful debts	(52.3)	40.6
- Unrealised foreign exchange (gain)/loss	3.2	0.5
- Reversal of Foreign currency translation reserve	(18.5)	-
Operating profit before working capital changes	21,684.7	16,088.7
Adjustments for changes in working capital:		
- (Increase) / decrease in other bank balances	(12,724.5)	(17,006.5)
- Increase / (decrease) in derivative financial instruments	(0.8)	-
- (Increase) / decrease in securities for trade	2,433.2	3,696.6
- (Increase) / decrease in receivables	710.5	(3,743.5)
- (Increase) / decrease in loans	(39,475.7)	(23,301.7)
- (Increase) / decrease other financial assets	(393.2)	5.3
- (Increase) / decrease other non- financial assets	(38.0)	(112.7)
- Increase / (decrease) in derivative financial instruments	(4.5)	4.5
- Increase / (decrease) in trade payables	513.1	3,332.1
- Increase / (decrease) in deposits	14.9	6.4
- Increase / (decrease) in other financial liabilities	6,081.1	7,745.9
- Increase / (decrease) in provisions	(458.6)	(189.2)
- Increase / (decrease) in other non-financial liabilities	280.3	654.7
	(43,062.2)	(28,908.1)
Cash used from operations	(21,377.5)	(12,819.4)
Income tax paid (net)	(4,627.5)	(3,286.4)
Net cash used in operating activities (A)	(26,005.0)	(16,105.8)
B Cash flow used in investing activities		
- Purchase of investments	(55.6)	-
- Dividend income received	0.2	0.2
- Purchase of property, plant and equipment (including intangible assets)	(641.2)	(406.6)
- Proceeds from sale of property, plant and equipment (including intangible assets)	8.8	5.1
Net cash used in investing activities (B)	(687.8)	(401.3)

Standalone Cash Flow Statement

for the year ended March 31, 2022

(₹ million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
C Cash flow generated from financing activities		
- Proceeds from commercial paper borrowings	204,260.7	107,209.6
- Repayment of commercial paper borrowings	(162,643.8)	(87,085.5)
- Interest paid on borrowings	(2,036.7)	(837.3)
- Dividend and dividend tax paid	(7,984.0)	(4,752.1)
- Interest paid on lease liabilities	(88.1)	(97.3)
- Repayment of lease liabilities	(315.7)	(287.5)
- Issue of shares on exercise of options	113.8	18.5
- Share application money pending allotment	(1.6)	1.8
Net cash generated from financing activities (C)	31,304.6	14,170.2
Net increase / (decrease) in cash and cash equivalents (A+B+C)	4,611.8	(2,336.9)
Cash and cash equivalents at the beginning of the year	2,903.3	5,240.2
Cash and cash equivalents at the end of the year	7,515.1	2,903.3
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	7,402.7	1,758.6
(c) Cheques, drafts on hand	-	-
(d) Others		
- Fixed Deposit with original maturity of less than three months	112.3	1,144.4
- Interest accrued on fixed deposits	0.1	0.3
Total cash and cash equivalents	7,515.1	2,903.3

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

Note :

- 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.
- 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

VAIBHAV SHAH

Partner

Membership No : 117377

Mumbai, April 20, 2022

For and on behalf of the Board of Directors

VINOD KUMAR DHALL

Chairman

DIN - 02591373

VIJAY CHANDOK

Managing Director & CEO

DIN - 01545262

RAJU NANWANI

Company Secretary

AJAY SARAF

Executive Director

DIN - 00074885

HARVINDER JASPAL

Chief Financial Officer

Notes

Notes to standalone financial statements for the year ended March 31, 2022

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) including allied services of extending margin trade finance and ESOP finance, 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 Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025.

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 74.89% of the Company's equity share capital as on March 31, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation

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

The standalone 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 adopted during the current year 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 the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest million, except when otherwise indicated.

The standalone financial statements for the year ended March 31, 2022 are being authorised for issue in accordance with a resolution of the Board of Directors passed on April 20, 2022.

(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 simultaneously 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.

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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, provision and contingencies, leases and retirement benefit obligations. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

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

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

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

c) Recognition of deferred tax assets / liabilities: Deferred tax assets and liabilities are 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



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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 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 Company and the amount of the dividend can be measured reliably.
- f. Subscription based income is recognised when the performance obligation has been satisfied. Lifetime subscriptions based revenue are recognised at a point in time and other subscriptions are recognised over period of time based on subscription period.

(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.

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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.

(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.

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

(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 valued 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.

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:

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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. Impairment of financial assets: In accordance with Ind AS 109, the Company applies expected credit loss model (ECL) for measurement and recognition of impairment loss. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that

do not constitute a financing transaction. At each reporting date, the Company assesses whether the loans have been impaired. The Company is exposed to credit risk when the customer defaults on his contractual obligations. For the computation of ECL, the loan receivables are classified into three stages based on the default and the aging of the outstanding. If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance account accordingly. The write-back is recognised in the statement of profit and loss. The Company recognises life time expected credit loss for trade receivables and has adopted the simplified method of computation as per Ind AS 109. The Company considers outstanding overdue for more than 90 days for calculation of expected credit loss. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(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. Defined benefit plans

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.



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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 an 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.

Re-measurements 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.

c. Defined contribution plan

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 in which the services are rendered by the employee are charged to the statement of profit and loss.

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.

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 company, 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 company.

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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 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.

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

(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) Trade Receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

(xv) Impairment of non-financial assets

The Company assesses at the reporting date whether there is an indication that an asset may be impaired, other than deferred tax assets. 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

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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) Trade Payables

Trade payables are presented as financial liabilities. They are recognised initially at their fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method where the time value of money is significant.

(xviii) 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.

(xix) Investment in subsidiaries

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

(xx) Dividends on equity shares

The Company recognises a liability to make cash distributions to equity shareholders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders except in case of interim dividend. A corresponding amount is recognised directly in equity.

(xxi) 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.



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

3 (a) CASH AND CASH EQUIVALENTS

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(a) Cash on hand	-	-
(b) Balances with banks (of the nature of cash and cash equivalents)		
In current accounts with banks	7,402.7	1,758.6
(c) Cheques, drafts on hand	-	-
(d) Others		
- Fixed deposit with original maturity less than 3 months	112.3	1,144.4
- Interest accrued on Fixed deposits	0.1	0.3
Total	7,515.1	2,903.3

3 (b) BANK BALANCE OTHER THAN (a) ABOVE

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(a) Earmarked balances with banks		
- Unclaimed dividend	3.2	1.8
(b) Fixed deposits with banks*	47,139.0	34,667.0
(c) Interest receivable	1,126.7	875.6
Total	48,268.9	35,544.4

* Fixed deposits under lien with stock exchanges amounted to ₹ 45,035.2 million (March 31, 2021 : ₹ 32,656.1 million) and kept as collateral security towards bank guarantees issued amounted to ₹ 3.0 million (March 31, 2021 : ₹ 3.0 million) and kept as collateral security against bank overdraft facility amounted to ₹ 1,590.5 million (March 31, 2021 : ₹ 1,505.0 million) and others ₹ 510.3 million (March 31, 2021 : ₹ 502.9 million).

4 DERIVATIVE FINANCIAL INSTRUMENTS

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(i) Equity linked derivatives	0.8	4.5
Total	0.8	4.5
Notional amounts	671.5	1,620.8
Fair value - assets	0.8	-
Fair value - liabilities	-	4.5

Note:

1) The derivatives are used for the purpose of trading.

2) Refer note 44 for management of risks arising from derivatives.

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

5 SECURITIES FOR TRADE

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(A) At fair value through profit or loss		
Securities for trade in India		
(i) Mutual funds:		
- Nippon India Liquid Fund - Direct Plan - Growth Option	703.0	-
- ICICI Prudential Liquid Fund - Direct Plan - Growth Option	703.0	-
- ICICI Prudential Mutual Fund Value Discovery Fund Dividend Pay-out Option	1.3	-
- DSP Mutual Fund - Liquid ETF	0.0	0.0
- Nippon India Mutual Fund - ETF Liquid BeES	0.0	0.1
- ABSL Liquid Fund - Direct Plan - Growth Option	-	782.1
- Invesco India Liquid Fund - Direct Plan - Growth Option	-	500.3
- Mirae Asset Cash Management Fund - Direct Plan - Growth Option	-	500.3
- ICICI Prudential Mutual fund Value FD SR 18 (17-05-2021)	-	1.4
	1,407.3	1,784.2
(ii) Debt securities:		
(a) Non-convertible debentures:-		
- 9.25% Reliance Industries Limited (16-06-2024)	3.2	-
- 8.67% IDFC First Bank Limited (03-01-2025)	1.0	-
- 7.95% L&T Finance Limited (28-07-2025)	6.2	1.1
- 9.25% Mahindra Rural Housing Finance Limited (13-10-2025)	42.7	-
- 8.50% Mahindra Rural Housing Finance Limited (15-06-2027)	37.8	-
- 9.05% Housing Development Finance Corporation Ltd (16-10-2028)	4.5	-
- 8.10% L&T Finance Limited (28-06-2030)	4.2	-
- 7.66% L&T Finance Limited (09-09-2030)	13.0	-
- 7.65% Hero FinCorp Limited (11-12-2030)	3.9	-
- 7.00% Power Finance Corporation Ltd (22-01-2031)	48.0	5.0
- 7.50% Tata Capital Housing Finance Limited (18-04-2031)	15.9	-
- 8.00% Muthoot Finance Limited (20-04-2031)	3.2	-
- 8.20% India Grid Trust (06-05-2031)	0.5	-
- 7.35% Hero FinCorp Limited (07-05-2031)	52.2	-
- 7.90% Muthoot Finance Limited (30-05-2031)	5.1	-
- 7.32% India Grid Trust (27-06-2031)	1.0	-
- 6.75% Piramal Capital & Housing Finance Limited (26-09-2031)	31.0	-
- 7.10% Housing Development Finance Corporation Ltd (12-11-2031)	8.0	-
- 7.45% Mahindra & Mahindra Financial Services Ltd (17-11-2031)	61.6	-
- ICICI August 1998 Money Multiplier Bond	48.4	-
	391.4	6.1
(b) Bonds:-		
- 8.85% HDB Financial Services Limited (07-06-2029)	2.2	-
- 8.02% ICICI Home Finance Company Limited (10-06-2030)	2.0	-
- 7.50% ICICI Home Finance Company Limited (08-11-2030)	1.0	-
- 7.39% National Highways Authority of India (09-03-2031)	13.1	-
- 7.70% LIC Housing Finance Limited (19-03-2031)	4.1	-



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

(₹ million)

	As at March 31, 2022	As at March 31, 2021
- 7.25% ICICI Home Finance Company Limited (12-08-2031)	2.0	-
- 8.67% NHPC Limited (02-11-2033)	1.4	-
- 8.00% Bank of Baroda (31-01-2099)	29.9	-
- 8.25% Bank of Baroda (17-07-2099)	7.1	-
- 8.50% Bank of Baroda (28-07-2099)	14.5	-
- 8.75% State Bank of India (30-08-2099)	6.3	-
- 7.74% State Bank of India (09-09-2099)	168.8	-
- 8.50% State Bank of India (22-11-2099)	24.6	-
- 7.95% Bank of Baroda (26-11-2099)	10.0	-
- 8.70% Bank of Baroda (28-11-2099)	54.3	1.0
- 9.56% State Bank of India (04-12-2099)	1.0	-
- 7.55% State Bank of India (14-12-2099)	89.2	-
- 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
- 9.56 % State Bank of India (04-12-2099)	-	1.0
	431.5	1,071.4
(c) Fixed Deposits:		
- 5.25% LIC Housing Finance FD (11-06-2022)	200.0	-
- 7% LIC Housing Finance FD (30-06-2021)	-	200.0
- 7% LIC Housing Finance FD (06-07-2021)	-	200.0
- 4.55% HDFC FD (22-09-2021)	-	1,000.0
- 5.65% LIC Housing Finance FD (23-10-2021)	-	200.0
- 5.65% LIC Housing Finance FD (03-03-2022)	-	200.0
	200.0	1,800.0
(iii) Equity instruments:		
- PI Industries Limited	-	0.0
- Yes Bank Limited	0.0	0.0
	0.0	0.0
Total	2,430.2	4,661.7
Less: Impairment Loss Allowance	-	-
Total	2,430.2	4,661.7

Note: The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

6 RECEIVABLES

	(₹ million)	
	As at March 31, 2022	As at March 31, 2021
(a) Undisputed Trade Receivables considered good - Secured		
- Less than 6 months	3,110.4	3,075.6
- 6 months - 1year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	3,110.4	3,075.6
(b) Undisputed Trade Receivables considered good - Unsecured		
- Less than 6 months	736.2	1,508.9
- 6 months - 1year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	736.2	1,508.9
(c) Undisputed Trade Receivables - which have significant increase in credit risk		
- Less than 6 months	-	-
- 6 months - 1year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
(d) Undisputed Trade Receivables - credit impaired		
- Less than 6 months	35.5	24.4
- 6 months - 1year	19.0	29.7
- 1-2 years	26.6	50.7
- 2-3 years	18.7	4.6
- More than 3 years	20.2	11.8
	120.0	121.2
Less: Impairment Loss Allowance	(120.0)	(121.2)
	-	-
(e) Disputed Trade Receivables considered good - Secured		
- Less than 6 months	-	-
- 6 months - 1year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
(f) Disputed Trade Receivables considered good - Unsecured		
- Less than 6 months	-	-
- 6 months - 1year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(g) Disputed Trade Receivables - which have significant increase in credit risk		
- Less than 6 months	-	-
- 6 months - 1year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
(h) Disputed Trade Receivables - credit impaired		
- Less than 6 months	-	-
- 6 months - 1year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
Total	3,846.6	4,584.5

Note:

- 1) 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.
- 2) Trade Receivables does not include unbilled revenue.

7 LOANS

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(A) At amortised cost		
Term Loans :		
(i) Margin trade funding	54,700.6	23,824.0
(ii) ESOP funding	13,878.3	5,279.3
Total (A) - Gross	68,578.9	29,103.3
Less: Impairment loss allowance [refer note 44]	(12.2)	(88.8)
Total (A) - Net	68,566.7	29,014.5
(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	54,700.6	23,823.2
- Shares under ESOP in case of ESOP funding	13,836.7	5,242.3
(ii) Unsecured :		
- in case of Margin trade funding	-	0.8
- in case of ESOP funding	41.6	37.0
Total (I) - Gross	68,578.9	29,103.3
Less: Impairment loss allowance	(12.2)	(88.8)
Total (I) - Net	68,566.7	29,014.5
(II) Loans in India		
(i) Margin trade funding	54,700.6	23,824.0
(ii) ESOP funding	13,878.3	5,279.3
Total (II) - Gross	68,578.9	29,103.3

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

(₹ million)

	As at March 31, 2022	As at March 31, 2021
Less: Impairment loss allowance	(12.2)	(88.8)
Total (II) - Net	68,566.7	29,014.5
(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)	68,566.7	29,014.5

Note:

- During the year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- There are no loans due by directors or other officers of the Company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.
- There are no loans or advances in the nature of loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
 - repayable on demand; or
 - without specifying any terms or period of repayment

8 INVESTMENTS

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(A) At fair value through profit or loss		
(i) Investments in India		
Equity instruments:		
- BSE Limited	32.3	6.5
- Receivable Exchange of India Limited	17.6	20.5
- Universal Trustees Private Limited	1.6	1.8
- Asknbid Innovation Factory India Private Limited	55.6	-
Total	107.1	28.8
Less: Impairment loss allowance	-	-
	107.1	28.8
(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 (refer note 1 below)		
(i) Investments outside India		
Equity Instruments :		
- Subsidiary - ICICI Securities Holdings, Inc.	125.7	123.6
Less: Impairment loss allowance	-	-
Total - (E)	125.7	123.6
Total (A) + (B) + (C) + (D) + (E)	232.8	152.4

Note:

- The Company has elected to measure investment in subsidiaries at deemed cost as per Ind AS 27.
- The Company has complied with the requirements of the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

9 OTHER FINANCIAL ASSETS

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(i) Security deposits :		
Unsecured, considered good		
(a) Security deposit for leased premises and assets	141.9	157.2
(b) Security deposit with stock exchanges	28.8	28.8
(c) Other Security deposits	23.6	4.5
(d) Margin deposits with stock exchange	224.8	35.9
(e) Security deposit with related parties		
- ICICI Lombard General Insurance Company Limited	0.1	0.1
	419.2	226.5
(ii) Others :		
(a) Accrued income from services	622.0	463.6
(b) Accrued interest	28.8	41.4
(c) Others	59.0	35.3
Less: Impairment loss allowance	-	(8.2)
	709.8	532.1
Total (i) + (ii)	1,129.0	758.6

10 CURRENT TAX ASSETS (NET)

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(i) Advance payment of income tax (net)	1,247.8	1,190.0
[net of provision for tax of ₹ 25,358.2 million (March 31, 2021 : ₹ 17,167.5 million)]		
Total	1,247.8	1,190.0

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

11 (a) PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS

	(₹ million)									
	PROPERTY, PLANT AND EQUIPMENT					OTHER INTANGIBLE ASSETS				
	Computers	Furniture and fix- tures	Office equipment	Vehicles	Lease hold improvements	Total (A)	Computer Software	membership right	Total (B)	TOTAL (A+B)
Gross Carrying amount (At Cost)										
Balance at April 1, 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
Acquisition through business combination	-	-	-	-	-	-	-	-	-	-
Change due to Revaluation	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2021	425.1	16.9	40.5	54.0	53.2	589.7	375.5	-	375.5	965.2
Additions	221.7	7.3	21.0	25.4	116.9	392.3	192.8	-	192.8	585.1
Disposal / Adjustment	69.2	1.1	2.7	24.5	17.9	115.4	0.3	-	0.3	115.7
Acquisition through business combination	-	-	-	-	-	-	-	-	-	-
Change due to Revaluation	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2022	577.6	23.1	58.8	54.9	152.2	866.6	568.0	-	568.0	1,434.6
Accumulated depreciation/amortisation										
Balance at April 1, 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
Acquisition through business combination	-	-	-	-	-	-	-	-	-	-
Change due to Revaluation	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2021	115.6	8.4	26.3	22.8	(2.8)	170.3	148.1	-	148.1	318.4
Depreciation for the year	111.4	6.1	13.9	16.4	25.3	173.1	110.5	-	110.5	283.6
Disposal / Adjustment	66.6	1.1	2.5	22.0	11.6	103.8	0.1	-	0.1	103.9
Acquisition through business combination	-	-	-	-	-	-	-	-	-	-
Change due to Revaluation	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2022	160.4	13.4	37.7	17.2	10.9	239.6	258.5	-	258.5	498.1
Carrying amounts (net)										
Balance at March 31, 2021	309.5	8.5	14.2	31.2	56.1	419.4	227.4	-	227.4	646.8
Balance at March 31, 2022	417.2	9.7	21.1	37.7	141.3	627.0	309.5	-	309.5	936.5

Note:

1) The Company has not revalued any of its property, plant and equipment.

2) The Company do not have any immovable properties and does not hold any Benami property.



