

September 4, 2018

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051

BSE Limited
Listing Department
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Dear Sir/Madam,

Sub: Annual Report for the financial year 2017-18

Ref: NSE Symbol - ISEC & BSE Scrip Code - 541179

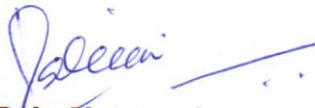
Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of the Annual Report of the Company for the financial year 2017-18.

Kindly take the same on records.

Thanking you,

Yours faithfully,

For ICICI Securities Limited



Raju Nanwani
Senior Vice President &
Company Secretary

Encl.: As above

Member of National Stock Exchange of India Ltd, BSE Ltd and Metropolitan Stock Exchange of India Ltd.
SEBI Registration : INZ000183631
CIN No.: L67120MH1995PLC086241

ICICI Securities Limited
Registered Office (Institutional):
ICICI Centre, H. T. Parekh Marg,
Churchgate, Mumbai 400 020, India.
Tel (91 22) 2288 2460/70
Fax (91 22) 2288 2455

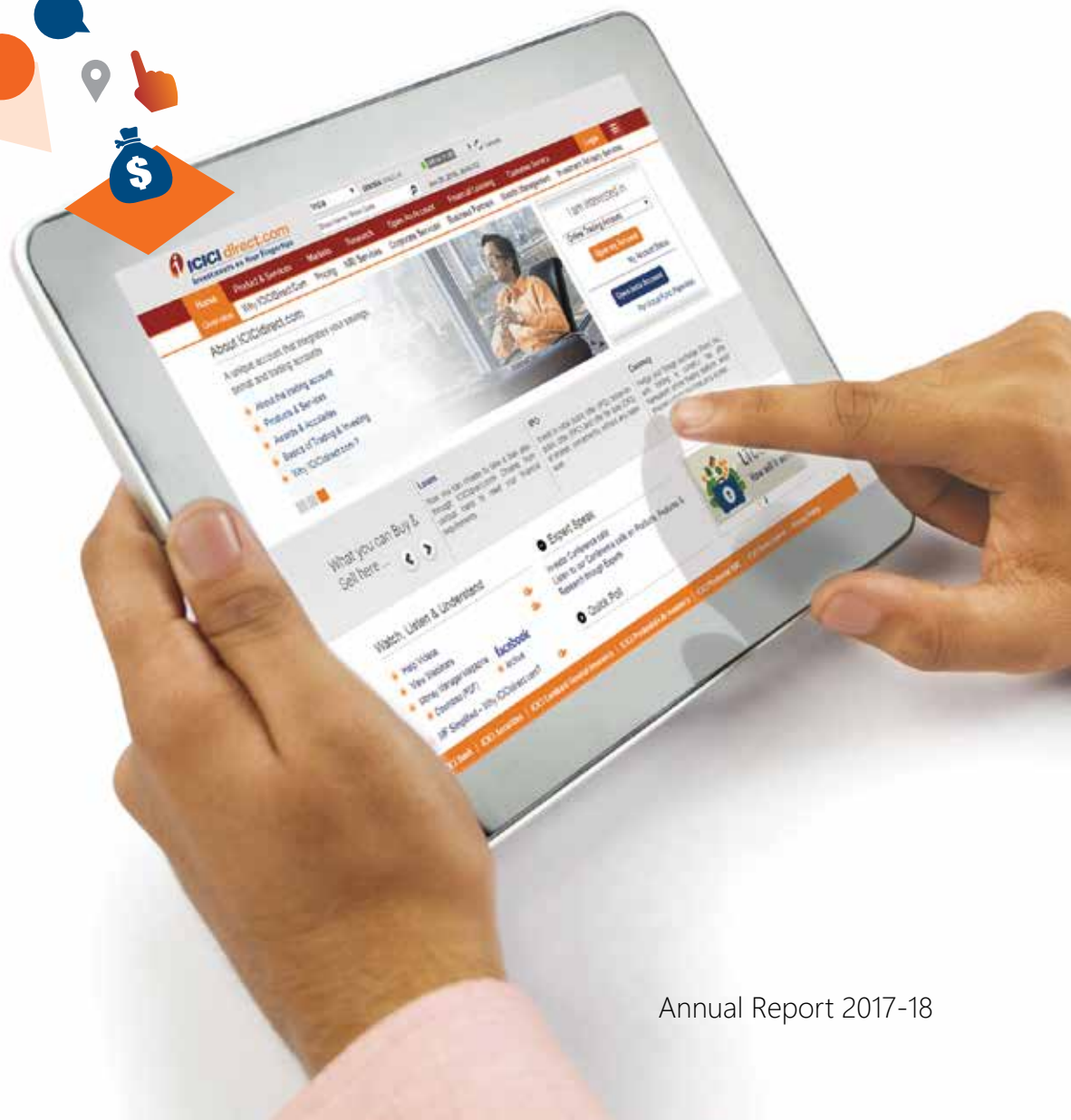
Corporate Office (Retail):
Shree Sawan Knowledge Park, Plot No. D-507,
T.T.C. Ind. Area, M.I.D.C, Turbhe, Navi Mumbai - 400 705
Tel (91 22) 4070 1000
Fax (91 22) 4070 1022

Name of Compliance Officer (Broking Operations) : Mr. Anoop Goyal
Email Address: complianceofficer@icicisecurities.com / Tel (91 22) 4070 1000
Website Address: www.icicisecurities.com / www.icicidirect.com



Digital-led
Knowledge-driven

Partnering India's Wealth Creation



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You can find this report and additional information about ICICI Securities on www.icicisecurities.com

REGISTERED OFFICE

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

CIN: L67120MH1995PLC086241

Tel: (91 22) 2288 2460/70

Fax: (91 22) 2288 2455

Digital-led Knowledge-driven Partnering India's Wealth Creation

India has always been a high-savings economy. Household savings, which comprise almost a fifth of our GDP, is expected to rise at a CAGR of almost 13% between FY 2018 and FY 2021, due to robust economic growth and favourable demographics.

With rising income levels and increased awareness of investment avenues, a greater proportion of household savings are moving from physical assets like gold and real estate to financial assets like equity and equity linked products and fixed income investments beyond bank FDs etc. The proportion of financial savings to household savings in India has increased from approximately 31% in fiscal 2012 to 41.5% in fiscal 2016.

Financialisation of household savings is opening unprecedented opportunities for intermediaries.

As the largest equity broker and the second largest non-bank mutual fund distributor in India, ICICI Securities has created a strong leadership position amongst financial intermediaries. We revolutionised the brokerage business in the year 2000 with the launch of ICICIdirect.com – our proprietary online equity trading platform, which has enabled wealth creation for retail investors by democratising equity, facilitating easy access to it and empowering them with the requisite knowledge to make informed investment decisions.

Amongst the retail investors, there is a fast-growing club of High Net Worth Individuals (HNIs) in India, who seek professional wealth management solutions. According to the Asia Pacific 2016 Wealth Report by New World Wealth, India was ranked among the top five Asia Pacific countries in terms of number of HNIs, with 2.36 lakh such entities. Indian HNIs increased by 55% from 1.52 lakh in 2007 to 2.36 lakh in 2015. Further, HNI wealth rose 67%, from USD 0.9 trillion in 2007 to USD 1.5 trillion in 2015. The opportunity to assist this segment of the population in their wealth creation and preservation aspirations is increasing. ICICI Securities services this opportunity through its Wealth Management division.

At the macro level, with India's economy having crossed the USD 2 trillion figure in 2015 and expectations of crossing USD 3 trillion by 2019, much of the growth

story has been driven by the corporate sector, fuelled by funding - both from the equity markets and as well as domestic and foreign institutions. ICICI Securities is a conduit for corporates that seek to raise funds from the capital markets.

Going forward, if India is to achieve USD 5 trillion GDP size by 2025 (World Bank), USD 17 trillion in 2030 and USD 42 trillion by 2050 (PwC report – World in 2050), the funding needs of corporate India will be immense. Accordingly, the opportunities for institutional broking and merchant banking will be enormous.

ICICI Securities caters to the requirement of corporates through its institutional broking and investment banking divisions, enabling them to create wealth for stakeholders and the nation.

Our digital-led seamless customer experience is complemented with knowledge-driven cutting-edge research, enabling prudent investment decisions and consequently, wealth creation for various segments of the economy.



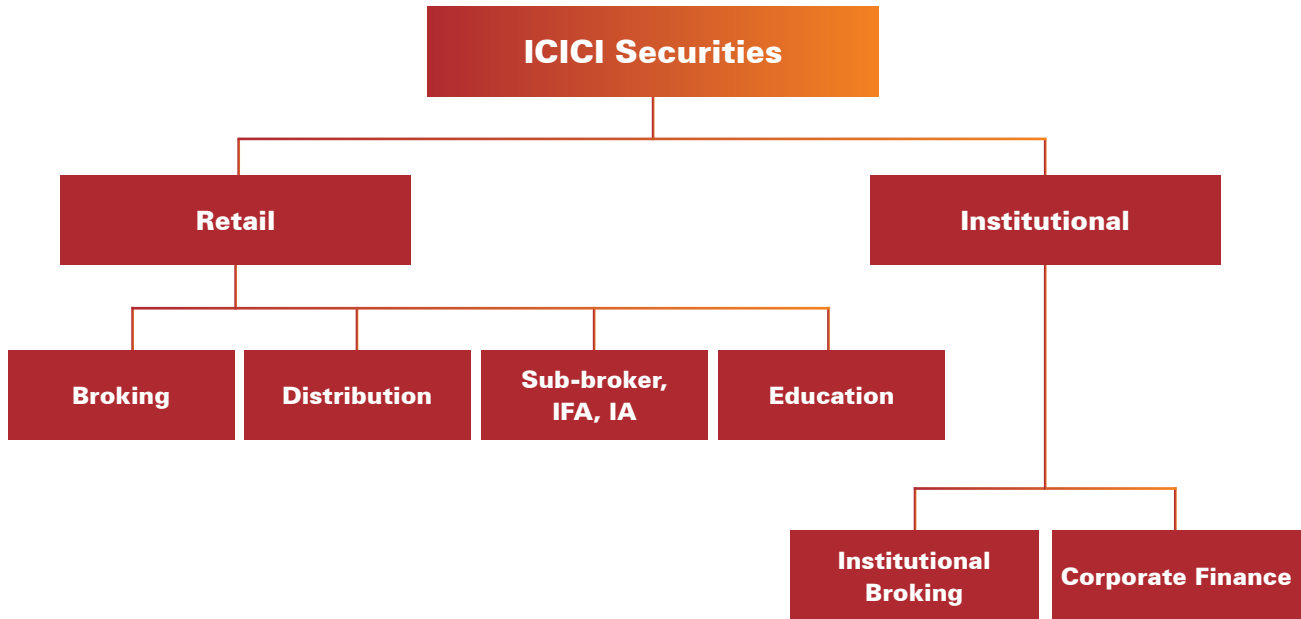
ICICI Securities – At a Glance

ICICI Securities is a leading technology-based securities firm in India. Headquartered in Mumbai, our bouquet of financial services includes brokerage, financial product distribution and investment banking, with a focus on both retail and institutional clients.

We are driven by a goal of ‘Creating Informed Access to the Wealth of the Nation’ for our diversified set of clients that include corporates, financial institutions, High Net Worth Individuals and retail investors.

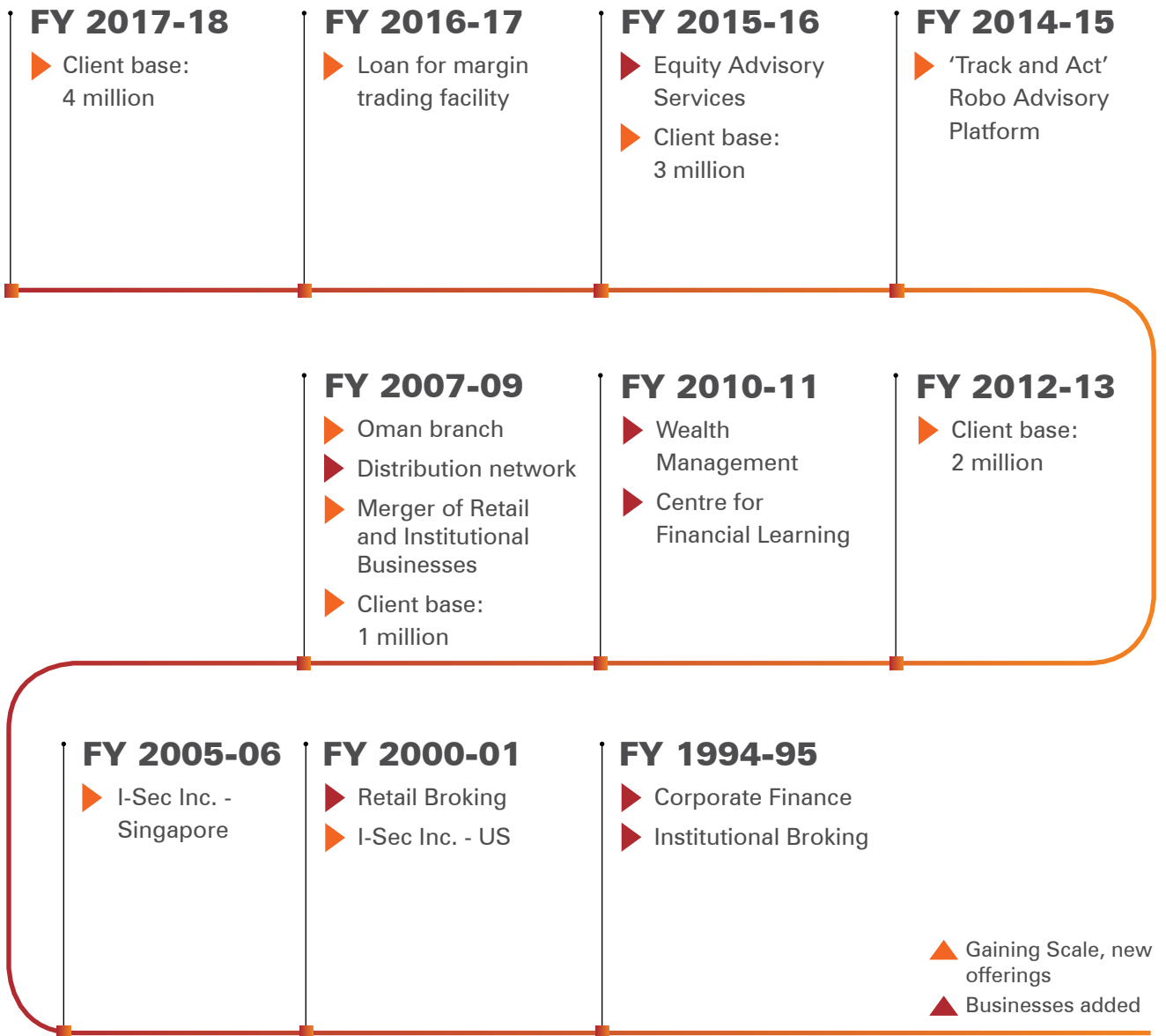
<p>Revenue: ₹ 18,593 mn</p> <p>32% Y-o-Y growth</p> <p>23% 4-year CAGR growth</p>	<p>PAT: ₹ 5,577 mn</p> <p>65% Y-o-Y growth</p> <p>57% 4-year CAGR growth</p>	<p>ROE: 85%</p> <p>Over 65% since FY 2016</p> <p>Dividend: Highest dividend payout in FY 2018</p>
<p>4.0 mn strong customer base</p> <p>0.46 mn acquired in FY 2018</p> <p>29% growth in NSE active clients</p>	<p>200+ branches across 75+ cities</p> <p>Presence in 2,600+ ICICI Bank branches</p> <p>~5,400+ sub-brokers, authorised persons, IFAs and IAs</p>	<p>Over 95% broking transaction performed online (in notional value terms)</p> <p>Over 90% of the mutual fund transactions performed online (in terms of the number of transactions)</p>
<p>Largest equity broker in India powered by ICICIdirect</p> <p>9% Market Share</p> <p>₹ 10 bn in FY 2018</p> <p>Highest ever brokerage revenue</p>	<p>2nd largest non-bank mutual fund distributor by revenue</p> <p>44% Y-o-Y growth in MF Average AUM</p>	<p>Leading investment bank in equity capital market</p> <p>Managed 27 Equity Capital Market issues with the mobilisation of ~₹ 540 bn</p>

Business Structure

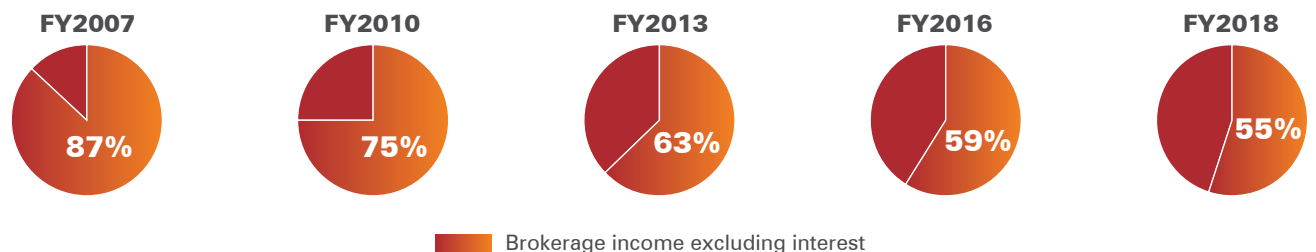


	Customer segmentation		How we serve them
	Retail		<ul style="list-style-type: none"> ▪ ICICIdirect.com ▪ Select and Premier outlets for mass and mass affluent customers ▪ Sub broker, IFA, IA ▪ ICICI Bank Branches ▪ Call Centre
	High Net Worth Individuals (HNIs)		<ul style="list-style-type: none"> ▪ Dedicated wealth-managers spread across all metros, emerging metros, and major cities
	Institutional		<ul style="list-style-type: none"> ▪ Institutional sales desk in India, US and South Asia

Journey so far



Revenue diversification (contribution of brokerage income excluding interest to total income):





Vision

- To be the first choice securities player in India and a leading player globally
- To deliver robust financial performance creating superior value for all stakeholders
- To ensure client comes first, all else follows
- To deploy cutting-edge digital solutions to transform the wealth of the nation
- To be an employer of choice – “a job here, is never just a job”
- To be admired by all stakeholders



Mission

Creating Informed Access to the Wealth of the Nation

Awards and Recognition

■ UTI Mutual Funds and CNBC TV18 Financial Advisor Awards 2017-18

Best Performing National Financial Advisor Equity Broker

■ Indian Retail Award 2017

Best in Customer Service - Financial Services

■ Outlook Money Awards 2017 – in the Institutional Financial Distributor category

■ Franchisor of the Year 2017 – in the Financial Services category

■ ET Now – BFSI Awards 2017 for Partner Value Creation

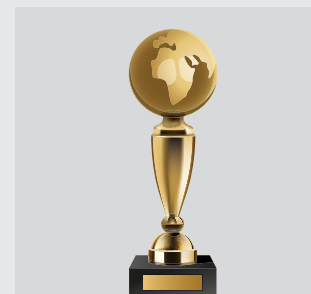
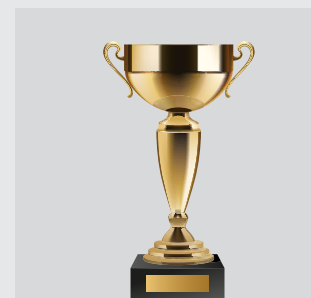
■ Asian Customer Engagement Forum & Awards, 2017. ICICIdirect Community (iCommunity) won “Bronze” Award under “Excellence in Customer Experience” category

■ Responsible Business Awards

2017 for the investor education initiative, “Pragati Ki Neev”, in the category – Sustainable Education Strategy Award

■ CSR Leadership Awards 2017 – for

Support & Improvement in Quality of Education



Our Offerings

While pursuing our mission to assist our customers in meeting their financial goals, we have developed a client base that spans across various business segments. These include:



**Retail
Broking**



**Distribution of
Retail Financial
Products**



**Private Wealth
Management**



**Institutional
Broking**



**Corporate
Finance**



Retail Broking

ICICI Securities is India's largest brokerage with 4 million customers, offering products including equity, derivatives, currency, margin trading funding etc. It is amongst the pioneers of India's e-brokerage business supported by its proprietary and full service trading platform ICICIdirect.com which has won multiple accolades for its features and strength. Our retail broking segment is well-known for its research team, which covers 250+ companies spread across various sectors and a strong mutual fund, technical and derivatives desk.



Distribution of Retail Financial Products

ICICI Securities is a leading financial products distributor. It is India's second largest non-bank MF distributor. We have one of the largest pan-India distribution networks of around 200 ICICIdirect branches across 75 cities, ~5,400+ sub-brokers, authorised persons, IFAs and IAs. Apart from Mutual Funds, we offer gold bonds, ETFs, NPS, corporate FDs and bonds, and life and general insurance.



Private Wealth Management

We facilitate our PWM customers by providing them with research, advisory and execution services. In addition to regular equity and equity linked products, we also offer specialised service to them like structured products, private equity, portfolio management, AIFs etc.



Institutional Broking

As a full service institutional broker, we are empannelled with a large cross section of institutional clients, including foreign institutional investors. With a dedicated sales teams across India, South East Asia, and the US, we provide a range of value-added products including corporate access and equity research. Our 30+ member strong institutional research team covers over 250 Indian stocks and publishes macro-economic and industry-related research. We regularly conduct investor conferences to bring together investors and corporates.



Corporate Finance

We are the leading investment bank in the Indian equity capital markets, having managed over 210 equity capital market transactions in the last 10 years. We have a strong distribution capability with institutional investors across US, Europe, Asia, and India and leverage our retail customer base. We also offer advisory services across sectors like financial services, infrastructure, manufacturing, healthcare, technology etc. Our services include M&A advisory, structured products, private equity, restructuring advisory etc.

Message from the **Chairperson**



In a business which is very information-oriented, we have always put customers first and invested heavily in technology, people and processes so as to empower them with the right tools and information.

1.2%

Ratio of GDP to financial savings in shares and debentures

Dear Shareholders,

The cyclical upswing that began globally in the middle of 2016, continued and broadened over fiscal 2018. This recovery was driven by strong growth in trade and investments in the developed world as well as pick-up in manufacturing activity in Asia. The developed world witnessed clear policy divergence between the US, Europe and Japan. The US Federal Reserve hiked rates thrice in 2017 supported by robust economic growth and a tight labour market. It also began to unwind its balance sheet. On the other hand, central banks in Europe and Japan were more accommodative. Both kept rates on hold and continued their large asset purchase programmes throughout 2017. Emerging economies, which contributes over half of world growth, continued to perform well.

In India, the Government's increased push towards agriculture, rural development, health, education, employment, MSME and infrastructure sectors is expected to set the country on a long-term sustainable growth path. Reforms such as demonetisation and GST have given an impetus to the transition to an organised economy. This has led to household savings moving from physical (gold, property etc.) to financial (FDs, MFs, Equity etc.) assets, thereby increasing the pace of formalisation of the economy.

FY 2018 was a record year for Indian mutual fund industry, with ₹ 2.85 trillion of inflows into equity, balanced, ELSS and non-gold ETF mutual fund schemes. With financial savings into shares and debentures at a mere 1.2% of GDP, there remains a huge potential for financialisation of savings going ahead. It has proven that over a long period of time, equity and equity-linked investments give superior returns over traditional forms of investments like fixed deposits.

This bodes well for your Company as we offer a wide range of savings and investment options suitable for all income and demographic segments. Your Company straddles the entire financial savings and investment value chain as an intermediary with a strong presence in retail as well as institutional segments.

Your Company is an active partner in an individual's wealth creation journey. Our retail broking franchise, under ICICIdirect, has maintained its leadership position through business cycles. Your Company has constantly innovated to remain ahead of the curve and is a preferred platform of choice for over 4 million customers.

In a business which is very information-oriented, we have always put customers first and invested heavily in technology, people and processes so as to empower them with the right tools and information. Our robust trading platform, domain expertise, reach and depth of relationship, form the backbone of our customer offering.

Being a market leader, your Company has also taken it upon itself to educate people about the investment opportunities so that they are best equipped to take decisions as per their profile and financial goals. Your Company remains committed to empower all Indians by providing them the right information, advisory, and tools.

On behalf of the board, I welcome you to the ICICI Securities family and look forward to your support and encouragement as we undertake our goal of delivering robust financial performance, thereby creating superior stakeholder value.

With best wishes,



Chanda Kochhar

Message from the **Managing Director & Chief Executive Officer**



We stay committed to our mission of 'Creating Informed Access to the Wealth of the Nation' for our diversified set of clients that includes retail investors, High Net Worth Individuals, corporates, government, and institutional investors.

>4 million
No. of customers

Dear Shareholders,

A warm welcome to the ICICI Securities family.

Your Company began its journey in 1995 and is today India's largest equity broker and a leading player in the financial savings, investments and capital markets space.

We take pride in the fact that we were pioneers in the area of electronic broking in the year 2000 and our trading platform, ICICIdirect, enables Indian customers to easily, transparently and efficiently access financial markets. Today, more than 4 million customers can benefit from the ICICIdirect platform to manage their financial savings in a holistic way across a wide spectrum of investment options across asset classes.

Today, our footprint in financial markets ensures that we are able to serve not only retail customers but also institutional customers, both domestic and foreign, in their capital market investments through provision of focussed research, liquidity and corporate access. At ICICI Securities, we also enable entrepreneurs,

corporates and government to access these pools of investible monies and are today a leader in the equity capital markets space.

Let me update you on this year's performance. It was another year of strong well-rounded performance.

Financial Highlights

During the year, your Company continued to demonstrate strong growth in topline as well as bottomline. Consolidated revenue grew by 32% to ₹ 18.59 billion over FY 2017, which was ₹ 14.04 billion. Our Profit after Tax growth outpaced our revenue growth, demonstrating strong operating leverage which we aim to improve further. PAT for the year was up 65% to ₹ 5.58 billion against ₹ 3.39 billion in FY 2017. Being an asset-light Company, our Return on Net Worth stood at 85% for the year and we have declared dividend of ₹ 9.4 per share during the year (including interim dividend declared and paid as well as a proposed final dividend of ₹ 3.9 per share).

Business Highlights

Your Company demonstrated strong revenue growth across all its business segments. Our broking business grew by 32% against last year's base. Similarly, distribution and corporate finance grew by 34% and 19% over the same period.

ICICIdirect continued to remain the platform of choice for investors. We expanded our marketshare, which today stands at 9%. During the year, we acquired 0.46 million new clients, taking the total client base to over 4 million. Average Daily Turnover (ADTO) on ICICIdirect grew 99%, against 72% for the whole market. The robustness of our platform could be gauged from the fact that over 95% broking transactions are performed online with over 25% equity transactions done through mobile devices.

In the financial savings products distribution space, we distribute over 2,500 MF schemes, besides life insurance and other financial products like NPS, corporate fixed deposits etc. through our online platform and offline setup. In MFs, our Assets Under Management (AUM) grew 44% during the year and stood at ₹ 305 billion and the number of Systematic Investment Plans (SIP) on our platform have crossed 1 million, demonstrating increased awareness and acceptance of MFs as an investment asset.

ICICI Securities maintained its leadership position in investment banking business in a year which saw record fund raising by Indian companies. It was ranked third by managing a total of 12 IPO, FPO and InvITs in FY 2018 with the market share of 34% (in terms of issue size). Your Company has taken strong steps to diversify in equity-related business by growing its other businesses

like distribution, advisory etc. Non-brokerage business (including interest income) today accounts for about 45% of your Company's topline, against 38% in FY 2015. Your Company has amongst the largest financial distribution network amongst non-bank firms with over 200 branches in 75+ cities, besides presence through over 2,600 ICICI Bank branches and over 5,400 sub-broker and Independent Financial Associate (IFA) network.

Going Forward

We stay committed to our mission of 'Creating Informed Access to the Wealth of the Nation' for our diversified set of clients that includes retail investors, High Net Worth Individuals, corporates, government, and institutional investors.

The structural changes initiated by the Government and the policy changes by regulators have resulted in a paradigm shift in the financial savings landscape in the country. There is an increasing flow of funds into formal financial savings and within that there is increasing diversification away from bank deposits into various financial investments.

Policy changes that have enabled digital financial transactions have also aided Indian savers in accessing these financial products more easily.

We believe that these are fundamental shifts.

We also believe that with our 18-year-old digital heritage and the understanding we have developed of the Indian financial savings ecosystem, we would be able to stay true to our mission of partnering wealth creation in the country.

We will endeavour to empower our customers with both information and ease of access so that they can make appropriate choices and be in control of their financial future. We will strive to translate our customer engagements into continually innovating and deploying solutions that will further enrich our customers' lives.

For our people, our vision is to be a learning workplace of engaged employees with a strong sense of purpose, pride and values.

As an Organisation, we aspire to become an ideal and responsible corporate citizen, creating a sustained value over the long term for all our stakeholders.

My sincere gratitude to all our customers, partners, employees and investors for their continued support and trust.

Yours sincerely,

Shilpa Kumar

Managing Director & Chief Executive Officer

Board of Directors



Ms. Chanda Kochhar

Ms. Chanda Kochhar is the Chairperson of our Board and Nominee Director of ICICI Bank Limited. She holds a bachelor's degree in arts from the University of Mumbai and a master's degree in management studies from Jamnalal Bajaj Institute of Management Studies, Mumbai. She has received an honorary doctorate of laws from Carleton University, Canada. She has been the Managing Director and Chief Executive Officer of ICICI Bank Limited since 2009. She is the recipient of the Padma Bhushan Award, 2011, the third highest civilian honour awarded by the Government of India. She has been a member of the Prime Minister's Council of Trade and Industry and High-Level Committee on Financing Infrastructure and is currently a member of the Board of Trade. She has been a Director on our Board since October 15, 2008.



Mr. Vinod Kumar Dhall

Mr. Vinod Kumar Dhall is an Independent Director of our Company. He holds a bachelor's degree in law from the University of Delhi and a master's degree in mathematics from the University of Allahabad. He is enrolled as an advocate with the Bar Council of Delhi and is in active legal practice in the field of competition law. He has experience in the fields of competition law, corporate affairs, industry, economic regulation and finance. Previously, he was a part of the Indian Administrative Services and served as a Secretary to the Government of India. He has also served as an acting chairman of the Competition Commission of India until 2008. He has also been an ex-officio member of SEBI, Life Insurance Corporation of India, General Insurance Corporation of India and has worked with the United Nations Industrial Development Organisation. He has received several awards for his academic and extra-curricular achievements at the University of Allahabad. He has been a Director on our Board since October 28, 2014.



Mr. Ashvin Parekh

Mr. Ashvin Parekh is an Independent Director of our Company. He is a member of the Institute of Chartered Accountants of India. He has experience in business strategies, corporate planning, institutional strengthening and business transformation across industries including banking, insurance, pension and capital markets both in domestic and global markets. He is currently a director on the board of ICICI Lombard General Insurance Company Limited and ICICI Securities Primary Dealership Limited and a designated partner of Ashvin Parekh Advisory Services LLP. He has been a Director on our Board since August 25, 2016.



Mr. Subrata Mukherji

Mr. Subrata Mukherji is an Independent Director of our Company. He holds a bachelor's degree in arts from the University of Mumbai and a master's degree in management studies from the University of Mumbai. He also holds a master's degree in accounting and finance from the London School of Economics and Political Science and has completed the executive program from the University of Michigan, School of Business Administration. He has previously worked with ICICI Bank Limited. He was the Executive Director of ICICI Limited from 2001 to 2002. Post merger, he was the Executive Director of ICICI Bank Limited from 2002 to 2004. He has been the Managing Director and Chief Executive Officer of ICICI Securities Limited from 2004 to 2007. The name of ICICI Securities Limited was changed to ICICI Securities Primary Dealership Limited in 2007. He was the Chairman of the board of directors of ICICI Securities Primary Dealership Limited from August 2007 to May 2009 and the Managing Director and Chief Executive Officer of our Company from August 2007 to January 2009. He has also worked with ICICI Foundation for Inclusive Growth as Co-President from September 2010 to March 2011 and as President from April 2011 to July 2014. He has been an Independent Director on our Board since November 29, 2017.



Ms. Vijayalakshmi Iyer

Ms. Vijayalakshmi Iyer is an Independent Director of our Company. She holds a master's degree in commerce from University of Mumbai. She has previously served as an Executive Director of Central Bank of India and the Chairperson and Managing Director of Bank of India. She was also a Whole Time Member (Finance and Investment) in the IRDAI. She has been a Director on our Board since November 29, 2017.



Ms. Vishakha Mulye

Ms. Vishakha Mulye is a Nominee Director of ICICI Bank Limited. She is a member of the Institute of Chartered Accountants of India. She has worked in the areas of strategy, finance, treasury and markets, structured finance, corporate and project finance, insurance and private equity. She has been appointed as an Executive Director of ICICI Bank Limited with effect from January 19, 2016 and is responsible for Wholesale Banking. She also worked with ICICI Lombard General Insurance Company Limited for over a year. She was the Managing Director and Chief Executive Officer of ICICI Venture Funds Management Company Limited for over five years. She has been a Director on our Board since February 24, 2016.

Board of Directors



Ms. Shilpa Kumar

Ms. Shilpa Kumar is the Managing Director & CEO of our Company. She holds a post graduate diploma in management from Indian Institute of Management, Calcutta. She has previously worked with ICICI Bank Limited for over 27 years in the areas of planning, project finance, corporate banking and treasury at ICICI Bank Limited. She is a member of the Secondary Market Advisory Committee of the Securities and Exchange Board of India and the Advisory Committees of the BSE Limited and National Stock Exchange of India Limited. She has been appointed as the Managing Director & CEO of our Company since November 2016.



Mr. Ajay Saraf

Mr. Ajay Saraf is an Executive Director of our Company. He is a member of the Institute of Chartered Accountants of India and Institute of Cost and Works Accountants of India. He currently heads the investment banking and institutional broking divisions at our Company. He has over 24 years of experience and has been associated with our Company for over seven years. He has previously worked with ICICI Bank Limited for approximately nine years in corporate banking and Small and Medium Enterprises banking verticals. Prior to ICICI Bank Limited, he worked with American Express Bank Limited. He has been a Director on our Board since May 25, 2011.

Corporate Information

BANKERS

ICICI Bank Ltd.

AUDITORS

B S R & Co. LLP

BOARD OF DIRECTORS

Chanda Kochhar

Chairperson

Vinod Kumar Dhall

Ashvin Parekh

Subrata Mukherji

Vijayalakshmi Iyer

Vishakha Mulye

Shilpa Kumar

Managing Director &

Chief Executive Officer

Ajay Saraf

Executive Director

BOARD COMMITTEES

Audit Committee

Vinod Kumar Dhall, *Chairman*

Ashvin Parekh

Subrata Mukherji

Vishakha Mulye

Nomination and Remuneration Committee

Vinod Kumar Dhall, *Chairman*

Chanda Kochhar

Ashvin Parekh

Corporate Social Responsibility Committee

Vinod Kumar Dhall, *Chairman*

Shilpa Kumar

Ajay Saraf

Stakeholders Relationship Committee

Vijayalakshmi Iyer, *Chairperson*

Shilpa Kumar

Ajay Saraf

REGISTERED OFFICE

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

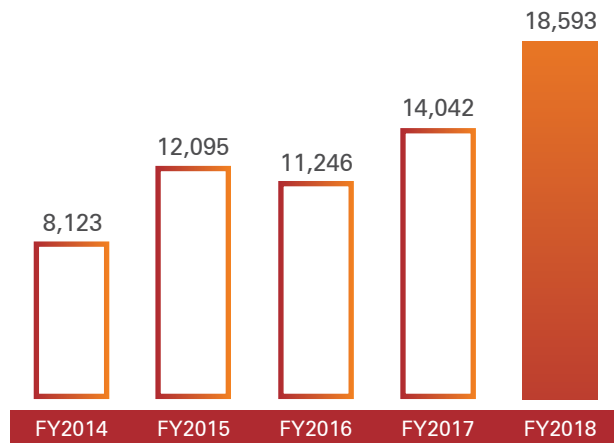
CORPORATE OFFICE

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

Financial and Operational Highlights

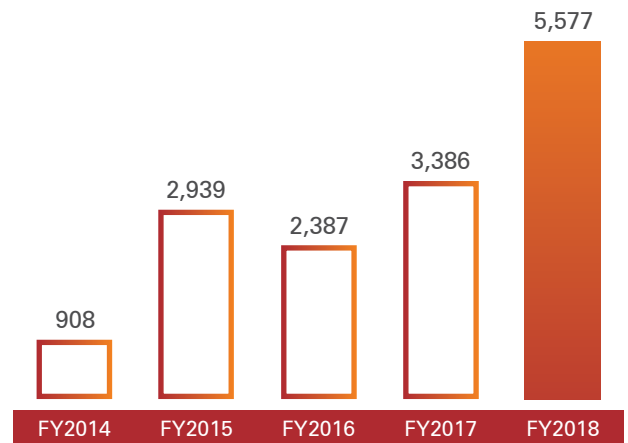
Consolidated Revenue

(in ₹ million)



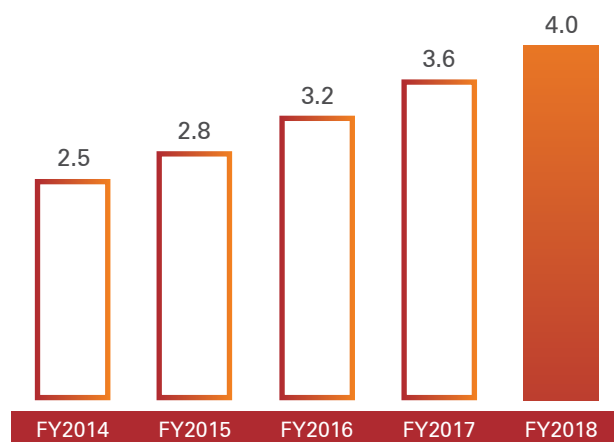
Consolidated Profit after Tax

(in ₹ million)



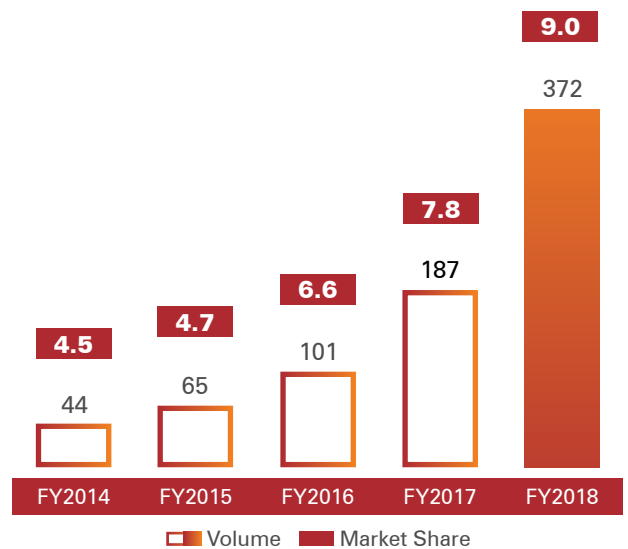
Customer Base

(in million)



Volume (ADTO in ₹ billion)

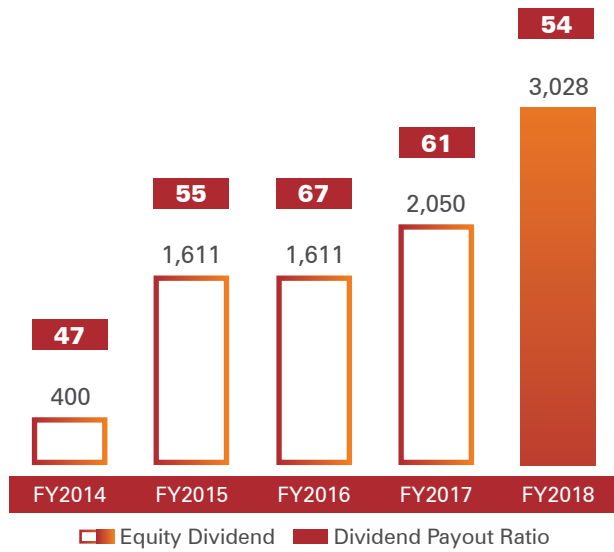
Market Share (%)



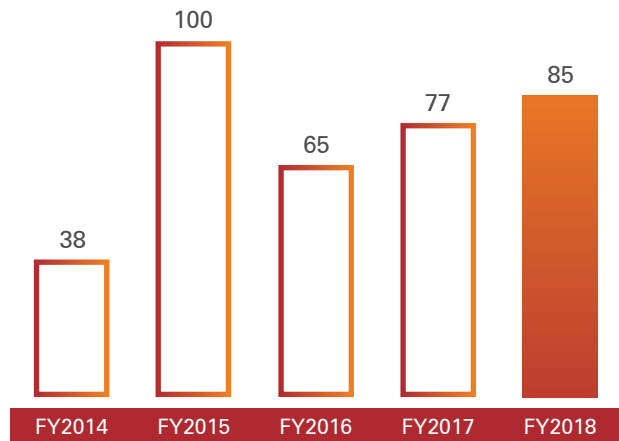
Volume Market Share

Equity Dividend (in ₹ million)

Dividend Payout Ratio (%)

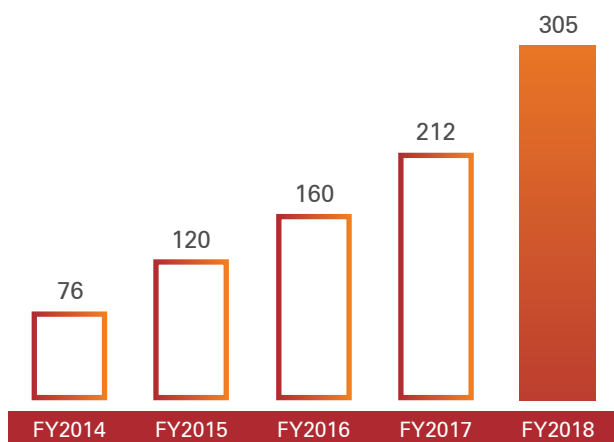


Return on Equity* (%)



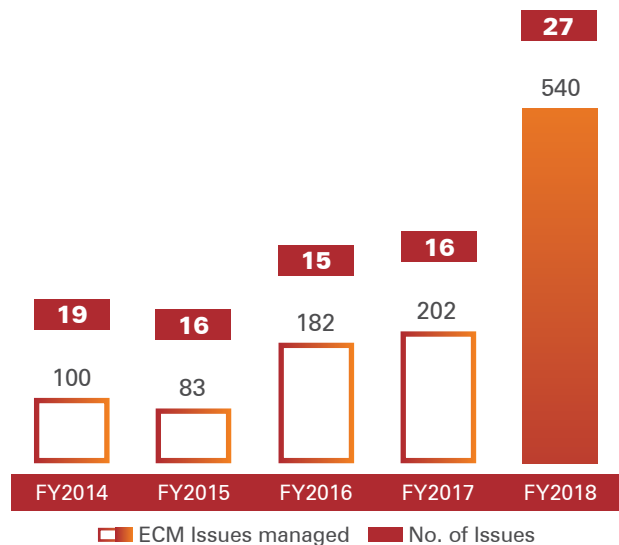
Mutual Fund Average AUM

(in ₹ billion)



ECM Issues managed (in ₹ billion)

No. of Issues



*Equity dividend: FY 2018 includes interim dividend and proposed final dividend

Dividend payout (%) = Dividend on equity shares / (Profit after Tax - (dividend on preference shares + dividend distribution tax on preference shares))

Return on net worth (%) = Net Profit after Tax / average net worth for the year end. Net worth represents share capital, and reserves and surplus excluding foreign currency translation reserves at the end of the year

Strengths and **Strategies**

Our enduring success and consistent growth is the result of our strengths and strategies. Over the years, we have invested in technology and digitisation, our key strengths, with a clear strategy to provide our customers with a seamless, digital-led transaction experience that is backed by knowledge-based research.

