

July 5, 2019

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: Notice of the Twenty-Fourth Annual General Meeting and Annual Report for the financial year 2018-19

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

Pursuant to Regulation 30 read with Part A of Schedule III and Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Notice of the Twenty-Fourth Annual General Meeting of the Members of the Company to be held on Friday, August 2, 2019 at 2.30 p.m. (IST) at Rama & Sundri Watumull Auditorium, Kishinchand Chellaram College, Vidyasagar Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai - 400 020 and Annual Report of the Company for the financial year 2018-19.

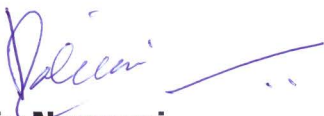
The said Notice of the Twenty-Fourth Annual General Meeting and Annual Report have also been uploaded on the website of the Company www.icicisecurities.com.

Kindly take the above information on record.

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





ICICI SECURITIES LIMITED

CIN: L67120MH1995PLC086241

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

Tel.: 91 22 2288 2460/70; **Fax:** 91 22 2288 2455

Website: www.icicisecurities.com; **E-mail:** investors@icicisecurities.com

NOTICE

NOTICE is hereby given that the Twenty-Fourth Annual General Meeting ('AGM') of the Members of ICICI Securities Limited ('the Company') will be held on Friday, August 2, 2019 at 2.30 p.m. (IST) at Rama & Sundri Watumull Auditorium, Kishinchand Chellaram College, Vidyasagar Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai - 400 020, to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Standalone Audited Financial Statements of the Company:

To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2019 including the Audited Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, the Cash Flow Statement of the Company for the year ended on that date and notes related thereto together with the Reports of the Board of Directors and the Auditors thereon.

2. Adoption of Consolidated Audited Financial Statements of the Company:

To receive, consider and adopt the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2019 including the Audited Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, the Cash Flow Statement of the Company for the year ended on that date and notes related thereto together with the Report of the Auditors thereon.

3. Declaration of dividend:

To confirm the payment of interim dividend and declare final dividend on equity shares for the financial year ended March 31, 2019.

4. Appointment of Mr. Ajay Saraf (DIN: 00074885), who retires by rotation and being eligible, offers himself for re-appointment:

To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:

RESOLVED that pursuant to Section 152 (6) and other applicable provisions, if any, of the Companies Act, 2013, Mr. Ajay Saraf (DIN: 00074885), who

retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company.

5. Continuation of appointment of the Statutory Auditors:

To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:

RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Amendment) Act, 2017 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in partial modification of the resolution passed by the Members of the Company at the Twenty-Second Annual General Meeting of the Company held on June 9, 2017, the Company hereby dispenses with the requirement of annual ratification of appointment of B S R & Co. LLP (Registration number 101248W/W-100022) for its remaining tenure as the Statutory Auditors of the Company.

SPECIAL BUSINESS:

6. Re-appointment of Mr. Vinod Kumar Dhall (DIN: 02591373) as an Independent Director of the Company:

To consider and, if thought fit, to pass, the following Resolution as a Special Resolution:

RESOLVED that pursuant to the provisions of Sections 149, 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17 and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and based on the recommendations of the Nomination & Remuneration Committee and the Board of Directors of the Company and subject to regulatory approvals, if any, Mr. Vinod Kumar Dhall (DIN: 02591373) who is not disqualified to become a Director under the Act and who meets the criteria of Independence as prescribed under Section 149 (6) of the Act and

Regulation 16 (1) (b) of Listing Regulations, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five (5) consecutive years with effect from October 28, 2019 upto October 27, 2024.

7. Appointment of Mr. Anup Bagchi (DIN: 00105962) as a Non-executive Director of the Company:

To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:

RESOLVED that pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Articles of Association of the Company and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company and subject to regulatory approvals, if any, Mr. Anup Bagchi (DIN: 00105962) who was appointed by the Board of Directors as a Non-executive Additional Director of the Company with effect from October 11, 2018 and who holds office upto the date of the Twenty-Fourth Annual General Meeting in terms of Section 161 of the Act and in respect of whom Company has received a notice in writing from a Member, proposing his candidature for the office of Director of the Company pursuant to the provisions of Section 160 of the Act and who is not disqualified to become a Director under the Act, be and is hereby appointed as a Non-executive Director of the Company, liable to retire by rotation, with effect from the date of the Twenty-Fourth Annual General Meeting.

8. Appointment of Mr. Pramod Rao (DIN: 02218756) as a Non-executive Director of the Company:

To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:

RESOLVED that pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Articles of Association of the Company and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company and subject to regulatory approvals, if any, Mr. Pramod Rao (DIN: 02218756) who was appointed by the Board of Directors as a Non-executive Additional Director of the Company with effect from October 11, 2018 and who holds office upto the date of the Twenty-Fourth

Annual General Meeting in terms of Section 161 of the Act and in respect of whom Company has received a notice in writing from a Member, proposing his candidature for the office of Director of the Company pursuant to the provisions of Section 160 of the Act and who is not disqualified to become a Director under the Act, be and is hereby appointed as a Non-executive Director of the Company, liable to retire by rotation, with effect from the date of the Twenty-Fourth Annual General Meeting.

9. Appointment of Mr. Vijay Chandok (DIN: 01545262) as a Director of the Company:

To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:

RESOLVED that pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Articles of Association of the Company and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company and subject to regulatory approvals, if any, Mr. Vijay Chandok (DIN: 01545262) who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 7, 2019, in the category of Executive Director and who holds office upto the date of the Twenty-Fourth Annual General Meeting in terms of Section 161 of the Act and in respect of whom Company has received a notice in writing from a Member, proposing his candidature for the office of Director of the Company pursuant to the provisions of Section 160 of the Act and who is not disqualified to become a Director under the Act, be and is hereby appointed as a Director of the Company, with effect from the date of the Twenty-Fourth Annual General Meeting.

10. Appointment of Mr. Vijay Chandok (DIN: 01545262) as the Managing Director & CEO of the Company and payment of remuneration:

To consider and if thought fit, to pass, the following Resolution, as an Ordinary Resolution:

RESOLVED that pursuant to the provisions of Sections 149, 152, 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), applicable provisions of Articles of Association of the Company and based on the recommendations of the Nomination & Remuneration Committee and the Board of Directors

of the Company and subject to regulatory approvals, if any, Mr. Vijay Chandok (DIN: 01545262) be and is hereby appointed as the Managing Director & CEO of the Company, for a period of five (5) years with effect from May 7, 2019 till May 6, 2024 on the following terms of remuneration:

Basic Salary:

₹ 2,44,67,040/- per annum effective May 7, 2019.

Allowances:

Basket of allowances that would include House Rent Allowance, Superannuation, Leave Travel Allowance, medical reimbursement of ₹ 15,000/- per annum, Personal Pay, *etc.* of ₹ 2,10,50,815/- per annum.

Performance Bonus:

70% of total fixed pay (basic + allowances). Should the bonus be more than 50% of fixed pay, 60% of the bonus would be paid upfront and balance equally deferred over 3 years. An amount equivalent to superannuation allowance (which is paid as part of allowances) will be excluded from performance bonus calculations. Performance bonus would be based on achievement of the performance parameters and such other components as may be determined by the Board of Directors or the Nomination & Remuneration Committee in accordance with the Compensation Policy of the Company.

Perquisites:

Perquisites (evaluated as per Income-tax Rules, wherever applicable, and at actual cost to the Company in other cases) like the Company Car (including running & maintenance expenses), one time soft furnishing allowance of upto ₹ 25,00,000/- for a period of five years, telephone and internet usage at residence or reimbursement of expenses in lieu thereof, provision of gas, electricity and water, 2 club memberships, group life insurance cover of ₹ 1.5 Crore, personal accident insurance cover of ₹ 6 Crore, medical insurance for hospitalization coverage for self and dependents of ₹ 4 Lac per annum and domiciliary medical expenses for self and dependents of ₹ 75,000/- per annum, leave and children scholarship as per employees children scholarship scheme and 5% interest subsidy for housing loan for purchase of residential property up to a maximum value of ₹ 8 Crore in Mumbai (lower limits ranging from ₹ 3.5 Crore - ₹ 4.5 Crore for other cities as per the Group policy) and such other benefits, allowances, perquisites, *etc.* on such terms and conditions as may be approved by the Board of Directors or the Nomination & Remuneration Committee.

Retirement Benefits:

Retirement benefits like Provident fund and Gratuity, in accordance with the scheme(s) and rule(s)

applicable to the members of the staff from time to time, for the aforesaid benefits.

RESOLVED further that Mr. Vijay Chandok (DIN: 01545262) be granted employee stock options by the Company and the holding company (ICICI Bank Limited) from time to time.

RESOLVED further that pursuant to the relevant provisions of the Act, in the event of absence or inadequacy of net profit in any financial year, the remuneration payable to Mr. Vijay Chandok (DIN: 01545262) would be of the nature for which the approvals have been obtained from the Board of Directors and the shareholders of the Company, subject to applicable law, including the Act and the rules made thereunder and any other regulatory, statutory and governmental approvals, as may be necessary.

RESOLVED further that the Board of Directors of the Company (including the Nomination & Remuneration Committee) be and is hereby authorised to do all such acts, deeds, things and take such actions as may be required to give effect to this resolution.

11. Revision in remuneration payable to Ms. Shilpa Kumar (DIN: 02404667):

To consider and if thought fit, to pass, the following Resolution, as an Ordinary Resolution:

RESOLVED that subject to the applicable provisions of the Companies Act, 2013 ('the Act') and the rules made thereunder and the provisions of the Articles of Association of the Company, Ms. Shilpa Kumar (DIN: 02404667), be paid the following revised remuneration for her tenure as the Managing Director & CEO of the Company for the period from April 1, 2019 to May 6, 2019:

Basic Salary:

₹ 1,34,60,280/- per annum effective April 1, 2019 and proportionately upto May 6, 2019.

Allowances:

Basket of allowances that would include House Rent Allowance, running and maintenance expenses of car (including fuel, repairs and maintenance, insurance, driver's salary, *etc.*), Superannuation, Leave Travel Allowance, Conveyance, Personal Pay, medical reimbursement of ₹ 15,000/- per annum, *etc.* of ₹ 1,76,09,148/- per annum and proportionately upto May 6, 2019.

Performance Bonus:

70% of total fixed pay (basic + allowances). Should the bonus be more than 50% of fixed pay, 60% of the bonus would be paid upfront and balance equally deferred over 3 years. An amount equivalent to

superannuation allowance (which is paid as part of allowances) will be excluded from performance bonus calculations. Performance bonus would be based on achievement of the performance parameters and such other components as may be determined by the Board of Directors or the Nomination & Remuneration Committee in accordance with the Compensation Policy of the Company.

Perquisites:

Perquisites (evaluated as per Income-tax Rules, wherever applicable and at actual cost to the Company in other cases) like the Company provided car in line with Group benefits policy, one time soft furnishing allowance of upto ₹ 18,00,000/- for a period of five years, telephone and internet usage at residence or reimbursement of expenses in lieu thereof, 1 club membership, group life insurance cover of ₹ 1.25 Crore, personal accident insurance cover of ₹ 4.5 Crore, medical insurance for hospitalization coverage for self and dependents of ₹ 4 Lac per annum and domiciliary medical expenses for self and dependents of ₹ 75,000/- per annum (out of which ₹ 15,000/- was already included in the allowances), leave as per Company policy and children scholarship as per employees children scholarship scheme of the Company and 5% interest subsidy for housing loan for purchase of residential property up to a maximum value of ₹ 8 Crore in Mumbai (lower limits ranging from ₹ 3.5 Crore - ₹ 4.5 Crore for other cities as per the Group policy) and such other benefits, allowances, perquisites, etc. on such terms and conditions as may be approved by the Board of Directors or the Nomination & Remuneration Committee.

Retirement Benefits:

Retirement benefits like Provident fund and Gratuity, in accordance with the scheme(s) and rule(s) applicable to the members of the staff from time to time, for the aforesaid benefits.

Bonus for FY2019:

₹ 1,43,88,173/-. Since the bonus amount is more than 50% of fixed pay, 60% of the bonus amount would be paid upfront and balance equally deferred over 3 years.

RESOLVED further that Ms. Shilpa Kumar (DIN: 02404667) be granted employee stock options by the Company and the holding company (ICICI Bank Limited) from time to time.

RESOLVED further that pursuant to the relevant provisions of the Act, in the event of absence or inadequacy of net profit in any financial year, the remuneration payable to Ms. Shilpa Kumar

(DIN: 02404667) would be of the nature for which the approvals have been obtained from the Board of Directors and the shareholders of the Company, subject to applicable law, including the Act and the rules made thereunder and any other regulatory, statutory and governmental approvals, as may be necessary.

RESOLVED further that the Board of Directors of the Company (including the Nomination & Remuneration Committee) be and is hereby authorised to do all such acts, deeds, things and take such actions as may be required to give effect to this resolution.

12. Revision in remuneration payable to Mr. Ajay Saraf (DIN: 00074885), the Executive Director of the Company:

To consider and if thought fit, to pass, the following Resolution, as an Ordinary Resolution:

RESOLVED that subject to the applicable provisions of the Companies Act, 2013 ('the Act') and the rules made thereunder and the provisions of the Articles of Association of the Company, Mr. Ajay Saraf (DIN: 00074885), Executive Director, be paid the following revised remuneration with effect from April 1, 2019:

Basic Salary:

₹ 1,04,52,000/- per annum effective April 1, 2019.

Allowances:

Basket of allowances that would include House Rent Allowance, Leave Travel Allowance, Conveyance, running and maintenance expenses of car (including fuel, repairs and maintenance, insurance, driver's salary, etc.), Personal Pay, medical reimbursement of ₹ 15,000/- per annum, etc. of ₹ 1,27,93,092/- per annum.

Performance Bonus:

70% of total fixed pay (basic + allowances). Should the bonus be more than 50% of fixed pay, 60% of the bonus would be paid upfront and balance equally deferred over 3 years. Performance bonus would be based on achievement of the performance parameters and such other components as may be determined by the Board of Directors or the Nomination & Remuneration Committee in accordance with the compensation policy of the Company.

Perquisites:

Perquisites like one club membership, group life insurance cover of ₹ 1.25 Crore, personal accident cover of ₹ 3.6 Crore, Company provided car in line with Group benefits policy, medical insurance for

hospitalisation coverage for self and dependants of ₹ 4 Lac per annum, domiciliary medical expenses for self and dependents of ₹ 75,000/- per annum (out of which ₹ 15,000/- was already included in the allowances), leave as per Company policy and children scholarship as per employees children scholarship scheme of the Company and such other benefits, allowances, perquisites, *etc.* on such terms and conditions as may be approved by the Board of Directors or the Nomination & Remuneration Committee.

Retirement Benefits:

Retirement benefits like Provident fund and Gratuity, in accordance with the scheme(s) and rule(s) applicable to the members of the staff from time to time, for the aforesaid benefits.

Bonus for FY2019:

₹ 1,15,12,910/-. Since the bonus amount is more than 50% of fixed pay, 60% of the bonus amount would be paid upfront and balance equally deferred over 3 years.

RESOLVED further that Mr. Ajay Saraf (DIN: 00074885) be granted employee stock options by the Company and the holding company (ICICI Bank Limited) from time to time.

RESOLVED further that pursuant to the relevant provisions of the Act, in the event of absence or inadequacy of net profit in any financial year, the remuneration payable to Mr. Ajay Saraf (DIN: 00074885) would be of the nature for which the approvals have been obtained from the Board of Directors and the shareholders of the Company, subject to applicable law, including the Act and the rules made thereunder and any other approvals, as may be necessary.

RESOLVED further that the Board of Directors of the Company (including the Nomination & Remuneration Committee) be and is hereby authorised to do all such acts, deeds, things and take such actions as may be required to give effect to this resolution.

13. Payment of profit related commission to the Independent Directors of the Company:

To consider and if thought fit, to pass, the following Resolution, as an Ordinary Resolution:

RESOLVED that pursuant to Sections 149 (9), 197, 198 and other applicable provisions of the Companies Act, 2013 ('the Act') and the rules made thereunder (including any statutory

modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17 (6) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), framework for remuneration to non-executive Directors and subject to such regulatory approvals as may be required and subject to the total remuneration payable to Directors who are neither Managing Directors nor Whole-time Directors not exceeding in the aggregate 1% (one percent) of the net profits of the Company computed in the manner stipulated in Section 198 of the Act, consent of the Members be and is hereby accorded to pay compensation of ₹ 10,00,000/- per annum (exclusive of applicable taxes) for each financial year effective from the financial year ended March 31, 2019 onwards, in the form of profit related commission to each of the Independent Directors of the Company in proportion to their tenure in the Company during the relevant financial year.

RESOLVED further that the above payment of commission shall be subject to availability of net profits at the end of each financial year and shall be in addition to sitting fees and reimbursement of expenses being paid to the Independent Directors for attending the meetings of the Board of Directors and/or other meetings.

RESOLVED further that the Board of Directors of the Company (including the Nomination & Remuneration Committee) be and is hereby authorised to do all such acts, deeds, matters and things including deciding on the manner of payment of commission and settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any agreements, documents, instructions, *etc.* as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution.

By Order of the Board of Directors
For ICICI Securities Limited

Sd/-

Raju Nanwani
Senior Vice President &
Company Secretary
FCS 4785

Place: Mumbai
Date: May 23, 2019

CIN: L67120MH1995PLC086241
Website: www.icicisecurities.com
Registered Office:
ICICI Centre, H. T. Parekh Marg,
Churchgate, Mumbai - 400 020

NOTES:

1. A statement pursuant to Section 102 (1) of the Companies Act, 2013 ('the Act') setting out the material facts concerning each item of special business *i.e.* Item Nos. 6 to 13 set out in the Notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DULY COMPLETED, STAMPED AND SIGNED AND SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder. Proxy form is enclosed herewith. Proxies submitted on behalf of the companies, societies *etc.*, must be supported by an appropriate resolution/authority, as applicable. The holder of proxy shall prove his identity at the time of attending the Meeting.
3. During the period beginning twenty-four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged with the Company during normal business hours [9.00 a.m. (IST) to 6.00 p.m. (IST)] at the registered office of the Company, provided that a requisition for the same from a Member is received in writing not less than 3 days before the commencement of the Meeting.
4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Company's Registrar & Transfer Agent for its share registry (both, physical as well as electronic) is Karvy Fintech Private Limited ('Karvy' or 'R&TA') having its office at Karvy Selenium, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032 (Unit: ICICI Securities Limited).
7. Voting through electronic means:
 - A. In compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to provide Members, the facility to exercise their right to vote at the Twenty-Fourth Annual General Meeting ('AGM') by electronic means. The facility of casting votes by a Member using an electronic voting system from a place other than the venue of the AGM ('remote e-voting') will be provided by Karvy and the items of business as detailed in this Notice may be transacted through remote e-voting.
 - B. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date *i.e.* Friday, July 26, 2019 shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
 - C. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
 - D. The facility for voting shall also be made available at the AGM and the Members attending the AGM who have not already cast their votes through remote e-voting shall be able to exercise their voting rights at the AGM.
 - E. The Members who have cast their votes through remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their votes again. However, in case a Member casts his/her vote both by voting at the AGM and by remote e-voting, then voting done through remote e-voting shall be considered and voting done at the AGM will be treated as invalid.

8. The instructions for remote e-voting are as under:

A. In case a Member receives an e-mail of the AGM Notice from Karvy [for Members whose e-mail IDs are registered with the Company/ Depository Participant(s)]:

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii. Enter the login credentials *i.e.* User ID and password provided in the e-mail received from Karvy. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, Click on 'LOGIN'.
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the e-voting event.
- vii. Select 'EVENT' of ICICI Securities Limited – AGM and click on 'SUBMIT'.
- viii. Now you are ready for 'e-voting' as 'Ballot Form' page opens.
- ix. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under 'FOR/AGAINST' or alternatively, you may partially enter any number in 'FOR' and partially in 'AGAINST' but the total number in 'FOR/AGAINST' taken together should

not exceed your total shareholding as mentioned therein. You may also choose the option 'ABSTAIN'. If the shareholder does not indicate either 'FOR' or 'AGAINST', it will be treated as 'ABSTAIN' and the shares held will not be counted under either head.

- x. Members holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
 - xi. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - xii. You may then cast your vote by selecting an appropriate option and click on 'SUBMIT'.
 - xiii. A confirmation box will be displayed. Click 'OK' to confirm else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xiv. Corporate/Institutional Members (*i.e.* other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: icicisecuritiesagm2019@dholakia-associates.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format 'Corporate Name_ EVENT NO.'
- B. In case a Member receives a physical copy of the AGM Notice by Post/Courier [for Members whose e-mail IDs are not registered with the Company/Depository Participant(s)]:
- i. User ID and initial password as provided by the Company in a separate letter along with the Notice in the below format :

User ID	Password
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- ii. Please follow all steps from Sr. No. (i) to (xiv) as mentioned in 8 (A) above, to cast your vote.
- C. In case a person has become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date *i.e.* Friday, July 26, 2019, he/she may write to Karvy on the e-mail Id: evoting@karvy.com or to Ms. C. Shobha Anand/Mr. PSRCH Murthy, Contact No. 040 6716 2222, at Karvy Fintech Private Limited [Unit: ICICI Securities Limited], Karvy Selenium, Tower - B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No. (i) to (xiv) as mentioned in 8 (A) above, to cast the vote.
- D. If you have forgotten your password, you can reset your password by using 'Forgot Password' available on <https://evoting.karvy.com> or contact **Karvy** at toll free no.: **1-800-3454-001** or e-mail at evoting@karvy.com.
9. The remote e-voting period commences on Tuesday, July 30, 2019 at 9.00 a.m. (IST) and ends on Thursday, August 1, 2019 at 5.00 p.m. (IST). During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being Friday, July 26, 2019 may cast their vote by electronic means in the manner and process set out hereinabove. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically shall not vote by way of poll, if held at the Meeting.
10. In case of any query/grievance with respect to remote e-voting, please visit the 'Help' & 'FAQs' sections available on Karvy's website: <https://evoting.karvy.com> or send an e-mail to evoting@karvy.com or call Karvy on toll free number 1800-3454-001 (from 9:00 a.m. to 6:00 p.m.). Members may contact Ms. C. Shobha Anand/Mr. PSRCH Murthy, Contact No. 040 6716 2222, at Karvy Fintech Private Limited [Unit: ICICI Securities Limited], Karvy Selenium, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032 for further clarifications.
11. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date *i.e.* Friday, July 26, 2019.
12. The Company has appointed Dholakia & Associates LLP, Practicing Company Secretaries as the Scrutinizer. Accordingly, Mr. Bhumitra V. Dholakia and/or Mr. Nrupang B. Dholakia, Designated Partners of Dholakia & Associates LLP, Practicing Company Secretaries or any other person of repute authorised by them would act as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
13. The Chairman shall, at the AGM, allow voting on all the resolutions with the assistance of scrutinizer for all those Members who are present at the AGM and have not cast their votes by availing the remote e-voting facility.
14. The Scrutinizer shall, immediately after the conclusion of the voting at the AGM, first count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than 48 hours from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and provide the report to the Chairman or to any other person authorized by the Chairman.
15. The Results on resolutions shall be declared on or after the AGM of the Company and the resolution(s) will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the Resolution(s).
16. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company www.icicisecurities.com and Karvy's website <https://evoting.karvy.com> and the communication will be sent to National Stock Exchange of India Limited and BSE Limited and will also be displayed at the Registered as well as Corporate Office of the Company.
17. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 27, 2019 to Friday, August 2, 2019 (both days inclusive) for determining the names of the Members eligible for final dividend on equity shares for the financial year ended March 31, 2019.
18. The final dividend for the financial year ended March 31, 2019, at the rate of ₹ 5.70 per equity share of face value of ₹ 5/- each, as recommended by the

Board of Directors, if approved at the AGM, would be paid to those Members who hold shares:

- i. In dematerialised mode, based on the beneficial ownership details to be received from National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') as at the close of business hours on Friday, July 26, 2019.
- ii. In physical mode, if their names appear in the Company's Register of Members at the close of business hours of Friday, July 26, 2019. The instruments of transfer in respect of shares held in physical form should be lodged with Karvy so as to reach them on or before Friday, July 26, 2019.

19. Members wishing to claim unclaimed dividends are requested to correspond with Karvy or the Company Secretary, at the Company's registered office. Members are requested to note that dividends which are not claimed within seven (7) years from the date of transfer to the Company's Unpaid Dividend Account, will, as per the provisions of Section 124 of the Act and rules made thereunder, be transferred to the Investor Education and Protection Fund. Further, pursuant to the provisions of Section 124 (6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, all shares in respect of which dividend has not been paid or claimed for seven (7) consecutive years or more shall be transferred to the demat account of the Investor Education and Protection Fund authority. The Company has uploaded the details of unpaid and unclaimed dividend amounts on the website of the Company www.icicisecurities.com.

20. Members holding shares in physical form are requested to immediately notify change in their address, to Karvy at their above mentioned address, quoting their Folio Number(s).

In order to avoid fraudulent encashment of dividend warrants, Members holding shares in physical form are requested to send to the Registrar & Transfer Agent of the Company, at the above mentioned address, on or before Friday, July 26, 2019, a Bank Mandate (providing details of name and address of bank branch, PIN code and particulars of the bank account) or changes therein, if not provided earlier, under the signature of the Sole/First holder quoting their Folio Number. This information will be printed on the dividend warrants. Members may also avail of the Electronic Clearing Service ('ECS') mandate facility provided by the Company.

21. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, ECS mandates, e-mail addresses, nominations, power of attorney, change of address/name, etc. to their Depository Participants ('DP') only and not to the Company or Karvy. Any such changes effected by the DPs will automatically reflect in the Company's subsequent records.

22. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number ('PAN') by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to Karvy.

23. Members may avail the nomination facility as provided under Section 72 of the Act.

24. Pursuant to Regulation 36 of Listing Regulations and Sections 101 and 136 of the Act read with the Companies (Accounts) Rules, 2014 and all other applicable provisions of the Act, read with the Rules made thereunder, the companies can serve/send various reports, documents, communications, including but not limited to Annual Report comprising of the Report of the Board of Directors, Auditors' Report, Financial Statements, Notice of General Meetings, etc. (hereinafter referred to as 'the Documents') to its Members through electronic mode at their e-mail addresses.

Annual Report including the Report of the Board of Directors, Auditors' Report, Financial Statements, Notice of this AGM, Attendance Slip, Proxy Form, etc. is being sent by electronic mode to all the Members whose e-mail addresses are registered with the Company/R&TA/depositories unless a Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the aforementioned documents are being sent by the permitted mode. The Notice of the AGM and the Annual Report are also available on the Company's website at www.icicisecurities.com and on the website of Karvy at <https://evoting.karvy.com>.

25. Members who have not registered/updated their e-mail addresses with Karvy, if shares are held in physical mode or with their DPs/Company, if shares are held in electronic mode, are requested to do so for receiving all future communications from the Company including Annual Reports, Notices, Circulars, etc., electronically.

26. Non-Resident Indian Members are requested to inform their respective DPs, immediately of:
- Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
27. Statutory Registers, the certificate from the Auditors of the Company certifying that ICICI Securities Limited Employees Stock Option Scheme – 2017 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and all the documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company during business hours of the Company on any working day from the date hereof upto the date of the Meeting. The relevant documents referred to in the Notice and Explanatory Statement will also be available for inspection by the Members at the Meeting.
28. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company at least seven days before the date of the Meeting to enable the Company to keep the information ready at the Meeting.
29. Pursuant to Regulation 36 (3) of Listing Regulations and Secretarial Standard - 2, the required details of the Directors proposed to be appointed/re-appointed and the terms of proposed remuneration of the Directors are given in the Annexure forming part of the Notice.
30. **Notification of the Securities and Exchange Board of India relating to transfer of equity shares held in physical form:**
- The Securities and Exchange Board of India *vide* notification dated June 8, 2018 amended Regulation 40 of Listing Regulations, which came into force with effect from April 1, 2019. Accordingly, effective April 1, 2019 except in cases of transmission or transposition, transfer of securities of Company cannot be processed unless the securities are held in dematerialized form with a depository. The implication of the said amendment is that post April 1, 2019, equity shares of the Company which are held in physical form by shareholders can be continued to be held in physical form, but cannot be further transferred by the Company or its R&TA except in case of transmission and transposition matters. The Members are requested to take note of the same and may consider dematerialization of physical shares held by them to avoid inconvenience in transfer of shares, in future.

By Order of the Board of Directors
For ICICI Securities Limited

Sd/-
Raju Nanwani
Senior Vice President &
Company Secretary
FCS 4785

Place: Mumbai
Date: May 23, 2019

CIN: L67120MH1995PLC086241
Website: www.icicisecurities.com
Registered Office:
ICICI Centre, H. T. Parekh Marg,
Churchgate, Mumbai - 400 020

STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013, SETTING OUT THE MATERIAL FACTS CONCERNING EACH ITEM OF SPECIAL BUSINESS

Item No. 6

Mr. Vinod Kumar Dhall (DIN: 02591373) was appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 ('the Act') read with the rules made thereunder (not liable to retire by rotation) for a term of five (5) consecutive years with effect from October 28, 2014 upto October 27, 2019.

Pursuant to Article 43 of the Articles of Association of the Company, the Board of Directors, at its meeting held on October 19, 2018, appointed Mr. Dhall as the Chairman of the Board of Directors of the Company.

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ('Listing Regulations'), approval of the Members of the Company was required for continuation of directorship of Mr. Vinod Kumar Dhall (DIN: 02591373), as an Independent Director of the Company, on attaining the age of seventy five years on February 20, 2019, up to the expiry of his present term as an Independent Director *i.e.* upto October 27, 2019. Accordingly, the approval of Members was obtained by way of Special Resolution through Postal Ballot for continuation of his remaining tenure till October 27, 2019 as an Independent Director.

It is proposed to re-appoint Mr. Vinod Kumar Dhall (DIN: 02591373) as an Independent Director of the Company, not liable to retire by rotation, for a second term of five (5) consecutive years with effect from October 28, 2019 upto October 27, 2024, subject to the approval of the Members of the Company by Special Resolution as set out at Item No. 6 of this Notice and other regulatory approvals, if any.

In the opinion of the Board of Directors, Mr. Vinod Kumar Dhall (DIN: 02591373) fulfills the conditions specified in the Act and the rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the Management. The annual performance evaluation results for Mr. Dhall were also positive on an overall basis confirming high performance standards. Further, Mr. Vinod Kumar Dhall (DIN: 02591373) is a person of high repute, integrity and has rich and varied experience which will be an invaluable input to the Company's strategic direction and decision making. His contributions and guidance during the deliberations at the Board and Committee meetings have been of immense help to the Company.

After taking into consideration report of performance evaluation of Mr. Vinod Kumar Dhall (DIN: 02591373),

background, experience and contribution made by him, the Board of Directors at its meeting held on April 23, 2019, based on the recommendation of the Nomination and Remuneration Committee, approved the re-appointment of Mr. Vinod Kumar Dhall (DIN: 02591373), as an Independent Director of the Company, not liable to retire by rotation, for a second term of five (5) consecutive years with effect from October 28, 2019 upto October 27, 2024, subject to the approval of the Members of the Company by Special Resolution and other regulatory approvals, if any.

As per the requirements of Regulation 36 (3) of Listing Regulations and Secretarial Standard 2, issued by the Institute of Company Secretaries of India, the required details of Mr. Vinod Kumar Dhall (DIN: 02591373) are appended in the **Annexure** forming part of the Notice.

The Directors recommend the Resolution at Item No. 6 of the accompanying Notice as a Special Resolution for approval of the Members of the Company.

Except Mr. Vinod Kumar Dhall (DIN: 02591373) and his relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the passing of resolution set out at Item No. 6 of the accompanying Notice.

Documents relevant to the re-appointment of Mr. Vinod Kumar Dhall (DIN: 02591373) as an Independent Director of the Company are available for inspection at the Registered Office of the Company during business hours on any working day of the Company without payment of fee.

Item Nos. 7 & 8

The Board of Directors had, *vide* circular resolutions dated October 11, 2018, appointed Mr. Anup Bagchi (DIN: 00105962) and Mr. Pramod Rao (DIN: 02218756), as Additional Directors (in the category of Non-executive Directors) on the Board of Directors of the Company with effect from October 11, 2018 pursuant to Section 161 of the Companies Act, 2013 ('the Act') to hold office upto the date of the Twenty-Fourth Annual General Meeting.

In terms of Section 160 of the Act, the Company has received Notices in writing from a Member of the Company proposing the appointment of Mr. Anup Bagchi (DIN: 00105962) and Mr. Pramod Rao (DIN: 02218756) as the Directors of the Company.

The Board of Directors at its meeting held on April 23, 2019, based on the recommendation of the

Nomination and Remuneration Committee, approved the appointments of Mr. Anup Bagchi (DIN: 00105962) and Mr. Pramod Rao (DIN: 02218756) as the Non-executive Directors of the Company with effect from the date of the Twenty-Fourth Annual General Meeting, subject to the approval of the Members of the Company and other regulatory approvals, if any.

In the opinion of the Board of Directors, Mr. Anup Bagchi (DIN: 00105962) and Mr. Pramod Rao (DIN: 02218756) fulfill the conditions specified in the Act and the rules made thereunder for their appointment as Non-executive Directors of the Company.

In view of the above, it is proposed to appoint Mr. Anup Bagchi (DIN: 00105962) and Mr. Pramod Rao (DIN: 02218756) as the Non-executive Directors of the Company with effect from the date of the Twenty-Fourth Annual General Meeting, subject to the approval of the Members of the Company and other regulatory approvals, if any.

As per the requirements of Regulation 36 (3) of Listing Regulations and Secretarial Standard 2, issued by the Institute of Company Secretaries of India, the required details of Mr. Anup Bagchi (DIN: 00105962) and Mr. Pramod Rao (DIN: 02218756) are appended in the **Annexure** forming part of the Notice.

The Directors recommend the Resolutions at Item Nos. 7 & 8 of the accompanying Notice as Ordinary Resolutions for approval of the Members of the Company.

Except Mr. Anup Bagchi (DIN: 00105962), Mr. Pramod Rao (DIN: 02218756) and their relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the passing of resolutions set out at Item Nos. 7 & 8 of the accompanying Notice.

Documents relevant to the appointment of Mr. Anup Bagchi (DIN: 00105962) and Mr. Pramod Rao (DIN: 02218756) are available for inspection at the Registered Office of the Company during business hours on any working day of the Company without payment of fee.

Item No. 9

The Board of Directors at its meeting held on March 30, 2019, appointed Mr. Vijay Chandok (DIN: 01545262) as an Additional Director on the Board of Directors of the Company with effect from May 7, 2019 pursuant to Section 161 of the Companies Act, 2013 ('the Act') to hold office upto the date of the Twenty-Fourth Annual General Meeting.

In terms of Section 160 of the Act, the Company has received a Notice in writing from a Member of the

Company proposing the appointment of Mr. Vijay Chandok (DIN: 01545262) as the Director of the Company.

The Board of Directors at its meeting held on April 23, 2019, based on the recommendation of the Nomination and Remuneration Committee, approved the appointment of Mr. Vijay Chandok (DIN: 01545262) as a Director of the Company with effect from the date of the Twenty-Fourth Annual General Meeting, subject to the approval of the Members of the Company and other regulatory approvals, if any.

In the opinion of the Board of Directors, Mr. Vijay Chandok (DIN: 01545262) fulfills the conditions specified in the Act and the rules made thereunder for his appointment as Director of the Company.

In view of the above, it is proposed to appoint Mr. Vijay Chandok (DIN: 01545262) as the Director of the Company, subject to the approval of the Members of the Company and other regulatory approvals, if any.

As per the requirements of Regulation 36 (3) of Listing Regulations and Secretarial Standard 2, issued by the Institute of Company Secretaries of India, the required details of Mr. Vijay Chandok (DIN: 01545262) are appended in the **Annexure** forming part of the Notice.

The Directors recommend the Resolution at Item No. 9 of the accompanying Notice as an Ordinary Resolution for approval of the Members of the Company.

Except Mr. Vijay Chandok (DIN: 01545262) and their relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the passing of resolution set out at Item No. 9 of the accompanying Notice.

Documents relevant to the appointment of Mr. Vijay Chandok (DIN: 01545262) are available for inspection at the Registered Office of the Company during business hours on any working day of the Company without payment of fee.

Item No. 10

The Board of Directors at its meeting held on March 30, 2019, appointed Mr. Vijay Chandok (DIN: 01545262) as the Managing Director & CEO of the Company for a period of five (5) years with effect from May 7, 2019 till May 6, 2024, subject to the approval of the Members and other regulatory approvals, if any.

Based on the recommendation of the Board of Directors, it is proposed to appoint Mr. Vijay Chandok (DIN: 01545262) as the Managing Director & CEO of the Company with effect from May 7, 2019 till May 6, 2024, subject to the approval of the Members of the Company and other regulatory approvals, if any.

The Board of Directors of the Company has, at its meeting held on May 17, 2019, based on the recommendation of the Nomination & Remuneration Committee, approved the remuneration payable to Mr. Vijay Chandok (DIN: 01545262) with effect from May 7, 2019 subject to the approval of the Members of the Company.

Further, pursuant to the provision of Section 197 of the Companies Act, 2013 ('the Act'), the details of remuneration of the Managing Director & CEO of the Company are set out in the Resolution at Item No. 10.

As per the requirements of Secretarial Standard 2, issued by the Institute of Company Secretaries of India, please find appended in the **Annexure** forming part of the Notice, the required details of Mr. Vijay Chandok (DIN: 01545262).

The Directors recommend the Resolution at Item No. 10 of the accompanying Notice as an Ordinary Resolution for approval of the Members of the Company.

Except Mr. Vijay Chandok (DIN: 01545262) and his relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the passing of resolution set out at Item No. 10 of the accompanying Notice.

The terms and conditions stated in the resolution and information given as above may be treated as an abstract of the terms of contract under Section 190 (1) of the Act.

Documents relevant to the appointment of and remuneration payable to Mr. Vijay Chandok (DIN: 01545262) as the Managing Director & CEO of the Company are available for inspection at the Registered Office of the Company during business hours on any working day of the Company without payment of fee.

Item No. 11

The Board of Directors of the Company has, at its meeting held on April 23, 2019, based on the recommendation of the Nomination & Remuneration Committee ('NRC'), approved modification in the remuneration payable to Ms. Shilpa Kumar (DIN: 02404667), for her tenure as the Managing Director & CEO of the Company for a period from April 1, 2019 to May 6, 2019. The NRC also approved the Performance Bonus for FY2019 payable to Ms. Shilpa Kumar (DIN: 02404667). The aforesaid proposed remuneration including performance bonus for FY2019 payable to Ms. Shilpa Kumar (DIN: 02404667) is subject to the approval of the Members of the Company.

Further, pursuant to the provision of Section 197 of the Companies Act, 2013 ('the Act'), the details in this regard are set out in the Resolution at Item No. 11.

Stock Options:

Ms. Shilpa Kumar (DIN: 02404667), was granted 1,22,800 and 2,50,200 stock options for FY2018 and FY2019 respectively by the Company under ICICI Securities Limited - Employees Stock Option Scheme – 2017. She was also granted 51,900 stock options for FY2019 by ICICI Bank Limited under ICICI Bank Employees Stock Option Scheme - 2000. The stock option grants have a vesting schedule of three years, in the ratio of 30%:30%:40% starting one year from the date of the grant of the options.

As per the requirements of Secretarial Standard 2, issued by the Institute of Company Secretaries of India, please find appended in the **Annexure** forming part of the Notice, the required details of Ms. Shilpa Kumar (DIN: 02404667).

The Directors recommend the Resolution at Item No. 11 of the accompanying Notice as an Ordinary Resolution for approval of the Members of the Company.

Except Ms. Shilpa Kumar (DIN: 02404667) and her relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the passing of resolution set out at Item No. 11 of the accompanying Notice.

The terms and conditions stated in the resolution and information given as above may be treated as an abstract of the terms of contract under Section 190 (1) of the Act.

Documents relevant to the revision in remuneration to Ms. Shilpa Kumar (DIN: 02404667) are available for inspection at the Registered Office of the Company during business hours on any working day of the Company without payment of fee.

Item No. 12

The Board of Directors of the Company has, at its meeting held on April 23, 2019, based on the recommendation of the Nomination & Remuneration Committee, approved modification in the remuneration payable to Mr. Ajay Saraf (DIN: 00074885) with effect from April 1, 2019 along with the Performance Bonus for FY2019 subject to the approval of the Members of the Company.

Further, pursuant to the provision of Section 197 of the Companies Act, 2013 ('the Act'), the details of revised remuneration of the Executive Director are set out in the Resolution at Item No. 12.

Stock Options:

Mr. Ajay Saraf (DIN: 00074885) was granted 53,900 and 1,99,600 stock options for FY2018 and FY2019 respectively by the Company under ICICI Securities Limited - Employees Stock Option Scheme – 2017. He was also granted 41,400 stock options for FY2019 by ICICI

Bank Limited under ICICI Bank Employees Stock Option Scheme - 2000. The stock option grants have a vesting schedule of three years, in the ratio of 30%:30%:40% starting one year from the date of the grant of the options.

As per the requirements of Secretarial Standard 2, issued by the Institute of Company Secretaries of India, please find appended in the **Annexure** forming part of the Notice, the required details of Mr. Ajay Saraf (DIN: 00074885).

The Directors recommend the Resolution at Item No. 12 of the accompanying Notice as an Ordinary Resolution for approval of the Members of the Company.

Except Mr. Ajay Saraf (DIN: 00074885) and his relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the passing of resolution set out at Item No. 12 of the accompanying Notice.

The terms and conditions stated in the resolution and information given as above may be treated as an abstract of the terms of contract under Section 190 (1) of the Act.

Documents relevant to the revision in remuneration to Mr. Ajay Saraf (DIN: 00074885) are available for inspection at the Registered Office of the Company during business hours on any working day of the Company without payment of fee.

Item No. 13

The Members of the Company at the Twenty-Third Annual General Meeting of the Company held on August 30, 2018 approved the payment of profit related commission of ₹ 7,50,000/- per annum (exclusive of applicable taxes) to each of the Independent Directors of the Company in proportion with their tenure, for the financial year ended March 31, 2018.

Pursuant to the provisions of Sections 149 (9), 197, 198 and other applicable provisions of the Companies Act, 2013 ('the Act') and the rules made thereunder and Regulation 17 (6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has, at its meeting held on April 23, 2019, based on the recommendation of the Nomination & Remuneration Committee, approved the payment of ₹ 10,00,000/- per annum for each financial year effective from the financial year ended March 31, 2019 onwards, in the form of profit related commission (exclusive of applicable taxes) to each of the Independent Directors of the Company in proportion to their tenure in the Company during the relevant financial year, subject to the approval of the Members.

The threshold limit prescribed under Section 197 of the Act is 1% of the net profits of the Company if there is a Managing Director or Whole-time Director and 3% of the net profits of the Company in any other case. However, sitting fees paid to the Independent Directors are outside the purview of the above limits.

Accordingly, the approval of the Members is now being sought for aforesaid payment of profit related commission to the Independent Directors of the Company in proportion with their tenure, for each financial year effective from financial year ended March 31, 2019 onwards, subject to availability of net profits at the end of each financial year. The total commission payable shall be within the limits as prescribed under Section 197 of the Act and shall not exceed 1% of the net profits of the Company computed in accordance with the manner laid down in Section 198 of the Act.

The Directors recommend the Resolution at Item No. 13 of the accompanying Notice as an Ordinary Resolution for approval of the Members of the Company.

Except Mr. Vinod Kumar Dhall (DIN: 02591373), Mr. Ashvin Parekh (DIN: 06559989), Mr. Subrata Mukherji (DIN: 00057492), Ms. Vijayalakshmi Iyer (DIN: 05242960) and their relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the passing of resolution at Item No. 13 of the accompanying Notice.

As per the requirements of Secretarial Standard 2, issued by the Institute of Company Secretaries of India, please find appended in the **Annexure** forming part of the Notice, the details of the Independent Directors who are entitled to profit related commission.

Documents relevant to the payment of profit related commission to the Independent Directors are available for inspection at the Registered Office of the Company during business hours on any working day of the Company without payment of fee.

By Order of the Board of Directors
For ICICI Securities Limited

Sd/-
Raju Nanwani
Senior Vice President &
Company Secretary
FCS 4785

Place: Mumbai
Date: May 23, 2019

CIN: L67120MH1995PLC086241
Website: www.icicisecurities.com
Registered Office:
ICICI Centre, H. T. Parekh Marg,
Churchgate, Mumbai – 400 020

ANNEXURE TO ITEM NOS. 4 AND 6 TO 13 OF THE NOTICE OF THE AGM

Pursuant to Secretarial Standard 2 issued by the Institute of Company Secretaries of India and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the required details of the Directors proposed to be appointed/re-appointed and the terms of proposed remuneration of the Directors are given herein below:

1. Mr. Ajay Saraf (DIN: 00074885) – Item Nos. 4 and 12	
Name of the Director	Mr. Ajay Saraf
Age	49 years
Date of first appointment on Board	May 25, 2011
Qualification, experience & nature of expertise	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 25 years of experience and has been associated with our Company for over eight 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.
Other Directorships	None
Chairmanship/Membership of Committees in companies in which position of Director is held	ICICI Securities Limited: Stakeholders Relationship Committee (Member) Corporate Social Responsibility Committee (Member) Risk Management Committee (Member) Investment Committee (Member) Commitment Committee (Member) IT Risk and Information/Cyber Security Committee (Member)
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company as on date	8,700 (Out of these, 200 equity shares are held as a Nominee of and jointly with ICICI Bank Limited)
No. of board meetings attended/entitled to attend during the year	6/6
Terms and conditions of appointment or re-appointment	Item No. 4 - Re-appointment as a Director, liable to retire by rotation. Item No. 12 - Not Applicable
Details of remuneration last drawn	Basic Salary - ₹ 98,60,400/- Allowances - ₹ 1,20,68,952/-. Allowances include house rent allowance, running and maintenance expenses of car (including fuel, repairs and maintenance, insurance, driver's salary), leave travel allowance, conveyance, personal pay, medical reimbursement of ₹ 15,000/- per annum. Performance Bonus - ₹ 78,12,332/-. 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 ₹ 1,30,20,554/- was approved by the Board for FY2018 on April 14, 2018. The bonus amount of ₹ 78,12,332/- is the upfront bonus amount (i.e. 60% of ₹ 1,30,20,554/-) for FY2018 which was paid on April 30, 2018. In addition to this above mentioned amount, he was also paid the deferred tranches of bonus approved in the previous years. Contribution to provident fund - ₹ 11,83,248/- Contribution to gratuity fund - ₹ 8,21,376/- Perquisites - Perquisites like one club membership, group life insurance cover of ₹ 1.25 Crore, personal accident cover of ₹ 3.6 Crore, Company provided car in line with Group benefits policy, medical insurance for hospitalisation coverage for self and dependants of ₹ 4 Lac per annum, domiciliary medical expenses for self and dependents of ₹ 75,000/- per annum (out of which ₹ 15,000/- was already included in the allowances), leave as per Company policy and children scholarship as per employees children scholarship scheme of the Company. Stock Options - 53,900 options granted by the Company under ICICI Securities Limited - Employees Stock Option Scheme - 2017 and 1,06,400 options granted by ICICI Bank Limited under ICICI Bank Employees Stock Option Scheme, 2000.
Details of remuneration sought to be paid	As set out in the Resolution at Item No. 12 of the Notice.

2. Mr. Vinod Kumar Dhall (DIN: 02591373) – Item Nos. 6 and 13	
Name of the Director	Mr. Vinod Kumar Dhall
Age	75 years
Date of first appointment on Board	October 28, 2014
Qualification, experience & nature of expertise	Mr. Vinod Kumar Dhall is an Independent Director and Chairman of the Board of Directors of our Company. He was in the Indian Administrative Service (IAS) where he worked at very high levels in government, at policy as well as executive levels. As Secretary, Ministry of Corporate Affairs, he introduced path-breaking reforms, such as enactment of the Competition Act and enhancing corporate insolvency and corporate governance provisions. He set up the Serious Frauds Investigation Office and initiated the pioneering E-governance project MCA21. He has long experience in economic and industrial matters and regulatory experience including as Member, SEBI and in Insurance. As Chairman/CEO of public sector companies, he has direct commercial experience. He also worked overseas with United Nations organizations. Mr. Dhall is recognised as one of the leading Indian experts in competition policy and law, and is identified with the origin and growth of the Indian competition law. He was the first Member and Chairman (acting) of the Competition Commission of India (CCI). He set up the CCI and prepared it for its later onerous responsibilities. Mr. Dhall has an arrangement with reputed law firm Platinum Partners to advise clients on matters relating to competition law. His highly regarded book on Competition Law is one of the first books on the subject in India. He is on the Boards of Directors of a number of leading Companies, and is/has been member of various juries for awards in areas like corporate social responsibility and corporate governance.
Other Directorships	1. ICICI Prudential Pension Funds Management Company Limited 2. ICICI Prudential Trust Limited 3. Schneider Electric Infrastructure Limited 4. Advani Hotels & Resorts (India) Limited 5. ICICI Home Finance Company Limited
Chairmanship/Membership of Committees in companies in which position of Director is held	ICICI Securities Limited: Nomination & Remuneration Committee (Member) Corporate Social Responsibility Committee (Chairman) ICICI Prudential Pension Funds Management Company Limited: Board Risk Management & Audit Committee (Chairman) Board Nomination & Remuneration Committee (Chairman) ICICI Prudential Trust Limited: Audit Committee (Member) Schneider Electric Infrastructure Limited: Audit Committee (Chairman) Nomination and Remuneration Committee (Member) Advani Hotels & Resorts (India) Limited: Audit Committee (Member) ICICI Home Finance Company Limited: Board Governance, Nomination & Remuneration Committee (Chairman) Corporate Social Responsibility Committee (Member)
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company as on date	Nil
No. of board meetings attended/entitled to attend during the year	5/6
Terms and conditions of appointment or re-appointment	Item No. 6 - Re-appointment as an Independent Director of the Company, not liable to retire by rotation, for a second term of five (5) consecutive years with effect from October 28, 2019 upto October 27, 2024. Item No. 13 - Not Applicable
Details of remuneration last drawn	Profit related commission of ₹ 7,50,000/- per annum in proportion with the tenure of the Director, which is within the limits prescribed under Section 197 of the Companies Act, 2013.
Details of remuneration sought to be paid	Profit related commission of ₹ 10,00,000/- per annum in proportion with the tenure of the Director, which is within the limits prescribed under Section 197 of the Companies Act, 2013.

3. Mr. Anup Bagchi (DIN: 00105962) – Item No. 7	
Name of the Director	Mr. Anup Bagchi
Age	49 years
Date of first appointment on Board	October 11, 2018
Qualification, experience & nature of expertise	Mr. Anup Bagchi is an Executive Director on the Board of ICICI Bank Limited ('the Bank') since February 1, 2017. Prior to this, Mr. Bagchi was the Managing Director & CEO of ICICI Securities Limited. Under his leadership, ICICI Securities Limited won several prestigious awards in the financial services space. In his present role in ICICI Bank Limited, Mr. Bagchi is responsible for managing retail banking, rural and inclusive banking, treasury control and services, operations, infrastructure and the corporate brand for the Bank. Additionally, he heads the ICICI Foundation for Inclusive Growth, the CSR arm of the ICICI Group. Mr. Bagchi joined the ICICI Group in 1992 and has worked extensively in the areas of retail banking, corporate banking and treasury and investment banking. He represents the ICICI Group in various regulatory committees of key bodies such as RBI and SEBI. He is a member of RBI's Expert Committee on Micro, Small & Medium Enterprises and of SEBI's Committee on Financial and Regulatory Technologies (CFRT) among others. In the past too, Mr. Bagchi has been a member in several committees of various organisations. He was on the Executive Committee of National Securities Depository Ltd., Advisory Committee of BSE Limited and was co-Chairman of FICCI's Capital Markets Committee. He was also a member of SEBI's Secondary Markets Advisory Committee, Fair Market Conduct Committee and Committee on Financial and Regulatory Technologies and Risk Management Review Committee. Mr. Bagchi holds a post graduate diploma in management from the Indian Institute of Management, Bangalore and an engineering degree from the Indian Institute of Technology, Kanpur. He has been honoured with 'The Asian Banker Promising Young Banker Award' and 'Industry Newsmaker Award' by Zee Business.
Other Directorships	<ol style="list-style-type: none"> 1. ICICI Bank Limited 2. Comm Trade Services Limited 3. ICICI Home Finance Company Limited 4. ICICI Prudential Life Insurance Company Limited 5. ICICI Prudential Asset Management Company Limited
Chairmanship/Membership of Committees in companies in which position of Director is held	<p>ICICI Securities Limited: Nomination & Remuneration Committee (Member)</p> <p>ICICI Bank Limited: Customer Service Committee (Member) Fraud Monitoring Committee (Member) Stakeholders Relationship Committee (Member) Committee of Executive Directors (Member) Committee for Identification of Willful Defaulters/Non Co-operative borrowers (Member) Committee of Senior Management (Member) Asset Liability Management Committee (Member) Corporate Social Responsibility Committee (Member) Information Technology Strategy Committee (Member)</p> <p>ICICI Prudential Life Insurance Company Limited: Board Customer Service & Policyholders' Protection Committee (Member) Board Nomination & Remuneration Committee (Member) Strategy Committee (Member)</p> <p>ICICI Home Finance Company Limited: Asset Liability Management Committee (Chairman) Committee of Directors (Chairman) Management Committee (Chairman) Audit & Risk Management Committee (Member) Board Governance, Nomination and Remuneration Committee (Member)</p>
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company as on date	1,932
No. of board meetings attended/entitled to attend during the year	3/4
Terms and conditions of appointment or re-appointment	Appointment as a Non-executive Non-independent Director, liable to retire by rotation.
Details of remuneration last drawn	Not Applicable
Details of remuneration sought to be paid	Nil

4. Mr. Pramod Rao (DIN: 02218756) – Item No. 8	
Name of the Director	Mr. Pramod Rao
Age	45 years
Date of first appointment on Board	October 11, 2018
Qualification, experience & nature of expertise	<p>Mr. Pramod Rao joined ICICI Bank Limited ('ICICI Bank') as its Group General Counsel on August 16, 2018 and oversees the legal function for the ICICI group. Previously, Mr. Rao had served as General Counsel for Citi India cluster (July 2013 till mid-August 2018), and was responsible for the Legal & Secretarial functions within Citi India cluster (incorporating Bangladesh & Sri Lanka). He also oversaw Citi Security & Investigative Services (CSIS), and chaired the Citi India Diversity Council and was a member of various internal management and oversight committees.</p> <p>Mr. Rao previously worked with Induslaw, a law firm as a resident partner, overseeing its Banking and Finance practice. He joined IndusLaw in 2012 and was instrumental to setting up the firm's office in Mumbai.</p> <p>Prior to Induslaw, Mr. Rao worked with ICICI Bank for over 15 years. In August 1996, he joined the erstwhile Industrial Credit & Investment Corporation of India Limited (erstwhile ICICI), which subsequently in a reverse merger became ICICI Bank upon obtaining B.A.LL.B (Hons) degree from the National Law School of India University, Bangalore (NLSIU) after a brief stint at Mulla and Mulla Craigie Blunt & Caroe. He then rose to become the General Counsel of ICICI Bank in December 2005 and served in that capacity until April 2012. During the course of his career at ICICI Bank, Mr. Rao has overseen the legal function for all segments of the Bank. During his time there, he also advised the Board of Directors and various Board constituted committees and served on the Board of Directors of various ICICI group companies.</p> <p>Mr. Rao is also a member of the Board of Directors of ICICI Prudential Trust Limited and ICICI Trusteeship Services Limited. Mr. Rao also serves as a member of the Legal & Banking Operations Committee of Indian Banks' Association (IBA) and of the National Committee for Regulatory Affairs constituted by the Confederation of Indian Industry (CII).</p> <p>Mr. Rao is the Chairman of the Fund Raising & Resource Mobilization Committee of IDIA - Increasing Diversity by Increasing Access – an NGO dedicated to assisting students from underprivileged background entering premier law schools in India. He is also a member of the Governing Board of the NLSIU Alumni Association.</p> <p>Mr. Rao has a deep interest in LawTech, having advised/mentored and served on the Board of Directors of two such startups in the last few years.</p> <p>Mr. Rao also participates in and contributes to various law and regulatory reform initiatives of the government, regulators and industry forums.</p>
Other Directorships	<p>1. ICICI Trusteeship Services Limited</p> <p>2. ICICI Prudential Trust Limited</p>
Chairmanship/Membership of Committees in companies in which position of Director is held	ICICI Securities Limited; Audit Committee (Member)
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company as on date	Nil
No. of board meetings attended/entitled to attend during the year	4/4
Terms and conditions of appointment or re-appointment	Appointment as a Non-executive Non-independent Director, liable to retire by rotation.
Details of remuneration last drawn	Not Applicable
Details of remuneration sought to be paid	Nil

5. Mr. Vijay Chandok (DIN: 01545262) – Item Nos. 9 and 10	
Name of the Director	Mr. Vijay Chandok
Age	51 years
Date of first appointment on Board	May 7, 2019
Qualification, experience & nature of expertise	Mr. Vijay Chandok is the Managing Director & Chief Executive Officer of the Company. Prior to joining the Company, Mr. Chandok served as the Executive Director of ICICI Bank Limited ('the Bank'), responsible for the International Banking, Small and Medium Enterprises (SME) businesses, global markets and commercial banking businesses of the Bank. He also served as a Director on the Boards of ICICI Bank UK PLC and ICICI Bank Canada Ltd. Mr. Chandok has been with the ICICI Group since 1993 and has worked across corporate, retail and rural banking. Under Mr. Chandok's leadership, the Bank won numerous accolades. He also served as Vice Chairman of ICICI Home Finance Company Limited from April 13, 2009 to April 8, 2010. Mr. Chandok holds a Master's degree in Management Studies from Narsee Monjee Institute of Management Studies, Mumbai (NMIMS). He also holds a Bachelor's degree in Mechanical Engineering from the Indian Institute of Technology (Banaras Hindu University), Varanasi (formerly IT-BHU). In 2017, Mr. Chandok was conferred with a Distinguished Alumnus Award from NMIMS University.
Other Directorships	None
Chairmanship/Membership of Committees in companies in which position of Director is held	ICICI Securities Limited: Stakeholders Relationship Committee (Member) Corporate Social Responsibility Committee (Member) Risk Management Committee (Member) Investment Committee (Chairman) Commitment Committee (Chairman) IT Risk and Information/Cyber Security Committee (Chairman)
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company as on date	Nil
No. of board meetings attended/entitled to attend during the year	Not Applicable
Terms and conditions of appointment or re-appointment	Item No. 9 - Appointment as a Director. Item No. 10 - Appointment as the Managing Director & CEO of the Company with effect from May 7, 2019 to May 6, 2024. Refer Resolution at Item No. 10 of the Notice for further details.
Details of remuneration last drawn	Not Applicable
Details of remuneration sought to be paid	As set out in the Resolution at Item No. 10 of the Notice.

G. Ms. Shilpa Kumar (DIN: 02404667) – Item No. 11	
Name of the Director	Ms. Shilpa Kumar
Age	52 years
Date of first appointment on Board	March 4, 2014
Qualification & experience	Ms. Shilpa Kumar was the Managing Director & CEO of the Company till May 6, 2019. 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 BSE Limited and National Stock Exchange of India Limited.
Other Directorships	1. ICICI Securities Primary Dealership Limited 2. The Ugar Sugar Works Limited
Chairmanship/Membership of Committees in companies in which position of Director is held	None
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company as on date	200 (As a Nominee of and jointly with ICICI Bank Limited)
No. of board meetings attended/entitled to attend during the year	6/6
Terms and conditions of appointment or re-appointment	Not Applicable
Details of remuneration last drawn	Basic - ₹ 1,26,98,400/- Allowances - ₹ 1,66,12,404/- . Allowances include house rent allowance, running and maintenance expenses of car (including fuel, repairs and maintenance, insurance, driver's salary, etc.), superannuation, leave travel allowance, conveyance, personal pay, medical reimbursement of ₹ 15,000/- per annum. Performance Bonus - ₹ 92,66,959/- . 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 ₹ 1,54,44,931/- was approved by the Board for FY2018 on April 14, 2018. The bonus amount of ₹ 92,66,959/- is the upfront bonus amount (i.e. 60% of ₹ 1,54,44,931/-) for FY2018 which was paid on April 30, 2018. In addition to this above mentioned amount, she was also paid the deferred tranches of bonus approved in the previous year. Contribution to provident fund - ₹ 15,23,808/- Contribution to gratuity fund - ₹ 10,57,777/-
Details of remuneration sought to be paid	Perquisites - Perquisites (evaluated as per Income-tax Rules, wherever applicable and at actual cost to the Company in other cases) like the Company provided car in line with Group benefits policy, one time soft furnishing allowance of upto ₹ 18,00,000/- for a period of five years, telephone and internet usage at residence or reimbursement of expenses in lieu thereof, 1 club membership, group life insurance cover of ₹ 1.25 Crore, personal accident insurance cover of ₹ 4.5 Crore, medical insurance for hospitalization coverage for self and dependents of ₹ 4 Lac per annum and domiciliary medical expenses for self and dependents of ₹ 75,000/- per annum (out of which ₹ 15,000/- was already included in the allowances), leave as per Company policy and children scholarship as per employees children scholarship scheme of the Company and 5% interest subsidy for housing loan for purchase of residential property up to a maximum value of ₹ 8 Crore in Mumbai (lower limits ranging from ₹ 3.5 Crore - ₹ 4.5 Crore for other cities as per the Group policy). Stock Options - 1,22,800 options granted by the Company under ICICI Securities Limited - Employees Stock Option Scheme – 2017 and 2,42,500 options granted by ICICI Bank Limited under ICICI Bank Employees Stock Option Scheme, 2000. As set out in the Resolution at Item No. 11 of the Notice.

7. Mr. Ashvin Parekh (DIN: 06559989) – Item No. 13	
Name of the Director	Mr. Ashvin Parekh
Age	66 years
Date of first appointment on Board	August 25, 2016
Qualification & experience	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.
Other Directorships	1. ICICI Lombard General Insurance Company Limited 2. ICICI Securities Primary Dealership Limited
Chairmanship/Membership of Committees in companies in which position of Director is held	ICICI Securities Limited: Audit Committee (Chairman) Nomination & Remuneration Committee (Chairman) Risk Management Committee (Member) ICICI Lombard General Insurance Company Limited: Audit Committee (Chairman) Board Nomination & Remuneration Committee (Member) Strategy Committee (Member) Risk Management Committee (Member) Policyholders Protection Committee (Chairman) ICICI Securities Primary Dealership Limited: Audit Committee (Chairman) Board Nomination & Remuneration Committee (Member)
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company as on date	Nil
No. of board meetings attended/entitled to attend during the year	6/6
Terms and conditions of appointment or re-appointment	Not Applicable
Details of remuneration last drawn	Profit related commission of ₹ 7,50,000/- per annum in proportion with the tenure of the Director, which is within the limits prescribed under Section 197 of the Companies Act, 2013.
Details of remuneration sought to be paid	Profit related commission of ₹ 10,00,000/- per annum in proportion with the tenure of the Director, which is within the limits prescribed under Section 197 of the Companies Act, 2013.

8. Mr. Subrata Mukherji (DIN: 00057492) – Item No. 13	
Name of the Director	Mr. Subrata Mukherji
Age	66 Years
Date of first appointment on Board	November 29, 2017
Qualification & experience	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.
Other Directorships	None
Chairmanship/Membership Committees in companies in which position of Director is held	ICICI Securities Limited: Audit Committee (Member) Risk Management Committee (Member)
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company as on date	Nil
No. of board meetings attended/entitled to attend during the year	6/6
Terms and conditions of appointment or re-appointment	Not Applicable
Details of remuneration last drawn	Profit related commission of ₹ 2,52,740/- for his tenure as an Independent Director during FY2018, which was within the limits prescribed under Section 197 of the Companies Act, 2013.
Details of remuneration sought to be paid	Profit related commission of ₹ 10,00,000/- per annum which is within the limits prescribed under Section 197 of the Companies Act, 2013.

9. Ms. Vijayalakshmi Iyer (DIN: 05242960) – Item No. 13	
Name of the Director	Ms. Vijayalakshmi Iyer
Age	64 Years
Date of first appointment on Board	November 29, 2017
Qualification & experience	Ms. Vijayalakshmi Iyer is an Independent Director of our Company. She holds post-graduation degree in Commerce and Economics from University of Mumbai, Fellowship of CAIIB of Indian Institute of Banking and Finance. 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.
Other Directorships	<ol style="list-style-type: none"> 1. Aditya Birla Capital Limited 2. Indiabulls Ventures Limited 3. Yes Trustee Limited 4. Aditya Birla ARC Limited 5. BFSI Sector Skill Council of India 6. Religare Enterprises Limited 7. Magma Fincorp Limited 8. Arihant Superstructures Limited 9. L & T Infrastructure Development Projects Limited
Chairmanship/Membership of Committees in companies in which position of Director is held	<p>ICICI Securities Limited: Audit Committee (Member) Stakeholders Relationship Committee (Chairperson) Risk Management Committee (Chairperson)</p> <p>Religare Enterprises Limited: Audit Committee (Chairperson) Nomination and Remuneration Committee (Member) Risk Management Committee (Member)</p> <p>Aditya Birla Capital Limited: Audit Committee (Chairperson) Stakeholders Relationship Committee (Chairperson) Risk Management Committee (Chairperson)</p> <p>Arihant Superstructure Limited: Stakeholders Relationship Committee (Member)</p> <p>Yes Trustee Limited: Audit Committee (Member) Independent Director Committee (Chairperson)</p> <p>Indiabulls Ventures Limited: Audit Committee (Member)</p>
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company as on date	Nil
No. of board meetings attended/entitled to attend during the year	4/6
Terms and conditions of appointment or re-appointment	Not Applicable
Details of remuneration last drawn	Profit related commission of ₹ 2,52,740/- for her tenure as an Independent Director during FY2018, which was within the limits prescribed under Section 197 of the Companies Act, 2013.
Details of remuneration sought to be paid	Profit related commission of ₹ 10,00,000/- per annum which is within the limits prescribed under Section 197 of the Companies Act, 2013.



ICICI SECURITIES LIMITED

CIN: L67120MH1995PLC086241

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

Tel.: 91 22 2288 2460/70; **Fax:** 91 22 2288 2455

Website: www.icicisecurities.com; **E-mail:** investors@icicisecurities.com

ATTENDANCE SLIP

I/We hereby record my/our presence at the Twenty-Fourth Annual General Meeting of ICICI Securities Limited to be held on Friday, August 2, 2019 at 2.30 p.m. (IST) at Rama & Sundri Watumull Auditorium, Kishinchand Chellaram College, Vidyasagar Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai - 400 020.

Name of the Shareholder/Proxy (in Block Letters)	
Shareholder's Folio No./DP ID - Client ID No.	
Signature of the Shareholder/Proxy	

Notes:

1. Please write the Name, Folio No./DP ID-Client ID No. and sign this attendance slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Only Member(s) or their Proxies with the attendance slip will be allowed entry to the Meeting.

Shareholders/Proxy holders are requested to tender their attendance slips (annexed to the Notice), along with a valid identity proof such as the PAN card, passport, AADHAAR card, at the registration counters at the venue of the Meeting and seek registration before entering the Meeting hall.

Only bonafide Shareholders/Proxy holders of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the Meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the Meeting.

3. Members holding shares in physical form are requested to advise the change in their address, if any, to Karvy Fintech Private Limited AT KARVY SELENIUM, TOWER - B, PLOT NO. 31 & 32, FINANCIAL DISTRICT, NANAKRAMGUDA, SERILINGAMPALLY MANDAL, HYDERABAD - 500 032 (UNIT: ICICI SECURITIES LIMITED), quoting their Folio No(s). Members holding shares in electronic form may update such details with their respective Depository Participant(s).
4. Members/Proxies are requested to bring this slip along with them as duplicate slips will not be issued at the venue of the Meeting.
5. Please read carefully the instructions given in the Notice of the Twenty-Fourth Annual General Meeting under the heading 'Voting through electronic means'.