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

11 (b) CAPITAL WORK-IN-PROGRESS

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(A) Projects in Progress		
- Less than 1 year	101.8	24.4
- 1-2 years	-	9.0
- 2-3 years	3.9	6.0
- More than 3 years	3.9	-
	109.6	39.4
(B) Projects temporarily suspended	-	-
Total	109.6	39.4

11 (c) INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(A) Projects in Progress		
- Less than 1 year	30.5	18.4
- 1-2 years	2.1	12.2
- 2-3 years	-	8.0
- More than 3 years	-	0.7
	32.6	39.3
(B) Projects temporarily suspended	-	-
Total	32.6	39.3

12 OTHER NON-FINANCIAL ASSETS

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(i) Advances other than capital advances:		
- Prepaid expenses	125.1	65.4
- Advance to suppliers	30.5	43.4
- Others	400.3	409.6
Total	555.9	518.4

Note:

The Company has not given any advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

13 PAYABLES

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(I) Trade payables :		
(a) total outstanding undisputed dues of micro enterprises and small enterprises [Refer note 35 for details of dues to micro and small enterprises]		
- Less than 1 year		
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

	(₹ million)	
	As at March 31, 2022	As at March 31, 2021
(b) total outstanding undisputed dues of creditors other than micro enterprises and small enterprises *		
- Less than 1 year	10,655.0	9,933.4
- 1-2 years	61.8	175.3
- 2-3 years	31.9	71.8
- More than 3 years	28.0	83.1
	10,776.7	10,263.6
(c) total outstanding disputed dues of micro enterprises and small enterprises [Refer note 35 for details of dues to micro and small enterprises]		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
(d) total outstanding disputed dues of creditors other than micro enterprises and small enterprises		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
(II) Other 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	-	-
Total	10,776.7	10,263.6

* Includes unbilled dues amounting to ₹ 1,693.0 million (March 31, 2021 : ₹ 1,813.8 million)

14 DEBT SECURITIES

	(₹ million)	
	As at March 31, 2022	As at March 31, 2021
(A) At amortised cost		
Debt securities in India		
(i) Commercial paper (repayable within one year)	77,392.3	35,209.6
(B) At fair value through profit or loss	-	-
(C) Designated at fair value through profit or loss	-	-
Total	77,392.3	35,209.6
Note:		
Commercial paper (unsecured)		
Amount outstanding	77,392.3	35,209.6
Tenure	84 days to 364 days	64 days to 364 days
Rate of interest	4.02% to 5.35%	3.51% to 4.87%
Repayment schedule	At maturity	At maturity



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

15 BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(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	-	-

Note:

- 1) The Company is not declared willful defaulter by any bank or financial institution or other lender.
- 2) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

16 DEPOSITS

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(A) At amortised cost		
(i) From Others - Security Deposits	43.6	28.7
Total	43.6	28.7

17 OTHER FINANCIAL LIABILITIES

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(i) Margin money	8,069.2	7,388.0
(ii) Client money	8,441.3	2,911.2
(iii) Unclaimed dividend	3.2	1.7
(iv) Others	7.9	139.6
Total	16,521.6	10,440.5

18 PROVISIONS

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(i) Provision for employee benefits		
(a) Provision for gratuity [refer note 42]	55.7	446.4
(b) Provision for compensated absence [refer note 42]	95.3	159.7
Total	151.0	606.1

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

19 OTHER NON-FINANCIAL LIABILITIES

	(₹ million)	
	As at March 31, 2022	As at March 31, 2021
(a) Revenue received in advance	418.3	376.4
(b) Other advances		
- Prepaid Brokerage	2,257.5	2,483.2
(c) Others		
(i) Statutory liabilities	1,159.1	1,023.1
(ii) Employee related liabilities	2,317.4	2,010.6
(iii) Other liabilities	27.6	6.6
	3,504.1	3,040.3
Total	6,179.9	5,899.9

20 SHARE CAPITAL

	(₹ million)	
	As at March 31, 2022	As at March 31, 2021
(a) Authorised:		
400,000,000 equity shares of ₹ 5/- each (March 31, 2021 : 400,000,000 equity shares of ₹ 5/- each)	2,000.0	2,000.0
5,000,000 preference shares of ₹ 100/- each (March 31, 2021 : 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:		
322,678,721 equity shares of ₹ 5/- each, fully paid (March 31, 2021 : 322,141,400 equity shares of ₹ 5/- each, fully paid)	1,613.4	1,611.1
Total issued, subscribed and fully paid-up share capital	1,613.4	1,611.1

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

Equity shares

	As at March 31, 2022		As at March 31, 2021	
	Nos	(₹ million)	Nos	(₹ million)
At the beginning of the year	322,222,370	1,611.1	322,141,400	1,610.7
Shares issues during the year:				
- Under Employee Stock Options Plans	456,351	2.3	80,970	0.4
Outstanding at the end of the year	322,678,721	1,613.4	322,222,370	1,611.1

(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, 2022, the Company has paid a final dividend for the year ended March 31, 2021 of ₹ 13.50 per equity share as approved by its members at the Annual General Meeting held on August 18, 2021. The Board of Directors at its meeting held on October 19, 2021 had approved and paid an interim dividend of ₹ 11.25 per equity share. The Board has recommended a final dividend of ₹ 12.75 per equity share for FY2022.

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.



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

(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, 2022		As at March 31, 2021	
	Nos	% of Holding	Nos	% of Holding
Shares held by Holding Company:				
ICICI Bank Limited	241,652,692	74.89%	241,652,692	75.00%
Total	241,652,692	74.89%	241,652,692	75.00%

(f) Shareholding of Promoter:

Details of shares held by promoters in the Company :

Promoter Name	As at March 31, 2022			As at March 31, 2021		
	No of Shares	% of total shares	% Change during the year	No of Shares	% of total shares	% Change during the year
Shares held by Promoter Company:						
ICICI Bank Limited	241,652,692	74.89%	(0.14%)	241,652,692	75.00%	(5.34%)
Total	241,652,692	74.89%	(0.14%)	241,652,692	75.00%	(5.34%)

(g) There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment.

(h) 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.

(i) Capital management :

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and short term debt. The Company is not subject to any externally imposed capital requirements.

21 OTHER EQUITY

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(i) Reserves and surplus		
(a) Securities premium		
Opening balance	268.2	244.0
Add : Additions during the year (net)	150.3	24.2
Closing balance	418.5	268.2
(b) General reserve		
Opening balance	666.8	666.8
Add : Additions during the year (net)	-	-
Closing balance	666.8	666.8

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

	(₹ million)	
	As at March 31, 2022	As at March 31, 2021
(c) Equity-settled share-based payment reserve [Refer note 38 for details on share based payment]		
Opening balance	170.1	57.0
Add : Additions during the year (net)	100.5	113.1
Closing balance	270.6	170.1
(d) Retained earnings		
Opening balance	14,925.8	8,977.3
Add/(Less): Other comprehensive income for the year	(2.6)	25.1
Add: Profit after tax for the year	13,795.4	10,675.5
	28,718.6	19,677.9
Less: Appropriations		
- Dividend on equity shares	7,984.0	4,752.1
Closing balance	20,734.6	14,925.8
(ii) Exchange difference on translating the financial statements of a foreign operation		
Opening balance	18.5	18.5
Add/(Less) : Additions during the year (net)	(18.5)	-
Closing balance	-	18.5
(iii) Deemed equity contribution from the parent [Refer note 38 for details on share based payment]		
Opening balance	375.2	339.6
Add : Additions during the year (net)	11.8	35.6
Closing balance	387.0	375.2
(iv) Share application money pending allotment		
Opening balance	2.2	-
Add/(Less) : Additions during the year (net)	(1.6)	2.2
Closing balance	0.6	2.2
Total	22,478.1	16,426.8

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.



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

(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 securities premium 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 company

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 company"). This reserve is in the nature of an equity contribution by the parent company in respect of options granted and not available for distribution to shareholders as dividend.

22 INTEREST INCOME

(₹ million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) Interest income on financial assets measured at amortised cost :		
(i) Fixed deposits with Banks	1,978.1	1,480.0
(ii) Funding and late payments	5,016.7	1,710.4
(iii) Other deposits	0.1	0.2
(B) Interest income on financial assets measured at fair value through profit or loss :		
(i) Securities held for trade	189.4	254.1
(C) Interest income on financial assets measured at fair value through OCI:	-	-
Total	7,184.3	3,444.7

23 NET GAIN / (LOSS) ON FAIR VALUE CHANGES

(₹ million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) Profit/(loss) on derivatives held for trade (net)	284.7	80.3
(ii) Profit/(loss) on other securities held for trade	281.2	302.0
(B) Others		
- Profit/(loss) on investments (net) at fair value through profit or loss	22.8	4.1
(C) Total net gain/(loss) on fair value changes	588.7	386.4
(D) Fair value changes:		
- Realised	387.0	379.2
- Unrealised	201.7	7.2
Total	588.7	386.4

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

24 OTHER INCOME

(₹ million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Net gain on foreign currency transaction and translation	15.3	-
(ii) Net gain on derecognition of property, plant and equipment	8.1	-
Total	23.4	-

25 FINANCE COSTS

(₹ million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) On financial liabilities measured at fair value through profit or loss	-	-
(B) On financial liabilities measured at amortised cost:		
(a) Interest on borrowings	29.0	20.6
(b) Interest on lease liabilities	88.1	97.3
(c) Interest on debt securities	2,573.5	926.9
(d) Other borrowing cost	41.1	22.8
Total	2,731.7	1,067.6

26 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) On financial instruments measured at fair value through OCI:	-	-
(B) On financial instruments measured at amortised cost:		
(a) Loans	(76.5)	(4.1)
(b) Others		
- On trade receivables	7.1	(36.9)
- On accrued interest	-	-
TOTAL	(69.4)	(41.0)

27 OPERATING EXPENSES

(₹ million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Bad and doubtful debts	17.1	81.6
(b) Transaction charges	141.3	129.0
(c) Turnover fees and stamp duty	56.0	48.2
(d) Custodial and depository charges	343.5	165.9
(e) Call centre charges	409.4	163.9
(f) Franking charges	17.7	46.9
(g) Scanning expenses	78.9	37.8
(h) Customer loss compensation	14.3	61.6
(i) Other operating expenses	61.4	32.7
Total	1,139.6	767.6



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

28 EMPLOYEE BENEFITS EXPENSES

(₹ million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Salaries and wages	5,894.0	5,095.4
(b) Contribution to gratuity / provident and other funds [refer note 42]	326.5	323.8
(c) Share based payments to employees [refer note 38]	148.8	154.0
(d) Staff welfare expenses	147.9	176.7
Total	6,517.2	5,749.9

29 OTHER EXPENSES

(₹ million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Rent and amenities	158.5	156.1
(b) Insurance	11.9	6.1
(c) Travelling and conveyance expenses	105.9	83.0
(d) Business promotion expenses	589.1	116.5
(e) Repairs, maintenance, upkeep and others	593.3	461.4
(f) Rates and taxes	10.5	65.9
(g) Electricity expenses	61.7	59.4
(h) Communication expenses	193.8	169.0
(i) Net loss on derecognition of property, plant and equipment	-	6.9
(j) Advertisement and publicity	589.5	424.7
(k) Printing and stationery	16.3	19.4
(l) Subscription and periodicals	103.7	85.8
(m) Legal and professional charges	245.8	161.7
(n) Director's fees, allowances and expenses	9.8	10.6
(o) Auditor's fees and expenses [refer note below] #	11.9	10.2
(p) Corporate Social Responsibility (CSR) expenses [refer note 32]	201.1	160.4
(q) Recruitment expenses	64.9	6.8
(r) Net loss on foreign currency transaction and translation	-	0.5
(s) Royalty expenses	106.8	54.2
(t) Miscellaneous Expenses	5.7	5.2
Total	3,080.2	2,063.8

(₹ million)

#	Payments to the auditor	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	for audit fees	8.4	7.3
(b)	for taxation matters	0.8	0.7
(c)	for other services	1.9	1.5
(d)	for reimbursement of expenses	0.8	0.7
	Total	11.9	10.2

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

30. EARNINGS PER SHARE

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

	Year ended March 31, 2022	Year ended March 31, 2021
Net profit after tax (₹ million) (A)	13,795.4	10,675.5
Weighted average number of equity shares outstanding for basic EPS (in million) (B)	322.6	322.2
Basic earnings per share for continuing operations (₹) (A) / (B)	42.77	33.14
Add: Weighted average number of potential equity shares on account of employee stock options (in millions) (C)	1.3	0.6
Weighted average number of equity shares outstanding for diluted EPS (in million) (D) = (B) + (C)	323.9	322.8
Diluted earnings per share for continuing operations (₹) (A) / (D)	42.59	33.07
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 (upto September 7, 2021); ICICI Prudential Asset Management Company Limited; ICICI Home Finance Company Limited; ICICI Venture Funds Management Company Limited, ICICI Bank UK PLC.

b. Associate of Holding Company:

ICICI Lombard General Insurance Company Limited (from September 8, 2021).

c. Post-employment benefit plan - ICICI Securities Employees Group Gratuity Fund

d. 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) Ajay Saraf – Executive Director



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

e. Key Management Personnel of Parent Company

- 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) Hari L. Mundra – Independent Director of ICICI Bank Limited

f. Relatives of Key Management Personnel

- i) Minal Bakhshi – Daughter of Sandeep Bakhshi
- ii) Esha Bakhshi – Daughter of Sandeep Bakhshi
- iii) Mona Bakhshi – Spouse of Sandeep Bakhshi
- iv) Shivam Bakhshi – Son of Sandeep Bakhshi
- v) Ashwin Pradhan – Son-in-law of Sandeep Bakhshi
- vi) Animesh Bagchi – Father of Anup Bagchi
- vii) Rajni Chaturvedi – Spouse of Girish Chandra Chaturvedi
- viii) Pranav Batra – Son of Sandeep Batra
- ix) Vivek Mulye – Spouse of Vishakha Mulye
- x) Vignesh Mulye – Son of Vishakha Mulye
- xi) Poonam Chandok – Spouse of Vijay Chandok
- xii) Simran Chandok – Daughter of Vijay Chandok
- xiii) Saluni Chandok – Daughter of Vijay Chandok
- xiv) Sarika Saraf – Spouse of Ajay Saraf
- xv) Avantica Saraf – Daughter of Ajay Saraf
- xvi) Ayuj Saraf – Son of Ajay Saraf
- xvii) Ajay Saraf – HUF – HUF of Ajay Saraf
- xviii) Bhuwan Kumar Chaturvedi – Brother of Girish Chandra Chaturvedi
- xix) Krishnakumar Subramanian – Brother of Vijayalakshmi Iyer

g. Entity controlled or jointly controlled by KMP of ICICI Bank: ICICI Foundation for Inclusive Growth

The following transactions were carried out with the related parties in the ordinary course of business.

Income and Expense items:

(For the year ended)

(₹ million)

Nature of Transaction	Holding Company		Subsidiary Company		Fellow Subsidiary Companies		Associate Company	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Income from services and brokerage (commission and fees)	246.7	564.2	-	-	-	-	-	-
ICICI Home Finance Company Limited	-	-	-	-	7.5	8.8	-	-
ICICI Prudential Life Insurance Company Limited	-	-	-	-	637.5	557.5	-	-
ICICI Securities Primary Dealership Limited	-	-	-	-	1.2	0.0	-	-

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

(₹ million)

Nature of Transaction	Holding Company		Subsidiary Company		Fellow Subsidiary Companies		Associate Company	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
ICICI Lombard General Insurance Company Limited	-	-	-	-	8.0	13.1	12.5	-
ICICI Prudential Asset Management Company Limited	-	-	-	-	117.3	140.3	-	-
ICICI Venture Funds Management Company Limited	-	-	-	-	-	3.1	-	-
ICICI Bank UK PLC	-	-	-	-	0.2	-	-	-
Interest income	66.6	84.3	-	-	-	-	-	-
ICICI Home Finance Company Limited	-	-	-	-	1.8	-	-	-
Other revenue from operations	-	-	-	-	-	-	-	-
ICICI Home Finance Company Limited	-	-	-	-	-	0.4	-	-
Staff expenses	8.6	9.3	-	-	-	-	-	-
ICICI Securities Primary Dealership Limited	-	-	-	-	(0.0)	(0.0)	-	-
ICICI Prudential Life Insurance Company Limited ¹	-	-	-	-	9.5	3.4	-	-
ICICI Lombard General Insurance Company Limited ²	-	-	-	-	32.4	105.6	44.2	-
ICICI Prudential Asset Management Company Limited	-	-	-	-	1.2	-	-	-
Operating expenses	1,135.3	919.0	-	-	-	-	-	-
ICICI Securities Inc	-	-	181.2	175.6	-	-	-	-
Other expenses³	353.2	263.6	-	-	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	4.1	3.6	5.7	-
ICICI Securities Primary Dealership Limited	-	-	-	-	(2.4)	0.7	-	-
ICICI Prudential Life Insurance Company Limited	-	-	-	-	2.2	1.6	-	-
ICICI Venture Funds Management Company Limited	-	-	-	-	58.3	0.8	-	-
Finance cost⁴	39.9	32.1	-	-	-	-	-	-
Dividend paid	5,980.9	3,712.9	-	-	-	-	-	-
Purchase of bond	103.8	353.6	-	-	-	-	-	-
ICICI Securities Primary Dealership Limited	-	-	-	-	605.5	1,460.5	-	-
Sale of bond	250.6	762.6	-	-	-	-	-	-
ICICI Prudential Life Insurance Company Limited	-	-	-	-	-	555.5	-	-
Redemption value of bond	-	-	-	-	-	-	-	-
ICICI Home Finance Company Limited	-	-	-	-	229.3	-	-	-

¹Excludes an amount of ₹ 4.1 million (March 31, 2021: ₹ 0.6 million) as claims paid directly by ICICI Prudential Life Insurance Company Limited pertaining to the employees of the Company.

²Excludes an amount of ₹ 46.9 million (March 31, 2021: ₹ 28.6 million) received towards reimbursement of claims submitted by the employees under group health insurance policy. The Company has also received an amount of ₹ 0.2 million (March 31, 2021: ₹ 0.6 million) towards asset insurance claims.

³Includes amount paid of ₹ 106.8 million (March 31, 2021: ₹ 54.2 million) towards royalty / license fees to the bank for use of "ICICI" trademarks.

⁴The Company has a credit facility of ₹ 6,500.0 million (March 31, 2021: ₹ 6,425.0 million) from ICICI Bank Limited. The balance outstanding as on March 31, 2022 is Nil (March 31, 2021: Nil).



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

The Company has contributed ₹ 500.0 million (March 31, 2021: ₹ 350.0 million) to ICICI Securities Employees Group Gratuity Fund during the year.

The Company has contributed ₹ 117.5 million (March 31, 2021: ₹ 35.0 million) to ICICI Foundation for contribution towards CSR.