It is this combination of strength and strategy, reach and reputation, expertise and experience that will propel us into the next trajectory of growth as we leverage our leadership position in the financial services space in India.





Digital-led

India has approximately 432.0 million Internet users and nearly 1.20 billion mobile users, of whom 30% use smartphones.

According to CRISIL Research, the smartphone penetration rate in India is expected to increase rapidly over the next few years, reaching 66% by the end of fiscal 2022. In addition, the share of mobile data subscribers is projected to increase from 34% in fiscal 2017 to 66% by the end of fiscal 2022. With the increase in smartphone penetration and faster data speeds, consumers are increasingly finding digital platforms more convenient.

The Government is also encouraging digitisation as part of its larger objective to formalise the economy. Initiatives like the Jan Dhan Yojana are creating larger financial inclusion while linking of Aadhaar card to various services is bringing a much larger section of the population under a digital umbrella. Recently, mobile phones are emerging the new payment gateways.

For financial intermediaries like ICICI Securities, digitisation is opening up new vistas for customer acquisition, reach expansion and growth.

There is a huge scope for ICICI Securities to leverage its digital strength to serve hitherto untouched customers anywhere in the country. Given the low participation and penetration of household savings into equities, the online trading platform ICICIdirect.com has immense potential to immediately get more new customers onboard. As pioneers in e-brokerage, ICICI Securities has the right mix of a strong brand name, large registered customer base, a wide range of products across asset classes and complimentary advisory services to take maximum advantage of the growing opportunity in India by being Digital-led.

Adoption of digital solutions at various levels has considerably enhanced the speed of the business from acquisition to access and delivery of products. It has also led to lower operating costs.



Award-winning platform – ICICIdirect

ICICIdirect: 3-in-1 Proprietary electronic brokerage platform

- Over 95% of broking transactions performed online
- Over 25% equity transactions through mobile devices on NSE
- Comprehensive portfolio management tools
- Robust real-time risk management
- Research: Coverage of 250+ Indian stocks across sectors; 40+ member team

Analytics – the New Game Changer

We use data analytics continuously to understand customer preferences, design new products, identify targets for cross-selling and increase customer transactions. We recently introduced the Chat Bot that uses Artificial Intelligence to resolve customer queries in a seamless manner and in the least time possible.



Retail-focused technology platform

- Highest ever retail brokerage revenue of over ₹ 9 billion in FY 2018 i.e. an increase of 31% over FY 2017
- ~90% contribution in overall broking revenue



Mr. Deepak Malhotra

*Director Business Development
Stellar Aviation Solution
New Delhi, Select Customer*

I am extremely happy and proud to be part of the ICICIdirect family, a name that stands for long-standing values and integrity. Access to an excellent research team, backed by state-of-the-art technology initiatives from the group, has helped us build on our strengths and build a healthy portfolio for ourselves. Being a part of this continuously innovating organisation has been a truly rewarding experience.



Mr. Prabal Basu Roy

*PE Investor, management advisor,
former corporate director, columnist
and media commentator
Bangalore, HNI Client*

In my 20 years with ICICI Securities, I have closely observed its metamorphosis to what is simply India's best and most innovative platform for securities trading and by far the leader in terms of product introductions, technology and security standards to ensure safety of capital. The organisational ethic revolves around its immense responsiveness to quickly meet customer requirements. The consistency of its daily equity technical research in terms of accurately predicting NIFTY levels is foremost amongst all brokerages I have come across including international ones.

Knowledge-driven

Knowledge-driven research and expertise constitute the key to our business.

Decades of experience, a presence across geographies, an end-to-end spectrum of products and services for customers from every segment along with the socio-economic continuum has equipped ICICI Securities with a deep understanding of the financial needs of the nation. This understanding has been harnessed to garner information that will facilitate better investment and wealth-creating decisions and, with the help of teams of in-house professionals, has been processed for the consumption of various customers from different walks of life. This is the 'knowledge' that ICICI Securities brings to the table.

We have a strong research desk with strong subject matter experts who regularly scan the macro-economic horizon and map them to individual sectors, companies and issues – bringing out a detailed report that assists prudent and improved decision-making for our clients.

Research Strength

- Research covering 250+ Indian stocks across sectors. Also on macro-economic parameters and specific industries
- Separate Retail and Institutional Research teams to cater to different customer types
- International investor conferences in the US and the Asia-Pacific
- Customised services offered to HNI and certain family offices
- Member of different government advisory bodies to advise government on different capital market related topics

1,200+

Relationship managers and product specialists

MF recommendations based on quantitative and qualitative parameters

The myriad world of Mutual Funds has over 2,500 schemes, making it a challenge to advise and explain the intricacies to customers. We have taken a three-pronged approach:

- 1) Creating a basket for easy "One Click Investment" option. Each basket consists of equities as well as tax saving schemes and each of these baskets have four recommended schemes backed by the internal research of the team considering the performance etc. This makes it much simpler for customers to choose a suitable option.
- 2) Creating a "Fund of the Month" on the website where two or three thoroughly researched schemes are highlighted with funds, enabling customers to make a more informed investment call.
- 3) If customers want more options, the website provides the list of funds/schemes divided into few buckets:
 - Top picks – the best schemes
 - Risk-based investment
 - Investment horizon-based schemes ranging from 1 month-5 years

Quality Research reports

Our research reports offer advice and market opinion through a well-researched and creditable view. These research reports are done without any biases. Our research reports cover over 250 companies across sectors and sizes.

Online and offline guidance

Guiding our customer using both digital and non-digital medium is a continuing activity. We regularly bring our mailers and write-ups in regional and vernacular languages.

We conduct investor calls with market experts at no cost to the participants, including in Hindi to spread awareness and knowledge. Through ICICIdirect Centre for Financial Learning (ICFL), our in-house training institute, we conduct knowledge sessions on various market-related topics for

freshers as well experienced people to arm them with added skills which would help in their investment-making decisions. We also work with specific communities like underprivileged women and armed forces brethren to bring a brighter future by sharing knowledge and skills about investing.

We have a unique combination of a digital and hand-holding model where the final decision to access information is with the customers.



Mr. Naresh Arya
63 Years, Mumbai
Self Employed

Over the last 15 years, I have been maintaining a relationship with ICICI Securities and using the ICICIdirect platform for all my family members. I am amazed at the soundness of the trading platform and the excellent security features of ICICI Securities' three-in-one accounts. The seamless interface, which is being continuously improved, works glitch-free.



Mr. Parag Diwan
Noted eduprenuer and an
accomplished energy professional.
Delhi NCR, PWM client

My experience with ICICI Securities has been wonderful. I also find the team behind to be caring professionals who truly listen to their clients' needs. With such an expert wealth management team, you never feel pressured or treated like a "sales target" – instead, you feel like you're talking with a trusted friend who offers great solutions for all your financial needs.

Partnering India's Wealth Creation

As India moves from a low income to a mid-income economy, we collaborate with all players - be it for fund raising or deployment - for wealth creation. We democratise knowledge and information across investor classes for them to take informed decisions.

We collaborate with all stakeholders in the financial market like retail and institutional investors, corporates, entrepreneurs and government to meet their financial objectives and to act as bridge between investors and investees.

For the retail investors, we focus on customer needs and constantly endeavour to offer a broad range of financial products that cater to their financial aspirations and lifestage goals. In addition to our suite of products and services, our ICICIdirect platform also provides various tools, research and support. Customers on the platform are provided with a consolidated view of their portfolio across asset classes which helps them in managing their investments and take informed decisions.

Our institutional business entails facilitating fund raising products and providing secondary market platform for large Institutions. Our investment banking business offers equity capital market services and other financial advisory services to corporate clients, the government and financial sponsors. In-depth industry-specific expertise enables us to serve the evolving needs of clients. We advise our clients on valuation, transaction structures and negotiations. To our domestic and foreign institutional investors, we support them in the entire investment cycle with brokerage services, corporate access and equity research.

With our Digital-led, Knowledge-driven approach, we constantly endeavour to partner the nation's wealth creation journey.

Directors' Report

To the Members

The Directors are pleased to present the Twenty-Third Annual Report of ICICI Securities Limited ('the Company') along with the audited financial statements for the financial year ended at March 31, 2018.

PERFORMANCE

Industry overview

Fiscal 2018 witnessed continued momentum from the secular trend of financialisation of savings as well as strong capital market activity driven by liquidity, positive global macro-economic environment, government reforms and corporate earnings growth. This resulted in all the market segments in which your Company operates registering strong growth. In the secondary market, average daily turnover grew by 72% for the industry during the year under review. Domestic inflows into capital markets witnessed a growth on the back of demonetisation and Domestic Institutional Investors ('DIIs') gained prominence although Foreign Portfolio Investors ('FPIs') were net sellers.

Fiscal 2018 also witnessed healthy activity in the primary markets with strong growth in number of transactions as well as capital raised as the number of Initial Public Offerings ('IPOs') went up to 47 from 25 in the last fiscal with the funds raised increasing to ₹ 888.36 billion from ₹ 282.25 billion during fiscal 2017. Similarly, there was strong growth in Qualified Institutional Placement ('QIP') transactions and private equity ('PE') deals.

Mutual fund AUM for the industry witnessed a growth of 22% led by strong inflows as well as positive market related movement in net asset values ('NAVs'). Similarly, in the life insurance space, new business premiums during fiscal 2018 grew by 17.16% within which private sector life insurance industry registered a growth of 10.77%.

Company overview

The year under review witnessed your Company delivering growth in revenues across all its business segments. For fiscal 2018, standalone revenue grew by 32% year-on-year from ₹ 14.04 billion to ₹ 18.57 billion led by growth in all business segments with broking

business growing by 32%, distribution business by 34% and investment banking business by 19%.

In the secondary market (broking business), your Company achieved an overall market share of 9.0% compared to 7.8% during fiscal 2017, based on total average daily turnover. This was led by volume growth of 99% for your Company as compared to 72% for the industry during the same period. Your Company maintained its leadership position in total number of active clients on National Stock Exchange of India Limited ('NSE') registering a growth of 29% year-on-year. The institutional daily cash turnover in the equity market (NSE and BSE Limited) increased by 32% to USD 677 billion during fiscal 2018 which resulted in a revenue growth of 44% year-on-year.

On the primary market front, the corporate finance business continued to build a deal pipeline of diverse products resulting in the total number of Equity Capital Market ('ECM') transactions increasing by 69% in terms of count and more than doubling by value. The revenue has grown by 19% to cross ₹ 1.43 billion during fiscal 2018.

Your Company is also a leading distribution franchise, being the second largest non-bank mutual fund distributor as per the latest available industry numbers for fiscal 2018. Apart from mutual funds, the Company was also among the leading distributors in other financial products like Life Insurance, IPOs, Portfolio Management Schemes ('PMS'), Alternate Investment Funds ('AIFs'), Sovereign Gold Bonds, Bharat 22 Exchange Traded Fund, National Pension Scheme ('NPS'), etc. The distribution business has shown a healthy growth of 34% and helps diversify the sources of revenues for the Company.

On the cost efficiency front, the cost to income ratio declined from 63% for fiscal 2017 to 54% for fiscal 2018. The standalone profit after tax grew by 64% from ₹ 3,376.1 million to ₹ 5,533.6 million resulting in return on equity increasing from 77% during fiscal 2017 to 85% during fiscal 2018. Your Company had a strong net worth position with net worth increasing from ₹ 4.83 billion at March 31, 2017 to ₹ 8.23 billion at March 31, 2018.

Your Company achieved a significant milestone in its journey when its equity shares were listed on the stock exchanges on April 4, 2018.

Financial highlights

The table below summarises the key financials of your Company for fiscal 2018:

₹ millions

Particulars	Standalone			Consolidated		
	FY2017	FY2018	Change %	FY2017	FY2018	Change %
Gross Income	14,039.0	18,568.0	32.3	14,042.3	18,593.3	32.4
Profit/(Loss) before Depreciation and Tax	5,364.4	8,656.8	61.4	5,375.2	8,701.7	61.9
Depreciation	154.6	152.6	(1.3)	154.8	153.0	(1.2)
Profit/(Loss) before Tax	5,209.8	8,504.2	63.2	5,220.4	8,548.7	63.8
Provision for Tax	1,833.7	2,970.6	62.0	1,834.5	2,971.4	62.0
Profit/(Loss) after Tax	3,376.1	5,533.6	63.9	3,385.9	5,577.3	64.7
Balance brought forward from previous year	1,402.0	2,310.4	64.8	1,390.0	2,308.2	66.1
Amount available for appropriation	4,778.1	7,844.0	64.2	4,775.9	7,885.5	65.1
Profit/(Loss) carried forward to the Balance Sheet	2,310.4	5,711.5	147.2	2,308.2	5,753.0	149.2
Earnings per share on equity shares of ₹ 5/- each (Basic and Diluted)	10.48	17.18	63.9	10.51	17.31	64.7

Note - Figures in parenthesis are negative

APPROPRIATIONS

Your Company had a disposable profit after tax available for appropriations of ₹ 7,844.0 million comprising profit after tax of ₹ 5,533.6 million for fiscal 2018 and balance of ₹ 2,310.4 million brought forward from the previous financial year. An appropriation of ₹ 2,132.5 million towards interim dividend including dividend distribution tax has been approved by the Board resulting in profit of ₹ 5,711.5 million being the surplus carried forward.

₹ millions

Particulars	Standalone	
	FY2017	FY2018
Disposable Profit	4,778.1	7,844.0
Appropriations:		
Transfer to Reserves	-	-
Interim Equity Dividend	2,050.3	1,771.8
Tax on Equity Dividend	417.4	360.7
Surplus carried forward	2,310.4	5,711.5

CONSOLIDATION OF SHARES

During the financial year, equity shares of face value of ₹ 2/- each were consolidated into face value of ₹ 5/- each (i.e. 805,353,500 equity shares were consolidated into 322,141,400 equity shares).

DIVIDEND

The Board has recommended a final dividend of ₹ 3.90 per equity share for fiscal 2018, aggregating to ₹ 1,514.6 million, including dividend distribution tax. The Board had also approved payment of interim dividend of ₹ 5.5 per equity share which along with the proposed final dividend would result in cumulative dividend payout ratio of 54.7% of the profits. The final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting ('AGM').

DIVIDEND DISTRIBUTION POLICY

In accordance with Regulation 43 A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), your Company has formulated a dividend distribution policy and the same is given in **Annexure A** to this report and is also uploaded on the website of the Company at the following link:

<http://www.icicisecurities.com/CMT/UPLOAD/ARTICLEIMAGES/ddp2017.pdf>

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

At March 31, 2018, the Company has two subsidiaries (including step down subsidiary) and has no associate and joint venture companies. The subsidiaries are:

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

During the fiscal 2018, no Company has become or ceased to be Subsidiary, Joint Venture or Associate Company of the Company.

A separate statement containing the salient features of the financial statements of the subsidiaries required to be disclosed under Form AOC-1 is enclosed as **Annexure B** to this Report.

RISK MANAGEMENT FRAMEWORK

Our Board oversees our risk management and has constituted a Risk Management Committee, which frames and reviews risk management processes and controls. We have established a comprehensive system for risk management and internal controls for all our businesses 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.

We have classified the key risks associated with our business into market risk, credit risk, liquidity risk, operational risk and information technology risk. We have established various policies with respect to such risks which set forth limits, mitigation strategies and internal controls. These policies include a corporate risk and investment policy, a liquidity risk management policy, an operational risk management policy, an outsourcing policy, a fraud risk management policy, an information technology risk management policy, an information security management policy and a surveillance policy.

We particularly are sensitive to risks emanating from the introduction of new products and services. Before we launch a new product or service, it is reviewed and approved by our corporate risk management, compliance and operations groups and product and process approval committee that we have set up. These groups and committee review the product/service through the lenses of regulatory compliance, risk management, and integration with the existing risk management systems.

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 Group/Chairman-Audit Committee without necessarily informing his/her supervisors and without revealing his/her identity, if he/she so chooses. The Policy governs reporting and investigation of allegations of suspected improper activities.

The employees of the Company are encouraged to use guidance provided in the Policy for reporting all allegations of suspected improper activities. In all instances, the Company retains the prerogative to determine when circumstances warrant an investigation and in conformity with the policy and applicable laws and regulations, the appropriate investigative process is employed. The Policy complies with the requirements of vigil mechanism as stipulated under Section 177 of the Companies Act, 2013 ('the Act'). The details of establishment of the Whistle Blower Policy/vigil mechanism have been disclosed on the website of the Company.

INTERNAL CONTROL AND ITS ADEQUACY

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 such controls are operating effectively.

STATUTORY AUDITORS REPORT

There were no qualifications, reservations, adverse remarks or disclaimers in the report of statutory auditors of the Company.

No frauds were reported by the auditors under Section 143 (12) of the Act.

EXTRACT OF ANNUAL RETURN

In terms of the requirements of Section 134 (3) (a) of the Act, an extract of the annual return as provided under Section 92 (3) of the Act is given in **Annexure C** to this report.

PUBLIC DEPOSITS

Your Company has not accepted any public deposits and as such, no amount on account of principal or interest

on public deposits was outstanding as on the date of the balance sheet.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and investments covered under Section 186 of the Act are given in **Annexure D** to this report.

RELATED PARTY TRANSACTIONS

The Company has put in place a policy for related party transactions ('RPT') which has been approved by the Board of Directors. The policy provides for identification of RPT, necessary approvals by the Audit Committee/Board/shareholders, reporting and disclosure requirements in compliance with the Act and Listing Regulations.

The said policy has been uploaded on the website of the Company and can be accessed at the following link:

http://icicisecurities.com/CMT/UPLOAD/ARTICLEIMAGES/Policy_on_RPT.pdf

All transactions executed by the Company during the financial year with related parties were on arm's length basis and in ordinary course of business. All such related party transactions were placed before the Audit Committee for approval, wherever applicable.

The details of related party transactions under Section 188 (1) of the Act required to be disclosed under Form AOC - 2 pursuant to Section 134 (3) of the Act are given in **Annexure E** to this report.

DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL

The Board of the Company at March 31, 2018 consisted of eight Directors, out of which four are independent Directors, two are non-executive non-independent Directors (Nominees of ICICI Bank Limited) and two are whole-time Directors.

As at the end of fiscal 2018, Shilpa Kumar (DIN: 02404667) - 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 rules made thereunder.

Changes in the composition of the Board of Directors and other Key Managerial Personnel

During the year, Anup Bagchi (DIN: 00105962) ceased to be a Director *w.e.f.* November 29, 2017. The Board places on record its appreciation of the valuable contribution and guidance provided by Anup Bagchi (DIN: 00105962) to the Company.

The Board of Directors in its meeting held on November 24, 2017 appointed Subrata Mukherji (DIN: 00057492) and Vijayalakshmi Iyer (DIN: 05242960) as additional Directors (Independent Directors) of the Company. As per the regulatory requirements, any change in the Directors of the Company requires prior approval of stock exchanges. Accordingly, the approvals from NSE and BSE Limited ('BSE') were received on November 29, 2017 which is the effective date of their appointments. Subsequently, the appointment of Subrata Mukherji (DIN: 00057492) and Vijayalakshmi Iyer (DIN: 05242960) as the Independent Directors on the Board of Directors of the Company was approved by the Members of the Company at the Extra-ordinary General Meeting of the Company held on December 4, 2017 for a term of five consecutive years upto November 28, 2022.

Pursuant to the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the financial year, Prashant Mohta ceased to be the Chief Financial Officer of the Company *w.e.f.* August 31, 2017. The Board places on record its appreciation of the valuable contribution made by Prashant Mohta to the Company. Further, Harvinder Jaspal was appointed as the Chief Financial Officer of the Company in place of Prashant Mohta, *w.e.f.* September 1, 2017 based on the recommendation of the Nomination and Remuneration Committee of the Board ('NRC').

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.

Retirement by rotation

In terms of Section 152 of the Act and the Articles of Association of the Company, Chanda Kochhar (DIN: 00043617) would retire by rotation at the forthcoming AGM and is eligible for re-appointment. Chanda Kochhar (DIN: 00043617) has offered herself for re-appointment.

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

BOARD AND COMMITTEES OF THE BOARD

The Company's Board is constituted in compliance with the Act and Listing Regulations. The Board of the Company at March 31, 2018 consisted of eight Directors, comprising of four independent Directors, two non-executive non-independent Directors (Nominees of ICICI Bank Limited) and two executive Directors. Except

the Managing Director & CEO and the Executive Director, all other Directors including the Chairperson 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 the requisite number of women Directors. 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 and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility 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 ten times during fiscal 2018 on April 20, 2017, July 24, 2017, August 16, 2017, September 25, 2017, October 17, 2017, November 7, 2017, November 24, 2017, December 6, 2017, December 28, 2017 and January 12, 2018.

There were no *inter-se* relationships between any of the Directors of the Company. Further, none of the non-executive Directors hold any equity shares or convertible instruments of the Company.

The names of the Directors, their attendance at Board Meetings during the financial year, attendance at the last AGM and the number of other directorships and committee memberships held by them as at the end of fiscal 2018 are set out in the following table:

Name of the Director	Number of Board Meetings		Attendance at the last AGM held at June 9, 2017	No. of Directorships in other Companies		Number of Committee Memberships (including this Company)#	
	Entitled to Attend	Attended		Public Companies	Other Companies	Member	Chairman
Independent Directors							
Vinod Kumar Dhall (DIN: 02591373)*	10	9	Present	6	0	9	6
Ashvin Parekh (DIN: 06559989)	10	9	Absent	2	0	3	2
Subrata Mukherji (DIN: 00057492) ¹	3	3	N.A. (Not a Director as on the date of AGM)	1	0	2	1
Vijayalakshmi Iyer (DIN: 05242960) ¹	3	2	N.A. (Not a Director as on the date of AGM)	9	0	4	3
Non-executive Non-Independent Directors							
Chanda Kochhar, Chairperson (DIN: 00043617)	10	10	Absent	4	0	0	0
Anup Bagchi (DIN: 00105962) ²	7	6	Absent	N.A.	N.A.	N.A.	N.A.
Vishakha Mulye (DIN: 00203578)	10	9	Absent	1	0	1	0
Executive Directors							
Shilpa Kumar (DIN: 02404667)	10	10	Present	3	0	1	0
Ajay Saraf (DIN: 00074885)	10	9	Present	0	0	1	0

Membership/Chairmanship of only Audit Committee and Stakeholders Relationship Committee of public limited companies have been considered.

* Participated in one meeting through video conference.

¹ Subrata Mukherji and Vijayalakshmi Iyer have been appointed as independent Directors on the Board of Directors of the Company w.e.f. November 29, 2017.

² Anup Bagchi ceased to be a Director w.e.f. November 29, 2017.

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

Separate Meeting of Independent directors

During fiscal 2018, a separate meeting of the independent Directors was held on April 20, 2017.

The terms of reference of the Committees constituted by the Board, as mentioned earlier, their composition and attendance of the respective members at the various Committee Meetings held during fiscal 2018 are set out below:

Audit Committee

Terms of Reference

- (a) To oversee the financial statements, the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
 - (b) To oversee the procedures and processes established to attend issues relating to maintenance of books of account, administration procedures, transactions and other matters having a bearing on the financial position of the Company, whether raised by the auditors or by any other person;
 - (c) To review, with the management, the quarterly financial statements and the certificate in respect of internal controls over financial reporting as per the requirements of the Sarbanes Oxley Act, 2002, before submission to the Board for approval;
 - (d) To review, with the management, the quarterly, half-yearly and annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - Changes in accounting policies and practices and reasons for the same;
 - Major accounting entries based on the exercise of prudent judgment and estimates by management;
 - Modified opinion(s) in the draft audit report;
 - Significant adjustments made in the financial statements arising out of audit;
 - Compliance with listing and other legal requirements relating to financial statements;
 - To review the management discussion and analysis of financial condition and results of operations;
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act;
 - Any related party transactions *i.e.* transactions of the Company of material nature, with promoter or the management, their subsidiaries or relatives, *etc.* that may have a potential conflict with the interests of the Company at large; and
 - To approve any subsequent modification of transactions of the Company with related parties, provided, that the Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- (e) To recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and/or branch auditor and the fixation of audit fee;
 - (f) To approve the payment to statutory auditors for any other services rendered by the statutory auditors;
 - (g) To review and monitoring, with the management, performance of statutory auditor's, the auditor's independence and effectiveness of audit process;
 - (h) To discuss with the statutory auditors before the audit commences about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
 - (i) To call for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of the financial statements before their submission to the Board and also to discuss any related issues with the internal and statutory auditors and management of the Company;
 - (j) To recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the internal auditors/concurrent auditors/special auditors and the fixation of their remuneration;
 - (k) To review, with the management, performance of internal auditors;
 - (l) To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;

- (m) To set up procedures and processes to address all concerns relating to the adequacy of checks and control systems;
- (n) To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure internal control systems of a material nature and reporting the matter to the Board;
- (o) To review, with the management, the adequacy of internal control systems;
- (p) To monitor the compliance function and the Company's risk profile in respect of compliance with external laws and regulations and internal policies;
- (q) To review reports on (o) and (p) above and on proactive compliance activities aimed at increasing the Company's ability to meet its legal and ethical obligations, on identified weaknesses, lapses, breaches or violations and the controls and other measure in place to help detect and address the same;
- (r) To evaluate internal financial controls and risk management systems;
- (s) To report any significant findings [including Audit Issue Rectification Index (AIRI)] to the Risk Management Committee of the Company on a quarterly basis;
- (t) To discuss with the internal auditors of any significant finding and follow up thereon;
- (u) To review the following matters:
- Penal action taken against the Company under various laws and statutes;
 - Reports of inspection by regulatory authorities viz. SEBI, BSE, NSE, IRDA, PFRDA, AMFI;
 - Follow-up action on the inspection reports;
 - Compliance with the inspection reports of regulatory authorities;
 - Accountability for unsatisfactory compliance with inspection reports, delay in compliance and non-rectification of deficiencies;
- (v) To reviewing the following matters:
- Reports of the audits conducted by the statutory auditors and their periodicity and scheduling;
 - Compliance with the observations of the statutory auditors;
- (w) To review the following matters:
- Reports of the different types of audits conducted by the internal auditors and their periodicity and scheduling;
 - Follow-up action on the audit reports, particularly concerning unsatisfactory areas of operations;
 - Compliance with the observations of the internal auditors;
 - Omissions on the part of the auditing team to detect serious irregularities;
- (x) To approve compliance programmes, review their effectiveness on a regular basis and review material compliance issues or matters;
- (y) To review the Anti-Money Laundering (AML)/Counter-Financing of Terrorism (CFT) policy annually and review the implementation of the Company's AML/CFT programme;
- (z) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and looking into substantial delays in the payment to creditors;
- (aa) To review the functioning of the whistle blower mechanism or other confidential mechanisms for employees to report ethical and compliance concerns with breaches or violations;
- (ab) To establish procedures for:
- the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls or auditing matters; and
 - the confidential, anonymous submission by employees regarding questionable accounting or auditing matters;
- (ac) To engage, without seeking Board approval, independent counsel and other advisors, as it determines necessary to carry out its duties;
- (ad) To formulate/amend code of ethics and governance, insider trading code and whistle blower policy;
- (ae) To scrutinise inter-corporate loans and investments;
- (af) To review, to the extent possible, with the management, the statement of deviations, specifically, the quarterly statement of deviation submitted to the stock exchanges under Regulation 32 (1) and the

annual statement of funds utilised for the purposes other than those stated in the offer documents under Regulation 32 (7) of the Listing Regulations;

- (ag) To undertake valuation of undertakings or assets of the Company, wherever it is necessary;
- (ah) 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;
- (ai) 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 Act or the Listing Regulations and other applicable law;
- (aj) Approval of the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, *etc.* of the candidate; and
- (ak) Reviewing of the housekeeping note.

Composition

During fiscal 2018, 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. The Audit Committee was re-constituted by the Board, at its meeting held on November 24, 2017, by inducting Vishakha Mulye (DIN: 00203578), Nominee Director of ICICI Bank Limited in place of Anup Bagchi (DIN: 00105962) as well as inducting Subrata Mukherji (DIN: 00057492), independent Director in the Audit Committee. The effective date of re-constitution of the Audit Committee was from the date of receipt of approval from the stock exchanges for appointment of Subrata Mukherji (DIN: 00057492) and cessation of Anup Bagchi (DIN: 00105962) *viz.*, November 29, 2017.

As at the end of fiscal 2018, the Audit Committee comprises of Vinod Kumar Dhall (DIN: 02591373), independent Director, Ashvin Parekh (DIN: 06559989), independent Director, Subrata Mukherji (DIN: 00057492), independent Director and Vishakha Mulye (DIN: 00203578), Nominee Director of ICICI Bank Limited, as its members. Vinod Kumar Dhall (DIN: 02591373) is the Chairman of the Audit Committee.

During fiscal 2018, six meetings of the Audit Committee were held on April 20, 2017, July 21, 2017, October 17, 2017, November 24, 2017, December 6, 2017 and January 12, 2018. 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)	6	6
Ashvin Parekh	6	6
Anup Bagchi ¹	4	4
Subrata Mukherji ²	2	2
Vishakha Mulye ²	2	1

¹ Anup Bagchi ceased to be a Director w.e.f. November 29, 2017.

² Subrata Mukherji and Vishakha Mulye were appointed as the members of the Audit Committee w.e.f. November 29, 2017.

Nomination and Remuneration Committee:

Terms of Reference

- a) To submit recommendations to the Board with regard to -
- Filling up of vacancies in the Board that might occur from time to time and appointment of additional non whole-time Directors. In making these recommendations, the Committee shall take into account the provisions of the articles of association and the special professional skills required for efficient discharge of the Board's functions;
 - Directors liable to retire by rotation;
 - Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads as defined by the Act as amended from time to time;
- b) To evaluate the performance of the whole-time Directors of the Company;
- c) To evaluate the performance of the Board and the individual Members on certain predetermined

parameters as may be laid down by the Board as part of a self-evaluation process;

- d) To determine and recommend to the Board from time to time the amount of remuneration including performance or achievement bonus, Long Term Incentives and perquisites payable to the whole-time Directors of the Company;
- e) i. To approve the policy for and quantum of variable pay payable to the employees of the Company;
- ii. To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- f) To formulate code of ethics and governance;
- g) To recommend to the Board Governance, Remuneration and Nomination Committee of ICICI Bank Limited (BGNRC of ICICI Bank) for its recommendation to the Board of ICICI Bank for the grant of Employee Stock Options of ICICI Bank to the whole-time Directors of the Company;
- h) To formulate the criteria for determining qualifications, positive attributes and independence of a director;
- i) 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;
- j) 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 Act and other applicable statutes, if any;
- k) To devise a policy on diversity of the Board;
- l) 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;
- m) Performing such other activities as may be delegated by the Board and/or specified/provided under the Actor the Listing Regulations, as amended, or by any other regulatory authority.

Composition

During fiscal 2018, the composition of Nomination and Remuneration Committee ('NRC') was in compliance with the provisions of Section 178, other applicable provisions of the Act and Listing Regulations.

As at the end of fiscal 2018, the NRC comprises of Vinod Kumar Dhall (DIN: 02591373), independent Director, Chanda Kochhar (DIN: 00043617), Nominee Director of ICICI Bank Limited and Ashvin Parekh (DIN: 06559989), independent Director, as its Members. Vinod Kumar Dhall (DIN: 02591373) is Chairman of the NRC. During the financial year, there was no change in the constitution of the Committee.

During fiscal 2018, four meetings of the NRC were held on April 20, 2017, August 16, 2017, November 24, 2017 and December 6, 2017. 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	3
Chanda Kochhar	4	4
Ashvin Parekh	4	4

Corporate Social Responsibility Committee

Terms of Reference

- a. To formulate and recommend to the Board the corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- b. To review proposals, approve and recommend the amount of expenditure which shall be incurred on the activities indicated in the corporate social responsibility policy;
- c. To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- d. To recommend the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by our Company;
- e. To monitor the implementation of 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 the fiscal 2018, the composition of Corporate Social Responsibility ('CSR') Committee of the Company was in compliance with Section 135 and other applicable provisions of the Act.

As at the end of fiscal 2018, the CSR Committee of the Company comprises of Vinod Kumar Dhall (DIN: 02591373), independent Director, Shilpa Kumar (DIN: 02404667), Managing Director & CEO and Ajay Saraf (DIN: 00074885), Executive Director, as its Members. Vinod Kumar Dhall (DIN: 02591373) is the Chairman of the CSR Committee. During the financial year, there was no change in the constitution of the CSR Committee.

During fiscal 2018, five Meetings of CSR Committee were held on April 20, 2017, June 9, 2017, October 17, 2017, November 24, 2017 and January 12, 2018. 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)	5	5
Shilpa Kumar	5	5
Ajay Saraf	5	5

Details about the policy developed and implemented by the Company on corporate social responsibility and initiatives taken during the year are given in **Annexure F** to this report.

Stakeholders Relationship Committee

Terms of Reference

- To consider and resolve grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
- To allot shares, approve transfer or transmission of shares, debentures or any other securities;
- To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- To issue duplicate certificates and new certificates on split/consolidation/renewal; and

- To carryout any other function as may be decided by the Board or prescribed under the Act, the Listing Regulations, as amended, or any other applicable law.

Composition

In compliance with the provisions of Section 178 (5), other applicable provisions of the Act and Listing Regulations, the Share Transfer Committee was re-named as the Stakeholders Relationship Committee and re-constituted at the Board Meeting held on November 24, 2017 with Vijayalakshmi Iyer (DIN: 05242960), independent Director, Shilpa Kumar (DIN: 02404667), Managing Director & CEO and Ajay Saraf (DIN: 00074885), Executive Director as its Members. Vijayalakshmi Iyer (DIN: 05242960) was designated as the Chairperson of the Stakeholders Relationship Committee. The effective date of the aforesaid change in the name of the Committee and re-constitution of the Committee was the date of receipt of approval from the stock exchanges for the appointment of Vijayalakshmi Iyer (DIN: 05242960), *i.e.* on November 29, 2017.

As at the end of fiscal 2018, the Stakeholders Relationship Committee of the Company comprises of Vijayalakshmi Iyer (DIN: 05242960), independent Director, Shilpa Kumar (DIN: 02404667), Managing Director & CEO and Ajay Saraf (DIN: 00074885), Executive Director.

No Meeting of the Stakeholders Relationship Committee was held during fiscal 2018 after its re-naming and aforesaid re-constitution.

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

The equity shares of the Company were not listed during fiscal 2018. The Company did not receive any complaints from the shareholders during fiscal 2018. As at the end of fiscal 2018, there were no pending complaints.

The SCORES website of SEBI for redressal of grievances of the investors is being visited at regular intervals by the officials of the Company and there are no pending complaints registered with SCORES as at the end of fiscal 2018.

PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND DIRECTORS

The Company has in place an evaluation framework for evaluation of the Board, Directors and Chairperson. The Board also carries out an evaluation of the working of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility 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 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 would evaluate 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, would consider the requisite special knowledge or expertise possessed by the candidate. The NRC would assess the fit and proper credentials of the candidate. The NRC would also evaluate 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 will make 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

Section 178 of the Act lays down requirement for the NRC to recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

The Act prescribes that the NRC shall, while formulating the policy ensure that:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

In the above context, the Company's Compensation Policy, was approved by the NRC and subsequently by the Board, at its meeting held at April 17, 2015 and amended from time to time.

The Company has historically followed prudent compensation practices under the guidance of the NRC.

The Company's approach to compensation is intended to drive meritocracy within the framework of prudent fiscal management.

The Compensation Policy is available on the website of the Company under the link www.icicisecurities.com/CMT/UPLOAD/ArticleAttachments/Compensation_Policy.pdf.

