2022-23
Integrated Annual Report

ICICI Securities

Simplifying. Democratising.

Facilitating financial freedom

What Lies Ahead

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

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KEY HIGHLIGHTS – FY2023

Financial

₹34.3 Billion
Revenue
19% CAGR (FY2019-23)

₹11.2 Billion
PAT
23% CAGR (FY2019-23)

42%
Return on Equity (FY2023)

Operational

9.1 Million
Client base
20% CAGR (FY2019-23)

₹5.9 Trillion[1]
Total Client Assets
25% CAGR (FY2019-23)

₹3.2 Trillion[2]
Wealth Client Assets
34% CAGR (FY2019-23)

₹19
Dividend (Interim + Final)
Over 50% Consistent Payout

1. Assets of our clients including equity demat assets maintained with ICICI Bank and excluding promoter holding, as on March 31, 2023 and March 31, 2019

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, 2023 and March 31, 2019

Simplifying. Democratising.

Facilitating financial freedom

At ICICI Securities, we have embarked on a journey to further simplify and democratise the world of finance. We are committed to being a knowledgeable and trusted financial partner through the lifecycle of our clients. We continue to invest strategically in the innovation of products and solutions that are aligned to the transforming market opportunities and the unique needs of clients across categories.

It is our continuous endeavour to improve the financial outcomes of our clients by giving them complete control of their financial decisions. We are focussed on creating multiple touchpoints to engage with our clients, and empower them to take considered decisions in their financial journey.

Our simplification and democratisation efforts are driven by our deep-rooted industry expertise, holistic experience, adoption of digital technologies, and continuous expansion across the financial services portfolio. As India's leading wealth-tech firm evolving into a new-age financial marketplace, we continue to enhance our focus on the creation of lifetime value for our customers. We are dedicated to fulfilling the changing aspirations and requirements of our clients, and endowing them with the financial freedom needed to secure their future.

About this Integrated Report

ICICI Securities is focussed on the creation of sustainable long-term value for its stakeholders. We follow a responsible approach to business to drive 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, 2022 to March 31, 2023.

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

Dr. Gopichand Katragadda
Independent Director

Mr. Rakesh Jha
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

Empowered to Deliver Financial Powers

ICICI Securities Ltd. is India's leading wealth-tech firm, with an expanding bouquet of financial services for the country's diversified clientele. Our portfolio is designed to meet our clients' needs in the areas of investments, protection and borrowing. We have developed four clear business lines – broking, distribution of financial products, wealth management and investment banking – to meet these needs.

Headquartered in Mumbai, ICICI Securities (I-Sec) is the only listed wealth-tech company in India to be rated as AAA. The Company has progressively emerged as the preferred financial services destination for diverse customers – from retail and institutional investors to corporates, high net-worth individuals and the government.

I-Sec is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). It is also a member of the Financial Industry Regulatory Authority (FINRA)/ Securities Investors Protection Corporation (SIPC). Its activities include dealing in securities and corporate advisory services in the United States. It is also registered with the Monetary Authority of Singapore (MAS) and operates a branch office in Singapore.

In line with its omnichannel approach, I-Sec operates www.icicidirect.com, India's leading virtual financial marketplace, and a family of apps like ICICIdirect, ICICIdirect Markets, ICICIdirect iLearn etc. It has a physical footprint across 65+ cities in India, and also serves clients through a nationwide network of business partners.

Pillars of our Business Philosophy

VISION

Simplify and democratise the world of finance by being a knowledgeable and trusted financial partner for life

MISSION

Create the most vibrant, trustworthy and knowledge-based digital financial marketplace to help our customers efficiently navigate their financial lifecycle journey

MOTTO

Facilitating financial freedom

CORE VALUES

Ethics and Integrity

- No grey areas

Equitable, Fair, and Transparent

- Diverse & Inclusive
- Our stakeholders know exactly what to expect of us
- Empathetic

Customer First

- What's good for the customer is good for us
- Lifetime relationship > transactional gain

Collaborative mindset and approach

- Together, we can achieve anything
- A dependable partner
- Build, Buy or Ally
- 1+1 = 11

Innovate to challenge status quo

- There's always a better way to do the job
- Forever curious
- Continuous evolution

Bias for action

- Execution trumps strategy

LIFECYCLE VALUE CREATION

We are focussed on innovating and delivering products to service the lifetime needs of customers. This helps in giving customers the financial freedom needed to ensure their growth and empowerment at every stage of life.

OUR TRUST EDGE

ICICI Securities manifests the strong trust and credibility ethos embedded in ICICI Group, of which it is a subsidiary. Led by the overarching aim of 'Creating Informed Access to the Wealth of the Nation', we provide our clients comprehensive research, advisory and execution services. Our sustained financial performance and shareholding returns lend us a strong competitive edge.

WE ARE ON A PROGRESSIVE JOURNEY TOWARDS...

Becoming a Digitally Integrated Financial Marketplace by FY2025 by:

- Scaling up our non-broking business streams like Margin Trade Fund (MTF), Portfolio Management Services (PMS) and Distribution of mutual funds, loans and insurance, among others
- Deepening the customer mindshare and walletshare through an ecosystem-focussed approach
- Transforming from Transaction to Experiential – via Products, Alliances, Technology

We are evolving into a digital "NEO financial services' marketplace" to drive the financial freedom of our customers, a large number of whom belong to the Tier II and III cities and towns of India.

Diversification

- Diversify revenue and customer base
- Continue to scale relatively new business

Investing in Marketing & Talent

- Brand building
- Proportion of new initiative
- Talent acquisition in focus areas

Focussing on Operating Leverage

- Increase profitability

THIS EVOLUTION PROCESS ENCOMPASSES

Investing in Next Gen Technology

- Future-ready architecture
- Agile and scalable platform
- Launch digital layers
- Cloud-ready

Strengthening Product Proposition

- Attract, onboard & retain customers
- Capture financial ecosystem
- Form alliances & partnerships

BUSINESS SEGMENT OVERVIEW

Our business model is structured to meet the unique and transforming needs of our clients through a sub ecosystem approach. We have created suitable sub ecosystems for different categories of clients – Gen Z and Young Millennials, Mass Affluent and High Net-worth Individuals (HNIs), Self Employed, Salaried, Retirees *etc.*, as per their specialised needs.

Continuous simplification of our business process has enabled us to deliver sustained positive performance across the sub ecosystem groups. This performance positivity is reflected in each of our business segments and across our product portfolio.

This is what our business segments look like

	Overview	Products and Services	Performance
RETAIL EQUITY	Offering all investment and trading solutions, across asset classes, to retail investors, through our comprehensive platform and a bouquet of digital properties.	Investment and trading across asset classes, including equity, commodity, derivatives, currency, margin trading funding, offshore investments, *etc.*	**₹19,770 Million** Retail equity & allied revenue 2% y-o-y
DISTRIBUTION OF FINANCIAL PRODUCTS	Servicing clients with a wide gamut of proprietary and third-party products, designed to meet their varied life stage needs. Providing them with a personalised experience through an omnichannel model, blending platform and platform-assisted approaches.	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).	**₹6,682 Million** Distribution revenue 11% y-o-y **₹3,832 Million** Mutual Fund revenue
PRIVATE WEALTH MANAGEMENT	Servicing High Net-worth Individual (HNI) clients through innovative products and solutions to meet their investment, business and allied needs.	**Investment solutions** (Equity, Fixed Income, Offshore and Alternate Investments *etc.*) **Value-added services** (Insurance, Mortgages & Loans, Tax Advisory and Estate Planning) **Customer engagement** W.r.t their business needs (raising equity capital, debt syndication and monetising assets)	**₹3.22 Trillion** AUM 13% y-o-y

	Overview	Products and Services	Performance
INSTITUTIONAL EQUITY	Offering domestic and international institutional clients brokerage services. Empanelled with a large cross-section of institutional clients, and also offer Direct Market Access (DMA). Working with trade aggregators. Providing solutions like block deals to give our clients liquidity and enabling them to trade on Indian stock exchanges for 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.	**₹1,870 Million** Revenue **26% y-o-y**
ISSUER AND ADVISORY SERVICES	Providing 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.	**₹1,448 Million** Revenue **51% y-o-y**

OUR VALUE PROPOSITION

Our value proposition is aimed at facilitating financial freedom across target group.

Target Groups

- Retail Investors
- Foreign Institutional Investors
- Domestic Institutional Investors
- Government
- Family Office
- High Net Worth Individuals
- Mass Affluent
- Entrepreneurs
- Corporates

Service Channels

- Website
- Apps
- Relationship Managers
- Branch Network
- Business Partners
- Contact Centre

Product Portfolio

- Equities and 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 Market / Debt Capital Market
- Corporate Access
- Advisory

ENABLERS OF FINANCIAL FREEDOM

We have, over the years, developed a sharp strategic edge, powered by our core strengths. These strengths have emerged as the enablers driving the financial freedom journey of our clients.

Single digital window

For investments, insurance and loan products, backed by a multi-modal delivery channel

Exceptional proprietary research

Driven by in-depth knowledge and understanding of markets and asset classes

Innovation

Led by low cost and unique features such as eATM (instant liquidity on sale of shares) and MTF

Brand equity

Rooted in robust corporate governance framework and risk management culture, backed by sustainable and responsible business strategy

Sticky, diverse & multifaceted client base

Enabling diversified age group wise revenue mix, backed by ability to attract millennials & Gen Z and retain vintage customers

KEY TENETS OF OUR BUSINESS MODEL

Scalable | **Sustainable**

Agile | **Responsive**

Our free cashflow generating digital business model has remained secular, as witnessed in the rolling 3-year periods with a minimum of 27% PAT CAGR. The Company has displayed capabilities to scale down cost and maximise profit during tough times.

This is how our business model creates holistic value for all our stakeholders

Continuous investment in our Capitals	Focus on creation of responsible and sustainable business for our Stakeholders	Strategic approach aimed at becoming the most customer-centric Neo Financial Marketplace
FINANCIAL CAPITAL	Customers	• Become the most comprehensive financial services marketplace, serving the life cycle needs of Indians across investments, savings, wealth management, insurance and borrowing
MANUFACTURED CAPITAL	Government and Regulatory Bodies	• Create customer sub ecosystems based on their unique investment behaviour, needs and expectations (Gen Z and Young Millennials, Mass Affluent, HNIs, Self-employed, Salaried, Retirees *etc.*)
INTELLECTUAL CAPITAL	Shareholders and Investors	• Enhance and align our product stack to the sub ecosystems through customised products, supported by multiple channels of delivery as part of our omnichannel approach
HUMAN CAPITAL	Communities	• Follow a comprehensive ESG framework pillared on high standards of governance, ethics and risk management
SOCIAL AND RELATIONSHIP CAPITAL	Business Communities and Vendors	
NATURAL CAPITAL	Employees	

Message from the Chairman

> Initiatives like digitalisation and technological advancements and government's renewed push for 'Digital India' and 'Make in India' is expected to fuel capacity building in several areas like electronics manufacturing, EVs, textiles *etc.*

Dear Shareholders,

The fiscal year 2023 was an eventful one with inflation, interest rates, and supply chain disruptions continuing to remain key concern areas for businesses and policymakers. Financial markets experienced volatility and the central banks across the globe closely monitored inflationary pressures to adjust their monetary policies accordingly.

The Reserve Bank of India (RBI) continued to implement measures to support economic growth and stabilise inflation. Initiatives like digitalisation and technological advancements and government's renewed push for 'Digital India' and 'Make in India' is expected to fuel capacity building in several areas like electronics manufacturing, EVs, textiles *etc.* From being known for home to large global service delivery centres, the government is now aiming to replicate this for manufacturing, and this augurs well for the overall economic development of the nation.

For an Indian investor, FY2023 was highly volatile for equities, giving a flat return. In contrast, some other asset classes like gold (+13%), US$ (+9%), real estate (5%-6%) and bonds (3.3%) performed better. A volatile and flat market had its impact on new equity investors coming to the market; during the year, the number of new demat accounts opened fell approx 28% as compared to the previous year.

In the equities market, thanks to developments like entry of large number of younger and tech-savvy investors on the one hand, and launch of digital tools by players on the other, the derivatives segment continued its northward trend with daily traded volumes more than doubling in this sector, while the traditional cash equity segment shrank by a fifth.

In the secondary market, Foreign Portfolio Investors (FPIs) pulled out US$ 24.5 Billion while the domestic investors were net buyers to the extent of US$ 30.2 Billion, which was the highest ever. Retail investors reposed their faith in SIPs, which remained resilient with cumulative SIP flows of ₹ 1,560 Billion in FY2023 vs ₹ 1,246 Billion in FY2022. This strong retail inflow helped steady the markets during periods of FII outflow.

The Indian markets continued to benefit from the regulator's oversight who have doubled down on their agenda to safeguard retail investors and enhance transparency. During the year, the regulator announced a series of measures like Two Factor Authentication (2FA) for accessing online trading platforms, revision of peak margin norms, tighter norms for 'finfluencers', enhanced scrutiny of large brokers, and increased separation of customers' and brokers' accounts, and these are expected to further strengthen retail investors' faith in the system.

WEALTH-TECH

In the rapidly-evolving landscape of private wealth management, your Company, ICICI Securities, has emerged as a leading wealth-tech player in India with over 78,000 wealth customers and ₹ 3.2 Trillion asset base. We are leveraging technology to transform the way individuals and family offices manage and grow their wealth.

Icicidirect.com, our wealth-tech platform, offers clients seamless access to a wide range of investment opportunities, personalised financial planning tools, and real-time market insights. Its user-friendly interfaces and intuitive design help investors navigate the complexities of the financial markets with ease.

We are harnessing the power of data and advanced analytics to drive informed decision-making and provide tailored recommendations to our clients, taking into account individual risk profiles and financial goals. Through our digital-first approach, we are committed to democratising wealth management, providing curated investment products and services that cater to investors at various stages of their financial lifecycle.

The Indian markets continued to benefit from the regulator's oversight who have doubled down on their agenda to safeguard retail investors and enhance transparency.

SUSTAINABLE GROWTH

At ICICI Securities, we have always believed sustainability to be integral to our long-term business growth and holistic stakeholder value creation. Our Environmental, Social and Governance (ESG) focus is in tandem with this belief, and we continue to raise the bar of our ESG performance year-on-year. Our continued progress on the key metrics of ESG reflect our unwavering commitment to sustainable growth; in recognition of our increased disclosures and progressive policies, MSCI has upgraded our ESG rating to BBB from BB.

This year, under Project Hameri, our ongoing initiative in partnership with World Wide Fund for Nature (WWF) – India, we trained 500 women living in the midst of the Corbett landscape of Uttarakhand in new skills like food processing and handicraft training.

We have continuously expanded the ambit of our social outreach to improve the quality of life of the underprivileged through comprehensive programmes in healthcare, skill development, sustainable livelihood, youth and women empowerment, and rural development, among others. During the year, our CSR projects, undertaken directly and through our partner ecosystem, touched 0.13 Million lives.

Through the ICICI Foundation, we supported training for 7,200 youth during the year, of which 96% have been offered placement opportunities. This year, under Project Hameri, our ongoing initiative in partnership with World Wide Fund for Nature (WWF) – India, we trained 500 women living in the midst of the Corbett landscape of Uttarakhand in new skills like food processing and handicraft training.

Under our healthcare initiative, we support Tata Memorial Hospital in treatment to patients, providing medical equipment and medical infrastructure. During the year, we helped Homi Bhabha Cancer Hospital and Research Centre (HBCH & RC), Mullanpur conduct 657 early cancer detection camps which screened over 80,000 women. In association with NIMHANS, we ran a project for Alzheimer's patients which included early detection, assistance, and awareness programmes. We also supported cataract surgeries of ~2,000 needy senior citizens and treatment of ~650 underprivileged children.

In some of our other community outreach activities, we provided two life support ambulances to Sashastra Seema Bal, and provided clean drinking water and sanitation for residents at three hamlets in Nashik district of Maharashtra.

We support a number of entrepreneurs – through IIT Bombay's incubator cell – particularly those who are developing a promising technology with a potential for a major impact in healthcare. We are supporting start-ups in various stages of developing and commercialising products in the areas of wearable mobility, genomics, burn treatment, and robotic arms.

MOVING AHEAD

Given our current under penetration of almost all investment products and the expected long-term economic growth over the next couple of decades, the long-term trend of increased financialisation, equitisation, and digitisation of savings remains intact, and we are ideally positioned to harness this opportunity. We are confident that our focussed investments to build brand, capability, and delivery will continue to drive our performance positivity.

In addition to the strength of products and distribution, trust in our business is key; it can only be built over the years and across business cycles. We feel our brand is trusted across customer segments and we maintain a very sharp focus on compliance, governance and risk management, and hence we are confident of remaining relevant to all strata of customers for meeting their lifecycle needs.

As we move forward on the road to aid financial freedom for our growing customer base, it will be our endeavour to reinforce the drivers of our business strategy. These include strengthening our open architecture acquisition model; expanding our offering to cover the entire gamut of investments, insurance and loan portfolios, and reinforcing our customer coverage model. We will continue to simplify and democratise access to the world of finance. The private wealth opportunity landscape looks bright and welcoming, and we are fully geared to embrace it at the back of our core strengths, with particular focus on continued investments in digitalisation and innovation.

As we stride purposefully towards realising our business objectives, we seek to further leverage our close relationship with our parent, the ICICI Bank, for enhancing the Company's performance and the service levels to our customers. Our synergistic and symbiotic relationship is expected to provide a strong fillip to our growth strategy.

I am confident that with your sustained confidence and support, we shall succeed in creating a vibrant and dynamic platform where every Indian will have the freedom to grow their wealth and become financially empowered.

I am confident that with your sustained confidence and support, we shall succeed in creating a vibrant and dynamic platform where every Indian will have the freedom to grow their wealth and become financially empowered. Before I conclude, I would like to thank all of you, as well as our customers, partners, associates, regulators, employees, and the communities at large, for their trust and cooperation. Together, I am confident we shall achieve our targets and goals to become stronger, bigger, better and more integral to every Indian's financial lifecycle.

Regards

Vinod Kumar Dhall
Chairman

Message from the MD & CEO

> We were among the top performers in procurement in majority of the IPOs marketed during the year, underlining the inherent strength of our business and validating the success of our strategy.

Dear Shareholders,

I am pleased to present to you the annual report for FY2023, which highlights the achievements and challenges faced by your Company, which is India's leading wealth-tech player, over the past fiscal year.

FY2023 was marked by significant developments in the global economy. With the impact of COVID-19 pandemic weaning off, there was recovery and resurgence of economic activities across the world, with vaccination rollout and fiscal stimulus measures playing a crucial role in revitalising economies. However, ongoing geopolitical tensions, supply chain disruptions, and inflationary pressures remained key concerns.

FY2023 saw the Indian equity markets return hardly any gains to investors. During the year, the S&P BSE Sensex gained 0.72% while the Nifty 50 declined 0.6%. Indian headline indices outperformed global peers like the American Dow Jones, S&P 500, Nasdaq 100, Hong Kong's Hang Seng and Australia's S&P/ASX 200 while underperforming against Euro Stoxx 50, CAC 40, FTSE 100 and Japanese Nikkei 225.

With markets largely listless, investor sentiment also turned passive, leading to reduction of new retail investors entering the market to ~25 Million in FY2023 against ~35 Million in FY2022.

While some of the traditional areas like cash equity (average daily turnover down a fifth to ~₹575 Billion in FY2023) and investment banking (corporates raised less than half through IPOs in FY2023 against FY2022) were weak during the year, relatively new ones like derivatives (volumes up more than 2x), asset management, and wealth management products displayed growth.

We focussed on these growth categories and expanded our market share in them. This diversified our revenue composition and also helped in mitigating a tough market condition.

OUR FINANCIAL REPORT CARD

The Company's consolidated revenue stood at ₹34,254.8 Million as compared to ₹ 34,384.8 Million for FY2022.

The consolidated Profit after tax (PAT) decreased by 19% to ₹11,176.3 Million in FY2023 as compared to ₹13,826 Million in FY2022. This was principally on account of the Company not fully passing the increased cost of funds to its MTF (Margin Trading Fund) to customers in a weak capital market environment where investor sentiments was anyways impacted negatively.

Retail & Institutional Equity

During FY2023, the Company's retail equity and allied income decreased by 2% from ₹20,128 Million in the previous fiscal to ₹19,770 Million, and broking revenue was down by 19%, on account of weak retail activity in the market. While the higher yield giving cash equity volumes fell, the derivatives volumes which is low margin grew manyfold, which helped us broadly maintain retail equity revenues.

However, I am happy to share that our equity allied income grew by 38% from ₹6,382 Million to ₹8,831 Million over the year. This growth was led by increase in interest income earned on our Margin Trading Fund (MTF), along with increase in subscription fees and other charges earned on our various product propositions, including Prime, pledge charges recovery *etc.* Our Prime customer base continued to grow, standing at 1.15 Million as of March 2023. Our average MTF book also reported healthy growth of 1.3X over the previous year, making us the market leaders in this segment with ~23% market share.

Our institutional equity segment saw a 26% decline in revenue – from ₹2,538 Million in FY2022 to ₹1,870 Million in FY2023, as a result of the overall tough operating environment that led to subdued market conditions across India, Asia Pacific, UK and US. However, the Company's high ranks maintained with marquee domestic investors, along with improved traction with FPI investors, enabled us to improve our market share in this business. We were among the top performers in procurement in majority of the IPOs marketed during the year, underlining the inherent strength of our business and validating the success of our strategy.

Distribution of Financial Products

Our distribution income during FY2023 went up from ₹5,996 Million to ₹6,682 Million, in line with our diversification focus. I am happy to state that the revenue increase was led by growth in all the major product categories. Mutual Fund (MF) growth in this segment was a significant 9%, as we further consolidated our position amongst the largest MF distributors. Our MF Asset Under Management (AUM) reached an all-time high of ₹601 Billion in March 2023, which was 4% higher than March 2022. This clearly underscores the strength of our business strategy and the high levels of investor confidence in the Company as an evolving financials marketplace catering to the diverse needs of customers across categories.

Due to our strong focus on using analytics and mark-tech tools, we were able to drive customer engagement. During the year, our SIP flow rose 2% YoY and we have 3.2% of SIP market share, with SIP count at 1 million+.

Private Wealth Management (PWM)

At ICICI Securities, private wealth management has emerged as a strong focus area, with our strong acquisition machinery enabling us to continuously acquire more profitable clients. Our strong value proposition in this growing space led to a significant increase in the number of clients – from ~68,000 as at March 2022 to ~78,000 clients on March 31, 2023. Our broad-based, unique and curated product and services offering has increased client stickiness. PWM AUM rose from ₹2.86 Trillion in FY2022 to ₹3.22 Trillion in FY2023, while revenue went up from ₹9.24 Billion to ₹10.05 Billion during the same period.

I am pleased to share that ICICI Securities won four awards during FY2023 for excellence in private wealth management.

Issuer and advisory services

Sharp decrease in deal activity in the market led to a 51% decline in the revenue from our issuer and advisory services business – from ₹2,955.8 Million in FY2022 to ₹1,448.1 Million in FY2023. Market volatility caused transactions during the fiscal under review to remain considerably subdued. Notably, even in this demanding environment, the Company managed transactions across IPOs, QIP, Rights issues, advisory transactions, *etc.* in various sectors. We raised an impressive ₹295.34 Billion through various IPO issuances, which included India's largest IPO till date.

SIMPLIFYING AND DEMOCRATISING CUSTOMER JOURNEY

We, at ICICI Securities, have scaled up our journey to transform into a complete financial marketplace through product and customer diversification. We are focussed on reducing the impact of the cyclical nature of the equity broking business. Contribution of broking to our overall revenue has come down from 45% in FY2022 to 37% in FY2023, while our Distribution and Wealth businesses continued to scale positively as a result of our revenue diversification efforts. We also achieved customer diversification, with ~64% of the new customers acquired in FY2023 from the <30 years age group, 84% from Tier II & below geographies, and 66% sourced from channels apart from ICICI Bank. Our strategy of ramping up scale of clients also proved successful, helping us add 1.62 Million new clients during the year.

These are positive trends which reflect that your Company is well on track to achieve its strategic objective of evolving into a more universalised and democratised financial marketplace.

As part of our diversification thrust, we also focussed actively during the year on innovations and initiatives that will drive the democratisation of our products and solutions, making them easily available to customers across our business segments. Our efforts were directed towards making the customer journey more seamless, and enhancing their access to our services, irrespective of the age group, geography or economic background they belong to.

HARNESSING THE INDIAN PRIVATE WEALTH OPPORTUNITY

India's growing private wealth opportunity has opened new vistas of growth for experienced and trusted players like ICICI Securities. The Global Wealth Migration Review, brought out by Afrasia Bank and research organisation New World Wealth, had in 2019 predicted that India will overtake Germany and the UK to become the fourth largest wealth market in the world by 2028.

The HNI subsegment comprising individuals and families with investible assets of US$ 1 Million - 50 Million, which number ~0.8 Million, is our key focus area as we feel its an underserved segment. They are largely 'grown rich' Indians who while appreciating a world-class digital interface, also like the comfort of having access to a dedicated PM, and are willing to pay for service and advice. They are our core-private wealth customer cohort. Under this are the affluent segment, numbering ~17 Million individuals with networth of US$ 100K - 1Million. They value a full-service digital platform and we serve them through an ecosystem approach. This category is also underserved.

We feel we are naturally positioned to tap into this fast-growing customer segment with our differentiated Brand-Proposition-Platform led, and Relationship Manager supported engagement model. This proposition is pillared around four clearly articulated pivots, which we are progressively reinforcing through various targeted initiatives.

The first of these pivots is an open architecture approach. This means serving customers have a primary banking relationship with any bank. The second pivot is broadening of our product basket beyond equities to a whole range of products including fixed income, insurance, loans, retirement solutions, and entire wealth-related ones like PMS (portfolio management services) and alternatives, again in an open architecture format. To do this, we have expanded our partnerships in distribution of loans, life insurance, health insurance, and general insurance products. Our third pivot is transforming our approach from product-centric to customer-centric coverage, underwhich the right product – be it investment, protection, or loan – is offered to the customer, based on his or her profile and goals. And the fourth pivot is digitisation, where we are able to serve all these financial solutions in a personalised and digital form.

We have enhanced ourselves to morph into a wealth-tech platform, offering stocks, mutual funds, alternate investment products, managed portfolios, FDs, bonds, retirement solutions, loans, insurance and other value-added solutions like estate planning. These products cater to the needs of our customers throughout their financial life cycle of - wealth generation, preservation and transfer.

While the full benefit of our wealth-tech strategy will play out in time to come, it has already begun to deliver significant dividends. We remain optimistic of scaling this business materially as we are increasingly becoming a structural play in the Indian private wealth management opportunity.

SUSTAINING GROWTH THROUGH SUSTAINABLE INITIATIVES

At ICICI Securities, we are fully cognisant of the importance of propelling our ESG journey to sustain long-term, inclusive growth for the Company and all its stakeholders. We remain committed to making meaningful investments to promote environmental protection, ensure the welfare of our people and the communities around us, and strengthen the governance framework to fortify the trust of all our stakeholders. The CSR and ESG sections in this Report provide details of our initiatives and programmes that are making a positive difference in all these respects. Our FY2023 ESG Report, which has been uploaded on our website, will take you through our ESG journey of the year in more detail.

FUTURE ROADMAP

Looking ahead, we see several opportunities that will shape the landscape of our industry. We have identified several areas with long-term growth potential. These are further strengthening our F&O offerings, expanding the portfolio and distribution of loans and insurance products and partners, and further growing our PWM practice.

The rapid advancements in technology continue to revolutionise the way we interact with financial markets. Our ongoing investments in digital platforms, automation, and analytics position us at the forefront of this transformation. We are committed to leveraging these opportunities to enhance our services, improve operational efficiency, and drive sustainable growth.

Furthermore, the democratisation of investing has gained momentum, with increasing participation from retail investors. We continue our efforts to educate and empower investors and foster financial literacy. We are investing in providing tools allowing investors to participate in the market opportunities in a risk contained way. We are optimistic that the rising income levels of our target and existing customer base will benefit our retail equity, distribution and wealth management businesses, going forward.

The business landscape clearly looks favourable for a business like ours, which is well positioned to capitalise on the growth opportunities at the back of its strong innovation and digitalisation thrust. This, coupled with our expertise and relationships, gives us the confidence of delivering sustainable growth with accretive value to our stakeholders in the coming years. Our diversification strategy will continue to ensure a more balanced portfolio of products, customers and geographies, insulating us from the risk of concentration.

On this positive note, I would like to thank all our customers, people, partners and other stakeholders for their continued support and trust in ICICI Securities. I look forward to your sustained cooperation to take us forward in our journey of democratised financial services, enabling the individual and collective progress of our growing customer base, and the growth of the nation as a whole.

With best wishes,

Vijay Chandok
MD & CEO

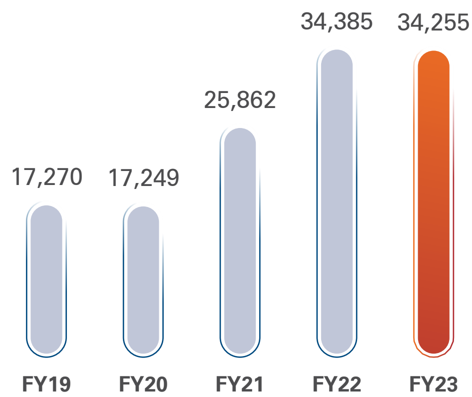
FINANCIAL OVERVIEW


Innovation
Branding
Solution
Marketing
Analysis
Ideas
Success
Management
Technology
Innovation
SYSTEM
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

5-Year Results at a Glance

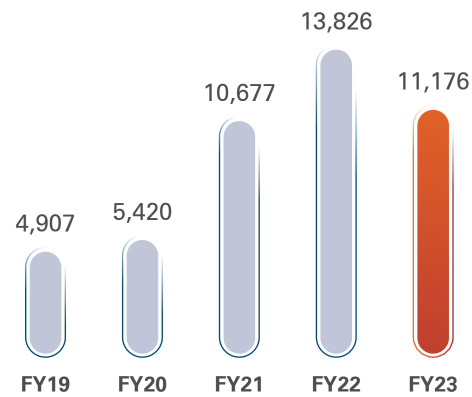
REVENUE

Figure in ₹ Million

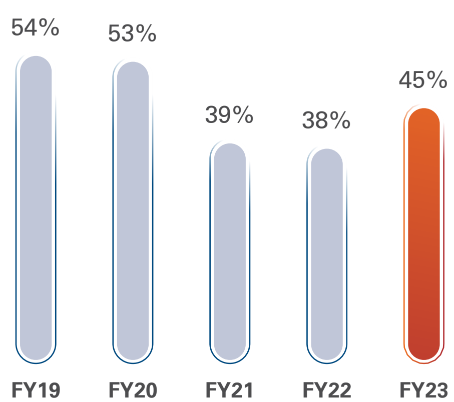


PAT

Figure in ₹ Million

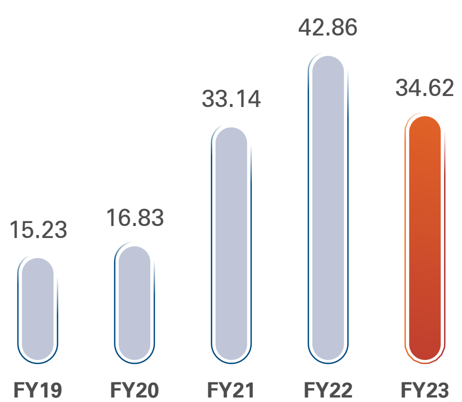


COST TO NET INCOME RATIO



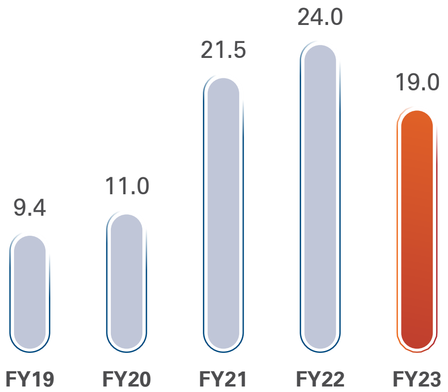
EPS

₹



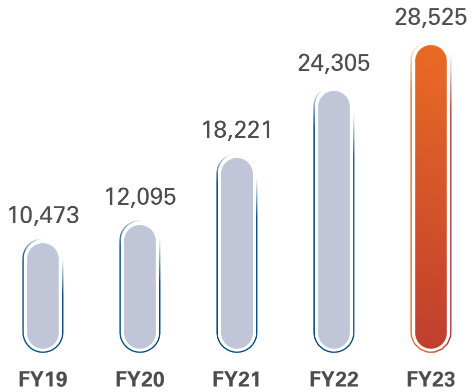
DIVIDEND PER SHARE

₹



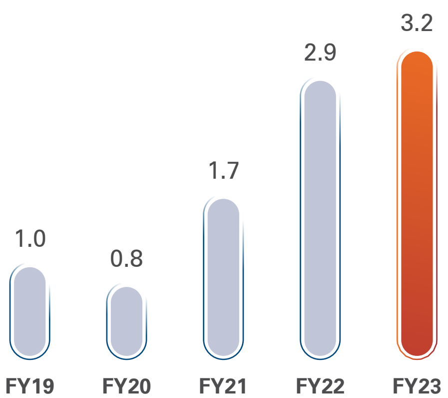
NET WORTH

Figure in ₹ Million



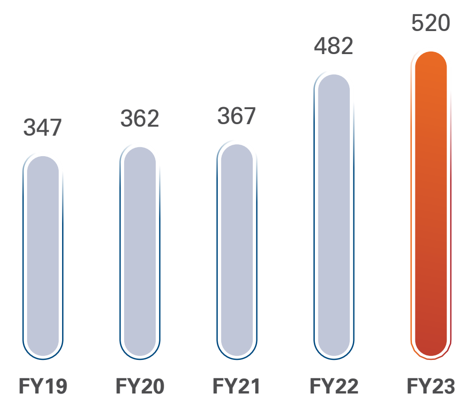
ASSETS - WEALTH MANAGEMENT

Figure in ₹ Trillion



MUTUAL FUND AVERAGE (AUM)

Figure in ₹ Billion



Investing Strategically in Capitals to Steer Democratic Growth across Stakeholder Groups

Our stakeholder value creation approach rests on our ability to capitalise on our strengths.

Considering the importance of our capitals to the organisation's performance and outcomes, we continue to invest in strengthening them. Our strategic investments in our capitals is a key engine driving the democratisation and empowerment of our stakeholder groups.

FINANCIAL CAPITAL

Covers shareholder equity and debt

Purpose

Helps to execute our strategic plans, and to invest in business growth and expansion

Outcome

Enables maintenance of our market leadership, and in generation, access and deployment of other forms of capitals

MANUFACTURED CAPITAL

Covers our infrastructure, as well as our tangible and intangible assets

Purpose

To ensure uninterrupted, sustained business operations

Outcome

Creates short and long-term value for all our stakeholders

INTELLECTUAL CAPITAL

Covers our knowledge repository and capabilities, including the collective expertise of our people and digital prowess

Purpose

To provide best-in-class offerings to our customers across our business segments

Outcome

Gives the Company a strong competitive edge in the industry

HUMAN CAPITAL

Covers our employees/ workforce

Purpose

To steer the success of our business strategy through empowerment and nurturance of our people

Outcome

Ensures realisation of our business goals, vision and mission

SOCIAL AND RELATIONSHIP CAPITAL

Covers our strong relationships with our clients, investors, regulators, suppliers and the community at large

Purpose

To help create societal value as a responsible corporate citizen

Outcome

Enables the Company to aid and support the creation of social and economic value for all our stakeholders

NATURAL CAPITAL

Covers initiatives taken to protect the natural environment

Purpose

To minimise the carbon footprint of our business operations

Outcome

Helps in reducing our dependency on natural resources, environmental and ecosystem resources as well as the land

Our Approach to Value Creation

CAPITALS › **INPUTS** › **PRINCIPAL ACTIVITIES**

Financial

- Total equity - ₹ **28,525 Million**
- Borrowings - ₹ **92,926 Million**

Manufactured

- Call centre executives - **170**
- Number of call centre facilities - **3**
- Investment to create open architecture fully digital platform capability for client acquisition

Intellectual

- Mutual Funds schemes available for distribution - **2,500+**
- Retail research team - **41**
- Institutional research team - **40**
- Investment banking team - **66**

Human

- Number of employees - **4,494**
- Total training hours - **2,75,915***
- Average training hours - **61/employee/year**
- Gender diversity - **25% women employees**
- Workforce under 30 years - **48%**
- Average age - **32 years**

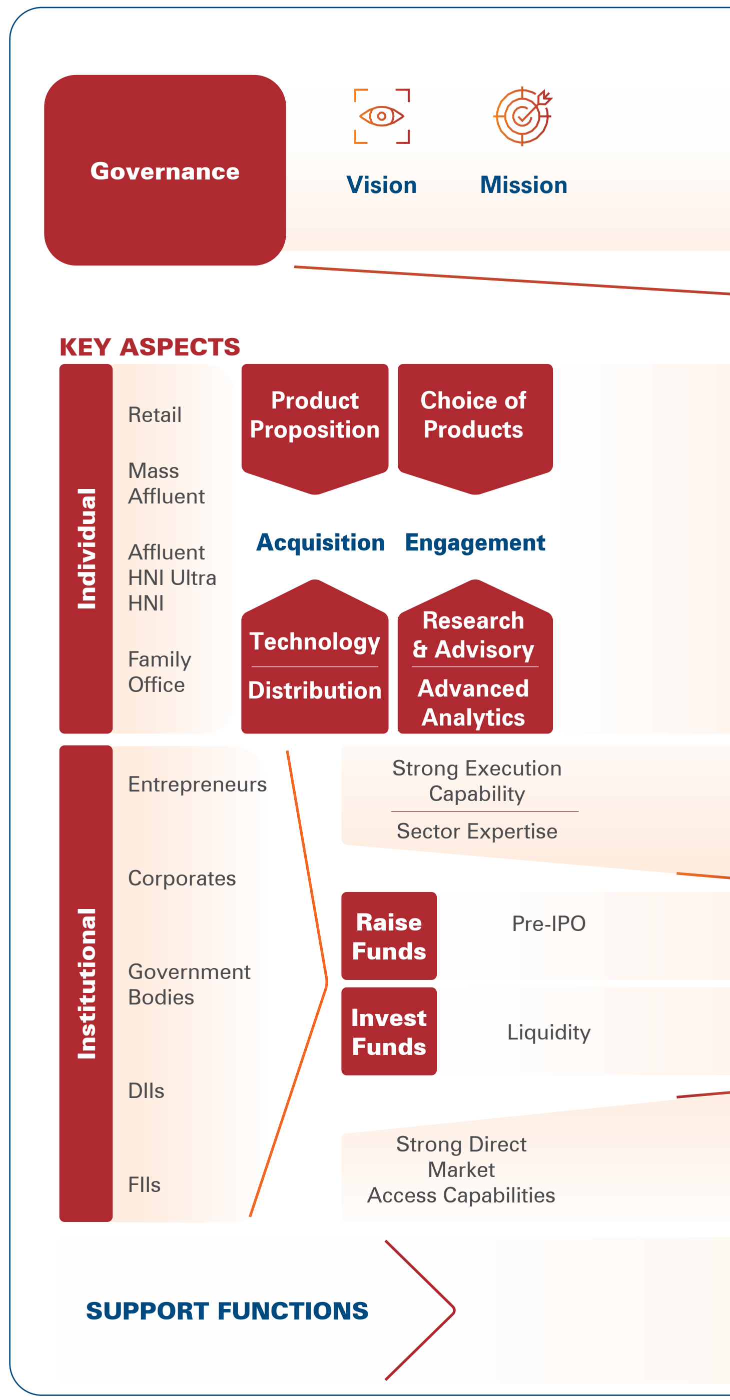
**Man hours invested in regulatory certifications like AMFI, IRDA, etc. are additional to the above training hours*

Social and Relationship

- CSR spend ~₹ **271.9 Million**
- Retail client base - **9.1 Million**
- NSE active clients - **2.3 Million**
- Business partners, authorised persons, and Independent Financial Associates - **~41,000**
- Lives touched through our CSR activities in FY2023 - **0.13 Million**
- AMC Partners - **39**
- Life Insurance Partners - **2**
- General Insurance Partners - **2**
- Health Insurance Partners - **5**
- Loan Partners - **12**

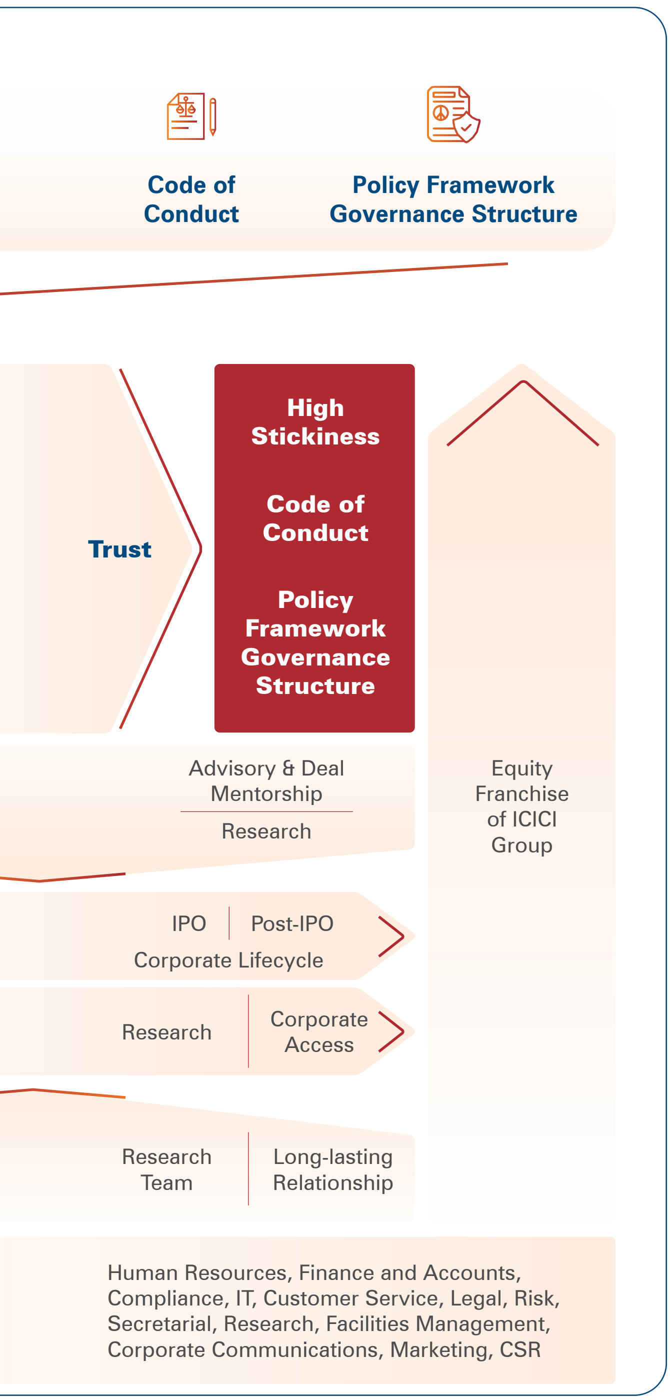
Natural

- Key resources used - **water, land, power**



VALUE GENERATED

OUTCOMES



For providers of Financial Capital

Delivery of consistent, profitable and responsible growth.

For customers

Value through superior products.

For our people

Equal opportunities ensuring capability building and training, in a safe work environment.

For our business partners

Close engagement and collaboration for knowledge enhancement, process improvements and product applications.

For communities around us

Support initiatives such as skill development for sustainable livelihoods, healthcare initiatives and environment initiatives towards elevation of their living conditions through our CSR interventions, besides ensuring no adverse impact of our production on the environment around us.

Financial

- Revenue - ₹ 34,255 Million
- PAT - ₹ 11,176 Million
- EPS - ₹ 34.62
- RoE - 42%
- Dividend - ₹ 19 per share (includes interim and final)

Manufactured

- Branches - ~140
- Cities - 65+
- Partner Bank branches presence - 6,500+
- Average Response time - <40 Millisecond
- Peak concurrent users - 0.5 Million
- Count of products launched and/or enhanced - 681
- Peak Orders - 1 Million+
- Peak Trade - 2.7 Million+
- Peak Volume - 5 Million+
- Reach expanded to 19,000+ pin codes in India and over 150 countries

Intellectual

- Retail broking research coverage - 370 companies
- Institutional broking research coverage - 382 companies
- Research reports published - 2,069 (Institutional) - 3,105 (Retail)
- Retail research strike rate - 68%
- Asiamoney 2022 Poll - Best Analyst for Metals and Mining, Telecom, and Utilities

Human

- Employees trained - 4,404 (98%)
- Revenue generated per employee - ~₹ 7.6 Million

Social and Relationship

- Number of customers added - 1.62 Million
- Number of customers traded in 2 or more products - 1.22 Million
- Cross-sell ratio - 1.53
- Partnered with WWF-India to train women in Uttarakhand in food processing and handicraft training
- Supported Tata Memorial Centre in direct treatment to patients and supply of medical equipment and infrastructure
- With NIMHANS, undertook a healthcare project on Alzheimer's disorder
- Supported cataract surgery of ~2,000 needy seniors
- Supported treatment for ~650 underprivileged children in need of tertiary healthcare
- Provided drinking water and sanitation to three rural Maharashtra hamlet residents
- Contributed to IIT Bombay's entrepreneurship centre (SINE) in their various environment and healthcare led initiatives
- Partnered with TERI in developing, implementing and scaling organic waste and sludge treatment technologies

Natural

- Reduction in paper consumption - 47% YoY
- Reduction in electricity consumption - 2% YoY
- Number of branches running on green energy - 23%
- Grid energy to green energy - 0.7 Million units

OPERATIONAL OVERVIEW

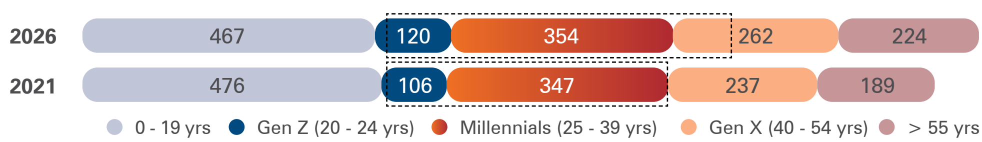
Identifying Opportunities to Enable Financial Freedom

The emerging opportunities in India's financial marketplace have catalysed a new wave of demand for innovative products and solutions. This demand surge is driven largely by the tech-savvy new generation of youngsters striving for financial independence. It is further aided by the country's growing digital native population, and the sustained government support to building both, digital and financial assets.

GROWING DIGITAL NATIVES COHORT

India's digital natives, comprising Gen Z and Millennials, are expected to increase by 15 - 20 Million annually, for the next 10 years. This would translate into a significant growth in demand for digital financial services in the country over the next one decade.

Digital Native Population - Population distribution (in Millions)



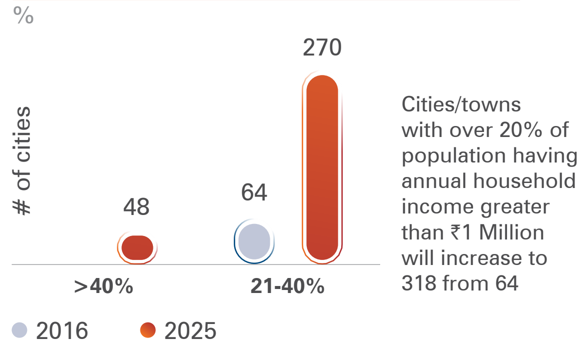
IMPROVING DIGITAL INFRASTRUCTURE

The ‘Digital India’ wave continues to grow and expand at the back of various government initiatives, led by “Aadharisation” (Aadhaar Card Project). The project seeks to empower the residents of India with a unique identity and a digital platform to authenticate anytime, anywhere. At the same time, the growth in Internet users, currently standing at 622 Million and covering 43% of the country’s population, offers a humungous opportunity to harness the increasing demand for new kinds of financial services. The low data cost and the increasing number of mobile connections (currently at 1.2 Billion, which is 79% of the total population) are further impelling the digital finance demand.
The capital flowing into fintech is also driving innovation in the financial services space, further pushing sectoral growth.

WIDELY SPREAD AFFLUENCE ACROSS INDIA & BHARAT

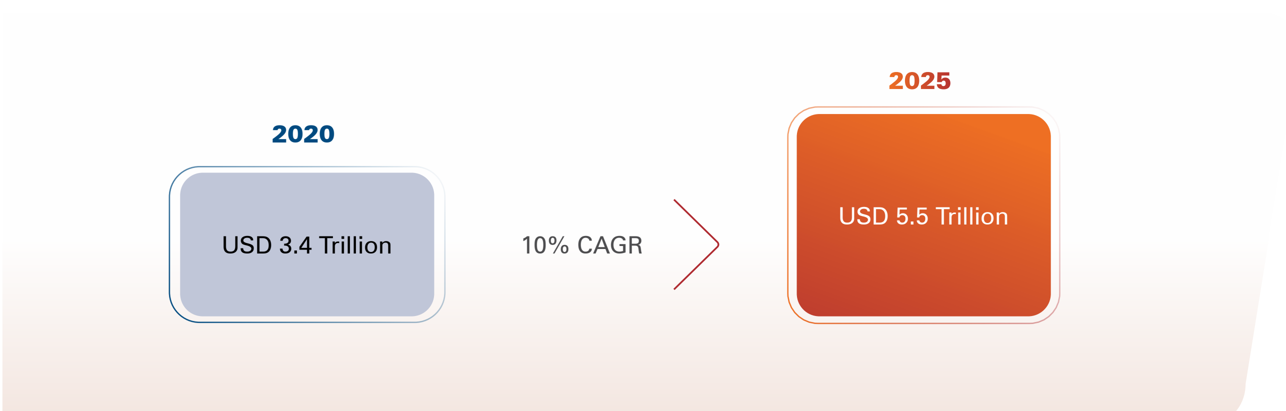
India is seeing a marked growth in average income, not just in the cities and towns but also in the semi-urban and rural areas. Besides propelling consumption, this is also driving enhanced savings and investments by the emerging affluent population.

SHARE OF AFFLUENT HOUSEHOLDS



INCREASE IN INDIA’S FINANCIAL ASSETS

To keep pace with the growth in economy and the increasing demand for financial services, India is also witnessing a significant growth in its financial assets. The projected 10% CAGR growth from 2020 to 2025 augurs well for the industry.



Source – Company Census of India, Kantar, 2020, IMF, BCG

The large under-penetrated India opportunity, as manifest in the scenario detailed above, has led to the emergence of two distinct customer segments. These two segments – Wealth & Affluence and Young Indians, have their own distinctive characteristics and requirements, with expectations of specialised offerings aligned with their unique needs.

Simplifying Customer Experience through Future-ready Products & Targeted Initiatives

The changing contours of India's financial landscape have necessitated an enhanced focus on simplification of customer experience. With a large number of financial services customers coming from Tier II and III towns, the need for making their financial journey simpler and more democratic has become sharper in recent years. This transformation is also pushing the demand for products that are relevant to even the most recent entrants to the financial services market. The two distinct segments resulting from the financial marketplace evolution are further driving the demand for differentiated products and solutions to meet their aspirations and expectations.

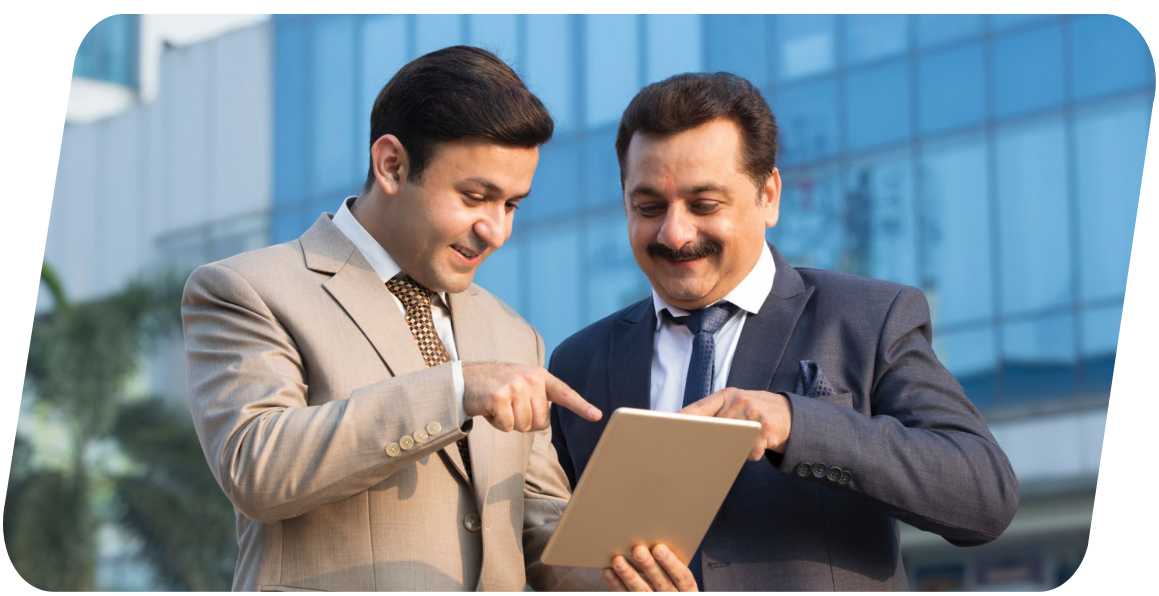
At ICICI Securities, we are focussed on building a product pipeline that is future-ready, and can keep pace with the emerging opportunity for our various products. We have aligned our business strategy to this evolving external ecosystem, with focus on innovating specialised products that match the needs of customers across the two key segments.

Wealth & Affluent

- Micro segment to provide hyper-personalised solutions
- Portfolio approach
- Holistic solutions across lifecycle financial needs
- Lifestyle and Loyalty programmes
- RM driven / assisted omnichannel approach

Young Indians

- Experiential Personal Finance Management digital proposition
- Interactive Learning and "Simulator"
- Marketplace approach to provide entire bouquet of Investments, Loans & Insurance
- Investor networking capabilities
- Do It Yourself / Call Centre



INNOVATING PRODUCTS TO SIMPLIFY CUSTOMER EXPERIENCE

During FY2023, we launched a host of new, future-ready products for simplifying and enhancing the customer experience, while expanding the ambit of their lifecycle engagement with I-Sec. Led by our focus on delivering a holistic experience to our customers, we further scaled our product proposition by rebooting the core products and bringing in new solutions designed to meet the emerging demands of customers.

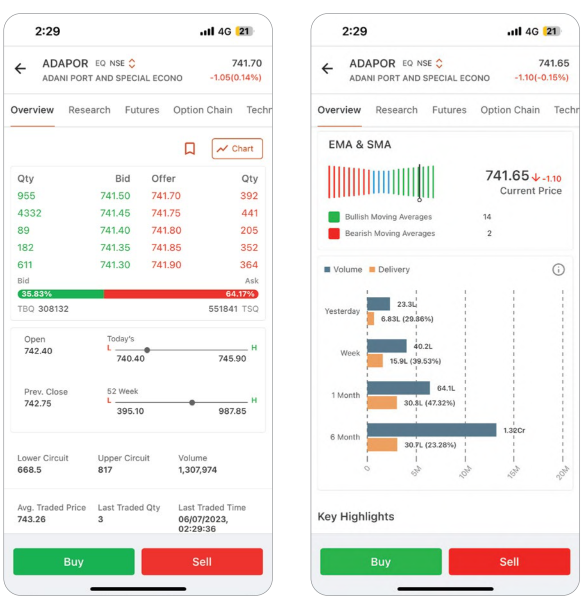
A glance at some of our new product innovations:

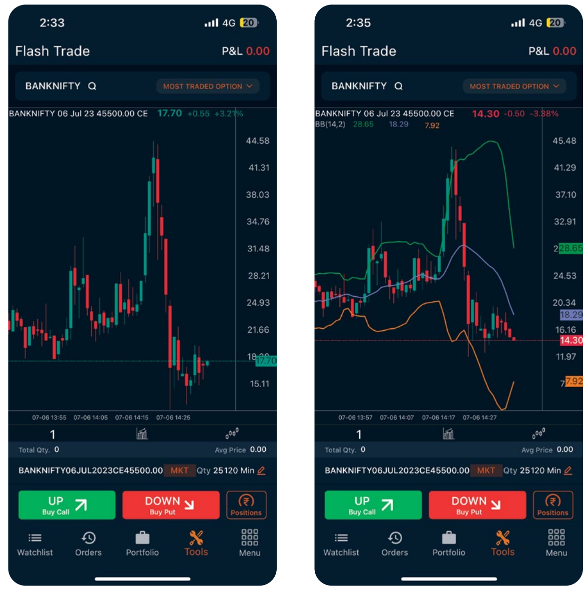
My Watchlist

This integrated trading product allows ICICI direct traders or investors to trade in Equity, Futures & Options, Currency and Commodity from a single window. 'My Watchlist' helps customers trade directly from a watchlist and chart, equipped with a host of exciting features to make their journey simpler and easier.

Super App

With the soft launch of Super App, we have taken a major step forward to provide all offerings to our customers at one place. This single app is designed to fulfil all the financial needs of customers, with superior interactive experience and simplified user journey.





Flash Trade

This first-of-its-kind tool in the Indian industry enables a single-screen trading experience for the young traders. It is devised to hand-hold the traders, and equips them with the necessary tools to manage the risks associated with trading and investments. This user-friendly tool helps traders visualise their entire trade on charts in a simplified manner, and allows them to trade with a single click of the button. Traders can also set time-based exit rules to minimise their losses and book profits.

Meta Cockpit

This is a new and innovative trading platform that we have created for the high-volume trader who needs quicker and more seamless access to our offerings.

Cloud Orders

This smart order trading platform is a simple and quick order placement tool. It helps the customer in saving all the favourite orders, so that they can be placed later with just a click.

Technical Charts

Customers can view live streaming charts for intervals from 1 minute to 1 month. The tool has more than 100 indicators, which help the customers analyse their strategies and make decision based on the analysis. We have tied up with two renowned global providers – ChartsIQ and TradingView, for the chart library.

PARTNERING TO SCALE CUSTOMER ENGAGEMENT

At I-Sec, we are continually exploring ways of expanding our customer base while enhancing customer experience. Our tie-ups with various institutions, including Chola Finance, IDFC Bank, HSBC, Aditya Birla Health Insurance and Manipal Cigna Health, are part of these efforts.