Balance Sheet Items:

(Outstanding as on)

(₹ million)

Nature of Transaction	Holding Company		Subsidiary Company		Fellow Subsidiary Companies		Associate Company	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Share capital	1,208.3	1,208.3	-	-	-	-	-	-
Payables	537.8	818.0	-	-	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	-	0.0	0.0	-
ICICI Prudential Life Insurance Company Limited	-	-	-	-	1.2	0.0	-	-
ICICI Securities Primary Dealership Limited	-	-	-	-	0.4	0.2	-	-
ICICI Prudential Asset Management Company Limited	-	-	-	-	-	-	-	-
ICICI Venture Funds Management Company Limited	-	-	-	-	1.9	0.8	-	-
ICICI Securities Inc	-	-	6.8	23.9	-	-	-	-
Security deposit	0.7	-	-	-	-	-	-	-
Other liabilities	21.0	18.0	-	-	-	-	-	-
Fixed assets purchases	-	-	-	-	-	-	-	-
ICICI Securities Inc.	-	-	0.0	-	-	-	-	-
Fixed assets sold	-	0.2	-	-	-	-	-	-
ICICI Securities Primary Dealership Limited	-	-	-	-	1.3	-	-	-
Investment	-	-	-	-	-	-	-	-
ICICI Securities Holdings Inc. ¹	-	-	125.7	123.6	-	-	-	-
Securities for trade	48.4	-	-	-	-	-	-	-
ICICI Home Finance Company Limited	-	-	-	-	5.0	-	-	-
Bank overdraft	-	0.0	-	-	-	-	-	-
Fixed deposits (₹ 3.0 kept as collateral security towards bank guarantees. Previous year ₹ 3.0)	1,697.5	2,655.3	-	-	-	-	-	-
Accrued interest income	39.6	47.0	-	-	-	-	-	-
ICICI Home Finance Company Limited	-	-	-	-	0.3	-	-	-
Bank balance (Net of current liabilities of ₹ 0.7 million Previous year Nil)	7,395.3	1,600.6	-	-	-	-	-	-
Deposit	-	(0.0)	-	-	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	-	0.1	0.1	-
ICICI Venture Funds Management Company Limited	-	-	-	-	21.7	-	-	-
Loans & advances (including prepaid expenses)	6.6	6.6	-	-	-	-	-	-

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

(₹ million)

Nature of Transaction	Holding Company		Subsidiary Company		Fellow Subsidiary Companies		Associate Company	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
ICICI Lombard General Insurance Company Limited	-	-	-	-	-	8.6	12.3	-
ICICI Prudential Life Insurance Company Limited	-	-	-	-	7.5	1.6	-	-
ICICI Securities Primary Dealership Limited	-	-	-	-	0.0	0.1	-	-
Other assets	12.3	12.3	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-
ICICI Prudential Life Insurance Company Limited	-	-	-	-	62.3	46.9	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	-	1.5	2.0	-
ICICI Prudential Asset Management Company Limited	-	-	-	-	1.4	32.0	-	-
ICICI Home Finance Company Limited	-	-	-	-	3.5	1.5	-	-
ICICI Securities Primary Dealership Limited	-	-	-	-	0.0	-	-	-
Accrued income	13.2	25.9	-	-	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	-	1.0	1.6	-
ICICI Prudential Asset Management Company Limited	-	-	-	-	32.8	42.7	-	-
ICICI Home Finance Company Limited	-	-	-	-	0.6	0.1	-	-

¹The 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 ₹ 123.6 million as at March 31, 2021 to ₹ 125.7 million as at March 31, 2022.

Key Management Personnel

The details of compensation paid for the year ended March 31, 2022 are as below :

(₹ million)

Nature of Transaction	Vijay Chandok		Ajay Saraf		Anup Bagchi	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Short-term employee benefits	52.2	61.3	36.5	35.4	-	1.5
Post-employment benefits*	5.4	4.9	1.3	1.1	-	-
Total	57.6	66.2	37.8	36.5	-	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 of the Company 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, 2022 is ₹ 44.9 million (March 31, 2021 ₹ 99.2 million).

During the year ended March 31, 2022, Nil employee stock options (March 31, 2021 16,170 employee stock options amounting to ₹ 4.1 million) were exercised by the key management personnel of the company.



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

During the year ended March 31, 2021, Ms. Shilpa Kumar was paid compensation of ₹ 4.7 million for past services.

The Company has paid ₹ 0.5 million (March 31, 2021: ₹ 0.5 million) to the relative of director towards scholarship under employee benefit policy. The Company has received brokerage amounting to ₹ 2.2 million (March 31, 2021: ₹ 1.4 million) from the key management personnel and ₹ 0.7 million (March 31, 2021: ₹ 0.4 million) from relatives of the key management personnel.

During the year ended March 31, 2022, the Company paid dividend amounting to ₹ 0.8 million (March 31, 2021: ₹ 0.3 million) to its KMPs and their relatives who are shareholders.

During the year ended March 31, 2022, the Company has paid ₹ 5.8 million (March 31, 2021: ₹ 6.6 million) sitting fees to the Directors of the Company. The Company also provided for commission for Financial Year 2022 amounting to ₹ 4.0 million (March 31, 2021: ₹ 4.0 million) to the Independent Directors of the Company.

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

32. STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

As per Section 135 of The Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The Company undertook eight initiatives in addition to the initiatives undertaken by ICICI Foundation for Inclusive Growth in specific areas particularly skill development. The initiatives were directly undertaken by the Company itself 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, 2022	Year ended March 31, 2021
a. Gross amount required to be spent during the year	199.0	160.4
b. Amount spent during the year on	-	-
(i) Construction/acquisition of any asset		
(ii) On purposes other than (i) above - in cash	201.1	160.4
c. Shortfall at the end of the year	-	-
Out of the above, contribution made to related party is as below:		
ICICI Foundation for Inclusive Growth	117.5	35.0

33. CONTINGENT LIABILITIES

A. Contingent Liabilities shall be classified as (to the extent not provided for):

	(₹ million)	
	As at March 31, 2022	As at March 31, 2021
Claims against the company not acknowledged as debt	1,497.2	1,487.6

- 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.

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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 standalone financial statements.
- 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 ₹ 173.7 million (March 31, 2021: ₹ 43.6 million).

35. MICRO, SMALL AND MEDIUM ENTERPRISES

There are no micro, small and medium enterprises, to which company owes dues, as at March 31, 2022. 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 Company. This has been relied upon by the auditors.

(₹ million)

Particulars	As at March 31, 2022	As at March 31, 2021
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	-	-

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

36. 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.

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 ₹ Nil million towards short term lease (March 31, 2021: ₹ 3.6 million) and ₹ 2.1 million towards low value assets (March 31, 2021: ₹ 2.1 million) during the year ended March 31, 2022.

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. During the financial year, the Company has not revalued any of its Right of Use assets.

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 ₹ 403.8 million (March 31, 2021: ₹ 384.8 million) have been classified as cash flow generated from financing activity.

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 ₹ 4.4 million (March 31, 2021: Nil) towards income from sub-lease.

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

(₹ million)			
March 31, 2022	Carrying values		
Asset Class	Leasehold Property	Leasehold improvements	Total
Balance as of April 1, 2021	944.3	17.7	962.0
Add: Additions during the period	301.4	-	301.4
Less: Deductions during the period	22.9	-	22.9
Less: Depreciation	327.3	14.2	341.5
Total	895.5	3.5	899.0

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

(₹ million)

March 31, 2021 Asset Class	Carrying values		Total
	Leasehold Property	Leasehold improvements	
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

Following is the movement in lease liabilities for the period:

(₹ million)

Asset Class	For the year ended March 31, 2022		
	Leasehold Property	Leasehold improvements	Total
Balance as of April 1, 2021	1,041.9	18.9	1,060.8
Additions during the period	301.4	-	301.4
Deductions during the period	27.1	-	27.1
Interest Expense	87.2	0.9	88.1
Less: Lease Payments	388.2	15.6	403.8
Total	1,015.2	4.2	1,019.4

(₹ 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

37. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(₹ million)

Particulars	April 1, 2021	Cash flows	Changes in fair values	Others*	March 31, 2022
Debt securities	35,209.6	41,616.9	-	565.8	77,392.3

(₹ 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

*includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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.

Details in respect of options granted to its eligible employees is as follows:

							(₹ million)
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	

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

(₹ million)

Scheme	Year	Date of Grant	Number of options granted	Vesting Conditions	Exercise Period	Exercise Price (₹) per share
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
ESOS -2017	2022	April 21, 2021	9,46,700	30% of the options would vest on April 21, 2022, 30% of the options would vest on April 21, 2023 and the balance 40% of the options would vest on April 21, 2024.	5 years from date of vesting.	424.60
ESOS -2017	2022	July 20, 2021	6,300	30% of the options would vest on July 20, 2022, 30% of the options would vest on July 20, 2023 and the balance 40% of the options would vest on July 20, 2024.	5 years from date of vesting.	774.60

The activity in the stock option plan is summarized below:

Particulars	FY 2022		FY 2021	
	Number of options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding at the beginning of the year	25,28,350	295.92	13,29,300	226.12
Granted during the year	9,53,000	426.91	13,37,200	361.34
Forfeited during the year	93,000	389.72	47,350	314.58
Exercised during the year	4,49,071	250.08	90,800	227.70
Expired during the year	--	--	--	--
Outstanding at the end of the year	29,39,279	342.43	25,28,350	295.92
Exercisable at the end of the year	20,41,139	305.12	3,45,250	230.58

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
ESOS -2017	2022	April 21, 2021	151.44
ESOS -2017	2022	July 20, 2021	294.68

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Risk free interest rate	5.26% to 5.99%	4.82% to 5.70%
Expected life of options	3.51 to 5.51 years	3.51 to 5.51 years
Expected volatility	47.34% to 49.49%	46.15% to 48.78%
Expected dividend yield	2.78% to 3.47%	2.35% to 2.76%



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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, ₹ 133.3 million was charged to the statement of profit and loss in respect of equity-settled share-based payment transactions (March 31, 2021: ₹ 110.3 million).

B. ICICI Bank Employee Stock Option Scheme

During the year, ₹ 15.5 million was charged to the statement of profit and loss in respect of equity-settled share-based payment transactions (March 31, 2021: ₹ 43.7 million). This expense, which was computed from the fair values of the share-based payment transactions when granted, arose under employee share options made in accordance with the reward structure of ICICI Bank Limited.

The details of the options granted to eligible employees of the Company by ICICI Bank Limited are as follows:

In terms of the ESOS of the Parent Bank, the options are granted to eligible employees and Directors of the Bank 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 4 th Floor New York, NY 10036, United States of America	Wholly-owned Subsidiary	100%
ICICI Securities, Inc	1120 Avenue of the Americas 4 th Floor New York, NY 10036, United States of America	Step-down Subsidiary	100%

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

40. INCOME TAXES

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

(₹ million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax		
In respect of current year	4,564.0	3,608.2
In respect of prior years	-	(2.8)
Total (A)	4,564.0	3,605.4
Deferred Tax		
Origination and reversal of temporary differences	138.4	26.8
Impact of change in tax rate	-	-
Total (B)	138.4	26.8
Income Tax recognised in the statement of Profit and Loss (A+B)	4,702.4	3,632.2
Income tax expenses recognized in OCI		
Re-measurement of defined employee benefit plans	(3.5)	33.4
Income tax relating to items that will not be classified to the statement of profit and loss	0.9	(8.3)
Total	(2.6)	25.1

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

(₹ million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	18,497.8	14,307.7
Enacted tax rate in India	25.17%	25.17%
Income tax expenses calculated	4,655.9	3,601.2
Tax on expense not tax deductible	46.5	33.8
Tax on income exempt from tax	-	(2.8)
Total tax expenses as per the statement of profit and loss	4,702.4	3,632.2

The effective income tax rate for the year ended March 31, 2022 is 25.42% (March 31, 2021 is 25.39%).

During the year, the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of accounts.

Movement of deferred tax assets and liabilities

As at March 31, 2022

(₹ million)

Movement during the year ended March 31, 2022	As at April 1, 2021	Credit/ (charge) in the Statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	As at March 31, 2022
Property, Plant and Equipment and Intangible assets	29.7	(14.6)	-	15.1
Provision for expected credit losses	55.1	(18.3)	-	36.8
Employee benefits obligations	305.3	(9.1)	-	296.2
Fair value gain/(loss) on investments	(1.5)	(2.2)	-	(3.7)
Provision for post-retirement benefit	112.4	(99.2)	0.9	14.1
Other temporary differences	41.0	5.0	-	46.0
Net deferred tax assets/ (liabilities)	542.0	(138.4)	0.9	404.5



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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

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, 2022	Expiry Date	As at March 31, 2021	Expiry Date
Capital loss under Income Tax Act, 1961	2012-13	-	-	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	0.7	March 31, 2028
TOTAL		68.5		69.2	

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, National Pension Scheme, and Employee State Insurance Scheme which are defined contribution retirement benefit plans for qualifying employees.

Amount of ₹ 209.6 Million (March 31, 2021 : ₹ 189.7 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.

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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 ₹ 40.00 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, 2022	Year ended March 31, 2021
	Reconciliation of defined benefit obligation (DBO) :		
	Change in Defined Benefit Obligation		
(i)	Opening defined benefit obligation	757.8	728.8
(ii)	Current Service cost	80.7	81.6
(iii)	Past service cost	-	-
(iv)	Interest cost	41.4	42.4
(v)	Actuarial (gain) / loss from changes in financial assumptions	(17.0)	13.7
(vi)	Actuarial (gain) / loss from changes in demographic assumptions	(0.8)	(13.4)
(vii)	Actuarial (gain) / loss on account of experience changes	25.6	(27.1)
(viii)	Benefits paid	(72.8)	(68.2)
(ix)	Liabilities assumed on inter group transfer	-	-
(x)	Closing defined benefit obligation	814.9	757.8
	Movement in Plan assets		
(i)	Opening fair value of plan assets	311.4	23.1
(ii)	Interest on plan assets	16.3	-
(iii)	Actual return on plan assets less interest on plan assets	4.2	6.5
(iv)	Contributions by employer	500.0	350.0
(v)	Assets acquired / (settled)	-	-
(vi)	Benefits paid	(72.8)	(68.2)
	Closing fair value of plan assets	759.1	311.4
	Balance sheet		
	Net asset / (liability) recognised in the balance sheet:		
(i)	Present value of the funded defined benefit obligation	814.9	757.8
(ii)	Fair value of plan assets at the end of the year	759.1	311.4
	Liability recognized in the balance sheet (i-ii)	55.8	446.4
	Statement of profit and loss		
	Expenses recognised in the Statement of Profit and Loss:		
(i)	Current Service cost	80.7	81.6
(ii)	Interest on net defined benefit obligation	25.1	42.4
(iii)	Past Service Cost	-	-
	Total included in 'Employee benefits expense (i+ii+iii)	105.8	124.0



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

(₹ million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Statement of other Comprehensive Income (OCI)		
Opening amount recognised in OCI outside statement of profit and loss	146.4	179.8
Remeasurements during the period due to		
- changes in financial assumptions	(17.0)	13.7
- changes in demographic assumptions	(0.8)	(13.4)
- Experience adjustment	25.6	(27.1)
- Annual return on plan assets less interest on plan assets	(4.2)	(6.6)
Closing amount recognised in OCI outside statement of profit and loss	150.0	146.4

Assumptions used for Gratuity	Year ended March 31, 2022	Year ended March 31, 2021
Interest rate (p.a.)	6.25%	5.90%
Salary escalation rate (p.a.)	7.00%	7.00%
Estimated rate of return on plan assets (p.a.)	7.00%	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	791.4	838.8
Impact of increase in 50 bps on DBO	-2.86%	2.96%
Defined Benefit obligation on decrease in 50 bps	839.2	791.5
Impact of decrease in 50 bps on DBO	3.01%	-2.84%

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, 2022	Year ended March 31, 2021
Insurer managed funds	759.1	310.5
Others	0.0	0.9
Reconciliation of plan assets during the inter-valuation period		
Opening fair value of plan assets	311.4	23.1
Employer contributions	500.0	350.0
Settlements from the Fund	(72.8)	(68.2)
Interest accrued to the Fund	4.2	6.5
Actual return on plan assets less interest on plan assets	16.3	-
Assets acquired / (settled)	-	-
Closing fair value of plan assets	759.1	311.4

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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	122,525,012
Expected benefits for year 2	103,208,590
Expected benefits for year 3	96,927,004
Expected benefits for year 4	120,869,852
Expected benefits for year 5	86,593,821
Expected benefits for year 6	95,766,648
Expected benefits for year 7	70,430,023
Expected benefits for year 8	59,656,530
Expected benefits for year 9	59,737,216
Expected benefits for year 10 and above	430,251,232

The weighted average duration to the payment of these cash flows is 5.87 years.

Compensated Absence

The liability towards compensated absences for the year ended March 31, 2022 is based on actuarial valuation carried out by using the projected unit credit method.

Assumptions	Year ended March 31, 2022	Year ended March 31, 2021
Interest rate (p.a.)	6.25%	5.90%
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, 2022	Year ended March 31, 2021
Interest rate (p.a.)	5.15%	4.15%

Interest rate assumption in case of subsidiary is 2.25% (March 31, 2021: 0.13%)

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.

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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.

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 2022:

- 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.

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Financial Planning Services	0.1	5.2	0.2	5.1	-	0.1
Signing Fee	20.5	23.1	7.2	7.1	13.3	20.5
Prime Subscription	339.4	221.5	778.8	535.1	377.0	339.4
Prepaid Brokerage	2,483.2	2,568.8	1233.9	1,181.7	2,257.5	2,483.2
Subscription Fees	6.2	-	37.0	7.9	12.3	6.2

Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price.

Particulars	2021-22	2020-21
Revenue from the Contracts (as per Contract)	26,578.4	22,014.6
Less :- Discounts / Incentive to Customers	35.7	12.0
Revenue from the Contracts (as per Statement of Profit and Loss)	26,542.7	22,002.6

44. FINANCIAL INSTRUMENTS

Refer to financial instruments by category table below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

The following table shows the carrying amounts of financial instruments as at March 31, 2022 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	7,515.1	-	-	7,515.1	7,515.1
Other balances with banks	48,268.9	-	-	48,268.9	48,268.9
Derivative financial instruments	-	0.8	-	0.8	0.8
Securities for trade	-	2,430.2	-	2,430.2	2,430.2
Trade receivables	3,846.6	-	-	3,846.6	3,846.6
Loans	68,566.7	-	-	68,566.7	68,566.7
Investments (excluding subsidiary)	-	107.1	-	107.1	107.1
Other financial assets	1,129.0	-	-	1,129.0	1,129.0
Total	1,29,326.3	2,538.1	-	1,31,864.4	1,31,864.4
Liabilities:					
Trade payables	10,776.7	-	-	10,776.7	10,776.7
Debt Securities	77,392.3	-	-	77,392.3	77,392.3
Deposits	43.6	-	-	43.6	43.6
Lease Liabilities	1,019.4	-	-	1,019.4	1,019.4
Other financial liabilities	16,521.6	-	-	16,521.6	16,521.6
Total	1,05,753.6	-	-	1,05,753.6	1,05,753.6



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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

Fair value hierarchy:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. The investments included in level 1 of fair value hierarchy have been valued using quoted prices for instruments in an active market. The investments included in level 2 of fair value hierarchy have been valued using valuation techniques based on observable market data. The investments included in Level 3 of fair value hierarchy have been valued using the income approach and break-up value to arrive at their fair value. There is no movement from between Level 1, Level 2 and Level 3. There is no change in Inputs use for measuring Level 3 fair value.