Key features and objectives of Compensation Policy

The compensation policy of the Company is applicable for the whole-time Directors and Key Managerial Personnel as well as other employees and covers all employees of the Company. The Nomination and Remuneration Committee (NRC or the Committee) has oversight over compensation. The Committee defines Key Performance Indicators (KPIs) for the Organisation and the Organisational performance norms for bonus 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 fixed pay and variable pay for whole-time Directors and bonus and long term incentive plan (LTIP) for employees, including senior management and key management personnel. Eligible employees will be covered under the ICICI Bank's Employees Stock Option Scheme (ESOS).

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 of 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 in fiscal 2018:

- a) The Committee reviewed the firm's compensation policy for the whole-time Directors and Key Managerial Personnel as well as other employees at its meeting held on April 20, 2017 and the following additions were made:

Long Term Incentive (LTI) in case of employee separation on account of retirement (including pursuant to any early/voluntary retirement scheme), death or permanent disablement of employees continues to vest in the normal schedule as specified in the LTI grant to the employee in all other cases except death in which case it will vest fully immediately following such event. In case of death, the unvested LTI will be cashed out to the nominee declared by the employee towards the same.

LTI in case of employee transfer to a group company to continue to vest in the normal schedule as specified in the LTI grant to the employee. Further, if such employee transferred to a group company exits the group other than the situations mentioned above, such unvested LTI will lapse.

- b) The Committee reviewed the firm's remuneration policy for the non-Executive Directors of the Company at its meeting held on November 24, 2017 and the following additions were made:

Profit Related Commission:

The NEDs would be entitled for profit related commission, in compliance with the provisions of Companies Act, 2013 (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 Nomination and Remuneration Committee.

PECUNIARY RELATIONSHIP OF THE NEDs WITH THE COMPANY

Apart from receiving sitting fees for attending Board and Committee meetings and profit related commissions payable to non-executive Directors of the Company, there is no pecuniary relationship of the non-executive Directors with the Company.

DETAILS OF REMUNERATION PAID TO WHOLE-TIME DIRECTORS DURING FISCAL 2018

Details of Remuneration (₹)

Particulars	Shilpa Kumar
Basic	10,761,360/-
Performance bonus ¹	3,194,771/-
Allowances ²	14,078,304/-
Perquisites	Please refer to Note below
Contribution to provident fund	1,291,368/-

Details of Remuneration (₹)	
Particulars	Shilpa Kumar
Contribution to superannuation fund	-
Contribution to gratuity fund	896,424/-
Stock options ³ (Numbers) ^{##}	
Fiscal 2018	365,750

¹ In the event the quantum of bonus exceeds 50% of total fixed pay, 60% of the bonus is paid upfront and balance 40% is deferred to be paid equally over the next three years in accordance with the compensation policy. Performance bonus of ₹ 5,324,618/- was approved by the Board for FY2017 on April 20, 2017. The bonus amount mentioned in the above table is the upfront bonus amount (i.e. 60% of ₹ 5,324,618/-) for FY2017 which was paid on April 30, 2017.

² Allowances include house rent allowance, running and maintenance expenses of car (including fuel, repairs and maintenance, insurance, driver's salary), leave travel allowance, personal pay, medical reimbursement of ₹ 15,000/- per annum.

³ Stock Options granted by ICICI Bank Limited under ICICI Bank Employee Stock Option Scheme, 2000, vesting over three years, in proportions of 30%, 30% and 40%. This Stock options grant pertains to FY2017 and was granted on May 03, 2017. Shilpa Kumar was appointed as Managing Director & CEO of the Company in November 2016.

^{##} Pursuant to the issuance of bonus shares by ICICI Bank Limited on June 24, 2017, the share-linked instruments have been adjusted with increase of one option for every 10 outstanding options. Consequently, the post adjustment figure for 332,500 share-linked instruments of ICICI Bank Limited which were granted by ICICI Bank Limited during FY2018 is 365,750.

Note : Perquisites include car provided by Company in line with group benefits policy, one time soft furnishing allowance of upto ₹ 1.8 million for a period of five years, telephone and internet usage at residence or reimbursement of expenses in lieu thereof, membership of one club, group life insurance cover of ₹ 12.50 million, personal accident insurance cover of ₹ 45 million, medical insurance for hospitalisation coverage for self and dependents of ₹ 0.40 million per annum and domiciliary medical expenses for self and dependents of ₹ 0.075 million, of which ₹ 0.015 million is included in the allowances, leave as per Company policy and children's scholarship as per employees children scholarship scheme of the Company and interest subsidy at 5% per annum for housing loan.

Details of Remuneration (₹)	
Particulars	Ajay Saraf
Basic	8,803,920/-
Performance bonus ¹	6,975,300/-
Allowances ²	10,775,860/-
Perquisites	Please refer to Note below
Contribution to provident fund	1,056,468/-
Contribution to superannuation fund	-
Contribution to gratuity fund	733,368/-
Stock options ³ (Numbers) ^{##}	
Fiscal 2018	160,380
Fiscal 2017	177,650

¹ In the event the quantum of bonus exceeds 50% of total fixed pay, 60% of the bonus is paid upfront and balance 40% is deferred to be paid equally over the next three years in accordance with the compensation policy. Performance bonus of ₹ 11,625,500/- was approved by the Board for FY2017 on April 20, 2017. The bonus amount mentioned in the above table is the upfront bonus amount (i.e. 60% of ₹ 11,625,500/-) for FY2017 which was paid on April 30, 2017.

² Allowances include house rent allowance, running and maintenance expenses of car (including fuel, repairs and maintenance, insurance, driver's salary), leave travel allowance, personal pay, medical reimbursement of ₹ 15,000/- per annum.

³ Stock Options granted by ICICI Bank Limited under ICICI Bank Employee Stock Option Scheme, 2000, vesting over three years, in proportions of 30%, 30% and 40%. These grants pertain to FY2017 and FY2016 made during fiscal 2018 and 2017 respectively.

^{##} Pursuant to the issuance of bonus shares by ICICI Bank Limited on June 24, 2017, the share-linked instruments have been adjusted with increase of one option for every 10 outstanding options. Consequently, the post adjustment figures of 145,800 and 161,500 share-linked instruments of ICICI Bank Limited granted by ICICI Bank Limited during FY2018 and FY2017 respectively are 160,380 and 177,650.

Note: Perquisites include car provided by Company in line with group benefits policy, membership of one club, group life insurance cover of ₹ 12.5 million, personal accident insurance cover of ₹ 35 million, medical insurance for hospitalisation coverage for self and dependents of ₹ 0.40 million per annum, leave as per Company policy and children's scholarship as per employees children scholarship scheme of the Company.

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.

The Board of Directors have approved the payment of ₹ 1,00,000/- as sitting fees for each Meeting of the Board and ₹ 20,000/- as sitting fees for each Meeting of the Committees attended.

Information on the total sitting fees paid to each non-executive Director during fiscal 2018 for attending meetings of the Board and its Committees is set out in the following table:

Name of Director	Amount (₹)
Vinod Kumar Dhall (DIN: 02591373)	1,320,000/-
Ashvin Parekh (DIN: 06559989)	1,200,000/-
Subrata Mukherji (DIN: 00057492)	340,000/-
Vijayalakshmi Iyer (DIN: 05242960)	200,000/-

As per the remuneration framework of the Company for the non-executive Directors, the Board approved the payment of profit related commission to the non-executive Directors of the Company (except the non-executive non-independent Directors).

Accordingly, the profit related commission paid to the independent Directors during fiscal 2018 for their tenure during fiscal 2017 is as under:

Sr. No.	Name of the Director	Period	Amount in ₹
1.	Vinod Kumar Dhall (DIN: 02591373)	April 1, 2016 to March 31, 2017	750,000/-
2.	Ashvin Parekh (DIN: 06559989)	August 25, 2016 to March 31, 2017	450,000/-
3.	Uday Chitale (DIN: 00043268)	April 1, 2016 to June 26, 2016	178,767/-

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.

(i) The ratio of the remuneration of each director to the median fixed pay of the employees of the company for the financial year:

Shilpa Kumar, Managing Director & CEO = 62:1
Ajay Saraf, Executive Director = 49:1

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

The percentage increase in remuneration of Whole-Time Directors, Chief Financial Officer and Company Secretary ranged between 8% and 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 10%.

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

Employee headcount at March 31, 2018 was 4,180.

(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 fiscal 2018 was around 9%, while the increase in the remuneration of the Key Managerial Personnel was in the range of 8% to 20%.

(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 write to the Company Secretary at the registered address of the Company.

GENERAL BODY MEETINGS

The details of General Body Meetings held in the last three years are given below:

General Body Meeting	Day, Date	Time	Venue
Twenty-Second AGM	Friday, June 9, 2017	11.30 a.m.	ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai 400 020
Twenty-First AGM	Thursday, August 25, 2016	4.00 p.m.	
Twentieth AGM	Friday, June 26, 2015	3.00 p.m.	

No Special Resolution was passed by the Company in the previous three AGMs.

Special Resolution passed through Postal Ballot during the year under review:

No Special Resolution was passed by the Company through Postal Ballot during the fiscal year under review. Also, 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 at June 9, 2017, the Members approved the appointment of M/s. 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. On recommendation of the Audit Committee, the Board has proposed the ratification of appointment of M/s. B S R & Co. LLP, Chartered Accountants, as statutory auditors for the fiscal 2019. The appointment is accordingly proposed in the Notice of the forthcoming AGM for ratification by Members.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed

M/s. Makarand M. Joshi & Co., Practicing Company Secretaries as the Secretarial Auditor of the Company, to undertake the Secretarial Audit of the Company for fiscal 2018. The Secretarial Audit Report is given in **Annexure G**. There are no qualifications, reservations or adverse remark in the Secretarial Audit Report.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of foreign exchange earnings and outgo required under Section 134 (3) (m) of the Act read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 are as under:

	(₹ millions)	
	FY2017	FY2018
Foreign exchange earnings and outgo:		
Earnings	193.7	279.7
Outgo	363.1	464.9

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

In view of the nature of business activities of the Company, the information relating to conservation of energy and technology absorption, as required under Section 134 (3) (m) of the Act, read with Rule 8 of the Companies (Accounts) Rules 2014, is not required to be given. The Company has, however, used information technology extensively in its operations.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments between the end of the year under review and the date of this report, which could have an impact on the Company's operation in the future or its status as a "going concern".

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY AND ITS FUTURE OPERATIONS

There are 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, 2018 and of the profit of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- iv. that the annual accounts have been prepared on a 'going concern' basis;
- v. that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CORPORATE PHILOSOPHY AND COMPLIANCE

The Company firmly believes that strong corporate governance and compliance practices are of paramount importance to maintain the trust and confidence of its stakeholders and the reputation of the Company. To ensure transparency, fairness and objectivity in the organisation's functioning and unquestioned integrity of all personnel involved, the Company has proactively adopted best practices with regard to corporate governance and compliance. The Company's policy on compliance with external regulatory requirements is backed by stringent internal policies and principles to ensure, *inter alia*, maintenance of confidentiality of client information and prevention of insider trading.

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

The number of cases reported under Prevention of Sexual Harassment at Workplace are Seven. All cases were closed at March 31, 2018.

EMPLOYEE STOCK OPTION SCHEME

ESOS 2017

Pursuant to the recommendation of the Board of Directors in their Meeting held on December 6, 2017, the Shareholders at the Extra-ordinary General Meeting held on

December 8, 2017 have approved the ICICI Securities Limited Employee Stock Option Scheme – 2017 ('Scheme'). 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 the defined time period as contained in the Scheme from the date of vesting of the options or as may be determined by the NRC. At March 31, 2018, no options have been granted, vested or been exercised under the Scheme.

BUSINESS RESPONSIBILITY REPORTING

Business Responsibility Report as stipulated under Regulation 34 of Listing Regulations has been hosted on the website of the Company at http://www.icicisecurities.com/CMT/Upload/ArticleAttachments/Business_Responsibility_Report_FY18.pdf. Any Member interested in obtaining a physical copy of the same may write to the Company Secretary at the Registered Office of the Company.

CHANGE IN NATURE OF BUSINESS, IF ANY

Not applicable.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has been in compliance with the applicable Secretarial Standards during fiscal 2018.

CODE OF CONDUCT AS PRESCRIBED UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

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

COMPLIANCE WITH THE CODE OF CONDUCT AND BUSINESS ETHICS

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

CORPORATE GOVERNANCE

Philosophy of Corporate Governance

The Company's corporate governance philosophy encompasses regulatory and legal requirements, which aims at a high level of business ethics, effective supervision and enhancement of value for all stakeholders.

The Company considers its stakeholders as partners in success, and the Company remains committed to maximising stakeholders' value. The Company believes that sound corporate governance mechanism is critical to retain and enhance stakeholders' trust. The Company is committed to exercise overall responsibilities rigorously and diligently throughout the organisation, managing its affairs in a manner consistent with corporate governance requirements. The Company's corporate governance philosophy is based on an effective independent Board, the separation of Board's supervisory role from the executive management and the Board Committees, generally comprising a majority of independent/non-executive Directors and chaired by independent Directors, to oversee critical areas.

MATERIAL SUBSIDIARIES

According to Regulation 16 (1) (c) of Listing Regulations a "Material subsidiary" shall mean a subsidiary, whose income or net worth (*i.e.* paid up capital and free reserves) exceeds 20% 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 as per the said provision.

The company has framed a policy in accordance with the above mentioned regulations and is available on the company's website at the following link:

<http://www.icicisecurities.com/CMT/UPLOAD/ARTICLEIMAGES/dms2017.pdf>

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, key regulatory developments, strategy and performance which are made to the Directors from time to time. The details of the familiarisation programmes have been hosted on the website of the Company and can be accessed on the link http://www.icicisecurities.com/ResearchAttachments/Familiarisation_Programme_for_Independent_Directors.pdf.

CEO/CFO CERTIFICATION

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

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 equity shares of the Company were listed on NSE and BSE on April 4, 2018. Post listing of equity shares, the Company's investor relations personnel have been responding to investor queries. Information which could have a material bearing on the Company's share price would be released as per the regulatory requirements from time to time. Such information will also be disseminated to NSE and BSE from time to time.

The financial and other information and the various compliances as required/prescribed under Listing Regulations are filed electronically with NSE through NSE Electronic Application Processing System (NEAPS) and BSE through BSE Listing Centre and are also available on their respective websites in addition to the Company's website. Additionally, the information is also disseminated to NSE/BSE where required by e-mail or fax.

Listing Regulations being applicable to the Company from April 4, 2018 (*i.e.* the date of listing), the Company has published its audited financial results for the quarter and financial year ended March 31, 2018 in Economic Times (Ahmedabad, Bengaluru, Mumbai, Kolkata, Chandigarh, New Delhi, Hyderabad, Jaipur, Lucknow, Chennai and Pune editions), Mint (Ahmedabad, Bengaluru, Mumbai, Kolkata, Chandigarh, New Delhi, Hyderabad, Chennai and Pune editions) and Maharashtra Times (Mumbai edition).

The financial results, official news releases, analyst call transcripts and presentations made to the institutional investors or to the analysts will be uploaded from time to time on the website of the Company simultaneously after disclosure to the stock exchanges.

The Management's Discussion & Analysis forms part of the Annual Report.

General Shareholder Information

Annual General Meeting	Day, Date & Time	Venue
Twenty-Third AGM	Thursday, August 30, 2018 at 2:30 p.m.	Rama & Sundri Watumull Auditorium, Kishinchand Chellaram College, Vidyasagar Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai - 400 020

Financial Year: April 1, 2017 to March 31, 2018

Book Closure: August 24, 2018 to August 30, 2018

Dividend Payment Date: On or before September 29, 2018

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 the annual listing fees for the relevant period to NSE and BSE where its equity shares are listed.

Market Price Information

Not applicable, since the equity shares of the Company were not listed during fiscal 2018.

Share Performance

Not applicable, since the equity shares of the Company were not listed during fiscal 2018.

Share Transfer System

3i Infotech Limited was the Register & Transfer ('R&T') Agent of the Company for the period upto December 10, 2017. During the said period, all share transfers and

other share related issues were approved in the Share Transfer Committee (now re-named as Stakeholders Relationship Committee) Meeting. Further, 3,500 equity shares of face value ₹ 2/- each, involving 7 certificates were dematerialised. As at the end of fiscal 2018, the entire shareholding of the Company is in dematerialised form. Your Company confirms that the entire Promoters' holding is in dematerialised form and the same is in line with the directives issued by the Securities and Exchange Board of India.

The Company has entered into agreements with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') and Karvy Computershare Private Limited ('Karvy') to offer depository services to its shareholders and has paid respective charges for the benefit of the Members.

From December 11, 2017, all share transfers and other share related issues are handled by Karvy.

Post listing of shares on the Stock Exchanges *w.e.f.* April 4, 2018, the Company's shares are compulsorily traded in demat mode on NSE and BSE.

The number of equity shares of the Company transferred during the last three years (excluding

electronic transfer of shares in dematerialised form) is given below:

	Fiscal 2016	Fiscal 2017	Fiscal 2018
	Shares of face value ₹ 2/-	Shares of face value ₹ 2/-	Shares of face value ₹ 2/-
Number of transfer deeds	Nil	1	3
Number of shares transferred	Nil	500	1,500

Registrar and Transfer Agents

The Company's R&T Agent is Karvy Computershare Private Limited. The address of the R&T Agent is as follows:

Karvy Computershare Private Limited
 Karvy Selenium Tower B, Plot 31-32,
 Gachibowli, Financial District,
 Nanakramguda, Hyderabad – 500 032
 E-mail id: einward.ris@karvy.com
 Tel No. : +91-40-67162222
 Fax No. : +91-40-23431551

During the year, the Company has changed its R&T Agent from 3i Infotech Limited to Karvy *w.e.f.* December 11, 2017.

Information on Shareholding

Shareholding pattern of the Company at March 31, 2018

Sr. No.	Category	Number of shares	% of total number of Shares
1.	Promoters	255,216,095	79.22
2.	Alternative Investment Funds	4,326,952	1.34
3.	Banks	961,520	0.30
4.	Foreign Portfolio Investors	15,318,505	4.76
5.	HUF	202,524	0.06
6.	Financial Institutions	76,888	0.02
7.	Bodies Corporates	5,142,844	1.60
8.	Mutual Funds	31,923,332	9.91
9.	Non Resident Indians	349,496	0.11
10.	Resident Individuals	8,430,940	2.62
11.	Trusts	192,304	0.06
	Total	322,141,400	100.00

Shareholders of the Company with more than one percent holding at March 31, 2018 (other than promoters of the Company)

Sr. No.	Name of the Shareholder	Number of shares	% of total number of Shares
1.	ICICI Prudential Value Fund - Series 19	12,307,708	3.82
2.	HDFC Trustee Company Limited – HDFC Tax saver fund	3,846,192	1.19
3.	Reliance Capital Trustee Company Limited A/c Reliance Growth Fund	3,365,376	1.04
4.	IDFC Classic Equity Fund	3,269,196	1.01

Distribution of shareholding of the Company at March 31, 2018

Category	No. of Members	% of Members	Total Shares	% of shares
1-5000	129,022	99.66	8,078,700	2.51
5,001-10,000	210	0.16	315,560	0.10
10,001-20,000	70	0.05	190,092	0.06
20,001-30,000	31	0.02	149,576	0.04
30,001-40,000	4	0.00	27,776	0.01
40,001-50,000	9	0.01	85,148	0.03
50,001-100,000	14	0.01	236,152	0.07
100,001 & Above	101	0.08	313,058,396	97.18
Total	129,461	100.00	322,141,400	100.00

Disclosure with respect to demat suspense account/unclaimed suspense account

There were no shares lying in unclaimed account at the beginning of fiscal 2018. At March 31, 2018, 84 equity shares held by 3 shareholders were lying in unclaimed account. The Company received requests from 3 shareholders for claiming these 84 shares and the same were subsequently transferred to the demat accounts of the respective shareholders. Currently, no shares are lying in the unclaimed account. The voting rights on these shares were frozen during the period the shares were lying in the unclaimed account.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity

The Company has not issued GDRs/ADRs/Warrants or any other instrument convertible into equity.

Commodity price risk or foreign exchange risk and hedging activities

Not applicable.

Plant Locations

Not applicable.

Address for Correspondence

For share transfer/dematerialisation of shares/other queries relating to the securities:

Karvy Computershare Private Limited
Unit: ICICI Securities Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032
E-mail id: einward.ris@karvy.com
Tel No. : +91-40-67162222
Fax No. : +91-40-23431551

For queries on Annual Report or investors' assistance:

Raju Nanwani,
Company Secretary & Compliance Officer,
ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg
Churchgate, Mumbai 400 020
Tel No.: +91 22 6637 7100
Fax No.: +91 22 2288 2455

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

investors@icicisecurities.com

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

COMPLIANCE CERTIFICATE FROM THE AUDITORS

The certificate obtained from a practicing company secretary regarding compliance of conditions of Corporate Governance as stipulated in Listing Regulations is given in **Annexure H**.

DISCLOSURES

- There are no materially significant transactions with related parties *i.e.*, directors, management, subsidiaries or relatives conflicting with the Company's interests.
- No penalties or strictures have been imposed on the Company by any of the stock exchanges, the Securities & Exchange Board of India or any other statutory authority, for any non-compliance on any matter relating to capital markets, during the last three years.
- In terms of the Whistle Blower Policy of the Company, no employee of the Company has been denied access to the Audit Committee.
- As the Company was listed on April 4, 2018, the Company will be ensuring compliance with all the mandatory requirements of Listing Regulations on an on-going basis.

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

<http://www.icicisecurities.com/CMT/UPLOAD/ARTICLEIMAGES/dms2017.pdf>

- f) The Company has a policy on dealing with related party transactions which can be viewed on the web-link:

http://www.icicisecurities.com/CMT/UPLOAD/ARTICLEIMAGES/Policy_on_RPT.pdf

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 Chairperson 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 and Annual Report to those Members whose e-mail IDs were registered with the respective Depository Participants and downloaded from the depositories, 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 be regularly requesting 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.

ISSUE/LISTING OF EQUITY SHARES

There was no issue of fresh equity shares during the year. However, ICICI Bank Limited (the Promoter) has sold 66,925,305 equity shares of the Company *vide* Initial Public Offer by way of an offer for sale in March 2018.

The shares of the Company were listed on NSE and BSE on April 4, 2018.

ACKNOWLEDGEMENTS

The Company is grateful to Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited, National Securities Depository Limited, Central Depository Services (India) Limited, 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 express 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.

For and on behalf of the Board

Sd/-
Shilpa Kumar
DIN: 02404667
Managing Director & CEO

Date: July 23, 2018
Place: Mumbai

Sd/-
Ajay Saraf
DIN: 00074885
Executive Director

Date: July 23, 2018
Place: Mumbai

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

I confirm that all Directors and Members of the senior management have affirmed compliance with the Code of Conduct & Business Ethics for the year ended at March 31, 2018.

For and on behalf of the Board

Sd/-
Shilpa Kumar
DIN: 02404667
Managing Director & CEO

Date: July 23, 2018
Place: Mumbai

ANNEXURE A

Dividend Distribution Policy

1. Introduction

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

2. Statutory and regulatory requirements

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

a) The Companies Act, 2013

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

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

b) Requirements under Articles of Association:

In addition to the regulatory requirements, the payment of dividends would be as per the

guidelines provided under the section titled "Dividends" in the Articles of Association ('AoA') of the Company.

3. Approval process

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

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

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

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

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

4. Utilisation of retained earnings

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

5. Parameters for various class of shares

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

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

The Board of the Company may vary the level of dividend or not recommend any dividend based on the regulatory eligibility criteria for recommendation of dividend, including any regulatory restriction placed on the Company on declaration of dividend. There may also be obligations that the Company could have undertaken under the terms of perpetual

non-cumulative preference shares or debt capital instruments pursuant to applicable laws which might prohibit the Company from declaring dividend in certain circumstances. The Board of the Company may vary the level of dividend or not recommend any dividend based on the capital position of the Company. The Board may recommend lower or no dividends if it is of the view that there is a need to conserve capital. The Board may recommend higher dividends in any form, including special dividend, subject to applicable laws, if the capital and reserves position supports a higher distribution to the shareholders.

7. Review

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

ANNEXURE B

Form AOC-1

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

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

Part "A": Subsidiaries

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

Sl. No	Particulars	Subsidiary	Step Down Subsidiary
1.	Name of the subsidiary	ICICI Securities Holdings, Inc.	ICICI Securities, Inc.
2.	The date since when subsidiary was acquired	May 2007	May 2007
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
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 = ₹ 65.175	INR US \$ 1 = ₹ 65.175
5.	Share capital	728,206	571,667
6.	Reserves & surplus	(600,997)	(390,437)
7.	Total assets	127,353	300,724
8.	Total Liabilities*	144	119,494
9.	Investments	94,498	-
10.	Turnover	0	252,986
11.	Profit before taxation	(80)	44,606
12.	Provision for taxation	(172)	1,013
13.	Profit after taxation	92	43,593
14.	Proposed Dividend	-	-
15.	Extent of shareholding (in percentage)	100% held by ICICI Securities Limited	100% held by ICICI Securities Holdings, Inc.

*Total Liabilities exclude capital and reserves.

Notes:

- Names of subsidiaries which are yet to commence operations: NA
- 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. Net worth attributable to Shareholding as per latest audited Balance Sheet	-	-
7. Profit or Loss for the year	-	-
i. Considered in Consolidation	-	-
ii. Not Considered in Consolidation	-	-

Notes:

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

For and on behalf of the Board of Directors

Sd/-
Chanda Kochhar
DIN: 00043617
Chairperson

Sd/-
Ashvin Parekh
DIN: 06559989
Director

Sd/-
Shilpa Kumar
DIN: 02404667
Managing Director & CEO

Sd/-
Ajay Saraf
DIN: 00074885
Executive Director

Date : April 14, 2018
Place : Mumbai

Sd/-
Raju Nanwani
Company Secretary

Sd/-
Harvinder Jaspal
Chief Financial Officer

ANNEXURE C

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS

i) CIN	L67120MH1995PLC086241
ii) Registration Date	March 9, 1995
iii) Name of the Company	ICICI Securities Limited
iv) Category / Sub-Category of the Company	Public Company Limited by shares/ Indian Non-Government Company
v) Address of the Registered office and contact details	ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai – 400020 Tel: +91 22 6637 7100
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 Tel: +91 40 6716 2222

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Broking	66120	55.16
2.	Merchant Banking and distribution of financial products	66190	35.13

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	ICICI Bank Limited ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara - 390007, Gujarat, India	L65190GJ1994PLC021012	Holding Company	79.22	2 (46)
2.	ICICI Securities Holdings, Inc., 2711 Centerville Road Suite 400 Wilmington, DE 19808 United States of America	NA	Wholly-owned Subsidiary	100	2 (87)
3.	ICICI Securities, Inc., 2711 Centerville Road Suite 400 Wilmington, DE 19808 United States of America	NA	Step-down Subsidiary	100	2 (87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters										
(1) Indian										
a)	Individual/HUF	0	3,000	3,000	0.00	1,200	0	1,200	0.00	0.00
b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
d)	Bodies Corporates	0	500	500	0.00	200	0	200	0.00	0.00
e)	Banks / Financial Institutions	805,350,000	0	805,350,000	100.00	255,214,695	0	255,214,695	79.22	(20.78)
f)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(1)		805,350,000	3,500	805,353,500	100.00	255,216,095	0	255,216,095	79.22	(20.78)
(2) Foreign										
a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b)	Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d)	Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2)		0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoters (A) = (A)(1)+(A)(2)		805,350,000	3,500	805,353,500	100.00	255,216,095	0	255,216,095	79.22	(20.78)
B. Public Shareholding										
(1) Institutions										
a)	Mutual Funds	0	0	0	0.00	31,923,332	0	31,923,332	9.91	9.91
b)	Banks /Financial Institutions	0	0	0	0.00	1,038,408	0	1,038,408	0.32	0.32
c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g)	FIs	0	0	0	0.00	0	0	0	0.00	0.00
h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others										
	Alternative Investment Funds	0	0	0	0.00	4,326,952	0	4,326,952	1.34	1.34
	Foreign Portfolio Investors	0	0	0	0.00	15,318,505	0	15,318,505	4.76	4.76
Sub-total (B)(1)		0	0	0	0.00	52,607,197	0	52,607,197	16.33	16.33
(2) Non-Institutions										
a)	Bodies Corporates									
i)	Indian	0	0	0	0.00	5,142,844	0	5,142,844	1.60	1.60
ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0.00	8,369,900	0	8,369,900	2.60	2.60
ii)	Individual shareholders holding nominal share capital excess of ₹ 1 lakh	0	0	0	0.00	61,040	0	61,040	0.02	0.02
Others										
	Trusts	0	0	0	0.00	192,304	0	192,304	0.06	0.06
	HUF	0	0	0	0.00	202,524	0	202,524	0.06	0.06

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Non-Resident Indian (NRI)	0	0	0	0.00	349,496	0	349,496	0.11	0.11
	Sub-total (B)(2)	0	0	0	0.00	14,318,108	0	14,318,108	4.44	4.44
	Total Public Shareholding (B) = (B)(1)+(B)(2)	0	0	0	0.00	66,925,305	0	66,925,305	20.78	20.78
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C)	805,350,000	3,500	805,353,500	100.00	322,141,400	0	322,141,400	100.00	0.00

Note: During the financial year, equity shares of Face value of ₹ 2/- each were consolidated into Face value of ₹ 5/- each (i.e. 805,353,500 equity shares were consolidated into 322,141,400 equity shares).

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2017)			Shareholding at the end of the year (March 31, 2018)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	ICICI Bank Limited	805,350,000	100.00	0.00	255,214,695	79.22	0.00	(20.78)
2.	ICICI Securities Primary Dealership Limited (As a Nominee of and jointly with ICICI Bank Limited)	500	0.00	0.00	200	0.00	0.00	0.00
3.	Piyush Garg (As a Nominee of and jointly with ICICI Bank Limited)	500	0.00	0.00	200	0.00	0.00	0.00
4.	Vineet Arora (As a Nominee of and jointly with ICICI Bank Limited)	500	0.00	0.00	0	0.00	0.00	0.00
5.	Subir Saha (As a Nominee of and jointly with ICICI Bank Limited)	500	0.00	0.00	0	0.00	0.00	0.00
6.	Vaijayanti Naik (As a Nominee of and jointly with ICICI Bank Limited)	500	0.00	0.00	0	0.00	0.00	0.00
7.	Ripujit Chaudhuri (As a Nominee of and jointly with ICICI Bank Limited)	0	0.00	0.00	200	0.00	0.00	0.00
8.	Sohandeep Singh Hattar (As a Nominee of and jointly with ICICI Bank Limited)	0	0.00	0.00	200	0.00	0.00	0.00
9.	Ketan Rajnikant Karkhanis (As a Nominee of and jointly with ICICI Bank Limited)	0	0.00	0.00	200	0.00	0.00	0.00
10.	Shilpa Naval Kumar (As a Nominee of and jointly with ICICI Bank Limited)	500	0.00	0.00	200	0.00	0.00	0.00
11.	Ajay Saraf (As a Nominee of and jointly with ICICI Bank Limited)	500	0.00	0.00	200	0.00	0.00	0.00
	Total	805,353,500	100.00	0.00	255,216,095	79.22	0.00	(20.78)

Note: During the financial year, equity shares of Face value of ₹ 2/- each were consolidated into Face value of ₹ 5/- each (i.e. 805,353,500 equity shares were consolidated into 322,141,400 equity shares).

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

Sl. Shareholder's Name No.	Shareholding at the beginning of the year (April 1, 2017)		Cumulative shareholding during the year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	ICICI Bank Limited			
	At the beginning of the year	805,350,000	100.00	
	Consolidation of shares from Face value of ₹ 2/- each to Face value of ₹ 5/- each on December 4, 2017	322,140,000	100.00	322,140,000 100.00
	Transfer of equity shares on March 31, 2018	(66,925,305)	20.78	255,214,695 79.22
	At the end of the year			255,214,695 79.22
2	Vineet Arora (As a Nominee of and jointly with ICICI Bank Limited)			
	At the beginning of the year	500	0.00	
	Transfer of equity shares on November 15, 2017	(500)	0.00	0 0.00
	At the end of the year			0 0.00
3	Subir Saha (As a Nominee of and jointly with ICICI Bank Limited)			
	At the beginning of the year	500	0.00	
	Transfer of equity shares on November 15, 2017	(500)	0.00	0 0.00
	At the end of the year			0 0.00
4	Vaijayanti Naik (As a Nominee of and jointly with ICICI Bank Limited)			
	At the beginning of the year	500	0.00	
	Transfer of equity shares on November 15, 2017	(500)	0.00	0 0.00
	At the end of the year			0 0.00
5	Ripujit Chaudhuri (As a Nominee of and jointly with ICICI Bank Limited)			
	At the beginning of the year	0	0.00	
	Transfer of equity shares on November 15, 2017	500	0.00	500 0.00
	Consolidation of shares from Face value of ₹ 2/- each to Face value of ₹ 5/- each on December 4, 2017	200	0.00	200 0.00
	At the end of the year			200 0.00
6	Sohandeep Singh Hattar (As a Nominee of and jointly with ICICI Bank Limited)			
	At the beginning of the year	0	0.00	
	Transfer of equity shares on November 15, 2017	500	0.00	500 0.00
	Consolidation of shares from Face value of ₹ 2/- each to Face value of ₹ 5/- each on December 4, 2017	200	0.00	200 0.00
	At the end of the year			200 0.00
7	Ketan Rajnikant Karkhanis (As a Nominee of and jointly with ICICI Bank Limited)			
	At the beginning of the year	0	0.00	
	Transfer of equity shares on November 15, 2017	500	0.00	500 0.00
	Consolidation of shares from Face value of ₹ 2/- each to Face value of ₹ 5/- each on December 4, 2017	200	0.00	200 0.00
	At the end of the year			200 0.00

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2017)		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
8	ICICI Securities Primary Dealership Limited (As a Nominee of and jointly with ICICI Bank Limited)				
	At the beginning of the year	500	0.00		
	Consolidation of shares from Face value of ₹ 2/- each to Face value of ₹ 5/- each on December 4, 2017	200	0.00	200	0.00
	At the end of the year			200	0.00
9	Shilpa Naval Kumar (As a Nominee of and jointly with ICICI Bank Limited)				
	At the beginning of the year	500	0.00		
	Consolidation of shares from Face value of ₹ 2/- each to Face value of ₹ 5/- each on December 4, 2017	200	0.00	200	0.00
	At the end of the year			200	0.00
10	Ajay Saraf (As a Nominee of and jointly with ICICI Bank Limited)				
	At the beginning of the year	500	0.00		
	Consolidation of shares from Face value of ₹ 2/- each to Face value of ₹ 5/- each on December 4, 2017	200	0.00	200	0.00
	At the end of the year			200	0.00
11	Piyush Garg (As a Nominee of and jointly with ICICI Bank Limited)				
	At the beginning of the year	500	0.00		
	Consolidation of shares from Face value of ₹ 2/- each to Face value of ₹ 5/- each on December 4, 2017	200	0.00	200	0.00
	At the end of the year			200	0.00

Note: During the financial year, equity shares of Face value of ₹ 2/- each were consolidated into Face value of ₹ 5/- each (i.e. 805,353,500 equity shares were consolidated into 322,141,400 equity shares).

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2017)		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	ICICI PRUDENTIAL VALUE FUND - SERIES 19				
	At the beginning of the year	0	0.00		
	Transfer of equity shares on March 31, 2018	12,307,708	3.82	12,307,708	3.82
	At the end of the year			12,307,708	3.82
2.	HDFC TRUSTEE COMPANY LIMITED - HDFC TAXSAVER FUND				
	At the beginning of the year	0	0.00		
	Transfer of equity shares on March 31, 2018	3,846,192	1.19	3,846,192	1.19
	At the end of the year			3,846,192	1.19

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2017)		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
3.	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE GROWTH FUND				
	At the beginning of the year	0	0.00		
	Transfer of equity shares on March 31, 2018	3,365,376	1.04	3,365,376	1.04
	At the end of the year			3,365,376	1.04
4.	IDFC CLASSIC EQUITY FUND				
	At the beginning of the year	0	0.00		
	Transfer of equity shares on March 31, 2018	3,269,196	1.01	3,269,196	1.01
	At the end of the year			3,269,196	1.01
5.	PIONEER INVESTMENT FUND				
	At the beginning of the year	0	0.00		
	Transfer of equity shares on March 31, 2018	3,173,100	0.99	3,173,100	0.99
	At the end of the year			3,173,100	0.99
6.	DB INTERNATIONAL (ASIA) LTD				
	At the beginning of the year	0	0.00		
	Transfer of equity shares on March 31, 2018	2,396,681	0.74	2,396,681	0.74
	At the end of the year			2,396,681	0.74
7.	THE NOMURA TRUST AND BANKING CO., LTD AS THE TRUSTEE OF NOMURA INDIA STOCK MOTHER FUND				
	At the beginning of the year	0	0.00		
	Transfer of equity shares on March 31, 2018	1,872,668	0.58	1,872,668	0.58
	At the end of the year			1,872,668	0.58
8.	ARANDA INVESTMENTS PTE. LTD.				
	At the beginning of the year	0	0.00		
	Transfer of equity shares on March 31, 2018	1,872,136	0.58	1,872,136	0.58
	At the end of the year			1,872,136	0.58
9.	INTEGRATED CORE STRATEGIES ASIA PTE. LTD.				
	At the beginning of the year	0	0.00		
	Transfer of equity shares on March 31, 2018	1,544,984	0.48	1,544,984	0.48
	At the end of the year			1,544,984	0.48
10.	DSP BLACKROCK REGULAR SAVINGS FUND				
	At the beginning of the year	0	0.00		
	Transfer of equity shares on March 31, 2018	1,538,488	0.48	1,538,488	0.48
	At the end of the year			1,538,488	0.48

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2017)		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Shilpa Naval Kumar (As a Nominee of and jointly with ICICI Bank Limited)				
	At the beginning of the year	500	0.00		
	Consolidation of shares from Face value of ₹ 2/- each to Face value of ₹ 5/- each on December 4, 2017	200	0.00	200	0.00
	At the end of the year			200	0.00
2	Ajay Saraf (As a Nominee of and jointly with ICICI Bank Limited)				
	At the beginning of the year	500	0.00		
	Consolidation of shares from Face value of ₹ 2/- each to Face value of ₹ 5/- each on December 4, 2017	200	0.00	200	0.00
	At the end of the year			200	0.00

Note: 1. During the financial year, equity shares of Face value of ₹ 2/- each were consolidated into Face value of ₹ 5/- each (i.e. 805,353,500 equity shares were consolidated into 322,141,400 equity shares).

2. Except Shilpa Naval Kumar and Ajay Saraf, no other Director and Key Managerial Personnel held equity shares in the Company during fiscal 2018.

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	₹ millions			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	3,944.6	0	3,944.6
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	9.5	0	9.5
Total (i+ii+iii)	0	3,954.1	0	3,954.1
Change in Indebtedness during the financial year				
• Addition	0	35,143.8	0	35,143.8
• Reduction	0	32,390.3	0	32,390.3
Net Change	0	2,753.5	0	2,753.5
Indebtedness at the end of the financial year				
i) Principal Amount	0	6,698.0	0	6,698.0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	27.0	0	27.0
Total (i+ii+iii)	0	6,725.1	0	6,725.1

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Shilpa Kumar (DIN: 02404667) MD & CEO	Anup Bagchi ¹ (DIN: 00105962) MD & CEO	Ajay Saraf (DIN: 00074885) ED	
1	Gross salary				
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	28.0	8.5	26.1	62.6
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	1.2	-	0.0	1.2
	(c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961	-	-	-	-
2	Stock Option*	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others (Medical Allowance)	0.0	-	0.0	0.0
	Total (1a + 1b+1c)	29.2	8.5	26.1	63.8
	Total remuneration paid in fiscal 2018 (excludes perquisites on stock options reported in point 2)				
	Ceiling as per the Companies Act, 2013	433.8	433.8	433.8	867.6

Note: ¹ The variable pay was paid till October 31, 2016 to Anup Bagchi, erstwhile Managing Director & CEO for his tenure in the Company.