ICICI SECURITIES LIMITED

CIN: L67120MH1995PLC086241

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

Tel.: 91 22 2288 2460/70; **Fax:** 91 22 2288 2455

Website: www.icicisecurities.com; **E-mail:** investors@icicisecurities.com

Form No. MGT-11

PROXY FORM

Twenty-Fourth Annual General Meeting

Friday, August 2, 2019 at 2.30 p.m. (IST)

[Pursuant to section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

CIN : L67120MH1995PLC086241
Name of the Company : ICICI Securities Limited
Registered Office : ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai - 400 020
Tel: 91 22 2288 2460/70; Fax: 91 22 2288 2455

Name of the Member(s):	
Registered address:	
E-mail Id:	
Folio No.:	
DP ID - Client ID No.:	

I/We, being the member(s), holding shares of the above named company, hereby appoint

- Name:
Address:
.....
E-mail Id:
Signature:....., or failing him/her
- Name:
Address:
.....
E-mail Id:
Signature:....., or failing him/her
- Name:
Address:
.....
E-mail Id:
Signature:.....

as my/our Proxy to attend and vote (on poll) for me/us and on my/our behalf at the Twenty-Fourth Annual General Meeting of the Company to be held on Friday, August 2, 2019 at 2.30 p.m. (IST) at Rama & Sundri Watumull Auditorium, Kishinchand Chellaram College, Vidyasagar Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai - 400 020 and at any adjournment thereof in respect of such resolutions as are indicated overleaf.

Sr. No.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1.	To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of the Board of Directors and the Auditors thereon.		
2.	To receive, consider and adopt the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the Report of the Auditors thereon.		
3.	To confirm the payment of interim dividend and declare final dividend on equity shares for the financial year ended March 31, 2019.		
4.	Appointment of Mr. Ajay Saraf (DIN: 00074885), who retires by rotation and being eligible, offers himself for re-appointment.		
5.	Continuation of appointment of B S R & Co. LLP, Chartered Accountants, Statutory Auditors.		
Special Business			
6.	Special Resolution for re-appointment of Mr. Vinod Kumar Dhall (DIN: 02591373) as an Independent Director of the Company.		
7.	Ordinary Resolution for appointment of Mr. Anup Bagchi (DIN: 00105962) as a Non-executive Director of the Company.		
8.	Ordinary Resolution for appointment of Mr. Pramod Rao (DIN: 02218756) as a Non-executive Director of the Company.		
9.	Ordinary Resolution for appointment of Mr. Vijay Chandok (DIN: 01545262) as a Director of the Company.		
10.	Ordinary Resolution for appointment of Mr. Vijay Chandok (DIN: 01545262) as the Managing Director & CEO of the Company and payment of remuneration.		
11.	Ordinary Resolution for revision in remuneration payable to Ms. Shilpa Kumar (DIN: 02404667).		
12.	Ordinary Resolution for revision in remuneration payable to Mr. Ajay Saraf (DIN: 00074885).		
13.	Ordinary Resolution for payment of profit related commission to the Independent Directors of the Company.		

Signed this day of 2019

Signature of Member(s)

Signature of Proxy holder(s)



Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Twenty-Fourth Annual General Meeting.
3. *It is optional to put a '√' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

Map of the venue of the AGM

Venue: Rama & Sundri Watumull Auditorium, Kishinchand Chellaram College, Vidyasagar Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai - 400 020



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FOR YOU

WEALTH TRUST DIGITAL
KNOWLEDGE MONEY
INSIGHTS
TRANSPARENCY PEOPLE

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BASIS OF REPORT PREPARATION

Our approach to adoption of Integrated Reporting

Beginning FY2019, ICICI Securities Limited ('the Company') has commenced its Integrated Reporting <IR> journey in pursuance of the Securities and Exchange Board of India ('SEBI') circular dated February 6, 2017. With this maiden <IR>, we present to stakeholders our integrated value creation process, using six capitals which is broadly based on the principles of International Integrated Reporting Council ('IIRC'). These include financial as well as non-financial forms of capitals viz. Manufactured, Intellectual, Human, Social and Relationship and Natural. We further provide insights into the operating environment, our strategies, material issues, risks and opportunities, engagement with stakeholders and our approach to long-term sustainability.

Reporting principle

The financial and statutory data presented in this Report is in line with the requirements of the Companies Act, 2013 (including the Rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards. The non-financial section of the Report is guided by the framework of the International Integrated Reporting Council (IIRC) and the Securities and Exchange Board of India.

Scope and boundary

The Report discloses financial and non-financial performance of ICICI Securities' operations across India for the period April 1, 2018 to March 31, 2019. It covers significant material events up to the Board Meeting held for approving the financial statements as on March 31, 2019 i.e. April 23, 2019. We have provided comparative figures of past years, wherever necessary, to present a holistic view of our performance and also capture our long-term value creation process.

Approach to materiality

The Report covers the business and associated activities of the Company that assist in value creation, besides identifying imminent issues and their possible impact on the operations. This will assist investors and other interested stakeholders in making informed decisions regarding their engagement with the Company.

Efforts for preparation of the Report

The Management has put in collective efforts for the preparation, presentation and validation of information of this <IR>. It is believed that this report provides a fair and balanced view of the Company's performance and prospects and that it is creating sustainable value and prosperity for the stakeholders.

Forward-looking statement

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

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



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

THE BUSINESS STRATEGY, AT ICICI SECURITIES, IS STRUCTURED AROUND YOU.

FROM OUR PRODUCTS AND SOLUTIONS, TO OUR DELIVERY SYSTEMS AND PROCESSES, THERE IS A 'YOU' AT THE HEART OF ALL THAT WE DO.

YOU are the face of emerging India in whose dreams we see the realisation of our goals.

YOU are also the **Affluent, Premium-seeking Indians**, who are nurturing their dreams beyond borders.

FOR YOU, is our expression of gratitude towards our **Partners and Associates** who have been instrumental in our journey. We work well because we work together and we are proud of our association.

To **our People**, while we provide you with a challenging and rewarding work environment, we thank **YOU** for being part of this exciting journey.

FOR YOU, dear **Investor**, your sustained confidence in our credentials continues to inspire us towards achieving long-term value creation.

We are inspired by the **Regulators** and **Social communities** to remain at the cutting edge of disclosures, adopting best practices, and social responsibility to be a model corporate citizen.

WE, AT ICICI SECURITIES, FIRMLY BELIEVE THAT OUR GOOD LIES IN DOING WHAT'S BEST **FOR YOU**.

Message from the Chairman



6.8%
India's GDP growth in FY2019

Dear Shareholders,

Global economic growth in FY2019 was powered by emerging markets as the large advanced economies witnessed subdued economic activity. Fiscal stimuli helped the US economy expand as tax cuts and spending hikes gave a fillip to demand, somewhat negating the effect of the increasingly protectionist rhetoric on trade. Slower export growth as well as political and industrial uncertainties impacted growth in the Euro region. Asia and the Pacific region continued to stay ahead of the curve as among the world's fastest growing regions.

The Indian economy faced headwinds in the form of declining growth of private consumption, tepid increase in fixed investment and muted exports. On the brighter side, inflation was under check in FY2019, mainly driven by lower food prices, and comfortable Current Account Deficit position. India's GDP expanded by 6.8% in FY2019. Recovery of investment and consumption, a favourable monetary policy, and fiscal policy impetus are expected to aid growth in the coming years, with IMF World Economic Outlook report projecting India's growth at 7.3% in CY2019 and 7.5% in CY2020.

The Indian equity capital market was muted in FY2019 due to various reasons like FPI outflow for much of the

year, continued pressure on mid-caps, drying out of fresh public issuances in the second half of the year, and the NBFC liquidity crisis. However, despite the regulatory changes implemented during the year, Mutual Funds continued to benefit from the growing investor interest in this financial savings instrument, and closed the year with 11.41% rise in total Assets under Management ('AUM').

Your Company plays a key role in meeting life cycle needs of individuals as well as corporates. We are a bridge between those seeking capital (corporates, government etc.) and those having capital to deploy (retail, HNIs, FIs etc.).

India offers tremendous opportunity as we are in the midst of a structural shift under which household savings are shifting from physical assets like gold and property to financial assets like bank FDs, MFs and direct equity. There is a growing realisation that equity exposure - direct or managed - is essential for long-term wealth creation.

As a one stop financial supermarket, your Company serves the entire life cycle needs of an individual by meeting their savings & investment as well as protection needs. Our award-winning trading platform icidirect.com follows an

open architecture model for investment products, backed by research, thereby helping customers make informed investment choices.

With growing GDP, there are increased institutional activities as companies either raise capital or merge or demerge businesses. This bodes well for our Corporate Finance business, as we have over the years, built a strong franchise and enjoy deep relationship with both, buy side as well as sell side stakeholders.

As a consumer-centric organisation, while we are proud of our legacy; we do not rest on our laurels. We continue to invest in people, processes, and technology towards greater stakeholder value creation. Going forward, digitisation is our clear focus area as we reorient our entire delivery strategy to make it more customer centric and seamless. Your Company is evaluating deployment of cutting edge initiatives like artificial intelligence, advanced analytics and machine learning to constantly improve customer experience.

On the CSR and sustainability side, we actively work with the communities to promote financial literacy, entrepreneurship, and skill development. We constantly evaluate our programmes to improve their efficacy in delivering a better impact to the society.

I would like to take this opportunity to thank all of you - and our customers, partners, associates, employees, communities, and the regulators - for your continued support and trust in our long-term story as we complete one year of being a publicly listed Company and continue forward on this exciting path. Let me take this opportunity to also welcome Vijay Chandok as the new Managing Director & CEO of the Company, and wish him the best in his new journey.

With best wishes,

Vinod Kumar Dhall
Chairman



MUTUAL FUNDS CONTINUED TO BENEFIT FROM THE GROWING INVESTOR INTEREST IN THIS FINANCIAL SAVINGS INSTRUMENT, AND CLOSED THE YEAR WITH 11.41% RISE IN TOTAL ASSETS UNDER MANAGEMENT ('AUM')

Message from the Managing Director & Chief Executive Officer



4.4 MILLION
No. of operational accounts

Dear Shareholders,

Welcome to our Annual Report for FY2019. It marks our first step towards Integrated Reporting <IR>, focussed on sustainable long-term value creation for all stakeholders using multiple capitals. With this, we have broadened the scope of our reporting by examining how non-financial factors like people skills, relationships, environment and others can affect the process of value-creation, which remains the core of our business. This report, which is in line with the International Integrated Reporting Council (IIRC) framework, reflects our commitment to disclose beyond the statutory requirement by being more open and transparent in our reporting.

FY2019 followed a strong base year for equities witnessed in FY2018. We saw competitive forces intensify and several regulatory changes like restrictions on saving of Aadhaar data and disallowing payment of upfront MF commission to distributors come into effect. These impacted our client acquisition pace and distribution revenue respectively. During the year, delivery-based trade saw narrow participation and there was a general risk aversion to mid and small cap stocks. Primary market activities, qualified institutional transactions, and private equity deals were also muted during the year.

Financial and Operational Highlights

In spite of headwinds and against an outlier base year in FY2018, your Company reported its second-best year in terms of financial performance.

Our consolidated revenue declined 7% over FY2018 to ₹ 17,270 million in FY2019, while consolidated PAT was lower by 11% to ₹ 4,907 million. However, our asset-light model continued to help maintain a strong Return on Equity - at 52%, enabling us to declare a dividend of ₹ 9.4 per equity share for FY2019, with payout ratio of ~62% of net profit.

Our strong customer acquisition strategy, with growth in our active client base, powered our performance during FY2019, which saw an addition of 4.5 lakh new clients, taking our operational accounts to 4.4 million. The overall active clients increased by 3% to 1.3 million in FY2019 over FY2018, while NSE active clients grew 6% to 0.8 million in FY2019.

With a clearly-defined strategic framework steering our business operations, we enjoyed higher than market growth in our overall average MF AUM during the year. We have expanded our MF revenue market share to 4%

in FY2019 as against 3.7% in FY2018. Your Company is India's second-largest non-bank MF distributor by revenue, with a strong offline presence through a network of ~200 ICICIdirect branches in 75+ cities, a nationwide network of 7,100+ sub-brokers, authorised persons, IFAs & IAs, and presence in 3,750+ ICICI Bank branches.

Strategic Initiatives

We continued to invest in strategic initiatives to set the pace for long-term sustainable growth. Aligned with our focus on the lifecycle approach, and on increasing customer acquisition and engagement these initiatives were aimed at providing customers with bigger and better product choice, better pricing proposition and personalised offering.

During the year, we launched an innovative product for our retail customers to address their immediate liquidity requirement. Titled e-ATM, this revolutionary new product allows customers to receive payout into their linked bank account within 30 minutes of their trade, which otherwise takes over two days. This facility comes at no additional cost and has a daily limit of ₹ 50,000.

Strengthening our focus on balancing pricing with value proposition, we have introduced a new prepaid plan, titled Prime Brokerage plans, to increase customer participation. For our Private Wealth clients, we have launched an offering called Direct2U, under the Investment Advisory Services, which besides allowing them to invest in direct MF schemes for a fee, also provides process-based risk assessment, defined asset allocation strategies and active investment advisory.

We have launched our proprietary Portfolio Management Services (PMS) product for the HNI clients, which besides adding a new revenue stream to your Company, has also marked our entry into the financial products manufacturing space. During the year, we completed our insurance suite of products by adding health insurance to the existing portfolio of life and general insurance by tying up with two new principals on our platform. With this, we now have complete end-to-end coverage of Investment as well as Protection products on ICICIdirect.

Your Company has relaunched its digitised customer acquisition process – T20 - under which a customer

can be on-boarded in 20 minutes and begin trading immediately after that. Our recently launched revenue-sharing arrangement with ICICI Bank has been crafted to boost our customer acquisition efforts, both quantitatively and qualitatively.

Outlook

Digital agility, we believe, is a critical engine of our consumer-centric, future-led growth strategy. We have launched a collaboration window with Fintechs for quicker development and deployment of innovative digital tools to aid productivity, efficiency, and insight. We are embarking on an exciting journey in which cutting edge digital initiatives will play an active role in your Company's growth.

We aim to monetise various avenues of our customer segments by providing them customised products and solutions. We remain committed to powering our business strategy in tandem with the transforming financial savings platform, and shall continue to strengthen our value proposition across our business segments through enhanced people and process efficiency, coupled with digitalisation as well as product innovation and diversification.

We plan to focus our sustainability energies on enhancing financial literacy and skill development, particularly those leading to entrepreneurship. We will continue to make investments towards enhancing customer insight and experience. This approach is aligned with our philosophy of being a responsible corporate, centred on inclusive value creation.

In closing, I would like to thank all of you – investors, customers, partners, associates, regulators, employees, and all other stakeholders for your continued support and trust. We remain committed to sustain this trust through determined and dedicated efforts to create greater value for you.

Yours sincerely,

Vijay Chandok
Managing Director & Chief Executive Officer

An Entity Designed For YOU

A leading technology-led and knowledge-driven financial securities firm headquartered in Mumbai (India), ICICI Securities Limited is an organisation rooted in strong values and ethos of transparency, backed by robust corporate governance practices.



Part of the ICICI Group, one of India's largest financial conglomerates, and promoted by ICICI Bank Limited, the Company has offices in India, the United States and Singapore.

With 'YOU', our stakeholders, at the centre of our business philosophy, we have developed a strong consumer-centric business model. This model is driven by the goal of 'Creating Informed Access to the Wealth of the Nation' for our retail and institutional clients, including corporates, Financial Institutions, High Net-worth Individuals and retail investors.



LEADING

Equity broker in India*,
powered by ICICIdirect



STRONG

Online presence aided by
pan-India distribution



2ND LARGEST

Non-bank mutual fund distributor**



LEADING

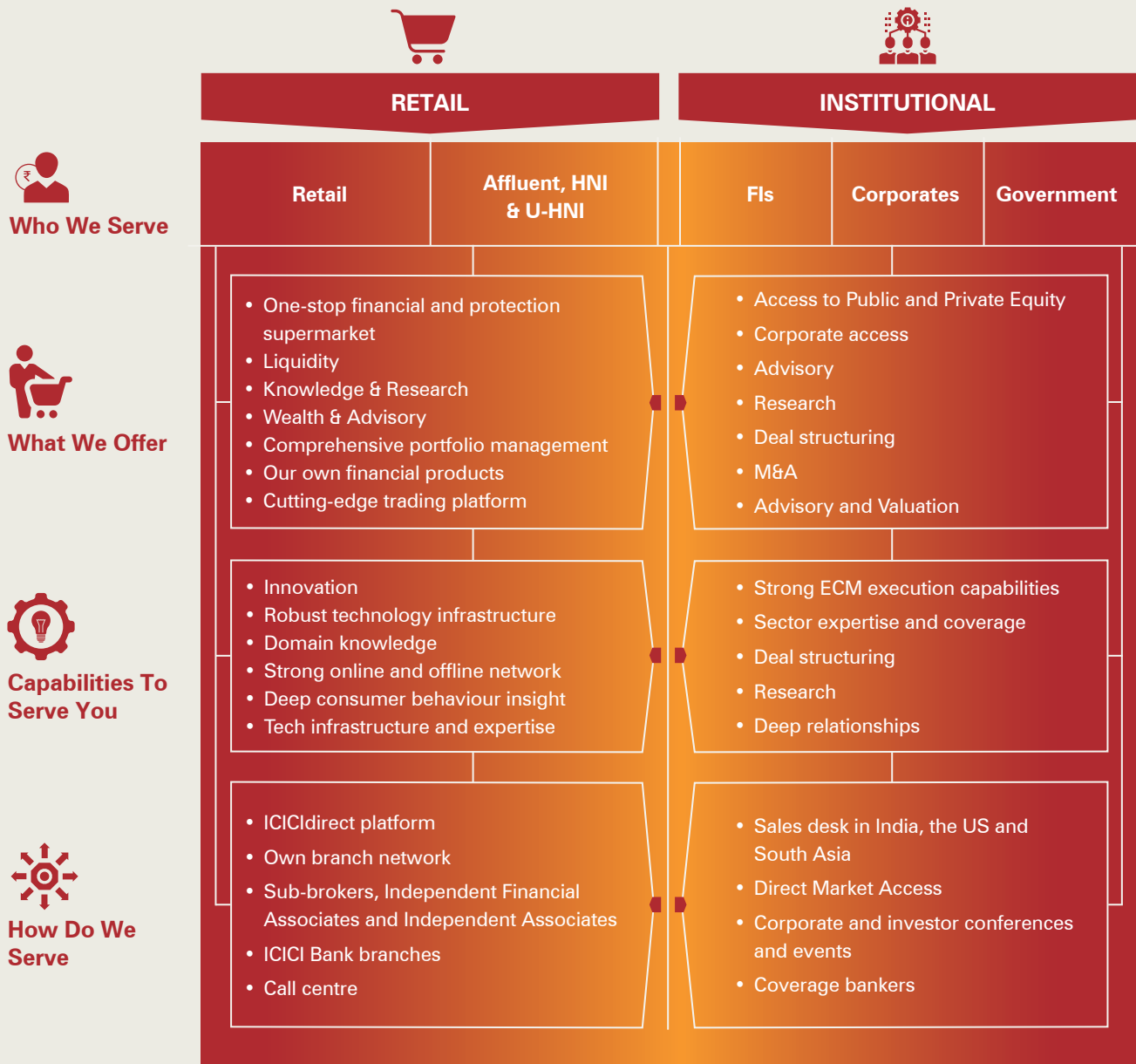
Investment bank in equity capital
market***

Our bouquet of financial services, designed to create and deliver value to the complete spectrum of our stakeholders, spans brokerage, financial product distribution and investment banking, besides private wealth management.



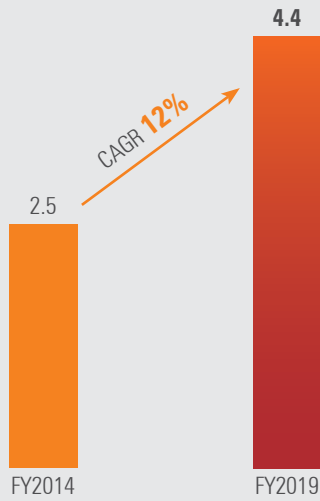
*By brokerage revenue; ** AMFI (in terms of revenue), FY2019 ***Equity Capital Market (ECM): IPO/FPO/InvIT/REIT, QIP/IPP; Rights issue, Offer for sale

Business Structure

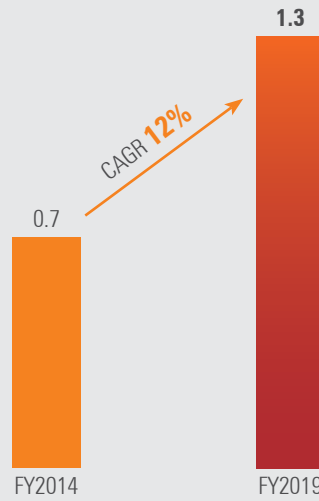


ICICI Securities has Built an Enviably Franchise

Customer



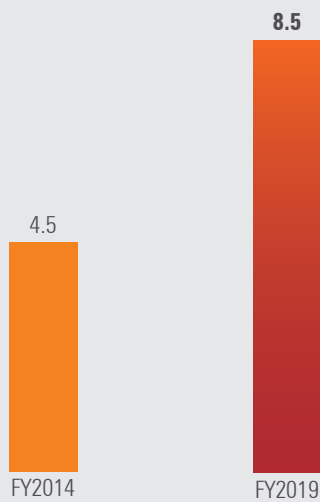
Operational Accounts (in million)



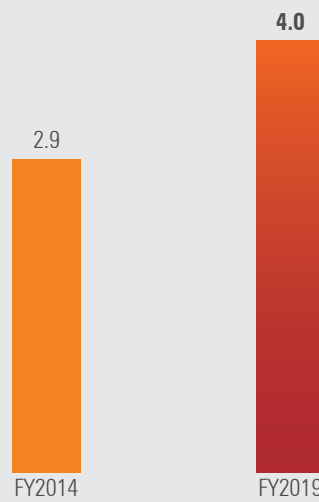
Active Clients (in million)

65%+

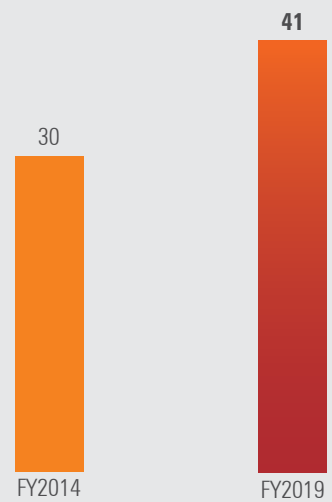
Revenue from customers who have been with us for over five years



Broking Market Share (%)

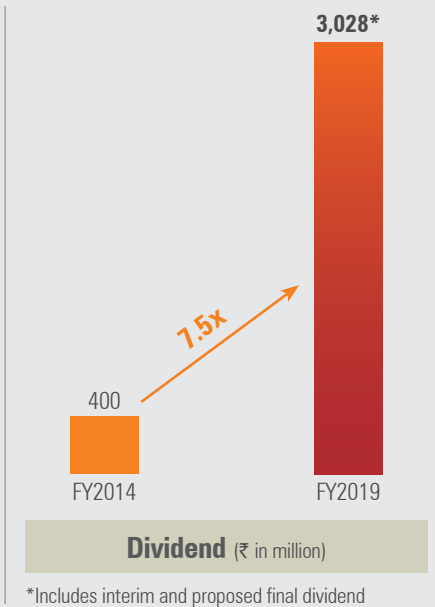
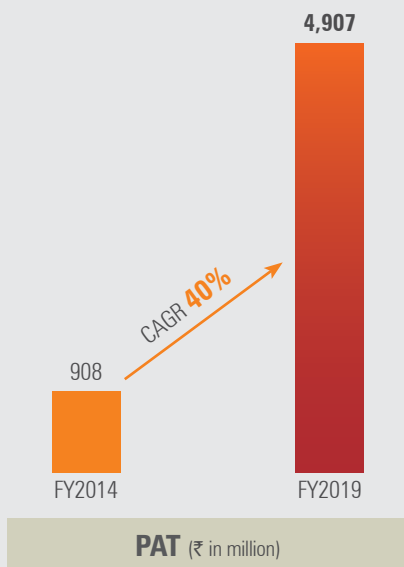
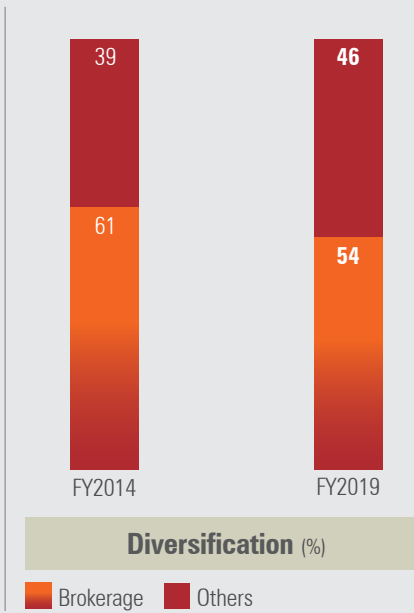
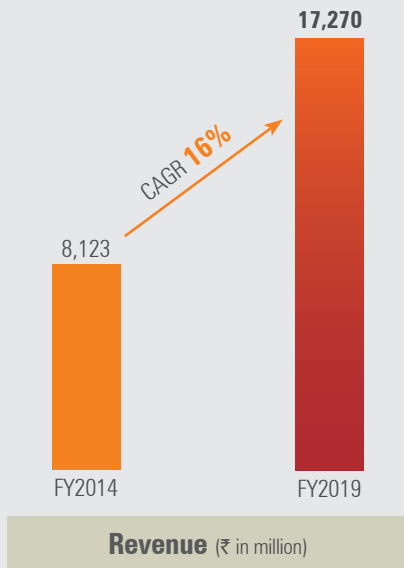


MF Revenue Market Share (%)



ECM Market Share (%)

Robust Financial Performance



RoE for FY2019

52%

High dividend payout ratio
in FY2019

62%

Our Approach to Value Creation For YOU

Value creation, sustenance and distribution is central to our business mantra, which is structured around the needs of each of our stakeholder groups. We ensure this through a virtuous cycle of six interlinking capitals, and are focussed on creating continuous value across each of them.



Financial capital

Our financial capital represents the pool of funds available and employed in the business to support operations and generate surplus from it. This enables us to maximise stakeholders' value and strengthen balance sheet.




Manufactured capital

Our ICICIdirect platform, branches, physical and technological infrastructure and the customer support centres which we use to serve customers constitute our manufactured capital. We are continuously investing in our technological capabilities to reach out more effectively to our customers, serve them better and ensure higher operational efficiency by reducing dependence on our branches.



Intellectual capital

Our intellectual capital represents the capital market knowledge, research capabilities and technical expertise in the areas of stock broking, investment management, customer advisory and servicing. Our focus on this capital helps drive wealth creation for our customers and gain their trust – an imperative for securing competitive advantage in the industry.



Human capital

Motivated and committed employees, who enable us to run our business efficiently and drive business growth, constitute our human capital. We make regular investments in their welfare, engagement, skilling, health and safety to ensure sustained outcome.



Social and relationship capital

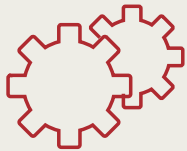
Our 4.4 million clients are the bedrock of our business. We value the longevity of our relationship as over 65% of our revenues come from clients who have been with us for over 5 years. Our social capital is underlined by our community engagements. The relationship capital represents our long-term relationships across the value chain, including the institutional and corporate clients, regulators, financial products' principals, partners, sub-brokers, IFAs, IAs and ICICI Bank. Cognisant of their critical role in our business, we engage with our stakeholders to meet their needs and enhance satisfaction levels.



Natural capital

Natural capital comprises the natural resources on which our operations are dependent, such as land and water. Our intent is to minimise their usage and make our business more sustainable.

HOW WE CREATE VALUE



- Principal activities and revenue streams
- Delivering on customers' expectations
- Commitment to capital efficiency
- Investment in digitisation, emerging technologies like artificial intelligence, robotics and machine learning

HOW WE DELIVER VALUE



- Knowledge-driven approach to wealth creation
- Technology-enabled delivery platform
- Engaging customers with unmatched value proposition
- Motivated and engaged employees with long-term career prospect
- Consistent financial performance through asset-light strategy for long-term wealth creation
- Responsible use of natural resources
- Partnering best-in-class principals, partners and associates to deliver superior value to customers
- Impacting lives of communities through CSR
- Leveraging the strength of ICICI Bank and network

HOW WE SUSTAIN VALUE



- Vision, Mission
- Governance framework and policies
- Prudent risk management and opportunities
- Sustainability, Business Responsibility and Corporate Social Responsibility
- Attracting and retaining right talent, building their capability, creating an enabling environment
- Stakeholder engagement

Ensuring a Sustainable Business Model For YOU

Inputs	
MULTIPLE CAPITALS / KPIs	FY2019
FINANCIAL CAPITAL¹	
Total equity	₹ 10,473 Mn
Outstanding debt securities	₹ 4,473 Mn
MANUFACTURED CAPITAL¹	
Capex on technology infrastructure	₹ 381 Mn
Capex on other infrastructure	₹ 229 Mn
No. of Call centre facilities	2
- No. of call centre executives (Monthly average)	121
INTELLECTUAL CAPITAL¹	
Specialised Resources	
- Research analysts	
Retail broking research team	45
Institutional broking research team	37
- Investment banking team	
	70
Mutual Funds schemes available for distribution*	2,400+
HUMAN CAPITAL¹	
Functional diversity	
Top Management	2
Business Groups	3,631
Support Function	418
Gender & Demographic diversity	
Male	77%
Female	23%
Age groupwise bifurcation	
Below 30	52%
30-45	46%
Above 45	2%
SOCIAL AND RELATIONSHIP CAPITAL	
Social Capital²	
Spent on CSR initiatives	
	₹ 118 Mn
Directly	₹ 29 Mn
ICICI Foundation for Inclusive Growth	₹ 89 Mn
CSR Focus areas	
(a) Educational Initiative	
- Providing financial literacy and basic financial planning	190 sessions in 50+ cities
- Making people aware about the importance of drafting a Will and busting myths around it	28 million people covered through digital platforms
(b) Women Empowerment and skill development initiative (Training women to become financial advisors)	
	Around 10 locations
Relationship Capital¹	
Retail Client base	4.4 Mn
Active clients	1.3 Mn
Sub-brokers, Authorised persons, IFAs and IAs	7,100+
No. of new courses started by ICICI Securities Centre for Financial Learning (ICFL)	8

Note: ¹ As on March 31, 2019 ² For FY2019
 * does not cover direct schemes

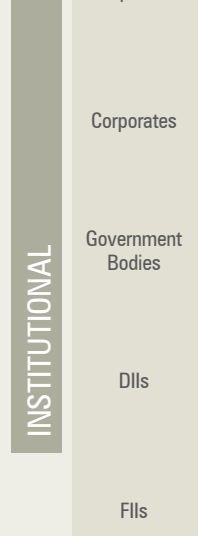
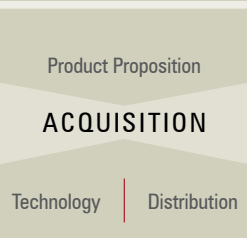
Business Model showing Principal Activities



GOVERNANCE



KEY ASPECTS



SUPPORT FUNCTIONS

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

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

 Trust
 Customer Insights & Advanced Analytics

ENGAGEMENT

 Research
 Advisory & Deal Mentorship

Post-IPO

Corporate Access

 Long-lasting Relationship

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

Equity Franchise of the ICICI Group

Outcome

No. of Customers added

FY2019
0.45 Mn

Average daily turnover

FY2019
₹ 533 Bn

Broking market share

FY2019
8.5 %

Mutual Fund Revenue market share

FY2019
4.0 %

Mutual Fund average Asset Under Management

FY2019
₹ 347 Bn

SIP triggered as on last month of period

FY2019
0.67 Mn

Investment Banking deals

FY2019
34

Outputs

FY2019

FINANCIAL CAPITAL

Revenue	
Retail Brokerage	₹ 8,154 Mn
Institutional Broking	₹ 1,174 Mn
Distribution	₹ 4,635 Mn
Corporate Finance	₹ 991 Mn
PAT	₹ 4,907 Mn
EPS	₹ 15.23/share
Dividend ¹	₹ 9.40/share
RoE	52%
Cost to Income ratio	56%
Dividend Payout Ratio	62%
Credit Rating	CRISIL & ICRA - Short Term: A1+ CRISIL & ICRA - Long Term: AAA/Stable

MANUFACTURED CAPITAL

Branches	199
Cities	75+
ICICI Bank branches presence	3,750+
Peak orders processed	2.1 Mn+ Trades
Response time during peak transaction	24 ms

INTELLECTUAL CAPITAL

New products and product enhancements during the year	10
Retail broking research coverage	240
Institutional broking research coverage	249
Number of retail investor education calls held	75+
Total number of customers attending the calls	0.3 Mn

HUMAN CAPITAL

Revenue generated per employee	₹ 4.3 Mn
--------------------------------	----------

SOCIAL AND RELATIONSHIP CAPITAL

Social Capital

Mission Samruddhi : Promoting financial literacy	~26,000 defence and police forces personnel reached
Mission Siddhika : Skill development	500+ women have cleared NISM's Series V-A Mutual Fund Distributor Exam
Will awareness related CSR "iCaniWill"	2 lakh+ visits on our Will related informative website

Relationship Capital

No. of enrolments to training programmes	19,358
Percentage of complaints to total transactions	0.02%
Contribution to the Exchequer	₹ 5,498 Mn

NATURAL CAPITAL

Mutual fund transactions performed online	92%+
Equity transactions performed online	95%+
Digital contract notes	96%+
Paper consumption reduction (YoY)	17%+
Solar power generated	36,000 units

Note: ¹ Equity dividend : FY2019 includes interim dividend and proposed final dividend

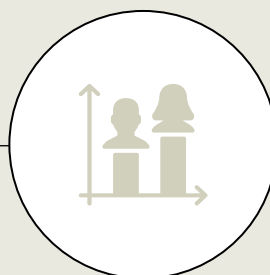
Drivers of Our Strategy

MACRO DRIVERS



Demographics

More savers, Young savers, Bharat savers



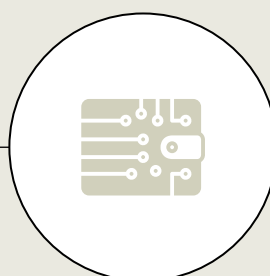
Socio-economic changes

Long-term orientation:
Life cycle mindset
Stable Inflation:
Diversified asset choices



Affluence

Rising affluence:
Return and cost focussed
Knowledgeable:
Research and information



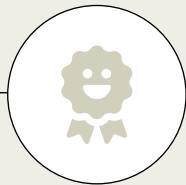
Digitisation

Adoption, Infrastructure,
Speed/Pace of change

BUSINESS DRIVERS



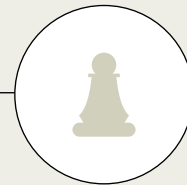
Leading equity broker in India (ICICIdirect.com)



Higher customer satisfaction led by superior experiences through product and technology innovation



Online presence supported by pan-India distribution



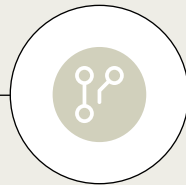
Strategic component of ICICI ecosystem



Leading investment banker in equity market

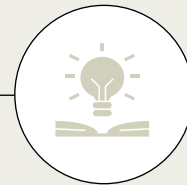


Team of experts



Digital-edge

- Implemented digital solutions across various business levels for efficiency right from acquisition to delivery and reducing operational costs
- Analytics to understand customer preferences, design new products and cross-sell



Knowledge-edge

- Deep understanding of financial needs of the nation due to decades of experience and dealings with customers across profiles, products and services
- Research team covering macro-economy and diverse sectors
- 1,200+ relationship managers and product specialists

Strategy for a Sustainable Future

With the customer central to our strategic charter, we have aligned our business model to the transforming aspirations and needs of the customer, focussing on the twin strategy of customer acquisition and engagement. Digital openness has emerged as a key propeller of this strategy, which we continued to power with a series of initiatives during FY2019.

Guiding Principle

Customer Lifecycle and Trust



Customer acquisition

Increase reach

- Increasing bank branch coverage
- Integrating with bank for tab-based account opening
- Digital integration

Brand and digital pull

- Invest in brand
- Create digital pull and delivery using e-infrastructure

Focussing on Bharat

- Delivery through select bank branches
- Greater focus on business partner channel

Affluence

- Targeted geographical presence of wealth and premier locations
- Reaching NRI customers online and offline



Customer engagement

Product choice

- Complete suite across market verticals by enhancing current range and introducing more choice
- Provide advisory-based solution for Ultra HNIs

Price

- Ensure balance pricing with value proposition
- Make tangible liquidity/brokerage benefit by offering alternate products and features

Personalisation

- Ensure personalised user experience
- Personalised offerings
- Managing wealth holistically including tax and portfolio management

Loyalty

- Have reward programme to strengthen relationship with loyal customer base



Digital openness

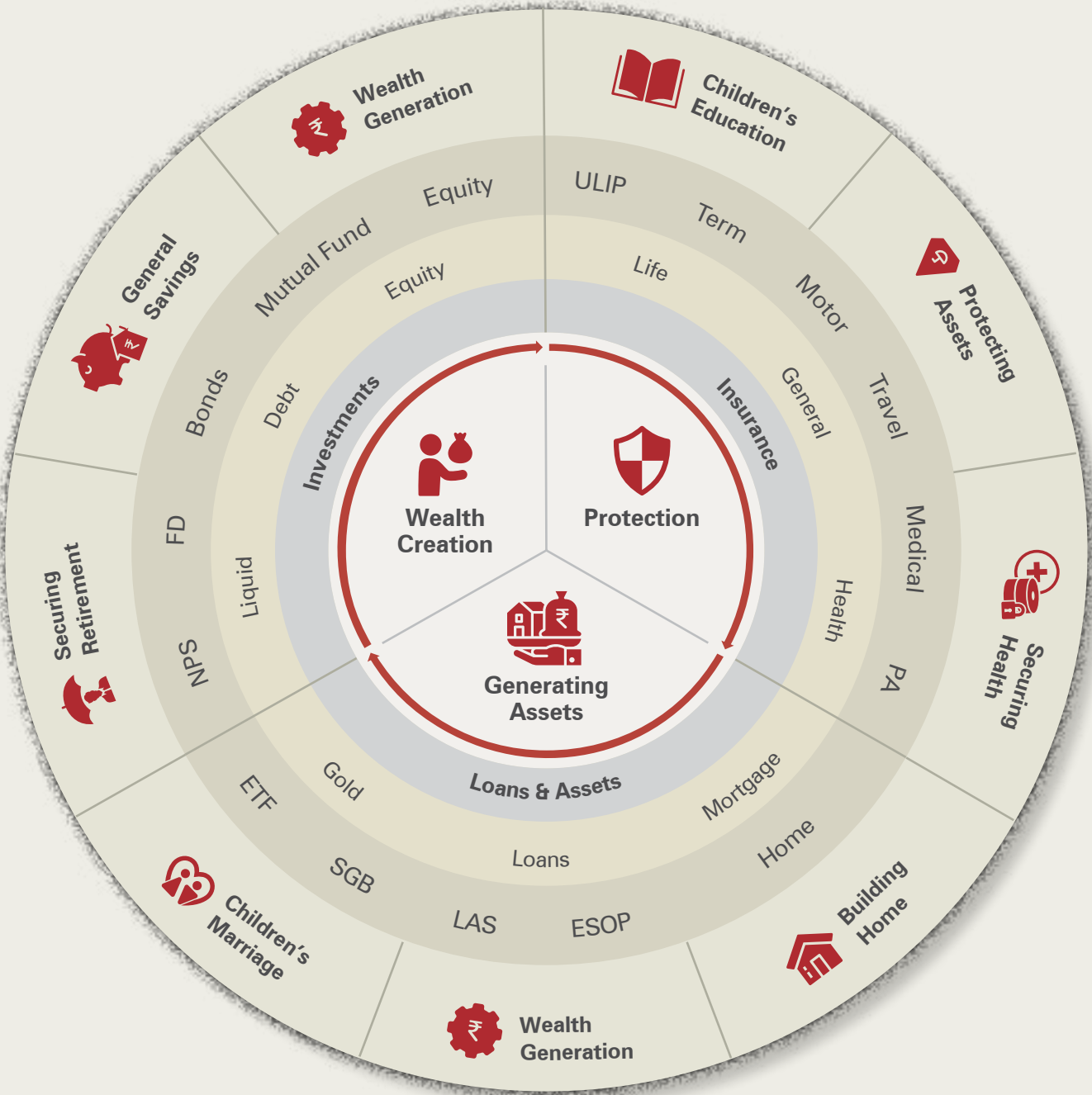
Ensuring technology readiness

- Building fintech partnership for future development by undertaking research on fintech strategies and collaboration programmes of brokerage and wealth management firms across the globe
- Undertake seamless API-based integration with partner system

Automation through the ecosystem

- Leveraging multiple payment methods (UPI) for mutual fund investment and IPO ASBA
- Automation of process across client acquisition and engagement, mid/front office and employee outlook

Comprehensive Offerings








SGB - Sovereign Gold Bonds
 ETF - Exchange Traded Funds
 NPS - National Pension Scheme
 FD - Fixed Deposit
 ULIP - Unit-linked Insurance Plan
 PA - Personal Accident
 ESOP - Employee Stock Option Scheme
 LAS - Loan Against Security

The 'YOU' at the Centre of Our Business

At ICICI Securities, 'YOU' represents all our stakeholders with whom we are deeply connected and whose lives we touch with our business. Our ability to deliver value is dependent on these relationships, and the contributions and activities of our stakeholders. We are, thus, continuously engaged in fulfilling the needs and expectations of our stakeholders to ensure mutual and collective progress and value creation.

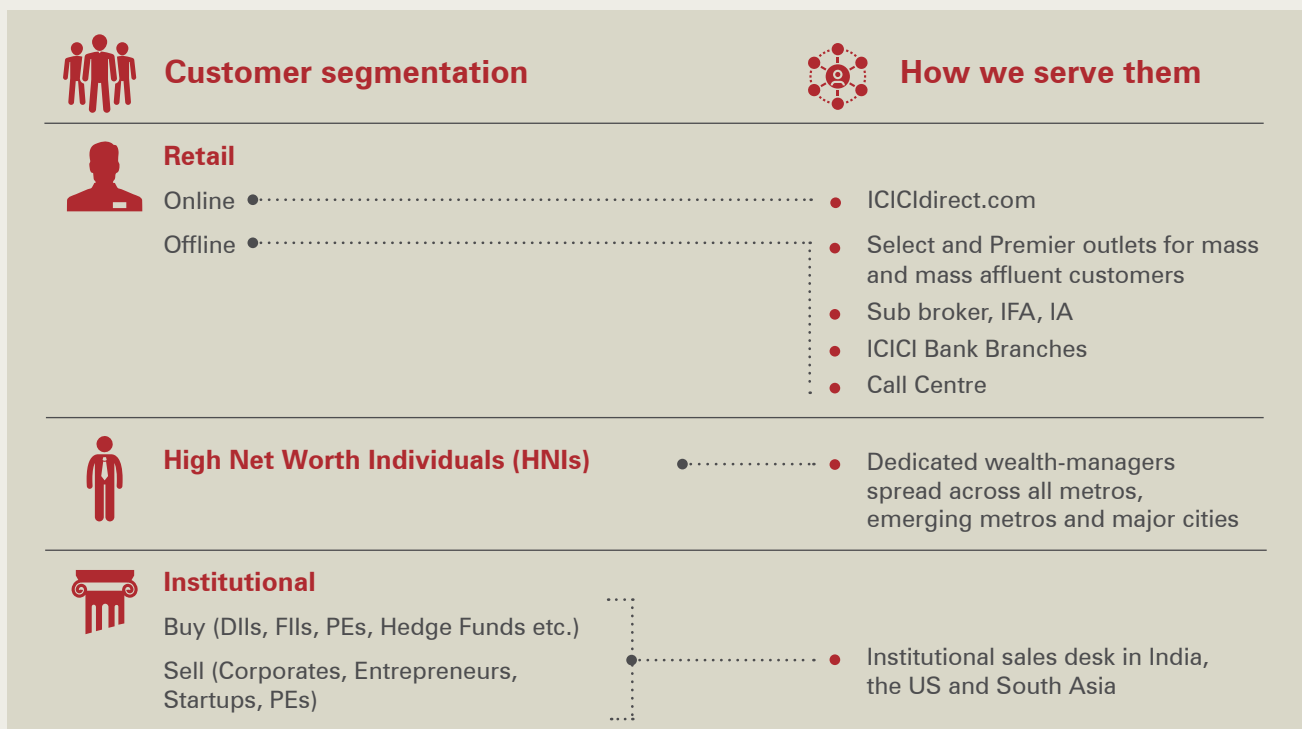
How we engage and create value for stakeholders

Stakeholder	Their needs and expectations	Engaging with them	Creating value for them
 Shareholders and Investors	<ul style="list-style-type: none"> • Clear and consistent business strategy • Strong governance, ethics and transparency • Long-term business value • Constant communication on business and environment • Regular disclosures • Effective and efficient management of regulatory changes 	<ul style="list-style-type: none"> • Quarterly results • Investor presentations • Annual Report • Annual General Meeting • Investor/analysts calls and meet • Media releases 	<ul style="list-style-type: none"> • Maintaining a robust balance sheet position • Working towards increasing net asset value, profitability, dividends and stock price
 Regulators	<ul style="list-style-type: none"> • Statutory and legal compliance 	<ul style="list-style-type: none"> • Meetings • Written communications • Presentations • Business associations 	<ul style="list-style-type: none"> • Embracing regulatory compliances for a thriving society and sustainable capital market practices for stable markets • Contributing meaningfully to exchequer through taxes
 Communities	<ul style="list-style-type: none"> • Sustainable engagement • Self and community welfare 	<ul style="list-style-type: none"> • Direct CSR interventions • Awareness workshops and campaigns • Project-specific partnership with recognised NGOs 	<ul style="list-style-type: none"> • Financial contribution • Positively transforming economies and society through our business activities
 Business Partners and Vendors	<ul style="list-style-type: none"> • Partnership/relationship • Quick and efficient reimbursement and response to queries • Product and value proposition • Training and technology support • Smooth empanelment process • Transparent grievance redressal system 	<ul style="list-style-type: none"> • Channel partner meets, workshops, conferences and forums • One-to-one meetings • Telephonic and email communication • Channel partner management portal and app 	<ul style="list-style-type: none"> • Regular business • Opportunity to grow and upsell • Appreciation and recognition
 Employees	<ul style="list-style-type: none"> • Career development and advancement opportunities • Enabling infrastructure • Empowering, enabling and diverse environment • Competitive remuneration, transparent performance review and feedback process 	<ul style="list-style-type: none"> • Senior leaders' communication/ talk • Town hall briefings • Performance updates • Workshops, learning and training interventions • Employee engagement and wellness initiatives • Off-sites 	<ul style="list-style-type: none"> • Training and mentoring • Developing them to embrace technologies • Grievance redressal system • Motivation and engagement activities • Awards and recognition

Stakeholder	Their needs and expectations	Engaging with them	Creating value for them
 Principals	<ul style="list-style-type: none"> Adherence to sales guidelines Product trained executives 	<ul style="list-style-type: none"> Regular meets Joint webinars Regular product training 	<ul style="list-style-type: none"> Access to our client base Seamless integration with their system
 Media	<ul style="list-style-type: none"> Regular company updates Industry knowledge and information 	<ul style="list-style-type: none"> Press conferences and media meets Analyst quotes and interviews 	<ul style="list-style-type: none"> Providing analysts reports and viewpoint

Stakeholder	Their needs and expectations	Engaging with them	Creating value for them
 Customer	<ul style="list-style-type: none"> Ease of transaction – online or offline Hassle-free settlement Information edge and process simplicity Customer service and experience Competitive prices Access to regulators, corporates, FIs, domestic and global capital markets Counsel 	<ul style="list-style-type: none"> Multiple distribution channels Regular engagement across product life cycle through email, SMS, app, calls, postal communication and call centre Toll free number, customer relationship management platform with trained managers Sales, service and claims processes on digital platform Special engagement services for senior citizens and women Customer satisfaction measurement Road shows/reverse road shows Industry-specific investor meets Dedicated RMs 	<ul style="list-style-type: none"> Facilitating transactions for wealth creation Safeguarding investments and wealth Driving innovative solutions for convenience and client-specific needs Enabling financial inclusion Facilitating financial literacy

Having a dedicated customer segmentation strategy to serve them



Making a Difference to You, Our Customers

Today's customers seek a value proposition that goes beyond financial products. Led by evolving aspirational needs, they are looking for a universal experience spanning a balanced mix of information and knowledge on the one hand, and seamless engagement on the other.



Putting customers first and foremost, we are focussed on enhancing their experience at every stage. Customer empowerment is a vital engine of this strategy. We remain committed to imbuing them with knowledge and technical prowess to facilitate their financial journey and serve their needs, by helping them with appropriate solutions through their lifecycle.

Our offerings encompass a wide range of products and solutions, catering to our growing retail and institutional clientele, both domestic and foreign, through offline and online channels.

Lifecycle offerings to engage with YOU

Our product portfolio is designed to meet the varied, and often multiple, needs of our diverse customers.



During FY2019, we expanded our product portfolio through foray into manufacturing of PMS and strengthening of our innovative product offerings. We completed the insurance portfolio with entry into the Health Insurance stream through tie-ups with Religare Health Insurance Company Limited and Star Health and Allied Insurance Company Limited. We have enhanced choice by introducing advisory-based solutions for Ultra High Net-worth Individuals (UHNIs).



Retail offerings

In the retail segment, we cater to the financial needs of the self-employed segment of Bharat, as well as the premium-seeking NRIs (HNIs/UHNIs) across the world. Our customised offerings span a large financial spectrum, finding resonance with the growing customer need for more value for money, coupled with the ability to make informed decisions.



Products and services in equities, derivatives and research



Third-party products - mutual funds, insurance products, fixed deposits, loans, tax services, pension products



Advisory services - financial planning, equity portfolio advisory, access to alternate investments, retirement planning, estate planning

Institutional offerings

We have a presence amongst both, domestic and institutional investors, with a growing focus on attracting FIs. We have dedicated sales teams to service unique needs of the large cross-section of institutional clients with whom we are empanelled.

Our offerings for domestic and foreign institutional investors include brokerage services, corporate access and equity research.

Scaling customer strategy

Our customer-centric strategy, pillared on continuous enhancement in acquisition and engagement, witnessed addition of scale during FY2019, on the back of various initiatives.

Scaling customer acquisition – The partnership route

With the strategic aim of increasing reach by strengthening our partnership with ICICI Bank Limited, we have entered into a revenue-sharing arrangement, similar to a business partner channel agreement. This move will help us augment customer acquisition and improve quality of customers by tapping existing bank customers, while the Bank will benefit from revenue addition and liability pool.

Our digital acquisition strategy also got a fillip as we integrated with the Bank for Tab-based account opening. Our digital acquisition engine – T20 – has witnessed good initial response, enabling faster client on-boarding post the Aadhaar development. The deployment of a redesigned digital process of client acquisition is enabling customers to trade within 20 minutes in equity and mutual fund as compared to two days through physical mode. The strategy is aimed at boosting productivity, triggered through more acquisitions as well as more activation and business generation.

Deepening customer engagement – Digital Integration

With digital integration emerging as a vital pillar of customer connect in the new-age business environment, we strategically focussed ourselves on augmenting the digital integration during the year.

- Our new Website interface, with its highly evolved features, is aligned to changes in customer behaviour, and focusses on asset allocation and tools to assist in decision-making.
- Direct2U is our newly-launched unique offering for our private wealth clients under our investment advisory services. Leveraging the power of technology advisory and transparent pricing, it enables clients to invest digitally in direct schemes of mutual funds through the ICICIdirect platform for a fee, thereby completing our product suite for HNIs and UHNIs. Direct2U brings

to client process-based risk assessment defined asset allocation strategy and active investment advisory. It also provides integrated portfolio reporting, analytics on investments and capital gains statements on the digital platform through a steered AUM-linked fee structure with zero compensation from manufacturers.

- We launched eATM on BSE in the third quarter of FY2019 as a unique and revolutionary proposition to provide liquidity to clients. It allows customers to get payouts into their linked bank accounts within 30 minutes of trade as against the usual waiting period of T+2 days under the current settlement system. Open to all, at no extra cost, this service is a testimony to our customer-first approach and further strengthens our liquidity-based proposition.



- To strengthen our relationship with our loyal customer base, we launched Prime Loyalty Programme for Broking clients. Prime is an annual subscription-based plan for customers who wish to avail low brokerage along with additional services. We have also launched a new prepaid plan to reward customers who are highly active.



We have adopted an analytics-based product push strategy, focussed on enhancing engagement by using advanced analytics as a tool to accelerate our cross-sell and up-sell journey.

Partnering Progress with YOU, Our Distributors

As a leading distributor of financial products like Mutual Funds, Corporate Fixed Deposits, NPS, Sovereign Gold Bonds, Life and General Insurance, we work very closely with the financial products manufacturers like the AMCs, Banks, Corporates, Insurers etc.

In our quest to drive efficiencies and strengthen customer connect, we are pursuing a multi-channel strategy that blends automation with a robust physical network of channel/business partners, comprising distributors, brokers/sub-brokers and agents. This network complements our nationwide grid of branches, and is a powerful engine to drive customer acquisition and engagement.



At ICICI Securities, we are progressively increasing our focus on our business partner channel to align them more closely with our aims and objectives, and raise the service quality bar for our customers.



As of March 31, 2019, we have 7,100+ sub-brokers, authorised persons, IFAs and IAs to steer our customer-oriented growth philosophy forward and enable the realisation of our collective goals.



Powering 'Your' progress

As a value-centric organisation focussed on ensuring the progress and development of each of our stakeholders, we are constantly endeavouring to innovate new ways of strengthening our connect with them. We believe in partnering our channel/business partners to support their growth and enable them to progress along with the Company. We strive, through regular initiatives and interventions, to accomplish this goal, and introduced a series of measures during FY2019 on this count.



Our recently launched mobile app for our business partners is designed to help them in better service delivery to clients and improved scalability. It enables them to initiate mutual fund transactions on behalf of their customers. It also provides information on customer transactions, while helping them boost analytics and track receivables, which was earlier available only on a desktop version. The launch is in line with our strategy to focus on tapping the potential in Tier-II and Tier-III cities.



We work in an open architecture model across our investment products like MFs, corporate FDs, AIFs, and PMS. As a financial supermarket, all regulator-approved investment products are available for our customers digitally. We provide unparalleled access of a wide and large customer base to the principals.



Our large bouquet of alternate products and features aids our channel partners in expanding their footprint to a wider and diverse base of prospective and existing customers.

Creating a Better and Sustainable Tomorrow For YOU

With our focus on driving long-term value to all our stakeholders, we have put in place a robust framework of Corporate Social Responsibility (CSR), crafted to maximise the growth and development of the communities around which we operate. It is our constant endeavour to make meaningful and sustainable impact on these communities through interventions and investments in the key areas of Education, Healthcare and Skill Development.

We work closely with the ICICI Foundation for Inclusive Growth to constantly nurture and strengthen our outreach in these areas through various initiatives and projects. We are committed to the promotion of sustainable livelihood among the beneficiaries through vocational skill development and education programmes.

From empowerment to financial freedom

Central to our CSR philosophy are our two flagship programmes, ICICIdirect “Mission Samruddhi” and Siddhika, which we continued to strengthen during FY2019. We have also recently expanded our CSR horizons with the launch of another flagship initiative: iCanWill.

ICICIdirect “Mission Samruddhi”

Launched in 2017, the programme is aimed at spreading financial literacy amongst junior defence and police personnel, to help them understand and plan personal finance, thereby helping them secure financial freedom.

Impact

In association with the National Institute of Securities Markets (NISM), we reached out to over 26,000 junior level personnel through 190 sessions across more than 50 cities.



Siddhika

This programme targets women, and is focussed on empowerment of women, whom we provide knowledge in finance with the aim of equipping them with the necessary skills to earn a sustainable livelihood.

Impact

We trained women from around 10 locations across the country to become Independent Financial Advisors (IFAs). With our help in preparing them for NISM Series V-A Mutual Fund Distributor exam, a total of 500 women successfully passed the exam. We have also initiated ARN registrations for all women who have passed.



iCaniWill

This unique initiative is focussed on drafting and busting the myths associated with a Will. The primary focus of the initiative is on promoting the drafting of a Will as one of the most important points in an individual's financial planning journey.

Impact

Through our dedicated website for this programme, we have reached out to around 28 million people through digital platforms. We have educated over 2 lakh people through informative content pertaining to the need for a Will, its importance, benefits, etc.



We believe CSR to be a vital engine of our vision to enable holistic growth and value creation for all our stakeholders. We are of the opinion that our sustainable approach is inexorably linked to the progress of all our stakeholders, including the communities within our reach. Led by this belief, we remain committed to powering our CSR journey to new scales of inclusive growth.

We will continue to refine our CSR priorities by evaluating social needs, particularly in the areas of financial literacy and entrepreneurship development.



Delivering Sustained Value For YOU, Our Stakeholders



FINANCIAL CAPITAL

Consolidated Revenue

 FY2019
₹ 17,270 MN

 FY2018
 ₹ 18,610 MN

Consolidated PAT

 FY2019
₹ 4,907 MN

 FY2018
 ₹ 5,535 MN

Return on Equity

 FY2019
52%

 FY2018
 82%

Equity Dividend*

 FY2019
₹ 3,028 MN

 FY2018
 ₹ 3,028 MN

Consolidated Net worth

 FY2019
₹ 10,473 MN

 FY2018
 ₹ 8,477 MN

Average daily turnover

 FY2019
₹ 533 BN

 FY2018
 ₹ 372 BN

Broking market share

 FY2019
8.5%

 FY2018
 9.0%

Mutual Fund average AUM

 FY2019
₹ 347 BN

 FY2018
 ₹ 302 BN

*includes interim and proposed final dividend

Segment-wise revenue

Broking and commission

 FY2019
₹ 15,807 MN

 FY2018
 ₹ 16,882 MN

Advisory services

 FY2019
₹ 991 MN

 FY2018
 ₹ 1,440 MN

Investment and trading

 FY2019
₹ 265 MN

 FY2018
 ₹ 288 MN


MANUFACTURED CAPITAL

Number of branches

 FY2019
199

 FY2018
 202

Number of call centres

 FY2019
2

 FY2018
 2



INTELLECTUAL CAPITAL

Research team

FY2019
82

FY2018
86

Investment in technology

FY2019
₹ **381** MN

FY2018
₹ **236** MN

Relationship manager and product specialists

FY2019
1,200+

FY2018
1,200+



HUMAN CAPITAL

Total headcount

FY2019
4,051

FY2018
4,180

Revenue generated per employee

FY2019
₹ **4.3** MN

FY2018
₹ **4.5** MN

Workforce diversity[#]

FY2019
23%

FY2018
23%

Total training hours

FY2019
1,56,001

FY2018
76,909

[#]percentage of women employees in the total headcount



SOCIAL & RELATIONSHIP CAPITAL

CSR spending

FY2019
~₹ **118** MN

FY2018
~₹ **92** MN

Client base (active clients)

FY2019
1.3 MN

FY2018
1.2 MN

Sub-brokers, authorised persons, IFAs, IAs,

FY2019
7,100+

FY2018
5,400+



NATURAL CAPITAL

Paper consumption (in reams)

FY2019
10,000

FY2018
12,000

Broking transactions done online

FY2019
95%+

FY2018
95%+

Mutual fund transactions performed online

FY2019
92%+

FY2018
92%+

Bringing Out the Best in YOU, Our People

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

Culture: the differentiator

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

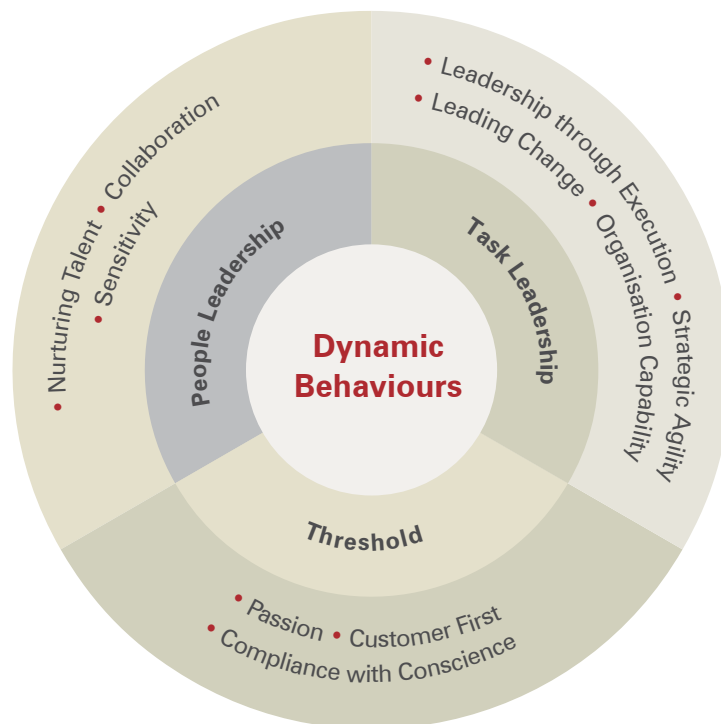
Our cultural ethos is built around leading change and innovation, continuous learning-unlearning and re-learning, taking end-to-end ownership and building trust. Constant innovation and challenging the status quo have been the key aspects of the Company's culture.

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

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

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

ICICI Group Leadership Competencies



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

Retention of key talent

Our senior management team (Senior Vice President, Executive Vice President and Executive Director) have an average total work experience of around 22 years. Around 63% of our senior leadership team have a vintage of 5 or more years with the Company. Around 71% of our senior leadership team have a vintage of 5 or more years in the ICICI Group. We believe that our success and growth in brand reputation, business performance and market positioning is due to the professionalism and domain expertise of our senior leadership team and lineage to the ICICI Group.

Capability building

In addition to hiring laterally, we are one of the major recruiters (amongst broking companies) on management and graduate campuses. We have a robust approach on capability development and performance support initiatives. The capability development is achieved through three broad formats of classroom, on-the-job and project-based learnings. Some of the development tools that we use successfully to build sustained learning are:

1. **Leadership Mentoring Programme (LMP)** and perspective-sharing workshops for senior and mid management levels.
2. **Business Strategy workshops** like iLeap and Ascend, for middle management levels.
3. **Growing together** - Collaboration workshop for middle management levels

4. **Futsal** - Campus Assimilation Programme for freshers in relationship management roles.
5. **CRV** - Creating Relationship Value for experienced relationship managers.
6. **The Drill** - SOP trainings for institutional products, **Reflections** - Knowledge-sharing sessions and structured assimilation workshop for new hires.
7. **Step-Up** - First time manager workshops.
8. **'I am the Best'** initiatives across Company to accelerate innovation initiatives to stay ahead in the marketplace.

#MakeltBetter

Ideas are our currency! However, ideas without execution serve no purpose. Hence, to promote idea generation and seamless execution of innovative ideas, the **#MakeltBetter** initiative was launched in FY2019. The ideas were sought in four broad themes related to Products, Propositions, Platform and Process. Top five ideas were recognised during the annual day celebrations and taken up for implementation.

Performance Management

At ICICI Securities, merit and performance alone determine growth. All employees have a well-articulated goal sheet. In addition to the key deliverables, key success factors and distinguishing competencies are also articulated for employees which are to the core of the organisational growth. Performance assessment is carried out against these deliverables. Rewards are linked to achieving the key deliverables. Progress is regularly monitored and feedback and support in the form of trainings is provided.

#MakeltBetter: Ideas are our currency!!!

#MakeltBetter is an opportunity for our employees to come up with ideas on any one of the below-mentioned sub-themes:



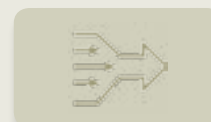
Product



Proposition



Platform



Process

Managing Risks to Maximise Returns For YOU

The external environment, with its fast-paced transformation, remains volatile, necessitating a robust strategic framework for risk management to ensure sustainable value creation and value protection for YOU. With our focus on active management of our risks and continual strengthening of our risk function, we are strategically integrating digital and efficient practices into our systems and processes.

Risk management framework

To effectively manage risks in our business, we have a comprehensive system for risk management and internal controls, whose objective is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks. Our Board oversees Risk Management Committee, frames and reviews risk management processes and controls. Our risk management system features a 'three lines of defence' approach.

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

Our business-specific risk categories are:



Market risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as stock prices, interest rates, currency rates, credit spreads and other asset prices. Our major exposure to market risk is a function of our role as a financial intermediary in customer-related transactions. We also carry some market risk pertaining to our proprietary trading activities.

Market Risk Management Relating to Clients' Transactions:

As a part of our retail broking business, we offer products wherein our clients can take leveraged positions by placing requisite upfront margins with us. In case of extreme volatility, the upfront margin collected from clients may not be sufficient to cover the losses arising out of market movements which may in turn lead to losses to the Company. The Corporate Risk and Investment Policy specifies various risk management measures and controls to mitigate the impact of possible financial loss arising from this implied market risk.

As a part of our institutional broking business, our market risk with respect to their trades is limited. We have set terminal and dealer level limits to mitigate the risk of erroneous order flows through our trading systems.

Market Risk Management Related to Treasury Group Transactions:

The Corporate Risk and Investment Policy specifies various risk management limits and guidelines that govern transactions in financial instruments by the treasury group. We have set up limits such as overall exposure limit, Value at Risk limit, stress test limit etc. to curb the market risk arising from our treasury group's exposure.

2 Credit Risk

We are exposed to credit risk on account of investments by our treasury group in fixed income instruments. Our Corporate Risk and Investment Policy has specified overall exposure level limit as well as counterparty level exposure limits for investments in fixed income instruments by treasury group.

We are also exposed to credit risk arising out of receivables from our customers and from clearing organisations of stock exchanges. These receivables generally have low credit risk due to the low probability of stock exchange clearing organisation default and the short-term nature of receivables related to securities settlement. Receivables from customers generally comprise collateralised receivables relating to customer securities transactions and generally have low credit risk due to, both, the value of collateral received and short-term nature of these receivables.

3 Liquidity Risk

In our case, liquidity risk arises mainly on account of our capital market-related business and trading and investment activities. We have formulated a Liquidity Risk Management Policy which lays down the framework for managing liquidity risk. We monitor our asset-liability gaps in various maturity buckets to assess the liquidity requirements on an ongoing basis.

4 Operational Risk

We have adopted an Operational Risk Management Policy, Outsourcing Policy and Fraud Risk Management Policy each of which addresses a different type of operational risk.

We have a Product and Process Approval Committee that reviews new processes / products. Our Internal Audit Department monitors the risk management, internal control and compliance activities on a periodic basis.

5 Information Technology / Cyber Security Risk

We have an Information Technology risk management framework that safeguards our IT assets and data.

We have also put in place a Business Continuity Plan (BCP) for critical and important processes to address concerns relating to disruption in services, to have the ability to operate on an ongoing basis and to limit losses in the event of severe business disruption.

Addressing Material Issues For YOU

Our ability to create value for YOU, over the short, medium and long-term, are impacted by material matters which are of high relevance to our business and the stakeholders. With the new trends and developments in the industry shaping the macro environment, the material issues also change over time, in line with the evolving stakeholder needs. We take these changes as guidance to establish priorities for making a positive impact on the society.



At ICICI Securities, we have put in place a stakeholder engagement mechanism for regular communication and a governance framework which monitors material issues related to stakeholders. The stakeholder engagement mechanism helps us in identification of material issues based on their needs, demands and expectations. We also regularly review whether these issues are aligned with our vision and brand purpose, post which they are mapped against the stakeholders and business' priorities. Basis this, the material issues are rated by the level of importance and matrix prepared.



Our Materiality matrix



Socio-economic matters

- Political and policy developments
- Public trust in financial sector
- Macro-economic environment
- Interest rates
- Currency
- Pricing of products and services



Technology

- Changing consumer behaviour
- Innovation and IT deployment
- Cyber risks



Customer-centricity

- Innovative and efficient customer service
- Safeguarding customer money
- Customer privacy and data protection
- Stability of system and processes



Fair operating practices

- Ethical practices, anti-bribery and corruption
- Transparency
- Finance and investment policies
- Sustainable future



Strong Governance For YOU

Board of Directors



Mr. Vinod Kumar Dhall
Chairman (Independent Director)

He is an Independent Director and Chairman of the Board of Directors of our Company. He was in the Indian Administrative Service (IAS) where he worked at very high levels in government, at policy as well as executive levels. As Secretary, Ministry of Corporate Affairs, he introduced path-breaking reforms, such as enactment of the Competition Act and enhancing corporate insolvency and corporate governance provisions. He set up the Serious Frauds Investigation Office and initiated the pioneering E-governance project MCA21. He has long experience in economic and industrial matters and regulatory experience including as Member, SEBI and in Insurance. As Chairman/CEO of public sector companies, he has direct commercial experience. He also worked overseas with United Nations organisations.