The following table summarises financial instruments measured at fair value on recurring basis:

(₹ million)

As at March 31, 2022	Level 1	Level 2	Level 3	Total
Financial instruments :				
Derivatives	0.8	-	-	0.8
Mutual fund units	-	1,407.3	-	1,407.3
Equity shares	32.3	-	74.8	107.1
Debt Instruments	453.8	569.1	-	1,022.9
Total	486.9	1,976.4	74.8	2,538.1

(₹ 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

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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, 2022	March 31, 2021
Opening Balance	22.3	21.3
Purchase	55.6	-
Less: Sales	-	-
Add: Gain / (Loss)	(3.1)	1.0
Transfer in Level 3	-	-
Less: Transfer from Level 3	-	-
Closing Balance	74.8	22.3

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, 2022

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	₹ 5.34 per share	5%	₹ 0.1 Million	5%	₹ (0.1) Million
	Discounted projected cash flow	WACC%	19.00%	100 basis points	₹ (1.0) Million	100 basis points	₹ 1.2 Million
		Perpetual Growth Rate %	5.00%	100 basis points	₹ 0.7 Million	100 basis points	₹ (0.6) Million

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

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 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, 2022	5,957.0	(6,286.6)	(329.6)
At March 31, 2021	3,210.4	963.9	2,246.5

There are no instruments which are eligible for netting and not netted off.



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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.

a) Credit risk:

It is risk of financial loss that the Company will incur a loss because its customer or counterparty to financial instruments fails to meet its contractual obligation.

The Company's financial assets comprise of Cash and bank balance, Securities for trade, Trade receivables, Loans, Investments and Other financial assets which comprise mainly of deposits and unbilled revenues.

The maximum exposure to credit risk at the reporting date is primarily from Company's trade receivable and loans.

Following provides exposure to credit risk for trade receivables and loans:

	(₹ million)	
	March 31, 2022	March 31, 2021
Trade Receivables	3,846.6	4,584.5
Loans	68,566.7	29,014.5
Total	72,413.3	33,599.0

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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 ₹ 3,966.6 million (March 31, 2021: ₹ 4,705.7 million), ₹ 120.0 million (March 31, 2021: ₹ 121.2 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, 2022		March 31, 2021	
	Carrying Value	ECL	Carrying Value	ECL
Stage 1	68,537.7	0.8	29,082.2	77.0
Stage 2	30.1	0.3	10.1	0.8
Stage 3	11.1	11.1	11.0	11.0
Total	68,578.9	12.2	29,103.3	88.8

Movements in the allowances for impairment in respect of trade receivables and loans is as follows:

(₹ million)

	March 31, 2022	March 31, 2021
Opening Balance	210.0	250.7
Amount written off	(17.1)	(81.6)
Net re-measurement of loss allowance	21.0	50.0
Additional provision	(81.7)	(9.1)
Closing Balance	132.2	210.0



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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, 2022	As at March 31, 2021	
Trade Receivables and Loans	98.9%	95.8%	Collateral in the form of: <ul style="list-style-type: none"> - 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 the Company generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Stock in trade 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

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2022.

(₹ 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	33,983.9	21,794.2	5.9	-	55,784.0
Derivative financial instruments	0.8	-	-	-	0.8
Securities for Trade	2,430.2	-	-	-	2,430.2
Trade receivables	3,846.6	-	-	-	3,846.6
Loans	7,756.4	60,810.3	-	-	68,566.7
Investments	-	-	-	232.8	232.8
Other financial assets	878.3	77.7	21.7	151.3	1,129.0
Total	48,896.2	82,682.2	27.6	384.1	1,31,990.1

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

(₹ million)

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total Carrying Amount
Financial Liabilities					
Trade Payables	10,776.7	-	-	-	10,776.7
Debt Securities	74,526.4	2,865.9	-	-	77,392.3
Deposits	-	-	43.6	-	43.6
Lease Liabilities	10.3	10.1	872.6	126.4	1,019.4
Other Financial Liabilities	16,521.6	-	-	-	16,521.6
Total	1,01,835.0	2,876.0	916.2	126.4	1,05,753.6
Net excess / (shortfall)	(52,938.8)	79,806.2	(888.6)	257.7	26,236.5

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

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 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:

- Equity Price Risk
- Interest Rate Risk
- Currency Risk



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

Total market risk exposure:

(₹ million)

March 31, 2022	Carrying amount	Traded risk	Non traded risk	Primary risk sensitivity
Financial Assets				
Cash and cash equivalent and other bank balances	55,784.0	-	55,784.0	
Derivative financial instruments	0.8	0.8	-	Equity Price and Currency
Financial assets at FVTPL	2,537.3	2,430.2	107.1	Interest rate, Equity Price and Currency
Trade Receivables	3,846.6	-	3,846.6	Equity Price and Currency
Loans	68,566.7	-	68,566.7	Equity Price
Investment in Subsidiary	125.7	-	125.7	
Other Financial assets at amortised cost	1,129.0	-	1,129.0	
Total	1,31,990.1	2,431.0	1,29,559.1	
Financial Liabilities				
Trade payable	10,776.7	-	10,776.7	Equity Price and Currency
Debt Securities	77,392.3	-	77,392.3	
Deposits	43.6	-	43.6	
Lease Liabilities	1,019.4	-	1,019.4	
Other financial liabilities	16,521.6	-	16,521.6	
Total	1,05,753.6	-	1,05,753.6	

(₹ 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	

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Impact of upward movement	(293.0)	(104.7)
Impact of downward movement	(377.4)	(213.9)

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 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	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Parallel upward shift	(0.9)	(137.6)
Parallel downward shift	(3.4)	159.1

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.



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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.

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	
	For the year ended March 31, 2022	For the year ended March 31, 2021
₹ Depreciation	(28.1)	(23.0)
₹ Appreciation	(93.1)	(10.9)

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, 2022	For the year ended March 31, 2021
USD	Depreciation of 15%	(1.3)	(1.3)
	Appreciation of 15%	1.3	1.3
SGD	Depreciation of 15%	0.2	-
	Appreciation of 15%	(0.2)	-
GBP	Depreciation of 15%	(0.1)	(0.0)
	Appreciation of 15%	0.1	0.0
NZD	Depreciation of 15%	0.2	-
	Appreciation of 15%	(0.2)	-

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.

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

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, 2022	For the year ended March 31, 2021
Impact of upward movement	(4.7)	(1.3)
Impact of downward movement	(5.2)	(8.4)

Impact has been derived based on highest single day commodity specific movement in last 15 years (data available for 12 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.

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, 2022	Within 12 months	After 12 months
ASSETS			
Financial Assets			
Cash and cash equivalents	7,515.1	7,515.1	-
Bank balance other than (a) above	48,268.9	48,263.0	5.9
Derivative financial instruments	0.8	0.8	-
Securities for trade	2,430.2	2,430.2	-
Receivables			
(I) Trade receivables	3,846.6	3,846.6	-
Loans	68,566.7	68,566.7	-
Investments	232.8	-	232.8
Other financial assets	1,129.0	956.0	173.0
	1,31,990.1	1,31,578.4	411.7
Non-financial Assets			
Current tax assets (net)	1,247.8	-	1,247.8
Deferred tax assets (net)	404.5	-	404.5
Property, plant and equipment	627.0	-	627.0
Right-of-use of assets	899.0	18.9	880.1
Capital work-in-progress	109.6	-	109.6
Intangible assets under development	32.6	-	32.6
Other intangible assets	309.5	-	309.5
Other non-financial assets	555.9	494.4	61.5
	4,185.9	513.3	3,672.6
Total Assets	1,36,176.0	1,32,091.7	4,084.3
LIABILITIES			
Financial liabilities			
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	10,776.7	10,776.7	-
Debt securities	77,392.3	77,392.3	-
Borrowings (Other than debt securities)	-	-	-



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

(₹ million)

	As at March 31, 2022	Within 12 months	After 12 months
Deposits	43.6	-	43.6
Lease Liabilities	1,019.4	20.4	999.0
Other financial liabilities	16,521.6	16,521.6	-
	1,05,753.6	1,04,711.0	1,042.6
Non-financial Liabilities			
Current tax liabilities (net)	-	-	-
Provisions	151.0	26.0	125.0
Other non-financial liabilities	6,179.9	5,153.0	1,026.9
	6,330.9	5,179.0	1,151.9
Total Liabilities	1,12,084.5	1,09,890.0	2,194.5
Net	24,091.5	22,201.7	1,889.8

(₹ 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

Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

	(₹ million)		
	As at March 31, 2021	Within 12 months	After 12 months
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

46. INFORMATION AS REQUIRED PURSUANT TO REGULATION 52(4) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015:

Key Financial Information

	(₹ million)	
Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Debt Equity Ratio ¹	3.21	1.95 Times
Debt Service Coverage Ratio ²	0.26	0.42 Times
Interest Services Coverage Ratio ³	8.00	15.75 Times
Net Worth ⁴	₹ 24,091.5 Million	₹ 18,037.9 Million
Net Profit after tax	₹ 13,795.4 Million	₹ 10,675.5 Million
Earnings per share (Diluted)	₹ 42.59	₹ 33.07
Outstanding redeemable preference shares	Not Applicable	Not Applicable
Capital redemption / Debenture redemption reserve	Not Applicable	Not Applicable
Current Ratio	1.20	1.28
Long Term Debt to Working Capital Ratio ⁵	Nil	Nil
Bad Debts to Accounts Receivables Ratio	0.63%	0.97%
Current Liability Ratio	0.98	0.96
Total Debts to Total Assets	0.57	0.43
Debtors Turnover Ratio ⁶	6.90	4.80
Inventory Turnover Ratio	Not Applicable	Not Applicable
Operating Margin (%) ⁷	53.86%	55.32%
Net Profit Margin (%) ⁸	40.17%	41.29%

¹ Debt Equity Ratio = Debt (Borrowings + Accrued Interest) / Equity (Equity share capital + Other Equity)

² 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)

³ Interest Service Coverage Ratio = Profit before interest and tax / Interest expenses (excludes interest costs on leases as per Ind AS 116 on Leases)

⁴ Net Worth = Equity + Other Equity

⁵ Company do not have any Long Term Debt and hence the ratio is Nil

⁶ Debtors Turnover Ratio = Fee and Commission Income / Trade Receivables

⁷ Operating Margin = Profit before tax / Total Revenue from operations

⁸ Net Profit Margin = Profit after tax / Total Revenue from operations



Notes

Notes to standalone financial statements for the year ended March 31, 2022 (contd.)

47. SUBSEQUENT EVENT - PROPOSED DIVIDEND

The Board of Directors at its meeting held on April 20, 2022, have recommended a final dividend of ₹ 12.75 per equity share (on face value of ₹ 5 per equity share), subject to the approval of the members at the ensuing annual general meeting. In terms of Ind AS 10 "Events after the Reporting Period", the company has not recognised final dividend (including tax, if any) as a liability at the end of the reporting period.

48. RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 16 – Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The Company has evaluated the amendment and there is no material impact on its financial statements.

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, 2022, 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

ICAI Firm Reg. No.: 101248W/W-100022

VAIBHAV SHAH

Partner

Membership No : 117377

Mumbai, April 20, 2022

For and on behalf of the Board of Directors

VINOD KUMAR DHALL

Director

DIN - 02591373

VIJAY CHANDOK

Managing Director & CEO

DIN - 01545262

RAJU NANWANI

Company Secretary

AJAY SARAF

Executive Director

DIN - 00074885

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 subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, 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 the report of the other auditor on 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 2022, 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 reports of other auditors referred to in "Other Matters" section 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

Information Technology

The key audit matter

Information Technology (IT)

IT systems and controls

The Company's key financial accounting and reporting processes are dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could impact the financial accounting and reporting significantly.

The Company uses an ERP system for its overall financial reporting. The Company's General Ledger used in financial reporting is interfaced with other IT systems which process transactions of accounts relevant for financial reporting.

How the matter was addressed in our audit

Our audit procedures to assess the IT systems and controls included the following:

- Performed testing of 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').



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.

- 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
 - Computer Operations process (automated jobs)
- 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 in case of changes, whether standard process was followed.
- 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 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 Board of 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 the Board of Directors either intend 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 are 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 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 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 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 the 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 paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company 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 financial statements of ICICI Securities Holding Inc., whose consolidated financial statements reflect total assets (before consolidation adjustments) of ₹ 286.2 million as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 15.8 million and net cash flows (before consolidation adjustments) amounting to ₹ 30.6 million for the year ended on that date, as considered in the consolidated financial statements. These consolidated financial statements have been audited by other auditor whose reports have been furnished to us by management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditor.

The 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 financial statements of the 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 subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by management of the Holding 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 financial statements, on account of adjustments, as certified by management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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, based on our audit and on the consideration of reports of the other auditors on consolidated financial statements of such subsidiary as was audited by the other auditor, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other 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 2022 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 2022 from being appointed as a director in terms of Section 164(2) of the Act. The subsidiary of the Holding Company is incorporated outside India.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company incorporated in India 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 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 reports of the other auditor on the separate consolidated financial statements of the subsidiary, as noted in the "Other Matters" paragraph:
- a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 32 to the consolidated financial statements.
 - b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.
 - c) 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.
 - d) (i) Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary; or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (ii) Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
 - (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) contain any material misstatement.
 - e) The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- 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) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Vaibhav Shah

Partner

Place: Mumbai

Membership No. 117377

Date: 20 April 2022

UDIN: 22117377AHKVAC8846



Annexure A to the Independent Auditor's Report of even date on the consolidated financial statements of ICICI Securities Limited

The Annexure referred to in the Independent Auditor's Report to the members of ICICI Securities Limited (the "Holding Company") on the consolidated financial statements for the year ended 31 March 2022, we report that:

Clause (xxi) - According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Holding Company which are companies incorporated in India except the Holding Company. The Companies (Auditor's Report) Order, 2020

of the Holding Company did not include any unfavourable answers or qualifications or adverse remarks.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Vaibhav Shah

Partner

Place: Mumbai

Date: 20 April 2022

Membership No. 117377

UDIN: 22117377AHKVAC8846

Annexure “B” to the Independent Auditor’s report on the consolidated financial statements of ICICI Securities Limited for the year ended 31 March 2022

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 2A(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 2022, we have audited the internal financial controls with reference to consolidated financial statements of ICICI Securities Limited (hereinafter referred to as “the Holding Company”) incorporated in India under the Companies Act, 2013 (hereinafter referred to as “the Act”) as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such internal controls 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 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

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

Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

Vaibhav Shah

Partner

Place: Mumbai

Date: 20 April 2022

Membership No. 117377

UDIN: 22117377AHKVAC8846

Consolidated Balance Sheet

as at March 31, 2022

(₹ million)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
1 Financial assets			
(a) Cash and cash equivalents	3 (a)	7,735.9	3,093.5
(b) Bank balance other than (a) above	3 (b)	48,430.2	35,699.2
(c) Derivative financial instruments	4	0.8	-
(d) Securities for trade	5	2,430.2	4,661.7
(e) Receivables			
(i) Trade receivables	6	3,848.3	4,586.1
(f) Loans	7	68,566.7	29,014.5
(g) Investments	8	107.1	28.8
(h) Other financial assets	9	1,135.7	767.3
		132,254.9	77,851.1
2 Non-financial assets			
(a) Current tax assets (net)	10	1,247.1	1,189.3
(b) Deferred tax assets (net)	39	424.1	560.1
(c) Property, plant and equipment	11(a)	627.2	420.0
(d) Right-of-use assets	35	899.0	962.0
(e) Capital work-in-progress	11(b)	109.6	39.4
(f) Intangible assets under development	11(c)	32.6	39.3
(g) Other intangible assets	11(a)	309.5	227.4
(h) Other non-financial assets	12	558.2	520.5
		4,207.3	3,958.0
Total Assets		136,462.2	81,809.1
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
(a) Derivative financial instruments	4	-	4.5
(b) Payables	13		
(i) Trade payables			
(ii) total outstanding dues of micro enterprises and small enterprises		-	-
(iii) total outstanding dues of creditors other than micro enterprises and small enterprises		10,776.1	10,264.6
(c) Debt securities	14	77,392.3	35,209.6
(d) Borrowings (Other than debt securities)	15	-	-
(e) Deposits	16	43.6	28.7
(f) Lease liabilities	35	1,019.4	1,060.8
(g) Other financial liabilities	17	16,521.6	10,440.5
		105,753.0	57,008.7
2 Non-financial liabilities			
(a) Current tax liabilities (net)		-	5.7
(b) Provisions	18	151.0	606.1
(c) Other non-financial liabilities	19	6,252.9	5,967.5
		6,403.9	6,579.3
3 EQUITY			
(a) Equity share capital	20	1,613.4	1,611.1
(b) Other equity	21	22,691.9	16,610.0
		24,305.3	18,221.1
Total Liabilities and Equity		136,462.2	81,809.1

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 and on behalf of the Board of Directors

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W-100022

VAIBHAV SHAH

Partner

Membership No : 117377

Mumbai, April 20, 2022

VINOD KUMAR DHALL

Chairman

DIN - 02591373

VIJAY CHANDOK

Managing Director & CEO

DIN - 01545262

RAJU NANWANI

Company Secretary

AJAY SARAF

Executive Director

DIN - 00074885

HARVINDER JASPAL

Chief Financial Officer



Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(₹ million)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations			
(i) Interest income	22	7,185.1	3,448.7
(ii) Dividend income		0.4	0.2
(iii) Fees and commission income			
- Brokerage income		15,525.9	15,045.2
- Income from services		11,020.2	6,960.7
(iv) Net gain on fair value changes	23	588.7	386.4
(v) Others		29.5	20.5
(I) Total Revenue from operations		34,349.8	25,861.7
(II) Other income	24	35.0	-
(III) Total Income (I+II)		34,384.8	25,861.7
Expenses			
(i) Finance costs	25	2,736.8	1,072.8
(ii) Fees and commission expense		1,665.6	1,221.6
(iii) Impairment on financial instruments	26	(69.4)	(41.0)
(iv) Operating expense	27	1,139.6	769.0
(v) Employee benefits expenses	28	6,644.1	5,879.6
(vi) Depreciation, amortization and impairment	11 & 35	625.3	541.8
(vii) Other expenses	29	3,115.2	2,110.1
(IV) Total Expenses (IV)		15,857.2	11,553.9
(V) Profit/(loss) before tax (III -IV)		18,527.6	14,307.8
(VI) Tax expense:	39		
(1) Current tax		4,564.0	3,604.2
(2) Deferred tax		137.6	26.4
		4,701.6	3,630.6
(VII) Profit/(loss) for the year (V-VI)		13,826.0	10,677.2
(VIII) Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined employee benefit plans		(3.5)	33.4
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.9	(8.3)
Other comprehensive income		(2.6)	25.1
(IX) Total comprehensive income for the year (VII+VIII) [comprising profit/(loss) and other comprehensive income for the year]		13,823.4	10,702.3
(X) Earnings per equity share: (Face value ₹ 5/- per share)	30		
Basic (in ₹)		42.86	33.14
Diluted (in ₹)		42.69	33.08
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 and on behalf of the Board of Directors

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.:101248W/W-100022

VAIBHAV SHAH

Partner

Membership No : 117377

Mumbai, April 20, 2022

VINOD KUMAR DHALL

Chairman

DIN - 02591373

VIJAY CHANDOK

Managing Director & CEO

DIN - 01545262

RAJU NANWANI

Company Secretary

AJAY SARAF

Executive Director

DIN - 00074885

HARVINDER JASPAL

Chief Financial Officer

Consolidated Statement Of Changes In Equity

for the year ended March 31, 2022

A EQUITY SHARE CAPITAL

(₹ million)

Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as on March 31, 2022
1,611.1	-	1,611.1	2.3	1,613.4

(₹ million)

Balance as at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year	Balance as on March 31, 2021
1,610.7	-	1,610.7	0.4	1,611.1

B OTHER EQUITY

(₹ million)

	Share application money pending allotment	Securities Premium Reserve	General Reserve	Reserves and Surplus Share based payment reserve	Retained Earnings	Exchange Difference on translating the financial statements of a foreign operation	Deemed Equity Contribution from the Parent / Group*	Total
Balance as at April 1, 2021	2.2	268.2	666.8	170.1	15,059.7	67.8	375.2	16,610.0
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated Balance as of April 1, 2021	2.2	268.2	666.8	170.1	15,059.7	67.8	375.2	16,610.0
Profit for the year	-	-	-	-	13,826.0	-	-	13,826.0
Items of OCI for the year, net of tax:								
- Remeasurement benefit of defined benefit plans	-	-	-	-	(2.6)	-	-	(2.6)
Total Comprehensive Income for the year	-	-	-	-	13,823.4	-	-	13,823.4
Dividend	-	-	-	-	(7,984.0)	-	-	(7,984.0)
Any other changes:								
-Additions during the year (net)	(1.6)	150.3	-	100.5	-	(18.5)	11.8	242.5
Balance as on March 31, 2022	0.6	418.5	666.8	270.6	20,899.1	49.3	387.0	22,691.9
Balance as at April 1, 2020	-	244.0	666.8	57.0	9,109.5	67.8	339.6	10,484.7
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated 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	-	-	-	-	(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/group entity amounting to ₹ 25.8 million (March 31, 2021: ₹ 8.1 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 and on behalf of the Board of Directors

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.:101248W/W-100022

VAIBHAV SHAH

Partner

Membership No : 117377

Mumbai, April 20, 2022

VINOD KUMAR DHALL

Chairman

DIN - 02591373

VIJAY CHANDOK

Managing Director & CEO

DIN - 01545262

RAJU NANWANI

Company Secretary

AJAY SARAF

Executive Director

DIN - 00074885

HARVINDER JASPAL

Chief Financial Officer



Consolidated Cash Flow Statement

for the year ended March 31, 2022

(₹ million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
A Cash flow used in operating activities		
Profit before tax	18,527.6	14,307.8
Add /(less): Adjustments		
- Net (gain)/loss on derecognition of property, plant and equipment	(8.1)	6.9
- Depreciation and amortisation	625.3	541.8
- (Reversal of) /impairment loss on financial assets measured at FVTPL	0.1	0.3
- Net (gain)/loss (unrealised) arising on financial assets measured at FVTPL	(201.8)	(7.5)
- Interest expense	2,690.6	1,044.8
- Dividend income on equity securities	(0.2)	(0.2)
- Share based payments to employees	150.9	154.9
- Bad and doubtful debts	(52.3)	40.6
- Unrealised foreign exchange (gain)/loss	(8.4)	9.9
- Reversal of Foreign currency translation reserve	(18.5)	-
Operating profit before working capital changes	21,705.2	16,099.3
Adjustments for changes in working capital:		
- (Increase) / decrease in bank balance	(12,731.0)	(17,005.2)
- Increase / (decrease) in derivative financial instruments	(0.8)	-
- (Increase) / decrease in securities for trade	2,433.2	3,696.6
- (Increase) / decrease in receivables	710.4	(3,743.4)
- (Increase) / decrease in loans	(39,475.7)	(23,301.7)
- (Increase) / decrease other financial assets	(379.6)	(5.9)
- (Increase) / decrease other non- financial assets	(38.2)	(112.5)
- Increase / (decrease) in derivative financial instruments	(4.5)	4.5
- Increase / (decrease) in trade payables	511.5	3,338.2
- Increase / (decrease) in deposits	14.9	6.4
- Increase / (decrease) in other financial liabilities	6,081.1	7,745.9
- (Increase) / decrease in provisions	(458.6)	(189.2)
- (Increase) / decrease in other non-financial liabilities	285.0	657.0
	(43,052.3)	(28,909.3)
Cash used from operations	(21,347.1)	(12,810.0)
Income tax paid (net)	(4,627.5)	(3,285.0)
Net cash used in operating activities (A)	(25,974.6)	(16,095.0)
B Cash flow used in investing activities		
- Purchase of investments	(55.6)	-
- Dividend income received	0.2	0.2
- Purchase of property, plant and equipment (including intangible assets)	(641.0)	(407.0)
- Proceeds from sale of property, plant and equipment (including intangible assets)	8.8	5.1
Net cash used in investing activities (B)	(687.6)	(401.7)

Consolidated Cash Flow Statement

for the year ended March 31, 2022

(₹ million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
C Cash flow generated from financing activities		
- Proceeds from commercial paper borrowings	204,260.7	107,209.6
- Repayment of commercial paper borrowings	(162,643.8)	(87,085.5)
- Interest paid on borrowings	(2,036.7)	(837.3)
- Dividend and dividend tax paid	(7,984.0)	(4,752.1)
- Interest paid on lease liabilities	(88.1)	(97.3)
- Repayment of lease liabilities	(315.7)	(287.5)
- Issue of shares on exercise of options	113.8	18.5
- Share application money pending allotment	(1.6)	1.8
Net cash generated from financing activities (C)	31,304.6	14,170.2
Net increase / (decrease) in cash and cash equivalents (A+B+C)	4,642.4	(2,326.5)
Cash and cash equivalents at the beginning of the year	3,093.5	5,420.0
Cash and cash equivalents at the end of the year	7,735.9	3,093.5
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	7,623.5	1,948.8
(c) Cheques, drafts on hand	-	-
(d) Others		
- Fixed Deposit with original maturity of less than three months	112.3	1,144.4
- Interest accrued on fixed deposits	0.1	0.3
Total cash and cash equivalents	7,735.9	3,093.5

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

Note :

- (i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.
- (ii) Also refer note 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 and on behalf of the Board of Directors

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.:101248W/W-100022

VAIBHAV SHAH

Partner

Membership No : 117377

Mumbai, April 20, 2022

VINOD KUMAR DHALL

Chairman

DIN - 02591373

VIJAY CHANDOK

Managing Director & CEO

DIN - 01545262

RAJU NANWANI

Company Secretary

AJAY SARAF

Executive Director

DIN - 00074885

HARVINDER JASPAL

Chief Financial Officer



Notes

to Consolidated financial statements for the year ended March 31, 2022

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) including allied services of extending margin trade finance and ESOP finance, 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 Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025.

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 74.89% of the Company's equity share capital as on March 31, 2022.

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 with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, 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.

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

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

The consolidated financial statements for the year ended March 31, 2022 are being authorised for issue in accordance with a resolution of the Board of Directors passed on April 20, 2022.

(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 simultaneously 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

Notes

to Consolidated financial statements for the year ended March 31, 2022 (contd.)

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.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. However, no subsidiaries have followed different accounting policies than those followed by the Group for the preparation of these consolidated financial statements.

Details of Subsidiaries

(i) Subsidiary

Name of the Company	Country of Incorporation	% of Holding as on March 31, 2022	% of Holding as on March 31, 2021
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 March 31, 2022	% of Holding as on March 31, 2021
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, provision and contingencies, leases 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.

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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. 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

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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:

- Income from services rendered as a broker is recognised upon rendering of the services on trade date basis, in accordance with the terms of contract.
- 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.
- Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant.
- 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.
- 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.
- Subscription based income is recognised when the performance obligation has been satisfied. Lifetime subscriptions based revenue are recognised at a point in time and other subscriptions are recognised over period of time based on subscription period.

(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.

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.

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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 valued 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:

- 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.
- 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

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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 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

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financial asset. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

- e. 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. Defined benefit plans

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, 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.

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c. Defined contribution plan

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 in which the services are rendered by the employee are charged to the statement of profit and loss.

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 company, 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 company.

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.

(xi) Foreign exchange transactions

The functional currency and the presentation currency of the Group is Indian Rupees. Transactions in foreign currency are recorded on

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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.

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(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) Trade Receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

(xvi) Impairment of non-financial assets

The Group assesses at the reporting date whether there is an indication that an asset may be impaired other than deferred tax assets. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present 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.

(xvii) 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.

(xviii) Trade Payables

Trade payables are presented as financial liabilities. They are recognised initially at their fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method where the time value of money is significant.

(xix) 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.

(xx) Dividends on equity shares

The Company recognises a liability to make cash distributions to equity shareholders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders except in case of interim dividend. A corresponding amount is recognised directly in equity.

(xxi) 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, 2022	As at March 31, 2021
(a) Cash on hand	-	-
(b) Balances with banks (of the nature of cash and cash equivalents)		
In current accounts with banks	7,623.5	1,948.8
(c) Cheques, drafts on hand	-	-
(d) Others (specify nature)		
- Fixed Deposit with original maturity less than 3 months	112.3	1,144.4
- Interest accrued on Fixed Deposits	0.1	0.3
Total	7,735.9	3,093.5

3 (b) BANK BALANCE OTHER THAN (a) ABOVE

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(a) Earmarked balances with banks		
- Unclaimed dividend	3.2	1.8
(b) Fixed deposits with banks*	47,300.1	34,817.7
(c) Interest receivable	1,126.9	879.7
Total	48,430.2	35,699.2

* Fixed deposits under lien with stock exchanges amounted to ₹ 45,035.2 million (March 31, 2021 : ₹ 32,656.1 million) and kept as collateral security towards bank guarantees issued amounted to ₹ 3.0 million (March 31, 2021 : ₹ 3.0 million) and kept as collateral security against bank overdraft facility amounted to ₹ 1,590.5 million (March 31, 2021 : ₹ 1,505.0 million) and others ₹ 510.3 million (March 31, 2021 : ₹ 502.9 million).

4 DERIVATIVE FINANCIAL INSTRUMENTS

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(i) Equity linked derivatives	0.8	4.5
Total	0.8	4.5
Notional amounts	671.5	1,620.8
Fair value - assets	0.8	-
Fair value - liabilities	-	4.5

Note:

1) The derivatives are used for the purpose of trading.

2) Refer note 42 for management of risks arising from derivatives.

Notes

to Consolidated financial statements for the year ended March 31, 2022 (contd.)

5 SECURITIES FOR TRADE

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(A) At fair value through profit or loss		
Securities for trade in India		
(i) Mutual funds:		
- Nippon India Liquid Fund - Direct Plan - Growth Option	703.0	-
- ICICI Prudential Liquid Fund - Direct Plan - Growth Option	703.0	-
- ICICI Prudential Mutual Fund Value Discovery Fund Dividend Pay-out Option	1.3	-
- DSP Mutual Fund - Liquid ETF	0.0	0.0
- Nippon India Mutual Fund - ETF Liquid BeES	0.0	0.1
- ABSL Liquid Fund - Direct Plan - Growth Option	-	782.1
- Invesco India Liquid Fund - Direct Plan - Growth Option	-	500.3
- Mirae Asset Cash Management Fund - Direct Plan - Growth Option	-	500.3
- ICICI Prudential Mutual fund Value FD SR 18 (17-05-2021)	-	1.4
	1,407.3	1,784.2
(ii) Debt securities:		
(a) Non-convertible debentures:-		
- 9.25% Reliance Industries Limited (16-06-2024)	3.2	-
- 8.67% IDFC First Bank Limited (03-01-2025)	1.0	-
- 7.95% L&T Finance Limited (28-07-2025)	6.2	1.1
- 9.25% Mahindra Rural Housing Finance Limited (13-10-2025)	42.7	-
- 8.50% Mahindra Rural Housing Finance Limited (15-06-2027)	37.8	-
- 9.05% Housing Development Finance Corporation Ltd (16-10-2028)	4.5	-
- 8.10% L&T Finance Limited (28-06-2030)	4.2	-
- 7.66% L&T Finance Limited (09-09-2030)	13.0	-
- 7.65% Hero FinCorp Limited (11-12-2030)	3.9	-
- 7.00% Power Finance Corporation Ltd (22-01-2031)	48.0	5.0
- 7.50% Tata Capital Housing Finance Limited (18-04-2031)	15.9	-
- 8.00% Muthoot Finance Limited (20-04-2031)	3.2	-
- 8.20% India Grid Trust (06-05-2031)	0.5	-
- 7.35% Hero FinCorp Limited (07-05-2031)	52.2	-
- 7.90% Muthoot Finance Limited (30-05-2031)	5.1	-
- 7.32% India Grid Trust (27-06-2031)	1.0	-
- 6.75% Piramal Capital & Housing Finance Limited (26-09-2031)	31.0	-
- 7.10% Housing Development Finance Corporation Ltd (12-11-2031)	8.0	-
- 7.45% Mahindra & Mahindra Financial Services Ltd (17-11-2031)	61.6	-
- ICICI August 1998 Money Multiplier Bond	48.4	-
	391.4	6.1
(b) Bonds:-		
- 8.85% HDB Financial Services Limited (07-06-2029)	2.2	-
- 8.02% ICICI Home Finance Company Limited (10-06-2030)	2.0	-
- 7.50% ICICI Home Finance Company Limited (08-11-2030)	1.0	-
- 7.39% National Highways Authority of India (09-03-2031)	13.1	-
- 7.70% LIC Housing Finance Limited (19-03-2031)	4.1	-



Notes

to Consolidated financial statements for the year ended March 31, 2022 (contd.)

(₹ million)

	As at March 31, 2022	As at March 31, 2021
- 7.25% ICICI Home Finance Company Limited (12-08-2031)	2.0	-
- 8.67% NHPC Limited (02-11-2033)	1.4	-
- 8.00% Bank of Baroda (31-01-2099)	29.9	-
- 8.25% Bank of Baroda (17-07-2099)	7.1	-
- 8.50% Bank of Baroda (28-07-2099)	14.5	-
- 8.75% State Bank of India (30-08-2099)	6.3	-
- 7.74% State Bank of India (09-09-2099)	168.8	-
- 8.50% State Bank of India (22-11-2099)	24.6	-
- 7.95% Bank of Baroda (26-11-2099)	10.0	-
- 8.70% Bank of Baroda (28-11-2099)	54.3	1.0
- 9.56% State Bank of India (04-12-2099)	1.0	-
- 7.55% State Bank of India (14-12-2099)	89.2	-
- 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
- 9.56 % State Bank of India (04-12-2099)	-	1.0
	431.5	1,071.4
(c) Fixed Deposits:		
- 5.25% LIC Housing Finance FD (11-06-2022)	200.0	-
- 7% LIC Housing Finance FD (30-06-2021)	-	200.0
- 7% LIC Housing Finance FD (06-07-2021)	-	200.0
- 4.55% HDFC FD (22-09-2021)	-	1,000.0
- 5.65% LIC Housing Finance FD (23-10-2021)	-	200.0
- 5.65% LIC Housing Finance FD (03-03-2022)	-	200.0
	200.0	1,800.0
(iii) Equity instruments		
- PI Industries Limited	-	0.0
- Yes Bank Limited	0.0	0.0
	0.0	0.0
Total (A) Gross	2,430.2	4,661.7
Less: Impairment loss allowance	-	-
Total	2,430.2	4,661.7

Note: The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Notes

to Consolidated financial statements for the year ended March 31, 2022 (contd.)

6 RECEIVABLES

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(a) Undisputed Trade Receivables considered good - Secured		
- Less than 6 months	3,110.4	3,075.6
- 6 months- 1year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	3,110.4	3,075.6
(b) Undisputed Trade Receivables considered good- Unsecured		
- Less than 6 months	737.9	1,510.5
- 6 months- 1year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	737.9	1,510.5
(c) Undisputed Trade Receivables- which have significant increase in credit risk		
- Less than 6 months	-	-
- 6 months- 1year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
(d) Undisputed Trade Receivables- credit impaired		
- Less than 6 months	35.5	24.4
- 6 months- 1year	19.0	29.7
- 1-2 years	26.6	50.7
- 2-3 years	18.7	4.6
- More than 3 years	20.2	11.8
	120.0	121.2
Less: Impairment Loss Allowance	(120.0)	(121.2)
	-	-
(e) Disputed Trade Receivables considered good- Secured		
- Less than 6 months	-	-
- 6 months- 1year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
(f) Disputed Trade Receivables considered good- Unsecured		
- Less than 6 months	-	-
- 6 months- 1year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-



Notes

to Consolidated financial statements for the year ended March 31, 2022 (contd.)

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(g) Disputed Trade Receivables- which have significant increase in credit risk		
- Less than 6 months	-	-
- 6 months- 1year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
(h) Disputed Trade Receivables- credit impaired		
- Less than 6 months	-	-
- 6 months- 1year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
Total	3,848.3	4,586.1

Note:

- 1) No trade or other receivable are due from directors of the Group 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.
- 2) Trade Receivables does not include unbilled revenue.

7 LOANS

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(A) At amortised cost		
Term Loans :		
(i) Margin trade funding	54,700.6	23,824.0
(ii) ESOP funding	13,878.3	5,279.3
Total (A) - Gross	68,578.9	29,103.3
Less: Impairment loss allowance [refer note 42]	(12.2)	(88.8)
Total (A) - Net	68,566.7	29,014.5
(I) Secured by :		
(i) Secured by tangible assets		
- Collateral in the form of cash and securities in case of Margin trade funding	54,700.6	23,823.2
- Shares under ESOP in case of ESOP funding	13,836.7	5,242.3
(ii) Unsecured :		
- in case of Margin trade funding	-	0.8
- in case of ESOP funding	41.6	37.0
Total (I) - Gross	68,578.9	29,103.3
Less: Impairment loss allowance	(12.2)	(88.8)
Total (I) - Net	68,566.7	29,014.5

Notes

to Consolidated financial statements for the year ended March 31, 2022 (contd.)

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(II) Loans in India		
(i) Margin trade funding	54,700.6	23,824.0
(ii) ESOP funding	13,878.3	5,279.3
Total (II) - Gross	68,578.9	29,103.3
Less: Impairment loss allowance	(12.2)	(88.8)
Total (II) - Net	68,566.7	29,014.5
(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)	68,566.7	29,014.5

Note:

- During the year, the Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- There are no loans due by directors or other officers of the Group or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.
- There are no loans or advances in the nature of loans to promoters, directors, KMPs or related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
 - repayable on demand; or
 - without specifying any terms or period of repayment

8 INVESTMENTS

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(A) At fair value through profit or loss		
(i) Investments in India		
Equity instruments		
- BSE Limited	32.3	6.5
- Receivable Exchange of India Limited	17.6	20.5
- Universal Trustees Private Limited	1.6	1.8
- Asknbid Innovation Factory India Private Limited	55.6	-
	107.1	28.8
Less: Impairment loss allowance	-	-
Total	107.1	28.8
(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)	107.1	28.8

Note: The Group has complied with the requirements of the number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.



Notes

to Consolidated financial statements for the year ended March 31, 2022 (contd.)