Through our exclusive partnership with IDFC Bank, we are offering 3-in-1 broking services to their clients. A similar partnership with HSBC Bank has given us access to their HNI customer base for providing them our equity products. This is the first-of-its-kind partnership for HSBC globally.

Under our arrangement with Chola Finance, we source customers and manage the relationship, while Chola provides the credit required beyond the amount if it exceeds ₹2 Million. We are currently in the process of digitising Chola into our platform to deliver the offering digitally to their customers, going forward.

Our partnerships with Aditya Birla Health Insurance and Manipal Cigna Health have opened new avenues of growth for us in the insurance business.

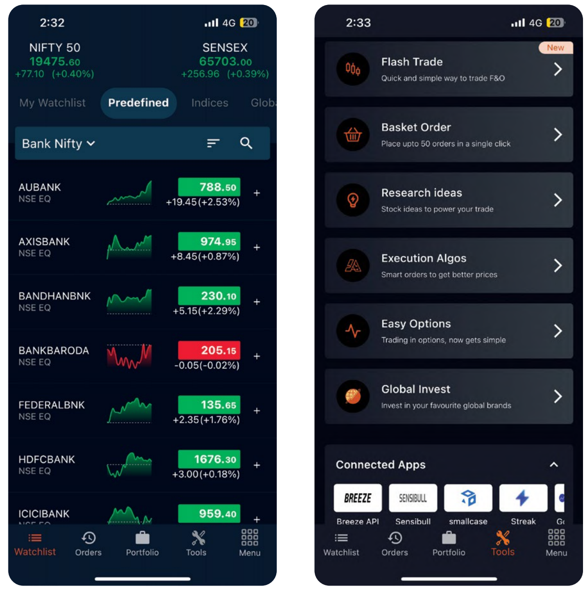
The recent launch of commodities as part of our MTF business has led to expansion of the lifecycle engagement experience of our customers in this space.

UPGRADATION OF ICICI DIRECT MARKETS APP AND LAUNCH OF ICICI DIRECT ALL-IN-ONE APP

We are consciously and continuously upgrading our digital properties. We have added new features and capabilities to the ICICI direct Markets app, the app targeted for equity traders. This upgradation is also aimed at improving customer journeys.

During the year, we have launched ICICI direct All-in-one app, which we also refer to as the 'super app' which provides next gen experience to customers across asset classes. The app has been very well received and we continue to add new features to it on a regular basis.

Both the apps are available on Playstore as well as App Store.



>4+ Million

Combined downloads of Markets and All-in-one apps

4.7

Rating for All-in-one app on Apple App Store

3.9

Rating for Markets app on Google Playstore

(As on March 31, 2023)

Our Board and Management oversight on customer experience and service underlines the importance we give to delivering experiential lifecycle engagement to our clients.

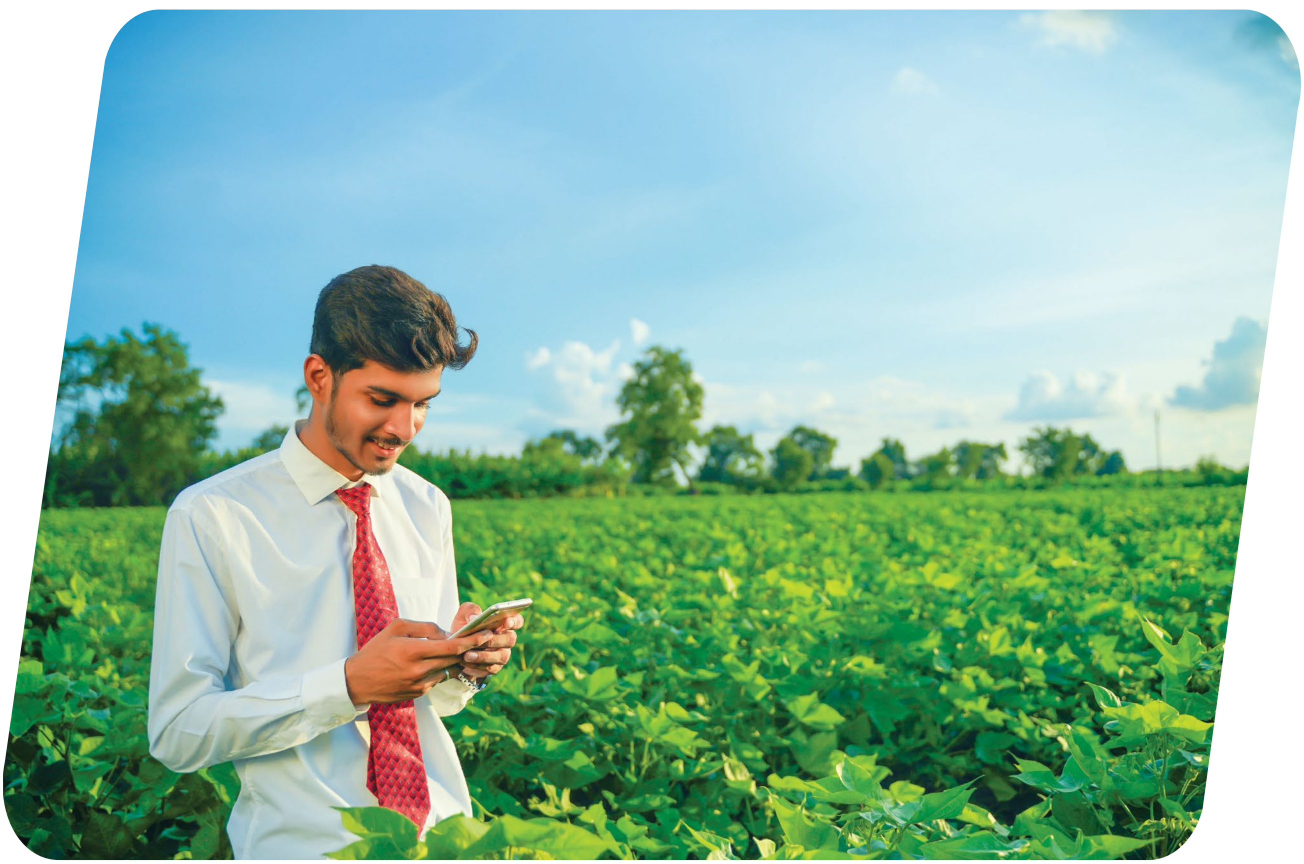
ENHANCING WEBSITE & MOBILE APPs

It is our constant endeavour to enhance our website and mobile app platforms to make them more all-encompassing. We are working to deliver all our offerings across our website and mobile apps, to ensure that they are within easy access of our customers.

Democratising Customer Outreach

For us, at ICICI Securities, providing easy access to the unbankable sections of the population is another key priority area. We strive to universalise our value proposition, to bring more and more new customers, including from India's semi-urban and rural areas, into the ambit of our financial services. We harness the power of data sciences to understand the requirements of our new customers, particularly the newly onboarded clients. We guide them into investing in the right products, tools and modules to meet their expectations.

At I-Sec, we use digitalisation to simplify the client experience at every stage, from onboarding to delivery of services.



OUR DEMOCRATISATION STRATEGY

We have adopted a multi-pronged strategy to democratise our customer service and outreach. It includes:

Investing in technology

Our investments in technology and digitisation are leading to improved customer experience and active client ratio. We are making regular investments in IT, data analytics, User Interface (UI) & User Experience (UX), and in enhancing the customer behaviour journey to simplify and enrich their overall experience. Our growing digital prowess is also enabling acquisition of customers with varied demographics. Upgradation of our tech stack is driving speed, flexibility and scalability in our business. We are in the process adopting Cloud, DevOps and modern data capabilities to enhance our technology edge. We have expanded our tech employee base by 2X, along with induction of new-age tech talent, tools and capabilities. Our NPS score continues to increase as a result of improvements made in our customer journeys.

Improving channel mix

We are continuously expanding our customer reach and base through proactive measures to augment our delivery network. We make all possible efforts to deliver to our customers in their preferred medium – be it the digital mode, or a light touch assisted digital channel, or a relationship-based mode of interaction. We strive to improve our channel mix, marked by our omnichannel presence and engagement. Besides the ICICI brick platform, our omnichannel model includes the Relationship Manager, Wealth Partners, Digital Relationship Team, Family Office Team and Digital Engagement (mobile, website & digital content).

Open architecture digital sourcing

This helps us in sourcing customers at higher scale and from newer geographies. The majority of the new clients acquired by I-Sec are Gen Z and Millennials, which is opening new vistas of opportunity for us to partner with them in their financial journey. We are building on our API framework to integrate fintechs and other tech-partners, as well as product and infrastructure partners.

MINING DEEPER THROUGH DATA ANALYTICS

Use of data analytics helps us to identify the customer network, and accordingly sharpen our approach and engagement modules. It facilitates our understanding of the evolving trends and growth in terms of the counter customers we are adding. We have created a Data Lake and are using multiple analytical tools (AI/ML/Python/Bigdata *etc.*) to bring out the intelligence from stored data to know more about the customer, with the aim to “Acquire, Engage & Retain”.

Our data analytics approach encompasses technological upgrades, improvement in customer engagement, sharp shooting, and new client acquisition. It also helps in deeper mining of existing clients with enhanced proposition to improve the wallet share. This further leads to more personalisation in terms of the services we provide to our clients, in sharp contrast to the simple reporting engagement we had with them earlier.

LAUNCHING NEW DIGITAL PROPERTIES AND PROPOSITIONS

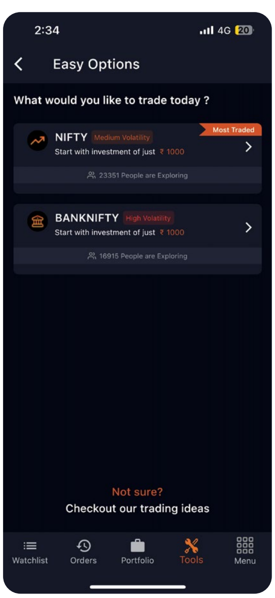
With technology and digitalisation a key driver of our democratisation focus, we launched various new properties and solutions during FY2023 to expand the ambit and efficacy of our customer outreach. In addition to the Super App which is already enhancing customer experience, we have launched the following new properties and features to create a more democratised structure and service proposition.

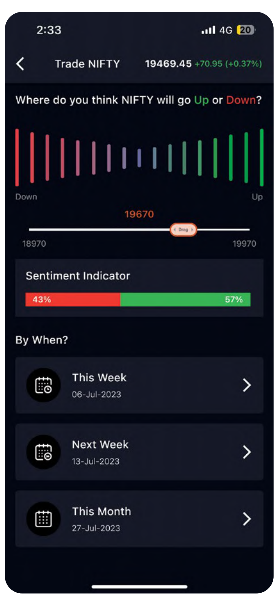
iLearn App

We have launched iLearn as a new-age learning platform for investors. It provides customers with easy access to learning content curated around several financial products and market topics. It equips customers with the robust knowledge required to better assist them in their investment journey. It includes both, standard and contemporary content, consisting of short videos and articles, podcasts, engagement formats, as well as an investor community platform. The app, which has shown encouraging initial traction, currently offers 550+ content pieces across various sections. The content will be updated on regular intervals on different topics, including current market developments. We also plan to introduce 'iCommunity' soon on the iLearn platform, to provide an opportunity of learning through fellow investors.

Easy Options

This facilitates trading in highly liquid options of Nifty and Bank Nifty in just a few clicks. Traders can buy Calls or Puts with limited risk, as the loss is limited to the premium paid. Traders can select strikes from recommended ATM, Near OTM and Far OTM options.





E-ATM

This industry-first feature provides instant liquidity within five minutes of selling shares from demat at no extra cost, as against the existing practice of T+1 working days for funds transfer.

Buy Now Pay Later (BNPL)

It has been launched as a Margins Finance Trading facility, with the flexibility to make the payment within a stipulated period.

One Click (Equity & Mutual Fund)

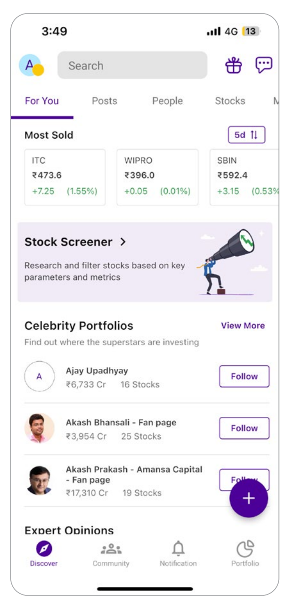
This tool provides readymade research solutions and is easy to transact and invest, with a few-click check-out.

ICICI direct Global

This best-in-class platform facilitates access to six major overseas markets – US, UK, Germany, Japan, Hong Kong and Singapore, to the customers. The service enables investment in over 70 curated portfolios by leading global fund managers for a nominal fee. ICICI direct Global operates through partnerships with Interactive Brokers.

Multipie App

ICICI direct has acquired the start-up Multipie – a web and app based networking platform for the investor community. The platform enables investors to discuss, exchange ideas, and share views on stocks and other investment assets. Its strong content, community and engagement proposition are among the exciting characteristics of Multipie. It has features like stock discovery ideas, import stock portfolio, content creation with stock tags, user tags with Twitter integration and others.



'LIFEY' – GUIDING CUSTOMERS IN THEIR FINANCIAL FREEDOM JOURNEY

We have launched a product branded 'LIFEY' as a digital assistant to facilitate investors in selecting investment options for meeting their life goals. 'LIFEY – Lifestage Investments for You' is an innovative new tool aimed at helping customers accomplish their "lifestage" milestones in their journey towards financial freedom. These could include owning a new car, purchase of a house, saving for marriage expenses, higher education for children, or wealth accumulation for retirement, among other things. LIFEY helps customers in smart asset allocation and construction of carefully curated portfolios, primarily consisting of mutual funds based on fund selection by ICICI direct research. The recommendations are data-driven and driven by the customer's risk taking appetite. LIFEY also helps in building 'do-it-yourself' fund baskets, and allows customers to create additional customised milestones based on their individual needs.

To drive customer longevity, we have recently invested in marketing tech stack and social networking to try and engage with customers digitally to have longevity.

ESG OVERVIEW


SOCIAL
GOVERNANCE

Empowering Stakeholders through Effective Stakeholder Management

Being responsive to the evolving stakeholder needs and aspirations is a deep-rooted ethos of our business strategy. We follow a partnership approach that ensures sustainable and impactful long-term growth for our stakeholders. Our stakeholder relationships are mutually beneficial, and our efforts are aligned towards strengthening the same on a continual basis. Our framework for the identification of stakeholder expectations enables us to stay engaged with them and ensure timely response to their needs. The result is consistent value delivery to each stakeholder community.

CUSTOMERS

Importance & Expectations

- Vital to our business success
- Expectation of best-in-class experience, competitive pricing, innovative products and services, robust advice for accumulation, growth and conservation of wealth

Engagement Tools

- 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 roadshows
- Special engagement services for senior citizens and women
- Dedicated RMs
- iCommunity engagement platform for investment community

Response

- Sustained investments in latest, advanced technologies
- Systematic upgrade of customer care centres for enhanced service
- Wide range of innovative products and services
- Expert & knowledgeable staff

Value Delivery

- Wide bouquet of diversified products and services
- Continuous innovation to develop superlative propositions
- System and process development and improvement

BUSINESS PARTNERS AND VENDORS

Importance & Expectations

- Facilitators of our operational growth, and instrumental in strengthening our market reputation
- Expectation of fulfilment of contractual obligations, ensuring ease of doing business, long-term business sustainability, and transparent practices

Engagement Tools

- Channel partner meets, workshops, conferences and forums
- One-to-one meetings
- Telephonic and email communication
- Vendor communications and relationships

Response

- Compliance with obligations
- Maintenance of good long-term relationships
- Support through digital tools, advanced technologies and training
- Sustained business, with opportunity to grow

Value Delivery

- Timely payments to partners and vendors
- Quick resolution of issues
- Guidance, tools and support to grow their business

GOVERNMENT AND REGULATORS

Importance & Expectations	Engagement Tools	Response	Value Delivery
• Key role in formulating legislations and policies that impact our business, provide sanctions and clearances, and have the ability to revoke a licence • Expectation of compliance with statutory and legal guidelines, as well as contribution to national development	• Meetings with key regulatory bodies • Written communications • Presentations • Industry associations	• Contribution to exchequer • Strict adherence to relevant prevailing laws for supporting 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 • Providing feedback to regulator on various business operating aspects	• Providing suggestions and views on industry issues • High compliance with regulations • Supporting government initiatives

SHAREHOLDERS AND INVESTORS

Importance & Expectations	Engagement Tools	Response	Value Delivery
• Providing Company with funds • Expectation of long-term, sustainable returns through a clear consistent strategy, strong governance framework, and full access to relevant Company data	• Quarterly results • Investor presentations • Annual Report • ESG/Sustainability Report • Annual General Meeting • Investor/analysts calls and meet • Media releases • Website	• Well-defined business strategy to support efficient and sustainable scaling of operations • Strong leadership and Board supervision	• ₹ 19 per share – dividend (including proposed final dividend of ₹ 9.25)

COMMUNITIES

Importance & Expectations

- Give us the space and opportunity to operate
- Enable good health, development and clean environment for the community

Engagement Tools

- Enabling community development through CSR initiatives
- Meetings with associations/NGOs
- Local community meetings
- Social media advocacy
- Joint R&D projects

Response

- Financial & funding for CSR projects
- Project-specific partnerships with recognised NGOs
- Environment sustainability initiatives
- Driving social transformation

Value Delivery

- ₹ 272.6 Million as CSR funds towards livelihoods and other community initiatives
- Supported livelihoods of the under-served communities through CSR programmes and partnerships

EMPLOYEES

Importance & Expectations

- Facilitate the Company's continued success with their skills, knowledge and commitment
- Expectation of fair reward and recognition, job security, equity opportunity & meritocracy, as well as career development opportunities, along with a favourable environment

Engagement Tools

- Communication / talks by senior leadership
- Town hall briefings
- Regular review meetings
- Workshops, learning and training intervention programmes
- Engagement, wellness initiatives and off-sites
- Employee Alignment Study

Response

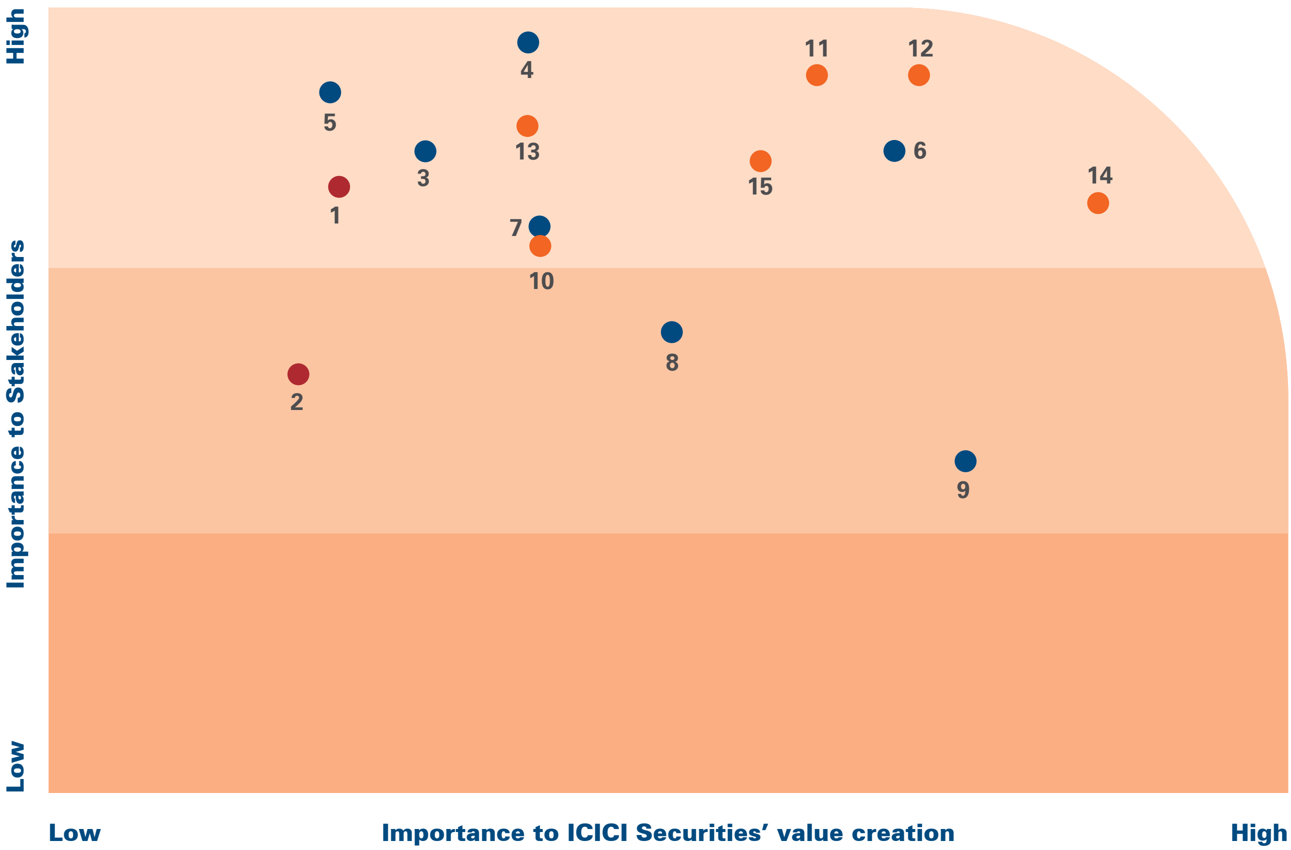
- Training, development and mentoring
- Communication of organisational strategy and key focus areas
- Technology skilling
- Performance & merit linked rewards
- Equal opportunity based on meritocracy
- Grievance redressal system
- Reward and recognition programmes
- Employee engagement activities

Value Delivery

- Average training man hour of 61 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

Identifying & Addressing Material Matters

The documentation of material matters and issues, which can impact our ability to create long-term sustainable value for our stakeholders, has helped us identify our key ESG focus areas. Regular stakeholder interaction and feedback mechanisms are in place for analysis of these material matters. Based on such analysis, we design, implement, sustain and improve the necessary process interventions across the stakeholder framework.



MATERIAL ISSUES

Environmental

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

Our priority ESG material issues, collated with the help of our internal and external stakeholders, are as follows:

Environmental | **Social** | **Governance**

Business Ethics, Anti-Bribery & Anti-Corruption	Ensuring integrity and ethical behaviour in all business practices is a key responsibility for financial institutions. *For more details, refer to ESG Report.*
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.*
IT Deployment & Automation	Robust digital ecosystem has become essential amid the evolving customer preferences. *For more details, refer to ESG Report.*
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.*

Environmental	Social	Governance
Transparency in Product & Service Offerings	Mis-selling / mis-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, mis-advisory possibilities. *For more details, refer to ESG Report.*	11 SUSTAINABLE CITIES AND COMMUNITIES
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.*	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Innovative Products	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.*	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
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.*	3 GOOD HEALTH AND WELL-BEING 11 SUSTAINABLE CITIES AND COMMUNITIES
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.*	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH
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.*	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
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.*	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

ENVIRONMENTAL

Protecting Natural Resources

At ICICI Securities, we have identified environmental conservation as a key priority for our sustainable, long-term growth. We are focussed on protecting the natural resources and minimising the carbon footprint of our operations through targeted actions. We adhere stringently to the Environmental Policy, approved by the Company's Board in FY2021.

VENDOR ALIGNMENT TO OUR SUSTAINABILITY AGENDA

We actively promote operational efficiencies and follow responsible procurement practices to nurture a sustainable ecosystem. We have drafted a well-structured Sustainable Procurement Policy and implementation is in process to ensure responsible sourcing across the organisation. We have also formulated an ESG risk screening framework for all high value vendors to promote the Company's ESG goals.

POWERING ENVIRONMENTAL SUSTAINABILITY

During FY2023, we continued to power ahead with our efforts to reduce energy consumption, minimise emissions and lower our carbon footprint.

- Installed 7,000 LED lights in Fascia and 1,588 LED lights in branches, resulting in a saving of 14,675 kWh per month of electricity
- The removal of six Diesel Generators (DGs) led to saving of 72 litres of diesel
- As part of our phased exercise to replace normal ACs with inverter ACs across all branches, initiated in FY2019, we have further reduced energy usage and emissions
- We are adhering to 24-degree temperature policy, ensuring that the ACs work at the standard optimum temperature to keep energy consumption in check
- Our Prabhadevi office is LEED Certified and we have committed to making all our tower offices LEED Certified
- We have successfully shifted from grid energy to green energy at all our locations in Maharashtra
- We undertake regular air and noise monitoring at our corporate office

We are testing the feasibility of installing a rainwater harvesting system and a solar panel at our corporate office.

PROMOTING ENVIRONMENTAL AWARENESS

Creating awareness about environment protection among our employees is a key aspect of our ESG efforts.

Encouraging eco-friendly commuting

- In a unique initiative, we have taken proactive steps to encourage employees staying within a 5-km range from office to commute by cycle. We have created a cycling parking facility also for this purpose in Turbhe. This initiative is aimed at encouraging employees staying close to office premises to opt for environment-friendly commutation, thus helping them stay fit while reducing carbon emissions
- As a part of our “Go Green Initiative”, posters were displayed at the Turbhe Corporate Office about the various routes on which NMMT Electric Buses are plying. Mailers were sent to employees and a contest was organised to promote travelling via electric buses. We received a large number of entries and six employees won prizes

Collaborating with WWF

- To increase environmental awareness, we organised a Quiz and set up stalls in our corporate offices, in collaboration with WWF stalls, on the occasion of the World Environment Day. Along with WWF, we initiated an interactive awareness campaign at our corporate offices

Other initiatives

- We send awareness mailer twice in a month to enhance awareness among employees
- As a mark of our commitment towards environmental sustainability, we distributed 1,000 national flags made of recycled paper to all employees based out of our corporate offices These flags were embedded with seeds of Tulsi and Marigold, which would germinate into plants on being planted

SOCIAL - CORPORATE SOCIAL RESPONSIBILITY

Empowering Communities

We share a close-knit relationship with the communities and this has enabled us to undertake several Corporate Social Responsibility (CSR) initiatives. Our efforts in this direction are driven by our initiatives on:

- Accessible, affordable, healthcare
- Environment
- Skill development
- Women empowerment

A JOURNEY OF DEVELOPING SUSTAINABLE SOCIAL IMPRINTS!

During FY2023, our CSR outreach benefited 1.28 lakh* people. This included ~16,000 direct beneficiaries of healthcare and skill development initiatives, and 1.12 lakh individuals impacted through support of medical equipment, health infrastructure, research and development in healthcare (including preventive), generation of sustainable outcomes and impact across core development areas such as sustainable livelihood initiatives in skill development and women empowerment.

Disclaimer: All pictures used in the CSR section have ownership rights or are copyrighted and cannot be used without permission. The output and impact numbers are as shared by the CSR implementing agency, partner, their associates and data/derivation of data available in public domain. Names of beneficiaries have been changed to protect their identities.

SUSTAINABLE LIVELIHOOD INITIATIVES

During FY2023, the following sustainable livelihood initiatives were undertaken by us.

SKILL DEVELOPMENT INITIATIVES

ICICI Foundation for Inclusive Growth ("ICICI Foundation") has set up the "ICICI Academy for Skills" that provides free skill development training to the lesser privileged urban youth. The objective is to help create sustainable livelihood for such youth by imparting vocational skill development training courses that are aligned with National Skill Development Corporation (NSDC).

Around 7,200 youth received training in FY2023. Of these, 96% have been offered placement opportunities. The number of academies was rationalised to 26 during the year.

An impact assessment study was conducted with the help of an external agency to assess the impact generated through the skill development CSR project of FY2022. The key findings of the study were:

- Highly inclusive programme, with 41% women candidate participation
- 3% continued with their job after joining
- Programme helped in improving confidence and learning ability

HAMERI - A WOMEN EMPOWERMENT INITIATIVE

Project Hameri, our ongoing project which is in partnership with World Wide Fund for Nature (WWF) – India, is aimed at empowering women living in the midst of the Corbett landscape of Uttarakhand.

Under the project, the women were trained in new skills like food processing and handicraft training, with the Company providing essential equipment, packaging and material support like crockery items and labels. The ladies were also taught topics like book keeping, ensuring quality control, standardisation *etc.*, and the Company supported in online and offline market linkages.

Impact

~500 women

Trained each year (over a 3-year period)

Success stories

- Hameri has established online presence on Instagram, Facebook and LinkedIn, and also created a website (www.hameri.in) to initiate e-commerce
- A Cooperative was registered with the Registrar of Cooperatives, State Government of Uttarakhand
- Exclusive Hameri outlet (100% owned and managed by Self Help Group members) opened with more planned

HEALTHCARE INITIATIVES

Good health, in terms of both, physical as well as mental health, are of paramount importance. Accessibility to affordable healthcare solutions including preventive healthcare is a pressing basic need across all people of all ages, gender and socioeconomic status. Through various initiatives, ICICI Securities supports treatment to patients, provides medical equipment and medical infrastructure to hospitals, and also aids in research and development in healthcare.

• Support Cancer Care

We supported Tata Memorial Centre (TMC) in their various initiatives. These were in the form of direct treatment support to patients and supply of medical equipment and infrastructure.

Impact

- 674 patients' cancer treatment support
- 52 Out Patient Department (OPD) set up support
- 3 Rotary michrotomes (for Biosophies)
- 1 immobilisation device for proton beam therapy

• Alzheimer's SEVA - Support Enabled through Volunteer Assistance

This initiative was implemented through National Institute of Mental Health and Neurosciences (NIMHANS). It focussed on promoting the identification of individuals with Alzheimer's dementia and related disorders, and provision of support for their well-being through ~300 trained volunteers, including nursing college student interns and public health staff (ASHA workers). Outreach visits in the community, old age homes and memory camps were conducted and a host of services were provided including screening for cognitive impairment and risk factors for Alzheimer's dementia, assistance to patients visiting Geriatric Psychiatry outpatient services, awareness sessions through various outreach programmes, *etc.* This programme benefitted 5,400 seniors.

• Support Free Cataract Surgeries

ICICI Securities supported Vision Foundation of India (VFI) in their objective of reducing avoidable blindness among the underprivileged sections of society. About 2,000 elderly people across Mumbai, Pune, Sangli, Delhi, Kanpur and Gwalior underwent free cataract surgeries during the year.

5,400

Seniors benefitted at the NIMHANS project

Case Study

EARLY DETECTION OF CANCER CAMPS

Homi Bhabha Cancer Hospital and Research Centre (HBCH & RC), Mullanpur conducted early cancer detection camps for women. They used the ambulances and mini buses provided by us to transport medical and support staff, equipment, and suspected patients to commute from their village to the hospital for tests and treatment. A total of 657 camps were conducted, and 80,741 women were screened.

• Last-Mile Support for Surgery/Treatment for Children

Through Ekam Foundation's Last Mile Surgery/Treatment Support for Children Programme, we supported treatment for 630 children across nine Indian states who were in need of tertiary healthcare. The programme focus is on arranging subsidised elective surgeries for a variety of medical conditions like congenital heart diseases, orthopaedic problems, eye and ear ailments, NICU, PICU, and heart and liver transplants, through a network of public and charitable hospitals.

• Access to Potable Water and Sanitation

ICICI Securities values the power of rural development and through CSR, fulfilled the basic needs - access to drinking water and sanitation, in households. The programme aims to promote good health and well-being through strengthening access to clean drinking water at their homes, quality sanitation facilities, and education of communities on good hygiene practice. We launched a drinking water scheme at two remote hamlets in Nashik district of Maharashtra.

The residents lacked access to drinking water at their homes had to travel long distances and spent a lot of time fetching and filtering water from nearby villages. In association with Swades Foundation, we provided drinking water via taps to all households. The project included installing inline chlorination units, overhead tanks and floating solar pumps.

Impact

- No manual fetching; water at doorstep through taps
- Time & efforts saved, mainly of women, which was then invested in other fruitful activities
- 300 litres of safe and pure water per household per day

Under our sanitation scheme, sanitation units have been constructed for 63 households in Raigad & Igatpuri blocks of Nashik district. This has helped three hamlets become open defecation free, and today the residents have access to toilets, clean, safe and convenient sanitation services.

• Contribution to Society for Innovation and Entrepreneurship (SINE)

SINE is an incubator of Indian Institute of Technology (IIT) Bombay, and we have contributed funds for a couple of its high impact health initiatives such as in acquiring state-of-the-art lab equipment and supporting start-ups working in health tech innovations:

- Wearable mobility product by Lifespark Technologies: It provides sensory-cueing based therapy to improve gait, reduce falls, and improve movement in Parkinson's patients. Pre-clinical assessment with 50 patients has been conducted
- DLBCL (Diffuse Large B Cell Lymphoma) treatment by Immuno Adaptive Cell Therapy Pvt. Ltd.: Second phase of human clinical trials in association with India's leading cancer research and treatment centres has commenced
- Clinical Genomics based diagnostic solutions by Haystack Analytics: Clinical study with selected doctors for sampling 500 fever patients and documenting their therapy is the objective of this initiative
- Effective treatment of burn patients through Pacify Medical Tech Ltd.'s technology which covers 30X wound/burn area in skin grafting, saving time and money for both patients and hospitals by reducing surgery time and accelerating healing. We supported the development, testing and validation of the device's functionality and safety and the Company has received a test licence from CDSCO, the medical device regulatory body of India

- Robotic arm 'Grippy' by Bionic Hope has been fitted with 12 beneficiaries. Grippy comes with senses, helping patients regain independence and ability to perform two-handed tasks. Exoskeleton for Patients with hand disabilities (like paralysis, tendon injury and nerve damage) is ready and testing of the same is planned

ICICI Securities has supported the following equipments:

- Fluorescence activated cell sorting (FACS): The FACS equipment has multiple applications in the study of oncology research and other related areas
- U-HPLC (Ultra High-Performance Liquid Chromatography): The U-HPLC is generally used before FACS, to separate the sample in terms of molecules & protein. This forms the first step at the lab
- High Speed Centrifuge: The high-speed Centrifuge equipment is a general purpose equipment used as part especially for separating certain solids and liquids with centrifugal force

Support for Sashastra Seema Bal (SSB)

The Sashastra Seema Bal (SSB) is a border-guarding force of India, that is deployed along India's borders with Nepal and Bhutan.

As a part of its CSR initiative, ICICI Securities had the honour of supporting Sashastra Seema Bal (SSB) with two life support ambulances through ICICI Foundation. This initiative will help the local population at the India-Bhutan border.

ENVIRONMENT INITIATIVES

Environmental protection has emerged as an imperative to create a better tomorrow for the future generations. We have undertaken several initiatives in this area to build a cleaner and greener environment.

- **Through SINE, we supported five startups whose technologies have the potential to make outsized environmental impact**

Greyeast Technologies

About 50 lakh litres of wastewater was treated from dye and pigment industry to clean non-potable water at Nagpur, Thane and Rasayani sites.

Icapotech Pvt. Ltd.

ICICI Securities has supported the installation of e-tracker devices at the Police Department, Worli, Mumbai's mess canteen. The device has the potential of saving 3 energy units per day, per AC.

Inphlox Water Systems Pvt. Ltd.

The aim of this undertaking is to design, develop, pilot and test new affordable mobile wastewater treatment units, which will reduce water pollution and make clean water available for reuse. Presently, the reactors are treating 30,000 litres of wastewater per day.

Urjanovac

They have patented a water-based CO_2 capture technology whose testing is in process.

Sustainable Reference Analytics Pvt. Ltd. (SustLabs)

'Ohm Assistant' is a bot which can detect appliance level energy consumption using just the data from a single bot without the need to deploy additional sensors inside the home.

Managing Organic Waste and Sludge:

We have partnered with The Energy Research Institute (TERI) in developing, implementing and scaling organic waste and sludge treatment technologies that focus on waste-to-value (biogas and manure). Udaipur Municipal Corp. has granted permission to TERI to undertake this project and carry out the co-digestion of sludge and organic waste.

SOCIAL – HUMAN RESOURCES

Driving Freedom to Grow and Prosper

At ICICI Securities, we believe our employees to be the catalysts of our long-term growth. They are the key drivers of our journey of sustained business growth and value creation for our customers and other stakeholders. They guide our strategic approach, and enable the realisation of our vision and goals.

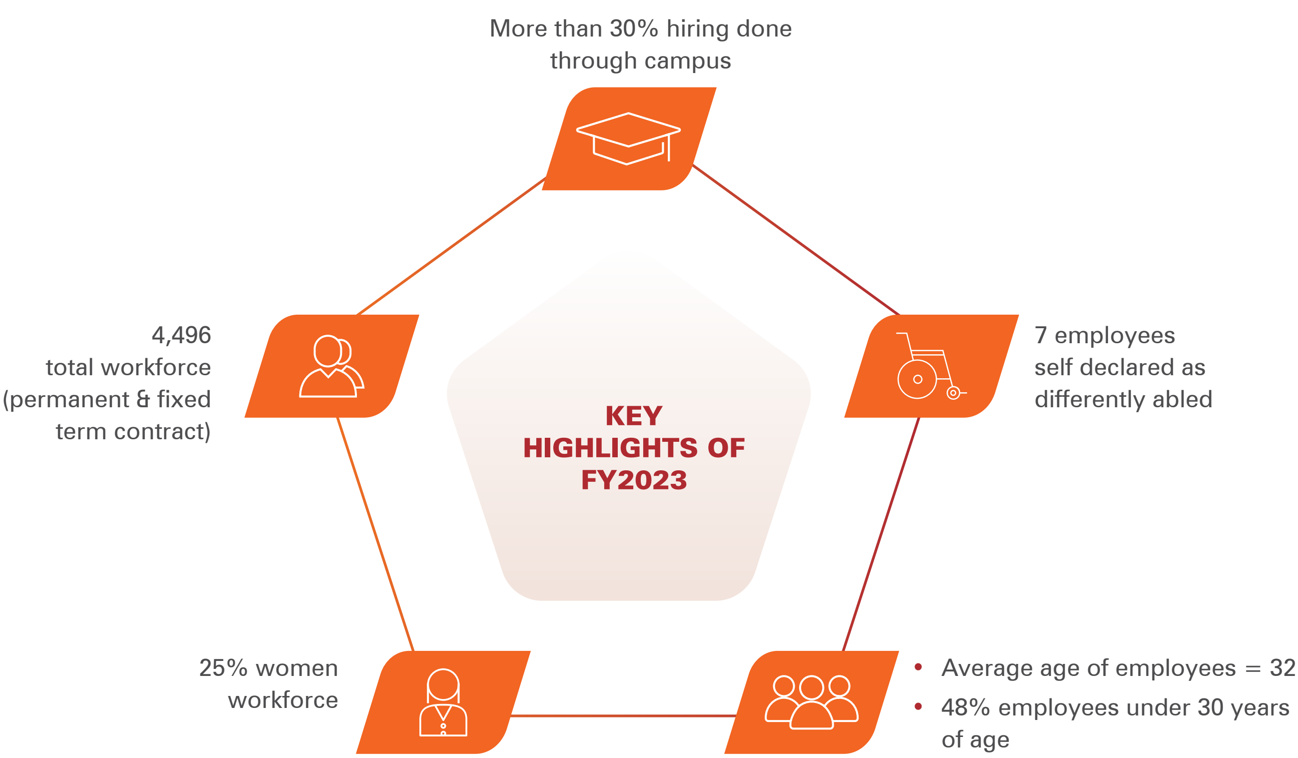
Our people strategy is designed to continuously propel innovative thought leadership. It helps equip our people with new-age skills and technology, besides strengthening the organisational culture of service, care, collaboration, trust and inclusion.

At ICICI Securities, we **PLEDGE** to our employees the following Employee Value Propositions:

Pride @ Workplace | Care | Enabling Work Environment | Meritocracy | Growth & Learning

NURTURING DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY

At I-Sec, we do not differentiate on the basis of gender or gender orientation, age, caste, religion, linguistic background, physical abilities, or any other background. We are an equal opportunity employer, and all people processes in the organisation are based on the philosophy of meritocracy and transparency.



ROBUST POLICY FRAMEWORK

The Company's DNA endorses 'Compliance with Conscience' as a key threshold behaviour. We follow a zero tolerance approach towards any violation or misconduct on grounds of non-compliance.

- Our Code of Conduct defines the professional and ethical standards that the employees and Directors need to stringently adhere
- We provide a safe and secure workplace for our people through the Code of Conduct & Business Ethics, the Prevention of Sexual Harassment at the Workplace Policy, the Whistle-blower Policy, and the Employee Grievance Redressal framework
- Our internal policy on Talent Acquisition and Equal Opportunity, Diversity, Equity and Inclusion Policy, Human Rights Policy reinforce our commitment to being an equal opportunity and meritocratic employer
- We also have in place a Code of Conduct for Stockbrokers issued by SEBI, which covers aspects such as integrity and fairness to clients
- We regularly conduct awareness campaigns to familiarise employees with the various policies to ensure compliance to the highest standards of ethical behaviour

NURTURING A CULTURE OF CONTINUOUS LEARNING

As industries advance, technologies change and market dynamics shift for which organisations must adapt to stay competitive. This makes continuous learning and development imperative for the growth and success of the organisation. We constantly scan the market for changes and, as per our business strategy, align our workforce to the transforming landscape by equipping them with relevant skillsets through training.

Year	2022	2023
Total Training Hours	2,44,711	2,75,915
Employee Count	4,094	4,494
Avg Training Hours	60	61
Employee Coverage*	96%	98%

**Employees who joined in the last quarter of the financial year and had partially completed their training journey till March 31, 2023, are not considered as covered in the above table. Further, there is a 100% coverage on all regulatory certifications for employees in FY2023.*

STRENGTHENING TECHNOLOGY AS AN ENABLER

Our digital learning proposition provides just-in-time training solutions. It has emerged as an important enabler of I-Sec's sustained and value-accretive growth.

Continuous, anytime, and on-the-move learning is available through MPower, our digital tool that creates and facilitates personalised learning experiences online.

We have multiple **e-learning** programmes, accessible **on the go**. The e-learning contents are developed and curated by internal Subject Matter Experts (SMEs) as well as learning & development experts. They are periodically reviewed for alignment with the industry transformations and evolving customer needs.

Our course catalogue cuts across domain, skill and compliance learning **thus providing a rich learning experience**.

OUR DIGITAL TRAINING APPROACH

Industry academia

We have forged tie-ups with the academia to develop a pipeline to infuse fresh talent. Fresh recruits undergo in-depth training on product, process, compliance and behaviour, making them job-ready from Day 1.

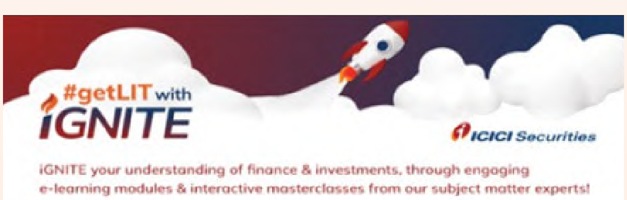
Robust internal academy structure

Our focus on becoming a Digitally Integrated Financial Marketplace requires employees to have cross-functional skills and capabilities. To ensure the same, we impart training through specific learning academies like Equity Academy, Wealth Academy, Retail Academy and Corporate Finance & Institutional Broking Academy.

Leadership development

Our approach to leadership development is a blend of experiential learning and shared perspective. Through our **"Leadership Mentoring Programmes"**, employees are given an opportunity to deeply introspect on their preferences and related consequences. We encourage people to experiment with psychometric tools, case studies, exercises, audio / videos and concept notes in a safe classroom environment to aid introspection.

We prepare our employees early in their career on leadership skills through our first-time manager programme – i-Lead. i-Lead empowers new managers to understand and manage self and team, and work towards the achievement of optimum performance output.



iGNITE is our pre-joining programme for campus hires. In FY2023, **iGNITE** covered more than 1,000 fresh employees. Each participant underwent a nine-week learning journey, which included master classes on market topics like Personal Finance, Equities, Derivatives, Mutual Funds and other products and processes as well as familiarisation of I-Sec policies.

Customer First

In FY2023, we drove a threefold initiative centred around **Customer First Behaviour** for all the key businesses and support groups. It comprised an awareness quiz campaign, an orientation session and a detailed programme emphasising the importance of "Customer First". Around 45% of the employees were covered under this initiative and currently is an integral part of the induction programme of all new hires in the Company.

CATALYSING TECH TRAINING

Led by our strong focus on technology and data sciences, we scaled up our tech training programmes during FY2023.

- We launched the 'Catalyst' programme across our technology group for skill proficiency mapping. As part of this programme, we initiated skill development projects on next gen subjects, including ASP.Net, ANGULAR JS, Secure Coding, Golang/RUST, Agile, Data Science & Machine Learning, Pro C, Oracle, PostfreSQL+ Kubernetes, Cloud, among others
- We introduced "Agile as culture" as a programme for imparting training to the entire technology team
- Secure coding certification was introduced to ensure flawless programme code development, free from the risk of being exploited by malicious agents

MAPPING AND REWARDING PERFORMANCE. NURTURING GROWTH.

- We have a well-established structure for performance management, which ensures alignment to I-Sec's KPIs and clarity of purpose across levels
- Our talent management process helps create a talent pipeline by nurturing high potential employees
- We have in place a well-defined succession planning process - Leadership Cover Index (LCI), to mitigate vacancy risk arising from attrition, thus ensuring business continuity
- Our Board-approved Compensation Policy drives meritocracy within the framework of prudent risk management. The policy defines a fair mix of fixed, variable and long-term compensation, ensuring a balance between the long-term and short-term performance objectives of the Company. It aligns employee interests with the Company's goals and objectives

ENGAGING WITH OUR EMPLOYEES

We are cognisant of the importance of continuous employee engagement to nurture the Company's long-term growth. Our engagement and communication programmes during FY2023 included:

Leadership Series

Under our Leadership Series, we invite industry experts and inspiring leaders to share their insights into their leadership journey, their successes, failures, learnings and personal beliefs in creating a winning outcome. These sessions provide employees with an opportunity to interact with leaders from all walks of life, and imbibe their valuable knowledge and experience through conversations and storytelling.

CEO Connect

Engagement sessions are conducted with the MD & CEO and all employees on a regular basis to discuss the Company's performance, strategy updates, employee well-being, *etc.* These sessions provide employees a direct platform to engage with the MD & CEO, and share their perspectives, express their views, give feedbacks ideas, *etc.*

Campus Connect – ENVISION

Under the campus engagement initiative – 'Envision – Create, Collaborate and Connect', our senior leaders conducted Leadership Talk series for more than 1,500 students at over 12 B-Schools during the year. The series covered a wide spectrum of topics such as global macroeconomic developments, new age retail investors, and evolution of derivatives trading. These sessions enabled students to gain industry insights, and have helped us build a sustainable partnership with institutions.

I-Sec Day

I-Sec Day is our annual day where we acknowledge and celebrate our success as an organisation, and recognise and felicitate individuals and teams who exemplify our achievement orientation and cultural ethos. The theme for I-Sec Day celebration in FY2023 was 'Working Together'.

I-Connect

I-Connect is a platform where functional heads connect with their skip-level team members or the larger team for an open house discussion. These sessions witness active participation that mark healthy communication, enabling expectation setting and ideation. They also help provide an open forum for discussing various agendas, both related to and outside of work.

Employee Feedback

Periodic feedback on employee experiences and internal processes is sought from the employees, especially from the new joinees, through the PULSE surveys. We also seek feedback from employees through branch visits, focussed group discussions, flash surveys *etc.*

Employee Alignment Survey

Employee Alignment Survey (EAS) is a biennial survey to seek feedback on delivery of our Employee Value Proposition – PLEDGE. During FY2023, the participation rate was around 98%, and over 92% of the participants reinforced their advocacy by expressing that they indeed experienced the Employee Value Proposition across anchors in the Company.

Augmenting the Power of AMIGO

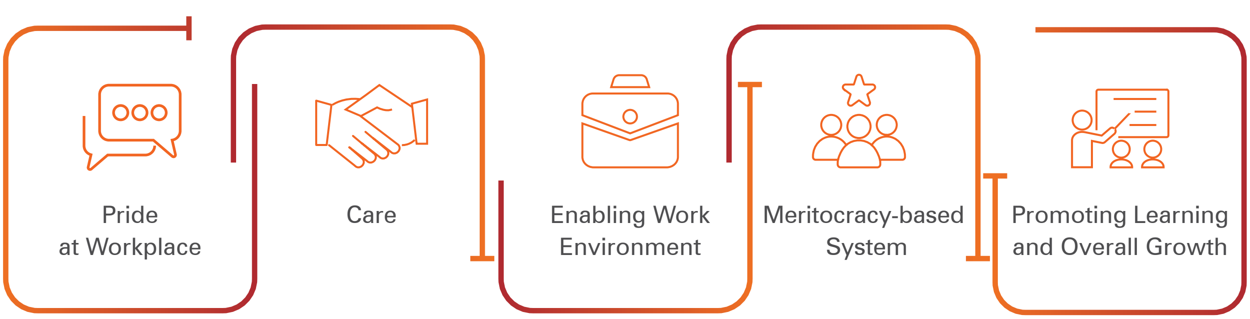
To provide quick and seamless experience to the employees, ICICI Securities undertook a major revamping of its employee mobile application – AMIGO. The application offers a one-stop solution to the employees in addressing all their functional needs and queries, besides enabling efficient productivity tracking, approvals and communication. The app's key features are:

- 'Ask Amigo' Chatbot for resolving employees' queries
- Quick access of important documents and communication
- Ease of transaction for employee benefits like leave application, updating musters and approvals

In addition to the above facilities, AMIGO also serves as a robust engagement platform in connecting the organisation with the employees and keeping them updated through interesting videos, podcasts and photographs, surveys, newsletters and upskilling through our learning and development platform.

Further, there is an option to wish colleagues on important occasions and employees can use the platform for nominating themselves for volunteering activities for various Avsar events. The app also facilitates employees to mark themselves safe during natural calamities and raise an alarm in the case of an exigency.

KEY HIGHLIGHTS OF EAS SCORES ACROSS THE ANCHOR POINTS



90% plus Alignment across all Anchor Points

INDUSTRY RECOGNITION

In FY2023, ICICI Securities participated in the L&D Vision & Innovation Summit held in Bengaluru on December 8, 2022. We competed with multiple other organisations in the category of "L&D Innovation in Training & Development Programme". Voting was conducted by a jury consisting of CHROs and L&D heads of eminent companies and ICICI Securities was declared the sole winner in the category.

ENSURING EMPLOYEE WELL-BEING AND WELLNESS

At ICICI Securities, employee well-being is ensured by instituting enabling policies, building awareness, and facilitating habit formation.

- We ensure a safe and secured work atmosphere, and undertake periodic communication and regular sessions on various safety aspects like fire drill
- We have a medical facility with dedicated doctors at two of our corporate offices
- Our mobile application 'AMIGO' helps employees mark themselves safe during any pandemic/natural calamities, and raise an alarm in exigency
- We regularly monitor air, water, and food quality at our offices, and all related equipment are routinely checked and serviced
- We organise people wellness sessions across physical and mental wellbeing for our employees

Mobile-based medical concierge service

For employees and their eligible dependents to seek online doctor consultation free of cost.

- The concierge also provides facilities like ambulance services and diagnostic tests at discounted rates

Clubs & social engagement

Special interest clubs focussed on broader themes of Sports (i Play), Music (i Beat), Fitness (i Fit), Quiz (i Quiz) and Photography (i Click).

- These clubs are aimed at promoting the interest and hobbies of the employees and providing a common platform for the like-minded employees to connect, engage and showcase their talent
- During the year, multiple activities were conducted through the clubs

In FY2023, we rolled out several progressive policies, such as:

- **Childcare leaves for single fathers and women employees**
- **Bearing the travel and accommodation cost of young children and their caregiver whenever the eligible employee (single father or women employee) undertakes official travel**
- **Covering expenses incurred on improving the quality of life of employee's children with special needs**

Executive health check-ups & hospitalisation

Executive health checkups were arranged for employees in the age group of 40 and above for free of cost and at discounted rates for their family members.

- All employees and their immediate families are eligible for hospitalisation coverage
- We extend our support beyond normal limits of hospitalisation if the employee is suffering from serious sicknesses

Insurance & other benefits

Encourage employees to avail top-up Mediclaim facility as well as parental insurance.

- We continue to offer multiple benefits to employees through our generous Leaves Policy, Employees' Children Scholarship Scheme, Higher Education Policy (HEP), as well as salary advances, retirement benefits *etc.*

AVSAR – GIVING EMPLOYEES OPPORTUNITY TO GIVE BACK TO THE SOCIETY

Avsar, our employee volunteering initiative, helps our employees inculcate the habit of giving back to the society. Hundreds of employees participated enthusiastically in various volunteering activities and contributed more than 100-man days of social service during FY2023. The initiatives were focussed on providing financial literacy, blood donation, food distribution, environment care *etc.*

Ensuring Governance Transparency

ICICI Securities' organisational model is complemented by a robust governance framework that enhances our business resilience in the face of economic volatility. The framework is crafted to strengthen our risk management capabilities, and enables us to effectively address stakeholder concerns. It enables us to establish a company that embraces streamlined processes and reduces complexity, thereby creating a solid foundation for a more resilient organisation. Our governance framework is powered by our dedicated and talented workforce, and is guided by our efficient leadership team and their resolute commitment to organisational values and ethics.

COMPLIANCE WITH CONSCIENCE

Our employees are expected to follow the principle of 'Compliance with Conscience', in line with the ethical business culture, which is the bedrock of the Company's sustainable growth. This culture guides our decision-making processes, influences our relationships with stakeholders, and reinforces our reputation as a responsible organisation. We maintain a zero-tolerance policy towards any violation or misconduct related to non-compliance.

- PLEDGE - Our employee value proposition, reinforces the importance of creating an environment that safeguards against biases and promotes professionalism in all engagements
- All employees are encouraged to follow the code of conduct. New-joiners are urged to affirm their adherence to the code, underscoring its essential role in the organisation
- We are also subject to SEBI's code of conduct for stockbrokers that regulates our operations, to ensure transaction integrity and equitable treatment of all our customers

OUR POLICY FRAMEWORK

- Business Ethics Policy
- Conflict of Interest
- Data Protection, Privacy and Confidentiality
- Fraud Risk Management Policy
- Code of Conduct Policy
- Corporate Risk and Investment Policy
- Information Security Management Policy
- Information Technology Risk Management Policy
- Cyber Security and Cyber Resilience Policy
- Prevention of Sexual Harassment Policy
- Whistle-blower Policy
- Anti-bribery and Anti-corruption
- Gifts Entertainment and Sponsored Travel Policy
- Business Continuity and Surveillance Policy
- Liquidity Risk Management Policy
- Related Party Transaction Policy

MAINTAINING CUSTOMER PRIVACY AND DATA SECURITY

At ICICI Securities, we have established a robust and comprehensive information and cybersecurity programme to address the growing challenges of cybersecurity threats, such as financial loss, data breaches and reputational damage. Our focus is on safeguarding the personal information collected by the Company through various channels, including our website, mobile applications, custom extensions, online or offline platforms (such as branches and other points of sale), third-party platforms, and electronic or other modes/platforms.

- We have implemented a range of policies, including the Information Security Management Policy, Cyber Security & Cyber Resilience Policy, and industry-leading standards that adhere to regulatory guidelines and directives. These policies guide our efforts in assessing, identifying and mitigating potential threats
- The Chief Information Security Officer (CISO), reporting to the Chief Risk Officer, leads our cybersecurity initiatives. The ICICI Group's CISO is also a permanent invitee to our IT Risk and Information/Cyber Security Committee
- During the year, we appointed one Independent Director with expertise in the areas of Information Technology, including new emerging technologies
- The Internal Audit department also conducts regular information security audits
- All new employees undergo mandatory training on privacy and information security protocols. Periodic awareness emails are circulated to all staff members to maintain a vigilant approach
- In order to assess employees' comprehension, simulated phishing emails are sent and those who click on the links receive additional training
- A mandatory e-module on Company's Code of Conduct and Business Ethics has been created to make employees wary of all the policies including Privacy and Data Security
- Other cybersecurity measures include periodic reviews of the information security network, investments in system upgrades, evaluation of network security, database security and web servers, *etc.*

**The Company has an IT risk committee to assess its IT risk readiness.
The committee consists of the Managing Director, Executive Director, Chief Technology Officer, Head Risk, and members from key business divisions.
It oversees the execution of measures and processes designed to secure our cyberspace against attacks, threats, and vulnerabilities.**

ROBUST BOARD ENSURING STRONG GOVERNANCE

The Board of ICICI Securities Limited operates both as a collective entity and through specialised Committees to oversee and provide guidance in specific areas of its operations. These Committees serve distinct functions and contribute to the overall governance framework of the organisation.

BOARD CONSTITUTION

9

Total Board Members

5

Independent Directors

2

Non-Executive Non-Independent Directors

2

Whole-time Directors

BOARD DIVERSITY

Our Board is a healthy mix of personalities with diverse expertise, education, qualifications, backgrounds, gender and age. Collectively, they foster excellence in decision-making and drive sustainable, long-term growth for the Company

1

Female Board member

100%

>20 years of experience

44.44%

Age 56 - 80 years

55.56%

Age 36 - 55 years

BOARD PROFILE

5.5 years	6	100%	14
Average tenure of Independent Directors	Total number of Board Meetings held during the year	Attendance in Board Meetings (*Excluding 1 Board Member who did not attend 1 meeting)	Number of Additional Committees/Councils/ Forums Constituted

We place significant emphasis on continuous knowledge enhancement at the Board level. During FY2023, the Board and Committee meetings included various updates. Independent Directors, as members of different Board Committees, received information on regulatory, economic and operational changes, new business initiatives, Corporate Governance, Information Technology, and other risk indicators. Strategic presentations were made to the Directors, covering our Company's strategy, performance and growth plans.

INTEGRATING SUSTAINABLE GOVERNANCE INTO I-SEC

Aligning ourselves to the evolving global trends and the growing emphasis on Environmental, Social and Governance (ESG) compliances, we have put in place a robust ESG framework. The framework guides our actions in integrating ESG practices. These actions are steered by an ESG Executive Forum, consisting of senior officials of our Company and comprising key executives representing various functional areas within the organisation. The Forum is entrusted with the task of:

- Encouraging transparency, accountability and continuous improvement in ESG practices
- Setting targets and benchmarks to enhance ESG performance
- Monitoring and reporting progress on ESG initiatives

Protecting from Risks

Our risk management strategy is crafted to tackle both external and internal threats that have the potential to impact our ability to create long-term value for our stakeholders.