*The holding company (ICICI Bank Limited) has granted stock options to the Managing Director & CEO and Executive Director. The stock options exercised by the directors during FY2018 is 114,750. These stock options were granted to the Managing Director & CEO and Executive Director prior to their employment in ICICI Securities Limited.

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

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Uday Chitale ¹ (DIN: 00043268)	Vinod Kumar Dhall (DIN: 02591373)	Ashvin Parekh ² (DIN: 06559989)	Subrata Mukherji ³ (DIN: 00057492)	Vijayalakshmi Iyer ³ (DIN: 05242960)	
1	Independent Directors						
	• Fee for attending board / committee meetings	-	1.3	1.2	0.3	0.2	3.0
	• Commission	0.2	0.8	0.5	-	-	1.5
	• Others, please specify	-	-	-	-	-	-
	Total (1)	0.2	2.1	1.7	0.3	0.2	4.5
2	Other Non-Executive Directors						
	• Fee for attending board / committee meetings	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	0.2	2.1	1.7	0.3	0.2	4.5
	Total Managerial Remuneration	-	-	-	-	-	68.3
	Overall Ceiling as per the Companies Act, 2013						954.4

¹ Uday Chitale ceased to be Director of the Company w.e.f. June 26, 2016.

² Ashvin Parekh was appointed w.e.f. August 25, 2016.

³ Subrata Mukherji and Vijayalakshmi Iyer were appointed w.e.f. November 29, 2017.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

₹ millions

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Company Secretary	CFO (from September 1, 2017)	CFO (till August 30, 2017)	
		Raju Nanwani	Harvinder Jaspal	Prashant Mohta	
1	Gross salary				
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	8.9	3.9	6.9	19.7
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	0.1	0.1	-	0.2
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others (Medical Allowance)	0.0	0.0	0.0	0.0
	Total	9.0	4.0	6.9	19.9

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES- NIL

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

For and on behalf of the Board

Sd/-

Shilpa Kumar
DIN: 02404667
Managing Director & CEO

Date: July 23, 2018

Place: Mumbai

For and on behalf of the Board

Sd/-

Ajay Saraf
DIN: 00074885
Executive Director

Date: July 23, 2018

Place: Mumbai

ANNEXURE D**Loans, Guarantees or Investments**

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

Sl. No.	Particulars of the loans given, investments made or guarantees given or security provided	Purpose for which the loans or guarantees or security is proposed to be utilised by the recipient of the loans or guarantees or security	Amount ₹ millions
A Investments made			
1	Subsidiary – ICICI Securities Holdings, Inc.	Long term investment	122.7*
2	BSE Limited	Long term investment	0.0 [#]
3	Universal Trustees Private Limited	Long term investment	3.9*
4	Receivable Exchange India Limited	Long term investment	15.0
B Loans			
1	Given to customers	To invest in ESOPs	226.9
2	Given to customers	Margin Trade Funding	5,560.0

Note:

- 1) *Amount net of provisions.
- 2) Securities held as stock in trade are not included in the above.
- 3) [#] ₹ 0 million indicates value lower than ₹ 0.1 million.
- 4) No guarantees were given as per Section 186 of the Companies Act, 2013.

For and on behalf of the Board

Sd/-
Shilpa Kumar
DIN: 02404667
Managing Director & CEO

Date: July 23, 2018
Place: Mumbai

For and on behalf of the Board

Sd/-
Ajay Saraf
DIN: 00074885
Executive Director

Date: July 23, 2018
Place: Mumbai

ANNEXURE E**Form No. AOC-2**

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

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

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

The details of material related party transactions at an aggregate level for the year ended March 31, 2018:

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 millions	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, 2018 in current accounts and fixed deposits maintained for normal banking transactions	3,008.0	-	-
ICICI Prudential Life Insurance Company Limited	Fellow Subsidiary	Income from services and brokerage (commission and fees)	Ongoing	Commission received during the year for normal business transactions	513.2	-	-
ICICI Bank Limited	Holding Company	Operating expenses	Ongoing	Operating expenses paid during the year for normal business transactions	633.1	-	-
ICICI Bank Limited	Holding Company	IPO related expenses	-	Reimbursement of IPO related expenses on actual basis	545.9	-	-

For and on behalf of the Board

Sd/-
Shilpa Kumar
DIN: 02404667
Managing Director & CEO

Date: July 23, 2018
Place: Mumbai

For and on behalf of the Board

Sd/-
Ajay Saraf
DIN: 00074885
Executive Director

Date: July 23, 2018
Place: Mumbai

ANNEXURE F

Annual Report on Corporate Social Responsibility (CSR) Activities

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

Corporate Social Responsibility ('CSR') has been a long-standing commitment at ICICI Group long before it was statutorily mandated under the Companies Act, 2013. Our CSR activities comprise initiatives undertaken by the Company in the areas of education, health care, skill development and rural development as well as those undertaken by ICICI Foundation for Inclusive Growth ('ICICI Foundation') in specific areas, particularly skill development.

ICICI Foundation, founded in 2008, has developed projects in specific areas and has built capabilities for direct project implementation as opposed to extending financial support to other organisations. For the year, ICICI Foundation has undertaken initiatives aimed at promoting sustainable livelihood through vocational skill building and promoting education.

Further, the Company has articulated its CSR philosophy as supporting the cause of education, health care, skill development and rural development and towards this end, we conduct our CSR activities largely by focus on progressive support for our key CSR initiatives.

In the current year, we worked on two key programmes in the areas of education and skill development; Mission Samruddhi and Siddhika. Mission Samruddhi aims at providing financial literacy and basic financial planning to junior personnel in defense and also categories of Government employees serving the nation viz., police personnel, Central Industrial Security Force ('CISF'), Central Reserve Police Force ('CRPF'), etc. Siddhika, on the other hand, aims at providing means to a sustainable livelihood to women through skill development.

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

The revised CSR policy was approved by the Committee on November 24, 2017 and subsequently

hosted on the Company's website. Web-link to the CSR policy:

http://www.icicisecurities.com/CMT/UPLOAD/ARTICLEIMAGES/CSR_Policy.pdf

2. Composition of the CSR Committee:

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

- Vinod Kumar Dhall (DIN: 02591373), Chairman
- Shilpa Kumar (DIN: 02494667), Managing Director & CEO
- Ajay Saraf (DIN: 00074885), Executive Director

The functions of the Committee include: review of CSR initiatives undertaken by the Company, formulation and recommendation to the Board of CSR Policy indicating the activities to be undertaken by the Company and the amendments thereto and recommendation of the amount of the expenditure to be incurred on such activities, reviewing and recommending the annual CSR plan to the Board, monitoring the CSR activities and implementation of and compliance with the CSR Policy.

3. Particulars of CSR spending by the Company during the year ended March 31, 2018:

Average net profit of the Company for last three financial years

The average net profit of the Company for the last three financial years calculated as specified by the Companies Act, 2013 was ₹ 4,577.2 million.

Prescribed CSR Expenditure: 2% of average net profit of last 3 years, i.e. 2% of ₹ 4,577.2 million = ₹ 91.5 million

4. Details of CSR spending during the financial year 2017-18:

- | | |
|---|----------------|
| (a) Total amount to be spent for the financial year | ₹ 91.5 million |
| (b) Amount actually spent | ₹ 91.6 million |
| (c) Amount unspent, if any | NIL |
| (d) Manner in which the amount was spent during the financial year is detailed below: | |

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (budget) or other project or program- wise projects or program was undertaken	Amount outlay on projects or programs (₹ in million)	Amount spent on the projects or programs or Sub-heads on projects or programs (₹ in million)	Cumulative expenditure upto the reporting period (₹ in million)	Amount spent through IICI Foundation for Inclusive Growth ('the Foundation'). The Foundation was set up in 2008 to focus on activities in the areas of CSR.
1.	Projects of IICI Foundation for Inclusive Growth	Promoting awareness, enhancing skills and livelihood enhancement projects	Pan India	86.8	86.8	183.3	
2.	Investor Education Programs to Defense personnel – Mission Samruddhi	Promoting education	Partnered with NISM and provided basic understanding of personal finance and financial planning to nearly 10,000 service personnel across Indian army, navy and police force.	3.2	3.2	3.2	Direct
3.	Women Empowerment Project –Siddhika	Skill development and sustainable livelihoods	Women from Meerut and Visakhapatnam were trained to become Independent Financial associates.	0.8	0.8	0.8	Direct
4.	Project of Vision Foundation of India	Health Care	Participated in the Rashtriya Netra Yagna project and sponsored 500 surgeries in the states of Bihar, Karnataka, Maharashtra, Odisha, Rajasthan, Tamilnadu and Telangana	0.7	0.7	0.7	Amount spent through Vision Foundation of India ("Vision Foundation"). Vision Foundation was founded in 1993 with an objective to reduce treatable blindness and treat eye diseases from the lower socioeconomic strata of the society.
5.	Research projects undertaken by IIT Madras	Promoting education	All India	0.1	0.1	0.3	IIT Madras is an educational institution

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

For and on behalf of the Board

Sd/-
Shilpa Kumar
DIN: 02404667
Managing Director & CEO

Date : July 23, 2018
Place: Mumbai

For and on behalf of the Board

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

Date : July 23, 2018
Place: Mumbai

ANNEXURE G

Form No. MR.3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended March 31, 2018

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment and 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; **(Not Applicable to the Company during the Audit Period)**
 - (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, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the Audit Period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during the Audit Period)**

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

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

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

We further report that, having regard to the compliance system prevailing in the Company and

on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- The Securities and Exchange Board of India (Research and Analyst Act), 2014;
- The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;
- The Securities and Exchange Board of India (Underwriters) Regulations, 1993;
- The Securities and Exchange Board of India (Stockbrokers and Sub-brokers) Regulations, 1992 and Rules, Regulations, and Bye-laws of Stock exchanges;
- The Securities and Exchange Board of India {KYC (Know Your Client Registration Agency)} Regulations, 2011;
- The Securities and Exchange Board of India (Investment Advisers) Regulations, 2013;
- The Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007;
- The IRDA (Licensing of Corporate Agents) Regulations, 2015; and
- The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993.

We further report that

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

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

clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period the Company has undertaken following major corporate events/actions having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, *etc.* referred to above.

We further report that on November 7, 2017, the Board approved proposal of initial public offering by an offer for sale of the Equity shares of the Company.

The Company came out with an Initial Public Offering comprising of Offer for Sale of **67,593,245** Equity shares of ₹ 5 each for cash at a premium of ₹ 515 each. The Issue opened for subscription on March 22, 2018 and closed on March 26, 2018.

For Makarand M. Joshi & Co.

Sd/-

Makarand Joshi
Partner
FCS No. 5533
CP No. 3662

Place: Mumbai

Date: April 6, 2018

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

ANNEXURE

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, *etc.*
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Makarand M. Joshi & Co.

Sd/-
Makarand Joshi
Partner
FCS No. 5533
CP No. 3662

Place: Mumbai
Date: April 6, 2018

ANNEXURE H

Corporate Governance Compliance Certificate

To
The Members,
ICICI Securities Limited

We have examined the compliance of conditions of Corporate Governance by ICICI Securities Limited (“the Company”) as on March 31, 2018, as per Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) to the extent applicable. The Equity Shares of the Company have got listed on National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”) *w.e.f.* April 4, 2018, and therefore, compliance with Paragraphs C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were not applicable to the Company as on March 31, 2018.

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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and considering the fact that the Equity Shares of the Company got listed on NSE and BSE *w.e.f.* April 4, 2018, we certify that the Company has voluntarily complied to the extent feasible with the provisions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

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

For Makarand M. Joshi & Co.

Sd/-
Makarand Joshi
Partner
FCS No. 5533
CP No. 3662

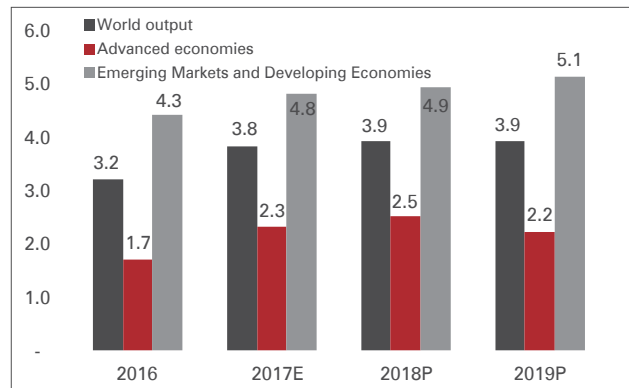
Place: Mumbai
Date: 06.04.2018

Management Discussion and Analysis

ECONOMIC REVIEW

Global Economic Overview

Advanced economies witnessed a recovery in investment in CY 2017. This coupled with continued strong growth in emerging Asia, the upswing in emerging Europe, and signs of recovery in several commodity exporters led to strong rebound in global trade in CY 2017. Global output in CY 2017 grew by 3.8%, the strongest since CY 2011. Advanced economies clocked 2.3% growth in CY 2017 as compared to 1.7% in CY 2016 attributable to strong pick-up in investment spending. Emerging Market and Developing Economies (EMDE) clocked 4.8% growth in CY 2017 as compared to 4.3% in CY 2016, led by acceleration in private consumption. Argentina, Brazil, Nigeria and the Russian Federation saw cyclical improvements. Growth in net exports and strong private consumption resulted in robust growth rates in China and India respectively.



(Source: IMF World Economic Outlook, April 2018)

According to IMF, strong growth momentum in most economies, favourable market sentiment, accommodative financial conditions and expansionary fiscal policy in the US are expected to result in 3.9% global output growth both in CY 2018 and CY 2019. The expansionary fiscal policy is expected to drive the US economy above full employment. Growth in Emerging Market and Developing Economies (EMDEs) is expected to remain strong led by emerging Asia and Europe and a modest upswing in commodity exporters. India and China are the only two major economies projected to surpass the world's growth rate and clock 7.4% and 6.6% growth respectively in CY 2018.

(Source: IMF World Economic Outlook, April 2018)

Indian Economic Overview

As per the second advanced estimates by the Central Statistics Organisation (CSO), India's GDP for FY 2018

grew by 6.7% as compared to 7.1% in FY 2017. The GDP growth in the first two quarters of FY 2018 was muted as a result of the major developmental reforms and a relatively weak investment cycle. In the first quarter of FY 2018, GDP growth dipped to a 13-quarter low of 5.6%, sharply down from 8.1% in the first quarter of FY 2017 and a sequential dip from 6.1% in the fourth quarter of FY 2018. Introduction of Goods and Services Tax (GST) disrupted business activity briefly but by the third quarter of FY 2018, the environment normalised and GDP growth rate bounced back to 7.1%.

The Union Budget 2019 witnessed the expansion of the fiscal deficit target for FY 2018 and FY 2019 to 3.5% and 3.3% of GDP respectively. The focus of the budget was primarily towards strengthening areas such as agriculture, rural development, health, education, employment, micro, small and medium enterprises (MSME) and infrastructure sectors.

Push towards a more organised economy:

Significant reforms such as demonetisation and GST resulted in a structural push to transitioning of the economy from being unorganised to organised. A significant surge in cashless transactions was witnessed through digital payment modes such as UPI, IMPS, credit card, digital wallets etc. along with ramp-up in Point of Sale (POS) machines.

Continued traction in financial savings:

Post demonetisation, there has been a continued shift from savings in physical to financial assets, which was reflected in the strong domestic inflows in markets. The robust domestic investment helped in containing volatility in the Indian markets resulting from foreign institutional selling. Data from AMFI shows that FY 2018 was a record year with respect to domestic investments with ₹ 2.85 trillion worth inflows into equity, balanced, ELSS and non-gold ETF mutual fund schemes. SIP schemes have gained meaningful significance with monthly inflow run rate of close to ₹ 65 billion. Financial savings into shares and debentures form only about 1.2% of GDP (in FY 2017), which connotes that there is huge potential for the formalisation of physical savings. This coupled with increasing prevalence of digitisation, the financial savings space is expected to witness secular growth in the foreseeable future.

Equity Markets: FY 2018 was a year of robust returns for equities especially for mid and small capitalisation stocks. The major stock indices touched an all-time high during the year but were trimmed owing to volatility towards the end of the year. The sentiments were supported by certain key events such as a normal monsoon, victory of the ruling central government alliance in Uttar Pradesh, Gujarat and Himachal Pradesh assembly elections, implementation of GST, Credit rating upgrade for India to Baa2 by Moody and an improvement in India's 'Ease of Doing Business' ranking. The primary market mobilisation was robust with FY 2018 aggregate issuances of ₹ 1.90 trillion which includes Initial Public Offerings (IPO), Infrastructure Investment Trust (InvITs), Qualified Institutional Placements (QIP), Institutional Placement Programme (IPP), Rights issue and Offer for Sale (OFS).

(Source: Prime Database)

Foreign portfolio flows although positive for the year witnessed bouts of volatility while domestic institutional flows were positive throughout the year. Some of the gains in equities were capped due to the risks emerging from the escalation of a possible trade war between US and China towards the end of the year, the rise in bond yields in developed markets and increasing crude oil prices.

INDUSTRY OVERVIEW

Retail Broking

Robust performance of the benchmark indices in the recent years has led to increased popularity among retail investors. Internet and mobile trading are furthering retail participation as these media provide flexibility, convenience, real-time updates and low brokerage fees. Post-2015, there has been a significant revival in retail participation. As of March 31, 2018, there were a total of approximately 14.8 million and 17.1 million demat

accounts at the Central Depository Services (India) Ltd (CDSL) and the National Securities Depository Limited (NSDL), respectively. The number of demat accounts with CDSL and NSDL has increased at a CAGR of 12.2% and 6.2% respectively, from March 31, 2013 to March 31, 2018, reflecting the growing popularity of direct equity investments.

The equity average daily turnover (ADTO) has increased from ₹ 1,684 billion in FY 2013 to ₹ 7,045 billion in FY 2018, representing a CAGR of 33.1%. Equity derivatives account for a major portion of the gross volumes, representing 95.2% of the total equity turnover in FY 2018. Further, the equity ADTO from the equity derivatives segment has grown at a CAGR of 34.0% for the same period, as compared to a CAGR of 21.0% in the cash equities segment, primarily on account of higher index levels, reduced STT on equity futures from 0.02% to 0.01% and an increasing share of high frequency and algorithmic trading, especially dealing in the derivatives market.

Based on average gross traded value, retail participation accounted for 43.8% of the National Stock Exchange (NSE) equity derivatives market in FY 2017 as compared to 36.7% in FY 2013.

Further, despite the high competition, the brokerage industry over the years has consolidated in favour of larger brokers. As a result, the market share of the top five brokers increased from 14% of the trading turnover in the NSE cash equities market in FY 2013 to 20% in FY 2018. The top 25 brokers accounted for 52% of the trading turnover in the NSE cash equities market in FY 2018.

The following table show the market share, by turnover, of brokers in the NSE and BSE cash equities markets for the periods mentioned therein:

	BSE					NSE				
	Top 5	Top 6-10	Top 11-25	Top 26-50	Remaining	Top 5	Top 6-10	Top 11-25	Top 26-50	Remaining
FY 2013	14%	8%	16%	16%	45%	14%	10%	22%	16%	37%
FY 2014	16%	8%	16%	17%	42%	14%	11%	21%	18%	36%
FY 2015	18%	11%	19%	17%	36%	15%	11%	20%	18%	36%
FY 2016	21%	10%	19%	16%	34%	18%	11%	21%	17%	32%
FY 2017	19%	10%	20%	17%	34%	18%	10%	22%	17%	32%
FY 2018	21%	12%	22%	15%	30%	20%	11%	21%	17%	32%

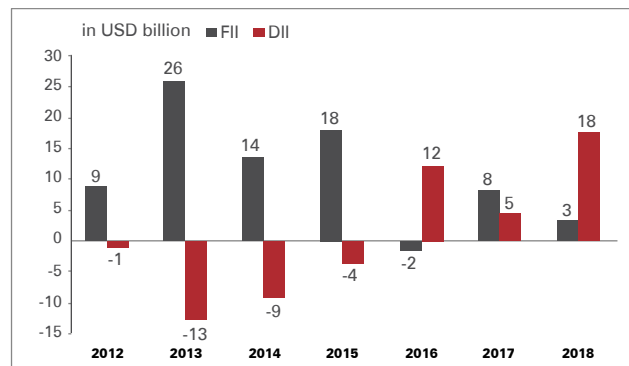
(Source: SEBI handbook 2017, SEBI monthly bulletin of April 2018)

Note: Figures might not add up to 100% due to rounding

Institutional Broking

The Indian capital markets over the past few years have witnessed net buying by Foreign Institutional Investors (FII) and Domestic Institutional Investors (DII) on a combined basis, accounting for the bulk of investments. These institutional investors facilitate adequate liquidity to both the cash equities and the equity derivatives markets. DII's investments have seen a major boost led by high investments in mutual funds. The mutual fund industry has witnessed net inflows of approximately ₹ 2.85 trillion in FY 2018. Increased participation by DIIs, provides stability to the capital markets from fluctuations arising from the FII investments.

Net buying pattern of DIIs and FIIs in Indian equity market



(Source: Bloomberg)

Distribution of Retail Financial Products

Recent technological advancements and increasing financial awareness have led to growth across financial asset classes, including Mutual Fund AUMs and insurance premiums. Financial product distributors continue to play a pivotal role in increasing the penetration of financial products, especially in the smaller cities and towns, given a low level of financial literacy.

Mutual Funds (Equity) witnessed 56.0% growth in Average Assets under Management (AAUM) in FY 2018 mainly on account of steady increase inflows through Balanced Funds, Systematic Investment Plans (SIP) and Direct Plans. AAUM in Balanced Funds witnessed 136.0% growth in FY 2018 driven by unprecedented inflows. The contribution of Balanced Funds to equity assets (AUM) increased to 17.0% in FY 2018 as compared to 11.3% in FY 2017. AAUM of Direct Plans witnessed 75.0% growth in FY 2018 and its contribution to total equity assets increased to 16.4% in FY 2018 as compared to 14.7% in FY 2017. AAUM in SIP witnessed 58.0% growth in FY 2018. Increase in asset size was further contributed by mark-to-market gains as Nifty50 average levels grew to 10,086 in FY 2018 as compared to average levels of 8,499 during FY 2017 up 19.0%.

Life Insurance space witnessed 17.0% growth in new business premium in FY 2018 at an overall level, led by

an increase in individual premium. The private sector witnessed 22.1% growth in premium whereas LIC (that contributes to 43.7% of the premium) witnessed a 16.4% growth in FY 2018.

Private Wealth Management

The wealth management industry in India (including service offered by only banks and brokers) was approximately 6.0% of GDP in FY 2017 as compared to 60.0-75.0% in established markets. This under-penetration of organised wealth management coupled with improving wealth levels, young affluent investor base and strengthening regulatory environment are expected to drive growth in wealth management. Government initiatives like demonetisation, GST and policies against black money are expected to channel investments into financial assets, further expanding the market opportunity for private wealth management.

India has one of the world's fastest growing High Net-worth Individual (HNI) population, both in terms of the number of individuals and wealth levels. In recent years, there has been significant growth in wealth creation and rise in HNI families with Forbes list adding 19 new billionaires from India. In addition, India continues to outpace global HNI wealth growth, mirroring the economic growth in the country. With the incremental allocation of wealth being higher in financial assets as compared to physical assets, the wealth management industry is emerging as a big beneficiary. FY 2018 witnessed substantially higher interest in most financial asset classes, which is evident in higher flows into equities, IPOs, fixed income and alternative investment opportunities. The clients are becoming increasingly more cognisant of the need for diversification and aligning investments with their goals.

Corporate Finance

The funding requirements of corporates have increased meaningfully, driven by improvement in economic growth and revival in private sector investments. This has led to a marked step up in fundraising especially by mid-sized firms through the equity capital markets. During FY 2018, the capital markets saw robust activity with an increase in the number of IPOs for primary fundraising, QIPs, open offers and buy-back by corporates and divestment of PSU shares through OFS. Riding the positive market sentiment, significant fundraising was witnessed in FY 2018 through IPOs and QIPs:

- 47 IPOs (including InvITs) raised an aggregate of ₹ 888.36 billion as compared to 25 IPOs aggregating to ₹ 282.25 billion in the previous year, representing a growth of 214.7%
- 53 QIPs/PPs raised an aggregate of ₹ 621.92 billion as compared to 22 QIPs/PPs aggregating to ₹ 136.71 billion the previous year, representing a growth of 354.9% (Source: Prime Database)

During FY 2018, USD 20.1 billion was raised in private equity deals as compared to USD 15.3 billion raised in FY 2017. Information Technology (IT) & Information Technology-enabled services (ITes), Consumer and Retail, Banking, Financial Services, Logistics, Healthcare, Infrastructure and Manufacturing were the dominant sectors by deal value in FY 2018. (Source: Venture Intelligence)

India's M&A activity in CY 2017 reached the second highest annual deal value since CY 2001, with 379 deals announced worth USD 54.7 billion. This is slightly lesser than the record high in CY 2016, which saw 421 deals valued at USD 59.7 billion, and was the second year on the record with an annual deal value over USD 50 billion (Source: Merger Market).

Equity Capital Market deals & Issue Size Summary

Product	Issue Size (₹ In billion)				
	FY14	FY15	FY16	FY17	FY18
IPO/FPO/InvIT	84	28	145	282	888
QIP/IPP	139	288	144	137	622
Rights	46	57	92	33	214
OFS	69	269	198	84	174
Total	337	643	579	536	1,899

Product	No. of Deals				
	FY14	FY15	FY16	FY17	FY18
IPO/FPO/InvIT	3	8	24	25	47
QIP/IPP	17	45	20	22	53
Rights	13	13	12	12	20
OFS	80	31	18	28	37
Total	113	97	74	87	157

BUSINESS PERFORMANCE

Company Overview

ICICI Securities Limited (the Company/ICICI Securities) is a leading technology-based securities firm in India operating across capital market segments including retail and institutional broking, financial product distribution, private wealth management and investment banking. The Company has consistently been the largest equity broker in the country since FY 2014 in terms of brokerage revenue and active customers in equities on the NSE. The Company is driven by the philosophy of 'Creating Informed Access to the Wealth of the Nation' for corporates, financial institutions, High Net Worth Individuals and retail

investors. The Company assists its customers in meeting their financial goals by providing them with research, advisory and execution services. Headquartered in Mumbai, the Company operates out of 75 cities in India and wholly-owned subsidiary in US and its branch in Singapore.

Business Performance

The Company continued to expand its client base across various business segments. On the retail front, the Broking business has continued to strengthen its customer franchise, innovate its offering for deeper customer engagement and increase transactions. Counter-cyclical businesses like Wealth Management and Distribution have helped in maintaining the business performance despite the volatility in the equity markets. The Corporate Finance business continued to build a deal pipeline of diverse products. The Institutional Broking segment saw a robust jump in revenues driven by improvement in rankings across DIs & FIs. Increased corporate access through various conference and events, helped the Company improve performance across primary and secondary markets.

Retail Broking

The Company's brokerage and distribution business is anchored by its retail customers, to whom it offers products and services through the electronic brokerage platform and various distribution channels. To use the platform for brokerage services, the Company requires its customers to use a "3-in-1 account". Through a single login step, the 3-in-1 account links the customers' savings bank and demat accounts held with ICICI Bank to the electronic brokerage platform, which allows them to seamlessly trade without having to deposit money in the brokerage account. In addition, this allows the Company to efficiently and swiftly transfer funds into the customer's account as soon as it is made available in the case of sell orders. This seamless and interoperable feature of its electronic brokerage platform provides clients with greater flexibility in the use of their money.

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

- Equities: Stocks listed on the NSE and the BSE. The Company also offers margin financing to customers who desire higher leverage and Systematic Equity Plan (SEPs), which allow customers to purchase a fixed value or a fixed quantity of equities at regular intervals.

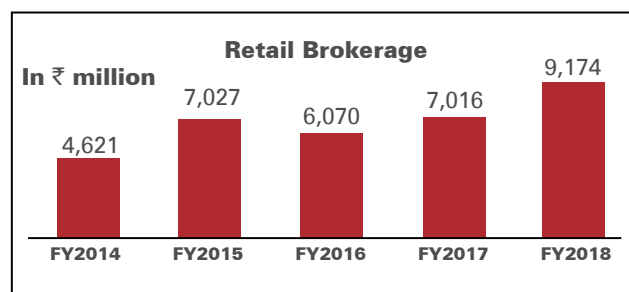
- Equity Derivatives: Futures and options related to stocks/index.
- Currency Derivatives: Futures contracts in USD/INR, EUR/INR, GBP/INR and JPY/INR.
- Exchange Traded Funds: Over 90 ETFs from various asset management companies.
- Overseas Securities: Stocks from over 40 stocks exchanges in over 25 countries outside India pursuant to a partnership with a leading global online broker.

The Company outperformed the overall market in FY 2018 witnessing robust growth in its overall volumes, market share and client activation. In FY 2018, the Company's overall ADTO increased by 99.0% as compared to FY 2017. The volume for the entire market during the same period grew approximately 72%. The Company thus gained market share, which went from 7.8% in FY 2017 to 9.0% in FY 2018. Client activation witnessed 29% increase in FY 2018 as compared to FY 2017. The Company continued to expand its client base across various customer segments and geographies, both domestic and international, touching a milestone of 4.0 million operational accounts in FY 2018 - the highest amongst retail brokers. Healthy participation was also witnessed in IPO procurement from retail investors.

In FY 2018, the Company launched some new and innovative client-centric products and services such as Multi Price order, Price Improvement order in Derivatives, Bullet in Margin Plus, Margin Trading Facility, real-time display of Long-term capital gains, ICICIdirect Investor Sentiment.

The Company's retail research team with over 250 companies coverage is spread across various sectors. A strong mutual fund, technical and derivatives desk delivers quality research to over 4 million customers of ICICIdirect.com. In addition to the quarterly earnings reports and regular event updates, the team publishes various sector reports, thematic reports, model portfolios, IPO recommendations, mutual fund advice and technical and derivative picks.

The revenue from our retail brokerage business increased by 31% from ₹ 7,016.0 million in FY 2017 to ₹ 9,174.1 million in FY 2018.



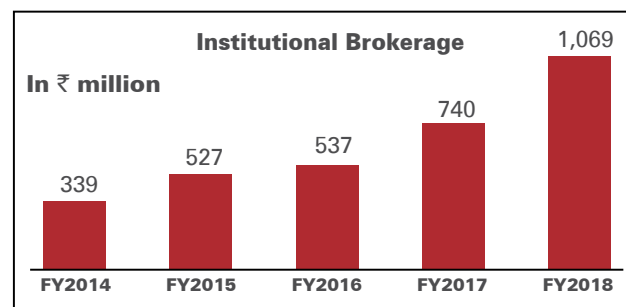
Institutional Broking

The year saw an increase in traction with clients across geographies. Dedicated sales teams across India, Asia Pacific and the US resulted in higher broking income. In FY 2018, the institutional sales team also successfully marketed and placed IPOs and other equity offerings (QIPs & Rights).

The institutional research team increased its coverage to over 250 companies, spread across diversified sectors and large and mid-cap stocks. The research team is dedicated to servicing clients around the world through its differentiated approach. The team publishes a variety of sector thematic reports as well.

During FY 2018, the Company hosted several conferences and delegations to provide its clients with an opportunity to interact with policymakers and corporate leaders. The 16th India Unlimited conference held during FY 2018 attracted over 23 corporates as well as speakers/sector experts with the participation of several funds resulting in numerous investor meetings. The Company also hosted seven distinct sector conferences in Mumbai in FY 2018.

The revenue from our institutional brokerage business increased by 44% from ₹ 739.8 million in FY 2017 to ₹ 1,068.8 million in FY 2018.



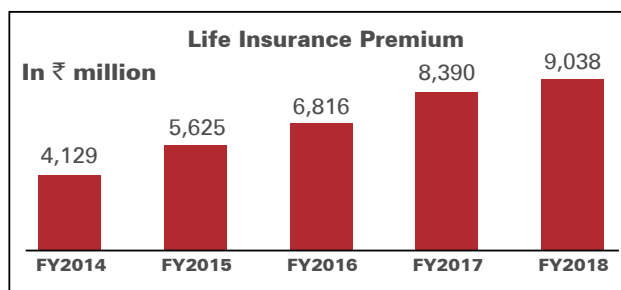
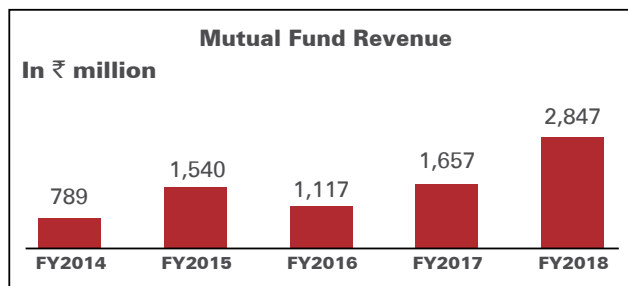
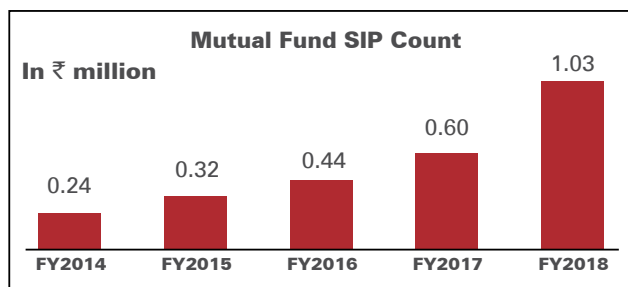
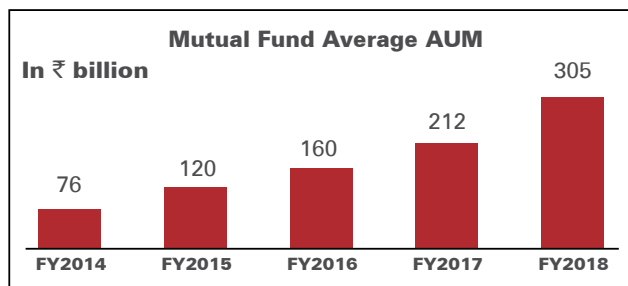
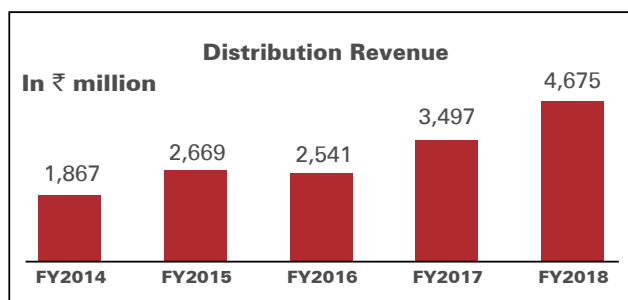
Distribution of Retail Financial Products

The Company's distribution business primarily consists of the distribution of financial products and services offered by third parties to its customers. These products include mutual funds, insurance products, portfolio management schemes, alternative investment funds, fixed deposits, loans, tax services and pension products. The Company earns commissions from third parties for the distribution of their products, which may be in the form of recurring commissions for longer-term products.

ICICI Securities has one of the largest pan-India distribution network of around 200 ICICIdirect offices, across 75 cities, ~5400+ sub-brokers, authorised persons, Independent Financial Associates (IFAs), and Independent Associates (IAs). In FY 2018, the Company continued its growth with a focus on increasing the number of clients and their AUM. It further consolidated its position among

the leading mutual fund distributors. Apart from mutual funds, the Company also continued to be among the leading players in other distribution products. It was amongst the top mobilisers for Sovereign Gold bonds and Bharat 22 ETF. Being one of the largest players in the National Pension System (NPS), it also serves a large number of corporate clients who contribute into NPS for their employees. It was amongst the largest mobilisers of corporate fixed deposits and bonds. In the life insurance space, it continued its focus on improving persistency.

The distribution revenue witnessed 33.7% growth in FY 2018 over the previous year with 43.8% growth in MF average AUM, 71.8% increase in mutual fund revenue, 70.2% increase in the number of SIPs and 7.7% growth in life insurance premium.



Private Wealth Management

In FY 2018, ICICI Securities continued to strengthen its Private Wealth Management business. The Company maintained its focus on core competence in financial assets distribution and strived to ensure business diversification through multiple products and diverse revenue streams. It capitalised on its unique proposition of innovative products along with a robust execution and advisory platform which offers best-in-class financial solutions to its clients. Besides leveraging its brokerage platform, the Company also offers other products and services like AIFs (Alternative Investment Fund), Portfolio Management Services, investment banking etc. to its private wealth clients.

Corporate Finance

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

The Company assisted several companies in their fundraising exercises through IPOs during the year. The Company was ranked third in the number of IPOs launched in FY 2018, with 12 IPOs/InvIT and achieved a market share of 33.6% (in terms of issue size). (Source: Prime Database)

ICICI Securities was ranked third by the number of QIPs in FY 2018 (no. of deals: 8) as compared to fifth rank in FY 2017 (no. of deals: 2). (Source: Prime Database)

The cumulative amount raised through equity public issuances managed by the Company during FY 2018 was to the tune of ₹ 298.56 billion, which included the IPOs by Housing and Urban Development Corporation Limited, AU Small Finance Bank Limited, Security & Intelligence Service (India) Limited, Matrimony.com Limited, ICICI Lombard General Insurance, SBI Life Insurance Co. Limited, Newgen Software Technologies Limited, Galaxy Surfactants Limited, Aster DM Healthcare Limited, Sandhar Technologies Limited, and IRB InvIT Fund.

The total amount raised through the 8 Qualified Institutional Placements (QIPs) issuances managed by the Company

during FY 2018 was ₹ 67.21 billion which included the QIPs by Ramkrishna Forgings Limited, Satin Creditcare Network Limited, Edelweiss Financial Services Limited, Mahindra & Mahindra Financial Services Limited, Union Bank of India, Srikalahasthi Pipes Limited, ITD Cementation India Limited, and Jindal Steel & Power Limited.

The Company also managed an Institutional Placement Programme (IPP) of Qess Corp Limited raising an amount of ₹ 8.74 billion. The Company rendered advisory services in several transactions during the year, in sectors ranging across Banks, Financial Services, Market Infrastructure Companies, Resource Management, Consumer Brands and other related industries.

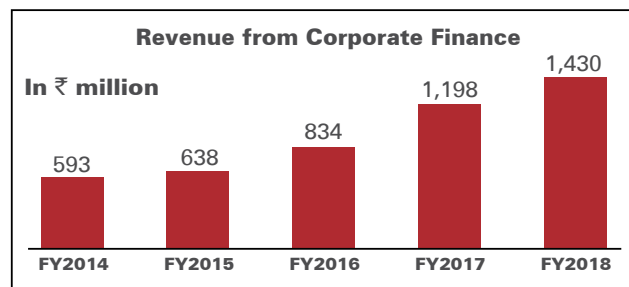
The Company managed rights issues of Mahindra Lifespace Developers Ltd. and Tata Steel Ltd raising an amount of ₹ 130.03 billion.

The total amount raised through 4 Offer for Sale (OFS) issuances managed by the Company during FY 2018 was ₹ 35.70 billion which included the OFS of National Aluminium Co. Ltd., Hindustan Copper Ltd., NLC India Ltd. and NMDC Ltd.

The Company managed 4 Buyback issues of SKF India Ltd., Marathon Nextgen Realty Ltd., Sobha Ltd. and VRL Logistics amounting to ₹ 6.43 billion.