9 OTHER FINANCIAL ASSETS

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(i) Security deposits :		
Unsecured, considered good		
(a) Security deposit for leased premises and assets	143.0	157.6
(b) Security deposit with stock exchanges	34.4	34.2
(c) Other Security deposits	23.6	5.0
(d) Margin deposits with stock exchange	224.8	35.9
(e) Security deposit with related parties		
- ICICI Lombard General Insurance Company Limited	0.1	0.1
	425.9	232.8
(ii) Others :		
(a) Accrued income from services	622.0	463.6
(b) Accrued interest	28.8	41.4
(c) Others	59.0	37.7
Less: Impairment loss allowance	-	(8.2)
	709.8	534.5
Total	1,135.7	767.3

10 CURRENT TAX ASSETS (NET)

(₹ million)

	As at March 31, 2022	As at March 31, 2021
Advance payment of income tax (net)		
[net of provision for tax of ₹ 25,358.9 million (March 31, 2021: ₹ 17,168.2 million)]	1,247.1	1,189.3
Total	1,247.1	1,189.3

Notes

to Consolidated financial statements for the year ended March 31, 2022 (contd.)

11 (a) 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	membership right	Total (B)	TOTAL (A+B)
Gross Carrying amount (At Cost)										
Balance at April 1, 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
Acquisition through business combination	-	-	-	-	-	-	-	-	-	-
Change due to Revaluation	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2021	426.4	17.1	40.5	53.8	52.8	590.6	375.5	-	375.5	966.1
Additions	221.7	7.3	21.0	25.4	116.9	392.3	192.8	-	192.8	585.1
Disposal / Adjustment	69.4	1.1	2.7	24.5	17.9	115.6	0.3	-	0.3	115.9
Acquisition through business combination	-	-	-	-	-	-	-	-	-	-
Change due to Revaluation	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2022	578.7	23.3	58.8	54.7	151.8	867.3	568.0	-	568.0	1,435.3
Accumulated depreciation/amortisation										
Balance at April 1, 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
Acquisition through business combination	-	-	-	-	-	-	-	-	-	-
Change due to Revaluation	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2021	116.7	12.3	22.5	22.7	(3.6)	170.6	148.1	-	148.1	318.7
Depreciation for the year	111.6	6.1	13.9	16.4	25.3	173.3	110.5	-	110.5	283.8
Disposal / Adjustment	66.6	1.1	2.5	22.0	11.6	103.8	0.1	-	0.1	103.9
Acquisition through business combination	-	-	-	-	-	-	-	-	-	-
Change due to Revaluation	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2022	161.7	17.3	33.9	17.1	10.1	240.1	258.5	-	258.5	498.6
Carrying amounts (net)										
Balance at March 31, 2021	309.7	4.8	18.0	31.1	56.5	420.0	227.4	-	227.4	647.4
Balance at March 31, 2022	417.0	6.0	24.9	37.6	141.7	627.2	309.5	-	309.5	936.7

Note:

1) The Group has not revalued any of its property, plant and equipment.

2) The Group do not have any immovable properties and does not hold any Benami property.



Notes

to Consolidated financial statements for the year ended March 31, 2022 (contd.)

11 (b) CAPITAL WORK-IN-PROGRESS

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(A) Projects in Progress		
- Less than 1 year	101.8	24.4
- 1-2 years	-	9.0
- 2-3 years	3.9	6.0
- More than 3 years	3.9	-
	109.6	39.4
(B) Projects temporarily suspended	-	-
Total	109.6	39.4

11 (c) INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(A) Projects in Progress		
- Less than 1 year	30.5	18.4
- 1-2 years	2.1	12.2
- 2-3 years	-	8.0
- More than 3 years	-	0.7
	32.6	39.3
(B) Projects temporarily suspended	-	-
Total	32.6	39.3

12 OTHER NON-FINANCIAL ASSETS

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(i) Advances other than capital advances:		
- Prepaid expenses	126.8	67.1
- Advance to suppliers	31.1	43.8
- Others	400.3	409.6
Total	558.2	520.5

Note:

The Group has not given any advances to directors or other officers of the Group or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

13 PAYABLES

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(I) Trade payables :		
(a) total outstanding undisputed dues of micro enterprises and small enterprises [Refer note 34 for details of dues to micro and small enterprises]		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-

Notes

to Consolidated financial statements for the year ended March 31, 2022 (contd.)

	(₹ million)	
	As at March 31, 2022	As at March 31, 2021
(b) total outstanding undisputed dues of creditors other than micro enterprises and small enterprises *		
- Less than 1 year	10,654.4	9,934.4
- 1-2 years	61.8	175.3
- 2-3 years	31.9	71.8
- More than 3 years	28.0	83.1
	10,776.1	10,264.6
(c) total outstanding disputed dues of micro enterprises and small enterprises		
[Refer note 34 for details of dues to micro and small enterprises]		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
(d) total outstanding disputed dues of creditors other than micro enterprises and small enterprises		
- Less than 1 year	-	-
- 1-2 years	-	-
- 2-3 years	-	-
- More than 3 years	-	-
	-	-
(II) Other 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	-	-
Total	10,776.1	10,264.6

* Includes unbilled dues amounting to ₹ 1,715.8 million (March 31, 2021 : ₹ 1,840.8 million)

14 DEBT SECURITIES

	(₹ million)	
	As at March 31, 2022	As at March 31, 2021
(A) At amortised cost		
Debt securities in India		
(i) Commercial paper	77,392.3	35,209.6
(repayable within one year)		
(B) At fair value through profit or loss	-	-
(C) Designated at fair value through profit or loss	-	-
Total	77,392.3	35,209.6
Note:		
Commercial paper (unsecured)		
Amount outstanding	77,392.3	35,209.6
Tenure	84 days to 364 days	64 days to 364 days
Rate of interest	4.02% to 5.35%	3.51% to 4.87%
Repayment schedule	At maturity	At maturity



Notes

to Consolidated financial statements for the year ended March 31, 2022 (contd.)

15 BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(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	-	-

Note:

- 1) The Group is not declared willful defaulter by any bank or financial institution or other lender.
- 2) During the year, the Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

16 DEPOSITS

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(A) At amortised cost		
(i) From Others - Security Deposits	43.6	28.7
Total	43.6	28.7

17 OTHER FINANCIAL LIABILITIES

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(i) Margin money	8,069.2	7,388.0
(ii) Client money	8,441.3	2,911.2
(iii) Unclaimed dividend	3.2	1.7
(iv) Others	7.9	139.6
Total	16,521.6	10,440.5

18 PROVISIONS

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(i) Provision for employee benefits		
(a) Provision for gratuity [refer note 40]	55.7	446.4
(b) Provision for compensated absence [refer note 40]	95.3	159.7
Total	151.0	606.1

Notes

to Consolidated financial statements for the year ended March 31, 2022 (contd.)

19 OTHER NON-FINANCIAL LIABILITIES

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(a) Revenue received in advance	418.3	376.4
(b) Other advances		
- Prepaid Brokerage	2,257.5	2,483.2
(c) Others		
(i) Statutory liabilities	1,159.4	1,023.7
(ii) Employee related liabilities	2,389.4	2,076.9
(iii) Other liabilities	28.3	7.3
	3,577.1	3,107.9
Total	6,252.9	5,967.5

20 SHARE CAPITAL

(₹ million)

	As at March 31, 2022	As at March 31, 2021
(a) Authorised:		
400,000,000 equity shares of ₹ 5/- each (March 31, 2021 : 400,000,000 equity shares of ₹ 5/- each)	2,000.0	2,000.0
5,000,000 preference shares of ₹ 100/- each (March 31, 2021 : 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:		
322,678,721 equity shares of ₹ 5/- each, fully paid (March 31, 2021 : 322,141,400 equity shares of ₹ 5/- each, fully paid)	1,613.4	1,611.1
Total issued, subscribed and fully paid-up share capital	1,613.4	1,611.1

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

Equity shares

	As at March 31, 2022		As at March 31, 2021	
	Nos	(₹ million)	Nos	(₹ million)
At the beginning of the year	322,222,370	1,611.1	322,141,400.0	1,610.7
Shares issues during the year:				
- Under Employee Stock Options Plans	456,351	2.3	80,970.0	0.4
Outstanding at the end of the year	322,678,721	1,613.4	322,222,370.0	1,611.1

(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, 2022, the Company has paid a final dividend for the year ended March 31, 2021 of ₹ 13.50 per equity share as approved by its members at the Annual General Meeting held on August 18, 2021. The Board of Directors at its meeting held on October 19, 2021 had approved and paid an interim dividend of ₹ 11.25 per equity share. The Board has recommended a final dividend of ₹ 12.75 per equity share for FY2022.



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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, 2022		As at March 31, 2021	
	Nos	% of Holding	Nos	% of Holding
Shares held by Holding Company				
ICICI Bank Limited	241,652,692	74.89%	241,652,692	75.00%
Total	241,652,692	74.89%	241,652,692	75.00%

(f) Shareholding of Promoter:

Details of shares held by promoters in the Company :

Promoter Name	As at March 31, 2022			As at March 31, 2021		
	No of Shares	% of total shares	% Change during the year	No of Shares	% of total shares	% Change during the year
Shares held by Promoters Company						
ICICI Bank Limited	241,652,692	74.89%	(0.14%)	241,652,692	75.00%	(5.34%)
Total	241,652,692	74.89%	(0.14%)	241,652,692	75.00%	(5.34%)

(g) There are no shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment.

(h) 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.

(i) 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, 2022	As at March 31, 2021
(i) Reserves and surplus		
(a) Securities premium		
Opening balance	268.2	244.0
Add : Additions during the year (net)	150.3	24.2
Closing balance	418.5	268.2
(b) General reserve		
Opening balance	666.8	666.8
Add : Additions during the year (net)	-	-
Closing balance	666.8	666.8

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(₹ million)

	As at March 31, 2022	As at March 31, 2021
(c) Equity-settled share-based payment reserve [Refer note 37 for details on share based payment]		
Opening balance	170.1	57.0
Add : Additions during the year (net)	100.5	113.1
Closing balance	270.6	170.1
(d) Retained earnings		
Opening balance	15,059.7	9,109.5
Add/(Less): Other comprehensive income for the year	(2.6)	25.1
Add: profit after tax for the year	13,826.0	10,677.2
	28,883.1	19,811.8
Less: Appropriations		
-Dividend on equity shares	7,984.0	4,752.1
Closing balance	20,899.1	15,059.7
(ii) Exchange difference on translating the financial statements of a foreign operation		
Opening balance	67.8	67.8
Add/(Less) : Additions during the year (net)	(18.5)	-
Closing balance	49.3	67.8
(iii) Deemed equity contribution from the parent [Refer note 37 for details on share based payment]		
Opening balance	375.2	339.6
Add : Additions during the year (net)	11.8	35.6
Closing balance	387.0	375.2
(iv) Share application money pending allotment		
Opening balance	2.2	2.2
Add/(Less): Additions during the year (net)	(1.6)	-
Closing balance	0.6	2.2
Total	22,691.9	16,610.0

Nature and purpose of reserve

(A) Securities premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes such as issuance of bonus shares, writing off the preliminary expenses in accordance with the provisions of the Companies Act, 2013.

(B) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(C) Equity-settled share-based payment reserve

This reserve is created by debiting the statement of profit and loss account with the fair value of share options granted to the employees by the Company. On exercise of the options so granted, the reserve will move to share capital and securities premium and unvested portion if any, will be transferred to securities premium account.



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to Consolidated financial statements for the year ended March 31, 2022 (contd.)

(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 company

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 company"). This reserve is in the nature of an equity contribution by the parent company in respect of options granted and not available for distribution to shareholders as dividend.

22 INTEREST INCOME

(₹ million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) Interest income on financial assets measured at amortised cost :		
(i) Fixed deposits with Banks	1,978.9	1,484.0
(ii) Funding and late payments	5,016.7	1,710.4
(iii) Other deposits	0.1	0.2
(B) Interest income on financial assets measured at fair value through profit or loss :		
(i) Securities held for trade	189.4	254.1
(C) Interest income on financial assets measured at fair value through OCI :	-	-
Total	7,185.1	3,448.7

23 NET GAIN / (LOSS) ON FAIR VALUE CHANGES

(₹ million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(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)	284.7	80.3
(ii) Profit/(loss) on other securities held for trade	281.2	302.0
(B) Others		
- Profit/(loss) on sale of investments (net) at fair value through profit or loss	22.8	4.1
(C) Total net gain/(loss) on fair value changes	588.7	386.4
(D) Fair value changes:		
- Realised	387.0	379.2
- Unrealised	201.7	7.2
	588.7	386.4

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24 OTHER INCOME

(₹ million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Net gain on foreign currency transaction and translation	26.9	-
(ii) Net gain on derecognition of property, plant and equipment	8.1	-
Total	35.0	-

25 FINANCE COSTS

(₹ million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(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	29.0	20.6
(b) Interest on lease liabilities	88.1	97.3
(c) Interest on debt securities	2,573.5	926.9
(d) Other borrowing cost	46.2	28.0
Total	2,736.8	1,072.8

26 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) On financial instruments measured at fair value through OCI:	-	-
(B) On financial instruments measured at amortised cost:		
(a) Loans	(76.5)	(4.1)
(b) Others		
- On trade receivables	7.1	(36.9)
- On accrued interest	-	-
Total	(69.4)	(41.0)

27 OPERATING EXPENSES

(₹ million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Bad and doubtful debts	17.1	81.6
(b) Transaction charges	141.3	129.0
(c) Turnover fees and stamp duty	56.0	48.2
(d) Custodial and depository charges	343.5	165.9
(e) Call centre charges	409.4	163.9
(f) Franking charges	17.7	46.9
(g) Scanning expenses	78.9	37.8
(h) Customer loss compensation	14.3	61.6
(i) Other operating expenses	61.4	34.1
Total	1,139.6	769.0



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to Consolidated financial statements for the year ended March 31, 2022 (contd.)

28 EMPLOYEE BENEFITS EXPENSES

(₹ million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Salaries and wages	6,012.0	5,218.9
(b) Contribution to gratuity / provident and other funds [refer note 40]	326.5	323.8
(c) Share based payments to employees [refer note 37]	150.9	154.9
(d) Staff welfare expenses	154.7	182.0
Total	6,644.1	5,879.6

29 OTHER EXPENSES

(₹ million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Rent and amenities	165.6	163.8
(b) Insurance	12.5	6.6
(c) Travelling and conveyance expenses	106.2	83.6
(d) Business promotion expenses	589.1	116.5
(e) Repairs, maintenance, upkeep and others	594.9	462.7
(f) Rates and taxes	11.2	66.8
(g) Electricity expenses	61.7	59.4
(h) Communication expenses	195.8	170.9
(i) Net loss on derecognition of property, plant and equipment	-	6.9
(j) Advertisement and publicity	589.5	424.7
(k) Printing and stationery	16.5	19.8
(l) Subscription and periodicals	110.9	92.5
(m) Legal and Professional charges	256.2	172.8
(n) Director's fees, allowances and expenses	9.8	10.6
(o) Auditor's fees and expenses	16.8	16.0
(p) Corporate Social Responsibility (CSR) expenses	201.1	160.4
(q) Recruitment expenses	64.9	6.8
(r) Net loss on foreign currency transaction and translation	-	9.9
(r) Royalty expenses	106.8	54.2
(s) Miscellaneous Expenses	5.7	5.2
Total	3,115.2	2,110.1

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30. EARNINGS PER SHARE

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net profit after tax (₹ million) (A)	13,826.0	10,677.2
Weighted average number of equity shares outstanding for basic EPS (in million) (B)	322.6	322.2
Basic earnings per share for continuing operations (₹) (A) / (B)	42.86	33.14
Add: Weighted average number of potential equity shares on account of employee stock options (in millions) (C)	1.3	0.6
Weighted average number of equity shares outstanding for diluted EPS (in million) (D) = (B) + (C)	323.9	322.8
Diluted earnings per share for continuing operations (₹) (A) / (D)	42.69	33.08
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 (upto September 7, 2021); ICICI Prudential Asset Management Company Limited; ICICI Home Finance Company Limited; ICICI Venture Funds Management Company Limited, ICICI Bank UK PLC.

b. Associate of Holding Company:

ICICI Lombard General Insurance Company Limited (from September 8, 2021)

c. Post-employment benefit plan - ICICI Securities Employees Group Gratuity Fund

d. 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) Ajay Saraf – Executive Director



Notes

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e. Key Management Personnel of Parent Company

- 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) Hari L. Mundra – Independent Director of ICICI Bank Limited

f. Relatives of Key Management Personnel

- i) Minal Bakhshi – Daughter of Sandeep Bakhshi
- ii) Esha Bakhshi – Daughter of Sandeep Bakhshi
- iii) Mona Bakhshi – Spouse of Sandeep Bakhshi
- iv) Shivam Bakhshi – Son of Sandeep Bakhshi
- v) Ashwin Pradhan – Son-in-law of Sandeep Bakhshi
- vi) Animesh Bagchi – Father of Anup Bagchi
- vii) Rajni Chaturvedi – Spouse of Girish Chandra Chaturvedi
- viii) Pranav Batra – Son of Sandeep Batra
- ix) Vivek Mulye – Spouse of Vishakha Mulye
- x) Vignesh Mulye – Son of Vishakha Mulye
- xi) Poonam Chandok – Spouse of Vijay Chandok
- xii) Simran Chandok – Daughter of Vijay Chandok
- xiii) Saluni Chandok – Daughter of Vijay Chandok
- xiv) Sarika Saraf – Spouse of Ajay Saraf
- xv) Avantica Saraf – Daughter of Ajay Saraf
- xvi) AyuJ Saraf – Son of Ajay Saraf
- xvii) Ajay Saraf – HUF – HUF of Ajay Saraf
- xviii) Bhuwan Kumar Chaturvedi – Brother of Girish Chandra Chaturvedi
- xix) Krishnakumar Subramanian – Brother of Vijayalakshmi Iyer

g. Entity controlled or jointly controlled by KMP of ICICI Bank: 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		Associate Company	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Income from services and brokerage (commission and fees)	246.7	564.2	-	-	-	-
ICICI Home Finance Company Limited	-	-	7.5	8.8	-	-
ICICI Prudential Life Insurance Company Limited	-	-	637.5	557.5	-	-
ICICI Securities Primary Dealership Limited	-	-	4.6	3.4	-	-
ICICI Lombard General Insurance Company Limited	-	-	8.0	13.1	12.5	-

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to Consolidated financial statements for the year ended March 31, 2022 (contd.)