Mr. Dhall is recognised as one of the leading Indian experts in competition policy and law, and is identified with the origin and growth of the Indian competition law. He was the first Member and Chairman (acting) of the Competition Commission of India (CCI). He set up the CCI and prepared it for its later onerous responsibilities. Mr. Dhall has an arrangement with reputed law firm Platinum Partners to advise clients on matters relating to competition law. His highly regarded book on Competition Law is one of the first books on the subject in India.

He is on the Board of Directors of a number of leading companies, and is/has been a member of various juries for awards in areas like corporate social responsibility and corporate governance.

He has been a Director on our Board since October 28, 2014.



Mr. Ashvin Parekh
Independent Director

He is an Independent Director of our Company. He is a member of the Institute of Chartered Accountants of India (ICAI). 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
Independent Director

He 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 programme 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 a Director on our Board since November 29, 2017.



Ms. Vijayalakshmi Iyer
Independent Director

She is an Independent Director of our Company. She holds a post-graduation degree in Commerce and Economics from University of Mumbai, Fellowship of CAIIB of Indian Institute of Banking and Finance. 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.



Mr. Anup Bagchi
Additional Director (Non-Executive Director)

He is an Executive Director on the Board of ICICI Bank Limited ('the Bank') since February 1, 2017. Prior to this, Mr. Bagchi was the Managing Director & CEO of ICICI Securities Limited. Under his leadership, ICICI Securities Limited won several prestigious awards in the financial services space.

In his present role at ICICI Bank Limited, Mr. Bagchi is responsible for managing retail banking, rural and inclusive banking, treasury control and services, operations, infrastructure and the corporate brand for the Bank. Additionally, he heads the ICICI Foundation for Inclusive Growth, the CSR arm of the ICICI Group.

Mr. Bagchi joined the ICICI Group in 1992 and has worked extensively in the areas of retail banking, corporate banking and treasury and investment banking. He represents the ICICI Group in various regulatory committees of key bodies such as RBI and SEBI. He is a member of RBI's Expert Committee on Micro, Small & Medium Enterprises and of SEBI's Committee on Financial and Regulatory Technologies (CFRT) among others.

In the past too, Mr. Bagchi has been a member in several committees of various organisations. He was on the Executive Committee of National Securities Depository Ltd., Advisory Committee of BSE Limited and was the co-Chairman of FICCI's Capital Markets Committee. He was also a member of SEBI's Secondary Markets Advisory Committee, Fair Market Conduct Committee and Committee on Financial and Regulatory Technologies and Risk Management Review Committee.

Mr. Bagchi holds a post graduate diploma in management from the Indian Institute of Management, Bangalore and an engineering degree from the Indian Institute of Technology, Kanpur. He has been honoured with 'The Asian Banker Promising Young Banker Award' and 'Industry Newsmaker Award' by Zee Business.

He has been a Director on our Board since October 11, 2018.

Strong Governance For YOU (Contd.)

**Mr. Pramod Rao**

Additional Director (Non-Executive Director)

He joined ICICI Bank Limited ('ICICI Bank') as its Group General Counsel on August 16, 2018 and oversees the legal function for the ICICI group.

Previously, Mr. Rao had served as the General Counsel for Citi India cluster (July 2013 till mid-August 2018), and was responsible for the Legal & Secretarial functions within Citi India cluster (incorporating Bangladesh & Sri Lanka). He also oversaw Citi Security & Investigative Services (CSIS), and chaired the Citi India Diversity Council and was a member of various internal management and oversight committees.

Mr. Rao previously worked with Induslaw, a law firm as a resident partner, overseeing its Banking and Finance practice. He joined IndusLaw in 2012 and was instrumental in setting up the firm's office in Mumbai.

Prior to Induslaw, Mr. Rao worked with ICICI Bank for over 15 years. In August 1996, he joined the erstwhile Industrial Credit & Investment Corporation of India Limited (erstwhile ICICI, which subsequently in a reverse merger became ICICI Bank) upon obtaining B.A.LL.B (Hons) degree from the National Law School of India University, Bangalore (NLSIU) after a brief stint at Mulla and Mulla Craigie Blunt & Caroe. He then rose to become the General Counsel of ICICI Bank in December 2005 and served in that capacity until April 2012. During the course of his career at ICICI Bank, Mr. Rao has overseen the legal function for all segments of the Bank. During his time there, he also advised the Board of Directors and various Board constituted committees and served on the Board of Directors of various ICICI group companies.

Mr. Rao is also a member of the Board of Directors of ICICI Prudential Trust Limited and ICICI Trusteeship Services Limited. He also serves as a member of the Legal & Banking Operations Committee of Indian Banks' Association (IBA) and of the National Committee for Regulatory Affairs constituted by the Confederation of Indian Industry (CII).

Mr. Rao is the Chairman of the Fund Raising & Resource Mobilisation Committee of IDIA - Increasing Diversity by Increasing Access – an NGO dedicated to assisting students from underprivileged background entering premier law schools in India. He is also a member of the Governing Board of the NLSIU Alumni Association.

Mr. Rao has a deep interest in LawTech, having advised/mentored and served on the Board of Directors of two such startups in the last few years.

He also participates in and contributes to various law and regulatory reform initiatives of the government, regulators and industry forums.

He has been a Director on our Board since October 11, 2018.



Mr. Vijay Chandok,
Managing Director & CEO

He is the Managing Director & Chief Executive Officer of the Company. Prior to joining the Company, Mr. Chandok served as the Executive Director of ICICI Bank Limited ('the Bank'), responsible for the International Banking, Small and Medium Enterprises (SME) businesses, global markets and commercial banking businesses of the Bank.

He also served as a Director on the Boards of ICICI Bank UK PLC and ICICI Bank Canada Ltd.

Mr. Chandok has been with the ICICI Group since 1993 and has worked across corporate, retail and rural banking. Under his leadership, the Bank won numerous accolades. He also served as Vice Chairman of ICICI Home Finance Company Limited from April 13, 2009 to April 8, 2010.

Mr. Chandok holds a master's degree in Management Studies from Narsee Monjee Institute of Management Studies, Mumbai (NMIMS). He also holds a Bachelor's degree in Mechanical Engineering from the Indian Institute of Technology (Banaras Hindu University), Varanasi (formerly IT-BHU). In 2017, he was conferred with a Distinguished Alumnus Award from NMIMS University.

He has been a Director on our Board since May 7, 2019.



Mr. Ajay Saraf
Executive Director

He is an Executive Director of our Company. He is a member of the Institute of Chartered Accountants of India (ICAI) and Institute of Cost and Works Accountants of India (ICWAI). He currently heads the investment banking and institutional broking divisions at our Company. He has over 25 years of experience and has been associated with our Company for over eight years. He has previously worked with ICICI Bank Ltd. for approximately nine years in corporate banking and SME banking verticals. Prior to ICICI Bank Ltd., he worked with American Express Bank Ltd.

He has been a Director on our Board since May 25, 2011.

Corporate Information

BOARD OF DIRECTORS

Vinod Kumar Dhall
Chairman

Ashvin Parekh
Subrata Mukherji
Vijayalakshmi Iyer
Anup Bagchi
Pramod Rao
Vijay Chandok
*Managing Director &
Chief Executive Officer*

Ajay Saraf
Executive Director

BOARD COMMITTEES

Audit Committee

Ashvin Parekh
Chairman

Vijayalakshmi Iyer
Subrata Mukherji
Pramod Rao

Nomination & Remuneration Committee

Ashvin Parekh
Chairman

Vinod Kumar Dhall
Anup Bagchi

Corporate Social Responsibility Committee

Vinod Kumar Dhall
Chairman

Vijay Chandok
Ajay Saraf

Stakeholders Relationship Committee

Vijayalakshmi Iyer
Chairperson

Vijay Chandok
Ajay Saraf

Risk Management Committee

Vijayalakshmi Iyer
Chairperson

Ashvin Parekh
Subrata Mukherji
Vijay Chandok
Ajay Saraf
Ripujit Chaudhuri
Harvinder Jaspal

BANKERS

ICICI Bank Limited

STATUTORY AUDITORS

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

CHIEF FINANCIAL OFFICER

Harvinder Jaspal

COMPANY SECRETARY

Raju Nanwani

REGISTERED OFFICE

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

CORPORATE OFFICE

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

Awards and Recognition



Outlook Money Retail Broker of the Year - 2018

ICICI Securities was judged as the Retail Broker of The Year - 2018 by Outlook Money. Mr. Prasannan Keshavan, Head - Operations, and Mr. Yagnesh Parikh, Chief Technology and Digital Officer, ICICI Securities, received the awards from Hon'ble Union Minister Mr. Nitin Gadkari and Mr. Arindam Mukherjee, Editor - Outlook Money.

Top 100 franchise opportunity for 2019 - Franchising World magazine

ICICI Securities' vision of creating informed access to the wealth of the nation has been recognised by 'The Franchising World', India's leading franchising magazine, thereby making it into the Top 100 Franchise Brands List. The Company has a network of 7,100+ sub-brokers, authorised persons, Independent Financial Associates (IFAs) and Independent Associates (IAs).

UTI MF and CNBC TV18 Financial Advisor Awards 2017-18

- a. Best performing National Financial Advisor Equity Broker
- b. Grand Jury Award for the work done by a National Financial Advisor

The Financial Advisor Awards 2017-18, presented by UTI MF is India's biggest platform to recognise the financial advisors who have been creating value for investors by exploring new trends, opportunities and strategies. These awards celebrate the contribution of the propagators of sound advice and aims to give them a platform to help them continue this good work.

ABP News Banking Financial Services Insurance Awards 2018

- a. Best Equity Broker of the Year
- b. Innovation In Customer Education Award for Investor Conference Calls

ABP News Banking Financial Services Insurance Awards honoured the best performers in the sector. It focusses on the best of best practices in the BFSI sector, based on strategy, security, customer service, and future technology challenges and innovation.

Customer Testimonials

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Over the past two decades, ICICIdirect has pioneered many changes. With path-breaking evolutions in the digital-investing space, it not only succeeded in converting several offline investors to online, but also created a generation of young, internet-savvy, first-time investors, which helped the Company, climb to the top. We're excited to be an integral part this wonderful journey.

Mr. Kailash Kulkarni
Chief Executive Officer, L&T Mutual Fund

“



ICICI Securities has had a transforming effect in bringing markets to the investor. In many ways, they have been pioneers in converging technology, service and capital markets to create convenience and wealth for investors. ICICI Securities has enabled the investor by bringing the entire gamut of mutual fund and equity products and has contributed significantly in raising investor participation and confidence in the markets.

Mr. Nilesh Shah
Managing Director, Kotak Mahindra Mutual Fund

“



ICICI Securities, over the years has emerged as a pioneer in online mutual fund investing space with its easy-to-transact, customer-friendly interface design. The platform offers investors with a one-stop solution in terms of products and services, thereby allowing them to transact at ease and in a transparent manner.

Mr. Nimesh Shah
Managing Director & CEO, ICICI Prudential AMC

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I have been associated with ICICIdirect for almost 10 years now. It is a very helpful platform, where we get timely investment recommendations to meet our future goals and allows us to review our portfolio at any time. We have taken majority of our investment decisions through the portal. Professional financial planning approach and the customised services have helped us with clarity on our investments. As busy professionals, we hardly get time out to review our financial goals, but our relation manager takes interest in helping us evaluate our financial goals and change our investment patterns from time to time. We would recommend ICICIdirect for timely, sound, financial advice and smooth execution.

Dr. Chinmoy Ghosh
Ahmedabad

“



I have been investing in Corporate Fixed Deposits from ICICIdirect for a long time. It fulfils all my requirements regarding online investments like placing orders, maturity process, online renewal & prompt services.

Mr. M J Ratolikar
Ballari, Karnataka

“



I find the overall process of Corporate Fixed Deposit Online Renewal very convenient. The process flow is very smooth & seamless.

Mr. Ramen Roy
24 Parganas, West Bengal

Directors' Report

To the Members

The Directors are pleased to present the Twenty-Fourth Annual Report of ICICI Securities Limited ('the Company') along with the audited financial statements for the financial year ended at March 31, 2019.

PERFORMANCE

Industry overview

Equities remained volatile in FY2019 amidst geo-political risks such as trade wars and Brexit, tight financial conditions, fears of slowing global growth and liquidity crisis in NBFCs. However, the dovish stance of the US FED, expectations of interest rate cuts by the RBI and optimism of a pick-up in corporate earnings growth going ahead has resulted in renewed interest in Indian equities from foreign investors towards the end of FY2019. In the secondary market, average daily turnover grew 41% (cash + derivative combined) for the industry during the year under review. In this, the cash segment average daily turnover grew 4% and the derivative segment witnessed 43% growth. Flow from Foreign Portfolio Investors ('FPI') remained weak for majority of FY2019. However, due to strong inflows in the month of February and March of USD 8.3 billion, FPI flows for FY2019 turned positive. Domestic Institutional Investors ('DII's') continued to remain largely positive through FY2019.

FY2019 witnessed sharp drop in primary market activity in terms of both number of transactions and capital raised as the number of Initial Public Offerings ('IPOs') including InvITs and REITs dropped to 17 as against 47 in FY2018 with fund raising dropping to ₹ 227 billion from ₹ 888 billion in FY2018. Similarly, there was a sharp decline in Qualified Institutional placements ('QIPs').

Mutual fund average AUM for the industry witnessed a growth of 12% YoY.

Company overview

Our Company registered consolidated revenue of ₹ 17,270.2 million for FY2019 as compared to ₹ 18,610.1 million for FY2018. Consolidated profit after tax ('PAT') for FY2019 was ₹ 4,907.3 million compared to ₹ 5,534.7 million for FY2018. We were able to maintain our costs with total cost declining marginally from ₹ 10,086.2 million to ₹ 9,697.9 million in FY2019, a decline of 4%.

In the secondary market (broking business), your Company achieved an overall market share of 8.5%, based on total average daily turnover. Broking business reported revenues of ₹ 9,328.3 million in FY2019 against ₹ 10,243.0 million in FY2018.

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 FY2018. Apart from mutual funds, the Company was also among the leading distributors in other financial products like Life Insurance, IPOs, Portfolio Management Schemes ('PMS'), Alternate Investment Funds ('AIFs'), Sovereign Gold Bonds, Bharat 22 Exchange Traded Fund, National Pension Scheme ('NPS'), etc. The distribution business reported revenues of ₹ 4,635.3 million in FY2019 against ₹ 4,665.3 million in FY2018. Distribution business contributed 27% towards the Company's topline during FY2019 against 25% in FY2018.

Financial highlights

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2018. Financial statements for the year ended and as at March 31, 2018 have been restated to conform to Ind AS.

Note 30 to the standalone and consolidated financial statements provide further explanation on the transition to Ind AS.

The table below summarises the key financials of your Company for FY2019:

₹ millions

Particulars	Standalone			Consolidated		
	FY2018	FY2019	Change %	FY2018	FY2019	Change %
Gross Income	18,584.8	17,258.0	(7.1)	18,610.1	17,270.2	(7.2)
Profit/(Loss) before Depreciation and Tax	8,632.0	7,700.3	(10.8)	8,676.9	7,721.8	(11.0)
Depreciation	152.6	149.3	(2.2)	153.0	149.5	(2.3)
Profit/(Loss) before Tax	8,479.4	7,551.0	(10.9)	8,523.9	7,572.3	(11.2)
Provision for Tax	2,988.4	2,681.8	(10.3)	2,989.2	2,665.0	(10.8)
Profit/(Loss) after Tax	5,491.0	4,869.2	(11.3)	5,534.7	4,907.3	(11.3)
Other Comprehensive Income (net of tax)	(16.1)	(25.9)	60.9	(16.1)	(25.9)	60.9
Total comprehensive income	5,474.9	4,843.3	(11.5)	5,518.6	4,881.4	(11.5)
Balance brought forward from previous year	2,299.4	5,641.8	145.4	2,296.9	5,683.0	147.4
Amount available for appropriation	7,774.3	10,485.1	34.9	7,815.5	10,564.4	35.2
Surplus carried forward	5,641.8	7,534.0	33.5	5,683.0	7,613.3	34.0
Earnings per share on equity shares of ₹ 5 each						
Basic (in ₹)	17.05	15.12	(11.3)	17.18	15.23	(11.4)
Diluted (in ₹)	17.05	15.11	(11.4)	17.18	15.23	(11.4)

Note: Figures in parenthesis are negative

APPROPRIATIONS

Your Company has ₹ 10,485.1 million available for appropriation, comprising total comprehensive income of ₹ 4,843.3 million for FY2019 and balance of ₹ 5,641.8 million brought forward from the previous financial year. An appropriation of ₹ 2,951.1 million towards interim and final dividend, including dividend distribution tax has been approved by the Board resulting in profit of ₹ 7,534.0 million being the surplus carried forward. Your Company does not propose any transfer to reserves.

Particulars	₹ millions	
	Standalone	
	FY2018	FY2019
Disposable Profit	7,774.3	10,485.1
Appropriations:		
Transfer to Reserves	-	-
Equity Dividend	1,771.8	2,447.8
Tax on Equity Dividend	360.7	503.3
Surplus carried forward	5,641.8	7,534.0

DIVIDEND

The Board has recommended a final dividend of ₹ 5.70 (114%) per equity share for FY2019, aggregating to ₹ 2,213.7 million, including dividend distribution tax of ₹ 377.4 million. The Board had also approved payment of interim dividend of ₹ 3.70 (74%) per equity share for FY2019, aggregating to ₹ 1,436.9 million, including dividend distribution tax of ₹ 245.0 million. The payment

of interim dividend along with the proposed final dividend would result in cumulative dividend payout ratio of 62% of the profits. The final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting ('AGM'). The payment of interim and final dividend is in line with the Dividend Distribution Policy of the Company.

DIVIDEND DISTRIBUTION POLICY

In accordance with Regulation 43A of the 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:

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

TRANSFER OF UNCLAIMED/UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND ('IEPF')

In terms of the provisions of Section 124 of the Companies Act, 2013 ('the Act') and the rules made thereunder, the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and other applicable provisions, all monies remaining unpaid or unclaimed for a period of seven years from the date of transfer to unpaid/unclaimed dividend account, are required to be transferred to IEPF.

Information relating to unclaimed dividend and the due dates by which it can be claimed by the shareholders are as under:

Financial Year	Date of Declaration	Last date for claiming unpaid dividend
2017-18 (Final dividend)	August 30, 2018	September 30, 2025
2018-19 (Interim dividend)	October 19, 2018	November 18, 2025

SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

At March 31, 2019, 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 FY2019, no Company has become or ceased to be Subsidiary, Joint Venture or Associate Company of the Company.

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

RISK MANAGEMENT FRAMEWORK

Our Board oversees our risk management and has constituted a Risk Management Committee, which frames and reviews risk management processes and controls. A comprehensive system for risk management and internal controls for all our businesses has been established to manage the risks we are exposed to. The objective of our risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and to ensure a systematic response in the case of crystallisation of such risks.

The key risks associated with our business have been classified into implied market risk, market risk, operational risk, information technology/cyber security risk, liquidity risk, credit risk and reputation risk. Policies have been framed with respect to such risks which set forth limits, mitigation strategies and internal controls. These policies include a corporate risk and investment

policy, a liquidity risk management policy, an operational risk management policy, an outsourcing policy, a fraud risk management policy, an information technology risk management policy, an information security management policy, a cyber security & cyber resilience policy 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 group, compliance and operations groups and product and process approval committee set up for this purpose. 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 Act. The details of establishment of the Whistle Blower Policy/vigil mechanism have been disclosed on the website of the Company. Excerpts of Whistle Blower policy can be viewed at

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

INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

The internal financial controls with reference to financial statements as designed and implemented by the Company are adequate. The internal financial controls procedure adopted by the Company is adequate for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. Further, the statutory auditors have verified the systems and processes and confirmed that the internal financial controls over financial reporting are adequate and such controls are operating effectively.

STATUTORY AUDITORS REPORT

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

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

EXTRACT OF THE ANNUAL RETURN

An extract of the annual return as provided under Section 92 (3) of the Act is given in **Annexure C** enclosed to this report.

The annual return filed by the Company for FY2018 with the Registrar of Companies can be viewed at https://www.icicisecurities.com/CMT/UPLOAD/ArticleAttachments/Annual_Return_for_financial_year_2017_2018.pdf.

PUBLIC DEPOSITS

Your Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RELATED PARTY TRANSACTIONS

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

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

https://www.icicisecurities.com/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.

Pursuant to the provisions of Regulation 23 (4) of Listing Regulations, approval of the Members was obtained through Postal Ballot for material related party transaction(s) with ICICI Bank Limited (Holding Company) to avail short term borrowings by way of credit facility from ICICI Bank Limited on such term(s) and condition(s) as may be agreed, subject to the maximum outstanding balance on any day not exceeding ₹ 1,500 crore.

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

DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL

The Board of the Company as at March 31, 2019 consists of eight Directors, out of which four are Independent Directors, two are Non-executive Non-independent Additional Directors and two are Whole-time Directors.

As at the end of FY2019, 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 the rules made thereunder.

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

The Board of Directors had, at its meeting held on October 19, 2018, appointed Vinod Kumar Dhall (DIN: 02591373), Independent Director of the Company as the Chairman of the Board of Directors of the Company. Pursuant to the provisions of Regulation 17 (1A) of Listing Regulations, approval of the Members was obtained through Postal Ballot for continuation of directorship of Vinod Kumar Dhall (DIN: 02591373), as an Independent Director of the Company for his present tenure upto October 27, 2019 as he attained the age of seventy-five years on February 20, 2019.

The Board of Directors in its Meeting held on April 23, 2019 have re-appointed Vinod Kumar Dhall (DIN: 02591373) as an Independent Director of the Company for a period of 5 (five) consecutive years with effect from October 28, 2019 upto October 27, 2024, subject to the approval of the Members of the Company by way of Special Resolution. Accordingly, approval of the Members is sought at the ensuing AGM for his re-appointment. Vinod Kumar Dhall (DIN: 02591373) is a person of high repute, integrity and has rich and varied experience which will be an invaluable input to the Company's strategic direction and decision making. His contributions and guidance during the deliberations at the Board and Committee meetings have been of immense help to the Company.

The Board of Directors pursuant to the provisions of Section 161 of the Act, appointed Anup Bagchi (DIN: 00105962) and Pramod Rao (DIN: 02218756) as Additional Directors (Non-executive Non-independent Directors) of the Company subject to regulatory approvals, if any, with effect from October 11, 2018 up to the date of the Twenty-Fourth AGM. The requisite approvals from the Stock Exchanges were obtained in this regard. Based on the notices received from a Member under Section 160 of the Act, and the recommendation of the Nomination & Remuneration Committee ('NRC'), the Board of Directors have approved the appointment of Anup Bagchi (DIN: 00105962) and Pramod Rao (DIN: 02218756) as the Directors of the Company (in the category of Non-executive Director) with effect from the date of the Twenty-Fourth AGM, subject to the approval of the Members at the ensuing AGM.

The Board of Directors pursuant to provisions of Section 161 of the Act, appointed Vijay Chandok (DIN: 01545262) as an Additional Director subject to regulatory approvals, if any, with effect from May 7, 2019 up to the date of the Twenty-Fourth AGM. Further, he was also appointed as the Managing Director & CEO of the Company pursuant to the provisions of Section 196 of the Act for a period of five (5) years with effect from May 7, 2019 upto May 6, 2024 subject to the approval of the Members of the Company and regulatory approvals, if any.

Based on the notice received from a Member under Section 160 of the Act and the recommendation of the NRC, the Board of Directors have approved the appointment of Vijay Chandok (DIN: 01545262) as a Director of the Company (in the category of Executive Director) with effect from the date of the Twenty-Fourth AGM subject to the approval of the Members at the ensuing AGM and regulatory approvals, if any.

During the year, Chanda Kochhar (DIN: 00043617) and Vishakha Mulye (DIN: 00203578) resigned from the Board of Directors of the Company with effect from October 5, 2018.

As Shilpa Kumar (DIN: 02404667) would be taking up a senior level position at ICICI Bank Limited, the holding company of the Company, she tendered her resignation as the Managing Director & CEO and also as a Director of the Company with effect from May 6, 2019.

Declaration of Independence

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the Act and Regulation 16 of Listing Regulations which have been relied upon by the Company.

Based on the declarations received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfill the criteria of independence as specified in Listing Regulations and the Act and are independent of the Management.

All Independent Directors have given declarations that they have complied with the Code for Independent Directors prescribed in Schedule IV of the Act and Code of Conduct and Business Ethics of the Company.

Retirement by rotation

In terms of Section 152 of the Act and the Articles of Association of the Company, Ajay Saraf (DIN: 00074885), Executive Director of the Company, would retire by rotation at the ensuing AGM and is eligible for re-appointment. Ajay Saraf (DIN: 00074885) has offered himself for re-appointment.

Brief details of the Directors proposed to be appointed/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, 2019 consisted of eight Directors, comprising of four Independent Directors, two Non-executive Non-independent Additional Directors and two Executive Directors. Except the Managing Director & CEO and the Executive Director, all other Directors including the Chairman of the Board are Non-executive Directors. There is a clear segregation of responsibility and authority between the Directors and the executive management. The Managing Director & CEO and the Executive Director oversee implementation of strategy, achievement of the business plans and day-to-day operations. There is an appropriate mix of Executive, Non-executive and Independent Directors. The Board has 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 & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The constitution of these Committees is in compliance with the provisions of the Act and Listing Regulations.

The Board of Directors of the Company meets at regular intervals to discuss and decide on business policy and strategy apart from other business. The Board of Directors

met 6 times during FY2019 on April 14, 2018, July 23, 2018, October 19, 2018, November 21, 2018, January 14, 2019 and March 30, 2019.

There were no inter-se relationships between any of the Directors of the Company. Further, except Anup Bagchi (DIN: 00105962), Additional Director (Non-executive Non-independent Director) who holds 1,932 equity shares of the Company as on March 31, 2019, 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 FY2019 are set out in the following table:

Name of the Director	Number of Board Meetings		Attendance at the last AGM held on August 30, 2018	No. of Directorships in other Companies		Number of Committee Memberships (including this Company) [#]	
	Entitled to Attend	Attended		Public Companies	Other Companies	No. of Memberships held in Companies [#]	No. of post of Chairperson held in Listed entities ^{#@}
Independent Directors							
Vinod Kumar Dhall, Chairman (DIN: 02591373) ^s	6	5	Present	5	0	4	1
Ashvin Parekh (DIN: 06559989)	6	6	Absent	2	0	3	2
Subrata Mukherji (DIN: 00057492)	6	6	Present	1	0	2	0
Vijayalakshmi Iyer (DIN: 05242960)	6	4	Present	9	0	8	4
Non-executive Non-Independent Directors							
Chanda Kochhar (DIN: 00043617) [*]	2	0	Absent	N.A.	N.A.	N.A.	N.A.
Vishakha Mulye (DIN: 00203578) [*]	2	2	Present	N.A.	N.A.	N.A.	N.A.
Anup Bagchi (DIN: 00105962) [^]	4	3	N.A. (Not a Director as on the date of AGM)	5	0	2	0
Pramod Rao (DIN: 02218756) [^]	4	4	N.A. (Not a Director as on the date of AGM)	2	0	1	0
Executive Directors							
Shilpa Kumar (DIN: 02404667)	6	6	Present	2	0	1	0
Ajay Saraf (DIN: 00074885)	6	6	Present	0	0	1	0

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

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

^s Participated in one meeting through video conference.

^{*} Chanda Kochhar and Vishakha Mulye resigned from the Board of Directors of the Company w.e.f. October 5, 2018.

[^] Anup Bagchi and Pramod Rao have been appointed as Additional Directors (Non-executive Non-independent Directors) on the Board of Directors of the Company w.e.f. October 11, 2018.

Details of Directorships held in other listed entities by the Directors of the Company as at the end of FY2019 and the Category of their Directorship are set out in the following table:

Name of the Director	Name of the Listed Entity [®]	Category
Independent Directors		
Vinod Kumar Dhall, Chairman (DIN: 02591373)	1. Schneider Electric Infrastructure Limited 2. Advani Hotels & Resorts (India) Limited	1. Independent Director 2. Independent Director
Ashvin Parekh (DIN: 06559989)	ICICI Lombard General Insurance Company Limited	Independent Director
Subrata Mukherji (DIN: 00057492)	Nil	–
Vijayalakshmi Iyer (DIN: 05242960)	1. Religare Enterprises Limited 2. Indiabulls Ventures Limited 3. Magma Fincorp Limited 4. Aditya Birla Capital Limited 5. Arihant Superstructures Limited	1. Independent Director 2. Independent Director 3. Independent Director 4. Independent Director 5. Independent Director
Non-executive Non-Independent Directors		
Anup Bagchi (DIN: 00105962)	1. ICICI Bank Limited 2. ICICI Prudential Life Insurance Company Limited	1. Executive Director 2. Non-Executive Director
Pramod Rao (DIN: 02218756)	Nil	–
Executive Directors		
Shilpa Kumar (DIN: 02404667)	The Ugar Sugar Works Limited	Non-Executive Director
Ajay Saraf (DIN: 00074885)	Nil	–

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

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

Core skills/expertise/competencies of the Board of Directors

The Company has distinguished individuals on its Board of Directors with each of the Directors having several years of vast experience and knowledge in various diversified functions, viz., corporate banking and treasury, planning, project finance, investment banking and institutional and retail stock broking, competition law, corporate affairs, industry, economic regulation and finance, business strategies, institutional strengthening and business transformation, Banking and Finance, Corporate Law, etc. The Board has a right blend of dynamism and experience.

The Independent Directors are members of the Board of Directors of various reputed companies and they provide their treasured inputs and guidance at the Meetings of the Board which have been of immense help to the Company in pursuing strategic goals.

The Board is suitably equipped to understand the ever changing business dynamics of the stock broking,

distribution, wealth management and investment banking sectors in which the Company operates and ensures that appropriate strategies are articulated benefitting the Company in the long run.

Separate Meeting of Independent Directors

During FY2019, a separate meeting of the Independent Directors was held on April 12, 2018, which was chaired by Vinod Kumar Dhall (DIN: 02591373), Independent Director.

The terms of reference of the mandatory Committees constituted by the Board, their composition and attendance of the respective members at the various Committee Meetings held during FY2019 are set out below:

Audit Committee

Terms of Reference

- 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;
- 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:
 - i. Changes in accounting policies and practices and reasons for the same;
 - ii. Major accounting entries based on the exercise of prudent judgment and estimates by management;
 - iii. Modified opinion(s) in the draft audit report;
 - iv. Significant adjustments made in the financial statements arising out of audit;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. To review the management discussion and analysis of financial condition and results of operations;
 - vii. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act;
 - viii. 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
 - ix. To approve any subsequent modification of transactions of the Company with related parties, provided, that the Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- (e) To recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and/or branch auditor and the fixation of audit 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 mechanism;
- (n) To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure 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:
 - i. Penal action taken against the Company under various laws and statutes;
 - ii. Reports of inspection by regulatory authorities viz. SEBI, BSE, NSE, IRDA, PFRDA, AMFI;
 - iii. Follow-up action on the inspection reports;
 - iv. Compliance with the inspection reports of regulatory authorities;
 - v. Accountability for unsatisfactory compliance with inspection reports, delay in compliance and non-rectification of deficiencies;
- (v) To reviewing the following matters:
 - i. Reports of the audits conducted by the statutory auditors and their periodicity and scheduling;
 - ii. Compliance with the observations of the statutory auditors;
- (w) To review the following matters:
 - i. Reports of the different types of audits conducted by the internal auditors and their periodicity and scheduling;
 - ii. Follow-up action on the audit reports, particularly concerning unsatisfactory areas of operations;
- iii. Compliance with the observations of the internal auditors;
- iv. Omissions on the part of the auditing team to detect serious irregularities;
- (x) To approve compliance programmes, review their effectiveness on a regular basis and review material compliance issues or matters;
- (y) To review the Anti-Money Laundering (AML)/ Counter-Financing of Terrorism (CFT) policy annually and review the implementation of the Company's AML/CFT programme;
- (z) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and 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 investigate any activity within its terms of reference;
- (ac) To seek information from any employee; to obtain outside legal or other professional advice; and to secure attendance of outsiders with relevant expertise, if it considers necessary;
- (ad) To establish procedures for:
 - i. the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls or auditing matters; and
 - ii. the confidential, anonymous submission by employees regarding questionable accounting or auditing matters;
- (ae) To engage, without seeking Board approval, independent counsel and other advisors, as it determines necessary to carry out its duties;
- (af) To formulate/amend code of ethics and governance, insider trading code and whistle blower policy;
- (ag) To scrutinise inter-corporate loans and investments;

- (ah) To 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;
- (ai) To undertake valuation of undertakings or assets of the Company, wherever it is necessary;
- (aj) To investigate into any matter in relation to the terms of reference of the Audit Committee or referred to it by the Board and for this purpose, to obtain professional advice from external sources and have full access to information contained in the records of the Company;
- (ak) 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;
- (al) 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;
- (am) Reviewing of the housekeeping note; and
- (an) To review the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 10 billion or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.

Composition

During FY2019, 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 re-constitution of Audit Committee during FY2019 is as under:

- Re-constitution by the Board of Directors *vide* circular resolution dated October 11, 2018 by inducting Pramod Rao (DIN: 02218756) as a Member in place of Vishakha Mulye (DIN: 00203578).
- Re-constitution by the Board of Directors in its meeting held on October 19, 2018 by inducting

Vijayalakshmi Iyer (DIN: 05242960) as a Member in place of Vinod Kumar Dhall (DIN: 02591373) and by appointing Ashvin Parekh (DIN: 06559989) as the Chairman of the Audit Committee.

As at the end of FY2019, the Audit Committee comprised of following as its members:

- Ashvin Parekh (DIN: 06559989), Independent Director (Chairman);
- Subrata Mukherji (DIN: 00057492), Independent Director;
- Vijayalakshmi Iyer (DIN: 05242960), Independent Director; and
- Pramod Rao (DIN: 02218756), Non-executive Non-independent Additional Director.

During FY2019, six meetings of the Audit Committee were held on April 12, 2018, April 14, 2018, July 23, 2018, October 19, 2018, January 14, 2019 and March 27, 2019. The details of the attendance at the meetings are set out in the following table:

Name of the Director	Number of Meetings held during the tenure of the Director	Number of Meetings attended
Ashvin Parekh (Chairman)	6	6
Vinod Kumar Dhall ¹	4	3
Subrata Mukherji	6	6
Vishakha Mulye ¹	3	2
Vijayalakshmi Iyer ²	2	2
Pramod Rao ²	3	3

¹ Vishakha Mulye and Vinod Kumar Dhall ceased to be Members of the Committee w.e.f. October 5, 2018 and October 19, 2018 respectively.

² Pramod Rao and Vijayalakshmi Iyer were appointed as the Members of the Committee w.e.f. October 11, 2018 and October 19, 2018 respectively.

Nomination & 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;

- ii. Directors liable to retire by rotation;
- iii. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;

"Senior Management" shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the board) and shall specifically include Company Secretary and the Chief Financial Officer;

- (b) To evaluate the performance of the whole-time Directors of the Company;
- (c) To evaluate the performance of the Board, the individual Members of the Board and the Committees of the Board on certain pre-determined parameters as may be laid down by the Board as part of a self-evaluation process or get such performance evaluation done by an independent external agency and review its implementation and compliance;
- (d) To determine and recommend to the Board from time to time all remuneration, in whatever form, including performance or achievement bonus, Long Term Incentives and perquisites payable to the whole-time Directors and the senior management of the Company;
- (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 Companies Act, 2013 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; and
- (m) Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, 2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority.

Composition

During FY2019, the composition of the Nomination & Remuneration Committee ('NRC') was in compliance with the provisions of Section 178, other applicable provisions of the Act and Listing Regulations. The re-constitution of NRC during FY2019 is as under:

- Re-constitution by the Board *vide* circular resolution dated October 11, 2018 by inducting Anup Bagchi (DIN: 00105962) as a Member in place of Chanda Kochhar (DIN: 00043617).
- Re-constitution by the Board of Directors in its meeting held on October 19, 2018 by appointing Ashvin Parekh (DIN: 06559989) as the Chairman of the Committee in place of Vinod Kumar Dhall (DIN: 02591373).

As at the end of FY2019, NRC comprised of following as its members:

- Ashvin Parekh (DIN: 06559989), Independent Director (Chairman);
- Vinod Kumar Dhall (DIN: 02591373), Independent Director; and
- Anup Bagchi (DIN: 00105962), Non-executive Non-independent Additional Director.

During FY2019, four meetings of NRC were held on April 12, 2018, July 23, 2018, October 19, 2018 and March 30, 2019. The details of the attendance at the meetings are set out in the following table:

Name of the Director	Number of Meetings held during the tenure of the Director	Number of Meetings attended
Ashvin Parekh (Chairman)	4	4
Vinod Kumar Dhall [§]	4	4
Chanda Kochhar ¹	2	1
Anup Bagchi ²	2	1

[§] Participated in one meeting through video conference.

¹ Chanda Kochhar ceased to be a Member of the Committee w.e.f. October 5, 2018.

² Anup Bagchi was appointed as a Member of the Committee w.e.f. October 11, 2018.

Corporate Social Responsibility Committee

Terms of Reference

- 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;
- To review proposals, approve and recommend the amount of expenditure which shall be incurred on the activities indicated in the corporate social responsibility policy;
- To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- 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;

- 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;
- To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities; and
- 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 FY2019, the composition of the Corporate Social Responsibility ('CSR') Committee of the Company was in compliance with Section 135 and other applicable provisions of the Act.

As at the end of FY2019, the CSR Committee of the Company comprised of following as its members:

- Vinod Kumar Dhall (DIN: 02591373), Independent Director (Chairman);
- Shilpa Kumar (DIN: 02404667), Managing Director & CEO; and
- Ajay Saraf (DIN: 00074885), Executive Director.

During FY2019, there was no change in the constitution of the CSR Committee.

During FY2019, three meetings of CSR Committee were held on April 12, 2018, July 23, 2018 and October 19, 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)	3	3
Shilpa Kumar	3	3
Ajay Saraf	3	2

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

Stakeholders Relationship Committee

Terms of Reference

- (a) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings *etc.*;
- (b) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (c) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (d) Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- (e) Review of measures taken for effective exercise of voting rights by shareholders;
- (f) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- (g) Review of various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
- (h) Carrying out any other function as may be decided by the Board or prescribed under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or any other applicable law.

Composition

During FY2019, the composition of the Stakeholders Relationship Committee ('SRC') of the Company was in compliance with Section 178 (5), other applicable provisions of the Act and Listing Regulations.

As at the end of FY2019, the SRC of the Company comprised of following as its members:

- Vijayalakshmi Iyer (DIN: 05242960), Independent Director (Chairperson);
- Shilpa Kumar (DIN: 02404667), Managing Director & CEO; and
- Ajay Saraf (DIN: 00074885), Executive Director.

During FY2019, there was no change in the constitution of SRC.

During FY2019, three meetings of SRC were held on July 17, 2018, October 11, 2018 and January 11, 2019. The details of the attendance at the meetings are set out in the following table:

Name of the Director	Number of Meetings held during the tenure of the Director	Number of Meetings attended
Vijayalakshmi Iyer (Chairperson)	3	3
Shilpa Kumar	3	3
Ajay Saraf	3	3

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

The SCORES website of SEBI for redressal of grievances of the investors is being visited at regular intervals by the officials of the Company. The Company had received 13 complaints from the shareholders during FY2019. As at the end of FY2019, no complaints were pending.

Risk Management Committee

Terms of Reference

- (a) To approve risk management policies in respect of the following:
 - i. Market Risk,
 - ii. Credit Risk,
 - iii. Operations Risk,
 - iv. Fraud Risk,
 - v. Information Technology Risk,
 - vi. Information Security and Cyber Security Risk,
 - vii. Liquidity Risk, and
 - viii. Surveillance Policy.
- (b) To analyze and monitor various product limits as well as the credit and market risks associated with the different business activities of the Company;
- (c) To assess the risk of investments in securities undertaken by the proprietary desk of the Company;

- (d) To analyze and monitor various products/processes/policies of the Company from the operational risk perspective as well and suggest risk controls to ensure that the residual risk of various business activities undertaken is within tolerable limits;
- (e) To review various risk management policies periodically;
- (f) To monitor the implementation of various risk management policies;
- (g) To review the macro economic changes, global emerging trends and regulatory changes/requirements, trends in operational risks so that the Company is positioned to face the changes in the external environment and internal developments;
- (h) To review Internal Capital Adequacy Assessment Process (ICAAP);
- (i) Approval and review of business continuity plan and disaster recovery plan;
- (j) To review the operational loss data; and
- (k) To ensure that all ongoing outsourcing decisions taken by the Company and the activities undertaken by the third-party are in accordance with the Outsourcing Policy of the Company.

Composition

In compliance with the provisions of Regulation 21 of Listing Regulations which became applicable to the Company *w.e.f.* April 1, 2019, the Company had a duly constituted Risk Management Committee ('RMC') comprising the following as its members as at the end of FY2019:

- Vijayalakshmi Iyer (DIN: 05242960), Independent Director (Chairperson);
- Shilpa Kumar (DIN: 02404667), Managing Director & CEO;
- Ajay Saraf (DIN: 00074885), Executive Director;
- Ripujit Chaudhuri, Head - Risk; and
- Harvinder Jaspal, Chief Financial Officer.

PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND DIRECTORS

The Company has in place an evaluation framework for evaluation of the Board, Directors and Chairman.

The Board also carries out an evaluation of the working of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee 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 https://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 & Remuneration Committee ('NRC' or 'the Committee') has oversight over compensation. The Committee defines Key Performance Indicators ('KPIs') for the Organisation based on the financial and strategic plan approved by the Board. The KPIs include both quantitative and qualitative aspects. The NRC assesses organizational performance as well as the individual performance of Whole-time Directors. Based on its assessment, it makes recommendations to the Board regarding 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 are covered under the ICICI Bank's Employee Stock Option Scheme (ESOS) and/or under ICICI Securities Limited - Employees Stock Option Scheme - 2017 as governed by respective Scheme details.

The Company follows a philosophy of meritocracy, which is the relative differentiation of employees based on performance delivered. The design of the variable pay is linked to individual employee's performance rating which is arrived at basis assessment of performance delivered

against a set of pre-defined performance objectives. These objectives are a balanced mix of financial, customer, process and compliance related objectives. To ensure effective alignment of compensation with prudent risk parameters, the Company will take into account various risk parameters along with other pre-defined performance objectives of the Company. Acts of gross negligence and integrity breach and reasonable evidence of deterioration in financial performance shall be covered under the purview of the Compensation Policy. The deferred part of the performance bonus (variable pay) will be subject to malus, under which the Company will prevent vesting of all or part of the variable pay in the event of an enquiry determining gross negligence or integrity breach.

Changes in the Compensation Policy during FY2019

- a) The Board of Directors reviewed the Company's Compensation Policy for the Whole-time Directors, Key Managerial Personnel and other employees at its meeting held on April 14, 2018 and the following additions were made:
1. Employees eligible for stock options may be granted options under ICICI Securities Limited - Employees Stock Option Scheme - 2017 ("the Scheme") as may be recommended and approved by NRC & the Board of ICICI Securities Limited.
 2. Specific criteria for employee stock option grants may include organisation performance, individual performance, potential assessment, vintage and any other relevant parameters.
 3. The vesting schedule of the stock options will be governed as per the Scheme.
- b) No changes were proposed to be made in the remuneration policy for the Non-executive Directors of the Company during FY2019.

PECUNIARY RELATIONSHIP OF THE NEDS WITH THE COMPANY

Apart from receiving sitting fees for attending Board and Committee meetings and profit related commissions by the 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 FY2019

Details of Remuneration (₹)

Particulars	Shilpa Kumar
Basic	12,698,400/-
Performance bonus ¹	9,976,907/-
Allowances ²	16,612,404/-
Perquisites	Please refer to Note below
Contribution to provident fund	1,523,808/-
Contribution to superannuation fund	-
Contribution to gratuity fund	1,057,777/-
Stock options (Numbers)	
FY2019 ³ - ICICI Bank Limited	242,500
FY2019 ⁴ - ICICI Securities Limited	122,800
FY2018 ³ - ICICI Bank Limited ^{##}	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. The bonus amount paid in FY2019 includes the deferred portion of bonus approved in earlier years. The comparable bonus amount paid in FY2018 was ₹ 3,194,771/-.

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 FY2018 and FY2017 made during FY2019 and FY2018 respectively.

⁴ Stock Options granted by ICICI Securities Limited under ICICI Securities Limited - Employees Stock Option Scheme - 2017, vesting over three years, in proportions of 30%, 30% and 40%. This grant pertains to FY2018 made during FY2019.

^{##} 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 ₹ 12.5 million, personal accident insurance cover of ₹ 45.0 million, medical insurance for hospitalisation coverage for self and dependents of ₹ 0.4 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	9,860,400/-
Performance bonus ¹	9,362,399/-
Allowances ²	12,068,952/-
Perquisites	Please refer to Note below
Contribution to provident fund	1,183,248/-
Contribution to superannuation fund	-
Contribution to gratuity fund	821,376/-
Stock options (Numbers)	
FY2019 ³ - ICICI Bank Limited	106,400
FY2019 ⁴ - ICICI Securities Limited	53,900
FY2018 ³ - ICICI Bank Limited ^{##}	160,380
FY2017 ³ - ICICI Bank Limited ^{##}	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. The bonus amount paid in FY2019 includes the deferred portion of bonus approved in earlier years. The comparable bonus amount paid in FY2018 was ₹ 6,975,300/-.

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 FY2018, FY2017 and FY2016 made during FY2019, FY2018 and FY2017 respectively.

⁴ Stock Options granted by ICICI Securities Limited under ICICI Securities Limited - Employees Stock Option Scheme - 2017, vesting over three years, in proportions of 30%, 30% and 40%. This grant pertains to FY2018 made during FY2019.

^{##} 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 ₹ 36 million, medical insurance for hospitalisation coverage for self and dependents of ₹ 0.4 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.

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 attended of the Board, ₹ 50,000/- as sitting fees for each Meeting attended of the Audit Committee and ₹ 30,000/- as sitting fees for each Meeting attended of other Committees of the Board.

Information on the total sitting fees paid to each Non-executive Director during FY2019 for attending meetings of the Board and its Committees is set out in the following table:

Name of the Director	Amount (₹)
Vinod Kumar Dhall (DIN: 02591373)	860,000/-
Ashvin Parekh (DIN: 06559989)	1,110,000/-
Subrata Mukherji (DIN: 00057492)	900,000/-
Vijayalakshmi Iyer (DIN: 05242960)	620,000/-

As per the remuneration framework of the Company for the Non-executive Directors, the Board approved the payment of profit related commission to the Independent Directors.

Accordingly, the profit related commission paid to the Independent Directors during FY2019 for their tenure during FY2018 is as under:

Name of the Director	Amount (₹)
Vinod Kumar Dhall (DIN: 02591373)	750,000/-
Ashvin Parekh (DIN: 06559989)	750,000/-
Subrata Mukherji (DIN: 00057492)	252,740/-
Vijayalakshmi Iyer (DIN: 05242960)	252,740/-

Disclosures required with respect to Section 197 (12) of the Act

The ratio of remuneration of each Director to the median employee's remuneration and such other details in terms of Section 197 (12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided below:

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

The ratio of remuneration for the Whole-time directors is as under:

Shilpa Kumar, Managing Director & CEO = 71:1

Ajay Saraf, Executive Director = 53:1

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

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

Ashvin Parekh, Independent Director = 4.1:1
 Subrata Mukherji, Independent Director = 2.6:1
 Vijayalakshmi Iyer, Independent Director = 1.9:1

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

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

The percentage increase in remuneration of Whole-time Directors, Chief Financial Officer and Company Secretary ranged between 8% and 18%.

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

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

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

Employee headcount at March 31, 2019 was 4,051.

(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 FY2019 was around 9%, while the increase in the remuneration of the Key Managerial Personnel was in the range of 8% to 18%.

(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

a) Annual General Meetings:

The details of General Body Meetings held in the last three years and the special resolutions passed thereat are given below:

General Body Meeting	Day, Date and Time	Venue	Special Resolution(s) passed
Twenty-Third AGM	Thursday, August 30, 2018 at 02.30 p.m.	Rama & Sundri Watumull Auditorium, Kishinchand Chellaram College, Vidyasagar Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai - 400 020	<ul style="list-style-type: none"> • Ratification and approval of the Employees Stock Option Scheme - 2017 for eligible employees of the Company and grant of options. • Ratification and approval of the Employees Stock Option Scheme - 2017 for eligible employees of the Subsidiaries of the Company and grant of options. • Ratification and approval of the Employees Stock Option Scheme - 2017 for eligible employees of the Holding Company of the Company and grant of options.

General Body Meeting	Day, Date and Time	Venue	Special Resolution(s) passed
Twenty-Second AGM	Friday, June 9, 2017 at 11.30 a.m.	ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai - 400 020	No Special Resolution was passed.
Twenty-First AGM	Thursday, August 25, 2016 at 4.00 p.m.	ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai - 400 020	No Special Resolution was passed.

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

During FY2019, special resolution was passed through postal ballot (including electronic voting) process on December 26, 2018 for continuation of directorship of Vinod Kumar Dhall (DIN: 02591373) as an Independent Director of the Company.

The Company followed the procedure as prescribed under the Companies (Management and Administration), Rules, 2014, as amended, the Secretarial Standard 2 issued by the Institute of Company Secretaries of India and Regulation 44 of Listing Regulations and other applicable laws and regulations. The Members were provided the facility to cast their votes through electronic voting (e-voting) or through postal ballot. The Board of Directors of the Company, appointed Dholakia & Associates LLP, Practising Company Secretaries as the Scrutiniser for conducting the postal ballot voting process. Bhumitra V. Dholakia, Designated Partner of Dholakia & Associates LLP acted as the Scrutiniser and submitted his report after completion of the scrutiny of the postal ballots (including e-voting). Considering the combined results of the Postal Ballot *via* postal ballot forms and e-voting facility, the resolution was approved on December 26, 2018. The results were declared on December 28, 2018 and communicated to the Stock Exchanges and displayed on the Company's website at <https://www.icicisecurities.com/CMT/UPLOAD/ArticleAttachments/Submissionofvotingresults.pdf>. The details of the voting pattern are as under:

Total No. of Equity Shares (1)	322,141,400
No. of Votes polled (2)	285,273,182
% of Votes polled on Outstanding shares (3) = [(2)/(1)]*100	88.5553
No. of Votes in Favour (4)	285,252,288
No. of Votes Against (5)	20,894
% of Votes in favour on Votes polled (6)=[(4)/(2)]*100	99.9927
% of Votes Against on Votes polled (7)=[(5)/(2)]*100	0.0073

Whether any Special Resolution is proposed to be conducted through Postal Ballot:

Till the date of this report, the Company does not intend or propose to pass any Special Resolution through Postal ballot.

STATUTORY AUDITORS

At the AGM held at June 9, 2017, the Members approved the appointment of B S R & Co. LLP, Chartered Accountants as the Statutory Auditors for a period of five years, to hold office from the conclusion of the Twenty-Second AGM till the conclusion of the Twenty-Seventh AGM subject to the ratification by the Members at every AGM. Pursuant to the amendment in Section 139 of the Act *vide* Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement relating to ratification of appointment of Statutory Auditors by the Members of the Company at every AGM has been dispensed with.

Accordingly, on recommendation of the Audit Committee, the Board has proposed to dispense with the requirement of annual ratification of appointment of B S R & Co. LLP as the Statutory Auditors of the Company, subject to approval of the Members at the ensuing AGM. The said proposal is accordingly proposed in the Notice of the ensuing AGM of the Company.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Makarand M. Joshi & Co., Practising Company Secretaries as the Secretarial Auditor of the Company, to undertake the Secretarial Audit of the Company for FY2019. The Secretarial Audit Report is given in **Annexure G** enclosed to this report.

There are no adverse observations in the secretarial audit report. The auditors have only commented about non-updation of certain KYC details on CKYC Registry. The Company had reported the challenges in uploading the KYC details of existing clients on-boarded prior to CKYC requirements came into effect to the Board and SEBI from time to time.

DISCLOSURE ABOUT MAINTENANCE OF COST RECORDS

The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act for the services rendered by the Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

	₹ millions	
	FY2018	FY2019
Earnings	279.7	131.8
Outgo	464.9	621.5

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

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

During the year, there were no such orders passed by the Court or Tribunals which will have material impact on the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company confirm:

- i. that the applicable accounting standards have been followed in the preparation of the annual accounts and that there are no material departures;
- ii. that such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent, so as

to give a true and fair view of the state of affairs of the Company at March 31, 2019 and of the profit of the Company for the year ended on that date;

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

CORPORATE PHILOSOPHY AND COMPLIANCE

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

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

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has a policy against sexual harassment and has a formal process for dealing with complaints of harassment or discrimination. The said policy is in line with relevant Act passed by the Parliament in 2013. The Company, through the policy ensures that all such complaints are resolved within defined timelines. The number of cases reported under Prevention of Sexual

Harassment at Workplace during the year was three. All the complaints were disposed off during the year and no complaints were pending as at March 31, 2019.

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 - Employees Stock Option Scheme - 2017. Subsequently, ICICI Securities Limited - Employees Stock Option Scheme - 2017 along-with amendments therein ('the Scheme') was approved by the Board of Directors of the Company in their meeting held on July 23, 2018 and by the Shareholders at the Annual General Meeting held on August 30, 2018.

The Scheme aims at achieving the twin objectives of (i) enabling employees to participate in the long term growth of the Company; and (ii) retention of key talent. Through employee stock option grants, the Company seeks to foster a culture of long-term sustainable value creation. The Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The Scheme provides that the maximum number of options granted to any Eligible Employee in a financial year shall not, except with the approval of the Board of Directors of the Company, exceed 0.10% of the issued shares of the Company at the time of grant of options and the aggregate of all such options granted to the eligible employees shall not exceed 5% of the aggregate of the number of issued shares of the Company, from time to time, on the date(s) of grant of option(s). The eligible employees include employees as defined in the Scheme. Grants will be made by the NRC based on determination of eligibility criteria prescribed under the Scheme and vesting period will be indicated in the grant letter with minimum period of one year between the date of granting and vesting of options or such other period as may be required under applicable laws. The options may be exercised at any time after vesting but not exceeding five years from the date of vesting of the options or as may be determined by the NRC.

The Board of Directors at its Meeting held on October 19, 2018 approved a grant of 176,700 options for FY2018 to Whole-time Directors of the Company. Each option confers on the employee a right to apply for one equity

share of face value of ₹ 5/- each of ICICI Securities Limited at ₹ 256.55, being closing price on a recognized Stock Exchange having higher trading volume on the date immediately prior to the date of meeting of the Committee.

Particulars of options granted by the Company upto March 31, 2019 are given below:

Options granted till March 31, 2019	176,700
Options forfeited/lapsed	Nil
Options vested	Nil
Options exercised	Nil
Total number of options in force	176,700
Number of shares allotted pursuant to exercise of options	Nil
Extinguishment or modifications of options	Nil
Amount realized by exercise of options INR	Nil

- The above mentioned stock option grant will have a vesting schedule of three years, in the ratio of 30%-30%-40% starting one year from the date of the grant of the options.
- Exercise Period would commence from the date of vesting and expire on completion of five years from the date of vesting of Options.
- The fair value of the underlying shares has been determined by an independent valuer. The calculation of fair value of grants is in accordance with the Black-Scholes options pricing model. The fair value of the options granted in FY2019 is ₹ 90.08.

The key assumptions used to estimate the fair value of options granted during FY2019 are given below:

Risk-free interest rate	7.74% to 7.89%
Expected life	3.51 to 5.51 years
Expected volatility	41.94% to 43.71%
Expected dividend yield	3.66%

The relevant disclosures as per Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 have been uploaded on our website and can be accessed at https://www.icicisecurities.com/CMT/Upload/ArticleAttachments/Disclosure_with_respect_to_Employees_Stock_Option_Scheme_as_on_March_31_2019.pdf.

BUSINESS RESPONSIBILITY REPORTING

The Business Responsibility Report as stipulated under Regulation 34 of Listing Regulations has been hosted on the website of the Company at https://www.icicisecurities.com/CMT/UPLOAD/ArticleAttachments/Business_Responsibility_Report_FY_2018_2019.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

None

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has been in compliance with the applicable Secretarial Standards during FY2019.

CODE OF CONDUCT AS PRESCRIBED UNDER THE 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 of the Company forms part of the Annual Report.

CORPORATE GOVERNANCE

Philosophy on Corporate Governance

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

The Company considers its stakeholders as partners in success, and the Company remains committed to

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

MATERIAL SUBSIDIARIES

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

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

CEO/CFO CERTIFICATION

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

MEANS OF COMMUNICATION

It is the Company's belief that all stakeholders should have access to complete information regarding its position to enable them to accurately assess its future potential. The Company disseminates information on its operations and initiatives on a regular basis. The Company's website (www.icicisecurities.com) serves as

a key awareness facility for all its stakeholders, allowing them to access information at their convenience. It provides comprehensive information on the Company's strategy, financial performance, operational performance and the latest press releases.

The Company's investor relations personnel respond to specific queries and play a proactive role in disseminating information to both analysts and investors. All information which could have a material bearing on the Company's share price is released as per regulatory requirements. The information is also disseminated to National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') from time to time.

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

The Company's quarterly financial results are published in English language national daily newspaper circulating in the whole or substantially the whole of India, *inter alia*, Economic Times/Business Standard/Mint and in one daily newspaper published in the Marathi language *inter alia*, Maharashtra Times/Navshakti.

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

Market Price Information

The reported high and low closing prices and volume of equity shares of the Company traded from the date of listing *i.e.* April 4, 2018 to March 31, 2019 on NSE and BSE are set out in the following table:

Month	NSE			BSE			Total Volume on NSE and BSE
	High (in ₹)	Low (in ₹)	Volume	High (in ₹)	Low (in ₹)	Volume	
April 2018	463	403.1	14,329,674	462.7	400	2,162,854	16,492,528
May 2018	421	352	7,259,582	421.1	352	839,433	8,099,015
June 2018	390	325	2,790,205	383.7	324	257,631	3,047,836
July 2018	334.9	291	2,556,509	336.95	290	1,844,486	4,400,995
August 2018	366.3	317	5,318,324	369.9	315	2,171,179	7,489,503
September 2018	339	286.1	2,421,764	339	285.75	155,900	2,577,664
October 2018	287.95	225.55	9,376,348	288.1	224.9	516,438	9,892,786
November 2018	284.6	236	8,734,756	284.4	235	936,583	9,671,339

General Shareholder Information

Annual General Meeting	Day, Date & Time	Venue
Twenty-Fourth AGM	Friday, August 2, 2019 at 2.30 p.m.	Rama & Sundri Watumull Auditorium, Kishinchand Chellaram College, Vidyasagar Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai - 400 020

Financial Year: April 1, 2018 to March 31, 2019

Book Closure: Saturday, July 27, 2019 to Friday, August 2, 2019 (both days inclusive)

Dividend Payment Date: On or before September 1, 2019

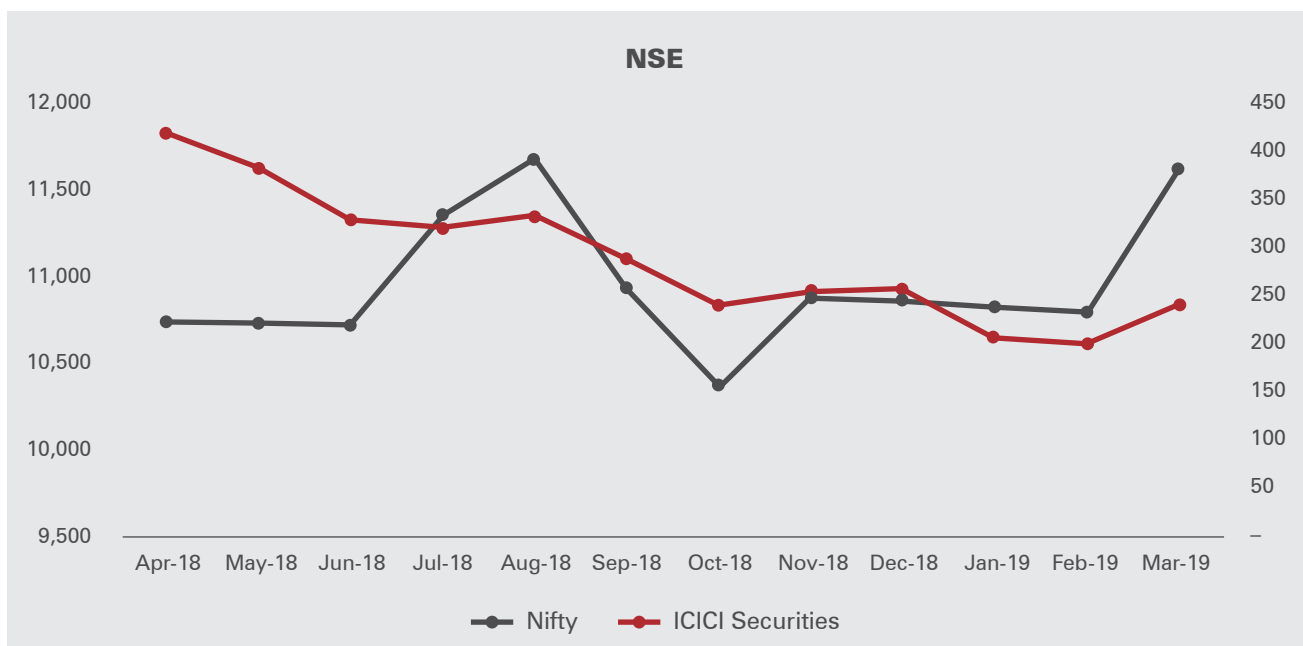
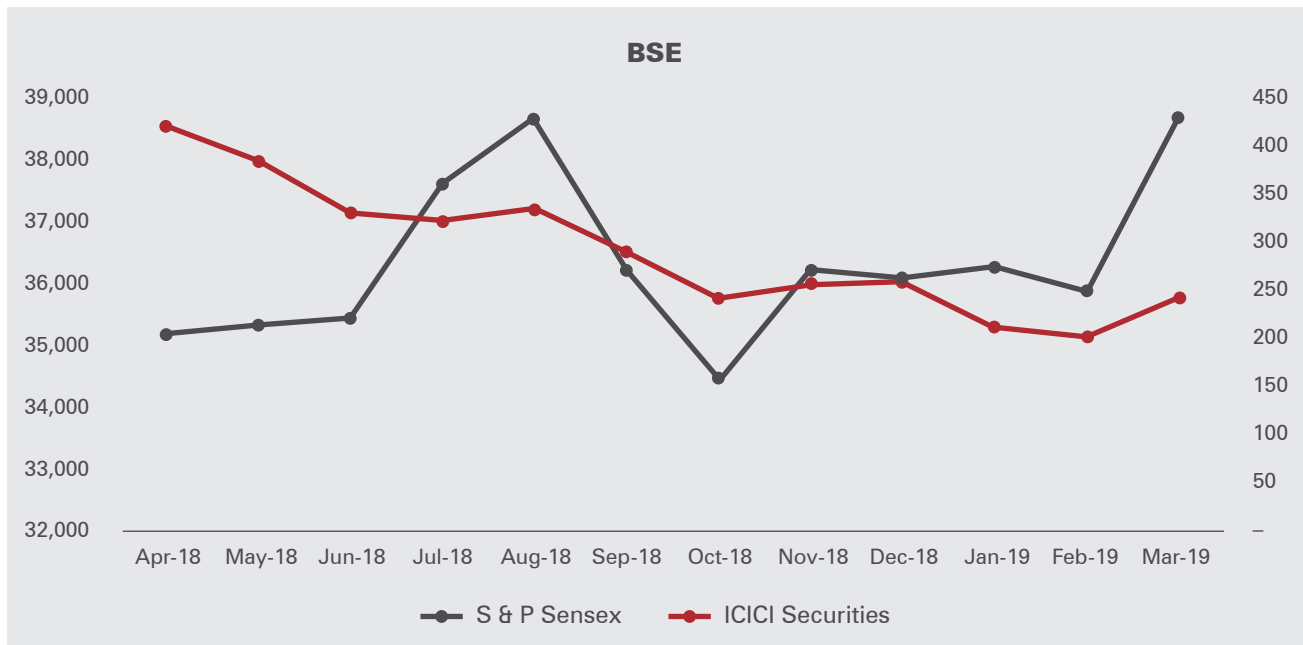
Listing of equity shares on the Stock Exchanges

Stock Exchange	Code of the Company
National Stock Exchange of India Limited ('NSE') Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	ISEC
BSE Limited ('BSE') Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	541179

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

Month	NSE			BSE			Total Volume on NSE and BSE
	High (in ₹)	Low (in ₹)	Volume	High (in ₹)	Low (in ₹)	Volume	
December 2018	273.9	250	3,601,204	273.9	251	366,666	3,967,870
January 2019	286.1	196	6,515,726	286	195	1,778,387	8,294,113
February 2019	210	188	3,600,409	209.55	188	188,454	3,788,863
March 2019	263.8	199.65	5,111,478	264.5	199.9	547,129	5,658,607

The performance of the Company's equity shares relative to the S&P BSE Sensitive Index (Sensex) and Nifty 50 during the period April 4, 2018 to March 31, 2019 is given in the following chart:



Share Transfer System

Pursuant to the NCLT Order, the operations of Karvy Computershare Private Limited, the Registrar & Share Transfer Agent of the Company were transferred to Karvy Fintech Private Limited with effect from November 17, 2018 and accordingly, all the existing agreements to which Karvy Computershare Private Limited is a party including the agreements entered into by the Company will be in full force and vest with Karvy Fintech Private Limited, the Registrar & Share Transfer Agent of the Company.

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:

	FY2017	FY2018	FY2019
	Shares of face value ₹ 2/-	Shares of face value ₹ 2/-	Shares of face value ₹ 5/-
Number of transfer deeds	1	3	Nil
Number of shares transferred	500	1500	Nil

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. During the year, the Company had received requests from two Shareholders holding 105 equity shares of face value ₹ 5/- each for re-materialization of shares. As at March 31, 2019, the entire paid-up equity share capital of the Company (except 105 equity shares) is held in dematerialised form.

Registrar and Transfer Agents

The address of Karvy Fintech Private Limited ('Karvy'), the Company's Registrar and Transfer Agent is as follows:

Karvy Fintech Private Limited

Karvy Selenium, Tower - B, Plot No. 31 & 32,
 Financial District, Nanakramguda, Serilingampally Mandal,
 Hyderabad - 500 032
 E-mail id: einward.ris@karvy.com
 Tel No.: +91-40-6716 2222
 Fax No.: +91-40-2300 1153
 Toll Free No.: 1-800-3454-001

Information on shareholding

Shareholding pattern of the Company at March 31, 2019

Sr. No.	Category	Number of shares	% of total number of shares
1.	Promoters	255,216,095	79.22
2.	Mutual Funds	4,142,7081	12.86
3.	Alternate Investment Funds	2,053,068	0.64
4.	Foreign Portfolio Investors	4,500,829	1.40
5.	Financial Institutions	129,862	0.04
6.	Banks	928,644	0.29
7.	Individuals	13,136,799	4.08
8.	NBFCs registered with RBI	291,538	0.09
9.	Trusts	1,503	0.00
10.	Non-Resident Indian (NRI)	1,036,624	0.32
11.	Clearing Members	180,716	0.06
12.	Bodies Corporate	2,849,468	0.88
13.	HUF	389,173	0.12
	Total	322,141,400	100.00

Shareholders of the Company with more than 1% holding at March 31, 2019 (other than promoters of the Company)

Sr. No.	Name of the Shareholder	Number of shares	% of total number of shares
1.	L & T Mutual Fund (under its various schemes)	8,222,043	2.55
2.	ICICI Prudential Mutual Fund (under its various schemes)	7,696,280	2.39
3.	IDFC Mutual Fund (under its various schemes)	6,979,006	2.17

Distribution of shareholding of the Company at March 31, 2019

Category (in ₹)	No. of Folios	% of Members	Total Shares	% of shares
1 - 5,000	122,601	98.86	9,907,963	3.08
5,001 - 10,000	750	0.60	1,101,717	0.34
10,001 - 20,000	321	0.26	904,159	0.28
20,001 - 30,000	93	0.08	461,558	0.14
30,001 - 40,000	43	0.03	308,794	0.10
40,001 - 50,000	26	0.02	241,618	0.08
50,001 - 100,000	50	0.04	719,751	0.22
100,001 & Above	135	0.11	308,495,840	95.76
Total	124,019	100.00	322,141,400	100.00

Disclosures with respect to demat suspense account/unclaimed suspense account

Sr. No.	Category	Number of shareholders	Number of shares
1.	Aggregate number of shareholders and the outstanding shares lying in suspense account (unclaimed shares demat account) as on April 1, 2018	3	84
2.	Number of shareholders who approached the Company for transfer of shares from suspense account (unclaimed shares demat account) during the year	3	84
3.	Number of shareholders to whom shares were transferred from suspense account (unclaimed shares demat account) during the year	3	84
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2019	0	0

The voting rights on the above referred 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

Not applicable

Commodity price risk or foreign exchange risk and hedging activities and disclosures as per the format prescribed, if applicable

The Company neither trades in commodity segment nor offers trading facility in commodity segment to its client. However, the Company may be exposed to foreign exchange risk on account of its proprietary positions as well as its customers' positions in the capacity of trading/clearing member. Foreign exchange risk of proprietary positions is managed by applying the overall open position limit and various other risk limits approved by the Risk Management Committee. Foreign exchange risk on customers' positions is mitigated by collecting upfront

margins from customers and monitoring of customers' positions by marking them to market at regular interval.