In the M&A and PE space, the Company advised Fairfax Financial Holdings Ltd., IDBI Bank Ltd., Small Business Fincredit India, Actis PE Actis PE's investment in Pine Labs, and Larsen & Tourbo Ltd. etc.

The revenue from our investment banking business increased by 19% from ₹ 1,197.8 million in FY 2017 to ₹ 1,429.8 million FY 2018.



OPPORTUNITIES AND BUSINESS OUTLOOK

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

- India is expected to be a high growth economy in the medium to longer term which coupled with an expectation of recovery in economic growth at global level augurs well for the capital markets in India.

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

Our businesses being primarily driven by need for financial products and services of our retail and institutional clients expect to benefit from the emerging macro trends.

- Our retail broking, distribution and wealth management businesses are expected to benefit from rising income levels of our target customer segment, being young working class and self-employed professionals and entrepreneurs and increasing financialisation and equitisation of savings. Increasingly cities beyond the top 15 cities are also witnessing strong demand for financial products like mutual fund as awareness and access improves leading to expansion of distribution footprint. Our strong digital platform, knowledge-based services and brand would continue to attract customers. Our strategy of acquisition, activation and retention of customers will help us leverage our large customer franchise as well as customer acquisition machinery.
- Our institutional broking business would benefit from expected inflows from foreign institutional investors as well as increasing flows into domestic institutional investors pre-dominantly mutual fund, insurance etc. Our research, corporate access and deep-rooted relationships with institutional investors particularly DIs will help us expand our institutional broking businesses.
- Our Corporate Finance business is expected to benefit from enhanced interest by corporates to raise capital through the capital markets route. There has been an active interest of BFSI and Consumer Goods in various sectors to list the securities through a public issue in next few years in order to meet the capital requirements. Our sector expertise, corporate relationships, strong distribution franchise and ability to navigate across varied stakeholders will help us benefit from increase in capital market transactions. and in growing our advisory business.

FINANCIAL PERFORMANCE

Overview

In FY 2018, ICICI Securities recorded a robust financial performance across all its business segments with 32% growth in consolidated revenue which stood at ₹ 18,593 million in FY 2018 as compared to ₹ 14,042 million in FY 2017 and 65% growth in consolidated PAT from ₹ 3,380 million in FY 2017 to ₹ 5,587 million in FY 2018. This translated into a Return on Equity of 85%.

Analysis of Consolidated financial statements

a. Results of Operations

Extract of Consolidated Statement of Profit and Loss

Particulars	For the year ended March 31,	
	2018	2017
I. Revenue from Operations		
Brokerage income	10,243.0	7,755.9
Income from services	6,548.3	4,981.9
Interest and other operating income	1,582.9	1,090.6
Profit/(loss) on sale of securities (net)	219.1	213.9
Total revenue	18,593.3	14,042.3
II. Expenses		
Employee benefits expenses	5,453.2	4,846.6
Operating expenses	1,683.3	1,287.5
Finance costs	494.9	289.4
Depreciation and amortisation expense	153.0	154.8
Other expenses	2,260.2	2,243.6
Total expenses	10,044.6	8,821.9
III. Profit before tax (III) = (I - II)	8,548.7	5,220.4
IV. Tax expense		
Current tax	3,130.0	1,903.7
Deferred tax	(158.6)	(69.2)
Total tax expense	2,971.4	1,834.5
Profit after tax	5,577.3	3,385.9

Brokerage Income

Our brokerage income increased from ₹ 7,755.9 million for the year ended March 31, 2017 to ₹ 10,243.0 million for the year ended March 31, 2018, an increase of 32.1%. This increase was primarily due to an increase in our average daily turnover. Our average daily turnover increased by 98.7% primarily driven by a disproportionate increase in derivative volumes, which typically have lower yields. This increase was partially offset by a decrease in yields, primarily in derivatives.

Income from services

Income from services increased from ₹ 4,981.9 million for the year ended March 31, 2017 to ₹ 6,548.3 million for the year ended March 31, 2018, an increase of 31.4%. This increase was primarily due to an increase in commissions from the distribution of third-party mutual funds from ₹ 1,657.4 million to ₹ 2,847.1 million, an increase of 71.8%, in the same period, and an increase in fee income from advisory services in the same period. The increase in fee income from advisory services was primarily due to an increase in high value transactions managed during the same period.

Interest and other operating income

Interest and other operating income increased from ₹ 1,090.6 million for the year ended March 31, 2017 to ₹ 1,582.9 million in the year ended March 31, 2018, an increase of 45.1%. This increase was primarily due to an increase in interest earned on bank fixed deposits held with exchanges as margin for our brokerage business, interest earned on margin funding and interest earned on trade receivables in the same period. The increase in the margin needed by exchanges was primarily due to an increase in our average daily turnover in the same period.

Profit/(loss) on sale of securities (net)

Profit/(loss) on sale of securities (net) increased from ₹ 213.9 million for the year ended March 31, 2017 to ₹ 219.1 million for the year ended March 31, 2018, a marginal increase of 2.4%.

Employee benefits expenses

Employee benefits expenses increased from ₹ 4,846.6 million for the year ended March 31, 2017 to ₹ 5,453.2 million for the year ended March 31, 2018, an increase of 12.5%. This was primarily due to annual increment and a 9.4% growth in number of employees which led to increase in salaries, wages and bonuses and contribution to provident and other funds.

Operating expenses

Operating expenses increased from ₹ 1,287.5 million for the year ended March 31, 2017 to ₹ 1,683.3 million for the

year ended March 31, 2018, an increase of 30.7%. This increase was primarily due to an increase in brokerage and commissions paid to sub-brokers, authorised persons, IFAs and IAs, and custodian and depository charges in the same period, reflecting the increased business volumes.

Finance costs

Finance costs increased from ₹ 289.4 million for the year ended March 31, 2017 to ₹ 494.9 million for the year ended March 31, 2018, an increase of 71.0%. This increase was primarily due to an increase in short-term borrowings and hence, the interest expense thereon. This increase in short-term borrowings was primarily to fund the increase in trade receivables and short-term loans and advances outstanding during the same period and to fund the increase in the margin needed by exchanges, which was primarily due to an increase in our average daily turnover in the same period.

Depreciation and amortisation expense

Depreciation and amortisation expense decreased from ₹ 154.8 million for the year ended March 31, 2017 to ₹ 153.0 million for the year ended March 31, 2018, a decrease of 1.2%.

Other expenses

Other expenses increased from ₹ 2,243.6 million for the year ended March 31, 2017 to ₹ 2,260.2 million for the year ended March 31, 2018, an increase of 0.7%. This increase was primarily due to an increase in corporate social responsibility expenses, royalty for use of the "ICICI" brand, recruitment expenses, travelling and conveyance expenses partly offset by a decrease in rent and amenities and rates and taxes in the same period.

Profit

As a result of the above, profit before tax increased from ₹ 5,220.4 million for the year ended March 31, 2017 to ₹ 8,548.7 million for the year ended March 31, 2018, an increase of 63.8%.

Our total tax expense increased from ₹ 1,834.5 million for the year ended March 31, 2017 to ₹ 2,971.4 million for the year ended March 31, 2018, an increase of 62.0%. This was primarily due an increase in profit before tax.

Profit after tax increased from ₹ 3,385.9 million for the year ended March 31, 2017 to ₹ 5,577.3 million for the year ended March 31, 2018, an increase of 64.7%.

b. Segment-wise performance

(₹ in million)

Segments	For the year ended March 31,			
	2018		2017	
	Segment Revenue	Segment Results	Segment Revenue	Segment Results
Broking and commission	16,874.8	7,754.8	12,570.3	4,723.6
Advisory services	1,429.8	673.5	1,194.8	361.4
Investment and trading	288.7	120.4	277.2	135.4
Total	18,593.3	8,548.7	14,042.3	5,220.4

Revenue from our broking and commission segment increased from ₹ 12,570.3 million for the year ended March 31, 2017 to ₹ 16,874.8 million for the year ended March 31, 2018, an increase of 34.2%. This increase was primarily due to an increase in brokerage revenue as described above and an increase in commissions from the distribution of third-party mutual funds in the same period. During the same time period, our revenues across broking and commission segments increased by 64.2%, primarily due to the increase in revenue, a decrease in other expenses in this segment and partially offset by a slight increase in operating expenses in this segment.

Revenue from our advisory services segment increased from ₹ 1,194.8 million for the year ended March 31, 2017 to ₹ 1,429.8 million for the year ended March 31, 2018, an increase of 19.7%. The increase was primarily due to an increase in high value transactions managed during the same period. During the same time period, our results from the advisory services segment increased by 86.35%, primarily due to the increase in revenue and expenses in this segment remaining relatively stable.

Revenue from our investment and trading segment increased from ₹ 277.2 million for the year ended March 31, 2017 to ₹ 288.7 million for the year ended March 31, 2018, an increase of 4.2%. This increase was primarily due to an increase in profit from the sale of securities on our own account in the same period. During the same time period, our results from the investment and trading segment decreased by 11.1% due to an increase in interest expense and staff cost in this segment.

c. Financial Position

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

(₹ in million)

Particulars	As at March 31,	
	2018	2017
I. Equity and Liabilities		
1. Shareholders' funds		
Share capital	1,610.7	1,610.7
Reserves and surplus	6,731.1	3,285.1
Total equity	8,341.8	4,895.8
2. Non-current Liabilities		
Other long-term liabilities	1,007.6	826.5
Long-term provisions	427.7	338.1
Non-current liabilities	1,435.3	1,164.6
3. Current Liabilities		
Short-term borrowings	6,725.1	3,954.1
Trade payables	10,077.2	8,699.3
Other current liabilities	2,115.3	1,709.6
Short-term provisions	107.0	51.0
Current liabilities	19,024.6	14,414.0
Total liabilities	20,459.9	15,578.6
Total	28,801.7	20,474.4
II. Assets		
1. Non-current assets		
Fixed assets	421.3	374.7
Non-current investments	18.9	20.5
Deferred tax assets	736.4	577.8
Long-term loans and advances	1,435.4	1,361.8
Other non-current assets	34.2	811.5
Non-current assets	2,646.2	3,146.3
2. Current assets		
Current investments	-	0.7
Stock-in-trade	376.6	310.9
Trade receivables	3,101.0	7,100.5
Cash and bank balances	14,973.2	8,823.6
Short-term loans and advances	6,315.6	358.7
Other current assets	1,389.1	733.7
Current assets	26,155.5	17,328.1
Total assets	28,801.7	20,474.4

Total assets increased from ₹ 20,474.4 million as at March 31, 2017 to ₹ 28,801.7 million as at March 31, 2018, an increase of 40.7%. This increase was primarily due to an increase in short-term loans, other current assets and advances and cash and bank balances, partially offset by a decrease in trade receivables. Furthermore, the increase in short-term loans and advances was due to the launch of our margin trade facility in August 2017, which

resulted in a corresponding reduction in trade receivables as customers who were previously on extended credit migrated to the new margin trade facility.

Total liabilities increased from ₹ 15,578.6 million as at March 31, 2017 to ₹ 20,459.9 million as at March 31, 2018 an increase of 31.3%. This increase was primarily due to an increase in short-term borrowings and trade payables. This increase in short-term borrowings was primarily due to an increase in commercial paper borrowings to fund customers for margin trades and to fund bank fixed deposits held with exchanges as margin. The increase in trade payables was due to open trade positions of customers at the period end.

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	
	2018	2017
Net cash generated from/ (used in) operating activities	711.5	1,653.2
Net cash generated from/(used in) investing activities	(210.6)	(169.6)
Net cash generated from/ (used in) financing activities	63.5	(541.4)

Cash generated from operating activities

Net cash generated from/(used in) operating activities changed from ₹ 1,653.2 million for the year ended March 31, 2017 to ₹ 711.5 million for the year ended March 31, 2018. This change was primarily due to increase in current assets, mainly in short-term loans and advances, during the year ended March 31, 2018 as compared to the year ended March 31, 2017. This was partially offset by a higher increase in trade payables as well as higher operating profits after tax for the year ended March 31, 2018 as compared to year ended March 31, 2017. The higher increase in short-term loan and advances during the year ended March 31, 2018 was due to the launch of margin trade facility in August 2017 to provide funding to our customers.

Cash generated from investing activities

Net cash generated from/(used in) investing activities changed from ₹ (169.6) million for the year ended March 31, 2017 to ₹ (210.6) million for the year ended March 31, 2018. This change was primarily due to an increase in purchase of fixed assets in the same period.

Cash generated from financing activities

Net cash generated from/(used in) financing activities increased from ₹ (541.4) million during the year ended March 31, 2017 to ₹ 63.5 million during the year ended

March 31, 2018, an increase of 111.7%. This increase was primarily due to an increase in borrowings partially offset by a higher dividend pay-out in the year ended March 31, 2018, as compared to the prior year.

Contingent Liabilities

As at March 31, 2018, we have ₹ 1,202.4 million in statutory tax demands in dispute which are not provided for.

Borrowings

As at March 31, 2018, we have short-term borrowings of ₹ 6,725.1 million and total equity of ₹ 8,341.8 million.

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

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

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 grew by 54% increasing from ₹ 161.0 million in FY 2017 to ₹ 253.0 million in FY 2018 and the standalone PAT increased from ₹ 10.2 million in FY 2017 to ₹ 43.6 million in FY 2018. This increase in PAT was primarily due to an increase in the brokerage and commission income and other income from client introduction, servicing and advisory; offset, in part, by an increase in operating expenses and staff cost. The total assets increased from ₹ 208.1 million at March 31, 2017 to ₹ 300.7 million at March 31, 2018 primarily due to increase in current assets which in turn was due to an increase in trade receivables.

Transition from Indian GAAP to Ind AS

The Financial Statements and other financial information for FY 2018 are based on our standalone and consolidated financial statements prepared in accordance with the Indian GAAP. The Institute of Chartered Accountants of India has issued Ind AS (a revised set of accounting standards) which largely converges Indian accounting standards with International Financial Reporting Standards. The Ministry of Corporate Affairs, which is the law making authority for adoption of accounting standards in India, has notified these Ind AS for adoption. Further, the Ministry has also issued a roadmap for transition to Ind AS by Indian companies in a phased manner

starting from April 1, 2016. For banking companies and non-banking finance companies, the implementation date for Ind AS was April 1, 2018. Subsequently, RBI, vide its Press Release dated April 5, 2018, deferred the implementation of Ind AS by banking companies by one year i.e. to start on April 1, 2019. However, our Company, though being a subsidiary of ICICI Bank, will be required to prepare its financial statements under Ind AS from April 1, 2018 onwards.

Certain principal differences between Indian GAAP and Ind AS that may have a material effect on our financial statements are summarised below. This summary should not be taken as an exhaustive list of all the differences between Indian GAAP and Ind AS. Our management has not quantified all of the effects of the differences discussed below.

Principal differences between Indian GAAP and Ind AS that may have a material effect on our financial statements

Under Indian GAAP, investments that are acquired with the intention of holding them for not more than one year from the date on which such investments are made, are classified as current investments and are reported as stock-in-trade. Investments acquired with the intention of holding for more than one year from the date on which such investments are made are classified as long-term investments. The securities held as stock-in-trade is carried at cost or market value, determined on an individual investment basis, whichever is lower. Accordingly, only mark-to-market losses on securities held as stock-in-trade is recognised in the profit and loss account while gains are ignored. Long-term investments are carried at acquisition cost after providing for diminution in value, if such diminution is other than of a temporary nature. As per Ind AS, all financial assets will have to be classified at 'amortised cost', 'fair value through other comprehensive income' or 'fair value through profit and loss'. These classifications would be based on the business model test and the contractual cash flow test. All unrealised gains or losses for financial assets classified at fair value through other comprehensive income would be accounted for in the other comprehensive income and on assets at fair value through the profit and loss in the profit and loss account. Financial assets classified as at amortised cost will be carried at amortised cost.

Under Indian GAAP, provisions are made for specific receivables based on circumstances such as credit default of customer or disputes with customers. Ind AS requires entities to recognise and measure a credit loss allowance or provision based on an expected credit loss model. The expected credit loss model would apply to loans and debt securities measured at amortised cost or at fair value through other comprehensive income.

Under Indian GAAP, lease payments under an operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the users benefit. Under Ind AS, lease payments under an operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless (a) another systematic basis is more representative of the time pattern of the user's benefit; or (b) the payments to the lessor are structured to increase in line with expected general inflation for cost increases. Further, Ind AS prescribes the accounting treatment for incentives received under the operating leases such as a rent-free lease term. Accordingly, the benefit of such a rent-free lease term will be amortised over the lease term in accordance with the guidance given in Ind AS.

Under Indian GAAP, transaction fees and costs associated with the origination of financial instruments are accounted for upfront. Under Ind AS, qualifying transaction fees and costs associated with origination of financial instrument will be amortised over the period of the financial instrument as an adjustment to the yield.

Under Indian GAAP, all actuarial gains/losses related to employee retirement benefit are recognised in the year in which they arise through suitable credit/debit in the profit and loss account of the year. Under Ind AS, actuarial gains/losses are accounted for in Other Comprehensive Income as a part of other equity.

Indian GAAP permits the use of either the intrinsic value or fair value method to account for its employees' stock-based compensation plans. Under the intrinsic value method, compensation cost is measured by the excess, if any, of the fair market price of the underlying stock on the date of grant of options over the exercise price on the grant date. The fair value method is based on the fair value of the option at the date of grant. The fair value is estimated using an option-pricing model (for example, the Black-Scholes or Binomial model). Ind AS requires all share-based payments to employees, including grants of employee stock options, to be recognised in the income statement based on their grant date fair values. Further, Ind AS provides the guidelines for the accounting for share-based payment transactions among group entities in each entity's separate or individual financial statements (for example, employees of a subsidiary are granted rights to equity instruments of its parent as consideration for the services provided to the subsidiary). However, there is no specific guideline for the accounting for share-based payment transactions among group entities under Indian GAAP.

Under Indian GAAP, deferred tax assets and liabilities are recognised by considering the impact of timing differences (income approach) between the taxable

income and accounting income for the current year and carry-forward losses as compared to Ind AS, where deferred tax assets and liabilities are recognised in respect of the temporary differences (balance sheet approach) between the carrying amount of assets and liabilities for financial reporting purpose and amount used for taxation purposes.

RISKS AND CONCERNS

As the Company's performance is dependent on capital market, it faces the risk of downturn in the economic growth and/or worsening macro-economic environment. Rising crude oil prices, depreciating currency, worsening current account deficit, and a slowdown in foreign investment inflows pose risks to the Company. Rising inflation, a bad monsoon, slowdown in corporate earnings, rising NPAs also pose significant risks. Other challenges which may drive away the Domestic Institutional Investors (DII) include rising real estate and gold prices, which may provide other attractive investment options.

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

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

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

RISK MANAGEMENT

The Company has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed to. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallisation of such risks.

The Company has classified the key risks associated with its business into market risk, credit risk, liquidity

risk, operational risk and information technology risk. It 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. These policies include a corporate risk and investment policy, a liquidity risk management policy, an operational risk management policy, an outsourcing policy, a fraud risk management policy, an information technology risk management policy, an information security management policy and a surveillance policy.

ICICI Securities is particularly sensitive to risks emanating from the introduction of new products and services. Before a launch of any new product or service, it is reviewed and approved by the corporate risk management, compliance & operations groups and product & process approval committee that has been set up earlier. These groups and committee review the product/service through the lenses of regulatory compliance, risk management and integration with the existing risk management systems.

The Board oversees the Company's risk management and has constituted a Risk Management Committee ("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.

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. 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 such controls are operating effectively.

HUMAN RESOURCES

Intellectual capital is one of the key resources of the Company to ensure business sustainability and growth. The Company has an experienced and talented pool of employees who play a key role in enhancing business efficiency, devising strategies, setting-up systems and evolving business as per industry requirements. The Company provides regular skill and personnel development training to enhance employee productivity.

Being a growth-oriented and progressive organisation, it recognises the importance of professionalism. The Company has embarked on several human resource initiatives to enhance the productivity of the organisation and each individual. The Company endeavours to provide a safe, conducive and productive work environment.

The number of permanent employees on the rolls of the Company as on March 31, 2018 was 4,180.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility ('CSR') has been a long-standing commitment at ICICI Group long before it was statutorily mandated under the Companies Act, 2013. Our CSR activities comprise initiatives undertaken in the areas of education, health care, skill development and rural development as well as those undertaken by ICICI Foundation for Inclusive Growth ('ICICI Foundation') in specific areas, particularly skill development.

ICICI Foundation, founded in 2008, has developed projects in specific areas and has built capabilities for direct project implementation as opposed to extending financial support to other organizations. For the year, ICICI Foundation has undertaken initiatives aimed at promoting sustainable livelihood through vocational skill building and promoting education.

Further, the Company has articulated its CSR philosophy as supporting the cause of education, healthcare, skill development and rural development.

In today's age, one of the most important life skills is attaining financial knowledge. Taking this into cognizance, we worked on two key programmes in the current year in the areas of education and skill development; Mission Samruddhi and Siddhika. Mission Samruddhi aims at providing importance of financial literacy and basic financial planning to junior personnel in defense and other allied uniform services. Siddhika, aims at providing means to a sustainable livelihood to women through skill development and financial entrepreneurship.

Under Mission Samruddhi, ICICI Securities endeavours to inculcate financial savings habit amongst junior level personnel from the uniformed forces, where we conduct sessions to educate them about various aspects of savings and investments. Helping them in understanding basic of personal finance and planning is the first step toward their financial security. In a year's time, ICICI Securities has reached out to close to 10,000 personnel from various uniformed forces at their bases across the country.

As part of the pilot for Siddhika, the Company has trained 114 women in Uttar Pradesh and Andhra Pradesh, of which, 14 have passed the NISM exam. This is the first step to become Independent Financial Associates. This enabled them an opportunity to have a sustainable livelihood through skill development and financial entrepreneurship.

ICICI Securities also supported the cause of eradicating avoidable blindness from the socio economically underprivileged sections of the society. We partnered with Vision Foundation of India, a non-profit non-government charitable organisation registered under Bombay Public Trust, 1950, for their initiative, Rashtriya Netra Yagna. 500 individuals ailing with eye diseases have been surgically benefited.

CAUTIONARY STATEMENTS

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions.

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



Independent Auditor's Report

To the Members of
ICICI Securities Limited

Report on the audit of the standalone financial statements

We have audited the accompanying standalone financial statements of ICICI Securities Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's responsibility for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (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 cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which

are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 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 2018, and its profits and its cash flows for the year ended on that date.

Other matter

The comparative financial information of the Company for the year ended 31 March 2017 prepared in accordance with Accounting Standards as included in these standalone financial statements have been audited by the predecessor auditor who had audited the standalone financial statements for the year ended 31 March 2017. The report of the predecessor auditor on the comparative financial information dated 20 April 2017 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

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

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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 Accounting Standards prescribed under Section 133 of the Act;
- e) On the basis of the written representations received from the directors as on 31 March 2018 taken

on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

- f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 33 to the standalone financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. the disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited standalone financial statements for the year ended 31 March 2017 have been disclosed.

For **B S R & Co. LLP**

Chartered Accountants

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

Venkataramanan Vishwanath

Partner

Mumbai
14 April 2018

Membership No: 113156

Annexure A to the Independent Auditor's Report of even date on the standalone financial statements of ICICI Securities Limited

The Annexure referred to in the Independent Auditor's Report to the members of ICICI Securities Limited (the "Company") on the standalone financial statements for the year ended 31 March 2018, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified at the end of the financial year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties. Accordingly, para 3(i)(c) of the Order is not applicable to the Company.
- ii. The Company does not hold any securities in physical form. The securities held as stock in trade are verified with the statement of holding received by management from the custodian at regular intervals. No material discrepancies were noticed on such verification.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, para 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees and securities under Section 185 and

186 of the Act. Accordingly, para 3(iv) of the Order is not applicable.

- v. According to the information and explanation given to us, the Company has not accepted any deposits from the public to which directives issued by Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed thereunder apply. Accordingly, para 3(v) of the Order is not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, value added tax, goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of sales tax, customs and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, value added tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of dues	Amount (in ₹ million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax (including interest but excluding penalty)	474.30	Financial Year ("FY") 2010-2011 to FY 2012-2013	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax (including interest but excluding penalty)	279.80	FY 2005-2006	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax (including interest but excluding penalty)	240.10	FY 2000-2001 to FY 2009-2010	Commissioner of Income Tax

Name of the statute	Nature of dues	Amount (in ₹ million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax (excluding interest but including penalty)	51.60	FY 2007-2008	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax (including interest but excluding penalty)	0.50	FY 2007-2008 to FY 2009-2010	Commissioner of Income Tax - TDS
Service Tax	Service tax (excluding interest and penalty)	147.70	FY 2002-2003 to FY 2013-2014	Commissioner of Service Tax
Service Tax	Service tax (including interest and penalty)	6.70	FY 2006-2007 to FY 2008-2009	Central Excise & Service Tax Appellate Tribunal
Maharashtra Value Added Tax, 2002	Value added tax (including interest & penalty)	1.70	FY 2008-2009	Commissioner of MVAT (Appeals)
Madhya Pradesh Value Added Tax, 2002*	Value added tax (including interest & penalty)	0.4	FY 2008-2009	High Court, Indore

*Amount paid under protest

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company did not have any borrowings from Government or debenture holders during the year.
- ix. In our opinion and according to the information and explanations given to us, the monies raised by way of debt instruments in the nature of commercial paper by the Company have been applied for the purpose for which they were raised. During the year ended 31 March 2018, the Company completed the Initial Public Offer ('IPO') through an Offer for Sale by ICICI Bank Limited, the Holding Company. As the IPO was through an Offer for Sale by the Holding Company, the Company did not receive any proceeds from the IPO. The Company did not raise money by way of further public offer.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations give to us and based on our examination of the books and records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi

company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the books and records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the books and records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **B S R & Co. LLP**

Chartered Accountants

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

Venkataramanan Vishwanath

Partner

Mumbai
14 April 2018

Membership No: 113156

Annexure - B to the Independent Auditor's Report of even date on the standalone financial statements of ICICI Securities Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of ICICI Securities Limited (the "Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). 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 Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 over financial reporting was 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 system over financial reporting and their

operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the 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 system over financial reporting.

Meaning of internal financial controls over financial reporting

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

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial

reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as

at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **B S R & Co. LLP**

Chartered Accountants

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

Venkataramanan Vishwanath

Partner

Mumbai

14 April 2018

Membership No: 113156

Standalone Balance Sheet

as at March 31, 2018

	Notes	As at March 31, 2018	(₹ million) As at March 31, 2017
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	1,610.7	1,610.7
(b) Reserves and surplus	4	6,640.2	3,239.8
		8,250.9	4,850.5
2 Non-current liabilities			
(a) Other long term liabilities	5	957.3	826.3
(b) Long-term provisions	6	427.7	338.1
		1,385.0	1,164.4
3 Current liabilities			
(a) Short-term borrowings	7	6,725.1	3,954.1
(b) Trade payables	8		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		10,164.9	8,713.6
(c) Other current liabilities	9	2,076.9	1,668.0
(d) Short-term provisions	10	107.0	51.0
		19,073.9	14,386.7
		28,709.8	20,401.6
II ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Property, plant and equipment		296.6	241.9
(ii) Intangible assets		85.4	104.4
(iii) Capital work-in-progress		15.1	0.4
(iv) Intangible assets under development		23.8	27.9
		420.9	374.6
(b) Non-current investments	12	141.6	143.2
(c) Deferred tax assets	13	736.4	577.8
(d) Long term loans and advances	14	1,431.4	1,357.9
(e) Other non-current assets	15	34.2	811.5
		2,764.5	3,265.0
2 Current assets			
(a) Current investments	16	-	0.7
(b) Stock-in-trade	17	376.6	310.9
(c) Trade receivables	18	3,098.1	7,097.5
(d) Cash and bank balances	19	14,769.5	8,669.9
(e) Short term loans and advances	20	6,311.9	323.8
(f) Other current assets	21	1,389.2	733.8
		25,945.3	17,136.6
		28,709.8	20,401.6
III Significant Accounting Policies			
	2		

The Notes to the financial statements form an integral part of the 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
ICAI Firm Registration
No.: 101248W/W-100022

Chanda Kochhar

Chairperson
DIN - 00043617

Ashvin Parekh

Director
DIN - 06559989

Shilpa Kumar

Managing Director & CEO
DIN - 02404667

Venkataramanan Vishwanath

Partner
Membership No.: 113156

Ajay Saraf

Executive Director
DIN - 00074885

Raju Nanwani

Company Secretary

Harvinder Jaspal

Chief Financial Officer

Date: April 14, 2018

Place: Mumbai

Standalone Statement of Profit and Loss

for the year ended March 31, 2018

	Notes	For the year ended March 31, 2018	(₹ million) For the year ended March 31, 2017
1 Revenue from operations			
(a) Brokerage income		10,243.0	7,755.9
(b) Income from services		6,522.9	4,978.9
(c) Interest and other operating income	22	1,583.0	1,090.3
(d) Profit/(loss) on sale of securities (net)	23	219.1	213.9
Total Revenue from operations		18,568.0	14,039.0
2 Other income		-	-
3 Total Revenue (1 + 2)		18,568.0	14,039.0
4 Expenses:			
(a) Employee benefits expenses	24	5,297.0	4,735.5
(b) Operating expenses	25	1,896.9	1,447.9
(c) Finance costs	26	491.2	285.0
(d) Depreciation and amortisation expense	11	152.6	154.6
(e) Other expenses	27	2,226.1	2,206.2
Total expenses		10,063.8	8,829.2
5 Profit before tax (3- 4)		8,504.2	5,209.8
6 Tax expense:			
(a) Current tax		3,129.2	1,902.9
(b) Deferred tax		(158.6)	(69.2)
Total tax expense		2,970.6	1,833.7
7 Profit after tax (5-6)		5,533.6	3,376.1
8 Earnings per equity share:			
Basic and diluted (in ₹)	28	17.18	10.48
(Face value ₹ 5/- per share)			
9 Significant Accounting Policies	2		

The Notes to the financial statements form an integral part of the 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
ICAI Firm Registration
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Ajay Saraf

Executive Director
DIN - 00074885

Raju Nanwani

Company Secretary

Harvinder Jaspal

Chief Financial Officer

Date: April 14, 2018

Place: Mumbai

Standalone Cash Flow Statement

for the year ended March 31, 2018

	For the year ended March 31, 2018	(₹ million) For the year ended March 31, 2017
A Cash flow from operating activities		
Profit before tax	8,504.2	5,209.8
Add/(less): Adjustments		
- (Profit)/loss on sale of fixed assets	16.8	2.5
- Depreciation and amortisation	152.6	154.6
- (Profit)/loss on sale of long term investment (net)	(3.5)	-
- Interest expense	483.3	276.7
- Provision for diminution in value of non-current investment	-	6.7
- Unrealised loss on foreign currency transaction	-	(0.2)
Operating profit before working capital changes	9,153.4	5,650.1
Adjustments for changes in working capital		
a) (Increase)/decrease in current assets	(8,296.1)	(4,851.7)
b) (Increase)/decrease in long term loans and advances	18.3	(20.2)
c) (Increase)/decrease in other non-current assets	777.3	(541.3)
d) Increase/(decrease) in non current liabilities	220.8	278.5
e) Increase/(decrease) in trade payables	1,451.2	2,761.6
f) Increase/(decrease) in other current liabilities	500.6	320.9
g) Increase/(decrease) in short term provisions	56.1	9.1
	(5,271.8)	(2,043.1)
Cash generated from operations	3,881.6	3,607.0
Payment of taxes (net)	(3,220.8)	(1,985.0)
Net cash (used in)/generated from operating activities (A)	660.8	1,622.0
B Cash flow from investing activities		
- Purchase of investments	(1.2)	(15.7)
- Proceeds from sale/maturity of investments	7.0	-
- Purchase of fixed assets	(223.1)	(159.3)
- Proceeds from sale of fixed assets	7.4	5.5
Net cash (used in)/generated from investing activities (B)	(209.9)	(169.5)

Standalone Cash Flow Statement

for the year ended March 31, 2018 (contd.)

	For the year ended March 31, 2018	For the year ended March 31, 2017
(₹ million)		
C Cash flow from financing activities		
- Increase/(decrease) in short-term borrowings (net)	2,753.5	2,228.1
- Interest paid on borrowings	(465.9)	(279.3)
- Dividend paid	(1,771.8)	(2,050.3)
- Dividend distribution tax paid	(452.3)	(439.9)
Net cash (used in)/generated from financing activities (C)	63.5	(541.4)
Net change in cash and cash equivalents (A+B+C)	514.4	911.1
Cash and cash equivalents at the beginning of the year	1,052.6	141.5
Cash and cash equivalents at the end of the year	1,567.0	1,052.6
Components of cash and cash equivalents		
Cash on hand*	0.0	0.0
Cheques on hand	-	10.2
In Current account with banks		
- In India with scheduled banks	1,302.6	1,010.1
- Outside India	14.4	32.3
- Fixed deposit with maturity less than 3 months	250.0	-
Total cash and cash equivalents (Note 19)	1,567.0	1,052.6

Cash and cash equivalents at the end of the year excludes:

- Fixed deposits under lien ₹ 13,235.8 million (March 31, 2017 ₹ 8,324.2 million) and
- Fixed deposits having original maturity more than 3 months ₹ Nil (March 31, 2017 ₹ 95.5 million).

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

Note : The above cash flow statement has been prepared under the Indirect method as set out in Accounting Standard - 3 on cash flow statements.

As per our report of even date attached

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

Venkataramanan Vishwanath
Partner
Membership No.: 113156

Date: April 14, 2018
Place: Mumbai

Chanda Kochhar
Chairperson
DIN - 00043617

Ajay Saraf
Executive Director
DIN - 00074885

For and on behalf of Board of Directors

Ashvin Parekh
Director
DIN - 06559989

Raju Nanwani
Company Secretary

Shilpa Kumar
Managing Director & CEO
DIN - 02404667

Harvinder Jaspal
Chief Financial Officer

Notes

to standalone financial statements for the year ended March 31, 2018

1 Corporate Information

ICICI Securities Limited ("the Company"), incorporated in 1995, is a public Company engaged in the business of broking (institutional and retail), merchant banking and advisory services.

During the year ended March 31, 2018, the Company completed the Initial Public Offering (IPO) through an Offer for Sale of 66,925,305 equity shares of ₹ 5/- each at a price of ₹ 520 per equity share by ICICI Bank Limited, the Holding Company, aggregating up to ₹ 34,801.2 million. The equity shares of the Company were listed on the National Stock Exchange of India Limited and BSE Limited on April 4, 2018.

2 Significant Accounting Policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India ("Indian GAAP"). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies has been consistently applied by the Company except where otherwise stated are considered with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of the services and the time between the provision of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles in India requires management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income, expenses and results during the reporting

period. The estimates used in the preparation of the financial statements are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Revenue recognition

- i) Brokerage income in relation to stock broking activity is recognised on a trade date basis.
- ii) Revenue from issue management, debt syndication, financial advisory services etc., is recognised based on the stage of completion of assignments and terms of agreement with the client.
- iii) Commission income in relation to public issues/other securities is recognised based on mobilisation and intimation received from clients/intermediaries.
- iv) Gains/losses on dealing in securities are recognised on a trade date basis.
- v) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- vi) Revenue from dividends is recognised when the right to receive the dividend is established.
- vii) Training fee income from financial educational programs is recognised on an accrual basis.

d) Investments

Investments are classified into long term investments and current investments. Investments which are intended to be held for more than one year are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments. Long term investments are accounted at cost and any decline in the carrying value other than temporary in nature is provided for in the statement of profit and loss. Current investments are valued at cost arrived at on first in first out ('FIFO') basis and fair value, determined on an individual investment basis, whichever is lower.

On disposal of an investment, the difference between its carrying amount and net disposal

Notes

to standalone financial statements for the year ended March 31, 2018 (contd.)

proceeds is charged or credited to the statement of profit and loss.

e) Stock-in-trade

Securities acquired with the intention to trade are classified as stock-in-trade. The securities held as stock-in-trade are carried at cost arrived at on first in first out ('FIFO') basis and fair value, determined on an individual investment basis, whichever is lower. The profit or loss on sale of securities is recognised on a trade date basis in the Statement of Profit and Loss.

f) Fixed assets

(i) Property, Plant and Equipment (PPE)/ Depreciation

PPE are carried at cost less accumulated depreciation. Cost comprises purchase price, borrowing cost if capitalisation criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use.

Losses arising from the retirement of, and gains or losses arising from disposal of PPE are recognised in the statement of profit and loss.

Depreciation on PPE is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by management/limits specified in schedule II of the Companies Act, 2013. The Company has used the following rates to provide depreciation on the PPE.

Asset	Useful life
Tangible Assets	
Office equipments comprising air conditioners, photo-copying machines, etc.	5 years
Computers	3 years
Servers & Network	6 years
Furniture and fixtures	6.67 years
Motor vehicles	5 years

Leasehold improvements are depreciated over the lease period subject to a maximum of 9 years.

Depreciation is provided on a straight-line basis from the date the asset is ready for its intended use or put to use whichever is

earlier. In respect of assets sold, depreciation is provided up to the date of disposal.

Management has estimated, the useful lives of the following classes of assets, which is lower than that indicated in schedule II of the Companies Act, 2013 on the basis of technical assessment.

- I) The motor vehicles are depreciated over the estimated useful lives of 5 years.
- II) The Furniture and fixture are depreciated over the estimated useful lives of 6.67 years.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the balance sheet date and adjusted prospectively.

(ii) Intangible Assets/Amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the statement of profit and loss.

The amortisation rates used are:

Intangible asset	Useful life/ Amortisation period
Computer software	4 years
CMA Membership rights*	5 years

*CMA - Capital Market Authority of Oman

g) Foreign exchange transactions

Foreign currency income and expenditure items of domestic operations are translated at the

Notes

to standalone financial statements for the year ended March 31, 2018 (contd.)

exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities of domestic foreign operations are translated at closing exchange rates at the balance sheet date and the resulting gains/losses are included in the statement of profit and loss in the year in which they arise.

Income and expenditure of non-integral foreign operations are translated at monthly average rates. The assets and liabilities of non-integral foreign operations other than share capital and fixed assets are translated at closing exchange rates at the balance sheet date and the resultant profits/losses from exchange differences are accumulated in the foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operations.

h) Employee Benefits

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 a part of retirement benefits to its employees. The contributions during the year are charged to the statement of profit and loss. The Company recognises contribution payable to the provident fund scheme as an expenditure when an employee renders the related service.

With respect to Oman Branch, for Omani national employees, the Company makes contributions to the Omani Public Authority for Social Insurance Scheme calculated as a percentage of the employees' salaries. The Company's obligations are limited to these contributions, which are expensed when incurred.

Gratuity

The Company pays gratuity, a defined benefit plan to its employees who retire or resign after completion of minimum period of five years of continuous service and in the case of employees at overseas locations as per rules in force in the respective countries. The Company makes contributions to the ICICI Securities Employees Group Gratuity Fund which is managed by ICICI Prudential Life Insurance Company Limited for the settlement of gratuity liability.

The Company accounts for the gratuity liability as per an actuarial valuation by an actuary appointed by the Company. In accordance with the gratuity fund's rules, actuarial valuation of gratuity liability is calculated based on certain assumptions regarding rate of interest, staff mortality and staff attrition as per the projected unit credit method made at the end of each reporting period. Actuarial gains and losses for defined benefit plans are recognised in full in the period which they occur in the statement of profit and loss.

With respect to Oman Branch, the Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Compensated absence

The employees can carry forward a portion of the unutilised accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as long-term employee benefit. 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 expected to fall beyond 12 months is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial losses/gains are recognised in the statement of profit and loss as and when they are incurred.