It encompasses

Risk Identification → Risk Qualification → Risk Management → Risk Reporting

RISK MANAGEMENT FRAMEWORK

We have in place a robust framework to manage our key risks. The framework covers:

Board oversight

Risk Management Committee for framing and reviewing risk management processes and controls

Timely identification, measurement and mitigation of various risks through well defined policies, procedures and standards

THREE LINES OF DEFENCE

Risk Management Framework

- It relates to our operational departments, which assume primary responsibility for their own risks
- The departments operate within the limits stipulated in various policies approved by the Board or by Committees constituted by the Board

Second line of defence

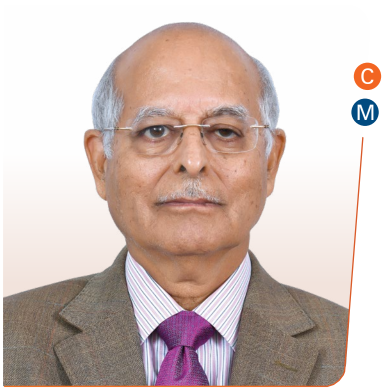
- Covers specialised departments, such as risk management and compliance, which employ specialised methods to identify and assess risks faced by the operational departments
- Helps equip these departments with specialised risk management tools and methods; helps facilitate and monitor the implementation of effective risk management practices
- 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

- Comprises the Internal Audit department and External Audit functions, which monitor and conduct periodic evaluations of the risk management, internal control and compliance activities
- Ensures the adequacy of risk controls and appropriate risk governance

Risk	Description	Mitigation measures	Capitals impacted
Market risk	Risks arising from fluctuation in the value of financial instruments due to volatility in market variables such as stock prices, interest rates, currency rates, commodity rates, credit spreads and other asset prices. Being a financial services intermediary, our business is vulnerable to such risks, including that pertaining to our proprietary trading activities.	**Market risks relating to clients' transactions** Our products allow clients to take leveraged positions by placing requisite upfront margins with us, which may not be sufficient to cover the losses in case of extreme volatility. **Mitigation** • A robust corporate risk and investment policy that specifies risk management measures and controls to minimise the impact of possible financial loss • In our institutional broking business, we have set terminals and dealer level limits to mitigate the risk of erroneous order flows • The Corporate Risk and Investment Policy specifies various risk management limits and guidelines that govern transactions in financial instruments by the treasury group • Limit set for overall exposure, value at risk limit, stress test limit *etc.*	
Credit risk	Risks arising due to investments in fixed income instruments as well as those arising out of receivables from our customers and clearing house of stock exchanges.	• Overall and counter-party level exposure limits for investments in fixed income instruments specified in Corporate Risk and Investment Policy • Receivables from clearing houses is low risk because of low probability of them defaulting. Also, such receivables are short-term in nature related to securities settlement • Receivables from customers primarily comprise collateralised receivables relating to securities transactions and have low credit risk, because of the value of the collateral received and their short-term nature	
Liquidity risk	Risk arising on account of our capital market related business and trading and investment activities.	• Liquidity Risk Management Policy to guide our actions • Continual monitoring of asset-liability gaps across maturity buckets to assess the liquidity requirements	
Operational risk	Risk arising on account of our capital market related business and trading and investment activities.	• Operational Risk Management Policy, Outsourcing Policy and Fraud Risk Management Policy to address the diverse types of operational risk • Approval of new products by Risk Management Committee / Product Committee and review of new processes / products by Product and Process Approval Committee • Periodic monitoring of the risk management, internal control, and compliance activities by the Internal Audit department	
Technology risk	Risks arising from growing competition from fintechs and non-discount brokers, evolving customer needs for technology-based servicing as well as the need to protect IT systems and processes from damage and cyber threats.	• Digital agility through API architecture to seamlessly on-board customers alongside making sustained investment in emerging technologies to deliver superior service • Investment in building a stable, secure, and reliable technology system • Information Technology risk management framework for safeguarding IT assets and data • Information Security Management Policy and Cyber Security and Cyber Resilience Policy for protecting the organisation's cyberspace against cyber-attacks, threats and vulnerabilities • Business Continuity Plan (BCP) in place for critical processes to address any service disruption, ensure operational continuity and limit losses	

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

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

Ⓒ Committee Chairperson

Ⓜ Committee Member

Dr. Gopichand Katragadda
Independent Director

Mr. Prasanna Balachander
Non-Executive Director

Mr. Rakesh Jha
Non-Executive Director

Mr. Vijay Chandok
Managing Director & CEO

Mr. Ajay Saraf
Executive Director

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

Testimonials

One of the remarkable aspects of working with the ICICI direct business team is their business processes and open communication with asset management companies like us. Partnering with ICICI direct has proven to be an exceptional asset in our journey towards achieving business goals. We appreciate the valuable contribution ICICI direct brings to our business. We look forward to continuing our fruitful partnership and achieving even greater heights together.

Akhil Chaturvedi
Chief Business Officer
Motilal Oswal Asset Management Company

As an investor, trust is paramount and ICICI Securities provides that in abundance. Reliability and swift resolution of issues have been their standout qualities. They treat my investments as their own, ensuring consistent upgrades and optimisations in line with market trends. Moreover, their approach to transparency, exemplified by fund manager meetings, provides a clear perspective on the investment landscape. This is not merely an investment platform, but a partnership that champions my financial success.

Kirat Singh
I-Sec PWM Customer
New Delhi

ICICI Securities continues to deliver innovative and comprehensive solutions that cater to the diverse needs of investors through a user-friendly interface. ICICI Securities has helped transition Millions of savers into the world of investments through mutual funds. In addition to a market-leading platform, ICICI Securities' objective investment processes, unique guidance and valuable insights have successfully empowered traditional savers to build long-term wealth and navigate the complex world of investing with confidence.

Vishal Kapoor
CEO
Bandhan AMC Limited

I have been an ICICI Securities customer for around four years and am completely satisfied with the quality of service. Their website and app are very user-friendly and truly dynamic, giving an interface for the purchase of any asset class that I want. Further, their team is readily available and responsive towards serving me as a client, which gives me immense peace of mind.

Vikas Jain
Deputy CFO and Chief Investment Officer
Niva Bupa Health Insurance Company Limited
PWM Customer
NCR

ICICI Securities has been a credible partner in our association spanning over 25 years. It continues to be at the forefront of being a one-stop solution for investors through its focus on key areas of broking, wealth management, derivatives, and distribution of financial products. Its best in the industry use of analytics and digital capabilities has redefined experience for both retail and HNI clients over many years, a key differentiator in the financial services industry. With an innovative mindset and agility, it has been able to de-risk its business model and challenge the disruption from the new-age technology platforms. The future looks promising with India's huge runway of growth and low penetration across most financial products, and together with ICICI Securities, we look forward to drive greater growth and value creation.

Mahesh Patil
CIO
Aditya Birla Sun Life AMC Limited

As India's top integrated technology-based platform and our valuable channel partner, ICICI Direct has been successful as a financial marketplace addressing customer demands across segments for over two decades. Our common DNA of "Customer First" has inspired us to continuously innovate in the delivery of products and solutions that keep customer interests at the forefront. Through our robust investment and risk management process and our partnership with ICICI Direct, we endeavour to further expand the reach of mutual funds to every household in the country and aim to deliver best investment outcomes to our clients.

Nimesh Shah
MD & CEO
ICICI Prudential AMC

The team at ICICI Securities is very pro-active and accessible. They know their job well. I have had a great experience in trading on ICICI Securities platforms. The team also reaches out from time to time to give sound recommendations. No wonder I have stayed with them, and only them, for years together!

Dr. Om Manchanda
MD & CEO
Dr Lal PathLabs
I-Sec PWM Customer
NCR

ICICI Securities has been my companion in the financial journey for a decade now. They have been standing by my interests with dependable and quick service in investments and resolution of conflicts. Their commitment to perpetual innovation keeps me ahead of the investment return curve, aiding and resulting in maximising my long-term financial benefits. They have given me the confidence of being in control of my financial destiny.

Krishnaswamy Subramanian
Retired Senior Executive
I-Sec PWM Customer
New Delhi

We are extremely happy to have partnered with ICICI Securities for our maiden IPO and subsequent transactions.

Though the actual deals materialised in the last few years, the team have been advising us with invaluable guidance over the last many years for which we are extremely thankful. The firm has helped us immensely in our overall public market journey like getting high quality investors which makes them our Go-to Banker for all our deals.

Vinod Agarwal
Chairman, G R Infraprojects Limited

I have been with ICICI Securities long before discounting brokerages came into existence. I-Sec institutionally backed advisory services and platform offering suits and satisfies my requirements of research, screeners, reports and also seamless access to (both) bank funds and demat holdings. I highly recommend that the next generation investing community takes these key features into consideration as they navigate the capital markets.

Montgomery Monojit Sen
ICICI Direct Select Client
Hyderabad

ank Dugar
@ankitd1

@ICICI_Direct
Kudos! For the prompt notification on not to sell shares when dividend has been announced. Really appreciate it !

12:14 PM · May 27, 2022

Soumitra Ghosh
@soumitra007

@ICICI_Direct The new merchant app is a very nice upgrade. Easy onboarding. Dark mode by default was an icing on the cake.

8:54 AM · Dec 15, 2022

Himanshu kumar Godbole
@hgfshimanshu1

Heartiest congratulations 🎉🎉🎉 and best wishes to @ICICIBank (Icici Direct(Icici Securities) for among the best in the Broking Industry. A full time service broker whose research Report and application is robust/Efficient and cust friend (Algo App and your platform is excellent

9:42 PM · Nov 30, 2022

Sangeet Sinha
@SangeetKrSinha

Strategy Trading in simple and easy way at Idirect.
You just need to have a view whether Market will go up or down, Idirect acts as your wise excel friend. You get all the options which can bring you profit with capping losses.Try Easy Options at Icici Direct Markets App.

8:26 PM · Jul 1, 2022

Dikshita Sharma
@dikshitasharma7

This is awesome. Really good for traders. Have used flash trade for options trading on ICICI and found it amazing ! 👍

7:31 PM · Dec 15, 2022

Sumit Agrawal
@Sumit50306489

This is really nice and that too for free unlike other brokers who charge fee. ICICIDIRECT is perfect for all new traders who would like to design their own strategies and trade. Keep up the good work!

8:45 PM · Dec 6, 2022

DUSHYANT MAHESHWARI • 3rd+
Banking, Finance & Commercial Head at Cedaar Textile Pvt Ltd | Deputy G...

ICICIdirect tag line should be -
1.Shares aap bechiya , 5 min me paise hum dege #eATM

2.Shares aap pledge kriye, 30sec me limit hum dege #isec pledge limit

3.Aap bas Haa boliye, 5min me account hum khol k dege #isec account opening

Etc.. hope you would like it.. 😊

Awards & Accolades

Winner in the 'Editor's Choice Award Retail Broker' at the Money awards

Awarded "Most Innovative Solution for COVID-19 and Best Overall Excellence in CSR"
In ET Ascent National Awards for Excellence in CSR & Sustainability Limited

Best Wealth Management Platform
Of The Year at Quantic Annual BFSI Technology Excellence Awards 2022

Platinum Award
At LACP Spotlight 2022

Most Innovative Technology Project (ICICI Direct markets App launch)
At the NBFC Leader Excellence Awards

Best Wealth Management Provider – India – 2021
By World Finance, Wealth Management Awards 2021-22

Leading member - Bank broking at MCX awards 2022

Best Domestic Private Bank –
India, Asian Private Banker, Awards for Distinction 2021

Research team secured #1 position
In 4 sectors in Asiamoney poll

ESG Report of the Year
At the ESG Summit awards

The Best Securities House in India
By AsiaMoney Best Securities Houses Awards 2021

Best private bank -
India Finance Asia Country Awards, 2022

National CSR Award in Financial Services Sector
By 'Global Safety Summit Awards'

'Digital Wealth Manager of the Year - India'
'The Asset Triple A Digital Awards 2022'

'Company Advisor of the Year'
By ' Franklin Templeton at Perspectives Awards, 2021'

Best Content Digital Marketing Campaign
By 'Investonomics at Digital Dragons Awards, 2021'

'Golden Peacock' Award
For Corporate Social Responsibility

Two awards in Excellence in CSR & Sustainability
At ET Ascent National Awards

Directors' Report

To the Members

The Directors are pleased to present the Twenty-Eighth Annual Report of ICICI Securities Limited ('the Company') along with the audited financial statements for the financial year ended at March 31, 2023.

PERFORMANCE

Industry overview

The global economy continued a strong recovery in CY2022 but trade volumes began to slow down by September 2022 due to monetary tightening policies. Inflation became a global concern due to excessive money supply, fiscal stimulus programmes in the US and Europe in 2020-21 and Russia-Ukraine war. To control inflation, US Fed abruptly began its most aggressive monetary tightening in four decades. The International Monetary Fund (IMF), in its latest World Economic Outlook (released on January 30), estimated that world Gross Domestic Product ('GDP') grew 3.4% (real, inflation-adjusted) in CY2022, decelerating from the post-Covid bounce to 6% growth in CY2021 and the longer-term average annual growth of 3.8%.

After expanding by 8.8% in FY2022, India's real GDP decelerated to 7.7% YoY growth in the first 3 quarters of FY2023. Inflation as measured by the Consumer Price Index (CPI) edged above the Reserve Bank of India's ('RBI') preferred target range (2-6% YoY) between January and October 2022, but moderated to 5.7% YoY by December 2022. To counter inflation, RBI steadily hiked its policy repo rate from 4% in April 2022 to 6.5% by February 2023.

For Indian investors, FY2023 was highly volatile for equities, with the asset class returning flat returns, against 13% YoY growth for gold, 9% for US Dollar, 5-6% for real estate and 3.3% for bonds. Within equities, high-beta, capital-intensive and value stocks outperformed low-volatility stocks. Large cap stocks outperformed small cap stocks during FY2023. Amongst large caps, the sectors which outperformed were PSUs, FMCG, Auto, Infrastructure, Corporate Banks and Industrials.

Within equities, FY2023 has been a year of continued growth, as far as derivatives volumes were concerned. It would be fair to say that the Indian equity market has gravitated towards F&O in a big way. The gross industry Average Daily Turnover ('ADTO') was up by 117% YoY, and within this, the equity ADTO decreased by 20% and derivatives ADTO grew by 118%. New customer addition by the industry (in terms of net monthly demat account additions) was also down by ~28%.

Company overview

ICICI Securities Limited is a leading wealth-tech firm in India, meeting the three financial needs of its customers *viz.,* Investments, Loans and Insurance. The Company operates 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 ~ 9+ Million customers and total client assets worth ₹ 5.9 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 wealth-tech platform. 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 ~ 66 cities in India and wholly-owned subsidiary in US and its branch in Singapore.

Financial highlights

The table below summarises the key financials of your Company for FY2023:

₹ Million

Particulars	Standalone			Consolidated		
	FY2022	FY2023	Change %	FY2022	FY2023	Change %
Gross Income	34,369.0	34,222.7	(0.4%)	34,384.8	34,254.8	(0.4%)
Profit/(Loss) before Depreciation and Tax	19,122.9	15,703.6	(17.9%)	19,152.9	15,761.9	(17.7%)
Depreciation	625.1	750.5	20.1 %	625.3	750.7	20.1%
Profit/(Loss) before Tax	18,497.8	14,953.1	(19.2%)	18,527.6	15,011.2	(19.0%)

₹ Million

Particulars	Standalone			Consolidated		
	FY2022	FY2023	Change %	FY2022	FY2023	Change %
Provision for Tax	4,702.4	3,837.1	(18.4%)	4,701.6	3,834.9	(18.4%)
Profit/(Loss) After Tax	13,795.4	11,116.0	(19.4%)	13,826.0	11,176.3	(19.2%)
Other Comprehensive Income (net of tax)	(2.6)	(0.8)	(69.2%)	(2.6)	(0.8)	(69.2%)
Total comprehensive income	13,792.8	11,115.2	(19.4%)	13,823.4	11,175.5	(19.2%)
Balance brought forward from previous year	14,925.8	20,734.6	38.9%	15,059.7	20,899.1	38.8%
Amount available for appropriation	28,718.6	31,849.8	10.9%	28,883.1	32,074.6	11.0%
Surplus carried forward	20,734.6	24,586.8	18.6%	20,899.1	24,811.6	18.7%
Earnings per share on equity shares of ₹ 5 each						
Basic (in ₹)	42.77	34.44	(19.5%)	42.86	34.62	(19.2%)
Diluted (in ₹)	42.59	34.35	(19.3%)	42.69	34.54	(19.1%)

Note: Figures in parenthesis are negative

APPROPRIATIONS

Your Company has ₹ 31,849.8 Million available for appropriation, comprising total comprehensive income of ₹ 20,734.6 Million for FY2023 and balance of ₹ 11,115.2 Million brought forward from the previous financial year.

An appropriation of ₹ 7,263.0 Million towards interim and final dividend has been approved by the Board resulting in profit of ₹ 24,586.8 Million being the surplus carried forward. Your Company does not propose any transfers to reserves.

₹ Million

Particulars	Standalone	
	FY2022	FY2023
Balance brought forward from previous year	14,925.8	20,734.6
Add: Total comprehensive income	13,792.8	11,115.2
Amount available for appropriation*	28,718.6	31,849.8
Appropriations:		
Equity Dividend	7,984.0	7,263.0
Surplus carried forward	20,734.6	24,586.8

₹ (112.8) Million as at March 31, 2023 [₹ (112.0) Million as at March 31, 2022] 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 ₹ 9.25 per equity share (185%) for FY2023. The Board had also approved payment of interim dividend of ₹ 9.75 (195%) per equity share for FY2023, aggregating to ₹ 19/- per equity share (380%) for FY2023 *vs* ₹ 24/- per equity share (480%) paid for FY2022. The payment of interim dividend along with the proposed final dividend would result in cumulative dividend pay-out ratio of 55.18% 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
2021-22 (Final dividend)	August 26, 2022	September 30, 2029
2022-23 (Interim dividend)	October 20, 2022	November 20, 2029

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

At March 31, 2023, the Company has two subsidiaries (including step-down subsidiary) and has no associate and joint venture companies. The subsidiaries are:

a. ICICI Securities Holdings, Inc.; and

b. ICICI Securities, Inc.; (subsidiary of ICICI Securities Holdings, Inc.).

During FY2023, 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 policies 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 Company largely resumed its operations from office locations as the spread of the COVID-19 pandemic was contained.

INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

The internal financial controls with reference to financial statements as designed and implemented by the Company are 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 FY2023 comprising of the information available upto the date of this report can be viewed at the following link: https://www.icicisecurities.com/Upload/ArticleAttachments/ICICI_Securities_Limited_Annual_Report_FY2022_23.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 FY2023, the Company has allotted 1,89,005 equity shares of ₹ 5/- each pursuant to exercise of stock options under the ICICI Securities Limited - Employees Stock Option Scheme – 2017. As a result, the share capital increased from ₹ 1,613,393,605/- to ₹ 1,614,338,630/- during FY2023.

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 the ordinary course of business. All such related party transactions were placed before the Audit Committee for approval, wherever applicable.

Pursuant to the provisions of Regulation 23 (4) of Listing Regulations, approval of the Members was obtained at the Annual General Meeting held on August 26, 2022 for:

- 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; and

- approval of material related party transaction(s) with ICICI Bank Limited (Holding Company) for:

  - placing fixed deposits, recurring deposit accounts (in any form and by whatever name called) (whether individual transaction or transactions taken together or series of transactions or otherwise) 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, 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 maximum outstanding balance of ₹ 10.00 billion (excluding accrued interest thereon), 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.

  - 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 *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, 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 19, 2023, based on the recommendation of the Audit Committee and subject to the approval of the Members, have approved continuing 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 19, 2023, based on the recommendation of the Audit Committee and subject to the approval of the Members, have also approved the following material related party transactions:

- continuing 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; and

- 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 ₹ 40.00 billion (excluding accrued interest thereon) and subject to such transaction being on arm's length and in the ordinary course of business.

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 nine Directors, out of which five are Independent Directors, two are Non-Executive Non-Independent Directors and two are Whole-time Directors.

As at the end of FY2023, 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 20, 2022, based on the notice received from a Member under Section 160 of the Act and the recommendation of the Nomination & Remuneration Committee, 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. The Members of the Company, at the Twenty-Seventh Annual General Meeting ('AGM') of the Company held on August 26, 2022, approved the re-appointment of Subrata Mukherji (DIN: 00057492) by way of Special Resolution. 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 notice received from a Member under Section 160 of the Act and 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. The Members of the Company, at the Twenty-Seventh AGM of the Company held on August 26, 2022, approved the re-appointment of Vijayalakshmi Iyer (DIN: 05242960) by way of Special Resolution. 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 were received in this regard. 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, 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, 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. The Members of the Company, at the Twenty-Seventh AGM of the Company held on August 26, 2022, approved the appointment of Prasanna Balachander (DIN: 02257744).

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, appointed 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 Members of the Company, at the Twenty-Seventh AGM of the Company held on August 26, 2022, approved the appointment of Gopichand Katragadda (DIN: 02475721) by way of Special Resolution. The regulatory approvals were received in this regard. 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, Gopichand Katragadda (DIN: 02475721) has passed an online proficiency self-assessment test conducted by the 'Indian Institute of Corporate Affairs at Manesar'.

Anup Bagchi (DIN: 00105962), Non-Executive Non-Independent Director of the Company tendered his resignation from the Board of Directors of the Company with effect from September 17, 2022.

The Board of Directors, pursuant to the provisions of Section 161 of the Act, *vide* circular resolution passed on September 26, 2022, appointed Rakesh Jha (DIN: 00042075) as an Additional Director (Non-Executive Non-Independent Director) on the Board of Directors of the Company with effect from September 26, 2022, subject to regulatory approvals. The regulatory approvals were received in this regard. Further, the Board of Directors, at its meeting held on October 20, 2022, based on the notice received from a Member under Section 160 of the Act and recommendation of the Nomination & Remuneration Committee, appointed Rakesh Jha (DIN: 00042075) as a Non-Executive Non-Independent Director of the Company subject to the approval of the Members of the Company.

Accordingly, the Members of the Company, *vide* Postal Ballot resolution passed on December 18, 2022, approved the appointment of Rakesh Jha (DIN: 00042075) as a Non-Executive Non-Independent Director of the Company with effect from December 18, 2022.

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 Business Conduct & Ethics of the Company during FY2023.

Retirement by rotation

In terms of Section 152 of the Act and the Articles of Association of the Company, Prasanna Balachander (DIN: 02257744), Director of the Company, would retire by rotation at the ensuing AGM and being eligible for re-appointment, has offered himself for re-appointment.

Brief details of the Director proposed to be re-appointed as required under Regulation 36 (3) of Listing Regulations are provided in the Notice of the ensuing AGM.

PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR

As at the end of FY2023, the following officials were designated as officials within the Senior Management category:

- Mr. Amit Gupta, Fund Manager, Portfolio Management Services
- Mr. Ankit Sharma, Head - Compliance and Legal
- Mr. Anupam Guha, Head - Private Wealth Management
- Mr. Harvinder Jaspal, Chief Financial Officer and Head - Operations
- Mr. Jaideep Goswami, Head - Equities
- Mr. Kedar Deshpande, Head - Retail Distribution, Product & Services Group
- Mr. Ketan Karkhanis, Head - Digital Client Acquisition & Co-Head-New Solutions Group
- Mr. Manoj Menon, Head - Institutional Research
- Ms. Nidhi Kajaria, Head - Human Resources
- Mr. Nilotpal Gupta, Head - Data Science
- Mr. Pankaj Pandey, Head - Retail Research
- Mr. Piyush Garg, Head - Treasury and CIO
- Mr. Raju Nanwani, Company Secretary
- Mr. Ravi N, Head - Customer Experience & Service
- Mr. Ripujit Chaudhuri, Chief Risk Officer
- Mr. Subhash Kelkar, Chief Technology & Digital Officer
- Mr. Venkatesh Shankaramani, Head - Internal Audit
- Mr. Vishal Gulechha, Head - Retail Equities

Further, following the resignation of Mr. Subhash Kelkar, based on the recommendation of the Nomination & Remuneration Committee, the Board approved the appointment of Mr. Ragunath Balaji as the Chief Technology & Digital Officer of the Company (within the category of senior management in the Company) with effect from May 2, 2023.

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 and 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 Business Conduct & Ethics

The Code of Business Conduct & Ethics ('Code') of the Company aims at ensuring consistent standards of conduct and ethical business practices across the Company. This Code is reviewed atleast once in two years and the latest Code is available on the website of the Company (www.icicisecurities.com). Pursuant to Listing Regulations, a confirmation from the Managing Director & CEO regarding compliance with the Code by all the Directors and senior management of the Company forms part of the Annual Report.

Code of Conduct for Prohibition of Insider Trading

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has instituted a comprehensive code of conduct to regulate, monitor and report trading activities of its directors, employees and other connected persons in the securities of the Company as a listed entity and in the securities of all the listed companies as SEBI registered intermediary.

Whistle Blower Policy

The Company has in place a Whistle Blower Policy ('the Policy') which aims to set up a mechanism that enables employees to report about potentially illegal and/or unacceptable practices. It seeks to enable employees to report such practices without fear of victimisation and reprisal. The Policy aims to administer good governance practices in the Company and to ensure that serious concerns are properly raised and addressed.

The purpose of the Policy is to enable a person who observes an unethical practice (whether or not a violation of law) to approach Head - Compliance & Legal/Chairman of Audit Committee without necessarily informing his/her supervisors and without revealing his/her identity, if he/she so chooses. The Policy governs reporting and investigation of allegations of suspected improper activities.

The employees of the Company are encouraged to use guidance provided in the Policy for reporting all allegations of suspected improper activities. In all instances, the Company retains the prerogative to determine when circumstances warrant an investigation and accordingly, in conformity with the Policy and applicable laws and regulations, the appropriate investigative process is employed. The Policy complies with the requirements of the Vigil Mechanism as envisaged by the Act and the rules framed thereunder and the 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 web-link:

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

Policy for Determining Material Subsidiaries

The Company has a policy for determining 'material' subsidiaries which can be viewed on the web-link:

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

According to Regulation 16 (1) (c) of Listing Regulations, a 'Material subsidiary' shall mean a subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. There are no material subsidiaries of the Company as per the said provision.

Familiarisation Programme for Independent Directors

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programmes at the time of their appointment as Directors and through presentations on economy and industry overview, global and domestic macro-economic outlook, products demo, key regulatory developments, strategy and performance which are made to the Directors from time to time. The details of the familiarisation programmes have been hosted on the website of the Company and can be accessed on the following link:

https://www.icicisecurities.com/Upload/ResearchAttachments/Familiarisation_Programme_for_Independent_Directors.pdf

CEO/CFO Certification

In terms of Listing Regulations, the certification by the Managing Director & CEO and the Chief Financial Officer on the financial statements and internal controls relating to financial reporting has been obtained.

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

₹ Million

Payments to the auditor	For the year ended March 31, 2022	For the year ended March 31, 2023
For audit fees	8.4	6.9
For taxation matters	0.8	0.8
For other services	1.9	1.2
For reimbursement of expenses	0.8	0.5
Total	**11.9**	**9.4**

Credit Ratings obtained by the Company

The details of your Company's credit ratings are as under:

Name of the credit rating agency	Credit rating obtained in respect of various securities	Amount (₹ Million)	Ratings Given	Issue Date/ Revalidation	Validity of Rating	If Rating Downgraded (Specify reason)
CRISIL	Non-Convertible Debentures	500.0	AAA/ Stable	January 23, 2023	180 days	Rating not downgraded
CRISIL	Commercial Papers	135,000.0	CRISIL A1+	March 17, 2023	30 days	Rating not downgraded
ICRA	Non-Convertible Debentures	500.0	AAA/ Stable	January 24, 2023	Review on annual basis	Rating not downgraded
ICRA	Commercial Papers	135,000.0	ICRA A1+	March 20, 2023	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, 2023 consisted of nine Directors, out of which five 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 FY2023 on April 20, 2022, July 21, 2022, October 20, 2022, January 19, 2023 (two meetings) and March 10, 2023.

There were no *inter-se* relationships between any of the Directors of the Company. Further, none of the Non-Executive Non-Independent Directors hold any equity shares or convertible instruments of the Company as on March 31, 2023.

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 FY2023 are set out in the following table:

Name of the Director	Number of Board Meetings		Attendance at the last AGM held on August 26, 2022	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	2	0	1	0

Name of the Director	Number of Board Meetings		Attendance at the last AGM held on August 26, 2022	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#@
Ashvin Parekh (DIN: 06559989)	6	6	Present	3	1	5	3
Subrata Mukherji (DIN: 00057492)	6	6	Present	0	0	1	0
Vijayalakshmi Iyer (DIN: 05242960)	6	5	Present	9	0	10	3
Gopichand Katragadda (DIN: 02475721)*	4	4	N.A.	1	2	2	1
Non-Executive Non-Independent Directors							
Rakesh Jha (DIN: 00042075)*	4	4	N.A.	4	0	1	0
Prasanna Balachander (DIN: 02257744)*	4	4	Present	1	0	2	0
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.

**Gopichand Katragadda (DIN: 02475721) was appointed as an Independent Director of the Company with effect from August 26, 2022, Rakesh Jha (DIN: 00042075) was appointed as an Additional Director (Non-Executive Non-Independent Director) with effect from September 26, 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 FY2023 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. Advani Hotels & Resorts (India) Limited	1. 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. Poonawalla Fincorp Limited (formerly known as Magma Fincorp Limited) 2. Aditya Birla Capital Limited 3. Computer Age Management Services Limited 4. CG Power and Industrial Solutions Limited 5. Glenmark Pharmaceuticals Limited	1. Independent Director 2. Independent Director 3. Independent Director 4. Independent Director 5. Independent Director

Name of the Director	Name of the Listed Entity[@]	Category
Gopichand Katragadda (DIN: 02475721)	1. Bosch Limited	1. Independent Director
Non-Executive Non-Independent Directors		
Rakesh Jha (DIN: 00042075)	1. ICICI Bank Limited 2. ICICI Lombard General Insurance Company Limited	1. Executive Director 2. Non-Executive Non Independent Director
Prasanna Balachander (DIN: 02257744)	Nil	
Executive Directors		
Vijay Chandok (DIN: 01545262)	Nil	
Ajay Saraf (DIN: 00074885)	Nil	

[@]For the purpose of computation of listed entities, listed entities as per the Ministry of Corporate Affairs (MCA) Portal have been considered.

The number of committees (Audit Committee and Stakeholders Relationship Committee) of public limited companies in which a Director is a Member/Chairperson were within the limits provided under Listing Regulations, for all the Directors of the Company. The number of directorships of each Independent Director is also within the limits prescribed under Listing Regulations.

Core skills/expertise/competencies of the Board of Directors

As required under Regulation 34 read with Schedule V of Listing Regulations in the context of the Company's 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, investment banking and portfolio management services sectors in which the Company operates and ensures that appropriate strategies are articulated benefitting the Company in the long run.

The details of the core skills/expertise/competencies possessed by the existing directors of the Company are detailed as under:

Name of the Director	Areas of Expertise
Vinod Kumar Dhall	• Corporate Affairs • Competition and Corporate Law • Finance & Banking • Economic Regulation • Business Strategy • Business Management • Insurance • Investment Banking
Ashvin Parekh	• Business Strategy • Corporate Planning • Institutional Strengthening • Business Transformation • Technology • Finance • Business Management • Portfolio/Asset Management • Project Management • Legal and Regulatory
Subrata Mukherji	• Business Strategy • Banking & Finance • Investment Banking • Economics • Business Management • Venture Capital

Name of the Director	Areas of Expertise
Vijayalakshmi Iyer	• Business Strategy • Banking & Finance • Investment Banking • Insurance • Business Management • Technology • Human Resources Development • Portfolio/Asset and Project Management • Risk Management • Treasury and Funds Management
Gopichand Katragadda	• Information Technology including new emerging technologies • Corporate Planning • Portfolio/Asset and Project Management • Economics • Competition and Corporate Law • Business Law • Corporate Affairs • Business Strategy and Management • Institutional strengthening and Business Transformation • Human Resource Development • Venture Capital
Rakesh Jha	• Banking • Business Management • Risk Management • Finance • Accountancy • Economics • Information Technology • Business Strategy • Asset-liability Management
Prasanna Balachander	• Finance • Treasury including Foreign currency, Derivatives and Fixed Income • Economic Research • Sales & Distribution • Product Development

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

Separate Meeting of Independent Directors

During FY2023, a separate meeting of the Independent Directors was held on April 20, 2022, 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 FY2023 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 and reasons for the same;

   ii) Major accounting entries based on exercise of prudent judgement and estimates by management;

   iii) Modified opinions in draft audit report;

   iv) Significant adjustments arising out of audit;

   v) Compliance with listing and other legal requirements concerning financial statements;

   vi) To review the management discussion and analysis of financial condition and results of operations;

   vii) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

   viii) Any related party transactions *i.e.* transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, *etc*. that may have potential conflict with the interests of the Company at large; and

   ix) To approve any subsequent modification of transactions of the Company with related parties. Provided that the Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed.

f. To recommend to the Board, the appointment, re-appointment, terms of 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 (including chief internal auditor)/concurrent auditors/special auditors and the fixation (including terms) of their remuneration.

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

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

n. To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

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

p. To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

q. To review:

   i) Code of Conduct & Business Ethics

   ii) Anti-Bribery and Anti-Corruption Policy

   iii) Conflict of Interest Policy

   iv) Code of Conduct for Prevention of Insider Trading

   v) Whistle Blower Policy

r. To review the functioning of the Whistle Blower mechanism or other confidential mechanisms for employees to report ethical and compliance concerns or potential breaches or violations.

s. To establish procedures for:

i) the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls or auditing matters; and

ii) the confidential, anonymous submission by employees regarding questionable accounting or auditing matters.

t. To review internal reports on internal controls and on proactive compliance activities aimed at increasing the Company's ability to meet its legal and ethical obligations, on identified weaknesses, lapses, breaches or violations and the controls and other measures in place to help detect and address the same.

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

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

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

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

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

z. To review the following:

i) Penal action taken against the Company under various laws and statutes;

ii) Reports of inspection by regulatory authorities *viz.*, SEBI, BSE, NSE, IRDA, PFRDA, AMFI;

iii) Follow-up action on the inspection reports;

iv) Compliance with the inspection reports of regulatory authorities;

v) Accountability for unsatisfactory compliance with inspection reports, delay in compliance and non-rectification of deficiencies.

aa. To review the following matters:

i) Reports of the audits conducted by the statutory auditors and their periodicity and scheduling;

ii) Compliance with the observations of the statutory auditors.

bb. To review the following matters:

i) Reports of the different types of audits conducted by the internal auditors and their periodicity and scheduling;

ii) Follow-up action on the audit reports, particularly concerning unsatisfactory areas of operations;

iii) Compliance with the observations of the internal auditors;

iv) Omissions on the part of the auditing team to detect serious irregularities.

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

dd. To review the Anti Money Laundering (AML)/Counter – Financing of Terrorism (CFT) policy annually and review the implementation of the Company's AML/ CFT programme.

ee. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and to look into substantial delays in the payment to creditors.

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

gg. To seek information from any employee; to obtain outside legal or other professional advice; and to secure attendance of outsiders with relevant expertise, if it considers necessary.

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

ii. To scrutinise inter-corporate loans and investments.

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

kk. To the extent applicable, review with the management, Statement of deviations, specifically the quarterly statement of deviation submitted to the stock exchanges under Regulation 32 (1) and the annual statement of funds utilized for purposes other than those stated in the offer documents under Regulation 32 (7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

ll. To investigate into any matter in relation to the terms of reference of the audit committee or referred to it by the Board and for this purpose, to obtain professional advice from external sources and have full access to information contained in the records of the Company.

mm. To review the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 1 billion or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.

nn. Approval of appointment of chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, *etc.* of the candidate;

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 FY2023, 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 FY2023, Mr. Pramod Rao (DIN: 02218756) ceased to be a member of the Audit Committee consequent to his resignation from the Board of Directors of the Company with effect from June 30, 2022.

As at the end of FY2023, the Audit Committee comprised of following as it members:

- Ashvin Parekh (DIN: 06559989), Independent Director (Chairman);
- Subrata Mukherji (DIN: 00057492), Independent Director; and
- Vijayalakshmi Iyer (DIN: 05242960), Independent Director.

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

During FY2023, eight meetings of the Audit Committee were held on April 13, 2022, April 20, 2022, July 14, 2022, July 21, 2022, October 14, 2022, October 20, 2022, January 13, 2023 and January 19, 2023. The details of the attendance at the meetings are set out in the following table:

Name of the Director	Number of Meetings held during the tenure of the Director	Number of Meetings attended
Ashvin Parekh (Chairman)	8	8
Subrata Mukherji	8	8
Vijayalakshmi Iyer	8	6
Pramod Rao*	2	2

**Mr. Pramod Rao (DIN: 02218756) ceased to be a member of the Audit Committee consequent to his resignation from the Board of Directors of the Company with effect from June 30, 2022.*

Nomination & Remuneration Committee

Terms of Reference

1. To submit recommendations to the Board with regard to –

   a. Filling up of vacancies in the Board that might occur from time to time and appointment of additional non whole-time Directors. In making these recommendations, the Committee shall take into account the provisions of the Articles of Association and the special professional skills required for efficient discharge of the Board's functions;

   b. Directors liable to retire by rotation;

   c. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.

   "Senior Management" shall be as defined under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

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 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 FY2023, 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 FY2023, NRC was re-constituted by inducting Prasanna Balachander (DIN: 02257744) as a Member, in place of Anup Bagchi (DIN: 02218756), with effect from September 23, 2022. NRC was further re-constituted by inducting Rakesh Jha (DIN: 00042075) as a Member, in place of Prasanna Balachander (DIN: 02257744), with effect from the close of business hours of January 20, 2023.

As at the end of FY2023, NRC comprised of following as its members:

- Ashvin Parekh (DIN: 06559989), Independent Director (Chairman);
- Vinod Kumar Dhall (DIN: 02591373), Independent Director; and
- Rakesh Jha (DIN: 00042075), Non-Executive Non-Independent Director.

During FY2023, four meetings of NRC were held on April 20, 2022, July 21, 2022, October 20, 2022 and January 19, 2023. The details of the attendance at the meetings are set out in the following table:

Name of the Director	Number of Meetings held during the tenure of the Director	Number of Meetings attended
Ashvin Parekh (Chairman)	4	4
Vinod Kumar Dhall	4	4
Rakesh Jha*	0	0
Anup Bagchi*	2	2
Prasanna Balachander*	2	2

**Prasanna Balachander (DIN: 02257744) was inducted as a Member, in place of Anup Bagchi (DIN: 02218756), with effect from September 23, 2022. Rakesh Jha (DIN: 00042075) was inducted as a Member, in place of Prasanna Balachander (DIN: 02257744), with effect from the close of business hours of January 20, 2023.*

Corporate Social Responsibility Committee

Terms of Reference

a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

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

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

d. To recommend the amount of Corporate Social Responsibility Policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by our Company;

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

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

g. Perform such other duties and functions as the Board may require the Corporate Social Responsibility Committee to undertake to promote the corporate social responsibility activities of our Company.

Composition

During FY2023, 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 FY2023, there was no change in the constitution of CSR Committee.

As at the end of FY2023, 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 FY2023, four meetings of CSR Committee were held on April 13, 2022, July 15, 2022, October 17, 2022 and February 14, 2023. 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 FY2023, 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 FY2023, there was no change in the constitution of SRC.

As at the end of FY2023, 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 FY2023, four meetings of SRC were held on April 13, 2022, July 14, 2022, October 14, 2022 and January 13, 2023. The details of the attendance at the meetings are set out in the following table:

Name of the Director	Number of Meetings held during the tenure of the Director	Number of Meetings attended
Vijayalakshmi Iyer (Chairperson)	4	4
Vijay Chandok	4	4
Ajay Saraf	4	4

Raju Nanwani, Company Secretary is the Compliance Officer of the Company pursuant to the requirements of Listing Regulations.

The SCORES website of SEBI for redressal of grievances of the investors is being visited at regular intervals by the officials of the Company. The Company had received one complaint from the shareholders during FY2023. As at the end of FY2023, 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. Liquidity Risk,

      viii. Surveillance Policy,

      ix. Business Continuity and Disaster Recovery Plans, and

      x. 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 the above-mentioned 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 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 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 FY2023, the composition of the Risk Management Committee ('RMC') of the Company was in compliance with the provisions of Regulation 21 of Listing Regulations.

During FY2023, RMC was re-constituted by inducting Pankaj Gadgil (DIN: 08521239) as a Member with effect from June 30, 2022. Pankaj Gadgil (DIN: 08521239) ceased to be a member of the Risk Management Committee consequent to his resignation from the Board of Directors of the Company with effect from July 19, 2022. RMC was further re-constituted by inducting Prasanna Balachander (DIN: 02257744) as a Member with effect from July 21, 2022.

As at the end of FY2023, 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;
- Prasanna Balachander (DIN: 02257744), Non-Executive Non-Independent Director;
- Vijay Chandok (DIN: 01545262), Managing Director & CEO;
- Ajay Saraf (DIN: 00074885), Executive Director;
- Ripujit Chaudhuri, Chief Risk Officer; and
- Harvinder Jaspal, Chief Financial Officer.

During FY2023, four meetings of RMC were held on April 13, 2022, July 14, 2022, October 14, 2022 and January 13, 2023. The details of the attendance at the meetings are set out in the following table:

Name of the Member	Number of Meetings held during the tenure of the Member	Number of Meetings attended
Vijayalakshmi Iyer (Chairperson)	4	4
Ashvin Parekh	4	4
Subrata Mukherji	4	4
Pankaj Gadgil*	1	0
Prasanna Balachander#	2	1
Vijay Chandok	4	4
Ajay Saraf	4	4
Ripujit Chaudhuri	4	4
Harvinder Jaspal	4	4

**Pankaj Gadgil (DIN: 08521239) was a Member of RMC during the period from June 30, 2022 to July 19, 2022.*

#Prasanna Balachander (DIN: 02257744) was inducted into RMC with effect from July 21, 2022.

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, Risk Management Committee and Information Technology 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 and ICICI Securities Limited - Employees Stock Unit Scheme - 2022.

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 FY2023

a) The Nomination & Remuneration Committee of the Company and the Board of Directors of the Company at its meeting held October 20, 2022 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:

Compensation Structure: Compensation paid will be aligned to both financial and non-financial indicators of performance including parameters like compliance and process perspective. To meet the Company's objective of attracting, rewarding and retaining talent, compensation will be delivered through a prudent mix of components as given below:

1. Fixed and Variable Pay:

   Defining scope of Perquisite under new clause 1.4: The definition of Perquisites was elaborated as under: Perquisites will include cash and non-cash benefits such as insurance, club memberships, corporate car and reimbursable benefits like employee's children education scholarship scheme, employee's children special care needs, *etc*.

2. Addition of Sub-clause 2.2 & 2.3 pertaining to Variable Pay:

   i. Clause 2.2:
      The variable pay for sales frontline employees will mostly be in the form of sales incentives. Sales incentive payouts are based on individual performance targets as may be defined from time-to-time. The principles guiding the sales incentive payout shall be ratified jointly by the Head - Human Resources and respective Business Heads of the Company and approved by the Managing Director & CEO of the Company.

   ii. Clause 2.3:
      Variable pay for non-sales frontline employees and employees in the management/supervisory levels will be granted in the form of annual performance bonus. The annual performance bonus will be based on employee's performance on assessment of individual performance delivered against a set of defined performance objectives &/or performance achievement of the business unit and overall performance achievement of the Company. These objectives will be balanced in nature and will comprise a holistic mix of financial and non-financial parameters as may be deemed fit from time to

time. The performance bonus will be paid as a percentage of fixed pay w/o retirals and the payout rates for performance bonus for any financial year will be subject to approval by the Committee. The Managing Director & CEO and Head – Human Resources will jointly execute the distribution of the performance bonus grant subject to the Committee approval.

3. Long Term Incentive Plan:
   The Company's long-term pay schemes are designed to encourage institution building, enabling employees to participate in the long-term growth and financial success of the Company, motivation and retention among employees. Long-term pay may be administered either through cash and/or share-linked instruments (including stock options/restricted units/ Stock Appreciation Rights or others). The Managing Director & CEO and Head – Human Resources will jointly execute the distribution of the LTI grant subject to the Committee approval.

4. Benefit has been extended to cases of Permanent Disability of employees for immediate vesting of whole of deferred LTIP to the employee's successor/ nominee or the employee as the case maybe

5. Grants made effective April 2023, under Cash LTI, Employee Stock Unit Scheme (ICICI Securities Limited Employees Stock Unit Scheme – 2022) - ESUS - 2022 and Employee Stock Option Scheme (ICICI Securities Limited Employees Stock Option Scheme – 2017) – ESOS - 2017 were added under the purview of Malus and Claw back.

6. Malus and Clawback Clause:

   All employees to whom LTI grants will be made will be required to sign malus & clawback agreements for the units/cash granted to them.

b) No changes were proposed to be made in the Remuneration Policy for the Non-Executive Directors of the Company during FY2023.

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 THE WHOLE-TIME DIRECTORS DURING FY2023

The following table sets out the details of remuneration (including perquisites and retiral benefits) paid to the Whole-time Directors during FY2023:

Details of remuneration (₹)

Particulars	Vijay Chandok – Managing Director & CEO	Ajay Saraf – Executive Director
Period	April 1, 2022 – March 31, 2023	April 1, 2022 – March 31, 2023
Basic	2,59,35,120	1,16,33,040
Performance Bonus paid out in FY2023[1]	1,39,14,395	1,23,62,426
Allowances[2]	2,48,62,284	1,42,38,720
Perquisites[3]	7,35,492	1,38,438
Contribution to provident fund	31,12,212	13,95,965
Stock Options of the Company (Numbers)		
Granted in FY2023	3,17,100	93,400
Granted in FY2022	-	1,36,000

Note: For the year ended March 31, 2023 the remuneration details pertain to the amount paid/options granted during FY2023.

[1]The bonus amount paid in FY2023 includes the deferred portion of bonus approved in earlier years, wherever applicable.

[2]Allowances include components like house rent allowance, contribution to NPS, leave travel allowance, interest subsidy on home loan, conveyance 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, Car Perq., telephone and internet usage at residence or reimbursement of expenses in lieu thereof, domiciliary medical reimbursement, leave, children education benefits, 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 FY2023, 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 FY2023 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)	10,00,000
Ashvin Parekh (DIN: 06559989)	20,00,000
Subrata Mukherji (DIN: 00057492)	18,00,000
Vijayalakshmi Iyer (DIN: 05242960)	16,00,000
Gopichand Katragadda (DIN: 02475721)	5,50,000

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 FY2023 for their tenure during FY2022.

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors has, at its meeting held on April 19, 2023, approved the proposal of payment of profit related commission (exclusive of applicable taxes) from ₹ 10,00,000/- per annum to ₹ 20,00,000/- per annum for each financial year effective from the financial year ended March 31, 2024 onwards to the Chairperson of the Board, who shall also be an Independent Director, subject to the approval of the Members and also subject to the total remuneration payable to Directors who were neither Managing Directors nor Whole-time Directors not exceeding in the aggregate 1% (one percent) of the net profits of the Company for that financial year computed in the manner stipulated in Section 198 of the Act.

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 = 93:1

Ajay Saraf, Executive Director = 49:1

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

Vinod Kumar Dhall, Chairman and Independent Director = 3.6:1

Ashvin Parekh, Independent Director = 5.4:1
Subrata Mukherji, Independent Director = 5.1:1
Vijayalakshmi Iyer, Independent Director = 4.7:1
Gopichand Katragadda, Independent Director = 1:1

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 5%-20%.

(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 8.9%.

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

Employee headcount at March 31, 2023 was 4,494.

(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 FY2023 was around 10.3%, while the increase in the remuneration of the Key Managerial Personnel was 7.6%.

(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 Meeting

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-Seventh AGM	Friday, August 26, 2022 at 4:30 p.m. (IST)	AGM was held through Video Conferencing/Other Audio Visual Means (Deemed venue for the AGM was the Registered Office: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025)	• Re-appointment of Mr. Subrata Mukherji (DIN: 00057492) as an Independent Director of the Company. • Re-appointment of Ms. Vijayalakshmi Iyer (DIN: 05242960) as an Independent Director of the Company. • Appointment of Dr. Gopichand Katragadda (DIN: 02475721) as an Independent Director of the Company. • Appointment of Mr. Prasanna Balachander (DIN: 02257744) as a Non-Executive Non-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. • Approval and adoption of 'ICICI Securities Limited - Employees Stock Unit Scheme - 2022'. • Approval of grant of Units to the eligible employees of Subsidiaries of the Company under 'ICICI Securities Limited – Employees Stock Unit Scheme - 2022'.
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)	• 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)	• Enhancement of the existing borrowing limit under Section 180 of the Companies Act, 2013.

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

No special resolution was passed through Postal Ballot during FY2023. However, during FY2023, an ordinary resolution was passed through Postal Ballot process on December 18, 2022 for appointment of Mr. Rakesh Jha (DIN: 00042075) as a Non-Executive Non-Independent Director of the Company.

The Company followed the procedure as prescribed under the Act, the Companies (Management and Administration), Rules, 2014, as amended, the Secretarial Standard 2 issued by the Institute of Company Secretaries of India and Regulation 44 of Listing Regulations read with applicable circulars issued by the Ministry of Corporate Affairs ('MCA') pertaining to conduct of Postal Ballot process and other applicable laws and regulations. The Company had sought approval of the Members on the Ordinary Resolution, through Postal Ballot by remote *e*-voting process. The Board of Directors of the Company had appointed Dholakia & Associates LLP, Practising Company Secretaries, as the Scrutiniser for conducting the Postal Ballot voting process. Nrupang B. Dholakia, Designated Partner of Dholakia & Associates LLP acted as the Scrutiniser and submitted his report after completion of the scrutiny of the votes cast through Postal Ballot voting process. Considering the results of the Postal Ballot, the resolution was approved on December 18, 2022. The results were declared on December 19, 2022 and communicated to the Stock Exchanges and displayed on the Company's website at the following link:

https://www.icicisecurities.com/Upload/ArticleAttachments/Voting_results_of_the_Postal_Ballot_November_December_2022.pdf

The details of the voting pattern are as under:

Ordinary resolution for appointment of Mr. Rakesh Jha (DIN: 00042075) as a Non-Executive Non-Independent Director of the Company:

Total No. of Equity Shares (1)	32,28,22,551
No. of Votes Polled (2)	27,60,56,476
% of Votes polled on Outstanding shares (3) = [(2)/(1)]*100	85.5134
No. of Votes in Favour (4)	27,58,31,423
No. of Votes Against (5)	2,25,053
% of Votes in favour on Votes polled (6)=[(4)/(2)]*100	99.9185
% of Votes Against on Votes polled (7)=[(5)/(2)]*100	0.0815

c) **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 August 26, 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.

Further, based on the recommendation of the Board, at the Twenty-Seventh AGM held on August 26, 2022, the Members approved the re-appointment of B S R & Co. LLP, Chartered Accountants, as the Statutory Auditors for a second term of five years, to hold office from the conclusion of the Twenty-Seventh AGM till the conclusion of the Thirty-Second AGM.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of Listing Regulations, 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 FY2023. The Secretarial Audit Report is given in **Annexure G** enclosed to this report.

There are no material 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

	FY2022	FY2023
Earnings	375.1	201.0
Outgo	493.6	501.1

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'.

DELISTING OF EQUITY SHARES OF THE COMPANY

The Board of Directors, at its meeting held on June 29, 2023, after considering the recommendation and reports of the Audit Committee and the Committee comprising of all the Independent Directors, approved the draft scheme of arrangement for delisting of equity shares of the Company, pursuant to which ICICI Bank Limited ('the Bank') will issue equity shares to the public shareholders of the Company in lieu of cancellation of their equity shares in the Company, thereby making the Company a wholly-owned subsidiary of the Bank, in accordance with Chapter VI, Part C, Regulation 37 of the SEBI (Delisting of Equity Shares) Regulations, 2021 and Section 230 of the Companies Act, 2013, subject to receipt of requisite approvals.

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, 2023 and of the profit of the Company for the year ended on that date;

iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;

iv. that the annual accounts have been prepared on a 'going concern' basis;

v. that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

vi. that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has a policy against sexual harassment and has a formal process for dealing with complaints of harassment or discrimination. The said policy is in line with relevant Act passed by the Parliament in 2013. The Company believes in providing a safe working environment at the workplace. On an ongoing basis, the Company creates education and awareness amongst employees. During FY2023, 01 (one) complaint on sexual harassment was filed and was disposed off during the year. Further, no complaint was pending as on March 31, 2023.

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 and Sweat Equity) Regulations, 2021.

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, 2023 are given below:

Particulars	**No. of shares**
Number of options outstanding at the beginning of the year	29,39,279
Number of options granted during the year	16,57,700
Number of options forfeited/lapsed during the year	2,63,980
Number of options vested during the year	9,49,465
Number of options exercised during the year	1,86,455
Number of shares arising as a result of exercise of options *	1,89,005
Money realized by exercise of options (INR), if scheme is implemented directly by the company **	5,70,33,864
Loan repaid by the trust during the year from exercise price received	Not applicable
Number of options outstanding at the end of the year	41,46,544
Number of options exercisable at the end of the year	15,88,294

** 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 FY2023:

During FY2023, the Company granted 16,57,700 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 FY2023 are given below:

Financial Year	**Date of Grant**	**Fair value of the option granted (₹) per share**
FY2023	April 20, 2022	220.78
FY2023	January 18, 2023	175.76

The key assumptions used to estimate the fair value of options granted during FY2023 are given below:

Risk-free interest rate	6.18% to 7.21%
Expected life	3.51 to 5.51 years
Expected volatility	45.80% to 48.86%
Expected dividend yield	3.96% to 4.39%

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

Pursuant to the recommendation of the Board of Directors in its Meeting held on July 21, 2022, the Members of the Company at the Annual General Meeting held on August 26, 2022 approved the ICICI Securities Limited - Employees Stock Unit Scheme – 2022.

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_2022_2023.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 FY2023.

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-Eighth AGM	Tuesday, August 29, 2023 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, 2022 to March 31, 2023

Book Closure: Wednesday, August 23, 2023 to Tuesday, August 29, 2023 (both days inclusive)

Dividend Payment Date: On or before September 28, 2023

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

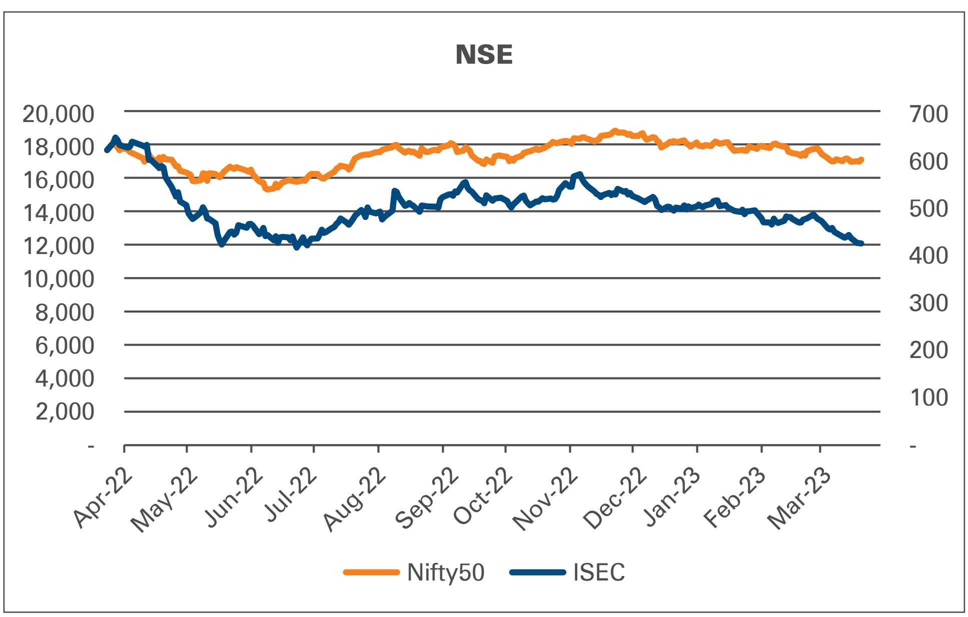
The Company has paid annual listing fees for FY2023 to NSE and BSE where its equity shares are listed. Further, the Company continues to make necessary payment of listing fees to BSE at the time of listing of Commercial Papers.