Plant Locations

Not applicable

Address for Correspondence

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

Karvy Fintech Private Limited
 Unit: ICICI Securities Limited
 Karvy Selenium, Tower - B
 Plot No. 31 & 32, Financial District, Nanakramguda,
 Serilingampally Mandal, Hyderabad – 500032
 E-mail id: einward.ris@karvy.com
 Tel No.: +91-40-6716 2222
 Fax No.: +91-40-2300 1153
 Toll Free No.: 1-800-3454-001

For queries on Annual Report or investors' assistance:
 Raju Nanwani,
 Company Secretary & Compliance Officer,
 ICICI Securities Limited
 ICICI Centre, H. T. Parekh Marg,
 Churchgate, Mumbai 400 020
 Tel No.: +91 22 6637 7100
 Fax No.: +91 22 2288 2455

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

investors@icicisecurities.com, IR@icicisecurities.com

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

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

Payments to the auditor	For the year ended March 31, 2019	₹ millions
		For the year ended March 31, 2018
For audit fees	8.3	5.3
For taxation matters	0.7	0.6
For other services (certification)	2.6	2.5
For reimbursement of expenses	0.9	0.3
Total	12.5	8.7

Credit Ratings obtained by the Company

Your Company has obtained credit rating from:

Name of the credit rating agency	Credit rating obtained in respect of various securities	Amount (₹ in millions)	Issue Date/ Revalidation	Validity of Rating	If Rating Downgraded (Specify reason)
CRISIL	Non-Convertible Debentures	500.0	December 19, 2018	180 days	Rating not downgraded
CRISIL	Commercial Paper	15,000.0	February 13, 2019	60 days	Rating not downgraded
ICRA	Non-Convertible Debentures	500.0	November 2, 2018	Valid till next surveillance	Rating not downgraded
ICRA	Commercial Paper	15,000.0	February 8, 2019	60 days	Rating not downgraded

DISCLOSURES

- There are no materially significant transactions that may have potential conflict with the interests of the Company.
- No penalties or strictures have been imposed on the Company by any of the Stock Exchanges, the Securities and 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.
- The Company has a policy for determining 'material' subsidiaries which can be viewed on the web-link: https://www.icicisecurities.com/CMT/UPLOAD/ARTICLEIMAGES/Policy_for_Determining_Material_Subsidiaries.pdf
- 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

NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT AS PER SCHEDULE V (C) (2) TO (10) OF LISTING REGULATIONS

Nil

COMPLIANCE CERTIFICATE FROM THE AUDITORS

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

A certificate from a company secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority as stipulated in Listing Regulations is given in **Annexure I**.

ADOPTION OF MANDATORY AND NON-MANDATORY REQUIREMENTS

The Company has complied with all mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 and some of

the non-mandatory requirements pertaining to Corporate Governance stipulated under Listing Regulations.

The Company has adopted following non-mandatory requirements:

1. Financial Statements with unmodified audit opinion;
2. Separate posts of Chairman and Managing Director & CEO; and
3. Reporting of internal auditor directly to the Audit Committee.

GREEN INITIATIVES IN CORPORATE GOVERNANCE

In line with the 'Green Initiative', the Company has effected electronic delivery of Notice of AGM, Annual Report and Postal Ballot Notices to those Members whose e-mail IDs are registered with the 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 continue to request members to register/update their e-mail ids with their Depository Participants so as to enable the Company to send various communications through electronic mode. We believe and endorse the 'Green Initiative' as it would not only rationalise the use of paper but also ensure prompt communication, avoid loss in transit and have reference value of the communication.

ACKNOWLEDGEMENTS

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

The Insurance Regulatory and Development Authority of India, The Pension Fund Regulatory and Development Authority, other statutory authorities, its bankers and lenders for their continued co-operation, support and guidance. The Company wishes to thank its investors for their support.

The Directors express their gratitude for the support and guidance received from the Company's Holding Company viz., ICICI Bank Limited and other group companies and also 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.

AWARDS & RECOGNITION

- Outlook Money Retail Broker of the Year - 2018
- TOP 100 franchise opportunity for 2019 - Franchising World magazine
- UTI MF and CNBC TV18 Financial Advisor Awards 2017-18 – Best performing National Financial Advisor Equity Broker
- ABP News Banking Financial Services Insurance Awards - Best Equity Broker of the Year 2018
- ABP News Banking Financial Services Insurance Awards - Innovation In Customer Education Award for Investor Conference Calls 2018

For and on behalf of the Board

Sd/-
 Vinod Kumar Dhall
 DIN: 02591373
 Chairman

Date: April 23, 2019
 Place: Mumbai

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

I confirm that all Directors and Members of the senior management have affirmed compliance with the Code of Conduct & Business Ethics for the year ended at March 31, 2019.

For and on behalf of the Board

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

Date: April 23, 2019
 Place: Mumbai

Annexure A

Dividend Distribution Policy

1. Introduction

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

2. Statutory and regulatory requirements

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

a) The Companies Act, 2013

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

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

b) Requirements under Articles of Association

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

3. Approval process

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

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

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

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

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

4. Utilisation of retained earnings

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

5. Parameters for various class of shares

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

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

The Board of the Company may vary the level of dividend or not recommend any dividend based on

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

7. Review

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

Annexure B

Form AOC-1

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

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

Part "A": Subsidiaries

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

Sl. No	Particulars	Subsidiary	Step Down Subsidiary
1.	Name of the subsidiary	ICICI Securities Holdings, Inc.	ICICI Securities, Inc.
2.	The date since when subsidiary was acquired	May 2007	May 2007
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR US \$ 1 = ₹ 69.92	INR US \$ 1 = ₹ 69.92
5.	Share capital	728,206	571,667
6.	Reserves & surplus	(599,318)	(353,943)
7.	Total assets	129,040	338,935
8.	Total Liabilities*	152	121,211
9.	Investments	94,498	-
10.	Turnover	2,001	210,758
11.	Profit before taxation	2,001	19,377
12.	Provision for taxation	322	(17,117)
13.	Profit after taxation	1,679	36,494
14.	Proposed Dividend	-	-
15.	Extent of shareholding (in percentage)	100% held by ICICI Securities Limited	100% held by ICICI Securities Holdings, Inc.

*Total Liabilities excludes capital and reserves

Notes:

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

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

Part “B”: Associates and Joint Ventures

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

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

Notes:

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

For and on behalf of the Board of Directors

Sd/-	Sd/-
Vinod Kumar Dhall	Ashvin Parekh
DIN: 02591373	DIN: 06559989
Chairman	Director

Sd/-	Sd/-
Shilpa Kumar	Ajay Saraf
DIN: 02404667	DIN: 00074885
Managing Director & CEO	Executive Director

Sd/-	Sd/-
Raju Nanwani	Harvinder Jaspal
Company Secretary	Chief Financial Officer

Date : April 23, 2019
Place : Mumbai

Annexure C

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2019

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

I. REGISTRATION AND OTHER DETAILS

i) CIN	L67120MH1995PLC086241
ii) Registration Date	March 9, 1995
iii) Name of the Company	ICICI Securities Limited
iv) Category/Sub-Category of the Company	Public Company Limited by shares/ Indian Non-Government Company
v) Address of the Registered office and contact details	ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai – 400020 Tel: +91 22 2288 2460/70
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited Karvy Selenium, Tower - B Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, 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	54
2.	Merchant Banking and distribution of financial products	66190	33

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. 251 Little Falls Drive Wilmington, DE 19808	NA	Wholly-owned Subsidiary	100	2 (87)
3.	ICICI Securities, Inc. 251 Little Falls Drive Wilmington, DE 19808	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, 2018)				No. of Shares held at the end of the year (March 31, 2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
a)	Individual/HUF	1,200	0	1,200	0.00	1200	0	1200	0.00	0.00
b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
d)	Bodies Corporates	200	0	200	0.00	200	0	200	0.00	0.00
e)	Banks/Financial Institutions	255,214,695	0	255,214,695	79.22	255,214,695	0	255,214,695	79.22	0.00
f)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A)(1)	255,216,095	0	255,216,095	79.22	255,216,095	0	255,216,095	79.22	0.00
(2)	Foreign									
a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b)	Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d)	Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total shareholding of Promoters (A) = (A)(1)+(A)(2)	255,216,095	0	255,216,095	79.22	255,216,095	0	255,216,095	79.22	0.00
B.	Public Shareholding									
(1)	Institutions									
a)	Mutual Funds	31,923,332	0	31,923,332	9.91	41,427,081	0	41,427,081	12.86	2.95
b)	Banks/Financial Institutions	1,038,408	0	1,038,408	0.32	1,058,506	0	1,058,506	0.33	0.01
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	4,326,952	0	4,326,952	1.34	2,053,068	0	2,053,068	0.64	-0.70
	Foreign Portfolio Investors	15,318,505	0	15,318,505	4.76	4,500,829	0	4,500,829	1.40	-3.36
	Sub-total (B)(1)	52,607,197	0	52,607,197	16.33	49,039,484	0	49,039,484	15.22	-1.11
(2)	Non-Institutions									
a)	Bodies Corporates									
i)	Indian	4,854,360	0	4,854,360	1.51	2,849,468	0	2,849,468	0.88	-0.63
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	8,369,900	0	8,369,900	2.60	11,786,593	105	11,786,698	3.66	1.06
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	61,040	0	61,040	0.02	1,350,101	0	1,350,101	0.42	0.40

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2018)				No. of Shares held at the end of the year (March 31, 2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c)	Others									
	Trusts	192,304	0	192,304	0.06	1,503	0	1,503	0.00	-0.06
	HUF	202,524	0	202,524	0.06	389,173	0	389,173	0.12	0.06
	Non-Resident Indian (NRI)	349,496	0	349,496	0.11	1,036,624	0	1,036,624	0.32	0.21
	NBFCs	288,484	0	288,484	0.09	291,538	0	291,538	0.09	0.00
	Clearing Members	0	0	0	0.00	180,716	0	180,716	0.06	0.06
	Sub-total (B)(2)	14,318,108	0	14,318,108	4.44	17,885,716	105	17,885,821	5.55	1.11
	Total Public Shareholding (B) = (B)(1)+(B)(2)	66,925,305	0	66,925,305	20.78	66,925,200	105	66,925,305	20.78	0.00
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C)	322,141,400	0	322,141,400	100.00	322,141,295	105	322,141,400	100.00	0.00

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2018)			Shareholding at the end of the year (March 31, 2019)			% 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	255,214,695	79.22	0.00	255,214,695	79.22	0.00	0.00
2.	ICICI Securities Primary Dealership Limited (As a Nominee of and jointly with ICICI Bank Limited)	200	0.00	0.00	200	0.00	0.00	0.00
3.	Piyush Garg (As a Nominee of and jointly with ICICI Bank Limited)	200	0.00	0.00	200	0.00	0.00	0.00
4.	Ripujit Chaudhuri (As a Nominee of and jointly with ICICI Bank Limited)	200	0.00	0.00	200	0.00	0.00	0.00
5.	Sohandeep Singh Hattar (As a Nominee of and jointly with ICICI Bank Limited)	200	0.00	0.00	200	0.00	0.00	0.00
6.	Ketan Rajnikant Karkhanis (As a Nominee of and jointly with ICICI Bank Limited)	200	0.00	0.00	200	0.00	0.00	0.00
7.	Shilpa Kumar (As a Nominee of and jointly with ICICI Bank Limited)	200	0.00	0.00	200	0.00	0.00	0.00
8.	Ajay Saraf (As a Nominee of and jointly with ICICI Bank Limited)	200	0.00	0.00	200	0.00	0.00	0.00
	Total	255,216,095	79.22	0.00	255,216,095	79.22	0.00	0.00

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2018)		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
No Change					

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, 2018)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	ICICI PRUDENTIAL MUTUAL FUND (under its various Schemes)#				
	At the beginning of the year	12,307,708	3.82		
	Purchase 29.06.2018	3,995	0.00	12,311,703	3.82
	Sale 24.08.2018	-4,615,464	-1.43	7,696,239	2.39
	Purchase 30.11.2018	101	0.00	7,696,340	2.39
	Sale 07.12.2018	-60	0.00	7,696,280	2.39
	At the end of the year			7,696,280	2.39
2.	HDFC MUTUAL FUND (under its various Schemes)#				
	At the beginning of the year	3,846,192	1.19		
	Sale 25.05.2018	-508,500	-0.16	3,337,692	1.04
	Purchase 08.06.2018	2,422,672	0.75	5,760,364	1.79
	Sale 08.06.2018	-2,643,872	-0.82	3,116,492	0.97
	Sale 17.08.2018	-877	0.00	3,115,615	0.97
	Sale 19.10.2018	-71,743	-0.02	3,043,872	0.94
	Sale 09.11.2018	-2,000	0.00	3,041,872	0.94
	Sale 16.11.2018	-190,300	-0.06	2,851,572	0.89
	Sale 23.11.2018	-28,900	-0.01	2,822,672	0.88
	Sale 21.12.2018	-9,000	0.00	2,813,672	0.87
	Sale 18.01.2019	-96,300	-0.03	2,717,372	0.84
	Sale 25.01.2019	-134,900	-0.04	2,582,472	0.80
	Sale 01.02.2019	-159,800	-0.05	2,422,672	0.75
	At the end of the year			2,422,672	0.75
3.	RELIANCE MUTUAL FUND (under its various Schemes)#				
	At the beginning of the year	3,365,376	1.04		
	Purchase 18.05.2018	192,304	0.06	3,557,680	1.10
	Sale 18.05.2018	-192,304	-0.06	3,365,376	1.04
	Sale 25.05.2018	-288,456	-0.09	3,076,920	0.96
	Purchase 02.11.2018	2,221,676	0.69	5,298,596	1.64
	Purchase 23.11.2018	100,100	0.03	5,398,696	1.68

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2018)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Purchase 30.11.2018	200,000	0.06	5,598,696	1.74
	Purchase 07.12.2018	100,000	0.03	5,698,696	1.77
	Purchase 14.12.2018	298,633	0.09	5,997,329	1.86
	Sale 25.01.2019	-174,090	-0.05	5,823,239	1.81
	Purchase 01.02.2019	1,106	0.00	5,824,345	1.81
	Sale 01.02.2019	-60,838	-0.02	5,763,507	1.79
	Purchase 08.02.2019	14	0.00	5,763,521	1.79
	Sale 08.02.2019	-76,072	-0.02	5,687,449	1.77
	Sale 15.02.2019	-69,849	-0.02	5,617,600	1.74
	Sale 22.02.2019	-1,450,513	-0.45	4,167,087	1.29
	Purchase 01.03.2019	17	0.00	4,167,104	1.29
	Sale 01.03.2019	-512,227	-0.16	3,654,877	1.13
	Purchase 08.03.2019	4,291	0.00	3,659,168	1.14
	Sale 08.03.2019	-487,773	-0.15	3,171,395	0.98
	Purchase 15.03.2019	561	0.00	3,171,956	0.98
	Purchase 22.03.2019	170	0.00	3,172,126	0.98
	Sale 22.03.2019	-406,745	-0.13	2,765,381	0.86
	Purchase 29.03.2019	575	0.00	2,765,956	0.86
	Sale 29.03.2019	-205,781	-0.06	2,560,175	0.79
	At the end of the year			2,560,175	0.79
4.	IDFC MUTUAL FUND (under its various Schemes)#				
	At the beginning of the year	3,269,196	1.01		
	Purchase 06.04.2018	23,918	0.01	3,293,114	1.02
	Purchase 13.04.2018	272,599	0.08	3,565,713	1.11
	Purchase 20.04.2018	368,575	0.11	3,934,288	1.22
	Purchase 27.04.2018	56,363	0.02	3,990,651	1.24
	Purchase 04.05.2018	68,293	0.02	4,058,944	1.26
	Purchase 11.05.2018	165,000	0.05	4,223,944	1.31
	Purchase 25.05.2018	44,230	0.01	4,268,174	1.32
	Purchase 01.06.2018	49,995	0.02	4,318,169	1.34
	Purchase 08.06.2018	6,663	0.00	4,324,832	1.34
	Purchase 15.06.2018	78,000	0.02	4,402,832	1.37
	Purchase 22.06.2018	30,212	0.01	4,433,044	1.38
	Purchase 29.06.2018	45,032	0.01	4,478,076	1.39
	Purchase 06.07.2018	134,622	0.04	4,612,698	1.43
	Purchase 13.07.2018	20,000	0.01	4,632,698	1.44
	Purchase 27.07.2018	24,290	0.01	4,656,988	1.45
	Purchase 03.08.2018	120	0.00	4,657,108	1.45
	Purchase 28.09.2018	27,666	0.01	4,684,774	1.45
	Purchase 05.10.2018	55,334	0.02	4,740,108	1.47
	Purchase 12.10.2018	176,516	0.05	4,916,624	1.53
	Purchase 19.10.2018	241,566	0.07	5,158,190	1.60

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2018)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Purchase 26.10.2018	29,721	0.01	5,187,911	1.61
	Purchase 02.11.2018	129,345	0.04	5,317,256	1.65
	Purchase 09.11.2018	25,623	0.01	5,342,879	1.66
	Purchase 30.11.2018	119,000	0.04	5,461,879	1.70
	Purchase 07.12.2018	90,071	0.03	5,551,950	1.72
	Purchase 14.12.2018	71,780	0.02	5,623,730	1.75
	Purchase 21.12.2018	33,220	0.01	5,656,950	1.76
	Purchase 28.12.2018	41,000	0.01	5,697,950	1.77
	Purchase 31.12.2018	20,000	0.01	5,717,950	1.77
	Purchase 04.01.2019	41,606	0.01	5,759,556	1.79
	Purchase 11.01.2019	11,106	0.00	5,770,662	1.79
	Purchase 18.01.2019	477	0.00	5,771,139	1.79
	Purchase 25.01.2019	51,940	0.02	5,823,079	1.81
	Purchase 01.02.2019	214,001	0.07	6,037,080	1.87
	Purchase 15.02.2019	657	0.00	6,037,737	1.87
	Purchase 22.02.2019	143	0.00	6,037,880	1.87
	Purchase 01.03.2019	84,490	0.03	6,122,370	1.90
	Purchase 08.03.2019	56,524	0.02	6,178,894	1.92
	Purchase 15.03.2019	80,594	0.03	6,259,488	1.94
	Purchase 22.03.2019	629,327	0.20	6,888,815	2.14
	Purchase 29.03.2019	90,191	0.03	6,979,006	2.17
	At the end of the year			6,979,006	2.17
5.	PIONEER INVESTMENT FUND [^]				
	At the beginning of the year	3,173,100	0.99		
	Sale 19.10.2018	-307,000	-0.10	2,866,100	0.89
	Sale 02.11.2018	-2,308,893	-0.72	557,207	0.17
	At the end of the year			557,207	0.17
6.	DB INTERNATIONAL (ASIA) LTD [^]				
	At the beginning of the year	2,396,681	0.74		
	Sale 04.05.2018	-16,637	-0.01	2,380,044	0.74
	Sale 11.05.2018	-241,548	-0.07	2,138,496	0.66
	Sale 18.05.2018	-86,635	-0.03	2,051,861	0.64
	Sale 25.05.2018	-137,226	-0.04	1,914,635	0.59
	Sale 01.06.2018	-41,058	-0.01	1,873,577	0.58
	Sale 08.06.2018	-73,173	-0.02	1,800,404	0.56
	Sale 15.06.2018	-137,878	-0.04	1,662,526	0.52
	Sale 22.06.2018	-58,499	-0.02	1,604,027	0.50
	Sale 29.06.2018	-188,368	-0.06	1,415,659	0.44
	Sale 06.07.2018	-68,352	-0.02	1,347,307	0.42
	Sale 13.07.2018	-67,897	-0.02	1,279,410	0.40
	Sale 20.07.2018	-26,288	-0.01	1,253,122	0.39
	Sale 27.07.2018	-77,708	-0.02	1,175,414	0.36
	Sale 03.08.2018	-46,178	-0.01	1,129,236	0.35

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2018)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Sale 10.08.2018	-65,190	-0.02	1,064,046	0.33
	Sale 17.08.2018	-11,657	0.00	1,052,389	0.33
	Purchase 24.08.2018	284,180	0.09	1,336,569	0.41
	Sale 31.08.2018	-132,308	-0.04	1,204,261	0.37
	Sale 07.09.2018	-41,365	-0.01	1,162,896	0.36
	Sale 14.09.2018	-32,982	-0.01	1,129,914	0.35
	Sale 21.09.2018	-31,242	-0.01	1,098,672	0.34
	Sale 28.09.2018	-27,265	-0.01	1,071,407	0.33
	Sale 05.10.2018	-8,601	0.00	1,062,806	0.33
	Sale 12.10.2018	-72,037	-0.02	990,769	0.31
	Purchase 19.10.2018	283,710	0.09	1,274,479	0.40
	Sale 26.10.2018	-108,937	-0.03	1,165,542	0.36
	Sale 02.11.2018	-94,539	-0.03	1,071,003	0.33
	Sale 09.11.2018	-177,530	-0.06	893,473	0.28
	Sale 16.11.2018	-206,503	-0.06	686,970	0.21
	Sale 23.11.2018	-247,497	-0.08	439,473	0.14
	Purchase 30.11.2018	5,621	0.00	445,094	0.14
	Sale 07.12.2018	-413,416	-0.13	31,678	0.01
	Sale 14.12.2018	-9,339	0.00	22,339	0.01
	Sale 22.03.2018	-9,339	0.00	13,000	0.00
	At the end of the year			13,000	0.00
7.	THE NOMURA TRUST AND BANKING CO., LTD AS THE TRUSTEE OF NOMURA INDIA STOCK MOTHER FUND [^]				
	At the beginning of the year	1,872,668	0.58		
	Sale 20.07.2018	-209,919	-0.07	1,662,749	0.52
	Sale 27.07.2018	-149,832	-0.05	1,512,917	0.47
	Sale 03.08.2018	-1,512,917	-0.47	0	0.00
	At the end of the year			0	0.00
8.	ARANDA INVESTMENTS PTE. LTD. [^]				
	At the beginning of the year	1,872,136	0.58		
	Sale 23.11.2018	-1,872,136	-0.58	0	0.00
	At the end of the year			0	0.00
9.	INTEGRATED CORE STRATEGIES (ASIA) PTE. LTD. [^]				
	At the beginning of the year	1,544,984	0.48		
	Sale 15.06.2018	-5,484	0.00	1,539,500	0.48
	Sale 06.07.2018	-5,865	0.00	1,533,635	0.48
	Sale 13.07.2018	-8,147	0.00	1,525,488	0.47
	Sale 20.07.2018	-7,433	0.00	1,518,055	0.47
	Sale 27.07.2018	-7,096	0.00	1,510,959	0.47
	Sale 03.08.2018	-8,418	0.00	1,502,541	0.47
	Sale 10.08.2018	-9,612	0.00	1,492,929	0.46
	Sale 17.08.2018	-5,892	0.00	1,487,037	0.46
	Sale 31.08.2018	-16,722	-0.01	1,470,315	0.46
	Sale 07.09.2018	-11,808	0.00	1,458,507	0.45

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2018)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Sale 14.09.2018	-11,221	0.00	1,447,286	0.45
	Sale 21.09.2018	-5,394	0.00	1,441,892	0.45
	Sale 28.09.2018	-24,668	-0.01	1,417,224	0.44
	Sale 05.10.2018	-5,765	0.00	1,411,459	0.44
	Sale 12.10.2018	-10,583	0.00	1,400,876	0.43
	Sale 19.10.2018	-13,084	0.00	1,387,792	0.43
	Sale 26.10.2018	-29,610	-0.01	1,358,182	0.42
	Sale 02.11.2018	-20,986	-0.01	1,337,196	0.42
	Sale 09.11.2018	-13,281	0.00	1,323,915	0.41
	Sale 16.11.2018	-23,122	-0.01	1,300,793	0.40
	Sale 23.11.2018	-18,755	-0.01	1,282,038	0.40
	Sale 30.11.2018	-24,312	-0.01	1,257,726	0.39
	Sale 07.12.2018	-286,101	-0.09	971,625	0.30
	Sale 14.12.2018	-114,806	-0.04	856,819	0.27
	Sale 21.12.2018	-156,131	-0.05	700,688	0.22
	Sale 28.12.2018	-166,981	-0.05	533,707	0.17
	Sale 31.12.2018	-33,680	-0.01	500,027	0.16
	Sale 04.01.2019	-20,716	-0.01	479,311	0.15
	Sale 22.02.2019	-6,620	0.00	472,691	0.15
	Sale 01.03.2019	-3,887	0.00	468,804	0.15
	Sale 08.03.2019	-1,893	0.00	466,911	0.14
	Sale 15.03.2019	-13,069	0.00	453,842	0.14
	Sale 22.03.2019	-2,894	0.00	450,948	0.14
	Sale 29.03.2019	-2,774	0.00	448,174	0.14
	At the end of the year			448,174	0.14
10.	DSP MUTUAL FUND (under its various Schemes)^				
	At the beginning of the year	1,538,488	0.48		
	Sale 20.07.2018	-208	0.00	1,538,280	0.48
	Sale 28.09.2018	-238,358	-0.07	1,299,922	0.40
	Sale 05.10.2018	-844,016	-0.26	455,906	0.14
	Sale 12.10.2018	-225,991	-0.07	229,915	0.07
	Sale 19.10.2018	-229,915	-0.07	0	0.00
	At the end of the year			0	0.00
11.	L&T MUTUAL FUND (under its various Schemes)@				
	At the beginning of the year	961,548	0.30		
	Purchase 18.05.2018	489,036	0.15	1,450,584	0.45
	Purchase 25.05.2018	196,199	0.06	1,646,783	0.51
	Purchase 01.06.2018	10,868	0.00	1,657,651	0.51
	Purchase 08.06.2018	29,479	0.01	1,687,130	0.52
	Purchase 27.07.2018	25,000	0.01	1,712,130	0.53
	Purchase 03.08.2018	1,513,000	0.47	3,225,130	1.00
	Purchase 28.09.2018	680,000	0.21	3,905,130	1.21

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2018)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Purchase 12.10.2018	710,000	0.22	4,615,130	1.43
	Purchase 19.10.2018	330,276	0.10	4,945,406	1.54
	Purchase 26.10.2018	15,139	0.00	4,960,545	1.54
	Purchase 02.11.2018	1,861	0.00	4,962,406	1.54
	Purchase 04.01.2019	10,799	0.00	4,973,205	1.54
	Purchase 11.01.2019	28,406	0.01	5,001,611	1.55
	Purchase 18.01.2019	1,301,840	0.40	6,303,451	1.96
	Purchase 22.02.2019	1,893,592	0.59	8,197,043	2.54
	Purchase 29.03.2019	25,000	0.01	8,222,043	2.55
	At the end of the year			8,222,043	2.55
12.	SUNDARAM MUTUAL FUND (under its various Schemes) [®]				
	At the beginning of the year	961,548	0.30		
	Purchase 13.04.2018	10,000	0.00	971,548	0.30
	Purchase 11.05.2018	10,000	0.00	981,548	0.30
	Purchase 01.06.2018	49,420	0.02	1,030,968	0.32
	Purchase 08.06.2018	33,098	0.01	1,064,066	0.33
	Purchase 15.06.2018	67,712	0.02	1,131,778	0.35
	Purchase 22.06.2018	130,000	0.04	1,261,778	0.39
	Purchase 29.06.2018	231,078	0.07	1,492,856	0.46
	Purchase 10.08.2018	464,962	0.14	1,957,818	0.61
	Purchase 17.08.2018	10,691	0.00	1,968,509	0.61
	Purchase 24.08.2018	679,562	0.21	2,648,071	0.82
	Purchase 12.10.2018	1,777	0.00	2,649,848	0.82
	Purchase 30.11.2018	200,000	0.06	2,849,848	0.88
	Purchase 28.12.2018	51,779	0.02	2,901,627	0.90
	Purchase 31.12.2018	48,616	0.02	2,950,243	0.92
	Purchase 25.01.2019	75,000	0.02	3,025,243	0.94
	At the end of the year			3,025,243	0.94
13.	SBI MUTUAL FUND (under its various Schemes) [®]				
	At the beginning of the year	961,548	0.30		
	Purchase 18.05.2018	11,711	0.00	973,259	0.30
	Purchase 25.05.2018	368,063	0.11	1,341,322	0.42
	Purchase 22.06.2018	60,226	0.02	1,401,548	0.44
	Purchase 07.09.2018	121,176	0.04	1,522,724	0.47
	Purchase 28.09.2018	208,824	0.06	1,731,548	0.54
	Purchase 19.10.2018	630,000	0.20	2,361,548	0.73
	At the end of the year			2,361,548	0.73
14.	ADITYA BIRLA SUN LIFE MUTUAL FUND (under its various Schemes) [®]				
	At the beginning of the year	1,442,308	0.45		
	Purchase 13.04.2018	152,000	0.05	1,594,308	0.49
	Purchase 04.05.2018	43,600	0.01	1,637,908	0.51

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (April 1, 2018)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Purchase 11.05.2018	390,800	0.12	2,028,708	0.63
	Sale 28.09.2018	-78,008	-0.02	1,950,700	0.61
	Sale 05.10.2018	-221,700	-0.07	1,729,000	0.54
	Purchase 02.11.2018	100,000	0.03	1,829,000	0.57
	Purchase 16.11.2018	17,000	0.01	1,846,000	0.57
	Purchase 30.11.2018	165,000	0.05	2,011,000	0.62
	Purchase 07.12.2018	195,000	0.06	2,206,000	0.68
	At the end of the year			2,206,000	0.68
15.	UTI MUTUAL FUND (under its various Schemes) [®]				
	At the beginning of the year	961,548	0.30		
	Purchase 04.05.2018	96,152	0.03	1,057,700	0.33
	Sale 04.05.2018	-96,152	-0.03	961,548	0.30
	Sale 25.05.2018	-3,957	0.00	957,591	0.30
	Sale 22.06.2018	-4,527	0.00	953,064	0.30
	Sale 29.06.2018	-5,000	0.00	948,064	0.29
	Sale 06.07.2018	-15,000	0.00	933,064	0.29
	Sale 17.08.2018	-21,920	-0.01	911,144	0.28
	Sale 07.09.2018	-5,000	0.00	906,144	0.28
	Sale 14.09.2018	-13,080	0.00	893,064	0.28
	Sale 21.09.2018	-10,000	0.00	883,064	0.27
	Sale 26.10.2018	-10,000	0.00	873,064	0.27
	Sale 02.11.2018	-15,298	0.00	857,766	0.27
	Purchase 18.01.2019	15,298	0.00	873,064	0.27
	Purchase 25.01.2019	20,000	0.01	893,064	0.28
	Purchase 08.03.2019	80,000	0.02	973,064	0.30
	Purchase 15.03.2019	245,022	0.08	1,218,086	0.38
	Purchase 22.03.2019	275,000	0.09	1,493,086	0.46
	At the end of the year			1,493,086	0.46
16.	ABAKKUS GROWTH FUND-1 [®]				
	At the beginning of the year	0	0.00		
	Purchase 09.11.2018	500,000	0.16	500,000	0.16
	Purchase 14.12.2018	8,590	0.00	508,590	0.16
	Purchase 21.12.2018	391,410	0.12	900,000	0.28
	Purchase 04.01.2019	100,000	0.03	1,000,000	0.31
	Purchase 01.03.2019	100,000	0.03	1,100,000	0.34
	Purchase 08.03.2019	100,000	0.03	1,200,000	0.37
	At the end of the year			1,200,000	0.37

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

Common top 10 shareholders as on April 1, 2018 and March 31, 2019.

^ Top 10 shareholders only as on April 1, 2018.

® Top 10 shareholders only as on March 31, 2019.

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (April 1, 2018)		Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Shilpa Kumar (As a Nominee of and jointly with ICICI Bank Limited)				
	At the beginning of the year	200	0.00		
	Change during the year	0	0.00	200	0.00
	At the end of the year			200	0.00
2	Ajay Saraf				
	At the beginning of the year	200	0.00		
	Purchase 08.05.2018	8,500	0.00	8,700	0.00
	At the end of the year			8,700 ¹	0.00
3	Anup Bagchi				
	At the beginning of the year	1,932	0.00		
	Change during the year	0	0.00	1,932	0.00
	At the end of the year			1,932	0.00

¹ Out of 8,700 equity shares, 200 shares are held as a nominee of and jointly with ICICI Bank Limited.

Note: Except Shilpa Kumar, Ajay Saraf and Anup Bagchi, no other Director and Key Managerial Personnel held equity shares in the Company during fiscal 2019.

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	₹ millions Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	6,698.1	0	6,698.1
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	26.1	0	26.1
Total (i+ii+iii)	0	6,724.2*	0	6,724.2*
Change in Indebtedness during the financial year				
• Addition	0	22,988.1	0	22,988.1
• Reduction	0	25,251.6	0	25,251.6
Net Change	0	(2,263.5)	0	(2,263.5)
Indebtedness at the end of the financial year				
i) Principal Amount	0	4,434.6	0	4,434.6
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	38.4	0	38.4
Total (i+ii+iii)	0	4,473.0	0	4,473.0

* Amount reported is as per Ind AS (as previous GAAP ₹ 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		₹ millions
		Shilpa Kumar (DIN: 02404667) MD & CEO	Ajay Saraf (DIN: 00074885) Executive Director	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	39.1	30.8	69.9
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	0.6	0.0	0.6
	(c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961	-	-	-
2	Stock Option*	11.8	6.8	18.6
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others (Medical Allowance)	0.0	0.0	0.0
	Total (1a + 1b+1c)	39.7	30.8	70.5
	Total remuneration paid in fiscal 2019 (excludes perquisites on stock options reported in point 2)			
	Ceiling as per the Companies Act, 2013	377.9	377.9	755.7

Note: *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 FY2019 is 265,575. These stock options were granted to them prior to their employment in ICICI Securities Limited.

The Company has also granted stock options to the Managing Director & CEO and Executive Director on October 19, 2018. The options granted were 176,700 which are yet to be vested.

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

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors				₹ millions
		Vinod Kumar Dhall (DIN: 02591373)	Ashvin Parekh (DIN: 06559989)	Subrata Mukherji (DIN: 00057492)	Vijayalakshmi Iyer (DIN: 05242960)	Total Amount
1	Independent Directors					
	• Fee for attending board/ committee meetings	0.86	1.11	0.90	0.62	3.49
	• Commission	0.75	0.75	0.25	0.25	2.00
	• Others, please specify	-	-	-	-	-
	Total (1)	1.61	1.86	1.15	0.87	5.49
2	Other Non-Executive Directors					
	• Fee for attending board/ committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	1.61	1.86	1.15	0.87	5.49
	Total Managerial Remuneration	-	-	-	-	75.99
	Overall Ceiling as per the Companies Act, 2013	-	-	-	-	831.3

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		₹ millions
		Company Secretary	CFO	Total Amount
		Raju Nanwani	Harvinder Jaspal	
1	Gross salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	10.0	12.6	22.6
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	0.2	0.3	0.5
	(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	10.2	12.9	23.1

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES - NIL

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

For and on behalf of the Board

Sd/-

Vinod Kumar Dhall
 DIN: 02591373
 Chairman

Date : April 23, 2019
 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:

Sr. No	Particulars of the loans given, investments made or guarantees given or security provided	Purpose for which the loans or guarantees or security is proposed to be utilised by the recipient of the loans or guarantees or security	Amount ₹ millions
A Investments made			
1	Subsidiary – ICICI Securities Holdings, Inc.	Long term investment	122.7
2	BSE Limited	Long term investment	7.0
3	Universal Trustees Private Limited	Long term investment	2.7
4	Receivable Exchange India Limited	Long term investment	18.8
B Loans			
1	Given to customers	To invest in ESOPs	586.0
2	Given to customers	Margin Trade Funding	3,446.7

Notes:

- 1) Investments have been valued at fair value in accordance with Ind AS 109.
- 2) Securities held as securities for trade are not included in the above.
- 3) No guarantees were given as per Section 186 of the Companies Act, 2013.

For and on behalf of the Board

Sd/-

Vinod Kumar Dhall
 DIN: 02591373
 Chairman

Date : April 23, 2019
 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, 2019:

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of contracts/ arrangements/ transactions	₹ in million	Date(s) of approval by the Board	Amount paid as advance
ICICI Bank Limited	Holding Company	Bank Balance lying in ICICI bank accounts	-	Outstanding balance at March 31, 2019 in current accounts and fixed deposits maintained for normal banking transactions.	19,718.9	-	-
ICICI Prudential Life Insurance Company Limited	Fellow Subsidiary	Income from services and brokerage (commission and fees)	Ongoing	Commission and fees received during the year for normal business transactions	549.9	-	-

For and on behalf of the Board

Sd/-

Vinod Kumar Dhall
DIN: 02591373
Chairman

Date : April 23, 2019

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 in specific areas, particularly skill development.

Towards this end, we conduct our CSR activities largely by focus on progressive support for our key CSR initiatives.

In the current year, the Company worked on three key programmes in the areas of education and skill development; Mission Samruddhi, Siddhika and iCaniWill.

Mission Samruddhi aims at providing financial literacy and basic financial planning to junior personnel in defense and police services. The Company in association with National Institute of Securities Markets (NISM), reached out to over 26,000 junior level personnel through conducting around 190 sessions in over 50 cities. Siddhika – a women empowerment programme, aims at providing means to a sustainable livelihood to women through skill development. We have trained women from around 10 locations across the country to become an Independent Financial Advisor.

The Company helped these women candidates prepare for NISM Series V-A Mutual Fund Distributor exam. 500 women have passed these exams. We have also initiated ARN registrations for all women who have passed.

The Company launched its third CSR initiative called, iCaniWill. This initiative focusses on educating the people with regards to the importance of Will drafting and busting the myths associated with it. Our primary focus has been to promote that drafting a Will is one of the most important points in an individual's financial planning journey.

We have reached out to around 2.8 crore people through Digital platforms and have educated over 2 lakh people through informative content pertaining to Will, its importance, benefits, etc. on a website dedicated for this initiative.

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: https://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: 02404667), 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, 2019:

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 ₹ 5,917.4 million.

Prescribed CSR Expenditure: 2% of average net profit of last 3 years, i.e. 2% of ₹ 5,917.4 million = ₹ 118.4 million

4. Details of CSR spending during the financial year 2018-19:

(a) Total amount to be spent for the financial year	₹ 118.4 million
(b) Amount actually spent	₹ 118.4 million
(c) Amount unspent, if any	NIL

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

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Amount outlay (budget) project or program-wise (₹ in million)	Projects or programs 1. Local area or other district where projects or program was undertaken	Amount spent on the projects or programs Sub-heads 1. Direct expenditure on projects or programs 2. Overheads (₹ in million)	Cumulative expenditure upto the reporting period (₹ in million)	Amount spent direct or through implementing agency
1	Projects of ICICI Foundation for Inclusive Growth	Promoting education, awareness, employment enhancing vocational skills and livelihood enhancement projects	88.8	PAN India	88.8	272.1	Amount spent through ICICI Foundation for Inclusive Growth ('the Foundation'). The Foundation was set up in 2008 to focus on activities in the areas of CSR.
2	Investor Education Programs to Defense personnel - Mission - Samruddhi	Promoting education	5.0	Partnered with NISM and provided basic understanding of personal finance and financial planning to nearly 26,000 service personnel across Indian army, navy and police force.	5.0	8.2	Direct
3	Women Empowerment Project - Siddhika	Skill development and sustainable livelihoods	7.7	Women from over 10 locations were trained to become Independent Financial Associates.	7.7	8.5	Direct
4	Project of Vision Foundation of India	Health Care	0.9	Participated in the Rashtriya Netra Yagna project and sponsored 500 surgeries in Maharashtra.	0.9	1.6	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	Prime Minister's National Relief Fund (PMNRF)	PMNRF	5.0	Contributed towards PMNRF to render immediate relief to the ones affected by natural calamities.	5.0	7.5	Direct
6	iCaniWill	Promoting education	11.0	Focused on educating people on the importance of drafting a Will.	11.0	11.0	Direct

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: April 23, 2019
 Place: Mumbai

For and on behalf of the Board

Sd/-
 Vinod Kumar Dhall
 DIN: 02591373
 Chairman, CSR Committee
 Date: April 23, 2019
 Place: Mumbai

Annexure G

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT For The Financial Year Ended March 31, 2019

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 (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, 2019 according to the provisions of:

- | | |
|---|---|
| <ul style="list-style-type: none"> (i) The Companies Act, 2013 ('the Act') and the rules made thereunder; (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the | <ul style="list-style-type: none"> extent of Overseas Direct Investment; (External Commercial Borrowings and Foreign Direct Investment not Applicable to the Company during the Audit Period) (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- <ul style="list-style-type: none"> (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; (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period) (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period) and (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (Not Applicable to the Company during the Audit Period) |
|---|---|

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

During the period under review, KYC related details of clients on-boarded prior to August 1, 2016 were not uploaded on CKYC Registry on account of non-availability of certain KYC details since seeking those additional details was not a regulatory requirement at the time of on-boarding those clients and was made applicable subsequently on a retrospective basis. We note that the Company has made representations to SEBI in this regard highlighting practical challenges in uploading those details in CKYC registry.

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

- The Securities and Exchange Board of India (Research Analysts) Regulations, 2014;
- The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992;
- The Securities and Exchange Board of India (Underwriters) Regulations, 1993;
- The Securities and Exchange Board of India (Stock Brokers 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 IRDAI (Registration 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,

1. The equity shares of the Company were listed on National Stock Exchange of India Limited and BSE Limited on April 4, 2018; and
2. The Company has obtained approval of Members through Postal Ballot on December 26, 2018 for continuation of directorship of Mr. Vinod Kumar Dhall (DIN: 02591373) as an Independent Director of the Company by way of Special Resolution and for approval of Material Related Party Transaction(s) with ICICI Bank Limited (Holding Company) by way of Ordinary Resolution.

For Makarand M. Joshi & Co.
Practicing Company Secretaries

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

Place: Mumbai
Date: April 16, 2019

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.
Practicing Company Secretaries

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

Place: Mumbai
Date: April 16, 2019

Annexure H

Corporate Governance Compliance Certificate

To
The Members,
ICICI Securities Limited

We have examined the compliance of conditions of Corporate Governance by ICICI Securities Limited ("the Company") for the period April 4, 2018 to March 31, 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

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

Place: Mumbai
Date: April 16, 2019

Annexure I

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

Based on our verification of the declarations provided to ICICI Securities Limited (hereinafter referred to as 'the Company') by the Directors (as enlisted in Table A) and the documents and details available on the website of the Ministry of Corporate Affairs, BSE Limited and National Stock Exchange India Limited and publicly available details of cases/litigations filed against any individuals as on April 18, 2019, we hereby certify that in our opinion, the Directors of the Company (as enlisted in Table A) are neither debarred nor disqualified from being appointed or continuing as directors of the Companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any statutory authorities.

We have followed processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the declarations. We believe that the processes and practices, we followed provide a reasonable basis for our certification.

Table A

Sr. No.	Name of the Directors	Director Identification Number
1.	Vinod Kumar Dhall	02591373
2.	Ashvin Dhirajlal Parekh	06559989
3.	Subrata Mukherji	00057492
4.	Vijayalakshmi Iyer	05242960
5.	Anup Bagchi	00105962
6.	Pramod Rao	02218756
7.	Shilpa Naval Kumar	02404667
8.	Ajay Saraf	00074885

For Makarand M. Joshi & Co.
 Practicing Company Secretaries

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

Place: Mumbai
 Date: April 19, 2019

Management Discussion and Analysis

ECONOMIC REVIEW

Global Economic overview

After strong growth in CY2017 and first half of CY2018, global economic activity lost momentum in second half of CY2018. Also, global growth became less balanced – while activity moderated in large advanced economies, emerging markets continued to grow at the same pace as previous year. Slower export growth, high energy prices and country-specific political and industrial uncertainties affected growth in Euro Area. In the UK too, weather-related disruptions led to slower growth. The US, on the other hand, registered robust growth on the back of fiscal stimulus. Overall, global growth came in at 3.6% in CY2018.

In April 2018, the IMF forecasted global growth to increase to 3.9% in CY2019. However, the forecast was downgraded subsequently to 3.5% in January 2019 and further to 3.3% in April 2019. The downward revision is mainly driven by advanced economies ('AEs'). AEs are expected to grow 1.8% in CY2019 while Emerging Markets are expected to grow 4.4%. The main reasons for lower growth are trade tensions, tighter financial conditions, decline in business confidence and higher policy uncertainty. Moreover, several country-specific factors also affected growth. China continued regulatory tightening and crackdown on shadow financial intermediation which led to slower investments growth. In Euro Area, street protests in France, disruptions to the auto sector in Germany and increasing likelihood of no-deal Brexit weighed on growth.

Indian Economic Overview

Domestic economy faced several headwinds in FY2019. The year started on a high note with Q1FY2019 real GDP growth coming in at 7-quarter high of 8%. The growth was driven by strong performance by manufacturing, construction and agriculture sectors. However, in the subsequent quarters, the growth started decelerating. Lower growth in manufacturing dragged Q2 growth down to 7%. Financial conditions tightened later in the year due to the NBFC crisis, weak growth of bank credit to services and fiscal constraints faced by the government. As a result, Q3 real GDP growth fell further to 6.6%. In line with weakening growth momentum, the second advance estimate lowered FY2019 real GDP growth estimate to 7% from 7.2% earlier.

Inflation was under check in FY2019, mainly driven by lower food prices. Prices of certain food items such as

pulses, vegetables and sugar were in deflation almost throughout the year, dragging food inflation into the negative territory towards the end of CY2018. As a result, headline CPI fell from 4.8% in Q1FY2019 to 3.9% in Q2FY2019 and further to 2.6% in Q3FY2019. Towards the end of FY2019, food prices reversed the trend and started rising. However, lower fuel and housing costs continued exerting downward pressure on headline inflation. CPI averaged 3.4% in FY2019. In line with softening inflation, the Monetary Policy Committee cut repo rate by 25bps in April 2019.

Current Account Deficit remained comfortable during the year, although it widened substantially in Q2FY2019 to 2.9% of GDP mainly driven by higher oil prices and the resultant higher trade deficit. However, it narrowed to 2.5% of GDP in Q3FY2019 as oil prices cooled down. Significant rise in crude prices since the beginning of 2019 is a key risk to macro-economic indicators during FY2020.

Equity Markets

FY2018 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.

Strong FY2018 base year was followed by a challenging FY2019. It was a year of risk aversion in Indian equities wherein the mid and small cap stocks underperformed the NIFTY50 by 17.6% and 29.3% respectively. The rally in the large caps was one of the narrowest seen in the history of Indian equity markets. Mid and small capitalisation stocks underperformed, due to risk aversion emanating from high relative valuations and FPI outflows. Liquidity issues in the NBFC sector adversely impacted the flows into financial markets and the performance of the equity market in particular. While DIIs were net buyers of US\$10.3bn of equities, FIIs bought US\$1.5bn. FII buying saw a reversal in the last quarter of FY2019, as FIIs bought equities worth US\$8.2bn. Funds raised through equity slowed down substantially during the year resulting in ~70% decline in equity fund raising.

INDUSTRY OVERVIEW

Retail Broking

The industry broking volumes (average daily turnover excluding-proprietary) was up by 51% Y-o-Y. In this,

while the equity ADTO decreased by 1%, delivery ADTO contribution decreased to 26%. Derivative ADTO grew by 55%, primarily led by Bank Nifty Options where the volumes increased by 69% as compared to last financial year. In Futures segment, volume growth was moderate at 5.5%, in line with cash market. There was a slowdown in number of new retail investors entering the equity market witnessed in terms of number of NSDL and CDSL demat accounts being opened in FY2019, which was marginally down by ~2% as compared to FY2018.

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 15% of the trading turnover in the NSE cash equities market in FY2015 to 22% in FY2019. The top 25 brokers accounted for 54% of the trading turnover in the NSE cash equities market in FY2019.

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

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

Distribution of Retail Financial Products

Post demonetization, there has been a continued shift from savings in physical to financial assets, which is reflected in the strong domestic inflows in markets. While the incumbent financial distributors continue to play a pivotal role in the increasing penetration of financial products, especially in the smaller cities and towns, given a low level of financial literacy, the market saw emergence of the new age fintech distribution channels creating an increased outreach, low-cost investment options and an improved investment experience.

Mutual Funds (Equity) witnessed ~22.0% growth in Average Assets under Management (AAUM) in FY2019 despite market volatility primarily due to persistent SIP inflows. The AAUM of Direct Plan increased by ~21%, slower than the overall industry and its contribution to total equity assets declined from 16.4% in FY2018 to 16.3% in FY2019. The key highlight of FY2019 was the surge in the number of folios and persistent SIP inflows. Average monthly SIP inflows in FY2019 was at ₹ 77.24 billion - 38% higher than FY2018. As a result, the SIP AAUM in Equity category witnessed increase of ~30% in FY2019, faster than overall equity assets. At the industry level, number of folios grew to a monthly average of 77.1 million in FY2019 up from 62.7 million in FY2018 to registering a growth of ~23%. During the same period, folios in equity category grew from a monthly average of 52.2 million in FY2018 to 65.9 million in FY2019, recording a relatively higher growth of 26%. The financial year has been driven by regulatory changes that were

focused on creating an investor friendly environment mainly by providing impetus to mutual fund penetration 'beyond the top 30' (B30) cities by offering additional total expense ratio (TER), ensuring uniformity by rationalizing and standardizing the attributes of the mutual fund schemes, change in the pay-out framework to a trail based commission and the rationalization of TER based on the size of the scheme effective beginning FY2020.

In the life insurance space, new business premiums* during FY2018-19 grew by 8.99% within which private sector life insurance industry registered a growth of 12.49% & market share of 57.99%. In the Health Insurance space, premiums grew by 37% YoY in FY2019.

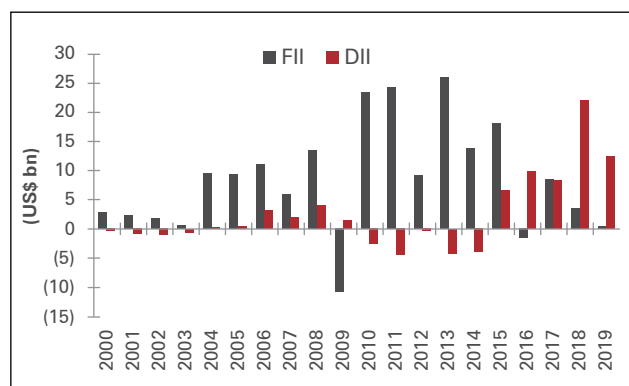
FY2019 saw NBFCs resort to long term borrowings. Issuances of Non-Convertible Debentures (NCDs) increased to 24 in FY2019 with issue size of close to ₹ 524 billion as compared to 7 issues in FY2018 with an issue size of ₹ 80 billion.

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

Institutional Broking

The Indian capital markets over the past few years have witnessed net buying by Foreign Institutional Investors (FIIs) and Domestic Institutional Investors (DIIs) on a

combined basis, accounting for the bulk of investments. These institutional investors facilitate adequate liquidity to both the cash equities and the equity derivatives markets. DII investments continue to be robust, led by high investments in mutual funds. The mutual fund industry has witnessed net inflows of approximately ₹ 1.33 trillion in FY2019 in Equity and related schemes. Healthy participation by DIIs provided stability to the capital markets from fluctuations arising from the FII investments in FY2019, where FIIs were net sellers for a larger part of the year, reversing flows in the last two months, to be net positive for the year.



Private Wealth Management

Indian wealth management industry continued its growth journey albeit at a slower pace given the volatile market conditions across asset classes and industries. Alternative investment funds (AIFs) have seen growth in commitments of around ₹ 150 billion in first quarter of FY2019. Portfolio management service (PMS) industry AUM has grown from ₹ 14.7 trillion (March, 2018) to ₹ 16.06 trillion (March, 2019). More heartening is the number of client addition in PMS which has increased from 0.12 million to 0.15 million during the same period. This depicts confidence of wealth clients in these high ticket size products. (Source: SEBI)

India continues to outpace global High Networth Individuals (HNIs) growth, mirroring the economic growth in the country. With the incremental allocation of wealth being higher in financial assets as compared to physical assets, the wealth management industry is emerging as a big beneficiary. FY2019 witnessed multiple headwinds from market in terms of mid and small cap correction to crisis of confidence in Non-banking financial services (NBFCs) firms triggered by default by IL&FS.

Corporate Finance

In FY2019, capital markets witnessed mixed bag of activities. While initial public offerings (IPOs) saw traction in the first half of the year, it remained muted to almost non-existent in the second half with limited issuances. The liquidity pressure and the downturn in the benchmark indices resulted in dimming of interest from the FIIs and DIIs in the primary market. Further, global geo-political tensions and domestic institutions fallout increased the uncertainty element. However, there was an increase in the other products being launched such as buy-back and open offers.

Key highlights:

- 17 IPOs (including InvITs and REITs) aggregated to ₹ 226.90 billion in FY2019 as compared to 47 IPOs aggregating to ₹ 888.36 billion in FY2018, representing a decline of ~74%;
- 8 Rights Issue aggregated to ₹ 20.00 billion in FY2019 as compared to 20 Rights Issue aggregating to ₹ 213.97 billion in FY2018, representing a decline of ~90%;
- 28 Offer for Sale aggregated to ₹ 216.9 billion in FY2019 as compared to 37 offer for sale aggregating to ₹ 174.3 billion in FY2018, representing an increase of ~24%;
- 13 QIP/IPP aggregated to ₹ 104.9 billion in FY2019 as compared to 53 QIP/IPP aggregating to ₹ 621.9 billion in FY2018, representing a decline of ~83%;
- 63 Buybacks aggregated to ₹ 555.87 billion in FY2019 as compared to 59 buybacks aggregating to ₹ 533.07 billion in FY2018, representing an increase of 4.28%;
- 67 Open-Offers aggregated to ₹ 279.64 billion in FY2019 as compared to 58 open offers aggregating to ₹ 25.95 billion in FY2018, representing a humongous growth of ~10 times.

Major stake sales in various companies were also carried out by Government in order to meet the disinvestment target and control the fiscal deficit.

During FY2019, ~USD 36 billion was raised in private equity deals as compared to USD 24 billion raised in FY2018. Information Technology & Information Technology enabled services, BFSI, healthcare and consumer were some of the dominant sectors by deal value in FY2019 (Source: Venture Intelligence).

Equity Markets: Resources raised by corporates:

						₹ billion
No. of deals	IPO/FPO/ InvIT/REIT	OFS (SE)	Rights	QIP	IPPs	Total
FY15	28	269	57	284	4	643
FY16	145	198	92	144	-	579
FY17	282	84	33	137	-	536
FY18	889	174	214	575	47	1,899
FY19	227	217	20	105	-	569

No. of deals	IPO/FPO/ InvIT/REIT	OFS (SE)	Rights	QIP	IPPs	Total
FY15	8	31	13	44	1	97
FY16	24	18	12	20		74
FY17	25	28	12	22		87
FY18	47	37	20	51	2	157
FY19	17	28	8	13	-	66

Company Overview

ICICI Securities Limited 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 is amongst the leading equity brokers in the country in terms of brokerage revenue. 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 over 75 cities in India and wholly-owned subsidiary in US and its branch in Singapore.

Our Businesses

Retail brokerage

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 allows customers to purchase a fixed value or a fixed quantity of equities at regular intervals.
- **Equity Derivatives:** Futures and options related to stocks/index.
- **Currency Derivatives:** Futures contracts in 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 empowers retail investors with personalized key information on their portfolio and introduced real time online capital gains calculation for retail investors.

The Company's 45 people strong retail research team covers 240 companies across various sectors. A strong mutual fund, technical and derivatives desk delivers quality research to over 4.4 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.

Distribution of Financial Products

The Company is a leading distribution franchise, being the second largest non-bank mutual fund distributor based on revenue. 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, life and general insurance, corporate fixed deposits, loans, tax services and pension products. The Company earns commission from third-parties for the distribution of their products, which may be in the form of recurring commissions for longer-term products.

The Company has one of the largest pan-India distribution network of around 200 ICICIdirect offices in over 75 cities, 7,100+ sub-brokers, authorised persons, Independent Financial Associates (IFAs) and Independent Associates (IAs). As on March 31, 2019, the Company distributed over 2,400 mutual fund schemes. In FY2019, the Company continued its growth with a focus on increasing the number of clients and their AUM.

Private Wealth Management

The Private Wealth Management business focuses on servicing the company's High Networth clients by providing them with innovative products along with a robust execution and advisory platform. The Company maintains focus on its core competences in financial assets distribution and strives to ensure business diversification through multiple products and diverse revenue streams. Besides leveraging its brokerage platform, the Company also distributes products like AIFs (Alternative Investment Fund), Portfolio Management Services, market-linked debentures, and offers services like investment banking, Investment Advisory Services, etc. to its private wealth clients.

Institutional Brokerage

The Company offers domestic and international institutional clients brokerage services and is empanelled

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

Our corporate access team has strong relationships across different sectors and has regularly conducted international investor conferences in the past year. We also provide our institutional clients with direct market access to the NSE and the BSE and offer a range of algorithms that can be customized as per their needs.

The institutional research team has coverage of 249 companies, spread across diversified sectors and large and mid-cap stocks. The 37 people strong institutional research team is dedicated to servicing clients around the world through its differentiated approach. The team publishes a variety of sector thematic reports as well. Many of our analysts have been ranked high in investor polls and surveys like Asiamoney and Institutional Investor.

Corporate Finance

The Company's 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.

Business Performance

FY2019 followed a strong base year for equities in FY2018. The year saw muted market due to global and political developments for most part of the year resulting in narrow participation in delivery based trade and risk aversion to mid and small cap stocks. The year witnessed a sharp drop in primary market activities and subdued qualified institutional transactions and private equity deals. In the mutual fund front, various regulatory changes implemented during the year saw shifting of upfront commission to trail based commission and reduction of TER (Total expense ratio).

In spite of these headwinds and against an outlier base year in FY2018, the Company reported its second best year in its history in terms of financial performance. In FY2019, the Company registered consolidated revenue of ₹ 17,270.2 million and Profit after tax (PAT) of ₹ 4,907.3 million.

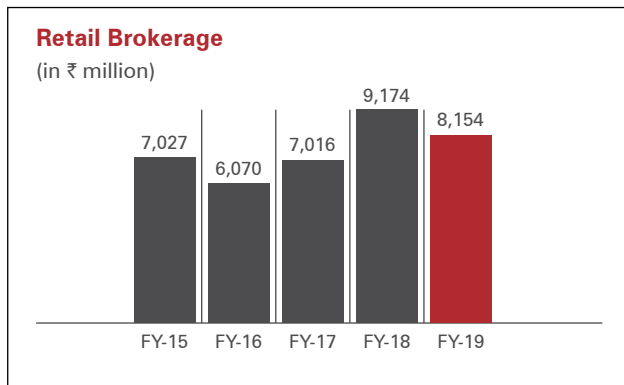
Retail brokerage

The Company continued to expand its client base across various customer segments and geographies, both domestic and international, touching a milestone of 4.4 million customers in FY2019 which is distinctively the highest amongst retail brokers.

During the FY2019, the Company's ADTO grew at 43% with equity ADTO volume growing ahead of market at 3% and derivatives ADTO volumes growing by 46%. Our market share was at 8.5% in FY2019.

Client activation (NSE active) witnessed ~6% marginal increase in FY2019 to 8.4 lakhs as compared to 8 lakhs in FY2018.

The revenue from our retail brokerage business decreased by 11% from ₹ 9,174 million in FY2018 to ₹ 8,154 million in FY2019. This was primarily due to decline in our equity delivery volumes.

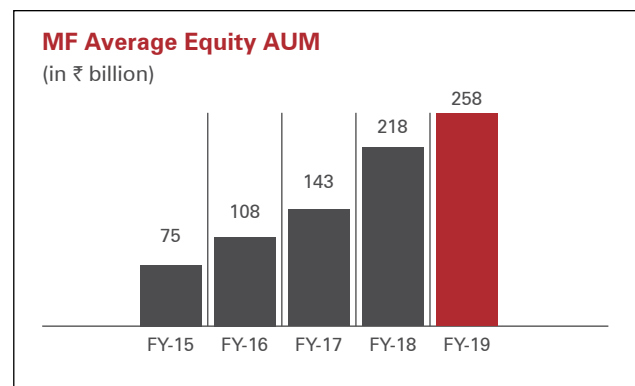
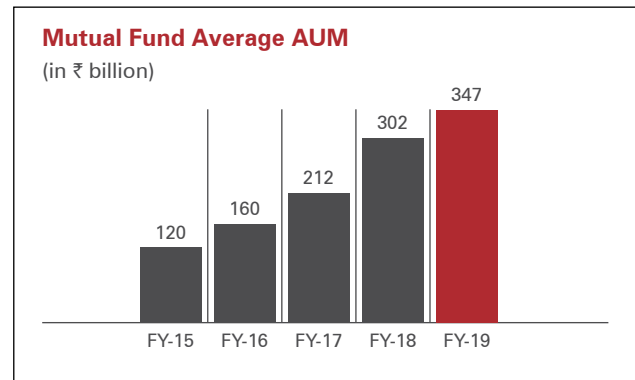
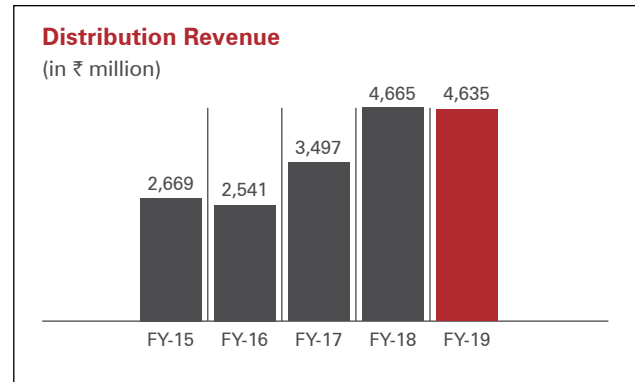


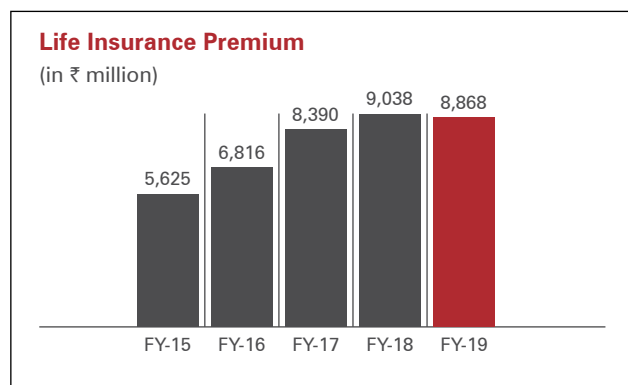
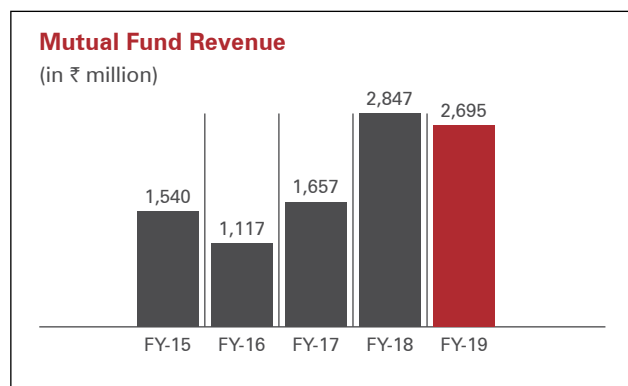
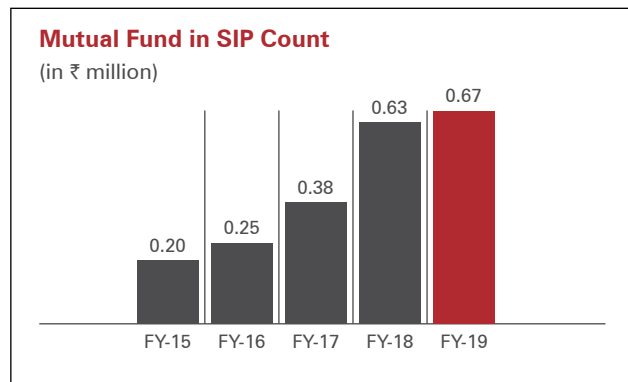
Distribution of Financial Products

In FY2019, the Company continued its focus on Mutual Funds by introducing new features like 'Any Date' SIP, allowing clients to invest using the Unified Payment Interface (UPI). The Company also introduced investment in Initial Public Offers (IPO) through ASBA on UPI for non-ICICIdirect clients. In addition, the Company also continued to be amongst the top mobilisers for Corporate Fixed Deposits and continues to serve a large number of corporates clients and their employees to the National Pension System (NPS). In the life insurance space, it continued its focus on asset persistency.

The distribution revenue witnessed marginal decline in FY2019 over the previous year primarily led by 5% decline mutual fund revenue offset in part by growth in other

distribution products. Our MF average AUM increased by 15% compared to market average AUM growth of 12%. However, on account of regulatory changes during the year, the yield and revenue from mutual fund distribution registered a decline. During the period, SIP count grew from 6.3 lakhs as at March 31, 2018 to 6.7 lakhs in March 31, 2019. Life insurance premium and revenue registered a marginal decline of 2%. However, the revenue from other distribution products mainly corporate bonds, NCD, etc. increased by 10%.





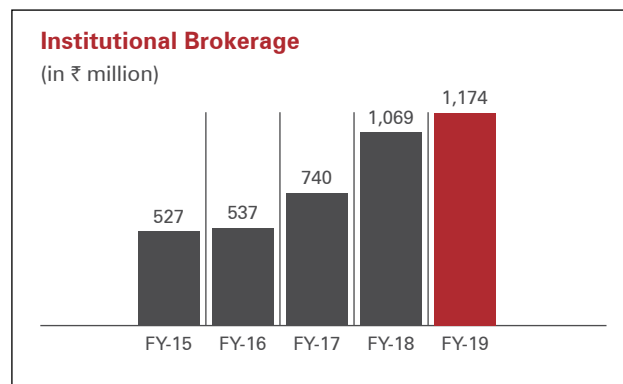
Institutional broking

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.

During FY2019, the Company hosted several conferences and delegations to provide its clients with an opportunity to interact with policymakers and corporate leaders, both domestic and global. The 17th edition of our APAC conference was held in Singapore & Hong Kong during FY2019 and attracted 28 corporates as well as speakers/sector experts with the participation of several funds resulting in sizeable investor meetings. The Company also hosted a financial conference in US and six

domestic/sectoral conferences, five in Mumbai and one in Bengaluru during this period.

The revenue from our institutional brokerage business increased by 10% from ₹ 1,069 million in FY2018 to ₹ 1,174 million in FY2019.