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 rate of interest

Notes

to standalone financial statements for the year ended March 31, 2018 (contd.)

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.

i) Income taxes

Income tax expense is the aggregate amount of current tax and deferred tax borne by the Company. Current tax expense and deferred tax expense is determined in accordance with the provisions of the Income Tax Act, 1961 and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax assets and liabilities are recognised on a prudent basis for the future tax consequences of timing differences arising between the carrying values of assets and liabilities and their respective tax basis. The impact of changes in the deferred tax assets and liabilities is recognised in the statement of profit and loss.

Deferred tax assets are recognised and reassessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. Deferred tax assets are recognised, in case there are, on carry forward of unabsorbed depreciation, tax losses and carry forward capital losses, only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

In accordance with the recommendations contained in the Guidance note on accounting for credit available in respect of Minimum Alternative Tax ("MAT") issued by the Institute of Chartered Accountants of India, MAT credit

is recognised as an asset to the extent there is convincing evidence that the Company will pay normal income tax during the specified period in future. MAT credit is recognised as an asset by way of a credit to the statement of profit and loss and shown as MAT credit entitlement in the year in which MAT credit becomes eligible to be recognised as an asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

j) Impairment of assets

The Company assesses at the reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") net selling price 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

k) Provisions

Provision is recognised when an enterprise has a present obligation 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

Notes

to standalone financial statements for the year ended March 31, 2018 (contd.)

balance sheet date and adjusted to reflect the current management estimates.

l) 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 the notes to the financial statements.

Contingent assets are neither recognised nor disclosed.

m) Earnings per share ("EPS")

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.

n) Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the lease term are classified as operating leases. Operating lease payments are recognised as an expense in the statement of

profit and loss on a straight-line basis over the lease term.

o) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with the banks and short term investments with an original maturity of three months or less.

p) Borrowing cost

Borrowing costs are interest and other costs (including exchange differences from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the year in which they are incurred.

The difference between the discounted amount mobilised and redemption value of commercial papers is apportioned on time basis over the life of the instrument and charged as interest expense in the statement of profit and loss.

q) Derivative instruments

The Company enters into exchange traded derivative products i.e. equity/index futures and options, for proprietary trading purposes. The derivative contracts are recognised on a trade date basis and stated at the fair value, being the last quoted closing price on the National Stock Exchange of India Limited ('NSE') (in case not traded on NSE, last quoted closing price on BSE Limited is considered) on the balance sheet date. Changes in the fair value of the derivative contracts are recognised in the statement of profit and loss.

Notes

to standalone financial statements for the year ended March 31, 2018 (contd.)

3. Share Capital

	(₹ million)	
	As at March 31, 2018	As at March 31, 2017
Authorised:		
400,000,000 equity shares of ₹ 5/- each (March 31, 2017 : 1000,000,000 equity shares of ₹ 2/- each)	2,000.0	2,000.0
5,000,000 preference shares of ₹ 100/- each (March 31, 2017 : 5,000,000 of preference shares of ₹ 100/- each)	500.0	500.0
	2,500.0	2,500.0
Issued, subscribed and fully paid-up shares:		
322,141,400 equity shares of ₹ 5/- each, fully paid (March 31, 2017 : 805,353,500 equity shares of ₹ 2/- each, fully paid)	1,610.7	1,610.7
Total issued, subscribed and fully paid-up share capital	1,610.7	1,610.7

a Reconciliation of the shares at the beginning and at the end of the reporting year Equity shares

	As at March 31, 2018		As at March 31, 2017	
	Nos	(₹ million)	Nos	(₹ million)
At the beginning of the year	80,53,53,500	1,610.7	80,53,53,500	1,610.7
Issued during the year - Bonus issue	-	-	-	-
Issued during the year - ESOP	-	-	-	-
Consolidation of shares during the year-Nos (refer note below)*	(48,32,12,100)	-	-	-
Outstanding at the end of the year	32,21,41,400	1,610.7	80,53,53,500	1,610.7

*The shareholders of the Company have, at the Extraordinary General Meeting (EGM) held on December 4, 2017 accorded their consent to the consolidation of the authorised and issued equity share capital of the Company by increasing the nominal value of the equity share from ₹ 2/- (Rupees two only) each to ₹ 5/- (Rupees five only) each. The record date for the consolidation was December 8, 2017. Accordingly, the revised authorised equity share capital of the Company now stands at 400,000,000 equity shares of ₹ 5/- each and issued, subscribed and paid up equity share capital 322,141,400 equity shares of ₹ 5/- each.

During the year ended March 31, 2018, the Company completed the Initial Public Offering (IPO) through an Offer for Sale of 66,925,305 equity shares of ₹ 5/- each at a price of ₹ 520/- per equity share by ICICI Bank Limited, the Holding Company, aggregating upto ₹ 34,801.2/- million. The equity shares of the Company were listed on the National Stock Exchange of India Limited and BSE Limited on April 4, 2018

b Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5/- per share with effect from December 4, 2017. Till December 3, 2017, the Company had only one class of equity share having par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year, the Company had declared and paid interim dividend of ₹ 5.50- per share amounting to ₹ 2,132.5 million. Further the Board of Directors at their meeting held on April 14, 2018 proposed a final dividend of ₹ 3.90 (Previous Year ₹ Nil) per share, subject to the approval of the members at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance Sheet date' as notified by Ministry of Corporate Affairs through amendments to Companies Accounting Standard (Amendment) Rules, 2016, dated March 30, 2016, the Company has not accounted for proposed dividend as a liability as at March 31, 2018. If approved the total liability arising to the Company would be ₹ 1,514.6 million including dividend distribution tax,(Previous Year ₹ Nil).

Notes

to standalone financial statements for the year ended March 31, 2018 (contd.)

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.

c 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, 2018		As at March 31, 2017	
	Nos	% of Holding	Nos	% of Holding
ICICI Bank Limited & its nominees	25,52,16,095	79.22%	80,53,53,500	100%
Total	25,52,16,095	79.22%	80,53,53,500	100%

d Aggregate number of bonus share issued, shares issued for consideration other than cash and shares bought back the period for five years immediately preceding the reporting date:

Particulars	2018	2017	2016	2015	2014
	No of Shares				
Equity shares bought back by the company	-	-	-	-	-

4. Reserves and Surplus

Reserves and surplus consist of the following:

	(₹ million)	
	As at March 31, 2018	As at March 31, 2017
(a) Securities premium account		
Opening balance	244.0	244.0
Add : Additions during the year (net)	-	-
Closing balance	244.0	244.0
(b) Foreign currency translation reserve		
Opening balance	18.6	18.8
Add : Additions during the year (net)	(0.7)	(0.2)
Closing balance	17.9	18.6
(c) General reserve		
Opening balance	666.8	666.8
Add : Additions during the year (net)	0.0	-
Closing balance	666.8	666.8
(d) Surplus i.e. balance in the statement of profit and loss		
Opening balance	2,310.4	1,402.0
Add: profit after tax for the year	5,533.6	3,376.1
	7,844.0	4,778.1
Less: Appropriations		
Interim dividend on equity shares	1,771.8	2,050.3
Dividend distribution tax on equity dividend	360.7	417.4
Closing balance	5,711.5	2,310.4
Total	6,640.2	3,239.8

Notes

to standalone financial statements for the year ended March 31, 2018 (contd.)

5. Other Long Term Liabilities

Other long term liabilities consist of the following:

	(₹ million)	
	As at March 31, 2018	<i>As at March 31, 2017</i>
Other liabilities	957.3	826.3
Total	957.3	826.3
Other liabilities include -		-
a) Long term incentive payable to the employees	714.0	635.3
b) Others	243.3	191.0

6. Long Term Provisions

Long-term provisions consist of the following:

	(₹ million)	
	As at March 31, 2018	<i>As at March 31, 2017</i>
Provision for employee benefits		
(a) Provision for gratuity (Refer Note 30)	382.7	320.3
(b) Provision for compensated absence	45.0	17.8
Total	427.7	338.1

7. Short Term Borrowings

Short Term Borrowings consist of the following:

	(₹ million)	
	As at March 31, 2018	<i>As at March 31, 2017</i>
(a) Secured loans		
Bank overdraft	-	-
(Secured against first charge on all receivables, book debts, cash flows, and proceeds arising therefrom and a lien on fixed deposits including but not limited to the Company's cash in hand both present and future)		
(b) Unsecured loans		
Commercial paper	6,725.1	3,954.1
(repayable within one year)		
Total	6,725.1	3,954.1

Notes

to standalone financial statements for the year ended March 31, 2018 (contd.)

8. Trade Payables

Trade payables consist of the following:

	(₹ million)	
	As at March 31, 2018	<i>As at March 31, 2017</i>
(a) total outstanding dues of micro enterprises and small enterprises (Refer note 34 for details of dues to micro and small enterprises)	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	10,164.9	8,713.6
Total	10,164.9	8,713.6

9. Other Current Liabilities

Other current liabilities consist of the following:

	(₹ million)	
	As at March 31, 2018	<i>As at March 31, 2017</i>
(a) Income received in advance	15.0	37.6
(b) Others	-	-
1) Statutory liabilities	656.6	312.9
2) Employee related liabilities	1,370.0	1,276.7
3) Other liabilities	35.3	40.8
Total	2,076.9	1,668.0

10. Short Term Provisions

Short term provision consist of the following:

	(₹ million)	
	As at March 31, 2018	<i>As at March 31, 2017</i>
Provision for employees benefits		
i) Provision for gratuity (Refer Note 30)	84.1	41.1
ii) Provision for compensated absence	22.9	9.9
Total	107.0	51.0

Notes

to standalone financial statements for the year ended March 31, 2018 (contd.)

11. Fixed Assets

Fixed assets consist of the following:

	Property, Plant and Equipment						Intangible		Total (A+B)
	Computers	Furniture and fixtures	Office equipment	Vehicles	Lease hold improvements	Total (A)	Software	CMA membership right	
Gross Block (At Cost)									
At April 1, 2016	248.3	31.3	67.8	116.7	209.7	673.8	229.0	25.8	254.8
Additions	24.4	3.7	4.5	28.8	42.9	104.3	50.7	-	50.7
Sale/Adjustment *	39.0	2.9	2.6	17.1	12.7	74.3	45.8	0.5	46.3
At March 31, 2017	233.7	32.1	69.7	128.4	239.9	703.8	233.9	25.3	259.2
Additions	94.4	7.2	17.1	33.0	15.9	167.6	44.8	-	44.8
Sale/Adjustment *	40.3	1.5	2.5	30.0	7.0	81.3	50.4	(0.1)	50.3
At March 31, 2018	287.8	37.8	84.3	131.4	248.8	790.1	228.3	25.4	253.7
Depreciation/Amortisation									
At April 1, 2016	166.4	17.1	32.5	60.7	146.5	423.2	125.8	25.8	151.6
Additions	47.5	6.6	13.0	23.4	15.9	106.4	48.2	-	48.2
Sale/Adjustment *	38.8	0.7	1.8	14.3	12.1	67.7	44.5	0.5	45.0
At March 31, 2017	175.1	23.0	43.7	69.8	150.3	461.9	129.5	25.3	154.8
Additions	44.6	3.9	12.3	24.4	18.0	103.2	49.4	-	49.4
Sale/Adjustment *	38.3	1.4	2.4	24.2	5.3	71.6	36.0	(0.1)	35.9
At March 31, 2018	181.4	25.5	53.6	70.0	163.0	493.5	142.9	25.4	168.3
Net Block									
At March 31, 2017	58.6	9.1	26.0	58.6	89.6	241.9	104.4	0.0	104.4
At March 31, 2018	106.4	12.3	30.7	61.4	85.8	296.6	85.4	0.0	85.4

Notes: (₹ in million)

At March 31, 2017 * Fixed assets sale/adjustments includes effect of foreign currency translation amounting to ₹ 0.0 million (Previous year ₹ 0.3 million).

At March 31, 2018 * Fixed assets sale/adjustments includes effect of foreign currency translation amounting to ₹ 0.0 million (Previous year ₹ 0.0 million).

Notes

to standalone financial statements for the year ended March 31, 2018 (contd.)

12. Non-Current Investments

Non-current investments consist of the following

Name of the Company	Quantity Nos	Face value per unit	(₹ million)	
			As at March 31, 2018	As at March 31, 2017
Trade Investments				
In equity instruments (valued at cost) (fully paid)				
Subsidiary Company:				
(a) ICICI Securities Holding Inc.(unquoted)	1,664 (1,664)	₹ 10/(₹ 10)	728.2	728.2
Less :Provision for impairment			(605.5)	(605.5)
			122.7	122.7
Others (fully paid):				
(a) BSE Limited (quoted)	11,414 (11,414)	₹ 2/(₹ 2)	0.0	0.0
(b) Receivable Exchange of India Limited (unquoted)	1,500,000 (1,500,000)	₹ 10/(₹ 10)	15.0	15.0
(c) Universal Trustees Private Limited (unquoted)	3,00,000 (180,000)	₹ 10/(₹ 10)	10.6	9.4
(d) Parabolic Drugs Limited (quoted)	Nil (794,000)	Nil/(₹ 10)	-	45.5
			25.6	69.9
Less : Provision for impairment			(6.7)	(49.4)
			18.9	20.5
			141.6	143.2
Total			141.6	143.2
1) Aggregate carrying amount of quoted investments			0.0	2.8
2) Aggregate market value of quoted investments			8.6	17.9
3) Aggregate carrying amount of unquoted investments			141.6	140.4
4) Aggregate amount of diminution in the value of investments			612.1	654.9
5) ₹ 0.0 million indicates values are lower than ₹ 0.1 million, where applicable				

13. Deferred Tax Assets

The break-up of deferred tax assets is given below:

	(₹ million)	
	As at March 31, 2018	As at March 31, 2017
Deferred tax asset in respect of:		
(a) Provision for doubtful debts	45.0	22.1
(b) Provision for gratuity	161.5	125.1
(c) Provision for compensated absence	23.5	9.6
(d) Provision for lease rent escalation	76.2	65.3
(e) Depreciation and amortisation	58.6	44.1
(f) Provision for investments	0.8	5.7
(g) Provision for long term incentive and statutory bonus	362.1	305.7
(h) Revenue Recognition	8.1	-
(i) Provision for foreign currency translation reserve	0.2	-
(j) Marked to market loss	0.4	0.2
Total	736.4	577.8

Notes

to standalone financial statements for the year ended March 31, 2018 (contd.)

14. Long Term Loans and Advances

Long term loans and advances consist of the following:

	(₹ million)	
	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good (unless stated otherwise)		
i) Capital advances	0.1	-
ii) Security deposit for leased premises and assets	270.8	334.9
iii) Security deposit with stock exchanges	55.8	25.8
iv) Advance tax [net of provision for tax of ₹ 12,642.9 million (March 31, 2017 : ₹ 9,493.7)]	1,063.5	971.8
v) Deposit with related parties		
a) ICICI Lombard General Insurance Company Limited	0.1	0.1
vi) Security deposit with related parties		
a) ICICI Bank Limited	2.6	2.6
vii) Other loans and advances	-	-
a) Prepaid expenses	14.4	1.9
b) Other security deposits	11.2	6.8
c) Others	12.9	14.0
Total	1,431.4	1,357.9

15. Other Non-Current Assets

Other non-current assets consist of the following:

	(₹ million)	
	As at March 31, 2018	As at March 31, 2017
Others:		
(a) Interest receivable	0.9	9.0
(b) Fixed deposits with banks*		
i) In India	24.8	794.1
ii) Outside India	8.5	8.4
	33.3	802.5
Total	34.2	811.5

*Fixed deposits under lien with stock exchanges amounted to ₹ 19.5 million (March 31, 2017: ₹ 731.3 million) and kept as collateral security towards bank guarantees issued amounted to ₹ 11.1 million (March 31, 2017: ₹ 8.6 million) and kept as collateral security against bank overdraft facility amounted to ₹ Nil (March 31, 2017: ₹ 60.0 million) and others ₹ 2.7 million (March 31, 2017: ₹ 2.6 million)

16. Current Investments

Current investments consist of the following

	(₹ million)			
Name of the Company	Quantity Nos	NAV per unit	As at March 31, 2018	As at March 31, 2017
Mutual funds (quoted):				
ICICI Mutual Fund Fixed Maturity Plan (units of ₹ 10/- each, fully paid)	Nil (50,000)	Nil/₹ 14.01	-	0.7
			-	0.7
Current investments are valued at cost and market value whichever is lower.				
Aggregate carrying amount of quoted investments			-	0.7
Aggregate market value of quoted investments			-	0.7

Notes

to standalone financial statements for the year ended March 31, 2018 (contd.)

17. Stock-In-Trade

Stock-in-trade consist of the following:

	Quantity (Face Value)	As at March 31, 2018	(₹ million) As at March 31, 2017
(a) Equity shares (quoted) (fully paid)			
IRB InvIT Fund-EQUITY	365,000 (Nil)/₹ 102 each	29.9	-
Mahindra Lifespace Developers Limited	100(100)/(₹ 10 each)	0.0	0.0
		29.9	0.0
(b) Non-convertible debentures (quoted) (fully paid)			
8.90% Indiabulls Housing Finance Ltd. 26 09 2021	Nil(1,790)/₹ 1,000 each	-	1.8
9.10 % Dewan Housing Finance Corp Limited	149,095 (150,095)/₹ 1,000 each	149.7	150.1
9.25 % Dewan Housing Finance 09/09/2023	Nil (33,683)/₹ 100 each	-	33.5
10.75 %Dewan Housing Finance 23/08/2099	32 (50)/₹ 1,000,000 each	-	50.3
RCL Market Linked Debentures Series B-190	Nil (375)/₹ 100,000 each	-	53.7
RCL Market Linked Debentures Series B-198	Nil (150)/₹ 100,000 each	-	21.5
8.75 % ERFL 22-03-2021	150,000(Nil)/₹ 1000 each	148.5	-
		298.2	310.9
(c) Bonds (quoted) (fully paid)			
8.85 % HDFC Bank 12-05-2099	4 (Nil)/₹ 1,000,000 each	4.0	-
8.75 % Axis Bank 28-06-2099	19 (Nil)/₹ 1,000,000 each	18.9	-
9.50 % Yes Bank 23-12-2099	25 (Nil)/₹ 1,000,000 each	25.6	-
		48.5	-
Total		376.6	310.9
1) Stock in trade are valued at cost or market value whichever is lower.			
2) Aggregate carrying value of quoted securities		376.6	310.9
3) Aggregate market value of quoted securities		379.3	314.4
4) ₹ 0.0 million indicates values are lower than ₹ 0.1 million, where applicable			

Notes

to standalone financial statements for the year ended March 31, 2018 (contd.)

18. Trade Receivables

Trade receivables consist of the following:

	As at March 31, 2018	As at March 31, 2017
(₹ million)		
Secured		
(a) Receivables outstanding for a period exceeding six months:		
i) Considered good	-	-
ii) Considered doubtful	-	-
(b) Others		
i) Considered good	2,599.2	6,519.3
ii) Considered doubtful	-	-
Less: Allowances for doubtful debts	-	-
Total (A)	2,599.2	6,519.3
Unsecured		
(a) Receivables outstanding for a period exceeding six months:		
i) Considered good	3.4	7.8
ii) Considered doubtful	72.1	46.8
Less: Allowances for doubtful debts	(72.1)	(46.8)
(b) Others		
i) Considered good	495.5	570.4
ii) Considered doubtful	48.6	7.8
Less: Allowances for doubtful debts	(48.6)	(7.8)
Total (B)	498.9	578.2
Total (A) + (B)	3,098.1	7,097.5

Dues from directors and officers Nil (March 31, 2017: Nil)

19. Cash and Bank Balances

Cash and bank balances consist of the following:

	As at March 31, 2018	As at March 31, 2017
(₹ million)		
(i) Cash and cash equivalents		
Cash on hand*	0.0	0.0
Cheques on hand	-	10.2
Balances with Banks		
(a) In current accounts with banks		
i) In India with scheduled banks	1,302.6	1,010.1
ii) Outside India	14.4	32.3
(b) Fixed Deposit with original maturity less than 3 months	250.0	-
	1,567.0	1,052.6
(ii) Other bank balances		
Fixed deposits in India**	13,202.5	7,617.3
	13,202.5	7,617.3
Total	14,769.5	8,669.9

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

**Fixed deposits under lien with stock exchanges amounted to ₹ 11,739.6 million (March 31, 2017 : ₹ 6,936.5 million) and kept as collateral security towards bank guarantees issued amounted to ₹ 372.2 million (March 31, 2017 : ₹ 0.4 million) and kept as collateral security against bank overdraft facility amounted to ₹ 1,089.7 million (March 31, 2017 : ₹ 504.2 million) and others ₹ 1.0 million (March 31, 2017 : ₹ 80.7 million)

**Fixed deposits other than under lien having original maturity more than 3 months ₹ Nil (March 31, 2017 : ₹ 95.5 million)

Notes

to standalone financial statements for the year ended March 31, 2018 (contd.)

20. Short Term Loans and Advances

Short term loans and advances consist of the following:

	(₹ million)	
	As at March 31, 2018	<i>As at March 31, 2017</i>
Secured, considered good		
i) Margin trade funding	5,560.0	-
ii) ESOP Funding	226.9	49.6
Unsecured, considered good		
i) Security deposit for leased premises and assets	14.1	22.9
ii) Other loans and advances		
a) Prepaid expenses	33.7	34.0
b) Advance to creditors	78.8	28.1
c) Other advances	398.4	189.2
Total	6,311.9	323.8

21. Other Current Assets

Other current assets consist of the following:

	(₹ million)	
	As at March 31, 2018	<i>As at March 31, 2017</i>
(a) Accrued income from services	366.0	438.5
(b) Accrued interest	463.4	286.0
(c) Others	559.8	9.3
Total	1,389.2	733.8

Others includes amounts due from ICICI Bank Ltd ₹ 545.9 million towards reimbursement of IPO expenses

22. Interest and Other Operating Income

Interest and other operating income consist of the following:

	(₹ million)	
	For the year ended March 31, 2018	<i>For the year ended March 31, 2017</i>
(a) Interest on		
i) Fixed deposits and application money	805.8	602.8
ii) Funding and late payments	746.3	474.3
iii) Securities held as stock-in-trade	22.0	3.8
iv) Other advances and deposits	0.2	0.2
(b) Dividend income	3.0	0.2
(c) Other income	5.7	9.0
Total	1,583.0	1,090.3

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to standalone financial statements for the year ended March 31, 2018 (contd.)

23. Profit/(Loss) on Sale of Securities (Net)

Profit/(Loss) on sale of securities consist of the following:

	(₹ million)	
	For the year ended March 31, 2018	<i>For the year ended March 31, 2017</i>
(a) Profit/(loss) on securities held as stock in trade/current investments (net)	215.6	213.9
(b) Profit/(loss) on sale of long term investments (net)	3.5	-
Total	219.1	213.9

24. Employee Benefits Expenses

Employee benefits expense consist of the following:

	(₹ million)	
	For the year ended March 31, 2018	<i>For the year ended March 31, 2017</i>
(a) Salaries, wages and bonus	4,796.9	4,240.4
(b) Contribution to gratuity/provident and other funds	280.0	268.2
(c) Staff welfare expenses	220.1	226.9
Total	5,297.0	4,735.5

25. Operating Expenses

Operating expenses consist of the following:

	(₹ million)	
	For the year ended March 31, 2018	<i>For the year ended March 31, 2017</i>
(a) Brokerage and commission	907.2	616.8
(b) Transaction charges	100.9	89.0
(c) Turnover fees and stamp duty	25.3	6.4
(d) Custodial and depository charges	471.7	378.2
(e) Call centre charges	123.2	125.6
(f) Franking charges ¹	93.9	91.0
(g) Scanning expenses	47.1	36.9
(h) Customer loss compensation	16.1	42.2
(i) Other operating expenses	32.7	27.3
(j) Bad and doubtful debts	78.8	34.5
Total	1,896.9	1,447.9
¹ Net of recoveries	55.5	39.4

26. Finance Costs

Finance cost consist of the following:

	(₹ million)	
	For the year ended March 31, 2018	<i>For the year ended March 31, 2017</i>
(a) Interest expense	483.3	276.7
(b) Other borrowing cost	7.9	8.3
Total	491.2	285.0

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to standalone financial statements for the year ended March 31, 2018 (contd.)

27. Other Expenses

Other expenses consist of the following:

	For the year ended March 31, 2018	(₹ million) For the year ended March 31, 2017
(a) Rent and amenities	665.5	720.3
(b) Insurance	3.8	3.3
(c) Travelling and conveyance expenses	208.6	214.3
(d) Business promotion expenses	124.3	180.5
(e) Repairs, maintenance, upkeep and others	412.8	384.1
(f) Rates and taxes	52.5	54.6
(g) Electricity expenses	63.2	98.6
(h) Communication expenses	181.7	145.9
(i) (Profit)/Loss on sale of fixed assets (net)	16.8	2.5
(j) Advertisement and publicity	86.2	85.1
(k) Printing and stationery	28.5	32.3
(l) Subscription and periodicals	83.5	75.7
(m) Professional fees	109.2	106.9
(n) Payments to non-executive directors	5.1	4.0
(o) Auditors' remuneration (refer note below)#	8.7	8.6
(p) Corporate Social Responsibility (CSR) expenses (refer note 38)	91.6	65.4
(q) Recruitment expenses	31.0	23.1
(r) Net gain or loss on foreign currency transaction and translation	19.3	0.4
(s) Royalty expenses	33.8	-
(t) Donation	-	0.6
Total	2,226.1	2,206.2
#Auditors' remuneration:		
For statutory audit	5.3	5.3
for taxation matters	0.6	0.7
for other services (certification)	2.5	2.5
for reimbursement of expenses	0.3	0.1
Total	8.7	8.6

28. Earnings per equity share

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

	For the year ended March 31, 2018	(₹ million) For the year ended March 31, 2017
Basic & Diluted earnings per share		
Net profit after tax, before preference dividend (₹ in million)	5,533.6	3,376.1
Net profit after tax and preference dividend (₹ in million) (A)	5,533.6	3,376.1
Weighted average no. of equity shares outstanding (in million) (B)	322.1	322.1
Basic and diluted earnings per share (₹) (A)/(B)	17.18	10.48
Nominal value per share (₹)	5.00	5.00

The shareholders of the Company have, at the Extraordinary General Meeting (EGM) held on December 4, 2017 accorded their consent to the consolidation of the authorised and issued equity share capital of the Company by increasing the nominal value of the equity share from ₹ 2/- (Rupees two only) each to ₹ 5/- (Rupees five only) each. The record date for the consolidation was December 8, 2017.

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to standalone financial statements for the year ended March 31, 2018 (contd.)

Accounting Standard 20 on "Earnings per share", requires an adjustment in the calculation of basic and diluted earnings per share for all the periods presented if the number of equity or potential equity shares outstanding change as a result of consolidation of shares. Pursuant to the shareholders' consent to the consolidation of the equity shares at the EGM mentioned above, the weighted average numbers of shares and consequently the basic and diluted earnings per share have been accordingly adjusted in the financial statements for all the periods presented in accordance with Accounting Standard 20 on "Earnings per share".

29. Related Party Disclosures

List of Related Parties:

- A. Related party where control exists irrespective whether transactions have occurred or not
 Holding Company: ICICI Bank Limited
 Subsidiary Companies: ICICI Securities Holding Inc.; ICICI Securities Inc.
- B. Other related parties where transactions have occurred during the year Fellow Subsidiaries:
 ICICI Securities Primary Dealership Limited; ICICI Prudential Life Insurance Company Limited; ICICI Lombard General Insurance Company Limited; ICICI Prudential Asset Management Company Limited; ICICI Home Finance Company Limited; ICICI Venture Funds Management Company Limited
- C. Associate of Holding Company : ICICI Foundation for Inclusive Growth
- D. Key Management Personnel
 a) Ms. Shilpa Kumar Managing Director & CEO (from November 1, 2016)
 b) Mr. Anup Bagchi Managing Director & CEO (till October 31, 2016)
 c) Mr. Ajay Saraf Executive Director

The following transactions were carried out with the related parties in the ordinary course of business.

(₹ million)

Nature of Transaction	Holding Company		Subsidiary Companies		Fellow Subsidiary Companies	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Income from services and brokerage (commission and fees)	257.5	399.6				
<i>ICICI Home Finance Company Limited</i>					1.9	28.7
<i>ICICI Prudential Life Insurance Company Limited</i>					513.2	733.7
<i>ICICI Securities Primary Dealership Limited</i>					0.6	1.2
<i>ICICI Lombard General Insurance Company Limited</i>					9.1	9.3
<i>ICICI Prudential Asset Management Company Limited</i>					183.6	76.7
<i>ICICI Securities Inc</i>			11.4	-		
<i>ICICI Venture Funds Management Company Limited</i>					0.5	13.5
<i>ICICI Investment Management Company Limited</i>						
<i>ICICI Bank UK PLC</i>						
Interest income	86.9	216.7				
Staff expenses	12.6	13.0				
<i>ICICI Securities Primary Dealership Limited</i>					(0.2)	(0.0)
<i>ICICI Prudential Life Insurance Company Limited</i>					3.5*	2.4
<i>ICICI Lombard General Insurance Company Limited</i>					92.1	83.0
<i>ICICI Prudential Asset Management Company Limited</i>					(0.1)	-
Operating expenses	633.1	526.2				
<i>ICICI Securities Inc</i>			214.7	161.7		

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to standalone financial statements for the year ended March 31, 2018 (contd.)

(₹ million)

Nature of Transaction	Holding Company		Subsidiary Companies		Fellow Subsidiary Companies	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Other expenses	211.1	154.9				
<i>ICICI Lombard General Insurance Company Limited</i>					3.6	3.2
<i>ICICI Securities Primary Dealership Limited</i>					1.0	1.2
<i>ICICI Prudential Life Insurance Company Limited</i>					1.8	2.9
<i>ICICI Securities Inc</i>			10.5	7.6		
Finance cost	6.2	7.7				
Dividend paid	1,771.8	2,050.3				
Purchase value of bond	-	-				
<i>ICICI Securities Primary Dealership Limited</i>					-	66.4

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

*Excludes an amount of ₹ 3.5 million (March 31, 2017 : ₹ Nil), received as premium by ICICI Prudential Life Insurance Company Limited from customers of the Company under the Group Insurance Policy. The premium is paid by the customers directly to ICICI Prudential Life Insurance Company Limited.

(₹ million)

Nature of Transaction	Holding Company		Subsidiary Companies		Fellow Subsidiary Companies	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Share capital	1,276.1	1,610.7				
Payables	94.8	110.8				
<i>ICICI Lombard General Insurance Company Limited</i>					0.7	0.5
<i>ICICI Securities Primary Dealership Limited</i>					0.2	0.5
<i>ICICI Prudential Life Insurance Company Limited</i>					0.1	0.6
<i>ICICI Securities Inc</i>			87.8	14.6		
Fixed assets purchased	-	1.2				
<i>ICICI Prudential Life Insurance Company Limited</i>					1.7	-
<i>ICICI Prudential Asset Management Company Limited</i>					1.0	-
Fixed assets sold	-	3.8				
Investment						
<i>ICICI Securities Holding Inc</i>			122.7	122.7		
<i>[Net of Provision of ₹ 605.5 million (Previous year ₹ 605.5 million)]</i>						
Fixed deposits	1,717.6	735.4				
Accrued interest Income	59.1	42.9				
Bank balance	1,290.4	1,001.5				
<i>(Net of current liabilities of ₹ 0.0 million (Previous year ₹ 4.5))</i>						
Deposit	2.6	2.6				
<i>ICICI Lombard General Insurance Company Limited</i>					0.1	0.1
Loans & advances (including prepaid expenses)	0.1	0.0				
<i>ICICI Lombard General Insurance Company Limited</i>					5.7	4.8
<i>ICICI Prudential Life Insurance Company Limited</i>					2.5	2.1
<i>ICICI Securities Primary Dealership Limited</i>					0.1	0.1

Notes

to standalone financial statements for the year ended March 31, 2018 (contd.)

(₹ million)

Nature of Transaction	Holding Company		Subsidiary Companies		Fellow Subsidiary Companies	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Other current assets	*545.9	-				
Receivables	-	-				
ICICI Prudential Life Insurance Company Limited					17.7	0.3
ICICI Lombard General Insurance Company Limited					1.1	0.0
ICICI Prudential Asset Management Company Limited					22.6	2.1
ICICI Home Finance Company Limited					0.2	3.9
ICICI Venture Funds Management Company Limited					-	9.5
ICICI Securities Primary Dealership Limited					2.1	-
Accrued income	8.6	10.7				
ICICI Lombard General Insurance Company Limited					0.6	0.7
ICICI Prudential Life Insurance Company Limited					33.7	118.2
ICICI Prudential Asset Management Company Limited					1.9	8.8
ICICI Home Finance Company Limited					0.1	3.2
ICICI Venture Funds Management Company Limited					-	0.3

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

The Company has contributed ₹ 86.8 million (Previous year ₹ 49.0 million) to the corpus of ICICI Foundation for Inclusive Growth as part of the CSR expenditure.

During the year ended March 31, 2018, the Company completed the Initial Public Offering (IPO) through an offer for sale of 66,925,305 equity shares of ₹ 5/- each at a price of ₹ 520/- per equity share, by ICICI Bank Limited, the Holding Company, aggregating upto ₹ 34,801.2 million. As the IPO was through an offer for sale, the Company did not receive any proceeds from the offer and the proceeds were paid to ICICI Bank Limited. Hence the same has not been disclosed under related party disclosure.

*The expenses incurred by the Company in relation to the proposed IPO amounting to ₹ 545.9 million during the year ended March 31, 2018 is reimbursable by ICICI Bank Ltd and it is forming part of other current assets.

Key Management Personnel

The details of compensation paid for the year ended March 31, 2018 as below -

(₹ million)

Key Management Personnel	March 31, 2018	March 31, 2017
Shilpa Kumar, MD & CEO (from November 1, 2016)	31.7	9.8
Anup Bagchi, MD & CEO (till October 31, 2016)	8.5	40.5
Ajay Saraf, Executive Director	28.4	28.4

The compensation paid includes bonus, long term incentives and contribution to provident fund.

During the year ended March 31, 2009, the Company had paid managerial remuneration which was in excess of the limits specified by the relevant provisions of the Companies Act, 1956. The Company had made an application to the appropriate regulatory authorities in this regard, for payment of such excess remuneration paid to managerial personnel. The limits specified by the Companies Act, 1956 would be ₹ 4.4 million.

The Company has received response in respect of Mr. A Murugappan from the Ministry of Corporate Affairs on April 21, 2011 and has sought clarifications on the same vide letter dated May 24, 2011 and letter dated February 8, 2012.

During the quarter ended March 31, 2018, the Company has recovered the amount which was due from Mr. A Murugappan in line with communication dated February 8, 2012. The Company has communicated the recovery to the Ministry of Company Affairs vide letter dated April 5, 2018

Notes

to standalone financial statements for the year ended March 31, 2018 (contd.)

30. Employee benefits

a) Gratuity

The following table summarizes the components of net expenses for gratuity benefits recognised in the statement of profit and loss and the amounts recognised in the balance sheet.

	For the year ended March 31, 2018	(₹ million) For the year ended March 31, 2017
i) Reconciliation of defined benefit obligation (DBO) :		
Change in Defined Benefit Obligation		
Opening defined benefit obligation	398.7	312.5
Service cost	50.8	39.8
Interest cost	27.7	24.5
Actuarial (gain)/loss	25.4	55.5
Past service cost	1.4	-
Liabilities assumed on acquisition/(settled on divestiture)	13.0	(15.7)
Benefits paid	(48.7)	(18.0)
Closing defined benefit obligation	468.3	398.6
Change in Fair Value of Assets		
Opening fair value of plan assets	40.5	38.5
Expected return on plan assets	0.9	1.3
Actuarial gain/(loss)	0.6	4.3
Contributions by employer	-	30.0
Assets acquired on acquisition/(settled on divestiture)	13.0	(15.6)
Benefits paid	(48.7)	(18.0)
Closing fair value of plan assets	6.3	40.5
ii) Balance sheet		
Net asset/(liability) recognised in the balance sheet:		
Present value of the defined benefit obligations	(468.3)	(398.6)
Fair value of plan assets at the end of the year	6.3	40.5
Unrecognised past service cost	-	-
Net Liability	(462.0)	(358.1)
Liability recognised in the balance sheet		
Current	(79.3)	(37.9)
Non-current	(382.7)	(320.2)
iii) Statement of profit and loss		
Expenses recognised in the Statement of Profit and Loss:		
Current Service cost	50.8	39.8
Interest on defined benefit obligation	27.7	24.5
Expected return on plan assets	(0.9)	(1.3)
Actuarial (gain)/loss	24.8	51.2
Past Service Cost	1.4	-
Total included in 'Employee benefits expense'	103.8	114.2
Actual Return on Plan Assets	1.5	5.7
iv) Investment details of plan assets		
Insurer Managed Funds	85.00%	97.00%
Others	15.00%	3.00%
v) Assumptions		
Interest rate (p.a.)	7.30%	6.75%
Salary escalation rate (p.a.)	7.00%	7.00%
Estimated rate of return on plan assets (p.a.)	8.00%	8.00%

The Company expects to contribute ₹ 20.0 million (March 31, 2017 : ₹ 20.0 million) to Gratuity Fund in 2018-2019.

The expected rate of return on plan assets is based on the expectation of the average long term of return expected on investments of the fund during the estimated term of the obligation.

Notes

to standalone financial statements for the year ended March 31, 2018 (contd.)

vi) The following table summarizes the experience adjustments

(₹ million)

Particulars	March 31, 2018	Year ended			
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Defined benefit obligation	468.3	398.7	312.5	240.8	182.5
Plan assets	6.3	40.5	38.5	60.3	55.7
Surplus/(deficit)	(462.0)	(358.1)	(274.0)	(180.5)	(126.8)
Experience adjustments on plan liabilities	34.5	34.9	24.8	24.1	21.0
Experience adjustments on plan assets	0.6	4.4	(4.9)	10.6	1.0

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

b) Long Term Incentive Plan

Liability for the scheme is determined based on actuarial valuation which has been carried out using the projected accrued benefit method.

Assumptions

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount rate	6.80%	6.50%
Increase in Incentive amount	0.00%	0.00%

31. Earnings and expenditure in foreign currency (on accrual basis)

The details regarding earnings and expenditure in foreign currency (on accrual basis) is given in the table below (₹ million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Earnings:		
Income from services	279.7	193.7
Expenditure:		
Procurement and other expenses	464.9	363.1

32. Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 17.3 million (March 31, 2017 : ₹ 22.5 million).

33. Contingent liabilities

The following are details of contingent liabilities:

- Direct tax matters disputed by the Company are ₹ 1,046.3 million (March 31, 2017 : ₹ 1,420.3 million).
- Indirect tax matters disputed by the Company are ₹ 156.1 million (March 31, 2017 : ₹ 156.1 million).
- Customer complaints not acknowledged as debts are ₹ Nil (March 31, 2017 : ₹ 32.5 million).
- Underwriting commitments by the Company are Nil (March 31, 2017 : ₹ 1,475.1 million).

34. Micro, small and medium enterprises

There are no micro, small and medium enterprises, to which the Company owes dues, as at March 31, 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes

to standalone financial statements for the year ended March 31, 2018 (contd.)

35 Derivative Instruments

The following are the details of derivative position:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Quantity Nos	Market Value (₹ million)	Quantity Nos	Market Value (₹ million)
Futures :				
Buy	75,000	761.4	51,000	469.1
Options :				
Call Buy	-	-	60,375	0.9
Call Sell	(82,500)	(2.8)	(1,32,375)	(2.7)
Put Buy	75,000	11.1	1,01,625	4.9
Put Sell	(1,05,000)	(6.3)	(1,97,775)	(8.2)
Interest rate futures (Buy)	-	-	3,00,000	31.2

36. Un-hedged foreign currency exposure

The following is the details of un-hedged foreign currency exposure.