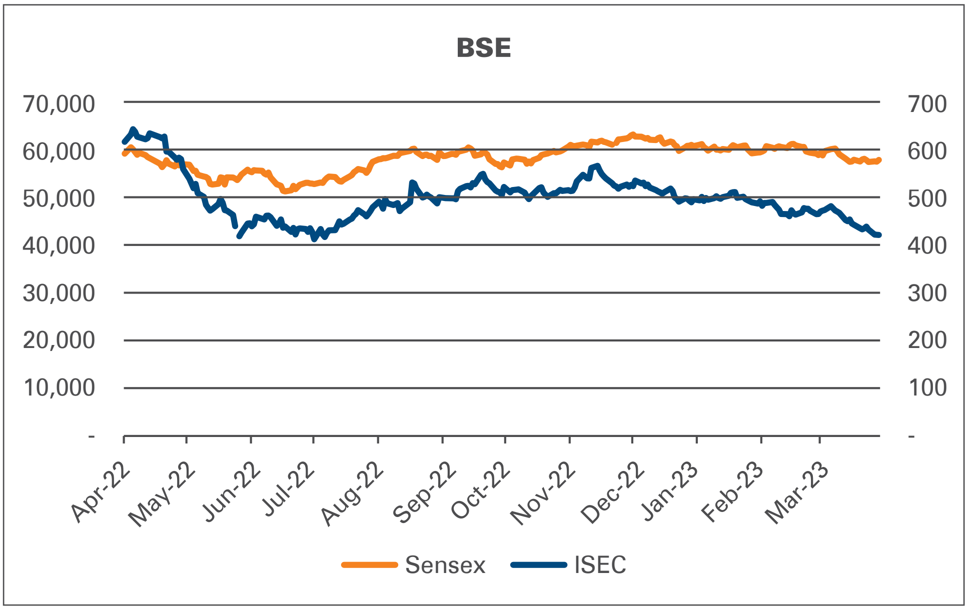
Market Price Information

The reported high and low closing prices and volume of equity shares of the Company traded from April 1, 2022 to March 31, 2023 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 2022	644.2	560.7	12.14	645.8	561.1	0.66	12.80
May 2022	540.15	419.85	10.16	540.7	419.85	0.83	10.99
June 2022	462.9	423.55	8.20	462.5	424.65	0.48	8.68
July 2022	480.55	413.55	8.17	480.8	413.45	0.60	8.77
August 2022	532.35	472.35	10.37	532.55	472.3	0.87	11.25
September 2022	550.55	497.05	6.51	550.85	496.2	0.81	7.32
October 2022	522.35	497.65	3.22	522.15	496.8	0.51	3.72
November 2022	567.4	514.15	6.17	567.9	514.35	0.45	6.61
December 2022	536.35	490.8	5.96	536.65	491.15	0.31	6.27
January 2023	512.35	488.05	6.19	513.1	487.8	1.19	7.38
February 2023	491.55	461.75	4.56	492.4	461.8	1.99	6.55
March 2023	482.75	422.3	4.68	482.8	421.85	0.40	5.08

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, 2022 to March 31, 2023 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, 2023, the entire paid-up equity share capital of the Company (except 5 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, 2023:

Sr. No.	Category	Number of shares	% of total number of shares
1.	Promoters	241,652,692	74.85
2.	Mutual Funds	3,313,513	1.03
3.	Alternate Investment Funds	2,857,490	0.89
4.	Foreign Portfolio Investors	28,257,654	8.75
5.	Insurance Companies	10,152,729	3.14
6.	Directors and their relatives (excluding independent directors and nominee directors)	24,670	0.01
7.	Key Managerial Personnel	8,400	0
8.	Individuals	28,395,684	8.79
9.	NBFCs registered with RBI	1,640	0.00
10.	Trusts	2,48,935	0.08
11.	Non-Resident Indians (NRIs)	2,596,443	0.80
12.	Clearing Members	21,580	0.01
13.	Bodies Corporate	4,421,989	1.37
14.	HUF	9,14,307	0.28
	Total	**322,867,726**	**100.00**

Shareholders of the Company with more than 1% holding at March 31, 2023 (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	8,340,506	2.58
2.	Government Pension Fund Global	10,078,118	3.12

Distribution of shareholding of the Company at March 31, 2023

Category (in ₹)	No. of Folios	% of Members	Total Shares	% of shares
1 - 5,000	171,549	97.17	15,447,820	4.78
5,001 - 10,000	2,705	1.53	3,775,846	1.17
10,001 - 20,000	1,213	0.69	3,394,420	1.04
20,001 - 30,000	396	0.22	1,944,162	0.60
30,001 - 40,000	188	0.11	1,314,649	0.41
40,001 - 50,000	95	0.05	878,193	0.27
50,001 - 100,000	192	0.11	2,748,114	0.85
100,001 & Above	214	0.12	293,364,522	90.86
Total	**176,552**	**100.00**	**322,867,726**	**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 FY2023.

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 queries related 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

1. Outlook Money Retail Broker of the Year – 2021
2. Vijay Chandok received Business Icon of the Year Award 2023 from Marksmen Media
3. CII CFO Excellence Awards - Harvinder Jaspal was nominated for the BFSI Sector CFO of the year and got a recognition for it
4. CII CFO Excellence Awards – ICICI Securities got nominated for Excellence in Turnaround Management
5. ICICI Securities Limited, was Winner of 'Golden Peacock Award' for Corporate Social Responsibility (National) - BFSI Category
6. Abhitanshu Tiwari, Head - Business Partner, has been recognised as Top 100 Franchise Leaders in India for 2022 by Franchise India magazine
7. Best IPO – India for the $480 Million IPO of Adani Wilmar

   By The Asset Triple A Country Awards for Sustainable Finance 2022
8. Best QIP – India, for the $262 Million Indian Hotels Company QIP

   By The Asset Triple A Country Awards for Sustainable Finance 2022
9. Best initiative in Technology Orientation [AMC/WM/ MF/Brokerage firm] for ICICIdirect Markets App at ETBFSI.com Excellence Awards
10. Sangeet Sinha, Business Technology and Digital Head, recognised as the Most Admired BFSI Professional at World BFSI Congress and Awards
11. 'Wealth Manager of the Year' Award at 20th Global Edition, ET Ascent Business Leader of the Year 2023
12. 'Best Private Bank' Award at 20th Global Edition, ET Ascent Business Leader of the Year 2023
13. MCX Leading Bank Broker Award FY2020-21
14. Most Preferred Workplaces in BFSI 2022 – 23 by Marksmen Media
15. ESG Report of the Year Award at the 2nd Annual ESG Summit and Awards 2022 on November 18, 2022 by Transformance Forums

16. LACP Award – Platinum, for ICICI Securities FY2022 Integrated Report
17. Elets NBFC100 Leader Excellence award - Most Innovative Technology Project – for ICICIdirect Markets App
18. Asia Money 2022

    Best Analyst for Metals and Mining
19. Asia Money 2022

    Best Analyst for Telecom
20. Asia Money 2022

    Best Analyst for Utilities
21. Franchisee Awards 2022 given for Franchisor of the Year - Financial Services by Franchisee India Magazine
22. Euromoney Market Leader Award - 2022 for Highly Regarded Market Leader for Investment Banking in India - 2022 by Euromoney Magazine
23. ET Ascent National Awards For Excellence in CSR & Sustainability - Special COVID Categories - Most Innovative Solution for COVID - 19
24. ET Ascent National Awards for Excellence in CSR & Sustainability - Best Overall Excellence in CSR
25. CIO100 - The Innovative 100 to Subhash Kelkar, CTDO by CIO Magazine
26. CIO 100 - For rebalancing enterprise architecture and developing innovative operational strategies in the digital-first world, by CIO Magazine
27. Special award as "Mobility Maven from Samsung" by CIO Magazine
28. 'Best Private Bank – India'
    By 'Finance Asia Country Awards'
29. Dun & Bradstreet ESG Awards 2023 for Community Engagement

For and on behalf of the Board

Sd/-
Vinod Kumar Dhall
DIN: 02591373
Chairman

Date: July 20, 2023
Place: New York

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 Business Conduct & Ethics for the year ended at March 31, 2023.

For and on behalf of the Board

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

Date: July 20, 2023
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= ₹ 82.17	INR US $ 1= ₹ 82.17
5.	Share capital	728,206	571,667
6.	Reserves & surplus	(595,467)	(206,861)
7.	Total assets	133,520	435,482
8.	Total Liabilities*	780.6	70,676
9.	Investments	94,498	-
10.	Turnover	3,029	1,94,062
11.	Profit before taxation	1,984	56,144
12.	Provision for taxation	9	(2,169)
13.	Profit after taxation	1,975	58,313
14.	Proposed Dividend	-	-
15.	Extent of shareholding (in percentage)	100% held by ICICI Securities Limited	100% held by ICICI Securities Holdings, Inc.

**Total Liabilities excludes capital and reserves*

Notes:

1. *Names of subsidiaries which are yet to commence operations: NA*
2. *Names of subsidiaries which have been liquidated or sold during the year: NA*

PART "B": ASSOCIATES AND JOINT VENTURES

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

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

Notes:

1. *Names of associates or joint ventures which are yet to commence operations: NA*
2. *Names of associates or joint ventures which have been liquidated or sold during the year: NA*

For and on behalf of the Board of Directors

Sd/-
Vinod Kumar Dhall
DIN: 02591373
Chairman

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

Sd/-
Ajay Saraf
DIN: 00074885
Executive Director

Date: April 19, 2023
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, 2023 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	128.4
2	BSE Limited	Long term investment	14.7
3	Receivable Exchange of India Limited	Long term investment	56.3
4	Universal Trustees Private Limited	Long term investment	1.7
5	Asknbid Innovation Factory India Private Limited	Long term investment	4.4
B.	**Securities held for Trade**	Short term investment	7,172.0
C.	**Loans**		
1	Given to customers	To invest in ESOPs	6,055.6
2	Given to customers	Margin Trade Funding	58,175.6

Notes:

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

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

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

For and on behalf of the Board

Sd/-

Vinod Kumar Dhall
DIN: 02591373
Chairman

Date: July 20, 2023
Place: New York

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, 2023:

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements /transactions	Duration of contracts/ arrangements/ transactions	Salient terms of contracts/ arrangements/ transactions	₹ in Million	Date(s) of approval by the Board	Amount paid as advance
ICICI Bank Limited	Holding Company	Bank Balance lying in ICICI Bank accounts	-	Outstanding balance at March 31, 2023 in current accounts and fixed deposits maintained for normal banking transactions	8,739.4	-	-
ICICI Bank Limited	Holding Company	Bank Overdraft	-	Outstanding balance at March 31, 2023 in overdraft accounts maintained for normal banking transactions	1,204.8	-	-

For and on behalf of the Board

Sd/-
Vinod Kumar Dhall
DIN: 02591373
Chairman

Date: July 20, 2023
Place: New York

Annexure D

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

1. **Brief outline on CSR Policy of the Company:** Corporate Social Responsibility ('CSR') has been a long-standing commitment at ICICI Securities Limited ('the Company'). Our Company's objective is to 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, skill-development training for sustainable livelihood, promote financial inclusion, contribution to incubators funded by government for Research and Development projects as well as promote a culture of entrepreneurship, environment initiatives and other causes like Disaster management including relief, rehabilitation and reconstruction activities, Contributions to funds set up by the Central Government for socio-economic development and relief and welfare of the schedule caste, tribes, other backward minorities and women and Rural Development Projects.

   During the year FY2023, the Company undertook fourteen 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, women empowerment, healthcare initiatives including preventive healthcare especially to support treatment, procurement of medical equipment and support set up of Out Patient Departments (OPD) in critical illness such as cancer, mental illness such as Alzheimer's disease, support research projects in essential medical care areas like Cancer, Parkinson's disease, artificial hands with senses and treatment of burns, environment initiatives, research and development projects in technology and engineering (through incubators).

2. **Composition of CSR Committee:**

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

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

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

   Web-link to view the CSR Policy:
   https://www.icicisecurities.com/UPLOAD/ARTICLEIMAGES/CSR_Policy.pdf

   Web-link to view the CSR projects approved by the Board: https://www.icicisecurities.com/CSR.aspx

4. Provide the executive summary along with the web-link(s) 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: Refer **Annexure**

5.

a)	Average net profit of the Company as per sub-section (5) of section 135	₹ 13,630.3 million
b)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 272.60 million
c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
d)	Amount required to be set-off for the financial year, if any	₹ 1.2 million
e)	Total CSR obligation for the financial year (5b+5c-5d).	₹ 271.40 million

6. (a) Amount spent on CSR Projects (both on-going project and other than on-going project):

i. Details of CSR amount spent against on-going projects for the financial year 2023:

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	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Support Project Hameri Women Empowerment initiative through World Wide Fund for Nature ('WWF') – India.	Promoting gender equality and empowering women	Yes	Uttarakhand	Nainital – Corbett	4	7.82	1.82	Not Applicable	No	WWF – India	Not applicable as project MoU was signed before April 2021
2	Organic Waste and Sludge Management through The Energy Research Institute (TERI)	Environment	Yes	Rajasthan	Udaipur	2	8.38	1.95	Not Applicable	No	TERI	CSR00002051
Total							**16.2**	**3.77**				

ii. Details of CSR amount spent against other than on-going projects for the financial year 2023:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project	Amount spent for the project (in ₹ Million)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State & District			Name	CSR Registration No.
1	Skill development projects through ICICI Foundation for Inclusive Growth	Promoting employment, enhancing vocational skills and livelihood enhancement projects	Yes	Pan India	153.00	No	ICICI Foundation for Inclusive Growth	CSR00001979
2	Supported two ambulances for Seema Suraksha Bal (SSB) project through ICICI Foundation for Inclusive Growth	Healthcare and preventive healthcare	Yes	Tezpur	6.00	No	ICICI Foundation for Inclusive Growth	CSR00001979

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project	Amount spent for the project (in ₹ Million)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State & District			Name	CSR Registration No.
3	Supported setting up of BIO LABS by Society for Innovation and Entrepreneurship (SINE), Mumbai	Contribution to incubators funded by the Central Government	Yes	Pan India	20	Yes	Not applicable as project is direct contribution to incubators funded by the Central Government	
4	Supported Society for Innovation and Entrepreneurship (SINE), Mumbai	Contribution to incubators that are 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	Surgery Support Programme through EKAM Foundation, Mumbai	Healthcare and preventive healthcare	Yes	Pan India	20	No	EKAM Foundation, Mumbai	CSR00004951
6	Supported free cataract eye surgeries to needy elders and senior citizens from lower economic strata through Vision Foundation of India	Healthcare and preventive healthcare	Yes	Pan India	5.0	No	Vision Foundation of India	CSR00002065
7	Tata Memorial Centre (TMC) - Towards Medical Treatment support for TMC, Mumbai	Healthcare and preventive healthcare	Yes	Maharashtra, Mumbai	20.00	No	Tata Memorial Centre	CSR00001287
8	Tata Memorial Centre (TMC) - Towards Medical equipment and Treatment support for TMC	Healthcare and preventive healthcare	Yes	Maharashtra, Navi Mumbai	11.1	No	Tata Memorial Centre	CSR00001287
9	Tata Memorial Centre (TMC) - Towards Medical equipment and Treatment support for TMC	Healthcare and preventive healthcare	Yes	Maharashtra, Mumbai	4.9	No	Tata Memorial Centre	CSR00001287
10	Towards set-up of OPD facilities, equipment and treatment support for Tata Memorial Centre (TMC) at Kharghar	Healthcare and preventive healthcare	Yes	Maharashtra, Navi Mumbai	5.99	No	Tata Memorial Centre	CSR00001287
11	Drinking water and sanitation projects	Healthcare and preventive healthcare	Yes	Maharashtra, Nashik & Raigad	4.13	No	Swades Foundation	CSR00000440
12	Alzheimers SEVA through NIMHANS	Healthcare and preventive healthcare	Yes	Bengaluru, Karnataka	2.5	No	National Institute of Mental Health and Neurosciences (NIMHANS)	CSR00006218
TOTAL					**267.7**			

(b) Amount spent in Administrative overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: ₹ 0.51 million

(d) Total amount spent for the financial year [(a)+(b)+(c)]: ₹ 273.10 million

(e) CSR amount spent or unspent for the financial year:

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

(f) Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (in ₹ Million)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	272.6
(ii)	Total amount spent for the financial year	273.10
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.50
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	0.50

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:** Nil

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:** Not Applicable

9. **Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per sub-section (5) of section 135:** Not Applicable

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

Date: July 20, 2023
Place: Mumbai

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

Date: July 20, 2023
Place: New York

Annexure

IMPACT ASSESSMENT REPORT | FY2020-21 - CONTRIBUTION TO N S RAGHAVAN CENTRE OF ENTREPRENEURIAL LEARNING (NSRCEL), INCUBATOR OF THE INDIAN INSTITUTE OF MANAGEMENT BANGALORE (IIMB) TO INCUBATE FINTECH START-UPS

EXECUTIVE SUMMARY

Background:

ICICI Securities Limited ('ICICI Securities'/'the Company'), through its CSR initiatives, is committed to pro-actively support meaningful and sustainable socio-economic development in India and enable a larger number of people to participate in and benefit from India's economic progress.

With the immense potential of the Fintech Sector in job creation and economic growth, ICICI Securities, as part of its CSR initiative, had partnered with N S Raghavan Centre of Entrepreneurial Learning (NSRCEL) of the Indian Institute of Management Bangalore (IIMB) to incubate Fintech start-ups.

The project was during the financial year FY2020-21 and tremendously supported the Fintech start-ups specially during a global pandemic.

Impact Highlights:

a. Effectiveness:

100% PAN India reach (including tier 2 towns like Raipur) through outreach programme, giving an equal opportunity to all interested candidates to apply.

100% start-ups utilized funds by ICICI Securities invested in hiring people, marketing, technology and product development.

b. Relevance:

100% Start-ups learnt use of Go-to-Market (GTM) methods and found it very relevant.

100% appreciated the overall quality of program in fostering entrepreneurship and knowledge of the mentors.

80% start-up founders agreed that the program helped them to build confidence.

80% of the top 10 founders ranked sessions on team management, product road mapping and raising VC and other investments as most effective.

c. Impact (Project Outcome):

100% start-ups used B2C & B2B models to enable access to digital solutions.

42% increase in jobs and livelihood opportunities created by the 10 start-ups one year after the project completion.

d. Efficiency:

1,155+ jobs and sources of livelihood generated by 10 start-ups.

5,000 MSMEs supported through Fintech solutions.

e. Reach:

All India reach: Application services available in 11 regional languages, paving way for inclusion of often neglected small and marginal business owners who are vary of English language.

f. Project Advocacy:

46 media articles of leading dailies like Times of India and Zee Business covered the project.

2 Lakh+ reach through social media: Around 1,36,000 people were reached on Twitter, 29,000 viewers on Fintech Events and 36,000 people through Facebook.

g. Coherence:

Alignment of project with government initiatives: Start-up India, Make in India, AIM, Digital India, NIDHI-PRAYAS and NIDHI-SSS.

h. Sustainability:

100% alignment with the relevant UNSDGs covering:

- **Goal 8**: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- **Goal 9**: Industry, Innovation and Infrastructure
- **Goal 10**: Reduce inequality within and among countries
- **Goal 15**: Life on Land
- **Goal 17**: Partnerships for the Goals

100% alignment with the relevant ESG principles covering:

- **Principle 6**: Businesses should respect and make efforts to protect and restore the environment
- **Principle 8**: Businesses should promote inclusive growth and equitable development

100% start-ups stayed Financially Steady in Pandemic.

Link to access the impact assessment report:

https://www.icicisecurities.com/Upload/ArticleImages/Impact_Assessment_Report_CB_Fintech_Start_up_Incubation_Project.pdf

IMPACT ASSESSMENT REPORT | FY2021-22 ICICI FOUNDATION FOR INCLUSIVE GROWTH: LIVELIHOOD INITIATIVE - "ICICI ACADEMY FOR SKILLS"

EXECUTIVE SUMMARY

The ICICI Academy for Skills program is an initiative aimed at providing skill-based training to young individuals across India. This assessment is based on the feedback received from beneficiaries surveyed who have completed their training program at the academy.

88% surveyed beneficiaries had no prior work experience.

77% surveyed beneficiaries received job through placement assistance.

73% surveyed beneficiaries continued placement job after course completion.

46% surveyed beneficiaries completed degree course before program.

23% increase in beneficiaries who earned an income post intervention.

Top reason for joining: Area of interest (43%).

Social Return on Investment: SROI value of 11.68

Overall, the assessment recommends focusing on increasing the job retention rate and salary growth for beneficiaries. The Academy can work on providing more exposure visits, building soft skills, and career guidance to make the program more effective. Additionally, the Academy can improve its efforts to ensure that the jobs offered through placement align with beneficiaries' expectations.

Impact Ranking

Parameter	Ranking
Inclusiveness	Very High
Relevance	High
Expectations	High
Convergence	High
Service Delivery	Very High

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

IMPACT ASSESSMENT REPORT | FY2021-22 ICICI FOUNDATION FOR INCLUSIVE GROWTH: SETTING-UP OF OXYGEN PLANTS IN BORDER SECURITY HOSPITALS

EXECUTIVE SUMMARY

This impact report presents the results of Impact Assessment conducted for ICICI Securities Limited's Oxygen Plants Program (organised by ICICI Foundation for Inclusive Growth). It evaluates the impact of the Oxygen plants in meeting requirements of the hospitals in meeting their needs of Medical Grade Oxygen. It also assesses the impact of this on the effectiveness of the partner hospitals.

The Impact assessment study conducted by Aspire Impact was for the period February 2022 - March 2022 assessing the reach, depth, inclusion and sustainability Impact of the program across social and environmental aspects.

Project Background

Border Security Forces ('BSF') are the brave uniformed force personnel who guard our borders across all time. With the advent of two waves of COVID pandemic, the Composite Hospital ('CH'), to ensure timely and effective treatments, especially in CH with Dedicated COVID Healthcare Centre, availability of Oxygen generation plant was an important aspect of preparation of this CH.

As part of its CSR initiative during FY2022, ICICI Securities, through ICICI Foundation, supported the set-up of an Oxygen plant that is connected with Oxygen pipelines and is being used in giving supply in the OT and Indoor wards of this CH.

Study Methodology

Aspire Impact has assessed the impact of ICICI Securities' healthcare intervention (Installation of Oxygen Plant) using its proprietary framework which captures the end-to-end Program or Project Impact along four dimensions:

a) Reach

The project was able to establish oxygen plants across 5 states of India.

Types of Hospitals

The table below lists the hospitals which were supplied with Oxygen plants by ICICI Securities along with the capacity of the plant installed. In most cases, the plant was installed in the year **2022 around February-March**. Since then, the plant has been fully functional in all the locations.

The 5 BSF hospitals are the ones that Aspire Impact spoke with to gather primary information and insights.

List of BSF Hospitals

Name of the Hospital	State	Type of Hospital	Capacity of Oxygen plant	Total Number of beds
BSF Composite Jalandhar Cantt	Punjab	Composite Hospital	225 LPM	50
BSF Composite Jodhpur	Rajasthan	Composite Hospital	225 LPM	50
BSF Composite Siliguri, Darjeeling	West Bengal	Composite Hospital	225 LPM	100
BSF Composite Hospital, Tigri Camp	New Delhi	Composite Hospital	200 LPM	40
BSF Composite Agartala	Tripura	Composite Hospital	225 LPM	50

Smoothening the process of availability of Oxygen

The availability of Oxygen has significantly smoothened out the whole process. Earlier the hospitals were entirely dependent on oxygen cylinders and in case of emergencies and non-availability of sufficient number of cylinders used to restrict their operations as mentioned by BSF Jalandhar.

b) Depth

Compact size resulting in easy installation

Oxygen plants often need only a limited space as their dimensions are only 7ft/9ft/7ft. Thus, hospitals did not require a very large space to allow the installation of an oxygen generator within their premises and installation through ICICI Securities significantly reduced the downtime required in setting up an oxygen plant.

High quality of medical grade oxygen

The gas plant produces oxygen that is 93% – 96% pure. If this purity level drops below 90%, the machine stops immediately after an alarm thereby alerting the administration. The purity of oxygen produced is shown on the display board of the generator. In case of emergency situations, the plant will help serve the critical patients given its oxygen purity level.

Ease of Operation

The availability of the oxygen plant has led to ease of operation for the hospital staff as they know that they can handle serious cases as there will be no shortage in supply of oxygen for a critical patient. Some of the hospitals (like BSF Delhi and Jodhpur) mentioned that they have been able to reduce the mortality rate of patients which earlier used to happen only due to insufficient supply of oxygen cylinders in their premise.

However, today there are certain hospitals (like BSF Tripura) where the capacity of the Oxygen plant is not utilised to its fullest, as the existing requirement of oxygen is low.

Infrastructure Upgradation

The installation of these oxygen plants has helped in significant upgradation of the government/public infrastructure of the hospitals.

Earlier there was a provision of providing oxygen cylinders (that too in a limited number) to the ventilator beds only but now all the beds in the hospital are oxygen supported beds which is a huge change. This also means that in future if there is any COVID-19 like situation, these hospitals will be better equipped than before and will be able to cater to a larger number of critical patients.

However, it's important to note that now after installation of plants in these hospitals (5), nearly 280 beds in the 5 BSF hospitals are now oxygen supported out of their total bed strength of 290 in these hospitals. This augmentation in oxygen-supported beds is a concrete step in enhancing the life-saving medical infrastructure in the country.

c) Inclusion

The hospitals in which oxygen plants were installed by ICICI Securities were across 5 states mentioned above. At BSF hospitals, other than the force personnel and their families, the civilians under Ayushman scheme are also treated.

d) Sustainability

There are several factors which make this initiative sustainable in the longer run and will reap greater benefits for the beneficiaries as well as the hospital administration. Some of the factors making it sustainable have been presented below:

Oxygen from plant is safe for use

The oxygen plant was installed and connected by the manufacturing company. It does not need manual labour for its operation as it is fully automated. Therefore, there is no risk of leakage of oxygen from the generator. While interacting with the hospital staff and administration, it was quite clear that these oxygen plants are very safe to use. For emergency purposes, these plants have 4-5 fire extinguishers installed in case there is any gas leak (only one instance of a minor fire was reported).

Reduced maintenance cost

The maintenance cost of the plant is also reasonable - around ₹ 1-1.5 Lakh per annum, which is charged by the manufacturing company to ensure the plant is fully functional. However, most of the hospitals having oxygen plants mentioned that since installation they haven't had to make any major expense in terms of their maintenance cost.

Low number of breakdown issues

There haven't been any breakdown issues so far as discussed with the hospital administration of all the 5 hospitals during the interviews conducted as most of the plants are connected to generator sets.

However, in one case there was a fire at the plant due to a leakage but the damage was averted.

Reduction in Carbon Footprint

Availability of Oxygen plant at the hospital has become an important factor which has led to reduction in the Carbon Dioxide emissions made by the hospital. There has been substantial reduction in transportation of oxygen cylinders and for refilling them which is a major contributor to carbon emissions.

Another reason for reduction in carbon emissions is the reduction in the use of number of oxygen cylinders required at a hospital premise as now all of these hospitals have piped connections from the plant to the patient beds and there isn't much use of the cylinders.

Reduction in Oxygen refilling Cost

These oxygen plants are more cost-effective as compared to oxygen cylinders as the plants can be installed, run and maintained at a reasonable cost.

Bulk production of oxygen

The medical oxygen plant produces a large amount of oxygen that depends on the size of the device and continuously supplies oxygen through pipelines directly to the beds of patients, further smoothening the supply process.

Overall, all the 5 BSF Hospitals interviewed mentioned that the installation of oxygen plant has helped in reducing their transportation cost involved in refilling cylinders, reducing the manpower required for carrying oxygen cylinders to the beds and connecting them, and has eased out their hassle of coordination in refilling of cylinders. Also, in all this, the most significant change has been in the upgradation of the hospital infrastructure that will enable saving many more lives.

e) Brand impact

It is a privilege and honour for ICICI Securities to be associated and serve the uniformed forces who continuously serve our country by guarding the borders.

f) UN-SDG Impact

This project contributed towards 'SDG 3: Good Health and Well Being'.

Link to access the impact assessment report:
https://www.icicisecurities.com/Upload/ArticleImages/ICICI_Securities_Oxygen_Plant_BSF_Impact_Analysis_Final_Report.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, 2023, 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.

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.

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.

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.
Company Secretaries

Sd/-
Makarand M. Joshi
Partner
FCS No. 5533
CP No. 3662
Peer Review No: 640/2019
UDIN: F005533E000131329

Date: April 18, 2023
Place: Mumbai

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, based on (i) documents available on the website of the Ministry of Corporate Affairs (MCA), (ii) verification of Directors Identification Number (DIN) status on the website of the MCA and (iii) disclosures provided by the Directors to the Company, 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, MCA or any such other statutory authority as on March 31, 2023.

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.	Dr. Gopichand Katragadda	02475721	26/08/2022
6.	Mr. Rakesh Jha	00042075	26/09/2022
7.	Mr. Prasanna Balachander	02257744	21/07/2022
8.	Mr. Vijay Chandok	01545262	07/05/2019
9.	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 18, 2023
UDIN: F006667E000132201

Annexure G

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended March 31, 2023
[Pursuant to section 204 (1) of the Companies Act, 2013 and rule no. 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.

AUDITOR'S RESPONSIBILITY:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

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 financial year ended on March 31, 2023 (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 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, 2023 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 and Sweat Equity) Regulations, 2021;

(e) 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, 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 and amendments made thereunder.

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 except some lapses mentioned thereunder:

- 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 IRDAI (Registration of Corporate Agents) Regulations, 2015;
- The Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020.

We further report that the Company has paid penalty to the Exchanges for procedural reporting delays and incorrect reporting under various circulars/Standard Operating Procedures (SOPs) issued by SEBI & Stock Exchanges in respect of abovementioned specifically applicable laws.

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 was 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 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. The adequacy and efficacy shall read in context of reporting as specified in the report.

We further report that during the audit period

1. The Company obtained the approval of the Members through Special resolution for the following matters at the Annual General Meeting held on August 26, 2022:

    - Enhancement of existing borrowing limit to ₹ 150.00 billion under Section 180 (1) (c) of the Act.
    - Enhancement of existing limit under section 186 of the Act to ₹ 150.00 billion to grant loan and advances or make investments in securities of any other body corporate or provide securities or guarantees.
    - Approval and adoption of Employees Stock Unit Scheme, *viz.,* 'ICICI Securities Limited - Employees Stock Unit Scheme – 2022.

2. Allotted 1,89,005 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.
Company Secretaries

Sd/-
Makarand M. Joshi
Partner
FCS No. 5533
CP No. 3662
UDIN: F005533E000131252
Peer Review No: 640/2019

Place: Mumbai
Date: April 18, 2023

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. Wherever 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.
Company Secretaries

Sd/-
Makarand M. Joshi
Partner
FCS No. 5533
CP No. 3662
UDIN: F005533E000131252
Peer Review No: 640/2019

Place: Mumbai
Date: April 18, 2023

Management Discussion and Analysis

OPERATING ENVIRONMENT

Global Economy

The global economy continued a strong recovery in CY2022, initially led by a continuation of the surge in global trade that began with the post-Covid recovery in CY2021. But global trade volumes decelerated by September 2022 as the monetary tightening began biting towards the end of the year. Inflation became a worldwide problem, triggered by excessive rapid growth in money supply and large fiscal stimulus programmes in the US and Europe in 2020-21, and exacerbated by the Russia-Ukraine war that began on February 24, 2022.

By June 2022, CPI inflation in the US was at 40-year high, and the inflationary pressure in the US and Europe remained acute into the early months of 2023, spreading also to emerging economies. Having signalled until January 2022 that it would not raise its policy rate until 2024, the US Fed abruptly began its most aggressive monetary tightening in four decades, and the US 10-year minus 2-year yield curve remained severely inverted from July 2022 onwards (having first inverted briefly in April 2022), clearly signalling a recession in 2023.

The International Monetary Fund (IMF), in its latest World Economic Outlook (released January 30, 2023), estimated that world Gross Domestic Product (GDP) grew 3.4% (real, inflation-adjusted) in CY2022, decelerating from the post-Covid bounce to 6% growth in 2021 and the longer-term average annual growth of 3.8%. The enforced tightening of US monetary policy since March 2022, which took the US policy interest rate up by 475 bps within a year (to a range of 4.75-5% as of March 2023 FOMC meeting), and the even more abrupt shift away from ultra-loose monetary policy by the European Central Bank (ECB) from July 2022 onward, led the IMF to forecast a sharp slowdown in growth of the Advanced Economies in 2023 to just 1.2% - with the US growing 1.4%, the Euro area just 0.7% and the UK contracting 0.6%.

Actual real GDP growth is likely to be slower in the Advanced Economies: the US Federal Open Market Committee (FOMC), at its March 2023 meeting, reduced its median forecast for 2023 real GDP growth to 0.4%, and 1.2% for 2024. Given the strength of the US economy in Q1 2023, this implicitly acknowledges that the economy will contract the rest of the year.

Emerging Economies, however, remained relatively unscathed, having kept external debt in check, and been largely circumspect about monetary and fiscal stimulus during the Covid crisis. India stood out on both fronts, with external debt having declined to 19% of GDP in June 2022 (from 24% in March 2014), and the fiscal deficit returning quickly to a glide path toward 6% of GDP (having never exceeded 9% of GDP even at the height of the Covid-induced global slump in 2020). The IMF forecasts that emerging economies will accelerate to 4% real GDP growth in 2023 (from 3.9% in 2022), with India again the fastest-growing major economy (6.1% growth in 2023, 6.8% in 2022 and 2024), and China projected to rebound to 5.2% growth in 2023 (from 3% in 2022) but moderating to 4.5% in 2024. With Russia slated to accelerate to 2.1% growth in 2024, the IMF projects that Developing Economies will grow 4.2% in 2024, thus ensuring global real GDP growth of 2.9% in 2023 (despite the recession in the Advanced Economies) and 3.1% in 2024.

Indian Economy

After expanding by 8.8% in FY2022, based on a broad-based recovery in manufacturing (+11.1% YoY) and services (+8.8% YoY), India's real GDP decelerated to 7.7% YoY growth in the first 3 quarters of FY2023, mainly because of a sharp slowdown in manufacturing growth (+0.4% YoY), particularly a contraction in labour-intensive manufacturing output. By contrast, services accelerated to 10.4% YoY growth in April-December 2022 (from 9.4% in April-December 2021) and construction (10% YoY) and agriculture (+3% YoY) expanded at a good clip. From the demand perspective, the deceleration was attributable primarily to stagnation in real government spending and a deterioration in net exports, as robust real exports of goods and services (+14.3% YoY) were outpaced by real imports, which expanded 22.8% YoY in April-December 2022. Real fixed investment spending grew a robust 12.6% YoY in April-December 2022, and was 14.4% higher than the pre-Covid level (of April-December 2019), while real private consumption expenditure (PCE) grew 9.5% YoY in the first 3 quarters of FY2023.

India's services exports grew 30.5% YoY in the first 11 months of FY2023, easily the fastest growth in over a decade, accelerating from the post-Covid bounce of 21.2% YoY growth in FY2022, and exceeding the previous decadal high of 18% in FY2019. Services imports were up 24.6% YoY, so the services trade surplus for April 2022-February 2023 widened 38.6%

YoY to US$ 133 Billion. The goods trade deficit widened sharply in April-September 2022 amid elevated crude oil prices, narrowed slightly in Q3FY23, and declined by 2.5% YoY in January-February 2023 as exports and imports declined in response to the slowdown in US and European demand. The services and incomes surpluses are likely to ensure a current account surplus (0.2% of GDP) in Q4FY23, reducing the FY2023 current account deficit (CAD) to 2.4% of GDP.

Inflation as measured by the Consumer Price Index (CPI) edged above the Reserve Bank of India's (RBI) preferred target range (2-6% YoY) between January and October 2022, but moderated to 5.7% YoY by December 2022. The renewed surge in fuel prices triggered by the Russia-Ukraine war was a major factor keeping inflation high, which obliged the RBI to steadily hike its policy repo rate from 4% in April 2022 to 6.5% by February 2023 monetary policy committee (MPC) meeting. A renewed uptick in foodgrain prices (+16.3% YoY in February 2023) led to CPI inflation rising well above the RBI's target range in -February 2023, raising the spectre of more rate hikes from a hawkish MPC. The big reported increase in wheat and rice prices was mainly a statistical quirk, arising from the fact that free foodgrain was distributed to over 800 Million Indians from January 2023 onwards: any item obtained free is not included in measuring the CPI, so non-PDS foodgrains influence on the CPI was being exaggerated. Nonetheless, the headline CPI inflation was likely to oblige the RBI to raise interest rates further, unless non-PDS foodgrain could be distributed better.

Outlook of Global and Indian Economy

We expect world real GDP growth to slow to 2.2% in 2023, slower than the IMF's January 2023 forecast of 2.9% real GDP growth, as central banks in the developed economies continue to sharply scale back their aggressive monetary expansion in the face of virulent inflation that remains near 4-decade highs. The abrupt shift in monetary stance over the past year has already caused some disarray in the US and European financial system, with victims including Switzerland's second-largest bank and the 15th largest US bank (and a couple of smaller ones). With inflation still very far from central bank targets (more than double the US target, triple the ECB's and BoE's targets at the end of March 2023), central banks will have to prioritise the fight against inflation, even if it causes further ructions in the financial markets. While bank-specific liquidity support will continue, aggregate money supply will continue to be reined in, causing the supply of credit to tighten, weakening the economy further. Our global growth estimate is predicated on zero growth for developed economies in 2023 (slower than the IMF's January 2022 forecast of 1.4%), and 4.2% growth for emerging economies (primarily because we expect India to grow faster than the IMF's 6.1% growth forecast for 2023).

With many major supply-side reforms over the past 2 years, e.g. the lowest corporate tax rates in Asia (especially for new manufacturing units), a more flexible labour market with the simplification of labour codes, and production-linked incentives (PLI) spurring new investments in export-oriented manufacturing, India is poised to experience a steady further acceleration in investment-led growth. Exports of services are ironically benefitting from increased immigration controls in the US (especially) and Europe, resulting in enhanced off-shoring of shared services, while Indian software companies increasingly become more sophisticated in whole-business consultancy and broaden their offering of research- and process-outsourcing. With the rupee's real effective exchange rate depreciating 5% since mid-November 2022, India's merchandise exports too are likely to receive a boost to their competitiveness, especially once export duties (imposed since May 2022 to fight inflation) are eliminated. With lower crude oil prices helping to both lower India's headline inflation rate and lower the CAD to 1.5% of GDP in FY2024, we expect India's real GDP to grow 7% despite the recession in advanced economies (other than Japan) in CY23.

Equity Markets

For an Indian investor, FY2023 turned out to be highly volatile for equities given the global events. From a cross-asset class perspective, investors betting on gold (+16%), US$ (+8.4%), real estate (5%-6%) and bonds (3.8%) earned positive returns in FY2023 while those betting on stocks were provided flat returns.

FY2023 turned out to be a year in which there was massive pressure of rising 'equity risk premium' and 'risk-free rate' on equity valuations along with unprecedented uncertainty on income growth for corporates. First half of FY2023 began with the unprecedented nuclear brinkmanship caused by the Russia-Ukraine conflict which fuelled a commodity shock thereby resulting in surge in prices as well as shipping costs. Central banks were caught by surprise due to the steep rise in inflation thereby triggering one of the sharpest rate hike cycles by the US Federal Reserve in decades. Towards the end of FY2023, the narrative is changing from further aggressive Quantitative tightening (QT) to prospects of an end to QT cycle in the near term and probable Quantitative easing (QE) in 2024. The above change in stance is driven largely due to the banking crisis in US and Europe caused by aggressive rate hikes taken by the US Fed which has the potential to trigger a recession in the developed world.

Within equities, high-beta, capital-intensive and value stocks outperformed low-volatility stocks during FY2023. Large-caps outperformed small-caps. Amongst large caps, sectors which outperformed were PSU stocks, FMCG, auto and financials.

PAT/GDP is likely to improve in FY2024 after dipping marginally in FY2023 due to the contraction in profit pool of commodity companies. India's domestic capex cycle and credit cycle are at a nascent stage of recovery coinciding with the decadal bottom of the NPA cycle along with pro-growth union budget which focused on enhancing capex spend on infrastructure (FY2024 capex outlay stands at ₹ 10 Trillion).

Strong flows from DII's gave cushion against volatility in equity market and outflows from FPI's

Foreign Portfolio Investors (FPI) selling during FY2023 relatively slowed down as compared to FY2022 outflows with second half having inflows from FPI's. Further, DII's continued their strong momentum of inflows in FY2023.

Secondary market witnessed the outflow of Foreign Portfolio Investors (FPIs) of US$ 25.3 Billion. However, including the primary market inflows, the selling was much lower at US$ 6 Billion in FY2023. FPIs were net sellers in the 1st half of FY2023 totalling US$ 9 Billion outflows although the trend reversed in the 2nd half of FY2023 with FPI becoming net buyer resulting in inflows of US$ 3 Billion. Consequently, aggregate FPI equity asset stood at ₹ 44.6 Trillion as of March 31, 2023. During FY2023, Sectors which saw massive outflows were IT, energy financials and consumer durables whereas capital goods, FMCG, Healthcare services, consumer services and autos saw massive inflows.

Indian debt market which witnessed continuous outflow over the past few years (except FY2022) by Foreign Portfolio Investors (FPIs) saw outflow of US$ 1.1 Billion in FY2023.

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

DII were net buyers across FY2023 totalling US$ 32.2 Billion (highest ever) and absorbed selling pressure of FPIs. SIPs continued to remain resilient despite the market volatility with cumulative SIP flows of ₹ 1,560 Billion in FY2023 vis-à-vis ₹ 1,246 Billion in FY2022 signifying rise of retail investors. Further, domestic equity Assets Under Management (AUM) has increased by 17% to ₹ 16.9 Trillion (March 2023) from ₹ 14.42 Trillion (March 2022).

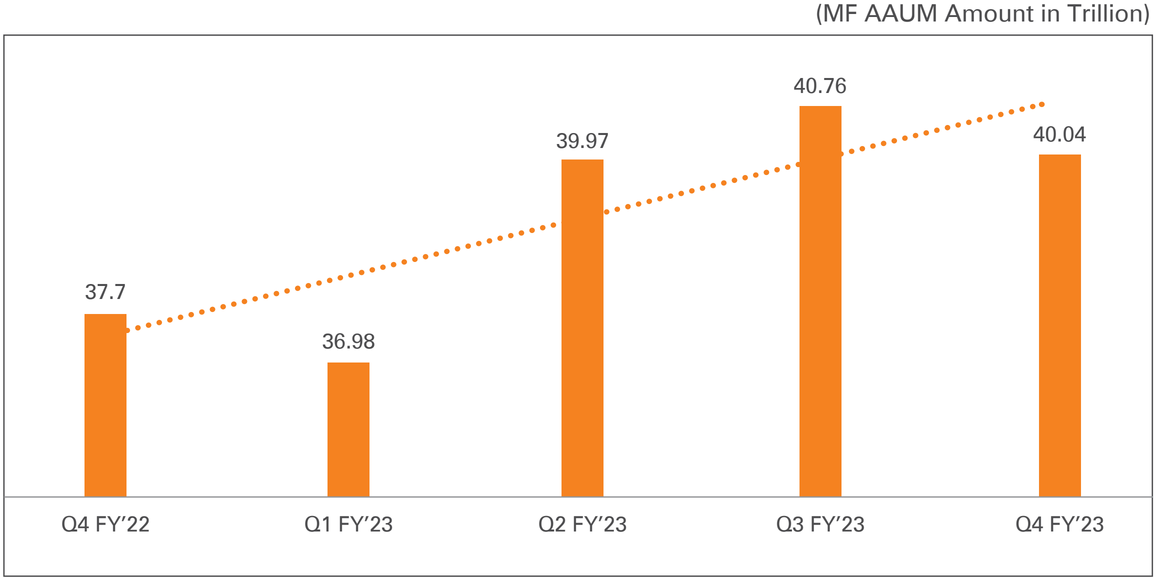
Investment Products

Mutual Funds

MF Industry AAUM grew at a marginal growth of 6% over March 2022 on a Y-o-Y basis as on March 2023 although market was almost flat throughout the year. The AAUM stood at ₹ 40.04 Trillion vs ₹ 37.7 Trillion with outflows in Q1-23 spooked on account of Russian onslaught on Ukraine.

However, the Industry has witnessed more than 500% growth over the last one decade from ~₹ 7 Trillion as on March 2013.

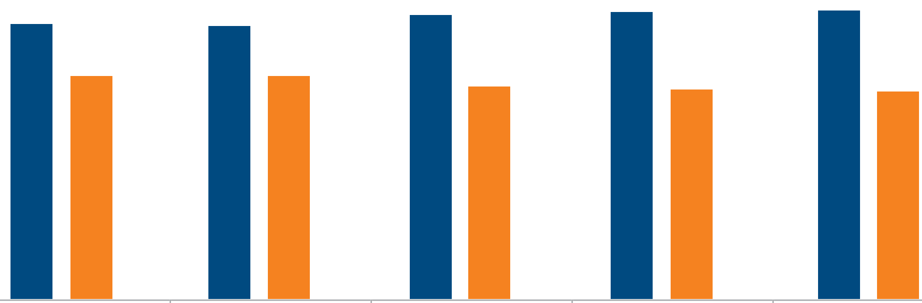
(MF AAUM Amount in Trillion)



There was an active participation from both individual and institutional investors throughout the year and steps to suck out excess liquidity from the central back could not deter strong retail participation.

Value of assets held by individual investors in MF increased marginally by 12% i.e. from ₹ 20.8 Trillion in March 2022 to ₹ 23.2 Trillion in March 2023. Individual Investors now comprise 58.1% vs 55.2% of Total Assets in March 2022.

Investors Share

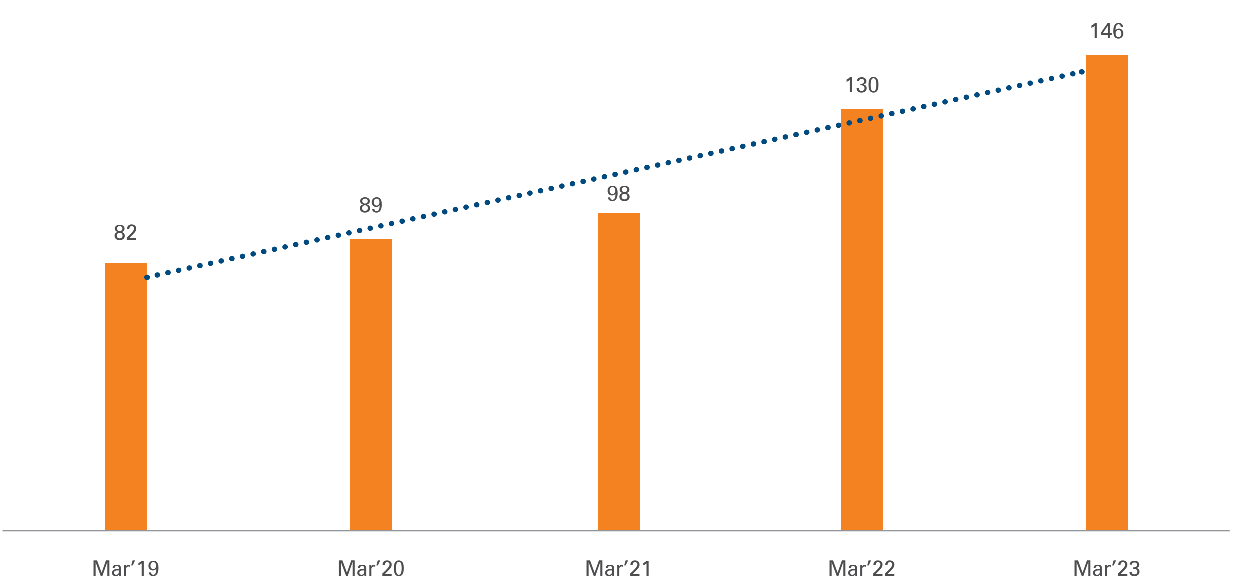


	Q4 2021	Q1 2021	Q2 2021	Q3 2022	Q4 2023
Individual %	55.2	55.1	57.1	57.8	58.1
Corporates %	44.8	44.9	42.9	42.2	41.9

Individual % Corporates %

The total number of MF Folios have grown up by 12.5% which stands at 146 Million in March 2023 vs 130 Million in March 2022. The folio count has grown by 77% in the last 5 years.

MF folios count (in million)



SIP Inflows

The last 12 months saw a healthy growth in Systematic Investment Plans (SIP) inflows with monthly SIP inflows collectively standing at a robust ₹ 1.56 Trillion in March 2023 vs ₹ 1.24 Trillion in March 2022 i.e. healthy growth of 25%.

The SIP AUM rose by 19% to ₹ 6.83 Trillion from ₹ 5.76 Trillion during the same period and SIP Accounts rose to 63.5 Million from 52.77 Million.

MF SIPs have over delivered on its expectations which resulted into consistent additional inflows coupled with M2M gains on their AUM.

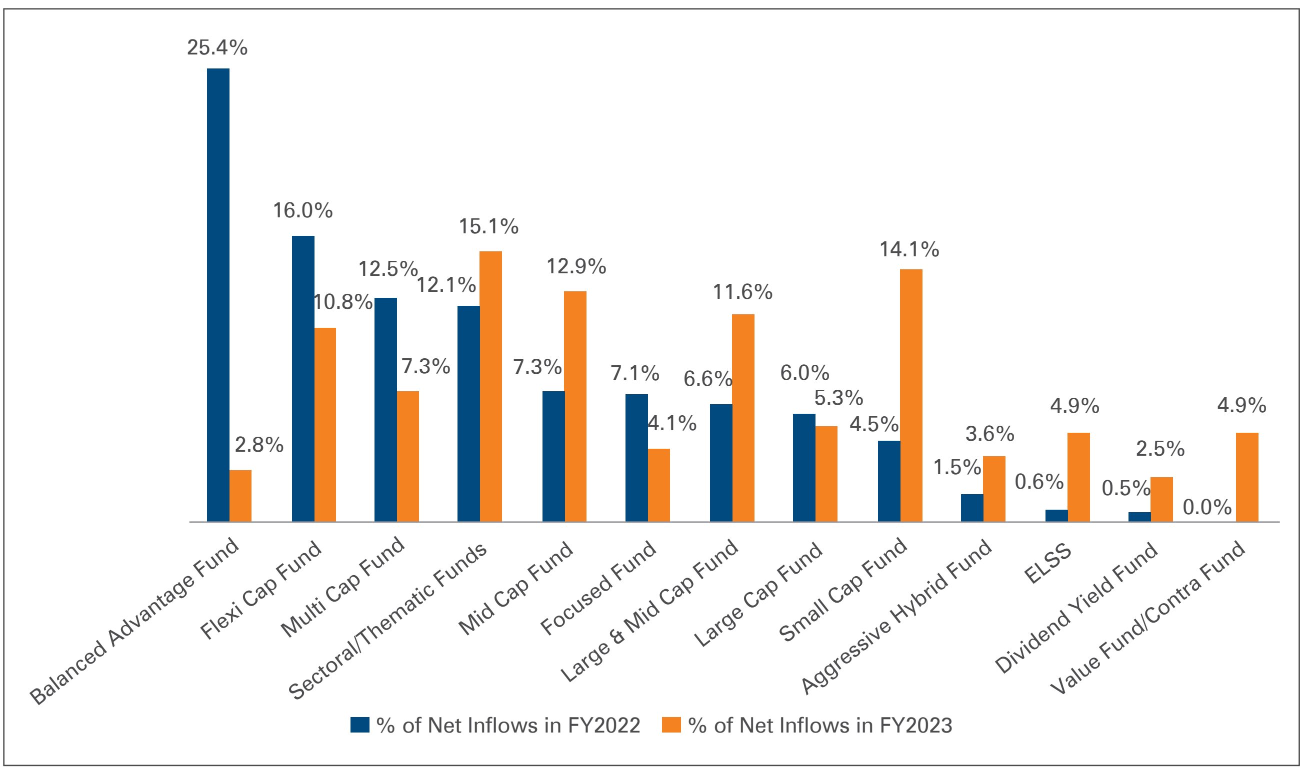
Investors enjoyed the bullish trend in the equity market with a strong euphoria across sub-categories of equity funds. Their 10-year average returns were more than 15% in categories like small cap, mid cap, multicap etc. and thus created an absolute alpha as against the tradition products like fixed deposits.

In FY2023, out of the total MF folios, Retail folios stood at 132 Million (91.1%). However, AMFI data showed industry added 4 Million new investors in FY2023 vs 10.9 Million in FY2022 i.e. a decline by 63%.

Net Inflows in FY2023

The last FY2022-23 saw a 11% dip in the equity funds category for their net Inflows vs FY2021-22. If Aggressive hybrid and dynamic asset allocator/balance advantage (BAF) funds are also clubbed within the same, then the dip in growth is more than 30% i.e. around ₹ 679 Billion. Total net Inflows for FY2023 stands at ₹ 1.56 Trillion vs ₹ 2.24 Trillion in FY2022.

Investors dumped the most preferred BAF of last FY and the trend shifted more towards sectorial and thematic funds. The Investors preferred also small caps and midcaps funds in FY2023 against the popular mix of flexicap and multicap funds of FY2022.

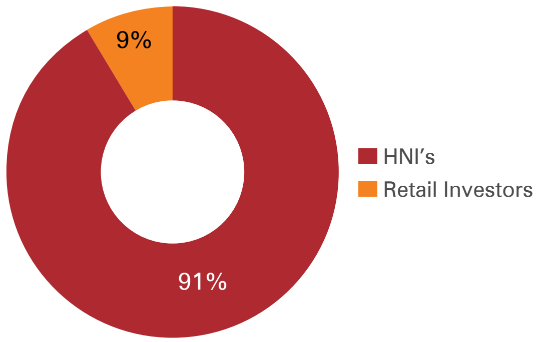


**Source : AMFI*

MF Account Classification:

As on March 2023, no. of Accounts in MF Industry increased to ₹ 145.7 Million vs ₹ 129.5 Million in March 2022 resulting in a growth of 13%. Retail Investors ruled this space with absolute dominance, having a 90%+ share on the no. of accounts followed by HNI's.

MF Accounts % Share



**Source AMFI*

With an anticipated range bound market in last FY along with robust retail participation coupled with debt becoming more promising as terminal rate in sight becoming clearer towards March 2023, AMCs tried to cash in on it by launching a slew of new fund offerings primarily on the debt side mostly Index funds as the sentiments of retail investors was to capture returns at least equal Index level.

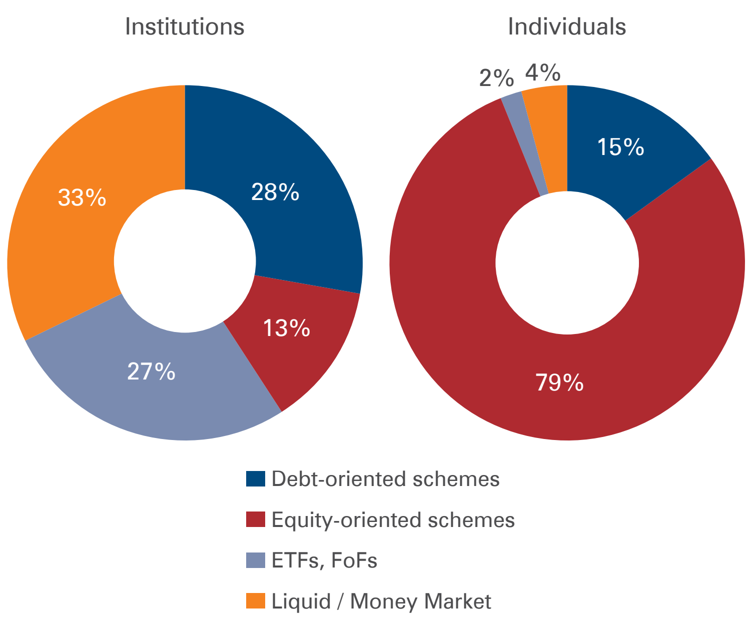
This year saw 150+ NFO's with 100+ being into Debt category in this FY2023.

In the last 12 months, Equity funds have mobilised ₹ 340 Billion (from 58 NFO's)

Individual investors primarily hold equity-oriented schemes while institutions hold liquid, debt-oriented schemes and ETFs, FoFs.

79% of individual investor assets are held in equity-oriented schemes.

60% of institutions assets are held in liquid/money market schemes debt-oriented schemes.

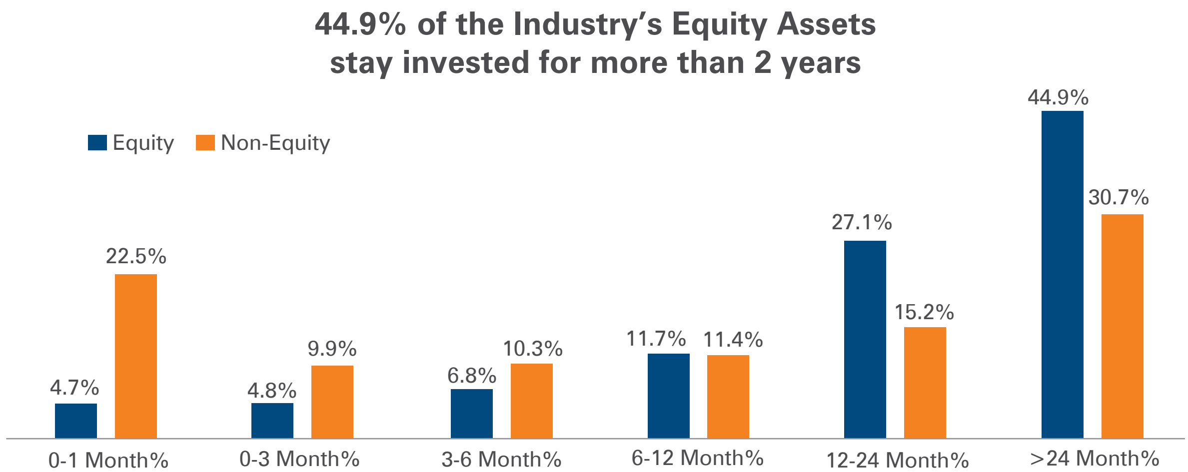


89% of Individual assets are in Equity-oriented schemes while the same proportion of Institutions are into Liquid and Money Market Schemes.

As equity funds rule the space this year, the proportionate share of equity-oriented schemes (Equity + Hybrid equity) is now at 67.7% as on March 2023 Vs 66.7% in March 2022.

Average ticket size as on March 2023 for Equity funds is ₹ 1.54 Lakhs from ₹ 1.59 Lakhs in March 2022 i.e. down by 3% while for debt its ₹ 14.5 Lakhs down from ₹ 15.3 Lakhs in March 2022 i.e. down by 8% Retail investors average ticket size stood at ₹ 68,321 on March 2023 (down from ₹ 70,199 in March 2022)

B:30 cities assets penetration saw an increase by 9%, Currently 17% of the MF Industry came from these cities.



Equity assets have a longer average holding period as compared to non-equity assets.
44.9% of equity assets have been held for periods greater than 24 months.

Retail investors hold 56.5% of equity assets for period greater than 24 months.

**Retail investors in March 2021 held (55.3%) and in March 2022 (56.3%) for period greater than 24 months*

Equity and Non-equity schemes as per AMFI classification.
Data as on March 31, 2023

Industry Asset Mix Synopsis as per AMFI as on March 2023.

Total Assets March 2023	₹ 40.04 Trillion	
	Individual Asset %	Institutional Asset %
Industry mix % of AUM	58.1	41.9
Industry mix Value of AUM in Trillion	23.26	16.78
Equity Asset % in AUM	79	13
Non Equity % in AUM	21	87
Individual Equity Value AUM in Trillion	18.4	4.9
Individual Non Equity Value AUM - Trillion	4.88	11.9

Assets Break-up in March 2023	₹ 40.04 Trillion	
City Classification	T:30	B:30
% of Assets	82	18
Value of Assets in Trillion	32.8	7.2
Equity Assets %	46	78
Value of Assets in Trillion	15.1	5.6
% of Individual Asset	74	26
Value of Individual Asset	24.3	1.9

Regular Vs Direct	Regular	Direct
% of Retail Investor	80	20
% of HNI Investor	74	26
% of Liquid Schemes	22	78
% of Debt Schemes	41	59
% of Equity Schemes	77	23

***(Institutions include domestic and foreign institutions and banks. HNIs are investors who invest with a ticket size of ₹ 0.2 Million or above. Equity Assets include equity and balanced funds)*

Life Insurance

Since the privatisation of the insurance industry two decades ago, the fallout from the COVID-19 pandemic has possibly been largely positive 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. In FY2023, the retail new business premium* grew by 19% to ₹ 1,040 Billion of premium collection, up from ₹ 876 Billion in FY2022. The growth was led by the private players posting a YoY growth of 24%, while at the same time Life Insurance Corporation (LIC) posted a YoY growth of 9.5%. The private players share in retail new business premium is at 66% on FY2023 exit.