Corporate Finance

During FY2019, we saw muted fund raising exercise and secondary sale through IPOs. The Company managed 4 IPOs (including InvITs and REITs) in FY2019 with a market share of 38.4% (in terms of issue size) as compared to market share of 33.6% (in terms of issue size) in FY2018. (Source: Prime Database)

The amount raised through equity public issuances managed by the Company during FY2019 was ₹ 87.17 billion, which included the IPOs of HDFC Asset Management Company, Credit Access Grameen Limited, Aavas Financiers Limited and InvIT of Indinfravit Trust (L&T). These IPOs received positive response from the market.

The Company successfully completed the rights issue of Hindustan Construction Company Limited amounting to ₹ 4.98 billion.

Offer for Sale (OFS) managed by the Company in FY2019 for an amount of ₹ 140.93 billion was completed, which included the OFS of ICICI Prudential Life Insurance Company Limited (for ICICI Bank and Prudential Holdings), Coal India Limited, Axis Bank Limited and Sheela Foam Limited.

The amount raised through public debt issuance managed by the Company in FY2019 was ₹ 142.50 billion, which included the issues of Dewan Housing Finance Corporation Limited, Mahindra & Mahindra Financial Services Limited and India Infoline Finance Limited.

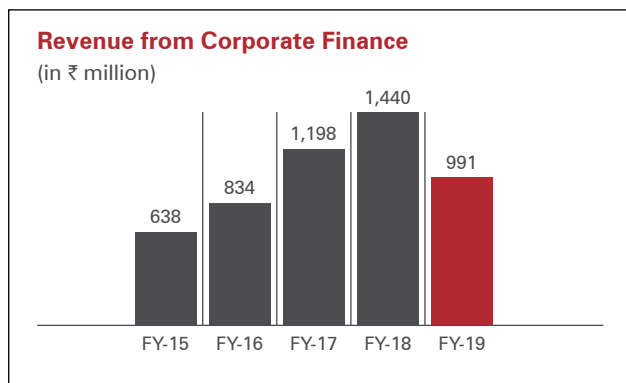
The Company successfully completed the buybacks of Akzo Nobel India Limited, Jagran Prakashan Limited,

Music Broadcast Limited and Just Dial Limited amounting to ₹ 8.05 billion in FY2019.

The Company acted as an advisor for Open offer amounting to ₹ 134.49 billion in FY2019, including the Open Offer of SQS India BFSI Limited, LKP Finance Limited, Merck Limited and IDBI Bank Limited.

The Company rendered advisory services in several transactions during the year in sectors ranging across Banking, Financial Services, Market Infrastructure Companies, Resource Management, Consumer Brands and other related industries. The Company managed 12 deals in FY2019 as compared to 5 deals in FY2018.

The revenue from our investment banking business decreased by over 30% from ₹ 1,440 million in FY2018 to ₹ 991 million in FY2019 due to decline in ECM mobilisation.



Strategic Initiatives

During FY2019, which otherwise was a challenging year for the business, the Company has invested in putting in place a number of initiatives which would set the pace for long term sustainable growth. These initiatives are aligned to our strategy of increased customer acquisition and increase customer engagement. Going forward, as these initiatives take life, many of them will become moats.

The Company is a beneficiary of the long term broader trend of increased financialisation and formalization of economy which has led to more number of customers transacting on every product category be it equity, IPO, MF, SIP, etc. We believe this broader trend will continue to play out.

Our lifecycle based two pronged strategy of client acquisition and engagement is based on the guiding principle of providing systematic and knowledge based product choice across market verticals for investment, protection, and wealth creation.

CUSTOMER ACQUISITION

Our four pillars of client acquisition strategy have been to increase reach by strengthening successful partnership with ICICI Bank, create digital pull and delivery using e-infrastructure, focus on self-employed across the country i.e. "Bharat focus" and improving reach amongst affluent clients.

Client acquisition initiatives undertaken during the current fiscal is expected to result in significant improvement in new client acquisition and result in improved on-boarding experience. Below are some of our key initiatives:

1. Revenue sharing arrangement with Bank: Based on our strategy for client acquisition, we want to further strengthen our strong partnership with ICICI Bank to acquire more and better customers.
2. T20 - Digital acquisition: With the objective of faster client on-boarding post Aadhaar development, we have deployed redesigned digital process of client acquisition, resulting in customers able to trade within 20 minutes in Equity and MFs as compared to two days through the physical mode.
3. Direct2U: We launched a unique offering for our Private Wealth clients, called Direct2U, under our Investment Advisory Services. This offering leverages the powers of technology, advisory and transparent pricing to enable clients to invest digitally in direct schemes of mutual funds, through the ICICIdirect platform for a fee. Direct2U brings to clients process-based risk assessment, defined asset allocation strategies and active investment advisory. It also provides integrated portfolio reporting, in-depth analytics on investments and capital gains statements on the digital platform, through a tiered AUM-linked fee structure, with zero compensation from manufacturers, thus, ensuring complete alignment of interest.
4. New website: Keeping in line with change in customer behavior, customers will be able to experience a new web interface in Q1-FY2020. New website contains salient features like new Information architecture and tools to assist in decision making.
5. Mobile application for business partner: Launched mobile app for our Business Partners. This app will assist partners to initiate Mutual fund transactions on behalf of their customers, provides information on customer transactions, analytics and track their receivables which was earlier available only on desktop version. It helps in better service delivery by partners to clients and improved scalability.

Client engagement:

Our four pillars of client engagement strategy have been providing product choice, better pricing proposition, personalized offering and rewarding loyal clients.

We believe that the below client engagement initiatives undertaken during the year will provide cross sell and upsell opportunities:

1. **Proprietary PMS:** The Company launched its own proprietary PMS product aimed at its HNI clientele. The fund comprises concentrated portfolio of 30 stocks from NIFTY 100 & NIFTY Midcap 50 universe with high alpha and low volatility which would add to the existing product lines as an additional revenue stream.
2. **Health insurance:** We have completed our insurance suite of products by adding specialized health insurance to the existing portfolio of life and general insurance by tying up with Religare Health Insurance Company Limited and Star Health and Allied Insurance Company Limited on our platform.
3. **e-ATM:** This revolutionary new product offering allows customers to get pay out into their linked bank account within 30 mins of their trade, which otherwise takes over two days. This addresses immediate liquidity requirement for the customers. This facility is provided at no additional cost and has a daily limit of ₹ 50,000. Over 650 stocks on the BSE, covering over 95% of the market cap are covered under this facility.
4. **New Prepaid Plan:** Our strategy is balancing pricing with value proposition. Changes are made to get more participation of customers who are at the top end of trading and the change is based on our regular assessment and feedback from customers.
5. **Prime brokerage:** This is based on our strategy for client engagement where we want to strengthen our relationship with a loyal customer base. Changes are an on-going exercise where we see more acceptance and for increasing participation on the higher end.
6. **Analytics based product push:** We are focusing on enhancing engagement by using advanced analytics for understanding client journey which will help us in cross and upsell, going forward.

Digital openness

Further, being a digital company, we are collaborating with Fintechs for future development at a faster pace.

We have been focusing on automation in each and every area of our business operations; be it client acquisition and engagement, risk and operations, etc. We believe that these initiatives would lead to greater productivity and optimization of cost.

Economic Outlook

CPI inflation trajectory is expected to be benign in FY2020; thereby, providing an environment of lower interest rates. However, prospects of fiscal slippage and any volatility in oil prices will put pressure on interest rates. The second advanced estimates expect real GVA and GDP growth for FY2019 at 6.8% and 7% respectively.

Domestic equity flows are likely to be robust while FPI flows could continue to be volatile. Corporate profitability of Indian Inc. is expected to improve in FY2020 as the NPA recognition cycle peaks out along with improving consumption and infrastructure spend by the government.

Amongst global drivers which could impact EMs like India, are geo-political risks such as Brexit and global trade war with their uncertain resolution timelines.

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. Online retail broking landscape remains poised for a robust growth, however pricing led competitive intensity remain high. Our strong digital platform, knowledge-based services and brand would continue to attract customers.

The role of technology coupled with customer centricity through timely and effective advisory remains the key for growth ahead. The cities beyond the top 15 cities are also increasingly witnessing strong demand for financial products like mutual fund as awareness and access improves leading to expansion of distribution footprint.

Private Wealth business is poised for healthy growth over the next few years as the Indian populace moves up the wealth pyramid. The business landscape has been in continuous flux over the past year given evolving regulatory measures, unfavorable market cycles, and increasing competition. We see regulations evolving further as the investors mature, different asset classes emerge and complexities increase.

Distribution franchise will also get support from in-house manufacturing & investment advisory platforms besides the core offerings of Equity broking & Corporate Finance, thereby reducing cyclicity of our business further.

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 the strong IPO pipeline built in FY2019 which is expected to hit the market in a more stable market environment. With the tightening of credit outflow by banks and increased regulatory impositions on NBFCs, corporates are expected to resort to capital markets for funding their capital expenditure cycle.

Products like Private Infrastructure Investment Trusts (PIITs) and Real Estate Investment Trusts (REITs) are expected to be in vogue due to increased interest of such products by foreign investors. Also, buybacks are gaining popularity in Indian Capital Markets which can be used to repay the shareholder instead of dividends. Further, the Company will continue its pursuits with the Government divestments through Offer for Sale (OFS), etc. 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 FY2019, Our Company registered consolidated revenue of ₹ 17,270.2 million for FY2019 as compared to ₹ 18,610.1 million for FY2018. Consolidated Profit after tax (PAT) for FY2019 was ₹ 4,907.3 million compared to ₹ 5,534.7 million for FY2018. We were able to maintain our costs with total cost declining marginally from ₹ 10,086.2 million to ₹ 9,697.9 million in FY2019, a decline of 4% implying net margin of 28% in FY2019 which was similar to FY2018.

Analysis of Consolidated financial statements
a. Results of Operations

Extract of Consolidated Statement of Profit and Loss

	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations		
(i) Interest income	1,792.0	1,574.3
(ii) Dividend income	4.9	3.0
(iii) Fees and commission income	-	
- Brokerage income	9,328.3	10,243.0
- Income from services	5,732.8	6,552.2
(iv) Net gain on fair value changes	166.0	221.1
(v) Others	21.7	16.5
(I) Total Revenue from operations	17,045.7	18,610.1
(II) Other income	224.5	-
(III) Total Income (I+II)	17,270.2	18,610.1
Expenses		
(i) Finance Costs	423.4	495.0
(ii) Fees and commission expense	375.0	637.0
(iii) Impairment on financial instruments	26.9	60.5
(iv) Operating expense	850.9	979.9
(v) Employee benefits expenses	5,544.9	5,503.5
(vi) Depreciation, amortization and impairment	149.5	153.0
(vii) Others expenses	2,327.3	2,257.3
IV) Total Expenses (IV)	9,697.9	10,086.2
(V) Profit/(loss) before tax (III - IV)	7,572.3	8,523.9
VI) Tax expense:		
(1) Current tax	2,722.2	3,130.0
(2) Deferred tax	(57.2)	(140.8)
	2,665.0	2,989.2
(VII) Profit/(loss) for the period (V-VI)	4,907.3	5,534.7
(VIII) Other comprehensive income/(Losses), net of taxes	(25.9)	(16.1)
(IX) Total comprehensive income for the period	4,881.4	5,518.6

The company has adopted IndAS with effect from April 1, 2018 the transition date being April 1, 2017. Comparative for FY2018 has been restated as per Ind AS

Fees and commission income
Brokerage Income

Our brokerage income decreased from ₹ 10,243.0 million for the year ended March 31, 2018 to ₹ 9,328.3 million for the year ended March 31, 2019, a decrease of 9%. This was primarily due to decline in our equity delivery volumes. Our average daily turnover increased by 43% primarily driven by a higher increase in derivative volumes, which typically have lower yields.

Income from services

Income from services decreased from ₹ 6,552.2 million for the year ended March 31, 2018 to ₹ 5,732.8 million for the year ended March 31, 2019, a decrease of 13%. This was primarily due to a decrease in commissions from the distribution of third-party mutual funds from ₹ 2,847 million to ₹ 2,695 million, a decrease of 5%, in the same period. Income from advisory services decreased by over 30% in the same period. Decrease in fee income from advisory services was primarily due to a decrease in equity capital market activities.

Interest and other operating income

Interest and other operating income increased from ₹ 1,574.3 million for the year ended March 31, 2018 to ₹ 1,792.0 million in the year ended March 31, 2019, an increase of 14%. This was primarily due to an increase in interest earned on bank fixed deposits held with exchanges as margin for our brokerage business. The increase in the margin needed by exchanges was primarily due to an increase in our average daily turnover in the same period.

Net gain on fair value changes

Net gain on fair value changes decreased from ₹ 221.1 million for the year ended March 31, 2018 to ₹ 166.0 million for the year ended March 31, 2019, a decrease of 25% mainly on account of decrease in profit on sale of securities held for trade.

Other Income

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

Employee benefits expenses

Employee benefits expenses increased from ₹ 5,503.5 million for the year ended March 31, 2018 to ₹ 5,544.9 million for the year ended March 31, 2019, an increase of 1%. This was primarily due to annual increment partly offset by lower variable pay.

Operating expenses

Operating expenses decreased from ₹ 979.9 million for the year ended March 31, 2018 to ₹ 850.9 million for the year ended March 31, 2019, a decrease of 13%. This decrease was primarily due to a decrease in custodian and depository charges.

Fees and commission expense

Fees and commission expense decreased from ₹ 637.0 million for the year ended March 31, 2018 to ₹ 375.0 million for the year ended March 31, 2019, a decrease of 41%. This decrease was primarily due to a decrease in variable payouts linked to primary market deals as well as brokerage and commission paid to sub-brokers, authorised persons, IFAs and IAs.

Finance costs

Finance costs decreased from ₹ 495.0 million for the year ended March 31, 2018 to ₹ 423.4 million for the year ended March 31, 2019, a decrease of 14%. This decrease was primarily due to a decrease in short-term borrowings and hence, the interest expense thereon. This decrease in short-term borrowings was primarily due to decrease in borrowings related to securities held for trade and decrease in borrowings for broking business.

Depreciation and amortisation expense

Depreciation and amortisation expense decreased from ₹ 153.0 million for the year ended March 31, 2018 to ₹ 149.5 million for the year ended March 31, 2019, a decrease of 2%.

Other expenses

Other expenses increased from ₹ 2,257.3 million for the year ended March 31, 2018 to ₹ 2,327.3 million for the year ended March 31, 2019, an increase of 3%. This increase was primarily due to an increase in corporate social responsibility expenses, royalty for use of the "ICICI" brand, travelling and conveyance expenses.

Profit

As a result of the above, profit before tax decreased from ₹ 8,523.9 million for the year ended March 31, 2018 to ₹ 7,572.3 million for the year ended March 31, 2019, a decrease of 11% on account of decrease in revenues by 7% and decrease in expenses by 4%.

Our total tax expense decreased from ₹ 2,989.2 million for the year ended March 31, 2018 to ₹ 2,665.0 million for

the year ended March 31, 2019, a decrease of 11%. This was primarily due a decrease in profit before tax.

Profit after tax decreased from ₹ 5,534.7 million for the year ended March 31, 2018 to ₹ 4,907.3 million for the year ended March 31, 2019, a decrease of 11%.

Segment-wise performance

(₹ in million)

Segments	For the year ended March 31,			
	2019		2018	
	Segment Revenue	Segment Results	Segment Revenue	Segment Results
Broking and Commission	15,807.4	6,976.0	16,882.5	7,747.7
Advisory Services	990.6	252.5	1,439.8	656.5
Investment and Trading	265.1	136.7	287.8	119.7
Total	17,270.2*	7,572.3	18,610.1	8,523.9

*Unallocated amount of ₹ 207.1 million is included in total revenue and results for FY2019

Revenue from our broking and commission segment decreased from ₹ 16,882.5 million for the year ended March 31, 2018 to ₹ 15,807.4 million for the year ended March 31, 2019, a decrease of 6%. This decrease was primarily due to decrease in brokerage revenue and decrease in commissions from the distribution of third-party mutual funds in the same period. During the same time period, our result from the broking and commission segments decrease by 10% primarily due to the increase in other expenses in this segment.

Revenue from our advisory services segment decreased from ₹ 1,439.8 million for the year ended March 31, 2018 to ₹ 990.6 million for the year ended March 31, 2019, decrease of 31%. The decrease was primarily due to muted equity capital markets. During the same time period, our results from the advisory services segment decreased by 62%, primarily due to the increase in other expenses in this segment.

Revenue from our investment and trading segment decreased from ₹ 287.8 million for the year ended March 31, 2018 to ₹ 265.1 million for the year ended March 31, 2019, decrease of 8%. This decrease was primarily due to decrease in profit from the sale of securities on our own account. During the same time period, our results from the investment and trading segment increased by 14% due to decrease 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)	
	As at March 31, 2019	As at March 31, 2018
ASSETS		
1 Financial assets		
(a) Cash and cash equivalents	18,841.1	1,770.7
(b) Bank balance other than (a) above	12,645.2	13,689.0
(c) Derivative financial instruments	-	-
(d) Securities for trade	2,563.1	379.7
(e) Receivables		
(I) Trade receivables	4,769.8	3,101.0
(II) Other receivables	-	-
(f) Loans	4,032.7	5,782.3
(g) Investments	28.5	39.2
(h) Other financial assets	816.4	1,213.7
	43,696.8	25,975.6
2 Non-financial assets		
(a) Current tax assets (net)	1,306.5	1,062.1
(b) Deferred tax assets (net)	737.5	666.1
(c) Property, plant and equipment	294.8	297.0
(d) Capital work-in-progress	12.4	15.1
(e) Intangible assets under development	27.4	23.8
(f) Other intangible assets	141.0	85.4
(g) Other non-financial assets	429.5	613.9
	2,949.1	2,763.4
Total Assets	46,645.9	28,739.0
LIABILITIES AND EQUITY		
Liabilities		
1 Financial liabilities		
(a) Derivative financial instruments	17.0	1.6
(b) Payables		
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	23,362.0	6,116.8

	(₹ in million)	
	As at March 31, 2019	As at March 31, 2018
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(c) Debt Securities	4,473.0	6,724.2
(d) Borrowings (Other than debt securities)	-	-
(e) Deposits	45.3	47.0
(f) Other financial liabilities	2,284.9	1,628.1
	30,182.2	14,517.7
2 Non-financial liabilities		
(a) Current tax liabilities (Net)	41.5	-
(b) Provisions	663.6	534.7
(c) Other non-financial liabilities	5,285.9	5,209.5
	5,991.0	5,744.2
3 Equity		
(a) Equity share capital	1,610.7	1,610.7
(b) Other equity	8,862.0	6,866.4
	10,472.7	8,477.1
Total Liabilities and Equity	46,645.9	28,739.0

Total assets increased from ₹ 28.7 billion as at March 31, 2018 to ₹ 46.6 billion as at March 31, 2019, an increase of 62%. This increase was primarily due to an increase in cash and cash equivalents, trade receivables and securities for trade partially offset by a decrease in bank balances and other financial assets. The cash and cash equivalents includes funds of approx. ₹ 17 billion lying in the bank account of the company pursuant to a large value secondary market transaction that are to be remitted to client in due course.

Total liabilities increased from ₹ 20.3 billion as at March 31, 2018 to ₹ 36.2 billion as at March 31, 2019, an increase of 78%. This increase was primarily due to an increase in trade payables and other financial liabilities partly offset by decline in debt securities and other non-financial liabilities. The increase in trade payables was due to open trade positions of customers at the period end including a client payable and exception item in the form of client payable of

approx. ₹ 17 billion lying in the bank account of the Company pursuant to a large value secondary market transaction.

d. Cash Flows

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
		(₹ million)
Cash flow from operating activities	22,892.9	711.3
Cash flow from investing activities	(207.7)	(210.4)
Cash flow from financing activities	(5,614.8)	63.5

Cash generated from operating activities

Net cash generated from operating activities changed from ₹ 711.3 million for the year ended March 31, 2018 to ₹ 22,892.9 million for the year ended March 31, 2019. This change was primarily due to increase in trade payables which included exception item relating to one of the offer for sale transaction handled by the Company amounting to approx ₹ 17 billion and decrease in loans during the year ended March 31, 2019 as compared to the year ended March 31, 2018. This was partially offset by increase in stock in trade as well as lower operating profits after tax for the year ended March 31, 2019 as compared to year ended March 31, 2018.

Cash generated from investing activities

Net cash used in investing activities changed from ₹ (210.4) million for the year ended March 31, 2018 to ₹ (207.7) million for the year ended March 31, 2019. This change was primarily due to an increase in proceeds from sale of fixed assets in the same period.

Cash generated from financing activities

Net cash generated from/(used in) financing activities decreased from ₹ 63.5 million during the year ended March 31, 2018 to ₹ (5,614.8) million during the year ended March 31, 2019. This decrease was primarily due to decrease in borrowings and a higher dividend pay-out in the year ended March 31, 2019, as compared to the prior year.

Contingent Liabilities

As at March 31, 2019, we have ₹ 1,444.6 million in statutory tax demands in dispute which are not provided for (March 31, 2018 ₹ 1,202.4).

Borrowings

As at March 31, 2019, we have short-term borrowings of ₹ 4,473.0 million and total equity of ₹ 10,472.7 million.

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

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

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

	FY2018-19	FY2017-18	Change %
1. Debt Equity Ratio	0.43	0.79	(45.6)
2. Return on Net Worth	52.0%	82.0%	(36.6)

Explanation:

- Debt Equity Ratio decreased from 0.79 in FY2018 to 0.43 in FY2019 primarily due to a decrease in short-term borrowings from ₹ 6,724.2 million in FY2018 to ₹ 4,473 million in FY2019 and increase in shareholder's equity (share capital and other equity) from ₹ 6,866.4 million in FY2018 to ₹ 8,862 million in FY2019 due to retention of profits earned during the year.
- Return on Net Worth calculated as "PAT: Average networth excluding other comprehensive income and translation reserve" decreased from 82% for FY2018 to 52% for FY2019 mainly on account of increase in average net worth by 41% from ₹ 6,721 mn in FY2018 to ₹ 9,470 mn in FY2019 due to retention of profits earned during the period. Additionally, PAT also declined by 11% from ₹ 5,535 mn in FY2018 to ₹ 4,907 mn in FY2019.

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 reduced by 16%, decreasing from ₹ 253.0 million in FY2018 to ₹ 210.8 million in FY2019 and the standalone PAT decreased from ₹ 43.6 million in FY2018 to ₹ 36.5 million in FY2019. This decrease in PAT due to change in revenue model from revenue sharing model to cost plus. The total assets increased from ₹ 300.7 million at March 31, 2018 to ₹ 338.9 million at March 31, 2019.
- Financial assets increased from ₹ 297.0 million at March 31, 2018 to ₹ 319.3 million at March 31, 2019 primarily due to increase in bank balance partially set-off by reduction in trade receivable.
- Non - Financial assets increased from ₹ 3.7 million at March 31, 2018 to ₹ 19.6 million at March 31, 2019 on account of recognition of deferred tax asset. The Company has revised its revenue sharing model and hence has a visibility of profits over a period of 5 years. The Company has therefore recognized the deferred tax on the unused tax losses of the previous years.
- Financial liabilities increased from ₹ 35.5 million at March 31, 2018 to ₹ 37.4 million at March 31, 2019 primarily on account of exchange rate movement.

Transition from Indian GAAP to Ind AS

The Financial Statements and other financial information for FY2018 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, the Company, being a subsidiary of ICICI Bank Limited, was required to prepare its financial statements under Ind AS from April 1, 2018 onwards.

Certain principal differences between Indian GAAP and Ind AS that have a material effect on our financial statements are summarised below:

Principal differences between Indian GAAP and Ind AS that 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 are 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 are classified at 'amortised cost', 'fair value through other comprehensive income' or 'fair value through profit and loss'. These classifications are 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 are 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 are 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 has been applied to loans and receivables. 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 user's 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 lease rentals have not been straight lined and the benefit of a rent-free lease term has been 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 have been 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 have been 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. Accordingly the Company has accounted for all share based payments granted to its employees in the books.

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.

Refer to the notes to the financial statements for the reconciliation of net-worth and profit under Indian GAAP and Ind AS for the year ended March 31, 2018.

RISKS AND CONCERNS

As the Company's performance is dependent on capital markets, 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 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 implied market risk, market risk, operational risk, information technology/cyber security risk, liquidity risk, credit risk and reputation risk. It has established various policies with respect to such risks which set forth limits, mitigation strategies and internal controls to be implemented by 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.

The Company is particularly sensitive to risks emanating from the introduction of new products and services. Before the launch of any new product or service, it is reviewed and approved by the corporate risk management group, compliance and operations groups and product and 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, 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. As part of group processes, the Company follows a robust leadership potential assessment and leadership development process. These processes identify and groom leaders for the future and also enable succession planning for critical positions in the Company.

Being a growth-oriented and 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, 2019 was 4,051.

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 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.

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 focussing on progressive support for our key CSR initiatives.

In the current year, we worked on three key programmes in the areas of education and skill development; 'Mission Samruddhi', 'Siddhika' and 'iCaniWill'. 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.

Under Mission Samruddhi, the Company reached out to over 26,000 junior level personnel from various uniformed forces, at their bases across the country in FY2019. As part of the pilot for 'Siddhika', the Company has trained over 1,900 women from locations in 6 states, of which 500 have passed the NISM exam, thereby, clearing the first step to become Independent Financial Associates.

We have launched a third CSR initiative called, 'iCaniWill'. This initiative focusses on educating the people with regards to the importance of Will drafting and busting the myths associated with it. Our primary focus has been to promote that drafting a Will in

one of the most important points in an individual's financial planning journey. 2.8 crore people have been reached under this initiative through digital platforms, out of which we received over 2 lakh visits on our Will related informative website www.icicisecurities.com/ican-iwill.

Further, 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.

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.

CAUTIONARY STATEMENTS

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

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

The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those

anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Independent Auditors' Report

To the Members of ICICI Securities Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of ICICI Securities Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (together referred as 'standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key audit matter	How the matter was addressed in our audit
<p>Transition to Ind AS: Changes in accounting policies, disclosures associated with transition</p> <p>Effective 1 April 2018, the Company adopted the Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs with transition date of 1 April 2017.</p> <p>The following are the impact areas for the Company upon transition:</p> <ul style="list-style-type: none"> - Classification and measurement of financial assets and financial liabilities; and - Additional disclosures <p>Transition adjustments are complex accounting requirements and require determination of new accounting policies, including transition option election and practical expedients.</p> <p>The changes in accounting framework translates into significant changes in standard operating procedures in respect of impacted areas, risk and control framework including internal controls over financial reporting, and application of higher degree of management judgement. We identified transition adjustments as a Key audit matter because of significant degree of management judgement and application on the areas noted above.</p>	<p>Changes to internal controls framework and Additional</p> <p>Our audit procedures included:</p> <p>Design / controls</p> <ul style="list-style-type: none"> • Assessing the design, implementation and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101 - First-time Adoption of Indian Accounting Standards and preparation of disclosures; <p>Substantive tests</p> <ul style="list-style-type: none"> • Evaluated management's transition date choices and exemptions for compliance / acceptability under Ind AS 101; • Evaluate the appropriateness of the accounting policies based on the requirements of the new standards; • Assessed the accuracy of the computations; and • Performed procedures to check appropriate presentation of disclosures. <p>Assessed areas of significant estimates and management judgement in line with principles under Ind AS.</p>

Key audit matter

Information Technology

IT systems and controls

The Company's key financial accounting and reporting processes are highly dependent on the automated controls implemented in the Information Technology (IT) systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records, being materially misstated.

The Company uses SAP system as the General Ledger for overall financial reporting which is interfaced with other systems that process transactions, which impacts significant accounts.

We have identified 'IT systems and control' as Key audit matter, since for the primary business segment (broking and commission income), the Company relies on automated processes and controls for recording of income.

How the matter was addressed in our audit

We focused on General IT controls i.e. access management, change management, program_development and computer operations control and IT application controls i.e. controls on relevant system based reconciliation, system generated reports and system/application processing over key financial accounting, reporting systems and control systems.

Our audit procedures to assess the effectiveness of IT system included the following:

- Performed walkthroughs to evaluate the design and implementation of key automated controls. Involved our IT specialist to test the effectiveness of identified IT automated controls and IT systems. IT specialist tested relevant key controls operating over IT in relation to financial accounting and reporting systems, including general controls i.e. system access and system change management, program development and computer operations.
- IT specialists tested design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and other preventive controls.
- For a selected group of key controls over financial and reporting system, IT specialists independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process.
- Other areas that were independently assessed included password policies, security configurations, system generated reports and system interface controls.
- Evaluating the design, implementation and operating effectiveness of identified significant accounts related IT automated controls which are relevant for accuracy of system calculation, and consistency of data transmission.

Other Information

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference

to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other matter

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2017 included in these standalone financial statements, are based on the previously issued statutory financial statements prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 audited by the predecessor auditor whose report for the year ended 31 March 2017 dated 20 April 2017, expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors,

none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

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

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

Milind Ranade
Partner
Membership No: 100564

Place: Mumbai
Date: 23 April 2019

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 2019, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified at the end of the financial year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties. Accordingly, para 3(i) (c) of the Order is not applicable to the Company.
- ii. The Company does not hold any securities in physical form. The securities for trade held in dematerialized form are verified with the statement of holding received by management from the custodian at regular intervals. No material discrepancies were noticed on such verification.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, para 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees and securities under Section 185 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. To the best of our knowledge and belief, the Company was not required to deposit or pay any dues in respect of duty of sales tax, customs and duty of excise during the year ended 31 March 2019. 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 2019 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)	465.7	Financial Year (“FY”) 2010-2011 to FY 2012-2013 & FY 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax (including interest but excluding penalty)	279.8	FY 2005-2006	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax (including interest but excluding penalty)	167.9	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)	51.6	FY 2007-2008	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax (including interest but excluding penalty)	0.5	FY 2007-2008 to FY 2009-2010	Commissioner of Income Tax - TDS
Service Tax	Service tax (excluding interest and penalty)	118.8	FY 2002-2003 to FY 2013-2014	Commissioner of Service Tax
Service Tax	Service tax (including interest and penalty)	6.7	FY 2006-2007 to FY 2008-2009	Central Excise & Service Tax Appellate Tribunal
Service Tax	Service tax (including interest and penalty)	356.8	FY 2012-2015	Central Excise & Service Tax Appellate Tribunal
Maharashtra Value Added Tax, 2002	Value added tax (including interest & penalty)	1.7	FY 2008-2009	Commissioner of MVAT (Appeals)

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company did not have any borrowings from Government or debenture holders during the year.
- ix. In our opinion and according to the information and explanations given to us, the monies raised by way of debt instruments in the nature of commercial paper by the Company have been applied for the purpose for which they were raised. The Company did not raise money by way of further public offer.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the books and records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals prescribed by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable Indian accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the books and records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the books and records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Milind Ranade
Partner
Membership No: 100564

Place: Mumbai
Date: 23 April 2019

Annexure “B” to the Independent Auditor’s Report of even date on standalone financial statements of ICICI Securities Limited

In conjunction with our report of the standalone financial statements of ICICI Securities Limited as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of ICICI Securities Limited (hereinafter referred to as the ‘Company’), as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 respective companies’ policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the ‘Act’).

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing (‘the Standards’), 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 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 Group’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 2019, 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 issued by the ICAI.

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

Chartered Accountants
Firm's Registration No. 101248 W/W-100022

Milind Ranade

Place: Mumbai
Date: 23 April 2019

Partner
Membership No: 100564

Standalone Balance Sheet

as at March 31, 2019

	Notes	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
ASSETS				
1 Financial Assets				
(a) Cash and cash equivalents	3	18,632.5	1,567.1	1,052.6
(b) Bank balance other than (a) above	3	12,575.4	13,688.9	8,701.1
(c) Derivative financial instruments	4	-	-	-
(d) Securities for trade	5	2,563.1	379.2	315.1
(e) Receivables				
(i) Trade receivables	6	4,766.7	3,098.1	7,087.4
(ii) Other receivables		-	-	-
(f) Loans	7	4,032.7	5,782.3	49.6
(g) Investments	8	151.2	162.0	167.4
(h) Other financial assets	9	810.4	1,208.0	764.6
		43,532.0	25,885.6	18,137.8
2 Non-financial Assets				
(a) Current tax assets (net)	10	1,307.6	1,063.5	971.8
(b) Deferred tax assets (net)	41	720.1	666.1	516.7
(c) Property, plant and equipment	11	294.5	296.6	241.9
(d) Capital work-in-progress		12.4	15.1	0.5
(e) Intangible assets under development		27.4	23.8	27.9
(f) Other intangible assets	11	141.0	85.4	104.4
(g) Other non-financial assets	12	427.6	610.4	350.4
		2,930.6	2,760.9	2,213.6
Total Assets		46,462.6	28,646.5	20,351.4
LIABILITIES AND EQUITY				
LIABILITIES				
1 Financial liabilities				
(a) Derivative financial instruments	4	17.0	1.6	5.6
(b) Payables				
(i) Trade payables				
(ii) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13	23,391.2	6,198.7	4,870.1
(ii) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(c) Debt securities	14	4,473.0	6,724.2	3,953.4
(d) Borrowings (Other than debt securities)	15	-	-	-
(e) Deposits	16	45.3	46.7	33.2
(f) Other financial liabilities	17	2,284.9	1,628.1	1,824.1
		30,211.4	14,599.3	10,686.4
2 Non-financial Liabilities				
(a) Current tax liabilities (net)		41.5	-	-
(b) Provisions	18	663.6	534.7	389.1
(c) Other non-financial liabilities	19	5,202.0	5,126.0	4,306.1
		5,907.1	5,660.7	4,695.2
3 EQUITY				
(a) Equity share capital	20	1,610.7	1,610.7	1,610.7
(b) Other equity	21	8,733.4	6,775.8	3,359.1
		10,344.1	8,386.5	4,969.8
Total Liabilities and Equity		46,462.6	28,646.5	20,351.4

Significant accounting policies

2

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

As per our report of even date attached

For and on behalf of Board of Directors

For B S R & Co. LLP

 Chartered Accountants
 Firm Registration No.: 101248W/W-100022

Vinod Kumar Dhall

 Chairman
 DIN - 02591373

Ashvin Parekh

 Director
 DIN - 06559989

Shilpa Kumar

 Managing Director & CEO
 DIN - 02404667

Milind Ranade

 Partner
 Membership No.: 100564

Ajay Saraf

 Executive Director
 DIN - 00074885

Raju Nanwani

Company Secretary

Harvinder Jaspal

Chief Financial Officer

Date: April 23, 2019

Place: Mumbai

Standalone Statement of Profit & Loss

for the year ended March 31, 2019

			(₹ million)
	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations			
(i) Interest income	22	1,791.4	1,574.3
(ii) Dividend income		4.9	3.0
(iii) Fees and commission income			
- Brokerage income		9,325.2	10,243.0
- Income from services		5,732.8	6,526.8
(iv) Net gain on fair value changes	23	166.0	221.1
(v) Others		21.7	16.6
(I) Total Revenue from operations		17,042.0	18,584.8
(II) Other Income	24	216.0	-
(III) Total Income (I+II)		17,258.0	18,584.8
Expenses			
(i) Finance costs	25	419.7	491.3
(ii) Fees and commission expense		572.8	851.6
(iii) Impairment on financial instruments	26	26.9	60.5
(iv) Operating expense	27	849.6	979.0
(v) Employee benefits expenses	28	5,413.0	5,347.3
(vi) Depreciation, amortization and impairment	11	149.3	152.6
(vii) Other expenses	29	2,275.7	2,223.1
(IV) Total Expenses (IV)		9,707.0	10,105.4
(V) Profit/(loss) before tax (III -IV)		7,551.0	8,479.4
(VI) Tax expense:	41		
(1) Current tax		2,721.5	3,129.2
(2) Deferred tax		(39.7)	(140.8)
		2,681.8	2,988.4
(VII) Profit/(loss) for the year (V-VI)		4,869.2	5,491.0
(VIII) Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined employee benefit plans		(40.2)	(24.7)
(ii) Income tax relating to items that will not be reclassified to profit or loss		14.3	8.6
Subtotal (A)		(25.9)	(16.1)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other Comprehensive Income (A + B)		(25.9)	(16.1)
(IX) Total comprehensive income for the period (VII+VIII) (comprising Profit/(Loss) and other comprehensive income for the period)		4,843.3	5,474.9
(X) Earnings per equity share: (Face value ₹ 5/- per share)	31		
Basic (in ₹)		15.12	17.05
Diluted (in ₹)		15.11	17.05

Significant accounting policies

2

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

As per our report of even date attached

For and on behalf of Board of Directors

For B S R & Co. LLP

Chartered Accountants
Firm Registration No.: 101248W/W-100022

Vinod Kumar Dhall

Chairman
DIN - 02591373

Ashvin Parekh

Director
DIN - 06559989

Shilpa Kumar

Managing Director & CEO
DIN - 02404667

Milind Ranade

Partner
Membership No.: 100564

Ajay Saraf

Executive Director
DIN - 00074885

Raju Nanwani

Company Secretary

Harvinder Jaspal

Chief Financial Officer

Date: April 23, 2019

Place: Mumbai

Standalone Statement of Changes in Equity

as at March 31, 2019

A Equity Share Capital

(₹ million)		
Balance as of April 1, 2017	Changes in equity share capital during the period	Balance as on March 31, 2018
1,610.7	-	1,610.7

(₹ million)		
Balance as of April 1, 2018	Changes in equity share capital during the period	Balance as on March 31, 2019
1610.7	-	1,610.7

B Other Equity

	Reserves and Surplus				Exchange Difference on translating the financial statements of a foreign operation	Deemed Equity Contribution from the Parent	Total
	Securities Premium	General Reserve	Share based payment reserve	Retained Earnings			
Balance as of April 1, 2017	244.0	666.8	-	2,299.4	18.6	130.3	3,359.1
Profit for the year	-	-	-	5,491.0	-	-	5,491.0
Items of OCI for the year, net of tax	-	-	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	-	(16.1)	-	-	(16.1)
Total Comprehensive Income for the year	-	-	-	5,474.9	-	-	5,474.9
Dividend (including tax on dividend)	-	-	-	(2,132.5)	-	-	(2,132.5)
Any other changes:	-	-	-	-	-	-	-
Additions during the year (net)	-	-	-	-	(0.7)	75.0	74.3
Balance as on March 31, 2018	244.0	666.8	-	5,641.8	17.9	205.3	6,775.8
Balance as of April 1, 2018	244.0	666.8	-	5,641.8	17.9	205.3	6,775.8
Profit for the year	-	-	-	4,869.2	-	-	4,869.2
Items of OCI for the year, net of tax	-	-	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	-	(25.9)	-	-	(25.9)
Total Comprehensive Income for the year	-	-	-	4,843.3	-	-	4,843.3
Dividend (including tax on dividend)	-	-	-	(2,951.1)	-	-	(2,951.1)
Any other changes:	-	-	-	-	-	-	-
Additions during the year (net)	-	-	4.1	-	0.6	60.7	65.4
Balance as on March 31, 2019	244.0	666.8	4.1	7,534.0	18.5	266.0	8,733.4

Significant accounting policies

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

As per our report of even date attached

For and on behalf of Board of Directors

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.:101248W/W-100022

Vinod Kumar Dhall

Chairman

DIN - 02591373

Ashvin Parekh

Director

DIN - 06559989

Shilpa Kumar

Managing Director & CEO

DIN - 02404667

Milind Ranade

Partner

Membership No.: 100564

Ajay Saraf

Executive Director

DIN - 00074885

Raju Nanwani

Company Secretary

Harvinder Jaspal

Chief Financial Officer

Date: April 23, 2019

Place: Mumbai

Standalone Cash Flow Statement

for the year ended March 31, 2019

	(₹ million)	
	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
A Cash flow from operating activities		
Profit before tax	7,551.0	8,479.4
Add /(less): Adjustments		
- (Profit) / loss on sale of property, plant and equipment (net)	4.6	16.8
- Depreciation and amortisation	149.3	152.6
- (Reversal of) /impairment loss on financial assets measured at FVTPL	1.2	-
- Net (gain)/loss arising on financial assets measured at FVTPL	9.5	0.2
- Interest expense	412.6	483.3
- Dividend income on equity securities	(0.4)	(0.3)
- Share based payments to employees	64.8	75.0
- Bad and doubtful debts	49.3	73.1
Operating profit before working capital changes	8,241.9	9,280.1
Adjustments for changes in working capital:		
- (Increase) / decrease in other bank balances	1,113.6	(4,987.8)
- (Increase) / decrease in securities for trade	(2,183.9)	(64.2)
- (Increase) / decrease in receivables	(1,717.8)	3,916.1
- (Increase) / decrease in loans	1,749.7	(5,732.7)
- (Increase) / decrease other financial assets	397.6	(443.4)
- (Increase) / decrease other non- financial assets	182.8	(260.0)
- Increase / (decrease) in derivative financial instruments	15.4	(4.0)
- Increase / (decrease) in trade payables	17,192.5	1,328.5
- Increase / (decrease) in deposits	(1.4)	13.5
- Increase / (decrease) in other financial liabilities	656.8	(196.0)
- Increase / (decrease) in provisions	88.6	120.9
- Increase / (decrease) in other non-financial liabilities	76.1	910.5
	17,570.0	(5,398.6)
Cash generated from operations	25,811.9	3,881.5
Income tax paid (net)	(2,924.0)	(3,220.9)
Net cash (used in) / generated from operating activities (A)	22,887.9	660.6
B Cash flow from investing activities		
- Purchase of investments	-	-
- Proceeds from sale/maturity of investments	-	5.8
- Dividend income received	0.4	0.3
- Purchase of property, plant and equipment	(226.1)	(223.1)
- Proceeds from sale of property, plant and equipment	18.0	7.4
Net cash (used in) / generated from investing activities (B)	(207.7)	(209.6)

Standalone Cash Flow Statement

for the year ended March 31, 2019

	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
C Cash flow from financing activities		
- Proceeds from commercial paper borrowings (net)	-	2,753.5
- Repayment of commercial paper borrowings (net)	(2,263.5)	-
- Interest paid on borrowings	(400.2)	(465.9)
- Dividends and dividend tax paid	(2,951.1)	(2,224.1)
Net cash (used in) / generated in financing activities (C)	(5,614.8)	63.5
Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	17,065.4	514.5
Cash and cash equivalents at the beginning of the year	1,567.1	1,052.6
Exchange difference on translation of foreign currency cash and cash equivalents		
Cash and cash equivalents at the end of the year*	18,632.5	1,567.1
Components of cash and cash equivalents		
Cash and Cash Equivalents comprises of :		
(a) Cash on hand	0.0	0.0
(b) Balances with Banks (of the nature of cash and cash equivalents)		
In current accounts with banks		
- In India with scheduled banks	18,251.3	1,302.5
- Outside India	30.8	14.4
(c) Cheques, drafts on hand	0.3	0.0
(d) Others		
- Fixed Deposit with original maturity less than 3 months	350.0	250.0
- Interest accrued on Fixed Deposits	0.1	0.2
Total cash and cash equivalents (Note 3)	18,632.5	1,567.1

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

- Excludes fixed deposits under lien ₹ 12,116.9 million (March 31, 2018 ₹ 13,235.8 million).

- Includes ₹ 17 billion towards pending settlement obligation.

₹ 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 on the Indian Accounting Standard (Ind AS-7) Statement of Cash Flow.
- Also refer note 38 for change on liabilities arising from financing activities.

Significant accounting policies

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

As per our report of even date attached

For and on behalf of Board of Directors

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.:101248W/W-100022

Vinod Kumar Dhall

Chairman

DIN - 02591373

Ashvin Parekh

Director

DIN - 06559989

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Membership No.: 100564

Ajay Saraf

Executive Director

DIN - 00074885

Raju Nanwani

Company Secretary

Harvinder Jaspal

Chief Financial Officer

Date: April 23, 2019

Place: Mumbai

Notes

to standalone financial statements for the year ended March 31, 2019

1. CORPORATE INFORMATION

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

The Company was a wholly owned subsidiary of ICICI Bank Limited till March 30, 2018. During the year ended March 31, 2018, the Company completed its Initial Public Offering (IPO). The Equity shares of the Company were listed on the National Stock Exchange of India Limited and BSE Limited on April 4, 2018. ICICI Bank Limited, the holding company, owns 79.22% of the Company’s equity share capital as on March 31, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, with effect from April 1, 2018 the Company has adopted Indian Accounting Standards (referred to as “Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015. Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of the financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”) to Ind AS of Shareholders’ equity as at March 31, 2018 and April 1, 2017 being the transition date and of the total comprehensive income for the year ended March 31, 2018.

These financial statements have been prepared in accordance with Ind AS 1- Presentation of Financial Statements as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

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

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

The standalone financial statements for the year ended March 31, 2019 are being authorised for issue in accordance with a resolution of the directors on April 23, 2019.

(ii) Use of estimates

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

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

(iii) Revenue recognition

- a. Brokerage income in relation to stock broking activity is recognized on a trade date basis.

Notes

to standalone financial statements for the year ended March 31, 2019

- b. Revenue from issue management, debt syndication, financial advisory services etc., is recognized based on the stage of completion of assignments and terms of agreement with the client.
- c. Commission income in relation to public issues / other financial products is recognized based on mobilization and intimation received from clients / intermediaries or over the period of service as applicable.
- d. Gains / losses on dealing in securities are recognized on a trade date basis.
- e. Interest income is recognized using the effective interest rate method.
- f. Revenue from dividend is recognized when the right to receive the dividend is established.
- g. Training fee income from financial educational programs is recognized on the basis of completion of training.

(iv) Property, Plant and Equipment (PPE)

Measurement at recognition:

Property plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount.

All property, plant and equipment are initially recorded at cost. Cost comprises acquisition cost, borrowing cost if capitalization criteria are met, and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associated with these will flow with the Company and the cost of the item can be measured reliably.

Depreciation:

Depreciation provided on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by management.

The estimated useful lives of assets are as follows:

Tangible Asset	Estimated by Management
Leasehold improvements	Over the lease period
Office equipment's comprising air conditioners, photo-copying machines, etc.	5 years
Computers	3 years
Servers & Network	6 years
Furniture and fixtures*	6.67 years
Motor vehicles*	5 years

*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation is provided on a straight-line basis from the date the asset is ready for its intended use. In respect of assets sold, depreciation is provided up to the date of disposal.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and changes if any, are accounted for on a prospective basis.

Capital work-in-progress and Capital advances:

Cost of the assets not ready for intended use, as on reporting date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each reporting date are shown as other non-financial assets.

Depreciation is not recorded on capital work-in-progress until construction and installation is completed and assets are ready for its intended use.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or

Notes

to standalone financial statements for the year ended March 31, 2019

disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

Optional Exemption from retrospective application:

Deemed cost for property, plant and equipment.

The Company has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

(v) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization.

Development expenditure on software is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognized in the profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortization and any accumulated impairment losses.

Amortisation

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives and is included in the depreciation and amortization in the statement of profit and loss.

Intangible asset	Useful life / Amortisation period
Computer software	4 years

Optional Exemption from retrospective application:

Deemed cost for intangible assets.

The Company has elected to measure all its Intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

(vi) Financial instruments

The Company recognizes all the financial assets and liabilities at its fair value on initial recognition; In the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset are added to the fair value on initial recognition. The financial assets are accounted on a trade date basis.

For subsequent measurement, financial assets are categorised into:

- a. Amortised cost:** The Company classifies the financial assets at amortised cost if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows. The gains and losses resulting from fluctuations in fair value are not recognised for financial assets classified in amortised cost measurement category.
- b. Fair value through other comprehensive income (FVOCI):** The Company classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the Company's business model is achieved by both collecting contractual cash flow and selling financial assets. In case of debt instruments measured at FVOCI, changes in fair value are recognised in other comprehensive income. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective

Notes

to standalone financial statements for the year ended March 31, 2019

interest method are recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is re-classified from equity to profit or loss as a reclassification adjustment. In case of equity instruments irrevocably designated at FVOCI, gains / losses including relating to foreign exchange, are recognised through other comprehensive income. Further, cumulative gains or losses previously recognised in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition.

- c. Fair value through profit or loss (FVTPL):** The financial assets are classified as FVTPL if these do not meet the criteria for classifying at amortised cost or FVOCI. Further, in certain cases to eliminate or significantly reduce a measurement or recognition inconsistency (accounting mismatch), the Company irrevocably designates certain financial instruments at FVTPL at initial recognition. In case of financial assets measured at FVTPL, changes in fair value are recognised in profit or loss.

Profit or loss on sale of investments is determined on the basis of first-in-first-out (FIFO) basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1: quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (e.g. as prices) or indirectly (e.g. derived from the prices).

Level 3: inputs for the current assets or liability that are not based on observable market data (unobservable inputs).

Based on the Company's business model for managing the investments, the Company has classified its investments and securities for trade at FVTPL. Investment in subsidiaries is carried at deemed cost (previous GAAP carrying amount) as per Ind AS 27.

Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables the carrying amount approximates the fair value due to short maturity of these instruments.

- d. Impairment of financial assets:** In accordance with Ind AS 109, the Company applies expected credit loss model (ECL)

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for measurement and recognition of impairment loss. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses whether the loans have been impaired. The Company is exposed to credit risk when the customer defaults on his contractual obligations. For the computation of ECL, the loan receivables are classified into three stages based on the default and the aging of the outstanding.

If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance account accordingly. The write-back is recognised in the statement of profit and loss.

The Company recognises life time expected credit loss for trade receivables and has adopted the simplified method of computation as per Ind AS 109. The Company considers outstanding overdue for more than 90 days for calculation of expected credit loss.

(vii) Employee benefits

Gratuity

The Company pays gratuity, a defined benefit plan, to its employees who retire or resign after a 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 Gratuity Fund which is managed by ICICI Prudential Life Insurance Company Limited for the settlement of gratuity liability.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the defined

benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset / (liability), which need to be provided for in the books of accounts of the Company.

As required by the Ind AS19, the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian Government security yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a net asset position, the recognized asset is limited to the present value of economic benefits available in form of reductions in future contributions.

Remeasurements arising from defined benefit plans comprises of actuarial gains and losses on benefit obligations, the return on plan assets in excess of what has been estimated and the effect of asset ceiling, if any, in case of over funded plans. The Company recognizes these items of remeasurements in other comprehensive income and all the other expenses related to defined benefit plans as employee benefit expenses in their profit and loss account.

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

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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.

Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as part of retirement benefits to its employees. The contributions during the year are charged to the statement of profit and loss.

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

Compensated absence

The employees can carry forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase the entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial losses/gains are recognized in the statement of profit and loss as and when they are incurred.

Long term incentive

The Company has a long term incentive plan which is paid in three annual tranches. The Company accounts for the liability as

per an actuarial valuation. The actuarial valuation of the long term incentives liability is calculated based on certain assumptions regarding prevailing market yields of Indian government securities and staff attrition as per the projected unit credit method made at the end of each reporting period. The actuarial losses/gains are recognised in the statement of profit and loss in the period in which they arise.

Employee Stock Option Scheme

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

ICICI Bank Limited, the parent, also grants options to eligible employees of the Company under ICICI Bank Employee Stock Option Scheme. The options vest over a period of three years. The fair value determined on the grant date is expensed on a straight line basis over the vesting period with a corresponding increase in the equity as a contribution from the parent.

(viii) Borrowing costs

Borrowing costs include interest expense as per the effective interest rate (EIR) and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognized as an expense in the year in which they are incurred.

The difference between the discounted amount mobilized and redemption value of commercial papers is recognized in the statement of profit

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and loss over the life of the instrument using the EIR.

(ix) Foreign exchange transactions

The functional currency and the presentation currency of the Company is Indian Rupees. Transactions in foreign currency are recorded on initial recognition using the exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on the settlement or translation of monetary items are recognized in the statement of profit and loss in the period in which they arise.

Assets and liabilities of foreign operations are translated at the closing rate at each reporting period. Income and expenses of foreign operations are translated at monthly average rates. The resultant exchange differences are recognized in other comprehensive income in case of foreign operation whose functional currency is different from the presentation currency and in the statement of profit and loss for other foreign operations. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(x) Leases

Lease arrangements where the risk and rewards incidental to ownership of an assets substantially vest with the lessor, are recognised as operating lease.

Operating lease payments are recognised on as straight line basis over the lease term in the statement of profit and loss, unless the lease payments to the lessor are structured to increase in line with expected general inflation.

(xi) Income tax

The income tax expense comprises current and deferred tax incurred by the Company. Income tax expense is recognised in the income statement except to the extent that it

relates to items recognised directly in equity or OCI, in which case the tax effect is recognised in equity or OCI. Income tax payable on profits is based on the applicable tax laws in each tax jurisdiction and is recognised as an expense in the period in which profit arises. Current tax is the expected tax payable/receivable on the taxable income or loss for the period, using tax rates enacted for the reporting period and any adjustment to tax payable/receivable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts for tax purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised, for all deductible temporary differences, to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The tax effects of income tax losses, available for carry forward, are recognised as deferred tax asset, when it is probable that future taxable profits will be available against which these losses can be set-off.

Additional taxes that arise from the distribution of dividends by the Company are recognised directly in equity at the same time as the liability to pay the related dividend is recognised.

(xii) Cash and cash equivalents

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

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(xiii) Impairment of non financial assets

The Company assesses at the reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in statement of profit and loss.

(xiv) Provisions

Provision is recognised when an enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of

similar transactions. These are reviewed at the balance sheet date and adjusted to reflect the current management estimates.

(xv) Contingent liabilities and assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability. The existence of a contingent liability is disclosed in the notes to the financial statements.

Contingent assets are neither recognised nor disclosed.

(xvi) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

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3. CASH AND BANK BALANCES

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
(i) Cash and cash equivalents			
(a) Cash on hand*	0.0	0.0	0.0
(b) Balances with banks (of the nature of cash and cash equivalents)			
In current accounts with banks			
- In India with scheduled banks	18,251.3	1,302.5	1,010.1
- Outside India	30.8	14.4	32.3
(c) Cheques, drafts on hand	0.3	0.0	10.2
(d) Others			
- Fixed deposit with original maturity less than 3 months	350.0	250.0	-
- Interest accrued on Fixed deposits	0.1	0.2	-
Total	18,632.5	1,567.1	1,052.6
(ii) Other bank balances			
(a) Fixed deposits with banks**			
- In India	12,107.9	13,227.3	8,411.3
- Outside India	9.0	8.5	8.4
	12,116.9	13,235.8	8,419.7
(b) Interest receivable	458.5	453.1	281.4
Total	12,575.4	13,688.9	8,701.1

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

**Fixed deposits under lien with stock exchanges amounted to ₹ 10,604.3 million (March 31, 2018 : ₹ 11,759.1 million) and kept as collateral security towards bank guarantees issued amounted to ₹ 393.9 million (March 31, 2018 : ₹ 383.3 million) and kept as collateral security against bank overdraft facility amounted to ₹ 1,115 million (March 31, 2018 : ₹ 1,089.7 million) and others ₹ 3.7 million (March 31, 2018 : ₹ 3.7 million)

4. DERIVATIVE FINANCIAL INSTRUMENTS

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
(i) Equity linked derivatives	17.0	1.6	5.6
Total	17.0	1.6	5.6
Notional amounts	3,893.8	2,269.5	3,037.3
Fair value - assets	-	-	-
Fair value - liabilities	17.0	1.6	5.6

Note :

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

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5. SECURITIES FOR TRADE

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
(A) At Fair Value through profit or loss Securities for trade in India			
(i) Mutual funds:			
- ICICI Mutual Fund Fixed Maturity Plan	-	-	0.7
- ICICI Prudential Mutual Fund Value FD SR 18 DVP 17MY21	1.1	-	-
	1.1	-	0.7
(ii) Debt securities:			
(a) Non-convertible debentures:-			
- 9.10 % Dewan Housing Finance Corp Limited (16-08-2019)	143.8	149.7	151.1
- 8.75 % ERFL (22-03-2021)	143.5	150.2	-
- RCL Market Linked Debentures Series B-198 (09-04-2017)	-	-	21.5
- RCL Market Linked Debentures Series B-190 (13-04-2017)	-	-	53.7
- 8.90% Indiabulls Housing Finance Ltd (26-09-2021)	-	-	1.8
- 9.25 % Dewan Housing Finance (09-09-2023)	-	-	33.5
- 10.75 % Dewan Housing Finance (23-08-2099)	-	-	52.8
	287.3	299.9	314.4
(b) Bonds:-			
- 8.49 % HDFC LTD (27-04-2020)	501.1	-	-
- 7.50 % HDFC LTD (07-07-2020)	495.3	-	-
- 8.80 % LIC HOUSING FINANCE LIMITED (24-12-2020)	504.3	-	-
- 8.30 % LIC HOUSING FINANCE LIMITED (15-07-2021)	100.1	-	-
- 8.41 % HUDCO (15-03-2029)	76.0	-	-
- 8.30 % IRFC (25-03-2029)	100.9	-	-
- 8.75 % Axis Bank (14-12-2099)	2.9	-	-
- 8.85 % HDFC Bank (12-05-2099)	-	4.0	-
- 8.75 % Axis Bank (28-06-2099)	-	18.9	-
- 9.50 % Yes Bank (23-12-2099)	-	26.5	-
	1,780.6	49.4	-
(c) Commercial paper:			
- KOTAK MAHINDRA INVESTMENT LTD CP (17- 01-2020)	469.4	-	-
(iii) Equity instruments:			
- IRB InvIT Fund-EQUITY	24.7	29.9	-
- Mahindra Lifespace Developers Limited	-	0.0	0.0
	24.7	29.9	0.0
Total (A) - Gross	2,563.1	379.2	315.1
Less: Impairment Loss Allowance	-	-	-
Total (A) - Net	2,563.1	379.2	315.1

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6. TRADE RECEIVABLES

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
(a) Receivables considered good - Secured	3,994.0	2,599.2	6,509.1
(b) Receivables considered good - Unsecured	772.7	498.9	578.3
(c) Receivables - credit impaired	149.6	120.8	64.8
Less: Impairment Loss Allowance	(149.6)	(120.8)	(64.8)
	0.0	(0.0)	(0.0)
Total	4,766.7	3,098.1	7,087.4

No trade or other receivable are due from directors of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

7. LOANS

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
(A) At amortised cost			
(i) Cash Credits, Overdrafts, Loans repayable on Demand			
(ii) Margin trade funding	3,449.4	5,560.0	-
(iii) ESOP funding	586.0	226.9	49.6
Total (A) - Gross	4,035.4	5,786.9	49.6
Less: Impairment loss allowance	(2.7)	(4.6)	-
Total (A) - Net	4,032.7	5,782.3	49.6
(I) Secured by :			
(i) Secured by tangible assets			
- Collateral in the form of cash, securities, Fixed Deposit Receipt (FDR) in case of Margin trade funding	3,424.6	5,560.0	-
- Shares under ESOP in case of ESOP funding	586.0	226.9	49.6
(ii) Unsecured in case of Margin trade funding	24.8	-	-
Total (I) - Gross	4,035.4	5,786.9	49.6
Less: Impairment loss allowance	(2.7)	(4.6)	-
Total (I) - Net	4,032.7	5,782.3	49.6
(II) Loans in India			
(i) Others	4,035.4	5,786.9	49.6
Total (II) - Gross	4,035.4	5,786.9	49.6
Less: Impairment loss allowance	(2.7)	(4.6)	-
Total (II) - Net	4,032.7	5,782.3	49.6
(B) At fair value through other comprehensive income	-	-	-
(C) At fair value through profit or loss	-	-	-
(D) At fair value designated at fair value through profit or loss	-	-	-
Total (A) + (B) + (C) + (D)	4,032.7	5,782.3	49.6

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8. INVESTMENTS

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
(A) At fair value through profit or loss			
(i) Investments in India			
Equity instruments:			
- BSE Limited	7.0	8.6	11.2
- Parabolic Drugs Limited	-	-	6.8
- Receivable Exchange of India Limited	18.8	26.8	24.0
- Universal Trustees Private Limited	2.7	3.9	2.7
Total - (A)	28.5	39.3	44.7
(B) At fair value through other comprehensive income	-	-	-
(C) At amortised cost	-	-	-
(D) At fair value designated at fair value through profit or loss	-	-	-
(E) Others*			
(i) Investments outside India			
Equity Instruments :			
- Subsidiary - ICICI Securities Holding Inc	122.7	122.7	122.7
Less: Impairment loss allowance	-	-	-
Total - (E)	122.7	122.7	122.7
Total (A) + (B) + (C) + (D) + (E)	151.2	162.0	167.4

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

9. OTHER FINANCIAL ASSETS

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
(i) Security deposits :			
Unsecured, considered good			
(a) Security deposit for leased premises and assets	198.8	188.4	253.2
(b) Security deposit with stock exchanges	60.3	55.8	25.8
(c) Other Security deposits	9.4	11.2	6.8
(d) Margin deposits with stock exchange	54.6	-	-
(e) Security deposit with related parties			
- ICICI Bank Limited	2.3	2.1	2.0
- ICICI Lombard General Insurance Company Limited	0.1	0.1	0.1
	325.5	257.6	287.9
(ii) Others :			
(a) Accrued income from services	358.4	365.9	438.5
(b) Accrued interest	96.3	11.1	13.6
(c) Others	30.2	573.4	24.6
	484.9	950.4	476.7
Total	810.4	1,208.0	764.6

Others includes amounts due from ICICI Bank Ltd ₹ 0.6 million (Previous year: ₹ 545.9 million) towards reimbursement of IPO expenses

10. CURRENT TAX ASSETS (NET)

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
(i) Advance payment of income tax (net) [net of provision for tax of ₹ 12,642.9 million (March 31, 2018 : ₹ 12,642.9)]	1,307.6	1,063.5	971.8
Total	1,307.6	1,063.5	971.8

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11. PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS

	PROPERTY, PLANT AND EQUIPMENT					OTHER INTANGIBLE ASSETS				TOTAL (A+B)
	Computers and fixtures	Furniture and equipment	Office vehicles	Lease hold improvements	Total (A)	Computer Software	membership right	CMA	Total (B)	
Gross Carrying amount (At Cost or deemed cost)										
Balance at April 1, 2017	58.6	9.2	26.0	58.6	241.9	104.4	0.0		104.4	346.3
Additions	94.4	7.2	17.1	33.0	167.6	44.8	-		44.8	212.4
Disposal / Adjustment *	40.3	1.5	2.5	30.0	81.3	50.4	(0.1)		50.3	131.6
Balance at March 31, 2018	112.7	14.9	40.6	61.6	328.2	98.8	0.1		98.9	427.1
Additions	87.7	3.1	12.3	16.4	125.5	101.0	1.6		102.6	228.1
Disposal / Adjustment *	21.0	0.3	8.1	26.3	57.5	26.5	-		26.5	84.0
Balance at March 31, 2019	179.4	17.7	44.8	51.7	396.2	173.3	1.7		175.0	571.2
Accumulated depreciation/amortisation										
Balance at April 1, 2017	-	-	-	-	-	-	-		-	-
Depreciation for the year	44.6	3.9	12.3	24.4	103.2	49.4	-		49.4	152.6
Disposal / Adjustment *	38.3	1.4	2.4	24.2	71.6	36.0	(0.1)		35.9	107.5
Balance at March 31, 2018	6.3	2.5	9.9	0.2	31.6	13.4	0.1		13.5	45.1
Depreciation for the year	42.7	5.8	17.2	21.6	104.6	44.7	-		44.7	149.3
Disposal / Adjustment *	16.4	(0.0)	1.1	15.6	34.5	25.8	(1.6)		24.2	58.7
Balance at March 31, 2019	32.6	8.3	26.0	6.2	101.7	32.3	1.7		34.0	135.7
Carrying amounts (net)										
Balance at April 1, 2017	58.6	9.2	26.0	58.6	241.9	104.4	0.0		104.4	346.3
Balance at March 31, 2018	106.4	12.4	30.7	61.4	296.6	85.4	0.0		85.4	382.0
Balance at March 31, 2019	146.8	9.4	18.8	45.5	294.5	141.0	0.0		141.0	435.5

Notes: (₹ in million)

Balance at April 1, 2017 * Fixed assets sale/adjustments includes effect of foreign currency translation amounting to ₹ 0.0 million (Previous year ₹ 0.3 million).
 Balance at March 31, 2018 * Fixed assets sale/adjustments includes effect of foreign currency translation amounting to ₹ 0.0 million (Previous year ₹ 0.0 million).
 Balance at March 31, 2019 * Fixed assets sale/adjustments includes effect of foreign currency translation amounting to ₹ 2.5 million (Previous year ₹ 0.0 million).

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12. OTHER NON-FINANCIAL ASSETS

	(₹ million)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i) Capital advances	-	0.1	-
(ii) Advances other than capital advances:			
- Prepaid expenses	166.2	191.2	189.8
- Advance to creditors	93.7	108.4	86.9
- Others	167.7	310.7	73.7
Total	427.6	610.4	350.4

13. PAYABLES

	(₹ million)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(I) Trade payables :			
(a) total outstanding dues of micro enterprises and small enterprises (Refer note 36 for details of dues to micro and small enterprises)	-	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	23,391.2	6,198.7	4,870.1
(II) Other payables:			
(a) total outstanding dues of micro enterprises and small enterprises (Refer note 36 for details of dues to micro and small enterprises)	-	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Total (I) and (II)	23,391.2	6,198.7	4,870.1

14. DEBT SECURITIES

	(₹ million)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(A) At amortised cost			
Debt securities in India			
(i) Commercial paper (repayable within one year)	4,473.0	6,724.2	3,953.4
(B) At fair value through profit or loss	-	-	-
(C) Designated at fair value through profit or loss	-	-	-
Total	4,473.0	6,724.2	3,953.4

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15. BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
(A) At amortised cost			
Secured loans			
(i) Bank overdraft	-	-	-
(Secured against first charge on all receivables, book debts, cash flows, and proceeds arising therefrom and a lien on fixed deposits including but not limited to the Company's cash in hand both present and future)			
Total	-	-	-

16. DEPOSITS

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
(A) At amortised cost			
(i) Security Deposits	45.3	46.7	33.2
Total	45.3	46.7	33.2

17. OTHER FINANCIAL LIABILITIES

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
(i) Margin money	2,283.5	1,626.5	1,822.6
(ii) Others	1.4	1.6	1.5
Total	2,284.9	1,628.1	1,824.1

18. PROVISIONS

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
(i) Provision for employee benefits			
(a) Provision for gratuity (refer note 42)	563.2	466.7	361.3
(b) Provision for compensated absence (refer note 42)	100.4	68.0	27.8
Total	663.6	534.7	389.1

19. OTHER NON-FINANCIAL LIABILITIES

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
(a) Revenue received in advance			
(i) Income received in advance	81.3	31.7	42.6
(b) Other advances			
(i) Prepaid Brokerage	2,610.3	2,320.7	2,012.3
(c) Others			
(i) Statutory liabilities	555.5	656.6	312.9
(ii) Employee related liabilities	1,937.7	2,084.0	1,912.0
(iii) Other liabilities	17.2	33.0	26.3
Total	5,202.0	5,126.0	4,306.1

Notes

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20. SHARE CAPITAL

	(₹ million)		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Authorised:			
400,000,000 equity shares of ₹ 5/- each (March 31, 2018 : 400,000,000 equity shares of ₹ 5/- each) (April 1, 2017 : 1000,000,000 equity shares of ₹ 2/- each)	2,000.0	2,000.0	2,000.0
5,000,000 preference shares of ₹ 100/- each (March 31, 2018 : 5,000,000 of preference shares of ₹ 100/- each) (April 1, 2017 : 5,000,000 of preference shares of ₹ 100/- each)	500.0	500.0	500.0
	2,500.0	2,500.0	2,500.0
(b) Issued, subscribed and fully paid-up shares:			
322,141,400 equity shares of ₹ 5/- each, fully paid (March 31, 2018 : 322,141,400 equity shares of ₹ 5/- each, fully paid) (April 1, 2017 : 805,353,500 equity shares of ₹ 2/- each, fully paid)	1,610.7	1,610.7	1,610.7
Total issued, subscribed and fully paid-up share capital	1,610.7	1,610.7	1,610.7

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

Equity shares	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Nos	(₹ million)	Nos	(₹ million)	Nos	(₹ million)
At the beginning of the year	32,21,41,400	1,610.7	80,53,53,500	1,610.7	80,53,53,500	1,610.7
Issued during the year	-	-	-	-	-	-
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	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.

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(d) 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.