Particulars	Amount
Receivables	US \$ 0.6 million @ closing of 1 USD = ₹ 65.175 (Previous year US \$ 0.1 million @ closing rate of 1 USD = ₹ 64.85) and GBP 0.0 million @ 1 GBP = ₹ 91.0885 (Previous year GBP Nil)
Payable	US \$ 1.5 million @ closing of 1 USD = ₹ 65.1750, ₹ 99.3 million (Previous year March 31, 2017:US \$ 0.0 million @ closing of 1 USD = ₹ 64.85, ₹ 0.0 million), HK \$ Nil (Previous year March 31, 2017:HK \$ 0.0 million @ closing of 1 HK \$ = ₹ 8.35, ₹ 0.0 million)

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

37-A Lease

The Company's significant leasing arrangements are in respect of operating leases for premises which are renewable on mutual consent at agreed terms. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 36 to 60 months. There are sub-lease agreements which are renewable on mutual consent at agreed terms. The aggregate lease rentals payable are charged to the statement of profit and loss. The Company has also obtained office equipment and furniture and fixtures on operating lease. The lease period for these also range from 36 months to 60 months.

The following are the details of operating leases for the periods indicated.

Particulars	(₹ million)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
A) Lease payments recognised in the Profit and Loss Account during the year		
Lease payments recognised in the statement of profit and loss during the period		
- Minimum lease payments	568.3	623.0
- Contingent rent		
Sub-lease payments received/receivable recognised in the statement of profit and loss during the period	31.2	25.0
B) Total Minimum Lease Payments under non cancellable operating leases for each of the following periods :		
Minimum Lease Payments :		
- Not later than one year	139.6	125.2
- Later than one year but not later than five years	540.8	511.6
- Later than five years	136.8	263.0

Notes

to standalone financial statements for the year ended March 31, 2018 (contd.)

37-B Specified Bank Notes (SBN) held and transacted

The details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 are as provided in the table below -

(₹ million)			
Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing cash in hand as on November 8, 2016	-	-	-
Add : Permitted receipts	-	0.0	0.0
Less : Permitted payments	-	-	-
Less : Amount deposited in Banks	-	(0.0)	(0.0)
Closing cash in hand as on December 30, 2016	-	-	-

The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made since the requirement does not pertain to financial year ended March 31, 2018. Corresponding amounts as appearing in the audited standalone financial statements for the period ended March 31, 2017 have been disclosed.

₹ 0.0 million indicates values are lower than ₹ 1 million, where applicable

38. Statement of corporate social responsibility expenditure

(₹ million)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
a Gross amount required to be spent during the year	91.5	65.4
b Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above - in cash	91.6	65.4
Out of the above, contribution made to related party is as below		
ICICI Foundation for Inclusive Growth	86.8	49.0

39. Segment reporting

The Company is preparing consolidated financial statements and hence in accordance with Accounting Standard 17 – Segment Reporting, segment information is presented in the consolidated financial statements.

40. The Company has regrouped/reclassified previous year figures wherever necessary.

As per our report attached

For B S R & Co. LLP

Chartered Accountants
ICAI Firm Registration
No.: 101248W/W-100022

Venkataramanan Vishwanath

Partner
Membership No.: 113156

Date: April 14, 2018

Place: Mumbai

For and on behalf of Board of Directors

Chanda Kochhar

Chairperson
DIN - 00043617

Ajay Saraf

Executive Director
DIN - 00074885

Ashvin Parekh

Director
DIN - 06559989

Raju Nanwani

Company Secretary

Shilpa Kumar

Managing Director & CEO
DIN - 02404667

Harvinder Jaspal

Chief Financial Officer

Independent Auditor's Report

To the Members of
ICICI Securities Limited

Report on the audit of consolidated financial statements

We have audited the accompanying Consolidated Financial Statements of ICICI Securities Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

Management's responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (the "Act") that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act. The respective 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 the Group 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 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 Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the

audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other matter

The comparative financial information of the Group for the year ended 31 March 2017 prepared in accordance with Accounting Standards as included in these Consolidated Financial Statements have been audited by the predecessor auditor who had audited the Consolidated Financial Statements for the year ended 31 March 2017. The report of the predecessor auditor on the comparative financial information dated 20 April 2017 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

As required by section 143 (3) of the Act, based on our audit, 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;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 Accounting Standards prescribed under Section 133 of the Act;
- (e) On the basis of written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act. Since the subsidiaries are not incorporated in India, the provisions of Section 164(2) of the Act are not applicable and hence not commented upon;
- (f) With respect to the adequacy of the internal financial controls with reference to the Consolidated Financial Statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 34 to the Consolidated Financial Statements;
 - ii. the Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2018.; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2018. Since the subsidiaries are incorporated outside India, the provisions of the Act relating to Investor Education and Protection Fund are not applicable and hence not commented upon; and
 - iv. The disclosures in the Consolidated Financial Statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited Consolidated Financial Statements for the year ended 31 March 2017 have been disclosed.

For **B S R & Co. LLP**

Chartered Accountants

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

Venkataramanan Vishwanath

Partner

Mumbai
14 April 2018

Membership No: 113156

Annexure - A to the Independent Auditor's Report of even date on the consolidated financial statements of ICICI Securities Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the Consolidated Financial Statements of ICICI Securities Limited (the "Holding Company") as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of the Holding Company, as of that date.

Management's responsibility for internal financial controls

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). 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, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involved performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining

an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the 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 Holding Company's internal financial controls system over financial reporting.

Meaning of internal financial controls over financial reporting

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

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Mumbai
14 April 2018

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

Venkataramanan Vishwanath
Partner
Membership No: 113156

Consolidated Balance Sheet

as at March 31, 2018

	Notes	As at March 31, 2018	(₹ million) As at March 31, 2017
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	1,610.7	1,610.7
(b) Reserves and surplus	4	6,731.1	3,285.1
		8,341.8	4,895.8
2 Non-current liabilities			
(a) Other long term liabilities	5	1,007.6	826.5
(b) Long term provisions	6	427.7	338.1
		1,435.3	1,164.6
3 Current liabilities			
(a) Short term borrowings	7	6,725.1	3,954.1
(b) Trade payables	8		
i) total outstanding dues of micro enterprises and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		10,077.2	8,699.3
(c) Other current liabilities	9	2,115.3	1,709.6
(d) Short term provisions	10	107.0	51.0
		19,024.6	14,414.0
		28,801.7	20,474.4
II ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Property, plant and equipment		297.0	241.9
(ii) Intangible assets		85.4	104.4
(iii) Capital work-in-progress		15.1	0.5
(iv) Intangible assets under development		23.8	27.9
		421.3	374.7
(b) Non-current investments	12	18.9	20.5
(c) Deferred tax assets	13	736.4	577.8
(d) Long term loans and advances	14	1,435.4	1,361.8
(e) Other non-current assets	15	34.2	811.5
		2,646.2	3,146.3
2 Current assets			
(a) Current investments	16	-	0.7
(b) Stock-in-trade	17	376.6	310.9
(c) Trade receivables	18	3,101.0	7,100.5
(d) Cash and bank balances	19	14,973.2	8,823.6
(e) Short term loans and advances	20	6,315.6	358.7
(f) Other current assets	21	1,389.1	733.7
		26,155.5	17,328.1
		28,801.7	20,474.4
III Significant Accounting Policies			
	2		

The Notes to the financial statements form an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors

For B S R & Co. LLPChartered Accountants
ICAI Firm Registration
No.: 101248W/W-100022**Chanda Kochhar**Chairperson
DIN - 00043617**Ashvin Parekh**Director
DIN - 06559989**Shilpa Kumar**Managing Director & CEO
DIN - 02404667**Venkataramanan Vishwanath**Partner
Membership No.: 113156**Ajay Saraf**Executive Director
DIN - 00074885**Raju Nanwani**

Company Secretary

Harvinder Jaspal

Chief Financial Officer

Date: April 14, 2018

Place: Mumbai

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

	Notes	For the year ended March 31, 2018	(₹ million) For the year ended March 31, 2017
1 Revenue from operations			
(a) Brokerage income		10,243.0	7,755.9
(b) Income from services		6,548.3	4,981.9
(c) Interest and other operating income	22	1,582.9	1,090.6
(d) Profit/(loss) on sale of securities (net)	23	219.1	213.9
Total Revenue from operations		18,593.3	14,042.3
2 Other income		-	-
3 Total Revenue (1 + 2)		18,593.3	14,042.3
4 Expenses:			
(a) Employee benefits expenses	24	5,453.2	4,846.6
(b) Operating expenses	25	1,683.3	1,287.5
(c) Finance costs	26	494.9	289.4
(d) Depreciation and amortisation expense	11	153.0	154.8
(e) Other expenses	27	2,260.2	2,243.6
Total expenses		10,044.6	8,821.9
5 Profit before tax (3- 4)		8,548.7	5,220.4
6 Tax expense:			
(a) Current tax		3,130.0	1,903.7
(b) Deferred tax		(158.6)	(69.2)
Total tax expense		2,971.4	1,834.5
7 Profit after tax (5-6)		5,577.3	3,385.9
8 Earnings per equity share:			
Basic and diluted (in ₹)	28	17.31	10.51
(Face value ₹ 5/- per share)			
9 Significant Accounting Policies	2		

The Notes to the financial statements form an integral part of the 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
ICAI Firm Registration
No.: 101248W/W-100022

Chanda Kochhar

Chairperson
DIN - 00043617

Ashvin Parekh

Director
DIN - 06559989

Shilpa Kumar

Managing Director & CEO
DIN - 02404667

Venkataramanan Vishwanath

Partner
Membership No.: 113156

Ajay Saraf

Executive Director
DIN - 00074885

Raju Nanwani

Company Secretary

Harvinder Jaspal

Chief Financial Officer

Date: April 14, 2018

Place: Mumbai

Consolidated Cash Flow Statement

for the year ended March 31, 2018

	(₹ million)	
	For the year ended March 31, 2018	<i>For the year ended March 31, 2017</i>
A Cash flow from operating activities		
Profit before tax	8,548.7	5,220.4
Add/(Less) : Adjustments		
- (Profit)/loss on sale of fixed assets	16.8	2.5
- (Profit)/loss on sale of long term investment (net)	(3.6)	-
- Depreciation	153.0	154.8
- Interest expense	483.3	276.7
- Foreign currency translation reserve	1.3	(4.0)
- Provision for diminution in value of non current investment	-	6.7
Operating profit before working capital changes	9,199.5	5,657.1
Adjustments for changes in working capital		
a) (Increase)/ decrease in current assets	(8,263.6)	(4,872.2)
b) (Increase)/ decrease in other non-current assets	777.3	(541.4)
c) (Increase)/ decrease in long term loans and advances	17.4	13.5
d) Increase/ (decrease) in non-current liabilities	270.7	269.5
e) Increase/ (decrease) in trade payables	1,377.9	2,773.9
f) Increase/ (decrease) in other current liabilities	497.3	329.8
g) Increase/ (decrease) in short term provisions	56.0	9.1
	(5,267.0)	(2,017.8)
Cash generated from operations	3,932.5	3,639.3
Payment of taxes (net)	(3,221.0)	(1,986.1)
Net cash (used in)/generated from operating activities (A)	711.5	1,653.2
B Cash flow from investment activities		
- Purchase of investments	(1.2)	(15.7)
- Proceeds from sale/maturity of investments	7.1	-
- Purchase of fixed assets	(223.9)	(159.4)
- Proceeds from sale of fixed assets	7.4	5.5
Net cash (used in)/generated from investment activities (B)	(210.6)	(169.6)

Consolidated Cash Flow Statement

for the year ended March 31, 2018 (contd.)

	(₹ million)	
	For the year ended March 31, 2018	<i>For the year ended March 31, 2017</i>
C Cash flow from financing activities		
- Increase/ (decrease) in short term borrowings (net)	2,753.5	2,228.1
- Interest paid on borrowings	(465.9)	(279.3)
- Dividends paid	(2,132.5)	(2,467.7)
- Dividend distribution tax paid	(91.6)	(22.5)
Net cash (used in)/generated from financing activities (C)	63.5	(541.4)
Net change in cash and cash equivalents (A)+(B)+(C)	564.4	942.2
Cash and cash equivalents at the beginning of the year	1,206.3	264.1
Cash and cash equivalents at the end of the year	1,770.7	1,206.3
Components of cash and cash equivalents		
Cash	0.0	-
Cheques on hand	-	10.2
In current account with banks		
- In India with scheduled banks	1,302.5	1,010.1
- Outside India	218.2	186.0
Fixed deposit with maturity less than 3 months	250.0	-
Total cash and cash equivalents (Note 19)	1,770.7	1,206.3

Cash and cash equivalents at the end of the year excludes:

- Fixed deposits under lien ₹13,235.8 million (March 31, 2017 ₹ 8,324.3 million) and
- Fixed deposits having original maturity more than 3 months ₹ Nil (March 31, 2017 ₹95.5 million).

Note : The above cash flow statement has been prepared under the Indirect method as set out in Accounting Standard - 3 on cash flow statements.

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

As per our report of even date attached

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

Venkataramanan Vishwanath
Partner
Membership No.: 113156

Date: April 14, 2018
Place: Mumbai

Chanda Kochhar
Chairperson
DIN - 00043617

Ajay Saraf
Executive Director
DIN - 00074885

For and on behalf of Board of Directors

Ashvin Parekh
Director
DIN - 06559989

Raju Nanwani
Company Secretary

Shilpa Kumar
Managing Director & CEO
DIN - 02404667

Harvinder Jaspal
Chief Financial Officer

Notes

to consolidated financial statements for the year ended March 31, 2018

1 Overview

Basis of preparation

The Company has prepared these consolidated financial statements to comply in all material respects with accounting standard notified under section 133 of the Companies Act 2013.

The Company consolidates entities in which it holds, directly or indirectly, more than 50% of the voting rights or where it exercises control. The Company does not consolidate entities where the control is intended to be temporary. All significant intercompany accounts and transactions are eliminated on consolidation.

The consolidated financial statements include results of ICICI Securities Limited and its subsidiaries ICICI Securities Holdings Inc. and ICICI Securities Inc incorporated in USA. The financial statements of the subsidiaries have been consolidated considering the operations as non integral foreign operations. The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies applied by the Group are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of the services and the time between the provision of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2 Significant accounting policies

a) Use of estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles in India, requires management to make judgments, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the consolidated financial statements and the reported income, expenses and results during the reporting year. The estimates used in the preparation of the consolidated financial statements are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes

requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Revenue recognition

- i) Brokerage income in relation to stock broking activity is recognised on a trade date basis.
- ii) Revenue from issue management, debt syndication, financial advisory services etc., is recognised based on the stage of completion of assignments and terms of agreement with the client.
- iii) Commission income in relation to public issues/ other securities is recognised based on mobilisation and intimation received from clients/intermediaries.
- iv) Gains/ losses on dealing in securities are recognised on a trade date basis.
- v) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- vi) Revenue from dividend is recognised when the right to receive the dividend is established.
- vii) Training fee income from financial educational programs is recognised on an accrual basis.

c) Investments

Investments are classified into long term investments and current investments. Investments which are intended to be held for more than one year are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments. Long term investments are accounted at cost and any decline in the carrying value other than temporary in nature is provided for in the statement of profit and loss. Current investments are valued at cost arrived at on first in first out ('FIFO') basis and fair value, determined on an individual investment basis, whichever is lower.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

d) Stock-in-trade

Securities acquired with the intention to trade are classified as stock-in-trade. The securities

Notes

to consolidated financial statements for the year ended March 31, 2018 (contd.)

held as stock-in-trade are carried at cost arrived at on first in first out ('FIFO') basis and fair value, determined on an individual investment basis, whichever is lower. The profit or loss on sale of securities is recognised on a trade date basis in the Statement of Profit and Loss.

e) Fixed assets

(i) Property, Plant and Equipment (PPE)/ Depreciation

PPE are carried at cost less accumulated depreciation. Cost comprises purchase price, borrowing cost if capitalisation criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use.

Losses arising from the retirement of, and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss.

Depreciation on PPE is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by management/ limits specified in schedule II of the Companies Act, 2013. The Group has used the following rates to provide depreciation on the PPE.

Asset	Holding Company Useful life	Subsidiaries Useful life
Tangible Assets		
Office equipment's comprising air conditioners, photo-copying machines, etc.	5 years	3 years
Computers	3 years	3 years
Servers & Network	6 years	-
Furniture and fixtures	6.67 years	7 years
Motor vehicles	5 years	-

Leasehold improvements are depreciated over the lease period subject to a maximum of 9 years.

Depreciation is provided on a straight-line basis from the date the asset is ready for its intended use or put to use whichever is

earlier. In respect of assets sold, depreciation is provided up to the date of disposal.

Management has estimated, the useful lives of the following classes of assets, which is lower than that indicated in Schedule II of the Companies Act, 2013. This is based on the consistent practices followed, past experience and is supported by technical advice.

- I) The motor vehicles are depreciated over the estimated useful lives of 5 years.
- II) The Furniture and fixture are depreciated over the estimated useful lives of 6.67 years.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and adjusted prospectively.

(ii) Intangible Assets /Amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the statement of profit and loss.

The amortisation rates used are:

Intangible asset	Holding Company Useful life	Subsidiaries Useful life
Computer software	4 years	3 years
CMA Membership rights*	5 years	-

*CMA-Capital Market Authority of Oman

Notes

to consolidated financial statements for the year ended March 31, 2018 (contd.)

f) Foreign exchange transactions

Foreign currency income and expenditure items of domestic operations are translated at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities of domestic foreign operations are translated at closing exchange rates at the balance sheet date and the resulting gains/losses are included in the statement of profit and loss in the year in which they arise.

Income and expenditure of non-integral foreign operations are translated at monthly average rates. The assets and liabilities of non-integral foreign operations other than share capital and fixed assets are translated at closing exchange rates at the balance sheet date and the resultant profits/losses from exchange differences are accumulated in the foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operations.

g) Employee Benefits 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 a part of retirement benefits to its employees. The contributions during the period/year are charged to the statement of profit and loss. The Group recognises contribution payable to the provident fund scheme as an expenditure when an employee renders the related service.

With respect to Oman Branch, for Omani national employees, the Group makes contributions to the Omani Public Authority for Social Insurance Scheme calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when incurred.

Gratuity

The Group pays gratuity, a defined benefit plan to its employees who retire or resign after completion of minimum period of five years of continuous service and in the case of employees at overseas locations 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.

The Group accounts for the gratuity liability as per an actuarial valuation by an actuary appointed by the Group. In accordance with the gratuity fund's rules, actuarial valuation of gratuity liability is calculated based on certain assumptions regarding rate of interest, staff mortality and staff attrition as per the projected unit credit method made at the end of each reporting period. Actuarial gains and losses for defined benefit plans are recognised in full in the period which they occur in the statement of profit and loss.

With respect to Oman Branch, the Group provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Compensated absence

The employees can carry forward a portion of the unutilised accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as long-term employee benefit. 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 expected to fall beyond 12 months is measured on the basis of independent actuarial valuation using the projected unit credit method.

Long term incentives

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 rate of interest

Notes

to consolidated financial statements for the year ended March 31, 2018 (contd.)

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.

h) Income taxes

Income tax expense is the aggregate amount of current tax and deferred tax borne by the Group. Current tax expense and deferred tax expense is determined in accordance with the provisions of the Income Tax Act, 1961 and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax assets and liabilities are recognised on a prudent basis for the future tax consequences of timing differences arising between the carrying values of assets and liabilities and their respective tax basis. The impact of changes in the deferred tax assets and liabilities is recognised in the statement of profit and loss.

Deferred tax assets are recognised and reassessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. Deferred tax assets are recognised in case there are carry forward of unabsorbed depreciation, tax losses and carry forward capital losses, to extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

In accordance with the recommendations contained in the Guidance note on accounting for credit available in respect of Minimum Alternative Tax ("MAT") issued by the Institute of Chartered Accountants of India, MAT credit is recognised as an asset to the extent there

is convincing evidence that the Group will pay normal income tax during the specified period in future. MAT credit is recognised as an asset by way of a credit to the statement of profit and loss and shown as MAT credit entitlement in the year in which MAT credit becomes eligible to be recognised as an asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

i) Impairment of assets

Property, plant and equipments are reviewed at the reporting date, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment is recognised by debiting to the statement of profit and loss and is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

j) Provisions

Provision is recognised when an enterprise has a present obligation 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.

Notes

to consolidated financial statements for the year ended March 31, 2018 (contd.)

k) 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 the notes to the financial statements. Contingent assets are neither recognised nor disclosed.

l) Earnings per share ("EPS")

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.

m) Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

n) Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with the banks and short term investments with an original maturity of three months or less.

o) Borrowing Cost

Borrowing costs are interest and other costs incurred by the Group in connection with the

borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the year in which they are incurred.

The difference between the discounted amount mobilised and redemption value of commercial papers is apportioned on time basis over the life of the instrument and charged as interest expense in the statement of profit and loss.

p) Segment reporting

Revenue and identifiable operating expenses in relation to segments are categorised based on items that are individually identifiable in that segment. Certain revenue and expenses, which form component of total revenue and expenses, are not identifiable to specific segments as the underlying resources are used interchangeably, same has been allocated on reasonable basis to respective segment. Revenue and expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated expenses/income". Assets and liabilities in relation to segments are categorised based on items that are individually identifiable in that segment. Certain assets and liabilities, which form component of total assets and liabilities, are not identifiable to specific segments as the underlying resources are used interchangeably. Assets and liabilities, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated assets/Liabilities".

q) Derivative Instruments

The Group enters into exchange traded derivative products i.e. equity/index futures and options, for proprietary trading purposes. The derivative contracts are recognised on a trade date basis and stated at the fair value, being the last quoted closing price on the National Stock Exchange of India Limited ('NSE') (in case not traded on NSE, last quoted closing price on BSE Limited is considered) on the balance sheet date. Changes in the fair value of the derivative contracts are recognised in the statement of profit and loss.

Notes

to consolidated financial statements for the year ended March 31, 2018 (contd.)

3. Share Capital

	(₹ million)	
	As at March 31, 2018	<i>As at March 31, 2017</i>
Authorised:		
400,000,000 equity shares of ₹ 5/- each (March 31, 2017 : 1000,000,000 equity shares of ₹ 2/- each)	2,000.0	2,000.0
5,000,000 preference shares of ₹ 100/- each (March 31, 2017 : 5,000,000 of ₹ 100/- each)	500.0	500.0
	2,500.0	2,500.0
Issued, subscribed and fully paid-up shares:		
322,141,400 equity shares of ₹ 5/- each fully paid (March 31, 2017: 805,353,500 equity shares of ₹ 2/- each fully paid)	1,610.7	1,610.7
Total	1,610.7	1,610.7

a Reconciliation of the shares at the beginning and at the end of the year Equity shares

	As at March 31, 2018		<i>As at March 31, 2017</i>	
	Nos	(₹ million)	<i>Nos</i>	<i>(₹ million)</i>
At the beginning of the year	80,53,53,500	1,610.7	80,53,53,500	1,610.7
Issued during the year - Bonus issue	-	-	-	-
Issued during the year - ESOP	-	-	-	-
Consolidation of shares - Nos (refer note below)*	(48,32,12,100)	-	-	-
Outstanding at the end of the year	32,21,41,400	1,610.7	80,53,53,500	1,610.7

*The shareholders of the Company have, at the Extraordinary General Meeting (EGM) held on December 4, 2017 accorded their consent to the consolidation of the authorised and issued equity share capital of the Company by increasing the nominal value of the equity share from ₹ 2/- (Rupees two only) each to ₹ 5/- (Rupees five only) each. The record date for the consolidation was December 8, 2017. Accordingly, the revised authorised equity share capital of the Company now stands at 400,000,000 equity shares of ₹ 5/- each and issued, subscribed and paid up equity share capital 322,141,400 equity shares of ₹ 5/- each.

During the quarter ended March 31, 2018, the Company completed the Initial Public Offering (IPO) through an Offer for Sale of 66,925,305 equity shares of ₹ 5/- each at a price of ₹ 520 per equity share by ICICI Bank Limited, the Holding Company, aggregating upto ₹ 34,801.2 million. The equity shares of the company were listed on the National Stock Exchange of India Limited and BSE Limited on April 4, 2018.

b Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5/- per share with effect from December 4, 2017. Till December 3, 2017, the Company had only one class of equity shares having par value of ₹ 2/ per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year, the Company had declared and paid interim dividend of ₹ 5.50 per share amounting to ₹ 2,132.5 million. Further the Board of Directors at their meeting held on April 14, 2018 proposed a final dividend of ₹ 3.90 per share, subject to the approval of the members at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance Sheet date' as notified by Ministry of Corporate Affairs through amendments to Companies Accounting Standard (Amendment) Rules, 2016, dated March 30, 2016, the Company has not accounted for proposed dividend as a liability as at March 31, 2018. If approved the total liability arising to the Company would be ₹ 1,514.6 million including dividend distribution tax., (Previous year ₹ Nil).

Notes

to consolidated financial statements for the year ended March 31, 2018 (contd.)

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.

c Pattern of Shareholding

Details of shares held by shareholders holding more than 5% of the aggregate shares of the Company:

Shareholder	As at March 31, 2018		As at March 31, 2017	
	Nos	% of Holding	Nos	% of Holding
ICICI Bank Limited & its nominees	25,52,16,095	79.22%	80,53,53,500	100%
Total	25,52,16,095	79.22%	80,53,53,500	100%

d Aggregate number of bonus share issued, shares issued for consideration other than cash and shares bought back the period for five years immediately preceding the reporting date:

Particulars	2018	2017	2016	2015	2014
	No of Shares				
Equity shares bought back by the company	-	-	-	-	-

4. Reserves and Surplus

Reserves and surplus consist of the following:

	(₹ million)	
	As at March 31, 2018	As at March 31, 2017
(a) Securities premium account		
Opening balance	244.0	244.0
Add : Additions during the year (net)	-	-
Closing balance	244.0	244.0
(b) Foreign currency translation reserve		
Opening balance	66.1	70.1
Add : Additions during the year	1.2	(4.0)
Closing balance	67.3	66.1
(c) General reserve		
Opening balance	666.8	666.8
Add : Additions during the year	-	-
Closing balance	666.8	666.8
(d) Surplus i.e. balance in statement of profit and loss		
Opening balance	2,308.2	1,390.0
Add: profit for the year	5,577.3	3,385.9
	7,885.5	4,775.9
Less: Appropriations		
Interim dividend on equity shares	1,771.8	2,050.3
Dividend distribution tax on equity dividend	360.7	417.4
Closing balance	5,753.0	2,308.2
Total	6,731.1	3,285.1

Notes

to consolidated financial statements for the year ended March 31, 2018 (contd.)

5. Other Long Term Liabilities

Other long term liabilities consist of the following:

	(₹ million)	
	As at March 31, 2018	<i>As at March 31, 2017</i>
Other liabilities	1,007.6	826.5
Total	1,007.6	826.5
Other liabilities include -		
a) Long term incentive payable to the employees	764.0	635.3
b) Others	243.6	191.2

6. Long Term Provisions

Long-term provisions consist of the following:

	(₹ million)	
	As at March 31, 2018	<i>As at March 31, 2017</i>
Provision for employee benefits		
(a) Provision for gratuity (Refer Note 30)	382.7	320.3
(b) Provision for compensated absence	45.0	17.8
Total	427.7	338.1

7. Short Term Borrowings

Short Term Borrowings consist of the following:

	(₹ million)	
	As at March 31, 2018	<i>As at March 31, 2017</i>
(a) Secured loans		
Bank overdraft	-	-
(Secured against first charge on all receivables, book debts, cash flows, and proceeds arising therefrom and a lien on fixed deposits including but not limited to the Company's cash in hand both present and future)		
(b) Unsecured loans		
Commercial paper (repayable within one year)	6,725.1	3,954.1
Total	6,725.1	3,954.1

Notes

to consolidated financial statements for the year ended March 31, 2018 (contd.)

8. Trade Payables

Trade payables consist of the following:

	(₹ million)	
	As at March 31, 2018	<i>As at March 31, 2017</i>
(a) Total outstanding dues of		
i) total outstanding dues of micro enterprises and small enterprises	-	-
ii) total outstanding dues of creditors other than Micro enterprises and small enterprises	10,077.2	8,699.3
Total	10,077.2	8,699.3

9. Other Current Liabilities

Other current liabilities consist of the following:

	(₹ million)	
	As at March 31, 2018	<i>As at March 31, 2017</i>
(a) Income received in advance	15.0	37.6
(b) Others		
1) Statutory liabilities	656.6	312.9
2) Employee related liabilities	1,370.0	1,276.7
3) Other liabilities	73.7	82.4
Total	2,100.3	1,672.0
Total	2,115.3	1,709.6

10. Short Term Provisions

Short term provision consist of the following:

	(₹ million)	
	As at March 31, 2018	<i>As at March 31, 2017</i>
Provision for employees benefits		
i) Provision for gratuity (Refer Note 30)	84.1	41.1
ii) Provision for compensated absence	22.9	9.9
Total	107.0	51.0

Notes

to consolidated financial statements for the year ended March 31, 2018 (contd.)

11. Fixed Assets

Fixed assets consist of the following:

	Property, Plant and Equipment					Intangible		Total (A+B)		
	Computers	Furniture and fixtures	Office equipment	Vehicles	Lease hold improvements	Software	CMA membership right			
Gross Block (At Cost)										
At April 1, 2016	256.2	43.6	69.7	116.7	213.0	699.2	230.0	26.0	256.0	955.2
Additions	24.4	3.8	4.5	28.8	43.0	104.5	50.7	-	50.7	155.2
Sale/Adjustment *	46.2	15.1	4.4	17.0	12.6	95.3	46.8	0.5	47.3	142.6
At March 31, 2017	234.4	32.3	69.8	128.5	243.4	708.4	233.9	25.5	259.4	967.8
Additions	95.0	7.2	17.1	33.0	15.9	168.3	44.8	-	44.8	213.1
Sale/Adjustment *	40.3	1.5	2.5	30.0	7.0	81.3	50.4	-	50.4	131.7
At March 31, 2018	289.1	38.0	84.4	131.5	252.3	795.3	228.3	25.5	253.8	1,049.1
Depreciation/Amortisation										
At April 1, 2016	173.7	29.4	34.5	60.7	150.0	448.3	126.8	26.0	152.8	601.1
Additions	47.5	6.6	13.0	23.4	15.9	106.4	48.4	-	48.4	154.8
Sale/Adjustment *	45.8	12.9	3.8	14.0	11.7	88.2	45.7	0.5	46.2	134.4
At March 31, 2017	175.4	23.1	43.7	70.1	154.2	466.5	129.5	25.5	155.0	621.5
Additions	44.9	3.9	12.3	24.5	18.0	103.6	49.4	-	49.4	153.0
Sale/Adjustment *	37.7	(2.4)	6.2	24.5	5.8	71.8	36.0	(0.0)	36.0	107.8
At March 31, 2018	182.6	29.4	49.8	70.1	166.4	498.3	142.9	25.5	168.4	666.7
Net Block										
At March 31, 2017	59.0	9.2	26.1	58.4	89.2	241.9	104.4	0.0	104.4	346.3
At March 31, 2018	106.5	8.6	34.6	61.4	85.9	297.0	85.4	-	85.4	382.4

At March 31, 2017 * Fixed assets sale/adjustments includes effect of foreign currency translation amounting to ₹ 0.3 million (Previous year ₹ 0.2 million).

At March 31, 2018 * Fixed assets sale/adjustments includes effect of foreign currency translation amounting to ₹ 0.0 million (Previous year ₹ 0.3 million).

Notes

to consolidated financial statements for the year ended March 31, 2018 (contd.)

12. Non-Current Investments

Non-current investments consist of the following

Name of the Company	Quantity Nos	Face value per unit	(₹ million)	
			As at March 31, 2018	As at March 31, 2017
Trade Investments				
In equity instruments (valued at cost) (fully paid)				
(a) BSE Limited (quoted)	11,414 (11,414)	₹ 2/(₹ 2)	0.0	0.0
(b) Receivable Exchange of India Limited (unquoted)	1,500,000 (1,500,000)	₹ 10/(₹ 10)	15.0	15.0
(c) Universal Trustees Private Limited (unquoted)	3,00,000 (180,000)	₹ 10/(₹ 10)	10.6	9.4
(d) Parabolic Drugs Limited (quoted)	Nil (794,000)	Nil (₹ 10)	-	45.5
			25.6	69.9
Less : Provision for impairment			(6.7)	(49.4)
Total			18.9	20.5
1) Aggregate carrying amount of quoted investments			0.0	2.8
2) Aggregate market value of quoted investments			8.6	17.9
3) Aggregate carrying amount of unquoted investments			18.9	17.7
4) Aggregate amount of diminution in the value of investments			6.7	49.4
5) ₹ 0.0 million indicates values are lower than ₹ 0.1 million, where applicable				

13. Deferred Tax Assets

The break-up of deferred tax assets is given below:

	(₹ million)	
	As at March 31, 2018	As at March 31, 2017
Deferred tax asset in respect of		
i) Provision for doubtful debts	45.0	22.1
ii) Provision for gratuity	161.5	125.1
iii) Provision for compensated absence	23.5	9.6
iv) Provision for lease rent escalation	76.3	65.3
v) Depreciation and amortisation	58.6	44.1
vi) Provision for investments	0.8	5.7
vii) Revenue recognition	8.1	-
vii) Provision for foreign currency translation reserve	0.2	-
vii) Provision for long term incentive and statutory bonus	362.1	305.7
viii) Marked to market loss	0.3	0.2
Total	736.4	577.8

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to consolidated financial statements for the year ended March 31, 2018 (contd.)

14. Long Term Loans and Advances

Long term loans and advances consist of the following:

	(₹ million)	
	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good (unless stated otherwise)		
i) Capital advances	0.1	-
ii) Security deposit for leased premises and assets	271.4	334.9
iii) Security deposit with stock exchanges	60.7	30.4
iv) Advance tax (net provision for tax of ₹ 12,644.4 million (March 31, 2017 ₹ 9,494.8 million)	1,062.0	971.0
v) Deposit with related parties		
a) ICICI Lombard General Insurance Co. Limited	0.1	0.1
vi) Security deposit with related parties		
a) ICICI Bank Limited	2.6	2.6
vii) Other loans and advances		
a) Prepaid expenses	14.4	1.9
b) Other security deposit	11.2	6.8
c) Others	12.9	14.1
Total	1,435.4	1,361.8

15. Other Non-Current Assets

Other non-current assets consist of the following:

	(₹ million)	
	As at March 31, 2018	As at March 31, 2017
Others:		
(a) Interest receivable	0.9	9.0
(b) Fixed deposits with banks*		
i) In India	24.8	794.1
ii) Outside India	8.5	8.4
	33.3	802.5
Total	34.2	811.5

*Fixed deposits under lien with stock exchanges amounted to ₹ 19.5 million (March 31, 2017 : ₹ 731.3 million) and kept as collateral security towards bank guarantees issued amounted to ₹ 11.1 million (March 31, 2017 : ₹ 8.6 million) and kept as collateral security against bank overdraft facility amounted to ₹ Nil. (March 31, 2017 : ₹ 60.0 million) others ₹ 2.7 million (March 31, 2017 : ₹ 2.6 million)

16. Current Investments

Current investments consist of the following

	(₹ million)			
Name of the Company	Quantity Nos	NAV per unit	As at March 31, 2018	As at March 31, 2017
Mutual funds (quoted):				
ICICI Mutual Fund Fixed Maturity Plan (units of ₹ 10/- each, fully paid)	Nil (50,000)	Nil/₹ 14.01	-	0.7
			-	0.7
Current investments are valued at cost or market value whichever is lower.				
Aggregate carrying amount of quoted investments			-	0.7
Aggregate market value of quoted investments			-	0.7

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to consolidated financial statements for the year ended March 31, 2018 (contd.)

17. Stock-In-Trade

Stock-in-trade consist of the following:

	Quantity (Face Value)	As at March 31, 2018	(₹ million) As at March 31, 2017
(a) Equity shares (Quoted)(fully paid)			
IRB InvIT Fund-EQUITY	365,000 (Nil)/₹ 102 each	29.9	-
Mahindra Lifespace Developers Ltd.	100 (100) / (₹ 10 each)	0.0	0.0
		29.9	0.0
(b) Non-convertible debentures (quoted) (fully paid)			
8.90% Indiabulls Housing Finance Ltd. 26 09 2021	Nil (1,790)/₹ 1,000 each	-	1.8
9.10 % Dewan Housing Finance Corp Limited	149,095 (150,095)/₹ 1,000 each	149.7	150.1
9.25 % Dewan Housing Finance 09/09/2023	Nil (33,683)/₹ 100 each	-	33.5
10.75 %Dewan Housing Finance 23/08/2099	32 (50)/₹ 1,000,000 each	-	50.3
RCL Market Linked Debentures Series B-190	Nil (375)/₹ 100,000 each	-	53.7
RCL Market Linked Debentures Series B-198	Nil (150)/₹ 100,000 each	-	21.5
8.75 % ERFL 22-03-2021	150,000 (Nil)/₹ 1000 each	148.5	-
		298.2	310.9
(c) Bond (quoted)(fully paid)			
8.85 % HDFC Bank 12-05-2099	4 (Nil)/₹ 1,000,000 each	4.0	-
8.75 % Axis Bank 28-06-2099	19 (Nil)/₹ 1,000,000 each	18.9	-
9.50 % Yes Bank 23-12-2099	25 (Nil)/₹ 1,000,000 each	25.6	-
		48.5	-
Total		376.6	310.9
1) Stock in trade are valued at cost or market value whichever is lower.			
2) Aggregate carrying value of quoted securities		376.6	310.9
3) Aggregate market value of quoted securities		379.3	314.4
4) ₹ 0.0 million indicates values are lower than ₹ 0.1 million where applicable			

18. Trade Receivables

Trade receivables consist of the following:

	As at March 31, 2018	(₹ million) As at March 31, 2017
Secured		
(a) Receivables outstanding for a period exceeding six months:		
(1) Considered good	-	-
(2) Considered doubtful	-	-
(b) Others		
(1) Considered good	2,599.2	6,519.3
(2) Considered doubtful	-	-
Less: Allowances for doubtful debt	-	-
Total (A)	2,599.2	6,519.3

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to consolidated financial statements for the year ended March 31, 2018 (contd.)

	(₹ million)	
	As at March 31, 2018	As at March 31, 2017
Unsecured		
(a) Receivables outstanding for a period exceeding six months:		
(1) Considered good	3.3	7.8
(2) Considered doubtful	72.1	46.8
Less: Allowances for doubtful debts	(72.1)	(46.8)
	3.3	7.8
(b) Others		
(1) Considered good	498.5	573.4
(2) Considered doubtful	48.6	7.8
Less: Allowances for doubtful debts	(48.6)	(7.8)
	498.5	573.4
Total (B)	501.8	581.2
Total (A + B)	3,101.0	7,100.5

Dues from directors and officers Nil (March 31, 2017: Nil)

19. Cash and Bank Balances

Cash and bank balances consist of the following:

	(₹ million)	
	As at March 31, 2018	As at March 31, 2017
(i) Cash and cash equivalents		
Cash on hand*	0.0	-
Cheques on hand	-	10.2
Balances with Banks		
(a) In current accounts with banks		
i) In India	1,302.5	1,010.1
ii) Outside India	218.2	186.0
(b) Fixed Deposit with original maturity less than 3 months	250.0	-
	1,770.7	1,206.3
(ii) Other bank balances		
Fixed deposits in India*	13,202.5	7,617.3
Total	14,973.2	8,823.6

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

** Fixed deposits under lien with stock exchanges amounted to ₹ 11,739.6 million (March 31, 2017 : ₹ 6,936.5 million) and kept as collateral security towards bank guarantees issued amounted to ₹ 372.2 million (March 31, 2017 : ₹ 0.4 million) and kept as collateral security against bank overdraft facility amounted ₹ 1,089.7 million (March 31, 2017 : ₹ 504.2 million) others ₹ 1.0 million (March 31, 2017 : ₹ 80.7 million)

** Fixed deposits other than under lien having original maturity more than 3 months ₹ Nil (March 31, 2017 : ₹ 95.5 million)

20. Short Term Loans and Advances

Short term loans and advances consist of the following:

	(₹ million)	
	As at March 31, 2018	As at March 31, 2017
(a) Secured, considered good		
i) Margin trade funding	5,560.0	-
ii) ESOP Funding	226.9	49.6
(b) Unsecured, considered good		
i) Security deposit for leased premises and assets	14.4	55.7
ii) Other loans & advances		
a) Prepaid expenses	35.2	35.5
b) Advance to creditors	80.7	28.7
c) Other advances	398.4	189.2
Total	6,315.6	358.7

Notes

to consolidated financial statements for the year ended March 31, 2018 (contd.)