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Private Total	175	178	172	200	227	287	357	401	420	452	551	684
Growth		1.80%	-3.30%	15.90%	13.60%	26.40%	24.30%	12.50%	4.80%	7.50%	21.90%	24.20%
LIC	304	294	282	208	214	245	278	291	315	305	325	356
Growth		-3.40%	-4.10%	-26.30%	2.90%	14.70%	13.40%	4.50%	8.30%	-3.20%	6.70%	9.50%
Total	479	472	454	408	441	532	635	692	735	757	876	1,040
Share of Private Insurers	37%	38%	38%	49%	52%	54%	56%	58%	57%	60%	63%	66%

The Industry has already seen 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. This trend started with protection and now is also seen in insurance savings. 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 headroom 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

General insurance

As per General Insurance Council (GI Council) data, the health segment has grown strongly (23% YoY for FY2023). Motor as a segment rebounded during the year (with 15% YoY growth). Overall, General Insurance industry grew by 16% YoY and ended the year with a gross premium of ₹ 2.60 Trillion, vis-à-vis ₹ 2.2 Trillion in FY2022.

Personalised 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 15-17% in a 3-5-year horizon while rapidly adopting digital and big data. Also given the penetration level of Indian insurance industry, as measured by % of GDP which is 1% and premium per capita which is US$ 22 is lower compared to global average of 4% (% of GDP CY21) and US$ 449 (CY21).

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.

₹ Billion	FY22	FY23	YoY change
Fire	215	239	11%
Motor Total	704	813	15%
Motor OD	272	318	17%
Motor TP	433	495	14%
Total Health	736	907	23%
Health retail	307	354	15%
Health group	429	552	29%
Marine Total	42	51	21%
Engg	36	43	20%
Aviation	9	9	4%
Liability	42	49	16%
Personal Accident	69	70	2%
Crop	295	320	8%
Misc	60	69	15%
Total	**2,208**	**2,569**	**16%**

Source: Gross premium underwritten by non-life insurers within India (segment-wise) IRDAI

Health insurance

Health has become the largest segment within Indian non-life segment, in line with global trends. Health GDPI as a percentage of total Indian GDPI increased from 27% in FY2020 to 35% in FY2023 making it the largest segment ahead of motor. Health is also the largest segment in non-life insurance globally at ~50% as per of CY21. Assuming total Indian GDPI to clock 12% CAGR over next 5 years and assuming health mix to increase from 35% to 50% in line with the world trend, health GDPI can register 22% CAGR over next 5 years in India.

Currently, health insurance segment is seeing following trends (1) Rising claim inflation leading to price hikes, hence aiding premium growth. The claim inflation is a combination of rising unit cost of services and increasing utilisation and better medical facilities and (2) Improvement in insurance penetration, which has already happened in India though there is large scope to improve as evident from global examples. India has seen decline in 'out of pocket expenditure' (OPE) in health, but there is large scope of improvement. In India, the percentage of OPE in health expenditure has reduced from 69% in CY13 to 55% in CY19 (Source: World Bank). However, there is large scope of improvement compared with other countries. OPE as a percentage of total health expenditure for China and other low income countries was 35% and 43% respectively as of CY19 while the corresponding world average is 18%.

Going forward, health premiums are expected to maintain strong growth driven by demand and price hikes.

Capital market activity

Initial Public Offering (IPO) market saw subdued performance in FY2023 with a total of 39 IPOs as compared to 58 IPOs in FY2022 (including FPOs, InvITs, ReITs). The year saw 12 Qualified Institutional Placements (QIPs) take place as compared to 29 transactions in FY2022. Other products like Rights, Offer for Sale (OFS) etc. saw a decent mobilisation of funds. While the fresh fund raise in FY2023 were muted as compared to earlier period, we saw a modest spike in FY2023 in number and amount of transactions in the consolidation products such as Open Offers and Buybacks. We saw 152 deals in FY2023 with cumulative issue size of around ₹ 595 Billion as compared to 116 deals with cumulative issue size of around ₹ 569 Billion in FY2022. The FY2023 has seen total 3 offerings comprising 2 private placement and 1 QIP of in InvIT/ReIT compare to total 6 offerings including in 1 public issue, 3 private placement and 2 Rights issue in FY2022. The total number of equity capital market deals (including fresh issuances and consolidation products) in FY2023 were 233 as compared to 235 in FY2022. (Source: Prime Database)

Key Highlights:

- 39 IPOs (including FPOs, InvITs, ReITs) aggregated to ₹ 533 Billion in FY2023 as compared to 58 IPOs which aggregated ₹ 1,297 Billion in FY2022, representing a decrease of 36% and 60% in count and mobilisation terms, respectively.
- 13 QIPs aggregated ₹ 102 Billion in FY2023 as compared to 29 QIPs which aggregated ₹ 285 Billion in FY2022, representing a decline of 59% and 64% in count and mobilisation terms, respectively.
- 12 Rights Issues aggregated ₹ 58 Billion in FY2023 as compared to 10 Rights Issue which aggregated ₹ 253 Billion in FY2022, representing an increase in count by 20% and decrease of 77% in mobilisation terms, respectively.
- 19 Offer-for-Sale (SE) aggregated ₹ 112 Billion in FY2023 as compared to 22 Offer-for-Sale which aggregated ₹ 145 Billion in FY2022, representing a decline of 14% and 23% in count and amount terms, respectively.
- 90 open offers aggregated ₹ 377 Billion in FY2023 as compared to 76 open offers which aggregated ₹ 255 Billion in FY2022, representing an increase of 18% and 47% in count and amount terms, respectively.
- 62 Buybacks aggregated to cumulative amount of ₹ 218 Billion in FY2023 as compared to 40 Buybacks which aggregated to ₹ 313 Billion in FY2022, representing an increase of 55% in terms of count and decline of 30% in amount terms.

(Source: Prime Database and SEBI Filings)

Equity Markets Activity (Source: Prime Database):

Sr. No.	Particulars	FY2022		FY2023		% change	
		No. of Deals	Offer Amount (₹ in Billion)	No. of Deals	Offer Amount (₹ in Billion)	No. of Deals	Amount (₹ in Billion)
1	IPOs (including FPOs, InvITs, ReITs)	58	1,296.87	37	521.15	-36.21%	-59.81%
2	QIPs (including InvITs, ReITs QIPs)	29	285.32	12	102.36	-58.62%	-64.12%
3	Rights Issues	10	253.01	12	57.79	20.00%	-77.16%
4	Offer for Sale (SE)	22	145.30	19	111.59	-13.64%	-23.20%
5	Open Offer	76	255.46	90	376.74	18.42%	47.48%
6	Buybacks	40	313.16	62	217.81	55.00%	-30.45%
	Total	**235**	**2,549.12**	**232**	**1,387.44**	**-1.28%**	**-45.57%**

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:

Through a series of guidelines, including KYC Registration Agencies (KRA) to independently validate the KYC records, nomination in trading and demat accounts the KYC norms have been made progressive. While this has minor business impact in terms of delays in account activation, this is in the interest of long-term sustainability of the sector.

- To make the trading process more secure for the investors, Two Factor Authentication (2FA) process has been mandated for accessing the online trading platforms.
- Revision in Peak margin requirement calculation based on the beginning of the day margin norms for the Derivatives segments during the day has been implemented, which has resulted in simplification and certainty in margin collection from investors.
- Brokers to desist from entering orders or executing transactions which, prime facie, appears to be non-genuine on their own account and / or behalf of their clients.
- To ensure the safety of the assets of the investors, the process of transferring of securities for meeting the deliveries or settlement obligation has been modified, resulting in ease of transaction for the customer. Further, with respect to the safety of investor assets, SEBI has streamlined the process of handling unpaid securities, liquidation of client securities in case of default and compulsory returning of funds of investors in a single day during the particular quarter/month.
- The reporting of technical glitches of online trading platforms has been made stricter with brokers within a stipulated timeframe. There are also financial disincentives introduced to ensure that players will invest in technology and redundancy to ensure smooth functioning.
- In order to hasten the resolution of investor complaints and create a smooth redressal mechanism for investors, broker's website display the investors' rights, escalation matrix, various–communications sent to them etc.
- In order to ensure no backdoor IPO funding, ASBA applications can be processed only post the application monies is blocked in the investor's bank account. IPO application through UPI mode has also been mandated.
- In order to create more awareness amongst the investors, brokerage and other charges for each order is displayed prominently in the online trading screen as per a SEBI order. This will ensure order level display of charges on all platforms at the time of order placement.
- In order to strengthen the supervision of systematically important brokers, SEBI & Exchanges have introduced enhanced monitoring of such brokers on periodic basis.
- Further, SEBI is planning to introduce new measures of blocking of funds in investor's bank account before trading in secondary market and parking the investor funds with clearing corporations to ensure the safety of investor assets.
- Portfolio Managers who manage PMS funds will come under tighter scrutiny. Restrictions on benchmarking has been introduced and portfolio performance will be published.

OUR STRATEGY

We endeavour to become a comprehensive financial solutions provider to life cycle investment, protection and borrowing needs of Indians in a digital and open architecture format. Our strategy is intended to help us broadbase our business model and diversify and granularise revenue streams.

We began our transformation agenda about three years back by adopting a 'customer-centric' coverage model from a 'product-centric' one. To achieve this, we adopted three pivots:

a. First, we pivoted to an open architecture customer acquisition model. This means when we acquire a customer, that person need not be an ICICI Bank customer. This was pathbreaking from our established practice of almost two decades where we on-boarded only ICICI Bank customers. With ~90% of the liability market (savings account, current account, deposits) not belonging to ICICI Bank, we were restricting ourselves. Hence by going open architecture on customer acquisition, our addressable market has gone up 9X. During FY2023, 66% of new customers were outside of ICICI Bank ecosystem.

b. The second pivot was broadening and going open architecture beyond equities to include the whole range of investment, insurance, loan, wealth, and retirement products and solutions on our platform. From basic bank fixed deposits, we offer the whole range of fixed income portfolio on our platform. We also offer the entire wealth-related products like Portfolio Management Services (PMS) – our own and third party, alternatives, etc. We have 8-10 renowned RIA (Registered Investment Advisor) partners, whose curated portfolios we offer under the 'Masters of the Street' offering. Under the series of 'one-click' baskets, we offer our own research-curated portfolios for retail clients and we have also launched the higher-end version of it - Premium Portfolios.

   We have expanded our partnerships in distribution of life insurance, health insurance, and general insurance products. From being only an ICICI Prudential Life and ICICI Lombard distributor, over the last few years, we have onboarded different insurers like HDFC Ergo, HDFC Life, Star Health, Care Health, etc.

   As we have a long history of retaining customers, loan was a natural adjacency for us and we offer the whole suite of loans like business loans, home loans, personal loans, loans against property (LAP), loans against shares (LAS), loans against mutual funds, credit cards etc. Retail loan is a big finance category and we plan to have a meaningful presence in this segment. Here too we have gone open architecture and offer loans from multiple partners, giving a wider choice to customers.

c. The third pivot is digitisation, where we are able to serve all these financial solutions in a personalised and digital form to our customer. We are using analytics to offer the most suitable product and solution to our customers based on their life stage, risk profile, and financial goal.

As a result of our broad-basing strategy, broking's contribution to our topline stood at 37% in FY2023, against 55% in FY2019. During the time, our topline doubled, indicating even faster growth of non-broking revenue.

Our distribution revenue – where we distribute various third party products like MFs, insurance products, pension products, SGBs, loans, corporate bonds etc. – is ~20%, with another ~20% coming from 'quasi-equity' products, which constitutes of subscription fees of our products like Prime, pre-paid brokerage, and financing charges towards margin trade and ESOP funding. This used to be in low single digits a few years back. While it is linked to equity, the correlation is lower compared to direct broking and is relatively sticky. Our treasury operations contribute about 5-7% of revenue, and remaining ~15% comes from institutional equity, split almost equally between broking and investment banking.

Over the next 3-4 years, in addition to equities, we aim to have three to four other strong topline contributors, which will provide stability and growth during periods when market performance is muted. These are distribution of new products like assets and insurance, besides our existing lines of business.

India's Private Wealth Management opportunity

As Indians become more and more affluent, we see tremendous opportunity in India's wealth management space. We intend to serve this segment through a unique combination of brand, proposition and platform led, and RM supported, giving us the ability to rapidly scale up without proportionate increase in physical resources like branches or RMs.

If India's wealth space is viewed as a pyramid, then on absolute top, there are ~5,000 wealthiest families with US$ 50 Million+ wealth. These are typically 'born rich' and large business owners and family offices who prefer exclusive ideas and advisory. They are served through highly specialised global wealth management firm offering a host of global investment products. We too serve them through our U-HNI & family office offering, where we engage them through exclusive ideas and advisory.

Below that are the high networth individuals, numbering ~8,00,000, with wealth of US$ 1 Million - 50 Million. They are more likely 'grown rich' Indians, who value a trusted brand and want a full product proposition suite and a digital platform for convenience. They typically bank with foreign & private sector banks but are largely underserved in bespoke wealth management. They are our core-private wealth customer cohort. They trust the ICICI brand, are used to technology and hence comfortable with self-service but also have access to a dedicated RM, and are willing to pay for service and advise.

Following them are the affluent segment, numbering ~17 Million individuals with networth of US$ 100K-1 Million. They value a full-service digital platform and we serve them through an eco-system approach. This category is also underserved.

We have enhanced ourselves to morph into a wealth-tech platform, offering stocks, mutual funds, alternate investment products, managed portfolios, FDs, bonds, retirement solutions, loans, insurance and other value-added solutions like estate planning. These products cater to the needs of our customers throughout their financial life cycle of – wealth generation, preservation and transfer.

As a result, our wealth customer count – customers with AUM of ₹ 10 Million+ with the company – has gone up from ~32K in FY2019 to ~78K in FY2023. Their AUM with us has increased from ~ ₹ 1 Trillion to ~3 Trillion+ during the same period. Currently, we are acquiring 2,500 – 4,000 such customers every quarter.

Our revenue from the wealth segment has increased from ~₹ 2.5 Billion for the full year in FY2019 to ~₹ 2.5 Billion a quarter now. So overall, our wealth franchise has come up well and we have emerged as amongst the largest wealth-tech firm in India.

We remain optimistic of scaling this business materially as we are increasingly becoming a structural play in the Indian private wealth management opportunity.

OPERATING PERFORMANCE OF BUSINESS VERTICALS

The Company's consolidated revenue stood at ₹ 34,254.8 Million for FY2023 as compared to ₹ 34,384.8 Million for FY2022. Consolidated Profit after tax (PAT) decreased by 19% to ₹ 11,176.3 Million in FY2023 as compared to ₹ 13,826 Million in FY2022. During the year, our total assets grew by 4% to ₹ 5.89 Trillion and yield on the same stood at 0.5%.

The company was successful in diversifying its revenue as broking contribution reduced from 45% in FY2022 to 37% in FY2023, on account of increase in the revenue of distribution and wealth businesses.

Our strategy of ramping up scale of clients helped us acquire new clients with 1.62 Million new clients added in the year. Our diversification in customer base continues as well as ~64% of the new customers acquired in FY2023 were of age <30 years, 84% of customers were from Tier II & below geography and 66% of the customers were sourced from channels apart from ICICI Bank.

Retail Equity

The retail equity and allied income decreased by 2% from ₹ 20,128 Million in FY2022 to ₹ 19,770 Million in FY2023. Broking revenue was down by 20% on account of weak retail activity in the market however our allied income grew by 38% from ₹ 6,382 Million in FY2022 to ₹ 8,831 Million in FY2023.

Furthermore, we are able to attract trustworthy clients owing to our innovative offerings like Prime, Neo, one-click equity investments etc. helped us attract quality clients and in enhance vibrancy of transacting clients on our platform.

The strong growth in allied revenues was led by growth in interest income earned on our MTF books as well as increase in subscription fees and other charges earned on our various product propositions including Prime, Pledge charges recovery etc. The interest income registered a strong growth of 29% from ₹ 4,980 Million for FY2022 to ₹ 6,436 Million for FY2023 because of growth of our daily average MTF and ESOP funding books from an average of ₹ 56.47 Billion for FY2022 to ₹ 69.68 Billion for FY2023.

Our Prime customer base continues to grow and stands at 1.15 Million as of March 2023. Similarly, our average MTF book grew 1.3 times in FY2023 as we ended the year as market leaders with ~ 23% market share. Prime and Prepaid revenue combined now contributes 68% of Retail Broking revenue in FY2023. Our NEO customer base increased by 1.4 times in FY2023 and now stands at 0.31 Million.

Our Retail ADTO increased by 107.7% in FY2023 as market share for the period was at 10.4% in case of retail cash segment, 3.7% in case of retail derivative segment and 5.5% in case of retail commodity.

Institutional Equity

The revenue from our institutional equity business fell by 26% from ₹ 2,538 Million in FY2022 to ₹ 1,870 Million in FY2023 on the back of subdued market conditions across India, Asia Pacific, UK and US. The institutional equities business saw good traction on the back of high ranks maintained with marquee domestic investors and improved traction with FPI investors. Even though overall operating environment was relatively tough with lower number of primary market deals & flattish secondary market volumes, our business saw improved market share and top performance in procurement in majority of the IPOs marketed during the year.

With the COVID threat receding, during FY2023, the Company rationalised its digital engagement and significantly increased its physical engagement offerings. A large part of the physical engagements was in the form of reverse-roadshows and offshore corporate roadshows with the objective of enhancing our FPI franchise.

We facilitated on-ground channel checks and expert insights for our clients with a plethora of investor calls and meetings across sectors. During the year, we organised our flagship BFSI conference in Mumbai and our Bengaluru Corporate Day, which received an extremely encouraging response from participating companies and investors. Apart from 750+ meetings of investors with both listed and unlisted corporates, the BFSI Conference saw participation from marquee FPI investors who had travelled to India primarily to attend the event. We hosted industry stalwarts like Dr. Rakesh Mohan, President & Distinguished Fellow Centre for Social & Economic Progress (CSEP) and Dr. Sreeram Chaulia, Professor & Dean Jindal School of International Affairs (JSIA) as keynote speakers.

We also consolidated our position with investors in the US and UK by organising virtual interactions with senior management of relevant companies tailored for investors based out of different time zones.

Distribution of Financial Products

In FY2023, our distribution revenues increased from ₹ 5,996 Million to ₹ 6,682 Million, led by growth in all major product categories.

Within distribution revenues, MF revenues grew 9% YoY to ₹ 3,832 Million in FY2023 compared to ₹ 3,505 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 ₹ 601 Billion in March 2023 which was 4% higher than March 2022.

ICICI Securities, holds the 5th largest Systematic Investment Plan (SIP) book in the industry, amounting to more than 1 Million folios. In FY2023, we have distributed Mutual Fund schemes across categories of 39 Asset Management Companies (AMC).

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 2% YoY in FY2023, leading to market share on SIP book of 3.2% in FY2023.

1 Million+
SIP Count

Revenue from distribution of non-MF financial products increased by 14% led by increase in revenue from insurance and also growth in revenue from distribution of fixed income products, loan products and other financial products.

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

While the Loan Distribution grew by 57% from ₹ 146 Million to ₹ 229 Million, the Insurance business grew by 46%. This resulted in our commission from distribution of life insurance growing from ₹ 701 Million to ₹ 1,018 Million. General Insurance, though in nascent stage, registered growth in premium and policies.

Loans distributed by us grew by 66% for the year with 37.5 Billion of loans being distributed in FY2023, Vs 22.6 Billion in FY2022. Overall, during the year, we curated 12 loan products like Home Loans, Loan against Property (LAP), Lease Rental Discounting (LRD), Business Loans, SME Loans, Personal Loans, Credit Cards, Auto Loans, Two-wheeler loans, Loans against Securities (LAS), Remittances and Forex services for our customers.

Private Wealth Management

Through enhanced proposition, we are able to deeper mine existing clients and increase wallet share. At the same time, we have created a strong acquisition machinery, through which we continue to acquire profitable clients. Clients acquired during preceding five years have higher average AUM and better Average Revenue Per User (ARPU) than the ones on-boarded before last five years. As at March 2023, there were ~ 78,000 clients, up from ~ 68,000 clients as at March 2022. Our client base is sticky, with 47% of assets coming from clients who are with us for over 10 years. These factors contribute to sustained increase in AUM from ₹ 2.86 trillion in FY2022 to ₹ 3.22 trillion in FY2023 and revenue from ₹ 9.24 billion in FY2022 to ₹ 10.05 billion in FY2023.

ICICI Securities won 4 awards during FY2023 for excellence in private wealth management.

ICICI Securities' Portfolio Management Service (PMS), launched in FY2019, offers a wide range of PMS strategies across market capitalisation and investment styles. It is an ideal investment avenue for High Networth Investors (HNI) with benefits like regular reviews, risk management and flexibility and convenience. In addition to existing 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 Company has launched a new PMS portfolio – "Sterling" in FY2023. This is a pathbreaking direct mutual funds & ETF proposition for core portfolio allocation of its clients. The strategy ensures right mix of asset allocation, market cap allocation and fund manager selection to capitalise on the current debt and equity opportunities.

The total assets under management in ICICI Securities PMS grew by 96% from ₹ 7.15 Billion to ₹ 14 Billion as of March 31, 2023.

Another notable launch for FY2023 was “LIFEY” – a milestone-based investment tool to plan, invest and track mutual fund investments. This tool help clients create investment portfolios and help them meet their life stage milestones such as owning a home, travel, child’s education, retirement and many more. Clients enjoy great flexibility in creating portfolios which suit their risk appetite. With comprehensive tracking and timely rebalance alerts, it helps them stay on course.

The Company also launched a single number facility to enable hassle-free connectivity between its private wealth management clients and their relationship managers / customer service team.

Issuer and advisory services

The revenue from our issuer and advisory services business fell by 51% from ₹ 2,955.8 Million in FY2022 to ₹ 1,448.1 Million in FY2023. The decrease in revenue was due to sharp decrease in deal activity in the market.

On account of volatile market scenario, there was a subdued number of transactions in FY2023 as compared to FY2022. In FY2023, we managed transactions across IPOs, QIP, Rights issues, advisory transactions, etc. across Financial, Consumer Technology, Pharma, Chemicals and other sectors. During this period, the Company managed 9 IPOs with a market share of 56.7% (in terms of issue size) (Source: Prime Database). The amount raised through such IPO issuances managed by the Company during FY2023 was ₹ 295.34 Billion, which included the IPOs of Life Insurance Corporation, Five-Star Business Finance Limited, KFin Technologies Limited, Paradeep Phosphates Limited, Archean Chemicals Industries Limited, Fusion Micro Finance Limited, Prudent Corporate Advisory Services Limited, Syrma SGS Technology Limited, and Landmark Cars Limited.

The Company successfully completed 1 QIP of AU Small Finance Bank Limited for an amount of ₹ 20 Billion, 1 Rights Issue of Capri Global Capital Limited for an amount of ₹ 14.4 Billion and 1 QIP of InvIT of National Highways Infra Trust for an amount of ₹ 12.16 Billion - in FY2023.

The Company managed 2 Offer for Sale (OFS) in FY2023 for an amount of ₹ 47.31 Billion was completed with a market share of 42.40% (in terms of offer size) (Source: Prime Database), which included the OFS of Axis Bank Limited and GR Infraprojects Limited.

The Company acted as an advisor for the open offer of ACC Limited, Ambuja Cements Limited, Eureka Forbes Limited with aggregate size of ₹ 322 Billion in FY2023 with market share of 85.6% (in terms of offer size) (Source: Prime Database). The Company also successfully completed the buybacks of Zydus Lifesciences Limited and Bajaj Consumer Limited amounting to ₹ 8.31 Billion in FY2023.

FINANCIAL PERFORMANCE

Overview

The Company registered consolidated revenue of ₹ 34,254.8 Million for FY2023 as compared to ₹ 34,384.8 Million for FY2022. Consolidated Profit after tax (PAT) for FY2023 was ₹ 11,176.3 Million compared to ₹ 13,826 Million for FY2022, a decrease of 19.2%. Our total cost increased from ₹ 15,857.2 Million in FY2022 to ₹ 19,243.6 Million in FY2023, an increase of 21.4% on account of increasing Tech spends.

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, 2023	For the year ended March 31, 2022
Revenue from operations			
(i)	Interest income	10,014.9	7,185.1
(ii)	Dividend income	0.5	0.4
(iii)	Fees and commission income		
	- Brokerage income	12,563	15,525.9
	- Income from services	10,674.4	11,020.2
(iv)	Net gain on fair value changes	889	588.7

(in ₹ Million)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
(v)	Net gain on de-recognition of financial instruments under amortised cost category	-	-
(vi)	Others	15.7	29.5
	(I) Total Revenue from operations	34,157.5	34,349.8
	(II) Other income	97.3	35
	(III) Total Income (I+II)	34,254.8	34,384.8
Expenses			
(i)	Finance costs	5,362.9	2,736.8
(ii)	Fees and commission expense	1,563.2	1,665.6
(iii)	Net loss on fair value changes	-	-
(iv)	Impairment on financial instruments	32.9	(69.4)
(v)	Operating expense	1,307.4	1,139.6
(vi)	Employee benefits expenses	6,978.2	6,644.1
(vii)	Depreciation, amortisation and impairment	750.7	625.3
(viii)	Others expenses	3,248.3	3,115.2
(IV)	Total Expenses (IV)	19,243.6	15,857.2
(V)	Profit/(loss) before tax (III - IV)	15,011.2	18,527.6
(VI)	Tax expense:		
	(1) Current tax	3,782.4	4,564
	(2) Deferred tax	52.5	137.6
		3,834.9	**4,701.6**
(VII)	Profit/(loss) for the period (V-VI)	11,176.3	13,826
(VIII)	Other comprehensive income (net of taxes)	(0.8)	(2.6)
(IX)	Total comprehensive income for the period (VII+VIII) (comprising profit/(loss) and other comprehensive income for the period)	11,175.5	13,823.4

Interest income

Interest and other operating income increased from ₹ 7,185.1 Million for the year ended March 31, 2022, to ₹ 10,014.9 Million in the year ended March 31, 2023, an increase of 39.4%. This was primarily due to two reasons. First, an increase in interest on retail fund-based products-MTF. The Company's combined daily average ESOP and MTF book increased from ₹ 56.5 Billion in FY2022 to ₹ 69.7 Billion in FY2023. 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 ₹ 45.5 Billion in FY2022 to ₹ 56.8 Billion in FY2023.

Fees and commission income

Brokerage Income

Our brokerage income decreased from ₹ 15,525.9 Million for the year ended March 31, 2022 to ₹ 12,563 Million for the year ended March 31, 2023, a decrease of 19.1%. This was primarily due to decrease in retail equity volumes which was partially compensated by increase in retail derivative volumes, however offset by reduction in yields owing to higher adoption of our Prime and NEO propositions.

Income from services

Income from services decreased from ₹ 11,020.2 Million for the year ended March 31, 2022 to ₹ 10,674.4 Million for the year ended March 31, 2023, a decrease of 3.1%. This was primarily due to decrease in issuer services and advisory fee income by 51.0% from ₹ 2,955.8 Million in FY2022 to ₹ 1,448.1 Million in FY2023. Our distribution business income increased significantly from ₹ 5,996.2 Million to ₹ 6,681.7 Million mainly on account of increase in mutual fund, insurance and loans.

Net gain on fair value changes

Net gain on fair value changes increased from ₹ 588.7 Million for the year ended March 31, 2022, to ₹ 889 Million for the year ended March 31, 2023 primarily due to fair value changes in our treasury segment.

Other Income

Other income of ₹ 97.3 Million for the year ended March 31, 2023 is mainly on account of interest on income tax refund received and foreign currency transaction and translation during the year.

Finance costs

Finance costs increased from ₹ 2,736.8 Million for the year ended March 31, 2022 to ₹ 5,362.9 Million for the year ended March 31, 2023, an increase of 96%. This was primarily due to increase in borrowings from ₹ 77.4 Billion in March 2022 to ₹ 92.9 Billion in March 2023 and increase in cost of funds, following an increase in retail fund-based assets and, hence, the interest expense thereon.

Fees and commission expense

Fees and commission expense decreased from ₹ 1,665.6 Million for the year ended March 31, 2022 to ₹ 1,563.2 Million for the year ended March 31, 2023, a decrease of 6.1%. This was primarily due to decrease in revenue linked payouts.

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 was a charge of ₹ 32.9 Million for the year ended March 31, 2023 compared to a credit of ₹ (69.4) Million for the year ended March 31, 2022 primarily on account of reversal of balance one-time contingency provision because of no adverse experience. This provision was created during FY2020 to provide for any scenario that could have arisen on account of market volatility arising from COVID-19.

Operating expenses

Operating expenses increased from ₹ 1,139.6 Million for FY2022 to ₹ 1,307.4 Million in FY2023, increased of 14.7% mainly on account of account of one time provision pertaining to margin penalties passed on to clients from October 2021 to November 2022.

Employee benefits expenses

Employee benefits expenses increased from ₹ 6,644.1 Million for the year ended March 31, 2022 to ₹ 6,978.2 Million for the year ended March 31, 2023, an increase of 5%. This was primarily on account of annual increments in salaries and increase in headcount.

Depreciation and amortisation expense

Depreciation and amortisation expense increased from ₹ 625.3 Million for FY2022 to ₹ 750.7 Million in FY2023, primarily on account of depreciation on additions of technology-related assets.

Other expenses

Other expenses increased from ₹ 3,115.2 Million for the year ended March 31, 2022 to ₹ 3,248.3 Million for the year ended March 31, 2022, an increase of 4.3%. This increase was primarily on account of increase in technology-related expenses during the year.

Profit

As a result of the above, profit before tax decreased from ₹ 18,527.6 Million for the year ended March 31, 2022 to ₹ 15,011.2 Million for the year ended March 31, 2023, a decrease of 19%.

Our total tax expense decreased from ₹ 4,701.6 Million for the year ended March 31, 2022 to ₹ 3,834.9 Million for the year ended March 31, 2023, a decrease of 18.4%.

The effective income tax rate for the year ended March 31, 2023 is 25.5% (March 31, 2022 is 25.4%).

Profit after tax decreased from ₹ 13,826 Million for the year ended March 31, 2022 to ₹ 11,176.3 Million for the year ended March 31, 2023, a decrease of 19.2%.

Segment-wise performance

(in ₹ Million)

Segments	For the year ended			
	March 31, 2023		March 31, 2022	
	Segment Revenue	Segment Results	Segment Revenue	Segment Results
Broking and distribution	31,306.6	13,692.3	30,521.1	16,114.9
Issuer services and advisory	1,448.1	543.2	2,955.8	1,893.9
Treasury	1,442.4	718.0	907.9	518.8
Total	**34,254.8**	**15,011.2**	**34,384.8**	**18,527.6**

Note: Unallocated amount of ₹ 57.7 Million for FY2023 is included in total revenue and results and pertains to interest on income tax refund.

Revenue from our Broking and distribution segment increased from ₹ 30,521.1 Million for the year ended March 31, 2022 to ₹ 31,306.6 Million for the year ended March 31, 2023, an increase of 2.6%.

Revenue from our Issuer services and advisory segment decreased from ₹ 2,955.8 Million for the year ended March 31, 2022 to ₹ 1,448.1 Million for the year ended March 31, 2023, a decrease of 51%. This decrease is on account of slump witnessed in primary market activity.

Revenue from our Treasury segment increased from ₹ 907.9 Million for the year ended March 31, 2022 to ₹ 1,442.4 Million for the year ended March 31, 2023, an increase of 58.9%. This increase was primarily due to increase in income from trading activities during the year and gain on fair value changes on securities.

Financial Position

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

(in ₹ Million)

Particulars		As at March 31, 2023	As at March 31, 2022
ASSETS			
1	**Financial assets**		
	(a) Cash and cash equivalents	2,406.4	7,735.9
	(b) Bank balance other than (a) above	65,501.3	48,430.2
	(c) Derivative financial instruments	-	0.8
	(d) Securities for trade	9,163.3	2,430.2
	Receivables		
	(I) Trade receivables	7,734.3	3,848.3
	(II) Other receivables		
	(a) Loans	64,198.8	68,566.7
	(b) Investments	77.1	107.1
	(c) Other financial assets	1,196.6	1,135.7
		1,50,277.9	**1,32,254.9**
2	**Non-financial assets**		
	(a) Current tax assets (net)	1,365.0	1,247.1
	(b) Deferred tax assets (net)	373.5	424.1
	(c) Property, plant and equipment	1,238.2	627.2
	(d) Right-of-use assets	968.6	899.0
	(e) Capital work-in-progress	192.9	109.6
	(f) Intangible assets under development	115.8	32.6
	(g) Other intangible assets	370.5	309.5
	(h) Other non-financial assets	785.6	558.2
		5,410.1	**4,207.3**
	Total Assets	**1,55,688.0**	**1,36,462.2**

(in ₹ Million)

Particulars	As at March 31, 2023	As at March 31, 2022
LIABILITIES AND EQUITY		
LIABILITIES		
1 Financial liabilities		
(a) Derivative financial instruments	0.4	-
(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	9,148.4	10,776.1
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises		-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-
(c) Debt securities	87,886.9	77,392.3
(d) Borrowings (Other than debt securities)	5,038.9	-
(e) Deposits	74.2	43.6
(f) Lease liabilities	1,082.7	1,019.4
(g) Other financial liabilities	18,239.6	16,521.6
	1,21,471.1	**1,05,753.0**
2 Non-financial liabilities		
(a) Current tax liabilities (net)	-	-
(b) Provisions	177.4	151.0
(c) Other non-financial liabilities	5,514.5	6,252.9
	5,691.9	**6,403.9**
3 EQUITY		
(a) Equity share capital	1,614.3	1,613.4
(b) Other equity	26,910.7	22,691.9
	28,525.0	**24,305.3**
Total Liabilities and Equity	**1,55,688.0**	**1,36,462.2**

Total assets increased from ₹ 136.46 Billion as at March 31, 2022 to ₹ 155.69 Billion as at March 31, 2023, an increase of 14%. This increase was primarily due to increase in bank balances, cash and cash equivalent, trade receivables and securities for trade.

Total liabilities increased from ₹ 112.16 Billion as at March 31, 2022 to ₹ 127.16 Billion as at March 31, 2023, an increase of 13%.This increase was primarily due to increase in debt securities, borrowings other than 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, 2023	For the year ended March 31, 2022
Cash flow (used in) / generated from operating activities	(6,741.6)	(25,974.6)
Cash flow used in investing activities	(1,247.8)	(687.6)
Cash flow generated from / (used in) financing activities	2,659.9	31,304.6

Cash used in operating activities

Net cash flow used in operating activities changed from ₹ (25,974.6) Million for the year ended March 31, 2022 to ₹ (6,741.6) Million for the year ended March 31, 2023. This change was primarily due to decrease in loans by ₹ 4,347.7 Million for the year ended March 31, 2023 vis a vis increase in loans by ₹ 39,475.7 Million for the year ended March 31,2022.

Cash used in investing activities

Net cash used in investing activities changed from ₹ (687.6) Million for the year ended March 31, 2022 to ₹ (1,247.8) Million for the year ended March 31, 2023. 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 ₹ 31,304.6 Million for the year ended March 31, 2022 to ₹ 2,659.9 Million for the year ended March 31, 2023. This change was primarily due to an increase in borrowings from ₹ 77,392.3 Million to ₹ 92,925.8 Million resulting in net generation of ₹ 15,533.5 Million during the year and a higher interest pay-out in the year ended March 31, 2023, as compared to the previous year.

Contingent Liabilities

As at March 31, 2023, we have ₹ 1,509.3 Million as claims against the Company not acknowledged as debt (March 31, 2022 ₹ 1,497.2 Million).

Borrowings

As at March 31, 2023, we have short-term borrowings of ₹ 87,886.9 Million and total equity of ₹ 28,525 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	FY2023	FY2022	Change %
Interest Coverage Ratio(Times)	3.84	7.99	51.9
Debtors Turnover Ratio	3.00	6.90	56.2

Explanation:

During the year, there is decrease in Interest Service Coverage Ratio due to increase in Finance costs by ₹ 2,639.30 Million and decrease in PBIT by ₹ 877.10 Million.

During the year, there is decrease in Debtors Turnover ratio due to decrease in Fees and commission income by ₹ 3,308.7 Million and increase in client and exchange receivable by ₹ 3,886.10 Million.

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	FY2023	FY2022
Return on Net Worth (%)	42%	65%

Explanation:

Return on Net Worth calculated as "PAT: Average net-worth excluding other comprehensive income and translation reserve" decreased from 65 % in FY 2022 to 42 % in FY 2023 primarily due to an increase in average net worth by 24.2 % from ₹ 21,315.4 million in FY 2022 to ₹ 26,478.3 million in FY 2023 vis-à-vis decrease in profits by 19.2% from ₹ 13,826.0 million in FY 2022 to ₹ 11,176.3 million in FY 2023

SUBSIDIARY PERFORMANCE

Overview

The Company has a 100% owned subsidiary ICICI Securities Holdings, Inc. and a step-down subsidiary ICICI Securities, Inc. ICICI Securities Holding, Inc. is the holding company of our indirect subsidiary ICICI Securities, Inc., which through its offices in US and Singapore, is engaged in referring foreign institutional clients to us for transactions on the Indian stock exchanges.

Financial performance

The revenues of ICICI Securities, Inc. on standalone basis increased by 13% from ₹ 196.2 Million in FY2022 to ₹ 222.3 Million in FY2023 and the standalone PAT increased from ₹ 29.9 Million in FY2022 to ₹ 58.3 Million in FY2023. The total assets increased from ₹ 382.5 Million at March 31, 2022 to ₹ 435.5 Million at March 31, 2023.

Financial assets increased from ₹ 360.2 Million at March 31, 2022 to ₹ 408.3 Million at March 31, 2023 primarily due to increase in cash and cash equivalents other bank balances and trade receivables.

Non-Financial assets has increased from ₹ 22.3 Million at March 31, 2022 to ₹ 27.1 Million at March 31, 2023.

Financial liabilities decreased from ₹ 22.1 Million at March 31, 2022 to ₹ 9.7 Million at March 31, 2023 primarily on account of decrease in trade payables.

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

- 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 underpenetration 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 cities** 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.

- As per industry reports, the count of adults with wealth over US$ 1 Million in India, is expected to reach 1.3 Million by 2025 from 0.7 Million in 2020. While for adults with wealth more than US$ 1,00,000, the count has increased from 15 Million in 2019 to over 20 Million in 2020. This underscores the growth and opportunity size of wealth management in India. (Source: Credit Suisse Global Wealth Report 2021)

- 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 services

- 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 personalised 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 five brokers, based on the total number of active clients is ~74%.

Our **distribution and wealth management business** would benefit from growing democratisation of wealth management by providing hyper personalised solutions, delivered digitally. For the higher end of the client spectrum, where there is a need for relationship support. A hybrid model of Relationship Management (RM) and digital engagement is emerging. Execution is moving to digital-first delivery mode.

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 FIIs as well as increasing flows into DIIs, predominantly mutual fund, insurance, *etc.* Our research, corporate access and deep-rooted relationships with institutional investors particularly DIIs will help us expand our institutional equity businesses.

Our **Issuer services and advisory** business is expected to benefit from the positive momentum for IPOs likely in FY2024. Our IPO (incl. FPO/ InvIT /REIT) pipeline remains strong, with 29 deals amounting over ₹ 503 billion, in addition to mandate of 17 deals where the amount is yet to be decided (as on March 31, 2023). Other capital market products like rights, OFS, QIPs, 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, 2023 was 4,494. For details on our HR ethos and practices, please refer to page 56-61.

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 DIIs 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 like introduction of long-term capital gains tax 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 FY2023, we witnessed a significant decline in the COVID-19 cases and its overall impact on the economy. However, the Company ensured the COVID-19 guidelines are strictly adhered to. Further, on a cautious approach, the Company extended the facility of working from home and office in a hybrid manner. Further, continued 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.

There is an increase in the cyber security threat due to adoption of remote access to the systems, increased focus on new-age digital solutions and integration with various service providers 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 materialise 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.

FINANCIAL STATEMENTS

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 2023, 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 ("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 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Technology (IT)

The key audit matter	How the matter was addressed in our audit
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. The ERP system used for the financial reporting framework has been upgraded in the current year.	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.	• Testing the effectiveness of Program Development controls for SAP ECC upgradation / migration to SAP HANA during the year ended 31 March 2023. • 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 whether standard process was followed. • Understanding IT infrastructure layers supporting the in-scope systems i.e., operating systems and databases and testing general IT controls for such layers where relevant to operation of the IT automated controls. • Understanding Cybersecurity Risk Management Framework followed by the entity for information assets, including information, applications systems, databases, networks and data storage systems.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the Directors report, but does not include the financial statements and auditor's report(s) thereon, which we obtained prior to the date of this auditor's report, and the Annual report, which is expected to be made available to us after that date.

Our opinion on the standalone financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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 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, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of the Management and 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 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) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 7 to the standalone financial statements, 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 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 on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 15 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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 by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in compliance with Section 123 of the Act. As stated in Note 46 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

Milind Ranade
Partner
Membership No.: 100564
ICAI UDIN:23100564BGXYLS1732

Place: Mumbai
Date: 19 April 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of ICICI Securities Limited for the year ended 31 March 2023

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

(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 every 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 material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable 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) 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 partnerships and other parties.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity as below:

Particulars (amount in ₹ millions)	**Guarantees**	**Security**	**Loans**	**Advances in nature of loans**
Aggregate amount during the year				
Subsidiaries*	-	-	-	-
Joint ventures*	-	-	-	-
Associates*	-	-	-	-
Others	-	-	74,816.0	-
Balance outstanding as at balance sheet date				
Subsidiaries*	-	-	-	-
Joint ventures*	-	-	-	-
Associates*	-	-	-	-
Others	-	-	64,231.2	-

**As per the Companies Act, 2013*

(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 investments made during the year and the terms and conditions of the grant of loans provided during the year 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, in our opinion 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 2023. The overdue cases as at 31 March 2023 comprise of individually small value accounts pertaining to the Margin Trading Funding and ESOP Funding amounting to Rs. 26.94 million and Rs. 4.16 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, there is no overdue amount for more than ninety days in respect of loans (and advance in the nature of loan) given except an amount of Rs. 3.26 million (principal amount) and Rs. 12.34 million (interest) overdue for more than ninety days as at 31 March 2023. In our opinion, reasonable steps have been taken by the Company for recovery of the principal and interest. Further, the Company has not given any advance in the nature of loan 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, in our opinion following instances of loans/ advances in the nature of loans falling due during the year were renewed or extended or settled by fresh loans. Also, refer note 7 of the standalone financial statements:

Particulars (amount in ₹ millions)	**Aggregate amount of loans or advances in the nature of loans granted during the year**	**Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties**	**Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year**
Loans	74,816.0	5,730.0	7.66%

(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 not 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 Sections 186 of the Companies Act, 2013 in relations 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 Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 (₹ million)	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") 2010-11, FY 2012-13 & FY 2013-14	Commissioner of Income Tax (Appeals)	Amount paid under protest is Rs. 34 million.
Income Tax Act, 1961	Income tax (including interest but excluding penalty)	142.1	FY 2000-01 to FY 2006-07	Commissioner of Income Tax	
Income Tax Act, 1961	Income tax (including interest but excluding penalty)	0.5	FY 2007-08 to FY 2009-10	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 Rs. 9 million.
Service Tax	Service tax (excluding interest and including penalty)	441.5	FY 2006-07 to FY 2014-15	Central Excise & Service Tax Appellate Tribunal	Amount paid under protest is Rs. 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 Rs. 0.02 million.
Gujarat Goods and Service Tax, 2017	Goods and Service Tax (including interest & penalty)	4.8	FY 2018-19	Commissioner of GST (Appeals)	
Maharashtra Value Added Tax, 2002	Value added tax (including interest & penalty)	1.7	FY 2008-09	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 Rs. 0.03 million.
Income Tax Act, 1961	TDS u/s 195 (including interest but excluding penalty)	11.2	FY 2019-20	Commissioner of Income Tax - TDS	
Telangana Goods and Services Tax Act, 2017	Goods and Service Tax (including interest & penalty)	1.0	FY 2017-18, FY 2018-19 and FY 2020-21	Deputy Commissioner of GST	

(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 any lender.

(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) According to the information and explanations given to us, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(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 standalone 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 the Act.

(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 subsidiaries as defined under the Act.

(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 Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(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 Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone 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 Act 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 standalone 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 Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Milind Ranade
Partner
Membership No.: 100564
ICAI UDIN:23100564BGXYLS1732

Place: Mumbai
Date: 19 April 2023

Annexure B to the Independent Auditor's Report on the standalone financial statements of ICICI Securities Limited for the year ended 31 March 2023

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 Act

(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 2023 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 2023, 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 and Board of Directors' Responsibilities 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 standalone 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Milind Ranade
Partner
Membership No.: 100564
ICAI UDIN:23100564BGXYLS1732

Place: Mumbai
Date: 19 April 2023

Standalone Balance Sheet

as at March 31, 2023

(₹ million)

		Notes	As at March 31, 2023	As at March 31, 2022
	ASSETS			
1	**Financial Assets**			
	(a) Cash and cash equivalents	3 (a)	2,167.7	7,515.1
	(b) Bank balance other than (a) above	3 (b)	65,323.7	48,268.9
	(c) Derivative financial instruments	4	-	0.8
	(d) Securities for trade	5	9,163.3	2,430.2
	(e) Receivables			
	(I) Trade receivables	6	7,732.6	3,846.6
	(f) Loans	7	64,198.8	68,566.7
	(g) Investments	8	205.5	232.8
	(h) Other financial assets	9	1,189.3	1,129.0
			1,49,980.9	**1,31,990.1**
2	**Non-financial Assets**			
	(a) Current tax assets (net)	10	1,365.8	1,247.8
	(b) Deferred tax assets (net)	40	350.1	404.5
	(c) Property, plant and equipment	11 (a)	1,237.8	627.0
	(d) Right-of-use assets	36	968.6	899.0
	(e) Capital work-in-progress	11 (b)	192.9	109.6
	(f) Intangible assets under development	11 (c)	115.8	32.6
	(g) Other intangible assets	11 (a)	370.5	309.5
	(h) Other non-financial assets	12	782.5	555.9
			5,384.0	**4,185.9**
	Total Assets		**1,55,364.9**	**1,36,176.0**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial liabilities**			
	(a) Derivative financial instruments	4	0.4	-
	(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		9,159.9	10,776.7
	(c) Debt securities	14	87,886.9	77,392.3
	(d) Borrowings (Other than debt securities)	15	5,038.9	-
	(e) Deposits	16	74.2	43.6
	(f) Lease liabilities	36	1,082.7	1,019.4
	(g) Other financial liabilities	17	18,239.6	16,521.6
			1,21,482.6	**1,05,753.6**
2	**Non-financial Liabilities**			
	(a) Current tax liabilities (net)		-	-
	(b) Provisions	18	177.4	151.0
	(c) Other non-financial liabilities	19	5,454.0	6,179.9
			5,631.4	**6,330.9**
3	**EQUITY**			
	(a) Equity share capital	20	1,614.3	1,613.4
	(b) Other equity	21	26,636.6	22,478.1
			28,250.9	**24,091.5**
	Total Liabilities and Equity		**1,55,364.9**	**1,36,176.0**

Significant accounting policies 2

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

As per our report of even date attached

For and on behalf of Board of Directors

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

Milind Ranade
Partner
Membership No.: 100564

Vinod Kumar Dhall
Chairman
DIN - 02591373

Ashvin Parekh
Director
DIN - 06559989

Vijay Chandok
Managing Director & CEO
DIN - 01545262

Ajay Saraf
Executive Director
DIN - 00074885

Raju Nanwani
Company Secretary

Harvinder Jaspal
Chief Financial Officer

Mumbai, April 19, 2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(₹ million)

		Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations				
(i)	Interest income	22	10,012.2	7,184.3
(ii)	Dividend income		0.5	0.4
(iii)	Fees and commission income			
	- Brokerage income		12,563.0	15,525.9
	- Income from services		10,672.6	11,016.8
(iv)	Net gain on fair value changes	23	889.0	588.7
(v)	Others		15.7	29.5
(I)	**Total Revenue from operations**		**34,153.0**	**34,345.6**
(II)	Other Income	24	69.7	23.4
(III)	**Total Income (I+II)**		**34,222.7**	**34,369.0**
Expenses				
(i)	Finance costs	25	5,358.1	2,731.7
(ii)	Fees and commission expense		1,750.0	1,846.8
(iii)	Impairment on financial instruments	26	32.9	(69.4)
(iv)	Operating expense	27	1,307.4	1,139.6
(v)	Employee benefits expenses	28	6,864.0	6,517.2
(vi)	Depreciation, amortization and impairment	11 & 36	750.5	625.1
(vii)	Other expenses	29	3,206.7	3,080.2
(IV)	**Total expenses (IV)**		**19,269.6**	**15,871.2**
(V)	**Profit/(loss) before tax (III -IV)**		**14,953.1**	**18,497.8**
(VI)	Tax expense:	40		
	(1) Current tax		3,782.4	4,564.0
	(2) Deferred tax		54.7	138.4
			3,837.1	**4,702.4**
(VII)	**Profit/(loss) for the year (V-VI)**		**11,116.0**	**13,795.4**
(VIII)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined employee benefit plans		(1.1)	(3.5)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.3	0.9
	Other Comprehensive Income		**(0.8)**	**(2.6)**
(IX)	**Total comprehensive income for the year (VII+VIII) [comprising profit/(loss) and other comprehensive income for the year]**		**11,115.2**	**13,792.8**
(X)	**Earnings per equity share:(Face value ₹ 5/- per share)**	30		
	Basic (in ₹)		34.44	42.77
	Diluted (in ₹)		34.35	42.59

Significant accounting policies 2

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

As per our report of even date attached

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

Milind Ranade
Partner
Membership No.: 100564

Mumbai, April 19, 2023

For and on behalf of Board of Directors

Vinod Kumar Dhall
Chairman
DIN - 02591373

Ashvin Parekh
Director
DIN - 06559989

Vijay Chandok
Managing Director & CEO
DIN - 01545262

Ajay Saraf
Executive Director
DIN - 00074885

Raju Nanwani
Company Secretary

Harvinder Jaspal
Chief Financial Officer

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

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, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year	Balance as on March 31, 2023
1,613.4	-	1,613.4	0.9	1,614.3

B OTHER EQUITY

(₹ million)

	Share application money pending allotment	Reserves and Surplus						
		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 at 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, 2022	0.6	418.5	666.8	270.6	20,734.6	-	387.0	22,478.1
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2022	0.6	418.5	666.8	270.6	20,734.6	-	387.0	22,478.1
Profit for the year	-	-	-	-	11,116.0	-	-	11,116.0
Items of OCI for the year, net of tax:								
-Remeasurement benefit of defined benefit plans	-	-	-	-	(0.8)	-	-	(0.8)
Total Comprehensive Income for the year	-	-	-	-	11,115.2	-	-	11,115.2
Dividend	-	-	-	-	(7,263.0)	-	-	(7,263.0)
Transfer to retained earnings	-	-	-	-	-	-	-	-
Any other changes:								
- Additions during the year (net)	(0.6)	77.0	-	215.5	-	-	14.4	306.3
Balance as on March 31, 2023	**-**	**495.5**	**666.8**	**486.1**	**24,586.8**	**-**	**401.4**	**26,636.6**

** Net of share based arrangement of parent entity amounting to ₹ 1.5 million (March 31, 2022: ₹ 25.8 million)*

Significant accounting policies (Note 2)

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

As per our report of even date attached

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

Milind Ranade
Partner
Membership No.: 100564

Mumbai, April 19, 2023

For and on behalf of Board of Directors

Vinod Kumar Dhall
Chairman
DIN - 02591373

Ashvin Parekh
Director
DIN - 06559989

Vijay Chandok
Managing Director & CEO
DIN - 01545262

Ajay Saraf
Executive Director
DIN - 00074885

Raju Nanwani
Company Secretary

Harvinder Jaspal
Chief Financial Officer

Standalone Cash Flow Statement

for the year ended March 31, 2023

(₹ million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flow used in operating activities**		
	Profit before tax	14,953.1	18,497.8
	Add /(less): Adjustments		
	- Net (gain)/loss on derecognition of property, plant and equipment	(12.0)	(8.1)
	- Depreciation and amortisation	750.5	625.1
	- (Reversal of) /impairment loss on financial assets measured at FVTPL	-	0.1
	- Net (gain)/loss (unrealised) arising on financial assets measured at FVTPL	41.6	(201.8)
	- Interest expense	5,329.9	2,690.6
	- Dividend income on equity securities	(0.5)	(0.2)
	- Share based payments to employees	247.5	148.8
	- Bad and doubtful debts	59.8	(52.3)
	- Interest on income tax refund	(57.7)	-
	- Provision written back	-	-
	- Unrealised foreign exchange (gain)/loss	6.4	3.2
	- Reversal of Foreign currency translation reserve	-	(18.5)
	- Other income	(9.8)	-
	Operating profit before working capital changes	**21,308.8**	**21,684.7**
	Adjustments for changes in working capital:		
	- (Increase) / decrease in other bank balances	(17,054.8)	(12,724.5)
	- Increase / (decrease) in derivative financial instruments	-	(0.8)
	- (Increase) / decrease in securities for trade	(6,774.7)	2,433.2
	- (Increase) / decrease in receivables	(3,932.0)	710.5
	- (Increase) / decrease in loans	4,347.7	(39,475.7)
	- (Increase) / decrease other financial assets	(20.6)	(393.2)
	- (Increase) / decrease other non- financial assets	(224.0)	(38.0)
	- Increase / (decrease) in derivative financial instruments	1.2	(4.5)
	- Increase / (decrease) in trade payables	(1,616.8)	513.1
	- Increase / (decrease) in deposits	30.6	14.9
	- Increase / (decrease) in other financial liabilities	1,718.0	6,081.1
	- Increase / (decrease) in provisions	25.3	(458.6)
	- Increase / (decrease) in other non-financial liabilities	(725.9)	280.3
		(24,226.0)	**(43,062.2)**
	Cash used from operations	(2,917.2)	(21,377.5)
	Income tax paid (net)	(3,842.7)	(4,627.5)
	Net cash used in operating activities (A)	**(6,759.9)**	**(26,005.0)**
B	**Cash flow used in investing activities**		
	- Purchase of investments	-	(55.6)
	- Dividend income received	0.5	0.2
	- Purchase of property, plant and equipment (including intangible assets)	(1,257.3)	(641.2)
	- Proceeds from sale of property, plant and equipment (including intangible assets)	9.4	8.8
	Net cash used in investing activities (B)	**(1,247.4)**	**(687.8)**

Standalone Cash Flow Statement

for the year ended March 31, 2023

(₹ million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
C	**Cash flow generated from financing activities**		
	- Proceeds from commercial paper borrowings	3,59,671.9	2,04,260.7
	- Repayment of commercial paper borrowings	(3,49,139.0)	(1,62,643.8)
	- Proceeds from working capital demand loan	1,204.8	-
	- Interest paid on borrowings	(5,293.3)	(2,036.7)
	- Dividend paid	(7,263.0)	(7,984.0)
	- Interest paid on lease liabilities	(74.9)	(88.1)
	- Repayment of lease liabilities	(337.8)	(315.7)
	- Issue of shares on exercise of options	57.7	113.8
	- Share application money pending allotment	(0.6)	(1.6)
	- Proceeds from Repo borrowings	3,834.1	-
	Net cash generated from financing activities (C)	**2,659.9**	**31,304.6**
	Net (Decrease)/increase in cash and cash equivalents (A+B+C)	**(5,347.4)**	**4,611.8**
	Cash and cash equivalents at the beginning of the year	7,515.1	2,903.3
	Cash and cash equivalents at the end of the year	**2,167.7**	**7,515.1**
	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	2,167.7	7,402.7
(c)	Cheques, drafts on hand	-	-
(c)	Others		
	- Fixed Deposit with original maturity of less than three months	-	112.3
	- Interest accrued on fixed deposits	-	0.1
	Total cash and cash equivalents	**2,167.7**	**7,515.1**

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

Note :

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

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

Significant accounting policies (Note 2)

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

As per our report of even date attached

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

Milind Ranade
Partner
Membership No.: 100564

For and on behalf of Board of Directors

Vinod Kumar Dhall
Chairman
DIN - 02591373

Ashvin Parekh
Director
DIN - 06559989

Vijay Chandok
Managing Director & CEO
DIN - 01545262

Ajay Saraf
Executive Director
DIN - 00074885

Raju Nanwani
Company Secretary

Harvinder Jaspal
Chief Financial Officer

Mumbai, April 19, 2023

Notes

to standalone financial statements for the year ended March 31, 2023

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 74.85 % of the Company's equity share capital as on March 31, 2023.

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, 2023 are being authorised for issue in accordance with a resolution of the Board of Directors passed on April 19, 2023.

(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 on gross basis in the balance sheet. They are offset and reported net only 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.

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The Company makes certain judgments and estimates for valuation and impairment of financial instruments, fair valuation of employee stock options, incentive plans, useful life of property, plant and equipment, deferred tax assets, 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.

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

(iv) Revenue from Contracts with Customers

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as a part of contract.

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 critseria 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

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

will flow with the Company and the cost of the item can be measured reliably.

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

Depreciation:

Depreciation provided on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by management.

The estimated useful lives of assets are as follows:

Tangible Asset	Estimated by Management
Leasehold improvements	Over the remaining period of the lease
Office equipment's comprising air conditioners, photo-copying machines, etc.	5 years
Computers	3 years
Servers and Networks	6 years
Furniture and fixtures*	6.67 years
Motor vehicles*	5 years

**Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of The Companies Act 2013.*

Depreciation is provided on a straight-line basis from the date the asset is ready for its intended use. In respect of assets sold, depreciation is provided up to the date of disposal.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and changes if any, are accounted for on a prospective basis.

Capital work-in-progress and Capital advances:

Capital work-in-progress are property, plant and equipment which are not yet ready for their intended use. Advances given towards acquisition of fixed assets outstanding at each reporting date are shown as other non-financial assets.

Depreciation is not recorded on capital work-in-progress until construction and installation is completed and assets are ready for its intended use.

De-recognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition, disposal or retirement of an item of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of de-recognition, disposal or retirement.

(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.

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

Intangible asset	Useful life / Amortisation period
Computer software	4 years

The carrying amount of an item of intangible assets is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition, disposal or retirement of an item of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of de-recognition, disposal or retirement.