The Board of Directors at its meeting held on 18th October, 2018 declared and paid an interim dividend of ₹ 3.70 per equity share of the face value of ₹ 5 each. The Board has recommended a final dividend of ₹ 5.70 per equity share for FY2019, aggregating to ₹ 2,213.7 million, including dividend distribution tax of ₹ 377.4 million.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(e) Pattern of shareholding

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Shareholder	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
ICICI Bank Limited (Parent) & its nominees	25,52,16,095	79.22%	25,52,16,095	79.22%	80,53,53,500	100%
Total	25,52,16,095	79.22%	25,52,16,095	79.22%	80,53,53,500	100%

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

(g) Other details of equity shares for a period of five years immediately preceding March 31, 2019:

Particulars	2019	2018	2017	2016	2015
	No of Shares				
Aggregate number of share allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Aggregate number of shares allotted as fully paid bonus shares	-	-	-	-	-
Aggregate number of shares bought back	-	-	-	-	-

(h) Capital management :

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

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to standalone financial statements for the year ended March 31, 2019

21. OTHER EQUITY

	As at	As at	(₹ million)
	March 31, 2019	March 31, 2018	As at
			April 1, 2017
(i) Reserves and surplus			
(a) Securities premium			
Opening balance	244.0	244.0	244.0
Add : Additions during the year (net)	-	-	-
Closing balance	244.0	244.0	244.0
(b) General reserve			
Opening balance	666.8	666.8	666.8
Add : Additions during the year (net)	-	-	-
Closing balance	666.8	666.8	666.8
(c) Equity-settled share-based payment reserve (refer note 39 for details on share based payment)			
Opening balance			
Add : Additions during the year (net)	4.1	-	-
Closing balance	4.1	-	-
(d) Retained earnings			
Opening balance	5,641.8	2,299.4	1,424.4
Add: Other comprehensive income for the year	(25.9)	(16.1)	(33.4)
Add: Profit after tax for the year	4,869.2	5,491.0	3,376.1
	10,485.1	7,774.3	4,767.1
Less: Appropriations			
(a) Dividend on equity shares	2,447.8	1,771.8	2,050.3
(b) Dividend distribution tax on equity dividend	503.3	360.7	417.4
Closing balance	7,534.0	5,641.8	2,299.4
(ii) Exchange difference on translating the financial statements of a foreign operation			
Opening balance	17.9	18.6	18.8
Add : Additions during the year (net)	0.6	(0.7)	(0.2)
Closing balance	18.5	17.9	18.6
(iii) Deemed equity contribution from the parent (refer note 39 for details on share based payment)			
Opening balance	205.3	130.3	-
Add : Additions during the year (net)	60.7	75.0	130.3
Closing balance	266.0	205.3	130.3
Total	8,733.4	6,775.8	3,359.1

Notes

to standalone financial statements for the year ended March 31, 2019

Nature and purpose of reserve

(A) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares, writing off the preliminary expenses in accordance with the provisions of the Companies Act, 2013.

(B) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(C) Equity-settled share-based payment reserve

This reserve is created by debiting the statement of profit and loss account with the value of share options granted to the employees by the Company. In case of share options granted by the Company, the reserve will move to the share capital account on issue of shares.

(D) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. It also includes actuarial gains and losses on defined benefit plans recognized in other comprehensive income (net of taxes).

(E) Exchange difference on translating the financial statements of a foreign operation

Under Ind AS, in cases where the functional currency of the foreign operation is different from the functional currency of the reporting entity, the translation differences are accounted in the Other Comprehensive Income and disclosed under Other Equity.

(F) Deemed equity contribution from the parent

This reserve is created by debiting the statement of profit and loss account with the value of share options granted to the employees by parent Bank. This reserve is in the nature of an equity contribution by parent bank in respect of options granted by the parent.

22. INTEREST INCOME

	(₹ million)
	For the year ended March 31, 2019
	For the year ended March 31, 2018
(A) Interest income on financial assets measured at amortised cost :	
(i) Fixed deposits with Banks	969.9
(ii) Funding and late payments	769.6
(iii) Other deposits	0.2
(B) Interest income on financial assets measured at fair value through profit or loss :	
(i) Securities held for trade	51.7
(C) Interest income on financial assets measured at fair value through OCI :	-
Total	1,791.4
	1,574.3

Notes

to standalone financial statements for the year ended March 31, 2019

23. NET GAIN ON FAIR VALUE CHANGES

	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) Profit/(loss) on sale of derivatives held for trade (net)	73.0	85.6
(ii) Profit/(loss) on other securities held for trade	103.8	129.0
(B) Others		
- Profit/(loss) on sale of investments (net) at fair value through profit or loss	(10.8)	6.5
(C) Total net gain on fair value changes	166.0	221.1
(D) Fair value changes:		
- Realised	161.4	184.2
- Unrealised	4.6	36.9
Total	166.0	221.1

24. OTHER INCOME

	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Net gain on foreign currency transaction and translation	8.9	-
(ii) Interest on income tax refund	207.1	-
Total	216.0	-

25. FINANCE COSTS

	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) Net gain/ (loss) on financial liabilities measured at fair value through profit or loss	-	-
(B) On financial liabilities measured at amortised cost:		
(a) Interest expense	412.6	483.3
(b) Other borrowing cost	7.1	8.0
Total	419.7	491.3

26. IMPAIRMENT ON FINANCIAL INSTRUMENTS

	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) On financial instruments measured at fair value through OCI:	-	-
(B) On financial instruments measured at amortised cost:		
(a) Loans	(1.9)	4.6
(b) Others		
- On trade receivables	28.8	55.9
TOTAL	26.9	60.5

Notes

to standalone financial statements for the year ended March 31, 2019

27. OPERATING EXPENSES

	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Bad and doubtful debts	22.3	12.6
(b) Transaction charges	104.4	100.9
(c) Turnover fees and stamp duty	38.1	25.1
(d) Custodial and depository charges	342.3	471.7
(e) Call centre charges	122.0	123.2
(f) Franking charges	152.5	149.4
(g) Scanning expenses	25.4	47.1
(h) Customer loss compensation	5.4	16.1
(i) Other operating expenses	37.2	32.9
Total	849.6	979.0

28. EMPLOYEE BENEFITS EXPENSES

	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Salaries and wages	4,805.5	4,796.9
(b) Contribution to gratuity / provident and other funds (refer note 42)	280.4	255.3
(c) Share based payments to employees (refer note 39)	64.8	75.0
(d) Staff welfare expenses	262.3	220.1
Total	5,413.0	5,347.3

29. OTHER EXPENSES

	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Rent and amenities	664.2	648.0
(b) Insurance	4.1	3.8
(c) Travelling and conveyance expenses	243.9	223.0
(d) Business promotion expenses	90.9	124.3
(e) Repairs, maintenance, upkeep and others	431.5	412.8
(f) Rates and taxes	51.4	52.5
(g) Electricity expenses	77.5	63.2
(h) Communication expenses	166.7	181.7
(i) Loss on sale of property, plant and equipment (net)	4.6	16.8
(j) Advertisement and publicity	83.4	86.2
(k) Printing and stationery	32.4	28.5
(l) Subscription and periodicals	91.0	83.5
(m) Legal and professional charges	104.5	109.2
(n) Director's fees, allowances and expenses	6.5	5.1
(o) Auditor's fees and expenses (refer note below) #	12.6	8.7
(p) Corporate Social Responsibility (CSR) expenses (refer note 33)	118.4	91.6
(q) Recruitment expenses	27.8	31.1
(r) Net loss on foreign currency transaction and translation	-	19.3
(s) Royalty expenses	55.8	33.8
(t) Miscellaneous Expenses	8.5	-
Total	2,275.7	2,223.1

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to standalone financial statements for the year ended March 31, 2019

#	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) for audit fees	8.4	5.3
(b) for taxation matters	0.7	0.6
(c) for company law matters	-	-
(d) for other services (certification)	2.6	2.5
(e) for reimbursement of expenses	0.9	0.3
Total	12.6	8.7

30. APPROACH ON EXEMPTIONS UNDER IND AS 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

First time adoption of Ind AS

For reporting periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with Indian GAAP. The Company has prepared its financial statements in accordance with Ind AS prescribed under section 133 of the Act and other accounting principles generally accepted in India and as notified by Ministry of Corporate Affairs with the transition date being April 1, 2017. The impact of transition has been provided in the Opening Reserves as at April 1, 2017.

In preparing these financial statements, the Company has opted to avail the choices available for certain transitional provisions within Ind AS 101, 'First time adoption of Indian Accounting Standards', which offers exemption from applying specified Ind AS retrospectively. The most significant of these provisions are in the following areas:

i. Business combinations

The Company has elected not to apply Ind AS 103- Business Combinations, retrospectively to past business combinations that occurred before April 1, 2017 (transition date).

ii. Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets as measured as per the previous GAAP and used that as its deemed cost as at the date of transition.

iii. Classification and measurement of financial assets

At the transition date, the Company assessed the conditions for classification of financial assets and accordingly classified its financial assets at either amortised cost, fair value through other comprehensive income or fair value through profit and loss account, as appropriate, under the provisions of Ind AS 109, 'Financial Instruments'.

iv. Share based payment transactions

The parent of the Company has issued share options to the eligible employees of the Company. The Company has elected not to apply recognition and measurement requirements under Ind AS 102 for share based payments for the options vested before the transition date. Options which remain unvested on the date of transition will be fair valued and entire cost till the transition date will be recorded through retained earnings and through the statement of profit and loss thereafter.

v. De-recognition of financial assets

The Company has elected to not recognise financial assets or financial liabilities which were de-recognised in accordance with its previous GAAP as a result of transactions that occurred before the transition date.

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vi. Revenue from contracts with customers

The Company has availed the following practical expedients in applying the standard retrospectively:

- a. For completed contracts within the same annual reporting period, no restatement has been done;
- b. For completed contracts that have variable consideration, the Company has used the transaction price at the date the contract was completed rather than estimating variable consideration amounts in the comparative reporting periods; and
- c. For all reporting periods presented before the beginning of the first Ind AS reporting period, no disclosures of the amount of transaction price allocated to the remaining performance obligations have been done.

vii. Investments in subsidiaries

The financial statements prepared are separate financial statements. The Company has elected to measure investment in subsidiaries at deemed cost (previous GAAP carrying amount) as per Ind AS 27.

Reconciliation of net worth and net income between Indian GAAP and Ind AS financial statements.

A. Reconciliation of shareholders' equity as per Indian GAAP and Ind AS financial statements

Particulars	Note	(₹ in million)	
		As at April 1, 2017	As on March 31, 2018
Net-worth as per Indian GAAP		4,850.5	8,250.9
Adjustments under Ind AS :			
Fair valuation of securities	(a)	27.7	29.7
Commercial paper borrowing cost adjustment	(b)	0.8	0.9
Lease rent adjustment	(d)	174.2	206.4
Allowances for expected credit losses	(e)	(10.2)	(4.6)
Deferment of revenue	(f)	(5.0)	(15.5)
Valuation of security deposits	(g)	(7.2)	(11.1)
Deferred tax on adjustments	(h)	(61.0)	(70.2)
Total impact on net worth		119.3	135.6
Total shareholders' equity as per Ind AS financial statements		4,969.8	8,386.5

B. Reconciliation of net profit as per Indian GAAP and Ind AS financial statements

Particulars	Note	(₹ in million)
		For the year ended March 31, 2018
Net profit as per Indian GAAP		5,533.6
Adjustments on account of:		
Fair valuation of securities	(a)	2.0
Commercial paper borrowing cost adjustment	(b)	0.1
Accounting for compensation costs	(c)	(50.3)
Lease rent adjustment	(d)	32.2
Allowances for expected credit losses	(e)	5.6
Deferment of revenue	(f)	(10.5)
Valuation of Security Deposits	(g)	(3.9)
Deferred tax on adjustments	(h)	(17.8)
Net profit as per Ind AS financial statements		5,491.0

Notes

to standalone financial statements for the year ended March 31, 2019

Particulars	Note	(₹ in million)
		For the year ended March 31, 2018
Re-measurement of net-defined employee benefits plan		(24.7)
Deferred Tax benefit/(expense)		8.6
Total comprehensive income as per Ind AS financial statements		5,474.9

C. Reconciliation of Statement of Cash flows

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

Notes to the reconciliations.

(a) Valuation of debt and equity securities:

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 considered as current investment and shown as securities for 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 securities for 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 securities for trade is recognised in the statement of profit and loss 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 have to be classified at 'amortised cost', 'fair value through other comprehensive income' or 'fair value through profit and loss'. These classifications are based on the business model test and the contractual cash flow test. Under Indian GAAP, unrealized gains were not accounted in the books. Under Ind AS, unrealized gains have been accounted in the statement of profit and loss.

This has resulted in an increase in retained earnings in April 2017 and March 2018 of ₹ 27.7 million and ₹ 29.7 million respectively and an increase in the net profit for the year ended March 2018 of ₹ 2.0 million.

(b) Effective Interest rate on borrowings

Under Indian GAAP, expenses incurred on the issue of commercial paper were expensed when incurred. Under Ind AS, the interest is calculated on effective interest rate basis. This has resulted in an increase in net profit of ₹ 0.1 million for the year ended March 31, 2018 and an increase in the retained earnings of ₹ 0.8 million in April 2017 and ₹ 0.9 million in March 2018.

(c) Accounting for compensation costs:

Under Indian GAAP, the Company did not account for the ESOPs granted by the parent to its employees. Under Ind AS, the Company has accounted for the unvested portion of the ESOP's granted to its employees by the parent on the transition date in its statement of profit and loss.

Under Indian GAAP, actuarial gains/losses are recognized on the balance sheet of the enterprise in the year in which they arise through suitable credit/debit in the statement of profit and loss of the year. Under Ind AS, remeasurements of the net defined benefit liability which comprise of actuarial gains/losses and the return on plan assets are recognised in Other Comprehensive Income. The amount lying in the Other Comprehensive Income never recycles back to income statement. Both of these have resulted in a net decrease in the net profit of ₹ 50.3 million for the year ended March 31, 2018. There is no net worth impact on accounting for the options granted at fair value.

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(d) Lease rent escalation:

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. The Company has accounted for the lease payments without considering the straight lining effect over the lease term.

This has resulted in an increase in retained earnings of ₹ 174.2 million in April 2017 and ₹ 206.4 million in March 2018 and a credit to the statement of profit and loss of ₹ 32.2 million for the year ended March 31, 2018.

(e) Impairment of financial assets:

Under Indian GAAP, the Company recognized impairment on loans and trade receivables based on the ageing of the due balance. Under Ind AS, the Company applies the expected credit loss model (ECL) for measurement and recognition of impairment loss. The loans are categorized into three stages and the 12 month or lifetime expected loss as applicable is calculated. The Company recognizes lifetime expected credit loss for trade receivables. The Company considers outstanding for more than 90 days for calculation of expected credit loss.

This has resulted in a reduction in the retained earnings by ₹ 10.2 million and ₹ 4.6 million in April 2017 and March 2018 respectively and a credit in the statement of profit and loss of ₹ 5.6 million for the year ended March 31, 2018.

(f) Accounting for revenue:

Under Ind AS, the Company has considered the revenue in case of its investment banking and training fee income on completion of the performance obligation as required in the Ind AS 115. This has resulted in a decrease in retained earnings by ₹ 5.0 million and ₹ 15.5 million in April 2017 and March 2018 respectively and a debit in the statement of profit and loss of ₹ 10.5 million for the year ended March 31, 2018.

(g) Accounting for security deposits:

Under Indian GAAP, the security deposits given were accounted on the transaction price. Ind AS requires such assets to be recognized at present value. This has led to a decrease in the value of the security deposits on the date of transition which was adjusted in the retained earnings. The excess of the principal amount of the deposit over its fair value shall be recognized as rent expense which shall be amortized to profit or loss on a straight-line basis over the lease term, partially set off by the notional interest income recognised on such deposit. The increase in interest income is known as unwinding of interest accounted under other income.

The above transition has impacted a decrease in retained earnings by ₹ 7.2 million and ₹ 11.1 million in April 2017 and March 2018 respectively and a debit in the statement of profit and loss of ₹ 3.9 million for the year ended March 31, 2018.

(h) Deferred tax asset/liability

The transitional Ind AS adjustments has led to temporary differences in the tax and accordingly deferred tax impact on these adjustments has been accounted.

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31. EARNINGS PER SHARE

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

Particulars	(₹ million)	
	Year ended March 31, 2019	Year ended March 31, 2018
Net profit after tax (₹ million) (A)	4,869.2	5,491.0
Weighted average number of equity shares outstanding for basic EPS (in million) (B)	322.1	322.1
Basic earnings per share (₹) (A) / (B)	15.12	17.05
Add: Weighted average number of potential equity shares on account of employee stock options (in millions) (C)	0.1	-
Weighted average number of equity shares outstanding for diluted EPS (in million) (D) = (B) + (C)	322.2	322.1
Diluted earnings per share (₹) (A) / (D)	15.11	17.05
Nominal value per share (₹)	5.00	5.00

32. RELATED PARTY DISCLOSURES

As per Indian Accounting Standard on related party disclosures (Ind AS 24), the names of the related parties of the Company are as follows:

A. Related party where control exists irrespective whether transactions have occurred or not

Holding Company	:	ICICI Bank Limited
Subsidiary Companies	:	ICICI Securities Holding Inc. ICICI Securities Inc. (Step down Subsidiary)

B. Other related parties where transactions have occurred during the year

a. Fellow Subsidiaries:

ICICI Securities Primary Dealership Limited; ICICI Prudential Life Insurance Company Limited; ICICI Lombard General Insurance Company Limited; ICICI Prudential Asset Management Company Limited; ICICI Home Finance Company Limited; ICICI Venture Funds Management Company Limited.

b. ICICI Securities Employees Group Gratuity Fund

c. Directors and Key Management Personnel of the Company

i) Vinod Kumar Dhall	–	Chairman (wef October 19, 2018)
ii) Ashvin Parekh	–	Independent Director
iii) Subrata Mukherji	–	Independent Director
iv) Vijayalakshmi Iyer	–	Independent Director
v) Anup Bagchi	–	Director (wef October 11, 2018)
vi) Shilpa Kumar	–	Managing Director and CEO
vii) Ajay Saraf	–	Executive Director
viii) Chanda Kochhar	–	Chairperson (till October 5, 2018)
ix) Vishakha Mulye	–	Director (till October 5, 2018)

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d. Key Management Personnel of Parent

i) Sandeep Bakhshi	– Managing Director and CEO of ICICI Bank Limited (wef October 15, 2018)
ii) Vijay Chandok	– Executive Director of ICICI Bank Limited
iii) Anup Bagchi	– Executive Director of ICICI Bank Limited
iv) Vishakha Mulye	– Executive Director of ICICI Bank Limited
v) Dileep Choksi	– Executive Director of ICICI Bank Limited
vi) Chanda Kochhar	– Managing Director and CEO of ICICI Bank Limited (till October 5, 2018)
vii) N. S. Kannan	– Executive Director of ICICI Bank Limited
viii) Mahendra Sharma	– Non-Executive Director of ICICI Bank Limited (till June 30, 2018)

e. Relatives of Key Management Personnel

i) Sarika Saraf	– Spouse of Mr. Ajay Saraf
ii) Ayuj Saraf	– Son of Mr. Ajay Saraf
iii) Avantica Saraf	– Daughter of Mr. Ajay Saraf
iv) Animesh Bagchi	– Father of Mr. Anup Bagchi
v) Shishir Bagchi	– Brother of Mr. Anup Bagchi
vi) Arun Bagchi	– Brothers of Mr. Anup Bagchi
vii) Poornima Choksi	– Spouse of Mr. Dileep Choksi
viii) Udayan Choksi	– Son of Mr. Dileep Choksi
ix) Mona Bakhshi	– Spouse of Mr. Sandeep Bakhshi
x) Shivam Bakhshi	– Son of Mr. Sandeep Bakhshi
xi) Esha Bakhshi	– Daughter of Mr. Sandeep Bakhshi
xii) Minal Bakhshi	– Daughter of Mr. Sandeep Bakhshi
xiii) Ashwin Pradhan	– Son in-law of Mr. Sandeep Bakhshi
xiv) Puneet Sharma	– Son of Mr. Mahendra Sharma
xv) Purva Sharma	– Daughter in-law of Mr. Mahendra Sharma
xvi) Abhilash Mana	– Son in-law of Mr. Tushaar Shah

f. Entity controlled or jointly controlled by KMP of ICICI Bank: ICICI Foundation for Inclusive Growth

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

Income and Expense items: (For the year ended)

Nature of Transaction	(₹ million)					
	Holding Company		Subsidiary Company		Fellow Subsidiary Companies	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Income from services and brokerage (commission and fees)	254.3	257.5				
ICICI Home Finance Company Limited					9.6	1.9
ICICI Prudential Life Insurance Company Limited					549.9	513.2
ICICI Securities Primary Dealership Limited					0.5	0.6

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Nature of Transaction	(₹ million)					
	Holding Company		Subsidiary Company		Fellow Subsidiary Companies	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
ICICI Lombard General Insurance Company Limited					10.8	9.1
ICICI Prudential Asset Management Company Limited					142.2	183.6
ICICI Securities Inc			-	11.4		
ICICI Venture Funds Management Company Limited					0.5	0.5
Interest income	107.9	86.9				
Staff expenses	25.1	12.6				
ICICI Securities Primary Dealership Limited					(0.4)	(0.2)
ICICI Prudential Life Insurance Company Limited					0.7 ¹	3.5 ¹
ICICI Lombard General Insurance Company Limited					94.5 ²	92.1 ²
ICICI Prudential Asset Management Company Limited					3.9	(0.1)
Operating expenses	469.3	633.1				
ICICI Securities Inc			197.8	214.7		
Other expenses	249.7	211.1				
ICICI Securities Inc				10.5		
ICICI Lombard General Insurance Company Limited					3.0	3.6
ICICI Securities Primary Dealership Limited					1.5	1.0
ICICI Prudential Life Insurance Company Limited					1.9	1.8
Finance cost ⁴	2.4	6.2				
Dividend paid	1,939.6³	1,771.8				
Sale of bond						
ICICI Securities Primary Dealership Limited					250.6	-

¹ Excludes an amount of ₹ 4.1 million (March 31, 2018: ₹ 3.5 million), received as premium by ICICI Prudential Life Insurance Company Limited from customers of the Company under the Group Insurance Policy. The premium is paid by the customers directly to ICICI Prudential Life Insurance Company Limited.

² Excludes an amount of ₹ 34.4 million (March 31, 2018: ₹ 27.7 million) received towards reimbursement of claims submitted by the employees under group health insurance policy.

³ Includes final dividend for Financial Year 2018 and interim dividend for Financial Year 2019.

⁴ The Company has a credit facility of ₹ 5,900.0 million (March 31, 2018: ₹ 6,000.0 million) from ICICI Bank Limited. The balance outstanding as on March 31, 2019 is Nil (March 31, 2018: Nil).

The Company has contributed ₹ 35.0 million (March 31, 2018: Nil) to ICICI Securities Group Gratuity Fund during the year.

The Company has contributed ₹ 88.8 million (March 31, 2018: ₹ 86.8 million) to ICICI Foundation for contribution towards CSR.

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Balance Sheet Items: (Outstanding As on)

Nature of Transaction	(₹ million)					
	Holding Company		Subsidiary Company		Fellow Subsidiary Companies	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Share capital	1,276.1	1,276.1				
Payables	113.8	94.8				
ICICI Lombard General Insurance Company Limited					0.6	0.7
ICICI Prudential Life Insurance Company Limited					0.4	0.1
ICICI Securities Primary Dealership Limited					-	0.2
ICICI Securities Inc			35.1	87.8	-	-
Fixed assets purchases	0.8	-				
ICICI Prudential Life Insurance Company Limited					-	1.7
ICICI Prudential Asset Management Company Limited					-	1.0
Investment						
ICICI Securities Holding Inc.			122.7	122.7		
Fixed deposits (₹ 374.2 kept as collateral security towards bank guarantees. Previous year ₹ 374.2)	1,492.9	1,717.6				
Accrued interest income	64.0	59.1				
Bank balance (Net of current liabilities of ₹ 0.8 Previous year ₹ 0.8)	18,226.0	1,290.4				
Deposit	2.3	2.6				
ICICI Lombard General Insurance Company Limited					0.1	0.1
Loans & advances (including prepaid expenses)	0.6	0.1				
ICICI Lombard General Insurance Company Limited					3.7	5.7
ICICI Prudential Life Insurance Company Limited					2.8	2.5
ICICI Securities Primary Dealership Limited					0.1	0.1
Other assets	0.6	545.9				
Receivables						
ICICI Prudential Life Insurance Company Limited					72.3	17.7
ICICI Lombard General Insurance Company Limited					0.5	1.1
ICICI Prudential Asset Management Company Limited					10.1	22.6

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Nature of Transaction	(₹ million)					
	Holding Company		Subsidiary Company		Fellow Subsidiary Companies	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
ICICI Home Finance Company Limited					3.9	0.2
ICICI Securities Primary Dealership Limited					0.6	2.1
ICICI Venture Funds Management Company Limited					0.6	-
Accrued income	13.1	8.6				
ICICI Lombard General Insurance Company Limited					0.5	0.6
ICICI Prudential Life Insurance Company Limited					-	33.7
ICICI Prudential Asset Management Company Limited					34.5	1.9
ICICI Home Finance Company Limited					0.8	0.1

Key Management Personnel

The details of compensation paid for the year ended March 31, 2019 as below –

Particulars	(₹ million)			
	Shilpa Kumar		Ajay Saraf	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Short term employee benefits	40.2	27.9	31.3	26.1
Post employment benefits*	2.6	3.8	2.0	2.3
Total	42.8	31.7	33.3	28.4

*As the liabilities for gratuity and leave compensation are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel is not included above.

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

The Directors have received share options of ICICI Bank Limited and ICICI Securities Limited. The cost of the options granted to the Directors for the year ended March 31, 2019 is ₹ 53.0 million.

The Company has paid ₹ 0.5 million (Previous year ₹ 0.5 million) to the relative of director towards scholarship under employee benefit policy. Also, the Company has received brokerage amounting to ₹ 2.1 million (Previous year ₹ 0.1 million) from the key management personnel and ₹ 0.1 million (Previous year ₹ Nil) from relatives of the key management personnel.

During the year ended March 31, 2019, the Company paid dividend amounting to ₹ 0.2 million (Previous year ₹ Nil) to its KMPs and their relatives who are shareholders. This dividend includes final dividend for Financial Year 2018 and interim dividend for Financial Year 2019.

During the year the Company has paid ₹ 3.5 million (Previous year ₹ 3.1 million) sitting fees to the Directors of the Company. The Company also provided for commission for Financial Year 2019 amounting to ₹ 3.0 million (Previous year ₹ 2.0 million) to the Independent Directors of the Company.

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33. STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	Year ended March 31, 2019	Year ended March 31, 2018
		(₹ million)
a Gross amount required to be spent during the year	118.4	91.5
b Amount spent during the period on		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above - in cash	118.4	91.6
Out of the above, contribution made to related party is as below		
ICICI Foundation for Inclusive Growth	88.8	86.8

34. CONTINGENT LIABILITIES

1. Tax matters:

	As at March 31, 2019	As at March 31, 2018
		(₹ million)
Disputed direct tax matters under appeal	960.6	1,046.3
Disputed indirect tax matters under appeal	484.0	156.1

2. Recent Judgement on Provident fund

There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

Note:

- i. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.
- ii. The Company's pending litigations comprise of claims against the Company pertaining to proceedings pending with Income Tax, Sales tax/VAT, Service tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.
- iii. The Company does not expect any reimbursements in respect of the above contingent liabilities.

35. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 45.8 million (March 31, 2018: ₹ 17.3 million).

36. MICRO AND SMALL ENTERPRISES

There are no micro, small and medium enterprises, to which company owes dues, as at March 31, 2019. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 that has been determined to the extent such parties have been identified on the basis of information available with the Company.

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37. 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 3 to 7 years. 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 3 to 5 years.

There are no restrictions placed upon the lessee by entering into these leases (e.g., such as those concerning dividends, additional debt and further leasing).

Lease payments recognized in the statement of profit and loss during the year are as follows:

Particulars	(₹ million)	
	Year ended March 31, 2019	Year ended March 31, 2018
Lease rentals	596.6	568.3

Future minimum rentals payable under non-cancellable operating lease as at March 31, 2019 are, as follow:

Particulars	(₹ million)	
	Year ended March 31, 2019	Year ended March 31, 2018
Future minimum lease rentals payable		
- Not later than one year	144.5	139.6
- Later than one year but not later than five years	529.7	540.8
- Later than five years	10.5	136.8

Total minimum sublease payments expected to be received under non-cancellable operating subleases for each of the following periods:

Particulars	(₹ million)	
	Year ended March 31, 2019	Year ended March 31, 2018
Future minimum lease rentals receivable		
- Not later than one year	17.9	35.0
- Later than one year but not later than five years	-	17.9
- Later than five years	-	-

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38. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	April 1, 2018	Cash flows	Changes in fair values	Others*	(₹ million)
					March 31, 2019
Debt securities	6,724.2	(2,263.5)	-	12.3	4,473.0

Particulars	April 1, 2017	Cash flows	Changes in fair values	Others*	(₹ million)
					March 31, 2018
Debt securities	3,953.4	2,753.5	-	17.3	6,724.2

*includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

39. SHARE BASED PAYMENTS

A. Employees Stock Option Scheme, 2017 (ESOS- 2017)

The Company has formulated the ICICI Securities Limited - Employees Stock Option Scheme, 2017 (ESOS-2017). This scheme envisaged grant of share options to eligible employees to enhance employee motivation, to enable employees to participate in the long term growth and financial success of the Company and to act as a retention mechanism, by enabling employee participation in the business as an active stakeholder to usher in an 'owner-manager' culture.

The Members of the Company had, at the Extra-ordinary General Meeting held on December 8, 2017, approved the ICICI Securities Limited - Employees Stock Option Scheme, 2017 (ESOS- 2017) Scheme. Pursuant to Regulation 12 of the SEBI Regulations, the Company could not make any fresh grant which involved allotment or transfer of shares to its employees under any scheme formulated prior to its initial public offer and listing of its equity shares, unless such scheme is ratified by the shareholders of the Company. The equity shares of the Company were listed on National Stock Exchange of India Limited and BSE Limited with effect from April 4, 2018 and accordingly, the Scheme alongwith some amendments, was ratified by the shareholders of the Company at the Annual General Meeting held on August 30, 2018. The amendments were done to align the Scheme to ICICI Group norms and market practice. No grants had been made under the Scheme before its ratification.

The scheme is compliant with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014, options are granted by the Board Governance, Remuneration & Nomination Committee (BGRNC) and approved by the Board.

Eligibility as defined in the scheme "ESOS – 2017" means (i) permanent employee of the Company who has been working in India or outside India, or (ii) a director of the Company whether a whole time director or not but excluding an independent director, or (iii) employees of the Subsidiaries of the Company (the 'Subsidiaries'), or (iv) employees of the Holding Company of the Company (the 'Holding Company'). Under this scheme, the maximum number of options granted to any eligible employee/director in a financial year shall not, except with the approval of the Board of Directors of ICICI Securities Limited, exceed 0.10% of the issued shares of the Company at the time of grant of options and the aggregate of all such options granted to the eligible employees shall not exceed 5% of the aggregate of the number of issued shares of the Company, from time to time, on the date(s) of grant of option(s). The options granted but not vested and the options vested but not exercised in accordance with this Scheme or the Award Confirmation or the Vesting Confirmation shall terminate and the shares covered by such terminated options shall become available for future grant under this Scheme.

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During the year, the Company granted options to its Directors. The details are as follows:

Scheme	Year	Date of Grant	Number of options granted	Vesting Conditions	Exercise Period	Exercise Price (₹) per share
ESOS -2017	2019	October 19, 2018	176,700	30% of the options would vest on October 19, 2019, 30% of the options would - vest on October 19, 2020 and the balance 40% of the options would - vest on October 19, 2021.	5 years from date of vesting.	256.55

The activity in the stock option plan is summarized below:

Scheme	Year	Outstanding at the beginning of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Outstanding at the end of the year	Exercisable at the end of the year
ESOS -2017	2019	Nil	176,700	Nil	Nil	Nil	176,700	Nil

The fair value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with the Black- Scholes options pricing model. The fair value of the options granted in Financial Year 2019 is ₹ 90.08

	Year ended March 31, 2019
Risk free interest rate	7.74% to 7.89%
Expected life of options	3.51 to 5.51 years
Expected volatility	41.94% to 43.71%
Expected dividend yield	3.66%

The period for volatility has to be adequate to represent a consistent trend in price movements. The Company was listed on April 4, 2018. Hence, due to insufficiency of data, the Company has considered market prices of peer companies for calculating volatility.

During the year, ₹ 4.1 million was charged to the profit and loss account in respect of equity-settled share-based payment transactions (March 2018: ₹ Nil).

B. ICICI Bank Employee Stock Option Scheme

During the year, ₹ 60.7 million was charged to the profit and loss account in respect of equity-settled share-based payment transactions (March 2018: ₹ 75.0 million). This expense, which was computed from the fair values of the share-based payment transactions when granted, arose under employee share options made in accordance with the reward structure of ICICI Bank Limited.

The details of the options granted to eligible employees of the Company by ICICI Bank Limited are as follows:

In terms of the ESOS of the Parent Bank, the options are granted to eligible employees and Directors of the Bank and its subsidiaries. As per the ESOS, as amended, the maximum number of options granted to any eligible employees/Directors in a financial year shall not exceed 0.05% of the Parent Bank's issued equity shares at the time of the grant of the options and aggregate of all such options shall not exceed 10% of the aggregate number of the Parent Bank's issued equity shares on the date(s) of the grant of options in line with SEBI Regulations.

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Options granted prior to March 2014, vested in a graded manner over a four-year period with 20%, 20%, 30% and 30% of the grants vesting in each year, commencing from the end of 12 months from the date of grant. Options granted after March 2014, vest in a graded manner over a three-year period with 30%, 30% and 40% of the grant vesting in each year, commencing from the end of 12 months from the date of grant.

In April 2016, the Parent bank modified the exercise period from 10 years from the date of grant or five years from the date of vesting, whichever is later, to 10 years from the date of vesting of options. In June 2017, the exercise period was further modified by the Parent Bank to not exceed 10 years from the date of vesting of options as may be determined by the Board Governance, Remuneration & Nomination Committee of the Parent Bank to be applicable for future grants. In May 2018, exercise period was further modified by the Parent Bank to not exceed 5 years from the date of vesting of options as may be determined by the Board Governance, Remuneration & Nomination Committee of the Parent Bank to be applicable for future grants.

40. SIGNIFICANT INVESTMENT IN THE SUBSIDIARIES

Name of the Company	Principal place of business	Holding/ Subsidiary/ Associate	% of shares held
ICICI Securities Holdings, Inc	275 Madison Annual Suite 1417, New York, NY 10016, USA	Wholly-owned Subsidiary	100%
ICICI Securities, Inc	275 Madison Annual Suite 1417, New York, NY 10016, USA	Step-down Subsidiary	100%

41. INCOME TAXES

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

Particulars	(₹ million)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Current tax		
In respect of current year	2,721.5	3,129.2
Total (A)	2,721.5	3,129.2
Deferred Tax		
Origination and reversal of temporary differences	(46.9)	(140.8)
Impact of change in tax rate	7.2	-
Total (B)	(39.7)	(140.8)
Income Tax recognised in the statement of Profit and Loss (A+B)	2,681.8	2,988.4
Income tax expenses recognized in OCI		
Re-measurement of defined employee benefit plans	(40.2)	(24.7)
Income tax relating to items that will not be classified to profit or loss	14.3	8.6
Total	(25.9)	(16.1)

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

Particulars	(₹ million)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Profit before tax	7,551.0	8,479.4
Enacted tax rate in India	34.944%	34.608%
Income tax expenses calculated (Refer Note below)	2,638.6	2,934.6
Tax on expense not tax deductible	84.6	195.6
Tax on income exempt from tax	(1.7)	(1.0)
Total tax expenses as per profit and loss	2,721.5	3,129.2

The applicable Indian corporate statutory tax rate for the year ended March 31, 2019 and March 31, 2018 is 34.944% and 34.608% respectively. The increase in corporate statutory tax rate to 34.944% is consequent to changes made in the Finance Act, 2018.

C. Movement of deferred tax assets and liabilities

As at March 31, 2019

Movement during the year ended March 31, 2019	As at April 1, 2018	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	(₹ million)
				As at March 31, 2019
Difference between book and tax depreciation	58.6	(1.7)	-	56.9
Allowance for doubtful debts and advances	46.5	9.9	-	56.4
Provisions for expenses allowed for tax when actually paid	385.6	15.2	-	400.8
Fair value gain/(loss) on investments	(3.6)	1.2	-	(2.4)
Provision for post-retirement benefit	161.5	21.0	14.3	196.8
Other temporary differences	17.5	(5.9)	-	11.6
Net deferred tax assets/ (liabilities)	666.1	39.7	14.3	720.1

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As at March 31, 2018

Movement during the year ended March 31, 2018	(₹ million)			
	As at April 1, 2017	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2018
Difference between book and tax depreciation	44.1	14.5	-	58.6
Allowance for doubtful debts and advances	25.5	21.0	-	46.5
Provisions for expenses allowed for tax when actually paid	315.3	70.3	-	385.6
Fair value gain/(loss) on investments	(2.5)	(1.1)	-	(3.6)
Provision for post-retirement benefit	125.0	27.9	8.6	161.5
Other temporary difference	9.3	8.2	-	17.5
Net deferred tax assets/(liabilities)	516.7	140.8	8.6	666.1

D. The Company has the following unused tax losses for which no deferred tax asset has been recognised in the Balance Sheet.

Particulars	Financial Year	(₹ million)			
		As at March 31, 2019	Expiry Date	As at March 31, 2018	Expiry Date
Capital loss under Income Tax Act, 1961	2012-2013	0.7	March 31, 2021	0.7	March 31, 2021
TOTAL		0.7		0.7	

42. EMPLOYEE BENEFITS

Gratuity

Governance of the Plan:

The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan.

Funding arrangements and Policy:

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance company. The insurance company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively. There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan. The expected contribution payable to the plan next year is INR 20,000,000.

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

Sr. No	Particulars	(₹ million)	
		Year ended March 31, 2019	Year ended March 31, 2018
Reconciliation of defined benefit obligation (DBO) :			
Change in Defined Benefit Obligation			
(i)	Opening defined benefit obligation	468.3	398.7
(ii)	Current Service cost	61.6	54.2
(iii)	Past service cost	-	1.4
(iv)	Interest cost	31.1	24.3
(v)	Actuarial (gain) / loss from changes in financial assumptions	10.0	(14.5)
(vi)	Actuarial (gain) / loss from changes in demographic assumptions	5.4	5.3
(vii)	Actuarial (gain) / loss on account of experience changes	25.7	34.5
(viii)	Benefits paid	(34.2)	(48.7)
(ix)	Liabilities assumed on inter group transfer	1.1	13.0
(x)	Closing defined benefit obligation	569.0	468.3
Movement in Plan assets			
(i)	Opening fair value of plan assets	6.3	40.5
(ii)	Interest on plan assets	0.0	0.9
(iii)	Actual return on plan assets less interest on plan assets	0.9	0.6
(iv)	Contributions by employer	35.0	-
(v)	Assets acquired / (settled)	1.2	13.0
(vi)	Benefits paid	(34.2)	(48.7)
	Closing fair value of plan assets	9.2	6.3
Balance sheet			
Net asset / (liability) recognised in the balance sheet:			
(i)	Present value of the funded defined benefit obligation	569.0	468.2
(ii)	Fair value of plan assets at the end of the year	9.2	6.3
	Liability recognized in the balance sheet (i-ii)	559.8	461.9
Statement of profit and loss			
Expenses recognised in the Statement of Profit and Loss:			
(i)	Current Service cost	61.6	54.2
(ii)	Interest on net defined benefit obligation	31.1	23.5
(iii)	Past Service Cost	-	1.4
	Total included in 'Employee benefits expense (i+ii+iii)	92.7	79.1

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Particulars	(₹ million)	
	Year ended March 31, 2019	Year ended March 31, 2018
Statement of other Comprehensive Income (OCI)		
Opening amount recognised in OCI outside statement of profit and loss	75.8	51.1
Remeasurements during the period due to		
- changes in financial assumptions	10.0	(14.5)
- changes in demographic assumptions	5.4	5.3
- Experience adjustment	25.7	34.5
- Annual return on plan assets less interest on plan assets	(0.9)	(0.6)
Closing amount recognised in OCI outside statement of profit and loss	116.0	75.8
Assumptions used for Gratuity		
Interest rate (p.a.)	7.00%	7.30%
Salary escalation rate (p.a.)	7.00%	7.00%
Estimated rate of return on plan assets (p.a.)	8.00%	8.00%

Sensitivity Analysis

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	Discount Rate	Salary Escalation rate
Defined Benefit obligation on increase in 50 bps	552.5	586.3
Impact of increase in 50 bps on DBO	-2.91%	3.04%
Defined Benefit obligation on decrease in 50 bps	586.5	552.4
Impact of decrease in 50 bps on DBO	3.07%	-2.91%

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

Investment details of plan assets

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Insurer managed funds	8.7	8.7
Others	0.5	0.5
Reconciliation of plan assets during the inter-valuation period		
Opening fair value of plan assets	6.3	40.5
Employer contributions	35.0	0
Settlements from the Fund	(34.2)	(48.7)
Interest accrued to the Fund	0.9	0.9
Actual return on plan assets less interest on plan assets	-	0.6
Assets acquired / (settled)	1.2	13.0
Closing fair value of plan assets	9.2	6.3

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Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Maturity profile	₹
Expected benefits for year 1	92,122,394
Expected benefits for year 2	75,818,833
Expected benefits for year 3	68,098,557
Expected benefits for year 4	63,118,108
Expected benefits for year 5	85,839,673
Expected benefits for year 6	48,905,860
Expected benefits for year 7	46,329,886
Expected benefits for year 8	49,688,644
Expected benefits for year 9	62,853,993
Expected benefits for year 10 and above	346,392,610

The weighted average duration to the payment of these cash flows is 5.97 years

The Company has made a provision towards gratuity for its employees of the Oman Branch amounting to ₹ 3.1 million (Previous year ₹ 4.6 million)

Compensated Absence

The liability towards compensated absences for the year ended March 31, 2019 is based on actuarial valuation carried out by using the projected unit credit method.

Assumptions	Year ended March 31, 2019	Year ended March 31, 2018
Interest rate (p.a.)	7.00%	7.30%
Salary escalation rate (p.a.)	7.00%	7.00%

Long Term Incentive Plan

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

Assumptions	Year ended March 31, 2019	Year ended March 31, 2018
Interest rate (p.a.)	6.65%	6.80%

Interest rate assumption in case of subsidiary is 2.25% (Previous year 2.20%)

43. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company is engaged in the business of retail and institutional broking, distribution of financial products and investment banking. In accordance with Ind AS 115, Revenue from Contracts with Customers, the revenue is accounted in the following manner for each head: -

A) Brokerage income:

The Company provides trade execution and settlement services to the customers in retail and institutional segment. There is only one performance obligation of execution of the trade and settlement of the transaction which is satisfied at a point in time. The brokerage charged is the transaction price and is recognised as revenue on trade date basis. Related receivables are generally recovered in a period of 2 days as per the settlement cycle. Amount not recovered and which remain overdue for a period exceeding 90 days, are provided for.

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B) Income from service:

Income from service consists of income from distribution of financial products and income from investment banking activities (advisory income).

1) Distribution of financial products:

The Company distributes various financial products and other services to the customers on behalf of third party i.e. the Company acts as an intermediary for distribution of financial products and services. The Company executes contracts with the Principal, viz AMC's, Mutual Funds, Bank, Insurance Company etc. to procure customers for its products. As a consideration, the Company earns commission income from the third parties for the distribution of their financial products. The commission is accounted net of claw back if any, due to non-fulfilment of contract by the customer with the principal. The customer obtains control of the service on the date when customer enters into a contract with principal and hence subscription or contract date is considered as the point in time when the performance obligation has been satisfied. In case of continuing services, the same are recognised over a period of time.

The Company also conducts

- a. education training programs
- b. Provide financial planning services to its customers.

The Company recognizes the revenue on completion of the performance obligation either on point in time or over a period of time, as the case may be.

In case of third party financial products, transaction price is determined as per contract and mutual terms agreed between the parties. The commission is a percentage of transaction value.

The distribution fee earned from the following products contributed to a major proportion of overall fee earned from distribution of financial products in Financial Year 2019 :

- i. Mutual funds
- ii. Life insurance policies
- iii. Portfolio management products

2) Advisory income:

The Company provides investment banking services to its customers and earns revenue in the form of advisory fees on issue management services, mergers and acquisitions, debt syndication, sale of business etc.

In case of these advisory transactions, the performance obligation and its transaction price is enumerated in contract with the customer. For arrangements with a fixed term, the Company may commit to deliver services in the future. Revenue associated with these remaining performance obligations typically depends on the occurrence of future events or underlying asset values, and is not recognized until the outcome of those events or values are known. In case of contracts, which have a component of success fee or variable fee, the same is considered in the transaction price when the uncertainty regarding the consideration is resolved.

The Company has used practical expedient and have not disclosed the amount of remaining performance obligations since its contract with customers have duration of less than one year.

Contract Liability relates to payments received in advance of performance under the contract. Contract Liabilities are recognized as revenue on completing the performance obligation.

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Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period and the movement thereof: -

Nature of contract	(₹ million)					
	Opening Balance		Revenue recognised during the year		Closing Balance	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Financial Planning Services	3.8	5.8	77.8	52.4	50.8	3.8
Training Fees	10.0	-	49.9	73.9	25.2	10.0
Signing Fee	5.0	3.0	5.0	3.0	13.3	5.0
Prepaid Brokerage	2,320.5	2,012.0	1,064.5	1,329.4	2,610.3	2,320.5

Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price.

Particulars	(₹ million)	
	2018-19	2017-18
Revenue from the Contracts (as per Contract)	15,787.3	17,595.1
Less :		
- Discounts/Incentive to Customers	729.3	825.4
Revenue from the Contracts (as per Statement of Profit and Loss)	15,058.0	16,769.7

44. FINANCIAL INSTRUMENTS

Refer to financial instruments by category table below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

The carrying value of financial instruments by categories as of March 31, 2019 is as follows:

	(₹ million)				
	Amortised cost	Fair value through P&L	Fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	18,632.5	-	-	18,632.5	18,632.5
Other balances with banks	12,575.4	-	-	12,575.4	12,575.4
Securities for trade	-	2,563.1	-	2,563.1	2,563.1
Trade receivables	4,766.7	-	-	4,766.7	4,766.7
Loans	4,032.7	-	-	4,032.7	4,032.7
Investments (excluding subsidiary)	-	28.5	-	28.5	28.5
Other financial assets	810.4	-	-	810.4	810.4
Total	40,817.7	2,591.6	-	43,409.3	43,409.3
Liabilities:					
Derivative financial instruments	-	17.0	-	17.0	17.0
Trade payables	23,391.2	-	-	23,391.2	23,391.2
Debt Securities	4,473.0	-	-	4,473.0	4,473.0
Deposits	45.3	-	-	45.3	45.3
Other financial liabilities	2,284.9	-	-	2,284.9	2,284.9
Total	30,194.4	17.0	-	30,211.4	30,211.4

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The carrying value of financial instruments by categories as of March 31, 2018 is as follows:

	(₹ million)				
	Amortised cost	Fair value through P&L	Fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	1,567.1	-	-	1,567.1	1,567.1
Other balances with banks	13,688.9	-	-	13,688.9	13,688.9
Securities for trade	-	379.2	-	379.2	379.2
Trade receivables	3,098.1	-	-	3,098.1	3,098.1
Loans	5,782.3	-	-	5,782.3	5,782.3
Investments (excluding subsidiary)	-	39.3	-	39.3	39.3
Other financial assets	1,208.0	-	-	1,208.0	1,208.0
Total	25,344.4	418.5	-	25,762.9	25,762.9
Liabilities:					
Derivative financial instruments	-	1.6	-	1.6	1.6
Trade payables	6,198.7	-	-	6,198.7	6,198.7
Debt Securities	6,724.2	-	-	6,724.2	6,724.2
Deposits	46.7	-	-	46.7	46.7
Other financial liabilities	1,628.1	-	-	1,628.1	1,628.1
Total	14,597.7	1.6	-	14,599.3	14,599.3

The carrying value of financial instruments by categories as of April 01, 2017 is as follows:

	(₹ million)				
	Amortised cost	Fair value through P&L	Fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	1,052.6	-	-	1,052.6	1,052.6
Other balances with banks	8,701.1	-	-	8,701.1	8,701.1
Securities for trade	-	315.1	-	315.1	315.1
Trade receivables	7,087.4	-	-	7,087.4	7,087.4
Loans	49.6	-	-	49.6	49.6
Investments (excluding subsidiary)	-	44.7	-	44.7	44.7
Other financial assets	764.6	-	-	764.6	764.6
Total	17,655.3	359.8	-	18,015.1	18,015.1
Liabilities:					
Derivative financial instruments	-	5.6	-	5.6	5.6
Trade payables	4,870.1	-	-	4,870.1	4,870.1
Debt Securities	3,953.4	-	-	3,953.4	3,953.4
Deposits	33.2	-	-	33.2	33.2
Other financial liabilities	1,824.1	-	-	1,824.1	1,824.1
Total	10,680.8	5.6	-	10,686.4	10,686.4

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Fair value hierarchy:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The investments included in level 1 of fair value hierarchy have been valued using quoted prices for instruments in an active market. The investments included in level 2 of fair value hierarchy have been valued using valuation techniques based on observable market data. The investments included in Level 3 of fair value hierarchy have been valued using the income approach and break-up value to arrive at their fair value. There is no movement from between Level 1, Level 2 and Level 3. There is no change in Inputs use for measuring Level 3 fair value.

The following table summarises financial instruments measured at fair value on recurring basis:

	(₹ million)			
As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial instruments :				
Derivatives	17.0	-	-	17.0
Mutual fund units	-	1.1	-	1.1
Equity shares	31.7	-	21.5	53.2
Debt Securities	818.6	1,718.7	-	2,537.3
Total	867.3	1,719.8	21.5	2,608.6

	(₹ million)			
As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial instruments :				
Derivatives	1.6	-	-	1.6
Equity shares	38.6	-	30.6	69.2
Debt Securities	303.9	45.4	-	349.3
Total	344.1	45.4	30.6	420.1

	(₹ million)			
As at April 1, 2017	Level 1	Level 2	Level 3	Total
Financial instruments :				
Derivatives	5.6	-	-	5.6
Mutual fund units	-	0.7	-	0.7
Equity shares	18.0	-	26.7	44.7
Debt Securities	314.4	-	-	314.4
Total	337.9	0.7	26.7	365.4

Movements in Level 3 financial instruments measured at fair value.

The Following table shows a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value.

	(₹ million)	
Particulars	March 31, 2019	March 31, 2018
Opening Balance	30.6	26.7
Purchase	-	-
Less: Sales	-	-
Add: Gain / (Loss)	(9.1)	3.9
Transfer in Level 3	-	-
Les: Transfer from Level 3	-	-
Closing Balance	21.5	30.6

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Financial assets subject to offsetting, netting arrangements

Exchange settlement obligations (disclosed as a part of trade receivable) are subject to netting as the Company intends to settle it on a net basis. The table below presents the gross balances of asset and liability.

(₹ million)

Particulars	Effects on Balance sheet		
	Gross Amount (Asset)	Gross amount set off in the balance sheet	Net amount presented in the balance sheet
Exchange Settlement Obligations			
At March 31, 2019	3,391.3	79.7	3,311.6
At March 31, 2018	1,386.6	255.3	1,131.3
At April, 1 2017	1,288.6	143.5	1,145.1

There are no instruments which are eligible for netting and not netted off.

Financial risk management

Risk management framework

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

The Company has exposure to the following risk arising from financial instruments:

- a) Credit risk
- b) Liquidity risk
- c) Market risk

The Company has established various policies with respect to such risks which set forth limits, mitigation strategies and internal controls to be implemented by the three lines of defence approach provided below. The Board oversees the Company's risk management and has constituted a Risk Management Committee ("RMC"), which frames and reviews risk management processes and controls.

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

1. The first line of defence comprises its operational departments, which assume primary responsibility for their own risks and operate within the limits stipulated in various policies approved by the Board or by committees constituted by the Board.
2. The second line of defence comprises specialised departments such as risk management and compliance. They employ specialised methods to identify and assess risks faced by the operational departments and provide them with specialised risk management tools and methods, facilitate and monitor the implementation of effective risk management practices, develop monitoring tools for risk management, internal control and compliance, report risk related information and promote the adoption of appropriate risk prevention measures.
3. The third line of defence comprises the internal audit department and external audit functions. They monitor and conduct periodic evaluations of the risk management, internal control and compliance activities to ensure the adequacy of risk controls and appropriate risk governance, and provide the Board with comprehensive feedback.

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a) Credit risk:

It is risk of financial loss that the Company will incur a loss because its customer or counterparty to financial instruments fails to meet its contractual obligation.

The Company's financial assets comprise of Cash and bank balance, Securities for trade, Trade receivables, Loans, Investments and Other financial assets which comprise mainly of deposits and unbilled revenues.

The maximum exposure to credit risk at the reporting date is primarily from Company's trade receivable and loans.

Following provides exposure to credit risk for trade receivables and loans:

	(₹ million)		
	March, 31 2019	March, 31 2018	April, 1 2017
Trade and Other Debtors (net of impairment)	4,766.7	3,098.1	7,087.4
Loans (net of impairment)	4,032.7	5,782.3	49.6
Total	8,799.4	8,880.4	7,137.0

Trade Receivables: The Company has followed simplified method of ECL in case of Trade receivables and the Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses the impairment requirements.

Based on the industry practices and business environment in which the entity operates, management considers that the trade receivables are in default if the payment is 90 days overdue. Out of the total trade receivables of ₹ 4,916.3 million (previous year ₹ 3,218.9 million) ₹ 149.6 million (previous year ₹ 120.8 million) are overdue for a period in excess of 90 days. Probability of default (PD) on this balance is considered at 100% and treated as credit impaired.

Loans: Loans comprise of margin trade funding and ESOP funding for which a staged approach is followed for determination of ECL.

Stage 1: All Open positions in the MTF and ESOP loan book are considered as stage 1 assets for computation of expected credit loss. Exposure at default (EAD) for stage 1 assets is computed considering different scenarios of market movements based on an analysis of historical price movements of the index and macro-economic environment.

Stage 2: Exposures under stage 2 include dues upto 30 days pertaining to principal amount on closed positions and interest on all open positions of MTF and ESOP loan book.

Stage 3: Exposures under stage 3 include dues past 30 days pertaining to principal amount on closed positions and interest on all open positions of MTF and ESOP loan book.

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Based on historical data, the company assigns PD to stage 1 and stage 2 and applies it to the EAD to compute the ECL. For Stage 3 assets PD is considered as 100%

Following table provides information about exposure to credit risk and ECL on Loan

Bucketing (Stage)	(₹ million)					
	March 31, 2019		March 31, 2018		April 1, 2017	
	Carrying Value	ECL	Carrying Value	ECL	Carrying Value	ECL
Stage 1	4,029.1	0.1	5,775.5	0.2	49.6	-
Stage 2	4.44	0.7	7.6	0.6	-	-
Stage 3	1.9	1.9	3.8	3.8	-	-
Total	4,035.4	2.7	5,786.9	4.6	49.6	-

Movements in the allowances for impairment in respect of trade receivables and loans is as follows:

	(₹ million)	
	March 31, 2019	March 31, 2018
Opening Balance	125.3	64.8
Amount written off	(22.3)	(12.6)
Net remeasurement of loss allowance	49.3	73.1
Closing Balance	152.3	125.3

Other financial assets considered to have a low credit risk:

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments comprise of Quoted Equity instruments, Bonds, Mutual Funds and Commercial papers which are market tradeable. Other financial assets include deposits for assets acquired on lease and with qualified clearing counterparties and exchanges as per the prescribed statutory limits.

b) Liquidity risk

Liquidity represents the ability of the Company to generate sufficient cash flow to meet its financial obligations on time, both in normal and in stressed conditions, without having to liquidate assets or raise funds at unfavourable terms thus compromising its earnings and capital.

Liquidity risk is the risk that the Company may not be able to generate sufficient cash flow at reasonable cost to meet expected and / or unexpected claims. It arises in the funding of lending, trading and investment activities and in the management of trading positions.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflow on financial liabilities.

Funds required for short period is taken care by borrowings through issuing Commercial paper and utilizing overdraft facility from ICICI Bank

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The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2019.

Particulars	(₹ million)				
	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total Carrying Amount
Assets					
Cash and bank balances	26,212.1	4,617.8	366.2	11.8	31,207.9
Securities for Trade	2,563.1	-	-	-	2,563.1
Trade receivables	4,766.7	-	-	-	4,766.7
Loans	3,626.4	228.3	178.0	-	4,032.7
Investments	-	-	-	151.2	151.2
Other financial assets	484.3	15.8	61.1	249.2	810.4
Total	37,652.6	4,861.9	605.3	412.2	43,532.0
Liabilities					
Derivative financial instruments	17.0	-	-	-	17.0
Trade Payables	23,391.2	-	-	-	23,391.2
Debt Securities	4,473.0	-	-	-	4,473.0
Deposits	-	-	45.3	-	45.3
Other Financial Liabilities	2,284.9	-	-	-	2,284.9
Total	30,166.1	-	45.3	-	30,211.4
Net excess / (shortfall)	7,486.5	4,861.9	560.0	412.2	13,320.6

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31, 2018.

Particulars	(₹ million)				
	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total Carrying Amount
Assets					
Cash and bank balances	8,430.8	6,791.0	23.1	11.1	15,256.0
Securities for Trade	379.2	-	-	-	379.2
Trade receivables	3,098.1	-	-	-	3,098.1
Loans	5,666.7	87.3	28.3	-	5,782.3
Investments	-	-	-	162.0	162.0
Other financial assets	950.3	11.5	47.0	199.2	1,208.0
Total	18,525.1	6,889.8	98.4	372.3	25,885.6
Liabilities					
Derivative financial instruments	1.6	-	-	-	1.6
Trade Payables	6,198.7	-	-	-	6,198.7
Debt Securities	6,724.2	-	-	-	6,724.2
Deposits	-	-	46.7	-	46.7
Other Financial Liabilities	1,628.1	-	-	-	1,628.1
Total	14,552.6	-	46.7	-	14,599.3
Net excess / (shortfall)	3,972.5	6,889.8	51.7	372.3	11,286.3

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to standalone financial statements for the year ended March 31, 2019

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at April 1, 2017.

Particulars					(₹ million)
	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total Carrying Amount
Assets					
Cash and bank balances	4,812.6	4,129.7	803.1	8.3	9,753.7
Securities for Trade	315.1	-	-	-	315.1
Trade receivables	7,087.4	-	-	-	7,087.4
Loans	-	-	49.6	-	49.6
Investments	-	-	-	167.4	167.4
Other financial assets	562.5	-	35.8	166.3	764.6
Total	12,777.6	4,129.7	888.5	342.0	18,137.8
Liabilities					
Derivative financial instruments	5.6	-	-	-	5.6
Trade Payables	4,870.1	-	-	-	4,870.1
Debt Securities	3,953.4	-	-	-	3,953.4
Deposits	-	-	33.2	-	33.2
Other Financial Liabilities	1,824.1	-	-	-	1,824.1
Total	10,653.2	-	33.2	-	10,686.4
Net excess / (shortfall)	2,124.4	4,129.7	855.3	342.0	7,451.4

c) Market risk

Market risk arises when movements in market factors (foreign exchange rates, interest rates, credit spreads and equity prices) impact the Company's income or the market value of its portfolios. The Company, in its course of business, is exposed to market risk due to change in equity prices, interest rates and foreign exchange rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns. The Company classifies exposures to market risk into either trading or non-trading portfolios. Both the portfolios are managed using the following sensitivity analyses:

- i) Equity Price Risk
- ii) Interest Rate Risk
- iii) Currency Risk

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Total market risk exposure:

	March 31, 2019			Primary risk sensitivity
	Carrying amount	Traded risk	Non traded risk	
(₹ million)				
Assets				
Cash and cash equivalent and other bank balances	31,207.9	-	31,207.9	
Financial assets at FVTPL	2,591.6	2,563.1	28.5	Interest rate, Equity Price and Currency
Trade Receivables	4,766.7	-	4,766.7	Equity Price and Currency
Loans	4,032.7	-	4,032.7	Equity Price
Investment in Subsidiary	122.7	-	122.7	
Other Financial assets at amortised cost	810.4	-	810.4	
Total	43,532.0	2,563.1	40,968.9	
Liabilities				
Derivative financial instruments	17.0	17.0	-	Currency and Equity Price
Trade payable	23,391.2	-	23,391.2	Equity Price and Currency
Debt Securities	4,473.0	-	4,473.0	
Deposits	45.3	-	45.3	
Other financial liabilities	2,284.9	-	2,284.9	
Total	30,211.4	17.0	30,194.4	

	March 31, 2018			Primary risk sensitivity
	Carrying amount	Traded risk	Non traded risk	
(₹ million)				
Assets				
Cash and cash equivalent and other bank balances	15,256.0	-	15,256.0	
Financial assets at FVTPL	418.5	379.3	39.3	Interest rate, Currency and Equity Price
Trade Receivables	3,098.1	-	3,098.1	Equity Price and Currency
Loans	5,782.3	-	5,782.3	Equity Price
Investment in Subsidiary	122.7	-	122.7	
Other Financial assets at amortised cost	1,207.9	-	1,207.9	
Total	25,885.6	379.3	25,506.3	
Liabilities				
Derivative Financial instruments	1.6	1.6	-	Currency and Equity Price
Trade payable	6,198.7	-	6,198.7	Equity Price and Currency
Debt Securities	6,724.2	-	6,724.2	
Deposits	46.7	-	46.7	
Other financial liabilities	1,628.1	-	1,628.1	
Total	14,599.3	1.6	14,597.7	

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	April 1, 2017			(₹ million)
	Carrying amount	Traded risk	Non traded risk	Primary risk sensitivity
Assets				
Cash and cash equivalent and other bank balances	9,753.8	-	9,753.8	
Financial assets at FVTPL	359.7	315.1	44.6	Interest rate, Currency and Equity Price
Trade Receivables	7,087.4	-	7,087.4	Equity Price and Currency
Loans	49.6	-	49.6	Equity Price
Investment in Subsidiary	122.7	-	122.7	
Other Financial assets at amortised cost	764.6	-	764.6	
Total	18,137.8	315.1	17,822.7	
Liabilities				
Derivative financial instruments	5.6	5.6	-	Currency and Equity Price
Trade payable	4,870.1	-	4,870.1	Equity Price and Currency
Debt Securities	3,953.4	-	3,953.4	
Deposits	33.2	-	33.2	
Other financial liabilities	1,824.1	-	1,824.1	
Total	10,686.4	5.6	10,680.8	

i) Equity Price Risk

The Company's exposure to equity price risk arises primarily on account of its proprietary positions and on account of margin-based positions of its clients in equity cash and derivative segments.

The Company's equity price risk is managed in accordance with its Corporate Risk and Investment Policy (CRIP) approved by its Risk Management Committee. The CRIP specifies exposure limits and risk limits for the proprietary desk of the Company and stipulates risk-based margin requirements for margin-based trading in equity cash and derivative segment by its clients.

The below sensitivity depicts a scenario where a 10% movement in equity prices, everything else remaining constant, would result in an exchange obligation for both Traded and Non-traded (client) positions and their impact on statement of profit and loss account considering that the entire shortfall would be made good by the Company.

	Impact on statement of profit and loss		(₹ million)
	For the year ended March 31, 2019	For the year ended March 31, 2018	
Equity Prices up by 10%	(5.7)	(18.5)	
Equity Prices down by 10%	(104.5)	(142.8)	

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to standalone financial statements for the year ended March 31, 2019

ii) Interest Rate Risk

The Company's exposure to interest rate risk arises primarily on account of its proprietary positions and on account of margin based positions of its clients in exchange traded interest rate derivatives on government securities.

The Company's interest rate risk is managed in accordance with its CRIP approved by its Risk Management Committee. The CRIP specifies exposure limits and risk limits for the proprietary desk of the Company and stipulates risk-based margin requirements for margin based trading in interest rate derivatives by its clients.

As at March 31, 2019 and March 31, 2018 a parallel shift of 2.50% in the yield curve would result in the following impact on the statement of profit and loss.

	(₹ million)	
	Impact on statement of profit and loss	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Parallel upward shift of 2.50%	(113.5)	(17.5)
Parallel downward shift of 2.50%	128.3	18.7

The non-traded Financial Assets and liabilities are fixed rate instruments and are valued at amortised cost. Any shifts in yield curve will not impact their carrying amount and will therefore not have any impact on the Company's statement of profit and loss.

iii) Foreign Exchange Risk/Currency Risk

The Company's exposure to currency risk arises primarily on account of its proprietary positions and on account of margin positions of its clients in exchange traded currency derivatives.

The fluctuations in foreign currency may also affect statement of profit and loss, other comprehensive income and equity as the Company also operates in US and Singapore through its subsidiaries.

The Company's currency risk is managed in accordance with its CRIP, approved by its Risk Management Committee. The CRIP specifies gross open position limit and risk limits for the proprietary desk of the Company and stipulates risk-based margin requirements for margin based trading in currency derivatives by its clients.

As at March 31, 2019 and March 31, 2018, an appreciation/depreciation of 15% of Indian Rupee against all the currencies would result in the following impact on the statement of profit and loss.

	(₹ million)	
	Impact on statement of profit and loss	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of 15%	(27.4)	(63.8)
Appreciation of 15%	(55.4)	(7.8)

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to standalone financial statements for the year ended March 31, 2019

The table below indicates the currencies to which the Company had significant exposure at the end of the reported periods for the non-traded component. The analysis calculates the effect of a reasonably possible movement of the currency rate against the INR (all other variables being constant) on the statement of profit and loss.