21. Other Current Assets

Other current assets consist of the following:

	(₹ million)	
	As at March 31, 2018	<i>As at March 31, 2017</i>
(a) Accrued income from services	365.9	438.4
(b) Accrued interest	463.4	286.0
(c) Others*	559.8	9.3
Total	1,389.1	733.7

*Others includes amounts due from ICICI Bank Ltd ₹ 545.9 million towards reimbursement of IPO expenses

22. Interest and Other Operating Income

Interest and other operating income consist of the following:

	(₹ million)	
	For the year ended March 31, 2018	<i>For the year ended March 31, 2017</i>
(a) Interest on		
i) Fixed deposits and application money	805.8	602.8
ii) Funding and late payments	746.3	474.3
iii) Securities held as stock-in-trade	22.0	3.8
iv) Other advances and deposits	0.2	0.2
(b) Dividend income	3.0	0.1
(c) Other income	5.6	9.4
Total	1,582.9	1,090.6

23. Profit/(Loss) on Sale of Securities (Net)

Profit/(Loss) on sale of securities consist of the following:

	(₹ million)	
	For the year ended March 31, 2018	<i>For the year ended March 31, 2017</i>
(a) Profit/(loss) on securities held as stock in trade/current investments (net)	215.5	213.9
(b) Profit/(loss) on sale of long term investments (net)	3.6	-
Total	219.1	213.9

24. Employee Benefits Expenses

Employee benefits expense consist of the following:

	(₹ million)	
	For the year ended March 31, 2018	<i>For the year ended March 31, 2017</i>
(a) Salaries, wages and bonus	4,948.3	4,344.1
(b) Contribution to gratuity/provident and other funds	280.0	268.2
(c) Staff welfare expenses	224.9	234.3
Total	5,453.2	4,846.6

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to consolidated financial statements for the year ended March 31, 2018 (contd.)

25. Operating Expenses

Operating expenses consist of the following:

	(₹ million)	
	For the year ended March 31, 2018	<i>For the year ended March 31, 2017</i>
(a) Brokerage and commission	692.5	455.2
(b) Transaction charges	100.9	89.0
(c) Turnover fees and stamp duty	25.3	6.4
(d) Custodial and depository charges	471.7	378.2
(e) Call centre charges	123.2	125.6
(f) Franking charges ¹	93.9	91.0
(g) Scanning expenses	47.1	36.9
(h) Customer loss compensation	16.1	42.2
(i) Bad and doubtful debts	78.7	34.6
(j) Other operating expenses	33.9	28.4
Total	1,683.3	1,287.5
¹ Net of recoveries	55.5	39.4

26. Finance Costs

Finance cost consist of the following:

	(₹ million)	
	For the year ended March 31, 2018	<i>For the year ended March 31, 2017</i>
(a) Interest expense	483.3	276.7
(b) Other borrowing cost	11.6	12.7
Total	494.9	289.4

27. Other Expenses

Other expenses consist of the following:

	(₹ million)	
	For the year ended March 31, 2018	<i>For the year ended March 31, 2017</i>
(a) Rent and amenities	671.1	723.6
(b) Insurance	4.1	3.5
(c) Travelling and conveyance expenses	215.3	223.2
(d) Business promotion	124.3	179.7
(e) Repairs, maintenance, upkeep and others	414.5	387.3
(f) Rates and taxes	53.5	54.8
(g) Electricity expenses	63.2	98.6
(h) Communication expenses	183.6	147.7
(i) (Profit)/loss on sale of fixed asset (net)	16.8	2.5
(j) Advertisement and publicity	86.3	85.2
(k) Printing and stationery	29.0	32.7
(l) Subscription and periodicals	88.9	80.9
(m) Professional fees	116.7	114.3
(n) Payment to non-executive directors	5.1	4.0

Notes

to consolidated financial statements for the year ended March 31, 2018 (contd.)

	For the year ended March 31, 2018	For the year ended March 31, 2017
		(₹ million)
(o) Auditors' remuneration	13.6	12.6
(p) Corporate social responsibility expenses	91.6	65.4
(q) Recruitment expense	31.1	23.1
(r) Net gain or loss on foreign currency transaction and translation	17.6	3.9
(s) Royalty expenses	33.9	-
(t) Donation	-	0.6
Total	2,260.2	2,243.6

28. Earnings per equity share

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
		(₹ million)
Basic & Diluted earnings per share		
Net profit after tax, before preference dividend (₹ million)	5,577.3	3,385.9
Net profit after tax and preference dividend (₹ million)	5,577.3	3,385.9
Weighted average no. of equity shares outstanding (in million)	322.1	322.1
Basic & diluted earnings per share (₹)	17.31	10.51
Nominal value per share (₹)	5.00	5.00

The shareholders of the Company have, at the Extraordinary General Meeting (EGM) held on December 4, 2017 accorded their consent to the consolidation of the authorised and issued equity share capital of the Company by increasing the nominal value of the equity share from ₹ 2/- (Rupees two only) each to ₹ 5/- (Rupees five only) each. The record date for the consolidation was December 8, 2017.

Accounting Standard 20 on "Earnings per share", requires an adjustment in the calculation of basic and diluted earnings per share for all the periods presented if the number of equity or potential equity shares outstanding change as a result of consolidation of shares. Pursuant to the shareholders' consent to the consolidation of the equity shares at the EGM mentioned above, the weighted average numbers of shares and consequently the basic and diluted earnings per share have been accordingly adjusted in the financial statements for all the periods presented in accordance with Accounting Standard 20 on "Earnings per share".

29. Related Party Disclosures

List of Related Parties:

- 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
Fellow Subsidiaries:
ICICI Home Finance Company Limited, ICICI Lombard General Insurance Company Limited, ICICI Prudential Asset Management Company Limited, ICICI Prudential Life Insurance Company Limited, ICICI Securities Primary Dealership Limited, ICICI Venture Funds Management Company Limited, ICICI Prudential Trust Limited
- C. Associate of Holding Company : ICICI Foundation for Inclusive Growth
- D. Key Management Personnel
 - a) Ms. Shilpa Kumar Managing Director & CEO (from November 1, 2016)
 - b) Mr. Anup Bagchi Managing Director & CEO (till October 31, 2016)
 - c) Mr. Ajay Saraf Executive Director

Notes

to consolidated financial statements for the year ended March 31, 2018 (contd.)

The following transactions were carried out with the related parties in the ordinary course of business.

(₹ million)

Nature of Transaction	Holding Company		Fellow Subsidiary Companies	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Income from services and brokerage (commission and fees)	257.5	399.6		
<i>ICICI Home Finance Company Limited</i>			1.9	28.7
<i>ICICI Prudential Life Insurance Company Limited</i>			513.2	733.3
<i>ICICI Securities Primary Dealership Limited</i>			3.5	1.2
<i>ICICI Lombard General Insurance Company Limited</i>			9.1	9.3
<i>ICICI Prudential Asset Management Company Limited</i>			183.6	76.7
<i>ICICI Venture Funds Management Company Limited</i>			0.5	13.5
Interest income	86.9	216.7		
Staff expenses	12.6	13.0		
<i>ICICI Securities Primary Dealership Limited</i>			(0.2)	(0.0)
<i>ICICI Prudential Life Insurance Company Limited</i>			3.5*	2.4
<i>ICICI Lombard General Insurance Company Limited</i>			92.1	83.0
<i>ICICI Prudential Asset Management Company Limited</i>			(0.1)	-
Operating expenses	633.1	526.2		
Other expenses	211.1	154.9		
<i>ICICI Lombard General Insurance Company Limited</i>			3.6	3.2
<i>ICICI Securities Primary Dealership Limited</i>			1.0	1.2
<i>ICICI Prudential Life Insurance Company Limited</i>			1.8	2.9
Finance cost	9.5	11.4		
Dividend paid	1,771.8	2,050.3		
Purchase value of bond	-	-		
<i>ICICI Securities Primary Dealership Limited</i>			-	66.4

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

(*) Excludes an amount of ₹ 3.5 million (March 31, 2017 : ₹ Nil), received as premium by ICICI Prudential Life Insurance Company Limited from customers of the Group under the Group Insurance Policy. The premium is paid by the customers directly to ICICI Prudential Life Insurance Company Limited.

(₹ million)

Nature of Transaction	Holding Company		Fellow Subsidiary Companies	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Share capital	1,276.1	1,610.7		
Payables	94.8	110.8		
<i>ICICI Lombard General Insurance Company Limited</i>			0.7	0.5
<i>ICICI Prudential Life Insurance Company Limited</i>			0.1	0.6
<i>ICICI Securities Primary Dealership Limited</i>			0.2	0.5
Fixed assets purchased	-	1.2		
<i>ICICI Prudential Life Insurance Company Limited</i>			1.7	-
<i>ICICI Prudential Asset Management Company Limited</i>			1.0	-
Fixed assets sold	-	3.8		
Fixed deposits	1,717.6	735.4		
Accrued interest income	59.1	42.9		
Bank balance	1,290.4	1,001.5		
<i>Net of current liabilities ₹ 4.5 million (previous year ₹ Nil)</i>				
Deposit	2.6	2.6		
<i>ICICI Lombard General Insurance Company Limited</i>			0.1	0.1

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to consolidated financial statements for the year ended March 31, 2018 (contd.)

(₹ million)

Nature of Transaction	Holding Company		Fellow Subsidiary Companies	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Stock in trade				
Loans & advances (including prepaid expenses)	0.1	-		
<i>ICICI Lombard General Insurance Company Limited</i>			5.7	4.8
<i>ICICI Prudential Life Insurance Company Limited</i>			2.5	2.1
<i>ICICI Securities Primary Dealership Limited</i>			0.1	0.1
Other current assets	*545.9	-	-	-
Receivables	-	-		
<i>ICICI Prudential Life Insurance Company Limited</i>			17.7	0.3
<i>ICICI Lombard General Insurance Company Limited</i>			1.1	-
<i>ICICI Prudential Asset Management Company Limited</i>			22.6	2.1
<i>ICICI Home Finance Company Limited</i>			0.2	3.9
<i>ICICI Securities Primary Dealership Limited</i>			2.1	-
<i>ICICI Venture Funds Management Company Limited</i>			-	9.5
Accrued income	8.6	10.7		
<i>ICICI Lombard General Insurance Company Limited</i>			0.6	0.7
<i>ICICI Prudential Life Insurance Company Limited</i>			33.7	118.2
<i>ICICI Prudential Asset Management Company Limited</i>			1.9	8.8
<i>ICICI Home Finance Company Limited</i>			0.1	3.2
<i>ICICI Venture Funds Management Company Limited</i>			-	0.3

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

The Group has contributed ₹ 86.8 million (Previous Year ₹ 49.0 million) to the corpus of ICICI Foundation for Inclusive Growth as part of the CSR expenditure.

During the year ended March 31, 2018, the Company completed the Initial Public Offering (IPO) through an offer for sale of 66,925,305 equity shares of ₹ 5 each at a price of ₹ 520 per equity share, by ICICI Bank Limited, the Holding Company, aggregating upto ₹ 34,801.2 million. As the IPO was through an offer for sale, the Company did not receive any proceeds from the offer and the proceeds were paid to ICICI Bank Limited. Hence the same has not been disclosed under related party disclosure.

*The expenses incurred by the Company in relation to the proposed IPO amounting to ₹ 545.9 million during the year ended March 31, 2018 is reimbursable by ICICI Bank Ltd and it is forming part of other current assets.

Key Management Personnel

The details of compensation paid for the year ended March 31, 2018 as below -

(₹ million)

Key Management Personnel	For the year ended March 31, 2018	For the year ended March 31, 2017
1) Shilpa Kumar, MD & CEO (From November 1, 2016)	31.7	9.8
2) Ajay Saraf, Executive Director	28.4	40.5
3) Anup Bagchi, MD & CEO (Till October 31, 2016)	8.5	28.4

The compensation paid includes bonus, long term incentives and contribution to provident fund.

During the year ended March, 2009, the Company had paid managerial remuneration which was in excess of the limits specified by the relevant provisions of the Companies Act, 1956. The Company had made an application to the appropriate regulatory authorities in this regard, for payment of such excess remuneration paid to managerial personnel. The limits specified by the Companies Act, 1956 would be ₹ 4.4 million.

The Company has received response in respect of Mr. A Murugappan from the Ministry of Corporate Affairs on April 21, 2011 and has sought clarifications on the same vide letter dated May 24, 2011 and letter dated February 8, 2012. During the quarter ended March 31, 2018, the company recovered the amount which was due from Mr. A Murugappan in line with communication dated Feb 8, 2012. The Company has communicated the recovery to the Ministry of Company Affairs vide letter dated April 5, 2018.

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to consolidated financial statements for the year ended March 31, 2018 (contd.)

30. Employee benefits

a) Gratuity

The following table summarizes the components of net expenses for gratuity benefits recognised in the statement of profit and loss and the amounts recognised in the balance sheet.

	For the year ended March 31, 2018	(₹ million) For the year ended March 31, 2017
i) Reconciliation of defined benefit obligation (DBO) :		
Change in Defined Benefit Obligation		
Opening defined benefit obligation	398.7	312.5
Service cost	50.8	39.8
Interest cost	27.7	24.5
Actuarial (gain)/loss	25.4	55.5
Past service cost	1.4	-
Liabilities assumed on acquisition/(settled on divestiture)	13.0	(15.7)
Benefits paid	(48.7)	(18.0)
Closing defined benefit obligation	468.3	398.6
Change in Fair Value of Assets		
Opening fair value of plan assets	40.5	38.5
Expected return on plan assets	0.9	1.3
Actuarial gain/(loss)	0.6	4.3
Contributions by employer	-	30.0
Assets acquired on acquisition/(settled on divestiture)	13.0	(15.6)
Benefits paid	(48.7)	(18.0)
Closing fair value of plan assets	6.3	40.5
ii) Balance sheet		
Net asset/(liability) recognised in the balance sheet:		
Present value of the defined benefit obligations	(468.3)	(398.6)
Fair value of plan assets at the end of the year	6.3	40.5
Unrecognised past service cost	-	-
Net Liability	(462.0)	(358.1)
Liability recognised in the balance sheet	(462.0)	(358.1)
Current	(79.3)	(37.9)
Non-current	(382.7)	(320.2)
iii) Statement of profit and loss		
Expenses recognised in the Statement of Profit and Loss:		
Current Service cost	50.8	39.8
Interest on defined benefit obligation	27.7	24.5
Expected return on plan assets	(0.9)	(1.3)
Actuarial (gain)/loss	24.8	51.2
Past service cost	1.4	-
Total included in 'Employee benefits expense'	103.8	114.2
Actual Return on Plan Assets	1.5	5.7
iv) Investment details of plan assets		
Insurer Managed Funds	85.00%	97.00%
Others	15.00%	3.00%

Notes

to consolidated financial statements for the year ended March 31, 2018 (contd.)

	For the year ended March 31, 2018	(₹ million) <i>For the year ended March 31, 2017</i>
v) Assumptions		
Interest rate (p.a.)	7.30%	6.75%
Salary escalation rate (p.a.)	7.00%	7.00%
Estimated rate of return on plan assets (p.a.)	8.00%	8.00%

The Group expects to contribute ₹ 20.0 million (March 31, 2017 : ₹ 20.0 million) to Gratuity Fund in 2018 - 2019

The expected rate of return on plan assets is based on the expectation of the average long term return expected on investments of the fund during the estimated term of the obligation.

vi) The following table summarizes the experience adjustments

Particulars	Year ended				
	March 31, 2018	<i>March 31, 2017</i>	<i>March 31, 2016</i>	<i>March 31, 2015</i>	<i>March 31, 2014</i>
Defined benefit obligation	468.3	398.6	312.5	240.8	182.5
Plan assets	6.3	40.5	38.5	60.3	55.7
Surplus/(deficit)	(462.0)	(358.1)	(274.0)	(180.5)	(126.8)
Experience adjustments on plan liabilities	34.5	34.9	24.8	24.1	21.0
Experience adjustments on plan assets	0.6	4.4	(4.9)	10.6	1.0

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

b) Long Term Incentive Plan

Liability for the scheme is determined based on actuarial valuation which has been carried out using the projected accrued benefit method.

Assumptions

Particulars	For the year ended March 31, 2018	(₹ million) <i>For the year ended March 31, 2017</i>
Discount rate	6.80%	6.50%
Increase in Incentive amount	0.00%	0.00%

31. Derivative instruments

The following are the details of derivative position:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Quantity	Market Value (₹ million)	Quantity	Market Value (₹ million)
Futures :				
Buy	75,000	761.4	51,000	469.1
Sell				
Options :				
Call Buy			60,375	0.9
Call Sell	(82,500)	(2.8)	(1,32,375)	(2.7)
Put Buy	75,000	11.1	1,01,625	4.9
Put Sell	(1,05,000)	(6.3)	(1,97,775)	(8.2)
Interest Rate Futures (Buy)			3,00,000	31.2

Notes

to consolidated financial statements for the year ended March 31, 2018 (contd.)

32-A Lease

The Group's significant leasing arrangements are in respect of operating leases for premises which are renewable on mutual consent at agreed terms. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 36 to 60 months. There are sub-lease agreements which are renewable on mutual consent at agreed terms. The aggregate lease rentals payable are charged to the statement of profit and loss. The Group has also obtained office equipment and furniture and fixtures on operating lease. The lease period for these also range from 36 months to 60 months.

The following are the details of operating leases for the periods indicated.

Particulars	(₹ million)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
A) Lease payments recognised in the Profit and Loss Account during the year		
- Minimum lease payments	573.9	626.3
- Contingent rent		
Sub-lease payments received/receivable recognised in the statement of profit and loss during the period	31.2	25.0
B) Total Minimum Lease Payments under non cancellable operating leases for each of the following periods :		
Minimum Lease Payments :		
- Not later than one year	139.6	125.2
- Later than one year but not later than five years	540.8	511.6
- Later than five years	136.8	263.0

32-B Specified Bank Notes (SBN) held and transacted

The details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 are as provided in the table below -

Particulars	(₹ million)		
	Specified Bank Notes	Other Denomination Notes	Total
Closing cash in hand as on November 8, 2016	-	-	-
Add : Permitted receipts	-	0.0	0.0
Less : Permitted payments	-	-	-
Less : Amount deposited in Banks	-	(0.0)	(0.0)
Closing cash in hand as on December 30, 2016	-	-	-

The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made since the requirement does not pertain to financial year ended March, 31 2018. Corresponding amounts as appearing in the audited consolidated financial statements for the period ended March 31, 2017 have been disclosed.

(₹ 0.0 million indicates values are lower than ₹ 1 million.)

33. Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 17.3 million (March 31, 2017 : ₹ 22.5 million).

Notes

to consolidated financial statements for the year ended March 31, 2018 (contd.)

34. Contingent liabilities

The following are details of contingent liabilities:

- Direct tax matters disputed by the Company are ₹ 1,046.3 million (March 31, 2017 : ₹ 1,420.3 million).
- Indirect tax matters disputed by the Company are ₹ 156.1 million (March 31, 2017 : ₹ 156.1 million).
- Underwriting commitment by the Group are Nil (March 31, 2017 ₹ 1,475.1 million).
- Customer complaints not acknowledged as debts ₹ Nil (March 31, 2017 ₹ 32.5 million).

35. Segment reporting

The Company is presenting consolidated financial statements and hence in accordance with Accounting Standard 17 – Segment Reporting, segment information is disclosed in the consolidated financial statements.

The Company'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 financials reporting. Segment revenues, results, assets and liabilities have been accounted for on the basis of their relationship to the operating activities of the segment and amounts allocated on a reasonable basis. The Company generally accounts for Inter-segment transfers based on the revenue sharing arrangement agreed between the segments.

Business Segment	Principle activities
Investment & trading	Income from treasury, investment income
Broking & commission	Broking and other related activities including distribution of third party products like Mutual Fund, Life Insurance, etc. and sales credit for referred business and interest earned on our funds used in brokerage business;
Advisory services	Financial advisory services such as equity-debt issue management services, merger and acquisition advice and other related activities

Following are the disclosures for the three identified segments

(₹ million)

Particulars	Investment & trading		Broking & commission		Advisory services		Unallocated		Total	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
1 Segment Revenue	288.7	277.2	16,874.8	12,570.3	1,429.8	1,194.8	-	-	18,593.3	14,042.3
2 Segment Results	120.4	135.4	7,754.8	4,723.6	673.5	361.4	-	-	8,548.7	5,220.4
3 Income Tax expenses (net of deferred tax credit)	-	-	-	-	-	-	2,971.4	1,834.5	2,971.4	1,834.5
4 Net profit (2) - (3)									5,577.3	3,385.9
5 Segment Assets	1,397.1	1,272.0	25,400.4	17,576.7	205.7	77.1	1,798.5	1,548.6	28,801.7	20,474.4
6 Segment Liabilities	491.7	385.9	19,319.9	14,593.3	648.4	508.0		91.4	20,460.0	15,578.6
7 Cost of Acquisition of segment assets	3.8	0.4	207.4	148.3	1.8	6.3	-	-	213.1	155.0
8 Depreciation	0.4	0.4	146.8	148.1	5.8	6.3	-	-	153.1	154.8

Notes

to consolidated financial statements for the year ended March 31, 2018 (contd.)

36. Subsidiary proportion in Assets and Statement of Profit and Loss

The Company is presenting consolidated financial statements and hence in accordance with Schedule III of Companies Act 2013 – subsidiaries proportion information is disclosed in the consolidated financial statements.

(₹ million)

Name of the Entity	Type	Residential Status	Net Assets (Value)		As (%) of consolidated Net Assets		Share in Statement of Profit and Loss		As (%) of consolidated Statement of Profit and Loss	
			As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
1 ICICI Securities Ltd.	Parent	Indian	8,128.4	4,727.9	97%	96%	5,757.2	3,537.2	103%	104%
2 ICICI Securities Holding Inc.	Subsidiary	Foreign	32.7	32.5	1%	1%	(0.4)	(0.1)	0%	0%
3 ICICI Securities Inc.	Step-down Subsidiary	Foreign	180.7	135.4	2%	3%	(179.6)	(151.2)	-3%	-4%
Total			8,341.8	4,895.8	100%	100%	5,577.3	3,385.9	100%	100%

37. The Company has regrouped/reclassified previous year figures wherever necessary.

As per our report attached

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

Venkataramanan Vishwanath
Partner
Membership No.: 113156

Date: April 14, 2018
Place: Mumbai

For and on behalf of Board of Directors

Chanda Kochhar
Chairperson
DIN - 00043617

Ajay Saraf
Executive Director
DIN - 00074885

Ashvin Parekh
Director
DIN - 06559989

Raju Nanwani
Company Secretary

Shilpa Kumar
Managing Director & CEO
DIN - 02404667

Harvinder Jaspal
Chief Financial Officer

GLOSSARY AND ABBREVIATIONS

Term	Description
ADTO	Average Daily Turnover
AGM	Annual General Meeting
AoA	Articles of Association
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CSR	Corporate Social Responsibility
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
DP	Depository Participant
DP ID	Depository Participant's Identification Number
ESOS	Employees Stock Option Scheme
FCNR Account	Foreign Currency Non-Resident Account
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
ICICI Foundation	ICICI Foundation for Inclusive Growth
IPO	Initial Public Offering
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Karvy	Karvy Computershare Private Limited (R&T Agent)
KMP	Key Managerial Personnel
KPIs	Key Performance Indicators
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
NRE Account	Non-Resident External Account
NRC	Nomination and Remuneration Committee of the Board
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
Qualified Institutional Buyers or QIBs	As defined under SEBI Regulations
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations interms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
RoC	The Registrar of Companies
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
STT	Securities and Transaction Tax
The Act	The Companies Act, 2013

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Name of the Compliance officer: Mr. Anoop Goyal, Contact number: 022-40701000, E-mail address: complianceofficer@icicisecurities.com.

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ICICI Securities Limited

Registered Office: ICICI Centre, H.T. Parekh Marg,
Churchgate, Mumbai - 400 020

CIN: L67120MH1995PLC086241

Tel: (91 22) 2288 2460/70, Fax: (91 22) 2288 2455

Business Responsibility Report

[As per Regulation 34 (2) (f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company

L67120MH1995PLC086241

2. Name of the Company

ICICI Securities Limited

3. Registered address

ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai – 400020

4. Website

www.icicisecurities.com

5. E-mail id

investors@icicisecurities.com

6. Financial Year reported

2017-18

7. Sector(s) that the Company is engaged in (industrial activity code-wise)

Broking – 66120

Merchant Banking and distribution of financial products - 66190

8. List three key products/services that the Company manufactures/provides (as in balance sheet)

The Company is engaged in the business of investment banking, institutional broking, retail broking and financial product distribution.

9. Total number of locations where business activity is undertaken by the Company

(a) Number of International Locations (Provide details of major 5)

The Company has a branch in Muscat (Oman) and a subsidiary in United States. The United States subsidiary has a branch in Singapore.

(b) Number of National Locations

In India, the company has a network of around 200 ICICI direct branches across 75 cities, 5400+ sub -brokers, authorised persons, IFAs, and IAs.

10. Markets served by the Company – Local/State/National/International

The Company serves customers in national and international locations.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR)

₹ 1,610.7 million

2. Total Turnover (INR)

₹ 18,568 million

3. Total profit after taxes (INR)

₹ 5,533.6 million

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)

The Company has spent ₹ 91.6 million or approximately 2% of its average net profits of the last three financial years ending March 31, 2015, March 31, 2016 and March 31, 2017 towards CSR activities in the FY 2018. Appropriate disclosures as prescribed under the Companies Act, 2013 have been made in the Annual Report for the year ended March 31, 2018 (fiscal 2018).

5. List of activities in which expenditure in 4 above has been incurred:-

- a. Promoting sustainable livelihood through vocational skill development projects through the ICICI Foundation for Inclusive Growth.
- b. Promoting financial literacy and basic financial planning to junior personnel in defense and other allied uniform services.
- c. Providing means to a sustainable livelihood to women through skill development.
- d. Healthcare through Vision Foundation.
- e. Promoting education through Research projects undertaken by IIT (Madras).

SECTION C: OTHER DETAILS**1. Does the Company have any Subsidiary Company/ Companies?**

Yes

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

No

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No

SECTION D: BR INFORMATION**1. Details of Director/Directors responsible for BR****(a) Details of the Director/Director responsible for implementation of the BR policy/policies**

1. DIN Number: 00074885
2. Name: Ajay Saraf
3. Designation: Executive Director

b) Details of the BR Head:

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	N.A.
2	Name	Ripujit Chaudhuri
3	Designation	Head – Risk
4	Telephone Number	+91-22-40701480
5	E-mail	ripujit.chaudhuri@icicisecurities.com

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

These briefly are as under:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well being of all employees.
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

The principle wise responses are mentioned in the Annexure to this report.

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Will be done by the board on half-yearly basis going forward.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company will publish the BR Report annually. The hyperlink for viewing the report is http://www.icicisecurities.com/CMT/Upload/ArticleAttachments/Business_Responsibility_Report_FY18.pdf.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company is committed to acting professionally, fairly and with integrity in all its dealings. The Company, through the Code of Business Conduct & Ethics, has adopted a 'zero-tolerance' approach to bribery and corruption. The Company has put in place an 'Anti-Bribery and Anti-Corruption Policy', which sets forth obligations on part of every employee for prevention, detection and reporting of any act of bribery or corruption. The Code is applicable to directors and employees of the Company as well as the directors and employees of the subsidiary companies.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No complaints were received from shareholders in fiscal 2018.

The Company has formulated a Whistle blower policy to enable employees to report about potentially illegal and/or unacceptable practices. It seeks to enable employees to report such practices without fear of victimization 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 policy has been periodically communicated to the employees and also posted on the Company's intranet. A report on the concerns received and the manner in which they are dealt with is periodically reported to the Audit Committee.

The Customer Service Council (CSC) of the Company functions as the Standing Committee on Customer Service. The CSC is chaired by a Working Director. Business Heads and the Heads of related departments are members of the CSC. The CSC focuses on building and strengthening customer service orientation in the Company through initiating various measures including simplifying processes for improvement in customer service levels. The Board of the Company has constituted a Customer Service Committee which reviews the customer service initiatives, oversees the functioning of the CSC and evolves innovative measures for enhancing the quality of customer service and improvement in the overall satisfaction level of customers. Of the 77 complaints outstanding at the beginning of the year April 2017 and 18,777 complaints received during the year April 2017 to March 2018, 18,704 complaints have been resolved.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company provides a range of investment and trading products and services to cater to all segments of the society.

Apart from the products, we have moved towards digitisation and developed an entirely paperless contract notes and periodic statement generation and delivery process for the customers.

Our employee related systems are digitized too. It also extends to the payment to our employees, vendors and agents too.

About 95% of our transactions happen digitally. All our applications are logged digitally.

The above initiatives and digital processes have not only provided speed and convenience to our customers, vendors and agents, but has also had a positive impact on environment.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Considering the nature of business of the Company and the products/initiatives referred to above, some of the questions below are not applicable to the Company.

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

NA

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Please refer to the response under Principle 6.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

NA

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

NA

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Considering that the Company is not a manufacturing unit, the waste generated at its offices is managed as per the waste disposal off process. The Company has procedures in place to dispose off e-waste through authorised e-waste vendors.

Principle 3

1. Please indicate the total number of employees:

The Company had 4,215 employees (including contractual employees) at March 31, 2018.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis:

The Company had 35 employees at March 31, 2018

3. Please indicate the number of permanent women employees:

The Company had 954 women employees at March 31, 2018.

4. Please indicate the number of permanent employees with disabilities:

The Company does not specifically track the number of disabled employees. The Company is an equal opportunity employer and treats all employees at par. Based on the income tax declarations which enable claiming income tax deduction for self-disability, the Company had 1 such employee.

5. Do you have an employee association that is recognised by management:

No.

6. What percentage of your permanent employees are members of this recognised employee association?

NA

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

The Company does not engage in any form of child labour/forced labour/involuntary labour and does not adopt any discriminatory employment practices. The Company has a policy against sexual harassment and 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, through the policy ensures that all such complaints are resolved within defined timelines. During the year, 7 such cases were reported and actioned upon. As on March 31, 2018, nil complaints are pending to be actioned.

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

a. Permanent employees

b. Permanent women employees

c. Casual/temporary/contractual employees

d. Employees with disabilities

Employees' health and safety is of prime importance to the Company. The Company conducts robust and periodic training like basic fire safety training and evacuation drills for floor marshals/ERT (Emergency Response Team) for employees across offices. Periodic fire evacuation drills and electrical and fire safety audits were conducted at the office locations as well as large branches, to sensitize employees about fire safety norms and regulations. The Company has tie-ups with vendors to educate and demonstrate use of fire-fighting equipment to ERT members. The Company conducted comprehensive safety training for women employees where they are trained on situation reaction and self-defense and updated on legal provisions relevant to their safety. Also educative content on Health, Safety & Environment (HSE), natural calamities, epidemics, ergonomics, women safety and road safety are circulated on regular intervals on the intranet platform on employee interface.

In the area of Learning & Skill up-gradation, an integrated framework has been institutionalized to nurture and build our employees capabilities to improve performance in their current roles and prepare them for future challenges. These initiatives includes customized campus assimilation programmes, on-boarding and orientation workshops for new hires, regulatory and compliance based knowledge & skill up gradation programs and role specific functional, managerial and leadership interventions for junior, middle and senior level employees. Employees are also provided access to a suite of e-learning programmes which covered about 1764 employees in fiscal 2018. In fiscal 2018, the Company conducted 19 programmes and covered 2101 employees through these learning interventions.

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?

We serve all sections of society irrespective of their wallet size.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

The company offers low-cost no-frills trading accounts under the Rajiv Gandhi Equity Savings Scheme for the first time equity investors where we don't levy any DP charges for equity holdings upto ₹ 50,000. Similarly, to encourage equity culture for the first time investors employed with select corporate houses, we waive off their annual fees. The Company also undertakes investor education programmes for various sections of societies like students, women from weaker sections of societies, armed forces etc.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/NGOs/Others?

The Company's philosophy of non-discrimination among employees, meritocracy and mechanisms for redressal of employee issues applies across the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Please refer response to question number 2 under Principle 1.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

The aspects outlined under this Principle are not substantially relevant to the Company given the nature of its business. The Company complies with applicable environmental regulations in respect of its premises and operations. Further, the Company participates in initiatives towards addressing environmental issues.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes. As an environmentally responsible corporate, the Company has been striving towards imbuing green sustainable processes, policies and practices. As an organization with strong technology focus with last mile service delivery capability through digital means, much of our operations are now paperless. This capability also means routine activities like contact notes, holding statements, new product brochures etc. are now delivered to customers in electronic form rather than physical.

3. Does the company identify and assess potential environmental risks? Y/N

NA.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The above question is not applicable to the Company as it is not a manufacturing company.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The above question is not applicable to the Company as it is not a manufacturing company.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The above question is not applicable to the Company as it is not a manufacturing company.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There were no outstanding notices at March 31, 2018.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- (a) Association of National Exchange Members Of India
- (b) International Market Assessment India Private Limited-CFO
- (c) BSE Broker's Forum
- (d) The Association Of Investment Bankers Of India
- (e) Financial Planning Standards Boards, India

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

No

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company has articulated its CSR philosophy as supporting the cause of education, health care, skill development and rural development and towards this end, we conduct our CSR activities largely by focus on progressive support for our key CSR initiatives. ICICI Foundation has undertaken initiatives aimed at promoting sustainable livelihood through vocational skill building and promoting education.

We worked on two key programmes, in the current year, in the areas of education and skill development; Mission Samruddhi and Siddhika. Mission Samruddhi aims at providing importance of financial literacy and basic financial planning to junior personnel in defense and other allied uniform services. Siddhika, on the other hand, aims at providing means to a sustainable livelihood to women through skill development.

The Company partnered with Vision Foundation of India to perform eye surgeries in seven states for 500 individuals during the year.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Company partners with different organizations in implementing its various CSR initiatives. Besides ICICI Foundation, the company has partnered with the National Institute of Securities Markets, an educational institute set up by SEBI for imparting financial knowledge in the two programmes, Mission Samruddhi and Siddhika. Furthermore, the company has set up an in-house team for facilitating ground level execution of these programmes.

3. Have you done any impact assessment of your initiative?

Yes. Under Mission Samruddhi, the Company reached out to 9972 junior level personnel from various uniformed forces, at their bases across the country. As part of the pilot for Siddhika, the Company has trained 114 women from locations in Uttar Pradesh and Andhra Pradesh, of which, 14 have passed the NISM exam, thereby, clearing the first step to become Independent Financial Associates. We have assessed that, by partnering with Vision Foundation of India, a non-profit, non-government charitable organization registered under Bombay Public Trust, 1950, for their initiative, Rashtriya Netra Yagna, 500 individuals ailing with eye diseases have been surgically benefitted.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

During the year, the company spent ₹ 91.6 million in its CSR activities. The project details are highlighted in point number 1.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

We started Mission Samruddhi and Siddhika in FY 2017- 2018 and have worked towards building a sustainable future for the uniformed force personnel, women from lower strata of the society, skill development and individuals suffering from eye related ailments. The Company continues to put efforts in these areas, in the future.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Of the 77 complaints outstanding at the beginning of the year April 2017 and 18,777 complaints received during the year April 2017 to March 2018, 18704 complaints have been resolved, indicating resolution rate of 99.2%.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

NA

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

In the ordinary course of broking business, several customers have disputes with the Company which could result in their filing a civil suit, criminal complaint or a consumer complaint alleging deficiency of services. The Company always strives to have a cordial relationship with its customers and attempts to have an amicable settlement of the dispute but in some cases needs to pursue legal resolution of the same.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company on a continuous basis measures the satisfaction levels of customers transacting across various touch points. As part of this exercise, the customer's feedback and satisfaction levels with the transaction experience are measured. We collect feedback from over 5,000 customers every month. This feedback is then analyzed and the insights from the same are implemented to improve products and processes and enhance our service quality.

The Company also conducts a detailed Customer Satisfaction Study (C-SAT). Existing customers are interviewed telephonically and a detailed interview is done where their feedback regarding the product, service and site experiences are captured.

Annexure

Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

Sr. Questions No.	P1	P2	P3	P4	P5	P6	P7	P8	P9
1 Do you have a policy / policies for...	Y	Y	Y	Y	Y	N	N	Y	N
2 Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	-	-	Y	-
3 Does the policy conform to any national /international standards? If yes, specify (50 words)	Y	Y	Y	Y	Y	-	-	Y	-
4 Has the policy been approved by the Board?* If yes, has it been signed by MD/ Owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	-	-	Y	-
5 Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	-	-	Y	-
6 Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	-	-	Y	-
7 Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	-	-	Y	-
8 Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	-	-	Y	-
9 Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	N	Y	Y	Y	-	-	Y	-
10 Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?#	Y	Y	Y		Y		-	-	-

Note:

P1: Sr No 3-The Company has an Anti Bribery & Anti Corruption Policy, Group Code of Business Conduct and Ethics and Whistle Blower Policy. The Anti-Bribery & Anti-Corruption Policy broadly conforms to the requirements of anti-bribery statutes and the regulatory guidance issued in relation to the same. While the corporate governance requirements prescribed under the Listing Regulations require the Company to have a Code of Conduct, there is no prescribed standard for the same. The Group Code of Business Conduct and Ethics is based on professional and ethical standards which the Company believes all its employees as well as Directors should adopt. The Whistle Blower Policy confirms to the requirements as stipulated by the Companies Act, 2013 and its rules. Sr No 6- The Group Code of Business Conduct and Ethics is available on the website of the Company (www.icicisecurities.com). The other policies are internal documents and accessible only to employees of the organisation.

P2 The Company complies with regulations governing its products and services and has been responsive towards all stakeholders. The Company provides a range of investment and trading products and services to cater to all segments of the society and catering to needs of investors at various stages of lifecycle. The Company has moved towards digitisation and developed entirely paperless contract notes and periodic statements thereby providing speed and convenience to customers and having a positive impact on the environment. As part of its CSR initiative, the Company contributes towards the activities of ICICI Foundation for Inclusive Growth (IFIG) which focuses on the areas of elementary education, sustainable livelihoods, primary healthcare and financial inclusion. The initiatives of IFIG can be viewed on the link www.icicifoundation.org. The Company has a Corporate Social Responsibility Policy (CSR) which can be viewed on the weblink http://www.icicisecurities.com/CMT/UPLOAD/ARTICLEIMAGES/CSR_Policy.pdf. The company has also launched its' own CSR initiatives, "Mission Siddhika" that focuses on spreading financial literacy to the junior level of personnel working in defence and police forces and Samruddhi, that focus on educating and empowering women to be financially independent.