(vii) Financial instruments

Recognition and Initial Measurement

The Company recognizes all the financial assets and liabilities at its fair value on initial recognition; In the case of financial assets not 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.

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

Based on the Company's business model for managing the investments, the Company has classified its investments and securities for trade at FVTPL.

Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables, the carrying amount approximates the fair value due to short maturity of these instruments.

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

e. **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.

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

(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.

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.

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

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

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.

(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

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

(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 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.

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to standalone financial statements for the year ended March 31, 2023 (contd.)

3 (a) CASH AND CASH EQUIVALENTS

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(a)	Cash on hand	-	-
(b)	Balances with banks (of the nature of cash and cash equivalents)		
	In current accounts with banks	2,167.7	7,402.7
(c)	Cheques, drafts on hand	-	-
(d)	Others		
	- Fixed deposit with original maturity less than 3 months	-	112.3
	- Interest accrued on Fixed deposits	-	0.1
	Total	**2,167.7**	**7,515.1**

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

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(a)	Earmarked balances with banks		
	- Unclaimed dividend	4.2	3.2
(b)	Fixed deposits with banks*	63,208.1	47,139.0
(c)	Interest receivable	2,111.4	1,126.7
	Total	**65,323.7**	**48,268.9**

** includes i) Fixed deposits under lien with stock exchanges amounted to ₹ 45,301.2 million (March 31, 2022 : ₹ 45,035.2 million); ii) collateral security towards bank guarantees issued amounted to ₹ 4.1 million (March 31, 2022 : ₹ 3.0 million); iii) collateral security against bank overdraft facility/Intraday Overdraft facility amounted to ₹ 14,700.5 million (March 31, 2022 : ₹ 1,590.5 million); iv) others ₹ 502.1 million (March 31, 2022 : ₹ 510.3 million).*

4 DERIVATIVE FINANCIAL INSTRUMENTS

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(i)	Equity linked derivatives	0.4	0.8
	Total	**0.4**	**0.8**
	Notional amounts	15,609.7	671.5
	Fair value - assets	-	0.8
	Fair value - liabilities	0.4	-

Note:

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

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

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

5 SECURITIES FOR TRADE

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(A)	**At Fair Value through profit or loss**		
	Securities for trade in India		
(i)	**Mutual funds:**		
-	ABSL Liquid Fund - Direct Growth	400.3	-
-	Invesco India Liquid Fund - Direct Growth	350.2	-
-	Kotak Liquid Plan - Direct Growth	350.2	-
-	Bandhan Liquid Fund - Direct Growth	300.2	-
-	HSBC Cash Fund Growth - Direct Plan	300.2	-
-	Fraklin India Liquid Fund - Direct Growth	290.1	-
-	Nippon India Mutual Fund - ETF Liquid BeES	0.1	0.0
-	DSP Mutual Fund - Liquid ETF	0.0	0.0
-	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 Payout Option	-	1.3
		1,991.3	**1,407.3**
(ii)	**Debt securities:**		
(a)	Non-convertible debentures:		
-	7.66% PFC Limited (15-04-2033)	750.1	-
-	7.64% PFC Limited (22-02-2033)	499.8	-
-	7.69% Rural Electrification Corporation Limited (15-03-2023)	250.4	-
-	7.59% SIDBI (10-02-2026)	249.8	-
-	7.97% HDFC Limited (17-02-2033)	108.1	-
-	8.00% MTNL (15-11-2032)	99.3	-
-	7.82% LIC Housing Finance Limited (18-11-2032)	50.5	-
-	7.85% LIC Housing Finance Limited (18-08-2032)	40.7	-
-	7.13% LIC Housing Finance Limited (28-11-2031)	37.9	-
-	8.15% HDFC Credila Financial Services Limited (07-07-2032)	10.1	-
-	8.00% Tata Capital Financial Services Limited (01-06-2032)	4.0	-
-	7.60% Tata Capital Financial Services Limited (17-09-2030)	3.9	-
-	8.00% HDFC Limited (27-07-2032)	3.0	-
-	7.32% India Grid Trust (27-06-2031)	2.9	-
-	7.90% LIC Housing Finance Limited (23-06-2027)	2.0	-
-	7.65% Hero FinCorp Limited (11-12-2030)	1.9	3.9
-	7.90% NHIT (25-10-2035)	1.5	-
-	9.05% HDFC Limited (16-10-2028)	1.0	-
-	7.65% Tata Cap Financial Services Limited (29-04-2032)	1.0	-
-	7.95% L&T Finance Limited (28-07-2025)	1.0	6.2

Notes
to standalone financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

		As at March 31, 2023	As at March 31, 2022
-	7.50% Tata Capital Housing Finance Limited (18-04-2031)	1.0	15.9
-	7.10% Tata Capital Financial Services Limited (29-09-2031)	0.9	-
-	7.35% Hero FinCorp Limited (07-05-2031)	0.9	52.2
-	9.00% MNM Financial Services Limited (06 06 2026)	0.1	-
-	7.45% Mahindra & Mahindra Financial Services Limited (17-11-2031)	-	61.6
-	ICICI August 1998 Money Multiplier Bond	-	48.4
-	7.00% Power Finance Corporation Limited (22-01-2031)	-	48.0
-	9.25% Mahindra Rural Housing Finance Limited (13-10-2025)	-	42.7
-	8.50% Mahindra Rural Housing Finance Limited (15-06-2027)	-	37.8
-	6.75% Piramal Capital & Housing Finance Limited (26-09-2031)	-	31.0
-	7.66% L&T Finance Limited (09-09-2030)	-	13.0
-	7.10% Housing Development Finance Corporation Limited (12-11-2031)	-	8.0
-	7.90% Muthoot Finance Limited (30-05-2031)	-	5.1
-	9.05% Housing Development Finance Corporation Limited (16-10-2028)	-	4.5
-	8.10% L&T Finance Limited (28-06-2030)	-	4.2
-	9.25% Reliance Industries Limited (16-06-2024)	-	3.2
-	8.00% Muthoot Finance Limited (20-04-2031)	-	3.2
-	8.67% IDFC First Bank Limited (03-01-2025)	-	1.0
-	7.32% India Grid Trust (27-06-2031)	-	1.0
-	8.20% India Grid Trust (06-05-2031)	-	0.5
		2,121.8	**391.4**
(b)	Bonds:		
-	182 Days Treasury Bill (07-09-2023)	1,213.5	-
-	182 Days Treasury Bill (31-08-2023)	1,117.4	-
-	7.83% Kerala State Development Loan (2039)	497.0	-
-	182 Days Treasury Bill (22-09-2023)	484.0	-
-	7.85% West Bengal State Development Loan (2042)	453.4	-
-	7.78% Rajasthan State Development Loan (2033)	316.6	-
-	7.89% West Bengal State Development Loan (2040)	253.4	-
-	7.26% Government Securities (22-08-2032)	199.2	-
-	7.83% Rajasthan State Development Loan (2050)	131.2	-
-	7.74% State Bank of India (09-09-2099)	127.7	168.8
-	182 Days Treasury Bill (24-08-2023)	97.3	-
-	8.99% Bank of Baroda (18-12-2099)	64.9	-
-	8.70% Bank of Baroda (28-11-2099)	22.2	54.3
-	7.84% HDFC Bank Limited (08-09-2099)	19.7	-
-	7.70% LIC Housing Finance Limited (19-03-2031)	19.6	4.1
-	8.50% State Bank of India (22-11-2099)	11.0	24.6
-	7.95% Bank of Baroda (26-11-2099)	9.9	10.0

Notes
to standalone financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

		As at March 31, 2023	As at March 31, 2022
-	8.75% State Bank of India (30-08-2099)	6.1	6.3
-	8.85% HDB Financial Services Limited (07-06-2029)	2.1	2.2
-	8.25% Bank of Baroda (17-07-2099)	2.0	7.1
-	9.56% State Bank of India (04-12-2099)	1.0	1.0
-	8.02% ICICI Home Finance Company Limited (10-06-2030)	0.5	2.0
-	Government Securities (19MAR2028C)	0.4	-
-	Government Securities (12SEP2027C)	0.1	-
-	7.55% State Bank of India (14-12-2099)	-	89.2
-	8.00% Bank of Baroda (31-01-2099)	-	29.9
-	8.50% Bank of Baroda (28-07-2099)	-	14.5
-	7.39% National Highways Authority of India (09-03-2031)	-	13.1
-	7.25% ICICI Home Finance Company Limited (12-08-2031)	-	2.0
-	8.67% NHPC Limited (02-11-2033)	-	1.4
-	7.50% ICICI Home Finance Company Limited (08-11-2030)	-	1.0
		5,050.2	**431.5**
(c)	Fixed Deposits:		
-	5.25% LIC Housing Finance FD (11-06-2022)	-	200.0
		-	**200.0**
(iii)	**Equity instruments:**		
-	Yes Bank Limited	0.0	0.0
-	IDFC First Bank Limited	0.0	-
		0.0	**0.0**
	Total	**9,163.3**	**2,430.2**
	Less: Impairment Loss Allowance	-	-
	Total	**9,163.3**	**2,430.2**

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

6 RECEIVABLES

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(a)	Undisputed Trade Receivables considered good - Secured		
	- Less than 6 months	7,214.0	3,110.4
	- 6 months - 1year	-	-
	- 1-2 years	-	-
	- 2-3 years	-	-
	- More than 3 years	-	-
		7,214.0	**3,110.4**

Notes
to standalone financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(b)	Undisputed Trade Receivables considered good - Unsecured		
	- Less than 6 months	518.6	736.2
	- 6 months - 1year	-	-
	- 1-2 years	-	-
	- 2-3 years	-	-
	- More than 3 years	-	-
		518.6	**736.2**
(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	38.8	35.5
	- 6 months - 1year	26.3	19.0
	- 1-2 years	30.2	26.6
	- 2-3 years	21.5	18.7
	- More than 3 years	15.9	20.2
		132.7	**120.0**
	Less: Impairment Loss Allowance	(132.7)	(120.0)
		-	**-**
(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 standalone financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(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	**7,732.6**	**3,846.6**

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, 2023	As at March 31, 2022
(A)	**At amortised cost**		
	Term Loans :		
(i)	Margin trade funding	58,175.6	54,700.6
(ii)	ESOP funding	6,055.6	13,878.3
(iii)	Repo lending	-	-
	Total (A) - Gross	**64,231.2**	**68,578.9**
	Less:Impairment loss allowance [refer note 44]	(32.4)	(12.2)
	Total (A) - Net	**64,198.8**	**68,566.7**
(I)	**Secured by:**		
(i)	Secured by tangible assets		
	- Collateral in the form of cash, securities, Fixed Deposit Receipt (FDR) in case of Margin trade funding	58,175.6	54,700.6
	- Shares under ESOP in case of ESOP funding	5,985.0	13,836.7
(ii)	Unsecured :		
	- in case of Margin trade funding	-	-
	- in case of ESOP funding	70.6	41.6
	Total (I) - Gross	**64,231.2**	**68,578.9**
	Less:Impairment loss allowance	(32.4)	(12.2)
	Total (I) - Net	**64,198.8**	**68,566.7**

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(II)	**Loans in India**		
(i)	Margin trade funding	58,175.6	54,700.6
(ii)	ESOP funding	6,055.6	13,878.3
	Total (II) - Gross	**64,231.2**	**68,578.9**
	Less:Impairment loss allowance	(32.4)	(12.2)
	Total (II) - Net	**64,198.8**	**68,566.7**
(B)	**At fair value through other comprehensive income**	-	-
(C)	**At fair value through profit or loss**	-	-
(D)	**At fair value designated at fair value through profit or loss**	-	-
	Total (A) + (B) + (C) + (D)	**64,198.8**	**68,566.7**

Note:

1) *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:*
   - *(i) 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*
   - *(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.*
2) *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.*
3) *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:*
   - *(a) repayable on demand; or*
   - *(b) without specifying any terms or period of repayment*
4) *The Company provides ESOP Finance loans to its customers secured by the shares issued under ESOP plan. These loans have a tenure of 12 months from the date of disbursement further extendable for a period upto 12 months as agreed between both the parties and provided the interest dues have been fully serviced by the customer. During the year ended March 31, 2023, the Company has renewed ESOP finance loans to the tune of ₹ 5,730.0 million in the ordinary course of business.*

8 INVESTMENTS

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(A)	**At fair value through profit or loss**		
(i)	**Investments in India**		
	Equity instruments:		
-	Receivable Exchange of India Limited	56.3	17.6
-	BSE Limited	14.7	32.3
-	Asknbid Innovation Factory India Private Limited	4.4	55.6
-	Universal Trustees Private Limited	1.7	1.6
	Total	**77.1**	**107.1**
	Less:Impairment loss allowance	-	-
		77.1	**107.1**
(B)	**At fair value through other comprehensive income**	**-**	**-**
(C)	**At amortised cost**	**-**	**-**
(D)	**At fair value designated at fair value through profit or loss**	**-**	**-**

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to standalone financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(E)	**Others (refer note 1 below)**		
(i)	**Investments outside India**		
	Equity Instruments :		
-	Subsidiary - ICICI Securities Holdings, Inc.	128.4	125.7
	Less:Impairment loss allowance	-	-
	Total - (E)	**128.4**	**125.7**
	Total (A) + (B) + (C) + (D) + (E)	**205.5**	**232.8**

Note:

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

2) *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.*

9 OTHER FINANCIAL ASSETS

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(i)	**Security deposits :**		
	Unsecured, considered good		
	(a) Security deposit for leased premises and assets	150.3	120.2
	(b) Security deposit with stock exchanges	28.8	28.8
	(c) Other Security deposits	3.1	23.6
	(d) Margin deposits with stock exchange	225.7	224.8
	(e) Security deposit with related parties		
	- ICICI Venture Funds Management Company Limited	33.5	21.7
	- ICICI Lombard General Insurance Company Limited	0.5	0.1
		441.9	**419.2**
(ii)	**Others :**		
	(a) Accrued income from services	617.2	622.0
	(b) Accrued interest	32.0	28.8
	(c) Others	98.2	59.0
		747.4	**709.8**
	Total (i) + (ii)	**1,189.3**	**1,129.0**

10 CURRENT TAX ASSETS (NET)

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(i)	Advance payment of income tax (net)		
	[net of provision for tax of ₹ 29,140.6 million (March 31, 2022: ₹ 25,358.2 million)]	1,365.8	1,247.8
	Total	**1,365.8**	**1,247.8**

Notes

to standalone financial statements for the year ended March 31, 2023 (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	Total (B)	TOTAL (A+B)
Gross Carrying amount (At Cost)									
Balance at April 1, 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**
Additions	742.6	21.7	30.9	49.2	36.2	880.6	210.4	210.4	1,091.0
Disposal / Adjustment	57.0	3.1	6.1	27.0	16.0	109.2	-	-	109.2
Acquisition through business combination	-	-	-	-	-	-	-	-	-
Change due to Revaluation	-	-	-	-	-	-	-	-	-
Balance at March 31, 2023	**1,263.2**	**41.7**	**83.6**	**77.1**	**172.4**	**1,638.0**	**778.4**	**778.4**	**2,416.4**
Accumulated depreciation/ amortisation									
Balance at April 1, 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**
Depreciation for the year	190.2	11.9	19.5	18.1	25.3	265.0	149.4	149.4	414.4
Disposal / Adjustment	56.2	2.9	6.0	23.4	15.9	104.4	-	-	104.4
Acquisition through business combination	-	-	-	-	-	-	-	-	-
Change due to Revaluation	-	-	-	-	-	-	-	-	-
Balance at March 31, 2023	**294.4**	**22.4**	**51.2**	**11.9**	**20.3**	**400.2**	**407.9**	**407.9**	**808.1**
Carrying amounts (net)									
Balance at March 31, 2022	417.2	9.7	21.1	37.7	141.3	627.0	309.5	309.5	936.5
Balance at March 31, 2023	**968.8**	**19.3**	**32.4**	**65.2**	**152.1**	**1,237.8**	**370.5**	**370.5**	**1,608.3**

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

to standalone financial statements for the year ended March 31, 2023 (contd.)

11 (b) CAPITAL WORK-IN-PROGRESS

(₹ million)

	As at March 31, 2023	As at March 31, 2022
(A) Projects in Progress		
- Less than 1 year	184.4	101.8
- 1-2 years	8.5	-
- 2-3 years	-	3.9
- More than 3 years	-	3.9
	192.9	**109.6**
(B) Projects temporarily suspended	**-**	**-**
Total	**192.9**	**109.6**

11 (c) INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ million)

	As at March 31, 2023	As at March 31, 2022
(A) Projects in Progress		
- Less than 1 year	111.3	30.5
- 1-2 years	4.5	2.1
- 2-3 years	-	-
- More than 3 years	-	-
	115.8	**32.6**
(B) Projects temporarily suspended	**-**	**-**
Total	**115.8**	**32.6**

12 OTHER NON-FINANCIAL ASSETS

(₹ million)

	As at March 31, 2023	As at March 31, 2022
(i) Advances other than capital advances:		
- Prepaid expenses	218.0	125.1
- Advance to suppliers	87.5	30.5
- Others	477.0	400.3
Total	**782.5**	**555.9**

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.

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

13 PAYABLES

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(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	-	-
		-	**-**
	(b) total outstanding undisputed dues of creditors other than micro enterprises and small enterprises*		
	- Less than 1 year	9,021.9	10,655.0
	- 1-2 years	96.0	61.8
	- 2-3 years	24.0	31.9
	- More than 3 years	18.0	28.0
		9,159.9	**10,776.7**
	(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	**9,159.9**	**10,776.7**

** Includes unbilled dues amounting to ₹ 1,604.1 million (March 31, 2022 : ₹ 1,693.0 million)*

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

14 DEBT SECURITIES

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(A)	**At amortised cost**		
	Debt securities in India		
(i)	Commercial paper	87,886.9	77,392.3
	(repayable within one year)		
(B)	**At fair value through profit or loss**	-	-
(C)	**Designated at fair value through profit or loss**	-	-
	Total	**87,886.9**	**77,392.3**
	Note:		
	Commercial paper (unsecured)		
	Amount oustanding	87,886.9	77,392.3
	Tenure	83 days to 365 days	84 days to 364 days
	Rate of interest	7.06% to 8.30%	4.02% to 5.35%
	Repayment schedule	At maturity	At maturity

15 BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(A)	**At amortised cost**		
(i)	Secured loans		
	Bank overdraft	1,204.8	-
	(Secured against first charge on all receivables, book debts, cash flows and proceeds arising therefrom and a lien on fixed deposits including but not limited to the Company's cash in hand both present and future)		
(ii)	Repo borrowings	3,834.1	
(iii)	Interest accrued but not due	-	-
	Total	**5,038.9**	**-**

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.*

Notes
to standalone financial statements for the year ended March 31, 2023 (contd.)

16 DEPOSITS

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(A)	**At amortised cost**		
(i)	From Others - Security Deposits	74.2	43.6
	Total	**74.2**	**43.6**

17 OTHER FINANCIAL LIABILITIES

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(i)	Margin money	9,289.8	8,069.2
(ii)	Client money	8,944.5	8,441.3
(iii)	Unclaimed dividend	4.2	3.2
(iv)	Others	1.1	7.9
	Total	**18,239.6**	**16,521.6**

18 PROVISIONS

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(i)	**Provision for employee benefits**		
	(a) Provision for gratuity [refer note 42]	72.9	55.7
	(b) Provision for compensated absence [refer note 42]	104.5	95.3
	Total	**177.4**	**151.0**

19 OTHER NON-FINANCIAL LIABILITIES

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(a)	Revenue received in advance	243.9	418.3
(b)	Other advances		
	- Prepaid Brokerage	1,926.2	2,257.5
(c)	Others		
	(i) Statutory liabilities	1,104.3	1,159.1
	(ii) Employee related liabilities	2,176.4	2,317.4
	(iii) Other liabilities	3.2	27.6
		3,283.9	3,504.1
	Total	**5,454.0**	**6,179.9**

Notes
to standalone financial statements for the year ended March 31, 2023 (contd.)

20 SHARE CAPITAL

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(a)	**Authorised:**		
	40,00,00,000 equity shares of ₹ 5/- each (March 31, 2022 : 40,00,00,000 equity shares of ₹ 5/- each)	2,000.0	2,000.0
	50,00,000 preference shares of ₹ 100/- each (March 31, 2022 : 50,00,000 of preference shares of ₹ 100/- each)	500.0	500.0
		2,500.0	**2,500.0**
(b)	**Issued, subscribed and fully paid-up shares:**		
	32,28,67,726 equity shares of ₹ 5/- each, fully paid (March 31, 2022 : 32,26,78,721 equity shares of ₹ 5/- each, fully paid)	1,614.3	1,613.4
	Total issued, subscribed and fully paid-up share capital	**1,614.3**	**1,613.4**

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

Equity shares

	As at March 31, 2023		As at March 31, 2022	
	Nos	(₹ million)	Nos	(₹ million)
At the beginning of the year	32,26,78,721	1,613.4	32,22,22,370	1,611.1
Shares issues during the year:				
- Under Employee Stock Options Plans	1,89,005	0.9	4,56,351	2.3
Outstanding at the end of the year	**32,28,67,726**	**1,614.3**	**32,26,78,721**	**1,613.4**

(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, 2023, the Company has paid a final dividend for the year ended March 31, 2022 of ₹ 12.75 per equity share as approved by its members at the Annual General Meeting held on August 26, 2022. The Board of Directors at its meeting held on October 20, 2022 had approved and paid an interim dividend of ₹ 9.75 per equity share. The Board has recommended a final dividend of ₹ 9.25 per equity share for FY2023.

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

to standalone financial statements for the year ended March 31, 2023 (contd.)

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

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, 2023		As at March 31, 2022	
	No of Shares	% of Holding	No of Shares	% of Holding
Shares held by Holding Company:				
ICICI Bank Limited	24,16,52,692	74.85%	24,16,52,692	74.89%
Total	**24,16,52,692**	**74.85%**	**24,16,52,692**	**74.89%**

(f) Shareholding of Promoter:

Details of shares held by promoters in the Company :

Promoter Name	As at March 31, 2023			As at March 31, 2022		
	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	24,16,52,692	74.85%	0.05%	24,16,52,692	74.89%	0.14%
Total	**24,16,52,692**	**74.85%**	**0.05%**	**24,16,52,692**	**74.89%**	**0.14%**

(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, 2023	As at March 31, 2022
(i) Reserves and surplus		
(a) Securities premium		
Opening balance	418.5	268.2
Add : Additions during the year (net)	77.0	150.3
Closing balance	**495.5**	**418.5**

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(b)	General reserve		
	Opening balance	666.8	666.8
	Add: Additions during the year (net)	-	-
	Closing balance	**666.8**	**666.8**
(c)	Equity-settled share-based payment reserve		
	[Refer note 38 for details on share based payment]		
	Opening balance	270.6	170.1
	Add: Additions during the year (net)	215.5	100.5
	Closing balance	**486.1**	**270.6**
(d)	Retained earnings		
	Opening balance	20,734.6	14,925.8
	Add/(Less): Other comprehensive income for the year	(0.8)	(2.6)
	Add: Profit after tax for the year	11,116.0	13,795.4
		31,849.8	**28,718.6**
	Less: Appropriations		
	- Dividend on equity shares	7,263.0	7,984.0
	Closing balance	**24,586.8**	**20,734.6**
(ii)	**Exchange difference on translating the financial statements of a foreign operation**		
	Opening balance	-	18.5
	Add/(Less) : Additions during the year (net)	-	(18.5)
	Closing balance	**-**	**-**
(iii)	**Deemed equity contribution from the parent**		
	[Refer note 38 for details on share based payment]		
	Opening balance	387.0	375.2
	Add : Additions during the year (net)	14.4	11.8
	Closing balance	**401.4**	**387.0**
(iv)	**Share application money pending allotment**		
	Opening balance	0.6	2.2
	Add/(Less) : Additions during the year (net)	(0.6)	(1.6)
	Closing balance	**-**	**0.6**
	Total	**26,636.6**	**22,478.1**

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.

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

(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.

(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, 2023	For the year ended March 31, 2022
(A) Interest income on financial assets measured at amortised cost:		
(i) Fixed deposits with Banks	3,231.5	1,978.1
(ii) Funding and late payments	6,597.7	5,016.7
(iii) Other deposits	0.1	0.1
(B) Interest income on financial assets measured at fair value through profit or loss :		
(i) Securities held for trade	182.9	189.4
(C) Interest income on financial assets measured at fair value through OCI:	-	-
Total	**10,012.2**	**7,184.3**

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

23 NET GAIN / (LOSS) ON FAIR VALUE CHANGES

(₹ million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) Profit/(loss) on derivatives held for trade (net)	655.1	284.7
(ii) Profit/(loss) on other securities held for trade	263.8	281.2
(B) Others		
- Profit/(loss) on investments (net) at fair value through profit or loss	(29.9)	22.8
(C) Total net gain/(loss) on fair value changes	**889.0**	**588.7**
(D) Fair value changes:		
- Realised	930.6	387.0
- Unrealised	(41.6)	201.7
Total	**889.0**	**588.7**

24 OTHER INCOME

(₹ million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Net gain on foreign currency transaction and translation	-	15.3
(ii) Interest on income tax refund	57.7	-
(iii) Net gain on derecognition of property, plant and equipment	12.0	8.1
Total	**69.7**	**23.4**

25 FINANCE COSTS

(₹ million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) On financial liabilities measured at fair value through profit or loss	-	-
(B) On financial liabilities measured at amortised cost:		
(a) Interest on borrowings	29.9	29.0
(b) Interest on lease liabilities	74.9	88.1
(c) Interest on debt securities	5,225.1	2,573.5
(d) Other borrowing cost	28.2	41.1
Total	**5,358.1**	**2,731.7**

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

26 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
(A)	**On financial instruments measured at fair value through OCI:**	-	-
(B)	**On financial instruments measured at amortised cost:**		
(a)	Loans	20.2	(76.5)
(b)	Others		
	- On trade receivables	12.7	7.1
	- On accrued interest	-	-
	Total	**32.9**	**(69.4)**

27 OPERATING EXPENSES

(₹ million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Bad and doubtful debts	26.9	17.1
(b)	Transaction charges	142.9	141.3
(c)	Turnover fees and stamp duty	62.4	56.0
(d)	Custodial and depository charges	299.0	343.5
(e)	Call centre charges	458.1	409.4
(f)	Franking charges	12.2	17.7
(g)	Scanning expenses	43.2	78.9
(h)	Customer loss compensation	37.8	14.3
(i)	Other operating expenses	224.9	61.4
	Total	**1,307.4**	**1,139.6**

28 EMPLOYEE BENEFITS EXPENSES

(₹ million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Salaries and wages	6,144.7	5,894.0
(b)	Contribution to gratuity / provident and other funds [refer note 42]	272.5	326.5
(c)	Share based payments to employees [refer note 38]	247.5	148.8
(d)	Staff welfare expenses	199.3	147.9
	Total	**6,864.0**	**6,517.2**

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

29 OTHER EXPENSES

(₹ million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Rent and amenities	275.0	158.5
(b)	Insurance	15.2	11.9
(c)	Travelling and conveyance expenses	162.9	105.9
(d)	Business promotion expenses	329.5	589.1
(e)	Repairs, maintenance, upkeep and others	904.4	593.3
(f)	Rates and taxes	19.5	10.5
(g)	Electricity expenses	76.2	61.7
(h)	Communication expenses	234.9	193.8
(i)	Advertisement and publicity	411.3	589.5
(j)	Printing and stationery	24.9	16.3
(k)	Subscription and periodicals	108.9	103.7
(l)	Legal and professional charges	153.4	245.8
(m)	Director's fees, allowances and expenses	11.6	9.8
(n)	Auditor's fees and expenses [refer note below] #	9.4	11.9
(o)	Corporate Social Responsibility (CSR) expenses [refer note 32]	271.9	201.1
(p)	Recruitment expenses	48.3	64.9
(q)	Net loss on foreign currency transaction and translation	6.4	-
(r)	Royalty expenses	138.3	106.8
(s)	Miscellaneous Expenses	4.7	5.7
	Total	**3,206.7**	**3,080.2**

(₹ million)

#	Payments to the auditor	For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	for audit fees	6.9	8.4
(b)	for taxation matters	0.8	0.8
(c)	for other services	1.2	1.9
(d)	for reimbursement of expenses	0.5	0.8
	Total	**9.4**	**11.9**

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

30 EARNINGS PER SHARE

(₹ million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit after tax (₹ million) (A)	11,116.0	13,795.4
Weighted average number of equity shares outstanding for basic EPS (in million) (B)	322.8	322.6
Basic earnings per share for continuing operations (₹) (A) / (B)	34.44	42.77
Add: Weighted average number of potential equity shares on account of employee stock options (in millions) (C)	0.8	1.3
Weighted average number of equity shares outstanding for diluted EPS (in million) (D) = (B)+(C)	323.6	323.9
Diluted earnings per share for continuing operations (₹) (A) / (D)	34.35	42.59
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. Post-employment benefit plan of fellow subsidiary:

ICICI Home Finance Company Limited Employee's Provident Fund

e. 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

Notes
to standalone financial statements for the year ended March 31, 2023 (contd.)

v)	Gopichand Katragadda	–	Independent Director (w.e.f August 26, 2022)
vi)	Prasanna Balachander	–	Non Executive Director (w.e.f July 21, 2022)
vii)	Rakesh Jha	–	Non Executive Director (w.e.f September 26, 2022)
viii)	Anup Bagchi	–	Non Executive Director (till September 17, 2022)
ix)	Pramod Rao	–	Non Executive Director (till June 30, 2022)
x)	Pankaj Gadgil	–	Non Executive Director (w.e.f June 30, 2022 till July 19, 2022)
xi)	Vijay Chandok	–	Managing Director and CEO
xii)	Ajay Saraf	–	Executive Director

f. Key Management Personnel of Holding Company

i)	Sandeep Bakhshi	–	Managing Director and CEO of ICICI Bank Limited
ii)	Anup Bagchi	–	Executive Director of ICICI Bank Limited
iii)	Subramanian Madhavan	–	Independent Director of ICICI Bank Limited
iv)	Uday Chitale	–	Independent Director of ICICI Bank Limited
v)	Girish Chandra Chaturvedi	–	Non-Executive (part-time) Chairman of ICICI Bank Limited
vi)	Vishakha Mulye	–	Executive Director of ICICI Bank Limited (upto May 31, 2022)
vii)	Sandeep Batra	–	Executive Director of ICICI Bank Limited
viii)	Hari L Mundra	–	Independent Director of ICICI Bank Limited
ix)	Radhakrishanan Nair	–	Independent Director of ICICI Bank Limited

g. Relatives of Key Management Personnel

i)	Shivam Bakhshi	–	Son of Mr. Sandeep Bakhshi
ii)	Ashwin Pradhan	–	Son-in-law of Mr. Sandeep Bakhshi
iii)	Ritwik Thakurta	–	Son-in-law of Mr. Sandeep Bakhshi
iv)	Mona Bakhshi	–	Spouse of Mr. Sandeep Bakhshi
v)	Esha Bakhshi	–	Daughter of Mr. Sandeep Bakhshi
vi)	Minal Bakhshi	–	Daughter of Mr. Sandeep Bakhshi
vii)	Shishir Bagchi	–	Brother of Mr. Anup Bagchi
viii)	Mitul Bagchi	–	Spouse of Mr. Anup Bagchi
ix)	Aditya Bagchi	–	Son of Mr. Anup Bagchi
x)	Rajni Chaturvedi	–	Spouse of Mr. Girish Chandra Chaturvedi
xi)	Vivek Mulye	–	Spouse of Ms. Vishakha Mulye
xii)	Pranav Batra	–	Son of Mr. Sandeep Batra
xiii)	Poonam Chandok	–	Spouse of Mr. Vijay Chandok
xiv)	Simran Chandok	–	Daughter of Mr. Vijay Chandok
xv)	Saluni Chandok	–	Daughter of Mr. Vijay Chandok
xvi)	Shad Kumar	–	Mother of Mr. Vijay Chandok
xvii)	Sarika Saraf	–	Spouse of Mr. Ajay Saraf
xviii)	Avanitca Saraf	–	Daughter of Mr. Ajay Saraf
xix)	Ayuj Saraf	–	Son of Mr. Ajay Saraf
xx)	Ajay Saraf – HUF	–	HUF of Mr. Ajay Saraf

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

xxi)	Anil Saraf	– Brother of Mr. Ajay Saraf
xxii)	Bhuwan Kumar Chaturvedi	– Brother of Mr. Girish Chandra Chaturvedi
xxiii)	Krishnakumar Subramanian	– Brother of Ms. Vijayalakshmi Iyer
xxiv)	Purvi Parekh	– Daughter-in-law of Mr. Ashvin Parekh
xxv)	Deepa Nair	– Daugher of Mr. Radhakrishnan Nair
xxvi)	Munendra Singh	– Son-in-law of Mr. Radhakrishnan Nair
xxvii)	Padmja Nair	– Spouse of Mr. Radhakrishnan Nair
xxviii)	Parnika Chaturvedi	– Daughter of Mr. Girish Chandra Chaturvedi
xxix)	Kunal Mundra	– Son of Mr. Hari L. Mundra
xxx)	Sudipta Suri	– Daughter-in-law of Mr. Hari L. Mundra
xxxi)	Mamta Mehta	– Sister of Mr. Hari L. Mundra
xxxii)	Kausalya Madhavan	– Spouse of Mr. Subramanian Madhavan
xxxiii)	Swati Jha	– Spouse of Mr. Rakesh Jha
xxxiv)	Narendra Kumar Jha	– Father of Mr. Rakesh Jha
xxxv)	Aparna Ahuja	– Sister of Mr. Rakesh Jha

h. 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 of Holding Company	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Income from services and brokerage (commission and fees)	241.6	246.7	-	-	-	-	-	-
ICICI Home Finance Company Limited	-	-	-	-	8.4	7.5	-	-
ICICI Prudential Life Insurance Company Limited	-	-	-	-	881.0	637.5	-	-
ICICI Securities Primary Dealership Limited	-	-	-	-	4.3	1.2	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	-	8.0	32.0	12.5
ICICI Prudential Asset Management Company Limited	-	-	-	-	160.8	117.3	-	-
ICICI Venture Funds Management Company Limited	-	-	-	-	9.0	-	-	-
ICICI Bank UK PLC	-	-	-	-	0.2	0.2	-	-
Interest income	289.0	66.6	-	-	-	-	-	-
ICICI Home Finance Company Limited	-	-	-	-	0.3	1.8	-	-
Other revenue from operations	-	-	-	-	-	-	-	-
ICICI Venture Funds Management Company Limited	-	-	-	-	3.1	-	-	-

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

Nature of Transaction	Holding Company		Subsidiary Company		Fellow Subsidiary Companies		Associate of Holding Company	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Staff expenses	19.9	8.6	-	-	-	-	-	-
ICICI Securities Primary Dealership Limited	-	-	-	-	-	(0.0)	-	-
ICICI Prudential Life Insurance Company Limited [1]	-	-	-	-	7.5	9.5	-	-
ICICI Lombard General Insurance Company Limited [2]	-	-	-	-	-	32.4	120.6	44.2
ICICI Prudential Asset Management Company Limited	-	-	-	-	-	1.2	-	-
Operating expenses	831.2	1,135.3	-	-	-	-	-	-
ICICI Securities Inc	-	-	186.8	181.2	-	-	-	-
ICICI Securities Primary Dealership Limited	-	-	-	-	3.6	-	-	-
Other expenses [3]	524.9	353.2	-	-	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	-	4.1	11.5	5.7
ICICI Securities Primary Dealership Limited	-	-	-	-	(0.7)	(2.4)	-	-
ICICI Prudential Life Insurance Company Limited	-	-	-	-	1.9	2.2	-	-
ICICI Venture Funds Management Company Limited	-	-	-	-	105.7	58.3	-	-
Finance cost [4]	24.0	39.9	-	-	-	-	-	-
Dividend paid	5,437.2	5,980.9	-	-	-	-	-	-
Purchase of bond	299.9	103.8	-	-	-	-	-	-
ICICI Securities Primary Dealership Limited	-	-	-	-	350.0	605.5	-	-
Sale of bond	-	250.6	-	-	-	-	-	-
ICICI Prudential Life Insurance Company Limited	-	-	-	-	-	-	-	-
Redemption value of bond	50.0	-	-	-	-	-	-	-
ICICI Home Finance Company Limited	-	-	-	-	-	229.3	-	-

1 *Excludes an amount of ₹ 1.2 million (March 31, 2022: ₹ 4.1 million) as claims paid directly by ICICI Prudential Life Insurance Company Limited pertaining to the employees of the Company.*

2 *Excludes an amount of ₹ 15.6 million (March 31, 2022: ₹ 46.9 million) received towards reimbursement of claims submitted by the employees under group health insurance policy. The Company has also received an amount of ₹ 1.7 million (March 31, 2022: ₹ 0.2 million) towards asset insurance claims.*

3 *Includes amount paid of ₹ 138.3 million (March 31, 2022: ₹ 106.8 million) towards royalty / license fees to the bank for use of "ICICI" trademarks.*

4 *The Company has a credit facility of ₹ 10,000.0 million (March 31, 2022: ₹ 6,500.0 million) from ICICI Bank Limited. The balance outstanding as on March 31, 2023 is ₹ 1,204.8 (March 31, 2022: Nil).*

The Company has contributed Nil (March 31, 2022: ₹ 500.0 million) to ICICI Securities Employees Group Gratuity Fund during the year.

The Company has contributed ₹ 159.0 million (March 31, 2022: ₹ 117.5 million) to ICICI Foundation for Inclusive Growth for contribution towards CSR.

Notes
to standalone financial statements for the year ended March 31, 2023 (contd.)

The Company has earned income from services and brokerage (commission and fees) ₹ 0.1 million (March 31,2022: Nil) from ICICI Home Finance Company Limited Employee's Provident Fund.

During the year ended March 31, 2023 the Company has purchased securities amounting to ₹ 22.6 million (Previous year: Nil) from the key management personnel and their relatives

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

Balance Sheet Items:
(Outstanding as on)

(₹ million)

Nature of Transaction	Holding Company		Subsidiary Company		Fellow Subsidiary Companies		Associate of Holding Company	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Share capital	1,208.3	1,208.3	-	-	-	-	-	-
Payables	431.6	537.8	-	-	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	-	-	0.1	0.0
ICICI Prudential Life Insurance Company Limited	-	-	-	-	0.1	1.2	-	-
ICICI Securities Primary Dealership Limited	-	-	-	-	0.1	0.4	-	-
ICICI Prudential Asset Management Company Limited	-	-	-	-	-	-	-	-
ICICI Venture Funds Management Company Limited	-	-	-	-	1.7	1.9	-	-
ICICI Securities Inc	-	-	21.6	6.8	-	-	-	-
Security deposit	-	0.7	-	-	-	-	-	-
Other liabilities	9.1	21.0	-	-	-	-	-	-
ICICI Venture Funds Management Company Limited	-	-	-	-	269.2	-	-	-
Fixed assets purchases	-	-	-	-	-	-	-	-
ICICI Securities Inc.	-	-	-	0.0	-	-	-	-
Fixed assets sold	-	-	-	-	-	-	-	-
ICICI Securities Primary Dealership Limited	-	-	-	-	-	1.3	-	-
Investment	-	-	-	-	-	-	-	-
ICICI Securities Holdings Inc.[1]	-	-	128.4	125.7	-	-	-	-
Securities for trade	-	48.4	-	-	-	-	-	-
ICICI Home Finance Company Limited	-	-	-	-	0.5	5.0	-	-
Bank overdraft	1,204.8	-	-	-	-	-	-	-
Fixed deposits (₹ 4.1 kept as collateral security towards bank guarantees) (Previous year ₹ 3.0)	6,836.4	1,697.5	-	-	-	-	-	-
Accrued interest income	261.2	39.6	-	-	-	-	-	-
ICICI Home Finance Company Limited	-	-	-	-	0.0	0.3	-	-

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

Nature of Transaction	Holding Company		Subsidiary Company		Fellow Subsidiary Companies		Associate of Holding Company	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Bank balance (Net of current liabilities of ₹ Nil million (Previous year ₹ 0.7 million)	2,103.6	7,395.3	-	-	-	-	-	-
Deposit	-	-	-	-	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	-	-	0.5	0.1
ICICI Venture Funds Management Company Limited	-	-	-	-	33.5	21.7	-	-
Loans & advances (including prepaid expenses)	-	6.6	-	-	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	-	-	10.8	12.3
ICICI Prudential Life Insurance Company Limited	-	-	-	-	-	7.5	-	-
ICICI Securities Primary Dealership Limited	-	-	-	-	0.0	0.0	-	-
Other assets	1.0	12.3	-	-	-	-	-	-
ICICI Venture Funds Management Company Limited	-	-	-	-	239.2	-	-	-
Receivables	-	-	-	-	-	-	-	-
ICICI Prudential Life Insurance Company Limited	-	-	-	-	166.3	62.3	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	-	-	0.1	2.0
ICICI Prudential Asset Management Company Limited	-	-	-	-	5.0	1.4	-	-
ICICI Home Finance Company Limited	-	-	-	-	1.8	3.5	-	-
ICICI Securities Primary Dealership Limited	-	-	-	-	0.3	0.0	-	-
Accrued income	26.3	13.2	-	-	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	-	-	3.0	1.6
ICICI Prudential Asset Management Company Limited	-	-	-	-	39.6	32.8	-	-
ICICI Venture Funds Management Company Limited	-	-	-	-	3.5	-	-	-
ICICI Home Finance Company Limited	-	-	-	-	0.5	0.6	-	-

[1] The Company has Employee Stock Option Plans (ESOP) in force. Based on such ESOP schemes, the Company has granted ESOP Options to the employees of the step down subsidiary company ICICI Securities Inc. that would vest in a graded manner to employees of ICICI Securities Inc. and accordingly the deemed cost of investment in subsidiary ICICI Securities Holdings Inc. has increased from ₹ 125.7 million as at March 31, 2022 to ₹ 128.4 million as at March 31, 2023.

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

Key Management Personnel

The details of compensation paid for the year ended March 31, 2023 are as below:

(₹ million)

Particulars	Vijay Chandok		Ajay Saraf	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Short-term employee benefits	62.9	52.2	38.4	36.5
Post-employment benefits*	5.7	5.4	1.4	1.3
Total	**68.6**	**57.6**	**39.8**	**37.8**

**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, 2023 is ₹ 70.1 million (March 31, 2022 ₹ 44.9 million).

During the year ended March 31, 2023, Nil employee stock options (March 31, 2022 Nil) were exercised by the key management personnel of the company.

The Company has paid ₹ 0.5 million (March 31, 2022: ₹ 0.5 million) to the relative of director towards scholarship under employee benefit policy. The Company has received brokerage amounting to ₹ 1.4 million (March 31, 2022: ₹ 2.2 million) from the key management personnel and ₹ 2.3 million (March 31, 2022: ₹ 0.7 million) from relatives of the key management personnel. The amount receivable from key management personnel and their relatives as on March 31, 2023 is ₹ 0.1 million (March 31, 2022: Nil).

During the year ended March 31, 2023, the Company paid dividend amounting to ₹ 0.7 million (March 31, 2022: ₹ 0.8 million) to its KMPs and their relatives who are shareholders.

During the year ended March 31, 2023, the Company has paid ₹ 7.0 million (March 31, 2022: ₹ 5.8 million) sitting fees to the Directors of the Company. The Company also provided for commission for Financial Year 2023 amounting to ₹ 4.0 million (March 31, 2022: ₹ 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. During the year, the Company undertook fourteen CSR initiatives including the two initiatives implemented through ICICI Foundation for Inclusive Growth (‘ICICI Foundation’) in specific areas particularly skill development and health care. All initiatives were implemented directly or through partners (including ICICI Foundation) in the areas of skill development and sustainable livelihood, women empowerment, healthcare initiatives including preventive healthcare especially to support treatment, procurement of medical equipment and support set up of Out Patient Departments (OPD) in critical illness such as cancer, mental illness such as Alzheimer’s diseases, support research projects in essential medical care areas like Cancer, Parkinson’s diseases, artificial hands with senses and treatment of burns, environment initiatives, research and development projects in technology and engineering (through incubators).

Notes
to standalone financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

		Year ended March 31, 2023	Year ended March 31, 2022
a.	Gross amount required to be spent during the year	272.6	199.9
b.	Amount spent during the year on		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above - in cash	271.9	201.1
c.	Surplus arising out of CSR projects or programs or activities of previous financial years	1.2	-
d.	Amount available for set off in succeeding Financial Years	0.5	1.2
e.	Shortfall at the end of the year	-	-
Out of the above, contribution made to related party is as below:		-	-
ICICI Foundation for Inclusive Growth		159.0	117.5

33 CONTINGENT LIABILITIES

A. Contingent Liabilities shall be classified as (to the extent not provided for):

(₹ million)

	As at March 31, 2023	As at March 31, 2022
Claims against the company not acknowledged as debt	1,509.3	1,497.2

B. There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

Note:

i. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.

ii. The Company's pending litigations comprise of claims against the Company pertaining to proceedings pending with Income Tax, Sales tax/VAT, Service Tax, Goods and 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 ₹ 744.0 million (March 31, 2022: ₹ 173.7 million).

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

35 MICRO, SMALL AND MEDIUM ENTERPRISES

There are no micro, small and medium enterprises, to which company owes dues, as at March 31, 2023. 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)

	As at March 31, 2023	As at March 31, 2022
The amounts remaining unpaid to any supplier at the end of the year:		
1. Principal amount	-	-
2. Interest amount	-	-
The amounts of interest paid by the buyer in terms of section 16 of the MSMED Act,		
2006	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

36. LEASE

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company's lease asset classes primarily consist of leases for premises and leasehold improvements. The Company assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases (underlying asset of less than ₹ 1,50,000). For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company has recognised Nil towards short term lease (March 31, 2022: Nil) and ₹ 2.2 million towards low value assets (March 31, 2022: ₹ 2.1 million) during the year ended March 31, 2023.

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.

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

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 ₹ 412.7 million (March 31, 2022: ₹ 403.8 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 Nil (March 31, 2022: ₹ 4.4 million) towards income from sub-lease.

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

(₹ million)

March 31, 2023	Carrying values		
Asset Class	**Leasehold property**	**Leasehold improvements**	**Total**
Balance as of April 1, 2022	895.5	3.5	899.0
Add: Additions during the period	471.4	-	471.4
Less: Deductions during the period	65.7	-	65.7
Less: Depreciation	332.6	3.5	336.1
Total	**968.6**	**-**	**968.6**

(₹ 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

to standalone financial statements for the year ended March 31, 2023 (contd.)

Following is the movement in lease liabilities for the period:

(₹ million)

	For the year ended March 31, 2023		
Asset Class	**Leasehold property**	**Leasehold improvements**	**Total**
Balance as of April 1, 2022	1,015.2	4.2	1,019.4
Additions during the period	471.4	-	471.4
Deductions during the period	70.3	-	70.3
Interest Expense	74.7	0.2	74.9
Less: Lease Payments	408.7	4.0	412.7
Total	**1,082.3**	**0.4**	**1,082.7**

(₹ million)

	For the year ended March 31, 2022		
Asset Class	**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**

37 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(₹ million)

Particulars	April 1, 2022	Cash flows (net)	Changes in fair values	Others*	March 31, 2023
Debt securities	77,392.3	10,532.9	-	(38.3)	87,886.9

(₹ million)

Particulars	April 1, 2021	Cash flows (net)	Changes in fair values	Others*	March 31, 2022
Debt securities	35,209.6	41,616.9	-	565.8	77,392.3

**includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.*

38 SHARE BASED PAYMENTS

A Employees Stock Option Scheme, 2017 (ESOS- 2017)

The Company has formulated the ICICI Securities Limited - Employees Stock Option Scheme, 2017 (ESOS-2017). This scheme envisaged grant of share options to eligible employees to enhance employee motivation, to enable employees to participate in the long term growth and financial success of the Company and to act as a retention mechanism, by enabling employee participation in the business as an active stakeholder to usher in an 'owner-manager' culture.

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

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 along with 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:

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 vested on October 19, 2019, 30% of the options vested on October 19, 2020 and the balance 40% of the options vested 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 vested on April 23, 2020, 30% of the options vested on April 23, 2021 and the balance 40% of the options vested 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 vested on May 7, 2021, 30% of the options vested 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

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to standalone financial statements for the year ended March 31, 2023 (contd.)

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 vested on October 28, 2021, 30% of the options vested 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 vested 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 vested 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
ESOS -2017	2023	April 20, 2022	16,53,000	30% of the options would vest on April 20, 2023, 30% of the options would vest on April 20, 2024 and the balance 40% of the options would vest on April 20, 2025.	5 years from date of vesting.	625.00
ESOS -2017	2023	January 19, 2023	4,700	30% of the options would vest on January 19, 2024, 30% of the options would vest on January 19, 2025 and the balance 40% of the options would vest on January 19, 2026.	5 years from date of vesting.	512.10

The activity in the stock option plan is summarized below:

Particulars	FY 2023		FY 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	29,39,279	342.43	25,28,350	295.92
Granted during the year	16,57,700	624.68	9,53,000	426.91
Forfeited during the year	(2,63,980)	514.77	(93,000)	389.72
Exercised during the year	(1,86,455)	305.89	(4,49,071)	250.08
Expired during the year	--	--	--	--
Outstanding at the end of the year	**41,46,544**	**445.94**	**29,39,279**	**342.43**
Exercisable at the end of the year	15,88,294	306.03	20,41,139	305.12

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to standalone financial statements for the year ended March 31, 2023 (contd.)

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
ESOS -2017	2023	April 20, 2022	220.78
ESOS -2017	2023	January 19, 2023	175.76

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, 2023	Year ended March 31, 2022
Risk free interest rate	6.18% to 7.21%	5.26% to 5.99%
Expected life of options	3.51 to 5.51 years	3.51 to 5.51 years
Expected volatility	45.80% to 48.86%	47.34% to 49.49%
Expected dividend yield	3.96% to 4.39%	2.78% to 3.47%

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, ₹ 231.5 million was charged to the statement of profit and loss in respect of equity-settled share-based payment transactions (March 31, 2022: ₹133.3 million).

B ICICI Bank Employee Stock Option Scheme

During the year, ₹16.0 million was charged to the statement of profit and loss in respect of equity-settled share-based payment transactions (March 31, 2022: ₹15.5 million). This expense, which was computed from the fair values of the share-based payment transactions when granted, arose under employee share options made in accordance with the reward structure of ICICI Bank Limited.

The details of the options granted to eligible employees of the Company by ICICI Bank Limited are as follows:

In terms of the ESOS of the Parent Bank, the options are granted to eligible employees and Directors of the Bank and its subsidiaries. As per the ESOS, as amended, the maximum number of options granted to any eligible employees/ Directors in a financial year shall not exceed 0.05% of the Parent Bank's issued equity shares at the time of the grant of the options and aggregate of all such options shall not exceed 10% of the aggregate number of the Parent Bank's issued equity shares on the date(s) of the grant of options in line with SEBI Regulations.

Options granted prior to March 2014, vested in a graded manner over a four-year period with 20%, 20%, 30% and 30% of the grants vesting in each year, commencing from the end of 12 months from the date of grant.

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

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.

C Employees Stock Unit Scheme, 2022

The Company has formulated the ICICI Securities Limited - Employees Stock Unit Scheme, 2022 which was approved by the members of the Company in the Annual General meeting held on August 26, 2022. No grants have been made under the scheme for the year ended March 31, 2023.

39 SIGNIFICANT INVESTMENT IN THE SUBSIDIARIES

Name of the Company	Principal place of business	Holding/ Subsidiary/ Associate	% of shares held
ICICI Securities Holdings, Inc	1120 Avenue of the Americas 4th Floor New York, NY 10036, United States of America	Wholly-owned Subsidiary	100%
ICICI Securities, Inc	1120 Avenue of the Americas 4th Floor New York, NY 10036, United States of America	Step-downSubsidiary	100%

40 INCOME TAXES

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

(₹ million)

	Year Ended March 31, 2023	Year Ended March 31, 2022
Current tax		
In respect of current year	3,782.4	4,564.0
In respect of prior years	-	-
Total (A)	**3,782.4**	**4,564.0**
Deferred Tax		
Origination and reversal of temporary differences	54.7	138.4
Impact of change in tax rate	-	-
Total (B)	**54.7**	**138.4**
Income Tax recognised in the statement of Profit and Loss (A+B)	**3,837.1**	**4,702.4**
Income tax expenses recognized in OCI		
Re-measurement of defined employee benefit plans	(1.1)	(3.5)
Income tax relating to items that will not be classified to the statement of profit and loss	0.3	0.9
Total	**(0.8)**	**(2.6)**

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

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

(₹ million)

	Year Ended March 31, 2023	Year Ended March 31, 2022
Profit before tax	**14,953.1**	**18,497.8**
Enacted tax rate in India	25.17%	25.17%
Income tax expenses calculated	3,763.7	4,655.9
Tax on expense not tax deductible	73.4	46.5
Tax on income exempt from tax	-	-
Total tax expenses as per the statement of profit and loss	**3,837.1**	**4,702.4**

The effective income tax rate for the year ended March 31, 2023 is 25.66% (March 31, 2022 is 25.42%).

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, 2023

(₹ million)

Movement during the year ended March 31, 2023	As at April 1, 2022	Credit/ (charge) in the Statement of Profit and Loss	Credit/ (charge) in Other Comprehensive Income	As at March 31, 2023
Property, Plant and Equipment and Intangible assets	15.1	(32.6)	-	(17.5)
Provision for expected credit losses	36.8	8.4	-	45.2
Employee benefits obligations	296.2	(20.1)	-	276.1
Fair value gain/(loss) on investments	(3.7)	4.7	-	1.0
Provision for post-retirement benefit	14.1	4.0	0.3	18.4
Other temporary differences	46.0	(19.1)	-	26.9
Net deferred tax assets/ (liabilities)	**404.5**	**(54.7)**	**0.3**	**350.1**

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

to standalone financial statements for the year ended March 31, 2023 (contd.)

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, 2023	Expiry Date	As at March 31, 2022	Expiry Date
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	0.1	March 31, 2028	0.7	March 31, 2028
Total		**67.9**		**68.5**	

41 SEGMENT REPORTING

The Company also prepares the consolidated financial statements. In accordance with Ind AS 108 on Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

42 EMPLOYEE BENEFITS

Defined Contribution Plan

The Company makes contributions towards Provident Fund, National Pension Scheme, and Employee State Insurance Scheme which are defined contribution retirement benefit plans for qualifying employees.

Amount of ₹ 243.5 Million (March 31, 2022: ₹ 209.6 Million) is recognised as expenses, which is classified as a part of “Contribution to gratuity / provident and other funds”. (Refer Note No. 28).

Defined Benefit Plan

Gratuity

Governance of the Plan:
The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan.

Funding arrangements and Policy:
The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively. There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. Company’s philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan. The expected contribution payable to the plan next year is ₹ 40.0 million.

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.

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

Sr. No	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Reconciliation of defined benefit obligation (DBO) : Change in Defined Benefit Obligation		
(i)	Opening defined benefit obligation	814.9	757.8
(ii)	Current Service cost	86.1	80.7
(iii)	Past service cost	(72.2)	-
(iv)	Interest cost	46.9	41.4
(v)	Actuarial (gain) / loss from changes in financial assumptions	(34.9)	(17.0)
(vi)	Actuarial (gain) / loss from changes in demographic assumptions	(3.8)	(0.8)
(vii)	Actuarial (gain) / loss on account of experience changes	18.6	25.6
(viii)	Benefits paid	(100.9)	(72.8)
(ix)	Liabilities assumed on inter group transfer	3.3	-
(x)	**Closing defined benefit obligation**	**758.0**	**814.9**
	Movement in Plan assets		
(i)	Opening fair value of plan assets	759.1	311.4
(ii)	Interest on plan assets	44.8	16.3
(iii)	Actual return on plan assets less interest on plan assets	(21.2)	4.2
(iv)	Contributions by employer	-	500.0
(v)	Assets acquired / (settled)	3.3	-
(vi)	Benefits paid	(100.9)	(72.8)
	Closing fair value of plan assets	**685.1**	**759.1**
	Balance sheet		
	Net asset / (liability) recognised in the balance sheet:		
(i)	Present value of the funded defined benefit obligation	758.0	814.9
(ii)	Fair value of plan assets at the end of the year	685.1	759.1
	Liability recognized in the balance sheet (i-ii)	**72.9**	**55.8**
	Statement of profit and loss		
	Expenses recognised in the Statement of Profit and Loss:		
(i)	Current Service cost	86.1	80.7
(ii)	Interest on net defined benefit obligation	2.1	25.1
(iii)	Past Service Cost	(72.2)	-
	Total included in 'Employee benefits expense (i+ii+iii)	**16.0**	**105.8**

(₹ million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Statement of other Comprehensive Income (OCI)		
Opening amount recognised in OCI outside statement of profit and loss	150.0	146.4
Remeasurements during the period due to		
- changes in financial assumptions	(34.9)	(17.0)
- changes in demographic assumptions	(3.8)	(0.8)
- Experience adjustment	18.6	25.6
- Annual return on plan assets less interest on plan assets	21.2	(4.2)
Closing amount recognised in OCI outside statement of profit and loss	**(151.1)**	**150.0**

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to standalone financial statements for the year ended March 31, 2023 (contd.)

Assumptions used for Gratuity	Year ended March 31, 2023	Year ended March 31, 2022
Interest rate (p.a.)	7.30%	6.25%
Salary escalation rate (p.a.)	7.20%	7.00%
Estimated rate of return on plan assets (p.a.)	7.00%	7.00%

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.

(₹ million)

Particulars	Discount Rate	Salary Escalation rate
Defined Benefit obligation on increase in 50 bps	738.7	777.6
Impact of increase in 50 bps on DBO	(2.53)%	2.61%
Defined Benefit obligation on decrease in 50 bps	778.0	738.8
Impact of decrease in 50 bps on DBO	2.66%	(2.53)%

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, 2023	Year Ended March 31, 2022
Insurer managed funds	685.1	759.1
Others	0.0	0.0
Reconciliation of plan assets during the inter-valuation period		
Opening fair value of plan assets	759.1	311.4
Employer contributions	-	500.0
Settlements from the Fund	100.9	(72.8)
Interest accrued to the Fund	44.8	4.2
Actual return on plan assets less interest on plan assets	(21.2)	16.3
Assets acquired / (settled)	3.3	-
Closing fair value of plan assets	**685.1**	**759.1**

Notes

to standalone financial statements for the year ended March 31, 2023 (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	12,52,24,103
Expected benefits for year 2	11,15,17,292
Expected benefits for year 3	13,25,29,954
Expected benefits for year 4	96,798,791
Expected benefits for year 5	10,50,19,220
Expected benefits for year 6	7,54,03,918
Expected benefits for year 7	6,38,99,064
Expected benefits for year 8	6,23,07,177
Expected benefits for year 9	5,88,30,281
Expected benefits for year 10 and above	35,29,08,308

The weighted average duration to the payment of these cash flows is 5.19 years.