		(₹ million)	
Currency	Change in currency rate in %	For the year ended March 31, 2019	For the year ended March 31, 2018
USD	Depreciation of 15%	1.0	4.0
	Appreciation 15%	(1.0)	(4.0)
JPY	Depreciation of 15%	1.1	-
	Appreciation 15%	(1.1)	-

45. MATURITY ANALYSIS

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

		(₹ million)		
		As at March 31, 2019	Within 12 months	After 12 months
Assets				
Financial Assets				
Cash and cash equivalents		18,632.5	18,632.5	-
Bank balance other than (a) above		12,575.4	12,197.4	378.0
Derivative financial instruments		-	-	-
Securities for trade		2,563.1	2,563.1	-
Receivables				
(I) Trade receivables		4,766.7	4,766.7	-
(II) Other receivables		-	-	-
Loans		4,032.7	3,854.7	178.0
Investments		151.2	-	151.2
Other financial assets		810.4	500.1	310.3
		43,532.0	42,514.5	1,017.5
Non-financial Assets				
Current tax assets (net)		1,307.6	-	1,307.6
Deferred tax assets (net)		720.1	-	720.1
Property, plant and equipment		294.5	-	294.5
Capital work-in-progress		12.4	-	12.4
Intangible assets under development		27.4	-	27.4
Other intangible assets		141.0	-	141.0
Other non-financial assets		427.6	427.6	-
		2,930.6	427.6	2,503.0
Total Assets		46,462.6	42,942.1	3,520.5

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to standalone financial statements for the year ended March 31, 2019

	As at March 31, 2019	Within 12 months	(₹ million) After 12 months
Liabilities			
Financial liabilities			
Derivative financial instruments	17.0	17.0	-
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	23,391.2	23,391.2	-
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Debt securities	4,473.0	4,473.0	-
Borrowings (Other than debt securities)	-	-	-
Deposits	45.3	-	45.3
Other financial liabilities	2,284.9	2,284.9	-
	30,211.4	30,166.1	45.3
Non-financial Liabilities			
Current tax liabilities (net)	41.5	41.5	-
Provisions	663.6	115.4	548.2
Other non-financial liabilities	5,202.0	4,543.0	659.0
	5,907.1	4,699.9	1,207.2
Total Liabilities	36,118.5	34,866.0	1,252.5
Net	10,344.1	8,117.6	2,226.5

	As at March 31, 2018	Within 12 months	(₹ million) After 12 months
Assets			
Financial Assets			
Cash and cash equivalents	1,567.1	1,567.1	-
Bank balance other than (a) above	13,688.9	13,654.7	34.2
Derivative financial instruments	-	-	-
Securities for trade	379.2	379.2	-
Receivables			
(I) Trade receivables	3,098.1	3,098.1	-
(II) Other receivables	-	-	-
Loans	5,782.3	5,555.4	226.9
Investments	162.0	-	162.0
Other financial assets	1,208.0	961.8	246.2
	25,885.6	25,414.9	470.7

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to standalone financial statements for the year ended March 31, 2019

	As at March 31, 2018	Within 12 months	(₹ million) After 12 months
Non-financial Assets			
Current tax assets (net)	1,063.5	-	1,063.5
Deferred tax assets (net)	666.1	-	666.1
Property, plant and equipment	296.6	-	296.6
Capital work-in-progress	15.1	-	15.1
Intangible assets under development	23.8	-	23.8
Other intangible assets	85.4	-	85.4
Other non-financial assets	610.4	610.4	-
	2,760.9	610.4	2,150.5
Total Assets	28,646.5	26,025.3	2,621.2
Liabilities			
Financial liabilities			
Derivative financial instruments	1.6	1.6	-
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,198.7	6,198.7	-
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Debt securities	6,724.2	6,724.2	-
Borrowings (Other than debt securities)	-	-	-
Deposits	46.7	-	46.7
Other financial liabilities	1,628.1	1,628.1	-
	14,599.3	14,552.6	46.7
Non-financial Liabilities			
Current tax liabilities (net)	-	-	-
Provisions	534.7	107.0	427.7
Other non-financial liabilities	5,126.0	4,214.0	912.0
	5,660.7	4,321.0	1,339.7
Total Liabilities	20,260.0	18,873.6	1,386.4
Net	8,386.5	7,151.7	1,234.8

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to standalone financial statements for the year ended March 31, 2019

	As at April 1, 2017	Within 12 months	(₹ million) After 12 months
Assets			
Financial Assets			
Cash and cash equivalents	1,052.6	1,052.6	-
Bank balance other than (a) above	8,701.1	7,889.6	811.5
Derivative financial instruments	-	-	-
Securities for trade	315.1	315.1	-
Receivables			
(I) Trade receivables	7,087.4	7,087.4	-
(II) Other receivables	-	-	-
Loans	49.6	-	49.6
Investments	167.4	-	167.4
Other financial assets	764.6	562.5	202.1
	18,137.8	16,907.2	1,230.6
Non-financial Assets			
Current tax assets (net)	971.8	-	971.8
Deferred tax assets (net)	516.7	-	516.7
Property, plant and equipment	241.9	-	241.9
Capital work-in-progress	0.5	-	0.5
Intangible assets under development	27.9	-	27.9
Other intangible assets	104.4	-	104.4
Other non-financial assets	350.4	350.4	-
	2,213.6	350.4	1,863.2
Total Assets	20,351.4	17,257.6	3,093.8
Liabilities			
Financial liabilities			
Derivative financial instruments	5.6	5.6	-
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4,870.1	4,870.1	-
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Debt securities	3,953.4	3,953.4	-
Borrowings (Other than debt securities)	-	-	-
Deposits	33.2	-	33.2
Other financial liabilities	1,824.1	1,824.1	-
	10,686.4	10,653.2	33.2
Non-financial Liabilities			

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to standalone financial statements for the year ended March 31, 2019

	As at April 1, 2017	Within 12 months	(₹ million) After 12 months
Current tax liabilities (net)	-	-	-
Provisions	389.1	51.0	338.1
Other non-financial liabilities	4,306.1	1,888.8	2,417.3
	4,695.2	1,939.8	2,755.4
Total Liabilities	15,381.6	12,593.0	2,788.6
Net	4,969.8	4,664.6	305.2

46. RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs (“MCA”), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective from April 1, 2019:

Ind AS 116 Leases:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee’s incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of completing a detailed assessment of the impact on its financials.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered

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to standalone financial statements for the year ended March 31, 2019

together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact from this pronouncement.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any significant impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company does not have any control / joint control of a business that is a joint operation.

47. EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.

As per our report of even date attached

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

Milind Ranade
 Partner
 Membership No.: 100564

Date: April 23, 2019
 Place: Mumbai

Vinod Kumar Dhall
 Chairman
 DIN - 02591373

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

Independent Auditors' Report

To the Members of ICICI Securities Limited

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of ICICI Securities Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group,

as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Key audit matter	How the matter was addressed in our audit
<p>Transition to Ind AS: Changes in accounting policies, Changes to internal controls framework and Additional disclosures associated with transition</p> <p>Effective 1 April 2018, the Company adopted the Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs with transition date of 1 April 2017.</p> <p>The following are the impact areas for the Company upon transition:</p> <ul style="list-style-type: none"> - Classification and measurement of financial assets and financial liabilities; and - Additional disclosures <p>Transition adjustments are complex accounting requirements and require determination of new accounting policies, including transition option election and practical expedients.</p> <p>The changes in accounting framework translates into significant changes in standard operating procedures in respect of impacted areas, risk and control framework including internal controls over financial reporting, and application of higher degree of management judgement. We identified transition adjustments as a key audit matter because of significant degree of management judgment and application on the areas noted above.</p>	<p>Our audit procedures included:</p> <p>Design / controls</p> <ul style="list-style-type: none"> • Assessing the design, implementation and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101 - First-time Adoption of Indian Accounting Standards and preparation of disclosures; <p>Substantive tests</p> <ul style="list-style-type: none"> • Evaluated management's transition date choices and exemptions for compliance / acceptability under Ind AS 101; • Evaluate the appropriateness of the accounting policies based on the requirements of the new standards; • Assessed the accuracy of the computations; and • Performed procedures to check appropriate presentation of disclosures. <p>Assessed areas of significant estimates and management judgement in line with principles under Ind AS.</p>

Key audit matter	How the matter was addressed in our audit
<p data-bbox="151 250 464 279">Information Technology</p> <p data-bbox="151 285 427 314">IT systems and controls</p> <p data-bbox="151 329 798 503">The Company’s key financial accounting and reporting processes are highly dependent on the automated controls implemented in the Information Technology (IT) systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records, being materially misstated.</p> <p data-bbox="151 520 798 636">The Company uses SAP system as the General Ledger for overall financial reporting which is interfaced with other systems that process transactions, which impacts significant accounts.</p> <p data-bbox="151 652 798 797">We have identified ‘IT systems and control’ as Key audit matter, since for the primary business segment (broking and commission income), the Company relies on automated processes and controls for recording of income.</p>	<p data-bbox="813 285 1453 488">We focused on General IT controls i.e. access management, change management, program development and computer operations control and IT application controls i.e. controls on relevant system based reconciliation, system generated reports and system/application processing over key financial accounting, reporting systems and control systems.</p> <p data-bbox="813 505 1453 563">Our audit procedures to assess the effectiveness of IT system included the following:</p> <ul data-bbox="813 580 1453 1460" style="list-style-type: none"> • Performed walkthroughs to evaluate the design and implementation of key automated controls. Involved our IT specialist to test the effectiveness of identified IT automated controls and IT systems. IT specialist tested relevant key controls operating over IT in relation to financial accounting and reporting systems, including general controls i.e. system access and system change management, program development and computer operations. • IT specialists tested design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and other preventive controls. • For a selected group of key controls over financial and reporting system, IT specialists independently performed procedures to determine that these controls remained unchanged during the year or were changed following the standard change management process. • Other areas that were independently assessed included password policies, security configurations, system generated reports and system interface controls. • Evaluating the design, implementation and operating effectiveness of identified significant accounts related IT automated controls which are relevant for accuracy of system calculation, and consistency of data transmission.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company’s management and Board of Directors are responsible for the preparation and

presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the

underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other matter

The comparative financial information of the Group for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2017 included in these consolidated financial statements, are based on the previously issued statutory financial statements prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules 2014, and the Companies (Accounting Standards) Amendment Rules, 2016 audited by the predecessor auditor whose report for the year ended 31 March 2017 dated 20 April 2017, expressed an unmodified opinion on those consolidated

financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- A. 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 (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company, is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act; and
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in

our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 33 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 2019;
- 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 2019. Since the subsidiaries are incorporated outside India, the provisions of the Act relating to Investor Education and Protection Fund are not applicable and hence not commented upon; and
- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not

been made in the financial statements since they do not pertain to the financial year ended 31 March 2019.

- C. With respect to the matter to be included in the Auditor's report under section 197(16):

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

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

Place: Mumbai
Date: 23 April 2019

Milind Ranade
Partner
Membership No. 100564

ANNEXURE A to the Independent Auditors' Report of even date on the Consolidated Financial Statements of ICICI Securities Limited

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

In conjunction with our report of the consolidated financial statements of ICICI Securities Limited (the 'Holding Company') as of and for the year ended 31 March 2019, 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 respective companies' policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the 'Act').

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing ('the Standards'), 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 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 2019, 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 issued by the ICAI.

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

Place: Mumbai
Date: 23 April 2019

Milind Ranade
Partner
Membership No. 100564

Consolidated Balance Sheet

as at March 31, 2019

(₹ million)

	Notes	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
1 Financial assets				
(a) Cash and cash equivalents	3	18,841.1	1,770.7	1,206.3
(b) Bank balance other than (a) above	3	12,645.2	13,689.0	8,701.2
(c) Derivative financial instruments	4	-	-	-
(d) Securities for trade	5	2,563.1	379.7	315.1
(e) Receivables				
(I) Trade receivables	6	4,769.8	3,101.0	7,090.3
(II) Other receivables		-	-	-
(f) Loans	7	4,032.7	5,782.3	49.6
(g) Investments	8	28.5	39.2	44.6
(h) Other financial assets	9	816.4	1,213.7	795.1
		43,696.8	25,975.6	18,202.2
2 Non-financial assets				
(a) Current tax assets (net)	10	1,306.5	1,062.1	971.0
(b) Deferred tax assets (net)	40	737.5	666.1	516.8
(c) Property, plant and equipment	11	294.8	297.0	241.9
(d) Capital work-in-progress		12.4	15.1	0.5
(e) Intangible assets under development		27.4	23.8	27.9
(f) Other intangible assets	11	141.0	85.4	104.4
(g) Other non-financial assets	12	429.5	613.9	359.2
		2,949.1	2,763.4	2,221.7
Total Assets		46,645.9	28,739.0	20,423.9
LIABILITIES AND EQUITY				
LIABILITIES				
1 Financial liabilities				
(a) Derivative financial instruments	4	17.0	1.6	5.6
(b) Payables				
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13	23,362.0	6,116.8	4,863.3
(II) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(c) Debt securities	14	4,473.0	6,724.2	3,953.4
(d) Borrowings (Other than debt securities)	15	-	-	-
(e) Deposits	16	45.3	47.0	33.2
(f) Other financial liabilities	17	2,284.9	1,628.1	1,824.1
		30,182.2	14,517.7	10,679.6
2 Non-financial liabilities				
(a) Current tax liabilities (net)		41.5	-	-
(b) Provisions	18	663.6	534.7	389.1
(c) Other non-financial liabilities	19	5,285.9	5,209.5	4,340.4
		5,991.0	5,744.2	4,729.5
3 EQUITY				
(a) Equity share capital	20	1,610.7	1,610.7	1,610.7
(b) Other equity	21	8,862.0	6,866.4	3,404.1
		10,472.7	8,477.1	5,014.8
Total Liabilities and Equity		46,645.9	28,739.0	20,423.9

Significant accounting policies

2

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

As per our report of even date attached

For and on behalf of Board of Directors

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Milind Ranade

Partner

Membership No.: 100564

Vinod Kumar Dhall

Chairman

DIN - 02591373

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

Date: April 23, 2019

Place: Mumbai

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
(₹ million)			
Revenue from operations			
(i) Interest income	22	1,792.0	1,574.3
(ii) Dividend income		4.9	3.0
(iii) Fees and commission income		-	
- Brokerage income		9,328.3	10,243.0
- Income from services		5,732.8	6,552.2
(iv) Net gain on fair value changes	23	166.0	221.1
(v) Others		21.7	16.5
(I) Total Revenue from operations		17,045.7	18,610.1
(II) Other income	24	224.5	-
(III) Total Income (I+II)		17,270.2	18,610.1
Expenses			
(i) Finance costs	25	423.4	495.0
(ii) Fees and commission expense		375.0	637.0
(iii) Impairment on financial instruments	26	26.9	60.5
(iv) Operating expense	27	850.9	979.9
(v) Employee benefits expenses	28	5,544.9	5,503.5
(vi) Depreciation, amortization and impairment	11	149.5	153.0
(vii) Others expenses	29	2,327.3	2,257.3
(IV) Total Expenses (IV)		9,697.9	10,086.2
(V) Profit/(loss) before tax (III -IV)		7,572.3	8,523.9
(VI) Tax expense:	40		
(1) Current tax		2,722.2	3,130.0
(2) Deferred tax		(57.2)	(140.8)
		2,665.0	2,989.2
(VII) Profit/(loss) for the year (V-VI)		4,907.3	5,534.7
(VIII) Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined employee benefit plans		(40.2)	(24.7)
(ii) Income tax relating to items that will not be reclassified to profit or loss		14.3	8.6
Subtotal (A)		(25.9)	(16.1)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other comprehensive income (A + B)		(25.9)	(16.1)
(IX) Total comprehensive income for the period (VII+VIII) (comprising profit/(loss) and other comprehensive income for the period)		4,881.4	5,518.6
(X) Earnings per equity share:(Face value ₹ 5/- per share)			
Basic (in ₹)		15.23	17.18
Diluted (in ₹)		15.23	17.18

Significant accounting policies

2

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

As per our report of even date attached

For and on behalf of Board of Directors

For B S R & Co. LLP

Chartered Accountants
Firm Registration No.:101248W/W-100022

Milind Ranade

Partner
Membership No.: 100564

Vinod Kumar Dhall

Chairman
DIN - 02591373

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

Date: April 23, 2019

Place: Mumbai

Consolidated Statement Of Changes In Equity

as at March 31, 2019

A Equity Share Capital

(₹ million)		
Balance as of April 1, 2017	Changes in equity share capital during the period	Balance as on March 31, 2018
1,610.7	-	1,610.7
(₹ million)		
Balance as of April 1, 2018	Changes in equity share capital during the period	Balance as on March 31, 2019
1,610.7	-	1,610.7

B Other Equity

	Reserves and Surplus				Exchange Difference on translating the financial statements of a foreign operation	Deemed Equity Contribution from the Parent	Total
	Securities Premium Reserve	General Reserve	Share based payment reserve	Retained Earnings			
Balance as of April 1, 2017	244.0	666.8	-	2,296.9	66.1	130.3	3,404.1
Profit for the year				5,534.7			5,534.7
Items of OCI for the year, net of tax							
Remeasurement benefit of defined benefit plans	-	-		(16.1)	-	-	(16.1)
Total Comprehensive Income for the year	-	-		5,518.6	-	-	5,518.6
Dividend (including tax on dividend)	-	-		(2,132.5)	-	-	(2,132.5)
Any other changes:							
Additions during the year (net)	-	-		-	1.2	75.0	76.2
Balance as on March 31, 2018	244.0	666.8	-	5,683.0	67.3	205.3	6,866.4
Balance as of April 1, 2018	244.0	666.8	-	5,683.0	67.3	205.3	6,866.4
Profit for the year	-	-		4,907.3	-	-	4,907.3
Items of OCI for the year, net of tax							
Remeasurement benefit of defined benefit plans	-	-		(25.9)	-	-	(25.9)
Total Comprehensive Income for the year	-	-		4,881.4	-	-	4,881.4
Dividend (including tax on dividend)	-	-		(2,951.1)	-	-	(2,951.1)
Any other changes:							
Additions during the year (net)	-	-	4.1	-	0.5	60.7	65.3
Balance as on March 31, 2019	244.0	666.8	4.1	7,613.3	67.8	266.0	8,862.0

Significant accounting policies

2

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

As per our report of even date attached

For and on behalf of Board of Directors

For B S R & Co. LLP

 Chartered Accountants
 Firm Registration No.:101248W/W-100022

Vinod Kumar Dhall

 Chairman
 DIN - 02591373

Ashvin Parekh

 Director
 DIN - 06559989

Shilpa Kumar

 Managing Director & CEO
 DIN - 02404667

Milind Ranade

 Partner
 Membership No.: 100564

Ajay Saraf

 Executive Director
 DIN - 00074885

Raju Nanwani

Company Secretary

Harvinder Jaspal

Chief Financial Officer

Date: April 23, 2019

Place: Mumbai

Consolidated Cash Flow Statement

for the year ended March 31, 2019

	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
A Cash flow from operating activities		
Profit before tax	7,572.3	8,523.9
Add /(less): Adjustments		
- (Profit) / loss on sale of property, plant and equipment (net)	4.6	16.8
- Depreciation and amortisation	149.5	153.0
- (Reversal of) /impairment loss on financial assets measured at FVTPL	1.2	-
- Net (gain)/loss arising on financial assets measured at FVTPL	9.5	0.2
- Interest expense	412.6	483.3
- Dividend income on equity securities	(0.4)	(0.3)
- Share based payments to employees	64.8	75.0
- Bad and doubtful debts	49.3	73.1
Operating profit before working capital changes	8,263.4	9,325.0
Adjustments for changes in working capital:		
- (Increase) / decrease in bank balance	1,043.8	(4,987.8)
- (Increase) / decrease in securities for trade	(2,183.4)	(64.6)
- (Increase) / decrease in receivables	(1,718.0)	3,916.1
- (Increase) / decrease in loans	1,749.7	(5,732.7)
- (Increase) / decrease other financial assets	397.3	(418.5)
- (Increase) / decrease other non- financial assets	184.3	(254.6)
- Increase / (decrease) in derivative financial instruments	15.4	(4.0)
- Increase / (decrease) in trade payables	17,245.2	1,253.5
- Increase / (decrease) in deposits	(1.7)	13.8
- Increase / (decrease) in other financial liabilities	656.8	(196.0)
- (Increase) / decrease in provisions	88.7	120.9
- (Increase) / decrease in other non-financial liabilities	76.6	961.5
	17,554.7	(5,392.6)
Cash generated from operations	25,818.1	3,932.4
Income tax paid (net)	(2,925.2)	(3,221.1)
Net cash (used in) / generated from operating activities (A)	22,892.9	711.3
B Cash flow from investing activities		
- Proceeds from sale/maturity of investments	-	5.7
- Dividend income received	0.4	0.3
- Purchase of property, plant and equipment	(226.1)	(223.8)
- Proceeds from sale of property, plant and equipment	18.0	7.4
Net cash (used in) / generated from investing activities (B)	(207.7)	(210.4)

Consolidated Cash Flow Statement

for the year ended March 31, 2019

	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
C Cash flow from financing activities		
- Proceeds from commercial paper borrowings (net)	-	2,753.5
- Repayment of commercial paper borrowings (net)	(2,263.5)	-
- Interest paid on borrowings	(400.2)	(465.9)
- Dividends and dividend tax paid	(2,951.1)	(2,224.1)
Net cash (used in) / generated in financing activities (C)	(5,614.8)	63.5
Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	17,070.4	564.4
Cash and cash equivalents at the beginning of the year	1,770.7	1,206.3
Exchange difference on translation of foreign currency cash and cash equivalents		
Cash and cash equivalents at the end of the year*	18,841.1	1,770.7
Components of cash and cash equivalents		
Cash and Cash Equivalents comprises of :		
(a) Cash on hand	0.0	0.0
(b) Balances with Banks (of the nature of cash and cash equivalents)		
In current accounts with banks		
- In India with scheduled banks	18,251.3	1,302.5
- Outside India	239.4	218.2
(c) Cheques, drafts on hand	0.3	0.0
(d) Others		
- Fixed Deposit with original maturity less than 3 months	350.0	250.0
- Interest accrued on Fixed Deposits	0.1	-
Total cash and cash equivalents (Note 3)	18,841.1	1,770.7

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

- Excludes Fixed deposits under lien ₹ 12,116.9 million (March 31, 2018 ₹ 13,235.8 million)

- Includes ₹ 17 billion towards pending settlement obligation.

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

Note :

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

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

Significant accounting policies 2

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.:101248W/W-100022

Milind Ranade

Partner

Membership No.: 100564

Date: April 23, 2019

Place: Mumbai

Vinod Kumar Dhall

Chairman

DIN - 02591373

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, 2019

1. CORPORATE INFORMATION

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

The Company was a wholly owned subsidiary of ICICI Bank Limited till March 30, 2018. During the year ended March 31, 2018, the Company completed its Initial Public Offering (IPO). The Equity shares of the Company were listed on the National Stock Exchange of India Limited and BSE Limited on April 4, 2018. ICICI Bank Limited, the holding company, owns 79.22% of the Company’s equity share capital as on March 31, 2019.

The consolidated financial statements of the Group include results of ICICI Securities Limited and its subsidiaries ICICI Securities Holdings Inc. and ICICI Securities Inc incorporated in USA.

2. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, with effect from April 1, 2018 the Group has adopted Indian Accounting Standards (referred to as “Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015. Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Group has presented a reconciliation from the presentation of the financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”) to Ind AS of Shareholders’ equity as at March 31, 2018 and April 1, 2017 being the transition date and of the total comprehensive income for the year ended March 31, 2018.

These financial statements have been prepared in accordance with Ind AS 1- Presentation of Financial Statements as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

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

These financial statements are the Group’s first Ind AS consolidated financial statements. The Group’s financial statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest million, except when otherwise indicated.

The consolidated financial statements for the year ended March 31, 2019 are being authorised for issue in accordance with a resolution of the directors on April 23, 2019.

(ii) Basis of consolidation

The subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group transactions, balances and unrealised gains on transactions between entities within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes

to consolidated financial statements for the year ended March 31, 2019

Details of Subsidiaries

The subsidiaries considered in the consolidated financial statements are:

(i) Direct Subsidiary

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2019	% of Holding as on 31.03.2018	% of Holding as on 01.04.2017
ICICI Securities Holdings, Inc	United States of America	100%	100%	100%

(ii) Step - down Subsidiary

Name of the Company	Country of Incorporation	% of Holding as on 31.03.2019	% of Holding as on 31.03.2018	% of Holding as on 01.04.2017
ICICI Securities Inc	United States of America	100%	100%	100%

The principal place of business of the entities mentioned above is the same as the respective country of incorporation.

(iii) Use of estimates

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

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

(iv) Revenue recognition

- Brokerage income in relation to stock broking activity is recognized on a trade date basis.

- Revenue from issue management, debt syndication, financial advisory services etc., is recognized based on the stage of completion of assignments and terms of agreement with the client.
- Commission income in relation to public issues / other financial products is recognized based on mobilization and intimation received from clients / intermediaries or over the period of service as applicable.
- Gains / losses on dealing in securities are recognized on a trade date basis.
- Interest income is recognized using the effective interest rate method.
- Revenue from dividend is recognized when the right to receive the dividend is established.
- Training fee income from financial educational programs is recognized on the basis of completion of training.

(v) Property, Plant and Equipment (PPE)

Measurement at recognition:

Property plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount.

Notes

to consolidated financial statements for the year ended March 31, 2019

All property, plant and equipment are initially recorded at cost. Cost comprises acquisition cost, borrowing cost if capitalization criteria are met, and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associated with these will flow with the Group and the cost of the item can be measured reliably.

Depreciation:

Depreciation provided on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by management.

The estimated useful lives of assets are as follows:

Tangible Asset	Estimated by Management
Leasehold improvements	Over the lease period
Office equipment's comprising air conditioners, photo-copying machines, etc.	5 years
Computers	3 years
Servers & Network	6 years
Furniture and fixtures*	6.67 years
Motor vehicles*	5 years

*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation is provided on a straight-line basis from the date the asset is ready for its intended use. In respect of assets sold, depreciation is provided up to the date of disposal.

The residual values, estimated useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and changes if any, are accounted for on a prospective basis.

Capital work-in-progress and Capital advances:

Cost of the assets not ready for intended use, as on reporting date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each reporting date are shown as other non-financial assets.

Depreciation is not recorded on capital work-in-progress until construction and installation is completed and assets are ready for its intended use.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

Optional Exemption from retrospective application: Deemed cost for property, plant and equipment.

The Group has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

(vi) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization.

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Development expenditure on software is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognized in the profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortization and any accumulated impairment losses.

Amortisation

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives and is included in the depreciation and amortization in the statement of profit and loss.

Intangible asset	Useful life / Amortisation period
Computer software	4 years

Optional Exemption from retrospective application: Deemed cost for intangible assets.

The Company has elected to measure all its Intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

(vii) Financial instruments

The Group recognizes all the financial assets and liabilities at its fair value on initial recognition; In the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset that are not at fair value through profit or loss are added to the fair value on initial recognition. The financial assets are accounted on a trade date basis.

For subsequent measurement, financial assets are categorised into:

a. Amortised cost: The Group classifies the financial assets at amortised cost if the

contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows. The gains and losses resulting from fluctuations in fair value are not recognised for financial assets classified in amortised cost measurement category.

- b. Fair value through other comprehensive income (FVOCI): The Group classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the Group's business model is achieved by both collecting contractual cash flow and selling financial assets. In case of debt instruments measured at FVOCI, changes in fair value are recognised in other comprehensive income. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method are recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is re-classified from equity to profit or loss as a reclassification adjustment. In case of equity instruments irrevocably designated at FVOCI, gains / losses including relating to foreign exchange, are recognised through other comprehensive income. Further, cumulative gains or losses previously recognised in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition.
- c. Fair value through profit or loss (FVTPL): The financial assets are classified as FVTPL if these do not meet the criteria for classifying at amortised cost or FVOCI. Further, in certain cases to eliminate or significantly reduce a measurement or recognition inconsistency (accounting mismatch), the Group irrevocably designates certain financial instruments

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at FVTPL at initial recognition. In case of financial assets measured at FVTPL, changes in fair value are recognised in profit or loss.

Profit or loss on sale of investments is determined on the basis of first-in-first-out (FIFO) basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1: quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (e.g. as prices) or indirectly (e.g. derived from the prices).

Level 3: inputs for the current assets or liability that are not based on observable market data (unobservable inputs).

Based on the Group's business model for managing the investments, the Group has classified its investments and securities for trade at FVTPL.

Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables the carrying amount approximates the fair value due to short maturity of these instruments.

- d. Impairment of financial assets: In accordance with Ind AS 109, the Group applies expected credit loss model (ECL) for measurement and recognition of impairment loss. The Group recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. At each reporting date, the Group assesses whether the loans have been impaired. The Group is exposed to credit risk when the customer defaults on his contractual obligations. For the computation of ECL, the loan receivables are classified into three stages based on the default and the aging of the outstanding. If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance account accordingly. The write-back is recognised in the statement of profit and loss. The Group recognises life time expected credit loss for trade receivables and has adopted the simplified method of computation as per Ind AS 109. The Group considers outstanding overdue

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for more than 90 days for calculation of expected credit loss.

(viii) Employee benefits

Gratuity

The Group pays gratuity, a defined benefit plan, to its employees who retire or resign after a 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.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employee has earned in exchange of their service in the current and prior periods and discounted back to the current valuation date to arrive at the present value of the defined benefit obligation. The defined benefit obligation is deducted from the fair value of plan assets, to arrive at the net asset / (liability), which need to be provided for in the books of accounts of the Group.

As required by the Ind AS 19, the discount rate used to arrive at the present value of the defined benefit obligations is based on the Indian Government security yields prevailing as at the balance sheet date that have maturity date equivalent to the tenure of the obligation.

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a net asset position, the recognized asset is limited to the present value of economic benefits available in form of reductions in future contributions.

Remeasurements arising from defined benefit plans comprises of actuarial gains

and losses on benefit obligations, the return on plan assets in excess of what has been estimated and the effect of asset ceiling, if any, in case of over funded plans. The Group recognizes these items of remeasurements in other comprehensive income and all the other expenses related to defined benefit plans as employee benefit expenses in their profit and loss account.

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

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.

Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as part of retirement benefits to its employees. The contributions during the year are charged to the statement of profit and loss.

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

Compensated absence

The employees can carry forward a portion of the unutilized accrued compensated absences and utilize it in future service

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periods or receive cash compensation on termination of employment. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase the entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Actuarial losses/gains are recognized in the statement of profit and loss as and when they are incurred.

Long term incentive

The Group has a long term incentive plan which is paid in three annual tranches. The Group accounts for the liability as per an actuarial valuation. The actuarial valuation of the long term incentives liability is calculated based on certain assumptions regarding prevailing market yields of Indian government securities and staff attrition as per the projected unit credit method made at the end of each reporting period. The actuarial losses/gains are recognised in the statement of profit and loss in the period in which they arise.

Employee Stock Option Scheme

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

ICICI Bank Limited, the parent, also grants options to eligible employees of the Group under ICICI Bank Employee Stock Option Scheme. The options vest over a period of three years. The fair value determined on the grant date is expensed on a straight line basis over the vesting period with a corresponding increase in the equity as a contribution from the parent.

(ix) Borrowing costs

Borrowing costs include interest expense as per the effective interest rate (EIR) and other costs incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognized as an expense in the year in which they are incurred.

The difference between the discounted amount mobilized and redemption value of commercial papers is recognized in the statement of profit and loss over the life of the instrument using the EIR.

(x) Foreign exchange transactions

The functional currency and the presentation currency of the Group is Indian Rupees. Transactions in foreign currency are recorded on initial recognition using the exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on the settlement or translation of monetary items are recognized in the statement of profit and loss in the period in which they arise.

Assets and liabilities of foreign operations are translated at the closing rate at each reporting period. Income and expenses of foreign operations are translated at monthly average rates. The resultant exchange differences are recognized in other comprehensive income in case of foreign operation whose functional currency is different from the presentation currency and in the statement of profit and loss for other foreign operations. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

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(xi) Leases

Operating Lease:

Lease arrangements where the risk and rewards incidental to ownership of an assets substantially vest with the lessor, are recognised as operating lease.

Operating lease payments are recognised on a straight line basis over the lease term in the statement of profit and loss, unless the lease payments to the lessor are structured to increase in line with expected general inflation.

(xii) Income tax

The income tax expense comprises current and deferred tax incurred by the Group. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity or OCI, in which case the tax effect is recognised in equity or OCI. Income tax payable on profits is based on the applicable tax laws in each tax jurisdiction and is recognised as an expense in the period in which profit arises. Current tax is the expected tax payable/receivable on the taxable income or loss for the period, using tax rates enacted for the reporting period and any adjustment to tax payable/receivable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts for tax purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised, for all deductible temporary differences, to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws

that have been enacted or substantively enacted by the reporting date. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The tax effects of income tax losses, available for carry forward, are recognised as deferred tax asset, when it is probable that future taxable profits will be available against which these losses can be set-off.

Additional taxes that arise from the distribution of dividends by the Group are recognised directly in equity at the same time as the liability to pay the related dividend is recognised.

(xiii) Cash and cash equivalents

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

(xiv) Impairment of non financial assets

The Group assesses at the reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments

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of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in statement of profit and loss.

(xv) Provisions

Provision is recognised when an enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at the balance sheet date and adjusted to reflect the current management estimates.

(xvi) Contingent liabilities and assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly

within the control of the 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.

(xvii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

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3. CASH AND BANK BALANCES

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
			(₹ million)
(i) Cash and cash equivalents			
(a) Cash on hand *	0.0	0.0	0.0
(b) Balances with banks (of the nature of cash and cash equivalents)			
In current accounts with banks			
- In India with scheduled banks	18,251.3	1,302.5	1,163.8
- Outside India	239.4	218.2	32.3
(c) Cheques, drafts on hand	0.3	0.0	10.2
(d) Others (specify nature)			
- Fixed Deposit with original maturity less than 3 months	350.0	250.0	-
- Interest accrued on Fixed Deposits	0.1	-	-
Total	18,841.1	1,770.7	1,206.3
(ii) Other bank balances			
(a) Fixed deposits with banks**			
- In India	12,107.9	13,227.3	8,411.3
- Outside India	78.8	8.5	8.4
	12,186.7	13,235.8	8,419.7
(b) Interest receivable	458.5	453.2	281.5
Total	12,645.2	13,689.0	8,701.2

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

** Fixed deposits under lien with stock exchanges amounted to ₹ 10,604.3 million (March 31, 2018 : ₹ 11,759.1 million) and kept as collateral security towards bank guarantees issued amounted to ₹ 393.9 million (March 31, 2018 : ₹ 383.3 million) and kept as collateral security against bank overdraft facility amounted to ₹ 1,115 million (March 31, 2018 : ₹ 1,089.7 million) and others ₹ 3.7 million (March 31, 2018 : ₹ 3.7 million)

4. DERIVATIVE FINANCIAL INSTRUMENTS

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
			(₹ million)
(i) Equity linked derivatives	17.0	1.6	5.6
Total	17.0	1.6	5.6
Notional amounts	3,893.8	2,269.5	3,037.3
Fair value - assets	-	-	-
Fair value - liabilities	17.0	1.6	5.6

Note :

- The derivatives are used for the purpose of trading.
- Refer note 43 for management of risks arising from derivatives.

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5. SECURITIES FOR TRADE

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
(A) At fair value through profit or loss			
Securities for trade in India			
(i) Mutual funds			
- ICICI Mutual Fund Fixed Maturity Plan	-	-	0.7
- ICICI Prudential Mutual Fund Value FD SR 18 DVP 17MY21	1.1	-	-
	1.1	-	0.7
(ii) Debt securities			
(a) Non-convertible debentures			
- 9.10 % Dewan Housing Finance Corp Limited (16-08-2019)	143.8	149.7	151.1
- 8.75 % ERFL (22-03-2021)	143.5	151.6	-
- RCL Market Linked Debentures Series B-198 (09-04-2017)	-	-	21.5
- RCL Market Linked Debentures Series B-190 (13-04-2017)	-	-	53.7
- 8.90% Indiabulls Housing Finance Ltd (26-09-2021)	-	-	1.8
- 9.25 % Dewan Housing Finance (09-09-2023)	-	-	33.5
- 10.75 % Dewan Housing Finance (23-08-2099)	-	-	52.8
	287.3	301.3	314.4
(b) Bonds			
- 8.49 % HDFC LTD (27-04-2020)	501.1	-	-
- 7.50 % HDFC LTD (07-07-2020)	495.3	-	-
- 8.80 % LIC HOUSING FINANCE LIMITED (24-12-2020)	504.3	-	-
- 8.30 % LIC HOUSING FINANCE LIMITED (15-07-2021)	100.1	-	-
- 8.41 % HUDCO (15-03-2029)	76.0	-	-
- 8.30 % IRFC (25-03-2029)	100.9	-	-
- 8.75 % Axis Bank (14-12-2099)	2.9	-	-
- 8.85 % HDFC Bank (12-05-2099)	-	4.0	-
- 8.75 % Axis Bank (28-06-2099)	-	18.9	-
- 9.50 % Yes Bank (23-12-2099)	-	25.6	-
	1,780.6	48.5	-
(c) Commercial paper:			
- KOTAK MAHINDRA INVESTMENT LTD CP (17-01-2020)	469.3	-	-
(iii) Equity instruments			
- IRB InvIT Fund-EQUITY	24.8	29.9	-
- Mahindra Lifespace Developers Limited	-	0.0	0.0
	24.8	29.9	0.0
Total (A) - Gross	2,563.1	379.7	315.1
Less: Impairment loss allowance	-	-	-
Total (A) - Net	2,563.1	379.7	315.1

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6. TRADE RECEIVABLES

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
(a) Receivables considered good - Secured	3,997.1	2,602.1	6,512.1
(b) Receivables considered good - Unsecured	772.7	498.9	578.2
(c) Receivables - credit impaired	149.6	120.8	64.8
Less: Impairment Loss Allowance	(149.6)	(120.8)	(64.8)
Total	4,769.8	3,101.0	7,090.3

No trade or other receivable are due from directors of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

7. LOANS

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
(A) At amortised cost			
(i) Margin trade funding	3,449.4	5,560.0	-
(ii) ESOP funding	586.0	226.9	49.6
Total (A) - Gross	4,035.4	5,786.9	49.6
Less: Impairment loss allowance	(2.7)	(4.6)	-
Total (A) - Net	4,032.7	5,782.3	49.6
(I) Secured by :			
(i) Secured by tangible assets			
- Collateral in the form of cash and securities in case of Margin trade funding	3,424.6	5,560.0	-
- Shares under ESOP in case of ESOP funding	586.0	226.9	49.6
(ii) Unsecured in case of Margin trade funding	24.8	-	-
Total (I) - Gross	4,035.4	5,786.9	49.6
Less: Impairment loss allowance	(2.7)	(4.6)	-
Total (I) - Net	4,032.7	5,782.3	49.6
(II) Loans in India			
(i) Others	4,035.4	5,786.9	49.6
Total (II) - Gross	4,035.4	5,786.9	49.6
Less: Impairment loss allowance	(2.7)	(4.6)	-
Total (II) - Net	4,032.7	5,782.3	49.6
(B) At fair value through other comprehensive income	-	-	-
(C) At fair value through profit or loss	-	-	-
(D) At fair value designated at fair value through profit or loss	-	-	-
Total (A) + (B) + (C) + (D)	4,032.7	5,782.3	49.6

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8. INVESTMENTS

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2018
(A) At fair value through profit or loss			
(i) Investments in India			
Equity instruments			
- BSE Limited	7.0	8.6	11.2
- Parabolic Drugs Limited	-	-	6.7
- Receivable Exchange of India Limited	18.8	26.7	24.0
- Universal Trustees Private Limited	2.7	3.9	2.7
Total - (A)	28.5	39.2	44.6
(B) At fair value through other comprehensive income	-	-	-
(C) At amortised cost	-	-	-
(D) At fair value designated at fair value through profit or loss	-	-	-
Total (A) + (B) + (C) + (D)	28.5	39.2	44.6

9. OTHER FINANCIAL ASSETS

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
(A) Security deposits :			
Unsecured, considered good			
(i) Security deposit for leased premises and assets	199.7	189.2	286.0
(ii) Security deposit with stock exchanges	65.4	60.7	30.4
(iii) Other security deposits	9.4	11.2	-
(iv) Margin deposits with stock exchange	54.6	(0.0)	-
(v) Security deposit with related parties			
(a) ICICI Bank Limited	2.3	2.1	2.0
(b) ICICI Lombard General Insurance Company Limited	0.1	0.1	0.1
	331.5	263.3	318.5
(B) Others :			
(i) Accrued income from services	358.4	365.9	438.5
(ii) Accrued interest	96.3	11.1	13.6
(iii) Others	30.2	573.4	24.5
	484.9	950.4	476.6
Total	816.4	1,213.7	795.1

Others includes amounts due from ICICI Bank Ltd ₹ 0.6 million (Previous year ₹ 545.9 million towards reimbursement of IPO expenses)

10. CURRENT TAX ASSETS (NET)

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
Advance payment of income tax (net)			
[net of provision for tax of ₹ 12,642.9 million (March 31, 2018 : ₹ 12,642.9)]	1,306.5	1,062.1	971.0
Total	1,306.5	1,062.1	971.0

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11. PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS

	PROPERTY, PLANT AND EQUIPMENT						OTHER INTANGIBLE ASSETS				TOTAL (A+B)
	Computers	Furniture and fixtures	Office equipment	Vehicles	Lease hold improvements	Total (A)	Computer Software	membership right	CMA	Total (B)	
Gross Carrying amount (At Cost or deemed cost)											
Balance at April 1, 2017	59.0	9.2	26.1	58.4	89.2	241.9	104.4	0.0		104.4	346.3
Additions	95.0	7.2	17.1	33.0	15.9	168.2	44.8	-		44.8	213.0
Disposal / Adjustment *	40.3	1.5	2.5	30.0	7.0	81.3	50.4	-		50.4	131.7
Balance at March 31, 2018	113.7	14.9	40.7	61.4	98.1	328.8	98.8	0.0		98.8	427.6
Additions	87.9	3.1	12.3	16.4	6.0	125.7	101.0	1.6		102.6	228.3
Disposal / Adjustment *	21.0	0.3	8.1	26.3	1.8	57.5	26.5	-		26.5	84.0
Balance at March 31, 2019	180.6	17.7	44.9	51.5	102.3	397.0	173.3	1.6		174.9	571.9
Accumulated depreciation/amortisation											
Balance at April 1, 2017	-	-	-	-	-	-	-	-		-	-
Depreciation for the year	44.9	3.9	12.3	24.5	18.0	103.6	49.4	-		49.4	153.0
Disposal / Adjustment *	37.7	(2.4)	6.2	24.5	5.8	71.8	36.0	(0.0)		36.0	107.8
Balance at March 31, 2018	7.2	6.3	6.1	(0.0)	12.2	31.8	13.4	0.0		13.4	45.2
Depreciation for the year	42.8	5.9	17.2	21.6	17.3	104.8	44.7	-		44.7	149.5
Disposal / Adjustment *	16.4	(0.0)	1.1	15.5	1.4	34.4	25.8	(1.6)		24.2	58.6
Balance at March 31, 2019	33.6	12.2	22.2	6.1	28.1	102.2	32.3	1.6		33.9	136.1
Carrying amounts (net)											
Balance at April 1, 2017	59.0	9.2	26.1	58.4	89.2	241.9	104.4	0.0		104.4	346.3
Balance at March 31, 2018	106.5	8.6	34.6	61.4	85.9	297.0	85.4	0.0		85.4	382.4
Balance at March 31, 2019	147.0	5.5	22.7	45.4	74.2	294.8	141.0	(0.0)		141.0	435.8

Notes: (₹ In million)

Balance at April 1, 2017 * Fixed assets sale / adjustments includes effect of foreign currency translation amounting to ₹ 0.3 million (Previous year ₹ 0.2 million).

Balance at March 31, 2018 * Fixed assets sale / adjustments includes effect of foreign currency translation amounting to ₹ 0.0 million (Previous year ₹ 0.3 million).

Balance at March 31, 2019 * Fixed assets sale / adjustments includes effect of foreign currency translation amounting to ₹ 2.5 million (Previous year ₹ 0.0 million).

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12. OTHER NON-FINANCIAL ASSETS

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(₹ million)			
(i) Capital advances	-	0.1	-
(ii) Advances other than capital advances:			
- Prepaid expenses	167.9	192.8	191.1
- Advance to creditors	93.9	107.7	87.5
- Others	167.7	313.3	80.6
Total	429.5	613.9	359.2

13. PAYABLES

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(₹ million)			
(I) Trade payables :			
(a) total outstanding dues of micro enterprises and small enterprises (Refer note 35 for details of dues to micro and small enterprises)	-	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	23,362.0	6,116.8	4,863.3
(II) Other payables:			
(a) total outstanding dues of micro enterprises and small enterprises (Refer note 35 for details of dues to micro and small enterprises)	-	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Total (I) and (II)	23,362.0	6,116.8	4,863.3

14. DEBT SECURITIES

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(₹ million)			
(A) At amortised cost			
Debt securities in India			
(i) Commercial paper (repayable within one year)	4,473.0	6,724.2	3,953.4
(B) At fair value through profit or loss	-	-	-
(C) Designated at fair value through profit or loss	-	-	-
Total	4,473.0	6,724.2	3,953.4

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15. BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
(A) At amortised cost			
(i) Secured loans			
Bank overdraft	-	-	-
(Secured against first charge on all receivables, book debts, cash flows, and proceeds arising therefrom and a lien on fixed deposits including but not limited to the Group's cash in hand both present and future)			
Total	-	-	-

16. DEPOSITS

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
(A) At amortised cost			
(i) Security Deposits	45.3	47.0	33.2
Total	45.3	47.0	33.2

17. OTHER FINANCIAL LIABILITIES

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
(i) Margin money	2,283.5	1,626.5	1,822.5
(ii) Others	1.4	1.6	1.6
Total	2,284.9	1,628.1	1,824.1

18. PROVISIONS

	As at March 31, 2019	As at March 31, 2018	(₹ million) As at April 1, 2017
(i) Provision for employee benefits			
(a) Provision for gratuity (Refer Note 41)	563.2	466.8	361.4
(b) Provision for compensated absence (refer note 41)	100.4	67.9	27.7
Total	663.6	534.7	389.1

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to consolidated financial statements for the year ended March 31, 2019

19. OTHER NON-FINANCIAL LIABILITIES

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(₹ million)			
(a) Revenue received in advance			
(i) Income received in advance	81.3	31.7	42.6
(b) Other advances			
(i) Prepaid Brokerage	2,610.3	2,320.7	2,012.3
(c) Others			
(i) Statutory liabilities	556.9	657.2	313.4
(ii) Employee related liabilities	2,019.1	2,165.9	1,945.1
(iii) Other liabilities	18.3	34.0	27.0
Total	5,285.9	5,209.5	4,340.4

20. SHARE CAPITAL

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(₹ million)			
(a) Authorised:			
400,000,000 equity shares of ₹ 5/- each (March 31, 2018 : 400,000,000 equity shares of ₹ 5/- each) (April 1, 2017 : 1000,000,000 equity shares of ₹ 2/- each)	2,000.0	2,000.0	2,000.0
5,000,000 preference shares of ₹ 100/- each (March 31, 2018 : 5,000,000 of preference shares of ₹ 100/- each) (April 1, 2017 : 5,000,000 of preference shares of ₹ 100/- each)	500.0	500.0	500.0
	2,500.0	2,500.0	2,500.0
(b) Issued, subscribed and fully paid-up shares:			
322,141,400 equity shares of ₹ 5/- each, fully paid (March 31, 2018 : 322,141,400 equity shares of ₹ 5/- each, fully paid) (April 1, 2017 : 805,353,500 equity shares of ₹ 2/- each, fully paid)	1,610.7	1,610.7	1,610.7
Total issued, subscribed and fully paid-up share capital	1,610.7	1,610.7	1,610.7

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

Equity shares	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Nos	(₹ million)	Nos	(₹ million)	Nos	(₹ million)
At the beginning of the year	322,141,400	1,610.7	805,353,500	1,610.7	805,353,500	1,610.7
Issued during the year	-	-	-	-	-	-
Consolidation of shares during the year-Nos (refer note below)*	-	-	(483,212,100)	-	-	-
Outstanding at the end of the year	322,141,400	1,610.7	322,141,400	1,610.7	805,353,500	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.

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to consolidated financial statements for the year ended March 31, 2019

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.

(d) 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.

The Board of Directors at its meeting held on 18th October, 2018 declared and paid an interim dividend of ₹ 3.70 per equity share of the face value of ₹ 5 each. The Board has recommended a final dividend of ₹ 5.70 per equity share for FY2019, aggregating to ₹ 2,213.7 million, including dividend distribution tax of ₹ 377.4 million.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(e) Pattern of shareholding

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Shareholder	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
ICICI Bank Limited (Parent) & its nominees	255,216,095	79.22%	255,216,095	79.22%	805,353,500	100%
Total	255,216,095	79.22%	255,216,095	79.22%	805,353,500	100%

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

(g) Other details of equity shares for a period of five years immediately preceding March 31, 2019:

Particulars	2019	2018	2017	2016	2015
	No of Shares				
Aggregate number of share allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Aggregate number of shares allotted as fully paid bonus shares	-	-	-	-	-
Aggregate number of shares bought back	-	-	-	-	-

(h) Capital management:

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

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to consolidated financial statements for the year ended March 31, 2019

21. OTHER EQUITY

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
			(₹ million)
(i) Reserves and surplus			
(a) Securities premium			
Opening balance	244.0	244.0	244.0
Add : Additions during the year (net)	-	-	-
Closing balance	244.0	244.0	244.0
(b) General reserve			
Opening balance	666.8	666.8	666.8
Add : Additions during the year (net)	-	-	-
Closing balance	666.8	666.8	666.8
(c) Equity-settled share-based payment reserve (refer note 38 for details on share based payment)			
Opening balance	-	-	-
Add : Additions during the year (net)	4.1	-	-
Closing balance	4.1	-	-
(e) Retained earnings			
Opening balance	5,683.0	2,296.9	1,412.2
Add: Other comprehensive income for the year	(25.9)	(16.1)	(33.4)
Add: profit after tax for the year	4,907.3	5,534.7	3,385.8
	10,564.4	7,815.5	4,764.6
Less: Appropriations			
(a) Dividend on equity shares	2,447.8	1,771.8	2,050.3
(b) Dividend distribution tax on equity dividend	503.3	360.7	417.4
Closing balance	7,613.3	5,683.0	2,296.9
(ii) Exchange difference on translating the financial statements of a foreign operation			
Opening balance	67.3	66.1	70.1
Add : Additions during the year (net)	0.5	1.2	(4.0)
Closing balance	67.8	67.3	66.1
(iii) Deemed equity contribution from the parent (refer note 38 for details on share based payment)			
Opening balance	205.3	130.3	-
Add : Additions during the year (net)	60.7	75.0	130.3
Closing balance	266.0	205.3	130.3
Total	8,862.0	6,866.4	3,404.1

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to consolidated financial statements for the year ended March 31, 2019

Nature and purpose of reserve

(A) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares, writing off the preliminary expenses in accordance with the provisions of the Companies Act, 2013.

(B) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(C) Equity-settled share-based payment reserve

This reserve is created by debiting the statement of profit and loss account with the value of share options granted to the employees by the Company. In case of share options granted by the Company, the reserve will move to the share capital account on issue of shares.

(D) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. It also includes actuarial gains and losses on defined benefit plans recognised in other comprehensive income (net of taxes).

(E) Exchange difference on translating the financial statements of a foreign operation

Under Ind AS, in cases where the functional currency of the foreign operation is different from the functional currency of the reporting entity, the translation differences are accounted in the Other comprehensive income and disclosed under Other equity.

(F) Deemed equity contribution from the parent

This reserve is created by debiting the statement of profit and loss account with the value of share options granted to the employees by parent Bank. This reserve is in the nature of an equity contribution by parent bank in respect of options granted by the parent.

22. INTEREST INCOME

	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) Interest income on financial assets measured at amortised cost :		
(i) Fixed deposits with Banks	969.9	805.8
(ii) Funding and late payments	769.6	746.3
(iii) Other deposits	0.2	0.2
(B) Interest income on financial assets measured at fair value through profit or loss :		
(i) Securities held for trade	52.3	22.0
(C) Interest income on financial assets measured at fair value through OCI :	-	-
Total	1,792.0	1,574.3

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to consolidated financial statements for the year ended March 31, 2019

23. NET GAIN ON FAIR VALUE CHANGES

	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
(i) Profit/(loss) on sale of derivatives held for trade (net)	73.0	85.6
(ii) Profit/(loss) on other securities held for trade	103.8	129.0
(B) Others		
- Profit/(loss) on sale of investments (net) at fair value through profit or loss	(10.8)	6.5
(C) Total net gain on fair value changes	166.0	221.1
(D) Fair value changes:		
- Realised	161.4	184.2
- Unrealised	4.6	36.9
Total	166.0	221.1

24. OTHER INCOME

	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Net gain on foreign currency transaction and translation	17.4	-
(ii) Interest on income tax refund	207.1	-
Total	224.5	-

25. FINANCE COSTS

	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) Net gain/ (loss) on financial liabilities measured at fair value through profit or loss	-	-
(B) On financial liabilities measured at amortised cost :		
(a) Interest expense	412.6	483.3
(b) Other borrowing cost	10.8	11.7
Total	423.4	495.0

26. IMPAIRMENT ON FINANCIAL INSTRUMENTS

	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) On financial instruments measured at fair value through OCI:	-	-
(B) On financial instruments measured at amortised cost:		
(a) Loans	(1.9)	4.6
(b) Others		
- On trade receivables	28.8	55.9
Total	26.9	60.5

Notes

to consolidated financial statements for the year ended March 31, 2019

27. OPERATING EXPENSES

	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Bad and doubtful debts	22.3	12.6
(b) Transaction charges	104.4	100.9
(c) Turnover fees and stamp duty	38.1	25.0
(d) Custodial and depository charges	342.3	471.7
(e) Call centre charges	122.0	123.2
(f) Franking charges	152.5	149.4
(g) Scanning expenses	25.4	47.1
(h) Customer loss compensation	5.4	16.1
(i) Other operating expenses	38.5	33.9
Total	850.9	979.9

28. EMPLOYEE BENEFITS EXPENSES

	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Salaries and wages	4,930.7	4,948.3
(b) Contribution to gratuity / provident and other funds (refer note 41)	280.4	255.3
(c) Share based payments to employees (refer note 38)	64.8	75.0
(d) Staff welfare expenses	269.0	224.9
Total	5,544.9	5,503.5

29. OTHER EXPENSES

	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Rent and amenities	670.6	653.7
(b) Insurance	4.4	4.1
(c) Travelling and conveyance expenses	253.8	229.8
(d) Business promotion expenses	97.3	124.3
(e) Repairs, maintenance, upkeep and others	433.9	414.5
(f) Rates and taxes	52.2	53.5
(g) Electricity expenses	77.5	63.2
(h) Communication expenses	168.8	183.6
(i) Loss on sale of property, plant and equipment (net)	4.6	16.8
(j) Advertisement and publicity	83.4	86.3
(k) Printing and stationery	33.0	29.0
(l) Subscription and periodicals	98.2	88.9
(m) Legal and Professional charges	120.0	121.5
(n) Director's fees, allowances and expenses	6.5	5.1
(o) Auditor's fees and expenses	12.6	8.8
(p) Corporate Social Responsibility (CSR) expenses	118.4	91.6
(q) Recruitment expenses	27.8	31.1
(r) Net loss on foreign currency transaction and translation	-	17.6
(s) Royalty expenses	55.8	33.9
(t) Miscellaneous Expenses	8.5	-
Total	2,327.3	2,257.3

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to consolidated financial statements for the year ended March 31, 2019

30. APPROACH ON EXEMPTIONS UNDER IND AS 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

First time adoption of Ind AS

For reporting periods up to and including the year ended March 31, 2018, the Group prepared its financial statements in accordance with Indian GAAP. The Group has prepared its financial statements in accordance with Ind AS prescribed under section 133 of the Act and other accounting principles generally accepted in India and as notified by Ministry of Corporate Affairs with the transition date being April 1, 2017. The impact of transition has been provided in the Opening Reserves as at April 1, 2017.

In preparing these financial statements, the Group has opted to avail the choices available for certain transitional provisions within Ind AS 101, 'First time adoption of Indian Accounting Standards', which offers exemption from applying specified Ind AS retrospectively. The most significant of these provisions are in the following areas:

i. Business combinations

The Company has elected not to apply Ind AS 103- Business Combinations, retrospectively to past business combinations that occurred before April 1, 2017 (transition date).

ii. Deemed cost for property, plant and equipment and intangible assets

The Group has elected to continue with the carrying value for all of its property, plant and equipment and intangible assets as measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

iii. Classification and measurement of financial assets

At the transition date, the Group assessed the conditions for classification of financial assets and accordingly classified its financial assets at either amortised cost, fair value through other comprehensive income or fair value through profit and loss account, as appropriate, under the provisions of Ind AS 109, 'Financial Instruments'.

iv. Share based payment transactions

The parent of the Group has issued share options to the eligible employees of the Group. The Group has elected not to apply recognition and measurement requirements under Ind AS 102 for share based payments for the options vested before the transition date. Options which remain unvested on the date of transition will be fair valued and entire cost till the transition date will be recorded through retained earnings and through the statement of profit and loss thereafter.

v. De-recognition of financial assets

The Group has elected to not recognise financial assets or financial liabilities which were de-recognised in accordance with its previous GAAP as a result of transactions that occurred before the transition date.

vi. Revenue from contracts with customers

The Group has availed the following practical expedients in applying the standard retrospectively:

- a. For completed contracts within the same annual reporting period, no restatement has been done;
- b. For completed contracts that have variable consideration, the Group has used the transaction price at the date the contract was completed rather than estimating variable consideration amounts in the comparative reporting periods; and
- c. For all reporting periods presented before the beginning of the first Ind AS reporting period, no disclosures of the amount of transaction price allocated to the remaining performance obligations have been done.

Notes

to consolidated financial statements for the year ended March 31, 2019

Reconciliation of net worth and net income between Indian GAAP and Ind AS financial statements.

A. Reconciliation of shareholders' equity as per Indian GAAP and Ind AS financial statements

Particulars	Note	(₹ million)	
		As at April 1, 2017	As on March 31, 2018
Net-worth as per Indian GAAP		4,895.6	8,341.8
Adjustments under Ind AS :			
Fair valuation of securities	(a)	27.7	29.7
Commercial paper borrowing cost adjustment	(b)	0.8	0.9
Lease rent adjustment	(d)	174.1	206.4
Allowances for expected credit losses	(e)	(10.2)	(4.6)
Deferment of revenue	(f)	(5.0)	(15.5)
Valuation of security deposits	(g)	(7.2)	(11.1)
Deferred tax on adjustments	(h)	(61.0)	(70.5)
Total impact on net worth		119.2	135.3
Total shareholders' equity as per Ind AS financial statements		5,014.8	8,477.1

B. Reconciliation of net profit as per Indian GAAP and Ind AS financial statements

Particulars	Note	(₹ million)
		For the year ended March 31, 2018
Net profit as per Indian GAAP		5,577.3
Adjustments on account of:		
Fair valuation of securities	(a)	2.0
Commercial paper borrowing cost adjustment	(b)	0.1
Accounting for compensation costs	(c)	(50.3)
Lease rent adjustment	(d)	32.2
Allowances for expected credit losses	(e)	5.6
Deferment of revenue	(f)	(10.5)
Valuation of Security Deposits	(g)	(3.9)
Deferred tax on adjustments	(h)	(17.8)
Net profit as per Ind AS financial statements		5,534.7
Re-measurement of net-defined employee benefits plan		(24.7)
Tax benefit/(expense)		8.6
Total comprehensive income as per Ind AS financial statements		5,518.6

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to consolidated financial statements for the year ended March 31, 2019

C. Reconciliation of Statement of Cash flows

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

Notes to the reconciliations.

(a) Valuation of debt and equity securities:

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 considered as current investment and shown as securities for 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 securities for 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 securities for trade is recognised in the statement of profit and loss 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 have to be classified at 'amortised cost', 'fair value through other comprehensive income' or 'fair value through profit and loss'. These classifications are based on the business model test and the contractual cash flow test. Under Indian GAAP, unrealized gains were not accounted in the books. Under Ind AS, unrealized gains have been accounted in the statement of profit and loss.

This has resulted in an increase in retained earnings in April 2017 and March 2018 of ₹ 27.7 million and ₹ 29.7 million respectively and an increase in the net profit for the year ended March 2018 of ₹ 2.0 million.

(b) Effective Interest rate on borrowings

Under Indian GAAP, expenses incurred on the issue of commercial paper were expensed when incurred. Under Ind AS, the interest is calculated on effective interest rate basis. This has resulted in an increase in net profit of ₹ 0.1 million for the year ended March 31, 2018 and an increase in the retained earnings of ₹ 0.8 million in April 2017 and ₹ 0.9 million in March 2018.

(c) Accounting for compensation costs:

Under Indian GAAP, the Group did not account for the ESOPs granted by the parent to its employees. Under Ind AS, the Group has accounted for the unvested portion of the ESOP's granted to its employees by the parent on the transition date in its statement of profit and loss.

Under Indian GAAP, actuarial gains/losses are recognized on the balance sheet of the enterprise in the year in which they arise through suitable credit/debit in the statement of profit and loss of the year. Under Ind AS, remeasurements of the net defined benefit liability which comprise of actuarial gains/losses and the return on plan assets are recognised in Other Comprehensive Income. The amount lying in the Other Comprehensive Income never recycles back to income statement. Both of these have resulted in a net decrease in the net profit of ₹ 50.3 million for the year ended March 31, 2018. There is no net worth impact on accounting for the options granted at fair value.

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to consolidated financial statements for the year ended March 31, 2019

(d) Lease rent escalation:

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. The Group has accounted for the lease payments without considering the straight lining effect over the lease term.

This has resulted in an increase in retained earnings of ₹ 174.1 million in April 2017 and ₹ 206.4 in March 2018 and a credit to the statement of profit and loss of ₹ 32.2 million for the year ended March 31, 2018.

(e) Impairment of financial assets:

Under Indian GAAP, the Group recognized impairment on loans and trade receivables based on the ageing of the due balance. Under Ind AS, the Group applies the expected credit loss model (ECL) for measurement and recognition of impairment loss. The loans are categorized into three stages and the 12 month or lifetime expected loss as applicable is calculated. The Group recognizes lifetime expected credit loss for trade receivables. The Group considers outstanding for more than 90 days for calculation of expected credit loss.

This has resulted in a reduction in the retained earnings by ₹ 10.2 million and ₹ 4.6 million in April 2017 and March 2018 respectively and a credit in the statement of profit and loss of ₹ 5.6 million for the year ended March 31, 2018.

(f) Accounting for revenue:

Under Ind AS, the Group has considered the revenue in case of its investment banking and training fee income on completion of the performance obligation as required in the Ind AS 115. This has resulted in a decrease in retained earnings by ₹ 5.0 million and ₹ 15.5 million in April 2017 and March 2018 respectively and a debit in the statement of profit and loss of ₹ 10.5 million for the year ended March 31, 2018.

(g) Accounting for security deposits:

Under Indian GAAP, the security deposits given were accounted on the transaction price. Ind AS requires such assets to be recognized at present value. This has led to a decrease in the value of the security deposits on the date of transition which was adjusted in the retained earnings. The excess of the principal amount of the deposit over its fair value shall be recognized as rent expense which shall be amortized to profit or loss on a straight-line basis over the lease term, partially set off by the notional interest income recognised on such deposit. The increase in interest income is known as unwinding of interest accounted under other income.

The above transition has impacted a decrease in retained earnings by ₹ 7.2 million and ₹ 11.1 million in April 2017 and March 2018 respectively and a debit in the statement of profit and loss of ₹ 3.9 million for the year ended March 31, 2018.

(h) Deferred tax asset/liability

The transitional Ind AS adjustments has led to temporary differences in the tax and accordingly deferred tax impact on these adjustments has been accounted.

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31. EARNINGS PER SHARE

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

Particulars	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Net profit after tax (₹ million) (A)	4,907.3	5,534.7
Weighted average number of equity shares outstanding for basic EPS (in million) (B)	322.1	322.1
Basic earnings per share (₹) (A) / (B)	15.23	17.18
Add: Weighted average number of potential equity shares on account of employee stock options (in million) (C)	0.1	-
Weighted average number of equity shares outstanding for diluted EPS (in million) (D) = (B)+(C)	322.2	322.1
Diluted earnings per share (₹) (A) / (D)	15.23	17.18
Nominal value per share (₹)	5.00	5.00

32. RELATED PARTY DISCLOSURES

As per Indian Accounting Standard on related party disclosures (Ind AS 24), the names of the related parties of the Group are as follows:

A. Related party where control exists irrespective whether transactions have occurred or not

Holding Company : ICICI Bank Limited

B. Other related parties where transactions have occurred during the year

a. Fellow Subsidiaries:

ICICI Securities Primary Dealership Limited; ICICI Prudential Life Insurance Company Limited; ICICI Lombard General Insurance Company Limited; ICICI Prudential Asset Management Company Limited; ICICI Home Finance Company Limited; ICICI Venture Funds Management Company Limited.

b. ICICI Securities Employees Group Gratuity Fund

c. Directors and Key Management Personnel of the Company

- i) Vinod Kumar Dhall – Chairman (wef October 19, 2018)
- ii) Ashvin Parekh – Independent Director
- iii) Subrata Mukherji – Independent Director
- iv) Vijayalakshmi Iyer – Independent Director
- v) Anup Bagchi – Director (wef October 11, 2018)
- vi) Shilpa Kumar – Managing Director and CEO
- vii) Ajay Saraf – Executive Director
- viii) Chanda Kochhar – Chairperson (till October 5, 2018)
- ix) Vishakha Mulye – Director (till October 5, 2018)

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d. Key Management Personnel of Parent

- i) Sandeep Bakhshi – Managing Director and CEO of ICICI Bank Limited (wef October 15, 2018)
- ii) Vijay Chandok – Executive Director of ICICI Bank Limited
- iii) Anup Bagchi – Executive Director of ICICI Bank Limited
- iv) Dileep Choksi – Executive Director of ICICI Bank Limited
- v) Chanda Kochhar – Managing Director and CEO of ICICI Bank Limited (till October 5, 2018)
- vi) N. S. Kannan – Executive Director of ICICI Bank Limited
- vii) Vishakha Mulye – Executive Director of ICICI Bank Limited
- viii) Mahendra Sharma – Non-Executive Director of ICICI Bank Limited (till June 30, 2018)

e. Relatives of Key Management Personnel

- i) Sarika Saraf – Spouse of Mr. Ajay Saraf
- ii) Ayuj Saraf – Son of Mr. Ajay Saraf
- iii) Avantica Saraf – Daughter of Mr. Ajay Saraf
- iv) Animesh Bagchi – Father of Mr. Anup Bagchi
- v) Shishir Bagchi – Brother of Mr. Anup Bagchi
- vi) Arun Bagchi – Brothers of Mr. Anup Bagchi
- vii) Poornima Choksi – Spouse of Mr. Dileep Choksi
- viii) Udayan Choksi – Son of Mr. Dileep Choksi
- ix) Mona Bakhshi – Spouse of Mr. Sandeep Bakhshi
- x) Shivam Bakhshi – Son of Mr. Sandeep Bakhshi
- xi) Esha Bakhshi – Daughter of Mr. Sandeep Bakhshi
- xii) Minal Bakhshi – Daughter of Mr. Sandeep Bakhshi
- xiii) Ashwin Pradhan – Son in-law of Mr. Sandeep Bakhshi
- xiv) Puneet Sharma – Son of Mr. Mahendra Sharma
- xv) Purva Sharma – Daughter in-law of Mr. Mahendra Sharma
- xvi) Abhilash Mana – Son in-law of Mr. Tushaar Shah

f. Entity controlled or jointly controlled by KMP of ICICI Bank: ICICI Foundation for Inclusive Growth

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

Income and Expense items:

(For the year ended)

Nature of Transaction	(₹ million)			
	Holding Company		Fellow Subsidiary Companies	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Income from services and brokerage (commission and fees)	254.3	257.5		
ICICI Home Finance Company Limited			9.6	1.9
ICICI Prudential Life Insurance Company Limited			549.9	513.2
ICICI Securities Primary Dealership Limited			3.6	3.5

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Nature of Transaction	(₹ million)			
	Holding Company		Fellow Subsidiary Companies	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
ICICI Lombard General Insurance Company Limited			10.8	9.1
ICICI Prudential Asset Management Company Limited			142.2	183.6
ICICI Venture Funds Management Company Limited			0.5	0.5
Interest income	107.9	86.9		
Staff expenses	25.1	12.6		
ICICI Securities Primary Dealership Limited			(0.4)	(0.2)
ICICI Prudential Life Insurance Company Limited			0.7 ¹	3.5 ¹
ICICI Lombard General Insurance Company Limited			94.5 ²	92.1 ²
ICICI Prudential Asset Management Company Limited			3.9	(0.1)
Operating expenses	469.3	633.1		
Other expenses	249.7	211.1		
ICICI Lombard General Insurance Company Limited			3.0	3.6
ICICI Securities Primary Dealership Limited			1.5	1.0
ICICI Prudential Life Insurance Company Limited			1.9	1.8
Finance cost⁴	2.4	6.2		
Dividend paid	1,939.6 ³	1,771.8		
Sale of bond				
ICICI Securities Primary Dealership Limited			250.6	-

¹ Excludes an amount of ₹ 4.1 million (March 31, 2018: ₹ 3.5 million), received as premium by ICICI Prudential Life Insurance Company Limited from customers of the Company under the Company Insurance Policy. The premium is paid by the customers directly to ICICI Prudential Life Insurance Company Limited.

² Excludes an amount of ₹ 34.4 million (March 31, 2018: ₹ 27.7 million) received towards reimbursement of claims submitted by the employees under Company health insurance policy.

³ Includes final dividend for Financial Year 2018 and interim dividend for Financial Year 2019.

⁴ The Company has a credit facility of ₹ 5,900.0 million (March 31, 2018: ₹ 6,000.0 million) from ICICI Bank Limited. The balance outstanding as on March 31, 2019 is Nil (March 31, 2018: Nil).

The Company has contributed ₹ 35.0 million (March 31, 2018: Nil) to ICICI Securities Company Gratuity Fund during the year.

The Company has contributed ₹ 88.8 million (March 31, 2018: ₹ 86.8 million) to ICICI Foundation for contribution towards CSR.