(₹ million)

Nature of Transaction	Holding Company		Fellow Subsidiary Companies		Associate Company	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
ICICI Prudential Asset Management Company Limited	-	-	117.3	140.3	-	-
ICICI Venture Funds Management Company Limited	-	-	-	3.1	-	-
ICICI Bank UK PLC	-	-	0.2	-	-	-
Interest income	66.6	84.3	-	-	-	-
ICICI Home Finance Company Limited	-	-	1.8	-	-	-
Other revenue from operations	-	-	-	-	-	-
ICICI Home Finance Company Limited	-	-	-	0.4	-	-
Staff expenses	8.6	6.9	-	-	-	-
ICICI Securities Primary Dealership Limited	-	-	(0.0)	(0.0)	-	-
ICICI Prudential Life Insurance Company Limited ¹	-	-	9.5	3.4	-	-
ICICI Lombard General Insurance Company Limited ²	-	-	32.4	105.6	44.2	-
ICICI Prudential Asset Management Company Limited	-	-	1.2	-	-	-
Operating expenses	1,135.3	919.0	-	-	-	-
Other expenses³	353.2	263.6	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	4.1	3.6	5.7	-
ICICI Securities Primary Dealership Limited	-	-	(2.4)	0.7	-	-
ICICI Prudential Life Insurance Company Limited	-	-	2.2	1.6	-	-
ICICI Venture Funds Management Company Limited	-	-	58.3	0.8	-	-
Finance cost⁴	44.2	36.7	-	-	-	-
Dividend paid	5,980.9	3,712.9	-	-	-	-
Purchase of bond	103.8	353.6	-	-	-	-
ICICI Securities Primary Dealership Limited	-	-	605.5	1,460.5	-	-
Sale of bond	250.6	762.6	-	-	-	-
ICICI Prudential Life Insurance Company Limited	-	-	-	555.5	-	-
Redemption value of bond	-	-	-	-	-	-
ICICI Home Finance Company Limited	-	-	229.3	-	-	-

¹ Excludes an amount of ₹ 4.1 million (March 31, 2021: ₹ 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 ₹ 46.9 million (March 31, 2021: ₹ 28.6 million) received towards reimbursement of claims submitted by the employees under Company health insurance policy. The Company has also received an amount of ₹ 0.2 million (March 31, 2021: ₹ 0.6 million) towards asset insurance claims.

³ Includes amount paid of ₹ 106.8 million (March 31, 2021: ₹ 54.2 million) towards royalty / license fees to the bank for use of "ICICI" trademarks.

⁴ The Company has a credit facility of ₹ 6,500.0 million (March 31, 2021: ₹ 6,425.0 million) from ICICI Bank Limited. The balance outstanding as on March 31, 2022 is Nil (March 31, 2021: Nil).

The Group has contributed ₹ 500.0 million (March 31, 2021: ₹ 350.0 million) to ICICI Securities Employees Group Gratuity Fund during the year.

The Company has contributed ₹ 117.5 million (March 31, 2021: ₹ 35.0 million) to ICICI Foundation for contribution towards CSR.



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Balance Sheet Items: (Outstanding as on)

(₹ million)

Nature of Transaction	Holding Company		Fellow Subsidiary Companies		Associate Company	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Share capital	1,208.3	1,208.3	-	-	-	-
Payables	537.8	815.6	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	0.0	0.0	-
ICICI Prudential Life Insurance Company Limited	-	-	1.2	0.0	-	-
ICICI Securities Primary Dealership Limited	-	-	0.4	0.2	-	-
ICICI Prudential Asset Management Company Limited	-	-	-	-	-	-
ICICI Venture Funds Management Company Limited	-	-	1.9	0.8	-	-
Security deposit	0.7	-	-	-	-	-
Other liabilities	21.0	18.0	-	-	-	-
Fixed assets sold	-	0.2	-	-	-	-
ICICI Securities Primary Dealership Limited	-	-	1.3	-	-	-
Securities for trade	48.4	-	-	-	-	-
ICICI Home Finance Company Limited	-	-	5.0	-	-	-
Bank overdraft	-	0.0	-	-	-	-
Fixed deposits (₹ 3.0 kept as Collateral security towards bank guarantees) (Previous year ₹ 3.0)	1,697.5	2,655.3	-	-	-	-
Accrued interest income	39.6	47.0	-	-	-	-
ICICI Home Finance Company Limited	-	-	0.3	-	-	-
Bank balance (Net of current liabilities of ₹ 0.7 (Previous year Nil))	7,395.3	1,600.6	-	-	-	-
Deposit	-	(0.0)	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	0.1	0.1	-
ICICI Venture Funds Management Company Limited	-	-	21.7	-	-	-
Loans & advances (including prepaid expenses)	6.6	6.6	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	8.6	12.3	-
ICICI Prudential Life Insurance Company Limited	-	-	7.5	1.6	-	-
ICICI Securities Primary Dealership Limited	-	-	0.0	0.1	-	-
Other assets	12.3	12.3	-	-	-	-
Receivables	-	-	-	-	-	-
ICICI Prudential Life Insurance Company Limited	-	-	62.3	46.9	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	1.5	2.0	-
ICICI Prudential Asset Management Company Limited	-	-	1.4	32.0	-	-
ICICI Home Finance Company Limited	-	-	3.5	1.5	-	-
ICICI Securities Primary Dealership Limited	-	-	1.8	1.6	-	-
Accrued income	13.2	25.9	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	1.0	1.6	-
ICICI Prudential Asset Management Company Limited	-	-	32.8	42.7	-	-
ICICI Home Finance Company Limited	-	-	0.6	0.1	-	-

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Key Management Personnel

The details of compensation paid for the year ended March 31, 2022 are as below :

(₹ million)

Nature of Transaction	Vijay Chandok		Ajay Saraf		Anup Bagchi	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Short-term employee benefits	52.2	61.3	36.5	35.4	-	1.5
Post-employment benefits*	5.4	4.9	1.3	1.1	-	-
Total	57.6	66.2	37.8	36.5	-	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, 2022 is ₹ 44.9 million (March 31, 2021: ₹ 99.2 million)

During the year ended March 31, 2022, Nil employee stock options (March 31, 2021 16,170 employee stock options amounting to ₹ 4.1 million) were exercised by the key management personnel of the Company.

During the year ended March 31, 2021, Ms. Shilpa Kumar was paid compensation of ₹ 4.7 million for past services.

The Group has paid ₹ 0.5 million (March 31, 2021: ₹ 0.5 million) to the relative of director towards scholarship under employee benefit policy. The Group has received brokerage amounting to ₹ 2.2 million (March 31, 2021: ₹ 1.4 million) from the key management personnel and ₹ 0.7 million (March 31, 2021: ₹ 0.4 million) from relatives of the key management personnel.

During the year ended March 31, 2022, the Company paid dividend amounting to ₹ 0.8 million (March 31, 2021: ₹ 0.3 million) to its KMPs and their relatives who are shareholders.

During the year ended March 31, 2022, the Company has paid ₹ 5.8 million (March 31, 2021: ₹ 6.6 million) sitting fees to the Directors of the Company. The Company also provided for commission for Financial Year 2022 amounting to ₹ 4.0 million (March 31, 2021: ₹ 4.0 million) to the Independent Directors of the Company.

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

32. CONTINGENT LIABILITIES

A. Contingent Liabilities shall be classified as (to the extent not provided for):

(₹ million)

	As at March 31, 2022	As at March 31, 2021
Claims against the Group not acknowledged as debt	1,497.2	1,487.6

- 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:

- 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.

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to Consolidated financial statements for the year ended March 31, 2022 (contd.)

- 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 ₹ 173.7 million (March 31, 2021: ₹ 43.6 million).

34. MICRO, SMALL AND MEDIUM ENTERPRISES

There are no micro, small and medium enterprises, to which Group owes dues, as at March 31, 2022. 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)

	As at March 31, 2022	As at March 31, 2021
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	-	-

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.

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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 ₹ Nil million towards short term lease (March 31, 2021: ₹ 3.6 million) and ₹ 2.1 million towards low value assets (March 31, 2021: ₹ 2.1 million) during the year ended March 31, 2022.

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. During the financial year, the Group has not revalued any of its Right of Use assets.

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 ₹ 403.8 million (March 31, 2021: ₹ 384.8 million) have been classified 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 ₹ 4.4 million (March 31, 2021: Nil) towards income from sub-lease.

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

(₹ million)

March 31, 2022 Asset Class	Carrying values		
	Leasehold Property	Leasehold improvements	Total
Balance as of April 1, 2021	944.3	17.7	962.0
Additions during the period	301.4	-	301.4
Deductions during the period	22.9	-	22.9
Less: Depreciation	327.3	14.2	341.5
Total	895.5	3.5	899.0

(₹ million)

March 31, 2021 Asset Class	Carrying values		
	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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Following is the movement in lease liabilities for the year:

(₹ million)

Asset Class	For the year ended March 31, 2022		
	Leasehold Property	Leasehold improvements	Total
Balance as of April 1, 2021	1,041.9	18.9	1,060.8
Additions during the period	301.4	-	301.4
Deductions during the period	27.1	-	27.1
Interest Expense	87.2	0.9	88.1
Less: Lease Payments	388.2	15.6	403.8
Total	1,015.2	4.2	1,019.4

(₹ 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

36. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(₹ million)

Particulars	April 1, 2021	Cash flows	Changes in fair values	Others*	March 31, 2022
Debt securities	35,209.6	41,616.9	-	565.8	77,392.3

(₹ 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

*Includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

37. SHARE BASED PAYMENTS

A. Employees Stock Option Scheme, 2017 (ESOS- 2017)

The Group has formulated the ICICI Securities Limited - Employees Stock Option Scheme, 2017 (ESOS- 2017). This scheme envisaged grant of share options to eligible employees to enhance employee motivation, to enable employees to participate in the long term growth and financial success of the Group and to act as a retention mechanism, by enabling employee participation in the business as an active stakeholder to usher in an 'owner-manager' culture.

The Members of the Group had, at the Extra-Ordinary General Meeting held on December 8, 2017, approved the ICICI Securities Limited - Employees Stock Option Scheme, 2017 (ESOS- 2017) Scheme. Pursuant to Regulation 12

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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:

							(₹ million)
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	
ESOS -2017	2022	April 21, 2021	9,46,700	30% of the options would vest on April 21, 2022, 30% of the options would vest on April 21, 2023 and the balance 40% of the options would vest on April 21, 2024.	5 years from date of vesting.	424.60	
ESOS -2017	2022	July 20, 2021	6,300	30% of the options would vest on July 20, 2022, 30% of the options would vest on July 20, 2023 and the balance 40% of the options would vest on July 20, 2024.	5 years from date of vesting.	774.60	



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The activity in the stock option plan is summarized below:

Shareholder	FY 2022		FY 2021	
	Number of options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding at the beginning of the year	25,28,350	295.92	13,29,300	226.12
Granted during the year	9,53,000	426.91	13,37,200	361.34
Forfeited during the year	93,000	389.72	47,350	314.58
Exercised during the year	4,49,071	250.08	90,800	227.70
Expired during the year	--	--	--	--
Outstanding at the end of the year	29,39,279	342.43	25,28,350	295.92
Exercisable at the end of the year	20,41,139	305.12	3,45,250	230.58

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
ESOS -2017	2022	April 21, 2021	151.44
ESOS -2017	2022	July 20, 2021	294.68

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, 2022	Year ended March 31, 2021
Risk free interest rate	5.26% to 5.99%	4.82% to 5.70%
Expected life of options	3.51 to 5.51 years	3.51 to 5.51 years
Expected volatility	47.34% to 49.49%	46.15% to 48.78%
Expected dividend yield	2.78% to 3.47%	2.35% to 2.76%

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, ₹ 135.4 million was charged to the profit and loss account in respect of equity-settled share-based payment transactions (March 31, 2021: ₹ 111.2 million).

B. ICICI Bank Employee Stock Option Scheme

During the year, ₹ 15.5 million was charged to the profit and loss account in respect of equity-settled share-based payment transactions (March 31, 2021: ₹ 43.7 million). This expense, which was computed from the fair values of the share-based payment transactions when granted, arose under employee share options made in accordance with the reward structure of ICICI Bank Limited.

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The details of the options granted to eligible employees of the Group by ICICI Bank Limited are as follows:

In terms of the ESOS of the Parent Bank, the options are granted to eligible employees and Directors of the Bank and its subsidiaries. As per the ESOS, as amended, the maximum number of options granted to any eligible employees/Directors in a financial year shall not exceed 0.05% of the Parent Bank's issued equity shares at the time of the grant of the options and aggregate of all such options shall not exceed 10% of the aggregate number of the Parent Bank's issued equity shares on the date(s) of the grant of options in line with SEBI Regulations.

Options granted prior to March 2014, vested in a graded manner over a four-year period with 20%, 20%, 30% and 30% of the grants vesting in each year, commencing from the end of 12 months from the date of grant. Options granted after March 2014, vest in a graded manner over a three-year period with 30%, 30% and 40% of the grant vesting in each year, commencing from the end of 12 months from the date of grant.

In April 2016, the Parent bank modified the exercise period from 10 years from the date of grant or five years from the date of vesting, whichever is later, to 10 years from the date of vesting of options. In June 2017, the exercise period was further modified by the Parent Bank to not exceed 10 years from the date of vesting of options as may be determined by the Board Governance, Remuneration & Nomination Committee of the Parent Bank to be applicable for future grants. In May 2018, exercise period was further modified by the Parent Bank to not exceed 5 years from the date of vesting of options as may be determined by the Board Governance, Remuneration & Nomination Committee of the Parent Bank to be applicable for future grants.

38.SEGMENT INFORMATION

The Group is presenting consolidated financial statements and hence in accordance with Indian Accounting Standard 108 – Segment Reporting, segment information is disclosed in the consolidated financial statements.

(a) Description of segment and principal activities

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's business is organised into three segments as mentioned below. Segments have been identified and reported taking into account the nature of services, the differing risks and returns and internal financial reporting. The Group has determined the following reporting segments based on information reviewed by the Chief Operating Decision Maker (CODM). The Managing Director and Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments has been identified as the 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'.



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Revenue and expenses directly attributable to segments are reported under each reportable operating segment. Certain revenue and expenses, which form component of total revenue and expenses, are not identifiable to specific reporting segments as the underlying resources are used interchangeably, have been allocated on the reasonable basis to respective segment. Revenue and expenses, which relate to Group as a whole and are not allocable on reasonable basis, have been disclosed under "Unallocated expenses/income". Similarly, assets and liabilities in relation to segments are categorised based on items that are individually identifiable to specific reporting segments. Certain assets and liabilities, which form component of total assets and liabilities, are not identifiable to specific reporting segments as the underlying resources are used interchangeably, have been allocated on the reasonable basis to respective segment. Assets and liabilities, which relate to Group as a whole and are not allocable on reasonable basis, have been disclosed under "Unallocated assets/liabilities".

(b) Details of operating segments

Following are the disclosures for the three identified segments

(For the year ended)

(₹ million)

Particulars	Treasury		Broking & distribution		Issuer services & advisory		Unallocated		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
1. Segment Revenue	907.9	664.4	30,521.1	23,584.6	2,955.8	1,612.7	-	-	34,384.8	25,861.7
• Inter Segment Revenue	-	-	-	-	-	-	-	-	-	-
2. Segment Results	518.8	371.9	16,114.9	13,124.0	1,893.9	811.9	-	-	18,527.6	14,307.8
Segment results before income tax include										
• Interest revenue	462.6	389.5	6,722.5	3,059.2	-	-	-	-	7,185.1	3,448.7
• Interest expense	289.4	217.1	2,401.2	827.1	-	0.6	-	-	2,690.6	1,044.8
• Depreciation and amortization	1.0	1.7	613.5	522.8	10.8	17.3	-	-	625.3	541.8
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)	-	-	-	-	-	-	4,701.6	3,630.6	4,701.6	3,630.6
4. Net profit after tax (2-3)	-	-	-	-	-	-	-	-	13,826.0	10,677.2
5. Segment Assets	7,478.2	7,526.7	1,26,665.0	72,072.9	647.8	460.1	1,671.2	1,749.4	1,36,462.2	81,809.1
6. Segment Liabilities	5,952.6	5,992.4	1,05,517.3	57,385.0	687.0	204.9	-	5.7	1,12,156.9	63,588.0
7. Cost of Acquisition of segment assets	3.6	1.5	543.3	391.0	38.2	18.2	-	-	585.1	410.7

(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, 2022	For the year ended March 31, 2021
Revenue by Geographical Market		
India	32,302.9	24,111.4
Outside India	2,081.9	1,750.3
Total	34,384.8	25,861.7

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(₹ million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Carrying Amount of Segment Assets		
India	3,346.8	2,961.1
Outside India	0.2	0.6
Total	3,347.0	2,961.7

(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, 2022 and March 31, 2021.

39. INCOME TAXES

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

(₹ million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax		
In respect of current year	4,564.0	3,608.2
In respect of changes in estimates of previous year	-	(4.0)
Total (A)	4,564.0	3,604.2
Deferred Tax		
Origination and reversal of temporary differences	137.6	26.4
Impact of change in tax rate	-	-
Total (B)	137.6	26.4
Income Tax recognised in the statement of Profit and Loss (A+B)	4,701.6	3,630.6
Income tax expenses recognized in OCI		
Re-measurement of defined employee benefit plans	(3.5)	33.4
Income tax relating to items that will not be classified to profit or loss	0.9	(8.3)
Total	(2.6)	25.1

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

(₹ million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	18,527.6	14,307.8
Enacted tax rate in India	25.17%	25.17%
Income tax expenses calculated (Refer Note below)	4,663.4	3,601.3
Decrease / Increase in tax rate	-	-
Tax effect of non-deductible expenses	46.5	33.8
Effect of income that is exempt	-	-
Effect on different tax rates in the components	(8.3)	(0.4)
Tax pertaining to prior years	-	(4.1)
Total tax expenses as per profit and loss	4,701.6	3,630.6

The effective income tax rate for the year ended March 31, 2022 is 25.37% (March 31, 2021 is 25.37%).

During the year, the Company has not surrendered or disclosed any income in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Accordingly, there are no transaction which are not recorded in the books of accounts.



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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. The 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.

C. Movement of deferred tax assets and liabilities

As at March 31, 2022

(₹ million)

Movement during the year ended March 31, 2022	As at April 1, 2021	Credit/ (charge) in the Statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	Exchange difference	As at March 31, 2022
Property, Plant and Equipment and Intangible assets	29.7	(14.6)	-	-	15.1
Provision for expected credit losses	55.1	(18.3)	-	-	36.8
Employee benefits obligations	305.3	(9.1)	-	-	296.2
Fair value gain/(loss) on investments	(1.5)	(2.2)	-	-	(3.7)
Provision for post-retirement benefit	112.4	(99.2)	0.9	-	14.1
Other temporary differences	41.0	5.0	-	-	46.0
Unused tax losses of Subsidiary	18.1	0.8	-	0.7	19.6
Net deferred tax assets/ (liabilities)	560.1	(137.6)	0.9	0.7	424.1

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

The Group has the following unused tax losses for which no deferred tax asset has been recognised in the Balance Sheet because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

(₹ million)

Particulars	Financial Year	As at March 31, 2022	Expiry Date	As at March 31, 2021	Expiry Date
Business Loss	2007-2008	40.1	March 31, 2028	74.2	March 31, 2028
Business Loss	2008-2009	223.1	March 31, 2029	215.1	March 31, 2029
Business Loss	2009-2010	52.0	March 31, 2030	50.1	March 31, 2030
Business Loss	2010-2011	44.8	March 31, 2031	43.2	March 31, 2031
Business Loss	2012-2013	59.1	March 31, 2033	57.0	March 31, 2033
Capital Loss	2012-2013	-	-	0.7*	March 31, 2021
Business Loss	2016-2017	24.3	March 31, 2037	23.4	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	0.7*	March 31, 2028
Total		511.9		532.2	

Note: The increase in business loss for FY 2008-09 and subsequent years is due to change in closing exchange rate in March 2022 as compared to March 2021.

* 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.