Compensated Absence

The liability towards compensated absences for the year ended March 31, 2023 is based on actuarial valuation carried out by using the projected unit credit method.

Assumptions	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest rate (p.a.)	7.30%	6.25%
Salary escalation rate (p.a.)	7.20%	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, 2023	Year Ended March 31, 2022
Interest rate (p.a.)	7.20%	5.15%

Interest rate assumption in case of subsidiary is 4.03% (March 31, 2022: 2.25%)

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to standalone financial statements for the year ended March 31, 2023 (contd.)

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 or 1 day as per the settlement cycle. Amount not recovered and which remain overdue for a period exceeding 90 days, are provided for.

B) Income from service:

Income from service consists of income from distribution of financial products and income from investment banking activities (advisory income).

1) Distribution of financial products:

The Company distributes various financial products and other services to the customers on behalf of third party i.e. the Company acts as an intermediary for distribution of financial products and services. The Company executes contracts with the Principal, viz. AMC's, Mutual Funds, Bank, Insurance Company etc. to procure customers for its products. As a consideration, the Company earns commission income from the third parties for the distribution of their financial products. The commission is accounted net of claw back if any, due to non-fulfilment of contract by the customer with the principal. The customer obtains control of the service on the date when customer enters into a contract with principal and hence subscription or contract date is considered as the point in time when the performance obligation has been satisfied. In case of continuing services, the same are recognised over a period of time.

The Company also conducts:

a. education training programs

b. provide financial planning services to its customers.

The Company recognizes the revenue on completion of the performance obligation either on point in time or over a period of time, as the case may be.

In case of third party financial products, transaction price is determined as per contract and mutual terms agreed between the parties. The commission is a percentage of transaction value.

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 2023:

i. Mutual funds

ii. Life insurance policies

iii. Portfolio management products

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

2) Advisory income:

The Company provides investment banking services to its customers and earns revenue in the form of advisory fees on issue management services, mergers and acquisitions, debt syndication, sale of business etc.

In case of these advisory transactions, the performance obligation and its transaction price is enumerated in contract with the customer. For arrangements with a fixed term, the Company may commit to deliver services in the future. Revenue associated with these remaining performance obligations typically depends on the occurrence of future events or underlying asset values, and is not recognized until the outcome of those events or values are known. The right to receive the fees is based on the milestones defined in accordance with the terms of the contracts entered into between the company and the counterparty which also defines its performance obligation. In case of contracts, which have a component of success fee or variable fee, the same is considered in the transaction price when the uncertainty regarding the consideration is resolved.

The Company has used practical expedient and have not disclosed the amount of remaining performance obligations since its contract with customers have duration of less than one year.

Contract Liability relates to payments received in advance of performance under the contract. Contract Liabilities are recognized as revenue on completing the performance obligation.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period and the movement thereof: -

(₹ million)

Nature of contract	Opening Balance		Revenue recognised during the year		Closing Balance	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Financial Planning Services	-	0.1	-	0.2	-	-
Signing Fee	13.3	20.5	5.8	7.2	7.5	13.3
Prime Subscription	377.0	339.4	1,035.2	778.8	204.8	377.0
Prepaid Brokerage	2,257.5	2,483.2	505.6	1233.9	1,926.2	2,257.5
Subscription Fees	12.3	6.2	52.7	37.0	13.2	12.3

Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price.

(₹ million)

Particulars	2022-23	2021-22
Revenue from the Contracts (as per Contract)	23,357.3	26,578.4
Less :- Discounts / Incentive to Customers	121.7	35.7
Revenue from the Contracts (as per Statement of Profit and Loss)	23,235.6	26,542.7

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.

Notes
to standalone financial statements for the year ended March 31, 2023 (contd.)

The following table shows the carrying amounts of financial instruments as at March 31, 2023 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	2,167.7	-	-	2,167.7	2,167.7
Other balances with banks	65,323.7	-	-	65,323.7	65,323.7
Securities for trade	-	9,163.3	-	9,163.3	9,163.3
Trade receivables	7,732.6	-	-	7,732.6	7,732.6
Loans	64,198.8	-	-	64,198.8	64,198.8
Investments (excluding subsidiary)	-	77.1	-	77.1	77.1
Other financial assets	1,189.3	-	-	1,189.3	1,189.3
Total	**1,40,612.1**	**9,240.4**	**-**	**1,49,852.5**	**1,49,852.5**
Liabilities:					
Derivative financial instruments	-	0.4	-	0.4	0.4
Trade payables	9,159.9	-	-	9,159.9	9,159.9
Debt Securities	87,886.9	-	-	87,886.9	87,886.9
Borrowings (Other than debt securities)	5,038.9	-	-	5,038.9	5,038.9
Deposits	74.2	-	-	74.2	74.2
Lease Liabilities	1,082.7	-	-	1,082.7	1,082.7
Other financial liabilities	18,239.6	-	-	18,239.6	18,239.6
Total	**1,21,482.2**	**0.4**	**-**	**1,21,482.6**	**1,21,482.6**

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**

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

	Amortised cost	Fair value through P&L	Fair value through OCI	Total carrying value	Total fair value
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**

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, 2023	Level 1	Level 2	Level 3	Total
Financial instruments:				
Derivatives	0.4	-	-	0.4
Mutual fund units	-	1,991.3	-	1,991.3
Equity shares	14.7	-	62.4	77.1
Debt Instruments	6,941.5	230.5	-	7,172.0
Total	**6,956.6**	**2,221.8**	**62.4**	**9,240.8**

(₹ 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**

Notes

to standalone financial statements for the year ended March 31, 2023 (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, 2023	March 31, 2022
Opening Balance	74.8	22.3
Purchase	-	55.6
Less: Sales	-	-
Add: Gain / (Loss)	(12.4)	(3.1)
Transfer in Level 3	-	-
Less: Transfer from Level 3	-	-
Closing Balance	**62.4**	**74.8**

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, 2023

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	₹ 5.65 per share	5%	₹ 0.1 Million	5%	₹ (0.1) Million
			₹ 150.02 per share	5%	₹ 0.2 Million	5%	₹ (0.2) Million
	Discounted projected cash flow	WACC%	19.50%	100 basis points	₹ (3.7) Million	100 basis points	₹ 4.3 Million
		Perpetual Growth Rate %	5.00%	100 basis points	₹ 2.7 Million	100 basis points	₹ (2.3) Million

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	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

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to standalone financial statements for the year ended March 31, 2023 (contd.)

Financial assets subject to offsetting, netting arrangements

Exchange settlement obligations (disclosed as a part of trade receivable) are subject to netting as the Company intends to settle it on a net basis. The table below presents the gross balances of asset and lability.

(₹ million)

Particulars	Effects on Balance sheet		
	Gross Amount (Asset)	Gross amount set off in the balance sheet	Net amount presented in the balance sheet
Exchange Settlement Obligations			
At March 31,2023	**3,774.1**	**(67.3)**	**3,706.8**
At March 31, 2022	5,957.0	(6,286.6)	(329.6)

There are no other instruments which are eligible for netting and not netted off.

Financial risk management

Risk management framework

The Company has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed to. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallisation of such risks.

The Company has exposure to the following risk arising from financial instruments:

a) Credit risk

b) Liquidity risk

c) Market risk

The Company has established various policies with respect to such risks which set forth limits, mitigation strategies and internal controls to be implemented by the three lines of defence approach provided below. The Board oversees the Company's risk management and has constituted a Risk Management Committee ("RMC"), which frames and reviews risk management processes and controls.

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

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

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

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

Notes
to standalone financial statements for the year ended March 31, 2023 (contd.)

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 2023	March, 31 2022
Trade Receivables	7,732.6	3,846.6
Loans	64,198.8	68,566.7
Total	**71,931.4**	**72,413.3**

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 ₹ 7,865.3 million (March 31, 2022: ₹ 3,966.6 million), ₹ 132.7 million (March 31, 2022: ₹ 120.0 million) are overdue for a period in excess of 90 days. Probability of default (PD) on this balance is considered at 100% and treated as credit impaired.

Loans: Loans comprise of margin trade funding and ESOP funding for which a staged approach is followed for determination of ECL.

Stage 1: All Open positions in the MTF and ESOP loan book are considered as stage 1 assets for computation of expected credit loss. Exposure at default (EAD) for stage 1 assets is computed considering different scenarios of market movements based on an analysis of historical price movements of the index and macro-economic environment.

Stage 2: Exposures under stage 2 include dues upto 30 days pertaining to principal amount on closed positions and interest on all open positions of MTF and ESOP loan book.

Stage 3: Exposures under stage 3 include dues past 30 days pertaining to principal amount on closed positions and interest on all open positions of MTF and ESOP loan book.

Based on historical data, the company assigns PD to stage 1 and stage 2 and applies it to the EAD to compute the ECL. For Stage 3 assets PD is considered as 100%.

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

Following table provides information about exposure to credit risk and ECL on Loan

(₹ million)

Bucketing (Stage)	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	ECL	Carrying Value	ECL
Stage 1	64,165.5	0.9	68,537.7	0.8
Stage 2	38.0	3.8	30.1	0.3
Stage 3	27.7	27.7	11.1	11.1
Total	**64,231.2**	**32.4**	**68,578.9**	**12.2**

Movements in the allowances for impairment in respect of trade receivables and loans is as follows:

(₹ million)

	March, 31 2023	March, 31 2022
Opening Balance	132.2	210.0
Amount written off	(26.9)	(17.1)
Net re-measurement of loss allowance	59.8	21.0
Additional provision	-	(81.7)
Closing Balance	**165.1**	**132.2**

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, 2023	As at March 31, 2022	
Trade Receivables and Loans	99.2%	98.9%	Collateral in the form of: - Cash, Securities, Fixed Deposit Receipt (FDR) in case of Margin trade funding. - Equity Shares under ESOP in case of ESOP Funding. - Equity shares in case of trade receivables

Other financial assets considered to have a low credit risk:

Credit risk on cash and cash equivalents is limited as 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.

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

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, 2023.

(₹ 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	37,263.9	29,877.0	350.5	-	67,491.4
Securities for Trade	9,163.3	-	-	-	9,163.3
Trade receivables	7,732.6	-	-	-	7,732.6
Loans	3,778.3	60,420.5	-	-	64,198.8
Investments	-	-	-	205.5	205.5
Other financial assets	929.2	58.5	33.5	168.1	1,189.3
Total	**58,867.3**	**90,356.0**	**384.0**	**373.6**	**1,49,980.9**
Financial Liabilities					
Derivative financial instruments	0.4	-	-	-	0.4
Trade Payables	9,159.9	-	-	-	9,159.9
Debt Securities	85,562.5	2,324.4	-	-	87,886.9
Borrowings (Other than debt securities)	5,038.9	-	-	-	5,038.9
Deposits	-	-	74.2	-	74.2
Lease Liabilities	89.3	5.2	647.5	340.7	1,082.7
Other Financial Liabilities	18,239.6	-	-	-	18,239.6
Total	**1,18,090.6**	**2,329.6**	**721.7**	**340.7**	**1,21,482.6**
Net excess / (shortfall)	**(59,223.3)**	**88,026.4**	**(337.7)**	**32.9**	**28,498.3**

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to standalone financial statements for the year ended March 31, 2023 (contd.)

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**
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**

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:

i) Equity Price Risk

ii) Interest Rate Risk

iii) Currency Risk

Total market risk exposure:

(₹ million)

March 31, 2023	Carrying amount	Traded risk	Non traded risk	Primary risk sensitivity
Financial Assets				
Cash and cash equivalent and other bank balances	67,491.4	-	67,491.4	
Financial assets at FVTPL	9,240.4	9,163.3	77.1	Interest rate, Equity Price and Currency
Trade Receivables	7,732.6	-	7,732.6	Equity Price and Currency

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to standalone financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

March 31, 2023	Carrying amount	Traded risk	Non traded risk	Primary risk sensitivity
Loans	64,198.8	-	64,198.8	Equity Price
Investment in Subsidiary	128.4	-	128.4	
Other Financial assets at amortised cost	1,189.3	-	1,189.3	
Total	**1,49,980.9**	**9,163.3**	**1,40,817.6**	
Financial Liabilities				
Derivative financial instruments	0.4	0.4	-	Equity Price and Currency
Trade payable	9,159.9	-	9,159.9	Equity Price and Currency
Debt Securities	87,886.9	-	87,886.9	
Borrowings (other than debt securities)	5,038.9	-	5,038.9	
Deposits	74.2	-	74.2	
Lease Liabilities	1,082.7	-	1,082.7	
Other financial liabilities	18,239.6	-	18,239.6	
Total	**1,21,482.6**	**0.4**	**1,21,482.2**	

(₹ 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**	

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to standalone financial statements for the year ended March 31, 2023 (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, 2023	For the year ended March 31, 2022
Impact of upward movement	(1,529.4)	(293.0)
Impact of downward movement	(2,034.5)	(377.4)

Movement of 19.41% represents highest single day market (nifty) movement in last 15 years. The Company, based on past experience, is able to recover 66% of the client's default therefore the loss on client's position included in the above figures is post considering recoveries from clients.

ii) Interest Rate Risk

The Company's exposure to interest rate risk arises primarily on account of its proprietary positions (Refer note 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, 2023	For the year ended March 31, 2022
Impact of upward movement	(446.7)	(0.9)
Impact of downward movement	(647.8)	(3.4)

Shift of 2.06% represents highest 10 consecutive days' yield movement in last 15 years among AAA/AA/AA+/AA- rated debt instruments with 5-year maturity period.

The non-traded Financial Assets and liabilities are fixed rate instruments and are valued at amortised cost. Any shifts in yield curve will not impact their carrying amount and will therefore not have any impact on the Company's statement of profit and loss.

iii) Foreign Exchange Risk / Currency Risk

The Company's exposure to currency risk arises primarily on account of its proprietary positions and on account of margin positions of its clients in exchange traded currency derivatives.

The fluctuations in foreign currency may also affect statement of profit and loss, other comprehensive income and equity as the Company also operates in US and Singapore through its subsidiaries.

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to standalone financial statements for the year ended March 31, 2023 (contd.)

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, 2023	For the year ended March 31, 2022
₹ Depreciation	(43.7)	(28.1)
₹ Appreciation	(16.1)	(93.1)

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, 2023	For the year ended March 31, 2022
USD	Depreciation of 15%	(10.0)	(1.3)
	Appreciation of 15%	10.0	1.3
SGD	Depreciation of 15%	(0.2)	0.2
	Appreciation of 15%	0.2	(0.2)
AED	Depreciation of 15%	(0.0)	0.2
	Appreciation of 15%	0.0	(0.2)
GBP	Depreciation of 15%	-	(0.1)
	Appreciation of 15%	-	0.1
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.

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, 2023	For the year ended March 31, 2022
Impact of upward movement	(0.6)	(4.7)
Impact of downward movement	(1.4)	(5.2)

Impact has been derived based on highest single day commodity specific movement in last 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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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, 2023	Within 12 months	After 12 months
ASSETS			
Financial Assets			
Cash and cash equivalents	2,167.7	2,167.7	-
Bank balance other than (a) above	65,323.7	64,973.2	350.5
Securities for trade	9,163.3	9,163.3	-
Receivables			
(I) Trade receivables	7,732.6	7,732.6	-
Loans	64,198.8	64,198.8	-
Investments	205.5	-	205.5
Other financial assets	1,189.3	987.7	201.6
	1,49,980.9	**1,49,223.3**	**757.6**
Non-financial Assets			
Current tax assets (net)	1,365.8	-	1,365.8
Deferred tax assets (net)	350.1	-	350.1
Property, plant and equipment	1,237.8	-	1,237.8
Right-of-use of assets	968.6	90.4	878.2
Capital work-in-progress	192.9	-	192.9
Intangible assets under development	115.8	-	115.8
Other intangible assets	370.5	-	370.5
Other non-financial assets	782.5	693.4	89.1
	5,384.0	**783.8**	**4,600.2**
Total Assets	**1,55,364.9**	**1,50,007.1**	**5,357.8**
LIABILITIES			
Financial liabilities			
Payables			
Derivative financial instruments	0.4	0.4	
(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	9,159.9	9,159.9	-
Debt securities	87,886.9	87,886.9	-
Borrowings (Other than debt securities)	5,038.9	5,038.9	-
Deposits	74.2	-	74.2
Lease Liabilities	1,082.7	94.5	988.2
Other financial liabilities	18,239.6	18,239.6	-
	1,21,482.6	**1,20,420.2**	**1,062.4**
Non-financial Liabilities			
Provisions	177.4	31.3	146.1
Other non-financial liabilities	5,454.0	4,881.8	572.2
	5,631.4	**4,913.1**	**718.3**
Total Liabilities	**1,27,114.0**	**1,25,333.3**	**1,780.7**
Net	**28,250.9**	**24,673.8**	**3,577.1**

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46 MATURITY ANALYSIS

(₹ 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)	-	-	-
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**

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015:

Key Financial Information

	Year Ended March 31, 2023	Year Ended March 31, 2022
Debt Equity Ratio [1]	3.29	3.21
Debt Service Coverage Ratio [2]	0.21	0.26
Interest Services Coverage Ratio [3 #]	3.83	8.00
Net Worth [4]	₹ 28,250.9 Million	₹ 24,091.5 Million
Net Profit after tax	₹ 11,116.0 Million	₹13,795.4 Million
Earnings per share (Diluted)	₹ 34.35	₹ 42.59
Outstanding redeemable preference shares	Not Applicable	Not Applicable
Capital redemption / Debenture redemption reserve	Not Applicable	Not Applicable
Current Ratio	1.20	1.20
Long Term Debt to Working Capital Ratio [5]	Nil	Nil
Bad Debts to Accounts Receivables Ratio	0.51%	0.63%
Current Liability Ratio	0.99	0.98
Total Debts to Total Assets	0.60	0.57
Debtors Turnover Ratio [6 *]	3.00	6.90
Inventory Turnover Ratio	Not Applicable	Not Applicable
Operating Margin (%) [7]	43.78%	53.86%
Net Profit Margin (%) [8]	32.55%	40.17%

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

 # During the year there is Decrease in Interest Service Coverage Ratio due to Increase in Finance costs by ₹ 2,639.6 Million and Decrease in Profit Before Interest and Tax by ₹ 905.1 Million

** During the year there is decrease in Debtors Turnover ratio due to Decrease in Fees and commission income by ₹ 3307.1 Million and Increase in Trade Receivables by ₹ 3,886.0 Million*

46 SUBSEQUENT EVENT - PROPOSED DIVIDEND

The Board of Directors at its meeting held on April 19, 2023, have recommended a final dividend of ₹ 9.25 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.

Notes

to standalone financial statements for the year ended March 31, 2023 (contd.)

47 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 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 – Presentation of Financial Statements -This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors-This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 – Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement

48 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.

As per our report of even date attached

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

Milind Ranade
Partner
Membership No.: 100564

Mumbai, April 19, 2023

For and on behalf of Board of Directors

Vinod Kumar Dhall
Chairman
DIN - 02591373

Ashvin Parekh
Director
DIN - 06559989

Vijay Chandok
Managing Director & CEO
DIN - 01545262

Ajay Saraf
Executive Director
DIN - 00074885

Raju Nanwani
Company Secretary

Harvinder Jaspal
Chief Financial Officer

Independent Auditor's Report

To the Members of
ICICI Securities Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of ICICI Securities Limited (hereinafter referred to as the "Holding Company" and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, 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 reports of the other auditor on separate financial statements of such subsidiaries as were audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, 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 the other auditor referred to in paragraph (a) of the "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.

The key audit matter	How the matter was addressed in our audit
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. The ERP system used for the financial reporting framework has been upgraded in the current year.	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').

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.	• 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) • Testing the effectiveness of Program Development controls for SAP ECC upgradation / migration to SAP HANA during the year ended 31 March 2023. • 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 whether standard process was followed. • Understanding IT infrastructure layers supporting the in-scope systems i.e., operating systems and databases and testing general IT controls for such layers where relevant to operation of the IT automated controls. • Understanding Cybersecurity Risk Management Framework followed by the entity for information assets, including information, applications systems, databases, networks and data storage systems

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the Directors report, but does not include the financial statements and auditor's report(s) thereon, which we obtained prior to the date of this auditor's report, and the Annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group 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 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 the Management and Board of Directors.

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

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

- Obtain sufficient appropriate audit evidence regarding the financial statements 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 statements 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 auditor, such other auditor remain responsible for the direction, supervision and performance of the audit 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 and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

We did not audit the financial statements of ICICI Securities Holding Inc. and ICICI Securities Inc., whose financial statements reflect total assets (before consolidation adjustments) of ₹ 473.2 million as at 31 March 2023, total revenues (before consolidation adjustments) of ₹ 225.3 million and net cash flows (before consolidation adjustments) amounting to ₹ 17.90 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditor.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its 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 subsidiaries 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 such subsidiaries located outside India is based on the reports of other auditor and the conversion adjustments prepared by the 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.

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 auditor on consolidated financial statements of such subsidiaries, as was audited by 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 2023 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 2023 from being appointed as a director in terms of Section 164(2) of the Act. The subsidiaries of the Holding Company are 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 Auditors) 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 separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph.

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 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 2023.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended 31 March 2023.

d. (i) The management of the Holding Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 7 to the consolidated financial statements, 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 to or in 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 Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 15 to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The interim dividend declared and paid by the Holding Company incorporated in India during the year and until the date of this audit report is in compliance accordance with Section 123 of the Act.

As stated in Note 45 to the consolidated financial statements, the Board of Directors of the Holding Company incorporated in India has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

Milind Ranade
Partner
Membership No.: 100564
ICAI UDIN:23100564BGXYLT8036

Place: Mumbai
Date: 19 April 2023

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of ICICI Securities Limited for the year ended 31 March 2023

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

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

Milind Ranade
Partner
Membership No.: 100564
ICAI UDIN:23100564BGXYLT8036

Place: Mumbai
Date: 19 April 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of ICICI Securities Limited for the year ended 31 March 2023

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 Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of ICICI Securities Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company , as of that date.

In our opinion, the Holding 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 2023, based on the internal financial controls with reference to 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").

Managements and Board of Directors' Responsibilities for Internal Financial Controls

The Holding 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 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 Holding 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 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 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 consolidated 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 consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Milind Ranade
Partner
Membership No.: 100564
ICAI UDIN:23100564BGXYLT8036

Place: Mumbai
Date: 19 April 2023

Consolidated Balance Sheet
as at March 31, 2023

(₹ million)

			Notes	As at March 31, 2023	As at March 31, 2022
	ASSETS				
1	**Financial Assets**				
	(a)	Cash and cash equivalents	3 (a)	2,406.4	7,735.9
	(b)	Bank balance other than (a) above	3 (b)	65,501.3	48,430.2
	(c)	Derivative financial instruments	4	-	0.8
	(d)	Securities for trade	5	9,163.3	2,430.2
	(e)	Receivables			
		(I) Trade receivables	6	7,734.4	3,848.3
	(f)	Loans	7	64,198.8	68,566.7
	(g)	Investments	8	77.1	107.1
	(h)	Other financial assets	9	1,196.6	1,135.7
				1,50,277.9	**1,32,254.9**
2	**Non-financial Assets**				
	(a)	Current tax assets (net)	10	1,365.0	1,247.1
	(b)	Deferred tax assets (net)	39	373.5	424.1
	(c)	Property, plant and equipment	11 (a)	1,238.2	627.2
	(d)	Right-of-use assets	35	968.6	899.0
	(e)	Capital work-in-progress		192.9	109.6
	(f)	Intangible assets under development		115.8	32.6
	(g)	Other intangible assets	11 (a)	370.5	309.5
	(h)	Other non-financial assets	12	785.6	558.2
				5,410.1	**4,207.3**
	Total Assets			**1,55,688.0**	**1,36,462.2**
	LIABILITIES AND EQUITY				
	LIABILITIES				
1	**Financial liabilities**				
	(a)	Derivative financial instruments	4	0.4	-
	(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		9,148.4	10,776.1
	(c)	Debt securities	14	87,886.9	77,392.3
	(d)	Borrowings (Other than debt securities)	15	5,038.9	-
	(e)	Deposits	16	74.2	43.6
	(f)	Lease liabilities	35	1,082.7	1,019.4
	(g)	Other financial liabilities	17	18,239.6	16,521.6
				1,21,471.1	**1,05,753.0**
2	**Non-financial Liabilities**				
	(a)	Current tax liabilities (net)		-	-
	(b)	Provisions	18	177.4	151.0
	(c)	Other non-financial liabilities	19	5,514.5	6,252.9
				5,691.9	**6,403.9**
3	**EQUITY**				
	(a)	Equity share capital	20	1,614.3	1,613.4
	(b)	Other equity	21	26,910.7	22,691.9
				28,525.0	**24,305.3**
	Total Liabilities and Equity			**1,55,688.0**	**1,36,462.2**

Significant accounting policies 2

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

As per our report of even date attached

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

Milind Ranade
Partner
Membership No.: 100564

For and on behalf of Board of Directors

Vinod Kumar Dhall
Chairman
DIN - 02591373

Ashvin Parekh
Director
DIN - 06559989

Vijay Chandok
Managing Director & CEO
DIN - 01545262

Ajay Saraf
Executive Director
DIN - 00074885

Raju Nanwani
Company Secretary

Harvinder Jaspal
Chief Financial Officer

Mumbai, April 19, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(₹ million)

		Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations				
(i)	Interest income	22	10,014.9	7,185.1
(ii)	Dividend income		0.5	0.4
(iii)	Fees and commission income			
	- Brokerage income		12,563.0	15,525.9
	- Income from services		10,674.4	11,020.2
(iv)	Net gain on fair value changes	23	889.0	588.7
(v)	Others		15.7	29.5
(I)	**Total Revenue from operations**		**34,157.5**	**34,349.8**
(II)	Other Income	24	97.3	35.0
(III)	**Total Income (I+II)**		**34,254.8**	**34,384.8**
Expenses				
(i)	Finance costs	25	5,362.9	2,736.8
(ii)	Fees and commission expense		1,563.2	1,665.6
(iii)	Impairment on financial instruments	26	32.9	(69.4)
(iv)	Operating expense	27	1,307.4	1,139.6
(v)	Employee benefits expenses	28	6,978.2	6,644.1
(vi)	Depreciation, amortization and impairment	11 & 35	750.7	625.3
(vii)	Other expenses	29	3,248.3	3,115.2
(IV)	**Total expenses (IV)**		**19,243.6**	**15,857.2**
(V)	**Profit/(loss) before tax (III -IV)**		**15,011.2**	**18,527.6**
(VI)	Tax expense:	39		
	(1) Current tax		3,782.4	4,564.0
	(2) Deferred tax		52.5	137.6
			3,834.9	**4,701.6**
(VII)	**Profit/(loss) for the year (V-VI)**		**11,176.3**	**13,826.0**
(VIII)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of defined employee benefit plans		(1.1)	(3.5)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.3	0.9
	Other Comprehensive Income		**(0.8)**	**(2.6)**
(IX)	**Total comprehensive income for the year (VII+VIII) [comprising profit/(loss) and other comprehensive income for the year]**		**11,175.5**	**13,823.4**
(X)	**Earnings per equity share:(Face value ₹ 5/- per share)**	30		
	Basic (in ₹)		34.62	42.86
	Diluted (in ₹)		34.54	42.69

Significant accounting policies 2

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

As per our report of even date attached

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

Milind Ranade
Partner
Membership No.: 100564

Mumbai, April 19, 2023

For and on behalf of Board of Directors

Vinod Kumar Dhall
Chairman
DIN - 02591373

Ashvin Parekh
Director
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Managing Director & CEO
DIN - 01545262

Ajay Saraf
Executive Director
DIN - 00074885

Raju Nanwani
Company Secretary

Harvinder Jaspal
Chief Financial Officer

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

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, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year	Balance as on March 31, 2023
1,613.4	-	1,613.4	0.9	1,614.3

B OTHER EQUITY

(₹ million)

	Share application money pending allotment	Reserves and Surplus						
		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	15,059.7	67.8	375.2	16,610.0
Changes in accounting policy or prior period errors		-	-		-	-		-
Restated Balance as at 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, 2022	0.6	418.5	666.8	270.6	20,899.1	49.3	387.0	22,691.9
Changes in accounting policy or prior period errors	-	-	-	-	-	-		-
Restated balance as at April 1, 2022	0.6	418.5	666.8	270.6	20,899.1	49.3	387.0	22,691.9
Profit for the year					11,176.3			11,176.3
Items of OCI for the year, net of tax:								
-Remeasurement benefit of defined benefit plans	-	-	-		(0.8)	-	-	(0.8)
Total Comprehensive Income for the year	-	-	-	-	11,175.5	-	-	11,175.5
Dividend	-	-	-		(7,263.0)	-	-	(7,263.0)
Any other changes:								
- Additions during the year (net)	(0.6)	77.0	-	215.5	-	-	14.4	306.3
Balance as on March 31, 2023	**-**	**495.5**	**666.8**	**486.1**	**24,811.6**	**49.3**	**401.4**	**26,910.7**

** Net of share based arrangement of parent entity amounting to ₹ 1.5 million (March 31, 2022: ₹ 25.8 million)*

Significant accounting policies (Note 2)

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

As per our report of even date attached

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

Milind Ranade
Partner
Membership No.: 100564

Mumbai, April 19, 2023

For and on behalf of Board of Directors

Vinod Kumar Dhall
Chairman
DIN - 02591373

Ashvin Parekh
Director
DIN - 06559989

Vijay Chandok
Managing Director & CEO
DIN - 01545262

Ajay Saraf
Executive Director
DIN - 00074885

Raju Nanwani
Company Secretary

Harvinder Jaspal
Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended March 31, 2023

(₹ million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flow used in operating activities**		
	Profit before tax	15,011.2	18,527.6
	Add /(less): Adjustments		
	- Net (gain)/loss on derecognition of property, plant and equipment	(12.0)	(8.1)
	- Depreciation and amortisation	750.7	625.3
	- (Reversal of) /impairment loss on financial assets measured at FVTPL	-	0.1
	- Net (gain)/loss (unrealised) arising on financial assets measured at FVTPL	41.6	(201.8)
	- Interest expense	5,329.9	2,690.6
	- Dividend income on equity securities	(0.5)	(0.2)
	- Share based payments to employees	249.9	150.9
	- Bad and doubtful debts	59.8	(52.3)
	- Interest on income tax refund	(57.7)	-
	- Unrealised foreign exchange (gain)/loss	(27.6)	(8.4)
	- Reversal of Foreign currency translation reserve	-	(18.5)
	- Other income	(9.8)	-
	Operating profit before working capital changes	**21,335.5**	**21,705.2**
	Adjustments for changes in working capital:		
	- (Increase) / decrease in bank balance	(17,071.1)	(12,731.0)
	- Increase / (decrease) in derivative financial instruments	-	(0.8)
	- (Increase) / decrease in securities for trade	(6,774.7)	2,433.2
	- (Increase) / decrease in receivables	(3,932.1)	710.4
	- (Increase) / decrease in loans	4,347.7	(39,475.7)
	- (Increase) / decrease other financial assets	12.8	(379.6)
	- (Increase) / decrease other non- financial assets	(224.8)	(38.2)
	- Increase / (decrease) in derivative financial instruments	1.2	(4.5)
	- Increase / (decrease) in trade payables	(1,627.7)	511.5
	- Increase / (decrease) in deposits	30.6	14.9
	- Increase / (decrease) in other financial liabilities	1,718.0	6,081.1
	- (Increase) / decrease in provisions	25.3	(458.6)
	- (Increase) / decrease in other non-financial liabilities	(739.7)	285.0
		(24,234.5)	**(43,052.3)**
	Cash used from operations	(2,899.0)	(21,347.1)
	Income tax paid (net)	(3,842.6)	(4,627.5)
	Net cash used in operating activities (A)	**(6,741.6)**	**(25,974.6)**
B	**Cash flow used in investing activities**		
	- Purchase of investments	-	(55.6)
	- Dividend income received	0.5	0.2
	- Purchase of property, plant and equipment (including intangible assets)	(1,257.7)	(641.0)
	- Proceeds from sale of property, plant and equipment (including intangible assets)	9.4	8.8
	Net cash used in investing activities (B)	**(1,247.8)**	**(687.6)**

Consolidated Cash Flow Statement
for the year ended March 31, 2023

(₹ million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
C	**Cash flow generated from financing activities**		
	- Proceeds from commercial paper borrowings	3,59,671.9	2,04,260.7
	- Repayment of commercial paper borrowings	(3,49,139.0)	(1,62,643.8)
	- Proceeds from working capital demand loan	1,204.8	-
	- Interest paid on borrowings	(5,293.3)	(2,036.7)
	- Dividend paid	(7,263.0)	(7,984.0)
	- Interest paid on lease liabilities	(74.9)	(88.1)
	- Repayment of lease liablIltles	(337.8)	(315.7)
	- Issue of shares on exercise of options	57.7	113.8
	- Share application money pending allotment	(0.6)	(1.6)
	- Proceeds from Repo borrowings	3,834.1	-
	Net cash generated from financing activities (C)	**2,659.9**	**31,304.6**
	Net (Decrease)/increase in cash and cash equivalents (A+B+C)	**(5,329.5)**	**4,642.4**
	Cash and cash equivalents at the beginning of the year	7,735.9	3,093.5
	Cash and cash equivalents at the end of the year	**2,406.4**	**7,735.9**
	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	2,406.4	7,623.5
	- In India with scheduled banks	-	-
	- Outside India	-	-
(c)	Cheques, drafts on hand	-	-
(c)	Others		
	- Fixed Deposit with original maturity of less than three months	-	112.3
	- Interest accrued on fixed deposits	-	0.1
	Total cash and cash equivalents	**2,406.4**	**7,735.9**

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

Note :

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

(ii) Also refer note 36 for Change in liabilities arising from financing activities.

Significant accounting policies (Note 2)

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

As per our report of even date attached

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

Milind Ranade
Partner
Membership No.: 100564

For and on behalf of Board of Directors

Vinod Kumar Dhall
Chairman
DIN - 02591373

Ashvin Parekh
Director
DIN - 06559989

Vijay Chandok
Managing Director & CEO
DIN - 01545262

Ajay Saraf
Executive Director
DIN - 00074885

Raju Nanwani
Company Secretary

Harvinder Jaspal
Chief Financial Officer

Mumbai, April 19, 2023

Notes

to consolidated financial statements for the year ended March 31, 2023

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 74.85% of the Company's equity share capital as on March 31, 2023.

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, 2023 are being authorised for issue in accordance with a resolution of the Board of Directors passed on April 19, 2023.

(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 on gross basis in the balance sheet. They are offset and reported net only 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

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group transactions, balances and unrealised gains on transactions between entities within the Group are eliminated. Similarly, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

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, 2023	% of Holding as on March 31, 2022
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, 2023	% of Holding as on March 31, 2022
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

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b) **Recognition and measurement of defined benefit obligations:** The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. Further details are disclosed in note 40.

c) **Recognition of deferred tax assets / liabilities:** Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized. Further details are disclosed in note 39.

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

e) **Fair valuation of employee share options:** The fair valuation of the employee share options is based on the Black-Scholes model used for valuation of options. Further details are discussed in note 37.

f) **Determining whether an arrangement contains a lease:** In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. 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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as a part of contract.

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.

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group recognises revenue from the following sources:

a. Income from services rendered as a broker is recognised upon rendering of the services on trade date basis, in accordance with the terms of contract.

b. Fee income including investment banking, advisory fees, debt syndication, financial advisory services, etc., is recognised based on the stage of completion of assignments and terms of agreement with the client.

c. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant.

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

e. Dividend income is recognised when the right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

f. 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 fsubscriptions 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.

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

The estimated useful lives of assets are as follows:

Tangible Asset	Estimated by Management
Leasehold improvements	Over the remaining period of the lease
Office equipment's comprising air conditioners, photo-copying machines, etc.	5 years
Computers	3 years
Servers and Networks	6 years
Furniture and fixtures*	6.67 years
Motor vehicles*	5 years

**Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of The Companies Act 2013.*

Depreciation is provided on a straight-line basis from the date the asset is ready for its intended use. In respect of assets sold, depreciation is provided up to the date of disposal.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and changes if any, are accounted for on a prospective basis.

Capital work-in-progress and Capital advances:
Capital work-in-progress are property, plant and equipment which are not yet ready for their intended use. Advances given towards acquisition of fixed assets outstanding at each reporting date are shown as other non-financial assets.

Depreciation is not recorded on capital work-in-progress until construction and installation is completed and assets are ready for its intended use.

De-recognition:
The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition, disposal or retirement of an item of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of de-recognition, disposal or retirement.

(vii) Intangible Assets

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

Development expenditure on software is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognized in the profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortization and any accumulated impairment losses.

Amortisation
Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives and is included in the depreciation and amortization in the statement of profit and loss.

Intangible asset	Useful life / Amortisation period
Computer software	4 years

The carrying amount of an item of intangible assets is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition, disposal or retirement of an item of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of de-recognition, disposal or retirement.

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(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:

a. **Amortised cost:** The Group classifies the financial assets at amortised cost if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows. The gains and losses resulting from fluctuations in fair value are not recognised for financial assets classified in amortised cost measurement category

b. **Fair value through other comprehensive income (FVOCI):** TThe Group classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the Group's business model is achieved by both collecting contractual cash flow and selling financial assets. In case of debt instruments measured at FVOCI, changes in fair value are recognised in other comprehensive income. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method are recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is re-classified from equity to profit or loss as a reclassification adjustment. In case of equity instruments irrevocably designated at FVOCI, gains / losses including relating to foreign exchange, are recognised through other comprehensive income. Further, cumulative gains or losses previously recognised in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition.

c. **Fair value through profit or loss (FVTPL):** The financial assets are classified as FVTPL if these do not meet the criteria for classifying at amortised cost or FVOCI. Further, in certain cases to eliminate or significantly reduce a measurement or recognition inconsistency (accounting mismatch), the Group irrevocably designates certain financial instruments at FVTPL at initial recognition. In case of financial assets measured at FVTPL, changes in fair value are recognised in profit or loss.

Profit or loss on sale of investments is determined on the basis of first-in-first-out (FIFO) basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified

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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 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

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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 beUSnefit 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..

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

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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 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

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circumstances that create an economic incentive for the Group to exercise the option to extend or terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate of the Group, specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(xiii) Income tax

The income tax expense comprises current and deferred tax incurred by the Group. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity or OCI, in which case the tax effect is recognised in equity or OCI. Income tax payable on profits is based on the applicable tax laws in each tax jurisdiction and is recognised as an expense in the period in which profit arises. Current tax is the expected tax payable/receivable on the taxable income or loss for the period, using tax rates enacted for the reporting period and any adjustment to tax payable/receivable in respect of previous years. Current tax assets and liabilities are offset only if, the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts for tax purposes. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised, for all deductible temporary differences, to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized, such reductions are reversed when the probability of future taxable profits improves.

The tax effects of income tax losses, available for carry forward, are recognised as deferred tax asset, when it is probable that future taxable profits will be available against which these losses can be set-off.

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

(xiv) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with the banks and demand deposits with bank with an original maturity of three months or less, and accrued interest thereon.

(xv) 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.

(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.

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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, 2023	As at March 31, 2022
(a)	Cash on hand	-	-
(b)	Balances with banks (of the nature of cash and cash equivalents)		
	In current accounts with banks	2,406.4	7,623.5
	- In India with scheduled banks	-	-
	- Outside India		
(c)	Cheques, drafts on hand	-	-
(d)	Others (specify nature)		
	- Fixed Deposit with original maturity less than 3 months	-	112.3
	- Interest accrued on Fixed Deposits	-	0.1
	Total	**2,406.4**	**7,735.9**

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

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(a)	Earmarked balances with banks		
	- Unclaimed dividend	4.2	3.2
(b)	Fixed deposits with banks*	63,383.7	47,300.1
	- In India	-	-
	- Outside India	-	-
(c)	Interest receivable	2,113.4	1,126.9
	Total	**65,501.3**	**48,430.2**

** includes i) Fixed deposits under lien with stock exchanges amounted to ₹ 45,301.2 million (March 31, 2022 : ₹ 45,035.2 million); ii) collateral security towards bank guarantees issued amounted to ₹ 4.1 million (March 31, 2022 : ₹ 3.0 million); iii) collateral security against bank overdraft facility/Intraday Overdraft facility amounted to ₹ 14,700.5 million (March 31, 2022 : ₹ 1,590.5 million); iv) others ₹ 502.1 million (March 31, 2022 : ₹ 510.3 million).*

4 DERIVATIVE FINANCIAL INSTRUMENTS

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(i)	Equity linked derivatives	0.4	0.8
	Total	**0.4**	**0.8**
	Notional amounts	15,609.7	671.5
	Fair value - assets	-	0.8
	Fair value - liabilities	0.4	-

Note:

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

2) Refer note 42 for management of risks arising from derivatives.

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5 SECURITIES FOR TRADE

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(A)	**At Fair Value through profit or loss**		
	Securities for trade in India		
(i)	**Mutual funds:**		
-	ABSL Liquid Fund - Direct Growth	400.3	-
-	Invesco India Liquid Fund - Direct Growth	350.2	-
-	Kotak Liquid Plan - Direct Growth	350.2	-
-	Bandhan Liquid Fund - Direct Growth	300.2	-
-	HSBC Cash Fund Growth - Direct Plan	300.2	-
-	Fraklin India Liquid Fund - Direct Growth	290.1	-
-	Nippon India Mutual Fund - ETF Liquid BeES	0.1	0.0
-	DSP Mutual Fund - Liquid ETF	0.0	0.0
-	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 Payout Option	-	1.3
		1,991.3	**1,407.3**
(ii)	**Debt securities:**		
(a)	7.66% PFC Limited (15-04-2033)	750.1	-
-	7.64% PFC Limited (22-02-2033)	499.8	-
-	7.69% Rural Electrification Corporation Limited (15-03-2023)	250.4	-
-	7.59% SIDBI (10-02-2026)	249.8	-
-	7.97% HDFC Limited (17-02-2033)	108.1	-
-	8.00% MTNL (15-11-2032)	99.3	-
-	7.82% LIC Housing Finance Limited (18-11-2032)	50.5	-
-	7.85% LIC Housing Finance Limited (18-08-2032)	40.7	-
-	7.13% LIC Housing Finance Limited (28-11-2031)	37.9	-
-	8.15% HDFC Credila Financial Services Limited (07-07-2032)	10.1	-
-	8.00% Tata Capital Financial Services Limited (01-06-2032)	4.0	-
-	7.60% Tata Capital Financial Services Limited (17-09-2030)	3.9	-
-	8.00% HDFC Limited (27-07-2032)	3.0	-
-	7.32% India Grid Trust (27-06-2031)	2.9	-
-	7.90% LIC Housing Finance Limited (23-06-2027)	2.0	-
-	7.65% Hero FinCorp Limited (11-12-2030)	1.9	3.9
-	7.90% NHIT (25-10-2035)	1.5	-
-	9.05% HDFC Limited (16-10-2028)	1.0	-
-	7.65% Tata Cap Financial Services Limited (29-04-2032)	1.0	-
-	7.95% L&T Finance Limited (28-07-2025)	1.0	6.2
-	7.50% Tata Capital Housing Finance Limited (18-04-2031)	1.0	15.9
-	7.10% Tata Capital Financial Services Limited (29-09-2031)	0.9	-
-	7.35% Hero FinCorp Limited (07-05-2031)	0.9	52.2

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(₹ million)

		As at March 31, 2023	As at March 31, 2022
-	9.00% MNM Financial Services Limited (06 06 2026)	0.1	-
-	7.45% Mahindra & Mahindra Financial Services Limited (17-11-2031)	-	61.6
-	ICICI August 1998 Money Multiplier Bond	-	48.4
-	7.00% Power Finance Corporation Limited (22-01-2031)	-	48.0
-	9.25% Mahindra Rural Housing Finance Limited (13-10-2025)	-	42.7
-	8.50% Mahindra Rural Housing Finance Limited (15-06-2027)	-	37.8
-	6.75% Piramal Capital & Housing Finance Limited (26-09-2031)	-	31.0
-	7.66% L&T Finance Limited (09-09-2030)	-	13.0
-	7.10% Housing Development Finance Corporation Limited (12-11-2031)	-	8.0
-	7.90% Muthoot Finance Limited (30-05-2031)	-	5.1
-	9.05% Housing Development Finance Corporation Limited (16-10-2028)	-	4.5
-	8.10% L&T Finance Limited (28-06-2030)	-	4.2
-	9.25% Reliance Industries Limited (16-06-2024)	-	3.2
-	8.00% Muthoot Finance Limited (20-04-2031)	-	3.2
-	8.67% IDFC First Bank Limited (03-01-2025)	-	1.0
-	7.32% India Grid Trust (27-06-2031)	-	1.0
-	8.20% India Grid Trust (06-05-2031)	-	0.5
		2,121.8	**391.4**
(b)	Bonds:		
-	182 Days Treasury Bill (07-09-2023)	1,213.5	-
-	182 Days Treasury Bill (31-08-2023)	1,117.4	-
-	7.83% Kerala State Development Loan (2039)	497.0	-
-	182 Days Treasury Bill (22-09-2023)	484.0	-
-	7.85% West Bengal State Development Loan (2042)	453.4	-
-	7.78% Rajasthan State Development Loan (2033)	316.6	-
-	7.89% West Bengal State Development Loan (2040)	253.4	-
-	7.26% Government Securities (22-08-2032)	199.2	-
-	7.83% Rajasthan State Development Loan (2050)	131.2	-
-	7.74% State Bank of India (09-09-2099)	127.7	168.8
-	182 Days Treasury Bill (24-08-2023)	97.3	-
-	8.99% Bank of Baroda (18-12-2099)	64.9	-
-	8.70% Bank of Baroda (28-11-2099)	22.2	54.3
-	7.84% HDFC Bank Limited (08-09-2099)	19.7	-
-	7.70% LIC Housing Finance Limited (19-03-2031)	19.6	4.1
-	8.50% State Bank of India (22-11-2099)	11.0	24.6
-	7.95% Bank of Baroda (26-11-2099)	9.9	10.0
-	8.75% State Bank of India (30-08-2099)	6.1	6.3
-	8.85% HDB Financial Services Limited (07-06-2029)	2.1	2.2
-	8.25% Bank of Baroda (17-07-2099)	2.0	7.1

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(₹ million)

		As at March 31, 2023	As at March 31, 2022
-	9.56% State Bank of India (04-12-2099)	1.0	1.0
-	8.02% ICICI Home Finance Company Limited (10-06-2030)	0.5	2.0
-	Government Securities (19MAR2028C)	0.4	-
-	Government Securities (12SEP2027C)	0.1	-
-	7.55% State Bank of India (14-12-2099)	-	89.2
-	8.00% Bank of Baroda (31-01-2099)	-	29.9
-	8.50% Bank of Baroda (28-07-2099)	-	14.5
-	7.39% National Highways Authority of India (09-03-2031)	-	13.1
-	7.25% ICICI Home Finance Company Limited (12-08-2031)	-	2.0
-	8.67% NHPC Limited (02-11-2033)	-	1.4
-	7.50% ICICI Home Finance Company Limited (08-11-2030)	-	1.0
		5,050.2	**431.5**
(c)	Fixed Deposits:		
-	5.25% LIC Housing Finance FD (11-06-2022)	-	200.0
		-	**200.0**
(iii)	Equity instruments		
-	Yes Bank Limited	0.0	0.0
-	IDFC First Bank Limited	0.0	-
		0.0	**0.0**
	Total (A) Gross	**9,163.3**	**2,430.2**
	Less: Impairment Loss Allowance	-	-
	Total	**9,163.3**	**2,430.2**

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

6 RECEIVABLES

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(a)	Undisputed Trade Receivables considered good - Secured		
	- Less than 6 months	7,214.0	3,110.4
	- 6 months - 1year	-	-
	- 1-2 years	-	-
	- 2-3 years	-	-
	- More than 3 years	-	-
		7,214.0	**3,110.4**

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(b)	Undisputed Trade Receivables considered good - Unsecured		
	- Less than 6 months	520.4	737.9
	- 6 months - 1year	-	-
	- 1-2 years	-	-
	- 2-3 years	-	-
	- More than 3 years	-	-
		520.4	**737.9**
(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	38.8	35.5
	- 6 months - 1year	26.3	19.0
	- 1-2 years	30.2	26.6
	- 2-3 years	21.5	18.7
	- More than 3 years	15.9	20.2
		132.7	**120.0**
	Less: Impairment Loss Allowance	(132.7)	(120.0)
		-	**-**
(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, 2023 (contd.)

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(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	**7,734.4**	**3,848.3**

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, 2023	As at March 31, 2022
(A)	**At amortised cost**		
	Term Loans :		
(i)	Margin trade funding	58,175.6	54,700.6
(ii)	ESOP funding	6,055.6	13,878.3
(iii)	Repo lending	-	-
	Total (A) - Gross	**64,231.2**	**68,578.9**
	Less:Impairment loss allowance [refer note 44]	(32.4)	(12.2)
	Total (A) - Net	**64,198.8**	**68,566.7**
(I)	**Secured by:**		
(i)	Secured by tangible assets		
	- Collateral in the form of cash and securities in case of Margin trade funding	58,175.6	54,700.6
	- Shares under ESOP in case of ESOP funding	5,985.0	13,836.7
(ii)	Unsecured :		
	- in case of Margin trade funding	-	-
	- in case of ESOP funding	70.6	41.6
	Total (I) - Gross	**64,231.2**	**68,578.9**
	Less: Impairment loss allowance	(32.4)	(12.2)
	Total (I) - Net	**64,198.8**	**68,566.7**

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(II)	**Loans in India**		
(i)	Margin trade funding	58,175.6	54,700.6
(ii)	ESOP funding	6,055.6	13,878.3
	Total (II) - Gross	**64,231.2**	**68,578.9**
	Less:Impairment loss allowance	(32.4)	(12.2)
	Total (II) - Net	**64,198.8**	**68,566.7**
(B)	**At fair value through other comprehensive income**	-	-
(C)	**At fair value through profit or loss**	-	-
(D)	**At fair value designated at fair value through profit or loss**	-	-
	Total (A) + (B) + (C) + (D)	**64,198.8**	**68,566.7**

Note:

1) *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:*

   (i) *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*

   (ii) *provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.*

2) *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.*

3) *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:*

   (a) *repayable on demand; or*

   (b) *without specifying any terms or period of repayment*

4) *The Company provides ESOP Finance loans to its customers secured by the shares issued under ESOP plan. These loans have a tenure of 12 months from the date of disbursement further extendable for a period upto 12 months as agreed between both the parties and provided the interest dues have been fully serviced by the customer. During the year ended March 31, 2023, the Company has renewed ESOP finance loans to the tune of ₹ 5,730.0 million in the ordinary course of business.*

8 INVESTMENTS

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(A)	**At fair value through profit or loss**		
(i)	**Investments in India**		
	Equity instruments		
-	Receivable Exchange of India Limited	56.3	17.6
-	BSE Limited	14.7	32.3
-	Asknbid Innovation Factory India Private Limited	4.4	55.6
-	Universal Trustees Private Limited	1.7	1.6
		77.1	**107.1**
	Less:Impairment loss allowance	-	-
	Total	**77.1**	**107.1**
(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)	**77.1**	**107.1**

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, 2023 (contd.)

9 OTHER FINANCIAL ASSETS

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(i)	**Security deposits :**		
	Unsecured, considered good		
	(a) Security deposit for leased premises and assets	151.4	143.0
	(b) Security deposit with stock exchanges	35.0	34.4
	(c) Other Security deposits	3.1	1.9
	(d) Margin deposits with stock exchange	225.7	224.8
	(e) Security deposit with related parties		
	- ICICI Venture Funds Management Company Limited	33.5	21.7
	- ICICI Lombard General Insurance Company Limited	0.5	0.1
		449.2	**425.9**
(ii)	**Others :**		
	(a) Accrued income from services	617.2	622.0
	(b) Accrued interest	32.0	28.8
	(c) Others	98.2	59.0
		747.4	**709.8**
	Total (i) + (ii)	**1,196.6**	**1,135.7**

10 CURRENT TAX ASSETS (NET)

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(i)	Advance payment of income tax (net)		
	[net of provision for tax of ₹ 29,141.4 million (March 31, 2022: ₹ 25,358.9 million)]	1,365.0	1,247.1
	Total	**1,365.0**	**1,247.1**

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	Total (B)	TOTAL (A+B)
Gross Carrying amount (At Cost)									
Balance at April 1, 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**
Additions	743.1	21.7	30.9	49.2	36.2	881.1	210.4	210.4	1,091.5
Disposal / Adjustment	57.0	3.1	6.1	27.0	16.0	109.2	-	-	109.2
Acquisition through business combination	-	-	-	-	-	-	-	-	-
Change due to Revaluation	-	-	-	-	-	-	-	-	-
Balance at March 31, 2023	**1,264.8**	**41.9**	**83.6**	**76.9**	**172.0**	**1,639.2**	**778.4**	**778.4**	**2,417.6**
Accumulated depreciation/ amortisation									
Balance at April 1, 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**
Depreciation for the year	190.5	11.9	19.5	18.1	25.3	265.3	149.4	149.4	414.7
Disposal / Adjustment	56.1	2.9	6.0	23.4	15.9	104.3	-	-	104.3
Acquisition through business combination	-	-	-	-	-	-	-	-	-
Change due to Revaluation	-	-	-	-	-	-	-	-	-
Balance at March 31, 2023	**296.0**	**26.3**	**47.4**	**11.8**	**19.5**	**401.0**	**407.9**	**407.9**	**808.9**
Carrying amounts (net)									
Balance at March 31, 2022	417.0	6.0	24.9	37.6	141.7	627.2	309.5	309.5	936.7
Balance at March 31, 2023	**968.8**	**15.6**	**36.2**	**65.1**	**152.5**	**1,238.2**	**370.5**	**370.5**	**1,608.7**

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

to consolidated financial statements for the year ended March 31, 2023 (contd.)

11 (b) CAPITAL WORK-IN-PROGRESS

(₹ million)

	As at March 31, 2023	As at March 31, 2022
(A) Projects in Progress		
- Less than 1 year	184.4	101.8
- 1-2 years	8.5	-
- 2-3 years	-	3.9
- More than 3 years	-	3.9
	192.9	**109.6**
(B) Projects temporarily suspended	-	-
Total	**192.9**	**109.6**

11 (c) INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ million)

	As at March 31, 2023	As at March 31, 2022
(A) Projects in Progress		
- Less than 1 year	111.3	30.5
- 1-2 years	4.5	2.1
- 2-3 years	-	-
- More than 3 years	-	-
	115.8	**32.6**
(B) Projects temporarily suspended	-	-
Total	**115.8**	**32.6**

12 OTHER NON-FINANCIAL ASSETS

(₹ million)

	As at March 31, 2023	As at March 31, 2022
(i) Capital advances	-	-
(i) Advances other than capital advances:		
- Prepaid expenses	219.5	126.8
- Advance to suppliers	88.8	31.1
- Others	477.3	400.3
Total	**785.6**	**558.2**

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.