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Balance Sheet Items:
(Outstanding As on)

Nature of Transaction	(₹ million)			
	Holding Company		Fellow Subsidiary Companies	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Share capital	1,276.1	1,276.1		
Payables	113.6	94.8		
ICICI Lombard General Insurance Company Limited			0.6	0.7
ICICI Prudential Life Insurance Company Limited			0.4	0.1
ICICI Securities Primary Dealership Limited			-	0.2
Fixed assets purchases	0.8	-		
ICICI Prudential Life Insurance Company Limited			-	1.7
ICICI Prudential Asset Management Company Limited			-	1.0
Fixed deposits (₹ 374.2 kept as Collateral security towards bank guarantees) (Previous year ₹ 374.2))	1,492.9	1,717.6		
Accrued interest Income	64.0	59.1		
Bank balance (Net of current liabilities of ₹ 0.8 (Previous year ₹ 0.8))	18,226.0	1,290.4		
Deposit	2.3	2.6		
ICICI Lombard General Insurance Company Limited			0.1	0.1
Loans & advances (including prepaid expenses)	0.6	0.1		
ICICI Lombard General Insurance Company Limited			3.7	5.7
ICICI Prudential Life Insurance Company Limited			2.8	2.5
ICICI Securities Primary Dealership Limited			0.1	0.1
Other assets	0.6	545.9		
Receivables				
ICICI Prudential Life Insurance Company Limited			72.3	17.7
ICICI Lombard General Insurance Company Limited			0.5	1.1
ICICI Prudential Asset Management Company Limited			10.1	22.6
ICICI Home Finance Company Limited			3.9	0.2
ICICI Securities Primary Dealership Limited			3.7	2.1

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Nature of Transaction	(₹ million)			
	Holding Company		Fellow Subsidiary Companies	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
ICICI Venture Funds Management Company Limited			0.6	-
Accrued income	13.1	8.6		
ICICI Lombard General Insurance Company Limited			0.5	0.6
ICICI Prudential Life Insurance Company Limited			-	33.7
ICICI Prudential Asset Management Company Limited			34.5	1.9
ICICI Home Finance Company Limited			0.8	0.1

Key Management Personnel

The details of compensation paid for the year ended March 31, 2019 as below –

Particulars	(₹ million)			
	Shilpa Kumar		Ajay Saraf	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Short term employee benefits	40.2	27.9	31.3	26.1
Post employment benefits*	2.6	3.8	2.0	2.3
Total	42.8	31.7	33.3	28.4

*As the liabilities for gratuity and leave compensation are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the key management personnel is not included above.

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

The Directors have received share options of ICICI Bank Limited and ICICI Securities Limited. The cost of the options granted to the Directors for the year ending March 31, 2019 is ₹ 53.0 million.

The Company has paid ₹ 0.5 million (Previous year ₹ 0.5 million) to the relative of director towards scholarship under employee benefit policy. Also the Company has received brokerage amounting to ₹ 2.1 million (Previous year ₹ 0.1 million) from the key management personnel and ₹ 0.1 million (Previous year ₹ Nil) from relatives of the key management personnel.

During the year ended March 31, 2019, the Company paid dividend amounting to ₹ 0.2 million (Previous year ₹ Nil) to its KMPs and their relatives who are shareholders. This dividend includes final dividend for Financial Year 2018 and interim dividend for Financial Year 2019.

During the year the Company has paid ₹ 3.5 million (Previous year ₹ 3.1 million) sitting fees to the Directors of the Company. The Company also provided for commission for Financial Year 2019 amounting to ₹ 3.0 million (Previous year ₹ 2.0 million) to the Independent Directors of the Company.

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33. CONTINGENT LIABILITIES

A. Tax matters:

	(₹ million)	
	As at March 31, 2019	
	As at March 31, 2018	
Disputed direct tax matters under appeal	960.6	1,046.3
Disputed indirect tax matters under appeal	484.0	156.1

B. Recent Judgement on Provident Fund:

There has been a Supreme Court (SC) judgement dated 28th February, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

Note:

- i. It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.
- ii. The Group's pending litigations comprise of claims against the Group pertaining to proceedings pending with Income Tax, Sales tax/VAT, Service tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.
- iii. The Group does not expect any reimbursements in respect of the above contingent liabilities.

34. CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 45.8 million (March 31, 2018: ₹ 17.3 million).

35. MICRO AND SMALL ENTERPRISES

There are no micro, small and medium enterprises, to which company owes dues, as at March 31, 2019. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 that has been determined to the extent such parties have been identified on the basis of information available with the Company.

36. 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 3 to 7 years. 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 3 to 5 years.

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There are no restrictions placed upon the lessee by entering into these leases (e.g., such as those concerning dividends, additional debt and further leasing).

Lease payments recognized in the statement of profit and loss during the year are as follows:

Particulars	(₹ million)	
	Year ended 31-Mar-19	Year ended 31-Mar-18
Lease rentals	603.1	573.9

Future minimum rentals payable under non-cancellable operating lease as at March 31, 2019 are, as follows:

Particulars	(₹ million)	
	Year ended 31-Mar-19	Year ended 31-Mar-18
Future minimum lease rentals payable		
- Not later than one year	144.5	139.6
- Later than one year but not later than five years	529.7	540.8
- Later than five years	10.5	136.8

Total minimum sublease payments expected to be received under non-cancellable operating subleases for each of the following periods:

Particulars	(₹ million)	
	Year ended 31-Mar-19	Year ended 31-Mar-18
Future minimum lease rentals receivable		
- Not later than one year	17.9	35.0
- Later than one year but not later than five years	-	17.9
- Later than five years	-	-

37. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	(₹ million)				
	April 1, 2018	Cash flows	Changes in fair values	Others*	March 31, 2019
Debt securities	6,724.2	(2,263.5)	-	12.3	4,473.0

Particulars	(₹ million)				
	April 1, 2017	Cash flows	Changes in fair values	Others*	March 31, 2018
Debt securities	3,953.4	2,753.5	-	17.3	6,724.2

*Includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

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38. SHARE BASED PAYMENTS

A. Employees Stock Option Scheme, 2017 (ESOS- 2017)

The Group has formulated the ICICI Securities Limited - Employees Stock Option Scheme, 2017 (ESOS- 2017). This scheme envisaged grant of share options to eligible employees to enhance employee motivation, to enable employees to participate in the long term growth and financial success of the Group and to act as a retention mechanism, by enabling employee participation in the business as an active stakeholder to usher in an 'owner-manager' culture.

The Members of the Group had, at the Extra-ordinary General Meeting held on December 8, 2017, approved the ICICI Securities Limited - Employees Stock Option Scheme, 2017 (ESOS- 2017) Scheme. Pursuant to Regulation 12 of the SEBI Regulations, the Group could not make any fresh grant which involved allotment or transfer of shares to its employees under any scheme formulated prior to its initial public offer and listing of its equity shares, unless such scheme is ratified by the shareholders of the Group. The equity shares of the Group were listed on National Stock Exchange of India Limited and BSE Limited with effect from April 4, 2018 and accordingly, the Scheme alongwith some amendments, was ratified by the shareholders of the Group at the Annual General Meeting held on August 30, 2018. The amendments were done to align the Scheme to ICICI Group norms and market practice. No grants had been made under the Scheme before its ratification.

The scheme is compliant with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014, options are granted by the Board Governance, Remuneration & Nomination Committee (BGRNC) and approved by the Board.

Eligibility as defined in the scheme "ESOS – 2017" means (i) permanent employee of the Group who has been working in India or outside India, or (ii) a director of the Group whether a whole time director or not but excluding an independent director, or (iii) employees of the Subsidiaries of the Group (the 'Subsidiaries'), or (iv) employees of the Holding Group of the Group (the 'Holding Group'). Under this scheme, the maximum number of options granted to any eligible employee/director in a financial year shall not, except with the approval of the Board of Directors of ICICI Securities Limited, exceed 0.10% of the issued shares of the Group at the time of grant of options and the aggregate of all such options granted to the eligible employees shall not exceed 5% of the aggregate of the number of issued shares of the Group, from time to time, on the date(s) of grant of option(s). The options granted but not vested and the options vested but not exercised in accordance with this Scheme or the Award Confirmation or the Vesting Confirmation shall terminate and the shares covered by such terminated options shall become available for future grant under this Scheme.

During the year, the Company granted options to its Directors. The details are as follows:

Scheme	Year	Date of Grant	Number of options granted	Vesting Conditions	Exercise Period	Exercise Price (₹) per share
ESOS -2017	2019	October 19, 2018	176,700	30% of the options would vest on October 19, 2019, 30% of the options would vest on October 19, 2020 and the balance 40% of the options would vest on October 19, 2021.	5 years from date of vesting.	256.55

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The activity in the stock option plan is summarized below:

Scheme	Year	Outstanding at the beginning of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Outstanding at the end of the year	Exercisable at the end of the year
ESOS -2017	2019	Nil	176,700	Nil	Nil	Nil	176,700	Nil

The fair value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with the Black- Scholes options pricing model. The fair value of the options granted in Financial Year 2019 is ₹ 90.08

	Year ended March 31, 2019
Risk free interest rate	7.74% to 7.89%
Expected life of options	3.51 to 5.51 years
Expected volatility	41.94% to 43.71%
Expected dividend yield	3.66%

The period for volatility has to be adequate to represent a consistent trend in price movements. The Company was listed on April 4, 2018. Hence, due to insufficiency of data, the Company has considered market prices of peer companies for calculating volatility.

During the year, ₹ 4.1 million was charged to the profit and loss account in respect of equity-settled share-based payment transactions (March 2018: ₹ Nil).

B. ICICI Bank Employee Stock Option Scheme

During the year, ₹ 60.7 million was charged to the profit and loss account in respect of equity-settled share-based payment transactions (March 2018: ₹ 75.0 million). This expense, which was computed from the fair values of the share-based payment transactions when granted, arose under employee share options made in accordance with the reward structure of ICICI Bank Limited.

The details of the options granted to eligible employees of the Group by ICICI Bank Limited are as follows:

In terms of the ESOS of the Parent Bank, the options are granted to eligible employees and Directors of the Bank and its subsidiaries. As per the ESOS, as amended, the maximum number of options granted to any eligible employees/Directors in a financial year shall not exceed 0.05% of the Parent Bank's issued equity shares at the time of the grant of the options and aggregate of all such options shall not exceed 10% of the aggregate number of the Parent Bank's issued equity shares on the date(s) of the grant of options in line with SEBI Regulations.

Options granted prior to March 2014, vested in a graded manner over a four-year period with 20%, 20%, 30% and 30% of the grants vesting in each year, commencing from the end of 12 months from the date of grant. Options granted after March 2014, vest in a graded manner over a three-year period with 30%, 30% and 40% of the grant vesting in each year, commencing from the end of 12 months from the date of grant.

In April 2016, the Parent bank modified the exercise period from 10 years from the date of grant or five years from the date of vesting, whichever is later, to 10 years from the date of vesting of options. In June 2017, the exercise period was further modified by the Parent Bank to not exceed 10 years from the date of vesting of options as may be determined by the Board Governance, Remuneration & Nomination Committee of the Parent Bank to be applicable for future grants. In May 2018, exercise period was further modified by the Parent Bank to not exceed 5 years from the date of vesting of options as may be determined by the Board Governance, Remuneration & Nomination Committee of the Parent Bank to be applicable for future grants.

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39. SEGMENT INFORMATION

The Group is presenting consolidated financial statements and hence in accordance with Indian Accounting Standard 108 – Segment Reporting, segment information is disclosed in the consolidated financial statements

(a) Description of segment and principal activities

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group’s business is organised into three segments as mentioned below. Segments have been identified and reported taking into account the nature of services, the differing risks and returns and internal financial reporting. The Group has determined the following reporting segments based on information reviewed by the Chief Operating Decision Maker (CODM). The Managing Director and Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Chief Operating Decision-Maker.

Identified business Segments	The business segments comprises
Investment & Trading	Income from treasury, investment income
Broking & Commission	Broking and other related activities, Distribution of third party products like Mutual Fund, Life Insurance, etc. and sales credit for referred business and interest earned on our funds used in brokerage business
Advisory Services	Financial advisory services such as equity-debt issue management services, merger and acquisition advice and other related activities.

Broking and other related activities, distribution of third party products like Mutual Fund, Life Insurance, etc. and sales credit for referred business and interest earned on our funds used in brokerage business are aggregated into one reportable segment being agency nature of business under “Broking & Commission” in accordance with aggregation criteria. Aggregation is done due to the similarities of the products and services provided to the customers, similarities in method used to provide services and regulatory environment.

The Accounting principles and policies adopted in the preparation of the financial statements are also consistently applied to record income/ expenditure and assets/ liabilities in individual segments.

Revenue and expenses directly attributable to segments are reported under each reportable operating segment. Certain revenue and expenses, which form component of total revenue and expenses, are not identifiable to specific reporting segments as the underlying resources are used interchangeably, have been allocated on the reasonable basis to respective segment. Revenue and expenses, which relate to Group as a whole and are not allocable on reasonable basis, have been disclosed under “Unallocated expenses/ income”. Similarly, assets and liabilities in relation to segments are categorised based on items that are individually identifiable to specific reporting segments. Certain assets and liabilities, which form component of total assets and liabilities, are not identifiable to specific reporting segments as the underlying resources are used interchangeably, have been allocated on the reasonable basis to respective segment. Assets and liabilities, which relate to Group as a whole and are not allocable on reasonable basis, have been disclosed under “Unallocated assets/liabilities”.

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(b) Details of operating segments

Following are the disclosures for the three identified segments

(₹ million)

Particulars	Investment & trading		Broking & commission		Advisory services		Unallocated		Total	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
1. Segment Revenue	265.1	287.8	15,807.4	16,882.5	990.6	1,439.8	207.1	-	17,270.2	18,610.1
• Inter Segment Revenue	-	-	-	-	-	-	-	-	-	-
2. Segment Results	136.7	119.7	6,976.0	7,747.7	252.5	656.5	207.1	-	7,572.3	8,523.9
Segment results before income tax include										
• Interest revenue	128.1	93.7	1,663.7	1,480.5	-	-	-	-	1,792.0	1,574.3
• Interest expense	71.3	101.7	341.3	381.7	-	-	-	-	412.6	483.3
• Depreciation and amortization	0.4	0.4	144.4	146.8	4.7	5.8	-	-	149.5	153.0
Other material non cash items										
- Impairment losses on non – financial assets										
- Reversal of impairment losses on non financial assets	-	-	-	-	-	-	-	-	-	-
3. Income Tax expenses (net of deferred tax credit)	-	-	-	-	-	-	2,665.0	2,989.2	2,665.0	2,989.2
4. Net profit after tax (2-3)									4,907.3	5,534.7
5. Segment Assets	3,665.4	1,399.7	40,703.1	25,403.4	233.4	207.7	2,044.0	1,728.2	46,645.9	28,739.0
6. Segment Liabilities	2,537.5	491.9	33,001.2	19,107.3	593.0	662.7	41.5	-	36,173.2	20,261.9
7. Cost of Acquisition of segment assets	2.1	3.8	226.1	207.5	0.1	1.8	-	-	228.3	213.1

(a) Additional information by Geographies

Although the group's operations are managed by products and services, we provide additional information based on geographies.

(₹ million)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue by Geographical Market		
India	16,148.0	17,181.7
Outside India	1,122.2	1,428.4
Total	17,270.2	18,610.1

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	(₹ million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Carrying Amount of Segment Assets		
India	1,872.2	1,593.9
Outside India	2.1	2.7
Total	1,874.3	1,596.6

(b) Revenue from major customers

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of group's total revenue from transactions with any single external customer for the year ended March 31, 2019 and 2018.

40. INCOME TAXES

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

	(₹ million)	
Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Current tax		
In respect of current year	2,722.2	3,130.0
Total (A)	2,722.2	3,130.0
Deferred Tax		
Origination and reversal of temporary differences	(64.4)	(140.8)
Impact of change in tax rate	7.2	-
Total (B)	(57.2)	(140.8)
Income Tax recognised in the statement of Profit and Loss (A+B)	2,665	2,989.2
Income tax expenses recognized in OCI		
Re-measurement of defined employee benefit plans	(40.2)	(24.7)
Income tax relating to items that will not be classified to profit or loss	14.3	8.6
Total	(25.9)	(16.1)

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

	(₹ million)	
Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Profit before tax	7,572.3	8,523.9
Enacted tax rate in India	34.944%	34.608%
Income tax expenses calculated (Refer Note below)	2,646.1	2,950.0
Tax effect of non deductible expenses	84.6	195.5
Effect of income that is exempt	(1.7)	(1.0)
Effect on different tax rates in the components	(6.8)	(14.5)
Total tax expenses as per profit and loss	2,722.2	3,130.0

The applicable Indian corporate statutory tax rate for the year ended March 31, 2019 and March 31, 2018 is 34.944% and 34.608% respectively. The increase in corporate statutory tax rate to 34.944% is consequent to changes made in the Finance Act, 2018. Amount reflecting in the foreign jurisdiction represents state and city taxes paid by the company. In case of foreign subsidiaries, current year's profit has been set off against brought forward losses and hence there is no federal tax expense for year under consideration.

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C. Movement of deferred tax assets and liabilities

As at March 31, 2019

	(₹ million)				
Movement during the year ended March 31, 2019	As at April 1, 2018	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	Exchange difference	As at March 31, 2019
Difference between book and tax depreciation	58.6	(1.7)	-		56.9
Allowance for doubtful debts and advances	46.5	9.9	-		56.4
Provisions for expenses allowed for tax when actually paid	385.6	15.2	-		400.8
Fair value gain/(loss) on investments	(3.6)	1.2	-		(2.4)
Provision for post-retirement benefit	161.5	21.0	14.3		196.8
Other temporary differences	17.5	(5.9)	-		11.6
Unused tax losses of Subsidiary	-	17.5		(0.1)	17.4
Net deferred tax assets/(liabilities)	666.1	57.2	14.3	(0.1)	737.5

As at March 31, 2018

	(₹ million)				
Movement during the year ended March 31, 2018	As at April 1, 2017	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	Exchange difference	As at March 31, 2018
Difference between book and tax depreciation	44.1	14.5	-		58.6
Allowance for doubtful debts and advances	25.5	20.1	-		46.5
Provisions for expenses allowed for tax when actually paid	315.3	70.3	-		385.6
Fair value gain/(loss) on investments	(2.5)	(1.1)	-		(3.6)
Provision for post-retirement benefit	125.0	27.9	8.6		161.5
Other temporary difference	9.3	8.2	-		17.5
Net deferred tax assets/(liabilities)	516.7	140.8	8.6	-	666.1

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D. The Company has the following unused tax losses for which no deferred tax asset has been recognised in the Balance Sheet.

(₹ million)					
Particulars	Financial Year	As at March 31, 2019	Expiry Date	As at March 31, 2018	Expiry Date
Business Loss	2007-2008	115.8	March 31, 2028	210.0	March 31, 2028
Business Loss	2008-2009	203.5	March 31, 2029	203.5	March 31, 2029
Business Loss	2009-2010	47.4	March 31, 2030	47.4	March 31, 2030
Business Loss	2010-2011	40.9	March 31, 2031	40.9	March 31, 2031
Business Loss	2012-2013	53.9	March 31, 2033	53.9	March 31, 2033
Capital Loss	2012-2013	0.7*	March 31, 2021	0.7*	March 31, 2021
Business Loss	2016-2017	22.1	March 31, 2037	22.1	March 31, 2037
Total		484.3		578.5	

* 0.7 is capital loss as per Indian Income Tax Act. Rest all the losses are as per US Federal Tax Law which can be carried forward for 20 years.

41. EMPLOYEE BENEFITS

Gratuity

Governance of the Plan:

The Group has setup an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan.

Funding arrangements and Policy

The money contributed by the Group to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance Group. The insurance Group in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively. There is no compulsion on the part of the Group to fully pre fund the liability of the Plan. Group's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of underfunding of the plan. The expected contribution payable to the plan next year is INR 20,000,000.

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

(₹ million)			
Sr. No	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Reconciliation of defined benefit obligation (DBO) :			
Change in Defined Benefit Obligation			
(i)	Opening defined benefit obligation	468.3	398.7
(ii)	Current Service cost	61.6	54.2
(iii)	Past service cost	-	1.4
(iv)	Interest cost	31.1	24.3
(v)	Actuarial (gain) / loss from changes in financial assumptions	10.0	(14.5)

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		(₹ million)	
Sr. No	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(vi)	Actuarial (gain) / loss from changes in demographic assumptions	5.4	5.3
(vii)	Actuarial (gain) / loss on account of experience changes	25.7	34.5
(viii)	Benefits paid	(34.2)	(48.7)
(ix)	Liabilities assumed on inter Group transfer	1.1	13.0
(x)	Closing defined benefit obligation	569.0	468.3
	Movement in Plan assets		
(i)	Opening fair value of plan assets	6.3	40.5
(ii)	Return on plan assets	0.0	0.9
(iii)	Actual return on plan assets less interest on plan assets	0.9	0.6
(iv)	Contributions by employer	35.0	-
(v)	Assets acquired / (settled)	1.2	13.0
(vi)	Benefits paid	(34.2)	(48.7)
	Closing fair value of plan assets	9.2	6.3
	Balance sheet		
	Net asset / (liability) recognised in the balance sheet:		
(i)	Present value of the funded defined benefit obligation	569.0	468.2
(ii)	Fair value of plan assets at the end of the year	9.2	6.3
	Liability recognized in the balance sheet (i-ii)	559.8	461.9
	Statement of profit and loss		
	Expenses recognised in the Statement of Profit and Loss:		
(i)	Current Service cost	61.6	54.2
(ii)	Interest on net defined benefit obligation	31.1	23.5
(iii)	Past Service Cost	-	1.4
	Total included in 'Employee benefits expense (i+ii+iii)	92.7	79.1

		(₹ million)	
Particulars		Year Ended March 31, 2019	Year Ended March 31, 2018
	Statement of other Comprehensive Income (OCI)		
	Opening amount recognised in OCI outside statement of profit and loss	75.8	51.1
	Remeasurements during the period due to		
	- changes in financial assumptions	10.0	(14.5)
	- changes in demographic assumptions	5.4	5.3
	- Experience adjustment	25.7	34.5
	- Annual return on plan assets less interest on plan assets	(0.9)	(0.6)
	Closing amount recognised in OCI outside statement of profit and loss	116.0	75.8

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Particulars	(₹ million)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Assumptions used for Gratuity		
Interest rate (p.a.)	7.00%	7.30%
Salary escalation rate (p.a.)	7.00%	7.00%
Estimated rate of return on plan assets (p.a.)	8.00%	8.00%

Sensitivity Analysis

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the change in defined benefit obligation and impact in percentage terms compared with the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	Discount Rate	Salary Escalation rate
Defined Benefit obligation on increase in 50 bps	552.5	586.3
Impact of increase in 50 bps on DBO	-2.91%	3.04%
Defined Benefit obligation on decrease in 50 bps	586.5	552.4
Impact of decrease in 50 bps on DBO	3.07%	-2.91%

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

Investment details of plan assets

Particulars	(₹ million)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Insurer managed funds	8.7	8.7
Others	0.5	0.5
Reconciliation of plan assets during the inter-valuation period		
Opening fair value of plan assets	6.3	40.5
Employer contributions	35.0	0
Settlements from the Fund	(34.2)	(48.7)
Interest accrued to the Fund	0.9	0.9
Actual return on plan assets less interest on plan assets	-	0.6
Assets acquired / (settled)	1.2	13.0
Closing fair value of plan assets	9.2	6.3

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Projected plan cash flow:

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Maturity profile	₹
Expected benefits for year 1	92,122,394
Expected benefits for year 2	75,818,833
Expected benefits for year 3	68,098,557
Expected benefits for year 4	63,118,108
Expected benefits for year 5	85,839,673
Expected benefits for year 6	48,905,860
Expected benefits for year 7	46,329,886
Expected benefits for year 8	49,688,644
Expected benefits for year 9	62,853,993
Expected benefits for year 10 and above	346,392,610

The weighted average duration to the payment of these cash flows is 5.97 years

The Group has made a provision towards gratuity for its employees of the Oman Branch amounting to ₹ 3.1 million (Previous year ₹ 4.6 million)

Compensated Absence

The liability towards compensated absences for the year ended March 31, 2019 is based on actuarial valuation carried out by using the projected unit credit method.

Assumptions	(₹ million)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest rate (p.a.)	7.00%	7.30%
Salary escalation rate (p.a.)	7.00%	7.00%

Long Term Incentive Plan

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

Assumptions	(₹ million)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest rate (p.a.)	6.65%	6.80%

Interest rate assumption in case of subsidiary is 2.25% (Previous year 2.20%)

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42. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group is engaged in the business of retail and institutional broking, distribution of financial products and investment banking. In accordance with Ind AS 115, Revenue from Contracts with Customers, the revenue is accounted in the following manner for each head: -

A) Brokerage income:

The Group is providing trade execution and settlement services to the customers in retail and institutional segment. There is only one performance obligation of execution of the trade and settlement of the transaction which is satisfied at a point in time. The brokerage charged is the transaction price and is recognised as revenue on trade date basis. Related receivables are generally recovered in a period of 2 days as per the settlement cycle. Amount not recovered and which remain overdue for a period exceeding 90 days, are provided for.

B) Income from service:

Income from service consists of income from distribution of financial products and income from investment banking activities (advisory income).

1) Distribution of financial products:

The Group distributes various financial products and other services to the customers on behalf of third party i.e. the Group acts as an intermediary for distribution of financial products and services. The Group executes contracts with the Principal, viz AMC's, Mutual Funds, Bank, Insurance Group etc. to procure customers for its products. As a consideration, the Group earns commission income from the third parties for the distribution of their financial products. The commission is accounted net of claw back if any, due to non-fulfilment of contract by the customer with the principal. The customer obtains control of the service on the date when customer enters into a contract with principal and hence subscription or contract date is considered as the point in time when the performance obligation has been satisfied. In case of continuing services, the same are recognised over a period of time.

The Group also conducts

- a. education training programs
- b. Provide financial planning services to its customers.

The Group recognizes the revenue on completion of the performance obligation either on point in time or over a period of time, as the case may be.

In case of third party financial products, transaction price is determined as per contract and mutual terms agreed between the parties. The commission is a percentage of transaction value.

The distribution fee earned from the following products contributed to a major proportion of overall fee earned from distribution of financial products in Financial Year 2019.

- i. Mutual funds
- ii. Life insurance policies
- iii. Portfolio management products

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2) Advisory income:

The Company provides investment banking services to its customers and earns revenue in the form of advisory fees on issue management services, mergers and acquisitions, debt syndication, sale of business etc.

In case of these advisory transactions, the performance obligation and its transaction price is enumerated in contract with the customer. For arrangements with a fixed term, the Company may commit to deliver services in the future. Revenue associated with these remaining performance obligations typically depends on the occurrence of future events or underlying asset values, and is not recognized until the outcome of those events or values are known. In case of contracts, which have a component of success fee or variable fee the same is considered in the transaction price when the uncertainty regarding the consideration is resolved.

The Company has used practical expedient and have not disclosed the amount of remaining performance obligations since its contract with customers have duration of less than one year.

Contract Liability relates to payments received in advance of performance under the contract. Contract Liabilities are recognized as revenue on completing the performance obligation.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period and the movement thereof: -

Nature of contract	(₹ million)					
	Opening Balance		Revenue recognised during the year		Closing Balance	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Financial Planning Services	3.8	5.8	77.8	52.4	50.8	3.8
Training Fees	10.0	-	49.9	73.9	25.2	10.0
Signing Fee	5.0	3.0	5.0	3.0	13.3	5.0
Prepaid Brokerage	2,320.5	2,012.0	1,064.5	1,329.4	2,610.3	2,320.5

Reconciliation of amount of revenue recognised in the statement of profit and loss with the contracted price.

Particulars	(₹ million)	
	2018-19	2017-18
Revenue from the Contracts (as per Contract)	15,790.4	17,620.6
Less :		
- Discounts/Incentive to Customers	729.3	825.4
Revenue from the Contracts (as per Statement of Profit and Loss)	15,061.1	16,795.2

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43. FINANCIAL INSTRUMENTS

Refer to financial instruments by category table below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

The carrying value of financial instruments by categories as of March 31, 2019 is as follows:

	(₹ million)				
	Amortised cost	Fair value through P&L	Fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	18,841.1	-	-	18,841.1	18,841.1
Other balances with banks	12,645.2	-	-	12,645.2	12,645.2
Securities for trade	-	2,563.1	-	2,563.1	2,563.1
Trade receivables	4,769.8	-	-	4,769.8	4,769.8
Loans	4,032.7	-	-	4,032.7	4,032.7
Investments	-	28.5	-	28.5	28.5
Other financial assets	816.4	-	-	816.4	816.4
Total	41,105.2	2,591.6	-	43,696.8	43,696.8
Liabilities:					
Derivative financial instruments	-	17.0	-	17.0	17.0
Trade payables	23,362.0	-	-	23,362.0	23,362.0
Debt Securities	4,473.0	-	-	4,473.0	4,473.0
Deposits	45.3	-	-	45.3	45.3
Other financial liabilities	2,284.9	-	-	2,284.9	2,284.9
Total	30,165.2	17.0	-	30,182.2	30,182.2

The carrying value of financial instruments by categories as of March 31, 2018 is as follows:

	(₹ million)				
	Amortised cost	Fair value through P&L	Fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	1,770.7	-	-	1,770.7	1,770.7
Other balances with banks	13,689.0	-	-	13,689.0	13,689.0
Securities for trade	-	379.7	-	379.7	379.7
Trade receivables	3,101.0	-	-	3,101.0	3,101.0
Loans	5,782.3	-	-	5,782.3	5,782.3
Investments	-	39.2	-	39.2	39.2
Other financial assets	1,213.7	-	-	1,213.7	1,213.7
Total	25,556.7	418.9	-	25,975.6	25,975.6

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	(₹ million)				
	Amortised cost	Fair value through P&L	Fair value through OCI	Total carrying value	Total fair value
Liabilities:					
Derivative financial instruments	-	1.6	-	1.6	1.6
Trade payables	6,116.8	-	-	6,116.8	6,116.8
Debt Securities	6,724.2	-	-	6,724.2	6,724.2
Deposits	47.0	-	-	47.0	47.0
Other financial liabilities	1,628.1	-	-	1,628.1	1,628.1
Total	14,516.1	1.6	-	14,517.7	14,517.7

The carrying value of financial instruments by categories as of April 1, 2017 is as follows:

	(₹ million)				
	Amortised cost	Fair value through P&L	Fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents	1,206.3	-	-	1,206.3	1,206.3
Other balances with banks	8,701.2	-	-	8,701.2	8,701.2
Securities for trade	-	315.1	-	315.1	315.1
Trade receivables	7,090.3	-	-	7,090.3	7,090.3
Loans	49.6	-	-	49.6	49.6
Investments	-	44.6	-	44.6	44.6
Other financial assets	795.1	-	-	795.1	795.1
Total	17,842.5	359.7	-	18,202.2	18,202.2
Liabilities:					
Derivative financial instruments	-	5.6	-	5.6	5.6
Trade payables	4,863.3	-	-	4,863.3	4,863.3
Debt Securities	3,953.4	-	-	3,953.4	3,953.4
Deposits	33.2	-	-	33.2	33.2
Other financial liabilities	1,824.1	-	-	1,824.1	1,824.1
Total	10,674.0	5.6	-	10,679.6	10,679.6

Fair value hierarchy:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The investments included in level 1 of fair value hierarchy have been valued using quoted prices for identical instruments in an active market. The investments included in level 2 of fair value hierarchy have been valued using valuation techniques based on observable market data. The investments included in Level 3 of fair value hierarchy have been valued using the income approach and break-up value to arrive at their fair value. There is no movement from between Level 1, Level 2 and Level 3. There is no change in Inputs use for measuring Level 3 fair value.

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The following table summarises financial instruments measured at fair value on recurring basis:

				(₹ million)
As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial instruments :				
Derivatives	17.0	-	-	17.0
Mutual fund units	-	1.1	-	1.1
Equity shares	31.7	-	21.5	53.2
Debt Securities	818.6	1,718.7	-	2,537.3
Total	867.3	1,719.8	21.5	2,608.6

				(₹ million)
As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial instruments :				
Derivatives	1.6	-	-	1.6
Equity shares	38.6	-	30.6	69.2
Debt Securities	304.3	45.4	-	349.7
Total	344.5	45.4	30.6	420.5

				(₹ million)
As at April 1, 2017	Level 1	Level 2	Level 3	Total
Financial instruments :				
Derivatives	5.6	-	-	5.6
Mutual fund units	-	0.7	-	0.7
Equity shares	17.9	-	26.7	44.6
Debt Securities	314.4	-	-	314.4
Total	337.9	0.7	26.7	365.3

Movements in Level 3 financial instruments measured at fair value.

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value.

		(₹ million)	
Particulars	March 31, 2019	March 31, 2018	
Opening Balance	30.6	26.7	
Purchase	-	-	
Less: Sales	-	-	
Add: Gain / (Loss)	(9.1)	3.9	
Transfer in Level 3	-	-	
Less: Transfer from Level 3	-	-	
Closing Balance	21.5	30.6	

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Financial assets subject to offsetting, netting arrangements

Exchange settlement obligations (disclosed as a part of trade receivable) are subject to netting as the Company intends to settle it on a net basis. The table below presents the gross balances of asset and liability.

(₹ million)

Particulars	Effects on Balance sheet		
	Gross Amount (Asset)	Gross amount set off in the balance sheet	Net amount presented in the balance sheet
Exchange Settlement Obligations			
At March 31, 2019	3,391.3	79.7	3,311.6
At March 31, 2018	1,386.6	255.3	1,131.3
At April 1, 2017	1,288.6	143.5	1,145.1

There are no instruments which are eligible for netting and not netted off.

Financial risk management

Risk management framework

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

The Company has exposure to the following risk arising from financial instruments:

- a) Credit risk
- b) Liquidity risk
- c) Market risk

The Company has established various policies with respect to such risks which set forth limits, mitigation strategies and internal controls to be implemented by the three lines of defence approach provided below. The Board oversees the Company's risk management and has constituted a Risk Management Committee ("RMC"), which frames and reviews risk management processes and controls.

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

1. The first line of defence comprises its operational departments, which assume primary responsibility for their own risks and operate within the limits stipulated in various policies approved by the Board or by committees constituted by the Board.
2. The second line of defence comprises specialised departments such as risk management and compliance. They employ specialised methods to identify and assess risks faced by the operational departments and provide them with specialised risk management tools and methods, facilitate and monitor the implementation of effective risk management practices, develop monitoring tools for risk management, internal control and compliance, report risk related information and promote the adoption of appropriate risk prevention measures.
3. The third line of defense comprises the internal audit department and external audit functions. They monitor and conduct periodic evaluations of the risk management, internal control and compliance activities to ensure the adequacy of risk controls and appropriate risk governance, and provide the Board with comprehensive feedback.

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a) Credit risk:

It is risk of financial loss that the Company will incur a loss because its customer or counterparty to financial instruments fails to meet its contractual obligation.

The Company's financial assets comprise of Cash and bank balance, Securities for trade, Trade receivables, Loans, Investments and Other financial assets which comprise mainly of deposits and unbilled revenues.

The maximum exposure to credit risk at the reporting date is primarily from Company's trade receivable and loans.

Following is the exposure to the credit risk for trade receivables and loans:

Particulars	(₹ million)		
	March 31, 2019	March 31, 2018	April 1, 2017
Trade and Other Debtors (net of impairment)	4,769.8	3,101.0	7,090.3
Loans (net of impairment)	4,032.7	5,782.3	49.6
Total	8,799.4	8,880.5	7,137.0

Trade Receivables: The Company has followed simplified method of ECL in case of Trade receivables and the Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses the impairment requirements.

Based on the industry practices and business environment in which the entity operates, management considers that the trade receivables are in default if the payment is more than 90 days overdue. Out of the total trade receivables of ₹ 4,919.4 million (previous year ₹ 3,221.8 million) ₹ 149.6 million (previous year ₹ 120.8 million) are overdue for a period in excess of 90 days. Probability of default (PD) on this balance is considered at 100% and treated as credit impaired.

Loans: Loans comprise of margin trade funding and ESOP funding for which a staged approach is followed for determination of ECL.

Stage 1: All Open positions in the MTF and ESOP loan book are considered as stage 1 assets for computation of expected credit loss. Exposure at default (EAD) for stage 1 assets is computed considering different scenarios of market movements based on an analysis of historical price movements of the index and macro-economic environment.

Stage 2: Exposures under stage 2 include dues upto 30 days pertaining to principal amount on closed positions and interest on all open positions of MTF and ESOP loan book.

Stage 3: Exposures under stage 3 include dues past 30 days pertaining to principal amount on closed positions and interest on all open positions of MTF and ESOP loan book.

Based on historical data, the company assigns PD to stage 1 and stage 2 and applies it to the EAD to compute the ECL. For Stage 3 assets PD is considered as 100%.

Notes

to consolidated financial statements for the year ended March 31, 2019

Following table provides information about exposure to credit risk and ECL on Loan

Bucketing (Stage)	(₹ million)					
	March 31, 2019		March 31, 2018		April 1, 2017	
	Carrying Value	ECL	Carrying Value	ECL	Carrying Value	ECL
Stage 1	4,029.1	0.1	5,775.5	0.2	49.6	-
Stage 2	4.44	0.7	7.6	0.6	-	-
Stage 3	1.9	1.9	3.8	3.8	-	-
Total	4,035.4	2.7	5,786.9	4.6	49.6	-

Movements in the allowances for impairment in respect of trade receivables and loans is as follows:

Particulars	(₹ million)	
	March 31, 2019	March 31, 2018
Opening Balance	125.3	64.8
Amount written off	(22.3)	(12.6)
Net remeasurement of loss allowance	49.3	73.1
Closing Balance	152.3	125.3

Other financial assets considered to have a low credit risk:

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments comprise of Quoted Equity instruments, Bonds, Mutual Funds and Commercial papers which are traded actively in the market. Other financial assets include deposits for assets acquired on lease and with qualified clearing counterparties and exchanges as per the prescribed statutory limits.

b) Liquidity risk

Liquidity represents the ability of the Company to generate sufficient cash flow to meet its financial obligations on time, both in normal and in stressed conditions, without having to liquidate assets or raise funds at unfavourable terms thus compromising its earnings and capital.

Liquidity risk is the risk that the Company may not be able to generate sufficient cash flow at reasonable cost to meet expected and/or unexpected claims. It arises in the funding of lending, trading and investment activities and in the management of trading positions.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflow on financial liabilities.

Funds required for short period is taken care by borrowings through issuing commercial paper and utilizing overdraft facility from ICICI Bank

Notes

to consolidated financial statements for the year ended March 31, 2019

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at March 31, 2019.

	(₹ million)				
Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total Carrying Amount
Assets					
Cash and bank balances	26,420.0	4,617.8	436.7	11.8	31,486.3
Securities for Trade	2,563.1	-	-	-	2,563.1
Trade receivables	4,769.8	-	-	-	4,769.8
Loans	3,626.4	228.3	178.0	-	4,032.7
Investments	-	-	-	28.5	28.5
Other financial assets	485.2	15.8	61.1	254.3	816.4
Total	37,864.5	4,861.9	675.8	294.6	43,696.8
Liabilities					
Derivative financial instruments	17.0	-	-	-	17.0
Trade Payables	23,362.0	-	-	-	23,362.0
Debt Securities	4,473.0	-	-	-	4,473.0
Deposits	-	-	45.3	-	45.3
Other Financial Liabilities	2,284.9	-	-	-	2,284.9
Total	30,136.9	-	45.3	-	30,182.2
Net excess / (shortfall)	7,727.6	4,861.9	630.5	294.6	13,514.6

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at March 31, 2018.

	(₹ million)				
Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total Carrying Amount
Assets					
Cash and bank balances	8,634.5	6,791.0	23.1	11.1	15,459.7
Securities for Trade	379.7	-	-	-	379.7
Trade receivables	3,101.0	-	-	-	3,101.0
Loans	5,666.7	87.3	28.3	-	5,782.3
Investments	-	-	-	39.2	39.2
Other financial assets	945.7	16.3	47.0	204.7	1,213.7
Total	18,727.6	6,894.6	98.4	255.0	25,975.6
Liabilities					
Derivative financial instruments	1.6	-	-	-	1.6
Trade Payables	6,116.8	-	-	-	6,116.8
Debt Securities	6,724.2	-	-	-	6,724.2
Deposits	-	-	47.0	-	47.0
Other Financial Liabilities	1,628.1	-	-	-	1,628.1
Total	14,470.7	-	47.0	-	14,517.7
Net excess / (shortfall)	4,256.9	6,894.6	51.4	255.0	11,457.9

Notes

to consolidated financial statements for the year ended March 31, 2019

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at April 1, 2017.

	(₹ million)				
Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total Carrying Amount
Assets					
Cash and bank balances	4,966.3	4,129.7	803.1	8.4	9,907.5
Securities for Trade	315.1	-	-	-	315.1
Trade receivables	7,090.3	-	-	-	7,090.3
Loans	-	-	49.6	-	49.6
Investments	-	-	-	44.6	44.6
Other financial assets	588.3	-	35.8	171.0	795.1
Total	12,960.0	4,129.7	888.5	224.0	18,202.2
Liabilities					
Derivative financial instruments	5.6	-	-	-	5.6
Trade Payables	4,863.3	-	-	-	4,863.3
Debt Securities	3,953.4	-	-	-	3,953.4
Deposits	-	-	33.2	-	33.2
Other Financial Liabilities	1,824.1	-	-	-	1,824.1
Total	10,646.4	-	33.2	-	10,679.6
Net excess / (shortfall)	2,313.6	4,129.7	855.3	224.0	7,522.6

c) Market risk

Market risk arises when movements in market factors (foreign exchange rates, interest rates, credit spreads and equity prices) impact the Company's income or the market value of its portfolios. The Company, in its course of business, is exposed to market risk due to change in equity prices, interest rates and foreign exchange rates. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns. The Company classifies exposures to market risk into either trading or non-trading portfolios. Both the portfolios are managed using the following sensitivity analyses:

- i) Equity Price Risk
- ii) Interest Rate Risk
- iii) Currency Risk

Notes

to consolidated financial statements for the year ended March 31, 2019

Total market risk exposure:

(₹ million)

	March 31, 2019			Primary risk sensitivity
	Carrying amount	Traded risk	Non traded risk	
Assets				
Cash and cash equivalent and other bank balances	31,486.3	-	31,486.3	
Financial assets at FVTPL	2,591.6	2,563.1	28.5	Interest rate, Equity Price and Currency
Trade Receivables	4,769.8	-	4,769.8	Currency and Equity Price
Loans	4,032.7	-	4,032.7	Equity Price
Other Financial assets at amortised cost	816.4	-	816.4	
Total	43,696.9	2,563.1	41,133.7	
Liabilities				
Derivative financial instruments	17.0	17.0	-	Currency and Equity Price
Trade payable	23,362.0	-	23,362.0	Currency and Equity Price
Debt Securities	4,473.0	-	4,473.0	
Deposits	45.3	-	45.3	
Other financial liabilities	2,284.9	-	2,284.9	
Total	30,211.4	17.0	30,194.4	

(₹ million)

	March 31, 2018			Primary risk sensitivity
	Carrying amount	Traded risk	Non traded risk	
Assets				
Cash and cash equivalent and other bank balances	15,459.8	-	15,459.8	
Financial assets at FVTPL	418.9	379.7	39.2	Interest rate, Equity Price and Currency
Trade Receivables	3,101.0	-	3,101.0	Currency and Equity Price
Loans	5,782.3	-	5,782.3	Equity Price
Other Financial assets at amortised cost	1,213.7	-	1,213.7	
Total	25,975.7	379.7	25,595.9	
Liabilities				
Derivative Financial instruments	1.6	1.6	-	Currency and Equity Price
Trade payable	6,116.8	-	6,116.8	Currency and Equity Price
Debt Securities	6,724.2	-	6,724.2	
Deposits	47.0	-	47.0	
Other financial liabilities	1,628.1	-	1,628.1	
Total	14,517.7	1.6	14,516.1	

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to consolidated financial statements for the year ended March 31, 2019

(₹ million)

	April 1, 2017			Primary risk sensitivity
	Carrying amount	Traded risk	Non traded risk	
Assets				
Cash and cash equivalent and other bank balances	9,907.6	-	9,907.6	
Financial assets at FVTPL	359.7	315.1	44.6	Interest rate, Equity Price and Currency
Trade Receivables	7,090.3	-	7,090.3	Currency and Equity Price
Loans	49.6	-	49.6	Equity Price
Other Financial assets at amortised cost	795.1	-	795.1	
Total	18,202.2	315.1	17,887.1	
Liabilities				
Derivative Financial instruments	5.6	5.6	-	Currency and Equity Price
Trade payable	4,863.3	-	4,863.3	Currency and Equity Price
Debt Securities	3,953.4	-	3,953.4	
Deposits	33.2	-	33.2	
Other financial liabilities	1,824.1	-	1,824.1	
Total	10,679.6	5.6	10,674.0	

i) Equity Price Risk

The Company's exposure to equity price risk arises primarily on account of its proprietary positions and on account of margin-based positions of its clients in equity cash and derivative segments.

The Company's equity price risk is managed in accordance with its Corporate Risk and Investment Policy (CRIP) approved by its Risk Management Committee. The CRIP specifies exposure limits and risk limits for the proprietary desk of the Company and stipulates risk-based margin requirements for margin-based trading in equity cash and derivative segment by its clients.

The below sensitivity depicts a scenario where a 10% movement in equity prices, everything else remaining constant, would result in an exchange obligation for both Traded and Non-traded (client) positions and their impact on statement of profit and loss account considering that the entire shortfall would be made good by the Company.

(₹ million)

	Impact on statement of profit and loss	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Equity Prices up by 10%	(5.7)	(18.5)
Equity Prices down by 10%	(104.5)	(142.8)

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to consolidated financial statements for the year ended March 31, 2019

ii) Interest Rate Risk

The Company's exposure to interest rate risk arises primarily on account of its proprietary positions and on account of margin based positions of its clients in exchange traded interest rate derivatives on government securities.

The Company's interest rate risk is managed in accordance with its CRIP approved by its Risk Management Committee. The CRIP specifies exposure limits and risk limits for the proprietary desk of the Company and stipulates risk-based margin requirements for margin based trading in interest rate derivatives by its clients.

As at March 31, 2019 and March 31, 2018 a parallel shift of 2.50% in the yield curve would result in the following impact on the statement of profit and loss.

	(₹ million)	
	Impact on statement of profit and loss	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Parallel upward shift of 2.50%	(113.5)	(17.5)
Parallel downward shift of 2.50%	128.3	18.7

The non-traded Financial Assets and liabilities are fixed rate instruments and are valued at amortised cost. Any shifts in yield curve will not impact their carrying amount and will therefore not have any impact on the Company's statement of profit and loss.

iii) Foreign Exchange Risk/Currency Risk

The Company's exposure to currency risk arises primarily on account of its proprietary positions and on account of margin positions of its clients in exchange traded currency derivatives.

The fluctuations in foreign currency may also affect statement of profit and loss, other comprehensive income and equity as the Company also operates in US and Singapore through its subsidiaries.

The Company's currency risk is managed in accordance with its CRIP, approved by its Risk Management Committee. The CRIP specifies gross open position limit and risk limits for the proprietary desk of the Company and stipulates risk-based margin requirements for margin based trading in currency derivatives by its clients.

As at March 31, 2019 and March 31, 2018, an appreciation/depreciation of 15% of Indian Rupee against all the currencies would result in the following impact on the statement of profit and loss.

	(₹ million)	
	Impact on statement of profit and loss	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of 15%	(27.4)	(63.8)
Appreciation of 15%	(55.4)	(7.8)

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to consolidated financial statements for the year ended March 31, 2019

The table below indicates the currencies to which the Company had significant exposure at the end of the reported periods for the non-traded component. The analysis calculates the effect of a reasonably possible movement of the currency rate against the INR (all other variables being constant) on the statement of profit and loss.

		(₹ million)	
Currency	Change in currency rate in %	Impact on statement of profit and loss	
		For the year ended March 31, 2019	For the year ended March 31, 2018
USD	Depreciation of 15%	1.0	4.0
	Appreciation 15%	(1.0)	(4.0)
JPY	Depreciation of 15%	1.1	-
	Appreciation 15%	(1.1)	-

44. MATURITY ANALYSIS

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

	As at March 31, 2019	Within 12 months	(₹ million) After 12 months
Assets			
Financial Assets			
Cash and cash equivalents	18,841.1	18,841.1	-
Bank balance other than (a) above	12,645.2	12,196.7	448.5
Derivative financial instruments	-	-	-
Securities for trade	2,563.1	2,563.1	-
Receivables			
(I) Trade receivables	4,769.8	4,769.8	-
(II) Other receivables	-	-	-
Loans	4,032.7	3,854.7	178.0
Investments	28.5	-	28.5
Other financial assets	816.4	501.0	315.4
	43,696.8	42,726.4	970.4
Non-financial Assets			
Current tax assets (net)	1,306.5	-	1,306.5
Deferred tax assets (net)	737.5	-	737.5
Property, plant and equipment	294.8	-	294.8
Capital work-in-progress	12.4	-	12.4
Intangible assets under development	27.4	-	27.4
Other intangible assets	141.0	-	141.0
Other non-financial assets	429.5	429.5	-
	2,949.1	429.5	2,519.6
Total Assets	46,645.9	43,155.9	3,490.0

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to consolidated financial statements for the year ended March 31, 2019

	As at March 31, 2019	Within 12 months	After 12 months
(₹ million)			
Liabilities			
Financial liabilities			
Derivative financial instruments	17.0	17.0	-
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	23,362.0	23,362.0	-
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Debt securities	4,473.0	4,473.0	-
Borrowings (Other than debt securities)	-	-	-
Deposits	45.3	-	-
Other financial liabilities	2,284.9	2,284.9	45.3
	30,182.2	30,136.9	45.3
Non-financial Liabilities			
Current tax liabilities (net)	41.5	41.5	-
Provisions	663.6	115.4	548.2
Other non-financial liabilities	5,285.9	4,626.9	659.0
	5,991.0	4,783.8	1,207.2
Total Liabilities	36,173.2	34,920.7	1,252.5
Net	10,472.7	8,235.2	2,237.5

	As at March 31, 2018	Within 12 months	After 12 months
(₹ million)			
Assets			
Financial Assets			
Cash and cash equivalents	1,770.7	1,770.7	-
Bank balance other than (a) above	13,689.0	13,654.8	34.2
Derivative financial instruments	-	-	-
Securities for trade	379.7	379.7	-
Receivables			
(I) Trade receivables	3,101.0	3,101.0	-
(II) Other receivables	-	-	-
Loans	5,782.3	5,754.0	28.3
Investments	39.2	-	39.2
Other financial assets	1,213.7	962.0	251.7
	25,975.6	25,622.2	353.4

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	As at March 31, 2018	Within 12 months	(₹ million) After 12 months
Non-financial Assets			
Current tax assets (net)	1,062.1	-	1,062.1
Deferred tax assets (net)	666.1	-	666.1
Property, plant and equipment	297.0	-	297.0
Capital work-in-progress	15.1	-	15.1
Intangible assets under development	23.8	-	23.8
Other intangible assets	85.4	-	85.4
Other non-financial assets	613.9	613.9	-
	2,763.4	613.9	2,149.5
Total Assets	28,739.0	26,236.1	2,502.9
Liabilities			
Financial liabilities			
Derivative financial instruments	1.6	1.6	-
Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,116.8	6,116.8	-
(II) Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Debt securities	6,724.2	6,724.2	-
Borrowings (Other than debt securities)	-	-	-
Deposits	47.0	-	47.0
Other financial liabilities	1,628.1	1,628.1	-
	14,517.7	14,470.7	47.0
Non-financial Liabilities			
Current tax liabilities (net)	-	-	-
Provisions	534.7	107.0	427.7
Other non-financial liabilities	5,209.5	4,495.5	714.0
	5,744.2	4,602.5	1,141.7
Total Liabilities	20,261.9	19,073.2	1,188.7
Net	8,477.1	7,162.9	1,314.2

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to consolidated financial statements for the year ended March 31, 2019

	As at	Within	(₹ million)
	April 1, 2017	12 months	After
			12 months
Assets			
Financial Assets			
Cash and cash equivalents	1,206.3	1,206.3	-
Bank balance other than (a) above	8,701.2	7,889.7	811.5
Derivative financial instruments	-	-	-
Securities for trade	315.1	315.1	-
Receivables			-
(I) Trade receivables	7,090.3	7,090.3	-
(II) Other receivables	-		-
Loans	49.6	-	49.6
Investments	44.6	-	44.6
Other financial assets	795.1	588.3	206.8
	18,202.2	17,089.7	1,112.5
Non-financial Assets			
Current tax assets (net)	971.0	-	971.0
Deferred tax assets (net)	516.8	-	516.8
Property, plant and equipment	241.9	-	241.9
Capital work-in-progress	0.5	-	0.5
Intangible assets under development	27.9	-	27.9
Other intangible assets	104.4	-	104.4
Other non-financial assets	359.2	359.2	-
	2,221.7	359.2	1,862.5
Total Assets	20,423.9	17,448.9	2,975.0
Liabilities			
Financial liabilities			
Derivative financial instruments	5.6	5.6	-
Payables			-
(I) Trade payables			-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4,863.3	4,863.3	-
(II) Other payables			-
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
Debt securities	3,953.4	3,953.4	-
Borrowings (Other than debt securities)	-	-	-
Deposits	33.2	-	33.2
Other financial liabilities	1,824.1	1,824.1	-
	10,679.6	10,646.4	33.2

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to consolidated financial statements for the year ended March 31, 2019

	As at	Within	After
	April 1, 2017	12 months	12 months
			(₹ million)
Non-financial Liabilities			
Current tax liabilities (net)	-	-	-
Provisions	389.1	51.0	338.1
Other non-financial liabilities	4,340.4	3,705.1	635.3
	4,729.5	3,756.1	973.4
Total Liabilities	15,409.1	14,402.5	1,006.6
Net	5,014.8	3,046.4	1,968.4

45. RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs (“MCA”), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective from April 1, 2019:

Ind AS 116 Leases:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Group will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Group will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Group will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee’s incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Group will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Group is in the process of completing a detailed assessment of the impact on its financials.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution

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to consolidated financial statements for the year ended March 31, 2019

of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any impact from this pronouncement.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group does not have any control / joint control of a business that is a joint operation.

46. EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration No.:101248W/W-100022

Milind Ranade

Partner

Membership No.: 100564

Date: April 23, 2019

Place: Mumbai

Vinod Kumar Dhall

Chairman

DIN - 02591373

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

Glossary and Abbreviations

Sr. No.	Term	Description
1	ADTO	Average Daily Turnover
2	AIF	Alternate Investment Funds
3	AGM	Annual General Meeting
4	AMC	Asset Management Company
5	AMFI	Associate of Mutual Funds in India
6	AoA	Articles of Association
7	API	Application Programme Interface
8	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
9	AUM	Assets Under Management, total market value of investments which a financial institution manages on behalf of its clients
10	AVP	Associate Vice President
11	BCP	Business Continuity Plan
12	BFSI	Banking, Financial Services and Insurance
13	BSE	BSE Limited
14	Current Account Deficit	A measurement of a nation's trade when it imports more goods, services and capital than it exports
15	CAGR	Compounded Annual Growth Rate
16	CDSL	Central Depository Services (India) Limited
17	CFRT	Committee on Financial and Regulatory Technologies
18	CII	The Confederation of Indian Industry
19	Corporate Fixed Deposits	A term deposit of a corporate held at a fixed rate of interest over a prescribed period
20	Cost to income ratio	Company's costs in relation to its income
21	CRV	Creating Relationship Value
22	CSR	Corporate Social Responsibility
23	Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
24	DII	Domestic Institutional Investors
25	Dividend Payout Ratio	Portion of net income a company pays to its stockholders in dividends
26	DP	Depository Participant
27	DP ID	Depository Participant's Identification Number
28	ECM	Equity Capital Market
29	EPS	Earnings Per Share
30	ESOP	Employee Stock Option Plan
31	ESOS	Employees Stock Option Scheme
32	ETF	Exchange Traded Funds, an investment fund traded on a stock exchange
33	FCNR Account	Foreign Currency Non-Resident Account
34	FD	Fixed Deposit
35	FI	Financial Institution
36	FICCI	The Federation of Indian Chambers of Commerce and Industry
37	FII	Foreign Institutional Investors
38	FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
39	FPO	Follow-on Public Offer
40	GDP	Gross Domestic Product

Sr. No.	Term	Description
41	Gol	Government of India
42	HNI	High Networth Individual
43	HPRM	High Performance Relationship Management
44	IA	Independent Advisors
45	IBA	Indian Banks' Association
46	ICAI	Institute of Chartered Accountants of India
47	ICICI Foundation	ICICI Foundation for Inclusive Growth
48	IFA	Independent Financial Advisors
49	IIRC	International Integrated Reporting Council, is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs. The coalition is promoting communication about value creation as the next step in the evolution of corporate reporting.
50	InvIT	Infrastructure Investment Trust
51	IPO	Initial Public Offering
52	IPP	Institutional Placement Programme
53	IR	Integrated Reporting <IR> in corporate communication is a "process that results in communication, most visibly a periodic "integrated report", about value creation over time. An <IR> is a concise communication about how an organisation's strategy, governance, performance and prospects lead to the creation of value over the short, medium and long term.
54	IRDAI	Insurance Regulatory and Development Authority of India
55	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)
56	Issuer/Company	The Issuer proposing the Initial Public Offering/Follow-on Public Offering as applicable
57	Karvy	Karvy Fintech Private Limited (R&TA)
58	KMP	Key Managerial Personnel
59	KPIs	Key Performance Indicators
60	LAS	Loan Against Security, loan taken against investment of securities
61	Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
62	LMP	Leadership Mentoring Programmes
63	MF AUM	Mutual Fund AUM
64	Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
65	M&A	Mergers and Acquisitions
66	NBFC	Non-Banking Financial Company
67	NECS	National Electronic Clearing Service
68	NEFT	National Electronic Fund Transfer
69	NGO	Non-Governmental Organisation
70	NISM	National Institute of Securities Markets
71	NMIMS	Narsee Monjee Institute of Management Studies, Mumbai
72	Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
73	NPS	National Pension Scheme, a government sponsored voluntary pension scheme
74	NRE Account	Non-Resident External Account
75	NRC	Nomination and Remuneration Committee of the Board
76	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

Sr. No.	Term	Description
77	NRO Account	Non-Resident Ordinary Account
78	NSDL	National Securities Depository Limited
79	NSE	National Stock Exchange of India Limited
80	PA	Personal Accident
81	PAT	Profit After Tax
82	PE	Private Equity
83	PMS	Portfolio Management Service
84	Qualified Institutional Buyers or QIBs	As defined under SEBI Regulations
85	QIP	Qualified Institutional Placement
86	RBI	Reserve Bank of India
87	Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
88	R&TA	Registrar and Share Transfer Agent
89	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.
90	Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
91	REIT	Real Estate Investment Trust
92	Rights Issue	Invitation to existing shareholders to purchase new securities
93	RM	Relationship Manager
94	RoC	The Registrar of Companies
95	ROE	Return on Equity
96	RTGS	Real Time Gross Settlement
97	SEBI	Securities and Exchange Board of India
98	SGB	Sovereign Gold Bonds, alternatives for holding physical gold
99	SIP	Systematic Investment Plan
100	SMAC	Secondary Markets Advisory Committee
101	SME	Small and Medium Enterprises
102	SOP	Standard Operating Procedure
103	SE	Stock Exchanges
104	STT	Securities and Transaction Tax
105	TER	Total Expense Ratio, total cost of a fund to the investor
106	The Act	The Companies Act, 2013
107	UHNI	Ultra High Net-worth Individuals
108	ULIP	Unit-linked Insurance Plan, a policy that gives both insurance cover and investment
109	UPI	Unified Payments Interface
110	UTI MF	UTI Mutual Fund
111	YoY	Year-on-Year



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 the 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,
IR@icicisecurities.com

6. Financial Year reported

2018-19

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 retail broking, institutional broking, distribution of financial products and investment banking.

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 and a step down subsidiary in United States of America. The United States step down subsidiary has a branch in Singapore.

The Company has initiated procedure for closure of the Oman branch.

(b) Number of National Locations:

In India, the Company has a network of around 200 ICICI direct branches across 75 cities, 7100+ sub-brokers, authorised persons, IFAs and IAs across 700+ cities.

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)

₹ 1610.7 million

2. Total Turnover (INR)

₹ 17,258.0 million

3. Total profit after taxes (INR)

₹ 4,869.2 million

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)

₹ 118.4 million

5. List of activities in which expenditure in 4 above has been incurred

- Promoting sustainable livelihood through vocational skill development projects through the ICICI Foundation for Inclusive Growth.
- Promoting financial literacy and basic financial planning to junior personnel in defense and other allied uniform services.
- Providing means to a sustainable livelihood to women through skill development.
- Healthcare through Vision Foundation.
- Educating people with regard to the importance of drafting a Will for securing their family's future.

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: 00074885
2. Name: Ajay Saraf
3. Designation: Executive Director

(b) Details of the BR Head

Sr. No.	Particulars	Details
1	DIN (if applicable)	N.A.
2	Name	Mr. Sohandeep Hattar
3	Designation	Head – Human Resources
4	Telephone Number	+91-22-40701493
5	E-mail Id	sohandeep.hattar@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.

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		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	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	-	-	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify?	Y	Y	Y	Y	Y	-	-	Y	N
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	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	Y
6	Indicate the link for the policy to be viewed online?	Y	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	Y
8	Does the Company have inhouse structure to implement the policy/policies?	Y	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	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	N	Y	-	-	N	N

* Policies wherever stated have been approved by the Board/Committee of the Board/senior management of the Company.

All policies and processes are subject to audits/reviews done internally in the Company from time to time.

Notes

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 in place a product and process approval framework approved by a Committee constituted by the Board. As per the framework, the Product and Process Approval Committee approves processes with respect to all new products. 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.

P3 Sr. No. 3 - In line with the general laws and regulations and sound ethical practices followed nationally, the Company has adopted employee oriented policies covering areas such as employee benefits and sexual harassment at the workplace which endeavor to provide an environment of care, nurturing and opportunity to accomplish professional aspirations. Sr. No. 6 - These policies can be viewed online by the employees of the organization on the intranet of the Company.

P4 The principle enunciates the aspect of being responsive towards all stakeholders especially those who are disadvantaged, vulnerable and marginalized. Sr. No. 3 and 6 - The Company has set processes in place to achieve the objectives addressed by this principle. Besides its own CSR activities like Project Siddhika for underprivileged women, the Company also works with ICICI Foundation for Inclusive Growth in areas like elementary education, sustainable livelihoods and healthcare. The Company's Corporate Social Responsibility Policy can be viewed on the weblink http://www.icicisecurities.com/CMT/UPLOAD/ARTICLEIMAGES/CSR_Policy.pdf.

P5 Sr. No. 3 - The Group Code of Business Conduct & Ethics (Code) which has been adopted by the Company addresses the requirements of this principle. The Code emphasizes fair employment practices & diversity, fair competition, prohibition of harassment & intimidation and the safety at the workplace. The Company is an equal opportunity employer and believes in providing a safe workplace and an enabling work environment to its employees. Sr. No. 6 - The Code of Business Conduct and Ethics is available on the website of the Company (www.icicisecurities.com). The Company is also governed by the Code of Conduct for Stock Brokers issued by SEBI which covers aspects such as integrity and fairness to clients.

P6 The aspects outlined under this Principle are not substantially relevant to the Company given the nature of its business.

P7 While there is no specific policy outlined for this principle, the Company, through trade bodies and associations, puts forth a number of suggestions

with respect to equity markets. The Company, directly and along with the ICICI Foundation for Inclusive Growth has been working on several initiatives for promotion of inclusive growth.

P8 Sr. No. 3 and 6 - As part of its CSR initiative, the Company contributes towards the activities of ICICI Foundation for Inclusive Growth which focuses on the areas of elementary education, sustainable livelihoods, primary healthcare and financial inclusion. The initiatives of ICICI Foundation for Inclusive Growth can be viewed on the link www.icicifoundation.org. The Company has a Corporate Social Responsibility Policy 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 Samruddhi" that focuses on spreading financial literacy to the junior level of personnel working in defence and police forces, "Siddhika" that focuses on educating and empowering women to be financially independent and "iCaniWill" that focuses on spreading awareness on Will drafting and its benefits to secure one's family's future.

P9 Sr. No. 3 and 10 – The Customer Relations Policy is drawn from the existing best practices. We are not aware of any existing global or national standard for benchmarking. The Company has a dedicated customer servicing team which focuses on building and strengthening customer service orientation by initiating various measures for improvement in customer service. The team periodically reviews service performance measures, major operational changes or any other issue impacting customer service delivery. The policy can be viewed on the weblink https://www.icicisecurities.com/CMT/UPLOAD/ArticleAttachments/Customer_Relations_Policy.pdf.

(b) If answer to Sr. No. 1 against any principle, is No, please explain why: (Tick up to 2 options)

NA

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.

Yearly basis.

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 publishes the BR Report annually. The hyperlink for viewing the report for FY2019 is https://www.icicisecurities.com/CMT/UPLOAD/ArticleAttachments/Business_Responsibility_Report_FY_2018_2019.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.

During the year, 13 complaints were received from shareholders and the same were resolved.

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.

Of the 362 complaints outstanding at the beginning of the year April 2018 and 14,372 complaints received during the period April 1, 2018 to March 31, 2019, 14,673 complaints have been resolved, indicating resolution rate of 99.59%.

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:

NA

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 of e-waste through authorized e-waste vendors.

Principle 3

- 1. Please indicate the total number of employees:**

The Company had 4,072 employees (4,051 permanent, 21 contractual) at March 31, 2019.

- 2. Please indicate the total number of employees hired on temporary/contractual/casual basis:**

The Company had 21 employees at March 31, 2019.

- 3. Please indicate the number of permanent women employees:**

The Company had 951 women employees at March 31, 2019.

- 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 3 such employees.

- 5. Do you have an employee association that is recognized by management?**

No

- 6. What percentage of your permanent employees is members of this recognized 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 on Prevention of 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. The number of cases reported during the year was three. All the complaints were disposed off during the year and no complaints were pending as at March 31, 2019.

- 8. What percentage of your under mentioned employees were given safety & 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 all the large offices. Periodic fire evacuation drills and electrical and fire safety audits are conducted at these office locations, 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 for all large offices. For small branches, demonstration/training on how to use fire-fighting equipment during emergency is conducted by regional infra managers; additionally online fire safety awareness sessions has been conducted.

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), women safety and road safety are circulated periodically 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 include customized campus assimilation programmes, on-boarding and orientation workshops for new hires, regulatory and compliance based knowledge & skill upgradation 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 3,905 employees in FY2019. During the same period, the Company covered around 3,661 employees through classroom based 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 & marginalized 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 marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company 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 imbibing 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 contract 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, 2019.

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 focusing on progressive support for our key CSR initiatives. ICICI Foundation for Inclusive Growth has undertaken initiatives aimed at promoting sustainable livelihood through vocational skill building and promoting education.

We worked on three key programmes, in the current year, in the areas of education and skill development; Mission Samruddhi, Siddhika and iCaniWill. 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.

We launched a third CSR initiative called, iCaniWill. This initiative focusses on educating the people with regard to the importance of Will drafting and busting the myths associated with it. Our primary focus has been to promote that drafting a Will is one of the most important aspects in an individual's financial planning journey.

We have reached out to around 2.8 crore people through Digital platforms and have educated over 2 lakh people through informative content pertaining to Will and its benefits.

The Company partnered with Vision Foundation of India to perform eye surgeries in Maharashtra for 500 individuals in FY2019.

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 for Inclusive Growth, 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 apart from working with external agencies for facilitating ground level execution of these programmes.

Additionally, the Company has partnered with Will drafting experts to get factual content pertaining to Will drafting for our third CSR initiative, iCaniWill.

3. Have you done any impact assessment of your initiative?

Yes. Under Mission Samruddhi, the Company reached out to over 26,000 junior level personnel from various uniformed forces, at their bases across the country in FY2019. As part of the pilot for Siddhika, the Company has trained over 1,900 women from locations in 6 states, of which 500 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.

For our Will awareness related CSR “iCaniWill”, we have reached out to around 2.8 crore people through digital platforms, out of which we received over 2 lakh visits on our Will related informative website www.icicisecurities.com/ican-iwill.

4. What is your company’s direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The Company spent ₹ 118.4 million in its CSR activities during FY2019. 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, Siddhika and iCaniWill in FY2018-2019 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 and spread awareness pertaining to the importance and the benefits of Will drafting to people. The Company will continue 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 362 complaints outstanding at the beginning of the year April 2018 and 14,372 complaints received during the period April 1, 2018 to March 31, 2019, 14,673 complaints have been resolved, indicating resolution rate of 99.59%.

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.