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40. EMPLOYEE BENEFITS

Defined Contribution Plan

The Group makes contributions towards Provident Fund, National Pension Scheme and Employee State Insurance Scheme which are defined contribution retirement benefit plans for qualifying employees.

Amount of ₹ 209.6 Million (March 31, 2021 : ₹ 189.7 Million) is recognised as expenses, which is classified as a part of "Contribution to gratuity / provident and other funds". (Refer Note 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, 2022	Year ended March 31, 2021
	Reconciliation of defined benefit obligation (DBO) :		
	Change in Defined Benefit Obligation		
(i)	Opening defined benefit obligation	757.8	728.8
(ii)	Current Service cost	80.7	81.6
(iii)	Past service cost	-	-
(iv)	Interest cost	41.4	42.4
(v)	Actuarial (gain) / loss from changes in financial assumptions	(17.0)	13.7
(vi)	Actuarial (gain) / loss from changes in demographic assumptions	(0.8)	(13.4)
(vii)	Actuarial (gain) / loss on account of experience changes	25.6	(27.1)
(viii)	Benefits paid	(72.8)	(68.2)
(ix)	Liabilities assumed on inter Group transfer	-	-
(x)	Closing defined benefit obligation	814.9	757.8
	Movement in Plan assets		
(i)	Opening fair value of plan assets	311.4	23.1
(ii)	Interest on plan assets	16.3	-
(iii)	Actual return on plan assets less interest on plan assets	4.2	6.5
(iv)	Contributions by employer	500.0	350.0
(v)	Assets acquired / (settled)	-	-
(vi)	Benefits paid	(72.8)	(68.2)
	Closing fair value of plan assets	759.1	311.4



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(₹ million)

Sr. No	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Balance sheet		
	Net asset / (liability) recognised in the balance sheet:		
(i)	Present value of the funded defined benefit obligation	814.9	757.8
(ii)	Fair value of plan assets at the end of the year	759.1	311.4
	Liability recognized in the balance sheet (i-ii)	55.8	446.4
	Statement of profit and loss		
	Expenses recognised in the Statement of Profit and Loss:		
(i)	Current Service cost	80.7	81.6
(ii)	Interest on net defined benefit obligation	25.1	42.4
(iii)	Past Service Cost	-	-
	Total included in Employee benefits expense (i+ii+iii)	105.8	124.0

(₹ million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Statement of other Comprehensive Income (OCI)		
Opening amount recognised in OCI outside statement of profit and loss	146.4	179.8
Remeasurements during the period due to		
- changes in financial assumptions	(17.0)	13.7
- changes in demographic assumptions	(0.8)	(13.4)
- Experience adjustment	25.6	(27.1)
- Annual return on plan assets less interest on plan assets	(4.2)	(6.6)
Closing amount recognised in OCI outside statement of profit and loss	150.0	146.4

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Assumptions used for Gratuity		
Interest rate (p.a.)	6.25%	5.90%
Salary escalation rate (p.a.)	7.00%	7.00%
Estimated rate of return on plan assets (p.a.)	7.00%	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	791.4	838.8
Impact of increase in 50 bps on DBO	-2.86%	2.96%
Defined Benefit obligation on decrease in 50 bps	839.2	791.5
Impact of decrease in 50 bps on DBO	3.01%	-2.84%

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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, 2022	Year ended March 31, 2021
Insurer managed funds	759.1	310.5
Others	0.0	0.9
Reconciliation of plan assets during the inter-valuation period		
Opening fair value of plan assets	311.4	23.1
Employer contributions	500.0	350.0
Settlements from the Fund	(72.8)	(68.2)
Interest accrued to the Fund	4.2	6.5
Actual return on plan assets less interest on plan assets	16.3	-
Assets acquired / (settled)	-	-
Closing fair value of plan assets	759.1	311.4

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.

Particulars	Amount in ₹
Expected benefits for year 1	122,525,012
Expected benefits for year 2	103,208,590
Expected benefits for year 3	96,927,004
Expected benefits for year 4	120,869,852
Expected benefits for year 5	86,593,821
Expected benefits for year 6	95,766,648
Expected benefits for year 7	70,430,023
Expected benefits for year 8	59,656,530
Expected benefits for year 9	59,737,216
Expected benefits for year 10 and above	430,251,232

The weighted average duration to the payment of these cash flows is 5.87 years.

Compensated Absence

The liability towards compensated absences for the year ended March 31, 2022 is based on actuarial valuation carried out by using the projected unit credit method.

Assumptions	Year ended March 31, 2022	Year ended March 31, 2021
Interest rate (p.a.)	6.25%	5.90%
Salary escalation rate (p.a.)	7.00%	7.00%



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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, 2022	Year ended March 31, 2021
Interest rate (p.a.)	5.15	4.15%

Interest rate assumption in case of subsidiary is 2.25 % (March 31, 2021: 0.13%)

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.

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

- Education training programs
- 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.

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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 2022.

- Mutual funds
- Life insurance policies
- 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.

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	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Financial Planning Services	0.1	5.2	0.2	5.1	-	0.1
Signing Fee	20.5	23.1	7.2	7.1	13.3	20.5
Prime Subscription	339.4	221.5	778.8	535.1	377.0	339.4
Prepaid Brokerage	2,483.2	2,568.8	1233.9	1,181.7	2,257.5	2,483.2
Subscription Fees	6.2	-	37.0	7.9	12.3	6.2

Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price.

Particulars	2021-22	2020-21
Revenue from the Contracts (as per Contract)	26,581.8	22,017.9
Less : - Discounts/Incentive to Customers	35.7	12.0
Revenue from the Contracts (as per Statement of Profit and Loss)	26,546.1	22,005.9



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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, 2022 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	7,735.9	-	-	7,735.9	7,735.9
Other balances with banks	48,430.2	-	-	48,430.2	48,430.2
Derivative financial instruments	-	0.8	-	0.8	0.8
Securities for trade	-	2,430.2	-	2,430.2	2,430.2
Trade receivables	3,848.3	-	-	3,848.3	3,848.3
Loans	68,566.7	-	-	68,566.7	68,566.7
Investments (excluding subsidiary)	-	107.1	-	107.1	107.1
Other financial assets	1,135.7	-	-	1,135.7	1,135.7
Total	1,29,716.8	2,538.1	-	1,32,254.9	1,32,254.9
Liabilities:					
Trade payables	10,776.1	-	-	10,776.1	10,776.1
Debt Securities	77,392.3	-	-	77,392.3	77,392.3
Deposits	43.6	-	-	43.6	43.6
Lease Liabilities	1,019.4	-	-	1,019.4	1,019.4
Other financial liabilities	16,521.6	-	-	16,521.6	16,521.6
Total	1,05,753.0	-	-	1,05,753.0	1,05,753.0

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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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, 2022	Level 1	Level 2	Level 3	Total
Financial instruments :				
Derivatives	0.8	-	-	0.8
Mutual fund units	-	1,407.3	-	1,407.3
Equity shares	32.3	-	74.8	107.1
Debt Instruments	453.8	569.1	-	1,022.9
Total	486.9	1,976.4	74.8	2,538.1

(₹ 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

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, 2022	March 31, 2021
Opening Balance	22.3	21.3
Purchase	55.6	-
Less: Sales	-	-
Add: Gain / (Loss)	(3.1)	1.0
Transfer in Level 3	-	-
Less: Transfer from Level 3	-	-
Closing Balance	74.8	22.3



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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, 2022

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	₹ 5.34 per share	5%	₹ 0.1 Million	5%	₹ (0.1) Million
	Discounted projected cash flow	WACC%	19.00%	100 basis points	₹ (1.0) Million	100 basis points	₹ 1.2 Million
		Perpetual Growth Rate %	5.00%	100 basis points	₹ 0.7 Million	100 basis points	₹ (0.6) Million

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

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, 2022	5,957.0	(6,286.6)	(329.6)
At March 31, 2021	3,210.4	963.9	2,246.5

There are no instruments which are eligible for netting and not netted off.

Financial risk management

Risk management framework

The Group has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed to. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallisation of such risks.

The Group has exposure to the following risk arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

a) Credit risk:

It is risk of financial loss that the Group will incur a loss because its customer or counterparty to financial instruments fails to meet its contractual obligation.

The consolidated financial assets comprise of Cash and bank balance, Securities for trade, Trade receivables, Loans, Investments and Other financial assets which comprise mainly of deposits and unbilled revenues.

The maximum exposure to credit risk at the reporting date is primarily from Group's trade receivable and loans.

Following is the exposure to the credit risk for trade receivables and loans:

	(₹ million)	
	March 31, 2022	March 31, 2021
Trade Receivables	3,848.3	4,586.1
Loans	68,566.7	29,014.5
Total	72,415.0	33,600.6

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 ₹ 3,968.3 million (March 31, 2021: ₹ 4,707.3 million) ₹ 120.0 million (March 31, 2021: ₹ 121.2 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.



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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, 2022		March 31, 2021	
	Carrying Value	ECL	Carrying Value	ECL
Stage 1	68,537.7	0.8	29,082.2	77.0
Stage 2	30.1	0.3	10.1	0.8
Stage 3	11.1	11.1	11.0	11.0
Total	68,578.9	12.2	29,103.3	88.8

Movements in the allowances for impairment in respect of trade receivables and loans is as follows:

(₹ million)

	March 31, 2022	March 31, 2021
Opening Balance	210.0	250.7
Amount written off	(17.1)	(81.6)
Net re-measurement of loss allowance	21.0	50.0
Additional provision	(81.7)	(9.1)
Closing Balance	132.2	210.0

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, 2022	As at March 31, 2021	
Trade Receivables and Loans	98.9%	95.8%	Collateral in the form of: <ul style="list-style-type: none"> - 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.

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Other financial assets considered to have a low credit risk:

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments comprise of Quoted Equity instruments, Bonds, Mutual Funds and Commercial papers which are traded actively in the market. Other financial assets include deposits for assets acquired on lease and with qualified clearing counterparties and exchanges as per the prescribed statutory limits.

b) Liquidity risk

Liquidity represents the ability of the Group to generate sufficient cash flow to meet its financial obligations on time, both in normal and in stressed conditions, without having to liquidate assets or raise funds at unfavourable terms thus compromising its earnings and capital.

Liquidity risk is the risk that the Group may not be able to generate sufficient cash flow at reasonable cost to meet expected and/or unexpected claims. It arises in the funding of lending, trading and investment activities and in the management of trading positions.

The Group aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflow on financial liabilities.

Funds required for short period is taken care by borrowings through issuing commercial paper and 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, 2022.

(₹ 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	34,285.3	21,874.9	5.9	-	56,166.1
Derivative financial instruments	0.8	-	-	-	0.8
Securities for Trade	2,430.2	-	-	-	2,430.2
Trade receivables	3,848.3	-	-	-	3,848.3
Loans	7,756.4	60,810.3	-	-	68,566.7
Investments	-	-	-	107.1	107.1
Other financial assets	885.0	77.7	21.7	151.3	1,135.7
Total	49,206.0	82,762.9	27.6	258.4	1,32,254.9
Financial Liabilities					
Trade Payables	10,776.1	-	-	-	10,776.1
Debt Securities	74,526.4	2,865.9	-	-	77,392.3
Deposits	-	-	43.6	-	43.6
Lease Liabilities	10.3	10.1	872.6	126.4	1,019.4
Other Financial Liabilities	16,521.6	-	-	-	16,521.6
Total	1,01,834.4	2,876.0	916.2	126.4	1,05,753.0
Net excess / (shortfall)	(52,628.4)	79,886.9	(888.6)	132.0	26,501.9



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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

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:

- Equity Price Risk
- Interest Rate Risk
- Currency Risk

Total market risk exposure:

(₹ million)

	March 31, 2022			Primary risk sensitivity
	Carrying amount	Traded risk	Non traded risk	
Financial Assets				
Cash and cash equivalent and other bank balances	56,166.1	-	56,166.1	
Derivative financial instruments	0.8	0.8	-	Equity Price and Currency
Financial assets at FVTPL	2,537.3	2,430.2	107.1	Interest rate, Equity Price and Currency
Trade Receivables	3,848.3	-	3,848.3	Equity Price and Currency
Loans	68,566.7	-	68,566.7	Equity Price
Other Financial assets at amortised cost	1,135.7	-	1,135.7	
Total	1,32,254.9	2,431.0	1,29,823.8	

Notes

to Consolidated financial statements for the year ended March 31, 2022 (contd.)

(₹ million)

	March 31, 2022			Primary risk sensitivity
	Carrying amount	Traded risk	Non traded risk	
Financial Liabilities				
Trade payables	10,776.1	-	10,776.1	Equity Price and Currency
Debt Securities	77,392.3	-	77,392.3	
Deposits	43.6	-	43.6	
Lease Liabilities	1,019.4	-	1,019.4	
Other financial liabilities	16,521.6	-	16,521.6	
Total	1,05,753.0	-	1,05,753.0	

(₹ million)

	March 31, 2021			Primary risk sensitivity
	Carrying amount	Traded risk	Non traded risk	
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	

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.



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to Consolidated financial statements for the year ended March 31, 2022 (contd.)

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	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Impact of upward movement	(293.0)	(104.7)
Impact of downward movement	(377.4)	(213.9)

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 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	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Parallel upward shift	(0.9)	(137.6)
Parallel downward shift	(3.4)	159.1

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.

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.

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to Consolidated financial statements for the year ended March 31, 2022 (contd.)

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	
	For the year ended March 31, 2022	For the year ended March 31, 2021
₹ Depreciation	(28.1)	(23.0)
₹ Appreciation	(93.1)	(10.9)

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, 2022	For the year ended March 31, 2021
USD	Depreciation of 15%	(1.3)	(1.3)
	Appreciation of 15%	1.3	1.3
SGD	Depreciation of 15%	0.2	-
	Appreciation of 15%	(0.2)	-
GBP	Depreciation of 15%	(0.1)	(0.0)
	Appreciation of 15%	0.1	0.0
NZD	Depreciation of 15%	0.2	-
	Appreciation of 15%	(0.2)	-

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, 2022	For the year ended March 31, 2021
Impact of upward movement	(4.7)	(1.3)
Impact of downward movement	(5.2)	(8.4)

Impact has been derived based on highest single day commodity specific movement in last 15 years (data available for 12 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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to Consolidated financial statements for the year ended March 31, 2022 (contd.)

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)			
Currency	As at March 31, 2022	Within 12 months	After 12 months
ASSETS			
Financial Assets			
Cash and cash equivalents	7,735.9	7,735.9	-
Bank balance other than (a) above	48,430.2	48,424.3	5.9
Derivative financial instruments	0.8	0.8	-
Securities for trade	2,430.2	2,430.2	-
Receivables			
(I) Trade receivables	3,848.3	3,848.3	-
Loans	68,566.7	68,566.7	-
Investments	107.1	-	107.1
Other financial assets	1,135.7	962.7	173.0
	1,32,254.9	1,31,968.9	286.0
Non-financial Assets			
Current tax assets (net)	1,247.1	-	1,247.1
Deferred tax assets (net)	424.1	-	424.1
Property, plant and equipment	627.2	-	627.2
Right-of-use of assets	899.0	18.9	880.1
Capital work-in-progress	109.6	-	109.6
Intangible assets under development	32.6	-	32.6
Other intangible assets	309.5	-	309.5
Other non-financial assets	558.2	496.7	61.5
	4,207.3	515.6	3,691.7
Total Assets	1,36,462.2	1,32,484.5	3,977.7
LIABILITIES			
Financial liabilities			
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	10,776.1	10,776.1	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Debt securities	77,392.3	77,392.3	-
Borrowings (Other than debt securities)	-	-	-
Deposits	43.6	-	43.6
Lease Liabilities	1,019.4	20.4	999.0
Other financial liabilities	16,521.6	16,521.6	-
	1,05,753.0	1,04,710.4	1,042.6
Non-financial Liabilities			
Current tax liabilities (net)	-	-	-
Provisions	151.0	26.0	125.0
Other non-financial liabilities	6,252.9	5,226.0	1,026.9
	6,403.9	5,252.0	1,151.9
Total Liabilities	1,12,156.9	1,09,962.4	2,194.5
Net	24,305.3	22,522.1	1,783.2

Notes

to Consolidated financial statements for the year ended March 31, 2022 (contd.)

(₹ million)			
Currency	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			
(l) 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			
(l) 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



Notes

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44. INFORMATION AS REQUIRED PURSUANT TO REGULATION 52(4) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015:

Key Financial Information

(₹ million)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Debt Equity Ratio ¹	3.18	1.93
Debt Service Coverage Ratio ²	0.26	0.42
Interest Services Coverage Ratio ³	7.99	15.67
Net Worth ⁴	₹ 24,305.3 Million	₹ 18,221.1 Million
Net Profit after tax	₹ 13,826.0 Million	₹ 10,677.2 Million
Earnings per share (Diluted)	₹ 42.69	₹ 33.08
Outstanding redeemable preference shares	Not Applicable	Not Applicable
Capital redemption / Debenture redemption reserve	Not Applicable	Not Applicable
Current Ratio	1.20	1.28
Long Term Debt to Working Capital Ratio ⁵	Nil	Nil
Bad Debts to Accounts Receivables Ratio	0.63%	0.97%
Current Liability Ratio	0.98	0.96
Total Debts to Total Assets	0.57	0.43
Debtors Turnover Ratio ⁶	6.90	4.80
Inventory Turnover Ratio	Not Applicable	Not Applicable
Operating Margin (%) ⁷	53.94 %	55.32%
Net Profit Margin (%) ⁸	40.25 %	41.29%

¹ Debt Equity Ratio = Debt (Borrowings + Accrued Interest) / Equity (Equity share capital + Other Equity)

² 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)

³ Interest Service Coverage Ratio = Profit before interest and tax / Interest expenses (excludes interest costs on leases as per Ind AS 116 on Leases)

⁴ Net Worth = Equity + Other Equity

⁵ Company do not have any Long Term Debt and hence the ratio is Nil

⁶ Debtors Turnover Ratio = Fee and Commission Income / Trade Receivables

⁷ Operating Margin = Profit before tax / Total Revenue from operations

⁸ Net Profit Margin = Profit after tax / Total Revenue from operations

45. SUBSEQUENT EVENT - PROPOSED DIVIDEND

The Board of Directors at its meeting held on April 20, 2022, have recommended a final dividend of ₹ 12.75 per equity share (on face value of ₹ 5 per equity share), subject to the approval of the members at the ensuing annual general meeting. In terms of Ind AS 10 "Events after the Reporting Period", the company has not recognised final dividend (including tax, if any) as a liability at the end of the reporting period.

46. RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 16 – Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company has evaluated the amendment and there is no impact on its financial statements.

Notes

to Consolidated financial statements for the year ended March 31, 2022 (contd.)

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The Company has evaluated the amendment and there is no material impact on its financial statements.

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, 2022, 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

ICAI Firm Reg. No.: 101248W/W-100022

VAIBHAV SHAH

Partner

Membership No : 117377

Mumbai, April 20, 2022

For and on behalf of the Board of Directors

VINOD KUMAR DHALL

Chairman

DIN - 02591373

VIJAY CHANDOK

Managing Director & CEO

DIN - 01545262

RAJU NANWANI

Company Secretary

AJAY SARAF

Executive Director

DIN - 00074885

HARVINDER JASPAL

Chief Financial Officer

Notes

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Notes



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