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

13 PAYABLES

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(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	-	-
		-	**-**
	(b) total outstanding undisputed dues of creditors other than micro enterprises and small enterprises *		
	- Less than 1 year	9,010.4	10,654.4
	- 1-2 years	96.0	61.8
	- 2-3 years	24.0	31.9
	- More than 3 years	18.0	28.0
		9,148.4	**10,776.1**
	(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	**9,148.4**	**10,776.1**

** Includes unbilled dues amounting to ₹ 1614.3 million (March 31, 2022 : ₹ 1,715.8 million)*

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

14 DEBT SECURITIES

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(A)	**At amortised cost**		
	Debt securities in India		
(i)	Commercial paper	87,886.9	77,392.3
	(repayable within one year)		
(B)	**At fair value through profit or loss**	-	-
(C)	**Designated at fair value through profit or loss**	-	-
	Total	**87,886.9**	**77,392.3**
	Note:		
	Commercial paper (unsecured)		
	Amount oustanding	87,886.9	77,392.3
	Tenure	83 days to 365 days	84 days to 364 days
	Rate of interest	7.06% to 8.30%	4.02% to 5.35%
	Repayment schedule	At maturity	At maturity

15 BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(A)	**At amortised cost**		
(i)	Secured loans		
	Bank overdraft	1,204.8	-
	(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)		
(ii)	Repo borrowings	3,834.1	
(iii)	Interest accrued but not due	-	-
	Total	**5,038.9**	**-**

Note:

1) *The Group 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.*

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

16 DEPOSITS

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(A)	**At amortised cost**		
(i)	From Others - Security Deposits	74.2	43.6
	Total	**74.2**	**43.6**

17 OTHER FINANCIAL LIABILITIES

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(i)	Margin money	9,289.8	8,069.2
(ii)	Client money	8,944.5	8,441.3
(iii)	Unclaimed dividend	4.2	3.2
(iv)	Others	1.1	7.9
	Total	**18,239.6**	**16,521.6**

18 PROVISIONS

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(i)	**Provision for employee benefits**		
	(a) Provision for gratuity [refer note 40]	72.9	55.7
	(b) Provision for compensated absence [refer note 40]	104.5	95.3
	Total	**177.4**	**151.0**

19 OTHER NON-FINANCIAL LIABILITIES

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(a)	Revenue received in advance		
	- Income received in advance	243.9	418.3
(b)	Other advances		
	- Prepaid Brokerage	1,926.2	2,257.5
(c)	Others		
	(i) Statutory liabilities	1,104.9	1,159.4
	(ii) Employee related liabilities	2,235.9	2,389.4
	(iii) Other liabilities	3.6	28.3
		3,344.4	**3,577.1**
	Total	**5,514.5**	**6,252.9**

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

20 SHARE CAPITAL

(₹ million)

		As at March 31, 2023	As at March 31, 2022
(a)	**Authorised:**		
	40,00,00,000 equity shares of ₹ 5/- each (March 31, 2022 : 40,00,00,000 equity shares of ₹ 5/- each)	2,000.0	2,000.0
	50,00,000 preference shares of ₹ 100/- each (March 31, 2022 : 50,00,000 of preference shares of ₹ 100/- each)	500.0	500.0
		2,500.0	**2,500.0**
(b)	**Issued, subscribed and fully paid-up shares:**		
	32,28,67,726 equity shares of ₹ 5/- each, fully paid (March 31, 2022 : 32,26,78,721 equity shares of ₹ 5/- each, fully paid)	1,614.3	1,613.4
	Total issued, subscribed and fully paid-up share capital	**1,614.3**	**1,613.4**

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

Equity shares

	As at March 31, 2023		As at March 31, 2022	
	Nos	(₹ million)	Nos	(₹ million)
At the beginning of the year	32,26,78,721	1,613.4	32,22,22,370	1,611.1
Shares issues during the year:				
- Under Employee Stock Options Plans	1,89,005	0.9	4,56,351	2.3
Outstanding at the end of the year	**32,28,67,726**	**1,614.3**	**32,26,78,721**	**1,613.4**

(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, 2023, the Company has paid a final dividend for the year ended March 31, 2022 of ₹ 12.75 per equity share as approved by its members at the Annual General Meeting held on August 26, 2022. The Board of Directors at its meeting held on October 20, 2022 had approved and paid an interim dividend of ₹ 9.75 per equity share. The Board has recommended a final dividend of ₹ 9.25 share for FY2023.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, Ster 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, 2023		As at March 31, 2022	
	No of Shares	% of Holding	No of Shares	% of Holding
Shares held by Holding Company				
ICICI Bank Limited	24,16,52,692	74.85%	24,16,52,692	74.89%
Total	**24,16,52,692**	**74.85%**	**24,16,52,692**	**74.89%**

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

(f) Shareholding of Promoter:

Details of shares held by promoters in the Company :

Promoter Name	As at March 31, 2023			As at March 31, 2022		
	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	24,16,52,692	74.85%	(0.05%)	24,16,52,692	74.89%	0.14%
Total	**24,16,52,692**	**74.85%**	**(0.05%)**	**24,16,52,692**	**74.89%**	**0.14%**

(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, 2023	As at March 31, 2022
(i) Reserves and surplus		
(a) Securities premium		
Opening balance	418.5	268.2
Add : Additions during the year (net)	77.0	150.3
Closing balance	**495.5**	**418.5**
(b) General reserve		
Opening balance	666.8	666.8
Add : Additions during the year (net)	-	-
Closing balance	**666.8**	**666.8**
(c) Equity-settled share-based payment reserve		
[Refer note 37 for details on share based payment]		
Opening balance	270.6	170.1
Add : Additions during the year (net)	215.5	100.5
Closing balance	**486.1**	**270.6**
(d) Retained earnings		
Opening balance	20,899.1	15,059.7
Add/(Less): Other comprehensive income for the year	(0.8)	(2.6)
Add: Profit after tax for the year	11,176.3	13,826.0
	32,074.6	**28,883.1**

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

	As at March 31, 2023	As at March 31, 2022
Less: Appropriations		
- Dividend on equity shares	7,263.0	7,984.0
- Dividend distribution tax on equity dividend	-	-
Closing balance	**24,811.6**	**20,899.1**
(ii) Exchange difference on translating the financial statements of a foreign operation		
Opening balance	49.3	67.8
Add/(Less) : Additions during the year (net)	-	(18.5)
Closing balance	**49.3**	**49.3**
(iii) Deemed equity contribution from the parent		
[Refer note 37 for details on share based payment]		
Opening balance	387.0	375.2
Add : Additions during the year (net)	14.4	11.8
Closing balance	**401.4**	**387.0**
(iv) Share application money pending allotment		
Opening balance	0.6	2.2
Add/(Less) : Additions during the year (net)	(0.6)	(1.6)
Closing balance	**-**	**0.6**
Total	**26,910.7**	**22,691.9**

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.

(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).

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

(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, 2023	For the year ended March 31, 2022
(A) Interest income on financial assets measured at amortised cost:		
(i) Fixed deposits with Banks	3,234.2	1,978.9
(ii) Funding and late payments	6,597.7	5,016.7
(iii) Other deposits	0.1	0.1
(B) Interest income on financial assets measured at fair value through profit or loss:		
(i) Securities held for trade	182.9	189.4
(C) Interest income on financial assets measured at fair value through OCI:	-	-
Total	**10,014.9**	**7,185.1**

23 NET GAIN / (LOSS) ON FAIR VALUE CHANGES

(₹ million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
(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)	655.1	284.7
(ii) Profit/(loss) on other securities held for trade	263.8	281.2
(B) Others		
- Profit/(loss) on investments (net) at fair value through profit or loss	(29.9)	22.8
(C) Total net gain/(loss) on fair value changes	**889.0**	**588.7**
(D) Fair value changes:		
- Realised	930.6	387.0
- Unrealised	(41.6)	201.7
Total	**889.0**	**588.7**

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

24 OTHER INCOME

(₹ million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
(i)	Net gain on foreign currency transaction and translation	27.6	26.9
(ii)	Interest on income tax refund	57.7	-
(iii)	Net gain on derecognition of property, plant and equipment	12.0	8.1
	Total	**97.3**	**35.0**

25 FINANCE COSTS

(₹ million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
(A)	**On financial liabilities measured at fair value through profit or loss**	-	-
(B)	**On financial liabilities measured at amortised cost :**		
(a)	Interest on borrowings	29.9	29.0
(b)	Interest on lease liabilities	74.9	88.1
(c)	Interest on debt securities	5,225.1	2,573.5
(d)	Other borrowing cost	33.0	46.2
	Total	**5,362.9**	**2,736.8**

26 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
(A)	**On financial instruments measured at fair value through OCI:**	-	-
(B)	**On financial instruments measured at amortised cost:**		
(a)	Loans	20.2	(76.5)
(b)	Others		
	- On trade receivables	12.7	7.1
	- On accrued interest	-	-
	Total	**32.9**	**(69.4)**

27 OPERATING EXPENSES

(₹ million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Bad and doubtful debts	26.9	17.1
(b)	Transaction charges	142.9	141.3
(c)	Turnover fees and stamp duty	62.4	56.0
(d)	Custodial and depository charges	299.0	343.5
(e)	Call centre charges	458.1	409.4

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
(f)	Franking charges	12.2	17.7
(g)	Scanning expenses	43.2	78.9
(h)	Customer loss compensation	37.8	14.3
(i)	Other operating expenses	224.9	61.4
	Total	**1,307.4**	**1,139.6**

28 EMPLOYEE BENEFITS EXPENSES

(₹ million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Salaries and wages	6,246.9	6,012.0
(b)	Contribution to gratuity / provident and other funds [refer note 40]	272.5	326.5
(c)	Share based payments to employees [refer note 37]	249.9	150.9
(d)	Staff welfare expenses	208.9	154.7
	Total	**6,978.2**	**6,644.1**

29 OTHER EXPENSES

(₹ million)

		For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Rent and amenities	282.9	165.6
(b)	Insurance	16.4	12.5
(c)	Travelling and conveyance expenses	170.4	106.2
(d)	Business promotion expenses	330.5	589.1
(e)	Repairs, maintenance, upkeep and others	906.5	594.9
(f)	Rates and taxes	20.3	11.2
(g)	Electricity expenses	76.2	61.7
(h)	Communication expenses	236.7	195.8
(i)	Advertisement and publicity	411.3	589.5
(j)	Printing and stationery	25.5	16.5
(k)	Subscription and periodicals	116.6	110.9
(l)	Legal and professional charges	166.4	256.2
(m)	Director's fees, allowances and expenses	11.6	9.8
(n)	Auditor's fees and expenses	13.8	16.8
(o)	Corporate Social Responsibility (CSR) expenses	271.9	201.1
(p)	Recruitment expenses	48.3	64.9
(q)	Net loss on foreign currency transaction and translation	-	-
(r)	Royalty expenses	138.3	106.8
(s)	Miscellaneous Expenses	4.7	5.7
	Total	**3,248.3**	**3,115.2**

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

30 EARNINGS PER SHARE

(₹ million)

	Year ended March 31, 2023	Year ended March 31, 2023
Net profit after tax (₹ million) (A)	11,176.3	13,826.0
Weighted average number of equity shares outstanding for basic EPS (in million) (B)	322.8	322.6
Basic earnings per share for continuing operations (₹) (A) / (B)	34.62	42.86
Add: Weighted average number of potential equity shares on account of employee stock options (in millions) (C)	0.8	1.3
Weighted average number of equity shares outstanding for diluted EPS (in million) (D) = (B)+(C)	323.6	323.9
Diluted earnings per share for continuing operations (₹) (A) / (D)	34.54	42.69
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. Post-employment benefit plan of fellow subsidiary:

ICICI Home Finance Company Limited Employee's Provident Fund

e. 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) Gopichand Katragadda – Independent Director (w.e.f August 26, 2022)
vi) Prasanna Balachander – Non Executive Director (w.e.f July 21, 2022)
vii) Rakesh Jha – Non Executive Director (w.e.f September 26, 2022)
viii) Anup Bagchi – Non Executive Director (till September 17, 2022)
ix) Pramod Rao – Non Executive Director (till June 30, 2022)
x) Pankaj Gadgil – Non Executive Director (w.e.f June 30, 2022 till July 19, 2022)
xi) Vijay Chandok – Managing Director and CEO
xii) Ajay Saraf – Executive Director

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

f. Key Management Personnel of Holding Company

i)	Sandeep Bakhshi	–	Managing Director and CEO of ICICI Bank Limited
ii)	Anup Bagchi	–	Executive Director of ICICI Bank Limited
iii)	Subramanian Madhavan	–	Independent Director of ICICI Bank Limited
iv)	Uday Chitale	–	Independent Director of ICICI Bank Limited
v)	Girish Chandra Chaturvedi	–	Non-Executive (part-time) Chairman of ICICI Bank Limited
vi)	Vishakha Mulye	–	Executive Director of ICICI Bank Limited (upto May 31, 2022)
vii)	Sandeep Batra	–	Executive Director of ICICI Bank Limited
viii)	Hari L Mundra	–	Independent Director of ICICI Bank Limited
ix)	Radhakrishanan Nair	–	Independent Director of ICICI Bank Limited

g. Relatives of Key Management Personnel

i)	Shivam Bakhshi	–	Son of Mr. Sandeep Bakhshi
ii)	Ashwin Pradhan	–	Son-in-law of Mr. Sandeep Bakhshi
iii)	Ritwik Thakurta	–	Son-in-law of Mr. Sandeep Bakhshi
iv)	Mona Bakhshi	–	Spouse of Mr. Sandeep Bakhshi
v)	Esha Bakhshi	–	Daughter of Mr. Sandeep Bakhshi
vi)	Minal Bakhshi	–	Daughter of Mr. Sandeep Bakhshi
vii)	Shishir Bagchi	–	Brother of Mr. Anup Bagchi
viii)	Mitul Bagchi	–	Spouse of Mr. Anup Bagchi
ix)	Aditya Bagchi	–	Son of Mr. Anup Bagchi
x)	Rajni Chaturvedi	–	Spouse of Mr. Girish Chandra Chaturvedi
xi)	Vivek Mulye	–	Spouse of Ms. Vishakha Mulye
xii)	Pranav Batra	–	Son of Mr. Sandeep Batra
xiii)	Poonam Chandok	–	Spouse of Mr. Vijay Chandok
xiv)	Simran Chandok	–	Daughter of Mr. Vijay Chandok
xv)	Saluni Chandok	–	Daughter of Mr. Vijay Chandok
xvi)	Shad Kumar	–	Mother of Mr. Vijay Chandok
xvii)	Sarika Saraf	–	Spouse of Mr. Ajay Saraf
xviii)	Avanitca Saraf	–	Daughter of Mr. Ajay Saraf
xix)	Ayuj Saraf	–	Son of Mr. Ajay Saraf
xx)	Ajay Saraf – HUF	–	HUF of Mr. Ajay Saraf
xxi)	Anil Saraf	–	Brother of Mr. Ajay Saraf
xxii)	Bhuwan Kumar Chaturvedi	–	Brother of Mr. Girish Chandra Chaturvedi
xxiii)	Krishnakumar Subramanian	–	Brother of Ms. Vijayalakshmi Iyer
xxiv)	Purvi Parekh	–	Daughter-in-law of Mr. Ashvin Parekh
xxv)	Deepa Nair	–	Daugher of Mr. Radhakrishnan Nair
xxvi)	Munendra Singh	–	Son-in-law of Mr. Radhakrishnan Nair
xxvii)	Padmja Nair	–	Spouse of Mr. Radhakrishnan Nair
xxviii)	Parnika Chaturvedi	–	Daughter of Mr. Girish Chandra Chaturvedi
xxix)	Kunal Mundra	–	Son of Mr. Hari L. Mundra
xxx)	Sudipta Suri	–	Daughter-in-law of Mr. Hari L. Mundra
xxxi)	Mamta Mehta	–	Sister of Mr. Hari L. Mundra
xxxii)	Kausalya Madhavan	–	Spouse of Mr. Subramanian Madhavan
xxxiii)	Swati Jha	–	Spouse of Mr. Rakesh Jha
xxxiv)	Narendra Kumar Jha	–	Father of Mr. Rakesh Jha
xxxv)	Aparna Ahuja	–	Sister of Mr. Rakesh Jha

Notes
to consolidated financial statements for the year ended March 31, 2023 (contd.)

h. 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 of Holding Company	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Income from services and brokerage (commission and fees)	241.6	246.7	-	-	-	-
ICICI Home Finance Company Limited	-	-	8.4	7.5	-	-
ICICI Prudential Life Insurance Company Limited	-	-	881.0	637.5	-	-
ICICI Securities Primary Dealership Limited	-	-	7.9	4.6	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	8.0	32.0	12.5
ICICI Prudential Asset Management Company Limited	-	-	160.8	117.3	-	-
ICICI Venture Funds Management Company Limited	-	-	9.0	-	-	-
ICICI Bank UK PLC	-	-	0.2	0.2	-	-
Interest income	289.0	66.6	-	-	-	-
ICICI Home Finance Company Limited	-	-	0.3	1.8	-	-
Other revenue from operations	-	-	-	-	-	-
ICICI Venture Funds Management Company Limited	-	-	3.1	-	-	-
Staff expenses	19.9	8.6	-	-	-	-
ICICI Securities Primary Dealership Limited	-	-	-	(0.0)	-	-
ICICI Prudential Life Insurance Company Limited [1]	-	-	7.5	9.5	-	-
ICICI Lombard General Insurance Company Limited [2]	-	-	-	32.4	120.6	44.2
ICICI Prudential Asset Manage-ment Company Limited	-	-	-	1.2	-	-
Operating expenses	831.2	1,135.3	-	-	-	-
ICICI Securities Primary Dealership Limited	-	-	3.6	-	-	-
Other expenses [3]	524.9	353.2	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	4.1	11.5	5.7
ICICI Securities Primary Dealer-ship Limited	-	-	(0.7)	(2.4)	-	-
ICICI Prudential Life Insurance Company Lim-ited	-	-	1.9	2.2	-	-
ICICI Venture Funds Management Company Limited	-	-	105.7	58.3	-	-
Finance cost [4]	28.4	44.2	-	-	-	-
Dividend paid	5,437.2	5,980.9	-	-	-	-
Purchase of bond	299.9	103.8	-	-	-	-
ICICI Securities Primary Dealership Limited	-	-	350.0	605.5	-	-

Notes
to consolidated financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

Nature of Transaction	Holding Company		Fellow Subsidiary Companies		Associate of Holding Company	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Sale of bond	-	250.6	-	-	-	-
ICICI Prudential Life Insurance Company Limited	-	-	-	-	-	-
Redemption value of bond	50.0	-	-	-	-	-
ICICI Home Finance Company Limited	-	-	-	229.3	-	-

1 *Excludes an amount of ₹ 1.2 million (March 31, 2022: ₹ 4.1 million) as claims paid directly by ICICI Prudential Life Insurance Company Limited pertaining to the employees of the Group.*

2 *Excludes an amount of ₹ 15.6 million (March 31, 2022: ₹ 46.9 million) received towards reimbursement of claims submitted by the employees under Company health insurance policy. The Group has also received an amount of ₹ 1.7 million (March 31, 2022: ₹ 0.2 million) towards asset insurance claims.*

3 *Includes amount paid of ₹ 138.3 million (March 31, 2022: ₹ 106.8 million) towards royalty / license fees to the bank for use of "ICICI" trademarks.*

4 *The Group has a credit facility of ₹ 10,000 million (March 31, 2022: ₹ 6,500.0 million) from ICICI Bank Limited. The balance outstanding as on March 31, 2023 is ₹ 1,204.8 (March 31, 2022: Nil).*

The Group has contributed Nil (March 31, 2022: ₹ 500.0 million) to ICICI Securities Employees Group Gratuity Fund during the year.

The Company has contributed ₹ 159.0 million (March 31, 2022: ₹ 117.5 million) to ICICI Foundation for Inclusive Growth for contribution towards CSR.

The Company has earned income from services and brokerage (commission and fees) ₹ 0.1 million (March 31,2022: Nil) from ICICI Home Finance Company Limited Employee's Provident Fund.

During the year ended March 31, 2023 the Company has purchased securities amounting to ₹ 22.6 million (Previous year Nil) from the key management personnel and their relatives

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

Balance Sheet Items:
(Outstanding as on)

(₹ million)

Nature of Transaction	Holding Company		Fellow Subsidiary Companies		Associate of Holding Company	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Share capital	1,208.3	1,208.3	-	-	-	-
Payables	431.6	537.8	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	0.1	0.0
ICICI Prudential Life Insurance Company Limited	-	-	0.1	1.2	-	-
ICICI Securities Primary Dealership Limited	-	-	0.1	0.4	-	-
ICICI Venture Funds Management Company Limited	-	-	1.7	1.9	-	-
Security deposit	-	0.7	-	-	-	-
Other liabilities	9.1	21.0	-	-	-	-
ICICI Venture Funds Management Company Limited	-	-	269.2	-	-	-

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

Nature of Transaction	Holding Company		Fellow Subsidiary Companies		Associate of Holding Company	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Fixed assets sold	-	-	-	-	-	-
ICICI Securities Primary Dealership Limited	-	-	-	1.3	-	-
Securities for trade	-	48.4	-	-	-	-
ICICI Home Finance Company Limited	-	-	0.5	5.0	-	-
Bank overdraft	1,204.8	-	-	-	-	-
Fixed deposits (₹ 4.1 kept as Collateral security towards bank guarantees) (Previous year ₹ 3.0)	6,836.4	1,697.5	-	-	-	-
Accrued interest income	261.2	39.6	-	-	-	-
ICICI Home Finance Company Limited	-	-	0.0	0.3	-	-
Bank balance						
(Net of current liabilities of Nil) (Previous year ₹ 0.7 million)	2,103.6	7,395.3	-	-	-	-
Deposit	-	-	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	0.5	0.1
ICICI Venture Funds Management Company Limited	-	-	33.5	21.7	-	-
Loans & advances (including prepaid expenses)	-	6.6	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	10.8	12.3
ICICI Prudential Life Insurance Company Limited	-	-	-	7.5	-	-
ICICI Securities Primary Dealership Limited	-	-	0.0	0.0	-	-
Other assets	1.0	12.3	-	-	-	-
ICICI Venture Funds Management Company Limited	-	-	239.2	-	-	-
Receivables	-	-	-	-	-	-
ICICI Prudential Life Insurance Company Limited	-	-	166.3	62.3	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	0.1	2.0
ICICI Prudential Asset Management Company Limited	-	-	5.0	1.4	-	-
ICICI Home Finance Company Limited	-	-	1.8	3.5	-	-
ICICI Securities Primary Dealership Limited	-	-	2.1	1.8	-	-
Accrued income	26.3	13.2	-	-	-	-
ICICI Lombard General Insurance Company Limited	-	-	-	-	3.0	1.6
ICICI Prudential Asset Management Company Limited	-	-	39.6	32.8	-	-
ICICI Home Finance Company Limited	-	-	0.5	0.6	-	-
ICICI Venture Funds Manage-ment Company Limited	-	-	3.5	-	-	-

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

Key Management Personnel

The details of compensation paid for the year ended March 31, 2023 are as below:

(₹ million)

Particulars	Vijay Chandok		Ajay Saraf	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Short-term employee benefits	62.9	52.2	38.4	36.5
Post-employment benefits*	5.7	5.4	1.4	1.3
Total	**68.6**	**57.6**	**39.8**	**37.8**

**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, 2023 is ₹ 70.1 million (March 31, 2022: ₹ 44.9 million)

During the year ended March 31, 2023, Nil employee stock options (March 31, 2022 Nil employee stock options) were exercised by the key management personnel of the Company.

The Group has paid ₹ 0.5 million (March 31, 2022: ₹ 0.5 million) to the relative of director towards scholarship under employee benefit policy. The Group has received brokerage amounting to ₹ 1.4 million (March 31, 2022: ₹ 2.2 million) from the key management personnel and ₹ 2.3 million (March 31, 2022: ₹ 0.7 million) from relatives of the key management personnel. The amount receivable from key management personnel and their relatives as on March 31, 2023 is ₹ 0.1 million (March 31, 2022: Nil).

During the year ended March 31, 2023, the Company paid dividend amounting to ₹ 0.7 million (March 31, 2022: ₹ 0.8 million) to its KMPs and their relatives who are shareholders.

During the year ended March 31, 2023, the Company has paid ₹ 7.0 million (March 31, 2022: ₹ 5.8 million) sitting fees to the Directors of the Company. The Company also provided for commission for Financial Year 2023 amounting to ₹ 4.0 million (March 31, 2022: ₹ 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, 2023	As at March 31, 2022
Claims against the Group not acknowledged as debt	1,509.3	1,497.2

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.

Notes
to consolidated financial statements for the year ended March 31, 2023 (contd.)

Note:

i. It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.

ii. The Group's pending litigations comprise of claims against the Group pertaining to proceedings pending with Income Tax, Sales tax/VAT, Service Tax, Goods and 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 ₹ 744.0 million (March 31, 2022: ₹ 173.7 million).

34 MICRO, SMALL AND MEDIUM ENTERPRISES

There are no micro, small and medium enterprises, to which Group owes dues, as at March 31, 2023. 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, 2023	As at March 31, 2022
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 mi-cro and small suppliers beyond the ap-pointed 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 re-maining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

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to consolidated financial statements for the year ended March 31, 2023 (contd.)

35 LEASE

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

Group as a lessee

The Group's lease asset classes primarily consist of leases for premises and leasehold improvements. The Group assesses whether a contract contains a lease, at inception of a contract. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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, 2022: Nil) and ₹ 2.2 million towards low value assets (March 31, 2022: ₹ 2.1 million) during the year ended March 31, 2023.

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 ₹ 412.7 million (March 31, 2022: ₹ 403.8 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 Nil million (March 31, 2022: ₹ 4.4 million) towards income from sub-lease.

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

(₹ million)

March 31, 2023	**Carrying values**		
Asset Class	**Leasehold property**	**Leasehold improvements**	**Total**
Balance as of April 1, 2022	895.5	3.5	899.0
Additions during the period	471.4	-	471.4
Deductions during the period	65.7	-	65.7
Less: Depreciation	332.6	3.5	336.1
Total	**968.6**	**-**	**968.6**

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to consolidated financial statements for the year ended March 31, 2023 (contd.)

(₹ 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
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**

Following is the movement in lease liabilities for the year:

(₹ million)

	For the year ended March 31, 2023		
Asset Class	**Leasehold property**	**Leasehold improvements**	**Total**
Balance as of April 1, 2022	1,015.2	4.2	1,019.4
Additions during the period	471.4	-	471.4
Deductions during the period	70.3	-	70.3
Interest Expense	74.7	0.2	74.9
Less: Lease Payments	408.7	4.0	412.7
Total	**1,082.3**	**0.4**	**1,082.7**

(₹ million)

	For the year ended March 31, 2022		
Asset Class	**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**

36 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(₹ million)

Particulars	April 1, 2022	Cash flows (net)	Changes in fair values	Others*	March 31, 2023
Debt securities	77,392.3	10,532.9	-	(38.3)	87,886.9

(₹ million)

Particulars	April 1, 2021	Cash flows (net)	Changes in fair values	Others*	March 31, 2022
Debt securities	35,209.6	41,616.9	-	565.8	77,392.3

**Includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.*

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

37 SHARE BASED PAYMENTS

A Employees Stock Option Scheme, 2017 (ESOS- 2017)

The Group has formulated the ICICI Securities Limited - Employees Stock Option Scheme, 2017 (ESOS- 2017). This scheme envisaged grant of share options to eligible employees to enhance employee motivation, to enable employees to participate in the long term growth and financial success of the Group and to act as a retention mechanism, by enabling employee participation in the business as an active stakeholder to usher in an 'owner-manager' culture.

The Members of the Group had, at the Extra-Ordinary General Meeting held on December 8, 2017, approved the ICICI Securities Limited - Employees Stock Option Scheme, 2017 (ESOS- 2017) Scheme. Pursuant to Regulation 12 of the SEBI Regulations, the Group could not make any fresh grant which involved allotment or transfer of shares to its employees under any scheme formulated prior to its initial public offer and listing of its equity shares, unless such scheme is ratified by the shareholders of the Group. The equity shares of the Group were listed on National Stock Exchange of India Limited and BSE Limited with effect from April 4, 2018 and accordingly, the Scheme along with some amendments, was ratified by the shareholders of the Group at the Annual General Meeting held on August 30, 2018. The amendments were done to align the Scheme to ICICI Group norms and market practice. No grants had been made under the Scheme before its ratification.

The scheme is compliant with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014, options are granted by the Board Governance, Remuneration & Nomination Committee (BGRNC) and approved by the Board.

Eligibility as defined in the scheme "ESOS – 2017" means (i) permanent employee of the Group who has been working in India or outside India, or (ii) a director of the Group whether a whole time director or not but excluding an independent director, or (iii) employees of the Subsidiaries of the Group (the 'Subsidiaries'), or (iv) employees of the Holding Group of the Group (the 'Holding Group'). Under this scheme, the maximum number of options granted to any eligible employee/director in a financial year shall not, except with the approval of the Board of Directors of ICICI Securities Limited, exceed 0.10% of the issued shares of the Group at the time of grant of options and the aggregate of all such options granted to the eligible employees shall not exceed 5% of the aggregate of the number of issued shares of the Group, from time to time, on the date(s) of grant of option(s). The options granted but not vested and the options vested but not exercised in accordance with this Scheme or the Award Confirmation or the Vesting Confirmation shall terminate and the shares covered by such terminated options shall become available for future grant under this Scheme. The options granted represents a European call option that provides a right but not an obligation to the employees of the group to exercise the option by paying the strike price at any time on completion of the vesting period, subject to an outer boundary on the exercise period.

Details in respect of options granted to its eligible employees is as follows:

Scheme	Year	Date of Grant	Number of options granted	Vesting Conditions	Exercise Period	Exercise Price (₹) per share
ESOS -2017	2019	October 19, 2018	1,76,700	30% of the options vested on October 19, 2019, 30% of the options vested on October 19, 2020 and the balance 40% of the options vested 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 vested on April 23, 2020, 30% of the options vested on April 23, 2021 and the balance 40% of the options vested on April 23, 2022.	5 years from date of vesting.	221.45

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to consolidated financial statements for the year ended March 31, 2023 (contd.)

Scheme	Year	Date of Grant	Number of options granted	Vesting Conditions	Exercise Period	Exercise Price (₹) per share
ESOS -2017	2021	May 7, 2020	13,33,000	30% of the options would vested on May 7, 2021, 30% of the options vested 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 vested on October 28, 2021, 30% of the options vested 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 vested 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 vested 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
ESOS -2017	2023	April 20, 2022	16,53,000	30% of the options would vest on April 20, 2023, 30% of the options would vest on April 20, 2024 and the balance 40% of the options would vest on April 20, 2025.	5 years from date of vesting.	625.00
ESOS -2017	2023	January 19, 2023	4,700	30% of the options would vest on January 19, 2024, 30% of the options would vest on January 19, 2025 and the balance 40% of the options would vest on January 19, 2026.	5 years from date of vesting.	512.10

The activity in the stock option plan is summarized below:

Particulars	FY 2023		FY 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	29,39,279	342.43	25,28,350	295.92
Granted during the year	16,57,700	624.68	9,53,000	426.91
Forfeited during the year	2,63,980	514.77	93,000	389.72
Exercised during the year	1,86,455	305.89	4,49,071	250.08
Expired during the year	--	--	--	--
Outstanding at the end of the year	**41,46,544**	**445.94**	**29,39,279**	**342.43**
Exercisable at the end of the year	15,88,294	306.03	20,41,139	305.12

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
ESOS -2017	2023	April 20, 2022	220.78
ESOS -2017	2023	January 19, 2023	175.76

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, 2023	Year ended March 31, 2022
Risk free interest rate	6.18% to 7.21%	5.26% to 5.99%
Expected life of options	3.51 to 5.51 years	3.51 to 5.51 years
Expected volatility	45.80% to 48.86%	47.34% to 49.49%
Expected dividend yield	3.96% to 4.39%	2.78% to 3.47%

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, ₹ 233.9 million was charged to the profit and loss account in respect of equity-settled share-based payment transactions (March 31, 2022: ₹ 135.4 million).

B ICICI Bank Employee Stock Option Scheme

During the year, ₹ 16.0 million was charged to the profit and loss account in respect of equity-settled share-based payment transactions (March 31, 2022: ₹ 15.5 million). This expense, which was computed from the fair values of the share-based payment transactions when granted, arose under employee share options made in accordance with the reward structure of ICICI Bank Limited.

The details of the options granted to eligible employees of the Group by ICICI Bank Limited are as follows:

In terms of the ESOS of the Parent Bank, the options are granted to eligible employees and Directors of the Bank and its subsidiaries. As per the ESOS, as amended, the maximum number of options granted to any eligible employees/ Directors in a financial year shall not exceed 0.05% of the Parent Bank's issued equity shares at the time of the grant of the options and aggregate of all such options shall not exceed 10% of the aggregate number of the Parent Bank's issued equity shares on the date(s) of the grant of options in line with SEBI Regulations.

Options granted prior to March 2014, vested in a graded manner over a four-year period with 20%, 20%, 30% and 30% of the grants vesting in each year, commencing from the end of 12 months from the date of grant. Options granted after March 2014, vest in a graded manner over a three-year period with 30%, 30% and 40% of the grant vesting in each year, commencing from the end of 12 months from the date of grant.

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to consolidated financial statements for the year ended March 31, 2023 (contd.)

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.

C Employees Stock Unit Scheme, 2022

The Company has formulated the ICICI Securities Limited - Employees Stock Unit Scheme, 2022 which was approved by the members of the Company in the Annual General meeting held on August 26, 2022. No grants have been made under the scheme for the year ended March 31, 2023.

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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to consolidated financial statements for the year ended March 31, 2023 (contd.)

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, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
1. Segment Revenue	1,442.4	907.9	31,306.6	30,521.1	1,448.1	2,955.8	57.7	-	34,254.8	34,384.8
• Inter Segment Revenue	-	-	-	-	-	-	-	-	-	-
2. Segment Results	718.0	518.8	13,692.3	16,114.9	543.2	1,893.9	57.7	-	15,011.2	18,527.6
Segment results before income tax include										
• Interest revenue	709.9	462.6	9,304.9	6,722.5	-	-	-	-	10,014.8	7,185.1
• Interest expense	612.0	289.4	4,714.2	2,401.2	3.7	-	-	-	5,329.9	2,690.6
• Depreciation and amortization	2.5	1.0	1,057.5	613.5	31.5	10.8	-	-	1,091.5	625.3
Other material non-cash items	-	-	-	-	-	-	-	-	-	-
- Impairment losses on non-financial assets										
- Reversal of impairment losses on non-financial assets										
3. Income Tax expenses (net of deferred tax credit)	-	-	-	-	-	-	3,834.9	4,701.6	3,834.9	4,701.6
4. Net profit after tax (2-3)	-	-	-	-	-	-	-	-	11,176.3	13,826.0
5. Segment Assets	19,633.8	7,478.2	1,33,981.6	1,26,665.0	334.1	647.8	1,738.5	1,671.2	1,55,688.0	1,36,462.2
6. Segment Liabilities	17,915.6	5,952.6	1,08,653.5	1,05,517.3	593.9	687.0	-	-	1,27,163.0	1,12,156.9
7 Cost of Acquisition of segment assets	2.5	3.6	1,057.5	543.3	31.5	38.2	-	-	1,091.5	585.1

(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, 2023	For the year ended March 31, 2022
Revenue by Geographical Market		
India	32,490.3	32,302.9
Outside India	1,764.5	2,081.9
Total	**34,254.8**	**34,384.8**

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to consolidated financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue by Geographical Market		
India	4,249.3	3,346.8
Outside India	0.4	0.2
Total	**4,249.7**	**3,347.0**

(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, 2023 and March 31, 2022.

39 INCOME TAXES

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

(₹ million)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Current tax		
In respect of current year	3,782.4	4,564.0
In respect of changes in estimates of previous year	-	-
Total (A)	**3,782.4**	**4,564.0**
Deferred Tax		
Origination and reversal of temporary differences	52.5	137.6
Impact of change in tax rate	-	-
Total (B)	**52.5**	**137.6**
Income Tax recognised in the statement of Profit and Loss (A+B)	**3,834.9**	**4,701.6**
Income tax expenses recognized in OCI		
Re-measurement of defined employee benefit plans	(1.1)	(3.5)
Income tax relating to items that will not be classified to profit or loss	0.3	0.9
Total	**(0.8)**	**(2.6)**

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

(₹ million)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Profit before tax	15,011.2	18,527.6
Enacted tax rate in India	25.17%	25.17%
Income tax expenses calculated (Refer Note below)	3,778.3	4,663.4
Decrease / Increase in tax rate	-	-
Tax effect of non-deductible expenses	73.4	46.5
Effect of income that is exempt	-	-
Effect on different tax rates in the components	(16.8)	(8.3)
Tax pertaining to prior years	-	-
Total tax expenses as per profit and loss	**3,834.9**	**4,701.6**

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to consolidated financial statements for the year ended March 31, 2023 (contd.)

The effective income tax rate for the year ended March 31, 2023 is 25.55% (March 31, 2022 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.

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, 2023

(₹ million)

Movement during the year ended March 31, 2023	As at April 1, 2022	Credit/ (charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	Exchange difference	As at March 31, 2023
Property, Plant and Equipment and Intangible assets	15.1	(32.6)	-	-	(17.5)
Provision for expected credit losses	36.8	8.4	-	-	45.2
Employee benefits obligations	296.2	(20.1)	-	-	276.1
Fair value gain/(loss) on investments	(3.7)	4.7	-	-	1.0
Provision for post-retirement benefit	14.1	4.0	0.3	-	18.4
Other temporary differences	46.0	(19.1)	-	-	26.9
Unused tax losses of Subsidiary	19.6	2.2	-	1.6	23.4
Net deferred tax assets/ (liabilities)	**424.1**	**(52.5)**	**0.3**	**1.6**	**373.5**

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**

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

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, 2023	Expiry Date	As at March 31, 2022	Expiry Date
Business Loss	2007-2008	49.2	March 31, 2028	40.1	March 31, 2028
Business Loss	2008-2009	241.8	March 31, 2029	223.1	March 31, 2029
Business Loss	2009-2010	56.3	March 31, 2030	52.0	March 31, 2030
Business Loss	2010-2011	48.6	March 31, 2031	44.8	March 31, 2031
Business Loss	2012-2013	64.0	March 31, 2033	59.1	March 31, 2033
Business Loss	2016-2017	26.3	March 31, 2037	24.3	March 31, 2037
Capital Loss	2017-2018	67.8*	March 31, 2026	67.8*	March 31, 2026
Capital loss	2019-2020	0.1*	March 31, 2028	0.7*	March 31, 2028
Total		**554.1**		**511.9**	

Note: The increase in business loss for FY 2007-08 and subsequent years is due to change in closing exchange rate in March 2023 as compared to March 2022.

**67.8 and 0.1 are capital loss as per Indian Income Tax Act. Other losses are as per US Federal Tax Law which can be carried forward for 20 years.*

40 EMPLOYEE BENEFITS

Defined Contribution Plan

The Group makes contributions towards Provident Fund, National Pension Scheme and Employee State Insurance Scheme which are defined contribution retirement benefit plans for qualifying employees.

Amount of ₹ 243.5 Million (March 31, 2022 : ₹ 209.6 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 million.

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The following table summarizes the components of net expenses for gratuity benefits recognised in the statement of profit and loss, other comprehensive income and the amounts recognised in the balance sheet.

(₹ million)

Sr. No	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Reconciliation of defined benefit obligation (DBO) : Change in Defined Benefit Obligation		
(i)	Opening defined benefit obligation	814.9	757.8
(ii)	Current Service cost	86.1	80.7
(iii)	Past service cost	(72.2)	-
(iv)	Interest cost	46.9	41.4
(v)	Actuarial (gain) / loss from changes in financial assumptions	(34.9)	(17.0)
(vi)	Actuarial (gain) / loss from changes in demographic assumptions	(3.8)	(0.8)
(vii)	Actuarial (gain) / loss on account of experience changes	18.6	25.6
(viii)	Benefits paid	(100.9)	(72.8)
(ix)	Liabilities assumed on inter Group transfer	3.3	-
(x)	**Closing defined benefit obligation**	**758.0**	**814.9**
	Movement in Plan assets		
(i)	Opening fair value of plan assets	759.1	311.4
(ii)	Interest on plan assets	44.8	16.3
(iii)	Actual return on plan assets less interest on plan assets	(21.2)	4.2
(iv)	Contributions by employer	-	500.0
(v)	Assets acquired / (settled)	3.3	-
(vi)	Benefits paid	(100.9)	(72.8)
	Closing fair value of plan assets	**685.1**	**759.1**
	Net asset / (liability) recognised in the balance sheet:		
(i)	Present value of the funded defined benefit obligation	758.0	814.9
(ii)	Fair value of plan assets at the end of the year	685.1	759.1
	Liability recognized in the balance sheet (i-ii)	**72.9**	**55.8**
	Statement of profit and loss		
	Expenses recognised in the Statement of Profit and Loss:		
(i)	Current Service cost	86.1	80.7
(ii)	Interest on net defined benefit obligation	2.1	25.1
(iii)	Past Service Cost	(72.2)	-
	Total included in Employee benefits expense (i+ii+iii)	**16.0**	**105.8**

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to consolidated financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Statement of other Comprehensive Income (OCI)		
Opening amount recognised in OCI outside statement of profit and loss	150.0	146.4
Remeasurements during the period due to		
- changes in financial assumptions	(34.9)	(17.0)
- changes in demographic assumptions	(3.8)	(0.8)
- Experience adjustment	18.6	25.6
- Annual return on plan assets less interest on plan assets	21.2	(4.2)
Closing amount recognised in OCI outside statement of profit and loss	**(151.1)**	**150.0**

Assumptions used for Gratuity	Year ended March 31, 2023	Year ended March 31, 2022
Interest rate (p.a.)	7.30%	6.25%
Salary escalation rate (p.a.)	7.20%	7.00%
Estimated rate of return on plan assets (p.a.)	7.00%	7.00%

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	738.7	777.6
Impact of increase in 50 bps on DBO	(2.53)%	2.61%
Defined Benefit obligation on decrease in 50 bps	778.0	738.8
Impact of decrease in 50 bps on DBO	2.66%	(2.53)%

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, 2023	Year Ended March 31, 2022
Insurer managed funds	685.1	759.1
Others	0.0	0.0
Reconciliation of plan assets during the inter-valuation period		
Opening fair value of plan assets	759.1	311.4
Employer contributions	-	500.0
Settlements from the Fund	100.9	(72.8)

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(₹ million)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest accrued to the Fund	44.8	4.2
Actual return on plan assets less interest on plan assets	(21.2)	16.3
Assets acquired / (settled)	3.3	-
Closing fair value of plan assets	**685.1**	**759.1**

Projected plan cash flow

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date.

Maturity profile	Amount in ₹
Expected benefits for year 1	12,52,24,103
Expected benefits for year 2	11,15,17,292
Expected benefits for year 3	13,25,29,954
Expected benefits for year 4	96,798,791
Expected benefits for year 5	10,50,19,220
Expected benefits for year 6	7,54,03,918
Expected benefits for year 7	6,38,99,064
Expected benefits for year 8	6,23,07,177
Expected benefits for year 9	5,88,30,281
Expected benefits for year 10 and above	35,29,08,308

The weighted average duration to the payment of these cash flows is 5.19 years.

Compensated Absence

The liability towards compensated absences for the year ended March 31, 2023 is based on actuarial valuation carried out by using the projected unit credit method.

Assumptions	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest rate (p.a.)	7.30%	6.25%
Salary escalation rate (p.a.)	7.20%	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, 2023	Year Ended March 31, 2022
Interest rate (p.a.)	7.20%	5.15%

Interest rate assumption in case of subsidiary is 4.03% (March 31, 2022: 2.25%)

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to consolidated financial statements for the year ended March 31, 2023 (contd.)

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 or 1 day 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

a. Education training programs

b. Provide financial planning services to its customers.

The Group recognizes the revenue on completion of the performance obligation either on point in time or over a period of time, as the case may be.

In case of third party financial products, transaction price is determined as per contract and mutual terms agreed between the parties. The commission is a percentage of transaction value.

The distribution fee earned from the following products contributed to a major proportion of overall fee earned from distribution of financial products in Financial Year 2023.

a. Mutual funds

b. Life insurance policies

c. Portfolio management products

ii. Advisory income:

The Group provides investment banking services to its customers and earns revenue in the form of advisory fees on issue management services, mergers and acquisitions, debt syndication, sale of business etc.

In case of these advisory transactions, the performance obligation and its transaction price is enumerated in contract with the customer. For arrangements with a fixed term, the Group may commit to deliver services in the future. Revenue associated with these remaining performance obligations typically depends on the occurrence of future

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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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Financial Planning Services	-	0.1	-	0.2	-	-
Signing Fee	13.3	20.5	5.8	7.2	7.5	13.3
Prime Subscription	377.0	339.4	1,035.2	778.8	204.8	377.0
Prepaid Brokerage	2,257.5	2,483.2	505.6	1233.9	1926.2	2,257.5
Subscription Fees	12.3	6.2	52.7	37.0	13.2	12.3

Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price.

(₹ million)

Particulars	2022-23	2021-22
Revenue from the Contracts (as per Contract)	23,359.1	26,581.8
Less : Discounts/Incentive to Customers	121.7	35.7
Revenue from the Contracts (as per Statement of Profit and Loss)	23,237.4	26,546.1

42 FINANCIAL INSTRUMENTS

Refer to financial instruments by category table below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

The following table shows the carrying amounts of financial instruments as at March 31, 2023 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	2,406.4	-	-	2,406.4	2,406.4
Other balances with banks	65,501.3	-	-	65,501.3	65,501.3
Securities for trade	-	9,163.3	-	9,163.3	9,163.3

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to consolidated financial statements for the year ended March 31, 2023 (contd.)

	Amortised cost	Fair value through P&L	Fair value through OCI	Total carrying value	Total fair value
Trade receivables	7,734.4	-	-	7,734.4	7,734.4
Loans	64,198.8	-	-	64,198.8	64,198.8
Investments	-	77.1	-	77.1	77.1
Other financial assets	1,196.6	-	-	1,196.6	1,196.6
Total	**1,41,037.5**	**9,240.4**	**-**	**1,50,277.9**	**1,50,277.9**
Liabilities:					
Derivative Financial Instrument	-	0.4	-	0.4	0.4
Trade payables	9,148.4	-	-	9,148.4	9,148.4
Debt Securities	87,886.9	-	-	87,886.9	87,886.9
Borrowings other than debt securities	5,038.9			5,038.9	5,038.9
Deposits	74.2	-	-	74.2	74.2
Lease Liabilities	1,082.7	-	-	1,082.7	1,082.7
Other financial liabilities	18,239.6	-	-	18,239.6	18,239.6
Total	**1,21,470.7**	**0.4**	**-**	**1,21,471.1**	**1,21,471.1**

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**

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to consolidated financial statements for the year ended March 31, 2023 (contd.)

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, 2023	Level 1	Level 2	Level 3	Total
Financial instruments :				
Derivatives	0.4	-	-	0.4
Mutual fund units	-	1,991.3	-	1,991.3
Equity shares	14.7	-	62.4	77.1
Debt Instruments	6,941.5	230.5	-	7,172.0
Total	**6,956.6**	**2,221.8**	**62.4**	**9,240.8**

(₹ 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**

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, 2023	March 31, 2022
Opening Balance	74.8	22.3
Purchase	-	55.6
Less: Sales	-	-
Add: Gain / (Loss)	(12.4)	(3.1)
Transfer in Level 3	-	-
Less: Transfer from Level 3	-	-
Closing Balance	**62.4**	**74.8**

Unobservable inputs used in measuring fair value categorised within Level 3 and sensitivity of fair value measurement to change in unobservable market data.

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to consolidated financial statements for the year ended March 31, 2023 (contd.)

As at March 31, 2023

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	₹ 5.65 per share	5%	₹ 0.1 Million	5%	₹ (0.1) Million
			₹ 150.02 per share	5%	₹ 0.2 Million	5%	₹ (0.2) Million
	Discounted projected cash flow	WACC%	19.50%	100 basis points	₹ (3.7) Million	100 basis points	₹ 4.3 Million
		Perpetual Growth Rate %	5.00%	100 basis points	₹ 2.7 Million	100 basis points	₹ (2.3) Million

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	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

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, 2023	**3,774.1**	**(67.3)**	**3,706.8**
At March 31, 2022	5,957.0	(6,286.6)	(329.6)

There are no other 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.

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to consolidated financial statements for the year ended March 31, 2023 (contd.)

The Company has exposure to the following risk arising from financial instruments:

a) Credit risk

b) Liquidity risk

c) Market risk

The Group has established various policies with respect to such risks which set forth limits, mitigation strategies and internal controls to be implemented by the three lines of defence approach provided below. The Board oversees the Group's risk management and has constituted a Risk Management Committee ("RMC"), which frames and reviews risk management processes and controls.

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

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

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

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

a) Credit risk:

It is risk of financial loss that the Group will incur a loss because its customer or counterparty to financial instruments fails to meet its contractual obligation.

The consolidated financial assets comprise of Cash and bank balance, Securities for trade, Trade receivables, Loans, Investments and Other financial assets which comprise mainly of deposits and unbilled revenues.

The maximum exposure to credit risk at the reporting date is primarily from Group's trade receivable and loans.

Following is the exposure to the credit risk for trade receivables and loans:

(₹ million)

	March, 31 2023	March, 31 2022
Trade Receivables	7,734.4	3,848.3
Loans	64,198.8	68,566.7
Total	**71,933.2**	**72,415.0**

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.

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to consolidated financial statements for the year ended March 31, 2023 (contd.)

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 ₹ 7,867.1 million (March 31, 2022: ₹ 3,968.3 million) ₹ 132.7 million (March 31, 2022: ₹ 120.0 million) are overdue for a period in excess of 90 days. Probability of default (PD) on this balance is considered at 100% and treated as credit impaired.

Loans: Loans comprise of margin trade funding and ESOP funding for which a staged approach is followed for determination of ECL.

Stage 1: All Open positions in the MTF and ESOP loan book are considered as stage 1 assets for computation of expected credit loss. Exposure at default (EAD) for stage 1 assets is computed considering different scenarios of market movements based on an analysis of historical price movements of the index and macro-economic environment.

Stage 2: Exposures under stage 2 include dues upto 30 days pertaining to principal amount on closed positions and interest on all open positions of MTF and ESOP loan book.

Stage 3: Exposures under stage 3 include dues past 30 days pertaining to principal amount on closed positions and interest on all open positions of MTF and ESOP loan book.

Based on historical data, the 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)	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	ECL	Carrying Value	ECL
Stage 1	64,165.5	0.9	68,537.7	0.8
Stage 2	38.0	3.8	30.1	0.3
Stage 3	27.7	27.7	11.1	11.1
Total	**64,231.2**	**32.4**	**68,578.9**	**12.2**

Movements in the allowances for impairment in respect of trade receivables and loans is as follows:

(₹ million)

	March, 31 2023	March, 31 2022
Opening Balance	132.2	210.0
Amount written off	(26.9)	(17.1)
Net re-measurement of loss allowance	59.8	21.0
Additional provision	-	(81.7)
Closing Balance	**165.1**	**132.2**

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.

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to consolidated financial statements for the year ended March 31, 2023 (contd.)

Instrument Type	Percentage of exposure that is subject to collateral requirements		Principal type of collateral held
	As at March 31, 2023	As at March 31, 2022	
Trade Receivables and Loans	99.2%	98.9%	Collateral in the form of: - Cash, Securities, Fixed Deposit Receipt (FDR) in case of Margin trade funding. - Equity Shares under ESOP in case of ESOP Funding. - Equity shares in case of trade receivables

Other financial assets considered to have a low credit risk:
Credit risk on cash and cash equivalents is limited as 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, 2023.

(₹ 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	37,502.6	30,054.6	350.5	-	67,907.7
Securities for Trade	9,163.3	-	-	-	9,163.3
Trade receivables	7,734.4	-	-	-	7,734.4
Loans	3,778.3	60,420.5	-	-	64,198.8
Investments	-	-	-	77.1	77.1
Other financial assets	936.5	58.5	33.5	168.1	1,196.6

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total Carrying Amount
Total	**59,115.1**	**90,533.6**	**384.0**	**245.2**	**1,50,277.9**
Financial Liabilities					
Derivative financial instruments	0.4	-	-	-	0.4
Trade Payables	9,148.4	-	-	-	9,148.4
Debt Securities	85,562.5	2,324.4	-	-	87,886.9
Borrowings (Other than debt securities)	5,038.9	-	-	-	5,038.9
Deposits	-	-	74.2	-	74.2
Lease Liabilities	89.3	5.2	647.5	340.7	1,082.7
Other Financial Liabilities	18,239.6	-	-	-	18,239.6
Total	**1,18,079.1**	**2,329.6**	**721.7**	**340.7**	**1,21,471.1**
Net excess / (shortfall)	**(58,964.0)**	**88,204.0**	**(337.7)**	**(95.5)**	**28,806.8**

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**

Notes
to consolidated financial statements for the year ended March 31, 2023 (contd.)

c) Market risk

Market risk arises when movements in market factors (foreign exchange rates, interest rates, credit spreads and equity prices) impact the Group's income or the market value of its portfolios. The Group, in its course of business, is exposed to market risk due to change in equity prices, interest rates and foreign exchange rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns. The Group classifies exposures to market risk into either trading or non-trading portfolios. Both the portfolios are managed using the following sensitivity analyses:

i) Equity Price Risk

ii) Interest Rate Risk

iii) Currency Risk

Total market risk exposure:

(₹ million)

	March 31, 2023			
	Carrying amount	Traded risk	Non traded risk	Primary risk sensitivity
Financial Assets				
Cash and cash equivalents and other bank balances	67,907.7	-	67,907.7	
Financial assets at FVTPL	9,240.4	9,163.3	77.1	Interest rate, Equity Price and Currency
Trade Receivables	7,734.4	-	7,734.4	Equity Price and Currency
Loans	64,198.8	-	64,198.8	Equity Price
Other Financial assets at amortised cost	1,196.6	-	1,196.6	
Total	**1,50,277.9**	**9,163.3**	**1,41,114.6**	
Financial Liabilities				
Derivative financial instruments	0.4	0.4	-	Equity Price and Currency
Trade payable	9,148.4	-	9,148.4	Equity Price and Currency
Debt Securities	87,886.9	-	87,886.9	
Borrowings (other than debt securities)	5,038.9	-	5,038.9	
Deposits	74.2	-	74.2	
Lease Liabilities	1,082.7	-	1,082.7	
Other financial liabilities	18,239.6	-	18,239.6	
Total	**1,21,471.1**	**0.4**	**1,21,470.7**	

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

	March 31, 2022			
	Carrying amount	**Traded risk**	**Non traded risk**	**Primary risk sensitivity**
Financial Assets				
Cash and cash equivalents and other bank balances	56,166.1	-	56,166.1	
Derivative financial instruments	0.8	0.8	-	
Financial assets at FVTPL	2,537.3	2,430.2	107.1	Equity Price and Currency
Trade Receivables	3,848.3	-	3,848.3	Interest rate, Equity Price and Currency
Loans	68,566.7	-	68,566.7	Equity Price and Currency
Other Financial assets at amortised cost	1,135.7	-	1,135.7	Equity Price
Total	**1,32,254.9**	**2,431.0**	**1,29,823.8**	
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**	

i) **Equity Price Risk**

The Group's exposure to equity price risk arises primarily on account of its proprietary positions and on account of margin-based positions of its clients in equity cash and derivative segments.

The Group's equity price risk is managed in accordance with its Corporate Risk and Investment Policy (CRIP) approved by its Risk Management Committee. The CRIP specifies exposure limits and risk limits for the proprietary desk of the Group and stipulates risk-based margin requirements for margin-based trading in equity cash and derivative segment by its clients.

The below sensitivity depicts a scenario where a severe movement in equity prices, everything else remaining constant, would result in following impact on both proprietary positions and clients' positions.

(₹ million)

	Impact on statement of profit and loss at 19.41 % movement	
	For the year ended March 31, 2023	**For the year ended March 31, 2022**
Impact of upward movement	(1,529.4)	(293.0)
Impact of downward movement	(2,034.5)	(377.4)

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

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 position.

(₹ million)

	Impact on statement of profit and loss at 2.06% shift	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Parallel upward shift	(446.7)	(0.9)
Parallel downward shift	(647.8)	(3.4)

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.

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, 2023	For the year ended March 31, 2022
₹ Depreciation	(43.7)	(28.1)
₹ Appreciation	(16.1)	(93.1)

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

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, 2023	For the year ended March 31, 2022
USD	Depreciation of 15%	(10.0)	(1.3)
	Appreciation of 15%	10.0	1.3
SGD	Depreciation of 15%	(0.2)	0.2
	Appreciation of 15%	0.2	(0.2)
AED	Depreciation of 15%	(0.0)	0.2
	Appreciation of 15%	0.0	(0.2)
GBP	Depreciation of 15%	-	(0.1)
	Appreciation of 15%	-	0.1
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, 2023	For the year ended March 31, 2022
Impact of upward movement	(0.6)	(4.7)
Impact of downward movement	(1.4)	(5.2)

Impact has been derived based on highest single day commodity specific movement in last 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.

Notes

to consolidated financial statements for the year ended March 31, 2023 (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)

	As at March 31, 2023	Within 12 months	After 12 months
ASSETS			
Financial Assets			
Cash and cash equivalents	2,406.4	2,406.4	-
Bank balance other than (a) above	65,501.3	65,150.8	350.5
Securities for trade	9,163.3	9,163.3	-
Receivables	-	-	-
(I) Trade receivables	7,734.4	7,734.4	-
Loans	64,198.8	64,198.8	-
Investments	77.1	-	77.1
Other financial assets	1,196.6	995.0	201.6
	1,50,277.9	**1,49,648.7**	**629.2**
Non-financial Assets			
Current tax assets (net)	1,365.0	-	1,365.0
Deferred tax assets (net)	373.5	-	373.5
Property, plant and equipment	1,238.2	-	1,238.2
Right-of-use of assets	968.6	90.4	878.2
Capital work-in-progress	192.9	-	192.9
Intangible assets under development	115.8	-	115.8
Other intangible assets	370.5	-	370.5
Other non-financial assets	785.6	696.5	89.1
	5,410.1	**786.9**	**4,623.2**
Total Assets	**1,55,688.0**	**1,50,435.6**	**5,252.4**
LIABILITIES			
Financial liabilities			
Payables			
Derivative financial instruments	0.4	0.4	
(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	9,148.4	9,148.4	-
Debt securities	87,886.9	87,886.9	-
Borrowings (Other than debt securities)	5,038.9	5,038.9	-
Deposits	74.2	-	74.2
Lease Liabilities	1,082.7	94.5	988.2
Other financial liabilities	18,239.6	18,239.6	-
	1,21,471.1	**1,20,408.7**	**1,062.4**
Non-financial Liabilities			
Provisions	177.4	31.3	146.1
Other non-financial liabilities	5,514.5	4,942.3	572.2
	5,691.9	**4,973.6**	**718.3**
Total Liabilities	**1,27,163.0**	**1,25,382.3**	**1,780.7**
Net	**28,525.0**	**25,053.3**	**3,471.7**

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

(₹ million)

	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	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	10,776.1	10,776.1	-
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, 2023 (contd.)

44 INFORMATION AS REQUIRED PURSUANT TO REGULATION 52(4) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015:

Key Financial Information

	Year Ended March 31, 2023	Year Ended March 31, 2022
Debt Equity Ratio [1]	3.26	3.18
Debt Service Coverage Ratio [2]	0.21	0.26
Interest Services Coverage Ratio [3 #]	3.84	7.99
Net Worth [4]	₹ 28,525.0 Million	₹ 24,305.3 Million
Net Profit after tax	₹ 11,176.3 Million	₹ 13,826.0 Million
Earnings per share (Diluted)	₹ 34.54	₹ 42.69
Outstanding redeemable preference shares	Not Applicable	Not Applicable
Capital redemption / Debenture redemption reserve	Not Applicable	Not Applicable
Current Ratio	1.20	1.20
Long Term Debt to Working Capital Ratio [5]	Nil	Nil
Bad Debts to Accounts Receivables Ratio	0.51%	0.63%
Current Liability Ratio	0.99	0.98
Total Debts to Total Assets	0.60	0.57
Debtors Turnover Ratio [6 *]	3.00	6.90
Inventory Turnover Ratio	Not Applicable	Not Applicable
Operating Margin (%) [7]	43.95%	53.94 %
Net Profit Margin (%) [8]	32.72%	40.25 %

[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

 # During the year there is decrease in Interest Service Coverage Ratio due to Increase in Finance costs by ₹ 2,639.30 Million and Decrease in PBIT by ₹ 877.1 Million

** During the year there is decrease in Debtors Turnover ratio due to decrease in Fees and commission income by ₹ 3308.7 Million and increase in Trade receivable by ₹ 3,886.10 Million*

45 SUBSEQUENT EVENT - PROPOSED DIVIDEND

The Board of Directors at its meeting held on April 19, 2023, have recommended a final dividend of ₹ 9.25 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.

Notes

to consolidated financial statements for the year ended March 31, 2023 (contd.)

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 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 – Presentation of Financial Statements -This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors-This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 – Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

47 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.

As per our report of even date attached

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

Milind Ranade
Partner
Membership No.: 100564

Mumbai, April 19, 2023

For and on behalf of Board of Directors

Vinod Kumar Dhall
Chairman
DIN - 02591373

Ashvin Parekh
Director
DIN - 06559989

Vijay Chandok
Managing Director & CEO
DIN - 01545262

Ajay Saraf
Executive Director
DIN - 00074885

Raju Nanwani
Company Secretary

Harvinder Jaspal
Chief Financial Officer

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